



March 16, 2023

Ref: 271994

Their Worship Mayor Gord Milsom
City of West Kelowna
2760 Cameron Rd
West Kelowna BC V1Z 2T6

Dear Mayor Milsom:

The population of B.C. has increased consistently over the past decade and is projected to keep growing in the next 10 years. The provincial government understands the need to facilitate greater housing supply for our growing population. The province will support local governments in addressing the multiple funding and financing constraints to aid in the construction of infrastructure and amenities for all B.C. communities. Local governments' investment in core community infrastructure and amenities increases the amount of land that is ready to be developed to a higher density.

The Government of B.C. has invested considerable resources in infrastructure and amenities in the past 10 years and has strategically leveraged federal funding to that effect. More than \$1.6 billion in federal and provincial funding have been invested in our communities since 2018 through the Investing in Canada Infrastructure Program. However, as there is still more to be done for infrastructure and amenities, the provincial government is pleased to provide the Growing Communities Fund (GCF) for local governments province-wide.

As a one-time grant, the GCF will provide up to \$1 billion through direct grants to local governments to support all B.C. communities, with a focus on those communities that need to increase the pace and scale of housing supply. The principal objective of the GCF is to increase the local housing supply with investments in community infrastructure and amenities. Municipalities are encouraged to work closely with adjacent local First Nations, in recognition of the *Declaration on the Rights of Indigenous Peoples Act*, as this collaboration strengthens our communities and regions.

The funding provided through the GCF should be limited to one-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities. These funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects.

Eligible costs are as follows:

- Public drinking water supply, treatment facilities and water distribution;
- Local portion of affordable/attainable housing developments;

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- Childcare facilities;
- Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities;
- Wastewater conveyance and treatment facilities;
- Storm water management;
- Solid waste management infrastructure;
- Public safety/emergency management equipment and facilities not funded by senior level government;
- Local road improvements and upgrades;
- Sidewalks, curbing and lighting;
- Active transportation amenities not funded by senior level government;
- Improvements that facilitate transit service;
- Natural hazard mitigation;
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation-related amenities.

Further to the above-noted capital costs, one-off costs can include:

- Costs of feasibility studies (including infrastructure capacity assessment); other early-stage development work; costs of designing, tendering and acquiring land (where it is wholly required for eligible infrastructure projects); constructing eligible infrastructure projects; and, in limited situations, non-capital administrative costs where these are necessary, for example adding staff capacity related to development or to establish complementary financing for local government owned infrastructure or amenities.

I am pleased to advise you that the City of West Kelowna is the recipient of a \$10,212,000 grant under the Growing Communities Fund. This amount will be directly transferred to your local government by March 31, 2023.

Under part 7 of the Local Government Grants Regulations, the amount of the grant to each local government is set by the Minister of Municipal Affairs. The determination of this amount was based on a formula that applies to all municipalities.

This formula is based on three components: a flat funding amount, an “adjusted population” amount and a “population growth” amount. The flat amount is \$500,000. The “adjusted population” amount is \$365 per adjusted population. The population adjustment ensures smaller municipalities get a higher per capita share of funding despite larger municipalities receiving more funding in absolute dollars. The “population growth” amount is \$1,000 per capita population growth between 2016 and 2021.

As a condition of this funding, the grant must be placed in a segregated reserve fund established by bylaw under section 188 of the *Community Charter* for the Capital and Planning purposes of the GCF. This fund must be separate from other existing reserve funds. To ensure full transparency regarding the use of funds, your local government will be required to annually report on how it spends this grant. This will be part of the annual financial reporting required under section 167 of the *Community Charter*. Your local government will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds and the year-end balance of unused funds. Your local government must continue to annually report on the use of grant money until the funds are fully drawn down.

Further to the financial reporting, an annual report that identifies work-related Housing Needs Reports and pre-zoning requirements, as applicable, is required. The province also encourages highlighting projects that align with provincial priorities such as CleanBC and childcare; as well as those that align with the province's Environmental, Social and Governance framework for capital projects.

Finally, requirements will include parameters for public recognition of the funding related to projects. The province must be consulted prior to any proactive media events or news releases related to the project. Funded projects must also acknowledge the province's contribution through temporary and permanent on-site signage. The provincial government anticipates that the funds will be expended within approximately five years of receipt.

If you have any questions or comments regarding this letter, please feel free to contact the Local Government Infrastructure and Finance Branch by email at: LGIF@gov.bc.ca. Further information on the program will be available on the following webpage: <https://www2.gov.bc.ca/gov/content/governments/local-governments/grants-transfers/grants/bc-s-growing-communities-fund>.

The province welcomes this opportunity to support the growth of the supply of housing throughout British Columbia. We believe that this funding will contribute to the capacity of B.C. local governments to provide critical services as our province and economy grows.

Sincerely,



Anne Kang
Minister

pc: Paul Gipps, Chief Administrative Officer, City of West Kelowna
Warren Everton, Chief Financial Officer, City of West Kelowna

Attachment with Example Calculation for a Municipality with 15,000 People

Population Range	From	To	Adjustment Factor
1. Very Small	0	2,000	100%
2. Small	2,001	5,000	80%
3. Small-Med	5,001	10,000	60%
4. Medium	10,001	20,000	40%
5. Large-Med	20,001	40,000	20%
6. Large	40,001	150,000	10%
7. Very Large	150,001	900,000	5%

To illustrate, for a city of 15,000 people, the adjusted population is:

- For this first 2,000 residents, adjustment of 100% = $2,000 \times 100\% = 2,000$
- For the next 3,000 (up to 5,000), adjustment of 80% = $3,000 \times 80\% = 2,400$
- For the next 5,000 (up to 10,000), adjustment of 60% = $5,000 \times 60\% = 3,000$
- For the last 5,000 (up to 15,000), adjustment of 40% = $5,000 \times 40\% = 2,000$

Thus, the city of 15,000 people has an adjusted population of 9,400 ($=2,000 + 2,400 + 3,000 + 2,000$).

If the city grew by 4,500 people between 2016-2021, the total grant amount is calculated as follows:

Component	Calculation	Result
Flat Funding	\$500,000	\$500,000
Adjusted Population	$= 9,400 \times \$365$	\$3,431,000
Population Growth	$= 4,500 \times \$1,000$	\$4,500,000
Total Grant		\$8,431,000