



Date: 14/02/2019

MEMORANDUM

To: Chair and Directors, Committee of the Whole

And To: Choose an item.

From: John MacLean, Chief Administrative Officer

Date of Meeting: Committee of the Whole_Feb28_2019

File: Grants for Assistance Policy

Subject: Grants for Assistance Policy Review

Item for Discussion:

A staff report discussing and reviewing the Grants for Assistance Policy.

Background:

Legislative Framework

The Local Government Act allows for Regional Districts to provide “assistance for the purpose of benefiting the community or any aspect of the community”. For the entirety of this memorandum “GFA” may be read as “grant-for-assistance”.

We have included the relevant sections of the Local Government Act below and highlighted the specific sections of interest.

LOCAL GOVERNMENT ACT

[RSBC 2015] CHAPTER 1

Deposited with Clerk of the Legislative Assembly on December 16, 2015

Part 8 — Regional Districts: General Powers and Responsibilities

Division 1 — General Powers

Corporate powers

263 (1) Subject to the specific limitations and conditions established under this or another Act, the corporate powers of a board include the following:

(c) to provide assistance for the purpose of benefiting the community or any aspect of the community;

Division 4 — Providing Assistance

Definition of "assistance"

271 For the purposes of section 263 (1) (c) [*assistance for community benefit*] and this Division, "assistance" means providing a grant, benefit, advantage or other form of assistance, including

- (a) any form of assistance referred to in section 272 (1), and
- (b) an exemption from a tax, fee or charge.

Publication of intention to provide certain kinds of assistance

272 (1) A board must publish in a newspaper its intention to provide any of the following assistance:

- (a) disposing of land or improvements, or any interest or right in or with respect to them, for less than market value;
- (b) lending money;
- (c) guaranteeing repayment of borrowing or providing security for borrowing;
- (d) assistance under a partnering agreement.

(2) The notice must be published before the assistance is provided and must include

- (a) the intended recipient of the assistance, and
- (b) the nature, term and extent of the proposed assistance.

General prohibition against assistance to business

273 As a limitation on section 263 (1) (c) [*assistance for community benefit*], a board must not provide assistance to an industrial, commercial or business undertaking.

Exception for assistance under partnering agreements

274 Despite section 273 and in addition to the power under section 263 (1) (c) [*assistance for community benefit*], a board may provide assistance under a partnering agreement.

Exception for assistance in relation to utilities or mountain resorts

275 Despite section 273, a regional district may operate the service of

- (a) providing capital financing for services provided by a telephone, natural gas or electric power utility, or

(b) the giving of grants to an applicant for a business promotion scheme under section 215 [*business improvement areas*] of the *Community Charter* in relation to a mountain resort.

Exception for heritage conservation purposes

276 (1) A board may provide assistance for one or more of the purposes referred to in section 25 (2) [*heritage assistance*] of the *Community Charter*.

(2) A board may, by an affirmative vote of at least 2/3 of the votes cast, provide assistance for the conservation of property referred to in section 25 (3) [*heritage property assistance to business*] of the *Community Charter*.

(3) The powers under this section are in addition to the power under section 263 (1) (c) [*assistance for community benefit*] and apply despite section 273 [*general prohibition against assistance to business*].

Limitation on assistance by means of tax exemption

277 As a limitation on sections 263 (1) (c) [*assistance for community benefit*] and 274 [*exception for assistance under partnering agreements*], a board may provide a property tax exemption only in accordance with Division 4 [*Tax Rates and Exemptions*] of Part 11 [*Regional Districts: Financial Management*].

LOCAL GOVERNMENT ACT

[RSBC 2015] CHAPTER 1

Part 11 — Regional Districts: Financial Management

Division 1 — Financial Planning and Accountability

Annual financial plan

374 (1) A regional district must have a financial plan that is adopted annually, by bylaw, by March 31

(9) As a limit on expenditures, the amounts that may be included in a financial plan as expenditures respecting assistance to be apportioned under section 380 (2) (g) [*assistance other than under a partnering agreement*] must not, in total, exceed the amount that would be obtained by a tax of 10¢ per \$1 000 on the net taxable value of land and improvements in the regional district.

Apportionment of costs

380 (1) If the establishing bylaw sets the method for apportioning the costs of providing a service, those costs must be apportioned among the participating areas in accordance with the bylaw.

(2) If the method of apportionment is not set by establishing bylaw, the costs of providing a service must be apportioned on the basis of the converted value of land and improvements in the service area as follows:

(a) if there is an establishing bylaw but it does not set out the method of apportionment, among the participating areas for the service;

(b) if there is no establishing bylaw and the method of apportionment is not otherwise set under this or another Act, among all the municipalities and electoral areas participating in the service, with the service area deemed to be the entire regional district;

(c) in the case of electoral area administration,

(i) subject to subparagraph (ii), among all the electoral areas, with the service area deemed to be all the electoral areas, and

(ii) if the board provides that some or all of the costs are to be apportioned among the electoral areas that the board considers benefit from the administration, those costs must be apportioned among those electoral areas, with the service area deemed to be all those electoral areas;

(g) in the case of assistance under section 263 (1) (c) [*assistance for community benefit*], other than assistance under a partnering agreement referred to in section 274, at the option of the board,

(i) in accordance with paragraph (b) of this subsection, or

(ii) among the municipalities or electoral areas benefiting from the assistance, with the service area deemed to be all those areas;

In summary, the legislation allows for:

1. The providing of grants for assistance for the purposes of benefiting the community or any aspect of the community.
2. A definition of what a grant can be which includes:
 - a. Tax, fee or charge waiver
 - b. A grant
 - c. A loan or loan guarantee
 - d. An interest in land for less than fair market value
3. Limitations on what qualifies as a grant for assistance or if they can be offered.
4. A tax requisition limitation of \$0.10/1000 of the net taxable value of land and improvements.
5. Two models for cost apportionment.

Current Process

Our current process is governed by Cariboo Regional District Grants-for-Assistance Policy (Policy No. 13-03A-39).

The first element is the annual intake where grant applications are received until September 30 of each year, are considered sub-regionally and can exceed \$1,000. Once recommended by the appropriate sub-regional Committee and approved by the Board the amounts are included in the Five-Year Financial Plan.

The second element is a year-round intake of grants up to \$1,000. This process allows for individual grants to be provided from a sum of money established for each Electoral Area that can be as high as \$5,000.

Both grant programs utilize similar evaluation criteria, which on cursory review appear to be relevant and appropriate.

Current Challenges

From the staff perspective there are many challenges in our current operational practice. In no particular order they include:

- The North Cariboo, has from time to time, decided not to provide for Grants-for-Assistance, and has instead made a donation to the Quesnel Foundation and directed those seeking grants to the Foundation application process. This is inconsistent with the practice in the Central and South Cariboo. In fact, in the South Cariboo the Electoral Area Directors sometimes team up with the District of 100 Mile House to make recommendations on GFA's.
- The Board has chosen to waive policy in order to approve an application that otherwise would not meet the policy criteria. Waiving policy happens enough that it undermines the effectiveness of said policy. It has also undermined staff ability to filter those applications that are beyond approved timelines or inconsistent with the spirit if not the letter of the policy. It leaves staff in the uncomfortable position of not being able to advise applicants with any certainty and the Board sometimes asking us to be a filter.

- There are questions as to how we inform the public of the availability of the GFA program. Some Directors have expressed concern with the availability of the application forms on our website.

Current Funding Model

Electoral Area	Net Taxable Assessed Value	Taxable @ \$0.10 per \$1,000	2019 GFA - Under \$1K Year Round Intake	2019 GFA Annual Intake	Total GFA Requisition
Area - A	\$ 677,823,941	\$ 67,782	\$ 5,000		\$ 5,000
Area - B	483,021,439	48,302	\$ 5,000		\$ 5,000
Area - C	123,663,299	12,366	\$ 5,000		\$ 5,000
Area - D	443,894,489	44,389	\$ 5,000	\$ 18,392	\$ 23,392
Area - E	465,126,107	46,513	\$ 5,000	\$ 3,922	\$ 8,922
Area - F	788,149,857	78,815	\$ 5,000	\$ 15,302	\$ 20,302
Area - G	949,762,591	94,976	\$ 5,000	\$ 16,175	\$ 21,175
Area - H	387,248,471	38,725	\$ 5,000	\$ 4,850	\$ 9,850
Area - I	149,005,712	14,901	\$ 5,000		\$ 5,000
Area - J	133,964,502	13,396	\$ 5,000	\$ -	\$ 5,000
Area - K	60,329,392	6,033	\$ 5,000	\$ 756	\$ 5,756
Area - L	1,337,550,949	133,755	\$ 5,000	\$ 19,950	\$ 24,950
Totals	\$ 5,999,540,749	\$ 599,954			

Directors have up to the legislative requisition limit to consider.

Annual Intake allows for larger grants and are specifically considered, approved and included in the Five-Year Financial Plan by the Board.

The Directors, should requisition room still be available, can establish up to \$5K for year-round intake of GFA Applications of up to \$1K. Any amount surplus is carried to following year, but year-round intake amount never exceeds \$5K.

Requisition never exceeds legislative limits per electoral area.

Service is run through Electoral Area Admin.

Example 1: Area K (Requisition Limit \$6,033) approves annual intake GFA's in the amount of \$5,000. They would only be able to establish a year-round intake for that year in the amount of \$1,033.

Example 2: Area K (Requisition Limit \$6,033) receives and approves no annual intake applications. They are still limited to a year-round intake of \$5,000

Things to Consider

- We need a policy that the Board is comfortable in performing these key tasks:
 - It is providing a clear explanation to the public as to how and if they are eligible to apply for a GFA.
 - It is providing clear guidance to the Electoral Area Directors so they can effectively and accurately advise their constituents.

- It is allowing the Board the latitude to approve GFA's that they feel are consistent with the spirit and intent of the guiding legislation.
 - That the Board is not going to waive more often than not.
 - That Staff can use to advise potential applicants as to the eligibility and probability of success.
 - It is providing the Board some level of protection from liability and risk.
 - It is providing the Board protection from fraud.
 - It is ensuring that we are meeting all our other statutory obligations. (e.g.: FOIPPA)
- Are we providing ongoing funding or are grants meant to be project or event based?
 - Are we funding operations? Capital?
 - How do we ensure that the broader community is going to benefit from the GFA?
 - What should our goal be in communicating with the taxpayer on which GFA's were approved or not?
 - When other Government (e.g.: the School Board) leave the funding areas (e.g.: stop funding programs or initiatives that were a traditional part of their resource allocation) are GFA's going to fill in?
 - Do we have concerns with the religion, ideology or practices of an applicant group? If so, how do we effectively discriminate without infringing on human rights?
 - Are GFA's meant to be a viable alternative to the establishment of a service and direct local taxation? What if we do not want to offer the service?
 - Are Electoral Area Directors restricted to their role as decider or can they act as advocates? Applicants?

Attachments:

- 1. Cariboo Regional District Grants-for-Assistance Policy**
- 2. Current South Cariboo Joint GFA Application**
- 3. Current Central Cariboo GFA Application**
- 4. Current Quesnel Foundation Application (North Cariboo)**
- 5. Current Year Round (< \$1,000) Application**
- 6. Sample Policies – Other Regional Districts (CSR, TNRD, RDBN, PRRD)**