



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	July 10, 2023
SUBJECT/REPORT NO:	Disaster Mitigation and Adaptation Fund Intake Three (FCS21090(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tran Trang (905) 546-2424 Ext. 6151
SUBMITTED BY:	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the projects listed in Appendix “A” to Report FCS21090(b), totalling \$35.860 M, be approved as the City of Hamilton’s submission for consideration of the requested funding amount of \$12.910 M for the period from 2023 to 2033 in accordance with the terms and conditions associated with Infrastructure Canada’s Disaster Mitigation and Adaptation Fund Intake Three;
- (b) That should the City’s submission for the Disaster Mitigation and Adaptation Fund Intake Three program be approved by Infrastructure Canada, staff be directed to report back to the General Issues Committee to seek approval of a financing strategy, inclusive of future tax supported levy increases, for the City’s portion of approximately \$22.950 M related to eligible project costs between 2023 to 2033, as outlined in Appendix “A” to Report FCS21090(b), in accordance with the terms and conditions associated with the Disaster Mitigation and Adaptation Fund Intake Three;
- (c) That the Mayor and City Clerk be authorized and directed to execute any funding agreement(s) and ancillary documents required for the City to receive funding for the projects listed in Appendix “A” to Report FCS21090(b), through Infrastructure Canada’s Disaster Mitigation and Adaptation Fund Intake Three, in a form satisfactory to the City Solicitor;

- (d) That copies of Report FCS21090(b), respecting the Disaster Mitigation and Adaptation Fund Intake Three, be forwarded to local Members of Parliament.

EXECUTIVE SUMMARY

In January 2023, the Minister of Intergovernmental Affairs, Infrastructure and Communities, announced that Infrastructure Canada is accepting applications for new projects through the Disaster Mitigation and Adaptation Fund.

As part of the Government of Canada Adaptation Action Plan, released alongside the National Adaptation Strategy (NAS) in November 2022, the Disaster Mitigation and Adaptation Fund received an additional \$489.1 M in funding. This additional funding, combined with the remaining program funding, makes more than \$1 B available for Disaster Mitigation and Adaptation Fund projects.

This funding will support projects that include new construction of public infrastructure or the modification or reinforcement of existing public infrastructure that help communities withstand natural disasters and climate-related risks. For municipal projects, Disaster Mitigation and Adaptation Fund will fund 40% of the eligible costs for approved projects, with the remaining costs to be funded by the municipality.

Eligible recipients for Disaster Mitigation and Adaptation Fund funding include municipalities, local governments, provinces or territories, public sector bodies, Indigenous organizations, not-for-profit, and for-profit organizations in partnership with other eligible applicants outside the private sector. Projects must have a minimum of \$1 M in total eligible costs to be considered eligible.

The recommendations in Report FCS21090(b) are to seek Council approval of the City's application for the Government of Canada's Disaster Mitigation and Adaptation Fund Intake Three. Over the past decade, almost every jurisdiction in Canada has experienced significant weather-related events or disasters triggered by natural hazards.

Staff proposes to submit applications in response to the Disaster Mitigation and Adaptation Fund Intake Three funding program for capital projects as identified in Appendix "A" to Report FCS21090(b). Projects are related to improvements of the City's wastewater and stormwater infrastructure to enhance levels of service during extreme events. The City's proposed Disaster Mitigation and Adaptation Fund Intake Three submission includes projects with total project costs of \$35.860 M, Infrastructure Canada Disaster Mitigation and Adaptation Fund share of 40% of \$12.910 M and City Share of 60% from rate capital budgets of \$22.950 M over the next 10 years. The summary of the proposed City projects for the Disaster Mitigation and Adaptation Fund submission is included in the Analysis and Rationale for Recommendation(s) section of Report FCS21090(b), beginning on page 4.

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The deadline for submission of applications is July 19, 2023 at 3:00 PM EDT. Approved projects must be substantially completed no later than December 31, 2032 to be eligible for funding. Project costs incurred prior to the Disaster Mitigation and Adaptation Fund project approval are not eligible for funding. Should some or all of the City's applications be approved, staff will report back with a financing strategy to fund the City's portion of the projects. All projects put forward have been included in the City's 10-year Rate Capital forecasts.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The potential funding contribution from the Disaster Mitigation and Adaptation Fund would enhance the City's ability to address built infrastructure such as Wastewater and Stormwater asset additions and enhancements. Total estimated project spending equates to \$35.860 M of which \$22.950 M is the City's share, cash flowed over a 10-year period.

All the proposed projects in Appendix "A" are currently in the City's 10-year Rate Capital forecasts with one project that is partially funded. Should this application be successful, staff will report back with a recommended financing strategy to accommodate the City's portion of these projects.

Staffing: There are no staffing implications associated with the recommendations in Report FCS21090(b).

Legal: The City will have to enter into a funding agreement to receive approved Disaster Mitigation and Adaptation Fund grants. The funding agreement will encompass the terms and conditions of the Disaster Mitigation and Adaptation Fund program.

HISTORICAL BACKGROUND

In 2018, the Government of Canada launched the Disaster Mitigation and Adaptation Fund committing \$2 B over 10 years to invest in structural and natural infrastructure projects to increase the resilience of communities that are impacted by natural disasters triggered by climate change. For this intake, the City of Hamilton was successful for the Extreme Storms – Shoreline Protection Resilience Project for eligible project costs of \$31.7 M with 40% federal government funding of \$12.7 M.

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In 2021, the Government of Canada announced an additional \$1.375 B in federal funding over 12 years allowing the opening of a new intake period for the Disaster Mitigation and Adaptation Fund. The funding for the second intake was split into two streams, with \$670 M allocated to the small-scale project and the remaining funding allocated to the large-scale projects. The City of Hamilton applied for \$41.338 M in funding but was not successful.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Staff from Public Works and Hamilton Water were consulted in the development of Report FCS21090(b) and put forward the proposed projects based on their review of Disaster Mitigation and Adaptation Fund program criteria. Staff consultation will continue as part of the next steps to complete the Disaster Mitigation and Adaptation Fund application.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The information and recommendations in Report FCS21090(b) have City-wide implications related to the City's natural and built infrastructure which is at risk of damage associated with climate change.

The Disaster Mitigation and Adaptation Fund Intake Three application is for capital projects related to Wastewater and Stormwater Infrastructure Resiliency at a total value of \$35.860 M. These are all summarized in Appendix "A" to Report FCS21090(b). The costs associated with these projects are spread over the period 2023 to 2033. The rationale for each project submission is outlined in Appendix "B" to Report FCS21090(b).

If successful in obtaining funding, the Disaster Mitigation and Adaptation Fund program would allow the City to make significant progress to reconstruct and build critical infrastructure which will protect the City's communities from future hazard events.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

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Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21090(b) – Disaster Mitigation and Adaptation Fund –
Project List – Disaster Mitigation and Adaptation Fund Application Intake #3

Appendix “B” to Report FCS21090(b) – Disaster Mitigation and Adaptation Fund –
Project List – Disaster Mitigation and Adaptation Fund Application Intake #3

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