

## **New Deal for Cities and Communities (NDCC) Questions & Answers - Updated: July 13, 2005**

### **Why is the program being initiated?**

The New Deal for Cities and Communities (NDCC) is a federal initiative introduced as an acknowledgement that all communities in Alberta face increasing infrastructure pressures, including the need to address their current infrastructure debt and longer term infrastructure requirements.

### **Will the existing Alberta Infrastructure and Transportation municipal grant programs continue?**

Yes, the existing allocation based programs including the new Alberta Municipal Infrastructure Program, as well as many of the project specific programs, will continue at their current funding levels.

### **What determines infrastructure backlog or debt?**

Infrastructure debt is the backlog of necessary capital infrastructure projects that the municipality has identified as required, but have had to delay or defer due to the lack of municipal funding. Municipalities should address the backlog/debt with the development of an Integrated Community Sustainable Plan.

### **How soon will NDCC funds be available?**

Funding is dependent upon the province receiving the funds from the federal government. The provincial-municipal grant agreement necessary to facilitate the payment of the funds to the municipalities is in the final stages of development and should be available in mid-July. The first grant payment can proceed soon after the agreement is signed by the municipality and returned to the department, and the municipality's subsequent program application is received and reviewed by the department.

### **Over how many years will municipalities get NDCC funding?**

Funding will be provided over a five-year period, beginning fiscal 2005/06. While it is intended that all projects should be completed within this five year period, allowance for the completion of projects in progress at the end of the period will be considered.

**Are there any plans to extend the program beyond five years?**

In the fourth year of the program (2008/09) there will be an evaluation of the accomplishments under the program and a decision will be made at that time as to the future of the program.

**Is any cost-sharing required to access NDCC funding?**

No municipal cost-sharing is required on this program; however municipalities will be expected to maintain their current level of spending on infrastructure before accessing NDCC funding.

**What do you mean when you say municipalities must maintain their current level of spending?**

The NDCC funds are intended to assist municipalities in reducing the backlog of necessary sustainable capital municipal infrastructure projects that have been deferred, delayed, or are beyond the municipality's current funding abilities. The new funding provided under NDCC is intended to supplement the municipalities "normal" capital infrastructure spending. The municipality will be required to maintain this normalized annual capital expenditure before utilizing the funds available under this program.

**Can NDCC funding be used as the municipality's share under other Alberta Infrastructure and Transportation grant programs?**

NDCC funding may not be used as the municipal share of new projects under other grant programs. In special cases, however, where the total cost of a project exceeds all available funding, NDCC funds may be used to top-up the other funding sources. Any municipality wishing to follow this approach should first consult with Alberta Infrastructure and Transportation.

**What types of projects are eligible for funding under NDCC?**

Project eligibility will be similar to other existing grant programs but with a strong emphasis on environmentally sustainable infrastructure. Only capital project costs are eligible. All municipalities are encouraged to implement an Integrated Community Sustainable Plan early in the program. See our website for further details (<http://www.transportation.alberta.ca/2709.htm>)

### **Are projects already in progress eligible for funding?**

Expenditures incurred by the municipality prior to the signing of an NDCC agreement by the municipality and prior to acceptance by Alberta Transportation that the project meets the program criteria are not eligible under this program.

### **Where can I get details on the NDCC program?**

Some preliminary details are now posted on the Alberta Transportation website. Project eligibility is similar to existing grant programs, with an emphasis on sustainable infrastructure. Only capital costs are eligible. Most capital municipal infrastructure projects (water, wastewater, storm drainage, road rehabilitation except in Calgary and Edmonton, and public transit) are eligible.

See (<http://www.transportation.alberta.ca/2709.htm>) for further details, including reporting requirements.

### **Are there any federal reporting requirements for the municipalities?**

Yes. The master Federal/Provincial agreement, signed on May 14, 2005, mandates various reporting requirements. Some of these requirements include municipal submission of an Integrated Community Sustainability Plan, a detailed Multi-Year Capital Plan, and project applications as well as descriptions and details regarding the outcomes achieved under the program.

Reporting procedures for the new program are under development and will be posted to the website when available.

### **Are there any provincial reporting requirements for the municipalities?**

Yes. It is proposed that the provincial requirements and reporting procedures for the NDCC program be similar to those being introduced for the new Alberta Municipal Infrastructure Program. The details on these reporting requirements will be posted to the website when available.

### **How will the funds be provided?**

Subject to receipt of the funds from the federal government, the funds will be provided in annual or semi-annual increments following the signing of grant agreements, similar to existing grant programs, and can be spent over the life of the program according to local planning needs and priorities. This gives the municipality the opportunity to accumulate funds in order to undertake major projects requiring more than one year's funding allocation.

### **How will interest earned on grant funds be handled?**

Project revenue earned through the investment of NDCC funds shall be accounted for and be used towards eligible capital project costs. Municipalities requiring more information on interest policy should refer to the Administrative Procedures or contact Alberta Transportation.

### **What does the allocation of funding look like?**

Allocation of funds is essentially per capita, based on a program total of \$57.2 million in year one and ramping up to \$190.8 million in year five. The grant allocation for the first three years will be based on population estimates for 2006. Allocations for the subsequent two years of the program will be adjusted according to the census numbers available in 2007. Distribution of funding by population, about 99% of the \$477 million, treats all municipalities fairly and equitably, whether they are large metropolitan areas, medium-sized cities or small towns.

### **How will the program funding allocations be reconciled with future populations?**

Based on their estimated 2006 census population, each municipality will receive initial grant payments for the first three years of the program. When the 2006 census data becomes available in 2007 it will be incorporated into the 2007 Official Population. The actual per capita rate will be determined in 2007 based on a program cap of \$477 million dollars and the total 2007 Official Population. This updated information will then be used to calculate the maximum grant allocation to each municipality and the payment increments for the following two years will be adjusted accordingly.

### **What constitutes an Integrated Community Sustainable Plan?**

An Integrated Community Sustainable Plan is a multi faceted plan that encourages the implementation of environmentally friendly municipal infrastructure. This includes public transit, general energy consumption reduction, water quality and conservation, road rehabilitation, etc.

### **Why is the program not “unconditional”?**

The intent of the program is to address municipal infrastructure debt, backlog, and sustainable future needs, therefore it is specific to capital infrastructure projects, and is directed to “Sustainable Infrastructure”. Further details can be found on our website (<http://www.transportation.alberta.ca/2709.htm>)