SUBJECT: Federal Transit and Affordable Housing Grant Allocations (FCS07050) (City Wide)

RECOMMENDATION:

a) That the one-time unconditional Federal Public Transit Capital Funds that are flowing through the Province of Ontario in the amount of $11,147,927.39 be deposited to a new reserve - 108045 Federal Public Transit Funds; and

b) That the one-time unconditional Federal Affordable Housing Funds that are flowing through the Province of Ontario in the estimated amount of $6,580,000 be deposited to a new reserve - 112239 Federal Housing Initiatives.

EXECUTIVE SUMMARY:

Under Bill C 48, the Federal Government released previous financial commitments relating to affordable housing and transit to the Provinces. The 2007 Province of Ontario Budget, announced the forwarding of these commitments to Ontario municipalities. For Hamilton, this meant $6,580,000 for affordable housing and $11,147,927.39 for transit.

Overall, the City has received $16,096,991.39 in Federal Public Transit Funds. Of the amount received, $10,434,843 has been committed for Transit Fleet Purchases and for the construction of Bus Terminals.
Council on July 12th, 2006 through report PW06092 committed $6,034,843 for the replacement of buses. On March 30th, 2007, the Committee of the Whole reallocated 2007 funding for the construction of the Eastgate and Downtown bus terminals from the Provincial Gas Tax fund to the Federal Gas Tax Transit fund, resulting in a commitment of $4,400,000.

**BACKGROUND:**

Refer to Executive Summary.

**ANALYSIS/RATIONALE:**

N/A

**ALTERNATIVES FOR CONSIDERATION:**

While the Province did, in fact, make these payments as unconditional grants, in order to flow the funds to the City, it is very clear from the various communications received that there is an expectation the funds will be used for these specific purposes.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

N/A

**POLICIES AFFECTING PROPOSAL:**

**Investment Income Allocation Policy**

That actual investment earnings from the City’s investment management program be allocated to the Reserves, to the Reserve funds, to the Obligatory Reserves and to the Capital Fund based on month end balances from these sources for a 12 month period.

**General Reserve Policies**

That the creation of new reserves be reviewed by the General Manager of Finance and Corporate Services for compliance to the Municipal Act and to the City’s Reserve Policies.

**RELEVANT CONSULTATION:**

Financial Services Division
Community Services Division
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Evaluate the implications of your recommendations by indicating and completing the sections below. Consider both short-term and long-term implications.

**Community Well-Being is enhanced.** ☒ Yes ☐ No
Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.

**Environmental Well-Being is enhanced.** ☐ Yes ☒ No
Capital Investments in Transit Services will reduce the use of motor vehicles within Hamilton.

**Economic Well-Being is enhanced.** ☒ Yes ☐ No
Investment in Hamilton is enhanced and supported.

Does the option you are recommending create value across all three bottom lines? 
☒ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? 
☐ Yes ☒ No