

Date: August 30, 2021

To: Chair and Members of General Committee

From: Shari Lichterman, CPA, CMA, Commissioner of  
Corporate Services and Chief Financial Officer

Originator's files:

Meeting date:  
September 22, 2021

## Subject

**DMAF - Disaster Mitigation Adaptation Fund**

## Recommendation

1. That the report dated August 30, 2021 entitled "DMAF - Disaster Mitigation and Adaptation Fund" from the Commissioner of Corporate Services and Chief Financial Officer be received.
2. That staff be directed to prepare and submit applications to DMAF – Round two-scheduled intake for small and large-scale projects as outlined in the Corporate Report.
3. That PN's be created where required for the project(s) upon funding approval.

## Executive Summary

- DMAF is a national, competitive and merit-based contribution program that supports infrastructure projects designed to mitigate current and future climate-related risks and disasters triggered by natural hazards.
- Federal budget 2021 allocated \$1.375 billion in funding over 12 years to renew the DMAF for a second round of funding. \$670 million has been allocated to small-scale projects, and the remaining to large-scale projects.
- Round two will support both small-scale infrastructure projects (less than \$20 million, greater than \$1 million), and large-scale infrastructure projects (greater than \$20 million).
- All projects must be completed by December 31, 2032
- Applications for large-scale projects are due October 15, 2021. Small-scale project applications are due November 15, 2021. A second submission intake for both streams of funding are due July 20, 2022 if not able to meet the initial intake deadline.
- Bundled project applications are permitted, provided they work systematically as a whole to reduce the same risk within the same time period and meet all other eligibility requirements. There are no limits to the number of applications that can be submitted.

- City staff completed a review of potential projects against eligibility criteria (Appendix 1). Projects recommended have total eligible costs of \$87.1 million and a funding request of \$34.8 million. The City's total cost-share would be \$52.2 million, for which \$32.7 million is funded through the capital budget.

## Background

In 2018, the Government of Canada launched the Disaster Mitigation and Adaptation Fund (DMAF), a national, competitive, and merit-based contribution program intended to support infrastructure projects designed to mitigate current and future climate-related risks and disasters triggered by natural hazards, such as floods, wildland fires, droughts and seismic events.

The overall objective of the DMAF is to strengthen the resilience of Canadian communities at risk of infrastructure failure that could result in:

- threats to health and safety;
- threats to critical infrastructure, including interruptions in essential services;
- significant disruptions in economic activity; and/or
- increasingly high costs for recovery and replacement.

In the 2021 federal budget, an additional \$1.375 billion in funding over 12 years was announced to renew the DMAF. Starting in 2021, the DMAF funding will have two streams, with \$670 million allocated to the small-scale project stream and the remaining funding allocated to the large-scale project stream.

### Eligible Projects

Eligible infrastructure projects must involve new construction of public infrastructure and/or modification or reinforcement of existing public infrastructure including natural infrastructure that prevent, mitigate or protect against the impacts of climate change, disasters triggered by natural hazards, and extreme weather.

Project must be aimed at reducing the socio-economic, environmental and cultural impacts triggered by natural hazards and extreme weather events taking into consideration current and potential future impacts of climate change in communities and infrastructure at high risk.

Projects must be completed by December 31, 2032.

Ineligible projects include:

- All emergency and response services infrastructure (e.g., evacuations centres);
- Relocation of entire communities or properties associated with relocation;
- Purchase of any type of dwellings or buildings; and
- Equipment (unless it is part of the larger fixed infrastructure asset).

- Land acquisition as a single project component.

### **Available Funding**

Federal cost-sharing and stacking limitations for municipalities is set at up to 40%, regardless of funding stream.

Projects total eligible costs must fall within the thresholds established for each stream:

- Small-scale: projects under \$20 million with a minimum threshold of \$1 million in total eligible costs.
- Large-scale: project minimum of \$20 million or above in total eligible costs.

All approved DMAF projects will be required to submit a project level GHG Mitigation Assessment and report on Community Employment Benefits prior to Infrastructure Canada making payments.

### **Application Process**

Applications will be accepted by 7PM, EST on the below referenced dates:

#### Small-scale

- November 15, 2021
- July 20, 2022

#### Large-scale

- October 15, 2021
- July 20, 2022

Bundled project applications are permitted, provided they work systematically as a whole to reduce the same risk within the same time period. There are no limits to the number of applications that can be submitted.

## **Comments**

In 2018, the City of Mississauga applied to round one of the DMAF for the Cooksville Creek Watershed project. This application for funding was unsuccessful.

## **Engagement and Consultation**

Finance staff worked closely with Community Services (Parks and Forestry) and Transportation and Works (Infrastructure Planning and Engineering Services) staff to develop the recommended projects list contained within Appendix 1.

Recommended projects were reviewed against strict eligibility criteria including natural hazard type (e.g., flood, erosion, storm, drought, etc.), essential service connection (i.e., transportation, power, waste supply, wastewater, stormwater or safety), whether contracts had been initiated, substantial completion date requirements, as well as whether or not they could be bundled with any other City projects.

**Dixie-Dundas Flood Mitigation**

The Dixie-Dundas Flood Mitigation project is a large-scale initiative that intends to provide relief to a flood susceptible area along the Little Etobicoke Creek corridor. The site is in high-priority spill area for Toronto and Region Conservation Authority, contains an intensification area near a transit node (i.e. Dixie GO rail station) and supports the larger inter-regional transit initiative represented by the Dundas Connects study. There is considerable interest in securing funding that will support these numerous city-building opportunities.

**Credit River Erosion Control through Erindale Park**

The Credit River erosion control project through Erindale Park represents an inter-departmental collaboration to improve both the environment and resident experience. On the former, investment in erosion protection will stabilize the creek banks, thus providing improved opportunity for fish habitat and biodiversity. On the latter, by improving trail networks in the area, users of Erindale Park can continue to enjoy one of the City's natural treasures.

**1 Port Street East Breakwater**

This area of Port Credit Harbour is prone to extreme weather events. In recent extreme weather events and increased lake levels, we have experienced damage to adjacent parkland and to the existing break wall. Rehabilitation of the breakwater will be required irrespective of DMAF funding approval in order to limit significant disruptions to operations and to protect the harbour, parkland and private businesses in the Port Credit area.

This project will be specific to implementing flood-proofing measures and rehabilitating the existing breakwater to meet current design standards along with lake fill, rip rap and armouring to provide greater protection to the harbour, shoreline and marina. The lake fill will expand the breakwater, while adding 3.4 acres of tableland and increase waterfront parkland to the Port Credit area. The project costs are exclusive of any future marina project or lake fill associated with a future marina.

**Financial Impact**

Federal cost-sharing and stacking limitations for municipalities is set at up to 40%, regardless of funding stream. Projects recommended have total eligible costs of \$87.1 million and a funding request of \$34.8 million. This represents a cost-share for the City of \$52.2 million, for which \$32.7 million is funded through the capital budget.

Approved projects will be included in the 2023 Capital Budget.

Project	Funded Eligible Costs	Unfunded Eligible Costs	Total Eligible Costs	Funding to be Requested (40%)
Dixie-Dundas Flood Mitigation	\$1,654,000	\$25,320,000	\$26,974,000	\$10,789,600
West Harbour Flood Mitigation	\$23,140,000	\$0	\$23,140,000	\$9,256,000
Credit River Erosion Control through Erindale Park	\$0	\$4,603,000	\$4,603,000	\$1,841,200
Credit Village Marina Dock Rehabilitation	\$2,615,000	\$0	\$2,615,000	\$1,046,000
1 Port Street East Breakwater	\$0	\$24,500,000	\$24,500,000	\$9,800,000
Gypsy Moth Aerial Spray	\$5,242,000	\$0	\$5,242,000	\$2,096,800
<b>Total</b>	<b>\$32,651,000</b>	<b>\$54,423,000</b>	<b>\$87,074,000</b>	<b>\$34,829,600</b>

Funding from the government would be provided through a funding agreement directly between Infrastructure Canada and the City of Mississauga.

## Conclusion

The DMAF program offers the City an opportunity to complete both small and large-scale infrastructure projects with the financial support of the federal government, while contributing to increased resilience against the impacts of extreme weather.

Based on the information and recommendations provided in this report, staff will complete funding applications for the projects endorsed by Council prior to the submission deadlines. Upon notification of successful applications, staff will update Mayor and Council and if necessary, bring a report forward in order to enter into a Transfer Payment Agreement with the federal government.

## Attachments

Appendix 1: Disaster Mitigation and Adaption Fund – Round Two: Project List



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer  
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