



SIoux LOOKOUT Hub of the North

REPORT

MEETING TYPE: Regular Council Meeting

To:	Mayor and Council
From:	Jennifer Esposito, Economic Development Officer
Date:	August 14, 2024
Subject:	Sioux Lookout Accelerated Housing Round 2 Proposal
Report No.:	2024-259

TITLE:

Sioux Lookout Accelerated Housing Round 2 Proposal

RECOMMENDATION:

THAT Council authorizes staff to submit an application for funding to the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund Round 2 (HAF2) program.

PURPOSE:

The purpose of the report is to obtain support from Council, and direction to submit an application to CMHC's Housing Accelerator Fund Round 2 for the project 'Sioux Lookout Accelerated Housing'.

BACKGROUND:

August, 16, 2023- Council approved the submission of an application to CMHC's HAF Round 1 under the Rural stream for communities with a population less than 10,000. The total amount of funding available equaled \$4 billion.

March 1, 2024- The Municipality of Sioux Lookout was notified that our project was not selected for funding. Subsequent feedback indicated that our application was strong with a range of activities aligned with program priorities. The program was very competitive and only one rural Ontario Municipality was supported for \$1,900,000. A scan of other successful Canadian rural community recipients revealed awards ranging up to \$4, 800,000 for a similar sized community.

July 8, 2024- The Municipality of Sioux Lookout was invited to apply to Round 2. The program guidelines are similar to Round 1. Round 1 applications were forwarded to the new program. Timelines for previously planned initiatives can be updated with new timelines.

The Housing Accelerator Program's Incentive Funding lists the following prescribed uses:

1. Investments in Housing Accelerator Fund Action Plans
2. Investments in Affordable Housing
3. Investments in Housing-Related Infrastructure
4. Investments in Community-Related Infrastructure that Supports Housing

Funding Methodology

Qualified communities receive funding based on overall growth commitments and projected units that align with priority areas. There are three components of the funding framework that determine eligible funding based on projected housing units to be incented:

1. Base funding
2. Top-up funding
3. An affordable housing bonus

Committed targets will be included in the action plan and reflected in the contribution agreement, if approved.

Other Funding Details

- This one-time opportunity allows unsuccessful Round 1 applicants to reapply in Round 2. No future intakes are planned.
- Funds are stackable with other programs

DISCUSSION:

Action Plan

Our overall project **evaluation score is 15/15**, including a 100% increase to housing development growth and 2.85% annual projected growth which exceeds the minimum target of 1.1%.

An action plan including seven initiatives has been developed, resulting in **a projection of a minimum of 200 housing units to be constructed before Sept 1, 2026** pending funding approval. The action plan has been modified from that proposed in Round 1 to substantially reduce the infrastructure extended as well as supported housing units to remain competitive. Some language and workplans are being revised to better align with updated guidelines and feedback from our CMHC advisor.

- 100 of the projected units would be those that would ordinarily occur, without incentive. These projections are based on historical figures and known initiatives under way.
- Partners have confirmed commitments in writing for the additional incented units. Projects able to proceed in 2025 with proposed supports will be prioritized to maximize scoring and community benefit.
- CMHC has reviewed the action plan and confirmed eligibility.
- Municipality of Sioux Lookout's Action Plan score is **92/100 for top 5 initiatives scored**.

Initiatives

1. Contribute to extension of municipal services (water, sewer, roads, sidewalks) to enable new development and update related infrastructure plans accordingly. **(20/20)**
2. In partnership with a social services provider, offer a culturally appropriate new home owner and new tenant training program to help prepare and incentivize new home buyers. **(18/20)**
3. Purchase a semi-detached modular home for demonstration purchases, to encourage development utilizing alternative construction methods. **(18/20)**
4. Promote a current biomass heating project to demonstrate an affordable heat source which reduces reliance on fossil fuels to make our housing system more sustainable. **(14/20)**
5. Offer financial incentives to home buyers that complete home buyer training and commit to purchase, with additional incentives for choosing alternative or sustainable construction methods. **(18/20)**
6. Offer financial incentives to developers for the development of affordable housing units on a per unit basis to enable and incent affordability. **(18/20)**
7. Review and update building and planning processes to streamline development services, enhance customer service, and improve inter-department integration. **(16/20)**
8. Approve and catalogue (4) architectural drawings for common secondary dwelling units and missing-middle type dwellings that meet building code standards and conform to esthetically pleasing designs. A reduced cost permit will be associated with using these designs to reflect decreased administration for the Municipality. **(16/20)**

Expected Results

The initiatives target a range of high-priority housing needs aligned with KDSB's housing strategy recommendations, and the HAF funding guidelines.

1. A 28 unit apartment incented in 2025/26. Targets newcomers and high skilled workers.
2. A semi-detached modular home demonstration of two potential configurations. A minimum of 50 units utilizing alternative construction methods (i.e. modular homes) designated affordable in a new subdivision and a subdivision with existing affordable housing incented in 2025. Targets new home owners, vulnerable population and sustainable development.
3. Additional market rate units of a range of types incented in 2026 & 2027.
4. Prepare and incentivize new home owners and encourage selection of alternative construction methods such as prefab, modular, and eco-friendly.
5. Incentivize and enable affordable development through the development of a housing trust fund. Fund to be initiated through project funds and sustained post-project through tax increment financing.
6. Incentivize builds by small developers by making the planning process smoother and reducing associated costs.

Proposed Project Timeline

1. Incorporate any feedback from developers, our Planning consultant, and Council and submit proposal by the September 13th, 2024 deadline.
2. If approved, proceed with municipal initiatives (Fall 2024/Winter 2025).
3. Complete all infrastructure work by 2025 to allow development to begin.
4. Initiatives must be completed by September 1st, 2026.

RELATIONSHIP TO THE STRATEGIC PLAN:

Strategic Plan Mission Statement: Fostering **growth** and **healthy living** while celebrating our **cultural diversity**.

Strategic Plan Vision: A vibrant community where **diversity**, nature and compassion **drive our prosperity**.

These initiatives presented in this project will advance progress on all five Strategic Priorities:

1. **Community Innovation & Development: Enhance quality of life.**
2. **Community Wellness: Healthy and safe for all residents.**
3. **Regional Collaboration: Collaborate to overcome shared challenges.**
4. **Community Engagement: Engage the community in municipal affairs.**
5. **Operational Excellence: Exceptional customer service.**

FINANCIAL IMPLICATIONS:

2

Source	Estimated Project Expense	Estimated Project Revenue
Infrastructure development	\$ 2, 900, 000	
Financial Incentives	\$ 1, 000, 000	
Modular Home Demonstrations	\$ 600, 000	
CMHC Housing Accelerator Fund		\$ 4, 500, 000
Municipality of Sioux Lookout Contribution		\$ 0
Project Totals	\$ 4, 500, 000	\$ 4, 500, 000

Written By:
Jennifer Esposito, Economic Development
Officer

Approved By:
Brian P. MacKinnon, CAO/Municipal Clerk