

**THE CORPORATION OF THE TOWN OF GEORGINA**

**REPORT NO. SI-2024-0015**

**FOR THE CONSIDERATION OF  
COUNCIL**

September 11, 2024

**SUBJECT: BUILDING FASTER FUND INVESTMENT PLAN**

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**1. RECOMMENDATIONS:**

- 1. That Council receive Report No. SI-2024-0015 prepared by the Corporate Strategy and Transformation Division, Strategic Initiatives Department dated September 11, 2024, respecting the Building Faster Fund Investment Plan;**
- 2. That Council approve the submission of the Investment Plan (IP), Attachment 1, to the Building Faster Fund program; and,**
- 3. That staff report back to Council with an update, as discussions and plans progress, to obtain the appropriate authority regarding implementation of the Investment Plan. This update may need to occur in-camera in whole or in part in the event that a proposed acquisition of land is involved.**

**2. PURPOSE:**

The purpose of this report is to confirm the use of the \$1,522,520 in funding, allocated to the Town of Georgina through the 2024 Building Faster Fund (BFF) program, as outlined in the proposed Investment Plan (IP) for submission to the Building Faster Fund program.

**3. BACKGROUND:**

Announced in August 2023, the BFF is a three-year, \$1.2 billion fund that will provide up to \$400 million per year to municipalities that have committed in writing to achieve their overall 2031 housing target and met all other program eligibility criteria. It is designed to reward municipalities based on performance towards provincially assigned housing targets.

As detailed in a letter from the Ministry of Municipal Affairs and Housing to the Town on February 14, 2024, the Town exceeded the 80% housing supply growth threshold for 2023 and is therefore eligible for \$1,522,520 in total funding in the 2024 BFF program year based on this performance.

On June 24<sup>th</sup>, 2024, the Town received direction to submit an Investment Plan (IP) for Ministry approval to receive this funding. The extended deadline to submit the Investment Plan (IP) is September 16<sup>th</sup>, 2024.

The following are relevant guidelines from the BFF program to inform the decision on how the funds can be used for the Investment Plan (IP):

- Intention of the funds:
  - For municipalities to invest in local priorities that support further growth in housing supply, particularly housing-enabling infrastructure and other expenditures that support community growth and housing affordability.
  - Funds must be spent before March 31<sup>st</sup>, 2026, but housing outcomes can occur after the March 31<sup>st</sup>, 2026 timeline (e.g. funding can go towards activities that support these outcomes, recognizing that the housing itself may not be completed within this timeline).
- Eligible categories of expenditures include:
  - Capital expenditures on housing-enabling core infrastructure and site servicing (e.g., roads, bridges, water and wastewater, including sanitary and stormwater facilities) to accommodate future residential development or preserve existing housing supply.
  - Operating or capital expenditures that support the creation of new affordable housing.
  - Operating or capital expenditures that support the creation of attainable ownership housing, including through modular construction.
  - Capital expenditures for homelessness services centres. This could include capital expenses for shelter space or municipal homelessness service hubs.
- Eligible expenditures:
  - Eligible capital expenditures can include soft costs (including planning, studies and permits), land costs, and hard costs (including costs of construction, labour and materials).
  - Eligible operating expenditures must be time-limited and cannot create operating funding obligations beyond the end of the BFF program (e.g., the creation of new staff positions).
- Ineligible expenditures:
  - Municipal staffing and administration costs, legal fees, rolling stock, movable/transitory assets, office and IT equipment and supplies, costs of completing any application or reporting for a provincial funding program, all taxes, penalties, and duties, financing and/or borrowing costs, insurance costs, non-cash items such as depreciation/amortization

expenses for tangible capital and intangible assets, provisions for bad/doubtful accounts etc.

- Transfer of funds to third parties:
  - BFF recipients may transfer BFF funds to third parties, including another municipality/upper tier municipality, municipal services corporation, housing service manager or non-profit housing provider, or another entity that has been approved by the province in writing to receive transferred funds.
- Timelines to spend the funds:
  - The Town has until March 31<sup>st</sup>, 2026 to spend the funds – in this Investment Plan the Town must identify the eligible expenses to be incurred between April 1<sup>st</sup>, 2024 and December 31<sup>st</sup>, 2024, but unused/saved/banked funds may be transferred over to the next year.
  - At the end of each program year, recipient municipalities will be required to submit year end reports on total funds spent, (e.g., invoiced), total funds committed but not spent (e.g., purchase orders), funds carried over to subsequent year (i.e., saved/banked), as well as interest earned on saved/banked funds.
- Reallocation:
  - If changes in expenditure allocations are required, municipalities may reallocate funds, but must seek approval from the Ministry and municipal council or delegated authority as required.

Town staff met with representatives from the Ministry on July 3<sup>rd</sup>, 2024, to review the program guidelines and requirements. Ministry staff noted that the Investment Plan requirements were intended to be as flexible as possible rather than prescriptive, and that the Plan's main purpose is to inform the Ministry about the size and scope of the project, potential partners, and other high-level details. They noted that the reallocation of funds is possible throughout the project duration, and that other sources of funding do not need to be confirmed at the time of submission.

#### **4. ANALYSIS:**

Staff considered potential projects using the following assessment criteria:

- Alignment to program guidelines including the limited timeline to spend funds and the committed funding envelope to work with.
- Alignment to the purpose of program which is for municipalities to invest in local priorities that support further growth in housing supply, particularly housing-enabling infrastructure and other expenditures that support community growth and housing affordability.

- Alignment to Resolution No. C-2024-0080 from the March 5<sup>th</sup>, 2024 Special Council Meeting.

Town staff met with representatives from York Region's Community and Health Services Department to brainstorm and evaluate potential projects. Their knowledge and expertise of the affordable housing development network helped to inform staff recommendations. The evaluation of these potential projects and recommended approach is summarized in the table below:

<b>Projects Evaluated</b>	<b>Evaluation</b>	<b>Rationale</b>
Infrastructure upgrades or repairs to maintain existing housing	Not right fit	Project will not create new housing, support affordable housing, or align with Council direction from March 5 <sup>th</sup> , 2024.
Investment in York Region's pre-planning work for potential new affordable housing development in Georgina	Not right fit	The pre-planning stage informs potential development, so housing units are not guaranteed after the pre-planning stage. In addition, any pre-planning work may not align with the program's timelines.
Financial Incentive program for residents to build accessory/additional residential units (ARUs)	Not right fit	The Ministry has confirmed that ARUs would need to meet the definition of affordable housing and/or attainable residential units as per Section 4.1 of the Development Charges Act, 1997. It would be challenging for the Town to enforce that the privately-owned units remain affordable per the definition (requiring separate binding agreements with each landowner that would need to be administered, monitored, and enforced by the Town for up to 25 years), and therefore it is not recommended for use of funds.
Investment in expansion of shelter beds in Georgina	Broad scope of recommended approach could include this project	Through the design of this project, these types of projects could be selected to receive funding if criteria can be met.
Purchase of land for the development of affordable housing	Broad scope of recommended approach could include this project	Land may not be the bottleneck for building affordable housing, but through the design of this project, funds could be spent to purchase land if that was required by a partner to build affordable housing units.
Partner with York Region and/or	Recommended approach	The proposed project is open-ended enough to allow the Town to solicit

community non- profit(s) / builder(s) / developer(s) /etc. to acquire, and/or renovate affordable housing in Georgina to create or maintain affordable housing units		interest from and select the right partner(s) who can satisfy the timeline requirements and contribute adequate budget to execute the project and create or maintain affordable housing units in Georgina.
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Ultimately, staff recommends that the Town partner with York Region and/or community non-profit(s)/ builder(s)/developer(s)/etc. to construct, acquire, and/or renovate affordable housing in Georgina to create or maintain affordable housing units. Leveraging this funding would help to attract additional investment from new or existing partners in Georgina interested in developing affordable housing.

An Expression of Interest, Request for Proposal, or equivalent process would allow the Town to select the right partner(s) who can satisfy the timeline requirements and contribute adequate budget to execute the project deliverables. The partner(s) would be responsible for managing and maintaining the units on an ongoing basis, and the Town would solely provide this upfront capital investment to encourage units to be built in the municipality more quickly.

Many potential projects and partners could be explored with this approach. Staff would return to Council with an update as discussions and plans progress to obtain the appropriate authority regarding project selection and investment.

## 5. RELATIONSHIP TO STRATEGIC PLAN:

The project supports the Corporate Strategic Plan's priority and goals related to housing supply and affordability.

<b>Pillar</b>	Ensuring Balanced Growth
<b>Goal</b>	Support a diversity of housing types in Georgina
<b>Initiative</b>	Advocate for and support building new residential units with a range of affordability and explore opportunities for partnerships and collaboration with York Region

In addition, the project aligns to several directions from Resolution No. C-2024-0080 from the March 5<sup>th</sup>, 2024 Special Council Meeting, listed below:

1. Continue to consult with York Region, as the Provincially designated lead for Housing and Homelessness, on partnership opportunities for addressing homelessness in Georgina and increasing the number of affordable community housing units in the Town, including the identification of specific actions within their 10-year plans.

2. Encourage continued partnerships and coordination of resources between York Region, local grass roots organizations, businesses and local individuals with respect to resources being provided throughout the community.
7. Identify on a preliminary basis existing and possible additional financial/other incentives that could be explored to foster more affordable housing units.
8. Identify resources (financial, staffing and community organizations) required to drive forward potential initiatives aimed at providing more affordable housing options for our various demographic groups, including seniors.

#### **6. FINANCIAL AND BUDGETARY IMPACT:**

The \$1,522,520 funding allocation will positively benefit the Town's ability to deliver on its housing growth and affordability goals.

Staff are putting forward a separate request for resources to support this and other affordable housing and homelessness related initiatives (Report SI-2024-0017).

#### **7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:**

There is no statutory requirement to provide notice of this report.

#### **8. CONCLUSION:**

The Town has been allocated \$1,522,520 in funding through the 2024 Building Faster Fund (BFF) program and must submit an Investment Plan (IP) to confirm the use of funds.

Town staff completed a comprehensive review of the program guidelines, including meeting with contacts at the Ministry, to identify a broad list of potential initiatives that best fit the guidelines and align to Council priorities and direction. Staff also met with representatives from York Region to brainstorm and evaluate these potential initiatives.

Based on these considerations, the recommended approach is for the Town to partner with York Region and/or community non-profit(s)/builder(s)/developer(s)/etc. to construct, acquire, and/or renovate affordable housing in Georgina to create or maintain affordable housing units.

In this regard, staff recommend that Council approve submission of the Investment Plan as attached.

As discussions and plans progress, staff will return to Council with updates and for the appropriate authority to implement the Investment Plan.

**APPROVALS**

Prepared By:	Simone Weinstein Program Manager
Reviewed By:	Olga Lawton Manager, Corporate Strategy and Transformation
Recommended By:	Shawn Nastke Director, Strategic Initiatives
	Denis Beaulieu Director, Development Services
	Rob Wheeler Deputy CAO/Treasurer
Approved By:	Ryan Cronsberry Chief Administrative Officer

***Attachment 1 - 2024 Building Faster Fund Investment Plan***