

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. SI-2025-0006

**FOR THE CONSIDERATION OF
COUNCIL**

April 16, 2025

SUBJECT: BUILDING FASTER FUND INVESTMENT PLAN UPDATE

1. RECOMMENDATION:

- 1. That Council receive Report No. SI-2025-0006 prepared by the Corporate Strategy and Transformation Division in the Strategic Initiatives Department dated April 16, 2025, respecting the Building Faster Fund Investment Plan Update;**
- 2. That Council redirect \$1,522,520 (plus accumulated interest) from the Building Faster Fund towards the Pavement Management Program;**
- 3. That Council direct the Town Treasurer to transfer \$1,522,520 (plus accumulated interest) from the Roads Repair and Replacement discretionary reserve to Tax Rate Stabilization discretionary reserve;**
- 4. That Council approve the change of funding source for the Affordable Housing Program for \$1,522,520 (plus accumulated interest) to the Tax Rate Stabilization reserve; and**
- 5. That Council provide delegated authority for the Deputy CAO/Treasurer to approve and submit an Investment Plan to the Ministry of Municipal Affairs and Housing towards pavement management and road reconstruction as described in the report.**

2. PURPOSE:

The purpose of this report is to revise the use of the \$1,522,520 (plus accumulated interest) in funding allocated through the 2024 Building Faster Fund (BFF) from the Affordable Housing Program towards the Pavement Management Program, and to use an alternate source of funding for the Affordable Housing Program. This adjustment will allow the two sources of incentives for the Affordable Housing Program (the other being the recently approved Housing Accelerator Fund) to be easily stacked with a common deadline to spend the funds.

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 meet all other program eligibility criteria. It is designed to reward municipalities that build homes based on performance towards provincially assigned housing targets.

As detailed in the letter from the Ministry of Municipal Affairs and Housing to the Town of Georgina on February 14, 2024, the Town exceeded the 80% housing supply growth threshold for 2023 and was awarded \$1,522,520 through the 2024 BFF program year based on this performance, to be fully spent by March 31, 2026.

The Town was required to create an Investment Plan detailing the use of funds during the Summer 2024. On September 11, 2024, Council approved the submission of an Investment Plan for the Building Faster Fund towards a partnership to construct, acquire, and/or renovate affordable housing in Georgina (refer to [report No.SI-2024-0015](#) for more details). Since then, an affordable housing consultant has been hired, and an Expression of Interest has been developed.

In December 2024, the Town's Housing Accelerator Fund (HAF) application was approved, which allocated \$1.5 million in incentives towards the Affordable Housing Program. The deadline to spend the HAF funds is December 2028.

The Ministry of Municipal Affairs and Housing has notified Town staff that they can update the proposed use of the Building Faster Fund allocation for the 2025 program year.

4. ANALYSIS:

To release an Expression of Interest for the Affordable Housing Program that easily stacks the two sources of incentives with one deadline for expenditures, staff believe that it is strategic to change the funding source from the Building Faster Fund to the Tax Rate Stabilization reserve. This would give affordable housing provider(s) until December 2028 to spend the funds in alignment with the longer Housing Accelerator Fund timeline and would therefore lead to better program outcomes.

Accordingly, staff recommend that the \$1,522,520 (plus accumulated interest) from the Building Faster Fund be put towards the Pavement Management Program. The Building Faster Fund program permits 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. The guidelines state that eligible capital expenditures can include soft costs (including planning, studies and permits), land costs, and hard costs (including costs of construction, labour and materials). Road reconstruction projects serve to manage risk, prolong service life, and thereby

preserve housing supply in Georgina, and are an eligible expenditure in the Building Faster Fund program.

In the 2025 Budget, Council approved a total of \$4,500,000 through business case #25-CI-OI-03 Pavement Management - 2025 Road Repairs and Reconstruction. The projects include road repairs which are required for preservation of existing housing supply such as:

- Route and seal crack repairs
- Two-layer microsurfacing
- Partial depth pavement removal and resurfacing
- Full-depth pavement removal, reclamation and resurfacing and
- Adjustments to chambers, curbs/gutters and reinstatement of pavement marking

The specific locations and quantities for application of the above treatments in 2025 will be determined following completion of Road Matrix™ software modelling. Council already approved award of the three-year road repairs contract OID2023-052 Road Repair Program, and a contractor has been engaged with the Town since 2023. Since this program aligns with the BFF requirements and will be delivered by March 31, 2026, staff recommends shifting the funding of BFF towards this program.

The locations for the 2025 road repair treatments will be reported to Council in May 2025 by the Operations and Infrastructure Department.

Staff would fund \$1,522,520 (plus accumulated interest) for the Affordable Housing Program from the Tax Rate Stabilization reserve to keep both budgets whole. This would provide the same level of incentives for affordable housing providers, but without the restrictive timelines from the Building Faster Fund. The Expression of Interest for affordable housing partners would be released following Council endorsement of this report.

5. RELATIONSHIP TO STRATEGIC PLAN:

Pillar	Delivering Service Excellence
Goal	Proactively manage infrastructure and assets to ensure service continuity
Pillar	Ensuring Balanced Growth
Goal	Support a diversity of housing types in Georgina
Action	Advocate for and support building new residential units with a range of affordability and explore opportunities for partnerships and collaboration with York Region

6. FINANCIAL AND BUDGETARY IMPACT:

The original funding source for business case #25-CI-OI-03 2025 Road Repairs and Reconstruction was \$2.2M Canada Community-Building Fund (CCBF) and \$2.3M Ontario Community Infrastructure Fund (OCIF). Upon approval of this report, staff will change the funding source as follows:

- \$1.5M Building Faster Fund (BFF)
- \$0.7M Canada Community-Building Fund (CCBF)
- \$2.3M Ontario Community Infrastructure Fund (OCIF)

The unused CCBF funding will be placed in an obligatory reserve and will be used in future budget approved projects.

In Ontario, funding for housing projects is primarily the responsibility of the provincial and federal governments. Local municipalities, such as the Town of Georgina, depend heavily on financial support from these higher levels of government to implement housing initiatives, as housing falls outside municipal jurisdiction. Given that the Town lacks both the legislative authority and financial capacity to fund housing projects independently, it does not currently maintain any dedicated reserves for housing.

Due to the reallocation of Building Fund Financing (BFF) to a roads-related project, the Affordable Housing Program will now require alternative funding sources. In the absence of a housing-specific reserve, staff recommend transferring funds from the Roads Reserve into the Tax Rate Stabilization Reserve, which is more appropriate for covering this type of expenditure.

Affordable Housing Program incentives in the amount of \$1,522,520 (plus any accumulated interest) will be paid from a Tax Rate Stabilization reserve. The actual interest amount will be realized in 2025.

The only financial impact will be on the sources of funding for each program, while the level of funding for each program will remain unchanged.

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 (plus accumulated interest) in funding through the 2024 Building Faster Fund (BFF) program to be spent by March 31, 2026.

The original Investment Plan was to spend the funds on a partnership to build, acquire and/or renovate affordable housing in Georgina. In December 2024, the Town's Housing Action Plan was approved, and due to the need to easily stack the two sources of funding and have a common deadline to spend the funds, staff are recommending reallocating the BFF funding to road reconstruction projects and using the Tax Rate Stabilization reserve for the affordable housing incentives.

In this regard, staff recommend that Council approve the change of funding sources for the two programs while transferring the funds between reserves and provide delegated authority to the Deputy CAO/Treasurer to submit an updated Investment Plan to the Ministry of Municipal Affairs and Housing.

APPROVALS

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