



Mayor's Taskforce on Building More Homes Advisory Committee Meeting Agenda

Wednesday, March 19, 2025, 12:30 p.m.

McNaughton Room - 3rd Floor, City Hall

Pages

1. Mayor's Taskforce on Building More Homes Advisory Committee Meeting 03-2025

Chair: Mayor Ken Boshcoff

2. Members

Mayor Ken Boshcoff

Justyn Desjardins - Representative - Institution Delivering Construction and Trades Training

Karen Hill - Representative - Real Estate Association

Harold Lindstrom - Representative - Construction/trades Association involved in Housing Construction

Paul Magiskan - Representative - Indigenous led Stakeholder with Affordable Housing Development Experience

Ken Ranta - Representative - Public/Non-Profit Housing Organization involved in Affordable Housing

John Stephenson - Member of Public with Working Knowledge of Research involvement in Housing and Housing Affordability and Development

3. Officials

John Collin, City Manager

Krista Power, Director of Legislative Services & City Clerk

Kerri Marshall, Commissioner - Growth

Joel DePeuter, Director - Development Services

Summer Stevenson, Project Manager - Housing Accelerator

Matthew Pearson, Senior Advisor - Growth

Larry Joy, Policy Assistant to the Mayor

Cheryl Lamers, Acting Manager - Community Development

Katie Piché, Council & Committee Clerk

4. Guests

5. Disclosures of Interest

6. Agenda Approval

WITH RESPECT to the March 19, 2025 meeting of the Mayor's Taskforce on Building More Homes Advisory Committee, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

7. Confirmation of Previous Minutes

4 - 7

The Minutes of Meeting 02-2025 of the Mayor's Taskforce on Building More Homes Advisory Committee, held on February 19, 2025, to be confirmed.

THAT the Minutes of Meeting 02-2025 Mayor's Taskforce on Building More Homes Advisory Committee, held on February 19, 2025, be confirmed.

8. Affordable Rental Housing Funding Program

8 - 27

Memorandum from Housing Accelerator Coordinator-Affordable Housing Lead Paula Cunningham, dated March 11, 2025 relative to the status of the Affordable Rental Housing Funding Program and lessons learned.

Memorandum from Project Manager Summer Stevenson, dated March 12, 2025, defining the term affordable.

Copy of Policy 02-06-01 (Affordable Rental Housing Funding Program), for discussion.

Summer Stevenson to provide a PowerPoint presentation relative to the above noted.

9. Building Permit and Development Application Processing Times

Director - Development Services Joel DePeuter to provide an overview relative to Development Services processing times.

10. Housing Design Catalogue

Media release from Housing, Infrastructure & Communities Canada announcing the Housing Design Catalogue:

<https://www.canada.ca/en/housing-infrastructure-communities/news/2025/03/federal-government-unveils-designs-as-part-of-the-housing-design-catalogue.html>

11. Housing Accelerator Fund (HAF) Action Plan Update

28 - 30

Memorandum from Project Manager Summer Stevenson dated March 12, 2025 providing an overview of the Action Plan Update for March.

12. Upcoming Events

12.1 Building Above Code Workshop - Enbridge

April 22, 2025, 9:00 a.m. - 2:00 p.m. at Valhalla Inn

13. New Business

14. Next Meeting

The next meeting date will be held on April 16, 2025 at 12:30 p.m. in the McNaughton Room.

15. Adjournment



Mayor's Taskforce on Building More Homes Advisory Committee Meeting Minutes

Wednesday, February 19, 2025, 12:36 p.m.

McNaughton Room - 3rd Floor, City Hall

1. Mayor's Taskforce on Building More Homes Advisory Committee Meeting 02-2025

Vice-Chair: Ken Ranta

At the request of the Chair, Ken Ranta chaired the meeting.

2. Members

Mayor Ken Boshcoff

Justyn Desjardins - Representative - Institution Delivering Construction and Trades Training

Harold Lindstrom - Representative - Construction/trades Association involved in Housing Construction

Paul Magiskan - Representative - Indigenous led Stakeholder with Affordable Housing Development Experience

Ken Ranta - Representative - Public/Non-Profit Housing Organization involved in Affordable Housing

John Stephenson - Member of Public with Working Knowledge of Research involvement in Housing and Housing Affordability and Development

3. Officials

John Collin, City Manager

Kerri Marshall, Commissioner - Growth

Joel DePeuter, Director - Development Services

Matthew Pearson, Senior Advisor - Growth

Summer Stevenson, Project Manager - Housing Accelerator

Larry Joy, Policy Assistant to the Mayor

Jamie Lee Kostecki, Manager - Community Development

Katie Piché, Council & Committee Clerk

4. Disclosures of Interest

No disclosures of interest were declared.

5. Agenda Approval

MOVED BY: Paul Magiskan
SECONDED BY: John Stephenson

WITH RESPECT to the February 19, 2025 meeting of the Mayor's Taskforce on Building More Homes Advisory Committee, we recommend that the agenda as printed, including any additional information and new business, be confirmed.

CARRIED

6. Confirmation of Previous Minutes

MOVED BY: Justyn Desjardins
SECONDED BY: Paul Magiskan

THAT the Minutes of Meeting 01-2025 Mayor's Taskforce on Building More Homes Advisory Committee, held on January 29, 2025, be confirmed.

CARRIED

7. Housing Accelerator Fund Draft Annual Agreement Report

Project Manager Summer Stevenson provided an update on the status of the Housing Accelerator Fund Annual Agreement Report, due on March 7, 2025. Committee will review and discuss the draft Report provided. A summary of the Report will be presented to Council on March 17, 2025.

Summer Stevenson advised that it is required to submit an annual report as part of the Housing Accelerator Fund program. A report to Council, detailing the report is tentatively scheduled for March 17, 2025.

The following information was discussed:

- Summary of Agreement report
- Reporting period- February 5, 2024 to February 4, 2025
- Thunder Bay has reached 99.7% of first year target and is on track with permits, action plan and remaining initiatives for 2025.
- Thunder Bay classified as top performing municipality

- Top performing municipalities invited to apply for additional funding and must be in compliance with ten best practices within HAF program. Additional funding will be limited. Deadline to apply is March 7, 2025.

- Affordable units
- ADU Grant Program
- Agreements with land purchasers
- Studies on lands, must be prepared for development
- How additional funding is triggered

A discussion was held relative to the Central Avenue Development Lands' lots and types of properties that will be built on them. It was noted that a development plan will be created, in consultation with key stakeholders.

Further discussion was held on the following:

- eligibility of new projects (ie: permanent supportive housing)
- public availability of current land studies (ie: geotech)

8. 2024 Grant Program Results

Memorandum from Project Manager Summer Stevenson, dated February 12, 2025 providing an overview of the 2024 Grant Program Results.

Summer Stevenson provided an overview and responded to questions. The following items were discussed:

- 2024 program results/key grant program indicators
- overview of total applications, approved and waitlisted
- timelines for disbursement of funds
- overview of the following:
 - Additional dwelling unit grant program
 - Affordable rental housing grant program
 - Construction assistance grant program
 - Multi-unit residential grant program
 - Housing Community Improvement Plan Sub-Grants
 - Scoring card for multi-use unit applications

Further discussion was held relative to average market rent based on unit size; building code/"barrier free" criteria and potential concerns (requirements within building code relative to accessibility and energy efficiency); and the City's ability

to flag these concerns at the building permit stage. Permit processing time was also discussed. Development Services will follow up at the next meeting regarding building permit approval timelines.

9. Housing Accelerator Fund (HAF) Action Plan Update - February

Memorandum from Project Manager Summer Stevenson, dated February 12, 2025, relative to the Action Plan Update for February, for information.

Summer Stevenson provided an overview on Thunder Bay's housing target progress and responded to questions.

It was noted that Thunder Bay achieved 99.7% of the first annual target, and 20% of the overall target from February 5, 2024, to February 4, 2025. In 2025, Thunder Bay will need 676 net new units to remain on track. It was also noted that the next funding disbursement from the federal government will be received April 1, 2025.

10. New Business

10.1 Upcoming Tariffs

A discussion was held and concerns were raised relative to potential rising costs of building materials due to tariffs being implemented by the US, and a question was asked relative to safety net funding for approved projects that are set to commence in 2025.

11. Next Meeting

The next meeting date will be held on March 19, 2025 at 12:30 p.m. in the McNaughton Room.

12. Adjournment

The meeting adjourned at 2:05 p.m.

MEMORANDUM

TO: Mayor's Taskforce on Building More Homes Advisory Committee

FROM: Paula Cunningham, Housing Accelerator Coordinator – Affordable Housing Lead

DATE: March 11, 2025

RE: **Affordable Rental Housing Funding Program Update**

The purpose of this memorandum is to provide the Mayor's Taskforce on Building More Homes Advisory Committee with an update on the Affordable Rental Housing Funding Program.

Working in partnership with Not-for-Profit organizations to support affordable housing development, from concept to construction, is a key driver in achieving the City's housing targets and fulfilling the Housing Accelerator Fund Approved Action Plan.

Background

At the March 11, 2024, Committee of the Whole Meeting, Report 64-2024 – Housing Accelerator Initiatives was approved, thereby approving the administrative framework for the Housing Accelerator Fund (HAF) program and allocating \$5,916,015 in 2024.

At the May 6, 2024, Committee of the Whole Meeting, Report 139-2024 – Housing Accelerator Fund – Affordable Rental Housing Funding Program was approved, introducing Policy No. 02-06-01 (Affordable Rental Housing Funding Program), allocating \$1,520,000 to the program in 2024, and delegating signing authority to the General Manager – Infrastructure, Development & Operations.

At the October 7, 2024, Committee of the Whole Meeting, Report 368-2024 – Affordable Rental Housing Funding Program Funding Advance was approved, thereby allocating an additional \$4,060,000 to the Affordable Rental Housing Funding Program for 2024.

From November 2024 to February 2025, the City of Thunder Bay successfully executed Contribution Agreements with five organizations through the Affordable Rental Housing Funding Program, with the final Contribution Agreement in progress, committing \$5,580,000 to support 130 affordable units and 114 market units.

Status

The Housing Accelerator Program has assisted in removing financial barriers that previously stalled affordable housing projects. By bridging funding gaps, the City has incentivized Not-for-Profits to transition their housing initiatives from vision to reality. While still in an early stage, this program is on track to increase affordable housing stock. It has also reinforced collaboration among government agencies, developers, and service providers, with discussions underway to create housing solutions.

All six funded projects are currently in the project design phase, progressing toward shovel-ready status. Projects need to apply for a building permit within one year of the effective date of their Contribution Agreement to maintain their funding. Currently, four projects are on track to meet this deadline. The fifth organization is working closely with the Housing Accelerator Coordinator to maintain momentum, and the final project is being monitored to determine the additional supports required to stay on schedule.

The Housing Accelerator Coordinator – Affordable Housing Lead provides hands-on support to Not-for-Profits, helping them identify additional funding sources, complete grant applications, coordinate partner meetings, provide support with acquiring project designs, assisting with operating budgets, and navigate development challenges. This proactive support has been critical in ensuring projects move forward efficiently.

Lessons Learned

While the program has shown early signs of success, several key challenges have been identified that provide valuable learning opportunities for future initiatives.

1. **Project Financing:** A recurring issue for Not-for-Profits is the requirement to secure land before qualifying for funding, despite needing funding to purchase land. Additionally, these capital-intensive projects require major funding investments in order to proceed, and securing funding can be extremely challenging. While market rents can assist in offsetting affordable rents, the cost of building is rising and this is often not enough. For example, a 60-unit project in 2025 was estimated to cost \$30M, projected prior to any tariff impacts.
2. **Not-for-Profit Staff Capacity and Expertise:** Many Not-for-Profits operate with limited staff capacity, making it difficult to navigate complex development processes. The Affordable Housing Navigator Initiative has been crucial to bridging this gap, providing expertise and guidance while moving projects forward at a reasonable pace. Expanding this support model could further enhance the success of future projects.
3. **Funding for Pre-Construction Soft Costs:** Not-for-Profits struggle to secure soft cost funding for pre-construction essentials, including design work, environmental assessments, and planning approvals. Without dedicated support for these critical upfront expenses, projects face delays or fail to advance past early stages. The current program requires a building permit before funding is dispersed.
4. **Program Timelines and Housing Development Realities:** One of the most significant takeaways has been the realization that the program's time constraints do not align with the realities of affordable housing development. CMHC has determined that a multi-unit housing project can take seven years to complete. Even with City funding secured, the complexity of approvals, financing structures, and construction timelines makes it extremely difficult to complete projects within short windows. Greater flexibility in program timelines and funding allocations for soft costs would better support Not-for-Profits in bringing projects to fruition. However, this is difficult in the context of the Housing Accelerator Fund, which is bound to a three-year time constraint.

Next Steps

The Affordable Housing Lead will continue to work closely with Not-for-Profit partners to support their efforts and address the challenges they face. This collaboration will provide valuable insight into program adjustments beyond the lifetime of the HAF, ensuring the City remains a leader in facilitating housing development and supporting community-driven solutions.

The City Manager Workplan includes the creation of an Affordable Housing Action Plan for Q1 2026. Initial work has begun to scope this initiative. The City remains committed to fostering a positive and solution-driven approach to affordable housing.

MEMORANDUM

TO: Mayor's Taskforce on Building More Homes Advisory Committee

FROM: Summer Stevenson, Project Manager – Housing Accelerator

DATE: March 12, 2025

RE: **Affordable Rental Housing Funding Program – Defining Affordable**

The purpose of this memorandum is to provide an overview of the various definitions used to determine what an "Affordable Unit" means and discuss these definitions in relation to the Affordable Rental Housing Funding Program and Thunder Bay's housing needs.

This action, "Review program definition of affordable," is included in the Mayor's Taskforce on Building More Homes Advisory Committee Workplan, approved at the January 25, 2025, meeting.

Background

At the May 6, 2024, Committee of the Whole Meeting, Report 139-2024 – Housing Accelerator Fund – Affordable Rental Housing Funding Program was approved, thereby approving Policy No. 02-06-01 (Affordable Rental Housing Funding Program; ARHFP). The Policy guides the allocation of available funding, providing financial support to Not-For-Profit organizations that create affordable housing in the City for low- to moderate-income households.

The ARHFP supports the City of Thunder Bay's Housing Supply Growth Target of 1,691 net new units, specifically the Affordable Sub-target that requires 20.55% of Housing Supply Growth Target units to be affordable (348 units).

The Housing Accelerator Fund (HAF) does not define affordability and relies on a local definition or provincial definition where there is no local definition. In addition, CMHC does not have a single definition of affordable because the definition differs depending on the program delivered. Therefore, it is up to the City to determine what qualifies as an affordable unit.

Relevant Definitions per Policy-02-06-01 (Affordable Rental Housing Funding Program)

The ARHFP includes the following definitions:

"Affordable Units" are rental housing units whereby the rent of a unit, inclusive of all utilities, is set at or below 80 percent of Canada Mortgage and Housing Corporation's (CMHC) Average Market Rent, by bedroom type, in the regional market area for a minimum of 10 years.

"Average Market Rent" (AMR) is a measure generated by CMHC through its Rental Market Survey. AMR captures the average rent charged by private landlords for available units and is calculated for individual neighbourhoods or urban zones.

“Market Units” are rental housing units whereby the rent of a unit, inclusive of all utilities, is set at the AMR, by bedroom type, in the regional market area.

AMR is often used as a benchmark to assess housing affordability in a particular location. The CMHC Rental Market Survey provides relatively consistent annual data to measure rents and vacancy rates over time. However, this metric does not capture household income levels which can pose a challenge as rising housing costs continue to outpace salary increases.

Definition Alignment

Proposed changes to the definition in the Policy require consideration of existing definitions and implications for other funding programs.

Local Definition – City of Thunder Bay Official Plan

In the case of rental housing, the least expensive of:

1. A unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or,
2. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Provincial Definition – Provincial Planning Statement, 2024

The definition in the Provincial Planning Statement (PPS), 2024, matches the definition in the City of Thunder Bay Official Plan.

Provincial Definition – Section 4.1 *Development Charges Act*, 1997

The City of Thunder Bay is considering the use of the Building Faster Fund to support affordable housing. The Building Faster Fund states that affordable housing be defined as a unit that meets the definition of an affordable residential unit set out in Section 4.1 of the *Development Charges Act*, 1997.

(3) A residential unit intended for use as a rented residential premises shall be considered to be an affordable residential unit if it meets the following criteria:

1. The rent is no greater than the lesser of,
 - i. The income-based affordable rent for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and
 - ii. The average market rent identified for the residential unit set out in the Affordable Residential Units bulletin.
2. The tenant is dealing at arm's length with the landlord.

Monthly Rent Comparison

Monthly rents vary by definition. Comparisons are made using 2023 AMR and 2023 renter household incomes. Renter household incomes are provided by the province and estimated based on Consumer Price Index (Ontario) and 2020 reported incomes from Statistics Canada Census of Population, 2021.

The data release cycle varies by jurisdiction. 2024 AMR is available and was released on December 17, 2024. Provincial data is expected late May/early June and will include updated renter household income estimates, maximum monthly rents, and an update to the Affordable Residential Units bulletin.

Maximum Affordable Rents, Policy 02-06-01

Table 1. Affordable monthly rents based on current definition in Policy 02-06-01.

Unit Size	2023 AMR	80% 2023 AMR	2024 AMR	80% 2024 AMR	Change
Bachelor	\$ 823	\$ 658	\$ 840	\$ 672	2%
1-Bedroom	\$ 1,054	\$ 843	\$ 1,146	\$ 917	9%
2-Bedroom	\$ 1,320	\$ 1,056	\$ 1,443	\$ 1,154	9%
3-Bedroom	\$ 1,678	\$ 1,342	\$ 1,895	\$ 1,516	13%

Maximum Affordable Rents, Provincial Planning Statement

Table 2. Affordable monthly rents in Thunder Bay, for low- (10th to 30th) to moderate- (40th to 60th) income households. Average affordable unit type at each income percentile based on 2023 AMR and 80% 2023 AMR.

Income Percentile	Renter Household Income	Affordable Rent*	2023 AMR	80% 2023 AMR
10 th	\$ 19,000	\$ 480	None	None
20 th	\$ 27,700	\$ 690	None	Bachelor
30 th	\$ 35,300	\$ 880	Bachelor	1-Bedroom
40 th	\$ 44,000	\$ 1,100	1-Bedroom	2-Bedroom
50 th	\$ 54,100	\$ 1,350	2-Bedroom	3-Bedroom
60 th	\$ 64,700	\$ 1,620	2-Bedroom	3-Bedroom

*Affordable rent calculations are based on 30% of monthly income.

Low-income households are the 10th to 30th percentile and moderate-income households are the 40th to 60th percentile. In 2023, low-income households could afford a bachelor apartment. At 80% AMR, low-income households could afford a bachelor or 1-bedroom apartment. In 2023, moderate-income households could afford a 1- or 2-bedroom unit. At 80% AMR, moderate-income households could afford a 3-bedroom unit.

Based on 2023 incomes and rents, the ARHFP definition increases affordability for both low- to moderate-income households. However, from 2023 to 2024, Thunder Bay experienced a 2%-13% increase in AMR by unit type (table 1). It is likely that this increase will outpace the increase in renter household incomes. While 80% 2024 AMR still provides affordable rents for households in the 30th to 60th percentiles, continued rent increases may make certain unit types out of reach for low- and moderate-income households.

Maximum Affordable Rents, Affordable Residential Units Bulletin

Table 3. Affordable rents in Thunder Bay, effective June 1, 2024 – May 31, 2025.

Unit Size	Affordable Rent	2023 Income Percentile	2023 AMR
Bachelor	\$ 823	30 th	\$ 823
1-Bedroom	\$ 1,054	40 th	\$ 1,054
2-Bedroom	\$ 1,320	50 th	\$ 1,320
3-Bedroom	\$ 1,610	60 th	\$ 1,678
Rent based on income	\$ 1,610	60 th	

For Thunder Bay, the Affordable Residential Units bulletin uses AMR and the 60th percentile as the maximum rent threshold based on income. This calculation method is used across municipalities so it is likely that future years will continue to use AMR until the 60th percentile threshold is surpassed.

Additional Considerations

Based on the information provided above, the definition could be changed to allow for higher rents while still meeting the municipal and provincial definitions of affordable. However, this may impact the number of new affordable housing units for low-income households.

Core Housing Need

According to the National Housing Strategy, individuals are considered to be in core housing need if they are paying more than 30% of pre-tax income on housing costs, including rent or mortgage and utility costs.

Core housing need refers to a private household's housing falling below at least one of the indicator thresholds for housing adequacy, affordability or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable. The Thunder Bay Housing Land Needs Study & Strategy estimates that 19.8% of tenant households in Thunder Bay have at least one core housing need.

Federal Housing Needs Assessment

The federal government requires that communities with a population of 30,000 or greater complete a Housing Needs Assessment (HNA) to be eligible for federal funding under infrastructure programs, and through the Housing Accelerator Fund. The City of Thunder Bay is currently completing an HNA, building on the Housing Land Needs Study & Strategy.

The HNA recommends using the Housing Assessment Resource Tools (HART) developed by the University of British Columbia to determine community core housing need. The HART tool uses census data custom built by Statistics Canada in collaboration with HART researchers. Data is available for the City of Thunder Bay (Thunder Bay Census subdivision).

Table 4 shows the range of household incomes and affordable housing costs that make up each income category, in 2020 dollar values. Income categories are determined by their relationship with each geography's Area Median Household Income (AMHI). It also shows the portion of total households that fall within each category for both homeowners and renters.

Table 4. Affordable shelter costs (2020 CAD\$) by income category in the Thunder Bay CSD (HART).

Income Category	% of Owner HHs	% of Renter HHs	Annual HH Income	Affordable Shelter Cost (2020 CAD\$)
Area Median Household Income			\$ 78,000	\$ 1,950
Very Low Income (20% or under of AMHI)	0.77%	7.59%	<= \$ 15,600	<= \$ 390
Low Income (21% to 50% of AMHI)	9.5%	32.23%	\$ 15,600 - \$39,000	\$ 390 - \$ 975
Moderate Income (51% to 80% of AMHI)	16.13%	25.83%	\$ 39,000 - \$62,400	\$ 975 - \$ 1,560
Median Income (81% to 120% of AMHI)	21.97%	19.6%	\$ 62,400 - \$93,600	\$ 1,560 - \$ 2,340
High Income (121% and more of AMHI)	51.63%	14.75%	>= \$ 93,601	>= \$ 2,341

The income categories generated by the HART tool align with the renter household incomes provided by the province (table 2). The majority of renter households fall within the low- to moderate-income categories (58%) targeted by the ARHFP.

Percentage of Households in Core Housing Need, by Income Category and HH Type, 2021 Thunder Bay CY (CSD, ON)

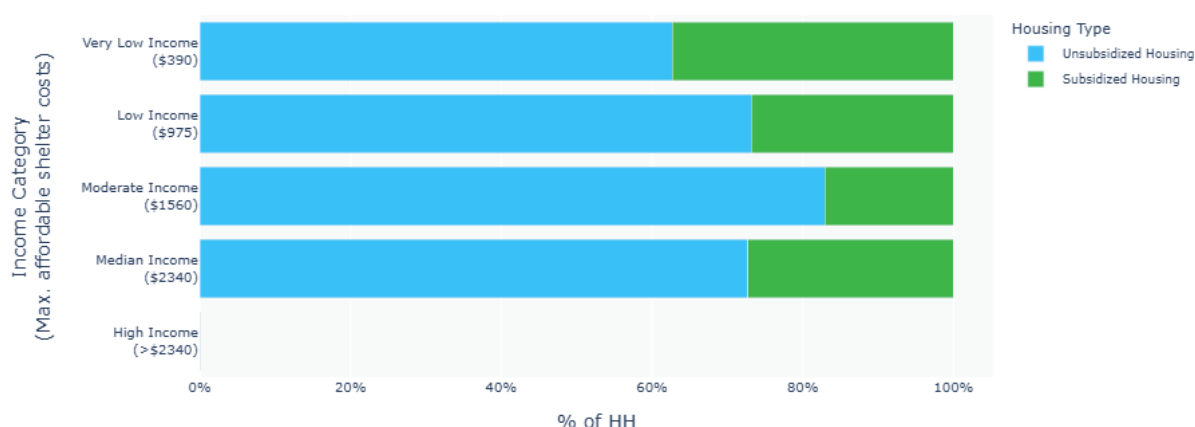


Image 1. Percentage of households in core housing need, by income category, and household type, 2021 Thunder Bay CSD (HART).

In addition, the HART tool provides an estimate of the percentage of households in core housing need for subsidized and unsubsidized renters (image 1). Subsidized housing encompasses all types of housing for which a subsidy or rent assistance is provided, including public, non-profit, and co-operative housing, as well as rent assistance for people living in private market housing. It also includes emergency housing and short-term shelters.

The ARHFP is intended to support projects that do not require ongoing government subsidies (unsubsidized housing); however, some projects may be considered subsidized housing depending on their operating structure. Over 60% of households in each income category living in unsubsidized housing are in core housing need. This translates to approximately 2,180 unsubsidized renter households in core housing need (table 5).

Table 5. 2021 affordable housing deficit for subsidized renters versus unsubsidized renters, Thunder Bay CSD (HART).

Income Category (Max. affordable shelter cost)	Unsubsidized housing	Subsidized housing	Total
Very Low Income (\$390)	370	220	590
Low Income (\$975)	1,380	505	1,885
Moderate Income (\$1,560)	390	80	470
Median Income (\$2,340)	40	15	55
High Income (>\$2,340)	0	0	0
Total	2,180	820	3,000

The total number of subsidized and unsubsidized renter households in core housing need may be considered as the existing deficit of housing options in the community (table 5). This can be converted into the total number of homes by number of bedrooms required to satisfy the deficit of both rental and owned homes in Thunder Bay (table 6).

Table 6. Total number of homes by number of bedrooms and maximum cost required to satisfy the existing affordable housing deficit.

Income Category (Max. affordable shelter cost)	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed	Total
Very Low Income (\$390)	760	40	0	0	0	800
Low Income (\$975)	2,070	440	150	45	0	2,705
Moderate Income (\$1,560)	0	135	180	165	70	550
Median Income (\$2,340)	0	0	0	0	0	0
High Income (>\$2,340)	0	0	0	0	0	0
Total	2,830	615	330	210	70	4,055

Note: Table 6 includes both rental and ownership homes.

Currently, the ARHFP addresses the existing affordable housing deficit, with maximum program rents ranging from \$658 - \$1,342 (2023 AMR) to \$672 - \$1,516 (2024 AMR). The maximum rents listed in the Affordable Residential Units bulletin, \$823 - \$1,610, addresses core housing need for moderate-income households for units below 3-bedrooms. It does not address core housing needs for low-income households requiring units larger than a bachelor apartment.

Although the definition in Policy 02-06-01 addresses core housing right now, as discussed, large increases to market rents year over year may result in maximum program rents that no longer meet the needs of households in core housing need.

Summary

At this time, the current definition of an “Affordable Unit” offers a deeper level of affordability than outlined in the Official Plan, Provincial Planning Statement, and Affordable Residential Units bulletin. This may change if market rents continue to increase at a higher rate than renter household incomes. Removing AMR and linking affordability to household incomes will “future proof” Policy 02-06-01. In addition, this may allow a greater variety of housing types to be funded through the ARHFP.

Expanding the definition of an “Affordable Unit” could assist with meeting the affordable Housing Supply Growth Sub-target as well. Meeting this sub-target, and the overall target, is required to receive the fourth and final HAF payment. This funding could be used to support an additional intake through the ARHFP.

Applicants will be required to determine if their proposed project rents meet the criteria of other funding programs to maximize funding opportunities. The Affordable Residential Units bulletin and Provincial Planning Statement tables will be provided to applicants as a resource.

To ensure that the ARHFP continues to meet the needs of low- to moderate-income households in Thunder Bay, the preferred evaluation criteria in Policy 02-06-01 should be adjusted to reference core housing need. Projects that address core housing need will receive higher scores than projects that meet the minimum threshold for affordability.

Recommendation

1. Housekeeping adjustment to the definition of “Market Units” to remove AMR and allow for greater flexibility.
 - **Proposed change:** “Market Units” are rental housing units whereby the rent of a unit is set at the market rate, by bedroom type, in the regional market area.
2. Housekeeping adjustment to the definition of “Affordable Unit” to provide greater flexibility to applicants.
 - **Proposed change:** “Affordable Units” are rental housing units whereby the rent of a unit does not exceed 30% of gross annual household income for low- and moderate-income renter households.
3. Revise Section 9.0, 9.1 Preferred Evaluation Criteria – Magnitude and depth of affordability to remove AMR and include core housing need.
 - **Proposed change:** Magnitude and depth of affordability
 - i. Projects that propose more than 30% of the units be affordable.
 - ii. Projects that propose a deeper level of affordability, specifically for low-income households in the 10th to 30th percentiles or larger units for moderate-income households in the 40th to 60th percentiles.
 - iii. Projects that address Thunder Bay’s affordable housing deficit, by number of bedrooms, as determined by the Housing Needs Assessment Tool.

SECTION:	<i>DEVELOPMENT SERVICES</i>
DEPARTMENT/DIVISION/SECTION:	<i>INFRASTRUCTURE, DEVELOPMENT & OPERATIONS</i>
SUBJECT:	<i>AFFORDABLE RENTAL HOUSING FUNDING PROGRAM</i>

SUPPORTING LEGISLATION

Municipal Act, 2001, c. 25, s. 107 (1)

POLICY STATEMENT

The City of Thunder Bay has developed an Affordable Rental Housing Funding Program (Program) to foster the construction of local affordable housing. The Program will guide the allocation of available funding, providing financial support to Not-For-Profit organizations that create affordable housing in the City for low to moderate income households. The Affordable Rental Housing Funding Program supports the City of Thunder Bay's housing targets under the Housing Accelerator Fund and aligns with the City's strategic goal to support urban density through complete, compact, and walkable development by incentivizing affordable and equitable mixed-use neighbourhoods.

PURPOSE

The Program will provide funding contributions to eligible Not-For-Profit organizations to help offset the capital costs of providing affordable residential rental housing units to low to moderate income households in the city of Thunder Bay. This policy provides a framework for the distribution of available program funds and sets out eligibility criteria, evaluation and selection criteria and processes, as well as preferences. Applicants interested in applying for the Affordable Rental Housing Funding Program will be required to adhere to the criteria outlined in this policy.

This Program is complementary to the existing Community Partnership Policy (05-06-02) that allows the City of Thunder Bay to invest in vital work being conducted by community partners that aligns with priority issues recognised by the City through the Community Partnership Fund.

This Program will be funded by the Housing Accelerator Fund for three (3) years. After the Fund has been exhausted this Program will cease unless otherwise directed by City Council.

SCOPE

This Program applies to all potential and confirmed agreements between Affordable Rental Housing Funding Program applicants and the City of Thunder Bay (City) for the construction of new Affordable Units and Market Units.

DEFINITIONS

“Applicant” refers to a Not-For-Profit organization applying for funding under this Program, subject to the Program’s requirements.

“Affordable Units” are rental housing units whereby the rent of a unit, inclusive of all utilities, is set at or below 80 percent of Canada Mortgage and Housing Corporation’s (CMHC) Average Market Rent, by bedroom type, in the regional market area, for a minimum of 10 years.

“Average Market Rent” (AMR) is a measure generated by CMHC through its Rental Market Survey. AMR captures the average rent charged by private landlords for available units and is calculated for individual neighbourhoods or urban zones.

“City” refers to the Corporation of the City of Thunder Bay.

“Contribution Agreement” is an agreement signed between the City and the Applicant under this Program.

“Funding Review Team” is a group of Administration staff who are responsible for the review and evaluation of Program applications, as assigned by the City Manager.

“General Manager” is the General Manager of the City of Thunder Bay Infrastructure, Development & Operations Department and includes their designate.

“Market Units” are rental housing units whereby the rent of a unit, inclusive of all utilities, is set at the AMR, by bedroom type, in the regional market area.

“Not-For-Profit” refers to an organization, where no part of its income is payable to, or otherwise available for, the personal benefit of a member or shareholder thereof. This includes all types of Not-For-Profit organizations and includes rental cooperatives that are incorporated with a Not-For-Profit status. It also includes Indigenous organizations including, but not limited to, First Nations as represented by their Chief and Council, Tribal Councils, and Indigenous Representative Organizations.

“Program” refers to the Affordable Rental Housing Funding Program of the City.

CONDITIONS

1.0 Funding Program Objective

1.1 Funding contributions under the Program are intended to assist Not-For-Profit organizations in constructing new affordable residential rental housing for low- and moderate-income households in the city of Thunder Bay. Program contributions are intended to help Not-For-Profits offset some of the capital costs of constructing Affordable Units and Market Units in the local community.

2.0 Eligibility Criteria

2.1 Applicants are eligible to apply for funding under the Program subject to meeting the following conditions:

2.1.1 Applicants must:

- Be a Not-For-Profit organization; and,

- Own or have an accepted offer to purchase subject lands. An exemption is made where the subject lands are secured under a long-term lease from a Not-For-Profit or governmental organization (such as the City of Thunder Bay) for affordable housing purposes.

2.1.2 The project must:

- Be located within the geographic boundary of the city of Thunder Bay;
- Be located on lands as described in 2.1.1 above;
- Be rental tenure (i.e., the entire building must operate as rental);
- Have at least 30% of the residential units in the project be Affordable Units with rents, inclusive of all utilities, set at or less than 80% of Canada Mortgage and Housing Corporation's (CMHC) Average Market Rent in the regional market area at the time of application submission, for a minimum of 10 years; and,
- Be one (1) of the following project types:
 - New construction (includes additions and extensions); or,
 - Conversion of non-residential buildings (in whole or in part) to affordable residential rental housing.
- Have a building permit issued for the Affordable Units and Market Units within twelve months of the effective date of the Contribution Agreement, subject to extensions agreeable to the City.

2.2 Projects that are not eligible include:

- Projects by commercial enterprises (i.e., for-profit),
- Secondary suites,
- Long-term care facilities,
- Purpose-built student housing with shared kitchen or bathroom amenities,
- Shelters and crisis care facilities,
- Transitional or time limited housing without security of tenure,
- Repairs/renovations to existing buildings unless the works result in the creation of new Affordable Units, and,
- Community Housing that receives ongoing federal subsidies and/or provincial subsidies.

3.0 City Contribution

3.1 Maximum contributions under this Program are as follows:

- Per project maximum of \$1,300,000.
- Contribution per Affordable Unit will be capped at \$40,000.
- Contribution per Market Unit will be capped at \$20,000.

4.0 Eligible Costs

- 4.1 Program funding is restricted to development application fees (e.g. building permit fees, Planning Services fees, etc.) and capital costs for Affordable Units and Market Units such as land and construction costs.
- 4.2 Capital costs incurred by a Not-For-Profit organization for the construction of Affordable and Market Units by a for-profit entity that has been retained by the Not-For-Profit organization to construct the Affordable and Market Units may only be considered an eligible cost if the Units are to be owned and operated solely by the Not-For-Profit organization, or where there is an agreement between the Not-For-Profit and for-profit entity whereby the Units are secured by the Not-For-Profit organization through a long-term lease and operated solely by the Not-For-Profit organization, to the satisfaction of the City.

5.0 Ineligible Costs

- 5.1 For-profit construction of Affordable Units or Market Units, except as specified in Section 4.2.
- 5.2 Operating expenses (including employee wages, debt payments, etc.).

6.0 General Program Requirements

- 6.1 The Program will be effective May 2024 and expire in February 2027, or when allocated funds are exhausted, in accordance with the City of Thunder Bay's Housing Accelerator Funding Agreement, unless directed otherwise by City Council.
- 6.2 The Program will be structured as a Call for Applications from time to time, where interested Not-For-Profit organizations apply within a defined application window and are awarded available funding on a competitive basis and in accordance with this Program.
- 6.3 The City will issue a Call for Applications under this Program from time to time, based on Program funding availability. The City will issue at least one (1) Call for Applications under this Program.
- 6.4 Any Call for Applications issued under this Program will be open for a period of at least 45 calendar days.
- 6.5 Program information along with any Call for Applications information and documents will be posted on the City's website at www.thunderbay.ca.

7.0 Required Application Information

- 7.1 All applications under this Program must include the following items:
- 7.1.1 Applicant Qualifications

- Satisfactory proof that the Applicant is a Not-For-Profit organization.
- A summary describing the Not-For-Profit organization including who it serves, its contact information, examples of similar projects it has been involved in and any past project experience in developing and managing affordable rental housing projects, and if a partnership, a copy of the partnership agreement or letter of understanding and a list of partners.
- Confirmation of ownership of the application land(s) or proof of an accepted offer to purchase the subject lands. If the proposed project is to be located on lands for which a long-term lease has been secured from another Not-For-Profit type agency, the following will be required:
 - A letter from the landowner providing consent to the Applicant to apply for funding on the basis of an in-principle agreement to construct Affordable Units and Market Units on the lands; and,
 - Confirmation that the term of the land lease is 25 or more years in duration.
- Full disclosure of any relationship with a for-profit entity/organization.
- In the case of a relationship with a for-profit entity/organization as described in Section 4.2, copies of all relevant agreements between the Not-For-Profit organization and the for-profit entity/organization constructing the Affordable Units and Market Units, to the satisfaction of the City.

7.1.2 Project Concept and Design Details

- A summary describing the proposed project, including:
 - The address of the project and proximity to transit, services, and amenities.
 - The type of project, as per Section 2.1.2.
 - The total number of Affordable and Market Units, the approximate size of said units, and the number of bedrooms in each unit.
 - Projected rents for the Affordable Units and any Market Units.
 - Affordability period of the Affordable Units.
 - How the project is consistent with the City's Urban Design Guidelines.

- Whether the project can be carried out under current regulations in the Zoning By-law, and identification of any known variances and/or amendments.
- Project schedule.
- Who the Affordable Units are intended to serve and how the units meet community needs (e.g., link to the Community Safety and Well-Being Plan (CSWB) and/or the City's Strategic Plan, unit type, household composition, housing options for equity-seeking groups, etc.).
- How the project will be tenanted, and any tenant supports.
- Property management details.
- Preliminary building plans and/or site plans, if available.

7.1.3 Financial Viability

- A detailed budget that includes an estimate of the total project costs, as determined by a professional architect or professional engineer that is independent from the Applicant.
- Evidence, subject to the satisfaction of the City's Treasurer or designate, of financial competence and project viability including:
 - Organization's most recent annual report and/or financial statements.
 - Details of any equity to be contributed by the Applicant.
 - Details of any other sources of government funding.
- The amount of funding requested.

7.1.4 Other

- Letter(s) of support, and/or feedback gathered through community consultation.
- Any other information that may be required by the City and/or the Funding Review Team.

8.0 Recommended Supplemental Application Information

8.1 The following supplemental information is recommended to help with project evaluation and prioritization:

- Supporting information from a qualified professional that the proposed project interior exceeds accessibility requirements in the Building Code.
- Supporting information from a qualified professional that the project exceeds energy efficiency requirements in the Building Code.

- Any other supplemental information that, in the opinion of the Applicant, demonstrates how the proposed project meets community needs.

9.0 Preferred Evaluation Criteria

9.1 Applications that meet some or all of the following criteria will be considered stronger and scored higher than those that only meet the minimum eligibility requirements:

- Magnitude and depth of affordability
 - Projects that propose more than 30% of the units to be available at or below 80% of CMHC's Average Market Rent in the regional market area.
 - Projects that propose a deeper level of affordability.
- Duration of affordability
 - Projects where the Affordable Units will be affordable for greater than 10 years and a plan for ensuring long-term affordability is in place.
- Community need
 - Projects that enhance public good and align with CSWB Plan priorities.
 - Projects that include community spaces and/or promote social inclusion.
- Location
 - Core areas, areas along major transit routes and locations in walking distance to neighbourhood services and amenities will be prioritized.
- Density
 - Maximizing the unit density up to the limit permitted under the Zoning By-law.
- Planning Approvals
 - Projects that substantially comply with zoning and/or projects that are construction ready will be prioritized over concept proposals.
- Accessibility
 - Projects where the interior exceeds accessibility requirements in the Building Code.
- Sustainability
 - Projects that include energy efficiency features and exceed energy efficiency requirements in the Building Code.
 - Projects that include renewable energy systems.

- Projects that include use of low-carbon and/or recycled materials.

10.0 Application Evaluation and Selection

10.1 Screening for Application Eligibility

- Applications must be complete, meet the Program Eligibility Criteria (Section 2.1), and have all supporting documentation to be considered for funding.
- Applications will be screened by Development Services staff for basic eligibility as they are received. Applicants will be notified if their application is ineligible or incomplete.

10.2 Application Evaluation Criteria

- Applications will be evaluated using the criteria and weighted as outlined below:

Evaluation Criteria	Weighting
Mandatory Requirements (section 2.0)	Yes/No
Applicant Qualifications (section 7.0)	20%
Project Concept & Design (section 7.0)	25%
Preferred Criteria (section 9.0)	35%
Financial Viability (section 7.0)	20%
Total	100%

10.3 Application Evaluation and Selection

- Each application will be reviewed, evaluated, and scored using the Evaluation Criteria by the Funding Review Team, along with subject matter experts in relevant Departments where applicable.
- As part of the evaluation process applicants may be contacted to verify and provide clarification on the application, provide additional supporting information, or be invited to attend a meeting with members of the Funding Review Team.
- The Funding Review Team will recommend to the General Manager a recommended disbursement of available monies to Applicants based on scoring.
- Funding less than an Applicant's request may be approved at the discretion of the City considering factors such as the amount of affordable housing to be provided, the availability of Program funding, and/or program uptake.
- Approval in principle may be provided for eligible capital projects prior to other funding sources being secured. In these cases, the approval will include conditions that must be met prior to the release of any City funds, such as evidence of approval of the application for funding from other sources.

10.4 Delegated Authority

- Council delegates the General Manager the authority to:
 - Approve contributions under the Program in accordance with this policy.
 - Determine the amount of such contributions to be issued under this policy and any conditions.
 - Determine whether to award one or more contributions, or no contributions.
 - Approve and execute Contribution Agreements on behalf of the City, including amendments to such agreements, where the form and content of said agreements is to the satisfaction of the General Manager in consultation with the Director – Development Services and the City Solicitor.

10.5 Decision

- The successful Applicant(s) will be notified by e-mail of the decision on its application, after the decision is made.

10.6 Appeals

- There is no appeal from the City's decision on an application.

11.0 Conditions of Approval

11.1 A formal Contribution Agreement must be entered into by the City and the Not-For-Profit organization. Administration will monitor the terms of the agreement.

12.0 Reporting

12.1 Successful applicants who receive funding must report on how the funding was spent and the impact the funding had on the project. A reporting schedule and template will be provided with the Contribution Agreement. The final report must be submitted within 60 days of completion of the project.

12.2 Successful applicants will be required to provide verification of rents for the Affordable Units for the duration of the agreement, in a method agreed upon by the Applicant and the City.

13.0 Communication

13.1 When informing the public or publishing information about projects funded by the Program, the contributions of all participants must be fairly acknowledged or recognized. See the Corporation's Communications Policy (07-01-07).

13.2 Communications that announce project funding, changes, challenges, or completion are to be coordinated with the City's Corporate Communications Section.

- 13.3 The City of Thunder Bay's corporate logo shall be used when identifying the City's funding contribution through the Program, as required under the Corporation's Visual Identity Program.
- 13.4 If requested by CMHC, successful Applicants shall publicly acknowledge CMHC's and the Government of Canada's HAF Funding in a manner acceptable to CMHC.

MEMORANDUM

TO: Mayor's Taskforce on Building More Homes Advisory Committee

FROM: Summer Stevenson, Project Manager – Housing Accelerator

DATE: March 12, 2025

RE: **Housing Accelerator Fund Action Plan Update – March 2025**

The purpose of this memorandum is to provide an update on the progress made towards achieving the Housing Accelerator Fund (HAF) targets and Action Plan milestones.

Annual Agreement Report Update

The HAF Annual Agreement Report was successfully submitted to CMHC on March 7, 2025. CMHC initiated review of the Agreement Report the week of March 10, 2025. Notice of approval is expected at the end of March.

Following the Taskforce meeting on February 19, 2025, and prior to Report submission, the Permit Data reporting period was changed from Effective Date to Whole Month. Municipalities have the option to select their preferred Permit Data reporting period. Effective Date is the period between February 5, 2024, and February 4, 2025, while Whole Month is the period between March 1, 2024, and February 28, 2025.

The memorandum to the Taskforce dated February 12, 2025, reported on permit data from February 5, 2024, to February 4, 2025 (Effective Date). At the time of writing the memorandum, there was no difference in permitted units between the two reporting periods. However, 10 units were issued permits between February 13, 2025, and February 26, 2025, prompting a change to Whole Month. The change to Whole Month means that Thunder Bay met 102% of the year one housing supply target assigned by CMHC. This change is reflected in the Annual Report to Council on March 17, 2025.

In addition, following initial review of the Annual Agreement Report, CMHC revised the Permit Data which resulted in a 27 unit increase to the number of reported missing middle units (table 1).

This was due to a misunderstanding in how each of the sub-targets are calculated. The initial instruction was that each unit can only be counted once. For example, if a unit is in close proximity to rapid transit and a missing middle unit, municipalities would have to select which sub-target the unit counted towards. In the submitted report, this methodology was applied to affordable units. All 27 affordable units were also missing middle, so the number of affordable units was subtracted from the missing middle sub-target. CMHC clarified that this instruction **does not** apply to affordable units and increased the missing middle count accordingly. This change was made after the deadline to submit the Annual Report to Council and will be reflected in documentation moving forward.

Table 1. Revised net permitted units from March 1, 2024, to February 28, 2025, by target type.

Target Type	Target	Net	Remain	Progress
Total Units	1,691	345	1,346	20%
Missing Middle	401	124	277	31%
Other Multi-unit	292	181	111	62%
Affordable Units	348	27	321	8%

Housing Target: Progress Update

Thunder Bay's housing supply growth target from March 1, 2025, to February 28, 2026, is 676 net permitted units. The sub-targets have not been assigned annual targets, however, the remaining units required have been entered into the "target" field for missing middle, other multi-unit, and affordable units in Table 2.

Table 2. Net permitted units since March 1, 2025, by target type (as of March 12, 2025).

Target Type	Target	Net	Remain	Progress
Total Units	676	3	673	0%
Missing Middle	277	2	275	1%
Other Multi-unit	111	0	111	0%
Affordable Units	321	0	321	0%

Table 3. Net permitted units, by calendar year, by target type, as of March 12, 2025.

Target Type	2024	2025
Total Units	331	20
Missing Middle	109	19
Other Multi-unit	181	0
Affordable Units	25	2

Grant Intake Update

The next grant intake opens on March 20, 2025. Applications will be accepted until April 17, 2025, to help manage application volume and the limited funding available this year. All applications will be evaluated after the intake closes.

Validating Grant Self-Reporting

At the meeting held on February 19, 2025, the Taskforce requested more information on the potential tools available to validate grant applicants' self-reporting of accessible and energy

efficient units. A discussion was held with Building Services and the following process will be implemented:

- During final inspection of grant funded units, Inspectors will note whether the unit exceeds the Ontario Building Code (OBC) standards for accessibility and/or energy efficiency. Units will be counted if they meet the following criteria.
 - Accessibility:
 - For buildings with 6 or fewer units:
 - There are no accessibility requirements, so any units that incorporate one or more accessibility features: ramp or at grade entrance, door and hallway width, bathroom grab bars.
 - For buildings with 7 or more units:
 - Number of units above the OBC required barrier free units.
 - Energy Efficiency:
 - A unit or building exceeds the energy efficiency standards in the OBC if it meets one of the following: a higher R-value than required, electrified space and water heating, improved windows and doors.
- Self-reported units will continue to be counted when reporting on proposed, or in progress, projects.
- Validated units will replace self-reported units when reporting on completed projects.

Action Plan: Progress Update

No information to report.