
SECTION:	DEVELOPMENT SERVICES
DEPARTMENT/DIVISION:	GROWTH
SUBJECT:	AFFORDABLE RENTAL HOUSING FUNDING PROGRAM

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, does not exceed 30% of gross annual household income for renter households at or below the 60th income percentile, in the regional market area at the time of application submission, for a minimum of 10 years.

“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.

“Commissioner” is the Commissioner of the City of Thunder Bay Growth Department and includes their designate.

“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.

“Market Units” are rental housing units whereby the rent of a unit, inclusive of all utilities, is set at the market rate, 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, not exceeding 30% of gross annual household income for renter households at or below the 60th income percentile 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 be Affordable Units.
 - 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.
 - Projects that address Thunder Bay's affordable housing deficit, by number of bedrooms, as determined the Housing Needs Assessment.
- 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 demonstrate a reduction in operational carbon emissions from the baseline (i.e., Building Code minimums).
 - 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 Commissioner 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 Commissioner 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 Commissioner 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.

REFERENCE:

Corporate Report 178-2025

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

APPROVED BY:	City Council	Date:	June 23, 2025
Replacing/Amending:			
Originating Department:	Infrastructure Development & Operations		
Contact:	Commissioner – Growth and/or Director – Development Services		
Departmental Procedural Manual:	N/A		
Affected Departments:	N/A		