

MEMORANDUM

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

FROM: Darrik Smith, MBA – Housing Accelerator Coordinator

DATE: April 29, 2025

RE: **Housing Community Improvement Plan Grant Programs – Review + Recommended Adjustments**

The purpose of this memorandum is to provide a review of the grant program and recommended adjustments based on operational experience.

Scope

The scope of this review is limited to the content of the Community Improvement Plan document as it relates to the administration of the grant programs.

Review Parameters

The review of the Housing Community Improvement Plan (HCIP) is based on operational experience in the administration of the grant programs over the past year as they relate to the following questions:

- Have there been common sticking points regarding grant eligibility?
- Have the values of the grants been sufficient based on the impact they create?

Other Considerations

The Housing Community Improvement Plan was created in consultation with Stantec in 2024. The purpose of this plan is to deliver grant funding from the Housing Accelerator Fund (HAF) to eligible projects within the established geographical boundary that accomplish at least one of the CIP Objectives:

- Increase the variety and inventory of housing options within the city;
- Support multi-unit housing development in areas well-served by transit and close to amenities;
- Increase the population density of the city and maximize the utilization of existing infrastructure.

The HCIP is made up of five (5) grants:

- Planning and Building Permit Fees Grant
- Additional Dwelling Units Grant
- Servicing Grant
- Multi-Unit Residential Grant

- Housing Rehabilitation and Conversion Grant

Report 266-2024 “Housing Community Improvement Plan (CIP) Presentation and Adoption, Strategic Core Areas CIP Construction Assistance Grant Maximum Funding Increase, and Official Plan Amendment” was presented to Council at the July 22, 2024 public meeting. Noteworthy recommendations in this report were that Council adopt the CIP and that all grants be activated, with the exception of the Housing Rehabilitation and Conversion Grant, which remains dormant. The four (4) activated grants work together to incentivise the creation of new residential units that support intensification.

Multi-Unit Residential (MUR) Grant

The first primary grant is the MUR grant, which applied to projects where new construction is being undertaken on a vacant lot. The value of the grant is \$25,000/unit above 70% of the maximum density of the zone, to a maximum of \$300,000 per property. The intent of this grant is to incentivise building to the maximum density a given lot can accommodate.

This grant is supported by the Planning and Building Permit Fees Grant, which applies to the fees for Planning Approvals and Building Permits. The grant is valued at up to \$10,000 and is nested within the application form for the MUR grant.

In 2024, a total of 25 applications were received with 14 approved and two (2) waitlisted. If all approved projects proceed it will result in 174 total units with an estimated construction value of over \$52 million. As of the writing of this memorandum, an additional 14 applications have been received for the current intake window, which closes after April 17, 2025.

Additional Dwelling Units (ADU) Grant

The second primary grant is the ADU grant, which applies to projects where new units are being added where residential or mixed-use building already exists on the property. The new units can be added inside an existing building in the form of an interior apartment, onto the exterior of an existing building in the form of an addition, or detached from the building in the form of a backyard home. The maximum value of the grant is up to \$20,000 per new unit added with no dollar maximum per property. The primary constraint for the number of incented units is the Zoning By-law.

This grant is supported by the Planning and Building Permit Fees grant, and the Servicing Grant. The Servicing Grant also has a value up to \$10,000 and applies to projects where upgrades are needed to exterior municipal water and sewer services to support the creation of new units. The grant applies to the public side first, where new connections are needed, as this is the most expensive aspect of the work. The Servicing Grant does not apply to other utilities or to interior plumbing.

In 2024, a total of 50 ADU applications were received with 36 being approved and 12 being waitlisted. If all approved projects proceed it will result in 39 total units with an estimated construction value over \$2 million. As of the writing of this memorandum, an additional 49 applications have been received during the application intake.

Opportunities for Improvement

While the HCIP has demonstrated early signs of success, a clear opportunity for improvement exists. One of the primary determinants of eligibility is whether the project falls inside the HCIP

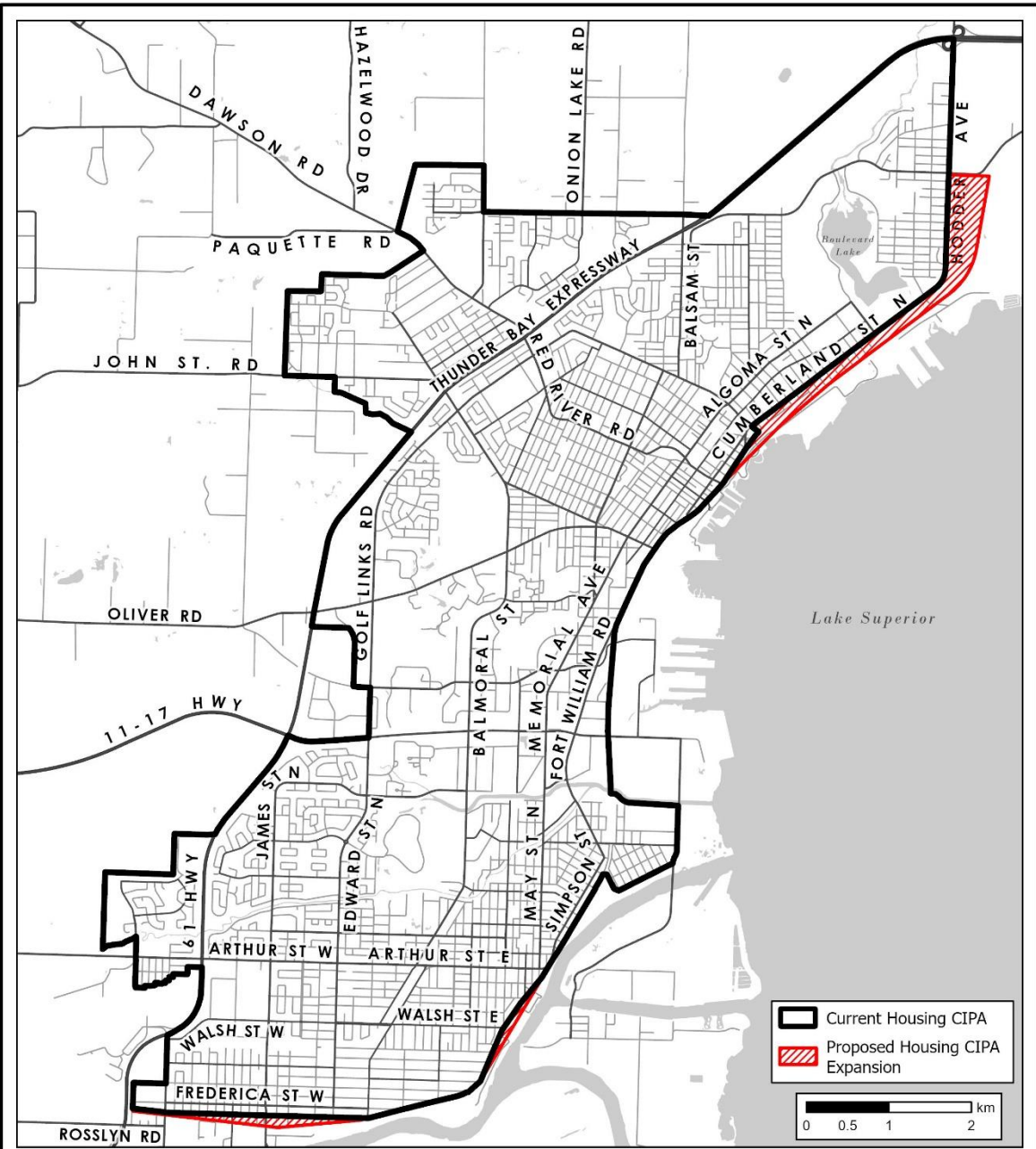
geographical boundary. The current location of this boundary excludes some pockets of residential neighbourhoods that meet the requirement of being fully serviced to the urban standard. While these areas are relatively small, an attempt to complete an online grant application would return a message that the project is not eligible to be funded. This issue can be solved manually, however, updating the boundary will provide consistency and ensure that future eligible applicants in these fully serviced areas are not discouraged from applying.

Recommendations

Based on this review, it is recommended that the Housing Community Improvement Plan Project Area be expanded to include the neighbourhoods meeting the full-urban servicing requirement. Appendix A shows the proposed new line as following the rail corridor on the southern and eastern boundary of the current eligible project area.

APPENDIX A

PROPOSED BOUNDARY EXPANSION OF THE HOUSING COMMUNITY IMPROVEMENT
PROJECT AREA



THIS MAP IS FOR GENERAL ILLUSTRATIVE PURPOSES ONLY. DIMENSIONS AND/OR AREAS ARE APPROXIMATE.

 CITY OF Thunder Bay <i>Superior by Nature</i> GROWTH DEPARTMENT	HOUSING CIP PROJECT AREA PROPOSED EXPANSION			
	Date:	2025-04-10	Scale:	1:60000

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