

## MEMORANDUM

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

**FROM:** Darrik Smith, MBA – Housing Accelerator Coordinator

**DATE:** April 29, 2025

**RE:** **Construction Assistance Grant Programs – Review + Recommended Adjustments**

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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 program.

### **Review Parameters**

The review of the Construction Assistance Grant (CAG) is based on operational experience in the administration of the grant program 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 CAG Program is one of the grant programs of the 2021 updated Strategic Core Areas Community Improvement Plan that had not been activated. However, it provided an ideal platform to be re-designed to stimulate the development of new residential units within the three identified strategic cores of Thunder Bay: North Core, South Core, and Westfort. The re-design of the CAG had been accomplished through two reports to Council.

Report 152-2024 "Strategic Core Areas Community Improvement Plan – Funding Top-Up and Amendments to Terms" was presented at the May 6, 2024 Public Meeting. The primary effect of the report was to amend the original terms of the CAG to have a per-unit cost of up to \$20,000 for single-bed units and up to \$30,000 for multi-bed units, bringing the scale of the funding provided in line with our per-unit Housing Accelerator Fund (HAF) objectives. The CAG was also supplemented with \$200,000 HAF dollars and the maximum construction investment limit of \$1,000,000 was removed to accommodate large projects with a high impact in the cores.

Report 266-2024 "Housing Community Improvement Plan (CIP) Presentation and Adoption, Strategic Core Areas CIP Maximum Funding Increase, and Official Plan Amendment" was presented at the July 22, 2024, Public Meeting. This report represents another step-forward in

improving the value of the CAG by recommending the maximum funding amount for a property be increased from \$100,000 to \$300,000 to be in line with the Housing CIP Multi-Unit Residential Grant.

In 2024, seven (7) applications were received with three (3) approved and four (4) waitlisted for future funding. The grant has resulted in a total of 25 new units, with 16 being directly incented through grant dollars and a total estimated construction value of \$6,150,000.00. The Strategic Core Areas represent a relatively small area compared to the Housing Community Improvement Plan, however given the proximity to services and amenities provide high impact returns on residential development. At the time this memorandum is being prepared, six (6) new CAG applications have been received in the application intake window closing after April 17, 2025.

### **Recommendations**

Based on this review and the previous changes to the CAG, there have been no common sticking points in program eligibility and the values of the grant appear to be sufficient to stimulate new residential development in the cores. Therefore, no further changes are recommended at this time.