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**TO:** PLANNING COMMITTEE

**SUBJECT:** COMMUNITY IMPROVEMENT PLAN GRANT APPROVALS  
SUMMARY – FEBRUARY TO MAY 2021

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** A. GAMEIRO, B.E.S, RPP, SENIOR PLANNER, EXT. 5038

**SUBMITTED BY:** M. BANFIELD, RPP, DIRECTOR OF DEVELOPMENT SERVICES

**GENERAL MANAGER APPROVAL:** A. MILLER, RPP, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That Staff Report DEV019-21 regarding the status of the Community Improvement Plan (CIP) Grant Program be received for information purposes.
2. That 50 percent of the funds from the current balance associated with allocations for redevelopment and preservation of built heritage grant programs within the CIP Reserve be reallocated to the Affordable Housing Grant Program, to replenish the balance and continue funding development charges and per door grants for affordable housing projects in 2021.

**PURPOSE & BACKGROUND**

Report Overview

3. The purpose of this Staff Report is to provide Planning Committee with an overview of the Community Improvement Plan (CIP) Grant applications that were received from February to May 2021 and provide an update on the current balance of the CIP reserve.
4. Additionally, this Staff Report identifies potential actions that could be taken by Council to replenish the balance of the affordable housing grant reserve which has been depleted for 2021.

**ANALYSIS**

CIP Application Summary

5. During the first application in-take period of 2021, the City received a total of thirteen (13) grant applications, as identified in Table 1. Of those applications, five (5) were deemed to be complete and eligible in accordance with the requirements of the CIP. The remaining applications were deemed to be incomplete due to a lack of submission material, or ineligible as they did not meet the eligibility criteria of the CIP. A description of the complete and eligible applications is included in Appendix "A" of this Staff Report.

Table 1: CIP Applications received between February 15 and May 15, 2021

Application No.	Address	Grant Type	Status
CIP-001-2021*	217 Dunlop Street East	Redevelopment Grant	Complete & Eligible
CIP-002-2021	63 Essa Road	Affordable Housing Grant	Ineligible (Planning Approvals & Consultation Required)
CIP-003-2021	120 Cundles Road East	Affordable Housing Grant	Incomplete and Ineligible (Submission material was not provided and only one unit proposed, whereas a minimum of 3 units is required)
CIP-004-2021	112 Collier Street	Heritage Grant	Ineligible (Property not listed on the Heritage Register or Designated under the <i>Ontario Heritage Act</i> )
CIP-005-2021*	43 Burton Avenue	Heritage Grant	Complete & Eligible
CIP-006-2021	16 Dunlop Street East	Affordable Housing Grant	Ineligible (Planning Approvals & Consultation Required)
CIP-007-2021*	541 Essa Road	Affordable Housing Grant	Complete & Eligible
CIP-008-2021 & CIP-010-2021 (duplicates)	70 Dunlop Street East	Heritage Grant	Incomplete (Quotes not provided for the proposed works)
CIP-009-2021 & CIP-011-2021 (duplicates)	2 Chase McEachern	Redevelopment Grant	Incomplete & Ineligible (Submission material was not provided and Planning Approvals & Consultation Required)
CIP-012-2021*	164 Essa Road	Affordable Housing Grant	Complete & Eligible
CIP-013-2021*	90 William Street	Heritage Grant	Complete & Eligible

\* Denotes applications that were deemed complete and eligible by staff

6. The five (5) complete applications identified in Table 1 were approved by the CIP Grant Review Committee. Funding was granted primarily for development and renovation projects in the urban growth centre (UGC), intensification nodes and corridors, and historical neighbourhoods.
7. For applications that were deemed incomplete, applicants were advised of the submission requirements and given an opportunity to submit outstanding material by the May 15th submission deadline. For applications that were deemed ineligible, applicants were advised of the minimum eligibility criteria of the CIP so they may take the necessary steps to meet said criteria and prepare an application for the second submission period which will occur from July 1 to October 31, 2021.

#### CIP Reserve and Approved Funding

8. Council has established a CIP reserve fund to fund the initiatives of the CIP. The allocation of CIP funding is distributed between the respective grant programs as follows:
  - i. 55 percent towards the Affordable Housing Development Grant Program;
  - ii. 40 percent towards the Redevelopment Grant Program; and
  - iii. 5 percent towards the Preservation of Built Heritage Grant Program.

In the event that all of the available funding has not been allocated at the end of the year, any unused funding is carried over into the following year and remains in the same allocation grant program within the CIP reserve fund.

9. As identified in Table 2, the opening balance of the CIP Reserve in 2021 was \$714,278.52. Following the recent application in-take period and approval of applications, the balance of the CIP reserve is now \$361,313.52.

**Table 2: CIP Reserve balance after the 1<sup>st</sup> application in-take period**

CIP Program	Opening Balance	Approved Funding for Applications – 1 <sup>st</sup> In-take Period	CIP Reserve Balance After 1 <sup>st</sup> In-take Period
Affordable Housing (55%)	\$237,874.45	\$237,873.00	\$1.45
Redevelopment (40%)	\$377,984.75	\$89,021.00	\$288,963.75
Heritage (5%)	\$98,419.32	\$26,071.00	\$72,348.32
<b>Total</b>	<b>\$714,278.52</b>	<b>\$352,965.00</b>	<b>\$361,313.52</b>

10. As noted in Table 2, the affordable housing grant reserve has been depleted for 2021, while a total of \$288,963.75 and \$72,348.32 remain in the redevelopment and preservation of built heritage grant reserves.
11. Only the preservation of built heritage grants, development charge grants and per door grants for affordable housing units are funded from the CIP reserve. Incentives for *Planning Act* and building permit application fees and tax increment based grants are absorbed as lost revenue by the City. These losses in revenue will be reported to Council by the Development Services and Finance Departments on an annual basis.

Affordable Housing Grant Reserve Considerations

12. The Affordable Housing Grant Reserve has been depleted for 2021, following the approval of two (2) affordable housing grant applications that were received during the first application in-take period.
13. Currently, the City is unable to fund development charge and per door grants for affordable housing projects, as these grants are funded from the CIP Reserve. However, the City may continue funding application fee and tax increment based grants, as they are absorbed by the City as lost revenue.
14. Council could consider replenishing the affordable housing grant reserve by reallocating funds from the redevelopment and/or preservation of built heritage grant reserves. This approach would allow the City to continue funding affordable housing projects in 2021. The reallocation of funds would not require an amendment to the CIP, as the distribution of funds (i.e. percentages) for the respective grant programs are identified in the preamble of the CIP and do not form part of the plan.
15. Staff recommend that 50% of the remaining funds from the redevelopment and preservation of built heritage grant reserves be reallocated to the affordable housing reserve for the second intake period in 2021, as identified in Table 3. If approved, the reallocation is not expected to negatively impact the redevelopment and preservation of built heritage grant reserves. Sufficient funds would remain available to fund eligible redevelopment and preservation of built heritage projects in 2021.
16. Staff will continue to review the apportionment of funds among the respective grant programs for future years to ensure that CIP funding has an immediate impact on Council's key priority areas. Staff will report back to Planning Committee following the next application in-take period.

**Table 3: CIP Reserve Balance if Funds are Reallocated**

CIP Program	Opening Balance	Approved Funding for Applications – 1 <sup>st</sup> In-take Period	CIP Reserve Balance After 1 <sup>st</sup> In-take Period	CIP Reserve Balance After 50% Reallocation
Affordable Housing (55%)	\$237,874.45	\$237,873.00	\$1.45	<b>\$180,657.48</b> (\$1.45 +\$144,481.87+ \$36,174.16)
Redevelopment (40%)	\$377,984.75	\$89,021.00	\$288,963.75	\$144,481.88
Heritage (5%)	\$98,419.32	\$26,071.00	\$72,348.32	\$36,174.16
<b>Total</b>	<b>\$714,278.52</b>	<b>\$352,965.00</b>	<b>\$361,313.52</b>	<b>\$361,313.52</b>

Next Steps – Application Processing (First In-take Period)

- On July 27, 2021, the CIP applicants were notified of the Grant Review Committee's decision respecting their proposals. Planning staff will work with the applicants and the City's Legal Services Department to draft grant agreements for each of the applications. The agreements will establish the terms and conditions of the grant(s) and will be registered on title of the subject properties.

Second Application In-take Period

- The second and final application in-take period for 2021 will occur from July 1<sup>st</sup> to October 31<sup>st</sup>. Planning staff will report back to Planning Committee in December 2021 following the consideration of applications by the CIP Grant Review Committee.

Summary

- Given the volume of grant applications that have been received by the City, it appears that the new CIP has proven to be a success. The CIP funding that has been approved to-date will provide support for development projects of all sizes, ranging from minor improvements to heritage properties to high density mixed-use and affordable housing developments throughout the City. The CIP is fulfilling its intended function of acting as a catalyst for new mixed-use and affordable housing development projects in the City's UGC and strategic growth areas.
- The affordable housing grant reserve has been depleted for 2021. It is recommended that Council consider reallocating funds from the redevelopment and preservation of built heritage grant portion of the CIP reserve to replenish the balance of the affordable housing reserve. Doing so would allow the City to continue funding development charge and per door grants for affordable housing projects in 2021.
- Planning staff expect to receive additional CIP applications in the third quarter of 2021 as developers and property owners continue to express interest in the various incentives offered by the City's CIP program.
- Planning staff are reviewing the long-term apportionment of funds between the respective grant programs for future years to ensure that the limited funds available have the most immediate impact on Council's key priority areas. Planning staff will report back to Planning Committee following the next application in-take period.

**ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

- There are no environmental and/or climate change impact matters related to the recommendation.

**ALTERNATIVES**

24. The following alternatives are available for consideration by Planning Committee:

<p><b><u>Alternative #1</u></b></p>	<p>Planning Committee could choose to reallocate an alternative percentage (i.e. more than or less than the 50% recommended) of funds from the redevelopment and/or preservation of built heritage grant reserves to replenish the balance of the affordable housing grant reserve. Doing so would allow the City to continue funding development charge and per door grants for affordable housing projects in 2021. This alternative is consistent with Council's strategic goal to foster a safe and healthy city by getting more affordable housing built and to collaborate to address social issues, especially homelessness.</p>
<p><b><u>Alternative #2</u></b></p>	<p>Planning Committee could recommend the reallocation of 100% of the current remaining balances from the redevelopment and/or preservation of built heritage allocations within the CIP reserve to the affordable housing program.</p> <p>This alternative is available. It would prioritize affordable housing over brownfield redevelopment and heritage preservation applications. It is not currently recommended as the CIP is in its first two years and applications in all three priority areas are strong, with the affordable housing portion being the strongest at the moment. Staff are reviewing the percentage allocations between each of the programs funded by the reserve and will report back with longer term recommendations for percentage allocations after the next intake round.</p>
<p><b><u>Alternative #3</u></b></p>	<p>Planning Committee could recommend not to reallocate funds from the redevelopment and/or preservation of built heritage grant reserves to replenish the balance of the affordable housing grant reserve. If so, the City will not be able to fund development charge or per door grants for affordable housing projects in 2021. However, the City may continue issuing application fee and tax increment based grants to applicants, as these grants are absorbed by the City as lost revenue.</p>

**FINANCIAL**

- 25. There are no direct financial implications associated with the reallocation between the programs supported by the CIP reserve as additional funding is not being sought.
- 26. Given the current balance of the affordable housing grant reserve, if the recommendation is not supported, the City will not be able to provide additional development charge or per door grants for affordable housing projects in 2021.
- 27. Should Council choose to reallocate funds from the redevelopment and/or preservation of built heritage grant reserves to the replenish the affordable housing grant reserve, there would be less funding available to applicants seeking redevelopment and preservation of built heritage grants.

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**LINKAGE TO 2018–2022 STRATEGIC PLAN**

28. The recommendation included in this Staff Report will support the following goal identified in the 2018-2022 Strategic Plan:

<b>Fostering a Safe &amp; Healthy City – Getting more affordable housing built</b>	The reallocation of CIP funds will allow the City to assist with funding the creation of new affordable housing units across the community.
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**APPENDIX "A"**  
**Summary of Complete CIP Applications**

Application Type	Application No.	Address	Applicant	Description	Approved (Yes/No)	Approved Grants
Redevelopment Grant	CIP-001-2021	217 Dunlop Street East	PBM Realty Holdings Inc.	15-storey mixed use building comprised of 41 residential condominium units and 401 square metres of commercial space, of which 252 square metres is located at street-level. The project also includes 113 residential parking spaces in a three (3) storey integrated parking structure. Additionally, the project includes amenity spaces in the form of private balconies.	Yes	<u>Redevelopment Grant</u> <ul style="list-style-type: none"> <li>• \$89,021.00 applied towards 50 percent of the development charges for the ground related commercial, office and/or institutional component of the project;</li> <li>• 50 percent of the building permit fees for the ground related commercial, office and/or institutional component of the project;</li> <li>• 100 percent of the <i>Planning Act</i> application fees for the entire project;</li> <li>• A tax increment based grant for the incremental tax on the ground floor related commercial, office and/or institutional portion of the development over a 5-year period; and,</li> <li>• A tax increment based grant for the redevelopment of a brownfield site for the lesser value of the total tax increment or the costs of studies and remediation combined, up to a maximum of \$230,000.00, as identified in the CIP.</li> </ul>
Heritage Grant	CIP-005-2021	43 Burton Avenue	Andrew & Debra Johnston	Improvements to the front porch and gables on the existing dwelling. The proposed works include the repair, sanding and staining/painting of wood features.	Yes	<u>Preservation of Built Heritage Grant</u> <ul style="list-style-type: none"> <li>• \$1,071.00 towards the improvement of the front porch and gables on the existing dwelling.</li> </ul>
Affordable Housing Grant	CIP-007-2021	541 Essa Road	Habitat for Humanity	Two-storey residential townhouse building, consisting of 5 units geared to low-income families. Unit affordability is attained through Habitat for Humanity's geared to income mortgage program, which limits mortgage costs to a maximum of 25 percent of income and includes property taxes. The mortgages are zero interest bearing and no monetary down payment is required. The average mortgage cost for newly built homes offered through this program is \$1,100.00 per month.	Yes	<u>Affordable Housing Development Grant</u> <ul style="list-style-type: none"> <li>• \$108,124.00 toward the Development Charges for affordable units geared towards households with a gross annual income within the lowest 40<sup>th</sup> income percentile; and,</li> <li>• 100 percent of the building permit and planning application fees for affordable housing units.</li> </ul>

Application Type	Application No.	Address	Applicant	Description	Approved (Yes/No)	Approved Grants
Affordable Housing Grant	CIP-012-2021	164 Essa Road	Redwood Park Communities	Addition of 6 affordable housing units to an existing transitional housing development (Lucy's Place) which houses those in the community who are experiencing chronic homelessness. The property is owned by the County of Simcoe with Redwood Park Communities Inc. operating the housing development.	Yes	<u>Affordable Housing Development Grant</u> <ul style="list-style-type: none"> <li>100 percent of the <i>Planning Act</i> and building permit application fees for 6 new affordable housing units;</li> <li>\$129,749.00 applied towards the development charges for affordable housing units geared toward households in the lowest 40<sup>th</sup> income percentile; and,</li> <li>A tax-increment based grant for the incremental tax associated with the addition of 6 affordable housing units over a 5-year period.</li> </ul>
Heritage Grant	CIP-013-2021	90 William Street	Tara George	Replacement of the roof and the restoration of chimneys, masonry and the foundation on the existing dwelling located on the subject property.	Yes	<u>Preservation of Built Heritage Grant</u> <ul style="list-style-type: none"> <li>\$25,000 towards the replacement of the roof and the restoration of chimneys, masonry and the foundation on the existing dwelling located on the subject property.</li> </ul>

\*Applications that were incomplete, ineligible or withdrawn have not been included in the table.