



Report 2021-119

Report Title:	473 Ontario Street – Receipt of FCM Sustainable Affordable Housing Funding
Committee Name:	Social Services Committee
Committee Meeting Date:	July 7, 2021
Prepared by:	Rebecca Carman, Housing Services Manager
Reviewed by:	Lisa Horne, Director, Community and Social Services
Approved by:	Jennifer Moore, CAO
Council Meeting Date:	July 21, 2021
Strategic Plan Priorities:	Sustainable Growth

Recommendation

“That the Social Services Committee, having considered Report 2021-119 ‘473 Ontario Street – Receipt of FCM Sustainable Affordable Housing Funding’ recommend that County Council authorize staff to execute all funding agreements with the Federation of Canadian Municipalities for the Net-Zero Ready Feasibility Study at 473 Ontario Street, Cobourg, Ontario.”

Purpose

The purpose of this report is to inform County Council of the successful application made on the behalf of the Northumberland County Housing Corporation (NCHC) to the Federation of Canadian Municipalities (FCM) Sustainable Affordable Housing Program for a Net-Zero Ready Feasibility Study for the future housing development at 473 Ontario Street, Cobourg.

Background

On October 24, 2019, Northumberland County purchased 473 Ontario Street, Cobourg Ontario. Since this time, Northumberland County has been working with project partners to become

construction ready on this site, while looking at achieving a net-zero/net-zero building under the FCM Sustainable Affordable Housing program.

The FCM Sustainable Affordable Housing program is available through a number of streams and focused programs. This funding is geared to projects studying energy efficiencies in affordable housing programs. The funding received from FCM will support pre-construction activities for 473 Ontario Street, including the completion of a net-zero ready feasibility study.

The project team has also applied to the Canada Mortgage and Housing Corporation (CMHC) for pre-construction financing to support pre-construction activities. Project partners are aiming to begin construction in 2023.

Consultations

Consultations have occurred extensively with the project team which includes project partner agencies and internal County staff, including the Finance Department, Major Capital Project Division, Community and Social Services, Corporate Services, Communications and the Environmental & Technical Services Team, predominately through the Environmental Officer.

In addition, external consultations have occurred with legal counsel, FCM and CMHC and preliminary conversations with the Town of Cobourg.

Legislative Authority/Risk Considerations

The *Planning Act*, the Northumberland County Official Plan and Town of Cobourg's Official Plan and Planning By-Laws have also been consulted in this process.

Federal, provincial and local plans and strategies have also been reviewed for consistency and applicability to this project, including the National Housing Strategy, the Long-Term Affordable Housing Strategy (Update), Investment in Affordable Housing Program Guidelines, Northumberland County's 10 year Housing and Homelessness Plan, and Northumberland County's Affordable Housing Strategy.

Discussion/Options

Northumberland County has begun the initial feasibility study work for a net-zero ready building on this site and anticipate having the initial results from this work in the fall of 2021. It is anticipated that with this information, project partners will be able to consider the feasibility alongside the cost differential.

The funding received provides a grant up to 50% of study costs up to a maximum of \$175,000. The FCM funding cannot be stacked with other funding sources, however any project budget cost outside of the total considered cost (up to a maximum of \$350,000) is able to be financed through other sources. As such, following a submission to FCM, an application will be made to CMHC to support the remaining pre-construction activities (grant and interest free loan). It is also understood that some pre-construction activities can also be included in construction program financing in FCM and CMHC which is fully stackable.

The project partners continue to work with legal counsel to determine the required governance structure for the oversight and operation of this building. Partners are bringing respective expertise to this project to support needs identified in the Affordable Housing Strategy. Each organization will be contributing financially on an equitable basis as according to the respective share of final units owned.

Financial Impact

The immediate financial impact associated with this report is an anticipated contribution to the full pre-construction cost of 473 Ontario Street, estimated currently to be \$850,000, this will reduce the required draw from housing reserves by up to \$175,000 and decrease the purchase price for the project partners as well.

While the immediate financial impact in the pre-construction will impact the housing reserves, these costs will be in part recouped through successful funding applications (including FCM and anticipated CMHC Seed Funding) and through the sale of final units to the project partners following construction.

Member Municipality Impacts

Impacts to member municipalities at present are minimal, however as the project moves forward the County will be seeking the Town of Cobourg's support for this project through the regular planning processes.

Conclusion/Outcomes

It is recommended that the Social Services Committee recommend County Council direct County Staff to execute the funding agreement to receive the FCM funding.

Attachments

1. FCM Executive Decision Letter – Northumberland County Net Zero Ready Feasibility Study