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## Report 2021-147

**Report Title:** 473 Ontario Street – Receipt of CMHC Seed Funding

**Committee Name:** Social Services Committee

**Committee Meeting Date:** September 1, 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:** September 15, 2021

**Strategic Plan Priorities:** Sustainable Growth

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### Recommendation

**“That** the Social Services Committee, having considered Report 2021-147 ‘473 Ontario Street – Receipt of CMHC Seed Funding’, recommend that County Council authorize staff to execute all funding agreements on behalf of the Corporation of the County of Northumberland with the Canada Mortgage Housing Corporation (CMHC) for Seed Funding including:

- That the execution and delivery by the Corporation of a Loan and Contribution Agreement dated July 15, 2021 ("Agreement") to be made between Canada Mortgage and Housing Corporation ("CMHC") and the Corporation providing for funding in the total principal amount of three hundred and six thousand dollars (\$306,000) Dollars ("Funding Amount") for the Project. Specifically, \$150,000 as a contribution and \$156,000 as an interest free loan;
- Any two directors or officers of the Board of Directors of the Corporation, or any combination thereof, are hereby authorized for and on behalf of the Corporation to execute or cause to be executed under its corporate seal or otherwise, the Agreement and such other documentation as required by the Agreement, with such alterations, additions, amendments and deletions as may be approved by such persons executing the same whose signature shall be conclusive of such authorization; and

- Such directors or officers of the Board of Directors of the Corporation, are hereby authorized for and in the name of the Corporation to execute and deliver under the corporate seal or otherwise all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this Resolution and to perform the obligations of the Corporation.”
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## **Purpose**

The purpose of this report is to inform County Council of the successful application made to the Canada Mortgage Housing Corporation's (CMHC) Seed Funding Program for the completion of pre-construction activities 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 with support from CMHC affordable housing programs and the FCM Sustainable Affordable Housing Program.

Pre-construction activities are underway with project partners, with the goal of starting 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**

The funding received provides a grant of \$150,000 and an interest free loan of \$156,000. This funding will support pre-construction activities at 473 Ontario Street including the completion of required studies and design works. The \$306,000 received from CMHC will support the total pre-construction budget, currently estimated to be approximately \$850,000. In addition, \$175,000 has been received from FCM.

Partners are continuing to work with legal counsel to determine the required governance structure for the oversight and operation of this building and 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.

With the recently called federal election, it is anticipated that there may be a delay in the full execution of this agreement by the CMHC during the 45-day blackout period.

## **Financial Impact**

The immediate financial impact associated with this report is an anticipated contribution to the 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 \$306,000 and decrease the purchase price for the project partners as well by approximately \$150,000.

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 CMHC funding.

## **Attachments**

1. CMHC Application Approval Letter, Contribution Agreement and Loan Agreement
2. Required Sample Resolution