
For the **Regular Meeting of City Council**
To be held on **Tuesday, August 17, 2021 at 3:00 P.M.**
In the **Council Chamber Or Via Electronic Participation,**
Tom Davies Square

Addendum

(Two-thirds Majority Required to Deal with the Addendum)

Declarations of Pecuniary Interest and the General Nature Thereof

Managers' Reports

Canada Mortgage and Housing Corporation – Rapid Housing Initiative

ADD-1	This report provides a recommendation regarding the Submission of an application to Canada Mortgage and Housing Corporation (CMHC) for \$7.4 million funding through the Rapid Housing Initiative (RHI) that has been earmarked for Greater Sudbury to construct new permanent affordable housing.	2 – 14
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Canada Mortgage and Housing Corporation – Rapid Housing Initiative

Presented To:	City Council
Meeting Date:	August 17, 2021
Type:	Managers' Reports
Prepared by:	Cindi Briscoe Housing Services
Recommended by:	General Manager of Community Development

Report Summary

This report provides a recommendation regarding the submission of an application to Canada Mortgage and Housing Corporation (CMHC) for \$7.4 million funding through the Rapid Housing Initiative (RHI) that has been earmarked for Greater Sudbury to construct new permanent affordable housing.

Resolution

THAT the City of Greater Sudbury approve the Lorraine Site, as described in **Appendix C**, in an application to Canada Mortgage and Housing Corporation under the Cities Stream of the Rapid Housing Initiative, as outlined in the report entitled, "Canada Mortgage and Housing Corporation – Rapid Housing Initiative" from the General Manager of Community Services, presented at the City Council Meeting on August 17, 2021.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report relates to Housing as identified in the Strategic Plan and Health Impact Assessment, and Compact, Complete Communities and Efficient Buildings in the Community Energy & Emissions Plan (CEEP).

Financial Implications

If the application is approved by CMHC, the City of Greater Sudbury will receive up to \$7,404,322 in capital funding for the construction of up to a 40-unit supportive housing complex. Any funds required above this amount would be the municipality's responsibility, and would be subject to further review and approval by City Council.

Background

On June 30, 2021, the City of Greater Sudbury was advised by Canada Mortgage and Housing Corporation (CMHC) that the municipality was identified for immediate funding to create new permanent affordable housing under the Rapid Housing Initiative (RHI). As part of the Cities Stream funding, the municipality has been identified to receive up to \$7,404,322 to create a minimum of 28 new permanent affordable housing

units upon approval of the submitted application.

This program provides capital funding contributions to develop new, permanent affordable housing by covering costs associated with multi-unit rental construction; conversion of non-residential to affordable multi-residential homes; and, rehabilitation of buildings in disrepair and/or abandoned to affordable multi-residential homes (See Appendix A – NHS RHI Highlight Sheet).

Greater Sudbury was one of 30 municipalities that were pre-selected based on the number of renters in severe housing need, regional coverage, and the local market cost of housing in our respective rental housing market. To secure the funding that has been earmarked for Greater Sudbury, an application to CMHC must be submitted by August 31, 2021.

Housing is one of Council's Strategic Priorities. This goal reflects Council's desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing options. In addition, the City's Housing and Homelessness Plan identifies and prioritizes a need for additional supportive services coupled with permanent housing (both supportive housing and supports in private homes). Social Services and Housing Services have been working towards ensuring supports are available for individuals to achieve and maintain housing stability; ensuring there is adequate permanent housing linked with supports, and reducing barriers to accessing housing, services and supports.

One of the largest barriers the municipality faces is the lack of supportive housing infrastructure.

During the 2021 budget process, City Council unanimously approved the business case for the creation of a transitional housing site. The approval included approximately \$1.7 million dollars in clinical operating funding for the creation of an on-site Assertive Community Treatment Team (ACTT), run by Health Sciences North (HSN) along with annual operating funding in the amount of approximately \$500,000 for the operation of the building (i.e. utilities, maintenance, etc.). The business case further contemplated a one-time capital investment of up to \$10 million dollars to create a multi-residential facility once staff had reviewed potential sites.

Analysis

The \$7.4 million capital funding earmarked for the City of Greater Sudbury by the federal government will be used to reduce the need for \$10 million in capital funding approved by Council for the creation of Transitional Housing. Based on the investment and RHI program criteria from CMHC, the \$7.4 million is for capital only and cannot be used for any operational support.

Since approval of the 2021 budget, staff have been engaging with various Ministries at the Province seeking permanent funding support for the operations and capital portions of the Transitional Housing project. These discussions are ongoing.

Site Identification and Evaluation

Upon receipt of the funding letter from CMHC, staff from Building Services, Community & Strategic Planning, Social Services, and Housing Services have been meeting to develop site recommendations to build a multi-residential supportive housing building of up to 40 units for Council's consideration in order to complete the CMHC application. Due to the tight timelines, (less than 6 weeks to submit the application) staff reviewed city owned properties based on the following criteria: being properly zoned, availability of water and sewer services, available density, parking and proximity of transit which also provides opportunities for future development. Privately held properties were examined and determined not to be suitable at this time due to location, meeting the criteria of the City or CMHC. One key criteria of this federal funding is that existing tenants cannot be displaced through this program. In addition, staff wanted to minimize the financial impact of this project on the municipality by ensuring as much of the federal funding went into the capital build and not into acquisition.

Two sites were identified through the screening process – Lorraine Street and 1127 Bancroft Drive, also known as Minnow Lake Place. The screening process included a review of all municipally owned lands. GIS

was used to select those parcels that could accommodate a medium (0.1-0.4 ha) or large (0.4 ha +) development. Parcels were then filtered based on whether they were located within the settlement boundary, within proximity to water and sewer, on a divided highway, or affected by a hazard such as a flood plain. The evaluation criteria for potential sites was also aligned with the locational criteria established in the Affordable Housing Community Improvement Plan (AHCIP).

A desktop review was then undertaken of the remaining sites to eliminate those with topographic or other constraints which would be challenging to develop. Then, the short list of sites was with a team of staff from various departments to prioritize the most suitable locations.

When the two sites were chosen, Building Services reviewed requirements from the zoning by-law for use, density and parking. Building Services also reviewed whether there would be sufficient services to accommodate fire flows. Additionally staff reviewed any applicable law and Ontario Building Code requirements that may have an impact on the sites.

Table 1, below, provides a summary of the characteristics of each site.

Table 1: Rapid Housing Initiative - Site Assessment Summary

	Bancroft Drive (Minnow Lake Place)	Lorraine Street
Zoning	Institutional	Institutional
Official Plan	Institutional	Institutional
Total Site Area (m2)	14,973.9	44,193.24
Site Area ha	1.497	4.4
Maximum Lot Coverage 50%	7,486.95	22,096.62
Max ground floor units based on site assessment	16 *limited by existing building, parking for that building and storm water infrastructure	294
Units in 2 storey build	32	588
Units in 3 storey build	48	882
Units in 4 storey build	64	1,176
Parking for 40 units	10	10
Servicing	200mm = 350 l/s, 85psi max day	Serviced off of Kent Court – 150mm = 85 l/s 78 psi max day. More flow available = +/- 200 l/s on south end of Kent (250mm)

Assumptions:

- Unit size 75 m² (7.5m x 10m)
- Parking space area 16.5 m² (2.75m x 6m)
- 10% of remaining lot area after 50% max lot coverage applied was subtracted from potential parking area
- Land for storm water management, buffering, etc. was not calculated (though setbacks somewhat account for land required for those)
- Height can vary based on number of units on the ground floor
- Institutional (I) Zone permits a maximum building height of 50.0 m
- Ground floor units based on site assessment = 50% of the available envelope – setback area. Divide length by 7.5 m, divide with by 10 m and multiple results to get the number of units.
- Parking is based on a “Special Needs Facility” which requires ¼ of beds for parking according to designed capacity

1127 Bancroft Drive

Option 1: Renovate existing school and addition for 23 units in school and 17 in addition with common space and office support, as well as outdoor greenspace. Parking would likely be okay on the site.

(See Appendix B – NHS RHI Bancroft Conversion)

Option 2: Leave school as is and build up to 40 units using heavy timber construction (modular in nature) which would include common space on every floor as well as outdoor greenspace. With this option, a minor variance would likely be required for parking, as total parking requirements will include the school plus the new units. There are challenges with this option as there is a large storm sceptor on the property, which will dictate the location of the building. As well, part of the property is regulated by Conservation Sudbury and approval by them is required for construction of a new building. Construction of a new building will require addition spatial separation requirements under the Ontario Building Code.

Lorraine Street

The proposed building would be up to 40 units with the potential for modular build and appropriate space to accommodate clinical services. There is ample greenspace available and potential for additional future construction. The property is close to GOVA transit routes. The property currently has a natural gas distribution facility on it and requires a Record of Site Condition. At a minimum, a Phase 1 and Phase 2 assessment would be required, which could be completed in a few months. If contamination is found, a risk assessment would be required. (See Appendix C –NHS RHI Lorraine new build).

Evaluation Results

Staff conclude the Lorraine Street site offers the best location for the transitional housing.

It best fits the requirements outlined in the funding guidelines and provides the opportunity for future expansion. As well, it offers natural greenspace for the building's residents, which has been identified by community partners as important to support healing.

The property's size also provides flexibility should any obstacles arise. It avoids the negative impacts associated with the selection of Bancroft Drive (Option 1), which would require the relocation of existing nonprofit groups. Further, Bancroft Drive Option 2 may not be feasible due to the location of the storm sceptor and the fact that Conservation Sudbury regulates part of the property.

Next Steps

Upon selection of a site by Council, staff will submit the application by the August 31, 2021 deadline. CMHC anticipates reviewing all proposed projects and execute an agreement to flow funding within 45 days of the submission deadline. A final agreement would be complete by the end of the year.

Under the direction of the General Manager of Community Development, staff will employ an appropriate form of new construction (i.e. not limited to modular) to deliver housing within the twelve (12) month timeframe (December 31, 2022). Staff will work with Indigenous-led organizations to target 15% of the units for urban indigenous peoples and will ensure at least 25% of the units are women-focused housing per the CMHC guidelines. A community benefits approach will be taken for the build, ensuring that all tools are utilized in order to create good jobs and apprenticeships, grow partnerships, build affordable housing, and provide for individuals who do not usually benefit from funded capital projects.

Staff will provide an update regarding ongoing discussions with the Province related to the potential for operating funding prior to the 2022 budget process, in accordance with Council's previous direction.

Resources Cited

Canada Mortgage and Housing Corporation, Rapid Housing Initiative, <https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/rapid-housing>



OVERVIEW

The Rapid Housing Initiative (RHI) provides funding to expedite the delivery of affordable housing units to people and populations who are vulnerable and targeted under the National Housing Strategy (NHS). The initial RHI investment will support the construction of more than 4,700 units across Canada, thanks to the support of provincial, territorial and municipal governments as well as Indigenous governing bodies.

The RHI takes a human rights-based approach to housing, serving people experiencing homelessness or at risk of homelessness and others who are among the most vulnerable, including: women and children fleeing domestic violence, seniors, young adults, Indigenous peoples, people with disabilities, people dealing with mental health and addiction issues, veterans, LGBTQ2+, racialized groups, Black Canadians, and recent immigrants or refugees.

OUTCOMES

The initiative provides:

- An additional \$1.5 billion for the Rapid Housing Initiative in 2021-22 to address the urgent housing needs of Canadians who are vulnerable by providing them with adequate affordable housing in short order.
- New funding that will add a minimum of 4,500 new permanent affordable units to Canada's housing supply.
- At least 25 per cent of this funding will go towards projects for women and/or women and their children, and investments will be made to ensure geographical representation across the country.
- Housing availability within 12-months and affordability for a minimum of 20 years.

FUNDING

On the Cities and Projects Streams

Cities Stream (\$500 million): Funding was allocated to 30 pre-determined cities. These cities were notified of their allocation upfront and given a minimum of 60 days to submit proposed projects through CMHC's online portal.

Projects Stream (\$1 billion): Only eligible applicants with projects that were not (fully) funded during the first round of RHI will be given the opportunity to revise and resubmit their original applications through CMHC's online portal will remain open for a minimum of 60 days.

Before revising project applications, applicants are encouraged to discuss the best options for their project(s) with their CMHC Specialist.

Purpose of Funding

Eligible recipients will receive funding for one of three eligible forms of housing listed below:

New Construction:

- Support the new construction of multi-unit rental projects, which includes the acquisition of the land. Any form of new construction beyond modular* will be accepted if the units can be delivered in 12 months.

***Modular** is defined as housing units which are partially or fully built in off-site (*e.g., a factory, warehouse, or similar facility*) by a qualified manufacturer and delivered to the site in whole or in part and installed on an appropriately zoned and serviced lot. This may range between single, scattered units up to larger multi-unit housing projects.

Conversions/Rehabilitations:

- Support the acquisition and conversion of a non-residential building to an affordable rental project.
- Support the acquisition of an existing building in state of disrepair or abandoned for the purpose of rehabilitation where units were previously lost from the housing stock.

Properties that require evictions of tenants are not eligible for funding under the RHI.

Application-based Process

RHI delivers funding under two streams. The applicants for both streams will submit their application through the portal.

Where a proposed project can no longer be completed, the applicant will have the option to replace their project with one that can be delivered within the 12-month timeline.

CMHC will reassess updated applications according to the Application Scoring Grid that has been updated from round one of RHI and prioritize applications based on program criteria.

Eligibility and Criteria

Property Type and Size requirements

- Standard rental, transitional, permanent supportive housing, single room occupancy and seniors housing (excludes delivery of healthcare)
- Must have a minimum of five units or beds*
- Minimum contribution request of \$1M*
- Primary use is residential
- Permanent housing (long-term tenancy, 3 months or more)

*with possible exceptions made for Northern, Indigenous or remote projects.

Eligibility Requirements

Eligible Applicants:

Only applicants with eligible applications kept on file from the first round of RHI will be considered. This includes:

- Municipal, Provincial, and Territorial Governments
- Indigenous governing bodies and organizations
- Non-profit organizations

Property Management Experience:

- Non-profit and Indigenous Organization applicants must have a minimum of 5 years demonstrated experience operating a housing project of similar type and size as the proposed project with similar tenancy (in lieu, a formal property management contract with a professional third-party firm or alternate as approved by CMHC).

Construction Management Experience:

- Non-profit and Indigenous Organization applicants must have successfully completed within the last 5 years a similar project on time and within budget. Alternatively, recipients must enter a fixed price contract with a general contractor who has experience building projects of similar size, cost, building form and construction type in the same market area. Proponents must have a demonstrated ability to withstand unexpected increases in construction cost.

For newly formed groups, alternate covenants, collateral and mitigation may be considered.

Mandatory Minimum Requirements

Expediency

Applicants will be required to achieve building occupancy within 12 months of the date of the contribution agreement.

To recognize the increased difficulty in delivering units within 12 months in areas such as the North and for those in geographic locations having special access (e.g., fly-in, winter road, barge) applicants will be given 18 months to complete their projects.

Financial Viability

All projects are expected to maintain financial viability for the 20 years of the contribution agreement. Non-government entities which do not have confirmed sources of government subsidies will be asked to demonstrate their capacity to support units without additional sources of financial support.

Affordability

All units must serve and be affordable (household is paying less than 30% of gross income on housing costs or the shelter component of any provincial or territorial income assistance as an equivalent) to targeted people and populations who are vulnerable and who are, or otherwise would be in severe housing need* or people experiencing or at imminent risk of homelessness** as described below.

Affordability must be maintained for a minimum of 20 years.

***A household in severe housing need** pays 50% or more for their current dwelling, and is a subset of core housing need households. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

****Homelessness** is described as the situation of an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it.

Population at imminent risk of homelessness is defined as individuals or families whose current housing situation will end in the near future (e.g., within 2 months) and for whom no subsequent residence has been established.

Accessibility and Energy Efficiency**Cities Stream:**

New construction projects are expected to meet a minimum accessibility of 5 per cent or more above the local accessibility requirements in their jurisdiction and 5 per cent or more above the energy efficiency standards as set out in the 2015 National Energy Code for Buildings or meet the local/regional standard, whichever is highest.

Projects Stream:

New construction projects that exceed the local accessibility requirements in their jurisdiction and the energy efficiency standards as set out in the 2015 National Energy Code for Buildings or local/regional standard will be given greater priority.

Target Populations

All affordable units must be targeted to people and populations who are vulnerable, especially people experiencing or at risk of homelessness. In the case of the National Housing Strategy, priority vulnerable groups are currently defined to include:

- Homeless people or those at risk of homelessness
- Women and their children fleeing domestic violence
- Black Canadians
- Indigenous peoples
- Racialized groups
- Seniors
- Young adults
- People with disabilities
- People dealing with mental health and addiction issues
- Veterans
- LGBTQ2+
- Recent immigrants or refugees

PRIORITIZATION CRITERIA – PROJECTS STREAM

Applications deemed ready will be prioritized based on the below criteria in addition to other considerations such as projects targeting women and/or women and their children and geographic representation.

Prior to selecting applications, for funding CMHC will undertake a review of the applicant's performance under other agreements it may have entered with CMHC under another initiative. Should there be concerns related to compliance or other risks identified, CMHC may choose not to proceed with funding the application.

In addition to meeting mandatory minimum requirements, the RHI will further prioritize projects based on the following criteria:

1. Need:

- In addition to the criteria below, CMHC will prioritize applications based on the level of need in the market where the project is located. CMHC will determine this score using market data to measure the severity of housing need in each market. Housing need is determined based on the total population in severe housing need in Canada as a percentage of that population located per Census Metropolitan Area/Census Area.

2. Duration of Confirmed Subsidy/Confirmation of Financial Self-Sufficiency:

- Confirmation of subsidy by a Municipality/Province, Territory or Indigenous governing body to ensure the long-term viability of the project. Alternatively, non-profits can also demonstrate the capacity to support units without a government subsidy.

3. Cost Sharing/Support from Another Order of Government:

- Funding or waivers that lower the construction budget and/or funding required from the RHI. Support can be provided in a form such as, but not limited to, grants, contributions, concessions on property taxes and/or concessions on levies, waiver of development cost charges or other provincial/municipal fees, waiver of community amenity contributions, land donation, etc.

Loan components are not considered eligible for calculating cost sharing.

4. **Expediency:**

- Project is completed and/or available for occupancy earlier than the minimum requirement of 12 months.
- Completion timelines adjusted for projects located in the North and special access (e.g., fly-in, winter road) up to 18 months to accommodate barriers in delivery.

5. **Land Status:**

- The land is secured.

6. **Duration of Affordability:**

- Projects that provide a duration of affordability going beyond the minimum 20-year affordability period.

7. **Energy Efficiency:**

- New construction projects that exceed the energy efficiency standards as set out in the *2015 National Energy Code for Buildings* or local/regional standard whichever is higher.

8. **Accessibility:**

- New construction projects that exceed the local accessibility requirements in their jurisdiction.

9. **People or Populations Who Are Vulnerable:**

- CMHC continues to prioritize the needs of the most vulnerable populations as outlined in the NHS, as well as those affected by the COVID-19 pandemic. We will work with applicants to ensure that RHI achieves the greatest impact for these groups, especially Indigenous peoples, Black Canadians and women and/or women and their children.

Please consult with your **CMHC Client Solutions Specialist** to discuss your project.

Advancing

Cities Stream:

- Following CMHC's review of proposed projects, the full contribution will be advanced.

Projects Stream:

- For government entities, the RHI will advance the full contribution once both CMHC and the government sign the contribution agreement.
- For non-profits, CMHC will undertake construction advances based on work in place confirmed by a quantity surveyor or alternate consultant having the necessary experience (approved by CMHC).

Security Type

The contribution will be unsecured unless security is deemed necessary by CMHC, at its sole discretion.

Reserve Requirements

None required unless deemed necessary by CMHC, at its sole discretion.

Documentation Requirements

Refer to [**RHI Documentation Requirements List**](#).

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[**cmhc.ca/RapidHousing**](https://cmhc.ca/RapidHousing)



