

Town of Whitby

Staff Report

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Report Title: Housing Accelerator Fund – Grant Management and Downtown Whitby Community Improvement Plan

Report to: Council

Date of meeting: January 29, 2024

Report Number: CAO 05-24

Department(s) Responsible:

Office of the Chief Administrative Officer

Submitted by:

Sarah Klein, Director Strategic Initiatives

Acknowledged by M. Gaskell, Chief Administrative Officer

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1. Recommendation:

1. That Report CAO 05-24, be received as information;
2. That Council approve the recommended administrative changes to Appendix C Implementation Guidelines of the Downtown Whitby Community Improvement Plan (CIP), including the addition of \$2,500,000 to support the Development Charge Partial Exemption for High Density Residential and Residential Mixed-Use Development as outlined in Section 4 of Report CAO 05-24 and included as Attachment 1;
3. That Council extend the Downtown Whitby Community Improvement Plan (CIP) By-law to December 31, 2027, as outlined in Attachment 2 to align with the funding parameters of the Housing Accelerator Fund;

4. That the Treasurer and the CAO be delegated authority to award all contracts related to Federal or Provincial grant-funded projects, including the Housing Accelerator Fund, that are within budget until December 31, 2027;
5. That staff be delegated the authority to submit all Federal or Provincial grants applications, normally requiring Council authorization beforehand, until December 31, 2027, subject to the agreement of Treasurer and CAO; and,
6. That staff report on grant applications submitted, grant agreements executed, and procurements awarded, that normally would require Council approval.

2. Highlights:

- It is recommended that \$2,500,000 from the Housing Accelerator Fund be committed to support the Development Charge Partial Exemption for High Density Residential and Mixed-Use Development as part of the Downtown Whitby Community Improvement Plan (CIP), creating a total municipal investment for this program of \$2,598,010.
- Some administrative changes are required to Appendix C Implementation Guidelines of the Downtown Whitby CIP in order to support the new funding for the Development Charge program (Attachment 1).
- In order to align the CIP with the funding parameters of the Housing Accelerator Fund, it is recommended to extend the Downtown Whitby CIP By-law #7827-21 to December 31, 2027 (Attachment 2).
- The recommendations in this report will enhance the Town's ability to execute/implement Housing Accelerator Funded spending to proceed in a timely manner that align to the timelines for reporting and milestones that are set out in the Housing Accelerator Fund Contribution Agreement with the Canadian Mortgage and Housing Corporation.
- In anticipation of future Provincial/Federal grant announcements, staff are seeking delegated authority related to grant applications and project related procurement in order to meet tight timelines associated with the grant opportunities that align to the Housing Accelerator Fund timing.

3. Background:

The Town has begun work on the nine Housing Accelerator Fund initiatives as outlined in Staff Report CAO 20-23 and in accordance with Council Resolution 222-23. Within that motion, staff were directed to bring forward an update to extend the By-law related to the Downtown Whitby Community Improvement Plan to align to the Housing Accelerator Fund timeline.

Whitby's Housing Accelerator Fund agreement was signed on December 31, 2023, as such the 4 years will expire December 31, 2027. The Housing Accelerator Fund has

ambitious timelines that require streamlined procurement to expedite purchasing. In addition, there is the potential for other Provincial/Federal grant opportunities that may be sought by the Town that relate to Housing Accelerator Fund projects or other Town initiatives. In order to optimize the Town's opportunity to be successful for applicable grants, delegated authority is being sought related to grant applications and procurement.

Community Improvement Plan (CIP)

The Downtown Whitby Community Improvement Plan (CIP) was adopted by Council in 2018 and contains various incentive programs created to transform and revitalize the downtown through new economic development and redevelopment by investing in the commercial core. In 2021, the CIP was modified and the CIP By-law was extended for another four years to March 1, 2025.

Since the CIP was approved, a total municipal investment of \$3,277,925 (95% of the funds) have been committed to support the various CIP projects in Downtown Whitby. The remaining funds (\$152,075) are mostly allocated for the Maintenance and Improvement Programs (i.e. Façade Grants, Interior Heritage Building Grants, Sign Grants and Design Grants).

However, one program that was extremely successful, was the Development Charge Partial Exemption for High Density Residential and Mixed-Use Development. \$2,697,500 was initially allocated to this program and was fully allocated to support four applications within the first year, resulting in 467 new residential units, 10,000 sf of commercial floor space with private investment of \$151.9M in the Downtown Whitby area. As part of the modifications to the CIP in 2021, \$98,010 has been transferred to this program and is all that remains available for potential qualifying applicants.

Delegated Authority for Grant Management

The delegated authority model was successful as outlined in staff report FS 21-21. This Delegated Authority for Grant Applications and Procurements applied up until April 1, 2023 in anticipation of economic stimulus grants / infrastructure grants following the COVID-19 pandemic. Part of this delegated authority allowed the Treasurer, Commissioner and Senior Manager of Procurement to award all contracts related to Provincial and Federal grants. This delegated authority also expedited grant application submissions that would normally require Council approval.

As the housing crisis continues, it is anticipated that additional Federal and Provincial funding opportunities may present themselves with tight implementation timelines, particularly related to housing and infrastructure. As outlined in staff report FS 21-21, it is in accordance with Town policy, that certain grants and certain procurements require Council approval prior to execution by the Town. Due to pre-established Committee and Council dates, lead times required for Council reports, and the potential tight timelines involved with anticipated Federal and Provincial grants, it is recommended that:

- staff be provided delegated authority to apply for Federal and Provincial grants that normally would require Council approval beforehand;

- staff be provided delegated authority to award procurements related to grants that are within budget and, in accordance with the Procurement policy, and would normally require Council approval beforehand;
- the temporary delegated authority, noted above, end after the expiry of the Housing Accelerator Fund Contribution agreement, December 31, 2027.

To ensure that Council is aware and updated on grant applications and grant-related contract awards, reporting will be provided in accordance with the Town's Grant Policy and Procurement Policy. However, the reporting will occur after-the-fact in order to meet the implementation timelines set out in the Federal and Provincial grant programs.

4. Discussion:

Community Improvement Plan (CIP)

The Downtown Whitby CIP was designed so that Council can activate and deactivate any of the programs at any time, including providing additional funding to support programs as required. As part of the available funding received from the Federal Housing Accelerator Fund, \$2,500,000 will be allocated to support new residential and mixed-use residential developments located within the Downtown Whitby Community Improvement Project Area (see Figure 1) as follows:

- A 75% Development Charge exemption for high density residential developments and the residential component of mixed-use development within the Downtown Whitby Historic Priority Area.
- A 50% Development Charge exemption for high density residential developments and the residential component of mixed-use development outside the Historic Downtown Whitby Priority Area.

Specifically, Section 2.1 and 2.5 of Appendix C Implementation Guidelines of the Downtown Whitby Community Improvement Plan (CIP) require updating to support this proposed change (see Appendix C in Attachment 1).

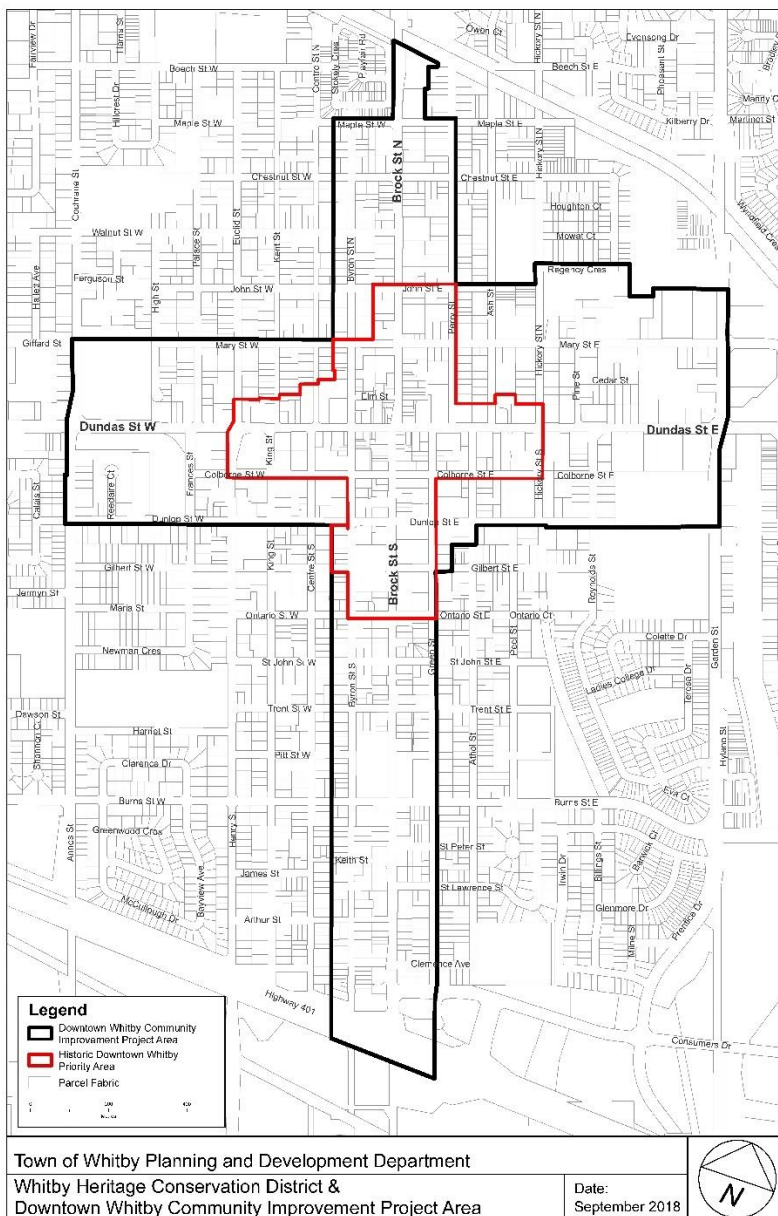
In accordance with the CIP By-law, High Density Residential Development means 'an apartment dwelling of a minimum of four (4) storeys or containing more than 65 dwelling units per net hectare.'

In order to qualify, the owner of the property submits a completed application at the time of Site Plan submission. The application must include information with the exact number and type of units, GFA of retail commercial and office uses, timeline and commitment to proceed to building permit. This application is reviewed by members of the Senior Leadership Team to confirm the application meets the eligibility criteria and confirms approval. A building permit must be issued, and Development Charges paid within one year from the date the Development Charge application was approved.

In order to align the CIP with the funding parameters of the Housing Accelerator Fund, it is recommended to extend the Downtown Whitby CIP By-law #7827-21 to December 31, 2027. A copy of the Draft CIP By-law is included as Attachment 2.

Staff are aware of several proposed developments that could potentially qualify for this additional funding, adding much needed housing in Downtown Whitby, that is within walking distance to businesses, amenities, and along existing transportation routes such as Rapid Transit. This additional funding will help achieve the goals of the Housing Accelerator Fund, provide alternative housing options and meet intensification targets as set out in the Official Plan.

Figure 1 – Map of Downtown Whitby Community Improvement Project Area Boundaries



Delegated Authority for Grant Management

The Town of Whitby's grant policy, Policy Number F 270, requires Council approval of grant submissions which introduce a new level of service and/or have a net financial impact incremental to the Town's approved budget.

The Town Procurement Policy, Policy Number F 080, currently requires Council approval prior to contract awards (within budget) in the following situations:

- Single/Sole source awards greater than Trade Agreement limits (CFTA limits for January 1, 2024 to December 31, 2025: \$133,800 for Goods and Services, \$334,400 for Construction); and
- Standardization decisions and awards greater than \$100,000.

Due to tight timelines related to grant applications and specific timelines to complete projects once a grant has been awarded, it is recommended that, until December 31, 2027, the Treasurer and CAO be delegated authority to apply for grants and award procurement contracts (within budget) related to Federal and Provincial grants. Following each event that normally would require Council authorization/reporting, a report or memo will be provided to Council.

5. Financial Considerations:

Total funding available for the Development Charge Partial Exemption for High Density Residential and Mixed-Use Development is now \$2,598,010 (i.e. \$2,500,000 from the Housing Accelerator Fund plus the remaining balance of \$98,010 available for this program).

6. Communication and Public Engagement:

Information is provided to potential applicants through the pre-consultation process to ensure they are aware of the programs at the early stage of their development planning. Applicants located within the Community Improvement Project Area, who currently have a pre-consultation application with the Town, will also be notified of the additional funding investment as part of the Development Charge Partial Exemption for High Density Residential and Mixed-Use Development. Staff will also provide an update to the Downtown Whitby BIA and Whitby Chamber of Commerce to advise of the additional funding support for the Downtown Whitby Community Improvement Plan.

7. Input from Departments/Sources:

The report has been prepared with input from Strategic Initiatives, Financial Services and Planning and Development.

8. Strategic Priorities:

The recommendations in this report will further support the already successful Downtown Community Improvement Plan to spur mixed-use residential development

located near transit aligning to Pillar 1 of the Community Strategic Plan. Allocating approximately 10% of the Whitby's Housing Accelerator Funding to this initiative will expedite the creation of housing located in a targeted intensification area near rapid transit. These recommendations related to grant management will enhance the Town's ability to apply for and execute Federal and Provincial grants in a timely manner and within the timelines set by the various grant programs, including the Housing Accelerator Fund, which aligns to Pillar 4 of the Community Strategic Plan for Whitby Government to be accountable and responsive.

9. Attachments:

Attachment 1 – Appendix C, Implementation Guidelines of the Downtown Whitby Community Improvement Plan (CIP)

Attachment 2 – Draft Downtown Whitby Community Improvement Plan By-law 8046-24