



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: December 14, 2020

Subject: Report CSSS20-024
Application for the Rapid Housing Initiative for 681 Monaghan Road

Purpose

A report to seek approval for the City to make an application to Canada Mortgage and Housing Corporation's Rapid Housing Initiative to fund an affordable housing project at 681 Monaghan Road.

Recommendations

That Council approve the recommendations outlined in Report CSSS20-024, dated December 14, 2020, of the Commissioner of Community Services, as follows:

- a) That an application be submitted to the Canada Mortgage and Housing Corporation for the Rapid Housing Initiative, which will fund up to 100% of eligible project costs for building up to 10 units of affordable housing on the municipally owned property at 681 Monaghan Road; and
- b) That a by-law be passed authorizing the Mayor and Clerk to sign contribution agreements with Canada Mortgage and Housing Corporation and any documents required to support the application in a form acceptable to the Commissioner of Community Services and the City Solicitor.

Budget and Financial Implications

There are no budgetary or financial implications associated with the recommendations in this report. The Rapid Housing Initiative guideline allows for 100% federal funding for the project and it would be Staff's intention to ensure that all applicable costs are included in the application to ensure no municipal capital contribution is required and that the project's operating costs would be fully covered by tenant rents and/or other available housing program funding. The municipal contribution towards the application would be the value of the land which was purchased using funding from senior levels of government.

Background

The Rapid Housing Initiative (RHI) was announced by the Government of Canada on September 21, 2020 and applications with the full program guidelines were only recently made available to the City. RHI will deliver \$1 billion in grant funding nationally to rapidly create new affordable rental housing in response to the urgent housing needs of vulnerable and marginalized individuals. This funding will be delivered through the Canada Mortgage and Housing Corporation (CMHC). The RHI will cover the construction of modular housing, as well as the acquisition of land and the conversion of existing buildings to affordable housing.

The RHI is being delivered in two streams: \$500 million through the Major Cities Stream, for which cities (e.g. Toronto, Vancouver, Calgary, etc.) have received allocations and \$500 million through the Projects Stream, for which eligible provinces/territories, municipalities, Indigenous governing bodies and non-profits can apply.

Projects funded under RHI can receive up to 100% project funding, however, priority will be given to those projects that have contributions from other sources. The City of Peterborough's contribution to this project will be the land.

The RHI has extremely tight timelines. Applications must be received by December 31, 2020 and occupancy must be achieved by one year from the signing of an agreement with CMHC. Despite the timelines and program constraints, housing needs in the pandemic are increasing, particularly for individuals and families who are homeless or precariously housed.

Program Priorities and Eligibility

The key program objective of RHI is to respond quickly to the housing crisis, the program will only fund modular development, conversion of existing non-residential buildings to housing, or rehabilitation of derelict residential buildings that cannot

currently be used for housing. Eligible projects must have a minimum of 5 units and there is a minimum application value of \$1 million.

RHI prioritizes projects that will provide housing for people experiencing or at risk of homelessness, in particular Black Canadians, women and their children and Indigenous People.

Projects must achieve occupancy within one year of signing a funding agreement. At the latest, occupancy must be achieved by March 31, 2022. Projects that can demonstrate that they will achieve occupancy sooner will be prioritized for funding. RHI is limited to funding for capital costs as operating costs for rent subsidies or support services are not included.

Due to the timelines for the program funding, only projects that have planning approvals in place, or would not be required to pursue additional planning applications have been considered by staff. The tight timeline and the requirement that any project must be modular construction, eliminated many known affordable housing projects from consideration.

681 Monaghan Road

The City of Peterborough acquired 681 Monaghan Road from the Community Training and Development Corporation on November 20, 2020. Until recently, the building on the property had been used as a school/daycare facility. There is also approximately 9,000 square feet of parking and vacant land. Building and Facilities staff have determined that, while the building is in reasonably good shape, converting it to housing would be cost-prohibitive and not the most effective use of the property.

681 Monaghan Road was acquired for the purpose of developing affordable housing. With thoughtful planning, community engagement and contributions from senior levels of government, there is real potential to leverage this opportunity to create a comprehensive larger scale development for individuals and families in need on this property. The short timelines and tight constraints on construction types under the RHI do not allow for this approach. It would be expected that any larger scale development on this property would require a multi year planning process to determine the proper density, funding, potential development partners and for proper community consultation.

The RHI requires any new construction (i.e. not conversion or rehabilitation of an existing building) to be modular. Modular construction is defined in the program guidelines as “housing units that 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 parts and installed on an appropriately zoned and serviced lot.” Modular housing can be deployed quickly and has the potential to be re-deployed in a similar or different configuration, with minor alterations. The flexibility built into modular construction means that this could be an opportunity to create a rapid housing response while not limiting the potential on the site for a larger scale project in the future.

The proposed project would see up to 10 modular units placed on the site to provide housing for families, women and couples experiencing homelessness. These units would be temporary, in place for likely 2 to 5 years. Once plans and approvals for a larger build were complete and funding was secured, they could be removed to another location or multiple locations, depending on availability, interest and need.

This approach will allow the City to take advantage of both the short-term opportunity presented by RHI and longer-term opportunities through the CMHC Co-Investment Fund and future years of Ontario Priorities Housing Initiative. The units created through the RHI program could be redeployed elsewhere to ensure they remain available for their original purpose of affordable housing. The project application would include the demolition of the existing building and all related costs of this demolition.

Municipal Approvals

681 Monaghan Road is currently zoned PS.2. This zoning does not include housing development. However, the City, through its Zoning By-law has flexibility to “carry out any lawful purpose of the City” that may not be included in the current zoning. This flexibility has been applied in the past to the projects developed by Peterborough Housing Corporation (e.g. PLPD14-046.)

Flexibility under the Zoning By-law will only be applied to this first phase of development at 681 Monaghan Road. Moving forward on any future build on the site, staff would expect that municipal planning processes, including community consultation and comment, would be carried out in the conventional course.

Staff intend to undertake consultation with the community in early 2021 to ensure the public is aware of the project as applied for and to solicit input as City staff finalize the details of the site design and construction.

Next Steps

If the recommendations are approved by General Committee at a special meeting convened on December 14, 2020, the recommendations would be presented to Council at its December 14, 2020 meeting for consideration and approval.

If approved to proceed by Council, staff would prepare the materials and application requirements for the application to meet the December 31, 2020 deadline. This would include project costing and operating pro forma to ensure the projects costs are fully borne by the federal program funding. It would be expected that a procurement process would be followed in early 2021 to determine a property manager for the site.

Staff will also be pursuing funding opportunities for ongoing tenant support services for the units established on the site.

Summary

If successful, an application to the Rapid Housing Initiative for funding to develop modular housing at 681 Monaghan Road would enable the City to rapidly create safe, affordable housing for up to 10 households on this municipally owned property.

Submitted by,

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Commissioner of Community Services

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