



BOARD REPORT

REPORT No.: 2024-26
MEETING DATE: JUNE 20, 2024
SUBJECT: CAPITAL SEED FUNDING

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information regarding the options for prospective affordable housing proponents to access seed funding to bring potential projects from the concept stage to the proposal stage.

BACKGROUND

During the February 15, 2024 meeting, the Board discussed the importance of having a variety of “shovel-ready” projects available to ensure that TBDSSAB has viable projects available when opportunities for ongoing and one-time funding arise. Supporting the readiness for projects being proposed by not-for-profit housing providers, and other community organizations, would help to identify potential projects for investment.

COMMENTS

Over the past several years, it has become increasingly common for the Ministry of Municipal Affairs and Housing (MMAH) to issue a call for affordable housing projects to utilize year-end funds. When issued, these requests for proposals have a very tight turnaround of typically a few weeks for submission. Calls for proposals typically require “shovel-ready” projects that can be committed within weeks of learning that the submission is successful and be in a position to begin construction within 120 days.

In order to take advantage of additional capital project funding, and to maximize the potential for success of submissions, Administration has worked with many small proponents to identify as many viable projects as possible. During these discussions, limitations to acquiring “shovel-ready” projects were addressed. One such limitation discussed is to ensure that proponents are submitting proposals that are fully designed,

costed, and have land available to meet the required timelines. A barrier to receiving proposals that meet these criteria are the costs associated with these initial items; especially for the not-for-profit organizations who do not have the means to cover these expenses up front.

Administration explored several potential avenues for accessing development funding for not-for-profit organizations. Administration connected with MMAH to inquire if Ontario Priorities Housing Initiative (OPHI), Canada-Ontario Community Housing Initiative (COCHI), or Homelessness Prevention Program (HPP) funding could be used to create a seed funding program to assist with the development of new capital project proposals. Unfortunately, MMAH has confirmed that this is not an eligible expense under the above programs.

Administration also connected with Service Managers across Ontario that have developed their own seed funding programs to discuss the programs and how they are funded. In all these cases, the seed funding programs are funded under Municipal programs aimed at encouraging new development, most typically through development departments. An example of this is the Community Partnership Grant initiative supported by the City of Thunder Bay which provides support funding for capital projects that meet identified priorities and is open to not-for-profit community organizations, registered charities, and First Nations as represented by Chief and Council, Tribal Councils, or Indigenous Representative Organizations.

In the District of Thunder Bay, Noojmawing Sookatagaing Ontario Health Team (OHT) accepts proposals for care pathways and system level improvements or integration that will result in integration of care, improved experiences of people accessing care, improved provider experiences, improved health outcomes, or address health equity. Eligible projects may include assessments for capital projects/renovations and funding for capital improvements. This may be an opportunity for not-for-profit organizations seeking to support the health system to access initial seed funding to help in the development of a viable project.

Finally, Administration researched the Canadian Mortgage and Housing Corporation's (CMHC) Seed Funding program. CMHC's Seed Funding program provides financial support for individuals or organizations involved in the initial phases of creating an affordable housing project. Organizations can apply for up to \$350,000 in interest-free loans and a maximum of \$150,000 of non-repayable contributions to assist with early development expenses. These expenses can include things like the formulation of a business plan, creation of preliminary design concepts and conducting environmental site assessments.

TBDSSAB does not have a current program to support initial soft-cost expenses for not-for-profit housing providers. Though there is an option to establish a program that would provide some funding for this purpose, Administration has not identified an unmet need in the community requiring the development of a new initiative. With other more established grant opportunities in place, it is recommended that information on these

funding options be communicated to potential affordable housing project developers to help support new proposals.

STRATEGIC PLAN IMPACT

This report supports the TBDSSAB Strategic Plan vision of Dignified Housing through increased affordable housing system capacity.

FINANCIAL IMPLICATIONS



There are no immediate financial implications arising from this report.

CONCLUSION

It is concluded that this report provides the Board with information regarding options for prospective affordable housing proponents to access seed funding in order to bring potential projects from the concept stage to the proposal stage. This information will be shared with prospective proponents who are seeking initial seed funding.

REFERENCE MATERIALS

None.

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