



SAULT STE. MARIE

City of Sault Ste. Marie

Housing Action Plan 2023-2028



Land Acknowledgement

Robinson-Huron Treaty Territory

The City of Sault Ste. Marie acknowledges this area as part of the traditional lands of the Ojibway people. This location is known as Bawating and is the ancestral home of Batchewana First Nation, Garden River First Nation and the Historic Sault Ste. Marie Métis Council. The City of Sault Ste. Marie recognizes the significance of the Robinson-Huron Treaty of 1850 which established a relationship between First Nation and European ancestors on the basis of respect for one another.

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Introduction

Purpose

The purpose of the Housing Action Plan 2023-2028 (“Plan”) is to establish goals and strategic actions to address the evolving housing needs of the City of Sault Ste. Marie (“City”). Safe, accessible, and affordable housing is widely recognized as a foundation of complete and healthy communities, and an important contributor to individual and community social, environmental, and economic wellbeing. However, like many municipalities across Canada and in Ontario, the supply and affordability of adequate housing has emerged as a critical challenge.

This Plan represents an important initiative towards advancing the City’s housing objectives, and in doing so, functions to address near and longer-term housing needs. It establishes a total of five goals and supporting strategic actions that will contribute to the provision of housing for all residents of the City.

This Plan also builds on the findings and recommendations of the Housing Needs Assessment (“Assessment”), which comprehensively assesses the present and future housing needs of the City. The Assessment calls for the development of a Housing Action Plan, to “provide the goals and strategic actions for ensuring adequate supply of housing for all residents of Sault Ste. Marie”. The Assessment also includes important housing data and analytics that can be used to measure, monitor, and update this Plan on a regular basis. In doing so, this Plan will remain relevant and responsive to the City’s evolving housing needs over the long-term.

Planning for Housing Demand

The City is growing and so is the demand for housing. The City is projected to experience population growth over the next two decades, which is anticipated to significantly impact housing demand within the City. The Assessment projects that the City will require approximately **3,115 new housing units by 2036 to meet projected housing demand**. The composition of new housing units will vary and largely depend on evolving demographic and economic influences during this time period.

The Province of Ontario (“Province”) has also identified a **housing target for the City of 1,500 new units by the year 2031**.

The City therefore plans to meet or exceed the Provincial housing target by 2031, as well as satisfy the housing demand that is projected by the year 2036, as identified in the Assessment. This Plan represents a strategic framework to facilitate meeting the housing needs and targets of the City and the Province.

The Housing Continuum

An effective housing system within the City will provide an appropriate range and mix of housing options to meet the needs of all current and future residents. Housing includes a broad range of options that can be characterised through the Housing Continuum (Figure 1).



Figure 1: The Housing Continuum

The Housing Continuum includes housing options that represent different roles and intervention from governments to address various housing needs and outcomes. It is recognized that there is a need across the entirety of the housing continuum within the City. However, the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) is the Service System Manager responsible for overseeing and planning for shelters, supportive housing, and subsidized housing.

This Plan focuses on the last three housing options on the continuum: affordable housing, market rental housing, and market home ownership. It is recommended that while the City continues to support DSSMSSAB in fulfilling its mandate, there is a more direct role for the City to address housing needs with regards to affordable housing, market rental housing, and market home ownership.

Affordable Housing Definition

A key change of the proposed Provincial Planning Statement (2023) is the removal of the definition of “affordable” as it applies to housing. According to the definition within the Provincial Policy Statement (PPS 2020) and the City’s Draft Official Plan, “affordable housing” for Sault Ste. Marie is defined as:

In the case of **ownership housing**, “affordable” means housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area.

Affordable ownership housing in Sault Ste. Marie in 2022 was a purchase price of **\$281,300** or below.

In the case of **rental housing**, “affordable” means a unit for which the rent is at or below the average market rent of a unit in the regional market area.

Affordable rental housing in Sault Ste. Marie in 2022 was a monthly rental rate of **\$1,015** or below (including utilities).

This is the definition of affordable housing for the purposes of this Plan, however this definition is subject to change if a Provincial-wide definition is established by the government of Ontario.

State of Housing in Sault Ste. Marie

The following is taken from the Sault Ste. Marie Housing Needs Assessment, 2023:



The population is growing

↑ 8,400

Estimated change in population between 2021 and 2036



Household sizes are smaller

2.3 → 2.1

Average number of persons per household in 2006 and 2021



Local housing stock is old

75%

Percent of residential units built before 1980



Household incomes are increasing but not as fast as the province

\$73k vs \$91k

Median Household Income in 2021 for the City of Sault Ste. Marie and the Province



Housing resale prices have risen much faster than household incomes

↑ 82.4%

Percent Change in Benchmark Housing Resale Price between 2017 and 2023



Rental rates are growing quickly and are creating an affordability gap

↑ 56.1%

Change in rental rates between 2011 and 2022



There is an increasing need for subsidized housing

1,304 → 1,700

Households on the waitlist for subsidized housing in March 2020 and March 2023



Rental households are struggling with affordability

14%

Non-subsidized rental households in core housing need



Rental housing stock has not kept up with demand

5.9% → 2%

Primary Rental Market Vacancy Rate in 2018 and 2022

What does this mean?



More rental housing is required

Few rental units were built between 2016 and 2021, contributing to supply challenges. New rental unit supply is needed and should be a mix of purposely-built “affordable” units and moderately priced units within walkable and well-connected urban neighbourhoods.



More freehold housing will be required

Market ownership housing has not kept up with demand, largely due to the rising costs of construction. To meet the demands of a growing population, approximately 3,115 new units will be needed in Sault Ste. Marie by 2036. It is critical that the city has enough housing supply to accommodate this growth, both affordable and market rate.

Vision

The vision of this Plan is:

“That all residents of the City have equitable access to housing that is safe, adequate and affordable.”

Guiding Principles

The Plan is developed based on the following guiding principles:

1. Promote and facilitate the development of a diverse mix of housing types and tenure.
2. Provide equitable access to housing that promotes individual and community wellbeing.
3. Support innovation in the provision and delivery of housing opportunities and services.
4. Implement the strategic actions of this plan through a “people first” lens.
5. Leverage strategic partnerships and collaborate with stakeholders to address the near- and long-term housing needs of the City.

Directing New Growth

Much of the new growth in Sault Ste. Marie will be directed towards Strategic Development Areas; thereby supporting the development of complete communities. The Strategic Development Areas of Sault Ste. Marie include: **First Neighbourhoods**, comprised of the Downtown and parts of the older core of the City; and **Major Node Areas**, comprised of areas that are within a safe-walkable distance to a range of services and amenities, including access to grocery/supermarkets, retail clusters, community parks, schools, public transit and the active transportation network.

The map in Figure 2 shows the proposed Strategic Development Areas, categorized as First Neighbourhoods and as Major Node Areas. These areas are subject to change.

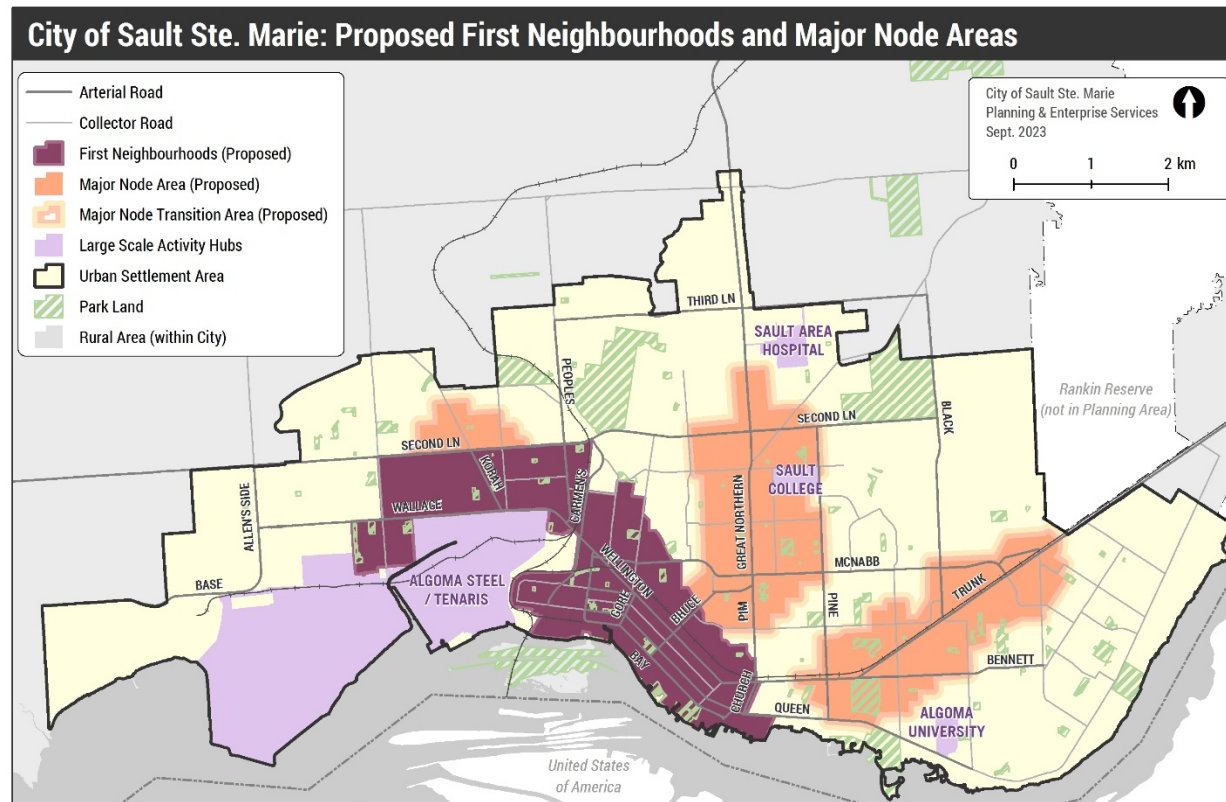


Figure 2: City of Sault Ste. Marie: Proposed First Neighbourhoods and Major Node Areas

Goals and Strategic Actions

The following goals and strategic actions have been developed in response to the City's current and future housing need. The goals prioritize the development of a mix of housing types and tenures to offer a diverse range of housing opportunities centred on the unique needs of a diverse and evolving population. It is the intent of this Plan that the goals and strategic actions are implemented in a comprehensive manner, recognizing that the City may have competing priorities and finite resources. To this end, this Plan also calls for collaboration, partnerships, and advocacy to ensure that the supporting initiatives can be adequately funded in order to fully realize the vision of this Plan.

Goal 1: Increase Housing Supply to Meet Demand and Address Affordability Issues

There is an identified need to increase the overall supply of housing units within the City to meet near and long-term housing demand. The Province has established a target of 1,500 new housing units by 2031, while the Assessment demonstrates a need of 3,115 new housing units by 2036. To meet both targets, the City must ensure there is an overall increase in the supply of housing and that the necessary municipal infrastructure and servicing is planned for, funded, and developed. The City will facilitate new development through streamlined planning processes, regulatory flexibility, funding mechanisms, and the provision of land.

Action 1: Establish Strategic Development Areas (Intensification Areas)

Strategic Development Areas are to be the focus for accommodating intensification and higher-density mixed uses in a more compact built form. Intensification can involve developing or redeveloping individual properties, extending or adding onto existing buildings, adapting existing buildings for different uses, or creating new buildings and uses on land that is not currently being used to its full potential. Intensification and redevelopment support complete communities through planning for a range and mix of housing options, making places more "walkable", and increasing the viability of public transit.

#	Subaction	Financial Implications	Start	Implementation
1.1	Identify and establish the First Neighbourhood area. This area consists of the initial major settlement areas within the City. The goal for the First Neighbourhood area is to continue to become a vibrant, resilient and diverse community that provides a range of housing options for all residents, including affordable and rental housing for families, seniors, and smaller households.	No impact	2022-2023 Underway	Ongoing Q1 2024
<i>The First Neighbourhoods will form the basis for the highest intensification activities, financial incentives, etc.</i>				
1.2	Identify and establish Major Node Areas . These areas are lands that are within a safe walkable distance to an array of services and amenities such as grocery stores, clusters of retail shops, parks, health services, schools and community centres. Typically along or near major arterial roads, these lands are desirable for residential infill and may contain opportunities for redevelopment and the expansion or conversion of existing buildings into residential.	No impact	2023 Underway	Ongoing Q1 2024
<i>Major Nodes will form the basis for broadened intensification activities, financial incentives, etc.</i>				

Action 2: Provide Mechanisms for Residential Intensification (Regulatory Flexibility)

The City must explore options to introduce regulatory flexibility to facilitate residential development and redevelopment, including residential intensification. Assessing the City’s land use planning regulations with an aim to permit additional flexibility also introduces the potential to reduce exclusionary zoning that could otherwise function as a barrier to increasing the supply of new housing units.

#	Subaction	Financial Implications	Start	Implementation
2.1	Review permitted dwelling typologies in the Zoning By-law to ensure that a full range of housing typologies are permitted and that associated zoning standards are appropriate.	\$ (Minimal) Costs include staff time and public consultation.	2023 Underway	Q1 2024 Ongoing
2.2	Implement changes to residential zoning categories to encourage gentle density. This includes the as-of-right permitting of up to four (4) dwelling units on urban residential lots.	\$ (Minimal) Costs include staff time and public consultation.	2023 Underway	Q1 2024 Ongoing
2.4	Amend the Zoning By-law to permit the construction of housing within Institutional zones and a wider variety of commercial zones, to facilitate infill development on underutilized parcels.	\$ (Minimal) Costs include staff time and public consultation.	2023 Underway	Q1 2024 Ongoing
2.5	Reduce minimum parking space requirements that otherwise restrict intensification and redevelopment opportunities. <i>Potential measures include: no minimum parking requirements in certain areas such as the Downtown; and significant parking reductions in Major Nodes.</i>	\$ (Minimal) Costs include staff time and public consultation.	2023 Underway	Q1 2024 Ongoing
2.6	Identify underutilized privately owned land that is suitable and desirable for intensified development and rezone. <i>For public lands, see Action 4, Subaction 4.1.</i>	\$ (Minimal) Costs include staff time and public consultation.	Q1 2024	Q2 2024

Action 3: Provide Financial Incentives for Housing

The City is afforded opportunities under the *Planning Act* and *Municipal Act* to establish financial incentives that focus on encouraging private-sector and non-profit investment in residential development. These incentives may focus on housing that either meets the definition of affordable or is offered at prevailing market-rates, or a combination of both. To meet current and projected housing needs, the City will need to develop and enact a City-wide Community Improvement Plan (“CIP”) that establishes a suite of financial incentives to promote, encourage and facilitate investment in residential development that is a combination of both affordable and market-rate.

All financial incentives for housing should take the following into consideration:

- Whether the development occurs in an Strategic Development Area;
- Whether the development will contain some or all units that meet the definition of “affordable housing” (many will offer higher value incentives for affordable units);
- Whether the incentive should stack with any other financial incentives for housing;
- The type of dwelling being proposed; and
- The housing tenure type (purpose-built rental or freehold).

#	Subaction	Financial Implications	Start	Implementation
3.1	Design a Municipal Fees Rebate Program to help offset the cost of home construction. For eligible housing construction projects, a rebate of up to 100% of various municipal application fees may be provided.	\$\$ - \$\$\$ Subject to funding.	Q1 2024	Q2 2024

The grant should apply to most municipal fees related to eligible development, including but not necessarily limited to: Official Plan Amendments; Zoning By-law Amendments; Consents; Minor Variances; Site Plan Control; Building Permits; and Demolition Permits.

See Appendix A for a proposed structure of the program.

3.2	Design a Per-Door Grant Program to provide a financial incentive for smaller developments; up to a maximum per property and housing type. The grant should be tiered based on geographic location of the subject property and the number of affordable units within the development. See Appendix A for a proposed structure of the program.	\$\$\$ Subject to funding.	Q1 2024	Q2 2024
3.3	Design a Tax Increment Equivalent Grant (TIEG) Program to provide a percentage reduction on the increased taxes that arise from improvements to property over a fixed amount of years. Grant values should be tiered based on the percentage of affordable units contained in the development and the geographic location of the subject property. See Appendix A for a proposed structure of the program.	\$\$\$ Subject to funding.	Q1 2024	Q2 2024
3.4	Design a Feasibility Study Program to fund studies to determine the feasibility and technical requirements of building "missing middle" housing on a property that is owned by a Not-for-Profit entity (for example: a place of worship). <i>If the project is deemed feasible, applicants may be eligible for other incentives outlined in this Plan. Parties that are interested in developing affordable units should be prioritized.</i> See Appendix A for a proposed structure of the program.	\$-\$-\$ Subject to funding. A maximum number of studies per year will need to be established.	Q1 2024	Q2 2024
3.5	Investigate the feasibility of a Down Payment Loan program for affordable housing homeownership, or a partnership with organizations currently offering these programs within Sault Ste. Marie. The program should offer loans at minimal to no interest to assist with a down payment on a house; specifically for households in lower to moderate income levels.	\$-\$-\$ Assessment can be completed with existing staff resources. Implementation subject to funding.	Q2 2024	Q3 2024

3.6	Investigate the feasibility of a Property Demolition Grant to replace inadequate housing (beyond its useful life or deemed uneconomical to repair) with new housing units. This grant should include a stipulation that new housing units must be built within a certain period of time following demolition.	<p>\$-\$\$</p> <p>Assessment can be completed with existing staff resources.</p> <p>Implementation subject to funding.</p>	Q1 2024	Q2 2024
3.7	Develop and enact a City-wide Community Improvement Plan (“CIP”) that includes all financial programs listed above to promote, encourage, and facilitate investment in residential development.	<p>\$</p> <p>Consultant has been retained to develop the CIP.</p>	Q1 2024	Q2 2024
3.8	Assess the provision of financial incentives for the creation of additional barrier-free units within new developments (beyond what is required by the Ontario Building Code).	<p>\$-\$\$</p> <p>Assessment can be completed with existing staff resources.</p> <p>Implementation subject to funding.</p>	Q4 2023	Q3 2024
3.9	Assess the viability of implementing a Vacant Home Tax using data from other Ontario municipalities that have a similar tax in place. If deemed viable, design a local Vacant Home Tax that includes a declaration procedure, eligibility criteria, exemptions, fee rates, and an appeal process.	<p>\$-\$\$</p> <p>Assessment can be completed with existing staff resources.</p> <p>Implementation subject to funding.</p>	Q1 2026	Q2 2026
<p><i>Note that a Vacant Home Tax is a “disincentive” rather than a financial incentive for new housing. Any surplus revenue generated from this program should be used to provide financial incentives for housing through the grants listed above.</i></p>				

Action 4: Advance Housing First on Government Land

The City will aim to encourage infill residential development within the Urban Settlement Area by granting surplus City-owned land with residential development potential, in some cases, at no or low cost to developers for the construction of housing.

#	Subaction	Financial Implications	Start	Implementation
4.1	Undertake a study to identify publicly owned surplus lands and assess residential development potential. If required, the City may rezone surplus lands that are suitable and desirable for housing development.	\$ (Minimal) Can be completed with existing staff resources.	2023-2024 Underway	Q2 2024
4.2	The City will develop a process to dispose of City owned lands that are suitable for housing. This includes maintaining an online list/map of surplus City-owned lands, developing an online application/RFP process, developing approval criteria and a scoring matrix. For example, an “affordable housing” development may score higher, provided the units remain affordable for a period of 10 to 25 years. See Appendix A for a proposed structure of the program.	\$ Develop online application process or include within municipal applications portal.	Q2 2024	Q3 2024
4.3	Engage with public entities to identify surplus public land and ensure that the disposal of any surplus and/or underutilized public land prioritizes the provision of affordable housing. <i>This includes but is not limited to the Federal Lands Initiative and Provincial surplus land processes.</i>	\$ (Minimal) Can be completed with existing staff resources	Q3 2024	Q4 2024

Goal 2: Streamline the Approvals Process

Processing, reviewing and approving development applications more efficiently can contribute to meeting the City’s near- and long-term housing needs. Streamlining the application review and approval process can also function as an incentive to applicants interested in building new residential units and those who seek greater certainty in the process timeline and outcome.

Action 5: Develop and Implement an Online Application Portal

The City should leverage new technology to streamline the development approval process. This will help remove barriers that may delay development and will allow for more efficient processing and an improvement in status tracking.

#	Subaction	Financial Implications	Start	Implementation
5.1	Retain a consultant to develop an online application portal. Developers, consultants, staff and other commenting agencies will process applications within the portal, which will allow for status tracking for all involved, GIS integration and robust filing and reporting capabilities. All Planning Act and Building Permit application processes will be integrated into this system.	No impact	2023 Underway	Q2 2024 Currently in Development by SSMIC
<i>Through the Streamline Development Approval Fund, The Sault Ste. Marie Innovation Centre has been contracted to develop this online portal.</i>				
5.2	Develop a Municipal Financial Incentives for Housing online eligibility assessment tool. This tool will scan and return a list of municipal financial incentives (outlined in this Plan) that a developer may be eligible for based on their inputted address and development type. The tool must consider where the development will occur; the dwelling typology and number of units; affordability; grant stacking; tenure type; etc.	\$ Retain consultant to develop (if necessary).	2024	Q4 2024
<i>This tool should be integrated with either the Municipal Streamlining Software or the City’s Corporate website.</i>				

Goal 3: Collaborate and Build Partnerships

The City plays an important role in meeting the varied housing needs of its residents, but collaboration from all partners who share a common vision for desirable housing outcomes is required. Meeting the provincial housing target by 2031 and the long-term City identified target by 2036 is an ambitious undertaking. Implementing this Plan – and in doing so, realizing the housing targets – will require collaboration and partnerships with all stakeholders, including various levels of government, community-based organizations, and agencies.

Action 6: Collaboration and Partnerships

The City recognizes that the successful implementation of this Plan requires collaboration and partnerships with various levels of government, community based organizations, and agencies.

#	Subaction	Financial Implications	Start	Implementation
6.1	The City will seek collaboration with strategic partners who can advance the implementation of this Plan and its actions in a meaningful way. These partners will have a shared vision of this Plan and a vested interest in creating better housing outcomes for current and future residents.	No impact. Continuing action through the Affordable Housing Task Force (AHTF).	Underway	Ongoing
6.2	Identify partners who will act as champions of the Plan to promote and build awareness within the community and beyond to support its implementation.	No impact. Can be completed within existing resources.	Underway	Ongoing
6.3	Collaborate with partners to advocate to the federal and provincial governments for continued investment in developing all forms of housing, to address both housing availability and affordability.	No impact. Can be completed within existing resources.	Q2 2024	Ongoing
6.4	Ensure Indigenous and marginalized communities are recognized as strategic partners who may require unique housing solutions that should be recognized through implementation of this Plan.	No impact. Can be completed within existing resources.	Q2 2024	Ongoing

Goal 4: Pursue Funding and Engage in Planning and Monitoring Activities

The strategic actions within this Plan must be adequately funded for the City to achieve the identified housing targets, and to support the vision and guiding principles. It is not realistic for the City alone to fund strategic actions of this Plan, and therefore external funding opportunities and partnerships must be pursued to meet the housing needs of current and future residents.

Action 7: Actively Pursue Funding Opportunities

#	Subaction	Financial Implications	Start	Implementation
7.1	Keep abreast of funding opportunities available for housing initiatives and actively pursue any that are specifically intended to facilitate new housing development within the City. Keep the public informed of available funding opportunities, including those that the City intends to pursue.	No impact.	Underway	Ongoing
7.2	Undertake a regular review and update of planning, building and development application and processing fees, and where appropriate, amend the User Fees By-law.	No impact. Can be completed within existing resources.	Q3 2024	Ongoing
7.3	Explore alternative revenue generation as an opportunity to fund the implementation of this Plan. This may include reserving a portion of the increased tax revenue on incentivized properties to replenish the financial incentive for housing programs.	No impact. Can be completed within existing resources.	Q2 2024	Ongoing

Action 8: Plan for Housing Growth

The City must ensure it is positioned to accommodate future housing growth through the provision of sufficient municipal infrastructure and servicing. This is a key pillar of building complete communities and ensuring the overall wellbeing of current and future residents.

#	Subaction	Financial Implications	Start	Implementation
8.1	<p>Undertake a Housing Needs Assessment to review and quantify current and future needs in the local housing system.</p> <p><i>The Housing Needs Assessment assists in: the development of the Housing Action Plan; the development of benchmarks for measuring future progress and success of the Housing Action Plan; and justifying the local housing need for applications to federal and/or provincial funding programs.</i></p>	<p>No impact. Completed by Planning staff and received by Council on July 31, 2023.</p>	Q3 2023	Completed
8.2	<p>Undertake growth management planning, including asset management, to make necessary investments in municipal infrastructure to ensure there is sufficient capacity to accommodate future housing growth.</p>	<p>No impact. Can be completed within existing resources.</p>	Q2 2024	Ongoing
8.3	<p>Ensure this Plan reflects future updates to the City's Official Plan, the Planning Act and other Provincial policies or plans.</p> <p><i>The strategic actions of this Plan may be reviewed and assessed as a result of these future updates; particularly with respect to emerging housing challenges and opportunities.</i></p>	<p>No impact. Can be completed within existing resources.</p>	Q2 2024	Ongoing

Action 9: Monitoring and Continuous Improvement

Robust and regular monitoring is critical to ensuring the Plan remains relevant and responsive to emerging housing challenges and opportunities within the City. A robust monitoring program can also be used to determine where or how funding is best applied to support implementation of the various strategic actions.

#	Subaction	Financial Implications	Start	Implementation
9.1	Monitor, evaluate and update the Housing CIP to ensure the financial incentive programs remain relevant and responsive to the City's emerging housing needs over the long-term.	\$ (Minimal) Can be completed with existing staff resources.	Q1 2024	Ongoing
9.2	Utilize the Streamline Development Software's reporting capabilities to track development data. This data can be used to assess progress in meeting housing targets and, if necessary, be used to re-prioritize initiatives and/or resources to better position the City to meet the identified housing targets.	\$ (Minimal) Can be completed with existing staff resources.	Q3 2024	Ongoing
9.3	Refresh the Housing Needs Assessment with new data at regular intervals, comparing changes/trends against the baseline established in 2023. <i>Adopt KPIs related to housing and make data open and available to the public through an online dashboard.</i>	\$ (Minimal) Can be completed with existing staff resources.	2025	Regular Updates (Potentially Annual)
9.4	Convene the Affordable Housing Task Force (AHTF) annually or semi-annually for the purpose of monitoring the implementation of this Plan.	No impact. Can be completed within existing resources.	Q1 2024	Ongoing

Goal 5: Educate and Engage the Community

Educating the community on the Plan and its strategic actions contributes to broader support and promotion of its intended outcomes. Bringing awareness to housing issues within the City also contributes to a broader understanding of the need to prioritize investment in housing initiatives and generates interest and support for its implementation. In summary, education and awareness is a key factor to the success of this Plan.

Action 10: Education and Awareness

There are many opportunities and mediums for the City to educate the community on housing issues and bring broader awareness and interest to this Plan.

#	Subaction	Financial Implications	Start	Implementation
10.1	Implement a public education and awareness campaign to highlight housing barriers within the City and the detrimental impact these have to the social, economic, and environmental wellbeing of the community. A campaign may also be used as an opportunity to educate the community on the role of land use planning to meet near- and long-term housing needs.	\$ (Minimal) Can be completed with existing staff resources.	Q4 2023	Ongoing
10.2	Use online public engagement platforms to facilitate broader participation in land use planning and associated initiatives and as a medium to build more transparent and accessible processes. Provide a range of methods for engagement including discussion forums, surveys, question & answer tools and online mapping. <i>The City is currently utilizing PublicInput as the main online public engagement platform.</i>	\$ - Costs related to PublicInput engagement platform approximately \$10-15k per year.	Q2 2023	Ongoing (Subject to Funding)
10.3	Ensure a broad range of community representatives are meaningfully engaged and consulted on City-led housing initiatives to ensure that they are responsive to the evolving and varied housing needs of residents, and in particular, the needs of marginalized communities.	No impact. Continuing action through the AHTF.	2023	Ongoing

Appendix A: Proposed Financial Incentives for Housing Programs

Municipal Fees Rebate Program

The Municipal Fees Rebate Program partially or fully rebates municipal fees related to the Planning Act, the Ontario Building Code, and selected municipal services, for housing projects deemed eligible under the program requirements. Municipal fees proposed to be included under this program include:

- Planning Application Fees (includes: Zoning By-law Amendments, Minor Variances, Consents to Sever Land, and Site Plan Control)
- Building Permit Fees
- Demolition Permit Fees

How does it help towards the goal of increasing housing supply to meet demand and address affordability issues?

- Encourages residential development/re-development on eligible properties.
- Reduces the soft-costs of constructing new residential units; particularly those that meet the local definition of “affordable” provided in this Plan.
- Where a higher value incentive is offered in exchange for affordable units, property owners will be required to enter into an agreement ensuring the housing project remains affordable for a period of at least 10 to 20 years.

How is eligibility and rebate value determined?

- Only housing projects that are developing new unit(s) or redeveloping an existing building to contain new unit(s) are eligible.
- This program is intended for affordable units, however market-rate units built within the First Neighbourhoods of the City will be eligible.
- The percentage of municipal fees rebated will depend on the number of affordable units within the development.
- This program will be fully stackable with other financial incentives for housing when the development takes place within a First Neighbourhood of the City.

Proposed Structure: Municipal Fees Rebate Program

Housing Category	Located in a Strategic Development Area		Other Part of the Urban Settlement Area
	First Neighbourhood	Major Node Area	
Affordable ¹	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Rebated ³ : \$\$\$\$\$	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★☆ \$ Rebated ³ : \$\$\$\$\$\$	Low/Medium Density Freehold ✓ Rental ✓ Stackable ² : ★★★☆☆ \$ Rebated ³ : \$\$\$\$\$
Market Rate	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Rebated ³ : \$\$\$\$\$	Not Available	Not Available

Notes:

1: the housing unit meets the definition of “affordable” as set out in this Plan.

2: refers to the opportunity to stack this incentive with other Financial Incentives for Housing outlined in this Plan. Five stars indicates this incentive will stack with any other incentive in this Plan.

3: refers to the amount of municipal fees rebated for the development. Five dollar signs (\$) indicate the development will be eligible for a full rebate. Less than five dollar signs indicates a partial rebate.

Per-Door Grant Program

The Per-Door Grant Program provides a one-time grant to smaller housing developments to help offset project costs. The per-door grant is intended for:

- New affordable units created anywhere within the Urban Settlement Area (5 units or less per development); and
- New market-rate units created anywhere within a Strategic Development Area of the City (5 units or less per development).

How does it help towards the goal of increasing housing supply to meet demand and address affordability issues?

- This grant is expected to encourage gentle density and infill development within the City's low-density residential zones.
- This grant is intended to support a greater mix and size of housing types in the City, and the increased availability of affordable rental housing.
- This grant will provide a higher value incentive for units that meet the local definition of "affordable" provided in this Plan. Property owners will be required to enter into an agreement to ensure the housing project remains "affordable" for a period of at least 10 to 20 years.

How is eligibility and grant value determined?

- Only housing projects that are developing new unit(s) or redeveloping an existing building to contain new unit(s) are eligible.
- Eligibility and grant value are based on the geographic location of the development and whether the unit meets the definition of "affordable". Market-rate units built outside of Strategic Development Areas of the City are not eligible for this grant.
- Where the value of all other incentives (including those from sources other than the Municipality) combined with this incentive is greater than total project costs incurred, the value of the per-door grant incentive will be decreased accordingly. This will ensure that all incentives provided for the project do not exceed the total project costs incurred.
- This program may stack with other incentives outlined in this Plan (where applicable), except for the Tax Increment Equivalent Grant (TIEG).

Proposed Structure: *Per-door Grant Program*

Housing Category	Located in a Strategic Development Area		Other Part of the Urban Settlement Area
	First Neighbourhood	Major Node Area	
Affordable ¹	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★☆☆ Grant Value ³ : \$\$\$\$\$	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★☆☆☆ Grant Value ³ : \$\$\$\$\$	Low/Medium Density Freehold ✓ Rental ✓ Stackable ² : ★★☆☆☆ Grant Value ³ : \$\$\$\$\$
Market Rate	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★☆☆ Grant Value ³ : \$\$\$\$\$	Low/Medium Density Freehold ✓ Rental ✓ Stackable ² : ★★☆☆☆ Grant Value ³ : \$\$\$\$\$	Not Available

Notes:

1: the housing unit meets the definition of “affordable” as set out in this Plan.

2: refers to the opportunity to stack this incentive with other Financial Incentives for Housing outlined in this Plan. Three stars indicates this incentive will stack with some other incentives in this Plan; while two stars indicates this incentive may only stack with one other incentive in this Plan.

3: refers to the dollar amount granted per unit in the development. Five dollar signs (\$) indicate the development will be eligible for a grant worth the maximum amount allowed per unit under the program.

Tax Increment Equivalent Grant (TIEG) Program

This initiative will provide an annual grant to reimburse a portion of the municipal property tax increase resulting from residential development on property over a fixed amount of years. The TIEG will be used for larger developments (more than 5 units).

How does it help towards the goal of increasing housing supply to meet demand and address affordability issues?

- This grant is expected to increase the overall number of purpose built rental housing units within the Urban Settlement Area.
- This grant will provide a higher value incentive for units that meet the local definition of “affordable” provided in this Plan. Property owners will be required to enter into an agreement to ensure the housing project remains “affordable” for a period of at least 10 to 20 years.

How is eligibility and grant value determined?

- Only housing projects that are developing new unit(s) or redeveloping an existing building to contain new unit(s) are eligible.
- Grant value and length are based on the geographic location of the development and whether the unit meets the definition of “affordable”. Developments outside of Strategic Development Areas but within the Urban Settlement Area will be restricted to medium density. High density developments outside of Strategic Development Areas will not be eligible for this program.
- The amount of the tax grant shall not exceed the total value of the work that resulted in the reassessment.
- This program may stack with other incentives outlined in this Plan (where applicable), except for the Per Door Grant Program.

Proposed Structure: Tax Increment Equivalent Grant Program

Housing Category	Located in a Strategic Development Area		Other Part of the Urban Settlement Area
	First Neighbourhood	Major Node Area	
Affordable ¹	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★☆☆ Grant Value ³ : \$\$\$\$\$	Any type of dwelling Freehold ✗ Rental ✓ Stackable ² : ★★★☆☆ Grant Value ³ : \$\$\$\$\$	Medium Density Freehold ✗ Rental ✓ Stackable ² : ★★☆☆☆ Grant Value ³ : \$\$\$\$\$
Market Rate	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★☆☆ Grant Value ³ : \$\$\$\$\$	Any type of dwelling Freehold ✗ Rental ✓ Stackable ² : ★★★☆☆ Grant Value ³ : \$\$\$\$\$	Medium Density Freehold ✗ Rental ✓ Stackable ² : ★★☆☆☆ Grant Value ³ : \$\$\$\$\$

Notes:

1: the housing unit meets the definition of “affordable” as set out in this Plan.

2: refers to the opportunity to stack this incentive with other Financial Incentives for Housing outlined in this Plan. Three stars indicates this incentive will stack with some other incentives in this Plan; while two stars indicates this incentive may only stack with one other incentive in this Plan.

3: refers to the percentage of the increased tax amount that will be reimbursed for the development. Five dollar signs (\$) indicate the development will be eligible for an increased tax reimbursement worth the maximum amount allowed per unit under the program.

Feasibility Study Grant Program

The City will offer one-time grants to fund studies that assess the feasibility and technical requirements of building "missing middle" housing on a property that is owned by a Not-for-Profit entity (for example: a place of worship). The feasibility study would provide a vision for housing on the site and would outline the practical steps needed to make that vision a reality.

This grant compliments Subaction 2.4 of this Plan, as many Institutional zoned sites are large and have the space to build "missing middle" housing in conjunction with the existing permitted use.

How does it help towards the goal of increasing housing supply to meet demand and address affordability issues?

- This grant is expected to promote infill developments (adding new units to existing communities) with increased housing density and a variety of unit types.
- This grant will prioritize applications that expect to construct units that meet the local definition of "affordable" provided in this Plan.

How is eligibility and grant value determined?

- Applicants must be a registered Not-for-Profit agency.
- The subject property must be located within the Urban Settlement Area of the City.
- Applicants/property owners that are interested in developing affordable units will be prioritized.
- If the project is deemed feasible, applicants may be eligible for other incentives outlined in this Plan.

Proposed Structure: Feasibility Study Grant Program

Housing Category	Located in a Strategic Development Area		Other Part of the Urban Settlement Area
	First Neighbourhood	Major Node Area	
Affordable ¹	Any type of dwelling Restricted to NFP Stackable ² : ★★★★★ Grant Value ³ : \$\$\$\$\$	Any type of dwelling Restricted to NFP Stackable ² : ★★★★★ Grant Value ³ : \$\$\$\$\$	Low/Medium Density Restricted to NFP Stackable ² : ★★★★★☆ Grant Value ³ : \$\$\$\$\$
Market Rate	Any type of dwelling Restricted to NFP Stackable ² : ★★★★★ Grant Value ³ : \$\$\$\$\$	Any type of dwelling Restricted to NFP Stackable ² : ★★★★★ Grant Value ³ : \$\$\$\$\$	Low/Medium Density Restricted to NFP Stackable ² : ★★★★★☆ Grant Value ³ : \$\$\$\$\$

Notes:

- 1: the housing unit meets the definition of “affordable” as set out in this Plan.
- 2: refers to the opportunity to stack this incentive with other Financial Incentives for Housing outlined in this Plan. Five stars indicates this incentive will stack with any other incentive in this Plan, where applicable.
- 3: this grant will cover the full cost of a feasibility study for successful applicants.

Access to Land Program

The City will grant municipally owned land that has been declared surplus to applicants intending on constructing housing. An online list/map of surplus City-owned lands will be made available, inviting those interested in developing housing to submit an application. Applications proposing the development of affordable housing will be scored higher. If the application is for affordable housing, the development must enter into an agreement to remain affordable for a period of 10 to 25 years. This grant compliments Action 4 of this Plan.

How does it help towards the goal of increasing housing supply to meet demand and address affordability issues?

- This grant is expected to promote infill developments (adding new units to existing communities).
- Encouraging the development of units that meet the local definition of “affordable” provided in this Plan. Property owners will be required to enter into an agreement to ensure the housing project remains “affordable” for a period of at least 10 to 20 years.

How is eligibility and grant value determined?

- Applicants may be required to submit a proposal indicating their intent for the land.
- Applications proposing the development of affordable units will be scored higher than those proposing only market-rate units.
- The subject property must be located within the Urban Settlement Area of the City.
- If the project proposal is accepted, applicants may be eligible for other incentives outlined in this Plan.

Proposed Structure: Access to Land Program

Housing Category	Located in a Strategic Development Area		Other Part of the Urban Settlement Area
	First Neighbourhood	Major Node Area	
Affordable ¹	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Granted ³ : \$\$\$\$\$	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Granted ³ : \$\$\$\$\$	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Grant ³ : \$\$\$\$\$
Market Rate	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Granted ³ : \$\$\$\$\$	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Granted ³ : \$\$\$\$\$	Any type of dwelling Freehold ✓ Rental ✓ Stackable ² : ★★★★★ \$ Grant ³ : \$\$\$\$\$

Notes:

1: the housing unit meets the definition of “affordable” as set out in this Plan. Note that applications for affordable housing developments will be weighted higher than those proposing only market-rate units.

2: refers to the opportunity to stack this incentive with other Financial Incentives for Housing outlined in this Plan. Five stars indicates this incentive will stack with any other incentive in this Plan, where applicable.

3: five dollar signs (\$) indicate the entire surplus property will be granted to the successful applicant.

City of Sault Ste. Marie Housing Action Plan 2023-2028

