

Staff Report

Report To: City Council
Report From: Lara Widdifield, Director of Public Works and Engineering
Meeting Date: April 28, 2025
Report Code: OP-25-020
Subject: Housing-Enabling Core Services Grant Transfer Payment Agreement

Recommendations:

THAT in consideration of Staff Report OP-25-020 respecting a Housing-Enabling Core Services Grant Transfer Payment Agreement, City Council directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the agreement.

Highlights:

- The City's application to the Housing Enabling Core Services (HECS) grant program has been successful.
- Under the program, the City will receive 50% of eligible expenses up to \$4,559,026 of Provincial funding.
- The City will fund the remaining 50% or \$4,559,026 of eligible expenses per the approved Capital Program (Reserves & OCIF).
- The project must be completed before March 31, 2028, and is expected to facilitate the construction of 1,130 housing units, including purpose-built rental, plus improve pedestrian connectivity for student commutes in the area, as well as improve the arterial road network for motorized and active transportation, enhancing multiple transportation modes.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: Collaborative City.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by strengthening the resiliency of City infrastructure or services.

The addition of improved active transportation corridors will be valuable for reducing the need for vehicles to move easily north-south in this area and improving the safety of those who choose non-vehicular methods.

Previous Report/Authority:

None.

Background:

Staff applied for this grant in October 2024. In January, City representatives were notified that the application was successful.

The project, already noted in the Capital Budget as project 25P.12, will include approximately 1,870 metres of road reconstruction and improvement on 9th Avenue East between 20th Street and 23rd Street East. 2,560 metres of each sidewalk and bike lanes will be added, as well as traffic signals at 20th Street, protected pedestrian crossings, and urbanization comprised of underground drainage with a stormwater quality control device.

New/expanded drinking water and wastewater works, stormwater management facilities, and any soft costs (design, engineering) related to these ineligible costs are not grant-funded but are not a significant component of this project. To maximize the pavement life, 175 m of water main will be replaced as part of the work. The outcomes of this project will enhance roads, promote growth, and enable housing.

The application proposed investing \$9,118,051 in eligible expenses to facilitate the construction of 1,130 mixed-style housing units in various states of approval on several development lands, including life lease and purpose-built rental-style housing.

Analysis:

The HECS grant will allow the fast-tracking of these transportation-related improvements for this development area. By reducing the City's costs for the

infrastructure modifications, the project will occur sooner and have less impact on the tax levy.

The Transportation Master Plan notes the 9th Avenue East corridor as a collector road and a future arterial. 8th Avenue East, also part of the project limits, will be a local road now and in the future. Due to the need for a north-south corridor for the competing priorities of vehicular, pedestrian (particularly school children), and active transportation (i.e. bicyclist) traffic, these concepts have been adapted to serve the existing and numerous residential developments that will use the 8th Avenue East - 9th Avenue East corridor for their daily access to and from their homes.

While each development is required to assess its impact on the City's traffic network, most generally limit the number of development units to the understood capacity of the public infrastructure available. Triggering significant off-site improvements, such as road widening or traffic signals, is cost-prohibitive and would render most small developments (for example, under 100 lots/units per development) non-viable.

To maximize the number of units the developers can construct on their lands, it is in the best interest of the City to enhance the traffic network as much as possible to facilitate this growth in as unrestricted a way as possible. Without grant funding, this project would be deferred for several years until adequate funds exist. At least five developments in the area are poised to complete their approvals or proceed to construction as soon as the developers determine the economic climate is right to meet their business model. The grant funding would significantly expedite this project and, by extension, these developments, by filling out the funding available, which will reduce one of the barriers to growth in this area.

Aside from development-related benefits, the road improvements will improve traffic flow and capacity along the northern 9th Avenue corridor. They will improve a secondary connection between multi-family residential and Grey Road 15 to the commercial district along 16th Street and into the industrial park at 20th Street.

City Staff have received requests from parents of school-aged children and existing residents in the neighbourhoods regarding the safety of children walking to and from school. Neither 9th Avenue nor the other north-south roads connecting the three schools in this area have adequate continuous pedestrian infrastructure.

The project must be completed before March 31, 2028; at this time, this appears to be a reasonable deadline. The intended project timeline is to procure a consultant in mid-2025, design throughout Q3/Q4 2025 - Q1 2026, and construct in 2026-2027.

Financial Implications:

The grant will contribute almost \$4.6 million in previously unanticipated funding. This will significantly assist the City with funding this project, allowing it to occur sooner and lessening the impact on the tax levy in the long term.

Communication Strategy:

As construction approaches, traditional public notification measures will be undertaken to ensure minimal disruption to the public.

Consultation:

Treasurer, City Clerk.

Under Provincial Duty to Consult requirements, Indigenous Consultation must be undertaken before construction commences.

Attachments:

Capital Project Detail Sheet 25P.12

Recommended by:

Lara Widdifield, Director of Public Works and Engineering

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Lara Widdifield, Director of Public Works and Engineering, at lwiddifield@owensound.ca or 519-376-4440 ext. 1201.