



**The Corporation of the
City of Sault Ste. Marie**

COUNCIL REPORT

August 11, 2025

TO: Mayor Matthew Shoemaker and Members of City Council

AUTHOR: Peter Tonazzo, Director of Planning and Steve Zuppa,
Junior Planner

DEPARTMENT: Community Development and Enterprise Services

RE: Building Faster Fund Year 2 Investment Plan

Purpose

The purpose of this report is to request Council approval of the City's Building Faster Fund (BFF) Year 2 Investment Plan.

Background

On April 5, 2024 the Provincial government announced that the City of Sault Ste. Marie would receive \$600,000 in BFF funding for exceeding its 2023 housing target, having broken ground on a total of 213 new housing units. As a condition of receiving this funding, the City was required to submit an Investment Plan to the Province.

On July 15, 2024 Council approved the BFF Investment Plan, allocating \$300,000 to the Per-Door Grant program under the Housing Community Improvement Plan (CIP) and \$300,000 to the Peoples Road reconstruction project.

On July 30, 2025 the Provincial government announced that the City of Sault Ste. Marie will be provided an additional \$600,000 in BFF funding for exceeding its 2024 housing target with a total of 189 housing starts. To receive this funding, the City must submit a Year 2 Investment Plan to the Province.

Analysis

BFF Investment Plans must specify each activity/initiative to be undertaken with both new and reserve BFF funding. The Year 1 Investment Plan allocated \$300,000 each to the Housing CIP Per-Door Grants and the Peoples Road reconstruction project; however, since neither project began until 2025, Year 1 BFF funding was reserved for use in 2025. Therefore, the Year 2 Investment Plan includes the Year 1 funding of \$600,000 plus \$16,546.09 in earned interest, in addition to the Year 2 funding of \$600,000.

Based on conversations with staff from the Ministry of Municipal Affairs and Housing (MMAH), it is now recommended that the City allocate all reserved Year

1 BFF funding, Year 2 BFF funding, and all interest received to the City's portion of the Peoples Road reconstruction project. MMAH staff have indicated that the fund is primarily intended for capital expenditures on housing-enabling core infrastructure and site servicing to accommodate future residential development. While operating or capital expenditures that support the creation of new affordable housing is an eligible expenditure of BFF funding, BFF eligibility criteria are restrictive on when and how funding can be used.

Allocating these funds to an eligible housing-enabling infrastructure project, such as Peoples Road, enables the City to fully use the funding within its permitted parameters. This approach also frees up more flexible municipal funds, which can then be redirected to other priorities without the constraints associated with the BFF funding. These could include housing-related initiatives that fall outside the BFF's eligibility criteria, such as Housing CIP grants for market-rate units, the Sault Foundations program, or other initiatives within the City's Housing Action Plan.

The revised BFF Year 2 Investment Plan, attached as an Appendix, details this information.

Financial Implications

Approval of this revised investment plan allows for the City to be flexible in respect to funding opportunities. Given the eligibility criteria of the BFF funding, it is recommended to use BFF funds to reduce the City's share of Peoples Road.

The funds available as a result of this funding plan will return to Council in future budgets.

Strategic Plan / Policy Impact / Climate Impact

Funding from the Building Faster Fund aligns with the Corporate Strategic Plan's Infrastructure: Leverage funding opportunities goal. As the Peoples Road reconstruction project is housing-enabling, it also aligns with the goal of Exceeding Provincial housing targets annually.

There is no climate impact.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Planning and the Junior Planner, dated August 11, 2025 concerning the Building Faster Fund Year 2 Investment Plan be received and that Council:

1. Approve the municipal Building Faster Fund Year 2 Investment Plan for 2025; and
2. Authorize staff to submit it to the Ministry of Municipal Affairs and Housing.

Building Faster Fund Year 2 Investment Plan

August 11, 2025

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Respectfully submitted,

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