



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

C O U N C I L R E P O R T

September 22, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Joseph Cocchetto, Administrative Clerk – Housing Support
DEPARTMENT: Community Development and Enterprise Services
RE: Housing Community Improvement Plan Update No. 1

Purpose

The purpose of this report is to provide an update on the four financial incentive programs offered through the City of Sault Ste. Marie Housing Community Improvement Plan.

Background

On August 12, 2024 Council approved the City of Sault Ste. Marie Housing Community Improvement Plan (CIP).

On May 12, 2025 Council approved several amendments to the Plan, including increased per-door grant amounts and eligibility, as well as adding the Municipal Fees Rebate Program.

As part of the August 12, 2024 approvals, staff committed to providing Council with regular updates (twice per year) on the financial incentives contained within the CIP. The financial incentives include:

1. The Per-Door Grant Program:

Supports small-scale developments of up to four dwelling units.

2. The Tax Increment Equivalent Program:

Supports larger scale developments of five units or more. providing an annual grant in the form of a rebate on the incremental increase in municipal property taxes, post development.

3. The Sault Foundations Program:

A grant of up to \$30,000 available to non-profit landowners to fund studies assessing the feasibility of creating “missing middle” housing.

4. The Municipal Fees Rebate Program:

A grant providing rebates on municipal fees related to applications made under the *Planning Act*, the *Ontario Building Code*, and other fees. The Rental Housing CIP was amended on May 12, 2025 to include this incentive.

Analysis

Please refer to Appendix A for a more detailed summary of applications to date.

1. Per-Door Grant Program

Per-door grant applications are accepted in established intake periods. Intake 1 was from January 1, 2025 to March 31, 2025, and intake 2 was from April 1, 2025 to July 31, 2025. Intake 3 is underway, with a deadline of September 30, 2025.

The first intake period saw eight approved applications. Four applications were not approved due to unpaid property taxes and/or property standards issues. The approved applications resulted in 18 dwelling units, 14 of which are affordable, with a total grant value of up to \$605,000.

The second intake saw one approved application. Three applications that were not approved due to property standards issues. One application was brought forward as an uninhabitable dwelling; however, upon further review the issues were deemed to be cosmetic in nature. The approved applications resulted in a total of two dwelling units, both of which are affordable, totaling a grant value of up to \$50,000.

Between intakes 1 and 2, there was a substantial decrease in the proportion of affordable units. That correlates with the May 12 amendments to the CIP which increased per-door grant eligibility to include market rate units within Precinct 2, which includes other Strategic Development Areas outside of the First Neighbourhoods/Downtown areas. There was also a noticeable drop in the number of applications, which is due in part to pent up demand when the CIP was first implemented. Having said this, the reduced number of applications highlights a need to re-establish education and outreach efforts. The estimated value of approved per-door grants across both intake periods is \$655,000.

2. Tax Increment Equivalent Grants (TIEG)

The TIEG program is available on a rolling intake basis. To date, there have been six approved applications resulting in a total of 127 units, 63 of which are affordable. The estimated value of the TIEGs is \$2,505,700.

3. Sault Foundations

There have been four applications, all by the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) for a grant value of up to \$120,000.

4. Municipal Fees Rebate Program

The Municipal Fees Rebate Program was implemented in late June 2025. There have yet to be any approved applications; however, there are a number of pending approvals that will be communicated in the next update to Council.

Applicant Feedback

A concern raised by applicants is the required 20-year commitment to rent units at an affordable rate. Applicants feel that if the 20-year affordability commitment must be terminated prematurely, they should not have to repay the full amount of the grant.

That feedback was discussed during a meeting of the Affordable Housing Task Force on August 28, 2025 about whether would be possible to pro-rate agreements. At this point, no amendments are proposed; however, this concern will be monitored and in the future staff may look at a pro-rated process.

The relatively high costs associated with constructing new dwelling units is another concern raised by prospective applicants, who were initially interested in the program until they received construction quotes.

Financial Implications

The Per-Door Grants, Sault Foundations and Municipal Fees Rebate programs are funded through a combination of CMHC's Housing Accelerator Funding (HAF) and the Province's Building Faster Fund (BFF). The Tax Increment Equivalent Grant program is currently funded by the City through deferred revenues.

In total, \$1,415,000 of HAF and BFF funding has been allocated for year one of CIP implementation, and to date, up to \$820,000 has been awarded for the first six months of year one. Therefore, the program is generally on target.

Strategic Plan / Policy Impact / Climate Impact

The financial incentive programs established in the Housing CIP are consistent with Focus Area 1 of the Corporate Strategic Plan, specifically social equity, which expressly directs implementing a housing action plan with the goal of delivering affordable housing.

The CIP is designed to facilitate residential intensification and infill development, which is beneficial from a greenhouse gas reduction standpoint. Furthermore, the per-door grant scorecard awards developments that go above and beyond minimum requirements/standards with regard to energy efficiency, climate resilience and barrier-free measures.

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Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Administrative Clerk – Housing Support dated September 22, 2025 concerning Housing Community Improvement Plan Incentive Programs Update be received as information.

Respectfully submitted,

Joseph Cocchetto

Administrative Clerk – Housing

Support

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