



# The Corporation of the Town of Milton

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Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: July 15, 2024

Report No: ES-021-24

Subject: Building Faster Fund

**Recommendation:** THAT the Mayor and Clerk be authorized to execute the Transfer Payment Agreement with the Ministry of Municipal Affairs and Housing (MMAH) for the Building Faster Fund, along with any other submissions that may be required in relation to the program.

THAT the Investment Plan outlined in Appendix 2 to this report be approved and submitted to the Province in relation to the utilization of the Year 1 funding that is available from the Building Faster Fund.

THAT staff be delegated the authority to prepare and submit to the MMAH any revisions to the Investment Plan as may be required.

THAT staff be delegated the authority to prepare and submit to the MMAH the Investment Plans for any subsequent years of the Building Faster Fund.

## EXECUTIVE SUMMARY

- On June 24, 2024, the Province informed Milton that the Town's 2023 housing performance translated into funding of \$8,400,000 through the Building Faster Fund (BFF). According to the funding formula, this amount consists of the base BFF funding of \$5,600,000, along with a bonus payment of \$2,800,000 for exceeding the target value by 27%.
- In addition to executing a transfer payment agreement, the Town must also submit an investment plan (IP) in relation to the approved BFF funding. This IP is due no later than July 19, 2024.
- The Town's utilization of the BFF funding will be focused on capital expenditures on housing-enabling core infrastructure in accordance with the BFF guidelines. Projects selected will largely support intensification within the Town's urban boundary, which forms a critical component of the Town's future growth, and includes supporting the

## EXECUTIVE SUMMARY

supply of a variety of built forms (additional residential units, apartments / rentals, etc.).

## REPORT

### Background

Announced in August 2023, the BFF is a three-year program that will provide up to \$400 million per year to municipalities that have committed in writing to achieve their overall 2031 housing target and met all other program eligibility criteria. Funding is intended to balance flexibility with financial accountability, ensuring that recipient municipalities are able to invest in local priorities that support further growth in housing supply, particularly housing-enabling infrastructure and other expenditures that support community growth.

Eligibility for funding under the BFF will be limited to municipalities that have:

- A provincially assigned housing target (number of units to be achieved by 2031);
- Committed to achieve the housing target through a council-approved pledge or a written head of council commitment submitted to MMAH; and,
- Provided feedback to MMAH prioritizing the recommendations contained in the February 2022 report of the Housing Affordability Task Force.

For municipalities with housing targets, each municipality's portion of the \$400 million annual envelope will be determined based on its share of the greater provincial housing supply goal, as well as its performance compared to their annual assigned targets.

Investment Plans (IPs) are required in each year of the BFF program. IPs are required to identify each activity/initiative to be undertaken with BFF funding, as well as associated expenditures planned for the program year. These plans require Council approval, either directly or by way of delegated authority. For 2024, the IP is due no later than July 19<sup>th</sup>, 2024.

Eligible forms of expenditure include:

- capital expenditures on housing-enabling core infrastructure and site servicing
- operating or capital expenditures that support the creation of net new affordable housing

## Background

- operating or capital expenditures that support the creation of net new attainable ownership housing, including through modular construction
- capital expenditures for homelessness services centers

If funds are not fully spent by municipalities by March 31, 2026, the funding along with any accrued interest shall be returned to the MMAH.

At the end of each program year, recipient municipalities will be required to submit year end reports on total funds spent, (e.g., invoiced), total funds committed but not spent (e.g., purchase orders), funds carried over to subsequent year (i.e., saved/banked), as well as interest earned on saved/banked funds.

Recipient municipalities are required to enter into a Transfer Payment Agreement (TPA) with the Ministry of Municipal Affairs and Housing (MMAH) in order to receive allocated funding. A copy of the TPA is attached as Appendix 1, and it outlines the roles and responsibilities of both parties.

## Discussion

Milton is eligible for the BFF program as the Town has:

- a housing target of 21,000 new homes by the year 2031,
- a Council approved pledge that was approved in March 2023 through report DS-016-23, and
- feedback that was provided to the MMAH in October 2023 regarding the Housing Affordability Task Force recommendations.

On February 14, 2024, the MMAH provided Milton with a letter to confirm that the Town had exceeded its housing target for the initial program year of 2023. With a total housing count of 1,952 units, the Town exceeded the target of 1,540 by 27%.

On June 24, 2024, the MMAH sent a subsequent letter to advise that the Town's 2023 housing performance translated into funding of \$8,400,000. According to the MMAH funding formula, this amount consists of the base BFF funding of \$5,600,000, along with a bonus payment of \$2,800,000 for exceeding the target value by 27%.

The Town of Milton's utilization of the BFF funding will be primarily, if not exclusively, focused on capital expenditures on housing-enabling core infrastructure. As per the BFF guidelines, this could include roads and bridges, including sanitary and stormwater facilities, to accommodate future residential development (e.g., through new construction, reconstruction, rehabilitation/repair or expansion of existing infrastructure). It could also



## Discussion

include capital maintenance for the renewal, rehabilitation and replacement of core infrastructure owned by the municipality to preserve existing housing supply.

Staff have undertaken a review of potential projects that align with the program criteria noted above, and the following projects are recommended to be funded using the BFF program in 2024. Supplemental detail on each is also provided in Appendix B, in the form of the funding plan that will be submitted to the MMAH.

Description	BFF Funding
Nipissing Road	\$580,000
Stormwater Management Facility Rehabilitation	\$1,406,792
Storm Sewer Network Rehabilitation	\$1,894,530
Ontario Street (Main St. to Derry Rd.)	\$247,000
Bronte Street (Etheridge to Louis St. Laurent) - Multi-use Path	\$450,000
Savoline Boulevard (Main St. to Derry Rd.)	\$1,000,000
Carry-over to 2025 (for use in Nipissing Rd. and Ontario St.)	\$2,821,678
<b>Total</b>	<b>\$8,400,000</b>

As outlined in detail in the IP attached, intensification within the Town's urban boundary forms a critical component of the Town's future growth, including the support of a variety of built forms (additional residential units, apartments / rentals, etc.). As such it is critical to ensure the continued integrity and operational performance of the core infrastructure in those urban areas. These investments, which have been identified through a number of prior condition assessment or asset prioritization processes, will help achieve this goal.

Investment Plans (IPs) are required in each year of the BFF program. These plans require Council approval, either directly or by way of delegated authority. For 2024, the IP is due no later than July 19<sup>th</sup>, 2024. In 2025 the IP will be due by February 14<sup>th</sup>, and the date in 2026 has yet to be determined. As there may not be much time between the announcement of the Town's 2025 or 2026 funding envelope relative to the due date, delegated authority has been requested through this report for staff to have the authority to submit those IPs for the Town.



## Financial Impact

The BFF provides an important source of funding to the municipality in order to invest in eligible categories of infrastructure.

Formal adjustments to the capital project funding in relation to the \$8,400,000 will occur through the June 2024 Capital Variance report, which will be presented to Council in September 2024.

Subject to the TPA, funding for each program year will be provided in two disbursements as follows:

- 70 per cent of funding disbursed to recipient municipalities within 30 business days after approval by MMAH of the annual Investment Plan.
- 30 per cent of funding to be disbursed to recipient municipalities within 30 business days of approval by MMAH of the year-end report.

The Town will separately track BFF funds received as well as their use, with interest being allocated in accordance with the program guidelines.

Respectfully submitted,

Glen Cowan  
Chief Financial Officer / Treasurer

For questions, please contact: Glen Cowan

Phone: Ext. 2151

## Attachments

Appendix 1 - Transfer Payment Agreement

Appendix 2 – Investment Plan

Approved by CAO  
Andrew M. Siltala  
Chief Administrative Officer

## Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the



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## Recognition of Traditional Lands

water, food and resources. We stand as allies with the First Nations as stewards of these lands.