



OAKVILLE

REPORT

Council

Meeting Date: January 27, 2025

FROM: Finance Department

DATE: January 14, 2025

SUBJECT: Building Faster Fund – 2025 Investment Plan

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That an Investment Plan to use \$9,000,000 in funds for the Royal Windsor Drive Bridge Rehabilitation and up to \$7,908,182 in funds for the Khalsa Gate Urbanization & Streetscape project, be approved to be submitted to the Ministry of Municipal Affairs and Housing for the 2025 Building Faster Fund program year.
2. That staff be delegated the authority to submit any necessary revisions to the 2025 Investment Plan utilizing the projects listed in Table 3 of this report.
3. That the refinancing of capital projects that are approved by the Ministry of Municipal Affairs and Housing for the use of Building Faster Fund program funding be approved.

KEY FACTS:

The following are key points for consideration with respect to this report:

- On August 21, 2023 the provincial government announced the Building Faster Fund (BFF). BFF is a three-year program that will provide up to \$400 million per year to eligible municipalities. Funding is administered by the Ministry of Municipal Affairs and Housing (MMAH).
- Municipalities are evaluated on the number of housing starts achieved during the year compared to the annual target set by the Province. The town qualified for \$7,058,182 funding in 2024 by achieving 80% of the annual housing target in 2023.
- The town entered into a Transfer Payment Agreement with the Province, and submitted the required 2024 BFF Investment Plan. The Investment Plan

submitted allocated \$3,350,000 towards the Burloak Drive Grade Separation project and allocated the remaining \$3,708,182 to the 2025 program year.

- The town will qualify for \$12,844,800 in funding in 2025 based on housing starts reported by the Province as of the end of October 2024. Housing starts in November and December of 2024 could increase this amount to a maximum of \$13,200,000.
- A 2025 BFF Investment Plan must be submitted to MMAH by February 14, 2025. The recommended investment of BFF funds is focused on the core infrastructure that is necessary to prepare for projected demand from increased housing supply and to preserve existing housing supply.

BACKGROUND:

On August 21, 2023, the provincial government announced the Building Faster Fund (BFF), a \$1.2 billion fund for municipalities that build more homes sooner. The BFF is a three-year funding program, providing significant new funding to municipalities that achieve assigned housing targets on an annual basis. Funding is intended to provide financial support for municipalities that can be directed toward housing-enabling infrastructure and related costs that support community growth.

As reported at the [December 16, 2024 Meeting of Council](#) Oakville is eligible for \$7,058,182 in funding for the 2024 BFF program year, based on prior year housing starts. At that time, Council approved staff’s recommendation to submit a 2024 BFF Investment Plan to MMAH to allocate \$3,350,000 to the Burloak Drive Grade Separation project and to save \$3,708,182 of the 2024 allocation for the 2025 program year.

Table 1: 2024 BFF Funding and Investment Plan

Total 2024 BFF Funding	7,058,182
BFF Spending	
Burloak Dr Grade Separation	\$ 3,350,000
Save/Bank to 2025	\$ 3,708,182
Total BFF Spending	\$ 7,058,182

For the 2025 program year, Oakville must submit the annual Investment Plan to MMAH by February 14, 2025. Although 2024 housing starts are not yet final, as of October 2024, Oakville had achieved 123% of the assigned housing target, which would result in \$12,844,800 in funding for the 2025 program year. Final housing starts to the end of December 2024 could result in a maximum allocation of \$13,200,000. When including the 2024 saved/banked funds, an Investment Plan totalling \$16,908,182 of BFF funding is required for 2025.

Table 2: 2025 BFF Funding and Investment Plan

2025 BFF Investment Plan	
Total 2025 BFF Funding	\$ 13,200,000
Plus 2024 Saved/Banked	\$ 3,708,182
Total 2025 BFF Funding	\$ 16,908,182

The program guidelines include the following as eligible expenditures under the program:

1. **Capital expenditures on housing-enabling core infrastructure and site servicing:** This for infrastructure including roads, bridges, water and wastewater, including sanitary and stormwater facilities:
 - to **accommodate future residential development** through new construction, reconstruction, rehabilitation/repair or expansion of existing infrastructure
 - capital maintenance for the renewal, rehabilitation and replacement of core infrastructure owned by the municipality to **preserve existing housing supply**, as well as site servicing/preparation expenses to support the direct creation of more housing

2. **Operating or capital expenditures that support the creation of net new affordable housing:** affordable housing as defined in the Development Charges Act, or a unit also supported by stacking with funds through a provincial affordable housing program (i.e. Homelessness Prevention Program). Eligible expenses must create a net increase in affordable housing stock.

3. **Operating or capital expenditures that support the creation of net new attainable ownership housing, including through modular construction**

4. **Capital expenditures for homelessness service centres:** this could include capital expenses for net new shelter space or municipal homelessness service hubs.

COMMENT/OPTIONS:

The 2025 Investment Plan must describe the actions that will be supported with BFF funding, including how these actions support increasing housing supply, housing development, including issues of affordability and any identified risks to achieve housing targets. Projects have been evaluated based on overall fit with the BFF program and ability to incur costs by the deadline of March 31, 2026. It is important

to note that BFF does not require substantial completion be achieved for selected projects by this date. Instead, the main requirement is to accelerate projects that promote the construction of housing-enabling core infrastructure and site servicing, so housing supply is maintained and/or created within the municipality.

A significant portion of population growth in the town will occur in designated strategic growth areas, along with greenfield development in North Oakville, and through other opportunities for gentle density in the town's established neighborhoods. To support the increasing housing supply and development that is planned, and to preserve existing housing supply, ensuring that infrastructure meets the needs of the community and provides for complete communities is a key strategic priority for the town.

2025 Investment Plan

The town's investment of BFF funds is focused on the core infrastructure that is necessary to prepare for projected demand from increased housing supply and to preserve existing housing supply. Staff recommend that the following projects that fit the criteria for "Capital expenditures on housing-enabling core infrastructure" be included in the 2025 Investment Plan and submitted to MMAH:

1. Royal Windsor Drive (RWD) Bridge Rehabilitation

Staff recommend that \$9,000,000 in funds for the 2025 BFF year be used for the RWD Bridge Rehabilitation.

Keeping the bridge in a state of good repair is integral to both supporting community growth and preserving existing housing supply for the following reasons:

- RWD is a key arterial road connecting key growth centres, including the Midtown growth area.
- RWD is part of the Province's Emergency Detour Route for both the QEW and Highway 403, as it keeps transportation routes open during highway closures.
- The bridge keeps rail traffic (GO, VIA, freight) moving through the area. GO Rail service supports housing development in Major Transit Station Areas (Bronte GO, Oakville GO, and others).

2. Khalsa Gate Urbanization & Streetscape

Staff recommend that up to \$7,908,182 in funds (depending on final 2025 BFF eligibility) for the 2025 BFF year be used for the Khalsa Gate Urbanization & Streetscape project.

Khalsa Gate is located in the Palermo Village Strategic Growth Area, which has, and continues to experience, high-density residential development. The existing storm sewer and roadway infrastructure is sub-standard, and this project will reconstruct Khalsa Gate to a new urban environment with zero lot line development where

possible, on road bike lanes, lay-by parking, street trees and furniture, interlocking boulevards and wide interactive sidewalk platforms. The project includes burial of overhead hydro lines and utilities. The urbanization of Khalsa Gate ensures that this infrastructure will support this growing area of the town.

Investment Plan Revisions

Following submission of the 2025 Investment Plan to MMAH, revisions may be required to the Investment Plan over the course of the program year for the following reasons:

- if a project that is submitted is not approved by MMAH
- if an approved project will not achieve allocated spending during the program
- if there are delays in spending that will carry forward to 2026 (but still be incurred by the program deadline of March 31, 2026)

Table 3 below includes additional projects that fit the BFF criteria of capital expenditures on housing-enabling core infrastructure. It is recommended that staff be delegated the authority to submit any necessary revisions to the 2025 Investment Plan using these projects.

Table 3: Additional Housing-enabling Core Infrastructure projects

Project	Potential Allocation (millions)	BFF Program Fit
Speers Rd Widening – Fourth Line to Dorval Drive (Construction)	\$3.0M	<ul style="list-style-type: none"> • Speers Road provides multimodal transportation between growth areas (Bronte GO, Kerr, Midtown) – all will include significant housing growth. • Design includes pedestrian infrastructure and supports connections to nearby residential areas (both existing and planned growth).
Sixteen Mile Creek Outfall Repairs (Construction)	\$0.5M	<ul style="list-style-type: none"> • Four outfalls are being repaired and will support development that occurs within their catchments. • Repairs will ensure the outfalls will be functioning properly to service the new developments
Burnhamthorpe Urbanization – 800m of Neyagawa to Trafalgar Road (Design only)	\$0.35M	<ul style="list-style-type: none"> • Burnhamthorpe Road is a key collector road in north Oakville and will provide for multi-modal transportation across north Oakville. Development, including housing, continues to occur north and south of Burnhamthorpe Road.
Lakeshore Road West - McCraney Creek Bridge (Design only)	\$0.25M	<ul style="list-style-type: none"> • McCraney Bridge at Lakeshore Road West connects the Bronte Village and Kerr Village growth areas. • Future development (housing) in the Kerr and Bronte growth areas will rely on this transportation link.

Project	Potential Allocation (millions)	BFF Program Fit
Burloak Drive Grade Separation	\$4.2M	<ul style="list-style-type: none"> • Included in 2024 Investment Plan • Supports Metrolinx’s planned 15-minute all-day GO Transit service on the Lakeshore West rail line and allows for a future widening of Burloak Drive to provide additional transportation capacity (up to 6 lanes), both of which support community growth in Oakville.

Conclusion

Staff have reviewed the 2025 planned and in progress projects to determine their eligibility for BFF funding. The Royal Windsor Drive Bridge Rehabilitation project and the Khalsa Gate Urbanization & Streetscape project are recommended to be included in the 2025 Investment Plan for the Building Faster Fund.

CONSIDERATIONS:

(A) PUBLIC

N/A

(B) FINANCIAL

Funding from the Building Faster Fund will be used towards housing-enabling infrastructure and related costs that support community growth. The BFF program provides significant provincial funding that will assist in mitigating the impact of recent legislative changes to growth funding tools. Capital projects approved by the Ministry of Municipal Affairs and Housing for the use of BFF funds will be refinanced.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The Transportation and Engineering Department will manage the delivery of recommended projects.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses Council’s strategic priorities of growth management and accountable government.

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

N/A

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