

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: Canada Housing Infrastructure Fund – Temagami North Infrastructure Expansion
Application

Memo No: 2025-M-102

Date: April 24, 2025

Attachment: None

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Recommendation

BE IT RESOLVED THAT Council receive this memo for information and deliberation;

AND FURTHER THAT Council provide direction to:

- (A) Endorse the submitted application under the Canada Housing Infrastructure Fund – Direct Delivery Stream for the Temagami North Infrastructure Expansion Project; or
- (B) Direct staff to withdraw the application from review and notify the funder accordingly.

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1. Executive Summary

This memo presents Council with a decision point regarding an application submitted on behalf of the Municipality of Temagami to the Canada Housing Infrastructure Fund (CHIF) to support the expansion of municipal water, wastewater, and road services in the Temagami North Subdivision. The infrastructure investment would enable the creation of 40 new residential lots on municipally owned land. While the funding application has been prepared and submitted for consideration, no formal Council resolution has yet endorsed this action. Council is now being asked to consider whether to proceed with the funding opportunity or formally withdraw from the process.

2. Background

The Nipissing District Housing Needs and Supply Study (April 2024) identified a critical shortage of available and suitable housing in Temagami and across the district. The study recommended infrastructure investment as a key step to unlock development on serviced lots. The Municipality of Temagami owns land within a registered subdivision in Temagami North that has long remained undeveloped due to the cost of servicing and capacity concerns.

In response to this need, municipal staff prepared and submitted an application to the CHIF – Direct Delivery Stream to extend water, sewer, and road infrastructure along Poplar Crescent, Cedar Avenue, Goward Avenue, and Hillcrest Drive. The submission outlines a total project value of \$3,167,020 (estimates received from Tulloch), with a requested federal contribution of \$1,583,510, and the remaining \$1,583,510 to be municipally financed.

At this time, the Municipality's capital budget does not include funding for this initiative. However, the required municipal contribution is proposed to be secured through a repayable loan from Infrastructure Ontario. A financial review confirms this loan falls well within the Municipality's Annual Repayment Limit (ARL) under Ontario Regulation 403/02. The loan would be repaid over time, with recovery anticipated through the eventual sale of the new residential lots once serviced.

3. Rationale

There is a well-established housing need in Temagami, and this project represents a shovel-ready solution that directly aligns with both municipal planning objectives and Provincial/Federal funding priorities. Servicing this subdivision would create immediate development opportunities and provide long-term economic and social benefits to the community.

In addition to housing benefits, the project would improve the operational efficiency and reliability of the Temagami North water and wastewater systems. There are known capacity and circulation concerns, including the presence of dead-end water lines, which contribute to water quality issues and unnecessary use of treated water. This expansion would result in looped infrastructure, which is recognized as a best practice for maintaining system pressure, reducing stagnation, and enhancing overall system functionality. These improvements would support both current users and future growth, addressing infrastructure challenges that extend beyond the new lots alone.

That said, Council's formal approval of the application and its financial implications has not yet occurred. Proceeding would require a commitment of 50% of the funds (potentially through the Infrastructure Ontario loan), confidence in future lot sales, and alignment with other municipal priorities. Should Council not wish to pursue the project at this time, a formal request can be made to the funder to withdraw the application—acknowledging with appreciation the opportunity provided and explaining that the Municipality is not in a financial position to proceed at this time.

4. Conclusion

The Temagami North Infrastructure Expansion Project has the potential to address one of the most pressing issues facing the community: the lack of serviced, developable land for new housing. However, proceeding requires a financial commitment and strategic direction from Council. Staff respectfully request that Council select one of the options outlined in the above resolution.