



Report No.
CMO-12-24

File No.

Directed to: Mayor Joe Preston and Members of City Council

Meeting Date:
September 9, 2024

Department: City Manager's Office

Prepared By: Taylor Mooney, Strategic Initiatives Manager

Attachment
1. ADM-23-2023

Subject: Housing Accelerator Fund – Second Round Funding

Recommendation:

THAT: Report CMO-12-24 relating to Housing Accelerator Fund – Second Round Funding be received for information; and further,

THAT: Council direct administration to proceed with Option 1 OR Option 2 as presented in the report and as it relates to the Housing Accelerator Fund Second Round Funding application.

Background:

In March 2023, the Federal Government announced the launch of the Housing Accelerator Fund (HAF) which provides incentive funding to municipal governments to increase housing supply across Canada. The main objective of the HAF is to accelerate the supply of housing, resulting in at least 100,000 more housing units permitted across the country than would have occurred without the program. Specifically, the fund supports initiatives that remove barriers to housing supply, accelerate the growth of supply, and support the development of equitable, affordable, low-carbon and climate-resilient communities.

As an application-based program administered by the Canadian Mortgage and Housing Corporation (CMHC), HAF funding can be used for investments in Housing Accelerator Fund Action Plans (prepared by each individual applicant), affordable housing, housing-related infrastructure, and community-related infrastructure that supports housing. An application to the HAF has the potential to achieve sizable funds to support housing development in the City of St. Thomas. Base funding is estimated at \$20,000/HAF incented unit, with opportunities for top up funding and an affordable housing bonus.

At the August 14, 2023 Council meeting, administration presented report ADM-23-2023 (attachment #1), outlining a draft Action Plan/List of Initiatives consistent with the requirements of the Housing Accelerator Fund. Council supported in principle the draft Action Plan/Initiatives and directed administration to submit an application to the HAF; an application which was submitted in August 2023. St. Thomas was not successful in the first intake and did not receive any justification as to why the City’s application was not successful, however, based on review of successful applications by other municipalities, staff feel the first application may have been too ambitious in its targets.

CMHC has recently re-opened the HAF for a second round of intake with \$400 million in available funding (10% of the initial round of funding). The second round is only available to previous applicants who applied in 2023 and were not successful. The application deadline is September 13, 2024.

Discussion:

As part of the second round of funding, CMHC has included additional requirements should any applicant wish to be successful in their application. This includes the following directive, “You must commit to implementing bylaws for 4 units as-of-right in your updated action plan or have already done so before submitting your application.”

Further to this requirement, all municipalities are encouraged to tailor their applications to CMHC’s 10 HAF best practices:

1. End exclusionary zoning
2. Make municipally owned lands available for housing
3. Increase process efficiency
4. Prioritized/enhanced development approval process
5. Comprehensive review of development charges and fee schedules
6. Reduce or eliminate parking standards
7. Eliminate restrictions (height/setbacks)
8. Develop affordable housing community improvement plans

- 9. Design and implement guidelines or pre-approved building plans
- 10. Develop grant programs

Many of the previously proposed initiatives put forward by the City in the initial application align with these top 10. Pending direction from Council in proceeding with an application, administration will align all initiatives with these best practices to ensure the greatest opportunity of success in receiving funding. The City is required to present a minimum of seven initiatives as part of the application, many of which will carry over from the initial application.

With this understanding of new requirements, including the need for allowing 4 units as-of-right, as well as tailoring the application to the top 10 best practices, Council can proceed with one of the following two options:

- **Option 1** – Commit to implementing a Zoning By-law Amendment for 4 units as-of-right at a later date; direct Administration to amend the application to align the top 10 best practices and apply for the second round of the Housing Accelerator Fund before the September 13 deadline.
- **Option 2** – Do not support a commitment to 4 units as-of-right and reject an application to the second round of the Housing Accelerator Fund.

Strategic Priority:

Strategic Pillar: Excellence in All We Do - Priority #5: Housing for Everyone

Financial Impact:

If successful, the City will receive an allocation of HAF funding intended to be used to address the priorities identified in the Action Plan. The City will enter into a Contribution Agreement with CMHC to access eligible HAF funds.

Funding will be issued to successful municipalities in four annual 25% installments. The City would be required to report to CMHC annually on both the status of each initiative, including building permit data, and how it has used any received funding. This is to ensure follow through on Action Plan items and that the initiatives can yield additional housing supply. If our reporting falls short of Action Plan expectations, the next installment could be reduced or revoked.

Respectfully,

Taylor Mooney,
Strategic Initiatives Manager

Approved by: M. Bradley, City Manager