

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. SI-2024-0019

**FOR THE CONSIDERATION OF
COUNCIL**

September 11, 2024

SUBJECT: HOUSING ACCELERATOR FUND – INTAKE 2

1. RECOMMENDATIONS:

1. That Council receive Report No. SI-2024-0019 prepared by the Strategic Initiatives and Development Services Departments dated September 11, 2024 respecting the Housing Accelerator Fund – Intake 2;
2. That Council approve the Housing Action Plan attached to Report No. SI-2024-0019 including the mandatory initiative to allow 4 units as-of-right in urban and serviced settlement areas;
3. That Council provide Delegated Authority to the Chief Administrative Officer to use grant funds received through the Housing Accelerator Fund program to achieve the Housing Action Plan initiatives;
4. That staff bring forward a Council report regarding the recommended use of any remaining grant funding not applied to the Housing Action Plan initiatives for approval; and,
5. That Council endorse the submission of an application to the Housing Accelerator Fund – Intake 2.

OR ALTERNATIVELY,

That in the event Council does not support the proposed Housing Action Plan:

1. That Council receive Report No. SI-2024-0019 prepared by the Strategic Initiatives and Development Services Departments dated September 11, 2024 respecting the Housing Accelerator Fund – Intake 2; and,
2. That Council direct staff not to apply to the Housing Accelerator Fund – Intake 2.

2. PURPOSE:

This report provides an overview of Canada Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund 2.0 program and the proposed Housing Action Plan for Council endorsement for the Town's grant funding application.

3. BACKGROUND:

The Town of Georgina applied to the Housing Accelerator Fund in August 2023 and was notified in February 2024 that the application was not selected to be funded, as was the case for the other N6 municipalities who applied. This first round awarded \$4 billion to roughly 150 applicants, the majority of which were large municipalities across Canada.

On July 15, 2024, CMHC launched the second intake for applicants who were unsuccessful in Round 1, to re-apply with an updated Housing Action Plan. This new intake has \$400 million to be awarded, with an estimated 400 applicants eligible to apply. In this second intake, the requirements were updated to be made more stringent; CMHC is now requiring that the applicant's Housing Action Plan (Attachment 1) align to the [10 Best Practices](#) published on their website. The categories of these best practices have been summarized below:

1. End exclusionary zoning
 - **Mandatory (minimum program requirement):** Allow 4 units per residential lot as-of-right to support infill development in low-density neighbourhoods municipality-wide. *Note: CMHC may consider exceptions to the boundaries and/or scope of the bylaw for applicants who are predominantly rural in nature, provided that the overall intent is maintained. CMHC has confirmed that an outright exception will not be approved, and that a firm commitment from Council to implement 4 units as-of-right is required rather than simply studying or exploring potential implementation.*
2. Make municipally owned lands available for housing
3. Increase process efficiency by implementing new technologies or software to speed up development approvals, such as e-permitting
4. Prioritized/enhanced development approval process for rental and affordable housing
5. Comprehensive review of development charges and fee schedules
6. Reduce or eliminate parking standards
7. Eliminate restrictions related to height, setbacks, building floor area and other regulations to allow greater variety in housing types and density, including accessory dwellings
8. Develop affordable housing community improvement plans or strategies/plans for the rapid deployment of affordable housing
9. Design and implement guidelines or pre-approved building plans for missing middle housing or specific accessory dwelling such as laneway housing or garden suites

10. Develop grant programs encouraging the development of housing types such as missing middle, row homes, purpose-built rental and/or that promote innovative construction techniques

CMHC's Housing Accelerator Fund is intended to accelerate the supply of housing across Canada, resulting in at least 100,000 more housing units constructed. It is a \$4 billion funding program to incentivize local governments to implement initiatives that achieve the following outcomes:

1. Get more homes built faster;
2. Speed up approvals and building processes;
3. Develop complete communities (*a complete community is one that provides convenient access to an appropriate mix of jobs, local services and a full range of housing, transit and community amenities*);
4. Develop affordable, inclusive, equitable and diverse communities; and,
5. Develop low-carbon and climate-resilient communities.

To apply to the fund, an applicant must:

- Present an application, including an action plan that outlines supply growth targets and specific initiatives to grow housing supply and speed up housing approvals.
- Commit to a housing supply growth target within the action plan that increases the average annual rate of growth by at least 10%. The growth rate must also exceed 1.1%.
- Complete or update a housing needs assessment report
- Commit to implementing a zoning bylaw amendment allowing 4 units as-of-right in the updated action plan.

The Housing Accelerator Fund is an 'incentive based' program, meaning that funding is calculated based on the expected increase in permits issued due to the Housing Action Plan initiatives, but the funding provided can be used flexibly within any of the following four (4) categories:

1. Investments in Housing Accelerator Fund action plans;
2. Investments in affordable housing (*e.g. construction of affordable housing, repair of affordable housing, etc.*);
3. Investments in housing-related infrastructure (*e.g. wastewater infrastructure, water infrastructure, broadband and connectivity, public transit, etc.*); and,
4. Investments in community-related infrastructure that supports housing (*e.g. local roads and bridges, firehalls, landscaping and green space, etc.*).

The use of funds can be determined after the grant is awarded. Funding is calculated based on three (3) definitions of housing:

Base Funding

1. Type: Permits issued

A new building permit is issued for any type of housing as a result of the Housing Action Plan initiatives.

Funding: An estimated \$20K* per additional building permit issued.

Top-Up Funding

2. Type: Multi-unit housing

This includes housing in close proximity to rapid transit, missing middle (e.g. duplexes, low-rise apartments, etc.), and other forms of multi-unit housing (e.g. Additional Residential Units or ARUs).

Funding: An estimated additional \$7K-\$15K* per unit that meets the definition of multi-unit housing.

3. Type: Affordable housing

Affordable housing refers to housing units that are intended for households whose needs are not met by the marketplace. The local definition will be used for the purposes of HAF or in the absence thereof the provincial/territorial definition.

Funding: An estimated additional \$19K* per net unit share change.

**According to CMHC, all per unit amounts are estimated, and may be adjusted based on the funding demand.*

The program was launched on July 15th, 2024 and applications are due by September 13th, 2024. The funding decision is expected to be announced in Fall 2024. It is a 3-year funding program; therefore, funding can be used on projects until December 1, 2027.

4. ANALYSIS:

To be eligible for funding, the Town is required to submit an application, including a Housing Action Plan with a minimum of 7 initiatives that outlines supply growth targets and specific initiatives to grow housing supply and speed up housing approvals.

Evidenced by the specificity of the best practices in the 10 Best Practices guide, CMHC is looking for municipalities to commit to specific updates to planning policy as well as other best practices.

To submit as competitive of an application as possible, staff have created a proposed Housing Action Plan with 8 initiatives that align to the 10 Best Practices. In doing so, staff have put forward several initiatives that under normal circumstances may have only been recommended to Council following comprehensive planning reviews and studies. It is

important to note that including these initiatives is necessary to giving the Town a chance to secure funding through the Housing Accelerator Fund 2.0.

Staff have described the potential positive and negative impacts for the initiatives that require a significant change to policies or practices.

Initiative	Potential Positive Impacts	Potential Negative Impacts
Allow 4 units as-of-right per residential lot to support infill development in Georgina's urban and serviced settlement areas	<ul style="list-style-type: none"> • Increase housing supply • Cater to various housing needs 	<ul style="list-style-type: none"> • Possible public concerns • Parking constraints • Unknown land use impacts and conflicts • Stormwater management impacts • Potential emergency service impacts
Partner and collaborate with York Region, United Way of Greater Toronto, non-profit housing providers, and the private sector to construct affordable housing	<ul style="list-style-type: none"> • Additional incentives to build affordable housing units faster 	<ul style="list-style-type: none"> • Possible community resistance to affordable housing
Implement Development Tracking System to streamline development approvals process	<ul style="list-style-type: none"> • Creates internal efficiencies • Improves coordination of various activities 	<ul style="list-style-type: none"> • No negative impacts
Expand delegation of authority to staff over certain development approvals (e.g. removal of holding provisions, temporary use by-laws, etc.)	<ul style="list-style-type: none"> • Creates internal efficiencies • Accelerate approvals and reduce development costs 	<ul style="list-style-type: none"> • No negative impacts
Implement process to fast-track development and building permit reviews for affordable and rental housing	<ul style="list-style-type: none"> • Accelerate approvals and reduce development costs • Reduce costs for affordable housing providers/ developers • Encourage the development of affordable housing 	<ul style="list-style-type: none"> • Introduces competing priorities for staffing resources

Initiative	Potential Positive Impacts	Potential Negative Impacts
Reduce development charges and development-related application fees for affordable and/or rental housing	<ul style="list-style-type: none"> • Encourages the development of affordable housing • Increase diversity of housing options 	<ul style="list-style-type: none"> • Unknown financial impact • Potential short-fall financial burden to tax levy and utility rates
Update Comprehensive Town Zoning Bylaw to Permit ADUs	<ul style="list-style-type: none"> • Improve feasibility of Accessory Dwelling Units (ADUs) which are often more affordable housing options 	<ul style="list-style-type: none"> • Possible public concerns • Parking constraints • Unknown land use impacts and conflicts • Stormwater management impacts • Potential emergency service impacts
Develop and Administer Incentive Program for ADUs	<ul style="list-style-type: none"> • Financial incentives going directly to homeowners / taxpayers • Trust and relationships built 	<ul style="list-style-type: none"> • Possible public concerns • Parking constraints • Unknown land use impacts and conflicts • Stormwater management impacts • Potential emergency service impacts

Attachment 1 to this report is the proposed Housing Action Plan, with specific highlights as follows:

1. There are eight (8) proposed initiatives that will contribute to the Town's housing supply growth targets.
2. As a result of these initiatives, the Town's housing supply growth rate targets are as follows:
 - a. An additional 210 permitted units by the end of the 3-year program, over and above what is already projected for the next 3 years;
 - b. Approximately 50 of those additional units will be 'missing middle' (e.g. Additional Residential Units), and 50 of those additional units will be 'affordable housing' through partnerships with York Region and/or non-profit housing providers or private developers with a mandate to keep the units affordable; and,
 - c. The Town's housing supply growth rate will increase by approximately 20.90% as a result of the Housing Action Plan (from 1.79% without the initiatives to 2.17% with the initiatives).

Based on the estimated 210 additional units that will have permits issued as a result of the Housing Action Plan initiatives, the Town is eligible to receive an estimated \$5,723,400 in funding.

This is calculated based on the following estimated funding amounts:

Type of funding	Additional units as a result of HAF funding	Expected funding per unit	Expected total funding amount
Base funding	210 units	\$20,000/unit	\$4,200,000
Top-up funding for 'missing middle' units*	50 units	\$12,000/unit	\$600,000
Affordable housing bonus (calculated by CMHC based on net unit share change)	49 units	\$19,000/unit	\$923,400
Total expected funding			\$5,723,400

**ADUs are considered 'missing middle' units*

5. RELATIONSHIP TO STRATEGIC PLAN:

Delivering service excellence

Goal #3: Ensure continued financial sustainability and accountability.

Ensuring balanced growth

Goal #1: Promote and ensure responsible growth and long-term planning.

Goal #2: Support a diversity of housing types in Georgina.

6. FINANCIAL AND BUDGETARY IMPACT:

If successful, the Town could receive an estimated \$5,723,400 in funding to be used to fund projects in any of the categories below. It is important to note that the Housing Accelerator Fund is a very competitive grant program, and according to CMHC, the success of applicants and the funding amounts may be adjusted based on the funding demand. The use of funds can be determined after the grant is awarded.

1. Investments in Housing Action Plan initiatives (refer to Attachment 1);
2. Investments in affordable housing;

3. Investments in housing-related infrastructure; and,
4. Investments in community-related infrastructure that supports housing.

Investments in the Housing Action Plan initiatives would cover a wide range of expenses such as incentive programs, consultant expenses and staff time, including scaling up the responsibilities of the separate staffing request (requested at the Council meeting on September 11, 2024) to support the implementation and project management of the Housing Action Plan.

Staff anticipates that the total costs of implementing the Housing Action Plan items at current rates to be in the order of at least \$4,370,000, based on consultant and staff time to implement the initiatives, as well as the incentive programs created with the funding. Additional funding for incentives may be required, which will be determined as the program is developed.

For remaining eligible funds not going towards the implementation of the Housing Action Plan, staff recommend bringing forward a Council report regarding the proposed use of these funds for Council approval.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

There are no statutory public consultation and/or notice requirements for this initiative.

8. CONCLUSION:

CMHC's \$400 million Housing Accelerator Fund 2.0 is available to municipalities across the country who were not successful in the first round of the HAF program. This round has more stringent requirements for the types of initiatives to be included in the Housing Action Plan. Staff have therefore prepared a proposed Housing Action Plan that aligns with the 10 Best Practices, as is a requirement, to have a chance of application success.

Staff recognize that there will be impacts from the approval of the initiatives in the Housing Action Plan, as listed in the report. Staff have strived to develop the strongest Housing Action Plan possible with the highest chances of success if approved, while at the same time providing Council with the appropriate information to make an informed decision about whether to apply.

As in round one, the Housing Accelerator Fund is an 'incentive based' program. This means that funding will be calculated based on the expected increase in permits issued as a result of the Housing Action Plan initiatives. The funding can be used flexibly within any of the four (4) categories identified in Sections 3 and 6 of this Report. It is a competitive grant program, and the funding amounts may be adjusted based on the funding demand.

Staff recommend that Council provide Delegated Authority to the Chief Administrative Officer to use grant funds received through the Housing Accelerator Fund program to

achieve the Housing Action Plan initiatives, and for any remaining grant funding not applied to the Housing Action Plan initiatives, that staff bring forward a report. Funding can be used on projects until December 2027.

Based on the Housing Action Plan and the funding allocation calculations, the Town is eligible to receive an estimated \$5,723,400.

The funding decision is expected to be announced in Fall 2024.

APPROVALS

Prepared By:	Simone Weinstein Program Manager
Reviewed By:	Olga Lawton Manager, Corporate Strategy and Transformation
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Recommended By:	Denis Beaulieu, MCIP, RPP Director, Development Services
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Approved By:	Ryan Cronsberry Chief Administrative Officer

Attachments:

Attachment 1 – Housing Action Plan