



**Subject: CMHC Housing Accelerator Fund Application Update**

**Report Number:** CAO 23-10

**Department:** Office of the CAO

**Submitted by:** Renato Pullia, Director of Innovation & Strategic Initiatives

**Meeting Type:** Council Meeting

**Meeting Date:** Monday, June 26, 2023

**RECOMMENDATION**

- A. THAT report titled "CMHC Housing Accelerator Fund Application Update" be received as information; and
- B. THAT Council approve in principle an application to the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund (HAF)

**BACKGROUND**

Federal Budget 2022 announced \$4 billion in funding to launch the Housing Accelerator Fund (HAF) through the Canada Mortgage and Housing Corporation (CMHC).

The HAF is an application-based program with 1 application window expected to open at the end of June, with applications due within 45 days thereafter.

This report seeks Councils approval in principle to submitting an application to the HAF. If the application is approved, Councils subsequent approval of the action plan will be required before we can sign the CMHC agreement.

The program aims to provide funding to support the implementation of local actions and incentives and drive transformational change in removing barriers to increasing the housing supply across Canada, resulting in at least 100,000 more housing units permitted than would have occurred without the program.

**DISCUSSION**

The program is available to municipalities who have building permit and zoning by-law approval authority, as is the case with Tillsonburg, per the table below.

processing days by year and application type	Responsibility	
	Processing	Approval
Condominium	Oxford	Oxford
Part Lot Control	Oxford	Oxford
Woodlands Conservation	Oxford	Oxford
Consents	Oxford	Oxford
Consents/MV	Oxford	Oxford
OPA	Oxford	Oxford
Subdivision	Oxford	Oxford
DA Extension/Amendment	Oxford	Tillsonburg
Zonings	Oxford	Tillsonburg
Site Plan Amendment	Tillsonburg	Tillsonburg
Site Plan Control	Tillsonburg	Tillsonburg
Minor Variances	Tillsonburg	Tillsonburg

Funding is estimated at \$20,000 per new residential unit expected as a result of the initiatives in the HAF action plan, and successful applicants can use allocated funding towards a number of housing related items (i.e. public transit, sidewalks, local roads, etc.).

In support of the application, municipalities must commit to all the following:

- Implementation of an action plan with specific initiatives to grow the housing supply and speed up the issuance of permits;
- Commit to a housing supply growth target that increases average annual rate of growth by at least 10% (i.e. increase the number of residential permits by at least 10% with the noted initiatives). The growth rate must also exceed 1.1%;
- Completion of a Housing Needs Assessment report within two years of HAF approval (the County is proposing an update in 2024); and
- Submit periodic reports to CMHC (progress reports, permit data).

The application requires a minimum of 7 initiatives that will achieve the aim over the next 3 years of set targets in terms of increasing/accelerating building permits issued. Given the development already in the approval stages of up to 3,000 units, our application's main focus is on the acceleration of such development.

Some initiatives may include the implementation of Community Improvement Plan (CIP) programs, mixed-use redevelopment (i.e. combination of municipal offices and housing), promotion of infill development and Additional Residential Units (ARUs) (Zoning By-law amendments), reduced parking requirements for multi-residential uses, using surplus municipal land for housing, implementing/enhancing new permit systems (i.e. Cloud Permit), etc. It is important to choose initiatives that will have the greatest impact on the creation of new housing units, as that is what funding is based on.

Staff held a workshop with local developers on Tuesday, June 20<sup>th</sup>, to assist in establishing a baseline of units that are currently in development and would be built regardless of the funding, and to get feedback on action plan initiatives and whether such initiatives would be able to accelerate the number of units issued within the 2024-2026 timeframe.

The initiatives should also align to Oxford County's current Housing Needs Assessment, with a couple of interesting points from the overall findings:

- Utilizing public land, financial incentives, supporting non-profits, encouraging second suites, and other similar strategies should be pursued. Pursuing federal funding programs through the National Housing Strategy should also be a priority.
- Oxford County's current target of 50 *affordable units* has generally been met since the 10-Year Shelter Plan was adopted. However, increasing the target will carry additional costs and resources. Establishing a new target should align with the County's ability to adequately fund new housing development. If possible, Oxford County should increase this annual target to at least 100 units per year.

There seems to be a lot of alignment between this application and those findings, thus we are working closely with County staff to apply a variety of lenses on this application.

## **CONSULTATION**

To-date and planned consultations include:

Tillsonburg's Director of Operations & Development, Manager of Engineering, Development Engineering Technologist, Chief Building Official, Development Commissioner, Chief Administrative Officer, Director of Finance / Treasurer

County of Oxford's Development Planner, Manager of Housing, Director of Public Works, Director of Community Planning, Technical Planner,

CMHC's Senior Specialist, Municipal Relations

10 Developers/Development firms

## **FINANCIAL IMPACT/FUNDING SOURCE**

Cost estimates of draft initiatives are in the range of \$6.5M, some of which are contained within the 10-yr capital plan, but firm figures won't be calculated until the initiatives are finalized into an action plan. As well, potential eligible funding is not able

to be estimated until the number of units incentivized through this program is calculated through the feedback from the developers.

The Director of Finance/Treasurer will have final review of all the figures once calculated, as a requirement of the application is that the Treasurer sign an attestation that the commitments described in the Proposed Action Plan as well as the ability of the Town to complete and/or achieve the commitments during the term of the Housing Accelerator Fund are reasonable and viable and, the Town has committed or will commit the necessary resources to undertake and complete the commitments.

### **CORPORATE GOALS**

How does this report support the corporate goals identified in the Community Strategic Plan?

- ☒ Lifestyle and amenities
- ☒ Customer service, communication and engagement
- ☒ Business attraction, retention and expansion
- ☒ Community growth
- ☐ Connectivity and transportation
- ☐ Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

**Goal:** (1) Within the community, Tillsonburg will strive to offer residents the amenities, services and attractions they require to enjoy balanced lifestyles; (2) The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient services, information, and opportunities to shape municipal initiatives; (3) Through community and regional partnerships, Tillsonburg will attract and retain a diverse range of businesses, creating employment opportunities for residents and a balanced tax base; (4) The Town of Tillsonburg will accommodate and support sustainable growth.

**Strategic Direction** – (1) Work with Oxford County and community partners to ensure an adequate supply of affordable, attainable housing options; (2) Engage community groups, including advisory committees and service organizations, in shaping municipal initiatives; (3) a) Continue to streamline and expedite the building approval process; b)

Facilitate attainable housing options for local employees. (4) Work with Oxford County and the development community to proactively plan for a variety of housing options that are affordable and attainable for current and prospective residents.

**Priority Project** – (1) *Immediate Term* – Affordable housing collaboration with Oxford County; (2) *Ongoing Projects* – Continued roll-out and resourcing for cloud-based permit application system.

## **ATTACHMENTS**

1. Appendix A – CMHC HAF Key Elements Presentation
2. Appendix B – CMHC HAF Briefing Note