

REPORT

Planning and Development Council

Meeting Date: July 10, 2023

FROM: Planning Services Department

DATE: June 27, 2023

SUBJECT: Housing Strategy and Action Plan including the Housing Accelerator Fund Application

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That the Housing Strategy and Action Plan be approved.
2. That the component of the Housing Strategy and Action Plan regarding the Housing Accelerator Fund and associated initiatives, be approved and not subject to change for the purpose of the Housing Accelerator Fund application.
3. That staff undertake a public engagement program on the Housing Strategy and Action Plan, report back to Council on what was heard, and refine the Housing Strategy and Action Plan, as necessary, in coordination with other ongoing provincial initiatives.
4. That should the town be successful in its Housing Accelerator Fund application, staff be authorized to execute a Housing Accelerator Fund Contribution Agreement with the Canadian Mortgage and Housing Corporation, to be executed in accordance with By-law 2013-057.
5. That staff initiate the necessary work programs required to complete the initiatives outlined for the Housing Accelerator Fund application, including undertaking a Housing Needs Assessment Report.

KEY FACTS:

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

- On May 16, 2022, Planning and Development Council received a [Housing Information Report](#) providing an overview of legislation, plans and policies at the federal, provincial, regional, and town levels regarding housing. The report included commentary on various emerging matters, trends and themes and a preliminary assessment of the town's policies in the Livable Oakville Plan. It identified issues and matters to be addressed in regard to housing.
- The Housing Information Report provided an overview of the Government of Canada's federal budget which was tabled on April 7, 2022. A key focus in the budget is housing and housing affordability, making clear that housing and housing affordability has become a critical nation-wide issue.
- Over the past few years, provincial initiatives such as the More Homes Built Faster: Ontario's Housing Supply Action Plan: 2022-2023, and resulting legislation (e.g. Bill 109, Bill 23, Bill 97) has been enacted with the intent to address Ontario's housing crisis by increasing housing supply and accelerating housing delivery.
- In response to provincial legislation, on March 20, 2023, Council approved Oakville's Housing Pledge to facilitate the delivery of 33,000 new housing units by 2031/2032, which aims to accelerate the delivery of housing over the next ten years.
- In Spring 2023, the Canadian Mortgage and Housing Corporation (CMHC) launched the Housing Accelerator Fund (HAF) program. The main objective of the program is to encourage housing supply growth and create certainty in development approvals
- A Council approved Housing Action Plan is a required component to participate in the HAF program, prior to signing a contribution agreement to receive funding.
- The HAF application deadline for Oakville was June 14, 2023, and town staff have submitted an application. Contribution agreements are to be signed in July 2023 and, should the town have a successful application, the first funding advance is targeted for August 2023 at the earliest.

BACKGROUND:

The town is committed to playing its part in meeting the need for housing and addressing the demands of Ontario's growing population. The town is also

committed to ensuring that growth is contextually appropriate and financially sustainable. The town recognizes the immediate need for new housing includes a broad range of market-based, rental, attainable, affordable, social, and assisted housing, which are among the many types of housing required by the public across the housing continuum. The town also recognizes its role within the housing system, as an approval authority with the ability to enable housing development and housing supply, but not build housing units directly.

The purpose of this report is to present the Housing Strategy and Action Plan, attached as Appendix A, for council approval. This report also brings forward information regarding the Canadian Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund (HAF) program, to which the town has applied.

Housing Strategy and Action Plan

The town's Livable Oakville Official Plan provides the framework for how the town will grow and change into the future. It is founded on a mission statement and guiding principles, one of which is to provide "choice throughout the town in order to enable the availability and accessibility of a wide range of housing." This guiding principle is accompanied by principles that ensure a liveable community is created which directs "the majority of growth to identified locations where higher density, transit and pedestrian oriented development can be accommodated" and to "preserve, enhance and protect the distinct character, cultural heritage, living environment, and sense of community of neighbourhoods"

The Housing Strategy provides an extension to the Livable Oakville Plan's mission statement and guiding principles and sets a path forward with goals and objectives to guide decision making specific to housing. The Action Plan puts in place initiatives the town can undertake to further achieve the goals and objectives of the strategy, and ultimately the Livable Oakville Plan. Together, the Housing Strategy and Action Plan provides the town's direction to improve the housing landscape across Oakville and achieve positive housing outcomes.

The Housing Strategy and Action Plan is structured around six goals and objectives, which intend to achieve five key housing outcomes:

- increased housing supply
- improved affordability
- enhanced housing choice
- accelerated housing delivery
- development of complete communities

The plan includes approximately 70 actions that the town can take over the coming years to improve the housing landscape in Oakville and strengthen its partnerships

with upper levels of government, agency partners and the development industry in the effort to deliver the housing Oakville needs.

The Housing Strategy and Action Plan provides a comprehensive approach and identifies many opportunities for the town to strengthen its policies, regulations, programs and by-laws for such matters as inclusionary zoning, rental replacement, affordable housing, and increasing housing supply opportunities, among others that will improve housing across the housing continuum. Some of these initiatives, such as the creation of a town rental replacement by-law, are already underway.

The Housing Strategy and Action Plan builds on several key documents which provide direction on housing, including:

- More Homes More Choice: Ontario's Housing Supply Action Plan (May 2019)
- Region of Halton's Comprehensive Housing Strategy (2014-2024)
- Region of Halton's State of Housing Report (2021)
- Town of Oakville Housing Information Report (May 2022)
- Town of Oakville Housing Pledge (March 2023)
- CMHC Housing Accelerator Fund (2023)

Under the current system, the Town's role in delivering new housing is primarily to set the land use policy context and co-ordinate the delivery of infrastructure.

While the town recognizes it must play its part to meet the housing need for a growing population, given recent legislative changes such as Bill 23, the *More Homes Built Faster Act*, Oakville, and Halton Region, are not in a financial position to cover the additional costs of growth which were historically provided by the development industry. The town continues to rely upon the Premier of Ontario's stated objective to support municipalities who experience a financial shortfall because of implementing Bill 23.

Housing Accelerator Fund

The Housing Accelerator Fund (HAF) is a \$4 billion federal program that was announced through the Federal Budget 2022, and the program runs until 2026-27. The program is being administered by the Canada Mortgage and Housing Corporation (CMHC).

The Fund's objective is to accelerate the supply of housing across Canada, resulting in at least 100,000 more housing units permitted than would have occurred without the program. The program is intended to drive transformational change within the sphere of control of the local government regarding land use planning and development approvals.

The key objectives of the program are:

- Creating more supply of housing at an accelerated pace and/or enhancing certainty in the approvals and building processes
- Supporting the development of complete communities that are walkable consisting of appropriate residential density and a diverse mix of land uses providing access to a wide variety of amenities and services through public and active transportation
- Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum.
- Supporting the development of low-carbon and climate-resilient communities

HAF Requirements

To apply to the HAF program, applicants must develop an Action Plan that includes at least seven initiatives (i.e. “action items”) to accelerate the provision of housing, as well as a commitment to a housing supply growth target that increases the average annual rate of residential unit growth. Applicants to the program must also commit to completing a Housing Needs Assessment Report within two years of the application, as well as periodic reporting submitted to CMHC with progress details on Action Plan initiatives

HAF Application

CMHC identified Oakville as a growth leader, with the ability to achieve new housing supply through this program. An Action Plan of at least seven new initiatives that are in line with the program objectives was required. CMHC provided a list of 25 potential initiatives for municipalities to consider to increase housing supply or improve the housing approvals system, and were also open to alternative initiatives proposed by applicants given local context. CMHC provided a deadline of June 14th for the town’s formal application submission, which the town met.

As part of the application, the town submitted an Action Plan. The purpose of the Action Plan is to outline supply growth targets and specific initiatives to grow housing supply and speed up housing approvals. The town’s Action Plan includes seven initiatives that will help the town achieve its committed targets over a three year period, and support the objectives of the program.

Initiatives

The seven initiatives forming part of the HAF application are listed below. The initiatives are chosen from the approximately 70 action items found in the Housing Strategy and Action Plan.

- Initiative 1: Innovative Housing Solutions - Policy Enhancements and Fee Updates (DC/CBC/Parkland)
- Initiative 2: Policy & Regulation Updates Promoting and Permitting Accessory Dwelling Units
- Initiative 3: Town Surplus land (including Public Works Site)
- Initiative 4: Hard and Soft Infrastructure Planning – Bronte GO MTSA
- Initiative 5: Complete Midtown Oakville Urban Growth Centre
- Initiative 6: Zoning Updates for as-of-right Intensification Permissions
- Initiative 7: Application Processing - Digital Enhancements

A more detailed description of each initiative can be found in the Housing Strategy and Action Plan attached as Appendix A.

Potential Funding

If approved for funding, CMHC would provide funding on a per residential unit basis for units that are incented by initiatives in the Action Plan during the three year program window. The following funding methodology is applied:

- Base funding per HAF incented unit: \$20,000
- Top up funding for certain housing types:
 - Multi-unit housing that is close to rapid transit: \$15,000
 - Multi-unit housing that is considered “missing middle”: \$12,000
 - Multi-unit housing (other): 7,000
- Affordable Housing bonus: \$19,000

Based on the definition of rapid transit used by CMHC, the town does not have development areas that are close to rapid transit. The range in funding per unit for the town is \$20,000 to \$51,000 depending on how the incented unit fits the funding methodology parameters. The town’s application includes 1,074 units incented by the HAF initiatives.

Use of Funding

The funding program operates with four equal advances, beginning at the execution of a contribution agreement, and each anniversary of that date thereafter. CMHC anticipates a decision on applications in July, and contribution agreements to be executed in July and the first funding advance as early as August 2023.

The permitted uses of the HAF funding are:

- Investments in Action Plans
- Investments in Affordable Housing
- Investments in Housing-related Infrastructure that supports housing (examples include water and wastewater infrastructure, waste management, public transit, disaster mitigation, site preparation for housing)
- Investments in Community-related Infrastructure that supports housing (local roads and bridges, active transportation, firehalls, landscaping and green spaces)

The permitted uses of HAF funds are broad, and the allocation of funding is at the town's discretion. If the town's HAF application is successful, staff will allocate HAF funding to support the seven initiatives proposed, as well as growth related infrastructure projects that are in line with the permitted uses.

COMMENTS:

The Housing Strategy and Action Plan was developed by town staff, which was informed by several documents assisting in the development of housing goals, objectives and action items. A best practice review of other municipal housing strategies and actions plans was also undertaken.

Given the application deadline and submission requirements of the Housing Accelerator Fund, which includes a requirement for an approved Action Plan, staff did not have time to consult on the Housing Strategy and Action Plan prior to seeking Council approval. Community engagement on the Housing Strategy and Action Plan is anticipated in future months, and staff will report back to Council by early 2024 on what was heard and refine the Housing Strategy and Action Plan, as necessary. It is anticipated that other ongoing provincial initiatives will also need to be coordinated with the Housing Strategy and Action Plan.

Nonetheless, the Housing Accelerator Fund is a timely opportunity to advance a Housing Strategy and Action Plan. It will help to achieve the town's recent Housing Pledge to the province and provide opportunities for accelerating the delivery of housing.

The approval of the Housing Strategy and Action Plan will allow the town to enter into a Housing Accelerator Fund Contribution Agreement if the application is successful. Securing HAF funding will allow the Town to advance the initiatives selected from the Housing Strategy and Action Plan, as well as the funding of infrastructure that supports housing development.

Securing HAF funding will provide the town with opportunities to better address the increasingly complex housing needs of the community and enable the delivery of a range and mix of housing types, tenures, and affordability levels. The HAF funding will also help the town increase housing supply to meet the needs of a growing population, including meeting housing targets set out in the Regional Official Plan, as well as the town's Housing Pledge to the province.

CONSIDERATIONS:

(A) PUBLIC

Public engagement will take place on the Housing Strategy and Action Plan including a webpage and an online survey.

(B) FINANCIAL

There is no financial impact resulting from this report. However, the approval of the Housing Strategy and Action Plan is required in order to participate in the HAF program. If the town's application is successful, securing HAF funding will allow the town to advance the initiatives selected from the Housing Strategy and Action Plan, as well as pay for the funding of infrastructure that supports housing.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

To implement the initiatives in the HAF application, and the action items identified in the broader Action plan, various town departments will be required to assist and/or lead various studies and related programs.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:

Livability – to be the most liveable town in Canada by enabling the housing people need.

Engaged Community – by providing community engagement opportunities to reflect upon and refine the housing strategy and action plan.

Accountable Government – creating more clarity in the services the town and other agencies provide in regard to housing.

(E) CLIMATE CHANGE/ACTION

Enabling housing opportunities with outcomes intended to create complete communities work to create low-carbon and climate-resilient communities by ensuring new housing is provided in a manner that is less car dependant, reduces urban sprawl, and creates walkable and transit-supportive development patters.

CONCLUSION:

In consideration of the CMHC HAF application, staff are seeking Council's approval of the proposed Housing Strategy and Action Plan (Appendix A), and in particular the seven program initiatives as required by CMHC.

The town is well positioned as a large and fast-growing municipality to secure HAF funding. The HAF funding will create positive housing outcomes with opportunities to increase housing supply, increase housing choice, improve affordability, accelerate the delivery of housing, and create complete communities.

APPENDICES:

Appendix A – Housing Strategy and Action Plan

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