



REPORT

Planning and Development Council

Meeting Date: January 22, 2024

FROM: Planning Services Department

DATE: January 16, 2024

SUBJECT: Housing Accelerator Fund Application Update

LOCATION: Town-wide

WARD: Town-wide

Page 1

RECOMMENDATION

1. That Council consider updates to the town's Housing Accelerator Fund application in response to the Minister of Housing, Infrastructure and Communities' letter of January 11, 2024, as identified in the report from the Planning Services Department entitled the Housing Accelerator Fund Application Update, dated January 16, 2024.
2. That the Mayor respond to the Minister of Housing, Infrastructure and Communities' office with any update to the Housing Accelerator Fund application including the appropriate resolutions of Council by January 24, 2024.

KEY FACTS

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

- In spring 2023, the Canada 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. CMHC assisted town staff to develop the initial HAF application, and CMHC directed staff to apply with seven initiatives.
- On June 14, 2023, the town submitted an application to the HAF program by the town's application deadline as an identified "growth leader".

- On July 10, 2023, Town Council approved a Housing Action Plan, which is a requirement to participate in the HAF program. The Action Plan included seven initiatives to be undertaken as part of the HAF program and were included in the HAF application.
- The town's original HAF application was not accepted by CMHC and numerous changes were requested. On July 28, 2023 and August 21, 2023, respectively, town staff submitted a revised HAF application to address comments provided by CMHC on the town's application, while still maintaining the intent of the Council approved Action Plan.
- On October 25, 2023, the Honourable Sean Fraser, Minister of Housing, Infrastructure and Communities, sent a letter requesting additional measures be considered to strengthen Oakville's HAF application, prior to being able to approve it (**Appendix A**).
- On December 21, 2023, Mayor Burton provided a letter to Minister Fraser to address the additional measures presented by Minister Fraser (**Appendix B**).
- A subsequent letter was received from Minister Fraser on January 11, 2024 (**Appendix C**) requesting the town to adopt a by-law to "allow for four dwelling units on a single lot on an as-of-right basis" and "allowing four storeys and four or more units as of right within an 800 metre radius of Sheridan College".
- Staff are continuing to work with CMHC staff to refine the Town's revised HAF application based on the initiatives identified in **Appendix F**.

BACKGROUND

About the Housing Accelerator Fund Program

The Housing Accelerator Fund (HAF) is a federal program administered by the Canada Mortgage and Housing Corporation (CMHC) which is intended to provide up to \$4 billion in federal funding directly to local municipalities to incentivize and support initiatives that accelerate the supply of housing. The program is intended to run for three years from summer 2023 until 2026 with the goal of generating 100,000 net-new building permits issued for housing units across Canada.

To participate in the HAF program, municipalities are required to develop an Action Plan as the basis of their application. The Action Plan must set out a housing supply growth target and include a minimum of seven initiatives that the municipality will undertake to meet the growth target.

Available HAF funding is tied to the number of net-new building permits that are planned and realized over the three-year program window. All program initiatives selected must be implemented and completed within the three-year HAF program window to receive the full amount of funding. Funds are paid in four equal installments and are advanced based on completing the Action Plan initiatives. The first payment is issued on the effective date of the contribution agreement, and the remaining payments occur annually. The fourth and final installment is based on whether the municipality achieved the targets outlined in the application. All funds are required to have been used by the final reporting to CMHC in 2027.

There is a monitoring program that goes with the installments which requires the town to provide progress reports to CMHC. An initial report is required within six months of the initial installment, with annual reports on the anniversary date of the agreement.

Approved HAF Applications

According to available CMHC news releases, as of January 15, 2024, the following jurisdictions have had their HAF applications approved, with housing units committed and signed agreements for funding over the three-year program time horizon:

Jurisdiction / Municipality	Housing Units Committed (3 years)	Approved Funding (millions)	Approval Date
City of Burlington	600	\$21	Jan. 15, 2024
City of Guelph	750	\$21.4	Jan. 12, 2024
Nunavut communities	459	\$27	Jan. 5, 2024
City of Toronto	12,000	\$471	Dec. 22, 2023
City of Winnipeg	3,166	\$122	Dec. 20, 2023
City of Burnaby	1,290	\$43	Dec. 19, 2023
City of Mississauga	3,000	\$113	Dec. 18, 2023
City of Richmond Hill	780	\$31	Nov. 27, 2023
City of Moncton	490	\$16	Nov. 16, 2023
City of Calgary	6,800	\$228	Nov. 14, 2023
City of Kitchener	1,200	\$42	Nov. 3, 2023
City of Kelowna	950	\$32	Oct. 25, 2023
City of Brampton	3,150	\$114	Oct. 20, 2023
City of Halifax	2,600	\$79	Oct. 12, 2023
City of Hamilton	2,600	\$94	Oct. 10, 2023
City of Vaughan	1,700	\$59	Oct. 5, 2023
City of London	2,000	\$74	Sept. 13, 2023
City of Iqaluit	160	\$9	n/a
TOTALS	43,695	\$1,595.4	

Appendix D includes a jurisdictional scan of various municipalities with approved HAF applications providing an overview of their initiatives within their respective Action Plans. A number of the municipalities noted above have Council resolutions directing that Zoning By-laws be prepared which would permit four units per property, as-of-right.

Town of Oakville HAF Application

The Town of Oakville's HAF application has been under review with CMHC since June 2023. Further information on the HAF program, the town's initial application and the Council approved Action Plan, can be found on the July 10, 2023, Planning and Development Council Agenda (item 7.1): [Planning and Development Council - July 10, 2023 \(escribemeetings.com\)](https://www.escribemeetings.com)

The Minister of Housing, Infrastructure and Communities provided a letter to Mayor Burton in October 2023 seeking changes to the Town's HAF application, and specifically:

1. Permitting four units as-of-right Town-wide;
2. Increasing density around Sheridan College;
3. Designating dedicated staff to implement an affordable housing strategy, and identifying lands for affordable non-market housing; and,
4. Delegating approvals for variances, affordable housing, and modular housing to Town staff with timelines.

In response, the Mayor sent a letter to the Minister committing to review the items and noting that some work had already been completed on these initiatives such as designating Sheridan College for higher density housing and delegating some administrative matters to staff. Staff will continue to examine ways in which to streamline the overall development process, including options to delegate other matters to Staff, where feasible.

Furthermore, the Town has committed to creating a Housing Secretariat Office to assist with advancing the Town's Housing Strategy and Action Plan. The Office would also be responsible for defining ways in which to deliver non-market housing and advance opportunities to realise more affordable housing projects.

Regarding modular housing, the town is looking at opportunities to partner with the Province to deliver on potential modular housing projects. As these projects take shape, Staff will report to Council.

The Minister provided a subsequent letter to Mayor and Council on January 11, 2024 requesting that the Town adopt a by-law to allow for four dwelling units on a single lot on an as-of-right basis, along with allowing four storeys and four or more units as-of-right within 800 metres of Sheridan College. The Minister is seeking a response from Council by January 24, 2024 in order for the town to remain eligible for the HAF funding.

COMMENTS / OPTIONS

The Minister is seeking changes to the town's Zoning By-law which cannot be legally made within the requested timeframe (by January 24) given the *Planning Act's* notification requirements.

It is at Council's discretion how it wants to proceed in response to the Minister's letter. Council can choose to maintain the status quo and not implement any zoning changes. This will likely affect the town's eligibility to receive funding through the HAF program.

Conversely, Council may direct staff to bring amendments to the Town's Official Plan and Zoning By-law which would facilitate housing starts in line with the Minister's request – being permissions for four units permitted as-of-right town-wide, along with permitting four units and four storeys on residential properties within 800 metres of Sheridan College.

Should Council choose to direct Staff to address the Minister's requests, it will take approximately 90 days to return to Council with final amendment documents. This accounts for a statutory public meeting being held prior to the final report being presented to Council. Officials from CMHC and Minister Fraser's office have indicated that the following resolution(s) of Council would be acceptable:

“That staff be directed to bring forward a zoning by-law amendment to permit 4 units per property, as-of-right for Council's consideration within 90 days of the passing of this resolution.” and

“That staff be directed to bring forward a zoning by-law amendment permitting 4 storeys and 4 units per property, as-of-right within 800m of Sheridan College for Council's consideration within 90 days of the passing of this resolution.”

The revised application initiatives identify an opportunity to align the Official Plan and Zoning By-law for the area within 800 metres of Sheridan College. This would mean pre-zoning some of the college's lands and adjacent areas in alignment with the existing land use policies in the Town's Official Plan that Council adopted in 2014. Although site-specific zoning typically responds to development proposals, there is

the ability to make the lands ready for future development by advancing land use regulations. An appropriate Council resolution would be:

“That Staff be directed to bring forward a zoning by-law amendment for Sheridan College that will bring zoning regulations into alignment with the Town’s Official Plan.”

The foregoing initiatives are in addition to the seven initiatives that Oakville Council already approved in the Action Plan forming part of the HAF application as well as the two initiatives that the Mayor indicated in his letter of Dec 21, 2023 – being the establishment of a Housing Secretariat and the Modular Housing Initiative. The town’s original application qualified for \$36 million based on the seven initiatives.

With revisions requested by CMHC and the Minister’s office in mid-2023, the value for eligibility was reduced to \$25 million. It is not clear from the Minister’s letter what amount the town would be eligible for, and what initiatives will be used to value the application going forward. However, in discussion with CMHC staff and the Minister’s office, it is anticipated that the funding would be \$25 – \$36 million, paid across four equal installments. Upon completing the contributing agreement, the first installment would be between \$6.25 million and \$9 million. As noted above, the next two payments are paid out annually and the final installment is contingent on completing the initiatives outlined in the HAF.

Since 2022, the town issued 287 permits for a single additional accessory dwelling unit, with 169 permits issued in 2023. It is noted that there have been no permits issued for a third dwelling unit since the Province allowed three units per property, as-of-right through Bill 23. The town has almost 59,000 residential properties consisting of single-detached, semi-detached and rowhouse (i.e. townhouse). This equates to 0.003% of eligible properties sought to construct an additional residential unit on a grade-related residential property of record in 2023.

CONCLUSIONS

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.

The broader Housing Strategy and Action Plan outside of the HAF application, which was brought to Council on July 10, 2023, will be brought back to Council at a future date, and refined accordingly, in consideration of the public input received in fall 2023 through the online engagement survey and public open houses, as well as the updated HAF application initiatives and action plan.

CONSIDERATIONS

(A) PUBLIC

Public engagement will take place as part of implementing the Action Plan initiatives under the Housing Accelerator Fund application, as applicable.

(B) FINANCIAL

Council approval of the revised HAF Action Plan will ensure a transparent process and would allow the town to, if its application is approved by CMHC, participate in the HAF program and access funding. If the town's HAF application is successful, securing HAF funding will allow the town to advance the HAF Action Plan initiatives, 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, various town departments will be required to assist and/or lead various studies and related programs. A Housing Secretariat is also anticipated to be created through HAF funding.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses the corporate strategic goal(s) to: manage growth to meet infrastructure needs and ensure complete communities, enhance community belonging by engaging residents, ensuring environmental sustainability by provide housing in a manner that addresses climate change mitigation, and being accountable to service excellence and financial resources.

(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 patterns.

APPENDICES

Appendix A – Letter Dated October 25, 2023 from the Honourable Sean Fraser,
Minister of Housing, Infrastructure and Communities

Appendix B – Letter Dated December 21, 2023 from Mayor Burton

Appendix C – Letter Dated January 11, 2024 from Honourable Sean Fraser,
Minister of Housing, Infrastructure and Communities

Appendix D – Jurisdictional Scan of select HAF Applications

Appendix E – Map around Sheridan College

Appendix F – List and Value of HAF Initiatives (existing and requested)

Submitted by

Gabriel A.R. Charles, MCIP, RPP
Director of Planning