



Subject: Housing Accelerator Fund – Contribution Agreement and Project Updates

To: Council

From: Development and Government Relations Department

Report Number: 2025-95

Meeting Date: May 13, 2025

Recommendation:

That Development and Government Relations Department Report 2025-95 be received; and

That Council reconfirms their approval of the Contribution Agreement between the Canada Mortgage and Housing Corporation (CMHC) and the City for the Housing Accelerator Fund (HAF) approval in the amount of \$4.3 million and authorizes the Mayor and City Clerk to sign the by-law for the agreement; and

That Council approves the list of housing-related projects that staff are recommending, in addition to the CMHC approved initiatives, to be funded from the City's HAF allocation.

Purpose:

The purpose of this staff report is to provide an update regarding the Housing Accelerator Fund (HAF) initiatives that are part of the Contribution Agreement with CMHC and to seek Council support for other housing-related projects that can be funded from HAF.

Background:

In March 2023, the federal government announced the \$4 billion Housing Accelerator Fund that was to be administered by the Canada Mortgage and Housing Corporation (CMHC). The City's application to the first intake in August 2023 was unsuccessful. The City's application to the second intake, submitted in August 2024, was successful. On November 25, 2024, MP Vance Badawey notified the Mayor and senior staff that the

City’s HAF application had been approved for \$4.3 million. This approval was confirmed in a letter from the federal Minister of Housing and Infrastructure, the Honourable Sean Fraser.

Last fall, CMHC officials requested that the Contribution Agreement between CMHC and the City be signed, returned to CMHC prior to year end, and that the funding was to be kept confidential until there was a public announcement as determined by CMHC. As part of the City’s commitment to open and transparent decision-making, agreements and by-laws typically come to Council in open session for approval and authorization to have the Mayor and City Clerk sign them. This was not an option for this agreement. With the formal announcement of the City’s HAF approval taking place at City Hall on March 11, 2025, with MP Vance Badawey, the Contribution Agreement can now be brought forward to open session to have Council adopt it via by-law.

As per the March 11th announcement, the City’s HAF allocation will accelerate the construction of 128 homes over the next three years and the construction of 1,175 homes over the next decade.

Discussion:

One of the conditions of receiving the HAF funding is that the City is required to undertake several CMHC approved initiatives that align with the goals of the program to create more housing supply and facilitate development. The initiatives included in the approved action plan, and contained in the Contribution Agreement, are as follows:

Initiative	Estimated Cost
Higher Density Development Amendments	\$ 25,000
The City is committed to amending its Planning policies to allow for 4 units as of right, provided proposals meet required setbacks, parking, and compatibility. Currently, 3 units as of right are permitted in Ontario. This will entail a policy review, policy development, and public engagement prior to implementation. CMHC have requested that some of the new units being created address the “missing middle” which usually refers to the lack of available and affordable housing for middle-income households to rent or own. This could include duplexes, triplexes, fourplexes, rowhouses, townhouses, other housing types, accessory dwelling units, secondary suits, and live–work housing developments.	

Climate Adaptability Plan Integration**\$ 20,000**

A climate adaptability plan will promote greater environmental equity by ensuring residents benefit from cleaner air, greener spaces, and resilient infrastructure. It will also enhance community health and wellness by fostering safer, healthier living environments and supporting sustainable housing practices. This initiative will effectively integrate climate resilience strategies in a plan that will be included into the City's Official Plan and it will align with the City's 2023-2026 Strategic Plan which includes "Environment and Climate Change" and "Sustainable and Resilient Infrastructure" as key pillars.

Electronic Planning Application System**\$ 75,000**

A new electronic planning application system is being designed to accelerate approvals for permits, work orders, and other administrative processes with the goal of enhancing the City's ability to track housing supply growth and manage projects more efficiently. Investments will focus on research and evaluation, system setup, staff training, and ongoing maintenance, ensuring the new system delivers streamlined operations and improved service delivery.

Affordable Housing Partnerships**\$ 600,000**

In 2021, the City and Niagara Regional Housing (NRH) formed a partnership for an affordable housing project to be located between 725 and 709 King Street. Funds will be used for demolition, remediation, Record of Site Condition filing, some pre-development work, and content preparation for a City-wide Zoning By-law Amendment that will provide planning flexibility for more affordable housing projects in the future.

Data improvements of municipal data**\$ 100,000**

A Planning module is being created that will be integrated with current City applications to improve the accuracy and accessibility of municipal data. Additionally, key planning documents, such as the Official Plan, Zoning By-Law and data used to screen development applications, are either not mapped or improperly mapped. Ensuring precise and up-to-date data is readily available to City staff, residents and the development community is critical for streamlining the review and approval processes, ultimately accelerating the delivery of new housing units.

Review parking requirements in intensification area	\$ 35,000
As part of the Contribution Agreement with CMHC, the City is committed to reviewing its parking requirements in intensification areas and determine if there are opportunities to “reduce or eliminate parking spaces.” This project will include public engagement.	

Infill Development and Housing Density	\$ 25,000
Planning policies will be reviewed to identify opportunities where the City’s Official Plan could be amended to support more infill development and increased density in key areas of the City. This will include stakeholder consultation and public engagement.	

City staff and external consultants have been working collaboratively on a work plan for each of the initiatives to ensure the City meets the timelines for completion set out in the agreement.

CMHC officials have confirmed that there is flexibility and discretion on allocating surplus HAF funds to other housing-related infrastructure projects in the City that help accelerate the creation of more housing units. To this end, staff have discussed the following housing-related projects that would benefit from the City’s HAF allocation and increase housing supply:

Other housing related projects	
Housing-Focused Municipal Services Corporation (MSC)	\$ 950,000
A new MSC will be created to help facilitate the construction of affordable and attainable housing projects through innovative financing models and leveraging strategic partnerships. The funding will be used to establish the legal, financial, and governance framework; cover the first 3 years of operating expenses; complete a feasibility study regarding underutilized City facilities and/or land that could be repurposed for housing; and to assist with the cost of concepts, pre-development studies, and project planning.	

Wastewater Lining	\$ 2,000,000
Council and staff have been focused on addressing inflow/infiltration issues. HAF funds will be used towards the current project to reline 1/3 of wastewater lines that will free up capacity of the wastewater treatment plant to help facilitate more housing development.	

Land acquisition costs of 725 King St	\$ 407,000
CMHC have confirmed that the HAF will reimburse the costs to acquire 725 King Street in May 2024 for the purposes of creating a larger development parcel for an affordable housing project with Niagara Regional Housing.	

Internal Consultations:

City staff from Development and Government Relations, Public Works, Corporate Communications, and the CAO have been involved to date and will continue to be involved with project implementation.

Financial Implications:

The City is not required to contribute any funds for the completion of the HAF initiatives or other housing-related projects included this report as they are eligible projects that qualify for the HAF funding. City staff have been working closely the CMHC official assigned to Port Colborne’s HAF allocation. Consultant costs and staff time spent on the initiatives are eligible expenses. The City is required to submit quarterly reports to CMHC in order to receive reimbursement of costs.

7 initiatives included in the CMHC approved action plan	\$ 880,000
Other housing-related projects	\$ 3,357,000
Contingency	<u>\$ 63,000</u>
Total	\$ 4,300,000

Public Engagement:

Many of the HAF initiatives will include a public engagement component as outlined in the Contribution Agreement. This will include surveys, open houses, public communications, and reports to Council.

Strategic Plan Alignment:

The initiatives contained within this report support the following pillars of the strategic plan:

- Environment and Climate Change

- Welcoming, Livable, Healthy Community
 - Economic Prosperity
 - Increased Housing Options
 - Sustainable and Resilient Infrastructure
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Conclusion:

The City was approved for \$4.3 million from the federal government's Housing Accelerator Fund. To receive this funding the City is committed to implementing seven initiatives focused on creating more housing supply. In addition, the City can use its remaining HAF allocation to invest in other housing-related projects.

Staff are recommending that Council authorize the Mayor and City Clerk to sign the by-law for the Contribution Agreement that was previously signed last December and that Council approve the list of recommended projects that can be funded by HAF.

Appendices:

- a. Contribution Agreement
- b. By-Law

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.