



**Subject: Application to Housing Accelerator Fund**

**To: Council**

**From: Office of the Chief Administrative Officer**

Report Number: 2023-139

Meeting Date: July 18, 2023

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**Recommendation:**

That Chief Administrative Office Report 2023-139 be received; and

That Council direct the Manager of Strategic Initiatives to submit an application to the federal government's Housing Accelerator Fund (HAF).

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**Purpose:**

The purpose of this report is to make Council aware of the Housing Accelerator Fund (HAF) and staff's intention to submit an application.

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**Background:**

The federal government's 2022 Budget announced \$4 billion in funding until 2026-2027 to launch the Housing Accelerator Fund to support the National Housing Strategy. The program is being administered by the Canada Mortgage and Housing Corporation (CMHC). According to program information, HAF "encourages local governments to implement initiatives that will speed up housing development and increase supply" and "provides incentive funding to local governments to create more housing."

The key objectives of HAF are as follows:

- implementation of initiatives to get more homes built faster;
- development of low carbon and climate resilient communities;
- development of affordable, inclusive, equitable and diverse communities;
- development of complete communities;
- speed up approvals and building processes.

To be eligible, applicants must develop an action plan; commit to housing growth targets (increase average rate of growth by at least 10% that otherwise wouldn't be achieved without the HAF); complete/update housing needs assessment; and submit periodic reports.

Local governments who have delegated authority over land use planning and development approvals are eligible to apply. The City of Port Colborne falls within the "large/urban" category which is any jurisdiction in Canada with a population equal to or greater than 10,000. The action plan must include initiatives that will help to achieve committed housing supply growth targets and that will accelerate approvals. The minimum number of initiatives for large/urban jurisdictions is seven (7).

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## **Discussion:**

One of the pillars in the new 2023-2026 Strategic Plan is "Increasing Housing Options." To this end, Council and staff are committed to creating more housing supply and more affordable housing units. It is staff's intention to submit an application to the Housing Accelerator Fund with the assistance of Tim Welch Consulting, who completed the City's Affordable Housing Strategy and Action Plan. Through the HAF program, there is potential opportunity for the City to secure funding to assist with implementation of policy initiatives that will support the development of more housing supply and streamline development approvals.

According to Niagara Regional Housing, Port Colborne has the highest "core housing need" rate among municipalities in Niagara at 16.2%. The average rate in Niagara is 13.3%, Ontario is 15.3%, and Canada is 12.7%. A household is said to be in 'core housing need' if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income in rent.

There are several growth and development related studies and plans that are either completed, underway, or that will be initiated that demonstrate Council and staff's commitment to creating more housing supply and affordable housing units. This level of commitment will be highlighted in the HAF application. The plans and studies are as follows:

- Affordable Housing Strategy and Action Plan (approved September 2022)
- Growth Review Analysis (completed, report to Council in August/Sept. 2023)
- Comprehensive CIP Review (report/recommendation – September 2023)
- Infrastructure Needs Study (report/recommendation – September 2023)
- Development Charges Background Study (to be initiated in Q4/2023)
- Official Plan Review (to be initiated in 2024)

Once HAF funding is approved, there is flexibility in the use of the funding. For example, it could be used to pay for studies and policy work that lead to an increase in housing

supply. It could also be used for direct development costs such as the Haney Street Housing Project and partnership with Niagara Regional Housing as it will create more affordable housing units and there is pre-development and site work that needs a funding source.

The following are examples of initiatives that align with HAF objectives that could be part of a municipality's action plan and submitted with the application:

- Allowing increased housing density on a single lot;
- Encouraging Accessory Dwelling Units;
- Promoting infill developments with increased housing density and a variety of unit types (e.g., duplexes or secondary suites);
- Allowing higher density as of right residential zoning on main streets;
- Implementing revised parking requirements such as reduced or eliminated parking spaces for new developments;
- Ensuring that development charges are clear, transparent, and pre-determined;
- Aligning development charges with the costs of infrastructure and servicing;
- Implementing incentives, costing or fee structures, for example density bonusing, to encourage such things as affordable housing and conversions from non-residential to residential;
- Waiving public hearings on all affordable housing projects that conform to the official plan;
- Incorporating a climate adaptability plan into the Official Plan;
- Encouraging alternative forms of housing construction such as modular housing, manufactured housing, and prefabricated housing;
- Creating a process for the disposal of city-owned land assets for the development of affordable housing as-of-right (not requiring rezoning);
- Implementing new/enhanced processes or systems such as case management, e-permitting, land and building modelling;
- Implementing changes to decision making such as delegating development approval authority to municipal staff based on established thresholds or parameters;
- Partnering with non-profit housing providers to increase the stock of affordable housing;
- Updating infrastructure planning to align with the official plan, growth targets, and housing needs assessment.

There are four categories of permitted uses of HAF funding:

- investments in HAF action plans;
- investments in affordable housing;
- investments in housing related infrastructure;
- investments in community related infrastructure.

Staff have discussed several potential initiatives with Tim Welch Consulting that could be included in the action plan that is required for the HAF application. The potential initiatives are outlined in Appendix A attached to this report.

Applications are due on August 18, 2023, and are to be submitted through a portal. There will be only one intake. According to CMHC, applications will be evaluated, prioritized, and selected for approval this fall with Contribution Agreements to be signed over the winter. Initiatives which have started after April 2022 are eligible to be funded under the HAF.

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### **Internal Consultations:**

The City's Building, Planning, and Economic Development Divisions are working together on process and service delivery changes, and policy initiatives, to drive efficiencies, increase collaboration, and create more housing supply.

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### **Financial Implications:**

The HAF does not require the municipality to make a matching financial contribution to be eligible to receive funding. One of the documentation requirements for the application is an attestation letter from the CFO (or equivalent) regarding the action plan viability.

According to program information, HAF is not directly underwriting specific housing projects or reimbursing applicants for specific costs incurred. HAF funding can be used in support of housing under any of the following four categories identified in the Discussion section of this report.

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### **Public Engagement:**

Creating more housing supply and housing units is an open and transparent process, including staff reports to Council, public meetings, open houses, and plans and studies that are posted on the City's website for public consumption. The community survey results for the 2023-2026 Strategic Plan indicated that 55% of respondents choose housing affordability and availability as priorities the City should focus on.

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### **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillars of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
  - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
  - Value: Financial Management to Achieve Financial Sustainability
  - Governance: Communications, Engagement, and Decision-Making
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## **Conclusion:**

There has been significant Council, staff, and community focus on increasing housing supply and more housing types to create affordability. Staff want to make Council aware that the federal government has created a National Housing Strategy that includes \$4 billion for a Housing Accelerator Fund (HAF).

It is staff's intention to work with Tim Welch Consulting to submit a HAF application this summer to capitalize on the potential opportunity to secure funding to assist with initiatives that will create more housing units.

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## **Appendices:**

- a. Potential action plan initiatives to be submitted with HAF application

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.