

MANAGEMENT REPORT

Date: September 9, 2024
To: Mayor Ritsma and City Council
From: Kendra Fry, Housing Specialist, investStratford,
Joani Gerber, CEO, investStratford
Adam Betteridge, MCIP, RPP – Director of Building and Planning
Report Number: COU24-104
Attachments: None

Title: Canada Mortgage and Housing Corporation – Housing Accelerator Fund, Second Round (2024)

Objective: To provide an overview of the Canada Mortgage and Housing Corporation ('CMHC') – Housing Accelerator Fund, Second Round ('HAF2'), funding program available to municipalities intended to increase the supply of housing across Canada and to seek direction of Council. The funding program is in its second iteration and is only open to unsuccessful applicants from phase 1. Staff are seeking Council direction to proceed with a revised application for a minimum of seven initiatives included or similarly applied for in the first round.

The application deadline is September 13, 2024.

Background: The CMHC released guidelines for their second round of the Housing Accelerator Fund (HAF2) program which aims to increase the supply of housing through incentives and accelerated processes.

The key objectives of the HAF2 program are to incentivize the implementation of local actions that remove barriers to housing supply, accelerate the growth of supply, and support the development of communities that are aligned with the following priorities:

- 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.

The HAF program is intended for local governments across Canada that have delegated authority over land use planning and development approvals. It is expected to result in permits being issued to create an additional 12,000 more housing units across the country by 2029.

To apply, the City of Stratford must develop a framework "Action Plan", using a prescribed form, and identify a minimum of 7 initiatives with milestones that outlines how the City will increase the average annual rate of housing growth by at least 10% and the housing growth rate by at least 1.1%.

New in Round Two, the City of Stratford must commit to allowing four units as of right to be eligible for funding.

Analysis: The core of the HAF2 application is an "Action Plan", which is required to include several components, including a comprehensive list of potential initiatives which may assist in increasing the local housing supply. The Action Plan must demonstrate how the identified initiatives will increase the City's housing supply, including growth targets tied to a 10% unit increase threshold.

The City has completed other housing-related studies which show the ongoing commitments Stratford has been making to housing and can provide input to the Action Plan. Such studies include: the Stratford, Perth County and St. Marys 10-Year Housing and Homelessness Plan, Five-year Update (2020-2024); The Stratford Housing Project: A Road Map for Attainable Market Housing Development (2021); and The Stratford Attainable Housing Project (2023).

These studies recommend implementation of several of the initiatives that are sought by CMHC's funding program. As part of last year's application to HAF, the City's Building and Planning Director consulted with other City departments, as well as investStratford. The following initiatives are recommended to be applied for in the City's Action Plan:

- **Incentive Programs / Community Improvement Plan ("CIP")** (HAF Initiative Type: Implementing incentives, costing or fee structures, for example density bonusing, to encourage such things as affordable housing and conversions from non-residential to residential)
- **Development Approvals e-Modernization & Housing Concierge** (HAF Initiative Type: Implementing new/enhanced processes or systems such as case management, e-permitting, land and building modelling)

- **Repurposing City-owned Lands** (HAF Initiative Type: Create a process for the disposal of City-owned land assets for the development of affordable housing as-of-right (not requiring rezoning))
- **Community Partnerships for Affordable Housing** (HAF Initiative Type: Partnering with non-profit housing providers to preserve and increase the stock of affordable housing)
- **Streamlining the Housing Approval Process** (HAF Initiative Type: Implementing changes to decision making such as delegating development approval authority to municipal staff based on established thresholds or parameters)
- **Encouraging Detached Additional Residential Units** (HAF Initiative Type: Encouraging Accessory Residential Units—a second smaller unit on the same property as a primary unit)
- **Encouraging the “Yes In My Backyard”: Bringing Back the Missing Middle Units in Existing Neighbourhoods** (HAF Initiative Type: Allowing increased housing density (increased number of units and number of storeys) on a single lot including promoting “missing middle” housing forms typically buildings less than 4 stories)
- **Zoning for the Downtown Core** (HAF Initiative Type: Promoting high-density development without the need for rezoning (as-of-right zoning), e.g., for housing developments up to 10 stories that are in proximity (within 1.5km) of rapid transit stations and reducing car dependency)

All possible initiatives available were considered, however the short timeline requires the City to move swiftly on an application. As noted earlier, the above eight (8) initiatives have been identified as “application-worthy” given existing council policies (e.g. housing studies, strategic priorities, and the Official Plan).

Planning Implications:

To be eligible to receive the HAF2 funding, should the City be successful in this application, the City of Stratford must adopt zoning provisions that allow “Four Units As of Right”.

Currently, municipalities are required by the province to allow “Three As of Right”.

Acceptance of the grant funding would require Council to immediately adopt “Four as of Right”. This decision of Council is not required at this time to submit the application, but the intent to adopt this by-law change in the event of funding is required. There will be a subsequent report prepared for Council to outline change from Three to Four Units as

of Right. Due to the HAF2 funding deadline of September 13, this subsequent report is not available for this meeting.

Financial Implications:

Not applicable:

There is no financial implication to the City's budget as a result of making an application to the subject grant funding program. Should the grant application be successful, further information regarding the scope and financial implications will be brought to Council for consideration.

Alignment with Strategic Priorities:

Build Housing Stability

This report aligns with this priority as it will support the City of Stratford's work to add affordable, attainable and community dwelling units to our inventory.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Staff Recommendation: THAT Council direct Staff to finalize the Action Plan as presented in Report COU24-104 and in support of an application to the Canada Mortgage and Housing Corporation – Housing Accelerator Fund 2;

THAT the Chief Administrative Officer, in consultation with the Director of Corporate Services, Director of Social Services, and Director of Building and Planning, be authorized to approve the Action Plan, including the refinement of the proposed initiatives, in support of the City's application for the Housing Accelerator Fund prior to finalizing the application to the Canada Mortgage and Housing Corporation;

THAT the Chief Administrative Officer be authorized to sign all necessary Housing Accelerator Fund application related documents in support of the City's submission;

THAT the Mayor and Clerk be authorized to execute all documents to effect a transfer to the City of the Housing Accelerator Fund on terms acceptable to the Director of Corporate Services and in forms acceptable to the City Solicitor;

AND THAT a subsequent report be prepared to outline the zoning provisions for a change from 3 Units to 4 Units as of Right, for Council's consideration.

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Recommended by:

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