

Town of Whitby

Staff Report

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Report Title: Housing Accelerator Fund Application Update

Report to: Council

Date of meeting: December 11, 2023

Report Number: CAO 30-23

Department(s) Responsible:

Office of the Chief Administrative Officer

Submitted by:

Matt Gaskell, Chief Administrative Officer

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

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1. Recommendation:

1. That Report CAO 30-23 be received for information.

2. Highlights:

- On August 3, 2023, the Town of Whitby applied to the Federal Government's Housing Accelerator Fund, operated by Canadian Mortgage and Housing Corporation (CMHC).
- While Whitby's application is competitive, the Federal Government is seeking further commitment to address the housing crisis in Canada and are requesting enhancements be made to the original application.
- The Town of Whitby is enhancing its proposed initiatives inline with the [10 Housing Accelerator Fund Best Practices](#) to strengthen the application in several areas.
- CMHC advised Whitby on December 5, 2023, that it has been shortlisted, and commitment by the Town and its Council to the proposed initiatives is a key element to success of the application at this time.

3. Background:

There is a known housing shortage in Canada. Durham Region is one of the fastest growing areas in the country and the Province has asked, and Whitby has pledged to increase our housing supply by 18,000 units by 2031. To support housing in our community, the Town is seeking funding under the Housing Accelerator Fund (HAF). This will help support the creation of housing units in addition to the 18,000 already pledged.

The Housing Accelerator Fund is a 4-billion-dollar incentive funding program operated by the Federal Government targeting municipalities across the nation to create 100,000 new residential units. The goal is to encourage local initiatives that remove barriers to housing supply, accelerate growth of supply and support the development of complete communities.

In June 2023, through Report CAO 19-23, staff shared a draft proposed Action Plan for the Town of Whitby's application with Council. At this time, Council delegated authority to the Chief Administrative Officer to approve any changes and make the final application on behalf of the Town of Whitby. The Town's application was submitted on August 3, 2023, outlining eight initiatives to meet the objectives of the Housing Accelerator Fund.

The calculation of how much funding a municipality can request is based on overall growth commitments and projected units with permits issued over 3 years that align with the HAF's program priority areas. The Town of Whitby's initial submission focused on 8 initiatives yielding 1,614 incented units and resulted in a \$56M funding request. CMHC has advised to expect that if funding is less than initially requested than the unit creation requirements will also decrease. The 8 initiatives were as follows:

1. Increase Height & Density
2. Inclusionary Zoning
3. Urban Area Expansion
4. Surplus Land Inventory & Disposition Strategy
5. E-permitting Expansion
6. Legal Additional Dwelling Unit Program
7. Building Innovative Greatness
8. Low-Carbon & Climate-Resilient Whitby

4. Discussion:

The Canadian Mortgage and Housing Corporation (CMHC) contacted staff on November 29, 2023, requesting further commitments to enhance our already competitive application. These enhancements do not modify our eligible grant amount, but rather demonstrate our commitment to the HAF objectives and willingness to collaborate with the Federal Government to address the housing crisis. The Town has responded to that request by enhancing three of our initiatives and adding a new ninth initiative to drive housing growth in our community. The enhanced initiatives include Increase Height & Density, Legal Additional Dwelling Unit Program and Building Innovative Greatness. The new initiative adds the reintroduction of downtown Whitby's Community Improvement Program (CIP) for the development charge exemption for high density residential and mixed-use residential developments. An outline of all nine of the

initiatives, inclusive of the additional commitments, has been provided in Appendix A. CMHC advised Whitby on December 5, 2023, that it is has been shortlisted, and commitment by the Town and its Council to the proposed initiatives is a key element to success of the application at this time.

With relation to the Legal Additional Dwelling Unit Program initiative, the Federal Government is seeking municipalities to exceed the permission of Bill 23 which would permit three (3) units as-a-right, where zoning regulations were met. The Federal Government is requesting that municipalities strengthen their housing commitment by increasing that number to four (4) units. This change would also substantially strengthen our Housing Accelerator Fund application. The enhancement to the application to respond to this request goes beyond current legislated requirements of Bill 23.

This increase from three (3) to four (4) as-a-right units has also been requested and approved by the majority of municipalities who have received funding under the HAF. The following is a list of municipalities who have already endorsed the four residential units in response to the housing crisis and have also achieved successful partnership for funding by the Federal Government under the Housing Accelerator Fund. The amount of funding received is indicated, which may be less than the amount they were eligible for under the HAF application process.

Brampton, Ontario (\$114M Funding)
Halifax, Nova Scotia (\$79.3M Funding)
Hamilton, Ontario (\$93.5M Funding)
Kelowna, BC (\$31.5M Funding)
Kitchener, Ontario (\$42.4M Funding)
London, Ontario (\$74M Funding)
Moncton, New Brunswick (\$15.5M Funding)
Richmond Hill, Ontario (\$31M Funding)
Vaughan, Ontario (\$59M Funding)

In addition, the following municipalities have all approved four (4) or more units and are awaiting Housing Accelerator funding decisions; Guelph (ON), Burlington (ON), Ajax (ON), Edmonton (AB), Charlottetown (PEI), Winnipeg (MB), Regina (SK).

HAF is seeking approval of this Policy change and it would be up to staff to determine how this would be implemented and where it would be permissible across the community. In order to implement the suggested increase from three (3) units to four (4) units as-of-right, an Official Plan Amendment to enable, and Zoning By-law Amendments to regulate such permissions would be required. The process would include public consultation, including a Statutory Public Meeting in accordance with the Planning Act. Once in place, this would allow creation of up to four (4) units on a lot, subject to compliance with Zoning regulations (e.g. parking; setbacks; height; lot coverage) and the Ontario Building Code.

5. Financial Considerations:

The HAF funding would allow for advancement of projects that support increased housing supply, diversity, and affordability that will not be able to proceed at this time without the funding. Staff submitted a funding request of \$56M. CMHC has commented to staff that most municipalities who have been successful have received a portion of the funding request they were eligible for. This is a competitive funding opportunity and urgency is of utmost importance in remaining competitive in the application process as the Federal Government seeks to allocate funding promptly to address the housing crisis. If successful in all or a portion of this funding, it would be used to support the initiatives included in the HAF proposal, affordable housing, housing related infrastructure and community related infrastructure. Funding would be advanced to the successful applicants in four annual phases, with 25% of funding made available upon finalization of the contribution agreement then during each phase aligning to reporting and target requirements.

6. Communication and Public Engagement:

Not applicable at this time, however programs that support affordability and access to housing options were identified as a top priority in the feedback received when developing the Community Strategic Plan.

Certain initiatives in the action plan will require public consultation at a later date (e.g., Surplus Land Inventory and Disposition; OPAs/ZBLAs; Inclusionary Zoning; etc.), which would be undertaken in accordance with relevant legislation as each initiative is advanced.

7. Input from Departments/Sources:

Input from Finance, Strategic Initiatives, and Planning and Development Departments was provided in the preparation of this report.

8. Strategic Priorities:

The objectives of the Housing Accelerator Fund align with the priorities identified by the community in the Community Strategic Plan. Under Pillar 1: Whitby's Neighbourhoods, this supports Action 1.3.4: In collaboration with partners, support the implementation of Durham Region's Housing Plan regarding affordability and diversity of housing. This report also supports Pillar 4: Whitby's Government through Action 4.1.1 Advocate for funding from upper levels of government and other partners to support and advance current and anticipated community priorities.

The Housing Accelerator Fund also aligns with the Town's priorities of accessibility and sustainability as the program focuses on accessible housing that supports the development of complete, low-carbon, and climate-resilient communities.

9. Attachments:

Appendix A – Housing Accelerator Fund Initiatives