



# HOUSING ACCELERATOR FUND

**General Issues Committee**  
**October 18, 2023**

# Background

- HAF is a \$4 billion investment resulting from the Federal Government's April 2022 budget, which will support municipalities nation-wide in creating 100,000 new residential units.
- The primary objective of the HAF is to create housing at an accelerated pace and enhance certainty in the approvals and building process.
- The CMHC Housing Accelerator Fund (HAF) provides incentive funding to local governments to encourage local initiatives that remove barriers to housing supply and accelerate the growth of housing supply
- The overall goal of HAF is to increase residential building permits beyond what municipalities are currently experiencing.
- HAF is NOT a fund for municipalities to apply to make whole from DC Exemptions of Bill 23 BUT surplus can be used to fund some Growth-Related Infrastructure
- HAF is NOT an affordable housing creation program BUT can be used to create new affordable housing opportunities and Fund City-invested projects

# Timeline Since June 7<sup>th</sup> Council Approval

- May 31, 2023, General Issues Committee meeting, City staff presented a report to Council that included a recommended Housing Action Plan and HAF application. As required by CMHC, the City's report was presented to Council in camera.
- June 7, 2023, Council approves the May 31, 2023, GIC report requesting \$123 M to build 2,900 net new residential units per the Housing Action Plan attached as Appendix "A" to Confidential Report HSC23017/FCS23062/PED23143 subject to negotiation with CMHC
- On June 14, 2023, the City submits its HAF Application to CMHC
- On October 10, 2023, the Federal Government announces a Housing Accelerator Fund Agreement with City of Hamilton. The Approval included some refinements and revisions to the City's submitted Housing Action Plan.
- Overall, the federal government will provide \$93.5 million in funding to the City of Hamilton to incent 2,675 net new residential units.

# Housing Action Plan

Council recommended applying for \$123 M with an objective of incenting a total 2,700 net new units (900 annually) above the City's historical average level of housing production. Through the review process, CMHC required some program changes to the City's submission. Ultimately CMHC approved an allocation to the City of Hamilton of \$93.5 million with a commitment to creating 2,675 net new residential units, based on the seven Housing Action Plan initiatives outlined below.

buildings Governance Ontario News

## Canada invests \$93.5M to accelerate home building in Hamilton

By ReNew Canada - October 12, 2023 8 0

More Affordable  
Housing  
Plus de logements  
abordables

# Initiative 1

## Acceleration Program for Accessory Dwelling Units and Multi-plex Conversions:

The City will create a new “Acceleration Team” to expedite the review and approval of applications for accessory dwelling units such as basement apartments and laneway homes, and for the conversion of existing dwellings into multi-unit dwellings. The City will also create new information materials, supports and financial incentives such as fee waivers for homeowners who wish to create these units. An additional incentive program will be created for the building of new affordable accessory dwelling units.

- This initiative targets 350 net new residential units per year including a target of at least 50 affordable housing units
- Includes 100% of building permit to max \$2,000 and
- \$25k per affordable units (minimum 15-year commitment)

# Initiative 2

## Rapid Transit Multi-Residential Rental Housing Grant Program:

The City will create a new incentive program to support the creation of purpose-built market rental housing units and affordable housing units along the City's Rapid Transit Network including the City's proposed BLAST-E Re-envision Rapid Transit Network, specifically the A-Line and B-Line higher order transit corridors. This initiative presents the potential to increase transit ridership, grow communities with easy access across the City of Hamilton and encourage development near higher order transit.

- This initiative targets 325 net new residential units per year including a target of at least 50 affordable housing units

# Initiative 3

## Housing Acceleration Zoning Reform Program:

The City will continue its ongoing work to update the City's zoning and land use policies to provide as-of-right permissions for new housing development. This includes continuing to extend as-of-right zoning permissions for conversions and new construction of missing middle housing (e.g. duplexes, triplexes, fourplexes), reducing or eliminating minimum parking requirements, and pre-zoning transit corridors and urban nodes.

- This initiative targets 150 net new residential units per year including a target of at least 45 affordable housing units
- \$25k for affordable unit (minimum 15-year commitment)

# Non-building Permit Related Initiatives

- **#4: Land and Property Disposition:**  
The City will create a dedicated team within the City's Real Estate Section to identify and implement opportunities for disposition of City lands for the purpose of developing affordable housing. The team will also identify opportunities for the integration of new housing as part of future municipal building projects.
  - No specific number of targeted units attached to this initiative.
- **#5: New and Enhanced Incentive Programs for Housing Development:**  
This initiative will include a review and creation or expansion of programs and incentives that promote the development of housing across the City. This will include implementing the necessary programs, changes to City policy frameworks, and enhancements to existing incentive programs with a view to meeting the current challenges facing proponents of market housing, rental housing and affordable housing.
  - This initiative targets 50 net new residential units per year



# Non-building Permit Related Initiatives

## #6: Planning Review and Studies for Rapid Transit Corridors beyond the LRT

The City will expedite the completion of planning studies and updated zoning standards along the City's rapid transit corridors to support higher density and mixed-use development, and to identify the infrastructure needed to support new residential development.

- No new units are attached to this initiative

## #7: Support the development of Units on Remediated Brownfield Sites

The City will expand its existing Environmental Remediation and Site Enhancement (ERASE) program to provide enhanced financial assistance for the remediation of brownfield lands to support new housing development, with a particular focus on non-profit affordable housing developments.

- This initiative targets 50 units throughout the program period.

# HAF Allocation per CA

- Allocation = \$93,450,000 for 2,675 net new residential units.

## HAF Advance Schedule:

HAF Funds will be advanced as follows;

Advances	CMHC Fiscal Year	Amount
First Advance	2023/24 (Effective Date – March 31, 2024)	\$23,385,000.00
Second Advance	2024/25 (April 1, 2024 – March 31, 2025)	\$23,385,000.00
Third Advance	2025/26 (April 1, 2025 – March 31, 2026)	\$23,385,000.00
Fourth Advance	2026/27 (April 1, 2026 – March 31, 2027)	\$23,385,000.00

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# HAF Allocation Summary

Based on Approved Net new 2,675 residential units

Estimated Payment Date	Allocation	Program Costs	HAF Funding Surplus
October 2023	\$23.38 M	\$8.22 M	\$15.16 M
April 2024	\$23.38 M	\$8.22 M	\$15.16 M
April 2025	\$23.38 M	\$8.22 M	\$15.16 M
April 2026	\$23.38 M	\$8.22 M	\$15.16 M
Total	\$93.45 M	\$32.91 M	\$60.6 M

# Planned HAF Advance Utilization

Per Recommendation (e) of Report HSC23017/FCS23062/PED23143

Advance	Program Costs	Contingency 15% of HAF Surplus	AHFP 45% of HAF Surplus	Growth and infrastructure 40% of HAF Surplus
First Advance	\$8,227,500	\$2,273,625	\$6,820,875	\$6,063,300
Second Advance	\$8,227,500	\$2,273,625	\$6,820,875	\$6,063,300
Third Advance	\$8,227,500	\$2,273,625	\$6,820,875	\$6,063,300
Fourth Advance	\$8,227,500	\$2,273,625	\$6,820,875	\$6,063,300
Total	\$32,910,000	\$9,094,500	\$27,283,500	\$24,252,000

**Note:** HAF surplus allocation is dependent upon uptake of programs including covering costs for incentives

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# HAF Notable Conditions

- Calculation of the annual surplus will be done at the time of the receipt of the annual funding allocation from CMHC which ensures the incentives within the HAF Housing Action Plan can be funded up to that date.
- There would not be an opportunity to “pre-spend” the HAF surplus
- HAF program requires that the City provide a current Housing Needs Assessment (HNA) for the entire City before the end of the 2<sup>nd</sup> year of the program. Per Recommendation (b) of Report HSC23017/FCS23062/PED23143
- Staff will be required to maintain reporting to CMHC at an interval of 6 (six) months from first payment, then annually until program completion.
- The reporting must align with the Housing Action Plan, provide records of building permits and demonstrate ongoing commitment to attaining the approved unit target. To date, CMHC has not released Reporting templates.

# Key Dates

- May 31, 2023: In-camera GIC - approval of Action Plan, staffing, delegate authority
- June 7, 2023: Council Ratification of May 31, 2023, GIC Report
- June 14, 2023: Deadline for submission of application by Growth Leaders
- October 5, 2023: Contribution Agreement Fully Executed
- October 10, 2023: Public Announcement of HAF Allocation in Hamilton
- **October 18, 2023: Council update Allocation and HAP**
- October 30, 2023: Expected receipt of 1<sup>st</sup> Advance
- **TDB, 2023: Council approval of CIPs**
- **March 31, 2024 First reporting**
- December 2024: Complete the Housing Needs Assessment
- December 2026: Program completion – expectation for initiatives to extend beyond 2026 as transformational change.



# QUESTIONS?