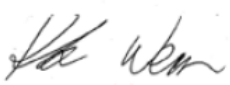




## COMMUNICATION UPDATE

<b>TO:</b>	Mayor and Members of City Council
<b>DATE:</b>	April 14, 2024
<b>SUBJECT/REPORT NO:</b>	2024 Building Faster Fund Allocation
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services
<b>SIGNATURE:</b>	

### PURPOSE

To advise City Council of the City of Hamilton's (the City) 2024 allocation and future requirements for reporting on the use of funds under the Province of Ontario's (the province) Building Faster Fund, as well as summarizing the amount received relative to the amount that was estimated and approved through the City's 2024 budget.

### INFORMATION

On March 22, 2024, the Province recognized the City for exceeding its 2023 housing target, with 120 per cent of the target achieved in 2023 and announced the City's allocation of \$17,587,390. Construction started on a total of 4,142 new housing units in the City in 2023 compared to the provincial target of 3,447. This included a diverse range of housing across the entire City, including rental units, ownership units, affordable housing, low-rise, mid-rise and high-rise. These results for 2023 represent one of the highest levels of new housing construction ever in the City. The province has set a target for Hamilton of 47,000 new units by 2031. Annual housing targets for the City will increase in the next two years of the program from the 3,447 target for 2023.

Through the approval of its 2024 budget, the City had assumed \$15,800,000 in revenues from the Building Faster Fund. The 2024 Capital Financing Plan included a four-year phase-in strategy for the lost development charge revenues resulting from the *More Homes, More Choice Act, 2022*, which incorporated revenue assumptions for the Building Faster Fund based on the City's share of the provincial housing target and the province's promise to make municipalities "whole" due to the new legislation. In

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

In addition to the revenues assumed in 2024, the City included \$11,300,000 in revenues from the Building Faster Fund in the 2025 and 2026 budget projections. Original revenue assumptions were based on all municipalities meeting their respective housing targets while actual allocations are made only to municipalities that met or exceeded its target.

In communicating the 2023 funding allocation, the Ministry of Municipal Affairs and Housing informed the City that it must submit an Investment Plan for approval and have a signed Transfer Payment Agreement in place to receive allocation funding under the program. Further details on the requirements of an Investment Plan have not yet been shared.

The 2024 allocation of \$17,587,390 is \$1,787,390 greater than the budgeted revenues from the Building Faster Fund in 2024. Subject to the requirements in the required Investment Plan, the \$1,787,390 surplus could be invested towards additional housing-enabling infrastructure or applied in the affordability strategy for the 2025 budget to offset the revenues lost through the *More Homes, More Choice Act*. Table 1 details the assumptions approved in the City’s 2024 budget in comparison to the recent announcement for the City’s allocation under the Building Faster Fund.

**TABLE 1**  
**Building Faster Fund Allocation in Comparison to 2024 Budget**

	2024 Budget (\$)	2024 Allocation (\$)	2025 Budget (\$)	2026 Budget (\$)	2027 Budget (\$)
Tax Supported Budget	11,250,000	11,250,000	6,750,000	6,750,000	-
Rate Supported Budget	4,550,000	4,550,000	4,550,000	4,550,000	-
Unallocated	-	1,787,390	-	-	-
<b>Total</b>	<b>15,800,000</b>	<b>17,587,390</b>	<b>11,300,000</b>	<b>11,300,000</b>	<b>-</b>