



Housing Accelerator Fund Action Plan

Date:

November 15, 2023

Background

- The Housing Accelerator Fund (HAF) is a new program through the Canadian Mortgage and Housing Corporation (CMHC)
- \$4 Billion in federal funding is available to local governments to fast track the creation of 100,000 new homes nationwide
- Application to HAF requires that municipalities commit to increased housing growth rate targets and at least 7 action plan initiatives
- If approved, funding is disbursed in 4 equal payments:
 - 25% in 2023 as upfront funding
 - 25% in 2024, based on progress of initiatives and commitments
 - 25% in 2025, based on progress of initiatives and commitments
 - 25% in 2026, based on initiatives, commitments, and the achievement of housing growth supply targets

Timelines

March 2023- HAF Program announced by the Canadian Mortgage and Housing Corporation

May 2023- City Council:

1. Directs Administration to apply for HAF
2. Commits to the housing supply growth rate commitment of 15%
3. Selects 11 Action Plan Initiative categories
4. Allocates funding as a backstop for the action plan

May-August 2023- Administration develops initiatives for HAF application through extensive interdepartmental consultation and collaboration with ELT, key external and, and representatives of the CMHC Municipal Relations department.

August 2023- Lethbridge HAF application submitted

Timelines

November 2023- City Council approval of HAF Action Plan Initiatives, conditional to CMHC approval of application

Future Date- Approval or amendment and conditional approval of Action Plan Initiatives by CMHC

Future Date- If needed, approval of CMHC requested amendments to the Action Plan Initiatives by Lethbridge City Council

Future Date- Execution of HAF Grant Funding Agreement



City of Lethbridge Initiatives Summary

Action Plan Initiatives, as developed through intensive interdepartmental and ELT collaboration are as follows:

1. Secondary Suite Incentivization
2. City Led Development Densification
3. Residential Infill Fund & City Led Infill Development
4. Mature Residential Neighbourhood Infrastructure Planning
5. Reducing Social Housing Barriers- Land Use Bylaw Amendment & Affordable/Social Housing Toolkit
6. Reducing Market Housing Barriers- Land Use Bylaw Renewal
7. Residential Corner Lot Catalyst
8. Residential Infill Red Tape Reduction

Funding Summary City of Lethbridge

Initiative #	Costs	Units Created Within Program Period
1	\$420,000	22
2	\$50,000	27
3	\$1,000,000	30
4	\$300,000	15
5	\$276,000	30
6	\$430,000	5
7	\$275,000	33
8	\$300,000	25
Total	\$3,051,000	187

- Based on the City Council approved commitment of a **15%** increase in the housing supply growth rate, the City would be required to incentivize/support an increase of **187** units (over baseline expectations) over the next **3 years**.
 - Administration estimates that the City could receive **\$6,252,250** through the program based on these figures
 - Proposed initiatives in the action plan represent a total cost of **\$3,051,000**
 - The balance of grant funding would be available for investment directly into affordable housing or housing/community related infrastructure

What have we learned since application?

- CMHC is reviewing large growth centers during the first round
- Lethbridge is considered a mid-sized community and will be reviewed in the second round of applications
- Municipalities reviewed so far have been pushed by CMHC and the Federal Housing Minister to:
 - Augment and intensify the Action Plans
 - Develop new ideas for Action Plan Initiatives
 - Approve Action Plans, as amended at the municipal level



Based on those facts, and in light of recent correspondence from Minister Fraser, I expect Victoria to receive HAF funding very soon. And based on Victoria's ambitious Housing Strategy and HAF criteria, our city is eligible to receive at least \$28 million from that fund alone.

"I understand that council formally adopted the plan at your special meeting on Sept. 16, 2023," a portion of Fraser's letter states. "As a result, I am pleased to inform you that Calgary will be receiving funding under the Housing Accelerator Fund.

Trudeau announces \$74M to help London, Ont., build 2,000 new homes

Calgary gets federal Housing Accelerator Fund approval

These include ending exclusionary zoning, using technology to speed up permit processing and using municipal lands to build more housing.

"We would encourage other cities who have pending applications to consider implementing some of these changes to strengthen your odds of approval," he said.

Mississauga mayor overrules council, to use 'strong mayor' powers to allow fourplexes

Canada's housing minister says decision improves city's chance of securing \$120M in federal funding

Federal government invests \$79 million for new Halifax housing

Prime Minister stops in Guelph to announce new housing program

Housing minister calls on municipalities to be more 'ambitious' with funding applications

Top 10 CMHC Initiatives so far...

1. End exclusionary zoning
2. Make municipally owned lands available for housing
3. Increase process efficiency
4. Prioritized/enhanced development approval process
5. Comprehensive review of development charges and fee schedules
6. Reduce or eliminate parking standards
7. Eliminate restrictions
8. Develop affordable housing community improvement plans
9. Design and implement guidelines or pre-approved building plans
10. Develop Grant Programs

Cost- \$420,000
of Units- 22

1. Secondary Suite Incentivization

Milestones

1. Procure consultant to design secondary suite drawings
 - a) To be made available to homeowners at a low cost (\$1,000).
2. Procure consultant to map where secondary suites are appropriate
 - a) Factors may include infrastructure capacity, proximity to transit and amenities, etc.
3. Marketing of secondary suite drawings
4. Present proposed amendments to City's Fees and Charges Bylaw
 - a) Proposed amendment to be brought before Council to amend the bylaw to reduce fees to \$0 for secondary suite development permits.

Cost- \$50,000
of Units- 27

2. City Led Development Densification

Milestones

1. Create Administrative Policy for Lethbridge Land
 - a) Policy will outline commitments and goals regarding development densities and other related initiatives for future projects undertaken by the department.
2. Facilitated Workshops with Local Developers
 - a) Goal to better understand opportunities and concerns around housing development in Lethbridge.
 - b) Workshops will help inform the development of the Administrative Policy in Milestone 1.

Cost-\$1,000,000
of Units- 30

3. Residential Infill Fund & City Led Infill Development

Milestones

1. Allocation of revolving fund and development of Administrative Policy for the management of the fund
 - a) \$1,000,000 revolving fund to be used for City-led residential infill projects that will see an increase in housing density and diversity.
2. Proof of Concept Project
 - a) Through new fund and policy, the City will purchase a property for infill development.
 - b) Infill development project to be derisked, upzoned/rezoned, and sold through an Expression of Interest to an interested housing developer.

Cost- \$300,000
of Units-15

4. Mature Residential Neighborhood Infrastructure Planning

Milestones

1. Detailed Infrastructure Planning
 - a) Procure consultant to complete detailed infrastructure planning for the London Road and Victoria Park Neighbourhoods.
 - b) These infrastructure planning projects are to act as pilot projects.
 - c) Consultant to provide recommendations for amendment to current City infrastructure planning processes.
2. Internal Review and Infrastructure Review Processes
 - a) Review and implement process amendment recommendations from pilot projects.
 - b) Identify and prioritize neighbourhoods for future infrastructure planning projects.

Cost- \$276,000
of Units- 30

5. Reducing Social Barriers- Land Use Bylaw Amendment & Affordable/Social Housing Toolkit

Milestones

1. Drafting of Land Use Bylaw Amendment and Public Engagement (In-Progress)
 - a) Bring amendments to City Council for 1st, 2nd and 3rd reading.
 - b) All public engagement before and after the Council readings.
2. Affordable and Social Housing Toolkit Completion and Advertising
 - a) Procure a consultant to develop a suite of engagement tools for those wishing to develop affordable and/or social housing projects.
 - b) Administration to consolidate the consultant developed engagement tools into a 'Toolkit' to be made broadly available.

Cost- \$430,000
of Units- 5

6. Reducing Market Housing Barriers- Land Use Bylaw Renewal

Milestones

1. Land Use Bylaw Renewal Engagement
 - a) Consultant-led engagement on Land Use Bylaw Renewal Project.
2. Draft New Land Use Bylaw
 - a) Draft legal revision of Land Use Bylaw, considering best practices and public feedback.
3. Public Engagement on newly Drafted Land Use Bylaw
4. Public Feedback Integration- Draft Update
 - a) Integration of final round of public engagement feedback into proposed amendment.
5. Submission of New Land Use Bylaw
 - a) Submission to City Council for 1st, 2nd and 3rd reading.

Cost- \$275,000
of Units- 33

7. Residential Corner Lot Catalyst

Milestones

1. Public Engagement
 - a) The City will conduct public engagement with the community regarding the initiative to rezone corner lots (that opt in) to allow secondary suites. Public engagement is expected to strengthen the future rezoning applications.
2. Initiative Advertisement & Custom Land Use Drafting
 - a) Opportunity advertised through various media sources, and letters sent to owners of corner lots.
 - b) Drafting of a custom land use district to be used for the rezoning of the properties in question.
3. Rezoning Process
 - a) Compile and assist with the rezoning applications of all those interested.
 - b) Bring requests before City Council for 1st, 2nd, and 3rd reading.

Cost- \$300,000
of Units- 25

8. Residential Infill Red Tape Reduction

Milestones

1. Creation of Infill Development Committee
 - a) Work with various departments to create the committee.
 - b) Define authorities of the committee.
2. Creation of Infill Development Guidelines and Associated Mapping Exercise
 - a) Completion of the guidelines and the associated tools.
3. Hiring of Infill Development Subject Matter Expert
 - a) 1-year term position.
 - b) Role to develop processes and system improvements for duration of the initiative.

Options

- 1. City Council may approve the HAF Action Plan as presented (Administration Recommendation)**
 - a) Most timely option in the event that CMHC approves the application without requested amendments
 - b) Amendment may still be brought back if requested by CMHC

- 2. City Council may reject the HAF Action Plan as presented**
 - a) Will result in City's application being withdrawn
 - b) No funding would be made available
 - c) The City would not be bound to the initiatives within the application or the increased housing supply growth rate targets

- 3. City Council may defer the decision until CMHC has approved and/or provided potential amendment to the Action Plan**
 - a) If amendments were requested by CMHC, they could be reviewed prior to any initiative approval being issued
 - b) Presents risk of delayed timelines within individual initiative commitments

Administration Recommendation

THAT the Economic SPC recommend:

- That City Council approve the Housing Accelerator Fund Action Plan as presented, conditional to approval of the City's Housing Accelerator Fund application from CMHC
- If approved by CMHC, that City Manager and City Clerk be delegated the authority to, at their discretion, sign the grant funding agreement and include any funding allocated through the agreement into the City's financial portfolio; and
- That City Council direct Administration to return to Economic SPC for approval should any amendments to the Housing Accelerator Fund Action Plan be required by CMHC.



Thank You!

Questions?