

Municipality of Lakeshore – Report to Council

Chief Administrative Officer

Economic and Intergovernmental Affairs



To: Mayor & Members of Council

From: Ryan Donally – Division Leader – Economic and Intergovernmental Affairs

Date: August 7, 2023

Subject: Housing Accelerator Fund Strategy

Recommendation

Support in principle the Lakeshore Housing Action Plan and associated initiatives; and

Direct Administration to proceed with completion of the Housing Accelerator Fund Application, as presented at the August 15, 2023 meeting of Council.

Comments

Housing Accelerator Fund

The Housing Accelerator Fund (HAF) is a \$4 Billion incentive program to local governments to encourage initiatives that remove barriers to housing supply, accelerate the growth of supply and support the development of equitable, affordable, low-carbon and climate-resilient communities. The HAF is administered by the Canadian Mortgage and Housing Corporation (CMHC).

HAF provides financial incentives to the Municipality *only* for housing units that can be attributed to the Housing Action Plan initiatives that are undertaken. Units that would have been built regardless of the initiatives undertaken will not qualify for any funding.

The HAF provides financial incentives for the additional units built from 2024 - 2026.

As part of the application, the Municipality needs to commit to:

1. Present an application, including a Housing Action Plan (HAP) that outlines supply growth targets and specific initiatives to grow housing supply and speed up housing approvals.
 - a. There must be a minimum of 7 initiatives in the action plan.
2. Commit to a housing supply growth target within the action plan that increases the average annual rate of growth by at least 10%. The growth rate must also exceed 1.1%.

3. Complete or update a housing needs assessment report for Lakeshore as part of the new Windsor-Regional Housing Affordability Strategy.
4. Agree to follow the program's reporting requirements.

If the Municipality is successful in the application, funding is based on the overall growth commitments and projected units that align with priority areas. The funding framework includes three components:

1. Base funding: Designed to accelerate all types of supply across the housing spectrum. Each unit projected because of the HAF initiative qualifies for \$20,000.
2. Top-up funding: Designed to accelerate certain types of housing each unit has additional funding formulas.
 - a. Single detached homes: no top-up (base funding only = \$20,000)
 - b. Multi-unit housing (in proximity to rapid transit): \$15,000 + base
 - c. Multi-unit housing (missing middle): \$12,000 + base
 - d. Multi-unit housing (other): \$7,000 + base
3. Affordable Housing Bonus: Designed to reward the increase in share of affordable housing units relative to the projected units. The growth of affordable housing units is multiplied by the per-unit amount of \$19,000 above the permitted affordable units without HAF.

Missing Middle multi-unit housing refers to ground-oriented housing types including garden suites, secondary suites, duplexes, triplexes, fourplexes, row houses, courtyard housing, and low-rise apartments (4-storeys or less).

Permitted Uses of HAF funding:

- Investments in Housing Accelerator Fund Action Plans
- Investments in Affordable Housing
- Investments in Housing-related Infrastructure
- Investments in Community-related Infrastructure that supports housing

Lakeshore Housing Action Plan

The commitment to a Housing Action Plan (HAP) by Council is required to be eligible for the Housing Accelerator Fund financial incentives. To apply, Council needs to provide support in principle for the proposed HAP initiatives as set out below. Administration has attached a DRAFT proposed Lakeshore Housing Action Plan in Appendix A.

The DRAFT Lakeshore Housing Action Plan (LHAF) is being presented to Council for purposes of grant application and to then bring the strategy to the development community for comment prior to returning to Council for final consideration for approval. Should Council have changes they wish to see the LHAF it may be done through resolution. Administration will incorporate any changes in the final document when it is returned to Council.

Administration has also attached a Proposed Initiatives List (Appendix B) for Council's consideration that was pulled from the HAF website.

Lakeshore Housing Action Plan Initiatives

1. Develop a streamlined licensing, regulation, and permitting process and associated bylaw for additional dwelling units (ADU). Develop a "how to" guide with associated video for homeowners to work through the municipal permitting process for an additional dwelling unit either within the primary unit or as an accessory structure.
2. Promotion of infill developments by pre-zoning lands for missing-middle without the need for rezoning in the Belle River Community Improvement Area, along the County Road 22 Corridor, and within the mixed-use zoning in Lakeshore West.
3. Implement a Community Improvement Plan incentive program to encourage higher-density development in the Belle River Community Improvement Area and County Road 22 Corridor (between Belle River and East Pike Creek Road.) Incentives may include a reduction in Development Charge Fees, Planning and Building Permit Fees, and other traditional Community Improvement Plans.
4. Implementation of Municipal transit to support higher density development and access to Lakeshore's Patillo employment centre.
5. Updating of the Lakeshore Zoning By-Law to reflect a reduction in required parking spaces to reflect 1.0 parking spaces for additional dwelling units; 1.0 parking spaces for duplex, triplex, and townhouse dwelling; and 1.0 spaces per apartment dwelling.
6. Align development charges with the costs of infrastructure and servicing.
7. Review the 2016 Lakeshore Affordable Housing Strategy. Identify completed, in-process, and not-started recommendations from the Strategy. Implement a target of a minimum of 20% of all new developments meet the definition of "affordable housing" as defined in the 2016 strategy.
8. Update the Lakeshore Development Manual to reflect alternative and new forms of housing construction including prefabricated or modular housing construction.
9. Implement new and enhanced levels of service to the building and development community by ensuring Cloud Permit is fully integrated and on-line by Q1, 2024 across the relevant departments.
10. Create formal relationships with regional not-for-profit organizations such as, but not limited to: Habitat for Humanity Windsor-Essex, Windsor Essex Community Housing Corporation, Community Living Essex County, Assisted Living Southwestern Ontario. Identify one or more projects that can be implemented within the three-year project window that can benefit affordable housing, supportive housing, or subsidized housing as a result of the formal partnerships.
11. Complete the Water and Wastewater Master Plan (WWWMP). Integrate the proposed density targets outlined in the upcoming County of Essex Official Plan to determine servicing size of infrastructure.
 - a. Sub-Initiative 1: Increase density target in the Belle River Primary Node – build appropriate servicing solutions into the WWWWMP

- b. Sub-Initiative 2: Increase density target along County Road 22 from Belle River to Lakeshore West including missing-middle density and areas of high-density.
- c. Sub-Initiative 3: Ensure servicing solution proposed for the Wallace Woods Secondary Planning Area reflects mixed use-multi-floor residential development in proposed areas.

Projected Units with and without HAF

Based on calculations and projections, the Municipality (excluding constraints from infrastructure) is positioned to grow 690 units from 2024 to 2026 (230 units per year).

With HAF funding and the associated initiatives that may be undertaken, the Municipality may grow an additional 405 units (135 units per year).

These additional 405 units will be incentivized through the funding formula which is expanded upon below in the financial section.

In total, there is potential to receive upwards of \$12,500,000 if all targets are achieved.

Council Options

- 1) Council endorse the Lakeshore Housing Action Plan and associated initiatives and direct administration to proceed with completion of the Housing Accelerator Fund Application (due August 18th, 2023).
- 2) Council endorse the Lakeshore Housing Action Plan and associated initiatives - in principle; direct Administration to revise the Lakeshore Housing Action Plan; direct Administration to proceed with completion of the Housing Accelerator Fund Application.
- 3) Receive the report for information.

Financial Impacts

Conditions Of Funding Allocation

Year 1: 25% of total approved funding

- An upfront advance will be provided to the proponent. The upfront advance is intended to enable the proponent to start the initiatives outlined in their action plan and to pursue other investments in housing provided the funds are used for permitted use(s).
- First reporting period (first 6 months of agreement): No later than 6 months following the agreement date the proponent must submit to CMHC a letter (in a prescribed form) attesting that it is on track to undertake items outlined in its action plan and otherwise fulfil its reporting obligations under HAF. No supporting

details are required to be submitted unless expressly requested by CMHC at that time.

Year 2, 3, & 4: 25% of total approved funding per year

Within 60 days of the anniversary date of the agreement the proponent must submit the following:

- A progress report on the action plan initiatives and commitments. This report will be on a prescribed form.
- A report that includes micro-level permit data for residential buildings for all permitted units issued during the annual reporting period. This report will be on a prescribed form.
- A report that outlines how HAF funds were spent by the proponent during the annual reporting period. This report will be on a prescribed form.
- A letter attesting that the proponent is on track to completing the items outlined in their action plan and has fulfilled its annual reporting obligations. This letter will be on a prescribed form.

Fifth Reporting Period (4th year of agreement)

- A report that outlines how HAF funds were spent by the proponent during the annual reporting period. It is expected that all funds be spent before this final report is submitted and fully accounted for in the report. This report will be on a prescribed form.

Funding Calculation

Considering only incentivized units below:

- Base Funding: 405 Units * \$20,000 = \$8,100,000
- Multi-Unit (missing middle): 303.75 Units * \$12,000 = \$3,645,000
- Multi-Unit (other): 101.25 Units * \$7000 = \$708,750
- Affordable Housing Bonus: \$19,000 per unit

Total potential incentives = \$12,453,750+ affordable housing bonuses

Attachments

Appendix A: Lakeshore Housing Action Plan

Appendix B: Housing Action Plan Initiatives

Report Approval Details

Document Title:	Housing Accelerator Fund Strategy .docx
Attachments:	- Appendix A – Lakeshore Housing Action Plan draft.pdf - Appendix B – Housing Plan Initiatives.pdf
Final Approval Date:	Aug 11, 2023

This report and all of its attachments were approved and signed as outlined below:

Prepared by Ryan Donally

Approved by Truper McBride