

Municipality of Lakeshore – Report to Council

Growth and Sustainability

Planning Services



To: Mayor and Members of Council
From: Ryan Donally, Chief Growth Officer
Date: July 24, 2024
Subject: Housing Accelerator Funding – Round 2

Recommendation

Approve Option #____ as presented at the August 13, 2024 Council meeting.

Strategic Objectives

This does not relate to a Strategic Objective however it would impact the long-term planning for several core services of the Municipality.

Background

In 2023, the federal government launched the \$4-billion Housing Accelerator Fund (HAF), which provides funding to local governments to support 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 an application-based program administered by the Canadian Mortgage and Housing Corporation (CMHC). HAF funding can be used to invest in Housing Accelerator Fund Action Plans, affordable housing, housing-related infrastructure (such as drinking water, and wastewater), and community-related infrastructure that supports housing (such as roads and sidewalks).

At its August 15, 2023 meeting, through resolution #240-08-2023, Council supported in principle the draft Lakeshore Housing Action Plan as a component of the Municipality's HAF application which was submitted in 2023. The Council Report, Lakeshore's Housing Action Plan and the Housing Action Plan Initiatives are attached as Appendix A through Appendix C.

Lakeshore was not successful in the first intake. Administration did not receive any justification as to why Lakeshore was not successful.

CMHC has re-opened the HAF for a second round of intake with \$400 million in funding (compared to \$4 billion in the initial round). Applications must be submitted by September 13, 2024.

Additional requirements have been added to this round of funding including the following directive, “You must commit to implementing bylaws for 4 units as-of-right in your updated action plan or have already done so before submitting your application.”

Pending Council commitment to implementing bylaws for 4 units as-of-right and direction regarding Council’s desire to submit for HAF 2, Administration will undertake the work to update the application to HAF for consideration at the September 10th Regular Meeting of Council.

Comments

4 Units As-Of-Right

To be eligible for the funding, CMHC requires 4 units as-of-right in all residential zones. If approved by Council, this would include all of the primary and secondary settlement areas. As is with 3 unit-as-of right, sanitary capacity and conveyance is required. Currently, the only area that would permit 4 units as-of-right would be the area identified by Operations in the immediate vicinity of the Denis St. Pierre Treatment Plant. When additional treatment capacity and conveyance is available to other areas of the Municipality, four units would be permitted without any rezoning. If permitted, Administration estimates up to 10% of units (on the high end) would be converted to fourplexes. Developers/Builders may also choose to incorporate additional units into buildings plans of new

The four-unit dwellings may take multiple different forms including 4 units in a primary dwelling, 3 units plus 1 additional residential unit (ARU), or 2 units in primary and 2 units in an ARU. Council will be able to provide direction through future discussions on the specifics of unit layout.

The allowance of four units as-of-right potentially adds to rental housing stock and therefore should decrease rental rates for potential renters. Currently, Lakeshore has very limited rental stock available.

Approval of 4 units as-a-right may add strain to sanitary capacity systems as well as have impacts on other infrastructure needs and may influence the character of the surrounding neighbourhood. The CMHC funding acts as an incentive to intensify residential development in lieu of increased development and building charges.

Application Best Practices

Municipalities are encouraged to consider CMHC’s 10 HAF best practices in their applications. Pending direction, Administration will work to integrate the best practices into Lakeshore’s Housing Action Plan Initiatives.

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 (height/setbacks)
8. Develop affordable housing community improvement plans
9. Design and implement guidelines or pre-approved building plans
10. Develop grant programs

Options

Option 1 – commit to implementing a Zoning By-law Amendment for 4 units as-of-right; direct Administration to amend the Housing Action Plan and direct Administration to apply for the HAF funding.

Option 2 – do not support 4 units as-of-right.

Financial Impacts

Funding provided through the HAF is allocated based on the expected number of additional housing units to be created in the following categories: “missing middle” multi-unit housing, other multi-unit housing, and affordable housing. In its report to Council dated August 7, 2023, Administration estimated that Lakeshore could be eligible for HAF funding up to an estimated \$12,453,750, plus affordable housing bonuses at \$19,000 per unit. This value may change based on new calculations or through discussions with CMHC.

Comparable municipalities that were selected to receive funding through Round 1 include the Town of Tecumseh (population 23,300) and the Township of Woolwich (population 26,999), which are slated to receive \$4.38 million and \$6.7 million, respectively, over three years. The Town of Tecumseh originally estimated that it would receive \$7.83 million; however, the executed agreement with CMHC reflected the lower \$4.38 million as previously identified.

At this time, it is difficult to assess the financial impact of the results of the intensification of the Municipality, but a risk does exist that the cost to infrastructure in sanitary, water, parks and facilities to support population growth may outweigh the cost provided by the HAF Grant.

Attachments

Appendix A – Housing Accelerator Fund Strategy Council Report

Appendix B – Housing Action Plan Initiatives

Appendix C – Lakeshore Housing Action Plan Draft

Report Approval Details

Document Title:	Housing Accelerator Funding - Round 2 .docx
Attachments:	- Appendix A - Housing Accelerator Fund Strategy Council Report.pdf - Appendix B - Housing Plan Initiatives.pdf - Appendix C - Lakeshore Housing Action Plan Draft.pdf
Final Approval Date:	Aug 2, 2024

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

Prepared by Ryan Donally

Submitted by Tammie Ryall

Approved by the Corporate Leadership Team