

Municipality of Lakeshore – Report to Council

Corporate Services

Deputy Chief Administrative Officer- Chief Financial Officer



To: Mayor and Members of Council

From: Justin Rousseau, Deputy Chief Administrative Officer- Chief Financial Officer

Date: February 11, 2025

Subject: Housing Accelerator Fund Implementation Plan and Partnership with University of Windsor Centre for Cities

Recommendation

Endorse the implementation plan as outlined in the Housing Accelerator Fund Implementation Plan and Partnership with University of Windsor Centre for Cities report and direct the Chief Administrative Officer to develop and execute a contractual project agreement to authorize the assignment of responsibilities and execution of tasks as outlined in the report;

Direct the Clerk to read By-law 24-2025, being a by-law to authorize an agreement with the University of Windsor's Centre for Cities (C4C);

Authorize the Direct Purchase Clause of the procurement requirements on the basis that it meets the provision of providing long-term synergies to the Municipality, which will result in cost savings and enhanced project outcomes; and

Direct the Chief Administrative Officer to send a Letter to the University of Windsor requesting research project overhead be limited to 10% of the project with Centre for Cities, all as presented at the March 25, 2025 Council meeting.

Strategic Objectives

The Municipality of Lakeshore is committed to enabling housing development through improving planning approval times, leveraging federal and provincial funding, and ensuring efficient implementation of initiatives under the Housing Accelerator Fund, Round 2 (HAF2).

Background

Following the successful HAF2 application, Lakeshore has been allocated \$7,436,162 in funding over four years from 2025 to 2029. The CMHC-Lakeshore intergovernmental Housing Accelerator Fund Contribution Agreement (the contribution agreement) was

signed on January 24, 2025 (Appendix 1) and publicly announced on February 3, 2025. In order to ensure the Municipality continues to receive funding according to the draw schedule outlined below, the Municipality is now required to implement all nine Approved Action Plan initiatives on time (Schedule A of the contribution agreement) and to accelerate housing development approvals to meet its total housing supply growth target of 898 net new housing units by Q1 2029. Capital projects, specifically infrastructure improvements, will also be required. As per the contribution agreement, the Municipality, through the Lakeshore Project Leader, must report to CMHC annually on initiative milestone progress, capital projects, and number of net new housing units delivered each project year.

This report outlines the implementation plan for the nine initiatives of the Approved Action Plan and how the Municipality will meet its annual net new housing targets, detailing the responsible supporting partners and expected timelines. Note that the contribution agreement specifies the actual deadlines for each initiative and should be considered the definitive authority.

Comments

The HAF2 grant presents a significant opportunity for the Municipality of Lakeshore to enhance its entire planning approval processes, not just for its housing development initiatives, and also address long-standing structural weaknesses with the overall planning plan/policy/by-law framework in order to plan for the Lakeshore of tomorrow. However, the accelerated timelines under the contribution agreement and the substantial workload required for implementation mean that dedicated resources will be necessary both internally and externally. In addition to the ongoing resource constraints to process planning approvals, this project is a strategic workload increase that will require careful planning and execution to ensure success. The Municipality must commit to securing the necessary staffing and expertise to manage this initiative effectively, ensuring that policies, approvals, and infrastructure enhancements are completed on schedule. It should be noted that the Municipality's application was accepted over other municipalities considering the timelines proposed in the Housing Action Plan adopted by Council in September 2024.

Critical Importance of a Project Leader and Support Team Coordination:

A dedicated Lakeshore Project Leader is essential to ensuring the successful implementation of the HAF2 initiatives. The complexity and interdependence of the various initiatives require a centralized coordinator who can oversee progress, manage timelines, and facilitate communication between stakeholders. This Project Leader will be responsible for maintaining accountability, ensuring funding milestones are met through semi-annual and annual reporting to CMHC, and resolving obstacles that arise during implementation.

To support the Lakeshore Project Leader, the Municipality must also evaluate the potential for building out a dedicated HAF Project Team. This can be accomplished through:

- Internal Staffing: Hiring or seconding (temporarily assigning) municipal employees to form a cross-functional team with expertise in planning, engineering, and developing policy and planning approval manuals to implement the initiatives.
- External Contracting: 1) Partnering with University of Windsor through its Centre for Cities (C4C) to leverage their overarching strategic expertise in planning law, urban planning, zoning policy, and housing acceleration strategies; and 2) Procurement of services with consulting firms that have specialized and tactical Ontario planning knowledge to fill resourcing and knowledge gaps that will arise, as with any similar project.

A formal partnership with the University of Windsor's C4C for the duration of the project is recommended through a Memorandum of Understanding (MoU) and a subsequent contractual "project agreement". C4C possesses specific knowledge, making them a key partner in delivering the required initiatives and overall strategic systems-based change needed while Municipal staff continue to advance planning, engineering, and building approvals to ensure the annual and overall housing supply growth targets are met and capital projects implemented. The involvement of C4C will facilitate knowledge transfer, provide policy guidance, and ensure implementation aligns with best practices in housing development.

Given the unique expertise and specialized focus of C4C, their engagement falls as a direct purchase under the Procurement Policy which states under section 6:

6 Direct Purchase

6.1 Permitted. The Municipality may procure Deliverables without a competitive process in the following circumstances:

6.6 Prototype. Purchase of a prototype or a first Good or Services that is developed in the course of, and for, a particular contract for research, experiment, study, or original development, but does not include quantity production or supply to establish commercial viability or to recover research and development costs.

As part of the proposal from C4C and the University of Windsor, there is an overhead component to any research proposals the University undertakes. We request Council support and approval for an overhead component not exceeding 10%, as detailed in the C4C proposal attached as Appendix 2. This scoping document will inform the development of the required project agreement outlining a payment schedule, deliverables, and other contractual arrangements. It is important to develop this financially binding project agreement after the MOU is executed.

As this partnership is expected to create long-term synergies and cost efficiencies, it is recommended that Council utilize the Direct Purchase clause of the procurement requirements to expedite the MOU and subsequent project agreement to maximize the project's success.

Regardless of the structure, success will depend on a collaborative approach, with team members working together across disciplines to align their efforts. This will require strong communication, regular progress updates, and flexibility to adapt to emerging challenges. The ability to integrate planning, zoning, infrastructure improvements, and policy initiatives will be critical in meeting the aggressive targets set under the HAF2 program. For this reason, a Lakeshore Advisory Committee is suggested for overall governance of this project. Membership will consist of the Deputy CAO, Corporate Leader Growth and Sustainability, Corporate Leader Operations, and the Lakeshore Project Leader. Further proposed governance structure is set out in Appendix 3, including a C4C Steering Committee and project manager.

CMHC Reporting Requirements

As per the contribution agreement, as a condition to receive annual HAF2 funding, CMHC requires reporting of the milestone progress of each of the nine initiatives, annual net new housing units, capital projects, other commitments and financial expenditures. This reporting is completed through the CMHC Client Portal, with the attestation of the Chief Financial Officer, in order to assess whether Lakeshore will receive the subsequent financial draw as per the scheduled outlined at the end of this Council Report.

The reporting schedule is as follows:

- 1) July 24, 2025
 - Semi-annual Report – does not require housing supply targets
- 2) February 23, 2026
 - 1st Annual Report – must include meeting annual housing growth supply target
- 3) February 23, 2027
 - 2nd Annual Report – must include meeting annual housing growth supply target
- 4) February 23, 2028
 - 3rd Annual Report – must include meeting annual housing growth supply target
- 5) April 24, 2029
 - Final Report- must include meeting total housing supply growth target and additional targets

The overall Lakeshore HAF program housing supply target is 898 projected net new housing units, which must be achieved within the four years, or by Q1 of 2029. CMHC measures these units through Statistics Canada which includes the net number of new units approved by the issuance of Lakeshore Building Permits (i.e.: new residential units minus conversions out of residential minus residential demolitions). In 2026, 2027, 2028, Lakeshore must report the following net new housing units in that year's annual report:

HAF2 Report	Number of Net New Housing Units
Year 1 – 2026	160
Year 2 – 2027	265
Year 3 – 2028	473

It should be noted that the annual net new housing units may only be counted from the start of when the first Approved Action Plan Initiative *that has some incentivized housing units as an Expected Result* is completed. Members of the proposed Lakeshore Advisory Committee have determined that this will likely be Initiative #3: Housing Supportive Community Improvement Plans, which could be brought forward for Council’s approval at the August 12, 2025 meeting. Meaning that Lakeshore may begin counting net new housing units from August 2025 to February 2026 (i.e.: approximately 6.5 months but after the majority of the construction season has passed). This item will be pursued through a planning consultant contract through an RFP process as identified below. A second option is Initiative #6: Pattern Book for Missing Middle and ARU Housing, which could be produced for Lakeshore’s approval at approximately the same time frame by C4C, should the MOU be approved. Lakeshore’s Project Leader will continue to work with the CMHC representative on all reporting requirements and ongoing assessment of funding risks as well as working to advance Lakeshore’s planning approvals for housing through the existing processes.

Further, Lakeshore has committed the following additional targets (which must only be met by program end in Q1 2028 :

Type	Net New Housing Units
Single detached	360
Missing Middle	520
Other Multi-Unit	18
Affordable Units	46 (5.1% of total housing supply growth target)

Currently, Lakeshore has an estimated 1,325 housing units across various site plan, subdivision, and condominium applications that are either in the planning or engineering review stages. Some of these can proceed based on sewage allocations in subdivision and servicing agreements, while other projects are awaiting approval and confirmation of sanitary capacity. Some of these files have experienced delays of several years due

partly to staffing constraints in Lakeshore and, more importantly, questions about whether they can be accommodated within our sewage system.

Expediting the approval of these applications to the Building Permit issuance is the only way to meet the housing growth supply target and ensure continued funding. It is also important to note that HAF2 funding is tied to the start of construction, which can be influenced by factors such as the economy and the cost of construction materials

As submitted to Council on February 11, 2025 through the Building Services Quarterly Report, the following are the annual number of dwelling units created over the last three years from January 1 to December 31 (Note that these figures do not include demolitions and that the 2022 figures were considered an outlier in terms of low interest rates and post-pandemic pent up demand):

	2024	2023	2022
Total Dwelling Units Created	141	73	254

As a result, it is clear that the current pace of planning approvals to Building Permit issuance through the current process is far below the annual housing targets Lakeshore must meet through the contribution agreement. A systems-based change to address structural deficiencies as well as targeted strategies and resources for increased processing times are both equally needed at the same time.

Implementation Plan by Initiative:

The following are the nine initiatives that form part of the Approved Action Plan in Schedule A of the contribution agreement and must be delivered within the specified timeline and subject to annual reporting to CMHC by the Lakeshore Project Team Leader, along with the estimated costs that the Municipality has either forecasted or needs to finalize while completing the implementation plan:

1. Community Design Charette

- Support: C4C with Lakeshore Project Team support
- Description: Facilitate workshops with developers, architects, Council and residents to co-create a vision for sustainable and inclusive residential development in Lakeshore.
- Timeline: Q3 2025
- Estimated Cost: \$50,000

2. As-of-right zoning along primary corridors and in urban cores

- Support: Lakeshore Team and C4C with planning consultant support
- Description: Based on the results of the design charettes, update zoning regulations to allow for mid- and high-density residential zones, enabling multi-unit residential development above commercial properties. Coordinate with operations plans for providing municipal servicing.
- Timeline: Q1 2026
- Estimated Cost: \$100,000

3. Housing Supportive Community Improvement Plans

- Support: Lakeshore Project Team and planning consultant with C4C input
- Description: Develop a Community Improvement Plan (CIP) to provide financial incentives for missing middle and affordable housing projects.
- Timeline: Q3 2025
- Estimated Cost: \$50,000 (total \$100,000 offset by \$50,000 from the Rural Economic Development Grant) and \$800,000 for the CIP grant funding to provide incentives.

4. Affordable Housing Strategy – Update and Implement

- Support: Lakeshore Project Team and planning consultant with C4C input and implementation
- Description: Revise the 2016 Affordable Housing Strategy, setting targets for attainable and affordable housing development.
- Timeline: Q3 2025
- Estimated Cost: \$50,000

5. Municipal Land Inventory

- Support: Lakeshore Project Team and C4C
- Description: Identify and assess municipally owned lands for potential use in housing initiatives and public-private partnerships.
- Timeline: Q2 2026
- Estimated Cost: Part of the project team cost

6. Pattern Book – Standard Design Guidelines

- Support: C4C with Lakeshore Project Team support
- Description: Develop a "Pattern Book" featuring standardized building designs for additional residential units, townhouses, and multiplexes.
- Timeline: Q2 2025 (Additional Residential Units) – Q2 2026 (other units)
- Estimated Cost: \$50,000

7. Housing Acceleration Project Team

- Support: Lakeshore Project Team and C4C and planning consultants as needed
- Description: Establish a dedicated project team to manage housing acceleration initiatives, including planning, approvals, and infrastructure coordination. Add additional Engineering and Policy Planning to ensure that the housing applications are processed to meet the 898 housing units target.
- Timeline: Q2 2025
- Estimated Cost: \$4,300,000

8. Gentle Density through Official Plan and Zoning By-law Updates

- Support: Lakeshore Project Team and C4C
- Description: Prepare zoning and policy changes to allow for four residential units as-of-right in all residential zones.
- Timeline: Q1 2026
- Estimated Cost: Part of the Project team cost

9. Housing Needs Assessment

- Support: Lakeshore Project Team
- Description: Conduct a comprehensive housing needs assessment to guide future policy and grant applications.
- Timeline: Q2 2025 for housing needs assessment – Q4 2026 for target market review
- Estimated Cost: \$0, due to this report being completed in-house.

Infrastructure Improvements

The remaining HAF2 funds can be used to fund infrastructure improvements to accelerate housing that may not otherwise be able to be approved. At this time, the projects that most closely align with this need are outlined in the Water and Wastewater Masterplan (WWMP) and identified as Conveyance Group 3 (Sanitary Trunk Under the Belle River). This will allow for build-out and densification of Belle River Proper as the remaining sanitary conveyance capacity has been allocated.

Estimates in the WWMP have the project at \$7,954,000. It is estimated that \$2,036,162 of HAF2 funding can be used towards the project or 26% of the total project funds.

Project Team Outlook

The core proposed integrated Housing Acceleration Project Team (Initiative #7) between the Municipality of Lakeshore and C4C is outlined in more detail in Appendix 3 (Light blue is Lakeshore staff, Dark blue is C4C and purple is the steering committee). Additional planning consultants are not included, nor are other non-core municipal staff whose expertise may be needed from time to time.

Others Consulted

University of Windsor Centre for Cities Project Team.

Financial Impacts

The following is a breakdown of the financial impacts of the implementation plan:

Initiative	Team	Estimated Cost
1.Community Design Charette	C4C with Lakeshore Project Team support	\$50,000 (1)
2.As-of-right zoning along primary corridors and in urban cores	Lakeshore Project Team and C4C with planning consultant	\$100,000 (1)
3.A) Housing Supportive Community Improvement Plans Study	Lakeshore Project Team and Planning consultant and C4C input	\$50,000 (1)

Initiative	Team	Estimated Cost
3.B) Housing Supportive Community Improvement Plans Funding	Lakeshore Project Team	\$800,000 (2) Funded from Municipal Budget, provincial Rural Economic Development funding, as well as HAF2 funding.
4.Affordable Housing Strategy – Update and Implement	Lakeshore Project Team and planning consultant with C4C input	\$50,000
5.Municipal Land Inventory	Lakeshore Project Team and C4C	Part of Project Team Funding (1)
6.Pattern Book – Standard Design Guidelines	C4C with Lakeshore Project Team support	\$50,000 (1)
7.Housing Acceleration Project Team	Lakeshore Project Team and C4C and planning consultants as needed	\$4,300,000 (1)
8.Gentle Density through OP and Zoning By-law Updates	Lakeshore Project Team and C4C	Part of Project Team Funding
9.Housing Needs Assessment	Lakeshore Project Team	\$0, complete (1)
Infrastructure Improvements for Housing	Lakeshore Operations	\$2,036,162 (2)
Total		\$7,436,162

- 1) Total cost to be completed by the combined HAF Project Team of C4C and Lakeshore is \$4,600,000.
- 2) Items may be subject to change based on the cost to fund other items in the Approved Action Plan.

Housing Team Budget Breakdown

Breakdown of Housing Team	Lead and Team	Cost	Percentage
University of Windsor Centre for Cities (C4C proposal attached)	C4C	\$2,119,962	46%
*Municipality of Lakeshore Dedicated Project Leader Planning 3.5-year contract cost of wages and benefits	Lakeshore	\$684,786	14%
*Team Leader – Development Engineering 3-year contract	Lakeshore	\$446,981	10%
*Engineering Tech Development 3-year contract cost of wages and benefits	Lakeshore	\$331,097	8%
*Planner 2 and CIP Coordinator 3-year contract cost of wages and benefits	Lakeshore	\$331,097	8%
*Team Leader Policy Planner 3-year contract cost of wages and benefits	Lakeshore	\$446,981	9%
Contingency for Staffing and Contract Service	Lakeshore	\$239,096	5%
TOTAL		\$4,600,000	100%

*The following is presented as salary and wages but in order to meet timelines it may need to use subcontracting or professional services to achieve the ability to process applications.

C4C will build out a team for this specific project to work seamlessly with Lakeshore administration that will be focused on these skill sets and professional qualifications:

- **C4C Project Manager and Administrator** - they will work directly with team lead on the HAF project
- **Academic Advisor** - work to direct research and also be a lead for students working on this project - manage groups of students doing active research both in law and planning
- **Target Market Analysis Expert** - will work with colleagues in Michigan to create data sets for creation of Canadian model of a Target Market Analysis
- **Public Engagement Coordinators** - will work on public consultation sessions that focus on education and knowledge dissemination.
 - Will work to plan/schedule and execute with other input, the Community Charrette Process
 - Will work to communicate findings and results to the community via various forms including public meetings, website, newsletter etc.
- **Communications/Design Team** - work with a professional graphic designer to create PR campaigns to accompany the work plan. The work plan will include design of materials for public engagement sessions, design charrettes, website, newsletter, broader communications, and any/all materials needed for this project.
- **Professional affiliates** – the C4C team will bring the following skills and designations to this project: **planner, urban designer, architects, financial analyst, realtors.**

The C4C team will also work within their own budget to accommodate the following overhead expenses and general related project expenses:

- Travel/gas expenses for team members in regular commutes
- Overhead needs including office space/meeting rooms on campus
- Any and all print materials needed for the design charrette and public education sessions (aside from Municipal documents)
- Any and all equipment needed for individuals to work on this project such as computers, AV equipment and other basic equipment
- Costs associated with potential subscriptions and software expenses.

C4C will work in coordination with the Municipality of Lakeshore to use public space and share in promotional materials that are more directly geared towards the promotion of the Municipality and not the project terms. They will also support the municipality to use proper planning documents for the design charrette process.

C4C will be actively supporting many of the initiatives outlined in the contribution agreement. However, to achieve the ambitious goal of completing 898 net new units within four years, as well as the annual housing growth targets and capital projects, it is essential to address staffing needs in areas such as planning and engineering. These departments must be adequately staffed to manage and expedite the backlog of current development files. The ultimate goal of the housing accelerator program is to support Municipalities to increase speed of processing approvals while meeting overall complete community planning goals over the duration of the 4-year program, as well as to

maintain improved KPI processing time after the 4-year program to help meet overall provincial housing goals (i.e.: at least 1.5 million homes by 2031) and national housing goals (i.e. 3.87 million homes by 2031). Therefore, the work has both a short-term planning approvals focus and a systems-based long-term focus all at the same time.

Proposed Lakeshore staff additions include A dedicated HAF project leader, Team Leader of Development approvals and a Development Engineering Technician to review proposals, a Planner 2 to oversee subdivision and condo applications and administer the CIP, and a Policy Planner to ensure development policy guidelines are built out for a smoother process. Additionally, a significant focus will be placed on reviewing infrastructure from a wastewater perspective to identify areas suitable for building without exceeding sewage capacity limits. This comprehensive approach ensures that development progresses smoothly and sustainably.

Timing of Payment and Risk

As per the contribution agreement, the first financial installment was paid on February 12, 2025. From an incoming funds perspective, as long as Lakeshore meets the various targets as asses through the annual reporting schedule identified above, the contribution draw schedule is as follows:

- February 12, 2025: \$1,859,040.50 (Received)
- March 25, 2026: \$1,859,040.50
- March 25, 2027: \$1,859,040.50
- March 25, 2028: \$1,859,040.50

TOTAL: \$7,436,162

However, it should be noted that there is a significant risk if the overall housing supply growth target of 898 net new housing units, the annual housing supply growth targets, or the nine Approved Action Plan initiatives are not achieved. All payments are considered an 'advance' towards meeting the contribution agreement. As conditions, CMHC can reduce or withhold an annual payment if Lakeshore is not making progress on implementation. The tight timelines, a factor in receiving the funding over other municipality's applications, and the need to start work soon add additional pressure to the project, especially since the University of Windsor project team is primarily responsible for supporting the Municipality in delivering several key initiatives. The financial risk of the project falls on the Municipality of Lakeshore if these items are not delivered. As such, the project agreement that will be established following approval of the MOU will align funding disbursements to C4C with deliverables and the timelines of the Approved Action Plan in the contribution agreement. Failure to meet milestones, housing supply growth targets, or additional targets could result in the need for funding from other sources of revenue, such as additional property taxation, if the project goals do not meet CMHC requirements.

Attachments

Appendix 1 – CMHC-Lakeshore Housing Accelerator Fund Contribution Agreement

Appendix 2 – Centre for Cities Scoping Document

Appendix 3 – Detailed Housing Accelerator Team Organizational Chart

Report Approval Details

Document Title:	Housing Accelerator Fund Implementation Plan and Partnership with University of Windsor Centre for Cities.docx
Attachments:	- Appendix 1 - Signed CMHC-Lakeshore HAF2 Contribution Agreement.pdf - Appendix 2 - Centre for Cities Scoping Document.pdf - Appendix 3 - Detailed Housing Accelerator Team Organization Chart.pdf
Final Approval Date:	Mar 18, 2025

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

Prepared by Justin Rousseau

Approved by the Corporate Leadership Team