



## MUNICIPALITY OF THAMES CENTRE

**REPORT NO. PDS-046-024**

**TO:** Mayor and Members of Council  
**FROM:** Director of Planning & Development Services  
**MEETING DATE:** September 9, 2024  
**SUBJECT:** APPLICATION FOR HOUSING ACCELERATOR FUND (HAF2)

### RECOMMENDATION:

**THAT** Report No. PDS-046-024 Application for Housing Accelerator Fund (HAF2) be received;

**AND THAT** Council **ENDORSE** Thames Centre's Housing Accelerator Fund Application to be submitted on September 13, 2024 in accordance with the provisions of Housing Accelerator Fund 2 program by the Canada Mortgage and Housing Corporation (CMHC);

**AND FURTHER THAT** this resolution be forwarded to the Office of MP Karen Vecchio.

### PURPOSE:

This Report provides an overview of the second round of a federal housing initiative to provide financial support to local governments and to inform Council on the Municipality's proposed Housing Accelerator Fund submission to CMHC.

### BACKGROUND:

The Housing Accelerator Fund 2 (HAF2) is an application-based that has opened a second application window in 2024. The program was introduced in the 2022 Federal Budget with a funding allocation of \$4 billion until 2026-27. The program is intended to drive transformational change within the sphere of control of the local government regarding land use planning and development approvals. The Fund's objective is to accelerate the supply of housing across Canada. The HAF2 aims to support lasting changes that will improve housing supply for years to come. The program will provide incentive funding to local governments encouraging initiatives aimed at increasing housing supply. It will also support the development of complete, low-carbon and climate-resilient communities that are affordable, inclusive, equitable and diverse. See the 'References' section for more information.

All applications must be supported by a mandatory action plan, including initiatives, that will outline how the applicant can achieve a committed housing supply growth target. The deadline for applications is September 13, 2024.

There are a number of criteria required to be eligible for funding, most notably, that the Municipality is required to produce and provide a Housing Accelerator Fund Action Plan aligning with the 10 HAF2 Best Practices:

1. End exclusionary zoning by increasing as-of-right permissions, including four units as-of-right in low-density neighbourhoods and greater density and height in urban cores, near transit, and near post-secondary institutions
2. Leverage surplus and underused lands for housing
3. Increase process efficiency through e-permitting, streamlined reviews and new digital tools
4. Fast-track approvals for affordable housing and purpose built rentals
5. Review fees and charges including waivers for affordable housing
6. Reduce or eliminate parking requirements
7. Eliminate restrictions (e.g., setbacks, floor area) to promote housing diversity and supply.
8. Develop or enhance affordable housing community improvement plans.
9. Introduce design guidelines and pre-reviewed building plans for accessory dwelling units and missing middle housing
10. Implement grant and incentive programs for priority housing types

The County of Middlesex has been beneficial in assisting lower-tier municipalities, including Thames Centre, in the creation of a Housing Accelerator Fund Action Plan and gathering the necessary reports to form the required submission.

## COMMENTS:

As Council may recall, the Municipality applied for the first round of the HAF in August 2023 and submitted seven (7) initiatives in support of the application. CMHC has since identified 10 Housing Accelerator Fund Best Practices in which municipalities must choose their initiatives from for the second round of application intake. A minimum of seven (7) initiatives are required under the action plan with most not having started before the budget announcement on April 16, 2024. These initiatives are funded through the HAF grant. The initiatives selected by staff that most closely align with the goals/objectives of this Municipality are:

### **1. End exclusionary zoning**

This initiative stops low-density zoning that excludes housing types, such as affordable and social housing, and which limits the variety of housing types in residential areas. Further, this initiative encourages mixed-use and higher-density development by allowing as-of-right zoning in certain areas in the Municipality. This initiative would also allow 4 units as-of-right within the Municipality's fully serviced settlement areas.

## **2. Eliminate restrictions related to height, setbacks, building floor area and others to allow a greater variety of housing types**

This initiative is designed to make it easier to build more housing types and encourage mixed-use development at greater densities by reviewing the regulatory framework relating to height, setbacks and floor area. Additionally, staff will undertake a feasibility analysis to investigate the possibility of incorporating a form-based zoning approach within the Municipality's settlement areas as a tool to encourage more housing, mixed-use development and ultimately fostering the development of a more complete community.

## **3. Develop affordable housing community improvement plans or strategies for the rapid development of affordable housing**

This initiative will require the Municipality to amend the existing CIP to diversify the incentives available through the program. In doing so, the Municipality will create incentives that are available to a range of housing types on the housing continuum, in particular transitional housing, supportive housing and cooperative housing. Priority will be placed on locations within existing settlement areas that can utilize existing infrastructure and are in close proximity to other services and amenities.

## **4. Increase process efficiency**

This initiative focuses on utilizing new technologies and software to accelerate development approvals in the Municipality. By implementing e-permitting systems across all development and building permit types, the Municipality aims to modernize the approval process, making it more transparent, efficient, and user-friendly.

## **5. Reduce or eliminate parking standards to increase project viability, density and reduce carbon footprint**

This initiative is designed to modernize the Municipality's residential parking regulations to remove potential barriers to residential development. This initiative includes a jurisdictional scan to evaluate regulatory frameworks being advanced by other leading municipalities with similar characteristics to Thames Centre with the intent of integrating an innovative, effective and community-friendly regulatory framework with successful and sustainable parking reduction regulations.

## **6. Design and implement guidelines or pre-approved building plans**

The Design and Implement Guidelines initiative is designed to encourage the creation of Additional Residential Units (ARUs) by developing an ARU toolkit, which will be available to interested parties on the Municipality website. The toolkit will contain applicable planning and building requirements necessary to facilitate an expedited permitting process. Additionally, the Municipality will work with the building department to explore the feasibility of providing pre-reviewed designs for ARUs.

## **7. Develop grant programs**

This initiative focuses on creating grant programs designed to stimulate the development of housing types that align with the Housing Accelerator Fund's goals, such as missing middle housing, row/townhouses, purpose-built rentals, and innovative construction techniques. Recognizing the housing challenges identified in Middlesex County's Attainable Housing Review and Housing Needs Assessment, this initiative aims to address gaps in housing options and promote diverse and affordable living arrangements.

This funding is applicable to local governments in Canada with delegated authority over land use planning approvals with a population of 10,000 or more (Large/Urban intake). Approved participants can use incentive funding for investments in:

- HAF Action Plans
- Affordable Housing
- Housing-Related infrastructure
- Community-related infrastructure that supports housing

The following requirements apply to the HAF submission:

- application including an action plan that outlines growth targets and specific incentives to grow housing supply and speed up housing approvals;
- a minimum of 7 initiatives in your action plan;
- 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%;
- complete or update a housing needs assessment report (which has been undertaken at the County level and attached herewith);
- agree to the program's reporting requirements.

The attached list of Action Plan initiatives was provided by the County of Middlesex, to which staff has highlighted seven (7) best practices that are either currently proposed or exist as part of Thames Centre's Action Plan.

The following criteria applies in the review of application submissions:

- the commitment to increase housing supply (exceeding minimum growth expectations);
- the relevance of proposed initiatives to the objectives of the HAF;
- the effectiveness of proposed initiatives in increasing the supply of housing;
- having a current housing needs assessment report is considered an asset.

The Municipality does not have to commit to how the grant money will be spent during the application process. A subsequent staff report would be brought forward for that determination if the Municipality's application is successful.

## FINANCIAL IMPLICATIONS:

None.

## STRATEGIC PLAN LINK

**Pillar:** *Smart Planning*

**Goal:** *Make smart planning decisions to grow the community , while maintaining a "hometown feel"*

## CONSULTATION:

Chief Administrative Officer  
Director of Financial Services/Treasurer  
Project Manager  
County of Middlesex

## REFERENCES:

<https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/housing-accelerator-fund/housing-accelerator-fund-large-urban>

<https://www.cmhc-schl.gc.ca/blog/2023/10-housing-accelerator-fund-best-practices>

[https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/housing-accelerator-fund/haf-pre-application-reference-guide-en.pdf?\\_gl=1\\*1rsbex1\\*\\_gcl\\_au\\*MTU2Mjg5NjQxMi4xNzlyNTI0OTE3\\*\\_ga\\*MTAxMzU0ODQxNC4xNzlyNTI0OTE3\\*\\_ga\\_CY7T7RT5C4\\*MTcyNTMxMzI3My44LjEuMTcyNTMxNDcwOC40My4wLjA](https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/housing-accelerator-fund/haf-pre-application-reference-guide-en.pdf?_gl=1*1rsbex1*_gcl_au*MTU2Mjg5NjQxMi4xNzlyNTI0OTE3*_ga*MTAxMzU0ODQxNC4xNzlyNTI0OTE3*_ga_CY7T7RT5C4*MTcyNTMxMzI3My44LjEuMTcyNTMxNDcwOC40My4wLjA)

## ATTACHMENTS:

Action Plan Initiatives  
Middlesex County Housing Needs Assessment  
HAF2 - Webinar QA - English Version

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Reviewed by: D. Barrick, Chief Administrative Officer