



**SUBJECT: Housing Accelerator Fund implementation**

**TO: Committee of the Whole**

**FROM: Corporate Strategy**

Report Number: CS-04-24

Wards Affected: All

Date to Committee: March 4, 2024

Date to Council: March 19, 2024

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### **Recommendation:**

Receive and file corporate strategy report CS-04-24 providing an update on the progress to date toward implementation of the City's Housing Accelerator Fund Action Plan.

### **PURPOSE:**

To share an update with Council and the community on the progress to date toward implementation of the City's HAF Action Plan designed to achieve the total housing supply target of 2,724 units and the additional targets.

### **Vision to Focus Alignment:**

- Increase economic prosperity and community responsive city growth
- Support sustainable infrastructure and a resilient environment
- Building more citizen engagement, community health and culture
- Deliver customer centric services with a focus on efficiency and technology transformation

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### **Background and Discussion:**

The Housing Accelerator Fund (HAF) is a \$4 billion federal initiative administered by the Canada Mortgage and Housing Corporation (CMHC), that was announced in the 2022 Budget. This application-based program will provide funding directly to municipalities across the country to incentivize and support initiatives that will accelerate the supply of housing. The program had one intake window in 2023. The program will run from 2023

until 2026 and is expected to create 100,000 net-new housing permits across Canada. [Staff Report CS-13-23](#), presented an [Action Plan for endorsement in principle](#) and authorized staff to submit the City's application on August 18, 2023, to create more housing supply at an accelerated pace and to enhance the certainty in the approvals and building process.

On January 15, 2024, Infrastructure Canada and CMHC announced the City's application was approved resulting in the City receiving \$21,156,248.60 in funding to incent 618 units. The 618 units is part of the City's Housing Supply Growth Target of 2,724 permitted housing units, as outlined in our application. The agreement also outlines the following additional targets:

- 1,047 missing middle housing units
- 1,294 other multi-unit housing units
- 8.4% of the Housing Supply Growth Target are affordable units.

The City is responsible for achieving the growth target by the completion of the program in 2027.

As part of the application, municipalities are required to develop and submit an action plan, commit to a housing supply growth target and any additional targets, complete, or update a housing needs assessment report and submit periodic progress reports to CMHC.

The following seven initiatives were included in the application as the [City's Action Plan](#):

1. Streamlining planning and building approval process.
2. Implementing Major Transit Station Areas and Community Planning Permit System.
3. Support and encourage the creation of additional residential units and consider opportunities to increase as of right permissions.
4. Identify opportunities to incentivize the creation of rental and non-market housing.
5. Build community and partner capacity by creating a Housing Connections Centre.
6. Public lands and partnerships.
7. Municipal infrastructure needs.

On October 17, 2023, Burlington City Council further demonstrated their commitment to the City's HAF application by approving a motion, [ADM-17-23](#), declaring its intention to allow four units as of right, and to direct staff to engage with the community to implement four units as of right and the other actions identified in the Housing Strategy including implementing opportunities to increase the range of housing options available.

In December 2023, CMHC asked the City to consider ways to be more ambitious in terms of its approach to creating more housing. At the December 12, 2023 Council meeting Council approved [Motion Memo ADM-24-23](#), that supported the following actions which were additions to elements captured in the City's Action Plan or represent a clarification of full commitment:

- Moving forward expeditiously on the Council Motion to implement four units as of right and other actions identified in the Housing Strategy including implementing opportunities to increase the range of housing options available.
- A new “no parking minimum” pilot focused on two corridors identified as Frequent Transit Corridors in the Burlington Official Plan, 2020 – specifically Fairview Street / Plains Road corridor and the Appleby Line corridor. This will include analysis, monitoring and reporting back on the outcomes and with the potential to expand to other identified Frequent Transit Corridors.
- The City's existing Development Charges exempts non-profit housing. The City commits to understanding the definitions and impacts of Bill 134, and will waive fees on housing that supports low- to moderate-income households including co-operative or other similar forms of housing.
- Clarification and realignment of the commitment to develop a Community Improvement Plan and associated incentives for, at a minimum, the following:
  - Attainable/Affordable, purpose-built rental housing
  - Non-market housing
  - Additional Residential Units.
- Continued commitment through Council's consideration of the Community Planning Permit System with a focus on the removal of barriers to promote intensification and the identification of new approaches to developing complete communities within the City's major transit station areas (MTSAs).

A [letter](#) from Mayor Meed Ward and the Deputy Mayor of Housing, Councillor Shawna Stolte outlining these enhancements was sent to The Honourable Sean Fraser Minister of Housing, Infrastructure and Communities.

### **Strategy/process/risk**

Once the funding announcement was made work commenced immediately on the development of a program management and work plan. Alison Enns, Manager of Policy and Community and Helen Walihura, Corporate Strategic Lead, Government Relations are serving as interim program leads. The Approved Action Plan is provided in Appendix A to this report.

## Governance and Resources

Early work has begun on the development of a governance model. Working with senior leadership in the Strategy and Risk Team (SRT), the project team will confirm a project charter and governance model to support the delivery of the initiatives and to meet the requirements of the agreement. A Program Steering Committee will be established which will be accountable to SRT and will be guided by an associated terms of reference to establish clear roles and responsibilities.

While many of the initiatives have been considered through the Enterprise Portfolio Planning Process, there are several Initiatives and Milestones that have not been considered. This step will support understanding where multiple departments are being called on by multiple initiatives and milestones ensuring, as best as possible, the work is planned to not overwhelm existing resources. Given there are funds available to support achieving the estimated timelines within the Action Plan, and there is a significant focus on Community Planning and the Building Department, this step may also identify areas where additional resources may be required on a temporary basis to successfully deliver the Action Plan.

## Human Resources

Council has made a significant investment in implementing the City's Housing Strategy by approving the new Manager of Housing Strategy. Further Council's support of the new Burlington Lands Partnership (BLP) positions as part of the budget will have a direct impact on supporting the Initiatives and Milestones. As a result of early work planning and discussion with SRT, a new Program Manager position has been identified as necessary to plan, coordinate and deliver the HAF Action Plan. SRT has approved moving forward with this position on a temporary basis as a two-year contract. The HAF Program Manager will report to the new Manager of Housing Strategy. Work with



SRT and Human Resources will continue to ensure recruitment of those positions will be prioritized.

### **Program Work Plan**

The Action Plan within the CMHC-City of Burlington agreement captures the revised description of the Initiative and Milestones and the associated estimated permitted units associated with each Initiative (Appendix A). Now, effort has turned to assessing existing work and refining the scope of the work captured in the Action Plan. The Program Work Plan focus for the coming months will be exclusively devoted to the resourcing and delivery of the Initiatives and their associated milestones.

Given the structure of the funding program, a number of initiatives and their associated milestones have, in many cases, been scoped and funded by Council. The program work plan will focus early on the initiatives and their associated milestones in order to:

- understand the current state (project team in place, funding, status, etc.);
- identify leads; and
- refine scope and identify additional currently unplanned/unfunded effort, if any, required.

The program work plan will coordinate and describe dependencies among existing projects and emerging projects all captured in the Action Plan. Projects ranging from the Community Planning Fee By-law Review, the Official Plan Targeted Realignment, the Zoning By-Law Project, Better Homes Burlington Pilot, Burlington Lands Partnership, the Streamlining Planning and Building project and the Major Transit Station Areas will all be considered in better understanding and documenting the initiatives and their associated milestones and will support structuring the overall work plan.

As noted above, each project lead will identify emerging issues, additional resources or procurement required to deliver on their respective initiative and associated milestone and will report to the interim project team no later than the end of March. As noted above, refining the actual costs required to deliver the Initiatives will be the early focus of work planning. This focus will support understanding what portion of the HAF funds will be required to be invested in the initiatives in the Approved Action Plan and what funding is available for other HAF funding permitted uses including:

- investments in affordable housing;
- investments in housing-related infrastructure;
- investments in community-related infrastructure that supports housing.

No decisions will be made about investments of the balance of the funding available for other HAF funding permitted uses prior to recommendations to Council using process best practices from the Budget process. While there will be opportunities for Council to shape the deployment of the additional funding, early spending prioritization must be focused on working with the Region and other partners in delivering new affordable units, which is a critical additional target as set out in the agreement.

The table below presents the Initiatives from the Approved Action Plan and provides the current status. This table will support the refinement of the initiatives and will be the basis for future updates and may be modified over time as new information becomes available.

<b>Initiative in Action Plan</b>	<b>Status</b>
1: Streamlining planning and building approval process	Work has been initiated
2: Implementing Major Transit Station Areas and Community Planning Permit System	Milestones 1 & 2 expected to be delivered by end of Q2, 2024. Milestones 3 & 4 will be initiated after Q2, 2024.
3: Support and encourage the creation of additional residential units and consider opportunities to increase as of right permissions (4 units as of right) and establish a no parking minimum pilot within a specific geographic area	<b>Milestone 1 was completed in Q4, 2023</b> Milestone 2 will initiate in Q2, 2024 Milestone 3 will occur in tandem with Milestone 2 of Initiative 4 (Incentives).
4: Identify opportunities to incentivize the creation of rental and non-market housing	Milestone 1 initiated in Q1, 2024. Milestone 2 is expected to be initiated in Q2, 2024.
5: Building community and partner capacity by creating a Housing Connections Centre	Work has not been initiated.
6: Public Lands and Partnership	Milestones 1 & 2 have been initiated.
7: Municipal Infrastructure Needs	Work has not been initiated.

A procurement strategy will be developed as part of the work planning. This strategy will set out the elements of the work to be supported through the procurement of consultants/resources. At this time, the following elements of work will require consultant support and other elements may be added through the refinement of the work plan in the coming month:

- RFQ – Developing Standard Housing Units
- Community Improvement Plan (including Comprehensive CIP Strategy)

- Infrastructure Analysis
- BLP Public-Private Partnerships

In order to support moving forward quickly to ensure investments in delivering the work to be procured, staff will work with SRT to approve the associated terms of reference.

**Risks**

As part of work plan development an assessment of the associated risks and mitigation approach will be developed. Council in supporting a wide range of initiatives aimed at streamlining development approvals and supporting the creation of new housing has put the City in a good position to deliver the desired results.

The Approved Action Plan presents an ambitious and wide-ranging plan to support achieving the total housing supply target and associated additional targets. While not a complete review of all risks, the three most critical risks and the associated mitigation approaches have been considered below and will be refined through future work:

<b>Risk</b>	<b>Mitigation</b>
Total Housing Supply Target not achieved	The City’s role is to ensure the initiatives in the Action Plan are implemented to set the conditions for the building sector to achieve the total housing supply target. The City will actively monitor progress and ensure appropriate measures are taken within the control of the City to mitigate this risk. This will also include documenting, where appropriate elements outside of the City’s control.
Action Plan overwhelms organizational capacity	With 7 distinct initiatives and a wide range of departments and partners involved, care is required to ensure appropriate capacity to deliver on the Action Plan. A detailed work plan and prioritization effort including an assessment through the EPP process will be established to ensure appropriate resources are available to support the successful delivery of the Approved Action Plan.
Not achieving Affordable Housing targets	The most critical, and potentially most challenging, target to achieve is the Affordable Housing target. The governance model and structure for determining the use of funds will ensure sufficient weight is placed on a funding opportunity’s ability to support achieving the Affordable Housing targets.

## **Next Steps**

The Interim project team will continue to work with SRT to advance the creation of the governance structure, development of the project charter and refinement of the overall program work plan, inclusive of the procurement strategy.

The Interim project team will provide regular and as-needed updates, will use the Council Information Package for information items and will use Committee of the Whole for items seeking Council direction. Work will continue with The Office of the City Clerk to define a routine update path and will consider opportunities to deliver to Committee of the Whole or to the Pipeline to Permit Committee.

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## **Financial Matters:**

### **Total Financial Impact**

As part of the HAF application, the City's submission estimated costs for the initiatives at approximately \$6,750,000. As planning progresses and the extent of existing funding for the Initiatives and Milestones is factored into the equation, there may be a larger portion of the funding available for investments in affordable housing, housing related infrastructure or community related infrastructure (all HAF permitted uses). The work plan will refine and revise the overall portion of the funding to be dedicated to the delivery of the Initiatives and milestones.

### **Source of Funding**

The City of Burlington was awarded \$21,156,284.60 as part of the Housing Accelerator Fund.

### **Other Resource Impacts**

As the program workplan is developed, the extent of work required from various internal partners will be identified and any additional resources, including additional human resources.

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## **Climate Implications:**

The Housing Accelerator pre-application reference material highlighted that, along with the primary objectives of creating more supply of housing at an accelerated pace and enhancing certainty within the approvals and building process, the funding is also expected to support the following priorities:



- Supporting the development of complete communities that are walkable, consisting of appropriate residential density and a diverse mix of land uses, providing access to a wide variety of amenities and services through public and active transportation.
- Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum.
- Supporting the development of low-carbon and climate resilient communities.

The initiatives, through addressing one or more of these priorities, will contribute to supporting the development of low-carbon and climate resilient communities.

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## Engagement Matters:

The desired impact of the HAF funding is to support the achievement of additional permitted units. The initiatives and their milestones will support the objectives of Vision to Focus and will also support the vision for Housing in Burlington as set out in the Housing Strategy:

**Everyone is welcome in Burlington.** Burlington is a city where all current and future residents have access to the housing options that meet their needs at all stages of life, and that are attainable at all income levels.

There will be intense interest in informing the approaches taken to bring forward more housing units in the City. The interim project team will work with engagement and communications to develop an overall engagement approach that will acknowledge existing engagement plans guiding current work and identifying new engagement plans required. In some cases, engagement will be focused on existing and future residents providing input into how the City approaches broadening permissions within existing neighbourhoods. In other cases, key partners like other levels of government, agencies and other departments will be the focus of engagement for initiatives looking to streamline process. For each initiative, a specific engagement approach and communication including key messages will be developed.

As we all know, growth is happening across Burlington in many neighbourhoods and communities. The City has been working on its Housing Strategy and Major Transit Station Area plans. The HAF will support these plans and other initiatives that will result in the creation of a wide range of housing options for all residents, whether they've lived

here their entire lives, only moved here recently, or want to move here. These initiatives will not only improve processes, they will plan for how we intensify to make sure the right type of growth happens in the right areas at the right time. We expect to see a spectrum of growth, intensification and housing types, from diversifying our neighbourhoods by building additional units, like a basement apartment or upper garage unit, to condominiums and apartment buildings in developments located close to transit and key services to allow for walkable communities. No matter how large or small these changes are, each will contribute to solving the housing crisis and to creating more diverse housing options in Burlington. In order to make sure 'Everyone is welcome in Burlington', these are the types of changes we must embrace.

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## **Conclusion:**

The City is very appreciative of the Federal Government's support through the HAF program. The contribution the City received is a tremendous opportunity for the City to begin implementation of the key actions outlined in the City's Housing Strategy, as well as to continue to build on the work already done to streamline the development approval process.

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Respectfully submitted,

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## **Appendices:**

A. Approved Action Plan

## **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.