

Information Report Summary

SUBJECT: Housing Accelerator Fund implementation update

TO: Committee of the Whole

FROM: Development and Growth Management
Community Planning

Report Number: DGM-19-25

Wards Affected: All

Date to Committee: February 10, 2025

Date to Council: February 18, 2025

Recommendation:

Receive for information development and growth management report DGM-19-25 providing an update on the Housing Accelerator Fund implementation, as of January 2025.

Executive Summary

The following key updates on Housing Accelerator Fund (HAF) implementation deliver on the City's commitments in the HAF contribution agreement with Canada Mortgage and Housing Corporation (CMHC). These and related items are discussed in greater detail in this report.

- **Progress:** All seven of the Housing Accelerator Fund initiatives are on track. Of the 18 milestones, nine are complete, eight are on track, and one has a CMHC approved delay.
- **Housing Growth:** 50% of the total Housing Supply Growth target (2,724 units) has been achieved by January 2025.
- **Funding:** The first HAF funding advance of \$5.29M was received on January 23, 2024, upon signing the contribution agreement. The first annual HAF report to CMHC was submitted January 11, 2025. CMHC approval of the annual report expected February 2025, will release the next funding advance of \$5.29M.
- **Key Next Steps:** Recommendation report for new housing-focused Community Improvement Plan presented to Committee and statutory public meeting to be held on March 4, 2025. Final recommendations report will be provided to Council March 18, 2025, offering incentives to help accelerate Additional Residential Units (ARUs), missing middle, and affordable rental housing units.

- **Addressing Potential Uncertainty:** While there may be an evolving political climate at the Federal level, there has been no indication that this will directly impact HAF at this time. City staff will be developing contingency plans to ensure the funding is protected to the extent possible in support of initiatives that demonstrate outcomes. Updates will be provided to Council as more information is provided on the future of the Program.

Purpose of report:

To update Council on progress made since the November 19, 2024, approval of the Housing Accelerator Fund (HAF) budget implementation report (PL-82-24).

Key findings:

- **Initiatives:** The City is on track to achieve the Council approved HAF Action Plan initiatives and milestones within the CMHC approved timelines.
- **Targets:** Issued permits for 1,349 units, achieving 50% of the total housing supply growth target of 2,724 units.
- **Critical Milestones:** Approval of Community Improvement Plan (CIP) incentives, funded through HAF, and Council's approval of "4 units as of right" and other actions from the Housing Strategy through Official Plan Amendment No.3 are pivotal for continued HAF funding advances.
- **Funding:** Any federal and/or provincial elections in 2025-2026 may have an impact on current and future implementation.

Implications:

- Achievement of all HAF initiatives/milestones and the housing targets are required to receive further program funding. Progress is assessed by CMHC through the submission of the annual reports will impact the continued advancement of funds during the term of the agreement.
- Report PL-82-24 identified that significant HAF incentives are required to achieve the missing middle and affordable housing targets.
- Council approval for "4 units as of right" is a critical milestone to confirm receipt of ongoing HAF funding as per Council motion [ADM-17-23](#). Official Plan Amendment (OPA) 3 was adopted by Council in January and implements this direction.
- The HAF initiative/milestone projects will be updated on the relevant City websites as tools, resources, training, and financial incentives become available.
- Potential federal election and/or leadership changes could have an impact on the continuation of the HAF program and/or receipt of the approved funding. Staff are monitoring and will update Council with any potential impacts.
- Any changes to, or a reduction of HAF advances has the potential to negatively impact HAF staffing, projects, and incentive programs.

Information Report

Background

Council approved the HAF [implementation budget](#) on November 4, 2024 ([PL-82-24](#)). Report DGM-19-25 provides an update on the progress since November 2024 and the proposed next steps to further implement the Council approved HAF Action Plan.

Status

Updates, Actions and Strategy

Following the November 2024 Council approval of the HAF implementation Budget (PL-82-24), the Council approved fee waivers on additional residential units (ARU) zoning clearance certificates and permits were launched and promoted via a [media release](#). Fee waivers were also provided to developers submitting detached model ARU designs to support a library of pre-approved designs.

Additional fee waivers came into effect for non-profit community partners to create net new rental units to support the affordable housing target.

HAF Initiatives/Milestones:

The Council approved HAF Action Plan has seven initiatives. All initiatives are reported as “on-track” to achieve completion by the approved due dates. Within the Action Plan, nine of the 18 milestones are already complete, and one is delayed. By January 31, 2025, two additional milestones are anticipated for a total of 61% completion.

Milestone 2.2, “Official Plan Amendment adopted and CPPS Approved by Council” was due December 31, 2024. However, due to external factors outside of the City’s control, CMHC approved a change request to extend this deadline to March 24, 2025. The HAF agreement schedule is being officially updated to reflect this change and this milestone as “on track”.

Milestone 3.4, “OP and Zoning By-law Amendments to broaden permissions and reduce process including permitting 4 units as of right on all residential lots in urban area” was due December 31, 2024. However, CMHC has approved an extension to meet this milestone by January 31, 2025. It is anticipated this milestone will be met should Council approve the Official Plan and Zoning By-law Amendments to Increase Housing Options at the Council meeting on January 28. CMHC indicated that no HAF agreement schedule update was required, and this milestone is reported currently as “on track”.

See Appendix A – HAF Action Plan Status.

HAF Targets:

As of January 13, 2025, the City has achieved 50% of the Housing Supply Growth Target. The below table outlines the City's progress towards the HAF housing targets:

Name of HAF Housing Target	Target #	Permits* Issued Nov.19, 2024 (PL-82-24)	Permits* Issued Jan. 13, 2025 (DGM-19-25)	Outstanding
Housing Supply Growth (as per Section B of Approved Action Plan)	2,724	1,167	1,349	1,375
Multi-unit	1,294	1,068	1,218	76
Missing middle	1,047	44	63	984
Affordable (8.4% of Housing Supply Growth target)	228	0	0	228

*Source: AMANDA from January 11, 2024, to January 13, 2025.

As a reminder, Additional Residential Units (ARUs) count towards the missing middle target and represent 55 of the 63 units reported above. Should Council approve the new housing focused CIP financial incentives, we anticipate that ARUs could be counted towards the affordable target. The proposed Affordable ARU program launching in March 2025 is a key strategy to achieve this target.

HAF Budget:

While the City was approved for \$21M, the receipt of these funds is advanced throughout the four-year term (2023 - 2027) of the HAF agreement. The first funding advance of \$5,289,071.15 was received January 23, 2024, and \$238,611.48 has been spent to-date. HAF budget spending is expected to significantly increase in 2025, pending Council approval of the housing focused Community Improvement Plan recommendations. An affordable ARU capital incentive is anticipated and would be in addition to the ARU fee waivers approved by Council through Report PL-82-24.

On January 11, 2025, the City's first annual HAF report was submitted to CMHC. Progress will be assessed by CMHC to determine eligibility for the second HAF advance of \$5,289,071.15. Staff are closely monitoring the federal election for any signs that may impact the ongoing security of the approved HAF and will report back as necessary.

As Burlington is in good standing with its HAF agreement, status of initiative/milestone completion, and on track to surpass the Housing Supply Growth target, CMHC invited the City to submit new initiative(s) for additional HAF funding consideration. Any new initiative must meet the same HAF program criteria, deadlines, and alignment to the Minister's "[top 10 best practices](#)". Within the limited time available, staff assessed potential opportunities with HAF criteria and proposed exploring a partnership for supportive, affordable, rental housing and mixed-use fire station redevelopment on City land. Should additional HAF capital funding be made available, staff will report back to Council with updates and seek any necessary approvals that may be required. Concurrently, preliminary due diligence activities funded through the existing HAF are being undertaken to assess the viability of any proposed project.

This work will greatly assist in supporting any future staff recommendations for Council's consideration.

Other Government Funding Opportunities

In mid- December, Halton Region notified the City of a time sensitive, provincial funding opportunity called "Last Mile". The City was encouraged to submit any eligible business case to the Ministry of Municipal Affairs and Housing (MMAH), via Halton Region by January 9, 2025. Staff assessed current opportunities that aligned with the program requirements and provided 3 business cases; 2 with private sector developers requesting a combined \$5.5M for 15 affordable rental units, and 1 requesting \$7.5M to create 50 supportive housing ARUs in partnership with homeowners and non-profit support agencies. This funding would be in addition to any HAF incentives or proposed new CIP incentives. All new units, if funding is approved, will count towards the HAF targets.

HAF Engagement and Communications Strategy

Each of the seven HAF Action Plan initiatives have their own individual engagement plan. To date, over 1,000 residents, community agencies or potential partners were engaged through a variety of channels including surveys, 1x1 meetings, virtual and in-person open houses, and community events. The HAF engagement approach is outlined in Appendix B – Engagement Approach and a summary of engagement activities conducted to date is included in Appendix C – HAF Engagement Summary.

A HAF Communications Plan is being developed to ensure broad promotion of HAF opportunities across the City, engagement of relevant stakeholders such as developers, non-profits, and partnership formation. The Communications Plan will assist in promoting the City's new virtual Housing Connections Centre. The vision for this Centre was approved through the City's Housing Strategy Action #2: "Act as a connector and partner in the housing system by identifying opportunities to connect people and providers to resources and information related to meeting housing objectives", and HAF Initiative #5: "Building community and partner capacity".

Next Steps for 2025

- **January – June 2025**, HAF project leads will continue to engage community members, as needed, to further develop and/or implement engagement and communication plans that are specific to each individual HAF initiative/milestone. Including:
 - engagement with non-profit community partners, including Indwell, for affordable housing capital project and initiate any pre-development due diligence. (Note: All capital projects require CMHC approval).
 - engagement with non-profit support agency partners and residential homeowners to explore affordable ARU partnerships.
- **February – June 2025**, update related COB webpages with additional information, resources, tools, and/or engagement opportunities.
- **March 2025** - Support the Burlington Lands Partnership to initiate feasibility due diligence, as applicable, for any COB owned sites that may have the potential to create eligible housing projects within the HAF program timelines. (Pending Council approval)

of the February 2025 Report DGM-08-25 “Burlington Lands Partnership Update - Partnership Potential on City-Owned Lands”).

- **March 18, 2025** - CIP and CIP By-law to Council, with recommendation to designate the CIP Project Area and adopt the CIP.
 - **March - June 2025** – Launch of Affordable Additional Residential Unit (ARU) / Garage Conversion program including retaining any temporary staffing or consultants, events, etc.
 - **Q2 2025** - Report back to Council with further HAF implementation updates, including a HAF program Communications Plan, or earlier, should any further approvals or updates be required.
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Key Dates & Milestones

The following are HAF Agreement dates:

January 11, 2025 – First annual HAF report to CMHC.

January 31, 2025 – HAF milestones due:

- 3.4 - OP and Zoning By-law amendments to broaden permissions and reduce process including permit 4 units as of right on all residential lots in urban area
- 6.2 - Public-Private Partnerships v, including buying lands or reimaging existing City owned lands to deliver new housing

February/March 2025 – Receive 2nd HAF funding advance (\$5M) from CMHC.

September 15, 2025 - Complete all seven initiatives and 18 milestones.

December 31, 2026 - Achieve all targets (total growth, multi, missing middle and affordable).

January 2026, 2027, and 2028 - Submit annual progress reports to CMHC re: initiatives, milestones, targets, and use of funds.

December 31, 2027 – Spend all HAF funds (including new initiatives or capital projects).

References

- HAF Burlington [webpage](#)
- The Housing Strategy [webpage](#)
- HAF Implementation Plan Budget and Update ([PL-82-24](#))
- HAF approved implementation budget ([Appendix A PL-82-24](#))
- HAF Agreement - Schedule A ([Appendix B PL-82-24](#))
- City-initiated Official Plan and Zoning By-law Amendments to increase housing options ([DGM-01-25](#))

- Draft Official Plan and Zoning By-law Amendments to increase housing options ([PL-92-24](#))
 - Burlington Lands Partnership Update #6 ([PL-86-24](#))
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Strategic Alignment

- ☒ Designing and delivering complete communities
 - ☒ Providing the best services and experiences
 - ☒ Protecting and improving the natural environment and taking action on climate change
 - ☒ Driving organizational performance
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Appendices:

- A. HAF Action Plan Status
- B. HAF Engagement Approach
- C. HAF Engagement Summary

Notifications:

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Report Approval:

Council Information Reports are reviewed and approved by the Commissioner and Head of Corporate Affairs.