
SUBJECT: Housing Accelerator Fund Community Improvement Plan Implementation Update
(April 2025)

TO: Committee of the Whole

FROM: Development and Growth Management
Community Planning

Report Number: DGM-33-25

Wards Affected: All

Date to Committee: May 12, 2025

Date to Council: May 20, 2025

Recommendation

Allocate 7.4 million of the HAF funding to be used for the approved CIP programs as described in development and growth management report DGM-33-25; and

Direct staff to implement the funding and roll-out of the approved CIP programs as described in development and growth management report DGM-33-25.

Executive Summary

This report provides information to Council on the following:

- An update on the allocation of funding of the Housing Accelerator Fund Budget, building on refinements described in the last HAF budget update received by Council through Report PL-82-24 in November 2024 and a proposed HAF budget spending plan for the balance of 2025.
- Recommendations on funding allocations for specific Affordable Rental Housing Community Improvement Plan programs that are best positioned to achieve the HAF affordable and missing middle housing targets.
- Next steps for HAF CIP implementation.

The information and approach described in this report aligns with key principles identified in PL-82-24 re: "Housing Accelerator Fund Implementation Budget and Update Report" and is a

follow-up to Report DGM-24-25 re: “Draft Affordable Rental Housing Community Improvement Plan” presenting recommendations for implementation of the CIP through HAF funding.

Key Findings:

- **Financial:**
 - \$10,578,071 or 50% of the approved \$21,156,285 has been received.
 - \$7,440,060 Net HAF is available to spend in 2025.
 - The proposed 2025 HAF spending plan prioritizes most of \$7.4M on affordable ARU CIP program incentives.
- **HAF Progress:**
 - All seven HAF initiatives and eighteen milestones are anticipated to be deemed complete by CMHC by October 2025 and shown in **Appendix A**.
 - The city must demonstrate to CMHC progress in 2025 towards achievement of the HAF unit targets to ensure the third HAF advance, anticipated for Q1 2026, is received.
 - Currently the housing unit targets showing the least amount of progress are the Missing middle target at 11% and the Affordable housing target at 0% as contained in **Appendix C**.
- **HAF CIP Implementation:**
 - DGM-33-25 identifies the following CIP programs align best for HAF implementation to demonstrate progress towards the Missing Middle and Affordable targets:
 - ARU Affordable Rental Forgivable Loans
 - Missing Middle Affordable Rental Forgivable Loans
 - Waived Municipal Fees
 - Currently, the only funds available to implement the CIP programs in 2025 is the net HAF of \$7.4M.
 - Based on the fastest opportunities to create new affordable rental housing units in 2025, and to align with the proposed updated new [Zoning Bylaw](#) anticipated for 2026, staff recommend the following HAF CIP implementation and funding approach:
 - **2025:** Focus on the launch of the CIP **Additional Residential Unit** (ARU) Affordable Rental program with incentives aligned to the Council approved CIP program to encourage interest and uptake by homeowners.
 - **2026:** Introduce a **Missing Middle Affordable Rental Unit Pilot** with a focus on gentle density opportunities on single residential lots to create 4-plex, shared living and/or other innovative multi-residential affordable rental housing.
 - **2025-2027:** Continue to explore the feasibility for a **Non-profit Partnership** on City-owned land including the redevelopment of an

existing an existing fire station and affordable supportive rental housing in partnership with Halton Region and CMHC.

- For further details on the proposed HAF CIP programs implementation, see **Appendix A and B**.

Implications:

- Currently the only funding available to implement CIP programs is HAF funding and it is insufficient to fund all the CIP programs.
- The recommended HAF budget has been updated, as shown in **Appendix A**. The proposed realignment of funds still includes a large portion of the HAF to incentivize new affordable rental housing units as well as a proposed increase to incentivize more affordable Missing Middle housing units.
- The phased approach for CIP implementation using HAF funds allows for monthly tracking of HAF targets and use of funds with regular progress updates to Council to reallocate funds or consider additional CIP programs, as may be necessary. The next regular HAF implementation update is anticipated for Q4 2025.
- Legal CIP funding agreements are being developed to support HAF implementation along with other process, application and other details.
- Staff will continue to review implementation of the Development Charge Interest Free Deferral and TIEG programs. A future staff report in response to a recent staff direction on the tariff impacts may address some housing development concerns.

Recommendation Report

Background

Council approved the HAF implementation budget on November 4, 2024 (Appendix A PL-82-24.docx) based on the Council approved HAF Action Plan and guiding principles. Report DGM-19-25 provided a HAF implementation update. In February 2025, the second HAF funding advance of \$5.29M was received for a combined total of \$10.5M. In April 2025, Council approved the Affordable Rental Housing Community Improvement Plan (CIP). CIP Report DGM-24-25 identified that staff would report back in May 2025 with recommendations for HAF CIP implementation. Report DGM-33-25 delivers on this commitment.

Recommendation Details

The recommendations outlined in DGM-33-25 are based on the Council-approved Affordable Rental Housing Community Improvement Plan (CIP) and its associated appendices. These recommendations are intended to support and operationalize the implementation of the CIP through the HAF within the framework of the approved CIP and do not propose amendments to the existing CIP. For full CIP program details reference must be made to the CIP and its associated appendices.

HAF Implementation Budget (April 2025 Update)

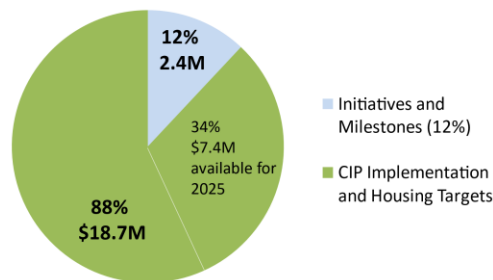
To optimize the impact of the available \$18.7 million in HAF funding, a phased HAF CIP implementation approach is recommended. For additional information, please refer to **Appendices A and B**. This strategy prioritizes initiatives ready for immediate implementation while allowing flexibility for projects requiring further development.

This allocation strategy is designed to fulfill Burlington's commitments under the HAF agreement by incentivizing new affordable and missing middle rental housing units to demonstrate progress towards the HAF targets. Please refer to **Appendix C** for the April 2025 target status. The ARU and Missing Middle recommended HAF CIP implementation also support key actions in the Council approved Housing Strategy.

Of the \$21M total HAF budget, \$2.4M or 12% of actuals and committed expenses are required to achieve the HAF 7 initiatives and 18 milestones. This leaves a balance of \$18.7M or 88% available for CIP implementation and achievement of the HAF priority housing targets. See **Appendix A** for further details.

Overall HAF Funding Use | \$21M

Breakdown of \$21M



Phase 1 – Immediate Implementation (2025)

Focus: Allocate funding to accelerate the development of affordable Additional Residential Units (ARUs) to address immediate housing needs and generate maximum number of permits issued toward HAF target before end of 2025.

Additional Residential Units Affordable Rental Program (\$7M, 33% of funds)

HAF Target: 1,047 missing middle units, 228 affordable units

CIP incentive programs:

- Additional Residential Unit Affordable Rental Program (attached/interior/garage conversions at \$70k/unit and new detached units at \$95k/unit)
- Legalize non-compliant ARUs (funded at \$15k/unit with no affordability requirement))
- Municipal fee waivers (with an existing approved limit of \$172,000 as per PL-82-24).

Strategic Enablers:

- Recent and pending process improvements, tools and resources will assist in streamlining ARU permit approvals and increase customer experience.
- By launching the ARU program in 2025 with funding up to the maximum CIP ARU program values for attached/interior/garage conversions or new detached units, it is anticipated that this will highly motivate and expediate the issuance of ARU permits and greatly assist in showing HAF target progress to CMHC.
- The proposed CIP program incentive of \$15k/unit to legalize an existing ARU, looks to maximize the available HAF with the goal of generating as many legally permitted units as possible towards the HAF missing middle target of 1047.
- The launch of this program supports Council's 2025 approval to permit up to four units as-of-right (DGM-01-25) as well as the Council approved HAF Action Plan and Housing Strategy Action #11.

Phase 2 – Full Implementation (2026)

Focus: Allocate funding to a “Missing Middle Affordable Rental Unit Pilot” to provide a forgivable loan to developers to encourage gentle density housing options to increase the diversity of housing options in Burlington.

Missing Middle Affordable Rental Unit Program (non-ARU) (\$4M, 20% of funds)

Target: 1,047 missing middle units, 228 affordable units

Target Outcomes:

- Pilot development of triplexes, fourplexes, and shared living projects.
- Leverage [New Zoning Bylaw Project amendments](#) to increase housing flexibility.

CIP incentive programs:

- Missing Middle Affordable Rental Unit Program – “Pilot” funded at \$95k/unit which is lower than the CIP maximum. This is based on anticipated projects not including amenity space or costs that lower to mid-rise buildings may incur and to maximize available HAF for implementation of this CIP program
- Municipal fee waivers @ \$40k/project (private)

Strategic Enablers:

- This Pilot looks to maximize the available HAF with the goal of generating as many Missing Middle units as possible towards this HAF target of 1047 with a \$95k/unit forgivable loan of up to the maximum \$225k/unit Missing Middle CIP program.
- The launch of this Pilot CIP program supports the new CMHC Missing Middle design catalogue, the [New Burlington Zoning Bylaw project](#), and the Council approved Housing Strategy Action #7.

Affordable Rental Housing (\$7M, 33% of funds)

Target: 228 affordable units

Incentive:

- Forgivable Loan: Affordable Housing Partnership on City-Owned Land
- Municipal fee waivers (\$500,000 as per PL-82-24)

Strategic Enablers:

- The Council Approved HAF Action Plan identified that a significant amount of capital funding would be required to create new, affordable rental housing units (PL-82-24, DGM-19-25)
- Through the allocation of HAF towards the potential redevelopment of an existing fire station to include up to 70 units of affordable, supportive rental housing, there is an opportunity to leverage additional partners and funding, such as through Halton Region and CMHC. This leveraging may facilitate a new city capital project that may not otherwise be built in the near-term.

- This type of housing provides long-term tenant rental stability as well as the protection of rental affordability for up to 50 years.
- This proposed initiative supports the Council approved Housing Action Plan and Housing Strategy Action #10.

Program Continuation

The HAF implementation of CIP programs will remain active until all allocated funds are expended or the targeted housing units are achieved. The recommended approach as outlined in Appendix B is to launch the ARU Affordable (2025) and Missing Middle Affordable Rental Unit Pilot (2026) programs on a “first come first serve” basis to eligible applicants for eligible projects.

Proposed HAF 2025 Spend Plan:

Based on the net HAF available for 2025 of \$7.4M, the following are the proposed CIP programs for implementation to achieve the affordable and missing middle HAF targets:

| CIP Program for HAF 2025 Implementation | | 2025 Budget |
|---|-----------|------------------|
| ARU Affordable Rental Program (all ARU types) | \$ | 7,032,662 |
| Municipal Fee Waiver Program (private developers) | \$ | 160,000 |
| Housing Design and Study Grant Program (missing middle) | \$ | 45,000 |
| Municipal Fee Waivers (multi-unit) | \$ | 160,000 |
| Housing Design and Study Grant Program (non-profit) | \$ | 15,000 |
| 2025 Total | \$ | 7,412,662 |

CIP Program Implementation: (See Appendix B for further details)

As presented to Council in November 2024 (Report PL-82-24), the following principles guide the HAF-CIP implementation:

- **Demonstrate Progress to CMHC:** Ensure clear communication with CMHC regarding initiatives, timelines, and targets.
- **Prioritize Funding:** Allocate resources to meet affordable and missing middle housing targets.
- **Leverage Partnerships:** Collaborate with non-profits, Halton Region, and community agencies to create new rental units by December 2026.
- **Accelerate Innovative Solutions:** Promote Additional Residential Units (ARUs) through streamlined processes, incentives, and capacity-building initiatives.
- **Maintain Flexibility:** Adapt to evolving housing needs while ensuring measurable outcomes.
- **Ensure Transparency:** Provide regular updates to Council for accountability in HAF fund allocation.

Five of the Council approved CIP programs have been identified to align with implementation to meet HAF targets. While the Sustainable/Accessible Design Grant is not being proposed to be implemented through HAF since there is no HAF target specifically related to sustainable/accessible units. Some expenses related to sustainability and accessibility will be considered eligible expenses within the Additional Residential Units (ARU) Affordable Rental Program.

As the City is doing well on the multi-unit housing targets, very little HAF is proposed for CIP implementation. Private developers of the mid/high rise housing identified that the greatest benefit to their projects are the Development Charge Interest Free deferral and Tax Increment Equivalent Grant programs. Staff will continue to advocate and work with Halton Region on both programs. An additional review of the impacts of tariffs will also be taken into consideration through future staff reports.

HAF Progress and Status Update: (See **Appendix C** for further details)

Conclusion

In conclusion, the City of Burlington's proposed implementation of the Affordable Rental Housing Community Improvement Plan (CIP) using the net \$18.7M available HAF is a phased approach with a focus on “quick wins” in 2025 to show progress towards meeting the HAF targets. This approach aligns with the commitments of the HAF agreement, the Council approved HAF Action Plan, and supports the Council approved Housing Strategy.

Throughout 2025, staff will Moving forward, continuous monitor and assess the CIP implementation and evaluation will be essential to ensure the effective use of funds towards and the achievement of HAF housing targets. A report back to Council is anticipated for Q4 2025 Council on progress made to-date. Concurrently, report DGM-24-25 directed staff to prepare a budget business case for the 2026 budget to identify program priorities and propose City budget elements to consider further CIP program implementation. Council directed staff Regular updates to the Council and the public will maintain transparency and accountability, while ongoing assessments will allow for necessary adjustments in response to evolving housing needs and market conditions. Through these efforts, Burlington is committed to fostering a diverse and affordable housing landscape that meets the needs of all its residents.

Key Dates & Milestones

Q2 2025

- **Website Updates:** Enhance related City of Burlington webpages with additional information, resources, tools, and engagement opportunities.
- **Promote ARU Garage Conversion Kit:**
 - Host two public information sessions April 30.

Q3/Q4 2025

- **HAF Milestones Completion:** Ensure the completion of all remaining Housing Accelerator Fund (HAF) initiatives and milestones (1.1, 2.2, 5.3, 7.2)
- **Milestone 6.2 Partnership on city-owned land:** pending further due-diligence over the coming months, a report to Council is anticipated in Q4 2025 with recommendations for approval to support a potential affordable, supportive rental housing project combined with the redevelopment of an existing fire station in partnership with Halton Region, CMHC, and other community partners.
- **HAF-CIP implementation** update report(s) to Council with opportunity to reallocate HAF budget as needed based on implementation progress and data.

Q1 2026

- **Milestone 6.2: Partnership on City-owned land:** pending Council approval in Q4 2025, staff anticipate a potential report to Council (Q1 2026) to seek approval to execute a HAF agreement with a non-profit partner based on the demonstrated financial viability of the proposed project.
- **Second annual HAF report** due to CMHC (Q1)
- **3rd funding advance** anticipated (Q1) based on successful CMHC report review.

Q2 2026

- **HAF Implementation Budget and Update:** Staff will report to Council on the effectiveness of HAF-funded CIP programs and progress toward achievement of the affordable and missing middle housing targets along with any recommendations for funding reallocation, if applicable.

References

- HAF Burlington [webpage](#)
- The Housing Strategy [webpage](#)
- HAF Implementation Update ([DGM-19-25](#))
- HAF Implementation Plan Budget and Update ([PL-82-24](#))
- HAF approved implementation budget ([Appendix A PL-82-24](#))
- [Burlington Affordable Rental Housing Community Improvement Plan](#)
- Partnership Potential on City-owned Lands (DGM-27-25)

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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Authors:

Diana Ferreira
Corporate Strategic Lead
Diana.Ferreira@Burlington.ca

Sarah Phillips
Manager, Housing Strategy
Sarah.Phillips@Burlington.ca

Appendices:

- A. Updated HAF Budget and Status (April 2025)
- B. Proposed HAF CIP Implementation and Recommendations
- C. Progress on HAF Targets (April 2025)

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.