

Housing Accelerator Fund

Planning Advisory Committee

July 18, 2023

Planning & Development Department
Infrastructure & Operations Department



EAST HANTS

What is the Housing Accelerator Fund (HAF)

- The Housing Accelerator Fund (HAF) provides incentive funding to local governments to encourage local initiatives that remove barriers to housing supply, accelerate the growth of supply and support the development of complete, low-carbon and climate-resilient communities which are affordable, inclusive, equitable and diverse.
- The HAF program runs from the summer of 2023 until September 2026, and targets 100,000 net-new permits being issued for housing units across Canada.
- There are two application streams for the program, East Hants has to apply under the Large/Urban stream.
- *Large/Urban: A jurisdiction located anywhere in Canada with a population equal to or greater than 10,000.*

What is required to apply for the HAF?

- In order for East Hants to be eligible for the incentive funding, the Municipality must:
 - Develop an action plan as part of our HAF application. The purpose of the action plan is to outline supply growth targets and specific initiatives to grow housing supply and speed up housing approvals.
 - Commit to a housing supply growth target within the action plan that increases the average annual rate of growth by a least 10%. The growth rate must also exceed 1.1%
 - Complete a housing needs assessment report.
 - Must also adhere to the reporting requirements of the program.
- Documentation on the HAF has been posted to Council Chambers Online for the information of Councillors.

Funding Methodology

- There are three components of the funding framework: (1) base funding, (2) top-up funding, and (3) an affordable housing bonus.
- **Missing middle means ground-oriented housing types. This includes garden suites, secondary suites, duplexes, triplexes, fourplexes, row houses, courtyard housing, low-rise apartments (4 storeys or less).*
- ***Other means all multi-unit housing excluding missing middle and multi-unit housing in close proximity to rapid transit.*

| | Total projected permitted dwelling units without HAF by type of Housing | Total projected permitted dwelling units with HAF by type of housing | Increase in housing type (#) | Base | Top-up funding amount | Total |
|--------------------------------------|---|--|------------------------------|--------------------------------|--------------------------------|--------------------|
| Single Detached Homes | 100 | 125 | 25 | \$200,000 (25 x \$20k/unit) | \$0 | \$500,000 |
| Multi-unit housing (missing middle*) | 50 | 75 | 25 | \$500,000 (25 x \$20K/unit) | \$300,000 (25 x \$12K/unit) | \$800,000 |
| Multi-unit housing (other**) | 75 | 100 | 25 | \$500,000 (25 x \$20,000) | \$175,000 (25 x \$7,000) | \$675,000 |
| Total Units | 225 | 300 | 75 | \$1,200,000 | \$475,000 | \$1,975,000 |

Funding Methodology Continued

- There are four quarter payments, with the first payment proposed for Summer/Fall 2023.
- The release of HAF quarter payments for 2024 and 2025 will be based on an assessment of whether the Municipality is achieving milestones for implementing the initiatives committed to in the Action Plan.
- A housing needs assessment report will be required as part of the documentation for the third quarter.
- Any funds not used to achieve the HAF Initiatives outlined in the Action Plan, can be used by East Hants Council for other initiatives outlined by CMHC.
 - Possible Project Categories:
 - Investments in Housing Accelerator Fund Action Plans
 - Investments in affordable housing (e.g. Construction, repair, land acquisition)
 - Investments in Housing related infrastructure (e.g. water, public transit, capacity building, site preparation)
 - Investments in community related infrastructure that supports housing (e.g. roads, sidewalks, firehalls, landscaping)

HAF Action Plan

- As part of the HAF program application, Municipalities are required to create and submit a HAF Action Plan. The Action Plan has three components:
 1. Must align with program objectives and supported priorities.
 2. Should reflect best practices in urban planning.
 3. Will be included in the contribution agreement.
- CMHC is looking for Municipalities to create seven (7) initiatives for the large and/or urban stream.
- These initiatives can come from the list of initiatives provided in the HAF documentation or East Hants can develop our own initiatives.

HAF Action Plan Continued

- Staff have worked together to determine key initiatives for East Hants that will increase the housing supply.
- Each of these initiatives has to be completed by September of 2026.
- These initiatives are part of the Municipality's current Capital Plan.
- Note that project budgets for each initiative are subject to change.
- HAF Revenue is dependent on the initiatives that are selected by CMHC and on East Hants' ability to complete the initiatives in the timelines outlined by the HAF program.

*Project budgets for each initiative are subject to change.

**HAF Revenue is dependent on the initiatives that are selected by CMHC.

SD - Single Detached = \$20,000 per unit

MM - Missing Middle = \$32,000 per unit

MO - Multi-Other = \$27,00 per unit

Summary of Action Plan Initiatives

| No. | Description of Initiative | Timeline | Units | Budget* | Possible HAF Revenue** |
|--------------|---|-----------------------------------|-----------------------------|-----------------------|------------------------|
| 1 | Building Inspection Services – Hiring a fourth and fifth Building Inspector | October 2023 | 88 (SD) | \$200,000 Per/year | \$1,760,000 |
| 2 | Lantz Wastewater Forcemain Upgrade (Green Road) | April 1, 2023- March 31, 2024 | 377 (210 MM) (167 MO) | \$6,350,000 | \$11,229,000 |
| 3 | Lantz Lagoon Land Purchase for Expansion | July 1, 2023 – December 1, 2024 | | \$350,000 | |
| 4 | Lantz Forcemain Easements (Elmsdale Road to Lagoon) | July 1, 2023 – December 1, 2024 | | \$120,000 | |
| 5 | Lift Station Upgrade, Hwy 277 | April 1, 2024 – March 31, 2025 | 394 (MM) | \$800,000 | \$10,608,000 |
| 6 | Industrial Way Lift Station Project (Ghosn building 2) | May 1, 2023 – March 31, 2024 | 49 (MO) | \$849,200 | \$1,323,000 |
| 7 | Hwy 214 Active Transportation- Phase 4 ((Ghosn building 2)) | July 15, 2023 – December 31, 2023 | | \$1,500,000 | |
| 8 | Lift Station Upgrade - Old Horne Settlement | January 1, 2024 – March 31, 2025 | 34 (MM) | \$550,000 | \$1,088,000 |
| 9 | Elmsdale Hwy 2 Sidewalk Widening and Reconstruction - Phase 1 | April 1, 2024 – March 31, 2025 | 93 (8 MM) (85 MO) | \$1,800,000 | \$2,551,000 |
| 10 | Enfield Hwy 2 Sidewalk Widening and Reconstruction – Phase 2 | April 1, 2024 – March 31, 2025 | | \$2,300,000 | |
| Total | | | 1,035 | \$15,219,20 | \$28,559,000 |

Housing Supply Growth Targets

- Within the HAF Action Plan, East Hants has to provide housing projections as outlined by CMHC.
 - The total number of permitted housing units projected **without** HAF.
 - The total number of permitted housing units projected **with** HAF. This second projection is what is referred to as the “housing supply growth target.”
- The current total number of dwelling should be consistent with the East Hants’ 2021 Census data and our own building permit data. The calculation to find the total number of housing units with HAF is as follows:

housing units with HAF - housing units without HAF = HAF incented units

Housing Supply Growth Targets Continued

Permitted Unit Baseline - Permits from Municipal Permitting System

| | Single Detached | Missing Middle | Multi-Unit Other | Total |
|------------|-----------------|----------------|------------------|-------|
| 2018 | 53 | 87 | 0 | 140 |
| 2019 | 99 | 57 | 0 | 156 |
| 2020 | 101 | 157 | 0 | 258 |
| 2021 | 168 | 155 | 0 | 323 |
| 2022 | 203 | 140 | 0 | 343 |
| Total | 624 | 596 | 0 | 1220 |
| Proportion | 51% | 49% | 0 | 100% |

Housing Accelerator Growth Targets - September 2023 to September 2026

| | Single Detached | Missing Middle | Multi-Unit Other | Total |
|------------|-----------------|----------------|------------------|-------|
| Proportion | 9% | 62% | 29% | 100% |
| Unit Count | 88 | 646 | 301 | 1,035 |

HAF Three Year Comparison of Growth without HAF and with HAF

| | Single Detached | Missing Middle | Multi-Unit Other | Total Units |
|---|-----------------|----------------|------------------|-------------|
| Without HAF | 472 | 452 | 0 | 924 |
| With HAF | 88 | 646 | 301 | 1,035 |
| Total Units to be Constructed by September 2026 | 560 | 1,098 | 301 | 1,959 |

Uncertainty & Capacity

- Staff have built out dwelling unit projections based on known development concepts within East Hants that could take place within the 3 year window.
- Where there is uncertainty in the labour market that may hold up developers intended timelines and the human factor of the Municipalities ability to keep up with processing applications, that total dwelling unit max forecast by the end of the funding time allotment has been reduced by 30% on all dwelling unit counts as a factor of safety to present as realistic projection as possible based on the information available at the time of application.

Alternatives

1. East Hants Council may decide not to approve the HAF application to CMHC. This approach is not recommended as the HAF program provides an opportunity for East Hants to receive sizeable federal funding that can be put towards municipal projects.
2. PAC may propose an alternative initiative for the HAF action plan, in accordance with the CMHC objectives.

Recommendation

- That Housing Accelerator Fund Action Plan is submitted to Canada Mortgage and Housing Corporation and that the CAO is authorized to enter into any contribution agreement.

Recommended Motion

Planning Advisory Committee recommends that Council:

- *Direct the CAO to submit a Housing Accelerator Fund Action Plan that includes the initiatives as generally outlined in Appendix C of this report, along with all additional required documentation to the Canada Mortgage and Housing Corporation as the Municipality's application under the Housing Accelerator Fund program; and*
- *Authorize the CAO to enter into any contribution agreement or amending agreements that may be required should East Hants be approved for funding under the program.*