



Report to: Development Services Committee

Meeting Date: June 10, 2025

SUBJECT: CMHC Housing Accelerator Fund Update

PREPARED BY: Audrey Farias, Project Manager, HAF (ext. 6900)

REVIEWED BY: Giulio Cescato, MCIP, RPP, Director, Planning & Urban Design (ext. 2202)

RECOMMENDATION:

1. That the report dated June 10, 2025 entitled “CMHC Housing Accelerator Fund Update” be received; and
2. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

This report provides an update of the City’s Housing Accelerator Fund (HAF) work plan including an update of the annual report to Canada Mortgage and Housing Corporation (CMHC).

EXECUTIVE SUMMARY:

On June 26, 2024, Markham City Council approved the HAF Work Plan with seven (7) distinct Initiatives. Council also authorized a road map for program implementation going forward. The City has committed to supporting the delivery of 1,640 new housing units using \$58.8 million in HAF funding over the next 3 years, through the creation of partnerships, streamlined policies and improved processes.

Achievement of the City’s HAF targets will support Markham’s housing pledge of 44,000 units by 2031 to the Province that is intended more broadly to increase the supply of housing in Ontario by 1.5 million homes. It will also support Housing Choices: Markham’s Affordable and Rental Housing Strategy and, advance some of its key actions and objectives. The HAF has presented an opportunity for the City to set itself up for future success by prompting the consideration and implementation of partnerships,

policies, tools and improved regulatory processes to advance the City's strategic housing goals.

In Year 1 of the implementation, the City exceeded its commitment by achieving 3,820 net new homes, representing 49.5 percent of the three-year growth target. Through the partnerships alone, the City would provide an estimated 500 units of affordable housing out of an anticipated 1,400 housing units total, a substantial portion of the City's 1,640 HAF funded unit target.

Staff committed to providing semi-annual progress updates to the Development Services Committee (DSC) regarding implementation of the HAF Work Plan. This report provides a detailed update of the progress made by each of the seven initiatives and their related milestones. It also provides an overview of the first annual HAF reporting to CMHC that is a requirement of the contribution agreement.

BACKGROUND:

In February 2022, the Federal Budget announced \$4 billion in funding for the Housing Accelerator Fund (HAF) with the goal of creating at least 100,000 more housing units.

In March 2023, the Canadian Mortgage and Housing Corporation (CMHC) launched the HAF program and application process. Local municipalities with populations of over 10,000 and delegated approval authority for land use planning and development approvals were eligible for the urban stream of funding.

On June 14, 2023, the City of Markham passed a [Council resolution](#) directing staff to submit a Housing Accelerator Fund (HAF) application requesting \$57.1 million in funding for the delivery of 1,900 units through a proposed Action Plan to deliver seven (7) initiatives.

On October 11, 2023, the federal Minister provided a letter to the City advising that the City consider enhancements to its HAF application. On Dec 13, 2023, a [Council resolution](#) was passed responding to the Federal Minister's request directing amendments, which were subsequently incorporated into the City's HAF Action Plan.

On January 25, 2024, the City entered into a contribution agreement with CMHC for \$58.8 million in HAF funding, with the goal of supporting the delivery of 1,640 housing units, including a target of approximately 193 affordable housing units, over the course of the 3-year program, measured by the issuance of building permits.

On June 26, 2024, Council passed a [Council resolution](#) authorizing staff to endorse the Housing Accelerator Fund (HAF) Work Plan, implement the seven (7) Action Plan Initiatives, as committed through the contribution agreement with CMHC, initiate the administrative, financial and procurement processes necessary to facilitate meeting HAF commitments, and report back to the Development Services Committee with an update on the progress of the work plan.

OPTIONS/ DISCUSSION:

The following section provides an overview of the City's progress of the seven initiatives in the HAF Action Plan. In addition, it provides a summary of the first annual reporting on CMHC's Housing Accelerator Fund (HAF) for the period of February 1, 2024 to January 31, 2025.

1. The City's Progress under the HAF Action Plan Commitments

The HAF Work Plan outlined the proposed implementation of the City's Action Plan Initiatives, as well as the target timelines associated with the Initiative milestone commitments in the City's contribution agreement with CMHC. In the contribution agreement, the City committed to a target of 1,640 new housing units by the end of 2026, to be confirmed by building permits issued. The City's seven (7) Initiatives through which these commitments will be delivered are as follows:

Initiative 1: Public Partnerships

Through this initiative, the City agreed to implement a minimum of 2 public partnerships to support affordable and purpose-built housing development. This initiative is being implemented as a Direct Grant Stream, for organizations that have approached the City with projects demonstrating a funding gap due to scaled-up affordability. Staff obtained the authority to negotiate and enter into agreements with government, non-profit, non-profit-private joint ventures and private sector organizations for sites which could obtain building permits by the end of 2026. This Initiative had an estimated budget allocation of \$29 million with additional funding reallocation from Initiative 5 should the Initiative become oversubscribed. If successful, this Initiative has the ability to support the development of considerable affordable and purpose-built housing on these projects. Projects currently being examined would provide an estimated 500 units of affordable housing out of an anticipated 1,400 housing units total, a substantial portion of the City's 1,640 HAF funded unit target. A staff report was presented to Council on December 4, 2024 on the Partnership approach. Staff have been negotiating partnerships over the last few months and are now in the process of executing agreements.

Initiative 2: Additional Residential Units (ARUs) and Incentives Program

This initiative consists of three (3) components. The first component is being jointly led by the Policy, Zoning and Special Projects teams and involves updating the City's Official Plan and Zoning By-laws to implement the Federal Minister's request that builds on the provincial framework for additional residential units (ARUs) (i.e., to legalize four (4) units as-of-right city-wide where zoning permits single detached, semi-detached or row house dwelling units). A statutory public meeting is being targeted for September 2025 to consider the draft Official Plan and Zoning By-law Amendments, followed by a recommendation report to the Development Services Committee in October 2025.

The second component led by Building Standards is focused on preparing community outreach packages to assist and support homeowners interested in constructing ARUs on their properties. These packages will provide design guidance and information on the approvals process. A consultant was retained in November 2024 and is working with Building Standards to prepare three separate ARU guides: secondary suites, coach houses and garden homes, and 3 and 4 unit buildings. These guides are expected to be completed by August 2025.

Finally, the third component consists of an incentive program for ARUs led by the City that will entail a rebate on the building permit fee. Staff are working with Finance to develop the incentive program for ARUs. The program has an estimated budget allocation of \$700,000 which will incentivize approximately 140 applications at a minimum.

Initiative 3: Major Transit Station Areas (MTSAs) - Policy Update

The main focus of this initiative involves the update of official plan and zoning by-law policies to permit buildings of up to four (4) storeys in height on lands that permit residential dwelling units within MTSAs (which are not designated Greenway and are not within the Special Policy Area of MTSA 12 Enterprise BRT Station and MTSA 15 McCowan BRT Station). The boundaries for the MTSAs were delineated by York Region as part of their Official Plan update with input and feedback from local municipal Councils. The York Regional Official Plan was approved by the Province in 2022, with a total of 22 identified MTSAs for the City of Markham. With the removal of planning responsibilities from the Region in July 2024, the MTSA policy framework was absorbed by Markham's Official Plan. A statutory public meeting was held on December 3, 2024 and feedback received from the meeting was incorporated into the draft Official Plan and Zoning By-law Amendments. A staff report was brought to the Development Services Committee on May 13, 2025.

The Development Services Committee supported the proposed Official Plan and Zoning By-law Amendments at the May 13, 2025 meeting, with modifications to the Zoning By-law for two of the MTSAs. The residential established neighbourhood low rise (RES-

ENLR) zones that are presently within MTSA 15 McCowan BRT Station and MTSA 17 Montgomery BRT Station, are currently designated Residential Low Rise under Markham's Official Plan and only permits detached dwellings under the in-force Zoning By-law 2024-19, as amended. Among the concerns raised at the Development Services Committee meeting was the potential for oversized four storey detached dwellings that did not result in additional units being created. The Development Services Committee directed Staff to remove these areas from the as-of-right four storey permissions from the Zoning By-law Amendment. The removal of these two areas from the Zoning By-law Amendment equates to approximately 0.67% of the total geographic area of the 22 MTSA's in the City of Markham.

Initiative 4: Inclusionary Zoning (IZ) in PMTSAs

Through this initiative, the City would implement Inclusionary Zoning in identified Protected Major Transit Station Areas (PMTSAs). The work involves preparing financial models for IZ scenarios, facilitating public engagement workshops, and drafting the IZ Assessment Report for peer review which will inform the proposed Inclusionary Zoning Framework prior to the development of Inclusionary Zoning policies and a zoning by-law for Markham. Staff retained N. Barry Lyon (NBLC) in November 2024 to conduct this work. The work is to be completed by the end of June 2026.

Initiative 5: Incentive Program for Affordable Housing

Through this initiative, the City would develop a Development Charge Rebate Program that would be open to all developers on a first come, first serve basis, who propose affordable housing units in projects that can achieve building permits by the end of 2026, until the initially estimated \$23 million HAF allocation, or residual allocation, should funds be reallocated to Initiative 1, run out. This stream was envisioned to include program parameters with a minimum threshold for affordability, aimed at supporting the viability of current affordable commitments in the City's pipeline. At the time of the writing of this report, Staff are awaiting further updates on potential regulation and policy changes that could impact this program in the short term. Pending confirmation of these changes, the DC Rebate Program parameters will be reviewed, with the aim for a launch later this year.

Initiative 6: Enhance Markham's Electronic Development Application System

This Initiative is focused on updating the City's electronic development application system (ePlan Project Dox) and introducing a new feature with an Automated Zoning Compliance Software Solution to streamline the development process, improve customer service and process residential units more efficiently. The first component of this initiative is to develop planning workflows in the City's development review software, Project Dox. Staff worked with the vendor, Avolve, to develop and configure the heritage permit workflow, the first of three workflows. Avolve has been the vendor for ePLAN

Project Dox since its introduction. The heritage permit workflow was completed in September 2024. Staff are currently working with the vendor to develop the other two workflows for the remaining application types. The workflows are expected to be completed by June 2026.

The second component of this initiative involves an Automated Zoning (AI) Compliance service. The contract award was approved by City Council on October 22, 2024 and Archistar was retained. After completion of the procurement process and signing of agreements, the project officially started in April 2025. Phase 1 of the project is in progress and is expected to be launched by October 2025.

Initiative 7: Parking and Transportation Demand Management (TDM) Standard Update

Through this initiative, the City is establishing parking standards and transportation demand management (TDM) requirements tailored by parking zones. These TDM measures aim to support the updated parking standards for new developments, while promoting sustainable modes of transportation. The new standards will be incorporated into the City's comprehensive Zoning By-law. Staff retained HDR Corporation in November 2024 to carry out the work. Thus far, two stakeholder engagement meetings have been held to gather initial feedback from internal City departments, external public agencies, local municipalities, major employers, and key players in Markham's development industry. Currently, a Draft Best Practices and Parking Needs Assessment Report is under review, comparing parking standards and emerging trends across GTA and beyond. The project is on track and is expected to be completed in December 2026.

Housing Needs Assessment

The Initiatives are supported by an update to the Housing Needs Assessment (HNA), as required by the HAF program, which will identify the City's housing gaps, opportunities and changes that have taken place since the previous assessment in 2019. The City retained SHS Consulting in November 2024 to carry out this study. The HNA update will be conducted in two main parts: the first part will comprise of an analysis of current demographic, economic and housing market conditions and patterns of housing affordability in Markham and a description of the current gaps between housing demand and supply. It will also include an assessment of the economic and demographic forces that will drive future housing demand in Markham, including detailed forecasts of household growth and housing demand to 2051, and an analysis of the potential implications of the gap between projected demand and anticipated supply in the city. The second part will comprise of developing a report outlining additional policy and strategic recommendations that will incorporate goals, actions, outcomes and targets to address the housing needs in Markham. The project is expected to be completed by the end of January 2026.

The status of the City's seven (7) Action Plan Initiatives and the related milestones and timelines can be found in Appendix 1.

2. Reporting to CMHC

As part of the contribution agreement, the City is required to submit the following annual reports to CMHC through a prescribed process from 2024 to 2028 to demonstrate progress of the Action Plan:

- An Attestation Letter,
- A capital projects report,
- A permit data report,
- A progress report on each of the seven initiatives each February from 2025 to 2028; and
- A report on the use of HAF funding.

After submission to CMHC, the City is required to make its progress reports publicly available, no more than one year from the date of submission.

In July 2024, the initial Attestation Letter, confirming our progress to that date as outlined in the contribution agreement, was submitted and approved by CMHC.

In February 2025, the City submitted its first annual report to CMHC. This comprehensive report included:

- An Attestation Letter, signed by the Director of Planning and Urban Design, confirming that all initiatives were progressing as per timelines in the agreement.
- A capital projects report (a mandatory requirement even if the City doesn't have any capital projects to report on),
- A Permit Data report,
- Updates on Action Plan commitments,
- Updates on Initiatives and associated milestones. Refer to Appendix 1 for more details on the status of each initiative and milestone; and
- A report on the use of HAF funding.

The City is on track to meet or exceed its HAF housing supply growth target of 7,715 net new permitted homes between January 2024 and December 2026. In 2024, 3,820 net new homes were permitted, representing 49.5 percent of the three-year growth target achieved within the first year.

The City is also on track to meet or exceed its three sub-targets for housing supply growth related to multi-unit housing in proximity to rapid transit, missing middle multi-

unit housing, and other multi-unit housing. Details of the first Annual HAF Reporting update can be found in Appendix 2.

The use of HAF funding for the first reporting period showed a spending of \$106,820.66 which includes staff salaries and budget spent on initiatives. This amount is approximately 1% of the allocated first installment of \$14.7M. Now that all initiatives are underway, our budget spend for the second reporting year is anticipated to increase.

CMHC validated and approved the City's report in March 2025. Following this, the City received its second tranche of funding of \$14,710,656.25. Hence, the CMHC funding received to date in the first two advances is \$29.4 million, representing 50% of the total \$58.8 million HAF funding. The third advance is conditional on demonstrating progress with the Action Plan, and the fourth advance is conditional on achieving the committed housing targets.

NEXT STEPS

Staff will continue working on the HAF Initiatives to meet the various targeted milestones and will closely monitor the use of funds. Staff will report back to Council in Q4 2025 to provide the next semi-annual update as committed to in the HAF Work Plan report in June 2024.

FINANCIAL CONSIDERATIONS

This report does not have any financial impact to the Operating Budget or Life Cycle Reserve Study.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The HAF Work Plan supports the City's Strategic Plan across all goals as the Action Plan Initiatives have a broad impact across the organization. It facilitates the achievement of safe, sustainable and complete communities and enhances services, and supports people and resourcing needs. Through engagement, it will provide opportunities to create a diverse, thriving and vibrant City. Finally, it supports sound and responsible fiscal management which is crucial to ensuring efficient service delivery and contributes to all

strategic goals. The HAF program will help to implement the goals and actions in the City's Housing Strategy.

BUSINESS UNITS CONSULTED AND AFFECTED:

Key impacted City departments including Financial Services, Building Standards and Engineering were consulted on this report.

RECOMMENDED BY:

Giulio Cescato, MCIP, RPP
Director, Planning & Urban Design

Arvin Prasad, MCIP, RPP
Commissioner, Development Services

ATTACHMENTS:

1. Appendix 1 – Status of HAF Initiatives and Milestones
2. Appendix 2 – First Annual HAF Reporting Update