



Housing Accelerator Fund (HAF) Partnerships Approach Update

Development Services Committee

November 26, 2024

Purpose

- Report-back on the HAF Partnerships approach as directed in the June 26, 2024 HAF Work Plan report
- Outline the implementation approach through Initiative 1, Public Partnerships and Initiative 5, Incentive Program for Affordable Housing
- Recommend the authorities required to finalize partnerships and facilitate achievement of the City's HAF commitments

Background

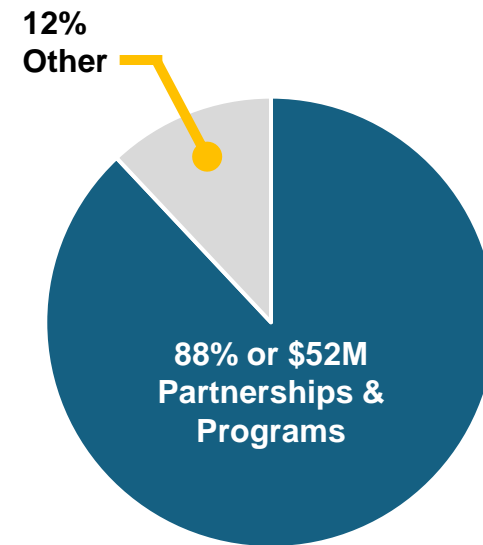
- On June 14, 2023, the City passed a Council resolution authorizing staff to submit a HAF application
- On January 25, 2024, the City's HAF approval was secured through a contribution agreement with CMHC for \$58.8 million to support the delivery of 1640 housing units
- On June 26, 2024, the Council endorsed the HAF Work Plan to implement the 7 Action Plan Initiatives and enable the administrative, financial and procurement processes needed to facilitate meeting HAF commitments



Overview

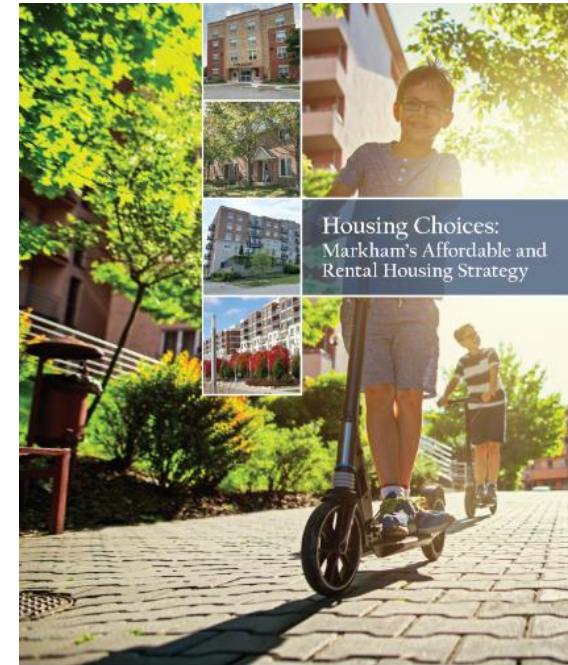
\$58.8M was allocated to the City with a target of 1640 units through the 7 HAF Initiatives - most of the funding is directed to grant partnerships and programs to produce new units

#	Initiative	Target Housing Units
1	Public Partnerships	190
2	Additional Residential Units + Incentive Program	140
3	Major Transit Station Areas Update	700
4	Inclusionary Zoning in Major Transit Station Areas	40
5	Incentive Program for Affordable Housing	300
6	E-Development Application System Update	210
7	Parking + Traffic Demand Standards Update	60



City HAF Goals

- The HAF program is aimed at accelerating overall housing supply – 193 affordable units (as defined in the local municipality) are required
- The City's Housing Strategy includes several actions aimed at increasing housing choices, especially those including affordable and rental housing
- The HAF partnership approach focuses on these housing gaps and meeting overall HAF targets
- HAF will also support the City's Housing Pledge of 44,000 new homes over 10 years, through the More Homes, Built Faster: Ontario's Housing Supply Action Plan 2022–2023



City Pipeline

- There are approximately 100,000 housing units in the City's current application pipeline on lands being readied for development. Some have the potential to include:
 - Affordable rental and ownership
 - Below-market rental and ownership
 - Purpose-built rental
- The delivery of these units across the housing spectrum, from affordable to market condominium, rests upon financial viability and available solutions to support associated financial gaps

Partnership Approach

The following illustrates the implementation approach for the two HAF partnership Initiatives



**HAF
Partnerships
& Incentives**
~\$52M



**Direct Grant
Stream ~\$29M**

(Initiative 1)
Criteria Based



**DC Rebate
Program ~\$23M**

(Initiative 5)
Direct Eligibility

Direct Grant Stream Initiative 1

- Outreach to the City occurred on HAF funding to help scale-up affordability
- Aim to accelerate development using HAF grants to support funding gaps on a site-by-site basis
- Affordability to be secured long-term due to organizational capacity
- Supports Housing Strategy actions #10, #12 and #17



Site Opportunities

- Up to 7 initial site opportunities are tracking to meet HAF timelines by achieving building permits by end of 2026
- These sites propose to deliver ~ **1430** housing units, including up to **890** affordable or below market units as follows:
 - ~500 affordable rental units for low-to moderate households
 - ~390 units of below market, purpose-built rental units
- The opportunities would substantially support the 1640 HAF funded unit target and exceed the 193 affordable housing target, if successful

Criteria

A set of criteria was developed to review opportunities based on HAF requirements and the City's Housing Strategy, informed by the 2019 Housing Needs Assessment

HAF

Development Ready

- Sites to obtain building permits by end of 2026 per HAF commitments

Developer Type & Need

- Public, non-profit, non-profit-private, private sector groups that support Housing Strategy

Scaled-up Affordability

- High percentage, depth, and length of affordability to meet Housing Needs

City Goals

- Support other government programs, sustainability, accessibility and DEI goals



Housing Strategy

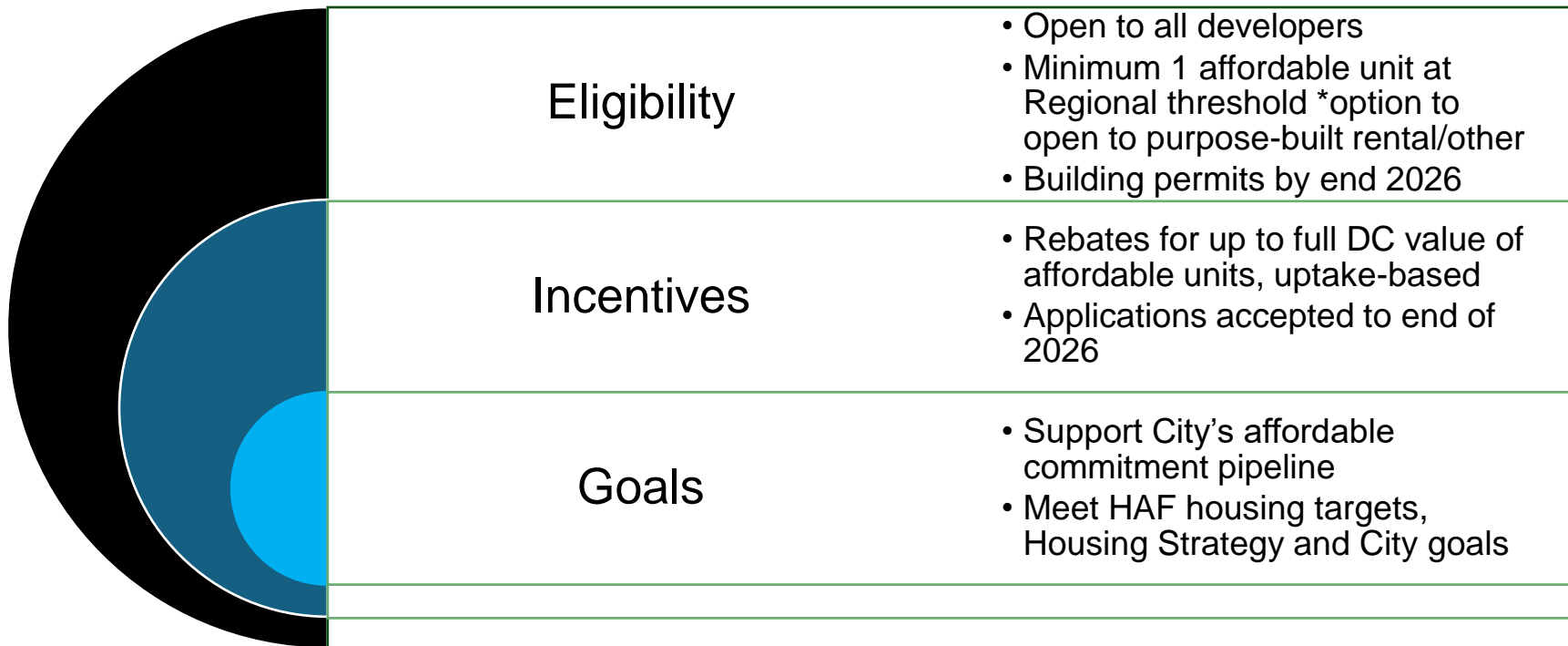
DC Rebate Program

Initiative 5

- York Region affordability threshold is higher than Provincial DC exemption threshold, but still requires payment of DCs
- Aim for HAF grants to rebate up to full DC value of affordable units achieving permits by the end of 2026 or until allocation is spent
- Supports affordable commitments in the City pipeline and Housing Strategy actions #12, #14 and #16



Program Parameters



Risk Mitigation & Additional Goals

- The partnerships approach aims to achieve HAF and Housing Strategy goals by building in flexibility on opportunity sites and program parameters
- The CMHC contribution agreement allows for HAF funding reallocation across all 7 Initiatives and additional areas, if needed, over the 3-year HAF program (a minimum of 7 initiatives must be actioned, however)
- The City is also investigating additional housing solutions in parallel with the HAF, including the potential to implement DC deferrals and accept surety bonds
- The Inclusionary Zoning tool is being initiated through HAF Initiative 4

Key Recommendations

- That Council authorize the Director of Planning and Urban Design, in consultation with the Treasurer and the City Solicitor, to negotiate and finalize agreements through the Direct Grant Stream with organizations included in, but not limited to, the confidential memorandum, in accordance with the Direct Grant Stream Criteria
- That Council authorize the Director of Planning and Urban Design, in consultation with the Treasurer and City Solicitor, to finalize agreements for grants through the DC Rebate Program with all developers that can deliver units in accordance with the DC Rebate Program Parameters



Next Steps

- Proceed with negotiating and finalizing Direct Grant Stream partnerships based on terms allowing for the delivery of HAF commitments within program timelines
- Develop and launch the DC Rebate Program to deliver on HAF commitments
- Report-back on results of the partnership stream negotiations through the bi-annual reporting directed by Council in the June 26, 2024 HAF Work Plan report



Thank you