



Meeting Date: February 12, 2025

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Submitted by:

Report No: CAO-7-2025

Subject: CMHC Housing Accelerator Fund

Recommendation:

THAT Report CAO-7-2025, re: CMHC Housing Accelerator Fund be received;

AND THAT staff be directed to carry forward with the Action Plan and initiatives outlined in this report, including working collaboratively with the County and other area municipalities and report back to council on status updates.

Purpose:

The purpose of this report is to provide an overview of the Municipality's Housing Accelerator Fund (HAF) program Action Plan, as approved by the Canadian Mortgage and Housing Corporation (CMHC) and to highlight the details required to implement the Action Plan as per the commitments in the required HAF timeframe.

Background:

The Housing Accelerator Fund (HAF) is a \$4-billion dollar federal fund intended to drive transformational change within the sphere of control of local government regarding land use planning and development approvals. The Fund's objective is to accelerate the supply of housing across Canada, resulting in at least 100,000 more housing units permitted than would not have occurred without the program.

The Canadian Mortgage and Housing Corporation (CMHC) announced the second round of applications for the Housing Accelerator Fund program. With the assistance of Middlesex County staff, Middlesex Centre submitted an application to the first intake in 2023, and despite putting forward a strong application, the application was unsuccessful. Council received Report PLA-45-2024 providing an overview of a second application based on another round of funding and confirmation has been received that the submission has been approved. A link to the CMHC website confirming the funding can be found here: [Helping build more homes, faster in Ontario | CMHC](#)

Analysis:

The Municipality entered into a contribution agreement with CMHC on December 23, 2024, outlining the terms and conditions for the approved Action Plan and housing targets, required for the Municipality to obtain \$4,246,800.48 million through the HAF program. CMHC will provide the funding in four equal advances of \$1,061,700 million each, the first of which will be received by March 31, 2025. The second and third advances are conditional on demonstrating progress with the Action Plan, and the fourth advance is conditional on achieving the committed housing targets.

Initiatives highlighted in HAF Application

The funding is conditional on the Municipality completing certain initiatives – the initiatives highlighted in the Action Plan are identified below:

End Exclusionary Zoning

This initiative involves zoning changes to permit up to 4 residential units on a lot within fully serviced areas, and 3 units on a lot in agricultural areas. Staff note that the *Planning Act* currently permits 3 units as-of-right on a lot in fully serviced settlement areas, and the new PPS 2024 also includes policies supporting up to 3 units in agricultural areas.

Eliminate Restrictions and Add Flexibility

This initiative involves exploring other zoning changes and/or policy changes to facilitate the construction of more housing and overall reduce barriers to the construction of complete communities.

Design and Implementation Guidelines for Additional Residential Units (ARU)

This initiative involves the creation of an ARU Toolkit, to help facilitate the construction of additional residential units. As a reminder, ARUs are self-contained dwelling unit with kitchen and bathroom facilities, located either within/attached an existing residence or in a detached structure.

Affordable Housing Community Improvement Plan/Other Grant Programs to Encourage Diverse Housing Types

This initiative involves the creation of an Affordable Housing Community Improvement Plan (CIP) to provide additional incentives to support the creation of affordable and climate resilient housing, as well as exploration of other grant programs to support various housing types, innovative construction techniques, and conversion of non-residential buildings to residential uses.

Increase Process Efficiency through E-permitting and Other Digital Tools

This initiative involves expanding our use of the Cloud Permit system to include all planning applications (Official Plan Amendments and Plans of Subdivision), as well as exploring other tools to monitor and report on application processing times, and other growth management data. Staff will review the delegation of authority associated with development processes, and will explore other technologies, including artificial intelligence, process automation, and other technologies to streamline the approvals process.

Prioritized/Enhanced Development Approvals Process for Rental and Affordable Housing

This initiative aims to streamline the approval of rental and affordable housing projects to reduce the time, cost, and complexity associated with bringing these critical housing types to market. This will include establishing a dedicated review pathway and dedicated municipality project manager/concierge to minimize delays and facilitate faster project completion.

Middlesex Centre HAF Action Plan

The Council supported Action Plan, submitted through the HAF application, includes seven initiatives that together, have the goal of accelerating housing supply by facilitating additional building-permit approvals in the short-term while also implementing policy and other changes that will support longer term housing objectives. Many of the Action Plan initiatives are focused on planning policy which will aid in new housing, and this work will be completed by staff in coordination with the county. Completing the initiatives will require significant municipal staff time and resources, and staff may also use a portion of the HAF funds to attain outside assistance, where necessary. Staff will also look to coordinate efforts among local municipalities with the county for consistency, where possible.

The contribution agreement references Middlesex Centre's projected growth target which includes a commitment to facilitate 645 housing units through HAF funding over the next four year period.

The Municipality must provide CMHC with progress reports on the Action Plan status and the number of building permits issued, as CMHC reserves the right to reduce or withhold an advance if they determine that the Municipality is not in compliance with the funding conditions. As such, staff have prepared a workplan that will facilitate the implementation of the Action Plan to ensure that the conditions are fulfilled within the reporting period.

Financial Implications:

The HAF Agreement is for a total value of \$4,246,800.48 million over a four-year period based on fulfilling the conditions identified in the Action Plan as per above.

Strategic Plan:

This matter aligns with following strategic priorities:

- Balanced Growth

The HAF is incentivizing local governments to do what they can to get more housing built. Middlesex Centre has consistently been one of the faster growing communities in Southwestern Ontario; however, this funding will enable more diversified housing in our Municipality and the infrastructure required to support sustainable growth.

Attachments:

N/A