



City of  
**Peterborough**

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**To:** Members of the General Committee

**From:** Michael Papadacos, Acting Commissioner of Infrastructure and Planning Services

**Meeting Date:** June 19, 2023

**Subject:** Housing Accelerator Fund, Report IPSPL23-021

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## **Purpose**

A report to seek approval-in-principle of Housing Accelerator Fund (HAF) initiatives to be included in the City's HAF Action Plan and application submission, and to authorize staff to administer all aspects of a Housing Accelerator Fund application and Action Plan including any necessary amendments and attestations, and to authorize the execution of any necessary agreements, should the City's application be successful.

## **Recommendations**

That Council approve the recommendations outlined in Report IPSPL23-021, dated June 19, 2023 of the Acting Commissioner of Infrastructure and Planning Services as follows:

- a) That staff be directed to submit a Housing Accelerator Fund application to the Canada Mortgage and Housing Corporation;
- b) That Council approve the initiatives proposed to be included in the Housing Accelerator Fund Action Plan as outlined in Report IPSPL23-021 in principle;
- c) That the Chief Administrative Officer, in consultation with the Treasurer, be authorized to approve the Action Plan, including the refinement of the proposed initiatives, in support of the City's application for the Housing Accelerator Fund prior to finalizing the application to the Canada Mortgage and Housing Corporation;

- d) That the Treasurer be authorized to sign the integrity declaration and attestation letter in support of the City's submission to Housing Accelerator Fund; and
- e) That the Mayor and Clerk be authorized to execute all documents to effect a transfer to the City of the Housing Accelerator Fund on terms acceptable to the Commissioner of Corporate and Legislative Services and in forms acceptable to the City Solicitor.

## **Budget and Financial Implications**

Some of the initiatives identified in this report are already budgeted and ongoing. Implementing some of the new initiatives will incur costs for the municipality. Further, significant staff resources are needed to complete the initiatives set out in the proposed Action Plan.

It is the intent that the costs associated with any new initiatives will be funded through the Housing Accelerator Fund incentive program if the City is successful. If not successful, these initiatives will be postponed until such time as they are funded through future capital funding approvals over a longer term. If the City is selected as a successful candidate of the Housing Accelerator Fund, it is estimated that the City is eligible to receive over \$20 million in funding based on preliminary housing forecasts.

## **Background**

Provincial and federal direction to accelerate development approvals and housing starts is evidenced by multiple grant programs aimed to achieve systemic change within the municipal approvals process.

The Provincial Audit and Accountability Fund provided a 100% grant to complete the Development Approvals Review, whereby the City retained a consultant to conduct a high-level operational analysis of the City's development review functions and make recommendations to assist the City in streamlining service delivery and identifying resource effectiveness/needs. These recommendations were summarized in a final report, Development Approval Process Review, October 2021, which detailed actionable recommendations and timelines for implementation. Many of the recommendations have been implemented, some of which are being funded by the Streamline Development Approvals Fund.

As detailed in Report CLSFS22-004 dated January 31, 2022, the Provincial Ministry of Municipal Affairs and Housing announced the Streamline Development Approval Fund. Between January 19, 2022 and November 1, 2023, the City is eligible to receive up to \$1,750,000 in grant funding to support initiatives that drive development approvals. The City has been working on a number of initiatives including:

- Amanda Portal Project;

- Plan-Build Peterborough;
- Planning fees review;
- Development engineering guidelines and standard operating procedures;
- Engineering design standards and construction specifications;
- Terms of reference for various required technical studies and reports;
- Urban forestry guidelines;
- Urban design guidelines for Strategic Growth Areas, including the Central Area and Mixed-Use Corridors;
- Parking standards for residential land uses and cash-in-lieu of parking policy review;
- Background and Feasibility study for Community (Development) Planning Permit System;
- Website review and improvement for development approvals process related information; and,
- Retention of temporary staff and peer review consultants to clear application backlog.

### **Housing Accelerator Fund**

On March 17, 2023 the Government of Canada announced the Housing Accelerator Fund (HAF). The HAF is a \$4 billion initiative funded by the Government of Canada and administered by the Canada Mortgage and Housing Corporation (CMHC).

The HAF is intended to drive transformational change in municipal policies and procedures and create supportive conditions for more housing supply over the short and longer term. Through the HAF programs, municipalities are to commit to change, show progress and be provided with funding in return. The key objectives of the HAF program are to accelerate and increase the supply of housing and provide greater certainty in the development approvals process, and to support the development of the following:

- Complete communities that are walkable, consisting of appropriate residential density and a diverse mix of land uses, providing access to a wide variety of amenities and services through public and active transportation;
- Affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum; and,
- Low-carbon and climate-resilient communities.

The HAF program is intended for local governments across Canada that have delegated authority over land use planning and development approvals. It is expected to result in permits being issued to create an additional 100,000 more housing units across the country over a three-year period to 2026.

Municipalities are required to submit an application to the CMHC for consideration of the HAF program. The City of Peterborough is eligible to apply for the HAF program under

the Large/Urban application intake stream, which includes municipalities with a population of 10,000 or more. The City must provide the following information to meet the minimum requirements of the HAF application:

- An Action Plan, identifying at least seven (7) new municipal initiatives that will increase housing supply and speed up housing approvals (CMHC will consider initiatives that started after April 7, 2022);
- A commitment to a housing supply growth target that increases the annual city-wide housing rate of growth by at least 10% and achieves an annual growth rate of at least 1.1%; and,
- A new or updated housing needs assessment report (by 2025).

Applications will be accepted within a 45-day window in the summer of 2023. There is only one planned intake window for applications and CMHC has not announced a specific date for when applications will be accepted.

CMHC is advising applicants to prepare their application now, including the mandatory Action Plan and to obtain the necessary approvals, to be prepared to submit an application in advance of the application portal opening. CMHC requires that all Action Plans be approved by an elected Council or equivalent, including delegated authority, and must include an attestation of the Chief Financial Officer or equivalent on the viability of the Action Plan. Due to the short application intake window and stringent requirements of the HAF program, it is recommended that the Chief Administrative Officer be delegated the approval authority of the final Action Plan. The delegation of this approval authority will enable the City to make any necessary changes to improve the City's candidacy for the HAF program and scoring evaluation.

### **Funding Details**

The grant will be based on the incremental housing units resulting from the HAF initiatives. The estimated funding per HAF-incented unit could be between \$20,000-\$51,000 as outlined in Table 1. Each HAF-incented unit is eligible for \$20,000 as a baseline. Additional top-up funding is provided for missing middle housing and high-rise, multi-unit housing and an affordable housing bonus is also provided for any increased share in affordable housing units. CMHC have indicated all per-unit amounts may be adjusted to help ensure higher than anticipated housing supply outcomes across Canada within the overall program funding.

**Table 1: Estimated Funding per Incented Unit**

<b>Housing Type</b>	<b>Description</b>	<b>HAF-incented Market Unit (\$/unit)</b>	<b>HAF-incented Affordable Unit (\$/unit)</b>
Single detached home	A building containing 1 dwelling unit, which is completely separated on all sides from any other dwelling or structure	\$20k	\$39k
Multi-unit housing (proximity to rapid transit)	Any form of multi-unit housing in close proximity (1,500m) to rapid transit – this housing type is not applicable within the City of Peterborough	n/a	n/a
Multi-unit housing (missing middle)	Ground-oriented housing types that exist between single-detached and mid-rise apartments. E.g., garden suites, secondary suites, duplexes, triplexes, fourplexes, row houses, courtyard housing, low-rise apartments (less than 4 storeys)	\$32k	\$51k
Multi-unit housing (other)	All multi-unit housing excluding missing middle and multi-unit housing in close proximity to rapid transit	\$27k	\$46k

Staff estimate that the initiatives identified in the Action Plan will be in accordance with the minimum housing supply growth targets of the HAF program and will generate an additional 600 residential dwelling units beyond regular growth levels by 2026. It is noted that the results of the initiatives and overall increase in housing supply are also contingent upon factors outside of the control of the City, such as private sector interest/uptake and labour and market conditions.

For clarity, HAF is not directly underwriting specific housing projects or reimbursing proponents for specific costs incurred. Rather, HAF funding can be used to support housing under any of the following four categories:

- Investments in HAF Action Plans (e.g., any initiative in the applicant's Action Plan approved by CMHC);
- Investments in Affordable Housing (e.g., construction, repairs, land/building acquisition, incentives);
- Investments in Housing-related Infrastructure (e.g., wastewater infrastructure, public transit, flood mitigation and brownfield redevelopment that all supports housing); and,
- Investments in Community-related Infrastructure that supports housing (e.g., fire halls, roads, sidewalks, bicycle lanes and parks).

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## **City of Peterborough Proposed Action Plan and Initiatives**

With a focus on improving the supply of housing, the City is committed to streamlining its development approvals process and has initiated a set of actions utilizing the provincial Streamline Development Approvals Fund. Many of these initiatives commenced in early 2022. The HAF program has the potential to support the City's ongoing efforts by layering federal financial support onto the provincial program to assist and further the City's efforts to create housing at an accelerated pace and to enhance certainty in the approvals and building process.

The HAF reference material suggests that CMHC is willing to consider eligible initiatives that started after the 2022 federal budget (April 7, 2022) in cases where the City may be challenged to meet the prescribed minimum number of initiatives. Given the time constraints of the provincial Streamline Development Approvals Fund, some of the initiatives being completed under that funding with longer-term objectives may not be completed by Fall, 2023. The HAF would support the City to expand these initiatives and their related timeframes in order to support longer-term implementation.

CMHC requires that the City indicate how each initiative will increase the supply of housing, their associated timelines and any other expected results. The following list of initiatives are proposed by Staff to be included in the Action Plan and is summarized as follows:

### **1. Community Planning Permit System/Comprehensive Zoning By-law Review Initiative**

Establish as-of-right zoning and site plan permission that promotes intensification within strategic growth areas in accordance with the Official Plan to reduce the need for rezoning along intensification corridors and within the City's Central Area. Implement changes in the decision-making process to empower municipal staff to make development decisions in accordance with established thresholds or parameters via a comprehensive permitting process to significantly streamline the development approvals process while ensuring that thresholds or parameters as set out in policy are upheld. Modernize zoning regulations outside strategic growth areas to implement the new Official Plan and provide greater flexibility for intensification and mixing of land uses to create complete, walkable communities.

### **2. Revise Parking Requirements and Updating Cash-in-lieu of Parking Policies Initiative**

Implement alternative provisions that will have the effect of reducing or eliminating on-site parking requirements in strategic locations within the city to enable greater densities and reduced costs for new development.

### **3. City Land and Development Policy Initiative**

Establish a corporate policy for a clear and transparent process, to maximize the best use, sale or disposition of municipally-owned land while promoting mixed-use development on municipally-owned lands, including the development of affordable housing.

#### **4. Public/Private Partnership Policy Initiative**

Establish a corporate policy to provide a consistent framework and selection criteria when evaluating and undertaking a Public-Private Partnership to facilitate the procurement and financing of City projects, including affordable housing, infrastructure and public service facilities.

#### **5. Modular/Pre-Fabricated Buildings Initiative**

Encourage alternative forms of housing construction by creating a separate application stream and approval process for Building Permits of modular, manufactured, and prefabricated housing.

#### **6. Additional Residential Units Initiative**

Encourage the creation of second and third dwelling units on the same property as a primary unit with updated zoning provisions, reduced parking requirements, potential for financial incentives (grants and/or interest -free loans to homeowners) and guidelines to assist homeowners to navigate the approvals process as well as Ontario Building Code and Ontario Fire Code requirements.

#### **7. Municipal Infrastructure Needs for Strategic Growth Areas Initiative**

Investigate the municipal infrastructure needs for strategic growth areas to support the growth management policies and targets of the Official Plan.

#### **8. Amanda Portal Roll-Out and Plan-Build Peterborough Initiative**

Continue with the implementation of an on-line development approval application process, resulting in a more efficient application process for building permit applications, planning development applications and engineering approval applications and provide accessible and in-person technical-administrative support to clients looking to make applications and move through the approvals process.

#### **9. Secondary Plans Initiative**

Undertake updated infrastructure and land use planning studies to establish a servicing strategy and secondary land use plan for the Chemong West and Coldsprings Planning areas to support long-term residential, employment and mixed-use growth.

#### **10. Strategic Downtown Parking Strategy Initiative**

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Update and expand the City's strategic downtown parking management strategy to consider the Central Area and explore options to establish a capital plan for constructing new downtown parking facilities, including preliminary design and location to support short and long-term Central Area growth.

## Summary

Through the Provincial Audit and Accountability Fund and Streamline Development Approval Fund, the City has already completed a number of initiatives to implement significant changes to the development approvals process with several other initiatives still underway. Many of the initiatives in the City's proposed Action Plan are a logical and complementary extension of the projects proceeding under provincial programs.

The HAF program is intended to drive transformational change and create the conditions for more housing supply over the short and longer term. The City's proposed Action Plan is intended to include a mix and range of initiatives in terms of the timeliness of their implementation and their overall impact to housing supply and streamlining the development approvals process. Some initiatives will result in immediate increases in housing supply while the full potential of other initiatives will be realized over the long term beyond the timeframe of the HAF program.

Submitted by,

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