

REPORT TO: Mayor and Members of Council Choose an item.

PREPARED BY: Carolyn Tripp, Chief Administrative Officer

DEPARTMENT: Administration & Finance

MEETING DATE: September 4, 2024

SUBJECT: Housing Accelerator Fund Round 2 Application

PROPOSED MOTION

THAT Council accepts this report and directs staff to proceed with an application to the Housing Accelerator Fund Round 2.

STAFF RECOMMENDATION

That Council directs staff to proceed with an application to the Housing Accelerator Fund Round 2 for funding for the improvements to the William Street Pumping Station in Ailsa Craig, and initial funding for the new Wastewater Treatment Plant in Parkhill.

EXECUTIVE SUMMARY

The Small/Rural/North/Indigenous Stream of the Housing Accelerator Fund provides incentive funding to local governments. The funding is meant to remove barriers and support the development of affordable, inclusive, equitable and climate-resilient communities.

The Housing Accelerator Fund is an application-based program that has opened a second application window in 2024. The program was introduced in the 2022 Federal Budget with a funding allocation of \$4 billion until 2026-27.

The program aims to bring about significant change in local government's control over land use planning and development approvals. The objective of the Fund is to speed up the housing supply in Canada, resulting in at least 100,000 additional permitted housing units compared to without the program. The goal is to support lasting changes that will improve the housing supply for years to come.

LINK TO STRATEGIC PRIORITIES

Prosper: To Support Economic Strength, Foster Entrepreneurship And Attract Investment By Strengthening The Municipality's Long-Term Finances

BACKGROUND

On July 19th, 2023, Council received an update on the current status of the William Street Pumping Station. Dillion Consulting was appointed to complete a detailed design. The Municipality recently finalized a sanitary sewer capacity review for the towns of Ailsa Craig and Nairn. The purpose of the engineering review was to evaluate the overall impact of planned development applications on the existing sanitary system and to identify any necessary upgrades to accommodate the proposed developments.

In addition, on July 19th, 2023, Council received updates on the Parkhill sewage lagoon system and its current wastewater treatment capacity limitations, development projects in the Town of Parkhill, and the future Wastewater Treatment Plant (WWTP) project. The report outlined that the Municipality would require additional funding to address the costs associated with the capacity limitations. One option that was outlined was to continue to seek grant opportunities from the Provincial and Federal Governments.

DISCUSSION

The Housing Accelerator Fund (HAF) Round 2 is intended to drive transformational change within the sphere of control of the local government regarding land use planning and development approvals with the overall objective of “accelerating the supply” of housing. To this end, all applications must be supported by a mandatory action plan, including initiatives, which will outline how the applicant can achieve a committed housing supply growth target. The deadline for applications is September 13, 2024.

The Municipality applied for the first round of the HAF in August 2023 and submitted five (5) initiatives in support of the application. CMHC has since identified 10 Housing Accelerator Fund Best Practices in which municipalities are able to choose their initiatives from. A minimum of five (5) initiatives are required under the action plan with most not having started before the budget announcement on April 16, 2024. These initiatives are funded through the HAF grant. The initiatives selected by staff that most closely align with the goals/objectives of this Municipality are:

- **Ending Exclusionary Zoning;**

This initiative stops low-density zoning that excludes housing types, such as affordable and social housing, and which limits the variety of housing types in residential areas. Further, this initiative encourages mixed-use and higher-density development by

allowing as-of-right zoning in certain areas in the Municipality. This initiative would also allow 4 units as-of-right within the Municipality's fully serviced settlement areas.

- **Create a process for the disposal of city-owned land assets for the development of affordable housing as-of-right - Re-development of Municipally owned lands for affordable housing;**

The Municipality will conduct a review of publicly owned lands within the municipality to determine residential development potential. This review will include a feasibility analysis and process review for the disposal of publicly owned lands and assets for the development of affordable housing. Any lands identified through the review would be inventoried with appropriate information for prospective developers and/or municipal partners.

- **Reduce or Eliminate Parking Standards**

This initiative is designed to modernize the Municipality's residential parking regulations to remove potential barriers to residential development. To ensure the Municipality's parking regulations align with best practices, this initiative will draw on the findings of a jurisdictional scan of zoning by-laws as well as planning reform and regulatory frameworks being advanced by other leading municipalities.

- **Eliminate Restrictions; and**

This initiative is designed to make it easier to build more housing types and encourage mixed-use development at greater densities by reviewing the regulatory framework relating to height, setbacks, and floor area. This initiative targets a review of the policies in the Municipality's Official Plan to facilitate adaptive reuse through the conversion of vacant and underutilized commercial properties to mixed-use residential as well as a review of the Municipality's Zoning By-law relating to height, setbacks, and floor area for certain land uses. Additionally, staff will undertake a feasibility analysis to investigate the possibility of incorporating a form-based zoning approach within the Municipality's settlement areas as a tool to encourage more housing, mixed-use development and ultimately fostering the development of a more complete community.

- **Develop affordable housing community improvement plans.**

The Municipality will amend the existing to diversify the incentives available specifically related to housing. This initiative will create incentives that are available to a range of housing types on the housing continuum, in particular transitional housing, supportive housing and cooperative housing, with priority being placed on locations within existing

settlement areas that can utilize existing infrastructure and are in close proximity to services and amenities.

HAF is driving transformational change and creating conditions for more housing supply over the short and longer term. HAF is not directly underwriting specific housing projects or reimbursing applicants for specific costs incurred. Rather, HAF funding can be used in support of housing under any of the following four (4) categories.

- Investments in Housing Accelerator Action Plan Initiatives;
- Investments in Affordable Housing;
- Investments in Housing-related Infrastructure; and
- Investments in Community-related Infrastructure that supports housing.

Under the category “Investments in Housing-related Infrastructure” - Wastewater infrastructure that supports housing is included. To that end, there are three (3) capital projects that the HAF funding could potentially fund:

- First, upgrades to the William Street Pumping Station in Ailsa. This upgrade will open significant capacity for future developments including the current Ausable Bluffs and Janic developments which includes 250 single detached homes and over 95 multiple residential units.
- Third, the first phase of the new Wastewater Treatment Plant for Parkhill will provide a rated capacity of 1,150 m³/day. The new facility is designed with provisions to facilitate a future expansion up to a rated capacity of 2,300 m³/day. The current cost estimate for the new WWTP is \$ \$32.1 million. The HAF would assist with the cost of the new facility together with other funding sources and development charges to cover the remainder of the cost. This new facility will service Parkhill for many years to come.

FINANCIAL

The cost of the Housing Accelerator Action Plan Initiatives is estimated at approximately \$100,000 which is a fully funded cost, if approved. In addition, the HAF fund would provide an estimated \$5,153,380 in funding for the wastewater projects in Alsia Craig and Parkhill, if approved.

ATTACHMENT

None.

Prepared By: Carolyn Tripp, Chief Administrative Officer