

To: COUNCIL
Meeting Date: 12/19/2023
Subject: 23-322-CD - CMHC Housing Accelerator Fund Application
Submitted By: Sylvia Rafalski-Misch, Manager of Development Planning
Prepared By: Laura Dewar, Supervisor of Development Planning
Report No.: 23-359-CD
File No.: N/A
Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 23-359-CD – Addendum to 23-322-CD - CMHC Housing Accelerator Fund Application be received;

AND FURTHER THAT Cambridge Council endorse the letter to the Minister of Housing, Infrastructure and Communities of Canada contained in Appendix A, as an Addendum to the City’s current Housing Accelerator Fund (HAF) Application to the Canada Mortgage and Housing Corporation (CMHC).

EXECUTIVE SUMMARY:

Purpose

City staff are seeking Council endorsement of the letter contained in Appendix A to this report. The letter outlines “enhancements” to the City’s current Housing Accelerator Fund application, which is still under consideration by the Canada Mortgage and Housing Corporation (CMHC).

Key Findings

Council endorsement of the HAF application “enhancements” as outlined in the Analysis Section of this report will increase the chance of the City being selected to participate in the HAF program. Upwards of 600 new dwelling units would be created over 4 years with the HAF Funding.

Financial Implications

If selected to participate in the HAF program, the City would be eligible for up to \$21,000,000 in federal grant monies. Staff estimate the cost to carry out the proposed

Action Plan in the original application with the enhancements contained in the Analysis Section is approximately \$11,000,000.

STRATEGIC ALIGNMENT:

Strategic Action

Objective(s): PLANNING FOR GROWTH - Provide for a mix of development, uses and amenities in order to meet the needs of a changing and diverse population

Strategic Action: Increase housing options

Background

In August 2023, Development Planning Staff submitted a Housing Accelerator Fund (HAF) application to Canada Mortgage and Housing Corporation (CMHC) on behalf of the City of Cambridge. In preparation for potential selection to participate in the (HAF) Program, staff sought Council's endorsement of the Application through Report 23-233-CD contained in Appendix B.

Analysis

CMHC contacted staff in early December to advise that Cambridge would be considered further for participation in the HAF Program where "enhancements" are made to better align the City's application with those of other municipalities already selected to participate in the HAF Program, such as London, Hamilton and Kitchener.

CMHC has provided the following **ten (10) best practices** from successful municipalities to guide these enhancements:

1. End exclusionary zoning

- Stop low-density zoning and regulation that excludes housing types such as affordable and social housing in residential areas.
- Encourage high density by allowing mixed-use development and high-density residential as-of-right within proximity to urban cores and transit corridors.
- This includes adopting by-laws to adopt more as-of-right zoning measures, from the number of units to storeys.

2. Make municipally owned lands available for housing through strategies such as disposition, acquisition and/or pre-development.

3. Increase process efficiency by implementing new technologies or software to speed up development approvals, such as e-permitting.

4. **Prioritized/enhanced development approval process** for rental and affordable housing.
5. **Comprehensive review of development charges and fee schedules** including waivers, with a focus on permits associated with affordable housing.
6. **Reduce or eliminate parking standards** to increase project viability, density and reduce carbon footprint.
7. **Eliminate restrictions** related to height, setbacks, building floor area and others to allow a greater variety in housing types, including accessory dwelling units.
8. **Develop affordable housing community improvement plans** or strategies/plans for the rapid deployment of affordable housing.
9. **Design and implement guidelines** or pre-approved building plans for missing middle housing or specific accessory dwelling unit types such as laneway housing or garden suites.
10. **Develop grant programs** encouraging the development of housing types that align with the Housing Accelerator Fund such as missing middle, row homes, purpose-built rental and/or that promote new/innovative construction techniques (modular, pre-fab, mass timber construction, etc.).

Although staff believe our current HAF application is in significant alignment with these best practices, the following application enhancements are submitted for CMHC consideration:

1. **Further Relax Zoning Regulations** (Aligns with best practices #1, 6 and 7):
 - a. Advance a statutory process to remove density regulations and replace with form based zoning.
2. **Enhance Affordable Housing Development Opportunities** (Aligns with best practices #2, 4, 8, and 10):
 - a. Include the following two (2) city owned properties for potential development of Affordable Housing to the list proposed for Rezoning and RFP Process:
 - 0 Bishop Street North (southeast of intersection of Conestoga Boulevard and Bishop Street North – east of Cambridge Centre Mall)

- 0 Grand Ridge Drive (southwest of the intersection of Cedar Street and Grand Bridge Street)
 - b. Update the City's Policy on city owned lands including developing a defined strategy for accelerating disposal of surplus city owned lands and public-private partnerships for affordable housing projects
 - c. Update the existing Affordable Housing CIP, which offers waiver or return of application fees, tax increment grants & other grants across the entire city.
 - d. Prepare an Affordable Housing Agreement Template to be entered into by the City, Region and developer to secure the long term provision of an affordable housing development with a standardized approach. This tool will allow for the rapid issuance of approvals and financial incentives for these types of housing developments.
 - e. Update the existing collection and distribution procedures for the Affordable Housing Reserve Fund (AHRF). This will increase the amount collected in the fund, clarify how and when the funds are distributed/accessed, and clarify how the Fund will be integrated with other city processes and programs.
3. **Enhance Streamlining of Approvals** (Aligns with best practices #3 and 4):
- a. Bring Consent Applications to Council when combined with an Official Plan Amendment and/or Zoning By-law Amendment to avoid separate consideration by Committee of Adjustment and Council
 - b. Move to all planning application types submitted through the Online Application Portal – currently Committee of Adjustment of Applications, Lifting of Holding and Part Lot Control Exemptions, and Sign Variance and Fence Variance Applications are not able to be submitted through the Portal.
4. **Introduce Stagnant Lands Strategy** (Aligns with best practice #4):
- a. The strategy will involve: a) outreach to landowners of approved developments, which have seen no activity in 2 years and b) work to resolve roadblocks and develop a customized path forward to permit issuance.
5. **Support Growth of Missing Middle Housing** (Aligns with best practice #9):
- a. Publish an updated Accessory Residential Unit Handout which includes a zoning checklist, a building design requirements checklist and a complete permit application checklist. It will be available on the City's website and will be distributed in other ways to customers.

- b. Review and establish pre-approved building permit plans for small infill housing.

Staff is recommending that Council endorse the letter in Appendix A to enable signing of the letter by the Mayor and submission to CMHC. The letter will be appended to the City's current HAF application for final consideration.

EXISTING POLICY / BY-LAW(S):

N/A

FINANCIAL IMPACT:

If selected to participate in the HAF program, the City would be eligible for up to \$21,000,000 in federal grant monies. Staff estimate the cost to carry out the proposed Action Plan in the original application with the enhancements contained in the attached letter is approximately \$11,000,000. A decision of Council to endorse and submit the letter will increase the chance of the City being selected to participate in the program. If Council were not to endorse the letter, CMHC has indicated that the City can expect to move down the priority list.

PUBLIC VALUE:

If selected to participate in the HAF Program, this will contribute to the following public value principles:

- Leadership – The City would streamline approval processes and accelerate new housing opportunities to attract and retain residents, businesses employers, employees and other forms of investment. This will assist the City in achieving the Provincial Housing Pledge of creating 19,000 new homes by 2031.
- Collaboration – Implementation of the Action Plan involves collaboration with the Region of Waterloo and other municipalities and townships in the Region, and collaboration across multiple City divisions.
- Transparency – The City will be required to provide Progress Reports to CMHC detailing the use of federal funding and the achievement of milestones and new dwelling units in accordance with the Action Plan. These progress reports will be posted on the City's website for public accountability and transparency.

ADVISORY COMMITTEE INPUT:

Advisory Committees Consulted:

Not Applicable.

PUBLIC INPUT

Not Applicable.

INTERNAL / EXTERNAL CONSULTATION:

Staff in Finance Services, Building Services, Community Planning and Technology Services, were consulted in the preparation of the HAF Application. The City also consulted with the Perry Group and GC3 Digital regarding Initiative 2: Digital Twin Data Driven Accelerated Approval Process.

CONCLUSION:

City staff are seeking Council endorsement of the letter contained in Appendix A to this report. The letter outlines “enhancements” to the City’s current Housing Accelerator Fund Application, which is still under consideration by the Canada Mortgage and Housing Corporation (CMHC).

CMHC contacted staff in early December to advise that Cambridge would be considered further for participation in the HAF Program where “enhancements” are made to better align the City’s application with those of other municipalities already selected to participate in the HAF Program, such as London, Hamilton and Kitchener.

Although staff believe our current HAF application is in significant alignment with these other selected municipalities, the enhancements contained in the letter are proposed to be advanced to the Minister of Housing, Infrastructure and Communities of Canada to increase the chance of the City being selected.

Staff will advise Council on the outcome of the application once notice is received from CMHC.

REPORT IMPACTS:

Agreement: **No**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 23-359-CD Appendix A – Draft Letter to Minister of Housing, Infrastructure and Communities of Canada
2. 23-359-CD Appendix B – 23-322-CD - CMHC Housing Accelerator Fund Application