

Appendix B – Housing Accelerator Fund Background Information

HAF Objectives

Funds are being made available to local governments to incentivize the implementation of local actions that remove barriers to housing supply, accelerate the growth of supply, and support the development of communities that are aligned with the priorities outlined below:

- Supporting the development of 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.
- Supporting the development of 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.
- Supporting the development of low-carbon and climate resilient communities.

Eligibility Requirements

To be eligible for incentive funding, the City must:

- Develop an Action Plan as part of a HAF application, including at least seven initiatives. The purpose of the Action Plan is to outline a housing supply growth target and the specific initiatives that the applicant will undertake to grow housing supply and speed up housing approvals.
- Commit to a housing supply growth target within the Action Plan that increases the average annual rate of growth by at least 10%. The growth rate must also exceed 1.1%.
- Complete or update a housing needs assessment report and include a reoccurring scheduled review date within the report to ensure that the needs assessment is kept current.
- Submit periodic reports to CMHC. This includes:
 - Progress reporting on the initiatives and commitments within the Action Plan
 - Micro-level permit data for residential buildings for all permitted units
 - Details that support that HAF funding was used for a permitted purpose.

Action Plan

The City must provide an Action Plan, which is endorsed by Council, as part of its application. The Action Plan will form part of the contribution agreement if Greater Sudbury is approved to participate in the HAF program.

Housing Supply Growth Target

Within the Action Plan, CGS is required to provide two projections to CMHC:

- The total number of permitted housing units projected without HAF.
- The total number of permitted housing units projected with HAF. This second projection is what is referred to as the “housing supply growth target”.

To determine if the committed growth rate satisfies the minimum 10% increase and exceeds 1.1%, the following formulas will be used by CMHC:

- The annual projected growth rate without HAF: the total number of permitted housing units projected without HAF/3 years/current total number of dwellings*100%.
- The annual projected growth rate with HAF: the total number of permitted housing units projected with HAF/3 years/current total number of dwellings*100%.

Additional Targets

CGS is also able to set targets based on the type of housing supply that is projected to be permitted with the support afforded by the HAF program. These additional targets will increase the amount of funding available to the City. The targets can be set for housing types that align with the priorities of the HAF program, which include:

- Multi-unit housing (in close proximity to rapid transit) – CGS does not have a rapid transit system
- Multi-unit housing (missing middle)
- Multi-unit housing (other)
- Affordable housing units

Action Plan Initiatives

The Action Plan must include initiatives that will help achieve the housing supply growth target and any additional targets. The Action Plan must indicate how each initiative will:

- Increase the supply of housing
- Support at least one of the objectives of the program
- Deliver any other expected results.

Funding Methodology

If CGS is selected for participation in the HAF program, a funding framework will be used to determine the amount of funding. There are three components of the funding framework:

1. **Base funding** is designed to incent all types of supply across the housing spectrum.
2. **Top up funding** is designed to incent certain types of housing supply. Top up funding will depend on the type of housing and the associated projected increase in the number of permitted units. There is no top up funding available for single detached homes. The value ascribed to each category will be multiplied by the associated projected increase in the number of permitted units.
3. **Affordable housing bonus** is designed to reward an applicant that can increase its share of affordable housing units relative to that total projected permitted units with the support afforded by the HAF. The percentage growth will be multiplied by the ascribed value and then by the total projected permitted units with the support afforded by the HAF. The target would be included in the Action Plan and reflected in the contribution agreement.

Housing Type	Funding Amount per Unit
Base Funding: <ul style="list-style-type: none"> All housing types 	\$20,000
Top-up Funding <ul style="list-style-type: none"> Multi-unit (in proximity to rapid housing) Multi-unit (missing middle) Multi-unit (other) 	\$15,000 \$12,000 \$7,000
Affordable Housing Bonus (Percentage of units permitted with support of HAF)	\$19,000

Incentive Funding and Permitted Uses

HAF funding can be used in support of housing under any of the following four categories:

1. Investment in Housing Accelerator Fund Action Plans
2. Investments in Affordable Housing
3. Investments in Housing-related Infrastructure
4. Investment in Community-related Infrastructure that supports housing

If approved to participate in the program, CGS must report on how HAF funding was used in the forms and timelines prescribed.

Reporting Requirements

There are three main reporting obligations under the HAF. CGS would be required to adhere to specific reporting requirements, which include:

- Progress on the initiatives and commitments outlined in the Action Plan.
- Permit data for all housing units permitted during the reporting period.
- Details on how HAF funding was used during the reporting period.

Advancing and Reporting

If CGS is successful in receiving HAF funding, there will be a total of four advances, with one advance planned for each year of the program. An upfront advance of 25% will be provided to enable municipalities to start the initiatives outlined in the Action Plan and to pursue other investments in housing. Subsequent funding will be provided in Summer/Fall of each following year in 25% increments.