

## Housing Accelerator Fund Implementation Plan

Presented To:	City Council
Meeting Date:	June 10, 2025
Type:	Managers' Reports
Prepared by:	Melissa Riou Planning Services
Recommended by:	General Manager of Growth and Infrastructure

## Report Summary

This report provides a recommendation regarding Housing Accelerator Fund Implementation Plan, including Action Plan and Spending Plan, and provides a recommendation to enter into a Transfer Payment Agreement with federal government for the Housing Accelerator Fund.

## Resolutions

### Resolution 1:

THAT the City of Greater Sudbury approve the Housing Accelerator Fund (HAF) Spending Plan;

AND THAT the City of Greater Sudbury authorizes the General Manager of Growth and Infrastructure to execute on behalf of the City of Greater Sudbury a Transfer Payment Agreement with the Canada Mortgage and Housing Corporation for the Housing Accelerator Fund Contribution Agreement as outlined in the report entitled "Housing Accelerator Fund Implementation Plan", from the General Manager of Growth and Infrastructure presented at the City Council meeting on June 10, 2025, and to execute any necessary amendments to the Agreements, reports arising from the Agreements and to sign other such documents and take such necessary steps as may be required to implement and administer the Agreements.

### Resolution 2:

THAT the City of Greater Sudbury approves an enhancement to the Community Improvement Plan Program in the amount of \$2,250,000 funded from the Capital General Holding Account Reserve as a result of tax levy funding surplus from projects to be funded by the HAF grant, as outlined in the report titled "Housing Accelerator Fund Implementation Plan" from the General Manager of Growth & Infrastructure, presented at the City Council meeting on June 10, 2025.

### Resolution 3:

THAT the City of Greater Sudbury approves the South End Transportation Study and the Flood Hazard Mapping Update Master Plan and Stormwater Management Master Plan projects, which will be funded by the HAF Grant, as outlined in the report titled "Housing Accelerator Fund Implementation Plan" from the General Manager of Growth & Infrastructure, presented at the City Council meeting on June 10, 2025.

### Resolution 4:

THAT the City of Greater Sudbury approves increases to the overall project budgets for Spruce Lift Station of \$1,500,000, Government Lift Station of \$731,000, and Long Lake Road from Gateway Drive to St. Charles

Lake Road of \$400,000, which will be funded by the HAF Grant, as outlined in the report titled “Housing Accelerator Fund Implementation Plan” from the General Manager of Growth & Infrastructure, presented at the City Council meeting on June 10, 2025.

## **Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans**

The Housing Accelerator Fund Implementation Plan aligns with Council’s Strategic Priorities including “Expand Affordable and Attainable Housing Options” and “Develop and Promote Solutions to Support Existing Housing Choices”. Funding from the Housing Accelerator Fund will assist in implementing the Housing Supply Strategy which will address the actions outlined in the Housing goal of the Strategic Plan, which reflects Council’s desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing options in the City of Greater Sudbury.

The Housing Accelerator Fund action plan initiatives support the creation of compact, complete communities, Goal 1 of the CEEP.

## **Financial Implications**

This report outlines funding received from the Canada Mortgage and Housing Corporation (CMHC) on behalf of the federal government through the Housing Accelerator Fund (HAF). The Housing Accelerator Fund implementation plan outlines the proposed spending plan for funds of up to \$16 million and outlines the milestones and targets that must be achieved to receive each of the four \$4 million installments.

In accordance with the capital budget policy, the approval of HAF funding will result in a contribution of \$4,346,484 to the Wastewater Holding Account Reserve and a contribution of \$8,000,000 to the Capital General Holding Account Reserve. Of the \$8,000,000 contributed to the Capital General Holding Account Reserve, \$2,250,000 will be committed for the Community Improvement Plan Enhancement. These amounts represent previously approved funding sources that will be replaced by the HAF grant.

## **Background**

The Canada Mortgage and Housing Corporation (CMHC) administers the Housing Accelerator Fund (HAF), which provides incentives for local governments aimed at increasing the supply of housing. In January 2025 it was announced that the City of Greater Sudbury was successful in its application to the HAF. The Action Plan submitted as part of the application aligns with the City’s Housing Supply Strategy which aims to ensure that all current and future residents have access to the housing options that meet their needs at all stages of life, and that are attainable at all income levels.

The City is required to enter into a contribution agreement with CMHC outlining the terms and conditions, action plan, and growth targets for the City’s eligibility to access up to \$16 million through their Housing Accelerator Fund (HAF) program. CMHC will provide the funding in four equal advances of \$4 million each, where the City has already received the first advance by entering into a contribution agreement with CMHC, the second and third advance are conditional on progressing and achieving our action plan, and the fourth advance is conditional on achieving our growth targets.

The HAF action plan includes eight initiatives that collectively have the goal of stimulating additional building-permit submissions in the short-term and removing municipal barrier for more systemic changes in the long-term to increase housing supply. The contribution agreement growth targets include over 1,951 new dwellings through building-permit issuance over the next three years (end of 2027), of which 8% are to be affordable.

<b>Housing Supply Growth Target</b>	<b>1,951</b>
<b>Overall Permitted Unit Targets (3 years)</b>	
Units expected without HAF (baseline)	1,456
Units incentive by HAF (HAF-incented)	495
Municipality's 10-year unit projection	11,582 (2025 Housing Needs Assessment)
<b>Housing Supply Growth Target Breakdown</b>	<b>1,951</b>
• Multi-Unit housing units in close proximity to rapid transit	<b>0</b> (Greater Sudbury does not have a rapid transit system)
• Missing middle housing units	<b>1,089</b> (units in developments less than 5 stories)
• Other multi-unit housing units	<b>234</b> (units in development greater than 5 stories)
Affordable Housing Units	<b>8.02%</b>

Achieving the HAF growth targets complements the City's Provincial housing pledge targets. The City's response to these targets is to set itself up for success by providing a regulatory environment that enables as many building-permit submissions as can be supported by the housing market.

The City will provide annual progress reports to CMHC on the implementation of the action plan and the number of building permits issued. Staff will also provide these progress reports, along with any CMHC comments or feedback to Council. CMHC reserves the right to reduce or withhold an advance if they determine that the City is not in compliance with the conditions of funding at the time of advance.

<b>Installment</b>	<b>Date</b>	<b>Amount</b>	<b>Conditional achievement</b>
1 <sup>st</sup> Advance	Received	\$4,018,120.95	Contribution Agreement
2 <sup>nd</sup> Advance	By March 31, 2026	\$4,018,120.95	Action Plan Progress
3 <sup>rd</sup> Advance	By March 31, 2027	\$4,018,120.95	Action Plan Achievement
4 <sup>th</sup> Advance	By March 31, 2028	\$4,018,120.95	Growth Target Achievement

In alignment with these conditions and the approved action plan, the purpose of this report is to provide an allocation plan for up to \$16M that may be provided through the Housing Accelerator Fund. This plan will provide the best opportunity to ensure the City meets the requirements of the contribution agreement and is eligible for the full amount of its HAF allocation.

### City Action Plan

The City's approved action plan sets out eight initiatives that the City will undertake to remove systemic barriers to housing supply and boost housing supply (details provided in Appendix A):

1. Removal of Barriers Through As-of-Right Housing Policy and Allowing Four Units As-of-Right
2. Land Banking, De-Risking and Strategic Collaboration
3. Affordable Housing Concierge and Encouraging Missing Middle Housing
4. Development Charges Review
5. Streamlining of the Development Approvals Process Through E-Permitting
6. Enhanced Community Improvement Plan and Housing Related Incentives
7. Residential Land Supply Strategy
8. Parking Standards Review

Each initiative is an individual project with differing scopes and timelines. Milestones are identified for each project and their progress and achievement will be reported annually to CMHC. Details on each initiative are provided in Appendix A.

### Housing Accelerator Fund Spending Plan

The contribution agreement also specifies how HAF funding can be used through four main categories:

- i) Investment into the City's action plan
- ii) Investments in affordable housing
- iii) Investments in housing-related infrastructure; and

- iv) Investments in community-related infrastructure.

All HAF funding must be spent by December 6, 2028, with any unspent portions returned to CMHC. As per the contribution agreement, the provision of HAF funding is based on achieving the City's action plan and growth targets by the end of 2027. The action plan includes several initiatives that require use of HAF funds.

### HAF Action Plan Initiatives

Initiatives	Description
3. Affordable Housing Concierge and Encouraging Missing Middle Housing	Funded position for 3 years, home energy audit training and education and outreach materials
6. Enhanced CIP and Housing Related Incentives	As per HAF agreement 90 units are to be incented through this initiative. (90 units x \$25,000 per unit = \$2.25M). Funding dispersed upon completion of project and obtaining occupancy. Staff will return with additional details surrounding temporary increases in CIP funding for Council's consideration at a later date.
7. Residential Land Supply Strategy	Potential to fund through the current review of the Water Wastewater Master Plan

### Proposed HAF Capital Projects

Project	Project Description	Connection to Housing
Spruce Lift Station (Hanmer)	Wastewater lift station upgrades to provide sufficient capacity to meet projected residential growth within the area.	<p>Nature's Haven I Subdivision 780-7/07001 72 lots Draft Approved</p> <p>Nature's Haven II Subdivision 780-7/08006 85 lots Draft Approved</p> <p>0 Laura Subdivision 751-7/24-06 &amp; 780-7/24001 125 lots Draft Approved</p> <p>St. Isadore 780-7/22-1 &amp; 751/22-13 36 lots</p> <p>Future Intensification Projects in the benefitting area.</p>
Government Road Lift Station (Coniston)	Wastewater lift station upgrades to provide sufficient capacity to meet projected residential growth within the area.	<p>Proposed new Coniston Seniors Housing Project.</p> <p>Future Intensification Projects in the benefitting area.</p>
Long Lake Road and South End Transportation Study	<p>This project will reconstruct approximately 600 metres of Long Lake Road from Gateway Drive to St. Charles Lake Road and will include the extension of the shared centre turn lane, as well as sidewalks and boulevards on both the east and west sides of Long Lake Road.</p> <p>The south end transportation study would</p>	<p>This project will enhance transportation efficiency and accessibility for residents while also enabling the development of 60-unit multi-residential project which requires the addition of a left-hand turn lane. Additionally, it will encourage further investment from other</p>

	examine the long-term services levels for intersection performance, active transportation facilities and road capacity in the City's south end which that is expected to experience growth over the next 20 years.	property developers in the community.  Future Intensification Projects in the benefitting area.
Flood Hazard Mapping Update Master Plan and Stormwater Management Master Plan	Funding for a new Temporary Water Resources Engineering Technician to develop 2 masterplans: one focused on the City's stormwater infrastructure and the other on Conservation Sudbury's natural hazards management.	The two complementary master plans will establish a path for future housing development decisions to be based on more accurate, up-to-date information.

Water/Wastewater and Stormwater Management Projects have the benefit of directly unlocking housing developments that are currently constrained due to lack of servicing capacity or floodplain. These projects would have an immediate impact on the City's ability to approve development applications.

### Financial Analysis

Water/wastewater projects are funded through the user fee rate structure, not the general levy, reducing the ability to redirect previously approved funds used for these projects to other non-water/wastewater projects. HAF funds put towards general levy funded projects, such as the Long Lake Road project, allow more flexibility to redirect funding to other projects. The projects in the spending plan below provide a mix of user fee and levy funded projects ensuring a level of flexibility while funding projects that directly enable residential development.

The program also requires a top up on the City's CIP funding in the amount of \$2.25 million. Given that CIP funds are not released until a project is complete, and the timing of the project is dependent on the proponent, it is recommended that the HAF funds be utilized on capital projects that are within the City's control. The list below identifies several projects that currently have funding allocated within the capital budget. The HAF funds would allow the City to return these funds to reserve for future capital spending. It is recommended that a portion of the unspent capital funds in the amount of \$2.25 million be placed in reserve committed for CIP top up to meet the requirements under this agreement.

### Budget and Funding Sources for Projects

		Revised Funding Sources			
	Note	Revised Project Budget	Housing Accelerator Fund	Redirected Capital Funds	W/WW Rates
Affordable Housing Concierge		\$ 315,000	\$ 315,000	\$ -	\$ -
Enhanced CIP Incentives		\$ 2,250,000	\$ -	\$ 2,250,000	\$ -
Residential Land Supply Strategy	1	\$ 50,000	\$ 50,000	\$ -	\$ -
Spruce Lift Station	1	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -
Government Road Lift Station	1	\$ 4,000,000	\$ 2,527,484	\$ -	\$ 1,472,516
Long Lake Road	1	\$ 8,400,000	\$ 8,400,000	\$ -	\$ -
South End Transportation Study		\$ 500,000	\$ 500,000	\$ -	\$ -
Flood Hazard Mapping and Stormwater Management Plan		\$ 280,000	\$ 280,000	\$ -	\$ -
		<u>\$ 19,795,000</u>	<u>\$ 16,072,484</u>	<u>\$ 2,250,000</u>	<u>\$ 1,472,516</u>

*Note 1: Funding for these projects has been previously approved by Council. With the approval of the HAF funds, any unspent City capital will be returned to the appropriate reserve for future capital needs.*

## Conclusion

Based on City's Housing Accelerator Fund Action Plan and Spending Plan, Greater Sudbury is well positioned to achieve its housing supply growth target and implement systemic change that will have long term impacts on increasing housing supply.

## Resources Cited

1. CMHC Housing Accelerator Fund – Round 2, <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=f631716e-45ef-4de9-b38b-88a7df31eb34&Agenda=Agenda&lang=English&Item=53&Tab=attachments>
2. Housing Supply Strategy, City of Greater Sudbury Website, <https://www.greatersudbury.ca/do-business/planning-and-development/housing-supply-strategy/>
3. Housing Accelerator Fund, City of Greater Sudbury Website, <https://www.greatersudbury.ca/do-business/planning-and-development/housing-accelerator-fund/>
4. Housing-Enabling Core Services Fund, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=55014>