

City of Belleville

Report No: SGS-2024-16

Meeting Date: September 09, 2024



To: Mayor and Members of Council
Department: Engineering & Development Services
Staff Contact: Catherine Tran, Principal Planner

Subject: Housing Accelerator Fund Round 2 Application

Recommendation:

“THAT pursuant to Report No. SGS-2024-16, Housing Accelerator Fund Round 2 Application, Council approve the submission of an application under Round 2 of the Program, and the Action Plan in support of the Program ‘in principle’; and

THAT Council commit to implementing four (4) units as-of-right on a parcel of urban residential land where a detached dwelling, semi-detached dwelling, or freehold townhouse dwelling is permitted.”

Strategic Plan Alignment:

Residential Development: Provide for a variety of housing forms to reflect our changing demographics and need for affordability

Background:

Federal Budget 2024 announced a top-up of \$400 Million over four years to the Housing Accelerator Fund (HAF) which will help fast-track approximately 12,000 new housing units in the next three years. On July 15, 2024, the Federal Government re-launched the Housing Accelerator Fund Round 2 (HAF2). HAF2 encourages municipalities to propose an ambitious and innovative action plan to boost housing supply, remove barriers, and support the development of affordable, inclusive, equitable and climate-resilient communities.

For HAF2, only municipalities that were unsuccessful in their Housing Accelerator Fund Round 1 (HAF1) application are eligible to apply. For HAF2, the minimum requirements for Large/Urban stream applicants to be eligible for funding include the following:

- Minimum annual growth rate of 1.1%;
- Minimum annual growth rate percentage change of 10%;

- Commit to implementing four units as-of-right;
- Submit an action plan with a minimum of seven initiatives;
- Complete or update a Housing Needs Assessment report; and
- Submit periodic reports to CMHC.

Additionally, initiatives submitted within the required action plan should align with the newly issued 10 HAF Best Practices document. The best practices are found in Appendix #1 - 10 HAF Best Practices.

Since the opening of HAF2 submission window, Staff have attended webinars and drop-in sessions presented by Canada Mortgage and Housing Corporation (CMHC) to understand the new requirements, engaged the local CMHC representative for further details, conducted a jurisdictional scan of action plans of successful municipalities, and reviewed the City's HAF1 application for resubmission. Staff are currently preparing a submission ahead of the September 13, 2024 deadline.

The City's HAF2 application recommends an action plan consisting of eight initiatives that align with 10 HAF Best Practices and objectives of the program. With HAF2 funding, it is anticipated that an additional 460 housing units may be created within three years in addition to the amount of housing that is projected. Based on the projected 460 additional units to be incented by HAF2, the City of Belleville may be eligible for approximately \$16.8 Million in funding. Funding announcements are anticipated to be released in Fall 2024, with contribution agreements to be signed before the end of the year.

City's Action Plan:

Under the HAF2, it is required that the initiatives included in the City's action plan contribute to achieving the City's housing supply growth target and each initiative must be completed by December 2027.

Based on review of the City's HAF1 application and meetings with CMHC, Staff has made adjustments to the action plan to ensure alignment with the newly published 10 HAF Best Practices. The action plan for HAF2 consists of the following initiatives:

1. Encourage alternative housing solutions for sustainable living;
2. Develop city-owned lands for housing to create rental and affordable housing units;
3. As-of-right permissions for urban housing options;
4. Identify municipal infrastructure needs to enable additional development potential;
5. Refresh the City's Community Improvement Plan with additional affordable housing and missing middle programs;
6. Expand residential development opportunities through policy updates;
7. Streamline and enhance development approval process for missing middle and affordable housing; and
8. Enhance zoning provisions to enable diverse housing supply.

Below provides an overview of each initiative:

Initiatives	Description	Estimated Budget
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<p><i>Initiative #1:</i> Encourage alternative housing solutions for sustainable living</p>	<ul style="list-style-type: none"> • Complete an alternative housing demonstration project • New Ontario Building Code training to enhance proficiency and processes in the building permit review process • Develop pre-approved building designs for detached accessory dwelling units 	<p>\$295,000</p>
<p><i>Initiative #2:</i> Develop city-owned lands for housing to create rental and affordable housing units</p>	<ul style="list-style-type: none"> • Complete an inventory of city-owned lands to identify parcels suitable for residential development and explore strategic land disposition strategies • Redevelop the former Queen Mary School site as affordable housing through a land-lease disposition strategy • Accelerate development of the Old Fairgrounds site 	<p>\$275,000</p>
<p><i>Initiative #3:</i> As-of-right permissions for urban housing options</p>	<ul style="list-style-type: none"> • Commit to implementing 4 units as-of-right on a parcel of urban residential land • Council approval for the implementation of 4 units as-of-right • Explore additional as-of-right permissions for 5 or more units on a parcel of urban residential land 	<p>N/A</p>
<p><i>Initiative #4:</i> Enhance zoning provisions to enable diverse housing supply</p>	<ul style="list-style-type: none"> • Refine zoning provisions for missing middle uses to enable additional development opportunities • Explore permissions for a minimum of 4-storeys along key corridors and gateways near Loyalist College 	<p>\$10,000</p>
<p><i>Initiative #5:</i> Refresh the City's Community Improvement Plan with additional affordable housing and missing middle programs</p>	<ul style="list-style-type: none"> • Update and fund the City's CIP to include refined program incentives for affordable housing units and missing middle units 	<p>\$3,900,000</p>
<p><i>Initiative #6:</i> Expand residential development opportunities through policy updates</p>	<ul style="list-style-type: none"> • Update Official Plan policies to provide direction that aligns with new development trends, and with new provincial policies • Conduct a commercial land needs assessment to guide the conversion of surplus commercial lands to create more housing and assist toward the development of a Cannifton special policy area • Develop floodplain management plan in collaboration with Quinte Conservation 	<p>\$400,000</p>
<p><i>Initiative #7:</i></p>	<ul style="list-style-type: none"> • Expand delegation of authority permissions to Staff 	<p>\$300,000</p>

Streamline and enhance development approval process for missing middle and affordable housing	<ul style="list-style-type: none"> • Implement E-Permitting System • Introduce concierge service to assist infill and affordable housing approvals • Introduce a publicly accessible residential development tracker 	
<i>Initiative #8:</i> Identify municipal infrastructure needs to enable additional development potential	<ul style="list-style-type: none"> • Unlock development potential through strategic infrastructure prioritizations for infill and higher-density growth opportunities • Wastewater monitoring for optimized infrastructure and growth opportunities • Streamline data collection and sharing through a unified infrastructure data interface 	\$1,000,000
Total		\$6,180,000

In addition to the proposed budget to complete the HAF action plan items, uses of the HAF funds include investments in affordable housing, investments in housing-related infrastructure, and investments in community-related infrastructure that supports housing. The remaining funds intend to be appropriately dispersed between other permitted uses.

If the City is successful with HAF2, initiatives may change through requests from CMHC, therefore it is recommended that Council endorse the action plan in principle.

Housing Needs Assessment:

As part of the HAF2, the City is required to provide or propose a timeline to complete a Housing Needs Assessment report. Through consultation with CMHC, it was confirmed that the City’s Growth Forecast prepared by Watson & Associates Economists Ltd. (December 2022) meets the requirements of a Housing Needs Assessment report and may be used in support of the City’s HAF2 application.

Financial/Analysis:

A successful HAF2 application will accelerate the City’s housing supply by addressing housing-related challenges while alleviating some financial pressures related to growth.

Upon Council’s approval, the City will apply for approximately \$16.8 Million in funding, based on the number and types of housing units that could be created through our proposed action plan. If successful, the City would receive an upfront advance of 25% of the awarded funds upon the signing of the contribution agreement, and 25% annually on the anniversary of the agreement, if progress reports continue to depict the City’s commitment to achieving growth targets and other metrics.

From the City’s 2024 Operating Budget, several projects were on the budget that related to the HAF1 application, which were to be fully funded by the program. Since the City was not successful in HAF1, a revised work plan was prepared based on available funding and staffing

resources. While some items on the action plan have begun incrementally, projects have not yet been initiated.

Budget Number	Description	Approved Budget
D4-6	<p><i>HAF Initiative #2: Surplus Land</i> Need to create a process for the disposal of city-owned land asset for the development of affordable housing. Includes conducting a housing needs assessment; an inventory of citywide lands for infill/intensification potential; a series of development prospectuses for Belleville's city-owned lands; streamlining processes to facilitate development; and marketing of city-owned sites to attract development partners for affordable housing units.</p>	\$275,000
D4-7	<p><i>HAF Initiative #3: Updating Zoning for Future Development</i> Need to promote more diversity in development forms without the need for rezoning (as-of-right zoning). Includes a survey of missing middle housing forms in the City to identify suitable locations and design parameters; and expediting the new zoning by-law to facilitate faster development of a variety of forms of housing units and reduce barriers to increasing supply of affordable housing and missing middle housing.</p>	\$100,000
D4-8	<p><i>HAF Initiative #4: Infrastructure Planning</i> Need to update infrastructure planning to align with the newly-approved Official Plan, vision of growth and sustainability, housing needs assessment. Includes conducting a citywide, targeted Infrastructure Phasing Program, prioritizing residential development to strengthen the housing supply.</p>	\$100,000
D4-9	<p><i>HAF Initiative #5: Accessory Dwelling Units (ADUs)</i> Need to encourage ADUs - smaller accessory units on the same property as a primary unit. Includes developing pre-approved potential designs of ADUs; creating a marketing program to increase awareness of the ADU funding programs and Community Improvement Plan (CIP); increasing the budget for the CIP's incentives for affordable and accessory dwelling units; increasing staffing support to facilitate expedited CIP incentives and initiatives; and waiving permitting fees associated with the CIP ADU Program.</p>	\$3,200,000
D4-10	<p><i>HAF Initiative #6: Infill Development</i> Need to encourage infill development (adding additional units to existing developments) with increased densities and housing mix. Includes</p>	\$125,000

	emphasizing increased densities and neighbourhood reinvigoration and revitalization. Includes developing a policy to fast-track Priority #1 and Priority #2 Areas (areas primed for intensification in proximity to the City's highest volume transit routes); and updating internal business processes with the intention of fast-tracking Priority Areas.	
D4-11	<i>HAF Initiative #7: Housing Constraints and Supply</i> Need to implement new/ enhanced processes or systems such as case management, e-permitting and building permitting modelling/monitoring. Includes developing a floodplain management plan in collaboration with Quinte Conservation; implementing an e-Permitting system; and implementing the online engagement platform "Bang the Table" into existing digital infrastructure.	\$800,000
Total		\$4,600,000

For the HAF2 submission, the HAF1 initiatives and milestones have been reconfigured, and some have been removed to optimize scoring, and as such the proposed initiatives may not align with the approved items above. If the City's HAF2 application is successful, a work plan with a summary of any budget considerations will be subsequently recommended to Council.

Conclusion:

CMHC's Housing Accelerator Fund Round 2 (HAF2) application portal is now open with a deadline of September 13, 2024, where the City has been invited to reapply. Staff have been preparing a HAF2 application and recommend that Council authorize Staff to apply under CMHC's Housing Accelerator Fund Round 2 program. In support of the HAF2 application, Staff prepared an action plan consisting of eight initiatives. This report provides an overview of the eight initiatives and recommends Council endorse the action plan in principle as there may be additional requests from CMHC if the City's application is successful.

Under HAF2, a new minimum requirement includes the commitment to implementing 4 units as-of-right. By submitting an application for HAF2, it is recommended that Council commit to implementing four (4) units as-of-right on a parcel of urban residential land where a detached dwelling, semi-detached dwelling, or freehold townhouse dwelling is permitted.

Should the City be successful in HAF2, Staff will bring forward an implementation plan for Council's approval.

Attachments:

[Appendix #1 - 10 HAF Best Practices](#)

Approved by:

Destia McAdam, Manager of Strategic Growth and

Status:

Approved - 30 Aug 2024

Sustainability

Stephen Ashton, Director of Engineering

Approved - 30 Aug 2024

Brandon Ferguson, Director of Finance, Treasurer

Approved - 04 Sep 2024

Katy Macpherson, Deputy City Clerk

Approved - 04 Sep 2024

Matt MacDonald, Chief Administrative Officer

Approved - 05 Sep 2024



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10 updated Housing Accelerator Fund best practices

Explore the 10 best practices from successful Housing Accelerator Fund applications.

Updated July 2024



We've updated the 10 best practices from [successful Housing Accelerator Fund applications!](#)

Only applicants who weren't approved in the 2023 application window can apply for funding from this round of the Housing Accelerator Fund. If you are eligible and reapplying, use this information to guide your application.

We encourage all municipalities to explore these proven strategies and integrate them into their plans to help boost housing supply and affordability.

10 Housing Accelerator Fund best practices

1. **End exclusionary zoning**
2. **Make municipally owned lands available for housing**
3. **Increase process efficiency**
4. **Prioritized/enhanced development approval process**
5. **Comprehensive review of development charges and fee schedules**
6. **Reduce or eliminate parking standards**
7. **Eliminate restrictions**
8. **Develop affordable housing community improvement plans**
9. **Design and implement guidelines**
10. **Develop grant programs**

1. **End exclusionary zoning**

- Stop low-density zoning and regulation that excludes housing types, such as affordable and social housing and which limits the variety of housing typologies in residential areas.
- Encourage mixed-use and high-density residential development by allowing as-of-right zoning within proximity to urban centres and rapid transit.
- A proactive approach includes adopting by-laws with as-of-right zoning measures to increase height and density.

Additional guidance for applications to the second round of the Housing Accelerator Fund – successful implementation strategies from the initial application window.

- Allow 4 units per residential lot as-of-right* to support infill development in low-density neighbourhoods municipality-wide (**minimum program requirement for Large/Urban stream**).
- Increase as-of-right building height and density near transit to a minimum of 4 storeys within 800 metres of main transit routes, increasing to high-density development near high-frequency rapid transit (**strongly recommended for Large/Urban stream**).
- Increase as-of-right height and density near post-secondary institutions to a minimum of 4 storeys (**strongly recommended where applicable**).
- Expand as-of-right permissions for corner lots and large lots by allowing 6 to 8 units per lot, for example.
- Expand as-of-right permissions in urban cores and along key corridors to promote mid-rise development.
- Expand mixed-use zoning to increase housing options in commercial areas and near services and amenities.
- Assess infrastructure capacity and review policies such as fire flow requirements and on-site stormwater management to promote infill and higher-density development.

**As-of-right zoning (also known as pre-zoning) improves predictability and shortens approvals timelines by removing the need for rezoning applications*

2. **Make municipally owned lands available for housing** through strategies such as disposition, acquisition and/or pre-development.
 - Complete an inventory and assessment of surplus and underused municipal land.
 - Develop policies and guidelines to allow the municipality to acquire strategic land parcels for redevelopment, including affordable housing.
 - Pre-zone and/or pre-service priority sites to facilitate as-of-right redevelopment.
 - Engage the private sector and non-profit housing providers on acquisition and partnership opportunities.
 - Consider long-term lease strategies to non-market housing providers as an alternative to disposition.
 - Develop a framework for co-locating community facilities and housing.

3. **Increase process efficiency** by implementing new technologies or software to speed up development approvals, such as e-permitting.
 - Expand e-permitting to all development and building permit types (**strongly recommended**).
 - Develop systems to monitor and publicly report on application processing times, with emphasis on continuous assessment and improvement (**strongly recommended**).
 - Digitize case management and automate workflows to speed up reviews.
 - Expand delegation of authority to staff for development permits and minor variances based on established thresholds or parameters.
 - Leverage digital tools like artificial intelligence (AI) and automated compliance checks to focus internal resources on more complex development applications.
 - Digitize regulations and bylaws to support future iterations of e-permitting.
 - Consider building information modeling (BIM) and 3D digital twins to support long-term land use and infrastructure planning.

4. **Prioritized/enhanced development approval process** for rental and affordable housing.
 - Fast-track development and building permit reviews for non-market housing and purpose-built rental developments.
 - Eliminate rezoning, public hearing and urban design review panel requirements for affordable housing municipality-wide.
 - Increase as-of-right density permissions for affordable housing.
 - Implement inclusionary zoning to require a minimum number of affordable units in new developments near transit.
 - Consider rental-only zoning.
 - Create a concierge service to help non-profit providers navigate the development and building permit process.

5. **Comprehensive review of development charges and fee schedules** including waivers for affordable housing.
 - Ensure that development and amenity charges are clear, transparent and pre-determined (not subject to negotiation).

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- Waive application and/or permit fees for priority housing types including non-market housing and/or purpose-built rentals.
 - Reduce or eliminate development cost charges for non-market affordable housing.
 - Implement disincentives or other strategies to encourage development of vacant, underdeveloped or idle land.

6. **Reduce or eliminate parking standards** to increase project viability, density and reduce carbon footprint.

- Eliminate minimum parking requirements near rapid transit and in downtown centres.
- Reduce or eliminate parking requirements for accessory dwelling units and multiplexes.
- Implement policies to reduce car dependency and promote active transportation, such as bike parking and storage and car sharing.

7. **Eliminate restrictions and add flexibility** related to height, setbacks, building floor area and other regulations to allow greater variety in housing types and density, including accessory dwellings.

- Reduce and streamline urban design guidelines such as height restrictions, visual character requirements, view cones, setbacks and angular planes to support higher density and improve project viability.
- Increase allowable floor area (FAR/FSR) for new developments.
- Update policies to facilitate the conversion of vacant and underused commercial properties to residential and mixed-use.
- Explore form-based zoning as an alternative approach, that focuses on the form and scale of residential buildings in relation to the lot. This approach focuses on the physical characteristics of the building instead of the number of dwellings inside the building.

8. **Develop affordable housing community improvement plans** or strategies/plans for the rapid deployment of affordable housing.

- Develop an affordable housing strategy or Community Improvement Plan (for Ontario municipalities).
 - Introduce or enhance density bonusing policies to allow increased density in exchange for affordable housing and/or community amenities.
 - Ensure the affordable housing strategy links together all available tools. These include zoning reform, municipal lands, regulatory and process improvements, fee reductions and financial incentives (see other Best Practices). This comprehensive approach makes it easier and faster to develop affordable housing.
9. **Design and implement guidelines** or pre-approved building plans for missing middle housing or specific accessory dwelling such as laneway housing or garden suites.
- Develop design guidelines for low-rise infill developments including accessory dwelling units and multiplexes to support as-of-right zoning permissions.
 - Develop and/or promote standardized designs and pre-reviewed building plans, including the adoption of the federal design catalogue.
 - Introduce a fast-tracked review process for standardized designs to allow projects to proceed directly to building permits.
 - Expand certified model programs to include additional low-rise building types such as multiplexes, row houses and townhomes.
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 innovative construction techniques.
- Develop incentive programs to promote construction of accessory dwelling units, suites and other missing middle housing types.
 - Offer incentives to enable the conversion of vacant or underused non-residential buildings to housing.
 - Promote innovation through incentives for pre-fabricated, modular housing and mass timber construction.
 - Introduce targeted financial incentives for affordable housing and purpose-built rentals.

Note: Provincial enabling legislation may be required to fully implement certain measures such as eliminating rezoning requirements for affordable housing, inclusionary zoning, rental-only zoning and development charge waivers. In these cases, we encourage municipalities to ease planning and approval processes to the greatest extent possible. This includes eliminating public hearings and urban design review panels for affordable housing.



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