

**Date:** 2023-05-17

**Subject:** **Recommendation Report – CMHC Housing Accelerator Fund Application**

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**Report Number:** Planning, Bld & Growth Mgt-2023-373

#### **Recommendations:**

1. That the report titled **Recommendation Report – CMHC Housing Accelerator Fund Application** to the Committee of Council meeting of May 24, 2023, be received;
2. That the contents of the city’s application to the CMHC Housing Accelerator Fund attached to this report as **Appendix 1** be endorsed;
3. That the Commissioner of Planning, Building and Growth Management be authorized to sign the application form and submit the application to CMHC to meet the submission deadline of June 14, 2023; and
4. That the Commissioner of Planning, Building and Growth Management be authorized to enter into a Contribution Agreement with CMHC, should the city’s application for funding be successful.

#### **Overview:**

- **On April 7, 2022, the federal government’s housing corporation – Canada Mortgage and Housing Corporation (CMHC) – announced the Housing Accelerator Fund (HAF) to provide funding to local governments to boost housing supply across Canada.**
- **Applications for funding are to provide an “Action Plan” that includes a minimum of seven initiatives that will boost housing supply, housing supply growth targets over a 3-year period with and without HAF funding,**

and additional targets to identify the total housing supply projected to be permitted at the city with support from the HAF according to four defined housing types.

- The application to CMHC is evaluated based on the applicants' initiatives. However, once a municipality with a successful application is granted its funding, the moneys can be used for: 1) Investments in the application initiatives; 2) Investments in affordable housing; 3) Investments in housing-related infrastructure; and 4) Investments in community-related infrastructure that supports housing.
- Staff project that the city will permit 13,500 units over the next 3 years without support from the Housing Accelerator Fund, and estimate that the city could permit an additional 3,150 units with funding from the Housing Accelerator Fund, for a total of 16,650 permitted units to support housing supply growth over the next 3 years. Although the city intends to meet these growth targets within the 3-year horizon of the Fund, the initiatives proposed through the city's submission will have long-term impact in supporting Brampton's housing supply growth.
- Brampton's application includes 8 initiatives, which are key actions identified by staff to support the delivery of new housing in the city.
- Applications must be submitted to CMHC by June 14, 2023 for early consideration. If the City of Brampton is selected to receive funding through the Housing Accelerator Fund, the city will be required to enter into a Contribution Agreement with CMHC and will be required to report periodically as a component of the funding.

## Background:

### CMHC Housing Accelerator Fund Application & Funding Model

The Canada Mortgage and Housing Corporation (CMHC) – the federal government's housing corporation – announced the Housing Accelerator Fund (HAF) on April 7, 2022, with the overall objective to accelerate housing supply. The HAF is an application-based fund that will offer support to municipalities to drive transformational change within the sphere of control of the local government regarding land use planning and development approvals to achieve their objectives. With the launch of the HAF, \$4 Billion in funds are available to local authorities across the country.

The city's application will be submitted to CMHC by June 14, 2023 for early consideration. The application must include an "Action Plan". The Action Plan is required to include, and is evaluated based on, the following:

- A **minimum of 7 initiatives** that the city will undertake over the next 3 years to grow housing supply and speed up housing approvals.

- A **housing supply growth target**, based on two projections over a 3-year period.
  - The first projection is the total number of permitted housing units projected to be permitted at the City of Brampton **without** support from the HAF.
  - The second projection is the total number of housing units projected to be permitted at the city **with** support from the HAF.
- Additional targets set to identify the total number of housing units projected to be permitted with support from the HAF **according to housing type** (i.e., Single; Multi-unit—in proximity to rapid transit; Multi-unit—missing middle; Multi-unit—other).

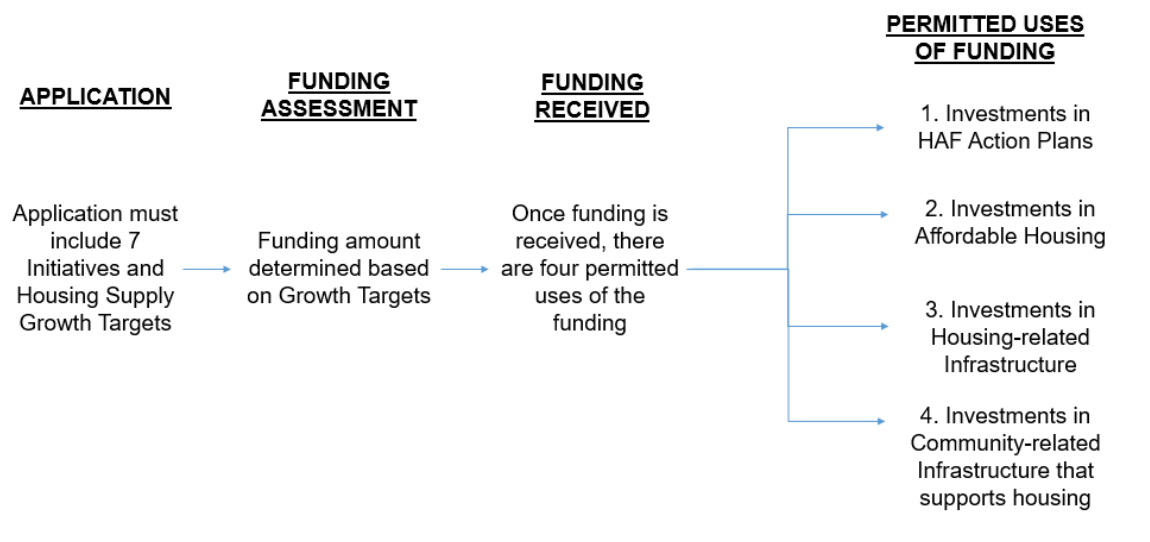
Once the city's application is evaluated by CMHC, the total amount of funding that each municipality will receive is calculated from the housing supply growth target included in the application, and based on the submitted initiatives. In addition, setting additional targets by housing type and committing to an increase in the city's share of affordable housing units will increase the amount of funding available to the municipality.

#### Permitted Uses of Funding

The application to CMHC is evaluated based on the applicants' initiatives. However, if a municipality is selected to receive funding, once it is granted, the funding can be used in support of housing under any of the following four categories:

1. Investments in HAF Action Plans: Any initiative included in the application and approved by CMHC.
2. Investments in Affordable Housing: Construction of affordable housing, repair and modernization of affordable housing, and land or building acquisition for affordable housing.
3. Investments in Housing-related Infrastructure: Wastewater infrastructure; drinking water infrastructure; public transit; community energy systems; disaster mitigation; brownfield redevelopment, etc.
4. Investments in Community-related Infrastructure that supports housing: Local roads and bridges, sidewalks, lighting, bicycle lanes, fire halls, landscaping and green space.

The application and funding process is summarized as follows:



### **Current Situation:**

#### Summary of Brampton's Application for Funding

##### *Housing Supply Growth Targets*

Over the past 20 years, the City of Brampton has grown by approximately 4,250 households per year (per Statistics Canada Census data between 2001 and 2021). Based on Statistics Canada data, the city's historical building permit issuance data (included in Appendix 1), and housing projections completed for the city's new Official Plan, Brampton Plan, staff project that the city will permit a total of 13,500 units over the next 3 years without support from the Housing Accelerator Fund, which equates to 4,500 permitted units per year, and is in alignment with the Region of Peel's growth projections for the City of Brampton.

If the city is to receive funding through the HAF, it is estimated that the city could permit an additional 3,150 units over the next 3 years, for a total of 16,650 units.

##### *Provincial vs. Federal Growth Targets*

The aforementioned housing supply growth target is included in the city's application. If the city receives funding through the HAF, each municipality will be required to report periodically back to CMHC on progress towards the growth target, progress towards each of the initiatives, and details of how the funding is being spent. This growth target, however, is distinct and separate from the growth target established in Brampton's Municipal Housing Pledge. The Municipal Housing Pledge was established following direction from the provincial government through Bill 23, while the growth target in this report was established as part of the city's application for funding to the federal government.

The city would be operating under two separate growth targets, however, the units that are permitted with funding from the HAF will support the city in achieving both targets.

### *Housing Action Plan Initiatives to Achieve Growth Targets*

The initiatives included in the city's application were selected based off of the city's already ongoing and planned projects to support housing. Additionally, staff utilized a list of suggested initiatives provided by CMHC (Appendix 2) reflecting common practices in urban planning to contribute to more housing supply, where there was alignment with Brampton's local context and Council priorities. In addition, staff reached out to various departments across the corporation and the city's "Housing Advisory Committee" to solicit ideas for initiatives. The following eight initiatives – either currently ongoing, or proposed for the near future – are the key actions included in the city's application to support the delivery of new housing in the city.

#### **1. Incentive Programs**

**Housing Incentive Program:** The city is currently developing a city-wide Housing Incentive Program, which will focus on incentivizing purpose-built rental and housing that is affordable for low-and-moderate income households, as well as other desired housing types including infill housing, Single Room Occupancy housing (SRO), large units, and other senior and student-focused developments.

**Housing Catalyst Project:** The Housing Catalyst Capital Project was established to deliver capital funding and support non-profits in the delivery of innovative housing pilot projects in Brampton. The Housing Catalyst Capital Project aims to incentivize ideas around new and innovative housing options.

#### **2. Implementing Inclusionary Zoning**

The city has been committed to developing an Inclusionary Zoning framework, which will support the development of affordable ownership and rental housing options across the city's Major Transit Station Areas. Funding from the HAF would be targeted to the city's implementation program, helping to match Brampton residents to units located across Brampton. This funding will also support monitoring and evaluating of these units to maintain the affordable housing stock for this program and other affordable housing programs outlined in this submission.

#### **3. Unlocking Growth Potential via Rapid Transit**

**Brampton Plan - the city's new draft Official Plan-** identifies key corridors for intensification aligned with transit investments and existing services. Priority bus or Zum is defined as transit with a service frequency of 10 to 15 minutes or less from the beginning of morning peak to early evening or later, which help move residents in a safe, sustainable and efficient manner throughout the city. These priority bus and Zum routes are identified through the city structure as "Corridors", which will enable a mix of uses and allow for transit supportive forms and densities. The city's

Corridors will enable up to a mid-rise typology, defined as between 5 and 12 storeys. Shifting local bus routes to priority bus/Zum will shift the height range from 4 storeys or less to 12 or less. Increased transit investment also plays a key role in supporting low-cost mobility options for residents, reducing reliance on the car and making home ownership more affordable.

#### **4. Revised Parking Standards**

The Brampton Parking Plan will help implement the 2040 Vision and the 2018-2022 Term of Council Priorities. It will also help to meet the needs of the significant population and employment growth, support more sustainable modes of transportation and a more electrified transport network, integrate land use and transportation policies, promote housing affordability, and propose strategies to manage parking resources, finances, and operations. More specifically, the following proposed action items in the Parking Plan will promote additional housing supply and affordability:

- Removal of parking minimums in Intensification Areas, leading to a reduction in the cost of building construction and promotion of housing affordability;
- Grant parking requirement exemptions or reductions to development applications that provide affordable housing on a case-by-case review basis;
- Explore the feasibility of a paid on-street parking program and implement a pilot small-scale program. Paid on-street parking programs have the potential to support increased density and infill housing in neighbourhoods.

#### **5. Encouraging Detached Additional Residential Units**

The City of Brampton has the capacity to implement over 34,000 detached additional residential units (garden suites) with the city's existing zoning framework. Attached Additional Residential Units have historically played a key role in Brampton's housing supply and the city recognizes Detached Additional Residential Units have the potential to play a significant role in delivering new housing units in Brampton in the future. This initiative will address the barriers that prevent property owners from constructing garden suites, such as lack of information and resources on the design and permitting process, and the high-cost environment for building these units. The city will host a webinar series to address how to find the right contractor and architect, the city's processes, safety requirements, utility requirements and enforcement. In addition, the city will explore the feasibility of setting up a rebate program using funding from the HAF to provide rebates at the time of building permit issuance that recoups costs associated with registration fees, custom home review, and Educational Development Charges.

#### **6. Encouraging Missing Middle Units in Existing Neighbourhoods**

Historically, growth in Brampton's housing supply has been primarily in the form of low-density residential development. There is a great opportunity for the city to support and allow for house-scale infill options in lower density built-up areas to

increase the supply of housing, diversify Brampton's housing mix, and support the development of more walkable, complete communities. In accordance with Provincial legislation and changes to the Planning Act, which are now in effect, all municipalities in Ontario are required to implement policies that authorize the use of a third additional residential unit within a detached, semi-detached or townhouse dwelling. Housing Brampton – the city’s housing strategy – identifies a need to improve housing choice in the city by expanding housing options between low-rise single-detached homes and mid-rise apartment buildings, often called Missing Middle housing. This initiative will build on the city’s newly endorsed policy framework to publish Urban Design Guidelines for Missing Middle Housing, and develop a financial modelling tool for public access for residents to measure affordability and feasibility of building or converting to a triplex in Brampton.

## **7. Pre-Zoning in Strategic Growth Areas**

The pre-zoning process for Strategic Growth Areas will support the development of more housing in Brampton. Strategic growth areas - identified by the Urban Growth Centre, Major Transit Station Areas, lands along major roads and arterials, or other areas with existing or planned frequent transit service or higher order transit corridors - are locations identified by the city for major growth and development. The pre-zoning process will ensure that the necessary regulatory framework is in place to support a full mix and range of transit-oriented heights, densities and uses across the city where intensification is focused.

## **8. Infrastructure and Servicing Capacity Planning**

The city will assess, identify, and prioritize needs for major infrastructure in the city, in coordination with the Region of Peel. Through this initiative, the city will identify and provide policy recommendations for areas that have insufficient infrastructure to support and accelerate the supply of new housing.

## **Corporate Implications:**

### Financial Implications:

There are no direct financial implications associated with this report. All initiatives and targets included in the city’s application form will be funded directly from the CMHC Housing Accelerator Fund. The funding received by the city under the Housing Accelerator Fund presents an opportunity for the city to advance significant work to support growth and development in Brampton, and utilize financial support from the federal government to drive transformational change and create the conditions necessary for more housing supply over the short and long-term.

### Other Implications:

There are no other implications with this report.

**Term of Council Priorities:**

This report and corresponding appendices directly align with the following strategic directions:

- 1) *Brampton is a City of Opportunities.* The city’s application for funding details city initiatives that focus on improving livability and prosperity and creating complete communities in Brampton.
- 2) *Brampton is a Well-Run City.* The city is working to increase the number of building permits issued and leverage partnerships for collaboration, advocacy, and funding.

**Conclusion:**

This report presents the contents of the city’s application to the CMHC Housing Accelerator Fund, constituted as the City’s Action Plan, for Council endorsement.

The application demonstrates Brampton’s commitment to grow housing supply and increase the number of housing units that are permitted at the city. To deliver on this commitment, the city will utilize the potential federal funding for investments in our initiatives, investments in housing-related infrastructure, and investments in community-related infrastructure that supports housing.

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**Attachments:**

- Appendix 1 – City of Brampton Application Form for CMHC Housing Accelerator Fund
- Appendix 2 – CMHC Housing Accelerator Fund Pre-Application Reference Guide