

Date: August 26, 2024

To: **Mayor and Council.**

Name and title: Deana Wasnik, Director, Planning and Development

Subject: Support for Application to Housing Accelerator Fund Round 2

Attachment(s): None

Recommendation(s):

That Council:

1. SUPPORTS Administration's application to Canada Mortgage and Housing Corporation's Housing Accelerator Fund Round 2;
2. APPROVES the required Action Plan, as detailed within the report dated August 26, 2024 from the Director of Planning and Development, titled "Support for Application to Housing Accelerator Fund Round 2"; and
3. AUTHORIZES the Director of Planning and Development and the Director of Finance and IT Services to sign any necessary funding agreements and attestations.

Purpose:

This report provides a recommendation regarding the preparation of an application to the second round of the Canada Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund (HAF 2). The Fund is a response to the national housing crisis and aims to expedite the development of new housing across Canada by providing financial support to municipalities that are taking innovative and efficient steps to increase housing supply.

Background:

On July 24, 2023, Council approved Administration to apply for the first round of the HAF, which included an Action Plan to increase and accelerate housing development. The City of Prince George was unsuccessful in securing HAF funding during the first round. On July 15, 2024, the Federal Government reopened the Housing Accelerator Fund (HAF). This second round of funding is available exclusively to applicants from the 2023 round who were not selected. The 2024 Federal Budget introduced an additional \$400 million in funding, extending the program until 2027-2028.

HAF Action Plan:

To qualify for HAF funding, the City must resubmit an updated "Action Plan" aimed at boosting the local annual rate of housing growth. The Action Plan must be achievable within the program's timeframe (e.g., three years), although the goal is for the policy and process changes introduced through the HAF to create lasting, long-term impacts on housing availability.

Revisions to the 2023 Action Plan were made to align with the best practice materials provided by CMHC. The recommended Action Plan includes the following initiatives:

Missing Middle Development Regulations Review: Review of site coverage, setbacks, and height restrictions in single-family and duplex zones that now permit small-scale multi-unit housing (SSMUH) is critical to fostering "missing middle" density in both urban and suburban neighborhoods. In essence, our development regulations must be adjusted to fully realize the potential of permitted densities. This initiative would be included within the Zoning Bylaw review slated to take place over 2025.

Apartment Upzoning: "Apartment upzoning" refers to the process of rezoning certain areas based on set criteria (for example, proximity to public transit routes or exchanges) to allow for higher-density residential development, and/or amending zoning regulations to permit more housing types, higher density, increased heights, and more. The primary goals are to reduce timelines and costs associated with land-use applications for housing in key areas.

Pre-approved Plans: Pre-approved plans streamline the permitting process, reduce administrative workload, and accelerate housing development by ensuring compliance with zoning and building regulations upfront. For developers, pre-approved plans reduce design costs and significantly shorten the time needed for permitting, allowing them to begin construction sooner and with greater certainty.

Leverage Municipal Land: The creation of two key documents is required to inform redevelopment of municipal land deemed suitable for a variety of uses, including housing: a land inventory to identify surplus land and a Land Acquisition and Disposition Policy. These two documents allow for strategic land use planning and fosters collaboration with the provincial government, developers and nonprofit organizations to address housing needs.

Parking Requirements Review: Reduction of residential parking requirements can promote more efficient land use by decreasing the space dedicated to vehicles and allowing for higher-density development. This initiative is intended to accommodate and support the construction of not only high-density development, but also the development of more "missing middle" housing and select housing types, for example seniors housing, which often face disproportionately high parking requirements. This initiative would also be included within the Zoning Bylaw review slated to take place over 2025.

Accelerated Approvals Procedure: An Accelerated Approvals Procedure would support the fast-tracking of priority housing development applications. This initiative would involve developing a framework to prioritize certain types of developments, such as affordable or purpose-built rentals, or specific projects deemed critical to meeting housing needs.

Development Incentives Suite: This initiative would explore financial incentives to spur housing development. The goal of this initiative is primarily to increase housing in the short term, and secondarily to gain a deeper understanding of how the City can collaborate with the development community to effectively address housing needs.

Streamlining the Building Permit Process: This initiative would support ongoing planned work to upgrade Development Services' permitting software to streamline and automate workflows, improving efficiency. The intent of this initiative is to improve communication with applicants, improve building permit timelines, and use technology to achieve greater efficiency.

Strategic Priorities:

If approved, the Housing Accelerator Fund (HAF) would drive new housing development in Prince George, directly supporting the goals of the myPG framework, Council's 2023-2026 Strategic Plan, and Economic Development Strategy in the following ways:

- **myPG Goals:** Promote the development of affordable and accessible housing options while leveraging federal funds to ensure sustainable fiscal management and organizational excellence.
- **Strategic Plan:** Address the housing needs of our residents to sustain and grow the population, while optimizing internal processes to ensure effective and efficient service delivery.
- **Economic Development Strategy:** Strengthen and expand target sectors by providing safe, clean, and affordable housing solutions to support our workforce

Financial Considerations

There is no required monetary contribution from the City of Prince George to access this funding. The funds would be an addition to the current budget.

Summary and conclusion:

The HAF Round 2 application window is now open, with a submission deadline of September 13th. By applying, the City has the opportunity to secure multi-year funding to implement initiatives that accelerate housing supply and improve certainty in the development approval process. The initiatives proposed in this report align with CMHC's best practices, and there is no financial contribution required from the City of Prince George to access this funding.

Council's approval of the Action Plan is required to apply to CMHC and to enter into a funding agreement, should the City's application be successful. Administration is seeking Council's support for the submission of an application to CMHC based on the initiatives outlined in this report.

Respectfully submitted:

Deanna Wasnik, Director, Planning and Development

Prepared by Imogene Broberg-Hull, Housing Development Liaison

Approved:

Walter Babicz, City Manager

Meeting date: 2024/09/09