

Community Services Report to
Community Development Committee
2023 May 31

ISC: CONFIDENTIAL
CD2023-0585
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Housing Accelerator Fund Action Plan

RECOMMENDATIONS:

Review By: 2024 October 1

That the Community Development Committee recommend that Council:

1. Endorse the City of Calgary Housing Accelerator Fund Action Plan (Attachment 2).
2. Direct Administration to develop a process to allocate funding received from Canada Mortgage and Housing Corporation under the Housing Accelerator Fund.
3. Direct that the funding received from Canada Mortgage and Housing Corporation under the Housing Accelerator Fund be considered as part of the Adjustments to the service plans and budgets in 2023 November and be included in the Standing Executive Committee Item – Strategic Discussion on Building and Delivering on Plans and Budgets.
4. Acknowledge The City Manager's authority under the Execution of Contracts Bylaw 43M99, to negotiate and execute various definitive agreements which are necessary or desirable to deliver The City of Calgary's Housing Accelerator Fund Action Plan as outlined in Attachment 2.
5. Direct that the report and all attachments remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party), Section 21 (Disclosure harmful to intergovernmental relations), Section 24 (Advice from officials) and Section 25 (Disclosure harmful to economic and other interests of a public body) of the Freedom of Information and Protection of Privacy Act until such time that all relevant agreements are executed or that The City agrees to disclose portions for communications purposes.
6. Forward the Report and Attachments as an item of urgent business to the Regular Meeting of Council on 2023 June 6.

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RECOMMENDATIONS OF THE COMMUNITY DEVELOPMENT COMMITTEE, 2023 MAY 31:

That Council:

1. Endorse the City of Calgary Housing Accelerator Fund Action Plan (Attachment 2).
2. Direct Administration to develop a process to allocate funding received from Canada Mortgage and Housing Corporation under the Housing Accelerator Fund.
3. Direct that the funding received from Canada Mortgage and Housing Corporation under the Housing Accelerator Fund be considered as part of the Adjustments to the service plans and budgets in 2023 November and be included in the Standing Executive Committee Item – Strategic Discussion on Building and Delivering on Plans and Budgets.
4. Acknowledge The City Manager's authority under the Execution of Contracts Bylaw 43M99, to negotiate and execute various definitive agreements which are necessary or desirable to deliver The City of Calgary's Housing Accelerator Fund Action Plan as outlined in Attachment 2.
5. Direct that the report and all attachments remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party), Section 21 (Disclosure harmful to intergovernmental relations), Section 24 (Advice from officials) and Section 25 (Disclosure harmful to economic and other interests of a public body) of the Freedom of Information and Protection of Privacy Act until such time that all relevant agreements are executed or that The City agrees to disclose portions for communications purposes.

Oppositions to Recommendations: Councillor Chu

HIGHLIGHTS

- Calgary is at serious risk of losing its housing affordability advantage. In recognition of this risk, and as a result of advocacy by municipalities across the country, the Government of Canada, through the Canada Mortgage and Housing Corporation (CMHC), has launched the Housing Accelerator Fund, a \$4 billion funding program.
- Partnering with CMHC through the Housing Accelerator fund allows The City to strengthen our communities with resilient action, invest in critical infrastructure to enable greater housing affordability and advance Calgary's position as a destination of choice.
- The Housing Accelerator Fund incentivizes municipalities to accelerate the supply of housing and aims to create an additional 100,000 homes across Canada by 2026.
- CMHC has assigned to Calgary a funding ceiling of \$220 million and a minimum target of 5,110 additional housing units over The City's annual expected housing growth.
- **What does this mean to Calgarians?** The Housing Accelerator Fund will enable The City to address the growing need for housing, improve housing affordability, enable a greater choice of housing options, support the revitalization of Calgary's downtown core, and invest in related infrastructure to help maintain housing affordability in Calgary.
- **Why does this matter?** Housing in Calgary is rapidly becoming less affordable. To meaningfully address the growing need for all types of housing across Calgary, to meet The City's goals around resilience, housing affordability and affordable housing, and to support thriving and resilient communities, The City requires major investment and

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federal support. Subject to approval by CMHC, The City is aiming to leverage the Housing Accelerator Fund and maximize the impact of local investments on Council priority and results areas.

- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

The Government of Canada announced the details of the \$4 billion Housing Accelerator Fund on 2023 March 17 to support municipalities with transformational change and support in building 100,000 new homes in Canada by 2026 September 1. CMHC has verbally advised that The City of Calgary will fall within the Growth Leaders stream, which means that The City receives a predetermined unit target and maximum funding ceiling. For Calgary this is 5,110 new units and \$220 million. Applications are due to CMHC by 2023 June 14.

Under the Housing Accelerator Fund program municipalities must submit an action plan with at least seven transformational initiatives that identify how many new homes will be created over the baseline of what is usually created. CMHC will then assess the action plan and award funding according to criteria CMHC have developed. Funds awarded can be used for initiatives identified in the action plan or used to fund other eligible expenses listed by CMHC.

Administration understands that the funds will be awarded in four separate allotments, three of which will be guaranteed. The fourth and final tranche will be conditional upon municipalities being on track to meet the unit counts established in their action plans. As long as municipalities are meeting their unit counts, CMHC is flexible about how the funds are specifically used.

The City of Calgary's Housing Accelerator Fund Action Plan

Administration has developed a robust and realistic Action Plan (Attachment 2) to create more housing supply over the short- and long-term through the following initiatives:

1. Accelerate housing delivery in the downtown
2. Streamline approvals to increase housing supply
3. Promote missing middle land use districts
4. Incentivize legal secondary suites
5. Enable housing growth in established areas
6. Invest in Transit Oriented Development
7. Implement City-developed residential and mixed-use projects
8. Activate affordable housing development and conversions
9. Build inclusive and equitable affordable housing programs
10. Utilize existing City assets to achieve housing supply outcomes

Based on the feedback of CMHC, The City's Action Plan exceeds the minimum unit count and could earn up to \$380 million, should additional funds become available during the program or should other orders of government contribute funds.

Funding and Eligible Expenses

A funding framework provided by CMHC has been used to determine the amount of funds The City expects to receive for each initiative as described in Attachment 2. The way funds are earned is different from how they can be spent. Administration will not learn of The City's actual funding allocation under the Housing Accelerator Fund until 2023 Q3, at such time Administration will develop parameters around how the funds will be spent. Those parameters

Approval: Black, Katie concurs with this report. Author: Szpecht, Amanda

City Clerks: J. Palaschuk/ A. Degrood

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will position The City to address housing affordability by ensuring many unfunded infrastructure opportunities and City programs obtain capital funding in alignment with the key focus areas of Council: Downtown Revitalization, Land Use and local area planning process, and Transit.

Alignment to the Indigenous Affordable Housing Recommendations Report

The Indigenous Affordable Housing Recommendations report (CD2023-0239) presents three pathways, with 25 multifaceted recommended actions, designed to address the affordable housing challenges facing urban Indigenous people living in Calgary. Administration has identified and marked the alignment between the Housing Accelerator Fund and the Indigenous Affordable Housing Recommendations Report with the recommended initiatives in the Action Plan (Attachment 2).

Alignment to the Housing and Affordability Task Force Recommendations

The Housing and Affordability Task Force (the "Task Force") was directed to develop bold recommendations and actions that address affordable housing and housing affordability challenges and concerns in Calgary by bringing together individuals with lived or working experience across the housing continuum. Some of the recommended initiatives outlined within The City of Calgary's Housing Accelerator Fund Action Plan (Attachment 2) are also included within the Housing Affordability Task Force Recommendations report (C2023-0415), going to the 2023 June 6 Regular Meeting of Council. The Housing Accelerator Fund presents an opportunity to fund and implement several Task Force recommendations. Administration has identified and marked the alignment between the Housing and Affordability Task Force and the Housing Accelerator Fund with the recommended initiatives in both reports.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | | | |
|-------------------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | Public engagement was undertaken | <input checked="" type="checkbox"/> | Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input checked="" type="checkbox"/> | Public communication or engagement was not required |

Dialogue with internal partners and engagement with industry and the non-profit housing sector occurred in 2021 and 2022, while CMHC was contemplating the Housing Accelerator Fund program and prior to its launch.

IMPLICATIONS

Social

The Action Plan presented in Attachment 2, and initiatives within it, will support the delivery of more housing and is expected to support social infrastructure and positive community outcomes, such as the development of affordable, equitable and diverse neighbourhoods.

Environmental

With adequate investment by the federal government, new and renovated housing stock will be more aligned with climate strategy goals, as it will have improved energy performance. The Action Plan presented in Attachment 2, also supports the creation of complete communities that provide access to a wide variety of amenities and services through public and active transportation and support the development of low carbon and climate resilient communities.

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Economic

Calgary is expected to see its population increase by 110,000 over the next four years. Investing in housing supply and affordability is critical to support new job creation, attract and retain a stable workforce and save taxpayers money by reducing pressure on emergency services. This is an investment to safeguard Calgary's global position as a destination of choice.

Service and Financial Implications

Other:

Should the recommendations be approved, and upon receipt of funding under the Housing Accelerator Fund, Administration would include the amount as a budget request for consideration as part of the adjustments to the service plans and budgets in 2023 November and include it in the standing Executive Committee item – Strategic Discussion on Building and Delivering on Plans and Budgets. This request would be the mechanism used to deploy funds under the program – there is no additional budget request needed for implementation.

The Housing Accelerator Fund is an opportunity to fund and implement several Housing Affordability Task Force Recommendations (C2023-0415) and Indigenous Affordable Housing Recommendations (CD2023-0239) that will be both be considered by Council on 2023 June 6. Administration has identified and marked which actions from each report could be funded by the Housing Accelerator Fund program in Attachment 2.

Operating Impact: None

RISK

There is a risk that The City could fail to meet the housing targets and initiatives in the timelines set out in the Action Plan due to factors outside of The City's control, such as economic factors, ability of the industry to deliver, market conditions, sector capacity and supply chain issues. In addition, some of the initiatives rely on future Council decisions that have not yet been made. From dialogue with CMHC, Administration understands that the impact of not meeting the targets in The City's Action Plan is relatively low risk and is limited only to not receiving the fourth and final tranche of Calgary's allocation. As more information is provided by CMHC, Administration will continue to monitor the Housing Accelerator Fund and engage with Council if its risk profile increases substantially.

ATTACHMENTS

1. Background and Previous Council Direction (CONFIDENTIAL)
2. The City of Calgary's Housing Accelerator Fund Action Plan (CONFIDENTIAL)
3. Presentation (CONFIDENTIAL)

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Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Katie Black	Community Services	Approve
Stuart Dalgleish	Planning and Development Services	Approve
Michael Thompson	Infrastructure Services	Consult
Doug Morgan	Operational Services	Inform
Chris Arthurs	People, Innovation & Collaboration Services	Inform
Carla Male	Corporate Planning & Financial Services	Inform