



## Committee of the Whole Report

### For the Meeting of June 1, 2023

---

**To:** Committee of the Whole **Date:** May 18, 2023

**From:** Karen Hoes, Director, Sustainable Planning and Community Development

**Subject:** Authorization for Housing Accelerator Fund Application

---

### RECOMMENDATION

That Council pass the following motion and bring it forward for ratification at the June 1, 2023 daytime Council meeting:

1. That the Council of the City of Victoria supports the submission of a funding application to the CMHC Housing Accelerator Fund Program to advance the City's *Housing Action Plan* as described in the report to encourage the development of required housing supply and improve certainty in the building and approvals process:
  - I. Missing Middle Housing initiative
  - II. Exempt qualifying affordable housing projects from rezoning and provide density bonusing (Rapid Deployment of Affordable Housing)
  - III. Rental housing incentives
  - IV. One City OCP Update and 10-year review
  - V. Regulatory updates to support housing and climate objectives
  - VI. Process modernization actions
  - VII. Leveraging City lands for affordable housing and community space

### EXECUTIVE SUMMARY

The purpose of this report is to obtain Council authorization to proceed with the submission of a funding application to the "CMHC Housing Accelerator Funding Program" to further advance work on a suite of housing actions (*Housing Action Plan*) that align with existing City objectives to respond to the Housing and Climate Crisis.

The intent of the Housing Accelerator Fund (HAF) Program is to support work at the local government level from April 2022 to September 2026 that will lead to the creation of more housing supply and enhance certainty in the approvals process. At the same time, the program identifies three priority areas that initiatives under the HAF must align to: the development of complete

communities, expanding pathways for affordable housing and encouraging the development of low-carbon and climate resilient communities.

In response to the funding program, the City has identified the following initiatives as the *Housing Action Plan* for the HAF submission.

- **Missing Middle Housing Initiative:** Building on the recent zoning changes that came into effect in March 2023 to allow houseplexes, corner townhouses and heritage conserving infill in Traditional Residential Areas of the City, this project will involve financial analysis, monitoring and review of regulations and policies to ensure the City is enabling the delivery of missing middle housing.
- **Exempt qualifying affordable housing projects from rezoning and provide density bonusing (Rapid Deployment of Affordable Housing):** This initiative will be focused on adaptive management, monitoring and review of the bylaws (adopted April 14, 2022) and processes associated with the accelerated approvals process for affordable housing providers to ensure desired impact in supporting the delivery of affordable housing.
- **Rental housing incentives:** This project will expand upon the City's existing suite of rental housing incentives to encourage market and non-market rental housing. The project will explore regulatory updates, policy updates, financial incentives, and process improvements to encourage rental housing.
- **One City OCP update 10-year review:** The City's *Official Community Plan* (OCP), which guides long-term land use, will be reviewed to ensure it is enabling the right supply of housing – multi-unit forms that can realize rental, affordable, and diverse housing options, in the right locations – near services, amenities, and low-carbon mobility options, in the right way – with supportive, high-quality public realm and modern infrastructure.
- **Regulatory updates to support housing and climate objectives:** The City will be undertaking a renewal of the *Zoning Regulation Bylaw* and other regulations to modernize and align them with updated OCP housing capacity (land use policies) to enable the right supply of housing (multi-unit housing forms) and improve the predictability and certainty of the development approvals process for priority housing forms.
- **Process modernization actions:** The City will explore various strategies to improve the development application intake, review and approval process. Key strategies are expected to include modernizing the City's abilities to support online application intake, updating City bylaws, and opportunities to improve internal and external collaboration to support enhanced decision-making.
- **Leveraging City lands for affordable housing and community space:** This initiative would identify city-owned lands and undertake associated planning and design work to consider sites for affordable housing partnerships and explore opportunities to co-locate new community and recreation space alongside future affordable housing.

## FINANCIAL IMPACT

Access to the HAF Program funding is based on a framework that includes several factors:

- number of total units incented as a result of initiatives in the City's *Housing Action Plan*;
- number of priority housing types (affordable, multi and missing middle units) incented as a result of initiatives in the City's *Housing Action Plan*;

- effectiveness of City initiatives on systemic change around the delivery of increased housing supply.

Based on preliminary discussions with CMHC representatives and HAF program documentation, which could still be subject to change, it is estimated that the City could be eligible for upwards of \$15M; however, this amount is contingent upon the City's ability to meet housing targets and could be affected by various external factors such as increased interest rates, high construction costs and upcoming changes to the building code.

If successful, funding could be used to implement the City's identified *Housing Action Plan* and broader program goals. CMHC has indicated that successful applications will be determined by fall 2023 with an initial 25 per cent of funding disbursed shortly after. Up to 50 per cent of funding could be transferred in 2024 and 2025 based on the City's progress on *Housing Action Plan* Initiatives. The remaining 25 per cent of funding would be provided based on the City's ability to meet housing supply targets over the three-year period ending September 2026. Overall, the program provides a major opportunity to secure funding to advance strategic City objectives.

## CONCLUSIONS

The identified initiatives reflect the City's on-going commitment to encourage the development of safe, secure and affordable housing options for all in Victoria. The City's *Housing Action Plan* prioritizes foundational actions that will support a land use management framework that enables the development of a diversity of housing options in the near and long-term. Overall, the initiatives proposed for the HAF submission largely reflect work previously planned, but if successful the HAF could provide additional funding and resources to advance this work more expeditiously enabling the City to take meaningful steps to respond to the housing and climate crisis.

Respectfully submitted,

Ross Soward  
Senior Planner – Housing Development  
Community Planning Division

Karen Hoese, Director  
Sustainable Planning and Community  
Development Department

**Report accepted and recommended by the City Manager**