



REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: Housing Accelerator Fund Application

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From: Anton Metalnikov, RPP, MCIP
Planner

Date: September 18, 2023

RECOMMENDATION:

THAT Council approve the City's Housing Accelerator Fund application.

PURPOSE:

The purpose of the report is to provide an overview of the City's Housing Accelerator Fund application and provide Council the opportunity to approve this application, which is a requirement of being considered for the program.

POLICY:

The Housing Accelerator Fund is a CMHC grant program that aims to increase the growth of housing supply by incentivizing local governments to make regulatory and procedural reforms through a monetary grant. Specifically, urban municipalities such as the City of Langley can apply to the Housing Accelerator Fund with seven proposed Initiatives supporting housing development, with those local governments whose Initiatives result in the largest increase in housing growth compared to the status quo being those who will be successful in their application for the grant.

The Official Community Plan (OCP) aligns with the broad goal of the Housing Accelerator Fund, with "Affordable Living & Diverse Housing for all Generations" being one of the OCP's "5 Big Themes". Increasing housing supply is one of the six Strategic Directions under this Theme.

The OCP also has a number of policies in support of the specific Initiatives proposed by the City as part of its Housing Accelerator Fund application, including:

- *Affordable Living & Diverse Housing for all Generations, Strategic Direction 3: Create missing middle options*
- *Policy 1.6: Enable density bonusing*
- *Policy 1.8: Incentives for affordable housing*
- *Policy 1.9: Support subsidized housing*
- *Policy 2.21: Reduce parking requirements*

COMMENTS/ANALYSIS:

The City has applied to the Housing Accelerator Fund given the program's broad alignment with the City's own goals as outlined in the OCP and the opportunity to secure substantial funding to support achieving these goals, both in terms of implementing the necessary Initiatives and in supporting the City's growth through financing improvements to infrastructure and amenities. The CMHC requires Council approval of the application for it to be considered for the program in order to receive certainty that the Initiatives proposed have the necessary support to be implemented. If the City's application is successful, it will be required to enter into a Contribution Agreement with the CMHC outlining the terms and conditions of the funding.

The structure of the Housing Accelerator Fund and its application process requires local governments, as applicants, to identify their existing projected growth in housing units, propose seven Initiatives that will support the program's primary goal of increasing housing supply, and estimate the number of additional housing units that will be enabled as a result of these Initiatives, over the three-year timeframe of the program. The seven Initiatives proposed in the City's application were selected from a larger list of options provided by the CMHC as part of the application guide for the Housing Accelerator Fund. The seven Initiatives are as follows:

1. Create standard pre-approved garden suite plans.

Staff would work with a residential building designer or architect to create a selection of standard garden suite plans, which would be pre-approved for compliance with the BC Building Code. This would allow homeowners wishing to build a garden suite on their property to select one of these standard plans and provide them to a contractor for construction, which would save costs on design fees and time on staff plan review and, in turn, encourage the creation of these missing-middle rental housing options.

2. Create standard pre-approved plex-home plans.

Staff would work with a residential building designer or architect to create a selection of standard plex-home (du-, tri-, and fourplex) plans, which would be pre-approved for design and compliance with the BC Building Code. This would allow homeowners or developers wishing to build a plex-home to select one of

these standard plans and, if necessary, commit to taking them through the rezoning process. As a result, they would save costs on design fees and time on both staff design and Building Code review, which will encourage the faster development of these missing-middle housing options in OCP-consistent areas.

3. Reduce parking requirements for transit-adjacent properties.

The federal Airport Zoning Regulation (which limits the height of buildings in the City to a maximum of approximately of 45 metres or fifteen storeys) and the City's generally challenging soil conditions combine to limit the amount of space available for parking in new developments. This creates a competition for this space between parking and homes where, the more parking is provided, the fewer units can be accommodated, and vice versa. In recognition of the increased access to rapid transit and mobility created by the two future SkyTrain stations and the reduced need and demand for vehicle travel by residents living near these stations, the Zoning Bylaw could be amended to reduce parking requirements for properties that are rapid transit-adjacent (within 200 metres; a 2 to 3-minute walk) to these SkyTrain stations, to allow more homes to be built on the same property.

4. Implement density bonusing.

The City's OCP encourages the implementation of a density bonusing program, which would provide the opportunity for increased density on development sites in exchange for developer-provided amenities, such as below-market housing. This would allow the creation of additional housing units overall, with a portion of these units secured with rental tenure at more affordable levels.

5. Waiving Public Hearings on affordable housing projects consistent with the OCP.

The Provincial *Local Government Act* allows for local governments to process rezoning applications without the holding of a Public Hearing if the application is consistent with the OCP. Allowing rezoning applications for affordable housing to proceed through the approval process without a Public Hearing would allow this housing to be completed sooner and can help avoid uncertainty and unforeseen challenges that can increase costs. To maintain public awareness and engagement in the development process, staff would explore alternative avenues of receiving public input on development applications (such as Public Information Meetings) that would align with the Housing Accelerator Fund's streamlining objectives, for Council's consideration.

6. Implementing new/enhanced application processing systems.

Staff would transition from paper applications to digital applications for drawings and documentation by subscribing to specialized software. This will save time and costs for both staff and applicants by ensuring applications are complete, project management is centralized, and eliminating the need for printing and transport.

7. Delegating select Development and Development Variance Permit application approvals to staff.

Allowing applications for minor Development Permits (such as those for smaller buildings) and Development Variance Permits (which allow small deviations from bylaw requirements) to be approved by staff, rather than by Council, would speed up the production of housing by shortening the overall process, requiring less staff time for processing, and untying applications from the Council meeting schedule. The definition of “minor” for both application types would be formally specified with Council to ensure Council retains authority over more significant projects.

With these Initiatives implemented, staff estimate the total number of housing units that can be created in the three year timeframe of the Housing Accelerator Fund program would increase to 1,680, compared to 1,433 that would be estimated under the status quo, for a net increase of 247 units over 3 years.

Funding

Under the Housing Accelerator Fund’s preliminary funding formula, if the City’s application is successful, the City would receive over \$9.67 million, which would be paid out in four equal installments on an annual basis. In accordance with the requirements of the Housing Accelerator Fund, the secured funding could be used to implement the associated Initiatives, to support affordable housing, and to fund housing and community-related infrastructure such as park and trail improvements, street upgrades, and underground services (i.e. pipes).

The City was not required to, and did not, commit to funding any specific projects as part of this program. All funding will be required to be spent within the timeframe of the program.

The CMHC has reserved the right to amend the funding formula before all successful applications are decided and, as such, the actual funding amount may differ from the current estimate. However, the precise total figure will be confirmed before the City must enter into the Contribution Agreement. The City will be required to provide annual reports on the status of implementing its Initiatives, and the first three installments will be guaranteed so long as progress and any timelines committed to

on the Initiatives are being met. The fourth installment may be subject to the actual number of housing units created meeting the projections in the City's application. Additional details on this are expected to be provided as part of the Contribution Agreement the City would be required to enter into as part of this program.

Feasibility

It is important to note that the proposed Initiatives and any development they support still need to be consistent with the OCP, which means that density, design, and uses would remain in alignment with the City's existing vision for its development. While the number of housing units projected over the next three years would increase, these additional units would still fit within the City's overall growth projections and maximum theoretical buildout of the OCP and, as such, would continue to be viable and supported by infrastructure capacity analysis including road and underground services (such as water, sewer, and stormwater pipes).

BUDGET IMPLICATIONS:

If the City's application for the Housing Accelerator Fund is successful, it is estimated that the City may receive over \$9.67 million in four installments which must be spent within the program timeframe. While the City will also be obligated to implement its proposed Initiatives, some of which will require new expenditures, staff estimate the total capital that the City will need to fund the proposed Initiatives is approximately \$670,000. This will allow all capital costs to be covered by the grant funding and leave approximately \$9 million to use on other projects in accordance with the requirements of the Housing Accelerator Fund. If the final amount of funding is lower than expected at the time of the City's application approval, or if the final (fourth) funding installment is held back, the City's application approach would still allow the Initiatives to be funded by the grant, while ensuring the City is not required to commit any of its own funds to any project without reimbursement. This application has been reviewed by the Director of Corporate Services and confirmed to be financially viable.

SUMMARY:

The City has applied to the CMHC's Housing Accelerator Fund to secure funding in exchange for undertaking projects and reforms that will help increase the supply of housing and the speed with which it is created. In order for the City's application to be eligible for consideration, it must be approved by Council.

ALTERNATIVES:

1. Deny approval of the City's Housing Accelerator Fund application.
 - This is not recommended, as it would disqualify the City's application and prevent the City from receiving funding which would support projects that help

produce more housing and contribute to associated infrastructure and community amenity infrastructure.

Respectfully Submitted,



Anton Metalnikov, RPP, MCIP
Planner

Concurrence:



Carl Johannsen, RPP, MCIP
Director of Development Services

Concurrence:



Roy Beddow, RPP, MCIP
Deputy Director of Development Services

Attachment(s):

1. Application Summary – Housing Accelerator Fund
2. MP John Aldag HAF Support Letter

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I support the recommendation.



Francis Cheung, P. Eng.
Chief Administrative Officer