

DATE OF MEETING March 20, 2024
AUTHORED BY LISA BRINKMAN, MANAGER, COMMUNITY PLANNING
SUBJECT HOUSING ACCELERATOR FUND UPDATE

OVERVIEW

Purpose of Report:

To provide a rationale as to why the City of Nanaimo was not selected to receive the Canada Mortgage and Housing Corporation - Housing Accelerator Funding.

BACKGROUND

In August 2023, the City of Nanaimo submitted an application to the Canada Mortgage and Housing Corporation (CMHC) for the Housing Accelerator Fund (HAF). The program was introduced in the Federal Budget with a funding allocation of \$4 billion until 2026-2027. The Large/Urban Stream of the HAF provides incentive funding to local governments with a population greater than 10,000. The funding is to encourage local initiatives that remove barriers to housing supply, accelerate growth of housing supply, and support the development of complete, low-carbon and climate-resilient communities which are affordable, inclusive, equitable, and diverse.

A summary of the City of Nanaimo HAF application is as follows:

- In August 2023, the City applied to the CMHC-HAF for \$15,150,000, based on the CMHC-HAF formula for a projected 1,175 new housing units in Nanaimo in 2024, 2025, and 2026.
- The HAF application proposed an Action Plan to include the following projects: allowing more secondary suites and coach houses, pre-zoning land in Urban Centre and Corridor Land Use Designations, Woodgrove Area Plan, Form and Character Development Permit Area Guidelines, Permitting and Approvals Modernization Software, and Development Approvals Process Review.
- The HAF funds were proposed to be spent on the Buttertubs Sanitary Sewer Capacity solutions, Hammond Bay and Turner Area Sanitary Sewer Project, and to purchase property for affordable and supportive housing projects.

On 2024-FEB-29, the City received an email from CMHC advising that the City was not selected for the HAF program.

DISCUSSION

On 2024-MAR-13, Staff met with a CMHC municipal relations representative to discuss the reasons the City was not selected for the HAF program. The following information was provided:

- The federal budget allocated \$4 billion to the HAF program, and CMHC received applications for \$8.7 billion.
- CMHC received 544 HAF applications and 179 applications received funding. Approximately one third of all applicants were selected.
- Of the 179 applications, one was allocated to the Province of Quebec, who had their own process of choosing successful local governments in Quebec. Thus, more than 179 local governments were selected for the HAF program.
- Nanaimo's HAF application scored well, and met all of the criteria to be selected. The City's proposed action plan met many of the requirements of the ten HAF best practices published by CMHC in 2023-OCT-23.
- Proportionally, BC as a province had a strong showing of high quality applications. As the HAF program is distributed nationally, this made selecting successful local governments in BC a challenge.

CMHC staff advised that the importance of federal financial assistance for municipal infrastructure was emphasized by many municipalities.

CONCLUSION

The City submitted a strong HAF application to a grant program that was oversubscribed nationally, and more so regionally. It is extremely disappointing that the City of Nanaimo was not selected. Staff will continue to work with CMHC to seek future funding opportunities.

SUMMARY POINTS

- In August 2023, the City of Nanaimo applied to the CMHC-HAF for \$15,150,000, based on the CMHC-HAF formula for a projected 1,175 new housing units in Nanaimo in 2024, 2025, and 2026.
- On 2024-FEB-29, the City received an email from CMHC advising that the City was not selected for the HAF program.
- Nanaimo's HAF application scored well, and met all of the criteria to be selected.
- Proportionally, BC as a province had a strong showing of high quality applications. As the HAF program is distributed nationally, this made selecting successful local governments in BC a challenge.

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