



The Corporation of the Town of Milton

Report To: Council

From: Jill Hogan, Commissioner, Development Services
Glen Cowan, Chief Financial Officer / Treasurer

Date: November 13, 2023

Report No: ES-011-23

Subject: Housing Accelerator Fund (HAF) - Update

- Recommendation:**
1. **THAT Council endorse the updated HAF Application, including the following five (5) additional initiatives as requested by the Federal Minister of Housing, Infrastructure and Communities, as outlined further in ES-011-23:**
 - a. **Permitting four units as-of-right city-wide;**
 - b. **Permitting four storeys as-of-right within 800 metres walking distance of Milton Transit lines;**
 - c. **Designate dedicated staff to implement an affordable housing strategy, which should involve liaising with non-market housing providers and other levels of government, guiding projects through the development and permitting process, and identifying lands for affordable nonmarket housing;**
 - d. **Delegate decision-making power for minor re-zonings, as well as approvals for affordable housing and modular housing, to City staff;**
 - e. **Create incentives to encourage the development of purpose-build rentals and non-market housing.**
 2. **THAT the implementation of any of the five additional initiatives noted above be contingent on further Council approvals as outlined in the Supplemental Information that the Town provided for the HAF program (Attached herein as Appendix C).**

3. THAT the Commissioner of Development Services be authorized to make any further adjustments required to the Town of Milton's HAF Application.
4. THAT the Mayor and Clerk be authorized to execute any agreements that are required in relation to the HAF funding program.

EXECUTIVE SUMMARY

- The HAF Program offers the Town a funding opportunity that is associated with the acceleration of, and increase in, housing supply.
- Eligibility for the program requires the development of an action plan, completion of a housing needs assessment report and a commitment to achieving the growth targets.
- Town of Milton Council endorsed an application to the HAF program in May 2023 through report ES-008-23. The application included seven initiatives that were developed in consultation with the CMHC and based on the HAF application guide.
- In October 2023 the Town received a correspondence from the Federal Minister of Housing, Infrastructure and Communities requesting the addition of five additional initiatives in the Town's HAF application.
- Council endorsement of those initiatives is being sought at this time to further strengthen the Town's HAF application and lead to meaningful investment in the development of new housing opportunities within the community.
- As outlined in the supplemental information provided to the CMHC, each of the five additional initiatives are expected to require a Council approval in Q1 2024 after the related policy frameworks have been developed, public consultation has occurred, and/or the funding details and requirements from HAF to the Town have been further established.

REPORT

Background

The 2022 Federal Budget announced \$4 billion in funding until 2026/2027 to launch the Housing Accelerator Fund (HAF). The program will be administered by the Canadian Mortgage and Housing Corporation (CMHC). HAF is an application-based program with one application window in 2023. The program is intended to drive transformational change within the sphere of control of the local government regarding land use planning and development

Background

approvals. HAF's objective is to accelerate the supply of housing across Canada and support lasting changes that will improve housing supply for years to come.

At its May 29, 2023 meeting, Milton Council endorsed the Town's original application for the HAF program. The application included seven initiatives that were developed in consultation with the CMHC with specific consideration of the HAF application guide. Those initiatives were:

1. Implementation of the Milton Mobility Hub Strategy
2. Additional Residential Unit (ARU) Study
3. Residential and Non-Residential Land Needs Study
4. Development Services Public Portal
5. Delegation of Authority Enhancements
6. Official Plan Update
7. Transportation Mater Plan Update

Further detail of the HAF program, as well as the Town's initial seven initiatives and growth targets, can be found in the report presented in May ([ES-008-23](#))

On October 10, 2023, the Town received a correspondence from the Federal Minister of Housing, Infrastructure and Communities in relation to the Town's application. The Minister outlined five requests that would improve Milton's application and better reflect the Minister's ambition for the HAF program. It was noted that if the Town could enhance the existing application by addressing these items, it would ensure that Milton leverages its full potential to develop housing. A copy of the full correspondence is attached as Appendix A.

Discussion

The five additional initiatives that have been requested by the Minister are:

1. Permitting four units as-of-right city-wide;
2. Permitting four storeys as-of-right within 800 metres walking distance of Milton Transit lines;
3. Designate dedicated staff to implement an affordable housing strategy, which should involve liaising with non-market housing providers and other levels of government, guiding projects through the development and permitting process, and identifying lands for affordable nonmarket housing;
4. Delegate decision-making power for minor re-zonings, as well as approvals for affordable housing and modular housing, to City staff;
5. Create incentives to encourage the development of purpose-build rentals and non-market housing.

Following receipt of the Minister's letter, and in consultation with staff, the Mayor provided a response to the Federal Minister that recognized the Town's collaboration to date with the

Discussion

CMHC for the HAF program and indicating the Town's willingness to consider the five new initiatives as part of the application process. The Mayor's correspondence also directed staff to assess the Council (or other) approvals that may be required in order to implement these initiatives and to develop the related action plans. A copy of the Mayor's correspondence is attached as Appendix B.

Subsequent to the Mayor's letter, and after further consultation with CMHC, supplemental data was submitted by the Town's Commissioner of Development Services. The supplemental information outlined proposed milestone dates, cost estimates and outcomes (units) of the newly requested initiatives, as well as refinement of previous submitted action items based on updated information. It was noted that for each of the 5 additional initiatives that a Council approval would be required after full program and policy details could be developed, with each expected in Q1 2024 (subject to the timing of any potential HAF announcement). A copy of the supplemental data submission is attached as Appendix C.

Should Council endorse the revised application as recommended in this report, the Town will notify the Federal Minister and CMHC staff. Delegated authority for the Commissioner of Development Services to make further adjustments to the Town's application is also recommended so that the Town can respond in a timely manner as the HAF program continues to evolve. Should the Town be successful in its application for the HAF program, additional Council approvals will be sought in relation to the initiatives as the programs are more fully defined.



Financial Impact

The HAF program has the potential to provide a significant amount of funding to the Town in order to help support growth in housing and housing options within the community. Funding received would be applied towards the investments that will be made during the HAF reporting period, with priority applied to initiatives that support the medium and high density communities that lend themselves to promoting a range of housing options and housing affordability. Reporting to Council of the funding utilization would occur in accordance with the Town financial management policies, and to the CMHC through the reporting requirements of the HAF program.

For the five new initiatives that are recommended to be endorsed, the two with the most direct financial implication to the Town are the financial incentive for rental and affordable housing program, as well as the dedicated staffing to support affordable housing. In each case, it is expected that any new cost would be funded from proceeds of the HAF program. As such, even though a draft potential framework for each was included in the Town's supplemental information submission, final details can only be confirmed following further feedback or approvals from the HAF program.

Respectfully submitted,

Jill Hogan
Commissioner, Development Services

Glen Cowan
Commissioner, Development Services

For questions, please contact:	Jill Hogan, Commissioner, Development Services	Phone: Ext. 2304
	Glen Cowan, CFO/Treasurer	Ext. 2151

Attachments

Appendix A - Letter from the Minister of Housing, Infrastructure and Communities
Appendix B – Letter to the Minister of Housing, Infrastructure and Communities
Appendix C – Town of Milton Supplemental HAF Submission

Approved by CAO
Andrew M. Siltala



Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.



Mayor Gordon Krantz

Via electronic mail townclerk@milton.ca

October 10, 2023

Dear Mayor Krantz,

I am writing to you following a thorough review of the Town of Milton's application to the federal government's Housing Accelerator Fund.

As you know, the Town of Milton is facing a housing crisis that requires bold and decisive action. To adequately respond to the housing challenges facing the people of Milton, it's imperative that we pursue bold ideas, while implementing solutions that work for Canadian families and communities.

Before making a decision on Milton's application, I would respectfully urge you to ensure that the City is doing everything in its power to address the housing crisis in Milton.

In particular, I have five requests that would improve Milton's application and better reflect my ambition for the Housing Accelerator Fund:

- Permitting four units as-of-right city-wide;
- Permitting four storeys as-of-right within 800 metres walking distance of Milton Transit lines;
- Designate dedicated staff to implement an affordable housing strategy, which should involve liaising with non-market housing providers and other levels of government, guiding projects through the development and permitting process, and identifying lands for affordable nonmarket housing;
- Delegate decision-making power for minor rezonings, as well as approvals for affordable housing and modular housing, to City staff;
- Create incentives to encourage the development of purpose-build rentals and non-market housing;

These changes will increase the supply of housing in Milton, allow for greater housing options within walking distance to transit, and facilitate more genuine housing options for the people of Milton.

If you and Council can enhance your application by addressing these items, it will allow us to ensure Milton leverages its full potential to develop the housing which the people of Milton need.

My colleague, Member of Parliament Adam van Koeverden, has been an outstanding advocate for the City of Milton. He has provided me with valuable advice regarding Milton's local contexts, and has counseled me that Milton is prepared to do its part to address the housing crisis. I appreciate your consideration of this request and eagerly anticipate our future discussions.

Sincerely,

The Honourable Sean Fraser, P.C., M.P.
Minister of Housing, Infrastructure and Communities



THE CORPORATION OF
THE TOWN OF MILTON

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The Honourable Sean Fraser, P.C., M.P.
Minister of Housing, Infrastructure and Communities
Via electronic mail

Dear Minister Fraser,

Thank you for your recent letter regarding the Town of Milton and the Housing Accelerator Fund (HAF).

The Town has been actively engaged throughout this process since first being approached by representatives of the Federal Government and the CMHC regarding HAF, and we continue to share the same interest in removing barriers to housing supply and accelerating growth. The Town has consistently demonstrated the ability to achieve these goals, specifically noting that Milton:

- Has consistently ranked amongst the fastest growing municipalities in Canada over multiple census periods
- Ranked first amongst municipalities in terms of planning approval timelines in a benchmarking study undertaken by Altus Group Economic Consulting on behalf of the Building Industry and Land Development Association
- Has tripled the population of the Town over the past 20 years and will see the population almost triple again over the next 30 years

These results were achieved through the Town's strategic and collaborative approach to supporting growth within Milton, and they are indicative of our ability to not just achieve but exceed our housing pledge to facilitate the construction of a minimum of 21,000 new homes in the community by 2031.

The Town worked closely with CMHC representatives on developing the HAF submission that has been previously presented, including the identification of potential initiatives. As the HAF program and the housing needs of the community evolve, we remain open to the consideration and implementation of further measures that may result in positive benefits within the community. Specifically, and in accordance with your suggestion, I request that you include the following five additional initiatives as part of the Town of Milton's application for the HAF program:

- Permitting four units as-of-right city-wide;
- Permitting four storeys as-of-right within 800 metres walking distance of Milton Transit lines;
- Designate dedicated staff to implement an affordable housing strategy, which should involve liaising with non-market housing providers and other levels of government, guiding projects through the development and permitting process, and identifying lands for affordable nonmarket housing;
- Delegate decision-making power for minor re-zonings, as well as approvals for affordable housing and modular housing, to Town staff;



- Create incentives to encourage the development of purpose-build rentals and non-market housing.

Concurrent with the preparation of this letter, I am also directing Town staff to assess the Council (or other) approvals that may be required in order to implement these initiatives and to develop related action plans so that the Town will be well positioned should HAF funding be approved for Milton.

These alternative solutions would complement not just the initiatives that have been previously proposed through the Town's application to the HAF program, but also the progress that the Town continues to make on strategic initiatives within the Town that will support our shared objectives.

- Milton is in the process of welcoming post-secondary institutions as both Wilfrid Laurier University and Conestoga College have established locations and begun offering programs within the community. The Town continues to work closely with these educational partners to ensure that the municipal services that will be required for the student population are in place as their enrollment and housing needs grows.
- Milton continues to expand its transit offering to ensure affordable solutions within the Town and critical connections to GO transit and adjacent municipalities. In addition to the acquisition of additional fleet, the Town is also in the process of making a significant investment to establish the first dedicated transit maintenance facility within the Town in order to ensure that the Town's vision for density and affordable units can be properly supported.
- Milton continues to actively work with multiple land owner groups as we progress through the planning, approval and implementation of four new growth areas within the Town. This will ensure continued growth as the Town pursues its population targets of 238,000 people by 2031 and 350,000 people by 2051, respectively.

We would welcome an opportunity to speak to you further about the HAF program, and how the Town of Milton and the Ministry of Housing, Infrastructure and Communities can partner together on these or other initiatives to ensure that our shared goal of accelerated housing growth can be achieved.

Sincerely,



Gordon A. Krantz
Mayor, Town of Milton

c.c.
Adam Van Koeverden, Member of Parliament
Andrew Siltala, CAO, Town of Milton

Initiative	Initiative Type (Initiative) (Initiative)	Description (Initiative) (Initiative)	Estimated Start Date	Estimated Completion Date	Estimated Cost (Initiative) (Initiative)	Estimated Incented Units	Estimated Incented units within the program	Milestone Name	Description	Estimated Start Date	Estimated Completion Date
1-Additional Residential Unit By-law Approval and Implementation	Allowing increased housing density on a single lot including promoting "missing middle" housing forms	The Town is in the process of reviewing and updating its policies and regulations regarding additional residential units to align with the updated Ontario Planning Act. An increase in available housing units by permitting up to 3 units on a serviced residential lot is expected through this initiative. This initiative specifically addresses the following HAF initiative: 16. Allowing increased housing density (increased number of units and number of storeys) on a single lot including promoting "missing middle" housing forms typically buildings less than 4 stories This initiative also is inclusive of the following HAF initiatives: 17. Encouraging Accessory Dwelling Units—a second smaller unit on the same property as a primary unit 5. Promoting infill developments (adding new units to existing communities) with increased housing density and a variety of unit types (e.g., duplexes or secondary suites)	12/1/2022	4/30/2024	\$ 25,000	500	150	Background Report approval at Council	Background report and internal review of best practice	12/1/2022	3/6/2023
								Public Consultation	Public survey and engagement/consultation events	3/8/2023	6/30/2023
								Council approval of ARU policies and zoning by-law	Recommendation Report to Council with proposed policies and reg	10/31/2023	2/15/2024
								Permitting four units as-of-right town-wide	Recommendation Report to Council with proposed policies	10/31/2023	2/15/2024
								Permitting four storeys as-of-right within 800 metres walking distance of Milton Transit lines	Recommendation Report to Council with proposed polices	10/31/2023	2/15/2024
2-Delegation of Authority Enhancements-Delegate decision	Implementing changes to decision making	Enhanced delegating authority for the Commissioner of Development Services (staff) to approve draft Plans of Subdivisions, Site Plans, Temporary Uses, Removal of Holding Zones. Required approval from Council of the authorities for enactment.	11/11/2022	12/12/2023	\$ 20,000	503	151	Statutory Public Meeting and Council Approval	Council approval received in February 2023.	10/1/2022	2/6/2023
								Public Engagement	Ongoing engagement with the development community will ensue	2/6/2023	12/12/2023
								Delegate decision-making power for minor re-zonings, as well as approvals for affordable housing and modular housing, to Town staff;	New Delegated Authority By-law - Council Approval	12/12/2023	2/15/2024
3-Development Services Public	Implementing new/enhanced processes	Streamlining, digitizing and modernizing our approach to managing and issuing building permits	7/4/2022	12/12/2023	\$ 1,000,000	167	50	Program Testing	Test runs of the data base and public portal in advance of going live	4/1/2023	6/30/2023
								Public Portal Go Live	Public are able to apply and monitor building permit applications	7/10/2023	11/30/2023
4-Official Plan Update	Promoting high-density development without the need for rezoning (as-of-right zoning)	Establishing a comprehensive planning framework to promote and encourage a range of housing options to meet identified market demand and needs across the entire municipality. This initiative specifically addresses the following HAF initiative: 2. Allowing increased housing density (increased number of units and number of storeys) on a single lot including promoting "missing middle" housing forms typically buildings less than 4 storeys This initiative also is inclusive of the following HAF initiative: 4. Enable mixed-use redevelopment of city-owned properties, while where appropriate maintaining the current government use, e.g., building housing on top of a library or office space 14. Implementing measures to address or prevent flood plain or climate change risk for example making flood plains park land and/or creating relocation programs to move housing units out of at-risk areas 15. Incorporating a climate adaptability plan into Official Community Plan	5/1/2022	11/30/2024	\$ 360,000	2,307		Assemble Draft Official Plan Policies for Public Engagement	Town staff will prepare a draft Official Plan for public engagement	10/1/2023	3/1/2024
								Public Meeting Required Under the Ontario Planning Act	A statutory public meeting must be held prior to the adoption of a	3/1/2024	5/30/2024
								Prepare and Present a New Official Plan to Council for Adoption	Taking into consideration all input required through public engage	5/30/2024	11/30/2024
5-Residential/Non-Residential Take Up/Land Needs Implementation Plan	Implementing inclusionary zoning	Will inform how the Town will grow to meet the needs of population and employment to the year 2051 – the forecasted growth will be developed in 5 year increments to inform infrastructure and financial planning. The analysis and plan will also complete the Ontario Planning Act requirements for the assessment report for inclusionary zoning and analyzes the needs for affordable housing on the Town. This initiative will also satisfy the HAF requirement for an updated Housing Needs Study. This initiative specifically addresses the following HAF initiative: 18. Implementing inclusionary zoning (the requirement that a developer builds a certain percentage of their units at affordable (below market) prices or rents) in ways that foster development This initiative also is inclusive of the following HAF initiative:	5/30/2023	10/31/2023	\$ 163,000	692		Phase 1	Forecast Population, Housing Mix	5/15/2023	8/15/2023
								Phase 2	Completes Planning Act requirement for the assessment report for	6/30/2023	10/31/2023

Initiative	Initiative Type (Initiative) (Initiative)	Description (Initiative) (Initiative)	Estimated Start Date	Estimated Completion Date	Estimated Cost (Initiative) (Initiative)	Estimated Incented Units	Estimated incented units within the program	Milestone Name	Description	Estimated Start Date	Estimated Completion Date
6-Transportation Master Plan Update	Updating infrastructure planning to align with official community plans, growth targets, and housing needs assessment	The Transportation Master Plan will guide the implementation of the transportation infrastructure and initiatives require to support Milton's growth and housing targets. Milton completed its first Transportation Master Plan in 2018. Milton's planning for growth and development has focused on greater intensification and redevelopment within the established built boundary and denser, complete communities through Secondary Plans for Urban Expansion Areas. As a result, there is a need to update the Transportation Master Plan to support of these land use policies and development patterns and create a coordinated, integrated multi-modal transportation system that reflects the changing dynamics of the development and transportation industry by meeting the future needs of transit users, pedestrians, cyclists, and drivers in the community. This initiative specifically addresses the following HAF initiative: 24. Updating infrastructure planning to align with official community plans, growth targets, and housing needs assessment	3/30/2023	3/29/2024	\$ 272,064	-	-	Presentation and Approval by Council of a Finalized Transportation Master Plan	Final plan presented to Council for approval.	3/30/2023	3/29/2024
7- Financial Incentives for Rental and Affordable Housing	Implementing incentives, costing or fee structures, for example density bonusing, to encourage such things as affordable housing to residential	Create an incentive program to encourage the development of purpose-built rental housing developments and/or affordable housing across the entire Town of Milton, noting a specific focus for high density units within the Town's Major Transit Station Area (MTSA). Given the Development Charge discounts and HST exemption already available for rental, the incentive program created in relation to HAF will provide a rebate to the Building Permit Fee applicable to the units created to a maximum of \$2,500 per unit until the allocated funds are fully utilized.	11/30/2023	12/31/2025	\$1,000,000	400	400	Milestone 1 - Design Program	Prepare program guidelines based on funding available and projected demand based on review of market.	11/30/2023	2/28/2024
								Milestone 2 - Council Approval of Program	Present report and recommendation for Council authority	3/1/2024	3/31/2024
								Milestone 3 - Implementation of Program	Advertise program, support potential applicants through process, process financial incentives, report on outcomes	4/1/2024	12/12/2025
8 - Dedicated staff for affordable housing strategy	Partnering with non-profit housing providers to preserve and increase the stock of affordable housing	Designate dedicated staff to implement an affordable housing strategy, which should involve liaising with non-market housing providers and other levels of government, guiding projects through the development and permitting process, and identifying lands for affordable nonmarket housing;	11/30/2023	12/31/2025	\$ 250,000	50	50	Milestone 1 - Job Design	Prepare program guidelines based on funding available and targetted outcomes.	11/30/2023	1/31/2024
								Milestone 2 - Council Approval of Program	Present report and recommendation for Council authority	2/1/2024	2/28/2024
								Milestone 3 - Implementation of Program	Post position and hire staff resource, support potential applicants through process & work with NPOs, report on outcomes	3/1/2025	12/31/2025