

Housing Accelerator Fund Overview - Action Plan (2024-2026)

RECOMMENDATION:

That Committee of Council endorse the Housing Accelerator Fund Overview - Action Plan (2024-2026) and direct staff to report back annually with a progress update.

PREVIOUS COUNCIL/COMMITTEE ACTION

September 10, 2024 – Committee of Council directed staff to apply to the Housing Accelerator Fund Round 2 with a commitment to the housing supply growth targets and incentives identified in the Housing Supply Plan Progress Report and support the use of the Housing Supply Plan Progress Report in advocating for funding from senior government agencies to help increase housing supply and opportunities in Port Coquitlam.

July 25, 2023 – Committee of Council directed staff to apply to the Canadian Mortgage Housing Corporation's Housing Accelerator Fund with a commitment to the housing supply growth targets and incentives identified in the Housing Supply Plan.

REPORT SUMMARY

This report provides an overview of the Housing Accelerator Fund (HAF) program and Port Coquitlam's Approved Action Plan (AAP) to be implemented from 2024 to 2026 and summarizes essential commitments made to the Canadian Mortgage Housing Corporation (CMHC) to support the HAF program.

BACKGROUND

In early 2023, the CMHC introduced the HAF Program, a \$4 billion-dollar funding initiative to provide local governments with financial incentives to remove barriers to housing supply, accelerate growth, and support community development. In order to capitalize on the funding opportunity, the City put forward a Council approved application that included detailed initiatives, specific budgets, strong growth targets, and was designed to meet the HAF criteria.

In early 2024, the City received news that it had not been selected as a successful candidate for Round 1 funding; however, CMHC announced an additional \$400 million in funding available only to unsuccessful applicants of HAF Round 1.

On September 10, 2024, Committee of Council directed staff to apply to the CMHC HAF Round 2. On February 18, 2025 it was announced the City was successful in the application and would potentially receive up to \$10,353,323.10 in funding over four years. The City of Port Coquitlam's HAF AAP is targeting to deliver 1,131 units over the next three years through seven initiatives.

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DISCUSSION

HAF Approved Action Plan – Program Permitted Uses and Conditions

Step 1: Executing the AAP and Meeting Housing Targets (2025-2026)

Funding must be prioritized and used on the seven initiatives in the AAP. In keeping with the Housing Accelerator Fund Contribution Agreement (the Contract) staff will allocate funding accordingly to support the timely execution of initiatives, milestones, and deliverables to align with the commitments outlined in the AAP (Attachment 1). Staff are well underway with a number of these deliverables. A few other initiatives are more involved where staff are in the process of developing work plans for the initiatives and identifying resource requirements, including, but not limited to, temporary staffing, consulting work, and technology upgrades.

Table 1. Approved Action Plan Initiatives

	2024	2025				2026			
HAF AAP Initiative	Q1-4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Development Approvals Process Improvements									
2. Activate City Lands for Development and Explore Partnerships									
3. Develop grant and incentive opportunities to activate housing development									
4. Identify areas for further parking reductions									
5. Implement pre-zoning to activate Multi Family Housing Development									
6. Increase Efficiency through the use of new technologies									
7. Eliminate restrictions and add flexibility to multi-family housing through a density bonusing review									

Step 2: Potential Opportunity for Additional Initiatives (2027-2028)

Subject to successful completion of the commitments in the AAP, including deliverables, timelines, units, and reporting requirements, there is program flexibility to create new initiatives and allocate subsequent funds towards other approved initiatives mutually agreed upon by CMHC and the City. Remaining funds will be reassessed and brought forward by staff for Committee direction on opportunities for additional initiatives. Future funding can only be allocated to four categories – additional investments in AAP, affordable housing, housing-related infrastructure, and community related infrastructure that supports housing (see Table 2).

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Table 2. Potential Opportunity for Additional Initiatives

Executing the AAP	Opportunities for Additional Initiatives		
	Investments in Affordable Housing	Investments in Housing-Related Infrastructure	Investments in Community-Related Infrastructure
Any Initiative in the AAP <ul style="list-style-type: none"> • Development approvals process improvements • Activate City lands • Develop grant and incentives • Parking reductions • Pre-zoning for multi-family • Increase efficiency through new technologies • Density bonusing review 	<ul style="list-style-type: none"> • Construction of affordable housing • Repair of modernization of affordable housing • Land or building acquisition for affordable housing 	<ul style="list-style-type: none"> • drinking water/ wastewater infrastructure • community energy systems • public transit • disaster mitigation • brownfield redevelopment • broadband and connectivity • capacity building • site preparation for housing developments • solid waste management 	<ul style="list-style-type: none"> • local road/bridges that support housing • Sidewalks, bicycle lanes, lighting • Firehalls • Landscaping and green space

Growth Targets and Additional Targets

The AAP is projected to incentivize an additional 287 units to be built over three years over and above the anticipated 844 baseline units, which translates to an increase in the number of annual new homes by 34% over the next three years.

Overall the Housing Supply Growth Target is 1,131 of net new housing units. Net new units are defined as those that have received an issued building permit. Included within this target are additional criteria as follows:

- 615 multi-unit housing units in close proximity to rapid transit
- 87 missing middle housing units
- 254 other multi-unit housing units
- 8.50% of the Housing Supply Growth Target are affordable units.

Reporting and Communications

On December 9, 2024 the contract was executed and the reporting processes were initiated. A one-time sixth-month report will be prepared in June 2025, with subsequent annual reports submitted to CMHC in January 2026, January 2027, and January 2028.

Annual reports must include:

- Capital projects report
- Funding report
- Permit data report
- Approved Action Plan update report on initiatives and associated milestones; and
- A signed attestation form to confirm appropriate use of funds by the City.

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CMHC encourages ongoing internal communications between staff on the AAP and has set quarterly meetings. CMHC has indicated that if the City encounters challenges in completion deadlines associated with the milestones to proactively communicate in order to amend the contract to a mutually agreeable date to ensure the success of the milestone and mutually beneficial outcomes.

CMHC may wish to participate in public communications on the HAF and must be notified at least 30 days prior and enable CMHC or the Government of Canada to participate in those communications.

A dedicated HAF webpage has been created and provides information and ongoing progress updates, see www.portcoquitlam.ca/HAF.

NEXT STEPS

Staff are actively working to incorporate the HAF AAP items into the City's work plans while aligning with Provincially legislated changes where possible to find efficiencies.

Staff will provide Council with annual progress reports on the implementation of the AAP, in meeting the Housing Supply Growth Target and use of the grant. Additional Council reports will be provided at key implementation milestones or when approval is needed for any required bylaw amendments, policy updates and contract awards (Attachment 2).

FINANCIAL IMPLICATIONS

Funding Disbursement and Conditions

Subject to compliance with the terms and conditions of the contract and completion of the commitments in the AAP including deliverables, timelines, units, and reporting requirements the City will receive \$10,353,323.10 in funding through four advances (see Table 3).


Table 3. HAF Funding Advances

Advances	CMHC Fiscal Year	Amount
First Advance	2024/25 (December 9 th , 2024 – March 31, 2025)	\$2,588,330.77
Second Advance	2025/26 (December 9 th , 2025 – March 31, 2026)	\$2,588,330.77
Third Advance	2026/27 (December 9 th , 2026 – March 31, 2027)	\$2,588,330.77
Fourth Advance	2027/28 (December 9 th , 2027 – March 31, 2028)	\$2,588,330.77

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The first advance was received in late December 2024. Subsequent payments will be made based on the City's ability to meet the initiatives and milestones completion date and deliverables verified through reporting and progress reviews by CMHC. If the City is not able to satisfy the conditions for an advance then CMHC may withhold or reduce funding. As a condition of the fourth advance only, the City must have achieved the Housing Supply Growth Target and the Additional Targets. Any remaining HAF funds must be spent by December 9, 2028 and at CMHC's request remaining HAF funds must be returned promptly.

OPTIONS (✓ = Staff Recommendation)

	#	Description
	1	Endorse the Housing Accelerator Fund Overview - Action Plan (2024-2026) and direct staff to report back annually with a progress update.
	2	Request additional information.
	3	Other as identified by Council.

ATTACHMENTS

Attachment 1: Housing Accelerator Fund Contribution Agreement (Contract) (December 2024)

Attachment 2: HAF Approved Action Plan Overview – Seven Initiatives (June 2025)

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