

City Council**Motion without Notice**

MM13.27	ACTION			Ward: All
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Federal Housing Accelerator Fund - Supporting Generational Transformation of Toronto's Housing System - by Mayor Olivia Chow, seconded by Councillor Jennifer McKelvie

** This Motion has been deemed urgent by the Chair.
* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Confidential Attachment - Confidential Attachment 1 contains information explicitly supplied in confidence to the City of Toronto by the Canada Mortgage and Housing Corporation (CMHC).

Recommendations

Mayor Olivia Chow, seconded by Councillor Jennifer McKelvie, recommends that:

1. City Council adopt the following recommendations in the attached report (December 12, 2023) from the Deputy City Manager, Development and Growth Services:
 1. City Council authorize the Deputy City Manager, Development and Growth Services, to negotiate and execute, on behalf of the City, a Contribution Agreement under the Housing Accelerator Fund (the "Contribution Agreement") and/or any related agreement(s) and amendments with the Canada Mortgage and Housing Corporation ("CMHC"), the Government of Canada or any other federal entity necessary for the receipt and expenditure of funding under the Housing Accelerator Fund on the terms and conditions outlined in Confidential Attachment 1 to the report (dated December 12, 2023) from the Deputy City Manager, Development and Growth Services, and such other or amended terms and conditions as are satisfactory to the Deputy City Manager, Development and Growth Services, in consultation with the Executive Director, Housing Secretariat and the Chief Planner and Executive Director, City Planning, and in a form approved by the City Solicitor, subject to Canada Mortgage and Housing Corporation's final approval of the City Housing Accelerator Fund application.
 2. City Council approve receipt of the Housing Accelerator Fund program funds, in accordance with the terms and conditions of the Contribution Agreement and any related agreements, directives or program guidelines.
 3. City Council approve the initiatives outlined in Attachment 2 to the report (dated December 12, 2023), from the Deputy City Manager, Development and Growth Services as submitted to the Canada Mortgage and Housing Corporation in the City's application for the Housing Accelerator Fund, and the proposed enhancements to the City's

application outlined in Attachment 3 to the report (dated December 12, 2023) from the Deputy City Manager, Development and Growth Services, and authorize the Mayor to submit the enhancements to the City's application outlined in Attachment 3 in response to the letter from The Honourable Minister Sean Fraser, Minister of Housing, Infrastructure and Communities.

4. City Council direct the Chief Financial Officer and Treasurer to establish a Housing Accelerator Reserve Fund and direct all funding received through the federal Housing Accelerator Fund program to the Housing Accelerator Reserve Fund to support the implementation of the City's action plan as approved by Canada Mortgage and Housing Corporation and/or all other initiatives/costs permitted under the Housing Accelerator Fund program, in each instance on terms satisfactory to the Chief Financial Officer and Treasurer, in consultation with the Deputy City Manager, Development and Growth Services and the Executive Director, Housing Secretariat, with funding towards eligible projects and initiatives allocated through the annual budget process.

5. City Council authorize the public release of Confidential Attachment 1 to the report (dated December 12, 2023) from the Deputy City Manager, Development and Growth Services, at the discretion of the Deputy City Manager, Development and Growth Services.

Summary

Addressing Toronto, Ontario and Canada's housing crisis demands urgent action and new investments from all orders of government. It also requires a range of approaches and partnerships across all sectors focused on increasing housing supply, protecting existing homes and improving housing stability for residents. In terms of new supply, the City of Toronto recognizes that a range of new homes is needed across the full housing continuum to reduce pressures throughout the entire housing system, improve housing affordability and access, particularly for lower and middle-income households, and to support growth.

In December 2022, City Council adopted the Housing Action Plan 2022-2026 (Housing Action Plan), which focuses on enabling both market, non-market and mixed income housing production in order to achieve or exceed the provincial housing target of 285,000 new homes over the next 10 years. Acknowledging that more specific and targeted approaches are needed to address the unmet housing needs of low-and-moderate-income households, at its meeting of November 8 and 9, 2023, City Council adopted Item EX9.3 – “Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes”, which updated the HousingTO 2020-2030 Action Plan (HousingTO Plan) and established a new supply target of 65,000 rent-controlled homes with a focus on increasing non-market housing supply. These homes will support and complement delivery of the Housing Action Plan targets. Item EX9.3 also outlined a range of actions and new and enhanced investments required from both the Government of Canada and Government of Ontario to complement City efforts and meet shared housing and growth targets.

On March 17, 2023, the Government of Canada, through the Canada Mortgage and Housing Corporation announced a new Housing Accelerator Fund as part of the National Housing Strategy. Housing Accelerator Fund will provide \$4 billion in funding nationally to local governments and Indigenous communities until 2026-27 to accelerate the supply of housing across Canada, with a target of achieving 100,000 net new permitted housing units, over and above the estimated number of building permits that would have been issued without support from the program.

In accordance with Council direction through Item - 2023.MM5.28, City staff submitted a Housing Accelerator Fund application to Canada Mortgage and Housing Corporation on June

14, 2023, followed by a revised submission in September, 2023. The City's Housing Accelerator Fund application included an action plan with a list of eight initiatives (Attachment 2) focused on increasing the supply of new homes; protecting existing homes and renters; revitalizing neighbourhoods across Toronto; and enhancing the City's capacity to accelerate the review, approval, and delivery of new homes through organizational re-alignment and new technology tools.

The attached report provides Council with an overview of the City's Housing Accelerator Fund application. It also seeks Council approval of the initiatives as well as proposed enhancements to address requests made by The Honourable Minister Sean Fraser, Minister of Housing, Infrastructure and Communities, to Mayor Olivia Chow, with respect to the City's Housing Accelerator Fund application. Further, the report seeks authority for the City to enter into a Contribution Agreement with Canada Mortgage and Housing Corporation, subject to the Canada Mortgage and Housing Corporation's final approval of the City's Housing Accelerator Fund application.

The attached report seeks City Council's approval of the recommendations for the City to receive approximately \$471 million in anticipated funding over four equal annual installments, beginning in the fourth quarter of 2023. This funding is critical to supporting Toronto and Canada's shared housing objectives, including advancing delivery of the City's Housing Action Plan, HousingTO Plan and the federal National Housing Strategy targets. Specifically, Housing Accelerator Fund investments will provide Toronto with a predictable funding stream over the next three years, which is pivotal to unlocking projects and accelerating the delivery of new homes, particularly purpose-built affordable rental homes near transit.

In addition to scaling up new housing supply, federal Housing Accelerator Fund investments will enable the City to expand the Multi-Unit Residential Acquisition program which has been successful in supporting the non-profit housing sector to acquire and convert market rental properties into permanently affordable rental homes for lower income residents.

This Motion is urgent as City Council approval is required for the City to start receiving the anticipated funding beginning in the fourth quarter of 2023.

Background Information (City Council)

Member Motion MM13.27

(December 12, 2023) Report from the Deputy City Manager, Development and Growth Services on Federal Housing Accelerator Fund - Supporting Generational Transformation of Toronto's Housing System

(<https://www.toronto.ca/legdocs/mmis/2023/mm/bgrd/backgroundfile-241580.pdf>)

Confidential Attachment 1 - Housing Accelerator Fund Contribution Agreement - Key Terms and Conditions

Attachment 2

(<https://www.toronto.ca/legdocs/mmis/2023/mm/bgrd/backgroundfile-241567.pdf>)

Attachment 3

(<https://www.toronto.ca/legdocs/mmis/2023/mm/bgrd/backgroundfile-241558.pdf>)

Attachment 4

(<https://www.toronto.ca/legdocs/mmis/2023/mm/bgrd/backgroundfile-241579.pdf>)