

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Housing and Community Growth

Subject: Housing Accelerator Fund – 2025 Annual Update

Date: November 12, 2025

Recommendation

That, on the recommendation of the Deputy City Manager, Housing and Community Growth, the following report **BE RECEIVED** for information.

Executive Summary

The purpose of this report is to provide the second annual update on the City of London's HAF initiatives and financial summary. For the second year of HAF, initiatives 1 through 10 of the Action Plan are now completed by the dates required under the CMHC contribution agreement. The City is currently working to develop and implement the final new initiative announced in March 2025. The City has also, for the second consecutive year, exceeded the Housing Supply Growth Target of permits by issuing 4,284 permits against a target of 3,991.

The report is consistent with the second annual compliance report the City has submitted to the CMHC for the period of September 2024 to September 2025.

Across all 11 of the Initiatives, 47 of the 49 Milestone Actions have been completed, including 10 Initiatives completed in their entirety. The remaining milestone actions are targeted for completion between end of 2025 and Q2 2026.

Linkage to the Corporate Strategic Plan

This report will contribute to the advancement of Municipal Council's 2023-2027 Strategic Plan and the following area of focus:

Housing and Homelessness

- Increased access to a range of quality, affordable, and supportive housing options that meet the unique needs of Londoners.
- London's growth and development is well-planned and considered use, intensity, and form
- The City of London supports faster/streamlined approvals and increasing the supply of housing with a focus on achieving intensification targets.

Wellbeing and Safety

- Housing in London is affordable and attainable.

Economic Growth, Culture and Prosperity

- Increased residential occupancy and livability in the Core Area

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- September 9, 2025 – Planning and Environment Committee – Housing Accelerator Fund – Enhancing Housing Outcomes Allocation Review and Incentive Program Optimization
- May 21, 2025 – Planning and Environment Committee – Housing Accelerator Fund -- Amendment to Contribution Agreement and Additional Initiatives
- April 29, 2025 – Planning and Environment Committee – Housing Accelerator Fund – Completion of the City of London Housing Needs Assessment
- December 10, 2024 – Strategic Priorities and Policy Committee – Housing Accelerator Fund – First Annual Update
- September 19, 2023 – Strategic Priorities and Policy Committee -- London's Approved Housing Accelerator Fund Application.
- February 7, 2023 – Strategic Priorities and Policy Committee – London's Housing Pledge with respect to the City of London Municipal Housing Target of 47,000 units

1.2 Background & First Annual Update

In April 2023, the Government of Canada through the Canada Mortgage and Housing Corporation (CMHC) announced details on the Housing Accelerator Fund (HAF). The primary objectives of HAF are to encourage housing supply growth and enhance certainty in development approvals. HAF funding is to be spent on implementing a series of housing acceleration initiatives with the funding amount based on housing targets set by the municipality between 2024 and 2026. In addition, the municipality committed to aiming to meet a Housing Supply Growth Target based on new building permits issued over the same time period.

On September 8, 2023, the City of London was awarded approval of its HAF application and entered into the HAF agreement with CMHC regarding the initiatives and the schedule of housing actions to accelerate new units.

As identified in the first annual report to the December 10, 2024, to the Strategic Priorities and Policy Committee, all initiatives are either completed in their entirety or had only a final milestone left to complete in Q4 2024 to Q1 2025.

A subsequent report to the Planning and Environment Committee on May 21, 2025, provided an update that initiatives 1 through 8 were complete and London was entering into an amended agreement with CMHC to begin three new initiatives, bringing the total action plan to 11 initiatives. As part of the amended agreement, the City of London received an additional \$7,391,000.

The 11 HAF initiatives are as follows:

1. Promoting high-density development without the need for privately initiated rezoning (i.e. as-of-right zoning), for example, housing developments up to ten (10) stories in proximity to rapid transit stations.
2. Encouraging Additional Residential Units, which are self-contained dwelling units within the same building, or on the same lot, as an existing residential unit (e.g. converted garages or interior/basement conversions).
3. Promoting infill developments (adding new units to existing communities) with increased housing density and a variety of unit types.
4. Encouraging alternative forms of housing construction, such as modular housing, manufactured housing, and prefabricated housing.

5. Creating a process for the disposal of city-owned land assets for the development of affordable housing as-of-right (not requiring re-zoning).
6. Implementing new and enhanced processes or systems such as case management, e-permitting, and land and building modelling.
7. Partnering with non-profit housing providers to preserve and increase the stock of affordable housing.
8. Develop a 'Housing Needs Assessment'
9. Enhancing Affordable Housing incentive programs
10. Additional Residential Unit (ARU) grant programs to support Indigenous-led units
11. Expansion of Community Improvement Plan incentives for Transit Oriented Development and Office to Residential Conversion

2.0 Discussion and Considerations

2.1 Purpose

This report provides an update of the CMHC Housing Accelerator Fund (HAF), including progress updates on the implementation of the City's HAF Action Plan and investments in the various actions during year 2 of the program.

2.2 Year 2 HAF Summary

Following the successful completion of the 7 initial HAF initiatives and the Housing Needs Assessment, Civic Administration is transitioning from the development phase to the implementation phase of the HAF program, while continuing to complete additional HAF milestones. This shift marks a significant step in operationalising the strategies, tasks and actions developed under the HAF program and implementation of the three new initiatives recently approved in March 2025.

In Year 2, Civic Administration began to see the benefits of the significant efforts made in Year 1. Process improvements identified through the HAF program have streamlined internal workflows, reducing barriers to development. Zoning changes now allow for greater densities and building heights in London's transit villages and fast-growing areas, while new ARU policies (revised November 4, 2025) increasing the number of permitted dwelling units alongside a primary dwelling, support gentle intensification within established neighbourhoods. With many key milestones already achieved, momentum continued this past year.

Beyond the 10 milestone initiatives, the development of a Housing Needs Assessment is an additional requirement of HAF funding. Each recipient of the HAF across the country is required to complete this analysis. The Housing Needs Assessment was completed and provided to Municipal Council in April 2025.

2.3 Financial Summary

Spending to date consists of initial start-up costs such as hiring staff to carry out the work outlined in the initial action plan as well as consulting resources to lay the framework for items defined in the plans. Financial incentives have also been actioned under several initiatives, include the office to residential conversion grant and the transit-oriented development grant. Year 1 consisted of several investments in people and plans, while year 2 is beginning to see the implementation of these efforts.

| Category | Amount spent in Year 2 | Cumulative Amount Spent | Committed Amount* | Uncommitted Amount |
|-----------------------------------|------------------------|-------------------------|-------------------|--------------------|
| Investments in HAF action plans | \$7,013,290 | \$7,809,489 | \$35,706,818 | \$856,181 |
| Investments in affordable housing | \$4,457,040 | \$4,457,040 | \$18,171,000 | \$5,755,000 |

| | | | | |
|--|-----------|-----------|-----------|--------------|
| Investments in housing-related infrastructure | \$345,540 | \$407,554 | \$602,000 | \$11,698,000 |
| Investments in community-related infrastructure that supports housing | \$0 | \$0 | \$0 | \$8,660,000 |

**Committed refers to funds that have been approved by Council or through the regular procurement process (Purchase Order). Uncommitted funds have been allocated to initiatives awaiting project designations.*

2.4 Investments in Housing Related Infrastructure

Included within the housing-related infrastructure investments are several servicing projects that will be supported by the HAF program. These capital projects have various start and end dates, with some projects having already started construction. It is intended that all capital projects will be completed by Q4 2027. Most recently, as reported to the Infrastructure & Corporate Services Committee in October 2025, the Hyde Park Pump Station project was approved to enter detailed design, with construction tendering expected in early 2026. The station upgrades will achieve the necessary servicing capacity increase while also keeping the station in line with provincial design guidelines.

| Servicing Improvements for Multi-unit housing Projects | Estimated New Housing Units | Est. HAF Contribution |
|--|------------------------------------|------------------------------|
| Second Street: Sanitary Sewer Upsizing between Oxford Street & Pottersburg Creek | 1,600 | \$1,912,000 |
| Killaly Road Infrastructure Improvement | 4,500* | \$2,000,000 |
| Mud Creek Sanitary Sewer: Sanitary Sewer Upsizing south of Oxford Street | 1,500 | \$637,000 |
| Oxford Street: Sanitary Sewer Upsizing between Capulet Walk & Wonderland Road | 2,500 | \$1,700,000 |
| Hyde Park Pump Station capacity upgrade | 1,900 | \$3,350,000 |
| Total | 12,000 | \$9,599,000 |

**This project could range from 4,500 to 8,000 new housing units*

Civic Administration continues to review additional servicing projects to support multi-unit residential development, aligned with the Growth Management Implementation Strategy. As resolved by Municipal Council at its meeting on July 22, 2025, Civic Administration is anticipating an update report in Q4 2025 for the following projects:

- 1) Sewer Extension on Pack Road
- 2) Sewer Extension on Exeter Road
- 3) Hyde Park Road and Sunningdale Road Servicing Extension – Engineering Design

2.5 Investments in HAF Action plans and Affordable Housing

As part of the HAF action plan, several new incentive programs were developed to support the development of different housing types along the housing continuum. To date, Civic Administration has launched the following HAF supported incentives:

Office to Residential Construction Conversion Grant (OTR) – The OTR program incentivizes the conversion of vacant office space in class B or Class C buildings into new residential units. The incentive provides up to \$35,000 per unit created. The following projects have received OTR funding:

| Address | # of new units | Funding Received |
|---------------------|-----------------------|-------------------------|
| 166 Dundas Street | 32 | \$1,120,000 |
| 195 Dufferin Avenue | 94 | \$3,290,000 |

| | | |
|---------------------|----|-------------|
| 685 Richmond Street | 41 | \$1,435,000 |
| 376 Richmond Street | 23 | \$805,000 |

Transit Oriented Development Incentive (TOD) – The TOD financial incentive program was created within the newly approved Transit Oriented Development Community Improvement Plan. The TOD incentive supports high-density residential development along approved, completed, or under construction rapid transit routes in London by providing a \$15,000 per unit pre-construction grant.

| Address | # of new units | Funding Received |
|-----------------------|----------------|------------------|
| 568-760 Second Street | 250 | \$3,750,000 |
| 685 Richmond Street | 41 | \$615,000 |
| 166 Dundas Street | 32 | \$480,000 |
| 195 Dufferin Avenue | 94 | \$1,410,000 |
| 376 Richmond Street | 23 | \$345,000 |
| 88 Colborne Street | 184 | \$2,760,000 |
| 320 King Street | 446 | \$640,000 |

Detached Additional Residential Unit Forgivable Loan – The detached ARU program was created to support gentle density within existing built-up neighbourhoods. The incentive program supports the creation of a new detached ARU, with applicants entering into a 10-year agreement to rent the unit at or below market rate. Applicants may receive between \$20,000 to \$45,000 per detached ARU constructed. To date, the detached ARU program has provided funding to 1 completed project, with another 4 projects currently under construction by homeowners, scheduled to receive funding upon completion.

Highly Supportive Housing Program -The HSH program is designed to assist with the creation of long-term, stable supportive rental housing supply for individuals at risk of homelessness and to offset the capital cost of developing new units. Eligible costs are the capital costs associated with the development and development related fees. The following projects will receive funding under HAF:

| Address | # of new units | Funding Received |
|----------------------|----------------|------------------|
| 346 South Street | 96 | \$2,172,590 |
| 392 South Street | 42 | \$2,652,410 |
| 248-256 Hill Street | 33 | \$1,485,000 |
| 644-646 Huron Street | 82 | \$3,690,000 |

**46 Elmwood Place (50 units) was previously included in this list as reported to Council in June 2024; however, this project will now be funded through London's Building Faster Fund.*

2.6 Housing Supply Growth Target

In addition to the Initiatives of the HAF Action Plan, the City has committed to achieving a Housing Supply Growth Target. The Year 1 and Year 2 targets for number of new units permitted was 3,184 and 3,991 respectively. The overall target over the three-year period is 11,803 units, previously set at 11,619 units. There are also a number of three-year sub-targets for specific types of housing. The table below shows building permits achieved compared to the HAF Targets. The target for Year 3 is 4,178 permits.

Table 1: Housing Supply Growth Targets and New Units (Building Permits Issued)

| Target Category | 3-Year Targets (Sept 2023 – Sept 2026) | Number the City achieved in Year One (Sept 23-Sept 24) | Number the City achieved in Year Two (Sept 24-Sept 25) |
|---|---|--|--|
| Housing Supply Growth Plan: how many net new units in the reporting period | 11,803 (previously 11,619) | 3,341 (3,184 Target) | 4,284 (3,991 Target) |
| Of the net new units, the number of multi-unit housing in close proximity to Rapid Transit | 1,522 | 222 | 931 |
| Of the net new units, the number of missing middle housing | 6,628 | 1,073 | 1,173 |
| Of the net new units, how many were other multi-unit housing | 1,022 | 1,864 | 2,017 |
| Of the net new units, how many were affordable units | 639 (5.5% of the overall 3-year Housing Supply Growth Target) | 326 (9.8% of Year One Units) | 332 (7.7% of Year Two Units) |

3.0 Financial Impact/Considerations

The City of London's Investments through the Housing Accelerator Fund include investments in the Housing Accelerator Action Plans, Investments in Affordable Housing, Investments in Housing-Related Infrastructure, and Investments in Community-related Infrastructure that Supports Housing. A financial breakdown of these initiatives is found in section 2.0 of this report.

Funding advances to the City are to be made in four equal payments, to the total of \$81,449,143.00. The first payment was as of the effective date of the contribution agreement, and the remaining payments occur annually. The fourth and final installment will be awarded based on the achievement of the housing targets and completion of initiatives, as identified in the contribution agreement with CMHC.

| Advances | CMHC Fiscal Year | Amount and Disbursements |
|-----------------------|------------------|--|
| First Advance | 2023/24 | \$18,514,535.75 |
| Second Advance | 2024/25 | \$18,514,535.75 advanced on 2024-12-17 \$2,463,666.67 pursuant to the Amendment |
| Third Advance | 2025/26 | \$20,978,202.42 |
| Fourth Advance | 2026/27 | \$20,978,202.42 |

4.0 Next Steps

The City is required to periodically report on the progress of the HAF Action Plan and achievement of the initiatives. This report marks the submission of the second annual report to CMHC, which was submitted on October 8, 2025. The third attestation report will be due in May 2026. Civic Administration will provide Municipal Council with the Year 3 annual report in Q4 2026.

Next Steps

This report provides the second annual update on the City of London's Housing

Accelerator Fund (HAF) initiatives and financial summary. After the second year of HAF, all the initiatives of the first Action Plan are now completed by the dates required under the CMHC contribution agreement and Civic Administration has further work on the revised Action Plan. The City has also achieved, for the second consecutive year, the Housing Supply Growth Target for permits issued within the reporting period.

The report is consistent with the second annual compliance report the City has submitted to the CMHC for the period of September 2024 to September 2025.

The City will continue to monitor residential development and building permits associated with the HAF initiatives and the housing growth supply target.

A progress report will be brought back to Council after the third annual compliance report to CMHC, in Q4 2026.

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