



REPORT OF ECONOMIC VITALITY COMMITTEE

For City Council – April 22, 2024

From: Office of the City Clerk

Date: Thursday, April 04, 2024

Title: Housing Accelerator Fund Grant Programs – Phase 2

The Economic Vitality Committee, at its meeting held on Thursday, April 4, 2024 considered an Administrative Report from the Affordable Housing Development Coordinator seeking approval for Housing Accelerator Fund initiatives #4 – Modest Homes – Ownership Initiative and #6 – Missing Middle Intensification (Infill and Accessory Dwelling Units) Initiative.

The Housing Accelerator Fund Contribution Agreement (“Agreement”) details eight (8) initiativesⁱ that the City must complete within the funding timeframe and sets out the three (3) year housing targets to be achieved. The City must target building permits for 2411 units within the Housing Accelerator (“HAF”) timeframe with 287 of those units funded under the Agreement and assigned to the approved initiatives.

Staff have prioritized the next two initiatives for release. Both initiatives are complementary to grant programs approved on March 25, 2024. Applicants under these programs will be evaluated by a committee.

Initiative #4 –Modest Homes – Ownership Initiative has several targeted components to facilitate affordable home ownership options to moderate income households.

- Providing incentives to private sector home builders to construct new homes meeting specific affordability criteria;
- Providing incentives to non-profit housing providers, including local First Nations off-reserve housing providers, to develop home ownership opportunities leveraging existing federal and/or provincial programs;
- Developing programs to support moderate-income first-time home buyers construct affordable homes

This Program component of Initiative #4 is focussed on Non-Profit Modest Home Ownership Grants. The Program provides incentives to non-profit developers by funding per unit grants. Newly constructed units must meet specific affordability criteria including maximum square footage depending on bedroom size, maximum frontage, and the exclusion of garages. A restrictive covenant will be placed on the land title to ensure affordability for a twenty-year period.

Other components under the initiative will be brought forward in May for approval once consultation on potential program criteria has been concluded with the broader development community.

Initiative 6 – Missing Middle Intensification (Infill and Accessory Dwelling Units) Initiative provides grants direct to landowners constructing new dwelling units (ADUs) on properties containing existing buildings. The net new unit(s) may be the result of new construction, renovation, re-use or re-purposing of existing buildings or accessory buildings.

New units must be consistent with the definitions of these uses as defined in By-law No. Z-5, A Zoning By-Law for the City of Fredericton as may be amended from time to time or by a successor by-law.

Accordingly, the Committee directed that the following resolution be forwarded to City Council for consideration:

Resolution #1 WHEREAS the City of Fredericton entered into a Housing Accelerator Fund Contribution Fund Agreement with Canada Mortgage and Housing Corporation dated December 12, 2023 (the “Agreement”) with respect to funding to address housing shortages in the City of Fredericton; and WHEREAS the Agreement contains an Approved Action Plan outlining eight initiatives that the City committed to undertake; and WHEREAS the City wishes to move forward with Initiative #4 – “Non-Profit Modest Home Ownership” BE IT RESOLVED THAT the Council of the City of Fredericton hereby pursuant to Section 102 of the Local Governance Act establishes the Housing Accelerator Fund Non-Profit Modest Homes Ownership Grant as outlined in the attached description for the years 2024-2026; and BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby approves, authorizes and directs the Mayor and City Clerk to execute any Grant Agreements, in a form substantially the same or similar to the agreement forming part of the grant description attached hereto, with content satisfactory to the Director of Planning and Development, or designate, AND in a form and content approved by the City Solicitor, or designate.

Resolution #2 WHEREAS the City of Fredericton entered into a Housing Accelerator Fund Contribution Fund Agreement with Canada Mortgage and Housing Corporation dated December 12, 2023 (the “Agreement”) with respect to funding to address housing shortages in the City of Fredericton; and WHEREAS the Agreement contains an Approved Action Plan outlining eight initiatives that the City committed to undertake; and WHEREAS the City wishes to move forward with Initiative #6 – “Missing Middle Intensification (Infill and ADU) Grant”

BE IT RESOLVED THAT the Council of the City of Fredericton hereby pursuant to Section 102 of the Local Governance Act established the Housing Accelerator Fund Missing Middle Intensification (Infill and ADU) Grant as outlined in the attached description for the years 2024-2026.