

To: Economic and Development Services Committee

From: Anthony Ambra, P.Eng., Commissioner,  
Economic and Development Services Department

Report Number: ED-24-102

Date of Report: September 4, 2024

Date of Meeting: September 9, 2024

Subject: Second Round of the Canada Mortgage and Housing  
Corporation's Housing Accelerator Fund

Ward: All Wards

File: 12-04-2111

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## **1.0 Purpose**

The purpose of this Report is to obtain Council authorization for City staff to submit an application, on behalf of the Corporation of the City of Oshawa (the “City”), to the second round of the Housing Accelerator Fund (“H.A.F. 2”) program administered by the Canada Mortgage and Housing Corporation (“C.M.H.C.”).

The H.A.F. 2 program is the second round of the federal program that provides incentive funding that may be available to local governments seeking to pursue initiatives aimed at increasing housing supply. It also supports the development of complete, low-carbon and climate-resilient communities that are affordable. The objective of the H.A.F. 2 program is to accelerate the supply of housing across Canada, resulting in putting permissions in place for the construction of at least 12,000 more housing units, in addition to the 100,000 housing units that are expected from the first round, that would not have occurred without the program.

Given that the City’s application under the first round of funding was declined, the City is now eligible to apply for funding under the H.A.F. 2 program. The online application portal opened on July 15, 2024 and will close on September 13, 2024.

In view of the foregoing, City staff have prepared an updated action plan with seven (7) initiatives, as outlined in Section 4.8 of this Report, which will form part of the City’s application to the H.A.F. 2 program prior to the closing of the application portal on September 13, 2024. City staff will indicate in the H.A.F. 2 application that the action plan initiatives are conditional subject to the approval of Council at their meeting on September 23, 2024.

Additional information on the H.A.F. 2 program can be found at the following link:  
<https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/housing-accelerator-fund>.

Attachment 1 is a copy of the H.A.F. 2 Pre-application Reference Material document. Owing to its size, this document is not attached but rather can be viewed at the following link: <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/housing-accelerator-fund/haf-pre-application-reference-guide-en.pdf>.

Attachment 2 is a list of initiatives that will be included as part of the City's action plan, as required by the H.A.F. 2 application.

Attachment 3 is a Housing Needs Assessment for Oshawa prepared by the Region of Durham as a component of its Envision Durham Municipal Comprehensive Review.

## **2.0 Recommendation**

That the Economic and Development Services Committee recommend to City Council:

1. That, pursuant to Report ED-24-102 dated September 4, 2024, the Chief Administrative Officer and/or their delegate be authorized to submit an application to the second round of the Canada Mortgage and Housing Corporation's Housing Accelerator Fund program under the Large/Urban stream generally in accordance with said Report, along with any additional documentation as may be required.
2. That, pursuant to Report ED-24-102 dated September 4, 2024, City Council approve the list of City initiatives, as generally contained in Attachment 2 of said Report, as a requirement of the City's application to the second round of the Canada Mortgage and Housing Corporation's Housing Accelerator Fund program under the Large/Urban stream.
3. That, pursuant to Report ED-24-102 dated September 4, 2024, the Chief Administrative Officer and/or their delegate be authorized to make changes as required and at their discretion to said list of City initiatives prior to the City's submission, where considered appropriate at their discretion.
4. That, pursuant to Report ED-24-102 dated September 4, 2024, the Chief Administrative Officer and/or their delegate be authorized to enter into any necessary agreements that may be required in the event the City is approved for funding under the second round of the Canada Mortgage and Housing Corporation's Housing Accelerator Fund program.
5. That, City Council direct the Commissioner, Economic and Development Services Department, to report back and provide an update to the Economic and Development Services Committee and Council in the event the City is approved for funding under the second round of the Canada Mortgage and Housing Corporation's Housing Accelerator Fund program.

6. That, City staff be authorized to forward a copy of Report ED-24-102 dated September 4, 2024 to the Region of Durham.

### **3.0 Input From Other Sources**

The following have been consulted in the preparation of this Report:

- Chief Administrative Officer
- Commissioner, Corporate and Finance Services Department
- City Solicitor
- Region of Durham

### **4.0 Analysis**

#### **4.1 Housing Accelerator Fund – Round 1**

As part of the 2022 Federal Budget, the Government of Canada announced \$4 billion in new funding to create the Housing Accelerator Fund, a program intended to grow the annual housing supply across the country by providing incentive funding to local governments.

The primary objectives of the program were to increase housing supply at an accelerated pace and enhance certainty in the approvals and building process, while also supporting the following priorities:

- Supporting the development of complete communities that are walkable, consisting of appropriate residential density and a diverse mix of land uses, providing access to a wide variety of amenities and services through public and active transportation;
- Supporting the development of affordable, inclusive, equitable and diverse communities that encourage clear pathways to achieving greater socio-economic inclusion largely achieved through the equitable provision of housing across the entire housing spectrum; and,
- Supporting the development of low-carbon and climate-resilient communities.

Local governments in Canada with delegated authority over land use planning and development approvals were eligible to submit applications via the two available streams of the H.A.F. program:

1. Large/Urban: Those jurisdictions located anywhere in Canada with a population equal to or greater than 10,000, excluding those within a territory or an Indigenous community.
2. Small/Rural/North/Indigenous: Those jurisdictions located anywhere in Canada with a population less than 10,000 or within one of the territories or an Indigenous community.

On June 26, 2023, City Council considered Report CNCL-23-69 and, among other matters, directed City staff to apply to the first round of the Housing Accelerator Fund. Accordingly,

on August 18, 2023, staff submitted the City's application, generally containing the action plan initiatives endorsed by Council, to C.M.H.C.

On February 29, 2024, the City was informed that it was not selected for funding.

Approximately 114 municipalities selected by C.M.H.C. in Round 1 of the Housing Accelerator Fund received a combined total of approximately \$3.87 billion in federal funding. Results of Round 1, including a list of successful recipients and their action plan initiatives, can be found on the C.M.H.C. website at the following link: <https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs/housing-accelerator-fund/housing-accelerator-fund-progress>.

## **4.2 Housing Accelerator Fund – Round 2**

On July 8, 2024, the Government of Canada announced that it was reopening the Housing Accelerator Fund for a second round with \$400 million in new funding. The objective of the H.A.F. 2 program is to accelerate the supply of housing across Canada, resulting in putting permissions in place for the construction of at least 12,000 more housing units, in addition to the 100,000 housing units that are expected from the first round, that would not have occurred without the program.

Local governments within Canada who have delegated authority over land use planning and development approvals, and who were declined under the first round of funding, are eligible to apply to the H.A.F. 2. The online application portal opened on July 15, 2024 and closes on September 13, 2024. C.M.H.C. has confirmed that seeking Council approval after the application portal closes will not result in the City being ineligible to apply. Rather, Council approval of the City's proposed H.A.F. 2 action plan will only be a prerequisite for any funding agreement with C.M.H.C. in the event the City is a successful recipient of H.A.F. 2 funding.

## **4.3 Minimum Requirements**

To be eligible for funding under the H.A.F. 2 program, the City must:

- Develop an action plan, which includes a minimum of seven (7) initiatives that the City will undertake to grow housing supply and speed up housing approvals;
- Commit to allowing four (4) units per residential lot as-of-right City-wide;
- Commit to the housing supply growth targets that are identified in the above-noted action plan;
- Complete or update a housing needs assessment report and include a re-occurring scheduled review date within the report to ensure that the housing needs assessment is kept current; and,
- Submit periodic reports to C.M.H.C. in the form and timelines prescribed, including:
  - Progress reporting on the initiatives and commitments within the action plan;
  - Micro-level permit data for residential buildings for all permitted units; and,

- Details that support that funding was used for a permitted purpose.

As well, the City must submit the following minimum documentation in support of its application:

- Completed application form, including action plan;
- Signed integrity declaration;
- Most recent audited financial statements (if not available publicly);
- Current housing needs assessment report (if available at time of application); and,
- Attestation letter signed by the applicant's Chief Financial Officer (or equivalent) using the prescribed form on viability of the action plan.

#### **4.4 Action Plan**

The City must submit an action plan as part of its H.A.F. 2 application, which will assist C.M.H.C. in selecting applicants.

The City's action plan must identify and commit to a housing supply growth target. Specifically, the City must identify:

- The total number of permitted housing units projected without the H.A.F. 2 funding based on a three-year period ending December 31, 2027; and,
- The total number of permitted housing units projected with the H.A.F. 2 funding based on a three-year period ending December 31, 2027. This is what is referred to as the "housing supply growth target".

The City is also able to set targets based on the type of housing supply that is projected to be permitted with the support afforded by the H.A.F. 2 program. These additional targets will increase the amount of funding available to the City, if selected. These targets can be set for housing types that align with the priorities of the H.A.F. 2 program, which include:

- Multi-unit housing (in proximity to rapid transit);
- Multi-unit housing (missing middle);
- Multi-unit housing (other); and,
- Affordable housing units.

The City's action plan must also include a minimum of seven (7) initiatives that will help the City achieve their committed housing supply growth target and any additional targets. The action plan initiatives must support enhancements achievable within the program's timeframe, but the intent is for the changes to be systemic and outlive the timeframe of the H.A.F. 2 program.

Under the H.A.F. 2 program, the initiatives included within the City's action plan must align with the ten (10) Best Practices outlined in Section 7 of the H.A.F. 2 Pre-application Reference Material document (see Attachment 1), and the majority of initiatives should be

new initiatives that were not started prior to the 2024 Federal Budget announcement on April 16, 2024. The City must also identify and explain how each initiative supports at least one of the objectives outlined in Section 3 of the H.A.F. 2 Pre-application Reference Material document (see Attachment 1).

Ultimately, the City must indicate how each initiative will increase the supply of housing and associated timelines, as well as any other expected results.

#### **4.5 Evaluation**

C.M.H.C. will review all applications to determine if they meet the program requirements of the H.A.F. 2 program. The evaluation of the City's application will be scored according to the following criteria:

- The commitment to increase housing supply;
- The relevance of the initiative outcome(s) to one (1) or more of the objectives of the H.A.F. 2 program;
- The effectiveness of the initiative on increasing the supply of housing; and,
- The need for increased housing supply.

The Region of Durham has completed a Housing Needs Assessment as a component of its Envision Durham Municipal Comprehensive Review, which can be used to assist the City's application under the H.A.F. 2 program (see Attachment 3).

Proposed initiatives within the City's action plan will specifically be assessed and scored based on:

- Implementation: the time it will take to complete the initiative;
- Timeliness: the time it will take to start to achieve additional permitted units as a result of the initiative;
- Supply Impact: the extent to which the initiative will improve housing and community outcomes; and,
- System Impact: the extent to which the initiative increases stability and predictability in the housing system.

Further details on the evaluation criteria can be found in Attachment 1.

#### **4.6 Funding Methodology**

For those applicants that are selected to participate in the H.A.F. 2 program, a funding framework will be used to determine the amount of funding per successful applicant. The funding is designed to support the costs associated with the initiatives listed in the action plan, as well as any other permitted use of funds.

The funding framework consists of the following three (3) components:

- **Base Funding:** this is designed to incentivize all types of housing supply across the housing spectrum. Base funding is estimated at \$20,000 per each dwelling unit created with the support of the H.A.F. 2 program.
- **Top-Up Funding:** this is designed to incentivize certain types of housing supply such as “missing middle” multi-unit housing types. Top-up funding will depend on the type of housing and the associated projected increase in the number of permitted units. No top-up funding is available for single-detached homes.
- **Affordable Housing:** this is a bonus designed to reward an applicant that can increase its share of affordable housing units relative to the total projected permitted units with the support afforded by the H.A.F. 2 program.

Specific examples of the various funding components can be found in Attachment 1.

H.A.F. 2 funding can be used in support of housing under any of the following four (4) categories:

1. Investments in H.A.F. 2 action plans (e.g. any initiative included in the City’s action plan and approved by C.M.H.C.);
2. Investments in affordable housing (e.g. construction or land/building acquisition of affordable housing);
3. Investments in housing-related infrastructure (e.g. infrastructure that supports housing, brownfield redevelopment, broadband and connectivity, public transit, etc.); and,
4. Investments in community-related infrastructure that supports housing (e.g. local roads and bridges, active transportation, fire halls, parks and green space, etc.).

The City will be asked to estimate how much of their funding will be allocated to each category as part of its application. If approved, the City must report on how the funding was used in the form and timelines prescribed by C.M.H.C.

#### **4.7 Reporting Requirements**

If approved for funding under the H.A.F. 2 program, the City would be required to adhere to specific reporting requirements, which include, but are not limited to:

- Progress on the initiatives and commitments outlined in the City’s action plan (e.g. start and completion date of each initiative, status, rationale for the status, number of new net units permitted for residential buildings during the reporting period, etc.);
- Permit data for all housing units created during the reporting period; and,
- Details on capital projects enabled by H.A.F. 2 funding.

There would be a total of four (4) advances (i.e. funding given to the City), with one advance planned for each year of the program, including one (1) upfront advance, which is intended to enable a proponent to start the initiatives outlined in their action plan and to pursue other investments in housing.

C.M.H.C. has advised that it will work with proponents to address situations where achievement of the action plan and initiatives are delayed or not progressing as planned. If satisfactory arrangements to rectify the situation are not implemented, then C.M.H.C. may reduce or withhold payment of further advances.

All reporting requirements would be outlined in a contribution agreement, which the City would have to enter into with C.M.H.C., if selected.

#### **4.8 Action Plan Initiatives**

As noted in Section 4.3 of this Report, the City's action plan must include a minimum of seven (7) initiatives that will help the City achieve its committed housing supply growth target and any additional targets.

Accordingly, staff have prepared an updated action plan with seven (7) recommended initiatives which are outlined below and further described in Attachment 2. This list includes a broad range of initiatives that will not only directly increase housing supply but will also generally support improvements to the broader housing system.

The application portal closes on September 13, 2024. City staff will indicate in the application that the aforementioned action plan initiatives are conditional subject to the approval of Council at their meeting on September 23, 2024.

The staff recommended City initiatives are generally as follows:

1. Enabling higher density development within the Downtown Oshawa Urban Growth Centre.
2. Creating a Community Improvement Plan for affordable housing and rental housing.
3. Encouraging the development of accessory apartments through the following functions:
  - a) Amending the City's Zoning By-law to permit four (4) units as-of-right per residential lot City-wide;
  - b) Amending certain regulations in the City's Zoning By-law to remove barriers to the development of accessory apartments City-wide (e.g. front yard landscaped open space requirements, parking requirements per accessory apartment unit, etc.); and,
  - c) Creating a financial incentive program to encourage the development of registered accessory apartments City-wide.
4. Creating a program for the redevelopment of surplus City-owned lands and acquisition of lands for housing projects.



5. Developing pre-approved building plans for missing middle housing types.
6. Reducing parking requirements City-wide for certain multi-unit housing types, including, but not limited to:
  - a) Reducing the required parking rate for 'apartment building – condominium' in the City's Zoning By-law from 1.45 spaces per dwelling unit for residents plus 0.3 spaces per dwelling unit for visitors to 1.00 space per dwelling unit for residents plus 0.25 spaces per additional bedroom after the first, plus 0.25 spaces per dwelling unit for visitors.
7. Fast track approvals for affordable and purpose built rental housing.

#### **4.9 Next Steps**

The next steps with respect to the H.A.F. 2 program are generally as follows:

- The Economic and Development Services Committee will consider this Report at their meeting on September 9, 2024.
- In the event the Economic and Development Services Committee recommends that Council approve the action plan initiatives outlined in Attachment 2 of this Report, staff will undertake to apply to the H.A.F. 2 program before the application portal closes on September 13, 2024. City staff will indicate in their application that the initiatives included in the City's action plan are conditional subject to the approval of Council.
- Council will consider this Report at their meeting on September 23, 2024. Staff will inform C.M.H.C. of Council's decision regarding the action plan initiatives.
- In the event Council chooses to approve the action plan initiatives outlined in Attachment 2 of this Report, C.M.H.C. will advise if the City is selected (anticipated in Q4 2024 or Q1 2025).
- In the event C.M.H.C. selects the City to participate in the H.A.F. 2 program, staff will contemplate appropriate measures to allocate staffing resources to ensure appropriate staffing is available to undertake the proposed City initiatives.
- If selected, C.M.H.C. would confirm the total amount of funding available to the City and the City would enter into a contribution agreement, and any other necessary agreements. In the event that the City is selected to participate in the H.A.F. 2 program, Economic and Development Services staff will report back to the Economic and Development Services Committee and Council to provide an update and obtain any further approvals should they be required.

City staff would begin to undertake the various initiatives as identified in the City's action plan, while reporting to C.M.H.C. as required, and will seek Council endorsement and approval of the relevant details underlying the various initiatives, as appropriate.

## 5.0 Financial Implications

In the event City staff apply to the H.A.F. 2 program and Council approves the action plan initiatives outlined in this Report, specific budget implications will be determined through the 2025/2026 budget process or at a later date through Council approval of the relevant details underlying the various initiatives. It is anticipated that a portion of the costs associated with the implementation of the City initiatives being proposed in Attachment 2 will be related to staffing. Appropriate measures to allocate staffing resources will be required to advance these initiatives, and may require the time resources of the existing staff complement. As a result, the processing timelines for other non-related projects may need to be reassessed.

It is important to note that there are many factors that can impact growth and the issuance of building permits, many of which are outside the control of the City. If selected, and the City fails to achieve certain initiatives identified in its action plan and does not meet the required target, there is a risk that some of the H.A.F. 2 funding may be withheld or reduced.

## 6.0 Relationship to the Oshawa Strategic Plan

This Report responds to the Oshawa Strategic Plan Priority Area:

“Belong: Inclusive and Healthy Community” with the goal to support and encourage diverse housing options.



Tom Goodeve, M.Sc.Pl., MCIP, RPP, Director,  
Planning Services



Anthony Ambra, P.Eng., Commissioner,  
Economic and Development Services Department

**City Initiatives in the City’s Action Plan for the Housing Accelerator Fund 2 Program**

<b>Initiative 1:</b>	<b>Enabling higher density development within the Downtown Oshawa Urban Growth Centre</b>
Description:	<p>This initiative will involve a review of the City’s Zoning By-law and Official Plan to address current restrictions on maximum densities and building heights in the Downtown Oshawa Urban Growth Centre, which is a key strategic growth area in the City. This initiative is carried over from the City’s application to the first round of the Housing Accelerator Fund (“H.A.F.”) in 2023. The goal of this initiative is to increase as-of-right building heights and densities in the Downtown Oshawa Urban Growth Centre, within 800 metres of main transit routes and planned high-frequency rapid transit, in order to reduce barriers for the development of higher density residential projects. This initiative will require City-initiated amendments to both the City’s Zoning By-law and Official Plan. Enabling more density in this key strategic growth area will support the development of complete communities and a diverse mix of land uses, while ensuring that there is appropriate residential density in the downtown.</p>
Alignment with C.M.H.C.’s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ End exclusionary zoning by increasing as-of-right permissions, including four units as-of-right in low-density neighbourhoods and greater density and height in urban cores, near transit, and near post-secondary institutions</li> <li>▪ Eliminate restrictions to promote housing diversity and supply</li> </ul>
Anticipated Timing	Within 1 year

<b>Initiative 2:</b>	<b>Creation of a Community Improvement Plan for affordable housing and rental housing</b>
Description:	This initiative will involve the creation of a new Community Improvement Plan (“C.I.P.”) to incentivize affordable and rental apartment units City-wide either by way of new developments or through the conversion of non-residential uses (e.g. office to residential). The C.I.P. will offer appropriate financial incentives (e.g. grants, tax reductions, etc.) to those housing providers that are willing to commit to providing rental housing, with a proportion of the units being offered as affordable housing. The C.I.P. will also investigate the possibility of incentivizing innovations in housing construction forms (e.g. mass timber, pre-fabricated, etc.). This initiative will require City staff to research and develop the specifics of the C.I.P., consult with the public through a Planning Act Public Meeting, then seek Council approval. The H.A.F. funding is intended to be used to cover the cost of the aforementioned financial incentives.
Alignment with C.M.H.C.’s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ Develop affordable housing community improvement plans</li> <li>▪ Review fees and charges including waivers for affordable housing schedules</li> <li>▪ Implement grant and incentive programs for priority housing types</li> </ul>
Anticipated Timing	Within 1 year

<b>Initiative 3:</b>	<b>Encouraging the development of accessory apartments</b>
Description:	This initiative will involve: (1) amending the City’s Zoning By-law to permit 4 units as-of-right per residential lot City-wide; (2) amending certain regulations in the City’s Zoning By-law to remove barriers to the development of accessory apartments City-wide; and, (3) creating a financial incentive program to encourage the development of registered accessory apartments City-wide. City staff will undertake a review of the Zoning By-law to identify specific regulations that often restrict the development of accessory apartments (e.g. front yard landscaped open space requirements, parking requirements, etc.). City staff will also work to incentivize the development of registered accessory apartments by waiving/reducing certain fees and providing financial assistance based on the type of accessory apartment being developed (i.e. detached vs. interior) on a ‘first-come, first-served’ basis. Staff will investigate also offering this incentive to developers that commit to building and registering accessory apartments in new developments at their onset. The cost to waive or reduce fees is intended to be covered by the H.A.F. funding.

<b>Initiative 3:</b>	<b>Encouraging the development of accessory apartments</b>
Alignment with C.M.H.C.'s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ End exclusionary zoning by increasing as-of-right permissions, including four units as-of-right in low-density neighbourhoods and greater density and height in urban cores, near transit, and near post-secondary institutions</li> <li>▪ Eliminate restrictions to promote housing diversity and supply</li> </ul>
Anticipated Timing	Within 1 year

<b>Initiative 4:</b>	<b>Creation of a program for the redevelopment of surplus City-owned lands and acquisition of lands for housing projects</b>
Description:	This initiative involves the creation of a program to guide the redevelopment of surplus City-owned lands for housing projects and to provide a framework for acquiring land for future housing projects, including purpose-built rental and affordable housing projects. It is important to note that as a lower-tier municipality, the City is not responsible for providing housing. This program is meant to provide a framework to guide the future use of City-owned lands for housing projects through partnerships with third-party housing providers (e.g. the Region of Durham, Habitat for Humanity, private developers, etc.). The H.A.F. funding is intended to be used to cover the costs of the program (e.g. land acquisition costs).
Alignment with C.M.H.C.'s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ Leverage surplus and underused lands for housing</li> </ul>
Anticipated Timing	Within 1 year

<b>Initiative 5:</b>	<b>Development of pre-approved building plans for missing middle housing types</b>
Description:	This initiative involves the development of pre-approved building plans for missing middle housing types that could be implemented City-wide (e.g. detached accessory apartments, duplexes, triplexes, fourplexes, etc.). It would involve hiring a consultant to prepare housing designs that conform to the regulations of the zoning by-law. The H.A.F. funding is intended to be used to cover the cost of retaining the consultant.
Alignment with C.M.H.C.'s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ Introduce design guidelines and pre-reviewed building plans for accessory dwelling units and missing middle housing</li> </ul>
Anticipated Timing	Within 1 year

<b>Initiative 6:</b>	<b>Reduction of parking requirements City-wide to permit more housing units</b>
Description:	This initiative will involve amending the zoning by-law to reduce the number of required parking spaces for certain multi-unit housing types, city-wide (e.g. condominium apartment buildings). Reducing the number of required parking spaces in proposed developments will increase the number of units that will be permitted per development project. This initiative will include reducing the required parking rates for certain multi-unit housing types, such as 'apartment building – condominium' in the City's Zoning By-law from 1.45 spaces per dwelling unit for residents plus 0.3 spaces per dwelling unit for visitors to 1.00 space per dwelling unit for residents plus 0.25 spaces per additional bedroom after the first, plus 0.25 spaces per dwelling unit for visitors.
Alignment with C.M.H.C.'s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ Reduce or eliminate parking requirements</li> </ul>
Anticipated Timing	Within 1 year

<b>Initiative 7:</b>	<b>Fast-track approvals for affordable and purpose built rental housing</b>
Description:	This initiative will involve a review of the City's approval process for affordable and purpose built central housing to determine appropriate measures to fast-track their development. Appropriate measures may include increasing process efficiency through e-permitting, streamlined reviews such as through enhanced delegation to staff to process minor zoning by-law amendments, and/or digital tools, as well as monitoring and publicly reporting on application processing times, with emphasis on continuous assessment and improvement. As a component of this initiative, the City may develop a Terms of Reference which would provide definitions and detailed descriptions of the plans, reports and studies the City may require in order to assess development applications (e.g. Archaeological Assessment, Environmental Impact Study, etc.).
Alignment with C.M.H.C.'s 10 Best Practices	<ul style="list-style-type: none"> <li>▪ Increase process efficiency through e-permitting, streamlined reviews and new digital tools</li> <li>▪ Fast-track approvals for affordable housing and purpose-built rentals</li> </ul>
Anticipated Timing	Within 1 year

**City of Oshawa  
Housing Needs Assessment**

**Prepared July 2023**

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## 1. Executive Summary

This Housing Needs Assessment (H.N.A.) report was prepared to identify current housing gaps and future housing needs in the City of Oshawa across the housing spectrum. The goal of the report is to provide the necessary information to inform improving local housing outcomes in support of the goals of the City's Housing Accelerator Fund application.

The research and analysis undertaken to complete Oshawa's H.N.A. identified the following key observations on current housing gaps:

- There is an affordable housing deficit in Oshawa with about one in four residents spending 30 per cent or more of their income on housing.
- Approximately 15 per cent of households are in core housing need. Households with a household head under 25 years old are likely the highest percentage of households in core housing need by priority population. Other priority populations identified in relation to core housing need include single mother-led households and new migrant-led households.
- Oshawa's 2022 average vacancy rate of 2.5 per cent does not represent a healthy market for renters.
- At least 493 individuals actively experienced homelessness in Oshawa over a one-year period with almost half experiencing chronic homelessness.
- The shelter system in Oshawa consistently operates at capacity with limited ability to respond to an influx in need.

Oshawa's population is forecast to grow to 298,540 by 2051. The total housing growth to accommodate this forecast is estimated to be 46,340 units.

## **2. Introduction**

### **2.1. Purpose**

The purpose of this report is to identify current housing gaps and future housing needs across the housing spectrum to support the City of Oshawa's Housing Accelerator Fund application.

### **2.2. Collaborators**

The Housing Needs Assessment was prepared by Region of Durham staff in the Planning and Economic Development and Social Services departments. The final draft was provided to City staff for comment and review.

### **2.3 Data Analysis**

The following key data sources were used in the preparation of the H.N.A.:

- Statistics Canada 2021 Census of Population
- Regional Information Systems Working Group (RISWG) custom order from Statistics Canada based on 2016 Census data
- Housing Needs Assessment Tools (HART)
- Envision Durham Growth Management Study Area Municipal Growth Allocations 2022
- CMHC Rental Market Survey 2022
- Homeless Individuals and Families Information System (HIFIS)
- By-Name List
- OrgCode Durham Region commissioned report on the homelessness system

While the most current data sets available were used, some databases do not yet have 2021 Census data incorporated, e.g.: HART, RISWG.

## **3. H.N.A. Key Elements**

### **3.1. Housing Need**

Core housing need is a 2-stage indicator. It helps to identify households living in dwellings considered unsuitable, inadequate or unaffordable. It also considers if income levels are such that they could not afford alternative suitable and adequate housing in their community.

In Oshawa, 9,790 or 15.1 per cent of households are in Core Housing Need<sup>1</sup> with 7,235 or 11.6 per cent of households in Oshawa spending 50 per cent or more of their income on shelter costs<sup>2</sup>.

Households with a household head under 25 years old were the highest percentage of households in core housing need by priority population. Other priority populations include single mother-led households and new migrant-led households<sup>3</sup>.

According to the HART analysis, some of the households in core housing need contain individuals with cognitive, mental, or addictions activity limitations.

### **3.2. Rental Housing Market**

With regards to the rental housing market, the greatest share of tenant households are single people. In 2022, Oshawa had an average vacancy rate of 2.5 per cent<sup>4</sup>. A vacancy rate of three per cent is seen as balancing supply and demand, and thus ideal for a healthy rental market. Oshawa's lower 2.5 per cent vacancy rate shows demand is greater than supply, and thus the rental market is unhealthy for renters.

### **3.3. Affordable Housing Deficit**

The CMHC defines affordable housing as housing costing less than 30 per cent of a household's before-tax income.

There is currently a deficit of affordable housing stock in Oshawa that can be broken down by household dwelling size as follows:

- In 2021<sup>5</sup>, 27.6 per cent of all households spent 30 per cent or more of income on shelter costs.
- In regards to tenant households, in 2016<sup>6</sup>, 50.4 per cent of tenant households spent 30 per cent or more of income on shelter costs.
- In 2016<sup>7</sup>, 31.3 per cent of households with any member with activity limitation spent 30 per cent or more of income on shelter costs.

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<sup>1</sup> 2021 core housing need as reported by Statistics Canada Census of Population

<sup>2</sup> 2016 income to shelter costs derived from RISWG custom data order

<sup>3</sup> Housing Assessment Resource Tools (HART)

<sup>4</sup> CMHC Rental Market Survey

<sup>5</sup> Statistics Canada 2021 Census of Population

<sup>6</sup> RISWG custom data order

<sup>7</sup> RISWG custom data order

- The majority of households in need of affordable housing are low and very low income.

The affordable housing deficit<sup>8</sup> is broken down into dwelling size as follows:

- 4,885 1 person households;
- 2,755 2 person households;
- 1,440 3 person households;
- 920 4 person households; and
- 740 5+ person households.

The greatest share of very low-income households in Oshawa are single people. HART analysis identifies priority populations in Oshawa including young people, seniors, single parent families and immigrants.

### **3.4. Homelessness and Supportive Housing**

Durham Region uses a By-Name List as a primary tool to understand the real-time, up to date list of people known to be experiencing homelessness. The By-Name List is a best practice but it underrepresents the total number of people experiencing homelessness as it does not capture children or individuals newly residing in Durham. As well, people living in temporary accommodation (e.g. couch surfing with friends) while unhoused, may be underrepresented on a By-Name List. Throughout April 2022 to March 2023, there were at least 493 people known to be actively experiencing homelessness in Oshawa.

Infrastructure Canada defines “chronic homelessness” as a term referring to individuals who are currently experiencing homelessness and who meet at least one of the following criteria:

- They have a total of at least 6 months (180 days) of homelessness over the past year
- They have recurrent experiences of homelessness over the past 3 years, with a cumulative duration of at least 18 months (546 days)

Of the 493 people experiencing homelessness in Oshawa, 230 were experiencing chronic homelessness.

Shelters are designed to provide temporary emergency shelter to individuals who have lost housing and have no other place to stay. From April 2022 to March 2023, 669 people accessed the Cornerstone shelter in Oshawa. Shelters in Oshawa are consistently operating at capacity.

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<sup>8</sup> Housing Assessment Resource Tools (HART)

The OrgCode Report (an external evaluation of Durham’s Homelessness and Housing Support System) recommends expanding shelter services by at least 200 beds over the next 3 years, with 70 per cent of the expansion in Oshawa, Whitby, Pickering, and/or Ajax.

Supportive housing means housing with supports—where residents have 24/7 access to on-site services and supports. Wrap-around services set residents up for success to remain housed. The OrgCode Report recommends expanding supportive housing opportunities throughout the Region by at least 60 units per year over the next five years, with at least 70 per cent of those units in the southern part of the Region.

### **3.5. Future Housing Needs**

In 2023, the City of Oshawa signed a provincial housing pledge to support the building of 23,000 new homes in the City by 2031. The pledge represents an increase of 8,190 units over Durham Region’s Growth Management Study growth forecasts for Oshawa for the same timeframe.

As a key component of Envision Durham, Durham Region’s new Regional Official Plan, a two-phased Growth Management Study (G.M.S.) was completed in 2022. The first phase of the G.M.S. focused on the completion of a Land Needs Assessment (L.N.A.). The L.N.A. is a comprehensive review and calculation of the Region’s land base, including existing urban areas, to determine how the population and employment forecasts can be accommodated and how much, if any, additional urban land is required. The second phase of the G.M.S., focused on determining Area Municipal Growth Allocations and the most appropriate locations for Settlement Area Boundary Expansions.

The G.M.S. determined that to meet the population forecasts and anticipated housing needs between 2021 and 2051, a total of 46,330 additional housing units are required in Oshawa as follows:

- 15,930 low-density units;
- 19,300 medium-density units; and
- 11,100 high-density units.