

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

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

Subject: Housing Accelerator Fund – 2026 Mid-year Update

Date: April 21, 2026

Recommendation

That, on the recommendation of the Deputy City Manager, Housing and Community Growth, the following actions **BE TAKEN** with respect to current initiatives under the Housing Accelerator Fund:

- a) A by-law **BE INTRODUCED** at the Municipal Council meeting on April 28, 2026, to amend By-law No. C.P. 1596-87, as amended, being “A by-law to establish financial incentives for the Transit Oriented Development Community Improvement Project Area”, and any related by laws or schedules as necessary, by:
 - i. Establishing the Temporary Waiving of Building Permit Fees financial incentive program, including the applicable program guidelines and eligibility criteria;
 - ii. Establishing the Additional Residential Unit Construction Grant for New Home Construction financial incentive program, including the applicable program guidelines, template agreements, and eligibility criteria;
 - iii. Authorizing the Deputy City Manager, Housing and Community Growth, or their written designate, to approve, enter into, execute, and amend the agreements required to administer the above noted financial incentive programs, provided the terms conform with the applicable Community Improvement Plan financial incentive program guidelines; and
- b) Civic Administration **BE DIRECTED** to report back with opportunities to fund the Pre-construction Housing Grant financial incentive program, upon confirmation that the City will receive the fourth and final advance of the Housing Accelerator Fund.

Executive Summary

The purpose of this report is to provide a mid year update on the City of London’s Housing Accelerator Fund (HAF) and to respond to Municipal Council’s direction arising from Mayoral Direction 2026-001 with options that can be implemented quickly to incentivize housing activity within the remaining HAF window. The report outlines current progress toward the City’s housing supply targets, the remaining unit gap, timing considerations, program risks, and implementation considerations for potential incentive options.

As of April 1, 2026, the City had issued 9,902 net new units toward the overall three - year target of 11,803 units, representing 84% of the target, and has completed all 11 initiatives under the HAF Action Plan.

This report also outlines current HAF funding commitments, allocations, and expenditures, together with the approach being used to manage risks associated with the fourth and final HAF payment, which remains subject to year end performance confirmation by the Canada Mortgage and Housing Corporation. In addition, the report summarizes the review of the City’s housing supply targets and identifies implementation considerations, including timing, expected housing impact, and approval

requirements, for potential incentive options.

To support housing activity within the remaining HAF window, Civic Administration recommends implementing the Temporary Waiving of Building Permit Fees Program and the Additional Residential Unit Construction Grant for New Home Construction. Civic Administration recommends that the Pre-construction Housing Grant be explored further once the fourth and final HAF payment is confirmed and additional details are available regarding the recently announced Canada Ontario Partnership to Build. With the HAF program deadline approaching, Civic Administration does not recommend introducing program changes beyond the April 28, 2026 Council meeting, as further delays would compress the timeline for permit processing and may discourage developers from advancing eligible projects.

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

- April 14, 2026 – Planning and Environment Committee - Pack Road Sewer Extension – Report Back on Housing Accelerator Fund Proposal and Consultation
- February 18, 2026 – Planning and Environment Committee – Update on Implementation Potential for Servicing Improvements using Housing Accelerator Funding
- November 12, 2025 – Planning and Environment Committee – Housing Accelerator Fund – 2025 Annual Update
- 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 & Annual Updates

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 aim is to increase housing supply and improve certainty in development approvals by providing funding to municipalities to implement housing acceleration initiatives. Funding is tied to housing targets set by municipalities for the period between 2024 and 2026, as well as commitments to increase housing supply through new building permits. On September 8, 2023, the City of London received approval for its HAF application and entered into an agreement with CMHC outlining a schedule of initiatives to accelerate new housing development.

As reported in the first annual update report to the Strategic Priorities and Policy Committee on December 10, 2024, the original initiatives were either completed or nearing completion by early 2025. The second annual update report to the Planning and Environment Committee on November 12, 2025, confirmed that 10 initiatives had been completed and almost all milestone actions had been achieved, including the three additional initiatives added through the amended agreement in March 2025.

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, manufacture 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

1.3 March 31, 2026, Municipal Council Direction

At the meeting held on March 31, 2026, Municipal Council resolved:

That, the following actions be taken with respect to Mayoral Direction 2026-001: Creation of an Affordable Home Ownership Incentive Program – Report Back on Program Options:

- a) *The Civic Administration **BE DIRECTED** to report back to the Strategic Priorities and Policy Committee with options that can be rolled out quickly to incentivize housing activity within the remaining Housing Accelerator Fund*

window, together with a Housing Accelerator Fund mid-year update report including:

- i. Current progress toward targets, the remaining unit gap, timing considerations, risks to achieving program outcomes, and proposed incentive options that would support housing activity within the remaining program window;*
- ii. Partial (or full) development charge rebate options for new residential development, including options that could be targeted by unit type and ability to meet HAF timelines;*
- iii. An enhanced Additional Residential Unit incentive program for existing homeowners, including options to increase uptake and accelerate implementation for interior/basement and attached Additional Residential Units that can be delivered within the available timeframe, and*
- iv. Implementation considerations for each option, including estimated cost, expected housing impact, and whether the option can be implemented under existing Community Improvement plan authorities or would require by-law amendments or other Council approvals;*

This report has been brought forward for Council's consideration in response to the above resolution.

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 3 of the program. Section 2 of the report provides an update on Housing Accelerator Fund Program financials and targets. Section 3 provides an update on the various Housing Accelerator Investments. Section 4 provides proposed initiatives to stimulate housing activity to address the March 31, 2026, Council resolution.

2.2 Year 3 - Mid-Year Update

Year 3 represents the final year of the HAF program and is focused on implementing the milestone actions while working toward achieving the housing permit targets established under the HAF agreement prior to the September 7, 2026 deadline.

The work completed during the first two years of the program continues to produce tangible results. Process improvements identified through the HAF program have streamlined internal permitting processes and reduced barriers to development, while new incentive programs have been introduced to support the creation of additional mixed density housing units. Data tracking systems have also been improved and more closely aligned with CMHC definitions and reporting practices. As implementation continues through the final phase of the program, the changes made in the first two years are helping to improve the delivery of housing and support the City's efforts to maximize housing supply.

2.3 HAF Financial Summary

Spending to date has supported the implementation of the action plan through staff resources, consulting support, and targeted financial incentives. Initiatives such as the office to residential construction conversion grant and the transit-oriented development grant are now underway and helping to advance priorities established within the HAF agreement. Initial investments in staffing and planning policy during Year 1 and Year 2 of the program have established the foundation for this work. At the mid-point of Year 3, the City continues to implement the milestone actions identified in the plan.

Table 1: HAF spending as of March 2026.

Category	Amount spent to date	Committed Amount (1)	Allocated Amount (2)	Total Budget (1+2)
Investments in HAF action plans	\$19,646,917	\$39,632,818	\$856,325	\$40,489,143
Investments in affordable housing	\$4,457,040	\$20,000,000	\$0	\$20,000,000
Investments in housing-related infrastructure	\$849,709	\$11,698,000	\$602,000	\$12,300,000
Investments in community-related infrastructure that supports housing	\$3,562	\$391,000	\$8,269,000	\$8,660,000
HAF Total	\$24,957,228	\$71,721,818	\$9,727,325	\$81,449,143

(1) Refers to funds that have been approved by Council or through the regular procurement process (Purchase Order, tender).

(2) Refers to Uncommitted funds that have been allocated to initiatives awaiting final Council approval or an executed agreement.

To date \$60,470,941 has been received from the Housing Accelerator program in the form of three payments. The first payment was received following Council approval of the Housing Accelerator Agreement. The second and third payments were received the following CMHC assessment of London's Year 1 and Year 2 performance. London achieved both Year 1 and Year 2 performance goals and were awarded the related payments. As a condition outlined in the Housing Accelerator Fund contribution agreement, the fourth payment is subject to achieving the Housing Supply Growth target and the additional targets. The following section provides details of how the fourth payment related investments have been managed, and the investments currently at risk if the Housing Accelerator targets are not achieved.

2.4 Housing Accelerator Cash Flow Management

In addition, to the overall spending plan noted above, a plan has also been developed to manage the cash flow noting the funding provided in the fourth funding installment. In addition, the plan ensures that any programs or projects that require funding through the fourth payment installment has been allocated but is unspent until confirmation is provided by CMHC that the funding will be provided. Noting that the final payment of \$20.3 million is subject to reaching the HAF 3-year target. The following table provides the overall split of funding over the fourth funding period:

Table 2: Allocation of HAF Initiatives to Payments.

Initiatives and HAF Funding Categories	Payment 1	Payment 2	Payment 3	Payment 4	Total
Payment Amount	\$18,514,536	\$20,978,202	\$20,978,202	\$20,978,202	\$81,449,142
Investments in Housing Accelerator Fund Action Plans	\$13,820,613	\$8,638,273	\$12,517,501	\$5,512,755	\$40,489,142
Investments in Affordable Housing	\$3,000,000	\$5,666,667	\$4,900,382	\$6,432,951	\$20,000,000
Investments in Housing-related Infrastructure	\$735,536	\$4,606,202	\$4,658,262	\$2,000,000	\$12,000,000
Housing Needs Assessment Study	\$97,504	\$0	\$0	\$202,496	\$300,000
Investments in community-related infrastructure that supports housing	\$0	\$0	\$1,830,000	\$6,830,000	\$8,660,000
Total	\$17,653,653	\$18,911,142	\$23,906,145	\$20,978,202	\$81,449,142
Payment Carry Forward Amount	\$0	\$860,883	\$2,927,943	\$0	NA
Difference Between Payments and Initiative Allocations	\$860,883	\$2,927,943	\$0	\$0	\$0

The funding for any work earmarked for 2027 will not be committed until the final year once the amount of the last HAF funding payment has been confirmed by CMHC. In the event that this funding is not received the list provides the following impacts:

Investments in Housing Accelerator Fund Action Plans

- The fourth-year allotment related to HAF supported Community Improvement Plan Financial Incentives will not proceed, with the programs ending once Year 1 to Year 3 funding is spent.

Investments in Housing-related Infrastructure

- Infrastructure projects set for 2027 construction would either be postponed or funded through existing sources (Development Charges Reserve Fund, Building Faster Fund) subject to approval during the 2028 Growth Management Implementation Strategy.

Investments in Affordable Housing

- The fourth-year allotment of HAF funding to support the Affordable Housing Program will not proceed. Existing projects that can proceed in the short term would be funded from existing Roadmap to 3000 units funding and the projection of future affordable units will be decreased.

Investments in community-related infrastructure that supports housing

- Investments in community-related infrastructure that supports housing including funding currently earmarked for Community hubs and the fourth-year allotment of HAF funding to support the new housing related parks enhancements and natural heritage acquisition program will not proceed. No further Parks Enhancements or Natural Heritage Acquisitions will occur beyond the funding already provided in Year 3.

2.5 Housing Supply Growth Target and Performance

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, while permits issued to date during Year 3 are 2,225 units. The overall target over the three-year period is 11,803 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.

Table 3: Housing Supply Growth Targets and New Units Progress as of March 30, 2026.

Target Category	3-Year Targets	Progress (Sept 2023-Mar 2026)	Progress %
Total net new units	11,803	9902	84%
Net new units -multi-unit housing in close proximity to Rapid Transit	1,522	3018	198%
Net new units - missing middle	6,628	3116	47%
Net new units - multi-unit housing	1,022	3364	329%
Net new units - affordable units	639	810	111%

As shown in the table above, although many sub targets are well above 100% achieved, the missing middle category value is at only 47%. In order to better understand this discrepancy, staff undertook a detailed review of the gap between the three-year target and the number of missing middle units to date was undertaken. The following section describes the results of this review.

2.6 Housing Supply Growth Target Review

In Q1 of 2026 Civic Administration undertook a detailed review of the estimates used for the basis of the creating the Housing Accelerator housing supply targets. Several issues were identified with how the targets were initially determined. These issues were related to the definitions of the Rapid Transit Area, the calculation of total net new units, and the historical number of missing middle unit constructed in London. A meeting was held with CMHC in late March to discuss these findings and their implications for the City's current housing targets.

Over the past two years, Civic Administration has improved its data collection and reporting processes to align with Housing Accelerator Fund requirements. These enhancements have provided a more accurate and consistent basis for evaluating historical activity and current building permit data and reporting. The type of data collected, and the recategorizing of historical data has improved over the HAF period due to the additional staffing capacity and investments in the City's permit database. When this improved data was reconciled with the CMHC definitions of net new units, - multi-unit housing in close proximity to Rapid Transit, and missing middle units, it became clear that the initial estimates used to develop the original targets were not accurate.

As a result, updated housing targets have been established, and a revised table is provided below.

Table 4: Housing Supply Growth Targets and New Units as of April 1, 2026.

Target Category	Original 3-Year Targets	Revised 3-Year Targets	Progress (Sept 2023-Mar 2026)	Progress %
Net new units in the reporting period	11,803	11,271	9,902	88%
Number of multi-unit housing in close proximity to Rapid Transit	1,522	3,514	3,841	100% (1)
Number of missing middle housing	6,628	3,171	2,293	83% (1)
Number of other multi-unit housing	1,022	2,112	3,364	159%
Number of affordable units	639	639	810	111%

(1) A proportion of the units within the multi-unit housing in close proximity to rapid transit are also missing middle housing and can be shifted to the missing middle category.

When considered against these revised targets, the performance related to missing middle units has increased significantly, and all other unit subcategories continue to perform at over 100%. This information has been shared with CMHC and will be submitted as part of the City's Year 3 report, though at this time it is not possible to amend the CMHC agreement. As noted in a previous section, the Housing Accelerator Fund Contribution Agreement identifies that the fourth payment is subject to achieving the Housing Supply Growth target and the additional targets. The City will continue to work toward the overall unit goal of 11,803, with the aim of exceeding the missing middle target. The revised target information included in this report will also be provided as part of London's Year 3 performance report. Once CMHC has completed its assessment of the year-end report, the final decision on the fourth payment will be made by the federal Minister of Housing. It is anticipated that this decision will be provided in Q4 2026 or early 2027.

3.0 Housing Accelerator Investment Updates

3.1 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.

Table 5: Housing-related Infrastructure Investments

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	\$3,464,622
Killaly Road Infrastructure Improvement	4,500*	\$447,378
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. The following additional projects were considered:

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

At its meeting on March 3, 2026, Municipal Council resolved to direct staff to undertake further consultation with affected landowners with respect to the Pack Road Sewer extension project. The Exeter Road sewer extension project was determined to not be needed at this time given suitable capacity for the current proposed developments, and the Hyde Park and Sunningdale Road servicing extension is scheduled to proceed through early development in 2026.

As reported to the Planning and Environment Committee at its meeting on April 14, 2026, City Staff held further consultation in March 2026 with respect to the Pack Road sewer extension project. Based on the consultation and a review of the available technical information, it was determined that the proposed sewer extension on Pack Road was not eligible for HAF funding and does not meet the program's eligibility criteria.

3.2 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)
- Transit Oriented Development Incentive (TOD)
- Detached Additional Residential Unit Forgivable Loan
- Dollars to Doors Program
- Highly Supportive Housing Program

3.3 Investments in community-related infrastructure that supports housing

HAF funding for investments in community-related infrastructure support housing growth through targeted park enhancements and the strategic acquisition of natural heritage lands in established and intensifying neighbourhoods, helping to create more liveable, complete, and resilient communities.

Recent expenditures and planned 2026 projects focus on upgrading existing park spaces and securing ecologically important lands to ensure that new housing is supported by accessible green space, recreation opportunities, and a connected natural heritage system as the city grows. These include:

- New District Park for the Old Victoria Hospital Lands
- Richard B. Harrison Park improvements and new community garden
- Sports field lighting for McMahan Park
- Pickleball court lighting for East Lions Park
- Public gathering space at St. Stephens Park
- Public gathering space at Capulet Park
- Acquisition of a 5 hectare ecologically significant woodland along the Thames River near Hamilton Road, with additional natural heritage acquisitions pending the outcome of negotiations.

It is intended that all capital projects will be completed by Q4 2027.

4.0 Proposed Initiatives to Stimulate Housing Activity

4.1 Program Options

Civic Administration consulted the 'Customer Service and Process Improvement Reference Group', which includes industry leaders from the development community, home builders, engineering and planning consultants and real estate representatives. Discussions focused on gathering details around short-term, high-impact incentive programs that can be developed and deployed in quick succession to assist with feasibility conditions to stimulate permit applications. In addition to these consultations, incentive programs in other HAF-participating municipalities across Ontario were reviewed and compared to existing development practices in London.

The proposed programs are suggested on the following principles:

- Simple and cost-effective to administer
- Implemented on rapid, quick succession
- Ability to have the largest impact within the remaining timeframe

The proposed programs are expected to have the following outcomes:

- Reduce development costs, increasing feasibility of projects
- Speed up housing construction, encouraging permit application

Each program will be tied to a specific window of opportunity, from Council approval until September 7, 2026, with the intended purpose of driving permit submissions. Civic Administration also investigated partial or full development charge (DC) rebate programs and, after consultation with the development community and assessment of the remaining HAF timeframe, determined that the proposed programs would provide greater flexibility to address the observed challenges. Further, as announced, the new joint federal provincial program would include development charges reductions and a cost matched structure providing a combined \$8.8 billion over 10 years for infrastructure investments. Accordingly, it is recommended that Council await further information before considering additional development charge reduction-based incentive programs.

The following programs are suggested for Municipal Council's consideration. Civic Administration requires direction from Municipal Council to proceed with the preparation and development of these programs for subsequent approval at the Municipal Council meeting on April 28, 2026.

Pre-construction Housing Grant

The proposed program, intended to operate within the Transit Oriented Development Community Improvement Plan, would provide a \$15,000 per unit construction grant for new residential development located within 1,500 metres of a London Transit bus route. A 1,500-metre distance was chosen to maximize opportunities to access the program. This distance would allow the program to apply across the City's built out area while also capturing greenfield areas where construction activity is already underway.

To administer the program, City Staff would review an application form submitted by an eligible applicant that intends to construct new residential development, with a minimum of 1 unit, within the designated area. Any eligible development must be issued a building permit within the designated window. Funding is committed to the project upfront to support financing and is administered upon issuance of the building permit. The basis of this program is mirrored in the operation of the Office-to-Residential (OTR) program and the Transit-Oriented Development (TOD) program.

<i>Proposed Program Budget:</i>	\$5,000,000
<i>Source of Funding:</i>	Subsequent report back to Council
<i>Expected Housing Unit impact:</i>	333 New Residential Units
<i>Implementation:</i>	By-law amendment to CIP, with Council approval

Temporary Waiving of Building Permit Fees Program

The proposed program, intended to operate within the Transit Oriented Development Community Improvement Plan, would waive applicable fees related to housing development that occurs within 1,500 meters of any London Transit Bus route and fund this difference in revenue using Housing Accelerator Funding. A 1,500-metre distance was chosen to maximize opportunities to access the program. This distance would allow the program to apply across the City’s built out area while also capturing greenfield areas where construction activity is already underway.

To administer the program, City staff would internally reconcile fees otherwise payable for eligible new housing projects, utilizing designated HAF funding to offset the cost of the fees to the applicant. No application would be required. The fee waiver would apply to permits issued after Council approval and on or before the Housing Accelerator Fund target deadline of September 7, 2026.

It is also recommended that any outstanding fees for permits already submitted for new units be waived through this program, while deposits or fees already paid on previously submitted permits not be refunded. This approach is proposed to avoid the administrative burden associated with processing a large number of refunds. In most cases, an applicant pays a deposit of \$260 for additions and alterations and \$1,000.00 for new buildings at the time of permit submission, with the remaining balance payable when the permit is ready to be issued.

Fees to be waived include building permit fees for:

- Single detached / semi / duplex,
- Townhouse / row,
- Additional Residential Units (ARUs), and
- Apartments.

Fees for a typical sized unit are included below:

Table 6: Typical Permit Fee Range for Various Unit Types.

Unit Type	Building Permit Fee Waived for Typical Permit
Single detached / semi / duplex, Townhouse / row	\$1,500 - \$3,200
Additional Residential Units (ARUs)	\$260 – \$1,000
Apartment Building (60 Units)	\$40,000-\$60,000
Apartment Building (100 Units)	\$90,000 -110,000

A full list of eligible fees has been included in Appendix ‘A’: List of Housing Related Building Fees to be Waived. In order to incentivize the remaining 1901 units required to meet the Housing Accelerator target it is estimated that approximately \$2,500,000 in HAF funding would be required to support the program.

<i>Program budget:</i>	\$2,500,000
<i>Source of Funding:</i>	Housing Accelerator Fund
<i>Expected Housing Unit impact:</i>	Estimated to support up to 1901 new residential units
<i>Implementation:</i>	By-law amendment to CIP, with Council approval

Additional Residential Unit (ARU) Construction Grant for New Home Construction

The proposed program, intended to operate within the Affordable Housing Community Improvement Plan, would provide a \$20,000 per-unit grant to any newly constructed home, previously unoccupied, that includes as part of the purchase, a pre-built secondary suite located within, attached, or on the same property as the primary dwelling unit. This program is only eligible for new, single-detached homes that include a built-in secondary unit, where the permit is issued withing the specific window. This program is not intended to offset the development costs of duplexes, triplexes and multi-unit housing, and instead is intended to support the incentivizing of a smaller secondary unit on the same property as a larger primary unit in new subdivisions. The grant would be provided upfront to the builder upon issuance of the building permit.

<i>Proposed Program budget:</i>	Up to \$2,000,000, shared with other ARU incentives
<i>Source of Funding:</i>	Housing Accelerator Fund
<i>Expected Housing Unit impact:</i>	Estimated to support up to 65 new ARUs
<i>Implementation:</i>	By-law amendment to CIP, with Council approval

In addition to the above recommended programs, Civic Administration continues to partner with the development community to identify eligible applications for fast-track permitting, including priority consultations and reviews to reduce the time to approve units and issue permits quicker.

Civic Administration is also recommending additional changes to the Detached Additional Residential Unit forgivable loan program, which is the subject recommendation in a report on the same April 21, 2026 Strategic Priorities and Policy Committee Agenda.

5.0 Recommended Programs and Next Steps

Civic Administration recommends implementing the Temporary Waiving of Building Permit Fees Program, and the Additional Residential Unit Construction Grant for New Home Construction Incentive Program, sourced through existing budgets within HAF.

The Temporary Waiving of Building Permit Fees Program would support a wide range of unit types and a greater number of units within the remaining Housing Accelerator Fund target window. It is recommended that the Pre-construction Housing Grant be explored further once the fourth and final Housing Accelerator Fund payment is confirmed and additional details are available regarding the recently announced Canada Ontario Partnership to Build.

As announced, this new joint federal/provincial program would include development charges reductions and a cost matched structure providing a combined \$8.8 billion over 10 years for infrastructure investments. Accordingly, it is recommended that Council await further information before considering additional development charge reduction-based incentive programs.

Upon confirmation of the fourth and final Housing Accelerator Fund payment, Civic Administration will report back to Municipal Council with options for Pre-construction Housing Grant. If the full Temporary Waiving of Building Permit Fees Program budget is not required, any uncommitted funding could be considered to support a future development charge related program, subject to Council direction and confirmation of available funding. At that time, any remaining funding from all remaining Housing Accelerator Fund programs could also be reconsidered by Council.

Civic Administration intends to prepare the required program guidelines for the Temporary Waiving of Building Permit Fees Program and the Additional Residential Unit (ARU) construction grant for new home construction, as outlined in section 4.1 of this report, for Municipal Council's approval on April 28, 2026.

Conclusion

This report provides a mid-year update on the City of London's Housing Accelerator Fund (HAF), including progress toward housing supply targets, the status of HAF initiatives, the program's financial position, and options to stimulate housing activity within the remaining HAF timeframe. As of April 1, 2026, the City has issued 9,902 net new units, representing 84% of the overall three-year target, and has completed all 11 initiatives under the HAF Action Plan.

To support housing activity within the remaining HAF window, Civic Administration recommends implementing the Temporary Waiving of Building Permit Fees Program and the Additional Residential Unit Construction Grant for New Home Construction. Civic Administration will continue to monitor progress toward the Housing Supply Growth Target and report back to Municipal Council on future opportunities related to the Pre-construction Housing Grant once the fourth and final HAF payment is confirmed and additional program details are available. The Year 3 HAF annual report will be brought back to Council after the third annual compliance report to CMHC, in Q4 2026.

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Submitted by: **Heather McNeely, MICP, RPP**
Director, Planning and Development

Recommended by: **Scott Mathers, MPA, P.Eng.**
Deputy City Manager, Housing and Community Growth

Appendices:

Appendix 'A': List of Housing Related Building Fees to be Waived

CC:

Kelly Scherr, Deputy City Manager, Environment & Infrastructure
Anna Lisa Barbon, Deputy City Manager, Finance Supports
Kevin Dickens, Deputy City Manager, Social & Health Development
Paul Yeoman, Director, Parks and Forestry
Matt Feldberg, Director, Municipal Housing and Industrial Development
Ashley Rammeloo, Director, Water, Wastewater & Stormwater
Alan Shaw, Director, Building & Chief Building Official
Kyle Wilding, Senior Manager, Building Services
Dylan Dubois, Financial Business Administrator
Melissa Espinoza, Manager, Housing Programs and Partnerships

**Appendix 'A':
List of Housing Related Building Fees to be Waived (1)**

CLASSES OF PERMITS AND FEES	Fee Amount	Comments
CONSTRUCTION		
BUILDING CLASSIFICATION (per Building Code)		
Group C [Residential Occupancies]		
Single Detached Dwellings, Semis, Duplexes	\$14.13	
with private septic system (additional fee) - flat fee	\$1,106.57	
with geothermal system (additional fee) - flat fee	\$516.40	
Townhouses	\$12.29	
with private septic system (additional fee) - flat fee	\$1,106.57	
with geothermal system (additional fee) - flat fee	\$516.40	
Live/Work Units, Previously approved (single detached, semis)	\$11.57	
with private septic system (additional fee) - flat fee	\$1,106.57	
with geothermal system (additional fee) - flat fee	\$516.40	
Apartment Buildings	\$10.64	
with geothermal system (additional fee) - flat fee	\$663.94	
All other residential Occupancies	\$17.21	
ALTERATIONS, RENOVATIONS, and REPAIRS (to existing floor areas)		
Group C - Dwelling units	\$3.68	Housing related and linked to new units.
Single Detached Dwelling Garages, Carports, Accessory structures: equal to or less than 55 sq.m. - each	\$260.37	Housing related and linked to new units.
Single Detached Dwelling Garages, Carports, Accessory structures: over 55 sq.m. - each	\$409.14	Housing related and linked to new units.
Single Detached Dwelling Garages, Carports, Accessory structure: additional fee if plumbing is involved	\$260.37	Housing related and linked to new units.
ADMINISTRATIVE FEES		
(i) After all reviews have been completed prior to permit issuance or after the permit has been issued (excludes new model submission for single detached dwellings, duplexes, semi-detached dwellings, or row townhouses)	\$159.84 per hour (min. fee \$260.37)	Housing related and linked to new units.

(ii) New Model submission (single detached dwellings, semi-detached dwellings, duplexes, or row townhouses) made more than five business days after original permit application was submitted or post permit issuance	50% of the original permit fee	
c) Conditional Permit (as per Section 8.(3) of Building Code Act) in addition to fee in section 3 above,		Housing Related and Linked to new units
(i) single detached dwellings, duplexes, semi-detached dwellings, or row townhouses	\$338.12 per permit	Housing Related and Linked to new units
(ii) all other uses	\$737.72 per permit	Housing Related and Linked to new units
Alternative solutions review	\$491.67 per alternative solution form submission	Housing Related and Linked to new units

(1) All eligible building fees to be waived must be housing related and linked to new housing units as determined by the Chief Building Official.