



Procedure

Procedure Name:	Infrastructure Acceleration Incentive Program (Housing Accelerator Fund)
Parent Policy:	Infrastructure Funding Policy
Procedure Owner:	Infrastructure and Engineering Services Infrastructure Planning and Development Engineering Division
Approved by:	Council
Effective Date:	November 13, 2024
Date of Last Revision:	Initial Procedure
Review Date:	Procedure will terminate at end of the HAF program
Procedure Status:	New policy

PURPOSE:

In November 2023, the Government of Canada and the City of Richmond Hill entered into an agreement under the Housing Accelerator Fund (HAF), securing federal investment to accelerate housing development in Richmond Hill. The City's HAF Action Plan includes nine initiatives aimed at removing barriers and streamlining processes to facilitate faster construction of housing across the city. The funding is administered through the Canadian Mortgage and Housing Corporation (CMHC) agency, a federal government's agency.

One of the nine initiatives being implemented by the City through the HAF is the **Infrastructure Acceleration Incentive Program**. This program is intended to fund, in part or in whole, the construction of municipal infrastructure upgrades or new municipal infrastructure needed to facilitate residential development that would otherwise not be able to proceed, with the intent of accelerating the timing of building permit issuance for this development.

To qualify for this program and funding opportunity:

- The municipal infrastructure must not be eligible for full funding through Development Charges (DC) or other grant funding and must not be planned for or currently under construction;
- The associated Development(s) must receive from the City's Building Division, issuance of a building permit(s) in accordance with the City's agreement with CMHC by **November 14, 2026**, or a date otherwise specified by CMHC;
- Construction of the municipal infrastructure must be completed, to the satisfaction of the City, by **October 1, 2027**, or a date otherwise specified by CMHC in order for the necessary Reimbursements to be paid by **November 15, 2027**.

SCOPE:

This procedure outlines the conditions of the Infrastructure Acceleration Incentive Program and sets out the requirements, processes, and steps to be followed by City staff and developers to approve the funding of infrastructure under the Infrastructure Acceleration Incentive Program.

PROCEDURE:

1. General Conditions:

- 1.1 This procedure is intended to be read in conjunction with the parent **Infrastructure Funding Policy**.
- 1.2 The definitions prescribed under the parent policy, the Infrastructure Funding Policy, are also applicable to this procedure.
- 1.3 The City of Richmond Hill is under no obligation to approve a request for funding under the Infrastructure Acceleration Incentive Program. Determination of eligibility for this program will be done on a case-by-case basis, and approval will be at the discretion of the Commissioner of Infrastructure and Engineering Services, in consultation with the Commissioner of Planning and Building Services and the Treasurer.
- 1.4 Eligibility for this Program will be subject to the availability of funding from HAF.
- 1.5 In order to be considered for this program, Developer(s) must clearly demonstrate to the City of Richmond Hill that the municipal infrastructure being requested for funding under Infrastructure Acceleration Incentive Program will directly facilitate new residential development that could otherwise not proceed without this infrastructure.
- 1.6 Municipal infrastructure that can otherwise be fully funded through other funding sources (e.g. DCs or grants) will not be eligible for funding from the Infrastructure Acceleration Incentive Program. Where municipal infrastructure is only partially funded through DCs or grants, the infrastructure could be eligible for funding of the remaining non-DC or non-grant component through this Program.
- 1.7 To provide further clarity to section 1.6, the non-growth component of the infrastructure cost, referred to benefit to existing, and the growth component that is not part of the DC calculation, referred to post period benefit, may be eligible for funding under this Program.
- 1.8 The Infrastructure Acceleration Incentive Program is intended to fund municipal infrastructure. Private infrastructure or service connections specifically required to service the subject development are not eligible under the Program.

- 1.9 Receiving funding for municipal infrastructure under the Infrastructure Accelerator Program is contingent on the issuance of building permit(s) acceptable to CMHC for the related development(s) by no later than November 14, 2026, and completing the construction of the municipal infrastructure and meeting all requirements, to the satisfaction of the City, by October 1, 2027. In the event that these timelines are not achieved, the Developer(s) will forfeit their eligibility to receive the HAF funding and will be responsible for the cost associated with construction of the infrastructure.
- 1.10 This procedure is not intended to override the requirements, restrictions, or guidelines set out in the Infrastructure Funding Policy.

2. Request for Consideration:

- 2.1 To be considered for the Infrastructure Acceleration Incentive Program, Developer(s) shall submit a “formal request for participate” to the City of Richmond Hill, attention:

Commissioner, Infrastructure and Engineering Services

And copy to:

Commissioner of Planning and Building Services

Director of Infrastructure Planning and Development Engineering

Director of Financial Services and Treasurer

The submission package shall outline details of the infrastructure works being proposed and the associated residential development that is intended to be accelerated by the infrastructure improvement. This submission will include at a minimum:

- i. the location of the proposed development;
- ii. total number of units being proposed;
- iii. types of units being proposed;
- iv. tenure of the units;
- v. any other information that supports the HAF and other HAF initiatives;
- vi. project timing and phasing plan for both the planned development and infrastructure;
- vii. a plan, showing the location, limits, and type of infrastructure proposal;
- viii. a technical brief and/or supporting technical documents, outlining the need for the; infrastructure and how it directly supports the planned residential development;
- ix. a cost estimate for the infrastructure works being proposed.

3. Approval Process:

- 3.1 The City will review the “formal request to participate” and endeavor to respond to the Developer(s) within three weeks, advising if the infrastructure is an eligible candidate for the Infrastructure Acceleration Incentive Program.

- 3.2 Where infrastructure is approved for the Infrastructure Accelerator Program, the Developer(s) will be required to prepare and submit for approval by the City, a detailed design and cost estimate in accordance with the City's engineering standards, submission requirements, and the requirements outlined in the Infrastructure Funding Policy.
- 3.3 Infrastructure costs eligible for Reimbursement through this program will be determined in accordance with the definitions and terms contained to the Infrastructure Funding Policy, and will only include the portion of the infrastructure cost not funded from other sources including DC's or grants.
- 3.4 The Developer(s) will be required to enter into a Development Agreement in accordance with the requirements outlined in the Infrastructure Funding Policy. This agreement will stipulate the amount eligible for Reimbursement and that the Reimbursement for the infrastructure shall be contingent upon meeting the building permit issuance deadline of November 14, 2026 for the associated residential units, and that the construction of the infrastructure will be completed to the satisfaction of the City by October 1, 2027. The Developer(s) shall also acknowledge in the agreement that if the deadlines noted in 3.4 are not achieved, the Developer(s) shall forfeit the HAF funding and will be responsible for the costs associated with the infrastructure.
- 3.5 The Developer(s) will be required to post securities for the full amount of the estimated cost of the infrastructure works in accordance with Section 5 of the Infrastructure Funding Policy . Reductions and release of the securities will be in accordance with the terms of the Development Agreement and Section 5 of the Infrastructure Funding Policy.
- 3.6 The Developer(s) shall pay all applicable City fees associated with agreement preparation, inspections, and administration as outlined in the Infrastructure Funding Policy and in the City's Tariff of Fees By-Law.
- 3.7 To ensure all necessary planning approvals are in place to achieve the timelines associated with the Infrastructure Acceleration Incentive Program, it is strongly encouraged that Developer(s) engage the Development Planning Division to initiate the necessary development application(s) for the associated residential units prior to or concurrently with their "formal request to participate" in the Infrastructure Acceleration Incentive Program.
- 3.8 To allow sufficient time for the processing and issuance of the necessary building permit(s) and ensure that timelines of the Infrastructure Acceleration Incentive Program can be achieved, it is strongly encouraged that Developer(s) engage with the Building Division, at a minimum 6 months prior to their targeted building permit issuance date, or May 1, 2026 at the latest. Building permit applications should be submitted at a minimum 3 months prior to the building permit issuance target date, or August 1, 2026 at the latest.

4 Procurement and Construction:

- 4.3 The Developer(s) shall procure the services of a contractor to deliver the infrastructure in accordance with Section 2 of the Infrastructure Funding Policy.

4.4 Inspection of the infrastructure by the City shall be done in accordance with the terms of the Development Agreement and the City's standard practices. Milestone inspections will be completed by municipal inspectors, and it shall be the Developer(s) responsibility to coordinate and schedule these inspections in order to avoid delays.

5 Reimbursements:

5.3 The amount eligible for Reimbursement shall be for the actual cost of construction, up to the maximum amount as set out by 3.3 and 3.4 of this procedure and the terms of the Development Agreement and the Infrastructure Funding Policy.

5.4 Design, administration, and contingency costs will be eligible up to a maximum amount as set out in the Infrastructure Funding Policy.

5.5 The Developer(s) shall submit a formal request for Reimbursement to the Commissioner of Infrastructure and Engineering Services. Reimbursement shall only occur when the Developer(s):

- i. Has demonstrated that building permits were issued by the City for the associated residential units prior to November 14, 2026;
- ii. Has demonstrated that the municipal infrastructure has been completed to the satisfaction of the City by October 1, 2027, including passing final inspection by the City's inspectors; and
- iii. All other necessary requirements as set out in the Development Agreement and Infrastructure Funding Policy have been fulfilled by October 1, 2027 including. but not limited to, the provision of all required documentation and clearance of any conditions.

5.6 Should the Developer(s) not be able to achieve the requirements of 5.3, they will not be eligible for any Reimbursements outlined in this Procedure and will be fully responsible for the costs associated with the municipal infrastructure.

ROLES AND RESPONSIBILITIES:

Developer(s):

- Abide by the requirements outlined in this Procedure and the associated Infrastructure Funding Policy.
- Ensure building permit issuance for the associated residential units by November 14, 2026.
- Ensure completion of municipal infrastructure prior to November 2027.

Infrastructure and Engineering Services Department:

- Review and approve "formal requests for eligibility" for infrastructure projects by the Commissioner, Infrastructure and Engineering Services, in consultation with the Commissioner of Planning and Building Services and the Treasurer.
- Review and approval of design, cost estimate, and tender package for infrastructure projects.

- Oversight of infrastructure project during construction.
- Assisting in preparation of Development Agreements.
- Make recommendations for Reimbursements to Financial Services as well as Strategy and Government Relations Section (in their role HAF funding coordinator for the City).

Financial Services Division:

- Track HAF balance for Infrastructure Acceleration Incentive Program and provide information for reporting purposes on the Housing Accelerator Fund to the Strategy and Government Relations Section.
- Manage payment of Reimbursements.

Legal Services Division:

- Prepare Development Agreements.

Development Planning Division:

- Coordinate the Planning Application for the associated developments.

Building Services Division:

- Confirm issuance of necessary building permits related to any Infrastructure Acceleration Incentive Program development.
- Provide building permit data for reporting purposes on the Housing Accelerator Fund.

Council:

- Approval of the Infrastructure Funding Policy and this related Procedure.

RELATED DOCUMENTS:

Infrastructure Funding Policy
Development Engineering Submission Requirements