



## REPORT

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**TO:** Mayor Bonnette and Members of Council

**FROM:** Damian Szybalski, Director of Economic Development, Innovation and Culture

**DATE:** April 14, 2022

**REPORT NO.:** ADMIN-2022-0018

**SUBJECT:** Ontario Housing Affordability Task Force Report – Town Staff Response

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### RECOMMENDATION:

THAT Report No. ADMIN-2022-0018, dated April 14, 2022, regarding the Ontario Housing Affordability Task Force report, be received;

AND FURTHER THAT the Mayor submit a letter to the Minister of Municipal Affairs and Housing summarizing the Town's comments on the Ontario Housing Affordability Task Force report;

AND FURTHER that a copy of this report be provided to the Premier of Ontario, Ontario Minister of Municipal Affairs and Housing, Ontario Minister of Economic Development, Job Creation and Trade, Association of Municipalities of Ontario (AMO), Federation of Canadian Municipalities (FCM), Canada Mortgage and Housing Corporation (CMHC), Minister of Families, Children and Social Development, Big City Mayors' Caucus, Small Urban GTHA Mayors, Halton Region, the City of Burlington, the Town of Milton, the Town of Oakville, and Halton Area MPs and MPPs.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- The Town continues to take action to ensure that housing is accessible to all residents at any age or stage in life.
- In February 2022, the provincially appointed Ontario Housing Affordability Task Force released its report with 55 recommendations.

- This staff report provides Council with an overview of the Task Force’s report and key areas of applicability and/or concern to Halton Hills.
- Town staff agree that significant action is needed to address housing affordability. Although Town staff generally and in principle support the overall intent of the Task Force recommendations, specifically in terms of the need to urgently address housing affordability challenges, staff have major concerns with several of the recommendations, especially those that appear to limit local autonomy and would have significant financial impacts to municipalities.

## **BACKGROUND AND DISCUSSION:**

In December 2021, the Minister of Municipal Affairs and Housing established the Ontario Housing Affordability Task Force (Task Force) to provide the provincial government with recommendations on additional measures that can be taken to address market housing supply and affordability. The mandate of the Task Force was to explore measures to address housing affordability by:

- Increasing the supply of market rate rental and ownership housing;
- Building housing supply in complete communities;
- Reducing red tape and accelerating timelines;
- Encouraging innovation and digital modernization, such as in the planning and building permit processes;
- Supporting economic recovery and job creation; and
- Balancing housing needs with protecting the environment.

The Province appointed the following nine members to the Task Force:

- Jake Lawrence (Chair) – Chief Executive Officer and Group Head at Scotiabank
- Lalit Aggarwal – President of Manor Park Holdings
- David Amborski – Professor at Ryerson University’s School of Urban and Regional Planning and Director of the Centre for Urban Research and Land Development
- Julie Di Lorenzo – President at Diamante Urban Corporation
- Andrew Garrett – Senior Principal of Real Estate at Investment Management Corporation of Ontario
- Tim Hudak – Chief Executive Officer of Ontario Real Estate Association
- Justin Marchand – Chief Executive Officer of Ontario Aboriginal Housing Services
- Ene Underwood – Chief Executive Officer of Habitat for Humanity Greater Toronto Area
- Dave Wilkes – President and Chief Executive Officer of the Building Industry and Land Development Association of the Greater Toronto Area

Over a period of two months, the Task Force met with municipal leaders, planners, unions, developers, builders, the financial sector, academics, think tanks and housing

advocates to inform their recommendations. This work cumulated in a report containing 55 recommendations that was published by the Province in February 2022.

The Task Force report's recommendations include five main areas through which to increase the supply of market housing, and to meet the ambitious goal of adding 1.5 million homes over the next 10 years:

- Require greater density;
- Reduce and streamline urban design rules;
- Depoliticize the approvals process and cut red tape;.
- Fix the Ontario Land Tribunal; and,
- Support municipalities that commit to transforming the system.

The Task Force report focuses on how to increase market housing supply and affordability. It defines market housing as homes that can be purchased or rented without government support. It notes that affordable housing, which the Task Force defines as units provided at below market rates with government support, was not part of the Task Force's mandate. While affordable housing can be defined differently depending on the context, the Town, Region and Province define affordable housing in a similar fashion. For example, the Town's Official Plan defines affordable housing as: "housing with a market price or rent that is affordable to households of low- and moderate-income spending 30 percent of their gross household income without government subsidies." However, it should be noted that, when discussing affordable housing in general, the Town and Region refer to the housing continuum (Figure 1). The continuum recognizes that housing needs change as individual circumstances evolve over time. The government's role changes along the continuum, from direct funding (on the left) to a policy and planning role (on the right).

The purpose of this staff report is to provide Council with an overview of the Ontario Housing Affordability Task Force report. Based on a cross-departmental review, the intent is also to provide Council with key observations and concerns with the Task Force's recommendations and their implications for Halton Hills. In addition, next steps are noted.

Rather than provide a detailed analysis and comments on each of the 55 recommendations, staff have identified main themes or areas of applicability to Halton Hills. Analysis of each individual recommendation is difficult because many of the recommendations entail complex systems or considerations and have potentially far-reaching implications, including on municipal finances, which require more in-depth analysis. Other recommendations do not apply to the Halton Hills context. In addition, several of the recommendations require further clarification and/or information from the province before staff are able to provide Council with meaningful comments.

The Task Force's report is appended as Appendix 1.

At the Halton Regional Council meeting of March 23, 2022, Council considered a [regional staff report on the Task Force](#). Citing a number of concerns, Regional Council

deferred the report to April 20, 2022 to allow for further consultation with local municipalities and other stakeholders.

In response to the Task Force report, the Province recently announced the *More Homes for Everyone Plan*. This Plan considers the Task Force’s report as the Province’s long-term housing roadmap. Bill 109 (*More Homes for Everyone Act, 2022*) was subsequently tabled. Town staff comments and concerns with Bill 109 are noted in a separate report from Planning and Development, also on the May 2, 2022 Council agenda.

**Figure 1: Housing Continuum**



Source: Halton Region Comprehensive Housing Strategy

## 1. General Observations

An inadequate supply of housing is identified by the Task Force as a fundamental cause of housing affordability challenges. The underlying premise is that a more permissive planning system will translate into an increased housing supply. In response, the Task Force recommends far-reaching changes to address perceived development review delays, development costs, zoning restrictions, community opposition and Ontario Land Tribunal (OLT) appeals.

It should be noted that factors undermining housing affordability are complex, and that finding solutions to this challenge should consider the entire housing system, including demand factors (e.g. interest rates, immigration levels, investor speculation), labour costs, skilled trades availability, infrastructure investments, and the need for significant

Provincial leadership in affordable and assisted housing provision in order to fully address needs along the housing continuum.

Staff agree with the need for urgent action to address housing affordability. In principle, some of the general principles contained in the Task Force report, such as intensification, more affordable housing options, transit-oriented development, and efficient development processes, are supported by Town staff. Action is already being taken by the Town in many of these areas. This includes extending financial supports to make affordable housing projects more financially viable and streamlining the development review process.

However, staff have concerns with the overall top-down, prescriptive and “one-size-fits-all” approach to the Task Force’s recommendations. Mainly, staff are of the opinion that the Task Force’s approach and a large number of its recommendations are focused on addressing challenges perceived to exist in much larger, primarily single-tier, urban municipalities. There is little recognition of major differences between large urban centers and smaller municipalities, including those in more rural areas. This includes the lack of public transit, infrastructure and amenities that are needed to make a range of housing projects viable, and the implementation of some of the recommendations feasible. In addition, the top-down approach and the broad mandates or binding rules can overlook important local context and considerations and has the potential to undermine the sense of place that is unique to each community.

In addition, staff require clarity on most recommendations pertaining to the OLT process. On February 7, 2022, Council passed a resolution calling on the province to dissolve the OLT immediately, which if adopted could eliminate one of the most significant sources of red tape delaying the development of more attainable housing in Ontario.

If implemented as currently written, the Task Force recommendations would significantly decrease the Town’s autonomy and authority to review and approve housing development, while increasing Provincial authority to apply broad standards related to zoning and urban design among other matters.

## **2. Key Themes**

A cross-departmental staff team completed a detailed review of the Task Force report. Below are key areas/themes identified by staff that are of most concern and/or relevance to Halton Hills.

### **2.1 Streamline the Development Review Process**

The Task Force report contains several recommendations that are intended to expedite the development review process in order to increase housing supply. This theme is based on the premise that the municipal development review process causes unnecessary delays, which in turn translate into higher housing prices. Relevant recommendations include:

*#12.b: Exempt from site plan approval and public consultation all projects of 10 units or less that conform to the Official Plan and require only minor variances.*

*#13: Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.*

*#19: Legislate timelines at each stage of the provincial and municipal review process, including site plan, minor variance, and provincial reviews, and deem an application approved if the legislated response time is exceeded.*

*#20: Fund the creation of “approvals facilitators” with the authority to quickly resolve conflicts among municipal and/or provincial authorities and ensure timelines are met.*

Main staff observations/comments are:

- In 2020, Town staff surveyed those in the development sector regarding their satisfaction with the Town’s development review process. Results indicated that the development community is generally satisfied with Town staff’s review time-frames, process and level of service. The Town scored higher than other municipalities and commenting agencies in these areas.
- The development review process relies on input from a number of commenting agencies and approval from external agencies and stakeholders, including upper-tier municipalities, the Province and Conservation Authorities. Lower tier municipalities processing development applications manage this process. However, without timely review by external commenting agencies, development review timelines can be prolonged and, done so, without the Town’s control.
- There are several Provincial guidelines and requirements that municipal staff uphold as part of the development review process. Ensuring that these requirements are met (e.g., stormwater management, source water protection, noise mitigation) is fundamental to the integrity of the development and surrounding area. It is unclear how the province will ensure these requirements are met if exemptions or automatic approval is granted prior to obtaining these clearances from municipal staff.
- Development review delays can often be caused by poor or incomplete submissions by the applicant. Recommendations to approve projects that exceed legislated response times could incentivize applicants to provide poor submission materials or delay filing resubmissions in order to obtain automatic approval.
- Through the Business Concierge program, the Town is continuously working to streamline the development review process. Recognizing that affordable housing is a priority in Council’s Strategic Plan, staff also prioritize expediting the review process for affordable housing projects where possible.
- Limits on the Town’s ability to conduct public meetings will have impacts on the Mayor’s Consultation Initiative (Public Engagement Charter), including on how the public is engaged on projects and policies in Halton Hills.

## **2.2 Provide Financial Supports for Housing Construction**

The Task Force includes recommendations for changing the municipal funding model to reduce development costs, while enabling greater access to housing opportunities through funding provision and other mechanisms. Relevant recommendations include:

*#25: Require municipalities to provide the option of pay on demand surety bonds and letters of credit.*

*#32: Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential projects up to 10 units or for any development where no new material infrastructure will be required.*

*#33: Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years.*

*#41: Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners.*

*#48: The Ontario government should establish a large “Ontario Housing Delivery Fund” and encourage the federal government to match funding. This fund should reward:*

- a) Annual housing growth that meets or exceeds provincial targets*
- b) Reductions in total approval times for new housing*
- c) The speedy removal of exclusionary zoning practices*

Main staff observations/comments are:

- The Town is moving forward with a pilot program to allow for the use of pay-on-demand surety bonds in addition to letters of credit.
- Growth requires new or expansion of capital servicing and parkland needs. Development charges (DCs) and parkland cash-in-lieu (CIL) collected from residential/non-residential growth are important financing tools for municipalities to support the related costs. If DCs and CIL are waived without alternate funding sources provided by the province and/or federal government, the costs need to be recovered from existing tax payers, including those who are in need of financial support.
- Waiving DCs and CIL does not ensure lower housing costs for end users, as the price of housing is not necessarily directly related to the cost of fees but what the market will bear. In addition, there is no guarantee that any cost savings in terms of DC and/or CIL waivers will be ultimately passed onto the purchaser or renter.
- Provision of affordable housing is one of Council’s priorities identified in the Town’s Strategic Plan. The Town has been incorporating affordable housing objectives into its policy development. This has been done proactively by including financial supports for affordable housing via the new Development Charges Policy and Community Improvement Plan (CIP). These measures have been undertaken with the goal to maximize financial supports while recognizing the Town’s limited financial capacity and the need to provide community infrastructure to create complete communities.
- In addition to the Development Charges deferral provided for non-profit and rental housing development under the Development Charges Act, the Town is currently considering implementing a 20-year Development Charge deferral,

without interest, for affordable housing development when certain conditions are met.

- Town staff understand that providing government fee/charge waivers may help incentivize affordable housing development. However, any additional fee and/or charge waivers require direct funding off-sets from other sources. In launching the proposed “Ontario Housing Delivery Fund”, focus should be placed on providing municipalities with streamlined and guaranteed funding to off-set any required fee/charge waivers for housing developments.
- Staff support providing funding for initiatives that increase housing opportunities for Black, Indigenous and marginalized people, as well as first generation homeowners.

### **2.3 Balance Heritage Preservation with Other Planning Priorities**

The Task Force’s recommendations would significantly limit a municipality’s ability to preserve properties/areas with cultural heritage value. The underlying premise noted by the Task Force is that heritage preservation is used as a tool to block and/or frustrate housing development. Relevant Task Force recommendations include:

*#12.a: Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood.*

*#16: Prevent abuse of the heritage preservation and designation process by:*

*a) Prohibiting the use of bulk listing on municipal heritage registers*

*b) Prohibiting reactive heritage designations after a Planning Act development application has been filed*

*#17: Requiring municipalities to compensate property owners for loss of property value as a result of heritage designations, based on the principle of best economic use of land.*

Main staff observations/comments are:

- The Task Force refers to “bulk” listings as a way for municipalities to add several properties to a Heritage Register at one time. This practice typically stems from an area study or Secondary Plan where multiple properties are identified at the same time. Listing does not limit alterations to the property or require owners to obtain heritage approvals for changes outside of demolition.
- Recent amendments to the Ontario Heritage Act resulting from Bill 108 provide limitations for municipalities to designate property following the filing of a Planning Act application. These amendments only came into force in July 2021, making the recommendation to limit all post-application designation processes premature in determining whether the existing limitations through Bill 108 will address any concerns of reactionary designations.
- The Task Force suggests that intensification and affordable housing cannot co-exist alongside the preservation of identified character as well as other planning



priorities. Staff are of the opinion that it is possible to preserve identified character while allowing for change that best meets the needs of the community.

- Erosion of a community's heritage character would have ripple effects in areas such as economic development, tourism and culture, and could impact what makes a community desirable and attractive.
- Halton Hills has financial incentive programs for designated properties in place, which include grants provided by Section 39 of the Ontario Heritage Act and tax rebates through Section 365.2 of the Municipal Act. In addition, the Town's Community Improvement Plan provides grants to both listed and designated properties for eligible projects. Each of these programs incentivize good stewardship of the Town's cultural heritage resources by specifically incentivizing property owners to maintain them.

## **2.4 Enable More Housing Opportunities While Considering Local Context**

The Task Force outlines several recommendations intended to expand development rights and create a more permissive land use system with the goal of making more land available for housing construction. Relevant recommendations include:

*#3a: Limit exclusionary zoning in municipalities through binding provincial action: Allow "as of right" residential housing up to four units and up to four storeys on a single residential lot.*

*#4: Permit "as of right" conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use.*

*#5: Permit "as of right" secondary suites, garden suites, and laneway houses province-wide.*

*#8: Allow "as of right" zoning up to unlimited height and unlimited density in the immediate proximity of individual major transit stations within two years if municipal zoning remains insufficient to meet provincial density targets.*

*#9: Allow "as of right" zoning of six to 11 storeys with no minimum parking requirements on any streets utilized by public transit (including streets on bus and streetcar routes).*

*#12.c: Establish province-wide zoning standards, or prohibitions, for minimum lot sizes, maximum building setbacks, minimum heights, angular planes, shadow rules, front doors, building depth, landscaping, floor space index, and heritage view cones, and planes; restore pre-2006 site plan exclusions (colour, texture, and type of materials, window details, etc.) to the Planning Act and reduce or eliminate minimum parking requirements.*

Main staff observations/comments are:

- Intensification is an important objective to meet the housing and growth needs of Halton Hills. However, broad Provincial mandates or binding rules for

intensification are not likely to be appropriate in all local contexts, especially for smaller municipalities that do not have established local transit systems.

- In principle, staff support recommendations related to enabling alternative housing forms, including secondary units and garden suites. In 2019, the Town permitted two-unit houses in most residential areas and ground-oriented housing types. In the coming years Town staff intend to review and consult with the public and other key stakeholders to potentially expand permissions for Accessory Dwelling Units to further include units detached from the primary dwelling.
- While parking is addressed by the Task Force as something that should not be used to refuse housing construction, in Halton Hills, transit service is not yet readily available in all neighbourhoods. At this time, permitting additional housing units without consideration of parking needs could create challenges within neighbourhoods.
- A local transit network is required to enable the scale of intensification suggested by the Task Force. To implement this direction, there is a need for funding from higher levels of government to establish a local transit network.
- The Town is in the process of implementing its “Made-in-Halton Hills” Transit Service Strategy to meet current and future mobility needs of the community. Building on the existing ActiVan specialized transit service, a major component of the Transit Service Strategy for 2022 is the launch of transit along Steeles Avenue, between Milton and Mississauga. As the Strategy is implemented over time and a more robust public transit system is put in place, it may be possible to consider implementing broader parking requirement reductions.
- Halton Hills’ major transit stations are situated within or directly adjacent to low density mature residential neighbourhoods. As currently written, the Task Force’s recommendations could have substantial implications to the planned character of those neighbourhoods. A lack of local transit to/from the major transit stations is also a concern in providing broad development rights.
- Task Force recommendations generally seek to allow taller and more dense buildings in areas where they have not traditionally been supported by the Town. Should such an approach proceed, attractive urban design will become even more important to ensure that such buildings can contribute to and support the built form character of the municipality and existing neighbourhoods. Town staff are concerned that the Task Force recommendations propose a substantial reduction in municipal influence over urban design.

### **3. Town Successes in Advancing Affordable Housing**

In light of the Task Force report, it is worthwhile to briefly note the Town’s successes in advancing affordable housing. In a relatively short period of time and recognizing the Town’s role, while considerably more and ongoing work is required, the Town has made important progress towards meeting Council’s Strategic Plan priority of ensuring that housing is accessible to all residents at any age and stage in life. Examples include:

- Including affordable housing directives, policies, goals, objectives and/or initiatives into the Town’s Official Plan, Secondary Plans, Strategic Plan, workplans and budget(s);

- Increasing permissions and awareness for two-unit house creation;
- Supporting affordable housing construction by waiving, reducing and deferring Town fees and charges for the development of affordable housing, on a case-by-case basis;
- Forming an Affordable Housing Working Group to develop and recommend actions that address the Town's affordable housing needs;
- Assigning a staff resource to lead affordable housing initiatives, including assisting housing providers in navigating the development process, and accessing funding and partnership opportunities.
- Assessing and advancing Town-owned properties to facilitate the provision of additional affordable housing, including the development proposed for 17 Guelph Street;
- Incorporating affordable housing as a focus area in the update of the Town's Community Improvement Plan (CIP);
- Building relationships with public, non-profit and private sector partners to identify and advance affordable housing opportunities; and
- Launching an affordable housing engagement and awareness strategy which has included public consultation through Let's Talk Halton Hills and a virtual Open House.

#### **4. Next Steps**

In considering implementation of the Task Force's recommendations, it is recommended that the province undertake comprehensive, meaningful and ongoing consultation with municipalities on each of the recommendations and any proposed tools and/or regulatory changes. This consultation is necessary to assess the appropriateness of each recommendation, and to ensure that implementation is aligned with and leverages local circumstances and actions on affordable housing. It is also critical because the Task Force composition did not include municipal representation. Close collaboration between the province and municipalities as well as alignment between provincial directives and municipal policies and capabilities is necessary to ensure that the Task Force's goal of building 1.5 million new housing units is achieved.

Town staff will continue to monitor how the Task Force's recommendations are implemented by the province and report on any additional local implications via future staff reports. As appropriate, additional reports will also be provided on related budget announcements, including the recently announced Federal Budget. As noted earlier, staff comments and concerns regarding Bill 109 are noted in a separate report from Planning and Development.

As appropriate, relevant elements of the Task Force report will be further reviewed and considered as part of the Town's planned Affordable Housing Action Plan. Building on successes achieved to date, the Action Plan's main goal is to explore and recommend potential additional actions that will enable, encourage and retain local affordable housing options needed for current and future Halton Hills residents. Expanded housing options, including affordable market housing, are also critical to Halton Hills' long-term

economic prosperity by providing housing for residents to live and work within Halton Hills.

Housing affordability will continue to be a key priority for the Town. It is also a priority focus at the regional, provincial and federal levels.

### **STRATEGIC PLAN ALIGNMENT:**

This report aligns to the Town's Strategic plan recognizing the value to foster a healthy community that provides a clean environment and range of economic and social opportunities to ensure a superior quality of life in our community.

This report also identifies shaping growth as one of the Town's Strategic priorities, with focus areas including intensification and affordable housing by ensuring that housing is accessible to all its residents at any age or stage in life.

### **RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

Although this report is administrative, Town staff note that the housing intensification-related recommendations have the potential to support the Town's climate change objectives. However, Town staff also note that the Task Force recommendations do not address the need to modernize the Ontario Building Code to ensure that new housing construction implements elevated standards (i.e. Green Development Standards) to address climate change. At its April 11, 2022 meeting, Council passed the "Build it Right the First Time" resolution requesting the province to include energy performance tiers and timelines for increasing minimum energy performance standards step-by-step to the highest energy performance tier in the next edition of the Ontario Building Code, consistent with the intent of the draft National Model Building code and the necessity of bold and immediate provincial action on climate change.

### **PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

However, public engagement will be a key component of the planned Affordable Housing Action Plan. As appropriate, any relevant elements of the Ontario Affordable Housing Task Force report will be further explored via the Action Plan.

In terms of consultation by the province on the Task Force recommendations, the province has not requested formal comments from municipalities. Recognizing this, the purpose of this staff report was to provide Council with staff comments and concerns, and to help shape provincial decisions on the implementation of the Task Force recommendations.

**INTERNAL CONSULTATION:**

Given the cross-disciplinary nature of the Task Force recommendations, the contents of this report are the result of a joint-effort by Economic Development, Planning and Development, Finance, Transportation and Public Works, Recreation and Parks, Strategic Initiatives and Corporate Communications staff.

**FINANCIAL IMPLICATIONS:**

This report is administrative in nature and does not have any financial implications.

Although this report itself does not currently have financial implications, depending on which of the Task Force recommendations are ultimately implemented by the province and their specific manner of implementation, there may potentially be significant financial implications on the Town, including on staff resources.

Reviewed and approved by,

Chris Mills, Chief Administrative Officer