

Town of Newmarket 395 Mulock Drive P.O. Box 328, Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Ontario Housing Affordability Task Force Report Information Report to Council

Report Number: INFO-2022-09

Department(s): Planning and Building Services

Author(s): Phoebe Chow, Senior Planner - Policy

Distribution Date: March 10, 2022

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this report is to inform Council of the following:

- Key recommendations from the Ontario Housing Affordability Task Force Report;
- Ontario Professional Planners Institute's top 10 recommendations to the Province on housing supply and affordability, and
- Association of Municipalities Ontario's response to the Housing Affordability Task Force Report.

Background

In December 2021, the Government of Ontario appointed a <u>Housing Affordability Task</u> <u>Force</u> (the Task Force) to explore measures to address housing affordability, including increasing the supply of market housing, reducing red tape and accelerating timelines, and supporting economic recovery and job creation.

In January 2022, the Province hosted a virtual housing affordability summit with regional chairs and big city mayors and discussed housing crisis and efforts to increase the supply of homes across Ontario. York Region staff provided a summary of the summit discussion. Some common issues/themes identified by Mayors, Chairs and Wardens across the Province include: changes to the planning process to increase efficiency; more powers should be delegated to municipalities to speed up approvals; skilled trades shortage; Ontario Land Tribunal process must be updated, and Not In My Back Yard or Build Absolutely Nothing Anywhere Near Anything must be addressed etc. In addition, the Province also posted a survey to gather input on how to address market housing supply and affordability. York Region also submitted its response to the Province.

On February 8, 2022, the Task Force released the Report of the Ontario Housing Affordability Task Force and provided 55 recommendations to the Province. These 55 recommendations have been included in Attachment 1 to this report. Both York Region and the Small Urban GTHA Mayor's group have recently released their responses to the Task Force's report.

As a response to the Task Force report as well as to provide input to the Province in addressing the housing supply and affordability issue, the Ontario Professional Planners Institute (OPPI) recently submitted a letter to the Minister of Municipal Affairs and Housing with its top 10 recommendations for the Province's consideration.

In addition, the Association of Municipalities Ontario (AMO) has also recently released its response to the Task Force report. The response provides <u>high-level comments</u> for the Province's consideration.

Discussion

For the purpose of this report, Planning staff identified some of the recommendations that may be of interest to Newmarket Council and categorized these recommendations into the following four themes:

- 1. Increasing supply
- 2. Reducing red tape and accelerating timelines to reduce building, buying, and renting costs
- 3. Preventing abuse of appeals system
- 4. Providing financial incentives or reducing funding to municipalities

1. Increasing Housing Supply

- Build 1.5 million new homes in Ontario in 10 years, and
- Allow the following developments/zoning to be "as of right":
 - Residential housing up to four units and up to four storeys on a single residential lot;
 - Conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use;
 - Secondary suites, garden suites, and laneway houses, and multi-tenant housing (renting rooms within a dwelling) province-wide;
 - 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, and
 - Zoning of 6 to 11 storeys with no minimum parking requirements on any streets utilized by public transit (including streets on streetcar and bus routes such as VIVA and YRT).

2. Reducing red tape and accelerating timelines to reduce building, buying, and renting costs

- Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of a neighbourhood;
- Exempt all projects of 10 units or less that conform to the Official Plan and require only minor variances from site plan approval and public consultation;
- 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;
- Limit municipalities from requesting or hosting additional public meetings beyond Planning Act requirements;
- Require mandatory delegation of site plan approvals and minor variances to staff or pre-approved qualified third-party technical consultants through a simplified review and approval process, without the ability to withdraw Council's delegation;
- Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which may be included; require the use of standard province-wide legal agreements and, where feasible, plans of subdivision, and
- Where it is found that a municipality has refused an application simply to avoid a
 deemed approval for lack of decision (see second bullet in #3 below), allow the
 Tribunal to award punitive damages.

3. Preventing Abuse of Appeals System

- Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews;
- 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;
- Prevent abuse of process:
 - Remove right of appeal for projects with at least 30% affordable housing in which units are guaranteed affordable for at least 40 years, and
 - Require a \$10,000 filing fee for third-party appeals;
- Provide discretion to adjudicators to award full costs to the successful party in any appeal brought by a third party or by a municipality where its council has overridden a recommended staff approval.

4. Providing Financial Incentives or Reducing Funding to Municipalities

- 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;
- Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years;
- Prohibit interest rates on development charges higher than a municipality's borrowing rate;
- Eliminate or reduce tax disincentives to housing growth;
- Reduce funding to municipalities that fail to meet provincial housing growth and approval timeline targets, and
- 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) Speedy removal of exclusionary zoning practices.

Ontario Professional Planners Institute's Recommendations to the Province

On February 10, 2022, the OPPI submitted its <u>top 10 recommendations</u> to the Province on how to address housing supply and affordability. In summary, OPPI's top 10 recommendations are:

- 1. Create a Chief Planner of Ontario with oversight of municipal implementation of provincial plans.
- 2. Encourage Community Planning Permit Systems (CPPS) in Strategic Growth Areas.
- 3. Require Registered Professional Planner (RPP) sign-off on Planning Justification Reports to ensure completeness of applications.
- 4. Establish a Planning Modernization Fund to align outdated zoning with Official Plans.
- 5. Align provincial infrastructure funding with growth planning to address servicing gaps.
- 6. Lead development of a standardized data initiative for planning and development applications where consistent data standards and guidelines are provided to all commenting and approval agencies in Ontario.
- 7. Enhance delegation framework for technical planning implementation approvals.
- 8. Drive more affordable units into the mix of new housing supply.
- 9. Promote innovative approaches and provide rehabilitation funding for social housing.

10. Provide provincial policy stability (i.e. fewer updates) in land use planning once upcoming changes are in place.

Association of Municipalities Ontario's Response

On March 1, 2022, AMO submitted its comments on the Task Force report to the Province. <u>AMO's comments</u> are categorized into three themes: underlying premises, importance of municipal decision-making, and promising policy outcomes.

1. Underlying Premises

AMO submits that the Task Force report fails to recognize that all orders of government and the development industry have to collaborate meaningfully to address the housing crisis. In addition, increasing supply alone will not address affordability. There needs to be the right mix of supply to meet the needs of the people of Ontario.

2. Importance of Municipal Decision-Making

The Task Force report recommends a number of Province-wide standardizations, for example having standardized draft approval conditions. AMO suggests that recommendation such as this fails to recognize the insights that local municipal Councils and staff have in their communities. AMO suggests that more engagement is needed with local municipalities on the Task Force recommendations.

AMO suggests that the Ontario Land Tribunal (OLT) slows the development approval process and that the Province needs to recognize that municipal planning staff get pulled away from regular application processing work to handle OLT cases. As such, AMO recommends that de novo hearings be removed from the OLT process.

AMO also suggests that the recommendations regarding waiving municipal development charges and fees do not respect the principle that "growth must pay for growth" and there is no mechanism to ensure that developers would pass on the savings to consumers by decreasing housing prices.

3. Promising Policy Outcomes

AMO recognizes that the Task Force's report contains some promising policy outcomes such increasing rental housing supply, missing middle housing, etc. AMO suggests that the Province should focus on setting targets, providing funding and support to municipalities to achieve these targets.

AMO suggests the Province also provide further clarity between the Planning Act and various Provincial plans and implement a one-widow approach involving all ministries/Provincial agencies to streamline planning review.

Finally, AMO suggests the Province conduct a more comprehensive examination of the full spectrum of housing including community and supportive housing, and underutilized crown lands and surplus public lands should be dedicated to affordable housing options.

Conclusion

The province is contemplating significant changes to the planning system in Ontario. The intended goal of these changes is to increase housing supply in various forms as a means of increasing affordability.

Planning staff will continue to monitor how the Task Force's recommendation report informs Provincial policy and submit comments to the Province should the opportunity arise in the future. Planning staff will provide updates to Council as necessary.

Business Plan and Strategic Plan Linkages

None

Consultation

None

Human Resource Considerations

None

Budget Impact

None

Attachments

Attachment 1 – Housing Affordability Task Force Recommendations

Contact

Phoebe Chow, Senior Planner - Policy, pchow@newmarket.ca

Approval

Adrian Cammaert, Manager, Planning Services

Jason Unger, Director, Planning and Building Services

Peter Noehammer, Commissioner, Development & Infrastructure Services

Attachment 1 – Housing Affordability Task Force Recommendations

- 1. Goal of building 1.5 million new homes in 10 years
- 2. Amend the Planning Act, Provincial Policy Statement, and Growth Plans to set "growth in the full spectrum of housing supply" and "intensification within existing built-up areas" of municipalities as the most important residential housing priorities in the mandate and purpose
- 3. Limit exclusionary zoning in municipalities through binding provincial action: a) Allow "as of right" residential housing up to four units and up to four storeys on a single residential lot. b) Modernize the Building Code and other policies to remove any barriers to affordable construction and to ensure meaningful implementation (e.g., allow single-staircase construction for up to four storeys, allow single egress, etc.)
- 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 provincewide.
- Permit "as of right" multi-tenant housing (renting rooms within a dwelling) provincewide.
- 7. Encourage and incentivize municipalities to increase density in areas with excess school capacity to benefit families with children.
- 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).
- 10. Designate or rezone as mixed commercial and residential use all land along transit corridors and redesignate all Residential Apartment to mixed commercial and residential zoning in Toronto.
- 11. Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building necessary infrastructure to support higher density housing and complete communities and applying the recommendations of this report to all undeveloped land.
- 12. Create a more permissive land use, planning, and approvals system:

- a) Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood
- 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
- 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; and
- d) Remove any floorplate restrictions to allow larger, more efficient highdensity towers.
- 13. Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.
- 14. Require that public consultations provide digital participation options.
- 15. Require mandatory delegation of site plan approvals and minor variances to staff or pre-approved qualified third-party technical consultants through a simplified review and approval process, without the ability to withdraw Council's delegation.
- 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.
- 18. Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews.
- 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.
- 21. Require a pre-consultation with all relevant parties at which the municipality sets out a binding list that defines what constitutes a complete application; confirms the

number of consultations established in the previous recommendations; and clarifies that if a member of a regulated profession such as a professional engineer has stamped an application, the municipality has no liability and no additional stamp is needed.

- 22. Simplify planning legislation and policy documents.
- 23. Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which may be included; require the use of standard province-wide legal agreements and, where feasible, plans of subdivision.
- 24. Allow wood construction of up to 12 storeys.
- 25. Require municipalities to provide the option of pay on demand surety bonds and letters of credit.
- 26. Require appellants to promptly seek permission ("leave to appeal") of the Tribunal and demonstrate that an appeal has merit, relying on evidence and expert reports, before it is accepted.
- 27. Prevent abuse of process:
 - a) Remove right of appeal for projects with at least 30% affordable housing in which units are guaranteed affordable for at least 40 years.
 - b) Require a \$10,000 filing fee for third-party appeals.
 - c) Provide discretion to adjudicators to award full costs to the successful party in any appeal brought by a third party or by a municipality where its council has overridden a recommended staff approval.
- 28. Encourage greater use of oral decisions issued the day of the hearing, with written reasons to follow, and allow those decisions to become binding the day that they are issued.
- 29. Where it is found that a municipality has refused an application simply to avoid a deemed approval for lack of decision, allow the Tribunal to award punitive damages.
- 30. Provide funding to increase staffing (adjudicators and case managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets.
- 31. In clearing the existing backlog, encourage the Tribunal to prioritize projects close to the finish line that will support housing growth and intensification, as well as regional water or utility infrastructure decisions that will unlock significant housing capacity.

- 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.
- 34. Prohibit interest rates on development charges higher than a municipality's borrowing rate.
- 35. Regarding cash in lieu of parkland, s.37, Community Benefit Charges, and development charges:
 - a) Provincial review of reserve levels, collections and drawdowns annually to ensure funds are being used in a timely fashion and for the intended purpose, and, where review points to a significant concern, do not allow further collection until the situation has been corrected.
 - b) Except where allocated towards municipality-wide infrastructure projects, require municipalities to spend funds in the neighbourhoods where they were collected. However, where there's a significant community need in a priority area of the City, allow for specific ward-to-ward allocation of unspent and unallocated reserves.
- 36. Recommend that the federal government and provincial governments update HST rebate to reflect current home prices and begin indexing the thresholds to housing prices, and that the federal government match the provincial 75% rebate and remove any clawback.
- 37. Align property taxes for purpose-built rental with those of condos and low-rise homes.
- 38. Amend the Planning Act and Perpetuities Act to extend the maximum period for land leases and restrictive covenants on land to 40 or more years.
- 39. Eliminate or reduce tax disincentives to housing growth.
- 40. Call on the Federal Government to implement an Urban, Rural and Northern Indigenous Housing Strategy.
- 41. Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners.
- 42. Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
- 43. Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted projects where construction has not been initiated within three years of build permits being issued.

- 44. Work with municipalities to develop and implement a municipal services corporation utility model for water and wastewater under which the municipal corporation would borrow and amortize costs among customers instead of using development charges.
- 45. Improve funding for colleges, trade schools, and apprenticeships; encourage and incentivize municipalities, unions and employers to provide more on-the-job training.
- 46. Undertake multi-stakeholder education program to promote skilled trades.
- 47. Recommend that the federal and provincial government prioritize skilled trades and adjust the immigration points system to strongly favour needed trades and expedite immigration status for these workers, and encourage the federal government to increase from 9,000 to 20,000 the number of immigrants admitted through Ontario's program.
- 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
- 49. Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets.
- 50. Fund the adoption of consistent municipal e-permitting systems and encourage the federal government to match funding. Fund the development of common data architecture standards across municipalities and provincial agencies and require municipalities to provide their zoning bylaws with open data standards. Set an implementation goal of 2025 and make funding conditional on established targets.
- 51. Require municipalities and the provincial government to use the Ministry of Finance population projections as the basis for housing need analysis and related land use requirements.
- 52. Resume reporting on housing data and require consistent municipal reporting, enforcing compliance as a requirement for accessing programs under the Ontario Housing Delivery Fund.
- 53. Report each year at the municipal and provincial level on any gap between demand and supply by housing type and location, and make underlying data freely available to the public.
- 54. Empower the Deputy Minister of Municipal Affairs and Housing to lead an all-ofgovernment committee, including key provincial ministries and agencies, that

meets weekly to ensure our remaining recommendations and any other productive ideas are implemented.

55. Commit to evaluate these recommendations for the next three years with public reporting on progress.