



**Town of Oakville  
Council**

**AGENDA**

Date: Monday, January 27, 2025  
Time: 6:30 p.m.  
Location: Council Chamber

Live streaming video is available on <https://www.oakville.ca/town-hall/mayor-council-administration/agendas-meetings/live-stream> or at the town's YouTube channel at <https://www.youtube.com/user/TownofOakvilleTV>. Information regarding written submissions and requests to delegate can be found at <https://www.oakville.ca/town-hall/mayor-council-administration/agendas-meetings/delegations-presentations>.

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|   | <b>Pages</b> |
|---|--------------|
| 1. O Canada   |              |
| 2. Regrets  |              |
| 3. Declarations of Pecuniary Interest                           |              |
| 4. Confirmation of Minutes of the previous Council Meeting(s)   |              |
| 4.1 Minutes of the Regular Session of Council DECEMBER 16, 2024 | 10 - 27      |
| 4.2 Minutes of the Special Session of Council DECEMBER 19, 2024 | 28 - 30      |
| 5. Public Presentation(s)                                       |              |
| There are no public presentations listed for this agenda.       |              |
| 6. Standing Committee Report(s)                                 |              |
| 7. Committee of the Whole                                       |              |
| 8. Consent Item(s)  |              |

|            |   |                |
|------------|---|----------------|
| <b>8.1</b> | <b>By-law 2025-003 A By-law to Authorize the Temporary Borrowing of Monies in 2025</b>  | <b>31 - 35</b> |
|            | <p>Recommendation:</p> <p>That By-law 2025-003 be passed authorizing the temporary borrowing of monies to meet current expenditures should the needs arise in 2025, until taxes are collected and other revenues are received.</p>  |                |
| <b>8.2</b> | <b>By-law 2025-004 A By-law to Authorize the Issuance and Sale of Debentures</b>  | <b>36 - 42</b> |
|            | <p>Recommendation:</p> <p>That By-law 2025-004 be passed, authorizing the raising of \$5,694,800 for various capital projects through the issuance and sale of debentures.</p>  |                |
| <b>8.3</b> | <b>Bronte Green Corporation Phase 2 - Plan 20M-1285 - 24T21005 – By-law 2025-002</b>  | <b>43 - 48</b> |
|            | <p>Recommendation:</p> <p>That By-law 2025-002 - A by-law to dedicate certain land as part of a public highway (Part 1, Plan 20R-20707, except Part 1, Plan 20R-22428 – Charles Cornwall Avenue, Part 3, Plan 20R-20707 – Merton Road) be passed.</p>   |                |
| <b>8.4</b> | <b>Building Faster Fund – 2025 Investment Plan</b>  | <b>49 - 55</b> |
|            | <p>Recommendation:</p> <ol style="list-style-type: none"> <li>1. That an Investment Plan to use \$9,000,000 in funds for the Royal Windsor Drive Bridge Rehabilitation and up to \$7,908,182 in funds for the Khalsa Gate Urbanization &amp; Streetscape project, be approved to be submitted to the Ministry of Municipal Affairs and Housing for the 2025 Building Faster Fund program year.</li> <li>2. That staff be delegated the authority to submit any necessary revisions to the 2025 Investment Plan utilizing the projects listed in Table 3 of this report.</li> <li>3. That the refinancing of capital projects that are approved by the Ministry of Municipal Affairs and Housing for the use of Building Faster Fund program funding be approved.</li> </ol> |                |

Recommendation:

1. That Council approve the updated Agendas, Meetings, Resolutions, and Decisions Policy, and the updates to the following related procedures:
  - a. Responding to Resolutions Procedure;
  - b. Submission and Distribution of Agenda Items for Council Meetings Procedure;
  - c. Public Meeting Protocol Procedure; and
  - d. Committee of Adjustment Appeals Procedure.
2. That Council approve the following existing policies:
  - a. Administration of Recreation and Culture Programs and Services Policy; and
  - b. Securities Policy
3. That Council approve the revised Fee Assistance Recreation Connection Program subsidy amount, as listed in the report from the Clerk's department, dated January 14, 2025, effective immediately.

**8.6 Funding Request – Dredging Oakville Harbour Related to July 2024 Rainfall Event**

Recommendation:

That Council the 2025 capital budget be amended to add a capital project entitled Oakville Harbour Dredging – July 2024 Storm Impacts with a budget of \$1,500,000 funded from the Storm Event Reserve.

**9. Confidential Consent Item(s)**

*Item 9.1 see Confidential Addendum to be distributed.*

**9.1 Confidential - Notice of Motion dated December 16, 2024 re: Midtown TOC Proposal**

**9.2 Election Sign By-law Review - Legal Considerations**

**10. Discussion Item(s)**

**10.1 Temporary Street Occupancy Permit for 85 Bronte road and Funding Request**

*Notice of Motion from December 16, 2024 Council Meeting.*

Recommendation:

Moved by: Councillor O'Meara

Seconded by: Councillor McNeice

WHEREAS, traffic on Bronte Road, between Lakeshore Road West and Marine Drive, is currently restricted to one-way southbound travel through a Temporary Street Occupancy Permit related to the construction at 85 Bronte Road; and

WHEREAS, a request to extend the Temporary Street Occupancy Permit for 2025 has been received; and

WHEREAS, through the 2025 Budget Process, staff were requested to report back on the potential for a permanent one-way configuration of Bronte Road between Lakeshore Road West and Marine Drive; and

WHEREAS, when the Temporary Street Occupancy Permit expires or fails, Bronte Road would revert to two-way traffic; and

WHEREAS, reverting temporarily to two-way traffic could be disruptive and confusing for residents, businesses and visitor in Bronte.

THEREFORE, be it resolved that:

1. If the current Temporary Street Occupancy Permit for 85 Bronte Road expires or fails, that the Director, Transportation and Engineering be directed and authorized to:
  - a. Implement a temporary one-way southbound traffic configuration on Bronte Road, from Lakeshore Road West to Marine Drive, for a period of 24 months.
  - b. Update the Traffic By-law to reflect the temporary one-way southbound traffic configuration on Bronte Road, from Lakeshore Road West to Marine Drive.
  - c. Sole source contract be approved for the procurement of the equipment necessary to set up the one-way street configuration in order to have the changes in place.
2. That the 2025 capital budget be amended to add \$70,000 from the Capital Reserve to project 53412404 Road Safety Program for the temporary one-way conversion of Bronte Road, from Lakeshore Road West to Marine Drive.



## 10.2 Midtown TOC Development Proposal and Official Plan Amendment (OPA)

*Notice of motion from December 16, 2024 Council Meeting.*

Recommendation:

Moved by: Councillor Haslett-Theall

Seconded by: Councillor Gittings

### **Whereas:**

1. Town Council and staff have conducted extensive assessments and public engagement to establish a responsible vision for Midtown's growth, supported by expert market analysis and Town Planning staff.
2. Public feedback consistently supports reasonable growth while expressing concerns over excessive density and insufficient parkland.
3. The provincially imposed Transit-Oriented Community (TOC) development process undermines local planning authority, contrary to Minister Calandra and the Premier's stated importance of local planning.
4. The TOC proposal significantly exceeds provincial density targets, with 2,350 people and jobs per hectare—10 times the minimum requirement—and increases units beyond initial applications without addressing community concerns.
5. The TOC proposal diverges from the draft OPA and sets a dangerous precedent by prioritizing mega-density over balanced and sustainable development.
6. Oakville continues to meet provincial housing goals and growth requirements through proactive planning, including the draft OPA, and supports community benefits and livability.
7. Recent provincial-imposed confidentiality (now lifted) has limited Council's ability to discuss the TOC proposal, fostering public mistrust regarding the Mayor and Council's stance on the plan.
8. The Premier is stating the "The Mayor has endorsed the plan".
9. Transparent communication and alignment with the draft OPA are essential to protect Oakville's vision for a compact, complete, and livable Midtown.

**Therefore, be it resolved that:**

1. Council does not endorse or approve the TOC proposal.
2. The TOC proposal is inconsistent with Council's input on the draft OPA and must be integrated into the OPA to ensure a unified planning approach for Midtown.
3. Council requests the Mayor publicly clarify whether he has endorsed the TOC proposal and disclose any commitments made to the Province or developer (Distrikt).
4. Council reaffirms its commitment to an OPA for Midtown that achieves provincial density targets while prioritizing local needs, livability, and sustainable growth.

**10.3 Election Sign By-law 2025-016**

93 - 154

**Recommendation:**

1. That By-law 2025-016, a by-law to regulate election signs in the Town of Oakville attached as Appendix A to the report from Municipal Enforcement Services dated January 14, 2025, be passed.
2. That By-law 2025-017, a by-law to amend Sign By-law 2018-153 attached as Appendix B to the report from Municipal Enforcement Services dated January 14, 2025, be passed.
3. That By-law 2025-018, a by-law to amend Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 attached as Appendix C to the report from Municipal Enforcement Services dated January 14, 2025, be passed.
4. That the item labeled as "Deposit - Election Signs" in the Rates and Fees Schedule be changed to "Election Sign Permit Fee" effective immediately, and such change be included in the Rates and Fees Schedule.

**10.4 Heritage Way Neighbourhood 40km/h Area Speed Limit Review**

155 - 165

**Recommendation:**

That the 40km/h Neighbourhood Speed Limit pilot in the Heritage Way Neighbourhood be concluded and the speed limits within the neighbourhood be maintained as currently posted.

|             |   |           |
|-------------|---|-----------|
| <b>10.5</b> | <b>Oakville Vacant Home Tax</b>   | 166 - 590 |
|             | Recommendation:   |           |
|             | <ol style="list-style-type: none"> <li>1. That staff proceed with a plan to implement a Vacant Home Tax within the municipality and that staff report back in Q3 2025 with more details on a proposed Vacant Home Tax program.</li> <li>2. That the Town Clerk forward a copy of this report's resolution to Halton Region, City of Burlington, Town of Milton and Town of Halton Hills.</li> </ol> |           |
| <b>10.6</b> | <b>OEC Quarterly Update - December 16, 2024</b>   | 591 - 592 |
|             | Recommendation:   |           |
|             | That the presentation from Rob Lister, President and CEO of Oakville Enterprises Corporation (OEC) regarding the quarterly update be received.  |           |
| <b>10.7</b> | <b>Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study</b>  | 593 - 610 |
|             | Recommendation:   |           |
|             | That the Notice of Completion for the Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study, Municipal Class Environmental Assessment Study be published, commencing a 30-day public review period from April 1, 2025, to April 30, 2025.   |           |
| <b>11.</b>  | <b>Confidential Discussion Item(s)</b>  |           |
| 11.1        | <b>OEC Acquisition Request - Transmission Line Project</b>  |           |
| 11.2        | <b>OEC Acquisition Request - January 27, 2025</b>   |           |
| <b>12.</b>  | <b>Advisory Committee Minutes</b>   |           |
| 12.1        | <b>Accessibility Advisory Committee Minutes, DECEMBER 12, 2024</b>  | 611 - 613 |
| <b>13.</b>  | <b>Rise and Report to Council</b>   |           |
| <b>14.</b>  | <b>Information Items (Circulated Electronically)</b>  |           |
| 14.1        | <b>Council Information December 4, 2024 - January 14, 2025</b>  | 614 - 618 |
| 14.2        | <b>INTERNAL MEMO - Transportation and Engineering RE: Bill 212 Reducing Gridlock, Saving You Time Act, 2024 Framework for bike lanes that require removal of a traffic lane</b>   | 619 - 620 |

|      |   |           |
|------|---|-----------|
| 14.3 | INTERNAL MEMO - Clerk's Department RE: Municipal Clearance for Liquor Sales Licence   | 621 - 621 |
| 14.4 | INTERNAL MEMO - Planning and Development RE: Updated - Oakville Growth Analysis   | 622 - 622 |
| 14.5 | INTERNAL MEMO - Clerk's Department RE: Municipal Clearance for Liquor Sales Licence The Bronte Boathouse  | 623 - 623 |
| 14.6 | INTERNAL MEMO - Clerk's Department RE: Municipal Accountability Act   | 624 - 624 |
| 15.  | Status of Outstanding Issues  | 625 - 631 |
| 16.  | New Business<br><br>(Notice of Motion, Emergency, Congratulatory or Condolence)   |           |
| 17.  | Regional Reports and Question Period Regarding Town Boards and Advisory Committees  |           |
| 18.  | Requests for Reports  |           |
| 19.  | Consideration and Reading of By-Laws<br><br>That the following by-law(s) be passed:   |           |
| 19.1 | <b>By-law 2025-002</b><br><br>A by-law to dedicate certain land as part of a public highway (Part 1, Plan 20R-20707, except Part 1, Plan 20R-22428 – Charles Cornwall Avenue, Part 3, Plan 20R-20707 – Merton Road) <b>(Item 8.3)</b> |           |
| 19.2 | <b>By-law 2025-003</b><br><br>A by-law to authorize the temporary borrowing of monies for 2025 <b>(Item 8.1)</b>  |           |
| 19.3 | <b>By-law 2025-004</b><br><br>A by-law to authorize the issuance and sale of debentures up to a maximum of \$5,694,800 towards the financing of the capital projects with an estimated total cost of \$5,694,800 <b>(Item 8.2)</b>    |           |
| 19.4 | <b>By-law 2025-016</b><br><br>A by-law to regulate election signs in the Town of Oakville <b>(Item 10.3)</b>  |           |

**19.5 By-law 2025-017**

A by-law to amend Sign By-law 2018-153 (**Item 10.3**)

**19.6 By-law 2025-018**

A by-law to amend Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 (**Item 10.3**)

**19.7 By-law 2025-020**

632 - 632

A by-law to amend By-law 2022-125 as amended, a by-law to make appointments to the Board of Management for the Downtown Oakville Business Improvement Area

**19.8 By-law 2025-021**

633 - 633

A by-law to confirm the proceedings of a meeting of Council

**20. Adjournment**



## Town of Oakville

### Council Minutes

**Date:** December 16, 2024

**Time:** 6:30 p.m.

**Location:** Council Chamber

Mayor and Council:

- Mayor Burton
- Councillor Adams
- Councillor Chisholm
- Councillor Duddeck
- Councillor Elgar
- Councillor Gittings
- Councillor Grant
- Councillor Haslett-Theall
- Councillor Knoll
- Councillor Lishchyna
- Councillor Longo
- Councillor McNeice
- Councillor Nanda
- Councillor O'Meara
- Councillor Xie

Staff:

- J. Clohec, Chief Administrative Officer
- N. Sully, Commissioner of Corporate Services and Treasurer
- P. Fu, Commissioner of Community Infrastructure
- P. Damaso, Commissioner of Community Services
- D. Carr, Town Solicitor
- J. Clarke, Director of Corporate Strategy and Government Relations
- V. Tytaneck, Town Clerk
- N. Coric, Council and Committee Coordinator

Others:

- Chief Tanner, Inspector Joe Barr, Detective Sergeant Ron Wright, Staff Sergeant Ryan Smith and Staff Sergeant Ryan Snow.

**The Town of Oakville Council met in regular session this 16th day of December, 2024 in the Council Chamber of the Oakville Municipal Building, 1225 Trafalgar Road, Oakville commencing at 6:30 p.m.**

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**1. O Canada**

**2. Regrets**

There were no regrets for this meeting.

**3. Declarations of Pecuniary Interest**

No declarations of pecuniary interest were declared.

**4. Confirmation of Minutes of the previous Council Meeting(s)**

**4.1 Minutes of the Regular Session of Council, NOVEMBER 18, 2024**

**4.2 Confidential Minutes of the Closed Session of Council, NOVEMBER 18, 2024**

**4.3 Minutes of the Regular Session of the Planning and Development Session of Council, NOVEMBER 25, 2024**

**4.4 Minutes of the Special Session of Council, DECEMBER 5, 2024**

**4.5 Minutes of the Special Session of Council, DECEMBER 12, 2024**

**4.6 Minutes of the Regular Session of the Planning and Development Session of Council, DECEMBER 9, 2024**

**4.7 Confidential Minutes of the Closed Session of Planning and Development Council, DECEMBER 9, 2024**

Moved by Councillor Longo

Seconded by Councillor Adams

1. That the minutes of the Regular session of Council dated November 18, 2024 be approved.

2. That the confidential minutes of the Closed session of Council dated November 18, 2024 be approved.
3. That the minutes of the Regular session of Planning and Development session of Council dated November 25, 2024 be approved.
4. That the minutes of the Special session of Council dated December 5, 2024 be approved.
5. That the minutes of the Special session of Council dated December 12, 2024 be approved.
6. That the minutes of the Regular session of Planning and Development session of Council dated December 9, 2024 be approved.
7. That the confidential minutes of the Closed session of Planning and Development session of Council dated December 9, 2024 be approved.

CARRIED

*In accordance with Section 2(8) of the Procedure By-law, the items were considered out of order.*

**6. Standing Committee Report(s)**

**6.1 Minutes of the Budget Committee November 14, 2024**

**6.2 Minutes of the Budget Committee, NOVEMBER 28, 2024**

Moved by Councillor Longo

Seconded by Councillor Adams

1. That the minutes of the Budget Committee dated November 14, 2024 be approved.
2. That the minutes of the Budget Committee dated November 28, 2024 be approved.

CARRIED



**7. Committee of the Whole**

This meeting did not proceed into Committee of the Whole.

**8. Consent Item(s)**

**8.1 2025 Interim Tax Levy By-law 2024-168**

Moved by Councillor Longo  
Seconded by Councillor Adams

That By-law 2024-168, a by-law to provide for the interim tax levy in 2025, be passed.

CARRIED

**8.2 Deerfield Golf Course Lease Extension**

Moved by Councillor Longo  
Seconded by Councillor Adams

That staff negotiate a five-year lease extension with the current tenant of the Deerfield golf course and the agreement be executed in accordance with By-law 2023-021.

CARRIED

**8.3 Salt Management Plan Update**

Moved by Councillor Longo  
Seconded by Councillor Adams

That the update to the Salt Management Plan (the "SMP") as detailed in the report from the Roads and Works Operations Department, dated December 3, 2024, be received.

CARRIED

**8.4 September 30, 2024 Financial Results**

Moved by Councillor Longo  
Seconded by Councillor Adams

1. That the information contained in the staff report dated December 3, 2024, entitled *September 30, 2024 Financial Results* from the Finance Department, be received.

2. That \$6.42 million in surplus investment income be transferred to the Capital Reserve to provide additional funding to support the capital program.

CARRIED

### **8.5 Building Faster Fund**

*Memo from the Finance department dated December 16, 2024.*

Moved by Councillor Longo

Seconded by Councillor Adams

1. That the Investment Plan to use \$3,350,000 in funds for the Burloak Drive Grade Separation, and to save/bank \$3,708,182 in funds to 2025, be approved and submitted to the Province in relation to the 2024 Building Faster Fund program year.
2. That a reserve fund titled the Building Faster Fund reserve fund be established.

CARRIED

## **9. Confidential Consent Item(s)**

### **9.1 Confidential Staff Report - Deerfield Golf Course Lease Extension**

Moved by Councillor Longo

Seconded by Councillor Adams

That the staff report dated December 3, 2024, entitled Confidential Staff Report – Deerfield Golf Course Lease Extension from the Legal department, be received.

CARRIED

### **9.2 Appointment of Treasurer**

Moved by Councillor Longo

Seconded by Councillor Adams

1. That Jonathan van der Heiden be appointed Treasurer on an interim basis from December 20, 2024 until April 30, 2025.

2. That By-law 2024-194 be passed and that By-law 2019-028 be repealed.

CARRIED

### **9.3 Confidential - Facilitating the right to peaceful protest**

Moved by Councillor Longo  
Seconded by Councillor Adams

That the report from the Legal department “Confidential – Facilitating the right to peaceful protest” be received.

CARRIED

## **10. Discussion Item(s)**

### **10.1 OEC Quarterly Update – December 16, 2024**

Moved by Councillor Longo  
Seconded by Councillor Adams

That this item be deferred to January 2025.

CARRIED

### **10.2 Rainwater Management Financial Plan and Stormwater Funding Options**

Moved by Councillor Longo  
Seconded by Councillor Adams

That staff proceed to consult with the public on the preferred stormwater fee structure.

CARRIED

### **10.4 Acquisition of the Oakville and Milton Humane Society Lands at 445 Cornwall Road**

Moved by Councillor Longo  
Seconded by Councillor Adams

1. That staff be authorized to purchase the lands municipally known as 445 Cornwall Road (the “**Property**”) from the Oakville & Milton Humane Society (“**OMHS**”).
2. That the purchase agreement be executed in accordance with By-law 2023- 021 and the Town Solicitor be authorized to execute all other documentation required to complete the purchase of the Property and any minor amendments to the purchase agreement.
3. That staff be authorized to incur costs associated with normal due diligence activities required to complete the purchase of the Property.
4. That staff be authorized to negotiate a reduction in price, satisfactory to the CAO and Town Solicitor, if the Town’s due diligence discovers any material concerns that warrant a price reduction such as environmental, archeological, lease, or legal issues.
5. That staff be authorized to negotiate a lease of the Property back to OMHS, so they can continue to operate while they search for a new location.
6. That staff be authorized to negotiate an agreement with the Regional Municipality of Halton to ensure the Town is appropriately compensated if the future road through the Property is transferred to the Region for a Regional road.

CARRIED

#### **10.5 Parking Lot 8 – OakvilleMDC Request**

Moved by Councillor Longo

Seconded by Councillor Adams

That OakvilleMDC be requested to explore the possibility for the redevelopment of Parking Lot 8 at 334 Randall Street with the goals of unlocking value and substantially increasing the amount of public parking on the site.

CARRIED

#### **10.6 125 Randall Street Disposition**

Moved by Councillor Longo  
Seconded by Councillor Adams

1. That the former fire station lands at 125 Randall Street identified as Parts 1 and 2 on Plan 20R-22155 (the “**Property**”) be declared surplus.
2. That staff be authorized to transfer the Property to the OakvilleMDC on the principles set out in this report, and the Town Solicitor be authorized to execute all documentation required to affect such transaction.
3. That staff explore the possibility of Oakville Galleries leasing the first two floors within the future building on the Property from the Town.

CARRIED

**11. Confidential Discussion Item(s)**

**11.1 Citizen Appointment of the Heritage Oakville Advisory Committee for the remainder of the 2022 to 2026 Term of Council**

Moved by Councillor Longo  
Seconded by Councillor Adams

That the citizen member listed as bullet one in Appendix B be appointed to the Heritage Oakville Advisory Committee for the remaining 2022-2026 term of Council, or until a successor is appointed.

CARRIED

**11.2 Confidential Staff Report - Acquisition of the Oakville and Milton Humane Society Lands at 445 Cornwall Road**

Moved by Councillor Longo  
Seconded by Councillor Adams

That the staff report dated December 3, 2024, entitled Confidential Staff Report – Acquisition for the Oakville and Milton Humane Society Lands at 445 Cornwall Road from the Legal department, be received.

CARRIED

**11.3 Confidential Staff Report - 125 Randall Street Disposition**

Moved by Councillor Longo  
Seconded by Councillor Adams

That the staff report dated December 3, 2024, entitled Confidential Staff Report – 125 Randall Street Disposition, be received.

CARRIED

**5. Public Presentation(s)**

**5.1 Halton Regional Police Update**

Moved by Councillor Haslett-Theall  
Seconded by Councillor McNeice

That the presentation from the Halton Regional Police be received.

CARRIED

**10. Discussion Item(s)**

**10.3 Towing Without the Vehicle Owner's Consent, By-law 2024-187**

The following delegates spoke to this item: Claudio Serraro, Mike Cho, Michael Perretta, John Tino Representing Trisect Investments Inc., Maria Imperiale, Davpart Inc (Property Manager) on behalf of 1247799 Ontario Limited., John Carusi, Kylie Wilson, Representing the Bronte Business Improvement Area, John Paladino, Centrio Holdings Limited and Ruby Crest Homes Inc., Sophie O' Sullivan, Windermere Realty Corp.

Moved by Councillor McNeice  
Seconded by Councillor O'Meara

1. That By-law 2024-187, a by-law to regulate the towing of any vehicle without the vehicle owner's consent from land in the Town of Oakville, as detailed in Appendix A of the Municipal Enforcement Services report dated December 3, 2024, be passed.
2. That any Town by-laws requiring amendments to enable and implement By-law 2024-187 be presented to Council at a future Council meeting for passage, without a separate report.

Moved by Councillor Adams  
Seconded by Councillor Nanda

1. That the waiting period of one (1) hour be reduced to 30 minutes in Section 5(2)(e) of By-law 2024-187.
2. That staff provide a review of the effectiveness of By-law 2024-187 in one year.

For (11): Mayor Burton, Councillor Adams, Councillor Grant, Councillor Haslett-Theall, Councillor Knoll, Councillor Lishchyna, Councillor Longo, Councillor McNeice, Councillor Nanda, Councillor O'Meara, and Councillor Xie

Against (4): Councillor Chisholm, Councillor Duddeck, Councillor Elgar, and Councillor Gittings

CARRIED (11 to 4)

Moved by Councillor Gittings  
Seconded by Councillor Elgar

That signed/reserved/paid parking be added as the exception in section 5(2)(e) of By-law 2024-187.

Moved by Councillor Duddeck  
Seconded by Councillor O'Meara

That the motion moved by Councillor Gittings and seconded by Councillor Elgar be referred back to staff for further investigation and comment regarding the viability of designating special paid parking or reserved parking.

For (14): Mayor Burton, Councillor Adams, Councillor Duddeck, Councillor Elgar, Councillor Gittings, Councillor Grant, Councillor Haslett-Theall, Councillor Knoll, Councillor Lishchyna, Councillor Longo, Councillor McNeice, Councillor Nanda, Councillor O'Meara, and Councillor Xie

Against (1): Councillor Chisholm

CARRIED (14 to 1)

The Mayor called the vote on the main Motion moved by Councillor McNeice and seconded by Councillor O'Meara.

For (12): Mayor Burton, Councillor Adams, Councillor Elgar, Councillor Grant, Councillor Haslett-Theall, Councillor Knoll, Councillor Lishchyna, Councillor Longo, Councillor McNeice, Councillor Nanda, Councillor O'Meara, and Councillor Xie

Against (3): Councillor Chisholm, Councillor Duddeck, and Councillor Gittings

CARRIED (12 to 3)

**Motion as Carried**

1. That By-law 2024-187, a by-law to regulate the towing of any vehicle without the vehicle owner's consent from land in the Town of Oakville, as detailed in Appendix A of the Municipal Enforcement Services report, as amended, be passed.
2. That any Town by-laws requiring amendments to enable and implement By-law 2024-187 be presented to Council at a future Council meeting for passage, without a separate report.
3. That the waiting period of one (1) hour be reduced to 30 minutes in Section 5(2)(e) of By-law 2024-187.
4. That staff provide a review of the effectiveness of By-law 2024-187 in one year.
5. That exceptions to the waiting period in section 5(2)(e) of By-law 2024-187 be referred back to staff for further investigation and comment regarding the viability of designating special paid parking or reserved parking.

**8. Consent Item(s)**

**8.6 Roles and Responsibilities in Managing Protests**

**BEYOND THE HOUR**

Moved by Councillor Elgar

Seconded by Councillor Knoll

That this meeting proceed beyond the hour of 10:30 p.m.

CARRIED



The following delegates spoke to this item: Nancy Freedman, Shaarei Beth el Synagogue, Deirdre Cahill, Lara Al-Omari, Hugh Doherty, Madeleine Raad, Stephen Wise and Members of the Interfaith Council of Halton, Alice O' Carroll, Michael Duberstein, Rishma Mangat, Richard Robertson, B'nai Birth Canada, Ibrahim Baig, Atif Malik, Sana Zainalabdeen.

Moved by Councillor Knoll

Seconded by Councillor Lishchyna

1. That staff be directed to engage in virtual public consultation and engage experts as may be necessary on the development of a by-law to regulate certain forms of protests near vulnerable social infrastructure, recognizing that nothing in the by-law should prevent peaceful protests or demonstrations, and report back to Council with a draft by-law in the first quarter of 2025, including the following:
  - a. Clear Definition: The regulated conduct should be limited, properly defined and focused on activities impeding access to vulnerable social infrastructure, without encroaching on criminal law powers, ie: violence or hate speech.
  - b. Access Zone: Establishing an “access zone” from the property line of vulnerable social infrastructure that does not exceed what is reasonably necessary.
  - c. Penalty: Maximum penalties must be rational and proportionate.

For (15): Mayor Burton, Councillor Adams, Councillor Chisholm, Councillor Duddeck, Councillor Elgar, Councillor Gittings, Councillor Grant, Councillor Haslett-Theall, Councillor Knoll, Councillor Lishchyna, Councillor Longo, Councillor McNeice, Councillor Nanda, Councillor O'Meara, and Councillor Xie

CARRIED unanimously on a recorded vote (15 to 0)

## 12. **Advisory Committee Minutes**

There were no Advisory Committee Minutes for this meeting.

**14. Information Items (Circulated Electronically)**

**14.1 Council Information November 6 - December 3, 2024**

**14.2 INTERNAL MEMO - Transportation and Engineering RE: Burloak Drive Grade Separation Update**

**14.3 INTERNAL MEMO - Transportation and Engineering RE: Options for Fire Station Signage Review**

**14.4 INTERNAL MEMO - Municipal Enforcement Services RE: Elementary School Traffic Management Montclair Public School**

**14.5 INTERNAL MEMO - Design and Construction, Works Operations, Infrastructure and Asset Management RE: Town Practices - Ditches and Driveway Culverts**

**14.6 INTERNAL MEMO- Planning & Development RE: Ministry of Finance Population Projections**

**14.7 INTERNAL MEMO - Right of Way Management RE: A-Frame Sign Permit Requirements and Fees**

**14.8 Proclamation - Christian Heritage Month December 2024**

**15. Status of Outstanding Issues**

**16. New Business**

**16.1 Notice of Motion - Temporary Street Occupancy Permit for 85 Bronte Road and Funding Request**

Moved by Councillor O'Meara

Seconded by Councillor McNeice

WHEREAS, traffic on Bronte Road, between Lakeshore Road West and Marine Drive, is currently restricted to one-way southbound travel through a Temporary Street Occupancy Permit related to the construction at 85 Bronte Road; and

WHEREAS, a request to extend the Temporary Street Occupancy Permit for 2025 has been received; and

WHEREAS, through the 2025 Budget Process, staff were requested to report back on the potential for a permanent one-way configuration of Bronte Road between Lakeshore Road West and Marine Drive; and

WHEREAS, when the Temporary Street Occupancy Permit expires or fails, Bronte Road would revert to two-way traffic; and

WHEREAS, reverting temporarily to two-way traffic could be disruptive and confusing for residents, businesses and visitor in Bronte.

THEREFORE, be it resolved that:

1. If the current Temporary Street Occupancy Permit for 85 Bronte Road expires or fails, that the Director, Transportation and Engineering be directed and authorized to:
  - a. Implement a temporary one-way southbound traffic configuration on Bronte Road, from Lakeshore Road West to Marine Drive, for a period of 24 months.
  - b. Update the Traffic By-law to reflect the temporary one-way southbound traffic configuration on Bronte Road, from Lakeshore Road West to Marine Drive.
  - c. Sole source contract be approved for the procurement of the equipment necessary to set up the one-way street configuration in order to have the changes in place.
2. That the 2024 capital budget be amended to add \$70,000 from the Capital Reserve to project 53412404 Road Safety Program for the temporary one-way conversion of Bronte Road, from Lakeshore Road West to Marine Drive.

**16.2 Notice of Motion - Midtown TOC Development Proposal and Official Plan Amendment (OPA)**

**WAIVING OF PROCEDURE**

Moved by Councillor Elgar

Seconded by Councillor Duddeck

That in accordance with Section 2(2) of the Procedure By-law, Section 14.1(2) of the Procedure By-law be waived to permit consideration of the Notice of Motion regarding Item 16.2 - Midtown TOC Development

Proposal and Official Plan Amendment (OPA) upon its introduction this evening.

For (7): Councillor Chisholm, Councillor Duddeck, Councillor Elgar, Councillor Gittings, Councillor Haslett-Theall, Councillor McNeice, and Councillor O'Meara

Against (8): Mayor Burton, Councillor Adams, Councillor Grant, Councillor Knoll, Councillor Lishchyna, Councillor Longo, Councillor Nanda, and Councillor Xie

LOST (7 to 8)

Moved by Councillor Haslett-Theall

Seconded by Councillor Gittings

**Whereas:**

1. Town Council and staff have conducted extensive assessments and public engagement to establish a responsible vision for Midtown's growth, supported by expert market analysis and Town Planning staff.
2. Public feedback consistently supports reasonable growth while expressing concerns over excessive density and insufficient parkland.
3. The provincially imposed Transit-Oriented Community (TOC) development process undermines local planning authority, contrary to Minister Calandra and the Premier's stated importance of local planning.
4. The TOC proposal significantly exceeds provincial density targets, with 2,350 people and jobs per hectare—10 times the minimum requirement—and increases units beyond initial applications without addressing community concerns.
5. The TOC proposal diverges from the draft OPA and sets a dangerous precedent by prioritizing mega-density over balanced and sustainable development.

6. Oakville continues to meet provincial housing goals and growth requirements through proactive planning, including the draft OPA, and supports community benefits and livability.
7. Recent provincial-imposed confidentiality (now lifted) has limited Council's ability to discuss the TOC proposal, fostering public mistrust regarding the Mayor and Council's stance on the plan.
8. The Premier is stating the "The Mayor has endorsed the plan".
9. Transparent communication and alignment with the draft OPA are essential to protect Oakville's vision for a compact, complete, and livable Midtown.

**Therefore, be it resolved that:**

1. Council does not endorse or approve the TOC proposal.
2. The TOC proposal is inconsistent with Council's input on the draft OPA and must be integrated into the OPA to ensure a unified planning approach for Midtown.
3. Council requests the Mayor publicly clarify whether he has endorsed the TOC proposal and disclose any commitments made to the Province or developer (Distrikt).
4. Council reaffirms its commitment to an OPA for Midtown that achieves provincial density targets while prioritizing local needs, livability, and sustainable growth.

**17. Regional Reports and Question Period Regarding Town Boards and Advisory Committees**

**18. Requests for Reports**

**19. Consideration and Reading of By-Laws**

**19.1 By-law 2024-168**

A by-law to provide for an interim tax levy in 2025 **(Item 8.1)**

**19.2 By-law 2024-187 as amended**

A by-law to regulate the towing of any vehicle without the vehicle owner's consent from land in the Town of Oakville **(Item 10.3)**

**19.3 By-law 2024-192**

A by-law to confirm the proceedings of a meeting of Council

**19.4 By-law 2024-170**

A by-law to adopt an amendment to the 1984 Oakville Official Plan (North Oakville East Secondary Plan), Official Plan Amendment Number 334 (Eno Investments Limited/Ankara Realty Limited, File No.: OPA.1317.07)

**19.5 By-law 2024-172**

A by-law to amend the North Oakville Zoning By-law 2009-189, as amended, to permit the use of lands described as Part of Lots 17, Con. 1, NDS, ENO Investments Limited and Ankara Realty Limited, File No.: Z.1317.07

**19.6 By-law 2024-194**

A by-law to appoint a Treasurer for The Corporation of the Town of Oakville and to repeal By-law 2019-028

Moved by Councillor Longo

Seconded by Councillor Grant

That the by-laws noted above be passed.

CARRIED

*The Mayor gave written approval of the by-laws noted above.*

**20. Delegated Authority By-laws**

The following by-law(s) was prepared under the authority of amending By-law 2023-01, as amended. - A by-law to delegate certain powers and duties under the Municipal Act, S.O. 2001 c.25, the Planning Act, R.S.O. 1990 c. P. 13, and other Acts.

**20.1 By-law 2024-186**

A by-law to remove the H30 and H32 Holding Provision from Zoning By-law 2014-014 on 1236 Queens Plate Road, Argo Development Corporation, File No.: Z11/24

**21. Adjournment**

The Mayor adjourned the meeting at 11:54 p.m.

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Vicki Tytaneck, Town Clerk



**Town of Oakville**  
**Special Council Minutes**

**Date:** December 19, 2024  
**Time:** 6:30 p.m.  
**Location:** Council Chamber

Mayor and Council: Mayor Burton  
Councillor Adams  
Councillor Elgar  
Councillor Haslett-Theall  
Councillor O'Meara  
Councillor Chisholm  
Councillor Duddeck  
Councillor Gittings  
Councillor Grant  
Councillor Knoll  
Councillor Lishchyna  
Councillor Longo  
Councillor McNeice  
Councillor Nanda  
Councillor Xie

Staff: J. Clohec, Chief Administrative Officer  
N. Sully, Commissioner of Corporate Services and Treasurer  
P. Fu, Commissioner of Community Infrastructure  
P. Damaso, Commissioner of Community Services  
R. Kaminski, Acting Commissioner of Community Development  
J. Clarke, Director of Corporate Strategy and Government Relations  
D. Carr, Town Solicitor  
J. van der Heiden, Deputy Treasurer and Director of Finance  
D. Stancovici, Manager of Financial Planning and Policy  
V. Tytaneck, Town Clerk  
N. Coric, Council and Committee Coordinator



**The Town of Oakville Council met in special session this 19th day of December, 2024 in the Council Chamber of the Oakville Municipal Building, 1225 Trafalgar Road, Oakville commencing at 6:30 p.m.**

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**1. Regrets**

There were no regrets for this meeting.

**2. Declarations of Pecuniary Interest**

No declarations of pecuniary interest were declared.

**3. Consent Item(s)**

There were no Consent Items.

**4. Confidential Consent Item(s)**

There were no Confidential Consent Items.

**5. Discussion Item(s)**

**5.1 Council Consideration of the 2025 Mayoral Budget**

Moved by Councillor Chisholm

Seconded by Councillor Xie

1. That the staff report dated December 10, 2024 entitled *Council Consideration of the 2025 Mayoral Budget* be received.
2. That the resolutions and recommendations contained in Appendix A of this report be approved as follows:
  - a. That any surplus or deficit resulting from a difference in the actual assessment growth from the budgeted assessment growth be transferred to/from the Tax Stabilization reserve.
  - b. That the rates and fees established in the schedule attached as Appendix A in the *2025 Rates and Fees* report that went to the 2025 Budget Committee on October 22 be approved for implementation on January 01, 2025.
  - c. That the 30-day budget amendment period be shortened and closed on December 19, 2024 in alignment with Regulation 7(4).

CARRIED

**6. Confidential Discussion Item(s)**

There were no Confidential Discussion Items.

**7. Consideration and Reading of By-Laws**

**7.1 By-law 2024-156**

A by-law to provide for the establishment of fees to be charged in the processing of applications made in respect of Planning and Development matters, subject to supplemental notes, and to repeal By-Law 2023-003.

**7.2 By-law 2024-193**

A by-law to confirm the proceedings of a meeting of Council.

Moved by Councillor McNeice  
Seconded by Councillor Longo

That the by-laws noted above be passed.

CARRIED

*The Mayor gave written approval of the by-laws noted above.*

**8. Adjournment**

The Mayor adjourned the meeting at 6:34 p.m.

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Vicki Tytaneck, Town Clerk



# REPORT

## Council

Meeting Date: January 27, 2025

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**FROM:** Finance Department

**DATE:** January 14, 2025

**SUBJECT:** **By-law 2025-003 A By-law to Authorize the Temporary Borrowing of Monies in 2025**

**LOCATION:**

**WARD:** Town-wide

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### RECOMMENDATION:

That By-law 2025-003 be passed authorizing the temporary borrowing of monies to meet current expenditures should the needs arise in 2025, until taxes are collected and other revenues are received.

### KEY FACTS:

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

- Section 407 of the Municipal Act (the “Act”), permits council to authorize temporary borrowing until taxes are collected and other revenues are received, to meet the municipality’s financial requirements for the year subject to specified limitations

### BACKGROUND:

It is the town’s practice to pass a by-law at the beginning of each year to authorize temporary borrowing should the need arise during the fiscal year. This protects the town from unforeseen financial risks.

### COMMENT/OPTIONS:

In accordance with subsection 407(1) of the Act, municipalities may authorize temporary borrowing during the year, for amounts council considers necessary to meet expenditures until taxes are collected and other revenues are received.

The amount borrowed is limited to:

- From January 1st to September 30th – 50% of the total estimated revenue of the municipality, as set out in the budget adopted for the year, and

- From October 1st to December 31st – 25% of the total estimated revenue of the municipality, as set out in the budget adopted for the year.

Finance staff manage the cash needs of the town through the preparation and monitoring of cash flow forecasts, making it unlikely that there will be a need for temporary borrowing. However, having this facility in place protects the town from unforeseen risks.

Staff recommend that the by-law to authorize the temporary borrowing of monies be passed to provide for the potential borrowing of up to \$215 million in 2025. This is below the allowable limits under the Municipal Act. Please note that the by-law provides that interest charged not exceed the prime commercial floating lending rate in Canada charged by the town's financial institution. This requirement is consistent with the town's current banking agreement.

**CONSIDERATIONS:**

**(A) PUBLIC**

N/A

**(B) FINANCIAL**

The approval of this by-law provides the town with a temporary borrowing facility should the need arise. Having this facility in place protects the town from unforeseen financial risks.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

N/A

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses Council's strategic priority: Accountable Government.

**(E) CLIMATE CHANGE/ACTION**

The presence of the temporary borrowing facility mitigates financial risk, enhancing the town's financial position. This supports the economic sustainability of the community.

**APPENDICES:**

Appendix A – By-law 2025-003

Prepared by:

Alicia Li

Senior Financial Analyst, Development Financing & Investments

Matt Day

Manager, Development Financing & Investments

Recommended by:

Jonathan van der Heiden

Director, Finance and Treasurer



**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-003**

A by-law to authorize the temporary borrowing of monies for 2025

**WHEREAS** the Council of The Corporation of the Town of Oakville deems it necessary to provide for the authorization for temporary borrowing if necessary to meet, until taxes are collected, the current expenditures of the Corporation for the year; and

**WHEREAS** the total amounts previously borrowed under subsection 407(1) of the Municipal Act, 2001, that have not been repaid is NIL; and

**WHEREAS** the amount of the estimated revenues of the Corporation as set out in the budget adopted for the 2025 taxation year is \$298.7 million; and

**WHEREAS** under section 407 of the Municipal Act, 2001, a municipality is permitted to borrow an amount at any one time plus any outstanding amounts of principal borrowed and accrued interest that does not exceed in aggregate from January 1st to September 30th of the year, 50 per cent of the total estimated revenues of the Corporation, and from October 1st to December 31st, 25 per cent of the total estimated revenues of the Corporation; and

**WHEREAS** the amount provided to be borrowed under this By-law and the amounts of borrowings that have not been repaid do not exceed from January 1st to September 30th of the year, 50 per cent of the total of the estimated revenues of the Corporation, and from October 1st to December 31st, 25 per cent of the total of the estimated revenues of the Corporation as set out above;

**COUNCIL ENACTS AS FOLLOWS:**

- 1) The Mayor and the Treasurer are hereby authorized on behalf of the Corporation to borrow from the town's financial institution (the "Bank"), by way of promissory note or bankers' acceptance, a sum or sums not exceeding \$145 million from January 1st to September 30th, 2025 and \$70 million from October 1st to December 31st, 2025, until the taxes are collected, to meet the current expenditures of the Corporation for the year. This authorization will include amounts required for the purposes prescribed

in subsection 407(1). In addition, the Mayor and Treasurer are authorized to give on behalf of the Corporation, to the Bank a promissory note or notes, sealed with the corporate seal and signed by them for the moneys so borrowed with interest at a rate not exceeding the Bank's prime commercial floating lending rate in Canada.

- 2) All sums borrowed from the said Bank, for any or all of the purposes stated in subsection 407(1), shall with interest thereon, be a charge upon the whole of the revenues of the Corporation for the current taxation year and for all preceding years, as and when such revenues are received.
- 3) The Treasurer is hereby authorized and directed to apply in payment of all sums borrowed pursuant to the authority of the By-law as well as all other sums borrowed in the current year and any previous years from the said Bank pursuant to the By-law, together with interest, thereon all of the moneys collected or received from any other source, which may lawfully be applied for such purposes.

PASSED this 27<sup>th</sup> day of January, 2025

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MAYOR

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CLERK



# REPORT

## Council

Meeting Date: January 27, 2025

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**FROM:** Finance Department

**DATE:** January 14, 2025

**SUBJECT:** **By-law 2025-004 A By-law to Authorize the Issuance and Sale of Debentures**

**LOCATION:**

**WARD:** Town-wide

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### RECOMMENDATION:

That By-law 2025-004 be passed, authorizing the raising of \$5,694,800 for various capital projects through the issuance and sale of debentures.

### KEY FACTS:

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

- In accordance with the Municipal Act, 2001 (Municipal Act) a lower-tier municipality may not issue debentures. They must be issued by an upper-tier regional municipality on behalf of a lower-tier area municipality.
- To participate in a regional debt issuance, a by-law needs to be in place authorizing the issuance of the debt as the financial commitment would typically extend beyond the term of Council.
- Council approved a total of \$236,600 in debt financing for projects through the 2024 budget process at the December 20, 2023 Special Council meeting.
- Council approved an additional \$5,000,000 in debt financing for project 54212307 Transit Facility Expansion through Council meeting on October 21, 2024.
- Council approved a total of \$458,200 in debt financing for projects through the 2025 budget process at the December 19, 2024 Special Council meeting.

### BACKGROUND:

Since the last debenture by-law (by-law 2023-092), Council has approved debt financing of \$236,600 through the 2024 budget process at the Special Council meeting on December 20, 2023. Council approved an additional \$5,000,000 in debt financing for project 54212307 Transit Facility Expansion through a staff report at



the Council meeting on October 21, 2024 that amended the 2024 capital budget. Council has approved debt financing of \$458,200 through the 2025 budget process at the Special Council meeting on December 19, 2024. The issuance of long-term debt creates a financial commitment extending beyond the term of Council, which must be approved through by-law in accordance with the Municipal Act.

**COMMENT/OPTIONS:**

The Regional Municipality of Halton (the Region) issues debt on behalf of itself and its area municipalities. To participate in a debt issuance, the appropriate by-law needs to be in place which permits the issuance of debt and authorizes the financial commitment extending beyond the term of this Council.

Debt financing approved as part of the 2024 capital budget includes a total of \$236,600 for the Harbours dockage replacement.

In 2024, an additional \$5,000,000 was approved by Council for the Transit Facility through an amendment to the capital budget. The previously approved budget of \$18,000,000 was included in the last debenture by-law 2023-092.

Debt financing approved as part of the 2025 capital budget totals \$458,200 which includes the dock renewal for the Bronte Outer Harbour and dredging for the Oakville Harbour. Future debt charges for financing the Harbours dockage replacement and dredging will be funded from Harbours' revenues.

Authority is now required to authorize the issuance and sale of debentures through the Region. Debt issuance will be based on timing of the capital project spending as well as the Region's plan on issuance. The following table summarizes approved debenture financing by project included in By-law 2025-004:

| <b>PROJECT</b>                             | <b>COMMITMENT</b>   |
|--|---------------------|
| 52902304 Dock Replacement                  | 60,400              |
| 52902405 Dock Replacement                  | 176,200             |
| 54212307 Transit Facility Expansion        | 5,000,000           |
| 52902506 Bronte Outer Harbour Dock Renewal | 80,600              |
| 52902509 Oakville Harbour Dredging         | 377,600             |
| <b>TOTAL</b>                               | <b>\$ 5,694,800</b> |

Debt Limit

Prior to authorizing these commitments, the treasurer is required by the Municipal Act to update the town's annual debt and obligation repayment limit (debt capacity), incorporating the new commitments and certifying that Oakville remains within this limit. A municipality's debt capacity under the Municipal Act is 25% of net own

source revenues. As Appendix B illustrates, the issuance of debt requested to be authorized in this report is within these limits.

The town’s Corporate Debt policy further limits debt capacity levels, and the below table shows the debt capacity limits and status based on approved debt.

| Debt Policy             | Debt Charges Limit                          | Approved Debt |
|-------------------------|---|---------------|
| Tax Supported Debt      | 6.25% of own source revenue                 | 3.5%          |
| Total Corporate Debt    | 12% of own source revenue                   | 6.1%          |
| Development Charge Debt | 25% of forecasted 5 year average DC revenue | 9.1%          |

The town is in a strong financial position. When considering approved debt yet to be issued, plus new capital lease payments for transit electrification, total debt charges are projected to rise to 6.1% of net own source revenue by 2026, which still remains well within town policy of 12% and the Ministry limit of 25%. These projections are subject to the timing of debt issuance and interest rate risk.

**CONSIDERATIONS:**

**(A) PUBLIC**  
N/A

**(B) FINANCIAL**  
Council has previously approved debt financing through the 2024 and 2025 capital budget for various projects, as well as the 2024 capital budget amendment for the Transit Facility Expansion.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**  
N/A

**(D) COUNCIL STRATEGIC PRIORITIES**  
This report addresses Council’s strategic priority: Accountable Government.

**(E) CLIMATE CHANGE/ACTION**  
N/A

**APPENDICES:**

Appendix A – By-law 2025-004

Appendix B – Updated 2025 annual repayment limit

Prepared by:

Alicia Li

Senior Financial Analyst, Development Financing & Investments

Matt Day

Manager, Development Financing & Investments

Recommended by:

Jonathan van der Heiden

Director, Finance and Treasurer



**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-004**

A by-law to authorize the issuance and sale of debentures up to a maximum of \$5,694,800 towards the financing of the capital projects with an estimated total cost of \$5,694,800

**WHEREAS** the Corporation of the Town of Oakville declares that it is desirable to authorize the issuance and sale of debentures up to a maximum of \$5,694,800 towards the financing of capital projects as listed in Appendix B;

**WHEREAS** the Treasurer for the Corporation of the Town of Oakville has certified that the amount of the debentures authorized herein is within the municipality's updated annual financial debt and obligation limit;

**COUNCIL ENACTS AS FOLLOWS:**

- 1) The issuance and sale of debentures up to a maximum of \$5,694,800 towards the financing of the capital projects, (the "works") is hereby authorized.
- 2) The Regional Municipality of Halton is requested to issue the debentures to raise the money required by the town for the purposes authorized by this by-law, such debentures to be payable over a period not to exceed ten (10) years.
- 3) The mayor and treasurer, acting together, are authorized to borrow from a bank or person by a promissory note or promissory notes or by way of overdraft or otherwise, at a borrowing rate not to exceed the current bank rate, sums up to the amount of the debentures authorized under this by-law, to meet the expenditures incurred in respect of the works pending the issue and sale of the debentures and pending the receipt of any anticipated grants, subsidies and funds from other sources.
- 4) The proceeds of every such loan shall be applied for the purposes of the works, but the lender shall not be bound to see to the application of the proceeds.

PASSED this 27<sup>th</sup> day of January, 2025

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MAYOR

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CLERK

**TOWN OF OAKVILLE  
ANNUAL REPAYMENT LIMIT  
AS OF DECEMBER 31, 2024**

|   |               |                  |                           |
|---|---------------|------------------|---------------------------|
| DEBT CAPACITY AVAILABLE (REPAYMENT LIMIT*)  |               |                  | 74,254,614                |
| LESS:<br>CHANGES TO DEBENTURE CHARGES FOR DEBT PAYMENTS AND<br>DEBT ISSUED SUBSEQUENT TO CALCULATION OF DEBT CAPACITY   |               |                  | 6,104,809                 |
| FUNDING AVAILABLE FOR NEW DEBT CHARGES:   |               |                  | 68,149,805                |
| LESS:   | <u>BY-LAW</u> | <u>PRINCIPAL</u> | <u>ANNUAL<br/>PAYMENT</u> |
| PROJECTED DEBENTURE CHARGES FOR DEBT APPROVED BY<br>COUNCIL, NOT YET ISSUED   |               |                  |                           |
| 54212307 Transit Facility Expansion   | 2023-092      | 12,800,000       | 1,581,300                 |
| 53512202 Parkade Rehabilitation   | 2023-092      | 2,093,000        | 258,600                   |
| 52902206 BOH - Maintenance Dredge   | 2023-092      | 453,200          | 56,000                    |
| 52902304 Dock Replacement   | 2023-092      | 372,600          | 46,000                    |
| COMMITMENTS ARISING FROM THIS REPORT  |               |                  |                           |
| 52902304 Dock Replacement   | 2025-004      | 60,400           | 7,500                     |
| 52902405 Dock Replacement   | 2025-004      | 176,200          | 21,800                    |
| 54212307 Transit Facility Expansion   | 2025-004      | 5,000,000        | 617,700                   |
| 52902506 Bronte Outer Harbour Dock Renewal  | 2025-004      | 80,600           | 10,000                    |
| 52902509 Oakville Harbour Dredging  | 2025-004      | 377,600          | 46,600                    |
| ESTIMATED REMAINING DEBT CAPACITY AT DECEMBER 31, 2024 (REPAYMENT LIMIT*)   |               |                  | 65,504,305                |
| <p>IN ACCORDANCE WITH ONTARIO REGULATION 403/02 MADE UNDER THE MUNICIPAL ACT, THE<br/>TREASURER HAS RECALCULATED THE TOWN OF OAKVILLE'S ANNUAL FINANCIAL DEBT AND OBLIGATION LIMIT<br/>(DEBT CAPACITY) INCORPORATING THE LONG TERM FINANCING REQUIREMENTS IN THIS REPORT, AND HAS<br/>DETERMINED THAT OAKVILLE REMAINS WITHIN ITS ANNUAL FINANCIAL DEBT AND OBLIGATION LIMIT.</p> |               |                  |                           |
| <p>* THE REPAYMENT LIMIT IS THE AVAILABLE CAPACITY FOR ANNUAL DEBT CHARGES AND OTHER COMMITMENTS<br/>EXTENDING BEYOND THE PRESENT TERM OF COUNCIL .</p>   |               |                  |                           |

APPROVED BY:  
Jonathan van der Heiden  
Director, Finance and Treasurer

## REPORT

### Council

**Meeting Date: January 27, 2025**

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**FROM:** Legal Department

**DATE:** January 14, 2025

**SUBJECT:** **Bronte Green Corporation Phase 2 - Plan 20M-1285 - 24T21005 – By-law 2025-002**

**LOCATION:** Charles Cornwall Avenue and Merton Road

**WARD:** Ward 4

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#### **RECOMMENDATION:**

That By-law 2025-002 - A by-law to dedicate certain land as part of a public highway (Part 1, Plan 20R-20707, except Part 1, Plan 20R-22428 – Charles Cornwall Avenue, Part 3, Plan 20R-20707 – Merton Road) be passed.

#### **KEY FACTS:**

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

- In connection with the Bronte Green Corporation Phase 1 subdivision (Plan 20M-1223) the Town acquired certain land located between Bronte Green Phase 1 and Phase 2 for future roads.
- The Bronte Green Phase 2 subdivision (Plan 20M-1285) has now been registered and the developer has requested that the roads between the two phases be dedicated by by-law as public highways.

#### **BACKGROUND:**

In connection with the Bronte Green Corporation Phase 1 subdivision (Plan 20M-1223) the Town acquired certain land located between Bronte Green Phase 1 and Phase 2 for future roads. The Bronte Green Phase 2 subdivision (Plan 20M-1285) has now been registered and the developer has requested that the roads between the two phases be dedicated by by-law as public highways.

#### **COMMENT/OPTIONS:**

The Transportation and Engineering Department has no objection to the passing of By-law 2025-002. The Legal Department does not consider there to be any exposure to the Town in passing this by-law.

**CONSIDERATIONS:**

**(A) PUBLIC**

The dedication of this land will formally establish the names of the roads and provide connected local road access to the general public.

**(B) FINANCIAL**

There are no financial considerations in dedicating these lands other than ongoing maintenance of the roadway.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

The Roads and Works Department will be required to continue maintaining the roadway.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses the corporate strategic goal to be the most livable town in Canada.

**(E) CLIMATE CHANGE/ACTION**

N/A

**APPENDICES:**

Appendix A – By-law 2025-002

Appendix B – Plan 20R-20707

Appendix C – Plan 20R-22428

Prepared by:

Ryan Maynard

Assistant Town Solicitor

Submitted by:

Douglas Carr

Town Solicitor





**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-002**

A by-law to dedicate certain land as part of a public highway (Part 1, Plan 20R-20707, except Part 1, Plan 20R-22428 – Charles Cornwall Avenue, Part 3, Plan 20R-20707 – Merton Road)

**COUNCIL ENACTS AS FOLLOWS:**

1. Those certain parcels of land more particularly described in Paragraph 1, in Schedule “A” attached hereto are hereby declared to be part of a public highway, namely Charles Cornwall Avenue.
2. Those certain parcels of land more particularly described in Paragraph 2 in Schedule “A” attached hereto are hereby declared to be part of a public highway, namely Merton Road.
3. That Schedule “A” forms part of this By-law

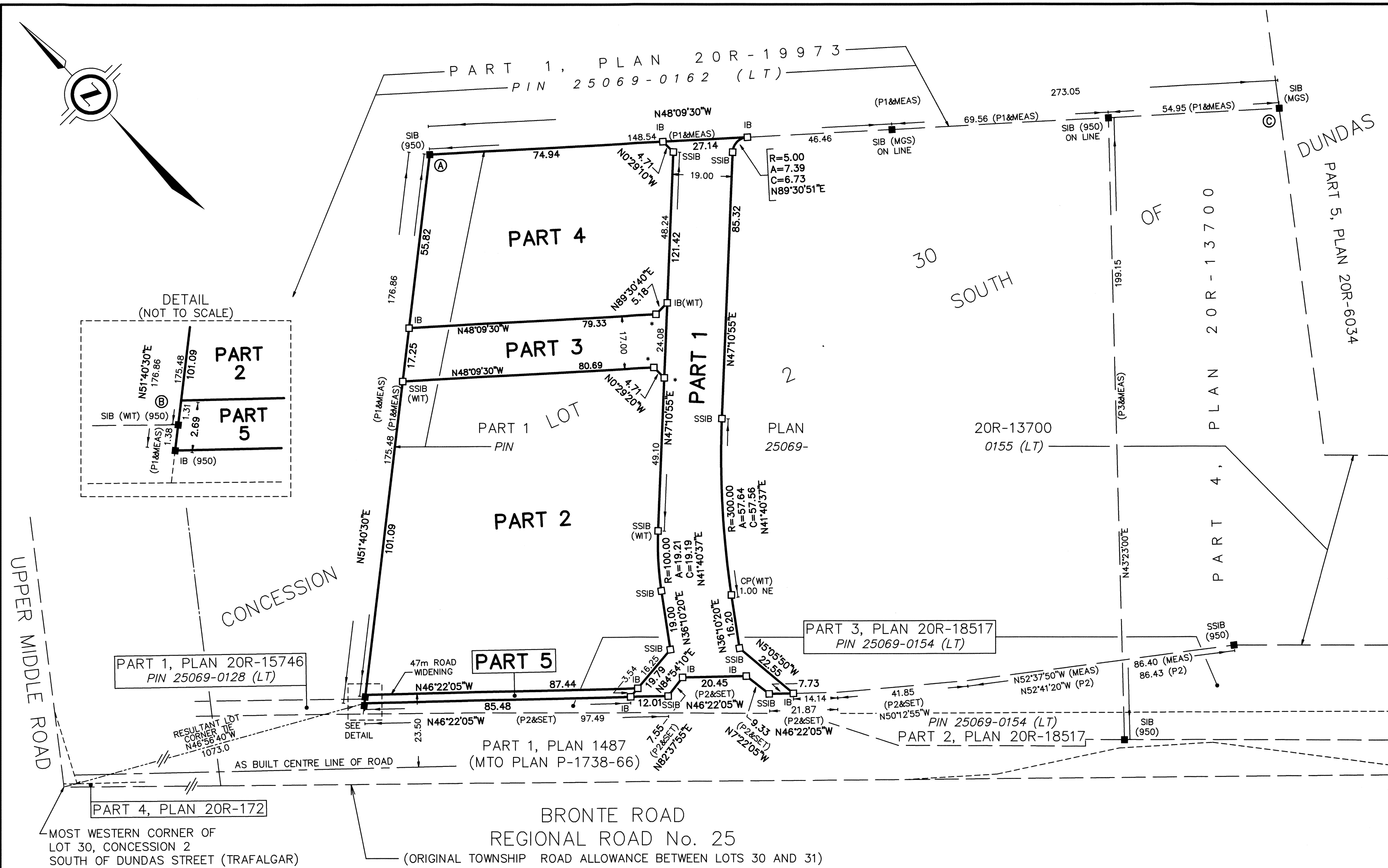
PASSED this 27th day of January, 2025

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CLERK

SCHEDULE "A"

1. Part of Lot 30, Concession 2 Trafalgar SDS, designated as Part 1 on Plan 20R-20707, except Part 1 on Plan 20R-22428; Oakville
2. Part of Lot 30, Concession 2 Trafalgar SDS, designated as Part 3 on Plan 20R-20707; Oakville



I REQUIRE THIS PLAN TO BE DEPOSITED UNDER THE LAND TITLES ACT.

DATE JANUARY 31, 2017

R.S. QUERUBIN  
ONTARIO LAND SURVEYOR

PLAN 20R-20707

RECEIVED AND DEPOSITED

DATE FEBRUARY 3, 2017

"A. Timbals"

REPRESENTATIVE FOR THE LAND REGISTRAR FOR THE LAND TITLES DIVISION OF HALTON (No 20)

| SCHEDULE |                |                          |                             |              |
|----------|----------------|--------------------------|-----------------------------|--------------|
| PART     | LOT            | CONCESSION               | PIN                         | AREA (sq.m.) |
| 1        |                |                          |                             | 3651         |
| 2        |                |                          |                             | 8995         |
| 3        | PART OF LOT 30 | 2 SOUTH OF DUNDAS STREET | PART OF PIN 25069-0155 (LT) | 1432         |
| 4        |                |                          |                             | 4423         |
| 5        |                |                          |                             | 230          |

PLAN OF SURVEY OF  
**PART OF LOT 30, CONCESSION 2 SOUTH OF DUNDAS STREET**  
 (GEOGRAPHIC TOWNSHIP OF TRAFALGAR)  
 TOWN OF OAKVILLE  
 REGIONAL MUNICIPALITY OF HALTON

SCALE 1 : 1000

J.D. BARNES LIMITED  
 METRIC DISTANCES AND/OR COORDINATES SHOWN ON THIS PLAN ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.

**NOTES**

BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY REAL TIME NETWORK (RTN) OBSERVATIONS, UTM ZONE 17, NAD83 (CSRS) (2010.0).

DISTANCES ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.999705.

FOR BEARING COMPARISONS, A ROTATION OF 0°50'50" COUNTER-CLOCKWISE WAS APPLIED TO BEARINGS ON P3.

**LEGEND**

|      |   |
|------|---|
| ■    | DENOTES SURVEY MONUMENT FOUND                       |
| □    | DENOTES SURVEY MONUMENT SET                         |
| □*   | DENOTES SURVEY MONUMENT NOT SET DUE TO OBSTRUCTIONS |
| SIB  | DENOTES STANDARD IRON BAR                           |
| SSIB | DENOTES SHORT STANDARD IRON BAR                     |
| IB   | DENOTES IRON BAR                                    |
| CP   | DENOTES CONCRETE PIN                                |
| MSG  | DENOTES MINISTRY OF GOVERNMENT SERVICES OF ONTARIO  |
| 950  | DENOTES CUNNINGHAM MCCONNELL LIMITED, O.L.S.        |
| WIT  | DENOTES WITNESS                                     |
| P1   | DENOTES PLAN 20R-19973                              |
| P2   | DENOTES PLAN 20R-18517                              |
| P3   | DENOTES PLAN 20R-13700                              |
| MEAS | DENOTES MEASURED                                    |

ALL SET SSIB AND PB MONUMENTS WERE USED DUE TO LACK OF OVERBURDEN AND/OR PROXIMITY OF UNDERGROUND UTILITIES IN ACCORDANCE WITH SECTION 11 (4) OF O.REG. 525/91.

**INTEGRATION DATA**

OBSERVED REFERENCE POINTS (ORPs): UTM ZONE 17, NAD83 (CSRS) (2010.0).  
 COORDINATES TO URBAN ACCURACY PER SECTION 14 (2) OF O.REG 216/10.

| POINT ID | EASTING    | NORTHING     |
|----------|------------|--------------|
| ORP (A)  | 601 416.48 | 4 807 920.61 |
| ORP (B)  | 601 278.83 | 4 807 811.85 |
| ORP (C)  | 601 619.85 | 4 807 738.51 |

COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.

**SURVEYOR'S CERTIFICATE**

I CERTIFY THAT:

- THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT AND THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.
- THE SURVEY WAS COMPLETED ON JANUARY 31, 2017.

JANUARY 31, 2017. DATE

R.S. QUERUBIN  
ONTARIO LAND SURVEYOR

**J.D. BARNES LIMITED** SURVEYING MAPPING GIS

LAND INFORMATION SPECIALISTS

401 WHEELABRATOR WAY, SUITE A, MILTON, ON L9T 3C1  
 T: (905) 875-9955 F: (905) 875-9956 www.jdbarnes.com

|  |                         |                               |
|--|-------------------------|-------------------------------|
| DRAWN BY: AP                                     | CHECKED BY:             | REFERENCE NO.: 12-30-371-06-A |
| FILE: G:\12-30-371-06\Drawing\12-30-371-06-A.dgn | DATED: FEBRUARY 1, 2017 |                               |

| SCHEDULE |                |                          |                             |
|----------|----------------|--------------------------|-----------------------------|
| PART     | LOT            | CONCESSION               | PIN                         |
| 1        | PART OF LOT 30 | 2 SOUTH OF DUNDAS STREET | PART OF PIN 25069-0724 (LT) |

PART 1 - SUBJECT TO AN EASEMENT IN GROSS AS IN INST. No.'s HR1474223 AND HR1474224.

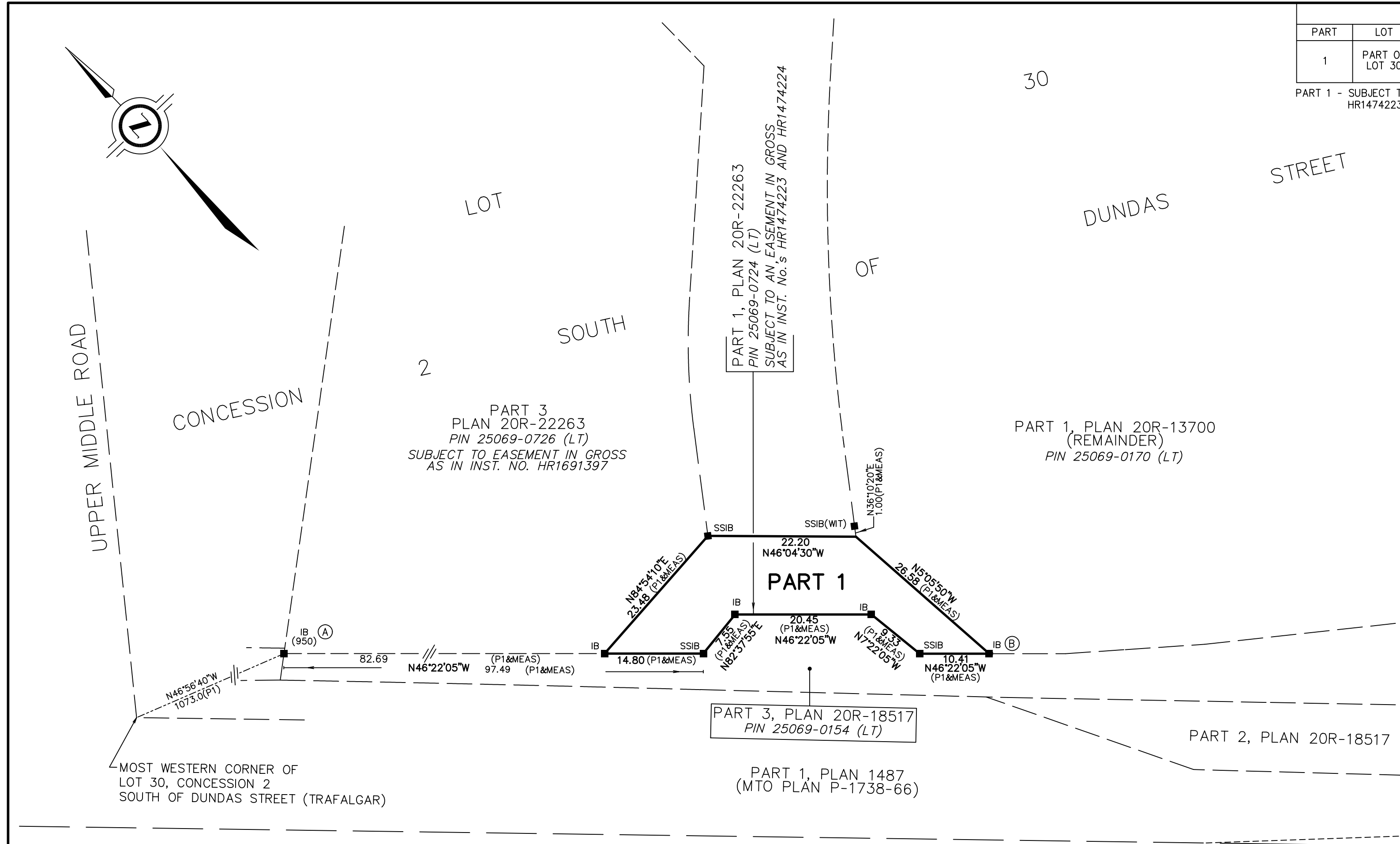
**PLAN 20R-22428**

Received and deposited

May 26<sup>th</sup>, 2023

Dayna Spencer

Representative for the  
Land Registrar for the  
Land Titles Division of  
Halton (No.20)



PLAN OF SURVEY OF  
**PART OF LOT 30, CONCESSION 2  
SOUTH OF DUNDAS STREET**  
GEOGRAPHIC TOWNSHIP OF TRAFALGAR  
TOWN OF OAKVILLE  
REGIONAL MUNICIPALITY OF HALTON

SCALE 1 : 500



THE INTENDED PLOT SIZE OF THIS PLAN IS 609mm IN WIDTH BY 356mm IN HEIGHT WHEN PLOTTED AT A SCALE OF 1:500

J.D. BARNES LIMITED  
**METRIC** DISTANCES AND COORDINATES SHOWN ON THIS PLAN ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.

**NOTES**  
BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY REAL TIME NETWORK (RTN) OBSERVATIONS, UTM ZONE 17, NAD83 (CSRS) (2010.0).  
DISTANCES ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.999705.

**LEGEND**

|      |         |                                      |
|------|---------|--------------------------------------|
| ■    | DENOTES | SURVEY MONUMENT FOUND                |
| SSIB | DENOTES | SHORT STANDARD IRON BAR              |
| IB   | DENOTES | IRON BAR                             |
| 950  | DENOTES | CUNNINGHAM McCONNELL LIMITED, O.L.S. |
| WIT  | DENOTES | WITNESS                              |
| P1   | DENOTES | PLAN 20R-22263                       |
| MEAS | DENOTES | MEASURED                             |

ALL FOUND SURVEY MONUMENTS WERE ORIGINALLY SET BY J.D. BARNES LTD., UNLESS NOTED OTHERWISE

| INTEGRATION DATA  |            |              |
|---|------------|--------------|
| OBSERVED REFERENCE POINTS (ORPs): UTM ZONE 17, NAD83 (CSRS) (2010.0). COORDINATES TO URBAN ACCURACY PER SECTION 17 (2) OF O.REG 216/10. |            |              |
| POINT ID  | EASTING    | NORTHING     |
| ORP (A)   | 601 277.78 | 4 807 810.96 |
| ORP (B)   | 601 379.33 | 4 807 714.14 |
| COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.                                    |            |              |
| THE RESULTANT TIE BETWEEN ORP (A) AND ORP (B) IS 140.35 N 46°22'00" E   |            |              |

BRONTE ROAD  
REGIONAL ROAD No. 25  
(ORIGINAL TOWNSHIP ROAD ALLOWANCE BETWEEN LOTS 30 AND 31)

**SURVEYOR'S CERTIFICATE**

I CERTIFY THAT:  
1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT AND THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.  
2. THE SURVEY WAS COMPLETED ON THE 16 DAY OF MAY, 2023.

MAY 16, 2023  
DATE  
R. S. QUERUBIN  
ONTARIO LAND SURVEYOR  
THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER 2205187

**J.D. BARNES LIMITED**  
SURVEYING MAPPING GIS  
LAND INFORMATION SPECIALISTS  
401 WHEELABRATOR WAY, SUITE A, MILTON, ON L9T 3C1  
T: (905) 875-9955 F: (905) 875-9956 www.jdbarnes.com

|  |                    |                                |
|--|--------------------|--------------------------------|
| DRAWN BY:<br>DS  | CHECKED BY:<br>RSQ | REFERENCE NO.:<br>12-30-371-09 |
| FILE: G:\12-30-371-09\Drawing\12-30-371-09-A-RPLAN.dgn |                    | DATED: May 16, 2023            |

## REPORT

### Council

**Meeting Date: January 27, 2025**

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**FROM:** Finance Department

**DATE:** January 14, 2025

**SUBJECT:** Building Faster Fund – 2025 Investment Plan

**LOCATION:** Town-wide

**WARD:** Town-wide

Page 1

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#### RECOMMENDATION:

1. That an Investment Plan to use \$9,000,000 in funds for the Royal Windsor Drive Bridge Rehabilitation and up to \$7,908,182 in funds for the Khalsa Gate Urbanization & Streetscape project, be approved to be submitted to the Ministry of Municipal Affairs and Housing for the 2025 Building Faster Fund program year.
2. That staff be delegated the authority to submit any necessary revisions to the 2025 Investment Plan utilizing the projects listed in Table 3 of this report.
3. That the refinancing of capital projects that are approved by the Ministry of Municipal Affairs and Housing for the use of Building Faster Fund program funding be approved.

#### KEY FACTS:

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

- On August 21, 2023 the provincial government announced the Building Faster Fund (BFF). BFF is a three-year program that will provide up to \$400 million per year to eligible municipalities. Funding is administered by the Ministry of Municipal Affairs and Housing (MMAH).
- Municipalities are evaluated on the number of housing starts achieved during the year compared to the annual target set by the Province. The town qualified for \$7,058,182 funding in 2024 by achieving 80% of the annual housing target in 2023.
- The town entered into a Transfer Payment Agreement with the Province, and submitted the required 2024 BFF Investment Plan. The Investment Plan

submitted allocated \$3,350,000 towards the Burloak Drive Grade Separation project and allocated the remaining \$3,708,182 to the 2025 program year.

- The town will qualify for \$12,844,800 in funding in 2025 based on housing starts reported by the Province as of the end of October 2024. Housing starts in November and December of 2024 could increase this amount to a maximum of \$13,200,000.
- A 2025 BFF Investment Plan must be submitted to MMAH by February 14, 2025. The recommended investment of BFF funds is focused on the core infrastructure that is necessary to prepare for projected demand from increased housing supply and to preserve existing housing supply.

**BACKGROUND:**

On August 21, 2023, the provincial government announced the Building Faster Fund (BFF), a \$1.2 billion fund for municipalities that build more homes sooner. The BFF is a three-year funding program, providing significant new funding to municipalities that achieve assigned housing targets on an annual basis. Funding is intended to provide financial support for municipalities that can be directed toward housing-enabling infrastructure and related costs that support community growth.

As reported at the [December 16, 2024 Meeting of Council](#) Oakville is eligible for \$7,058,182 in funding for the 2024 BFF program year, based on prior year housing starts. At that time, Council approved staff’s recommendation to submit a 2024 BFF Investment Plan to MMAH to allocate \$3,350,000 to the Burloak Drive Grade Separation project and to save \$3,708,182 of the 2024 allocation for the 2025 program year.

**Table 1: 2024 BFF Funding and Investment Plan**

|                               |                     |
|-------------------------------|---------------------|
| <b>Total 2024 BFF Funding</b> | <b>7,058,182</b>    |
| BFF Spending                  |                     |
| Burloak Dr Grade Separation   | \$ 3,350,000        |
| Save/Bank to 2025             | \$ 3,708,182        |
| <b>Total BFF Spending</b>     | <b>\$ 7,058,182</b> |

For the 2025 program year, Oakville must submit the annual Investment Plan to MMAH by February 14, 2025. Although 2024 housing starts are not yet final, as of October 2024, Oakville had achieved 123% of the assigned housing target, which would result in \$12,844,800 in funding for the 2025 program year. Final housing starts to the end of December 2024 could result in a maximum allocation of \$13,200,000. When including the 2024 saved/banked funds, an Investment Plan totalling \$16,908,182 of BFF funding is required for 2025.

**Table 2: 2025 BFF Funding and Investment Plan**

| <b>2025 BFF Investment Plan</b> |                      |
|---------------------------------|----------------------|
| Total 2025 BFF Funding          | \$ 13,200,000        |
| Plus 2024 Saved/Banked          | \$ 3,708,182         |
| <b>Total 2025 BFF Funding</b>   | <b>\$ 16,908,182</b> |

The program guidelines include the following as eligible expenditures under the program:

1. **Capital expenditures on housing-enabling core infrastructure and site servicing:** This for infrastructure including roads, bridges, water and wastewater, including sanitary and stormwater facilities:
  - to **accommodate future residential development** through new construction, reconstruction, rehabilitation/repair or expansion of existing infrastructure
  - capital maintenance for the renewal, rehabilitation and replacement of core infrastructure owned by the municipality to **preserve existing housing supply**, as well as site servicing/preparation expenses to support the direct creation of more housing
  
2. **Operating or capital expenditures that support the creation of net new affordable housing:** affordable housing as defined in the Development Charges Act, or a unit also supported by stacking with funds through a provincial affordable housing program (i.e. Homelessness Prevention Program). Eligible expenses must create a net increase in affordable housing stock.
  
3. **Operating or capital expenditures that support the creation of net new attainable ownership housing, including through modular construction**
  
4. **Capital expenditures for homelessness service centres:** this could include capital expenses for net new shelter space or municipal homelessness service hubs.

**COMMENT/OPTIONS:**

The 2025 Investment Plan must describe the actions that will be supported with BFF funding, including how these actions support increasing housing supply, housing development, including issues of affordability and any identified risks to achieve housing targets. Projects have been evaluated based on overall fit with the BFF program and ability to incur costs by the deadline of March 31, 2026. It is important

to note that BFF does not require substantial completion be achieved for selected projects by this date. Instead, the main requirement is to accelerate projects that promote the construction of housing-enabling core infrastructure and site servicing, so housing supply is maintained and/or created within the municipality.

A significant portion of population growth in the town will occur in designated strategic growth areas, along with greenfield development in North Oakville, and through other opportunities for gentle density in the town's established neighborhoods. To support the increasing housing supply and development that is planned, and to preserve existing housing supply, ensuring that infrastructure meets the needs of the community and provides for complete communities is a key strategic priority for the town.

### **2025 Investment Plan**

The town's investment of BFF funds is focused on the core infrastructure that is necessary to prepare for projected demand from increased housing supply and to preserve existing housing supply. Staff recommend that the following projects that fit the criteria for "Capital expenditures on housing-enabling core infrastructure" be included in the 2025 Investment Plan and submitted to MMAH:

#### **1. Royal Windsor Drive (RWD) Bridge Rehabilitation**

Staff recommend that \$9,000,000 in funds for the 2025 BFF year be used for the RWD Bridge Rehabilitation.

Keeping the bridge in a state of good repair is integral to both supporting community growth and preserving existing housing supply for the following reasons:

- RWD is a key arterial road connecting key growth centres, including the Midtown growth area.
- RWD is part of the Province's Emergency Detour Route for both the QEW and Highway 403, as it keeps transportation routes open during highway closures.
- The bridge keeps rail traffic (GO, VIA, freight) moving through the area. GO Rail service supports housing development in Major Transit Station Areas (Bronte GO, Oakville GO, and others).

#### **2. Khalsa Gate Urbanization & Streetscape**

Staff recommend that up to \$7,908,182 in funds (depending on final 2025 BFF eligibility) for the 2025 BFF year be used for the Khalsa Gate Urbanization & Streetscape project.

Khalsa Gate is located in the Palermo Village Strategic Growth Area, which has, and continues to experience, high-density residential development. The existing storm sewer and roadway infrastructure is sub-standard, and this project will reconstruct Khalsa Gate to a new urban environment with zero lot line development where



possible, on road bike lanes, lay-by parking, street trees and furniture, interlocking boulevards and wide interactive sidewalk platforms. The project includes burial of overhead hydro lines and utilities. The urbanization of Khalsa Gate ensures that this infrastructure will support this growing area of the town.

### Investment Plan Revisions

Following submission of the 2025 Investment Plan to MMAH, revisions may be required to the Investment Plan over the course of the program year for the following reasons:

- if a project that is submitted is not approved by MMAH
- if an approved project will not achieve allocated spending during the program
- if there are delays in spending that will carry forward to 2026 (but still be incurred by the program deadline of March 31, 2026)

Table 3 below includes additional projects that fit the BFF criteria of capital expenditures on housing-enabling core infrastructure. It is recommended that staff be delegated the authority to submit any necessary revisions to the 2025 Investment Plan using these projects.

**Table 3: Additional Housing-enabling Core Infrastructure projects**

| Project   | Potential Allocation (millions) | BFF Program Fit   |
|---|---------------------------------|---|
| Speers Rd Widening – Fourth Line to Dorval Drive (Construction)               | \$3.0M                          | <ul style="list-style-type: none"> <li>• Speers Road provides multimodal transportation between growth areas (Bronte GO, Kerr, Midtown) – all will include significant housing growth.</li> <li>• Design includes pedestrian infrastructure and supports connections to nearby residential areas (both existing and planned growth).</li> </ul> |
| Sixteen Mile Creek Outfall Repairs (Construction)                             | \$0.5M                          | <ul style="list-style-type: none"> <li>• Four outfalls are being repaired and will support development that occurs within their catchments.</li> <li>• Repairs will ensure the outfalls will be functioning properly to service the new developments</li> </ul>   |
| Burnhamthorpe Urbanization – 800m of Neyagawa to Trafalgar Road (Design only) | \$0.35M                         | <ul style="list-style-type: none"> <li>• Burnhamthorpe Road is a key collector road in north Oakville and will provide for multi-modal transportation across north Oakville. Development, including housing, continues to occur north and south of Burnhamthorpe Road.</li> </ul>   |
| Lakeshore Road West - McCraney Creek Bridge (Design only)                     | \$0.25M                         | <ul style="list-style-type: none"> <li>• McCraney Bridge at Lakeshore Road West connects the Bronte Village and Kerr Village growth areas.</li> <li>• Future development (housing) in the Kerr and Bronte growth areas will rely on this transportation link.</li> </ul>  |

| Project                        | Potential Allocation (millions) | BFF Program Fit  |
|--------------------------------|---------------------------------|--|
| Burloak Drive Grade Separation | \$4.2M                          | <ul style="list-style-type: none"> <li>• Included in 2024 Investment Plan</li> <li>• Supports Metrolinx’s planned 15-minute all-day GO Transit service on the Lakeshore West rail line and allows for a future widening of Burloak Drive to provide additional transportation capacity (up to 6 lanes), both of which support community growth in Oakville.</li> </ul> |

**Conclusion**

Staff have reviewed the 2025 planned and in progress projects to determine their eligibility for BFF funding. The Royal Windsor Drive Bridge Rehabilitation project and the Khalsa Gate Urbanization & Streetscape project are recommended to be included in the 2025 Investment Plan for the Building Faster Fund.

**CONSIDERATIONS:**

**(A) PUBLIC**

N/A

**(B) FINANCIAL**

Funding from the Building Faster Fund will be used towards housing-enabling infrastructure and related costs that support community growth. The BFF program provides significant provincial funding that will assist in mitigating the impact of recent legislative changes to growth funding tools. Capital projects approved by the Ministry of Municipal Affairs and Housing for the use of BFF funds will be refinanced.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

The Transportation and Engineering Department will manage the delivery of recommended projects.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses Council’s strategic priorities of growth management and accountable government.

**(E) CLIMATE CHANGE/ACTION**

N/A

**APPENDICES:**

N/A

Prepared by:  
Matt Day  
Manager, Development Financing & Investments

Recommended by:  
Jill Stephen  
Director, Transportation and Engineering

Jonathan van der Heiden  
Director, Finance and Treasurer



# REPORT

## Council

**Meeting Date: January 27, 2025**

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**FROM:** Clerk's Department

**DATE:** January 14, 2025

**SUBJECT:** Corporate Policy Update

**WARD:** Town-wide

Page 1

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### RECOMMENDATION:

1. That Council approve the updated Agendas, Meetings, Resolutions, and Decisions Policy, and the updates to the following related procedures:
  - a. Responding to Resolutions Procedure;
  - b. Submission and Distribution of Agenda Items for Council Meetings Procedure;
  - c. Public Meeting Protocol Procedure; and
  - d. Committee of Adjustment Appeals Procedure.
2. That Council approve the following existing policies:
  - a. Administration of Recreation and Culture Programs and Services Policy; and
  - b. Securities Policy
3. That Council approve the revised Fee Assistance Recreation Connection Program subsidy amount, as listed in the report from the Clerk's department, dated January 14, 2025, effective immediately.

### KEY FACTS:

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

- The corporate policy and procedure review is an ongoing process facilitated by the Clerk's department to assist departments in bringing policies forward for Council review as part of Council's governance initiatives.
- All policies and procedures listed in this report have been reviewed by the Policy Review Administration Group.
- Unless otherwise noted, updated documents included in the appendices of this report have tracked changes to easily identify updates.

**BACKGROUND:**

As part of the ongoing corporate policy and procedure review, staff continue to present reports to introduce new policies, update and reconfirm current policies, and recommend the replacement or rescinding of former policies. Current policies and procedures are reviewed in accordance with established review periods and updates are provided to Council, as required. All policies, along with any procedures established under Council's authority, are submitted to Council for approval. New or significantly updated procedures under the CAO's authority will be shared with Council for information via a memo through the Council Information process, on a quarterly basis. Reporting outside of this schedule will occur as needed, particularly for issues involving public awareness or health and safety.

The corporate policy process aims to optimize operations and improve responsiveness to evolving requirements. It strengthens decision-making efficiency and enables Council to focus on policy-setting and strategic governance, aligning with the town's commitment to continuous improvement and organizational efficiency. This report addresses the policies and procedures which have been addressed by the Policy Review Administration Group since the last report to Council in June 2024. All departments are continuing to address policy requirements. Future policy reports will be coordinated through the Clerk's department or submitted departmentally, as required.

**COMMENT/OPTIONS:****General***Governance*

The Agendas, Meetings, Resolutions, and Decisions Policy (G-GEN-007) has been reviewed in accordance with Council's established policy review period. No changes are proposed. The policy continues to serve its intended purpose effectively, maintaining clarity and consistency in operational processes.

Related procedures, including Responding to Resolutions, Submission and Distribution of Agenda Items for Council Meetings, and Public Meeting Protocol, have also been reviewed, and updates are proposed. Minor administrative updates have been made to these procedures, to ensure they remain up to date with current practices and align with the operational needs of the organization.

The related Committee of Adjustment Appeals Procedure has also been updated to reflect changes resulting from Provincial Bill 23 and the Ontario Land Tribunal's processes and procedures (formerly Local Planning Appeal Tribunal).

## **Finance**

### *Financial Planning Controls*

Securities Policy (F-FPC-002) has been reviewed in accordance with the established Council review process. While minor grammatical and administrative updates have been made, no significant policy updates are recommended.

## **Municipal Services**

### *Recreation and Culture*

Administration of Recreation and Culture Programs and Services Policy (MS-REC-004) has been reviewed in accordance with the established Council review process. No updates have been made.

### *Special Requests*

The Fee Assistance Recreation Connection Procedure (MS-SPR-002-004) was reviewed and updated to ensure alignment with current operational processes. Staff recommend increasing the annual individual subsidy amount from \$300 to \$400, effective immediately, and will be including this amount in the 2026 Rates and Fees schedules. The individual subsidy amount of \$300 has not been updated since 2012. This recommended change aligns with inflation and the recommended actions of the Parks, Recreation and Library Master Plan.

## **CONSIDERATIONS:**

### **(A) PUBLIC**

Corporate policies and related procedures are posted to the town website for public information. Public notification is issued prior to Council's consideration of policies and procedures having a direct impact on the public.

### **(B) FINANCIAL**

There are no financial considerations with respect to the consideration of policies and procedures, except for the Fee Assistance Recreation Connection Procedure. The administration of procedures which relate to financial matters, grants and financial incentives will be subject to annual budget approval.

The increase in the Fee Assistance subsidy amount from \$300 to \$400 can be accommodated within the 2025 budget based on the expected usage levels of the recreation connection program.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

Corporate policies and procedures impact all members of Council and staff. Departments are continuing to review existing policies within their departments to ensure, where applicable, that a corporate view is presented in all new or revised policies and procedures.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses the corporate strategic priority of accountable government. The established corporate policy process promotes accountable governance and service excellence, by promoting consistency, minimizing inefficiencies, and ensuring proper controls and compliance.

**(E) CLIMATE CHANGE/ACTION**

This matter does not impact climate change.

**APPENDICES:**

Appendix A – Agendas, Meetings, Resolutions, and Decisions Policy

Appendix B – Responding to Resolutions Procedure

Appendix C – Submission and Distribution of Agenda Items for Council Meeting Procedure

Appendix D – Public Meeting Protocol Procedure

Appendix E – Committee of Adjustment Appeals Procedure

Appendix F – Securities Policy

Appendix G – Administration of Recreation and Culture Programs and Services Policy

Appendix H – Fee Assistance Recreation Connection Program

Prepared and submitted by:

Andrea Coyne, Manager, Elections, Policy, Print Services

Approved by:

Vicki Tytaneck, Town Clerk

# [ Agendas, Meetings, ~~and~~ Resolutions, and Decisions ]

|                 |                                    |
|-----------------|------------------------------------|
| Policy number:  | [G-GEN-007]                        |
| Section:        | [Governance]                       |
| Sub-section:    | [Genera]                           |
| Author:         | [Clerk's Department<br>]           |
| Authority:      | Council                            |
| Effective date: | 2006-07-11                         |
| Review by date: | 5 years from Council approval date |
| Last modified:  | Council approval date              |

## Policy statement

Where not covered by legislation or the Procedure By-law, the Town of Oakville (town) shall establish procedures to ensure the efficient and effective administration of agendas, meetings, ~~and~~ resolutions, and decisions.

## Purpose

Council and standing committee meetings are governed by the *Municipal Act* and the town's Procedure By-law. This policy augments the *Municipal Act* and the Procedure By-law by establishing detailed procedures to support the administration of agendas, resolutions and other meeting related activities.

## Scope

This policy addresses procedures relating to agendas, meetings, resolutions, and decisions, including but not limited to deadline for agenda submissions, conduct at council and standing committee meetings, ~~and~~ the processing of resolutions, and the handling of appeals from Committee of Adjustment decisions.



## References and related documents

Town of Oakville Procedure By-law

Responding to Resolutions Procedure

Submission and Distribution of Agenda Items for Council Meetings Procedure

Public Meeting Protocol Procedure

[Committee of Adjustment Appeals Procedure](#)

# Responding to Resolutions

Procedure number: G-GEN-007-001  
 Parent policy number: G-GEN-007  
 Section: Governance  
 Sub-section: General  
 Author(s): Clerk's Department  
 Authority: Council  
 Effective date: 2006-07-11  
 Review by date: 2022  
 Last modified: 2017-01-30

## Purpose statement

This procedure establishes a protocol for advising Members of Council and staff of the receipt of resolutions and the process for seeking general endorsement of Town of Oakville Council resolutions.

## Scope

This procedure applies to resolutions received from other municipalities, organizations, agencies, associations etc. (hereinafter referred to as “external resolutions”) and resolutions passed by the Town of Oakville Council.

## Procedure

### External Resolutions

[Resolutions received from the Region of Halton, the City of Burlington, the Town of Halton Hills and the Town of Milton relevant to the business of the Town of Oakville \(town\)](#)

- ~~1. Resolutions received from the Region of Halton, the City of Burlington, the Town of Halton Hills and the Town of Milton relevant to the business of the Town of Oakville (town), when required, shall be the subject of a staff report and placed on the appropriate standing committee agenda. Circulatedda will be circulated to appropriate staff members and/or:-~~

2. ~~All other resolutions received shall be brought to the attention~~ Placed on the Council Information Package (CIP) of Members of Council through the weekly circulation of Council information items:-

3. Members of Council may request endorsement of any resolution at a regular Council meeting through a notice of motion or a request for report, in accordance with the Procedure By-law.

## Resolutions from Oakville Council

1. Unless otherwise instructed by Council, resolutions originating and passed by Oakville Council seeking endorsement will only be circulated to the municipalities within the Region of Halton and/or the appropriate municipal association and/or the appropriate senior levels of government for endorsement.

2. Comments or responses received as a result of circulated Oakville resolutions will be forwarded to Members of Council ~~as part of the weekly circulation in the~~ of Council information ~~items~~ Package.

## References and related documents

G-GEN-007 Agendas, Meetings and Resolutions policy

## Responsibilities

The Town Clerk shall be responsible for the administration and maintenance of this procedure.



# Submission and Distribution of Agenda Items for Council Meetings

|                       |                          |
|-----------------------|--------------------------|
| Procedure number:     | G-GEN-007-002            |
| Parent policy number: | G-GEN-007                |
| Section:              | Governance               |
| Sub-section:          | General                  |
| Author(s):            | Clerk's Department<br>[] |
| Authority:            | Council                  |
| Effective date:       | 2006-07-11               |
| Review by date:       | 2022                     |
| Last modified:        | 2017-01-30               |

## Purpose statement

This procedure defines the process and timelines for submission and distribution of agenda packages for Council and committee meetings and other mail delivery items for Councillors.

## Scope

This procedure applies to all departments in the Corporation of the Town of Oakville (town).

## Procedure

### Submission of Agenda Items

Proposed agenda items for inclusion on any Council or Committee agenda shall be submitted through the Electronic Agenda Management System (EAMS) in accordance with the established Council and Committee schedules and the Procedure By-law.

All agenda items shall be considered as draft reports until delivered as part of the agenda to all Members of Council.

## Council Agenda and Mail Delivery

- ~~1. Published agendas will be provided to Members electronically through EAMS and delivered in print to those who have requested. Delivery will take place on the same day as publishing or as appropriate (if multiple agendas are printed in one week, only one delivery will take place).~~
- ~~1. Council agendas shall be delivered to the Councillors' residences or provided electronically to Members of Council on Thursday evenings.~~
2. When a delivery date coincides with a public holiday or in the event of any mitigating circumstances that may affect delivery of agenda items, the Clerk's department shall advise the Members of Council and the Senior [Management Leadership](#) Team that delivery will be delayed or cancelled.
- ~~3. All items deposited in the Councillors' mailboxes by 3:30 p.m. every Thursday will be included in the Councillor's home delivery package. Should delivery be cancelled or delayed, departments are responsible for making alternate delivery arrangements for urgent or time sensitive material.~~

~~Where, due to time constraints, it is necessary for an item to be addressed at a given meeting but further time is required to prepare the staff report, the item shall be listed on the agenda noting the staff report will be distributed as an addendum.~~

## References and related documents

Procedure By-law

Agendas, Meetings and Resolutions Policy

## Responsibilities

1. Departments are responsible for submission of materials in accordance with established timeframes.
2. The Clerk's department is responsible for the administration and maintenance of this procedure.

---

# Public Meeting Protocol

|                       |                           |
|-----------------------|---------------------------|
| Procedure number:     | G-GEN-007-003             |
| Parent policy number: | G-GEN-007                 |
| Section:              | Governance                |
| Sub-section:          | [General]                 |
| Author(s):            | Clerk's Department<br>[ ] |
| Authority:            | Council                   |
| Effective date:       | 2006-07-11                |
| Review by date:       | 2022                      |
| Last modified:        | 2017-01-30                |

## Purpose statement

As a supplement to the Town of Oakville Procedure By-law, this procedure will establish appropriate meeting protocol for attendees at all public meetings, including Council, standing committees and advisory committees and shall determine procedures to be followed in the event of disturbances arising at meetings.

## Scope

This procedure applies to all attendees at public meetings, including Members of Council, staff and the public.

## Procedure

### 1. Decorum and Respect

The importance of decorum and respect for all participants at meetings shall be enforced by the Chair. Accordingly, the Chair shall advise attendees that the role of the Chair is to ensure the provisions of the Procedure By-law are upheld and shall inform those present of the general by-law provisions as follows:

- a) attendees at meetings shall maintain order by not applauding, heckling or engaging in any behaviour that would be disruptive or disrespectful to other attendees; and
- b) all cell phones and electronic devices shall be turned off or otherwise set so as not to emit any audible sound during a meeting.

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## 2. Inappropriate Behaviour – Harassment

Corporate policies support a positive and respectful workplace that is free from personal harassment. Attendees at meetings shall observe the rules of decorum and shall not make offensive statements that may be considered as personal harassment.

Where comments are made in the course of a meeting by a member or members of the public that, in the opinion of the Chair, constitute harassment or inappropriate behaviour, the Chair will advise the attendee(s) by stating that:

Such behaviour is inappropriate and will not be tolerated; or

Comments of that nature may constitute personal harassment under the town's Respectful Conduct policy and will not be tolerated.

Depending on the severity of the incident, and the willingness of the attendee(s) to comply with the policy, the Chair may expel or exclude any person who disturbs the meeting.

## 3. Expulsion from Meeting

Where attendee(s) have been requested to leave the meeting, such request shall be complied with and where such compliance is not forthcoming, the Chair shall recess the meeting and request the Clerk or Clerk's representative to enlist the assistance of security or police personnel.

Where deemed appropriate, the Chair or Council may determine that a delegation of Councillors or staff shall meet with the individual or group to address the dispute. Where the dispute has been determined to the satisfaction of Council or the Committee, it may resolve to permit any persons expelled from the meeting to return and, if deemed appropriate, continue to address the meeting.

## References and related documents

Procedure By-law  
Respectful Conduct Policy  
RZone Procedure  
Respectful Conduct Procedure  
[Customer Service Standards and Customer Conduct Policy](#)  
[Customer Conduct Procedure](#)

## Definitions

### Personal Harassment:

Personal harassment or bullying is any unwelcome, disrespectful, intimidating, abusive, cruel, vindictive or offensive behaviour, conduct or communications directed at an

individual or group. In some cases, it may erode their self-confidence or self-esteem and it may create an intimidating, offensive or embarrassing work environment often referred to as a Poisoned Work Environment.

Personal harassment may include, but is not limited to: name calling; insults; inappropriate jokes; threats; shouting; derogatory remarks (including messages that are threatening, derisive, or defamatory); spreading malicious rumours; persistent criticism and purposely ignoring any individual, exclusion.

## **Responsibilities**

1. The Chair shall be responsible to uphold the rules and the observance of order and decorum at meetings.
2. The Clerk or Clerk's representative shall assist the Chair by interpreting and administering the rules of procedure.
3. In accordance with the Procedure By-law, the CAO, or [his/her/their](#) representative shall be permitted to make a statement at meetings when the integrity of the CAO or other employee of the town has been impugned or questioned.
4. The town, as a corporate body, is obligated to respond to any issues of harassment exhibited in relation to its employees, elected officials and volunteers.
5. The Clerk or Clerk's representative shall be responsible for soliciting immediate security assistance when required.



# Committee of Adjustment Appeals

|                       |                                    |
|-----------------------|------------------------------------|
| Procedure number:     | G-GEN-007                          |
| Parent policy number: | G-GEN-007-004                      |
| Section:              | Governance                         |
| Sub-section:          | General                            |
| Author(s):            | Legal                              |
| Authority:            | Council                            |
| Effective date:       | 2013-12-16                         |
| Review by date:       | 5 years from Council approval date |
| Last modified:        | Council approval date              |

## Purpose statement

To provide direction respecting appeals of the town's Committee of Adjustment decisions to the provincial ~~Local Planning Appeal Tribunal (LPAT)~~ Ontario Land Tribunal (OLT).

## Scope

This procedure applies to Council and all staff in the consideration of appeals of decisions of the Committee of Adjustment (COA).

## Procedure

1. Whenever a decision of the COA is appealed to ~~LPAT~~ the OLT on behalf of the town by the Legal department, the Legal department will bring forward a confidential report seeking instructions from Council regarding town confirmation or withdrawal of the appeal and, if confirmed, town participation in the hearing.
2. Where the Director of Planning ~~& Development Services~~ ("Planning") or a member of Council makes a request for a town appeal prior to the expiry of the statutory appeal period, the Legal department shall file an appeal on behalf of the town. When the Legal department confidential report comes forward, Council ~~can~~ shall either ratify and instruct staff to continue with the appeal on behalf of the town, or direct the Legal department to withdraw the appeal. Planning staff or a Member of Council requesting an appeal shall provide the Legal department with the reasons for the appeal, in order that such information may be included in the appeal and the confidential report.

3. Where the COA approves an application ~~recommended for approval~~not objected to by the Planning department ~~staff~~, but there is a third party appeal, then the Legal department and the Planning department, as necessary, shall attend the Hearing to request ~~LPAT~~the OLT to impose any applicable conditions if the COA Approval is upheld. Town staff should only take a substantive position on the appeal if changes in the application are proposed by the Applicant and/or the Appellant or other Party, which, if approved by ~~LPAT~~the OLT, could have negative implications or ramifications for the town, such as:
  - a significant impact on town-wide issues or interests of the town;
  - an undesirable precedent with respect to the interpretation of the official plan and/or zoning by-law;
  - calling into question or undermining the interpretation of the official plan and/or zoning by-law; and/or,
  - an error at law.
4. If a substantive position needs to be taken, then the town position at any such Hearing shall be the same as taken by the Planning department before the COA, or if the application is changed, then as instructed by the Planning ~~Services~~ department. In this situation, no report to Town Council is necessary to authorize the actions by the Legal department and the Planning ~~Services~~ department under this paragraph.
5. Where the COA refuses an application ~~recommended for approval~~not objected to by the Planning department ~~by Planning department staff~~, but the applicant appeals such a decision, then the Legal department and the Planning ~~Services~~ department, as necessary, should attend the Hearing to request ~~LPAT~~the OLT to impose any applicable conditions if the COA refusal is overturned. In such circumstances, town staff should only take a substantive position on the appeal if subpoenaed by the Appellant or if called by the ~~Town~~town as to changes in the Application which are proposed by the Applicant and/or the Appellant or other Party which, if approved by ~~LPAT~~the OLT, could have negative implications or ramifications for the town, such as those described in section 3 above
6. If a substantive position needs to be taken, then the town position at any such Hearing shall be the same as taken by the Planning department before the COA, or if the application is changed, then as instructed by the Planning ~~Services~~ department. In this situation, no report to Town Council is necessary to further authorize the actions by the Legal department and the Planning ~~Services~~ department under this paragraph.
7. Where the COA approves an application ~~contrary to~~not in keeping with the Planning ~~Services~~ department ~~recommendation~~objection(s), the Legal department, in consultation with the Planning ~~Services~~ department shall, prior to the expiry of the statutory appeal period, launch an appeal to ~~LPAT~~the OLT based on the Planning

~~Services~~ department ~~recommendation~~ objection(s) to the COA, and as soon as reasonably possible thereafter report confidentially to Council. When the Legal department confidential report comes forward, Council ~~can~~ shall either ratify and instruct staff to continue with the appeal on behalf of the town, or direct the Legal department to withdraw the appeal.

8. Where the COA approves an application ~~recommended for approval~~ not objected to by Planning ~~Services~~ department staff but ~~has failed~~ fails to impose conditions on the approval as requested by town staff, the Legal department shall launch an appeal requesting ~~LPAT~~ the OLT to impose the conditions concerned and confidentially report to Council. When the Legal department confidential report comes forward, Council ~~can~~ shall either ratify and instruct staff to continue with the appeal on behalf of the town, or direct the Legal department to withdraw the appeal.
9. Where the COA approves an application ~~recommended for approval~~ not objected to by Planning department staff, but ~~has made~~ makes an error in law, legal staff shall launch an appeal requesting ~~LPAT~~ the OLT to correct the error at law and confidentially report to Council. When the Legal department confidential report comes forward, Council ~~can~~ shall either ratify and instruct staff to continue with the appeal on behalf of the town, or direct the Legal department to withdraw the appeal.
10. Where the COA refuses an application ~~where Planning Services department staff did not support the application in keeping with the Planning department objections(s)~~, and the Applicant appeals the decision, the Legal department and the Planning ~~Services~~ department shall attend the Hearing to request that ~~LPAT~~ the OLT refuse the Application based on the Planning ~~Services~~ department ~~staff position before~~ objection(s) to the COA, and to impose any applicable conditions if the COA refusal is overturned. No report to Town Council is necessary to further authorize the actions by the Legal department and the Planning department under this paragraph.
11. In other unique situations that may arise from time to time, the Legal department shall appeal the COA Decision prior to the expiry of the statutory appeal period and/or confidentially report to Council, as the case may be, seeking instructions from Council as to whether it wishes the town to participate ~~in an appeal at LPAT~~ in the OLT proceedings and if so, on what basis.

## Criteria

The criteria listed below ~~are to~~ shall be used to guide Council when the Legal department seeks instructions in respect of a ~~Town~~ town-initiated appeal of a COA decision.

A town appeal should generally be confirmed and the Legal and Planning ~~Services~~ departments directed to attend the hearing in one or more of the following circumstances:

1. Where in the case of a minor variance request, the COA Decision is not in keeping with any one of the four tests ~~for a successful minor variance~~ under subsection 45 (1) of the Planning Act and/or not consistent with the current Provincial Planning Statement(s) and/or not in conformity with any current provincial plans;
2. Where in the case of an application under subsection 45 (2) of the Planning Act , the COA Decision is not in keeping with any of the applicable tests for consideration of the application concerned under subsection 45 (2) of the Planning Act and/or not consistent with the current Provincial Planning Statement(s) and/or not in conformity with any current provincial plans ;
- ~~2.3.~~ Where in the case of a severance request, the COA Decision is not in keeping with the requirements of the Planning Act related to consents and subdivisions;
- ~~3.4.~~ Where the issues raised on appeal could have significant negative broader impacts or town-wide implications;
- ~~4.~~ Where the COA's decision is not in keeping with the general intent and purpose of Council's approved official plan and/or zoning by-law;
5. Where the COA's decision could set an undesirable precedent with respect to the interpretation of the official plan and/or zoning by-law, and/or call into question or undermine the proper interpretation of the official plan and/or zoning by-law;
6. Where the COA's decision, in the case of a severance, does not provide for the infrastructure, services, facilities, and other matters that are necessary for the creation of the new lot or lots concerned;
7. Where the COA has failed to impose conditions requested by staff, which are considered necessary if the ~~variance or severance~~application concerned is granted by the LPATOLT; and/or,
8. Where the COA has made an error in law.

## Settlements

1. As a general rule, in any appeal situation where the ~~Town~~town is involved, the Legal department, the Planning ~~Services~~ department, and any other appropriate staff, are encouraged and permitted to seek settlements that satisfactorily address the town's concerns.

2. When any appeal report is sent to Council, one of the standard recommendations shall be to authorize the Director of Planning & Development or designate and the Town Solicitor or designate to negotiate a settlement if at all possible in keeping with the town position on the particular ~~severance or variance request application~~.
3. Subject to paragraph 4 below, before finalizing and bringing a settlement forward for approval by ~~LPAT~~the OLT, the proposed settlement shall first be approved by the Mayor and the Ward Councillors.
4. Despite paragraph 3, town staff are permitted to negotiate and support settlements they believe are in keeping with the town position ~~approved by Council~~, before or at a hearing in front of the ~~LPAT~~OLT, when there is insufficient time to first show and obtain prior approval of the proposed settlement from the Mayor and the Ward Councillors. On those occasions, staff shall inform the Mayor and the Ward Councillors of the settlement as soon as reasonably possible thereafter.
5. Where a settlement is negotiated and is to be brought before ~~LPAT~~the OLT for approval, the Legal department, where there is no known opposition from neighbours or citizens to the settlement, may present the proposed settlement, including any amended application, to ~~LPAT~~the OLT on behalf of the town and the applicant, with such evidence as ~~Town~~town staff can provide.
6. Where a settlement is negotiated and is to be brought before ~~LPAT~~the OLT for approval, the Legal department, where there is known opposition by neighbours or other citizens to the applicant's proposal despite the proposed settlement, will not present the proposed settlement, including any amended application, to ~~LPAT~~the OLT on behalf of both the town and the applicant. Rather, the Legal department is to make it clear in such situations that it is the applicant's responsibility to prepare any amended application and present the settlement and the amended application to ~~LPAT~~the OLT for approval. The ~~Town~~town will only consent to the settlement and proposed amended application.
7. To encourage the negotiation of a mutually satisfactory settlement, the Legal department is authorized, when such a settlement is reached, to indicate to the applicant, where time is of the essence to the applicant, that at the applicant's option, the applicant may wish to file a new ~~second variance request~~ application reflecting the settlement to replace the original application, at the reduced fee for such applications in the town's Tariff of Fees and Charges. If the applicant pursues that option, the Legal department shall request the applicant as part of the settlement to consent to the town appeal on the first application being allowed, and the first ~~variance request application~~ being dismissed if the second application is approved by the COA with no appeals filed. If the applicant does

not wish to utilize this “second application” approach, then the applicant may choose to wait for the hearing date before ~~LPAT~~the OLT on the original application, where the original application can be amended in keeping with the settlement and approved as amended.

## Accountability and Transparency

Legal advice on the issue of the position of the town in respect of an ~~LPAT~~OLT hearing, or consideration of an appeal, is a matter subject to solicitor-client, as well as litigation privilege. As such, the confidential reports of the Legal department in accordance with this procedure are appropriately considered in a meeting or part of a meeting of Council that is closed to the public in accordance with subsection 292(2) of the Municipal Act, 2001.

In the case of confidential reports ~~of~~from the Legal department in connection with COA decisions, there ~~would need~~ be no separate or additional public report, but in most cases both the Council agenda and any Council resolution to resolve into closed session ~~would~~ should identify the specific COA decision and property that is at issue and the subject of the confidential legal report.

This would provide notice should any member of the public wish to delegate to Council ~~concerning same~~.

Once Council provides instructions to the Legal department, although the report of the Legal department ~~shall~~ remains confidential, ~~a public~~the Council resolution shall be ~~made public and~~ recorded in the minutes with the application and property identified.

Where the Council direction is to participate in or proceed with an appeal, the Legal department will advise the ~~LPAT~~OLT that the town will be ~~participating in the OLT proceedings including being~~ in attendance at a hearing based on the public resolution of Council.

## References and related documents

*Municipal Act, 2001*

## Definitions

~~“COA” means Oakville Committee of Adjustment~~

~~“LPAT ” means the Local Planning Appeal Tribunal.~~

## Responsibilities

The Town Solicitor or designate shall be responsible for ensuring compliance ~~of~~with this procedure and associated policy.]



# Securities

|                 |  |
|-----------------|--|
| Policy number:  | F-FPC-002                                      |
| Section:        | Finance  |
| Sub-section:    | Financial planning, development and investment |
| Author:         | Financial Planning                             |
| Authority:      | Council  |
| Effective date: | 2013-12-16                                     |
| Review by date: | 5 years from Council approval date             |
| Last modified:  | Council approval date                          |

## Policy statement

The Corporation of the Town of Oakville (hereinafter referred to as the “town”) regulates and administers various initiatives within the municipality in accordance with applicable standards, codes, by-laws, and legislation. To ensure compliance ~~to~~ with these requirements, the town may require that deposits or securities be submitted in connection with the related approval processes including, but not limited to;

1. Pre-servicing, servicing, subdivision, or condominium development agreements;
2. Site plan, re-zoning or land division applications;
3. The issuance of a building permit or a conditional building permit;
4. The issuance of a site alteration, tree or road cut permit;
5. Improvements to existing sites, where site plan approval or building permit is not required;
6. Damage deposits;
7. The procurement of supplies and services.

## Purpose

This policy supports the establishment of procedures to:

1. Identify the responsibility for the determination of the value of deposit or security requirements, through various means such as, town by-law, rate, or calculation of an amount sufficient to cover costs of completing/rectifying works etc.;
2. Establish responsibility for the custody and monitoring of deposits or securities;
3. Establish authority and procedures for acting on deposits or securities;, and

4. ~~Determining~~Identify procedures for determining when unclaimed deposits or securities will be forfeited to the town.

## Scope

This policy applies to all processes administered by the town that would require a deposit or security to be posted to ensure that the obligations required under those approval processes are met.

## References and related documents

Development Charges By-law

~~Purchasing By-law~~

Road Cut By-law

Site Alteration By-law

Site Plan Agreement

Subdivision/Development or Condominium Agreement

Building Policies, Procedures and By-laws

Planning Policies, Procedures and By-laws



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# Administration of Recreation and Culture Services

|                 |                                      |
|-----------------|--------------------------------------|
| Policy number:  | [MS-REC-004]                         |
| Section:        | [Municipal services]                 |
| Sub-section:    | [Recreation services]                |
| Author:         | [Recreation and Culture ]            |
| Authority:      | Council                              |
| Effective date: | 2016-11-14                           |
| Review by date: | <i>5 years from Council approval</i> |
| Last modified:  | <i>Council approval date</i>         |

## Policy statement

The Recreation and Culture department engages Oakville residents in meaningful, diverse and accessible recreation and cultural experiences that foster individual, family and community wellbeing.

## Purpose

This policy guides the direction for the Recreation and Culture department to administer its facilities, programs and services with emphasis on;

- Access: Increased access to programs and services across our community
- Community Capacity: Organizations and groups are better-equipped to meet community needs
- Quality: Relevant and effective programs, services and facilities

## Scope

The following services are delivered by the Recreation and Culture department.

1. Recreation and Culture Administration;
2. Recreation and Culture Programs, Services and Operations; and
3. Program Development and Support.

## **Definitions**

Recreation: is the experience that results from freely chosen participation in physical, social, intellectual, creative and spiritual pursuits that enhance individual and community wellbeing. (A Framework for Recreation in Canada 2015)

Culture: means people expressing their creativity and heritage. This includes everything from traditional dance and the making of culturally specific costumes, to electronic dance music and digital game design (Town of Oakville Cultural Plan)

## **References and related documents**

Administration of Recreation and Culture programs and services procedure  
Recreation and Culture Strategic Directions  
Town of Oakville Cultural Plan  
A Framework for Recreation in Canada 2015  
Parks, Recreation and Library Facilities Master Plan

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# Fee Assistance Recreation Connection Program

|                       |                        |
|-----------------------|------------------------|
| Procedure number:     | MS-SPR-002-004         |
| Parent policy number: | MS-SPR-002             |
| Section:              | Municipal services     |
| Sub-section:          | [Special requests]     |
| Author(s):            | Recreation and Culture |
| Authority:            | CAO                    |
| Effective date:       | 2013-12-16             |
| Review by date:       | 2029                   |
| Last modified:        | 2024-12-18             |

## Purpose statement

Fee Assistance Recreation Connection extends the benefits of municipal recreation and culture programs to an increased number of individuals who live in low-income conditions and are therefore less likely to afford current user fees. This procedure provides a process for accessing programs and services through the Fee Assistance Recreation Connection Program (hereinafter referred to as Recreation Connection or program).

## Scope

Recreation Connection is available to Oakville residents based on the economic need of individuals and families. Verification of income is required in order to confirm eligibility into the program. The process for gathering and recording income level and net individual/family income information outlined in this procedure complies with applicable legislation, including the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*.

## Procedure

### Enrollment

Enrolment in Recreation Connection will be aligned to the current annual budget allocation. Participants will be accepted on a first-come, first-served basis. Each approved, eligible Recreation Connection participant will be enrolled for a period of 12 months and receive a subsidy of ~~\$300~~\$400, in the form of an account credit, that can be applied to Town of Oakville Recreation and Culture registered programs, non-transferable memberships, and passes.

Registrations into the Recreation Connection program will be ongoing throughout the year. The first day of each customer's twelve-month enrolment period will be the date their credit is added to their account.

### Reapplying

Recreation Connection participants are responsible to reapply annually and must continue to meet all eligibility criteria. Applications may be made thirty days prior to the end of their current enrollment period to minimize delay of accessing programs and services.

### Unused credits

Any unused account credits remaining at the end of the customer's enrolment period cannot be carried over to the following year, transferred to another individual or family member, or redeemed for cash.

Credits can be applied to any active recreation or culture registration program, even if the start date is past the individual's year end date. For example, the customer's activation date is January 1 2025, with an expiry date of December 31<sup>st</sup> 2025. The customer may enroll in December 2025 for a new program period that starts in January 2026. For membership products, future dated membership will be allowed if it extends an existing membership.

### Qualifications

To qualify for the Recreation Connection program the applicant must be:

- be a resident of Oakville;
- have total net individual or combined family income below Low Income Cut-Off (LICO);
- provide recent official documentation that shows total family net income, and proof that all dependents are the legal responsibility of the adult and reside in the adult's household, using one or more of the following original statements/documents:
  - Notice of Assessment form (T451)
  - Canada Child Tax Benefit Notice

- [Goods and Services Tax/Harmonized Sales Tax Credit Notice;](#)
  - [Ontario Works \(OW\) Statement of Assistance;](#)
  - [Ontario Disability Support Program \(ODSP\) Statement of Assistance.](#)
- [Be referred to the program by an approved Community Organization](#)
  - Dependants under the age of 18 cannot apply as individuals. A parent or legal guardian must complete an application on their behalf.
  - Full-time post-secondary students are not eligible for Recreation Connection as universities and colleges provide recreational programs and fee assistance programs for their students.
  - Refugees and qualifying newcomers to Canada, residing in Oakville, are eligible to apply to Recreation Connection within the first year of receiving documentation indicating immigration status:
    - Confirmation of Permanent Residency (issued within one year)
    - Refugee Protection Claimant Documentation (issued within one year)
    - A document issued under a special program of the Immigration, Refugees and Citizenship Canada (IRC) such as a visa issued under Canada-Ukraine Authorization for Emergency Travel (CUAET) (issued within one year)
    - Immigration documentation is required for each member of the family. Applicants will be required to confirm residency by providing a bank statement or lease/rental agreement or a letter from a host family as applicable.

### **Application process**

Applications for Fee Assistance through Recreation Connection may be made at designated Town of Oakville Community Centres [or by virtual online appointment](#). A specific appointment time is not necessary [for in-person applications](#), however, may be arranged in advance by emailing [affordableaccess@oakville.ca](mailto:affordableaccess@oakville.ca) . Applicants are required to present the following documentation:

- Completed Recreation Connection application form, available online, at any recreation facility, or by mail;
- Proof of residency in Oakville (recent utility bill, lease agreement, driver's license);
- proof of total family net income or qualifying newcomers documentation
- and legal responsibility for all dependents listed on the application

### **Role of authorized Recreation and Culture staff**

Two staff members (minimum of one full-time) will be responsible to complete the following:

- Review customer's documents, ensuring confidentiality;
- Record on the application form the type of identification and documentation provided, including date and location received;
- initial the form and ensure it is initialed by the full-time staff member present;

- forward the completed and verified application form to [Support Services, Recreation and Culture Town Hall](#)
- advise applicants that they will receive written confirmation within approximately seven business days.

Staff authorized to process Recreation Connection applications will confirm that all areas of the application are complete and that the application form has been verified. Applicants who have been declined will be advised of the reason(s) and, if applicable, any steps they can take to make a successful application. A user account will be set up for successful applicants, if none exists, and the credit subsidy will be applied. Staff will provide (by mail/email) information and instruction to applicants on how to register for the programs of their choice, and advise them that credit will be drawn from the account as payment. All applications, both approved and declined, will be filed in a secure, confidential location at Town Hall.

### **Use of credit**

Once the subsidy credit has been applied to their account, Recreation Connection customers may register in available programs or purchase various memberships. All conditions related to recreation and culture programs, including: transfers, membership changes, withdrawals and missed classes apply.

### **Ineligible programs**

Programs and services that are ineligible for fee assistance due to higher program delivery costs or service model include, but not limited to;

- Oakville Centre for the Performing Arts ticketed events
- Sundry/material fees and concession items
- Facility rentals

The Director of Recreation and Culture, after careful consideration of the circumstances and in consultation with Recreation and Culture staff, may make exceptions on a case-by-case basis to accommodate individual requests.

## **References and related documents**

Community Assistance Policy  
CORE – Community Organizations in Recreation and Education  
Administration of Recreation and Culture Programs and Services (to be completed)  
Region of Halton subsidy programs – Child Care Subsidy & National Child Benefit  
Recreation Program  
Jump Start Sport Program – Canadian Tire  
[KidSport Canada- Halton Chapter](#)  
Recreation Connection Application Form |

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## Definitions

**Family:** The applicant, his/her/their spouse or common-law partner and all legal dependents.

**Family Net Income:** As defined by the Canada Revenue Agency (CRA), means the total of the applicant's net income and his/her/their spouse's or common law partner's net income.

**Low Income Cut-Off (LICO):** A measure of poverty calculated by Statistics Canada using an annual survey of incomes, and defines a set of **after tax (net)** income levels below which individuals are considered to be living under the poverty line. Cut-off levels vary with the number of family members and are adjusted periodically for inflation.

## Responsibilities

This procedure is to be followed by Recreation Staff under the supervision of Manager, Support Services.

## REPORT

### Council

**Meeting Date: January 27, 2025**

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**FROM:** Parks and Open Space Department

**DATE:** January 14, 2025

**SUBJECT:** **Funding Request – Dredging Oakville Harbour Related to July 2024 Rainfall Event**

**LOCATION:** Oakville Harbour

**WARD:** Ward 2

Page 1

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#### **RECOMMENDATION:**

That Council the 2025 capital budget be amended to add a capital project entitled Oakville Harbour Dredging – July 2024 Storm Impacts with a budget of \$1,500,000 funded from the Storm Event Reserve.

#### **KEY FACTS:**

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

- On July 16, 2024, Oakville experienced a very heavy rainfall event that caused the level of the Sixteen Mile Creek to significantly rise in water level and speed of the current. This rainfall event was the 5<sup>th</sup> in a six (6) day period within the jurisdictional boundaries of Conservation Halton. A synopsis of the July 16 and preceding days rain events has been provided by CH and included as Appendix A.
- The significant rise in the water level and speed of the current resulted in substantial damage to infrastructure and vessels within Oakville Harbour. Approximately 600 feet of dockage was displaced at Hillmer Park and that dockage, with multiple vessels attached, broke loose and travelled down the Harbour and out into Lake Ontario.
- One of the outcomes of the July 16 rainfall event was the large amount of silt deposition within areas of Oakville Harbour. The accumulation of silt created significant navigational problems for multiple sailboats during the latter part of the 2024 recreational boating season and, unless removed, will create navigational problems within Oaville Harbour during the 2025 recreational boating season.



- Staff are recommending a capital project be created to remove approximately 8,900 m<sup>3</sup> of silt from Oakville Harbour. Staff estimate the cost to be approximately \$1,500,000. Staff are recommending the project be funded from the Storm Event Reserve. This project could not be included in the 2025 Budget process because proper depth soundings and bathymetry data produced to determine volume of silt and estimated cost for removal could not take place until all boats and docks had been removed from the harbour for the season (1<sup>st</sup> week of November).

## **BACKGROUND:**

On July 16, 2024, a very heavy rainfall event occurred in Oakville, mostly centred over the watershed of the Sixteen Mile Creek. That day concluded with 5 rain events within a six (6) day period within Conservation Halton (CH) jurisdictional area. Overall, between July 10 and July 16, CH's jurisdictional area received between 100 mm and 220 mm of total rainfall from five (5) weather events. This rainfall can be attributed to remnants of Hurricane Beryl. As a result, on July 16, the ground was saturated and the Sixteen Mile Creek and other creeks throughout the town were running at well above normal levels.

On July 16, the Sixteen Mile Creek was extremely high and operating at a very high velocity. This caused damages to the harbour by breaking docks and boats away from their moorings; large trees were uprooted and debris flowed downstream and carried a significant amount of sediment. As the flow of water made its way through Oakville Harbour, the sediment gradually settled in the harbour. Once the cleanup from the storm was completed, the Town's Harbours section was inundated with calls of significant sediment in the harbour where a number of boats were running aground within the Harbour where they normally did not just a week before.

The Harbours section continued to monitor the sediment complaints from the boating community to isolate problematic areas. In October 2024, and once all the docks and boats had been removed for the season, Harbour's staff completed a comprehensive bathymetry survey of Oakville Harbour to review the entire harbour for areas and depth of sediment deposition.

Based on the bathymetry data, an estimated 8,900 m<sup>3</sup> of sediment has been identified to have settled in the harbour and causing significant navigation challenges for the boating community. If not removed by spring 2025, this sediment will cause significant navigational challenges for many keel sailboats during the 2025 recreational boating season. To undertake a complete and comprehensive audit of the silt buildup in the harbour from the July 16 storm event, staff had to wait until all docks and vessels were removed from the Harbour before soundings could be undertaken to produce the bathymetry data.

**COMMENT/OPTIONS:**

Over the last 30 years, typical dredging for Oakville Harbour is every 10 years and Bronte Harbour every 7 years. The next scheduled major dredge for Oakville Harbour was estimated to be in the next 2-3 years depending on bathymetry data assembled each year. Unfortunately, the storm events on July 16, 2024 have resulted in significant silt deposition within the Harbour and, if not removed, will have serious navigational consequences on the 2025 recreational boating season.

Staff are recommending approval of a capital project to remove an estimated 8,900 m<sup>3</sup> of silt from various sections of the harbour. Unless the silt is removed, many sailboats will not be able to navigate the harbour during the 2025 recreational boating season, especially from late July onwards when lake levels historically drop. This not only impacts Town mooring customers, but also members of the Oakville Yacht Squadron as well as the Oakville Club.

Financing

Staff have estimated the cost associated with removal of 8,900 m<sup>3</sup> of silt to be approximately \$1,500,000 based on previous dredges. That number can fluctuate depending on the vendor's mobilization costs. In addition, there may not be enough capacity at the closed 4<sup>th</sup> Line landfill site so a portion of the material may have to be dumped at an alternative location. This would be an additional cost.

Presently, there is also approximately \$325,000 in funds from previously approved dredge projects. Staff will also utilize these funds as required. Any surplus funds from existing dredge projects or the proposed 2025 capital project would be returned to their respective funding sources, at the conclusion of the project.

In discussion with Finance staff, it is recommended to fund the capital project from the Storm Event Reserve. This reserve was established to fund unforeseen weather events such as significant winter control, wind, ice, or rainstorm events. At present the Storm Event Reserve has a balance of \$5.48 million so there are adequate funds available for this work.

**CONSIDERATIONS:**

**(A) PUBLIC**

Unless the silt is removed from Oakville harbour before the 2025 recreational boating season, a large number of Town and Club boaters will be negatively impacted by the sediment deposition within the harbour.

**(B) FINANCIAL**

The estimated cost for the dredging project is \$1,500,000. Staff are recommending the dredge project be funded from the Storm Event Reserve which has a current balance of \$5.48 million. There is also \$325,000 in funds previously approved and remaining from previous dredging projects that is also available. Any surplus funds will be returned to the appropriate source of funding.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

This report has been prepared with the assistance of the Finance dept.

**(D) CORPORATE STRATEGIC GOALS**

This report addresses the corporate strategic goal(s) in the areas of Livability and Accountable Government.

**(E) CLIMATE CHANGE/ACTION**

Southern Ontario including Oakville is experiencing more intense and frequent rainfall events. This aligns with the Government of Canada's April 2019 Changing Climate Report which notes that Canada is experiencing warming at twice the rate of the rest of the world. The rainfall experienced from July 10-15, 2024 is such an example, with the volume and intensity of the rainfall on July 16, 2024 a prime example of how our climate is changing. The changeover from wood docks to tubular steel docks is one adaptation the Harbour section is undertaking to become more resilient to these intense and frequent storms.

**APPENDICES:**

Appendix A – Conservation Halton Weather Event Fact Sheet – July 10-16, 2024

Prepared by:

Chris Mark, Director Parks and Open Space

Recommended by:

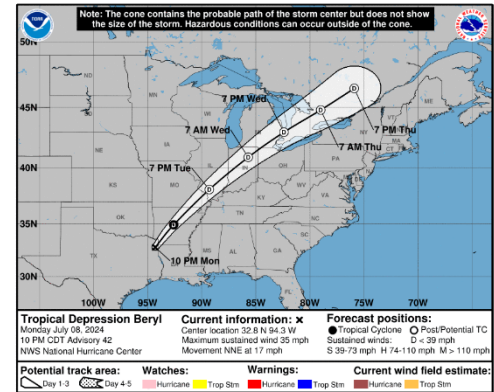
Paul Damaso, Commissioner, Community Services

# WEATHER EVENT FACT SHEET

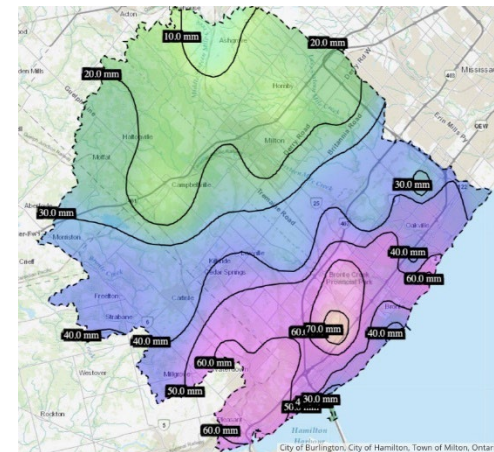
July 10 to July 16, 2024  
Five Events in Six Days

## WEATHER DETAILS

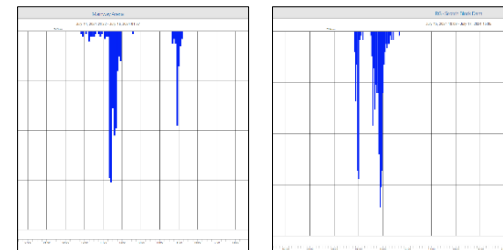
- Remnant Hurricane (Tropical Depression) Beryl was projected to track northerly from the United States toward Southern Ontario and arrive in the early hours of Wednesday, July 10, 2024.
- Rainfall started at approximately 4:00 a.m. EST<sup>1</sup> on Wednesday, July 10, and continued until approximately 7:00 a.m. EST on Thursday, July 11, with 40 to 70 mm of rainfall recorded at rain gauge stations within Conservation Halton's (CH) jurisdiction, consistent with the amounts forecasted by Environment Canada.
- On Friday, July 12, additional torrential rain fell in CH's jurisdiction, without any lead-up alerts issued by Environment Canada. Rain began at 3:00 p.m. EST and continued until approximately 7:00 p.m. EST with up to 52 mm of recorded rainfall.
- On Sunday, July 14, additional heavy rain fell in CH's jurisdiction; rain began at 12:00 p.m. EST and continued until approximately 2:00 p.m. EST with up to 28 mm of recorded rainfall.
- On Monday, July 15, Environment Canada released a Rainfall Warning for the area. Rain began at 9:00 a.m. EST and continued until approximately 4:00 p.m. EST with 8 to 74 mm of recorded rainfall.
- On Tuesday, July 16, Environment Canada released a Severe Thunderstorm Warning followed by a Rainfall Warning for CH's jurisdiction. Rain began at 7:00 a.m. EST and continued off-and-on until approximately 11:00 p.m. EST with 13 to 79 mm of recorded rainfall.
- Overall, between July 10 and July 16, CH's jurisdiction received between 100 and 220 mm of total rainfall from the five (5) weather events.



Probable Path of Beryl's Storm Centre to July 10, 2024 (NOAA)

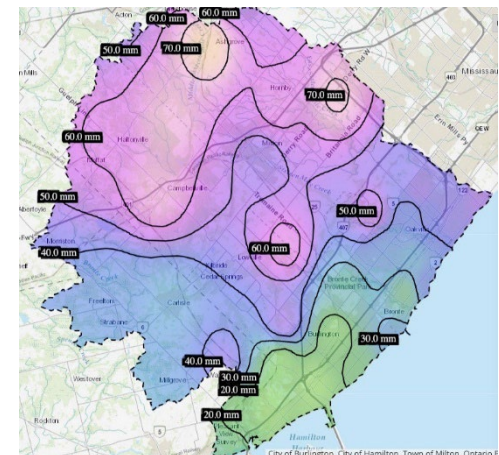


Total Precipitation Depth Map - July 15, 2024



Mainway Arena Rain Gauge  
74.2 mm Recorded on July 15

Scotch Block Dam Rain Gauge  
79.6 mm Recorded on July 16

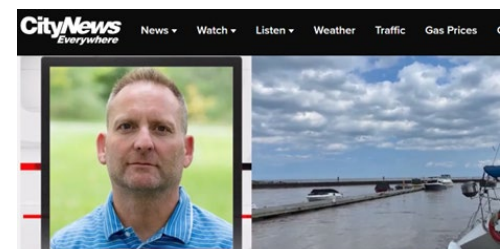
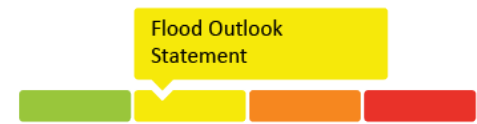


Total Precipitation Depth Map - July 16, 2024

<sup>1</sup> Monitoring systems utilize Eastern Standard Time (EST), regardless of the time of year.

## CONSERVATION HALTON ACTIONS

- CH issued a **Watershed Conditions Statement – Flood Outlook** on Tuesday, July 9, to provide early notice of the potential for riverine flooding based on the forecasted rainfall accumulation.
- CH extended the **Watershed Conditions Statement – Flood Outlook** on Saturday, July 13, given that upward of 100 mm of total rainfall was recorded from remnant Hurricane Beryl and subsequent thunderstorm activity.
- CH issued a **Flood Watch – Message #1** on Monday, July 15, notifying emergency services (police, fire); school boards; Halton Region; local municipalities; and the public that watercourse flooding was likely. The Flood Watch Message advised that municipal emergency services and individual landowners in flood-prone areas should prepare for potential flooding.
- CH issued a **Flood Warning – Message #1** on Tuesday, July 16, magnifying the existing Flood Watch because of information gathered by staff circuiting the watershed.
- Staff monitored weather forecasts and the real-time watershed monitoring network, including flood control dams and channels, rain gauges, and stream gauges. Staff operated flood control dams to prevent further flooding in downstream areas and carried out flood observations throughout the watershed.
- Staff communicated with key personnel at local municipalities, Halton Region, and Peel Region to provide flood observation information and confirm municipal actions to date.
- Staff responded to requests from local media and provided local weather details and information relating to riverine flooding within CH's jurisdiction.



Telephone Interview with CityNews



- Staff continued to provide regular weather and watershed updates to the Halton Region Emergency Management Group, for inclusion in Situation Reports.
- Staff carried out follow-up field observations on Wednesday, July 17, to re-assess conditions in flood sensitive areas within the watershed.
- CH issued a **Termination of Flood Warning & Issuance of Watershed Condition Statement – Water Safety** on Wednesday, July 17, at 5:00 p.m., notifying emergency services (police, fire); school boards; Halton Region; local municipalities; and the public that water levels in streams had peaked and no further flooding was expected, however, high flows, unsafe banks, or other factors could still be dangerous to the public.



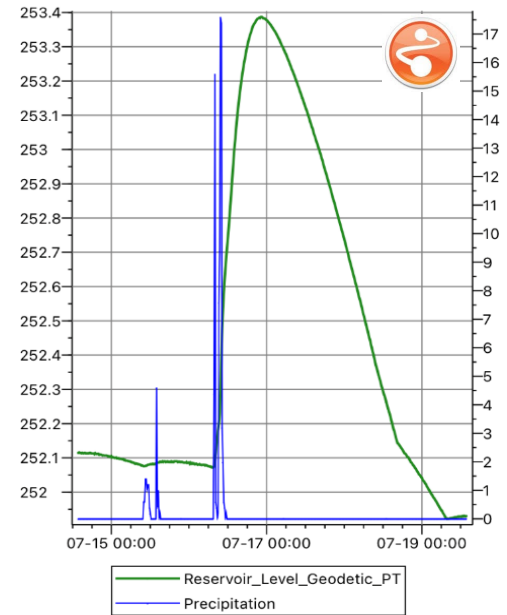
## WATERSHED RESPONSE

### Flood Control Dams

- Water levels within CH's flood control reservoirs increased significantly due to the large runoff volume and dam discharge operations were carried out to mitigate flooding of areas immediately downstream.
- Conditions were monitored using DataCurrent real-time monitoring software and the Campbell Scientific (CS) LoggerLink mobile application.
- Frequent visual observations of immediate downstream areas were completed to ensure there were no adverse impacts from dam operations.

### Flood Conveyance Channels

- Visual observations were completed along Milton and Hager-Rambo flood conveyance channels.
- Water levels were observed near the top of the concrete lining in the Milton Channel, but flows remained within the overall channel cross section.
- Water levels in the Hager-Rambo channel increased by over 1.6 m but remained within the channel.
- No debris blockages or other issues were identified.



Scotch Block Dam Reservoir Level and Hyetograph July 15-19, 2024



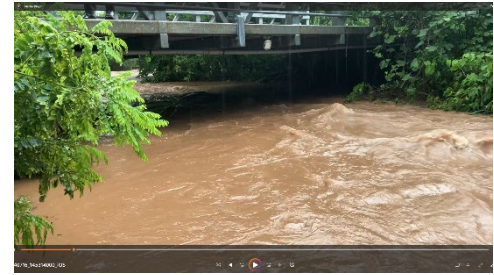
Hager-Rambo Creek Outlet at Maple Avenue – July 13, 2024

## Natural Watercourses

- The smaller urban streams flowed above bank-full conditions; these streams had not returned to baseflow levels due to the chain of rainfall events. Creeks in Burlington peaked on Monday, July 15, while urban creeks in Oakville peaked on Tuesday, July 16.
- Lower reaches of larger watersheds, including Fourteen Mile Creek, Bronte Creek, Grindstone Creek, and Sixteen Mile Creek exceeded bank-full conditions and extended into natural floodplain areas, but were well within the defined valley lands.
- Roadway overtopping was observed on Tuesday, July 16, at numerous locations, most notably in the Sixteen Mile Creek and Bronte Creek watersheds, as shown in the photos taken by staff during RiverWatch patrols.
- Halton Regional Police and municipal response teams installed warning signage and closed roads accordingly.
- Localized flooding along roadside ditches and depressional areas were also noted in most areas.

## Our Shoreline

- No significant wave action or shoreline flooding was reported in CH's jurisdiction during the storm events.
- CH's real-time shoreline monitoring cameras captured numerous docks and moorings that had broken free and were carried into Lake Ontario due to elevated flood levels and extremely high velocities at the mouth of Sixteen Mile Creek on Tuesday, July 16.



Sheldon Creek at Shell Park Stream Gauging Station – July 16, 2024



East Sixteen Mile Creek at Lower Baseline Road West (WSC Gauge 02HB004) – July 16, 2024



Roadway Flooding – Britannia Road & Bell School Line – July 16, 2024



Roadway Flooding – Steeles Avenue at 6<sup>th</sup> Line – July 16, 2024



Shoreline - Sixteen Mile Creek at Tannery Park – July 16, 2024



## POST-EVENT FOLLOW-UP ACTIONS

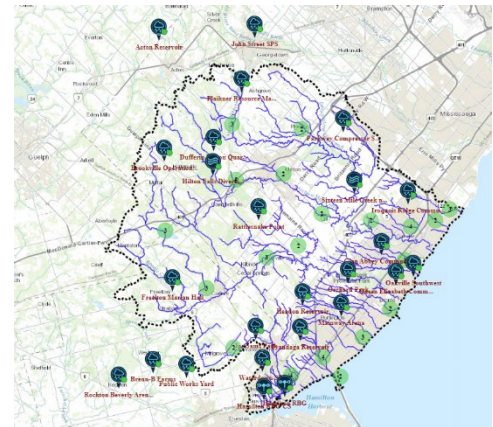
- Monitored the long-term forecast and real-time watershed monitoring network, completed high flow measurements, and recorded high water level observations;
- Operated flood control dams and stabilized discharge and reservoir levels;
- Followed up with municipalities to confirm any additional records of flooding or shoreline erosion damage;
- Participated in post-event meetings with municipal partners and provided available detailed weather and watershed monitoring data as requested; and
- Additional photo and video documentation was completed for archival purposes.

## CONTACTS:

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 Website: [www.conservationhalton.ca](http://www.conservationhalton.ca)



Conservation Halton Near Real-Time Watershed Monitoring Network  
 (DataCurrent - Smart City Water)



High Flow Measurements – Sixteen Mile Creek at  
 Appleby Line – July 16, 2024





# REPORT

## Council

**Meeting Date: January 27, 2025**

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**FROM:** Municipal Enforcement Services Department

**DATE:** January 14, 2025

**SUBJECT:** Election Sign By-law 2025-016

**LOCATION:** Town-wide

**WARD:** Town-wide

Page 1

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### RECOMMENDATION:

1. That By-law 2025-016, a by-law to regulate election signs in the Town of Oakville attached as Appendix A to the report from Municipal Enforcement Services dated January 14, 2025, be passed.
2. That By-law 2025-017, a by-law to amend Sign By-law 2018-153 attached as Appendix B to the report from Municipal Enforcement Services dated January 14, 2025, be passed.
3. That By-law 2025-018, a by-law to amend Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 attached as Appendix C to the report from Municipal Enforcement Services dated January 14, 2025, be passed.
4. That the item labeled as “Deposit - Election Signs” in the Rates and Fees Schedule be changed to “Election Sign Permit Fee” effective immediately, and such change be included in the Rates and Fees Schedule.

### KEY FACTS:

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

- Election signs have historically been governed by the Town’s Sign By-law 2018-153

- Separating election sign regulations from Sign-By-law 2018-153 will make locating applicable regulations easier for candidates, their campaign teams, registered third party advertisers and registered referendum committees
- By-law 2025-016, a stand-alone election sign by-law (the "Election Sign By-law") attached as Appendix A to this report will cover Federal, Provincial and Municipal Elections, registered third party advertisers and federal referendums
- Should By-law 2025-016 be approved, Sign By-law 2018-153 and Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 will require amendments, as shown in By-law 2025-017 attached as Appendix B and By-law 2025-018 attached as Appendix C to this report
- Public engagement results are attached as Appendix D to this report
- An excerpt from Sign By-law 2018-153 containing the current election sign regulations is attached to this report as Appendix E and a Table of Changes comparing election sign regulations currently in the Sign By-law and proposed in the Election Sign By-law is attached to this report as Appendix F
- Should By-law 2025-016 be approved, the title of the current item for the deposit for election signs in the rates and fees schedule is proposed to be changed to "election sign permit fee". The amount is not proposed to change.
- A confidential report from Legal regarding election signs is included on the agenda for this meeting

**BACKGROUND:**

A Notice of Motion respecting election sign regulations was presented to Council for consideration at its meeting of January 30, 2023. This Notice of Motion was referred to staff to "undertake community consultation and report back, including legal advice, on the existing by-law regulations and availability of election signage, and options to further regulate and prohibit election signage, including third party elections signs on public property and the resources and cost of implementation and that the information provided from the public and Council be received".

Election signs are currently governed by Sign By-law 2018-153 (the Sign By-law). It is cumbersome for candidates and members of the public to navigate the Sign By-law to find election sign regulations. As such, Municipal Enforcement Services (MES) staff has prepared the Election Sign By-law, attached as Appendix A to this report to regulate election signs independent of the town's Sign By-law. The

proposed Election Sign By-law covers Federal, Provincial and Municipal Elections, as well as registered third-party advertisers. Provisions have also been added to include federal referendum committees.

The review of election sign regulations for the Town of Oakville has been conducted with consideration of the following factors

- clarifying and simplifying language;
- balancing the interests of candidates, registered third party advertisers, registered referendum committees, voters and staff to ensure an equitable election process;
- ensuring the provisions of the by-law are enforceable;
- ensuring that health and safety is protected; and
- providing standards that are unbiased and consistent.

A municipal scan was conducted to examine how various municipalities regulate election signs, focusing on practices that enhance compliance and address community concerns. The scan reviewed election sign regulations across several municipalities, uncovering a range of approaches.

All municipalities regulate:

- the permissible timeframe for posting and removing election signs to minimize visual clutter.
- remove all signs found to be in non-compliance
- standards for signs (e.g. no illumination, not on fences, not at voting locations)

Some municipalities restrict:

- sign placement, prohibiting signs on public property or within specific distances from intersections to ensure traffic safety and avoid obstructions.
- size of signs
- number of signs per candidate

Additionally, some jurisdictions require candidates to obtain permits or pay deposits, encouraging accountability for sign removal post-election, and establish a process for candidates to retrieve signs that were seized for non-compliance with the by-law. This diverse range of practices provided options to consider for developing a balanced and effective election sign by-law.

#### **COMMENT/OPTIONS:**

Election signs remain an important communication tool for many candidates to promote their campaigns, as well as a means of alerting the voting public of an upcoming election.

Prior to developing the Election Sign By-law, MES consulted with residents of Oakville to gather their feedback on the use of elections signs in the municipality. An online questionnaire regarding election signs was available on the town's website for 21 days in March 2024. Notification of the questionnaire was provided to persons running in the 2022 municipal election for offices on Oakville Council, for the office of Regional Chair and for School Board Trustees. Riding associations for provincial and federal parties were also provided with the questionnaire. 317 responses to the online questionnaire were received and reviewed by MES. The results of this consultation are attached as Appendix D to this report.

The questionnaire identified the following respondents' answers:

- 55% of respondents indicated they consider elections signs as a distraction while driving
- 73% of respondents indicated they consider election signs as visual clutter
- 63% of respondents thought the current display period of 45 days prior to an election is too long
- 30% of respondents would like to see the distance of area that a candidate can place between their signs increased from 10m to 20m
- 87% of respondents would like there to be a size limitation for an election sign
- The majority of respondents indicated that they would like to allow 30 days prior to an election for election signs to be displayed
- The majority of respondents indicated that their number one concern is election signs blocking visibility on streets
- The majority of respondents would like to see election signs only allowed in designated locations throughout the town

MES also held 8 public open houses, 1 at Town Hall and 1 in each of the seven wards. The open houses were advertised through several methods:

- Councillors
- Website updates
- All valid Residents Associations
- All Business Improvement Area Associations

During these sessions, attendees were invited to provide feedback on specific questions related to election sign regulations. Approximately nine members of the public attended the open houses.

The feedback gathered during these meetings and the questionnaire informed the development of the proposed Election Sign By-law.

### *Proposed Changes to Current Election Sign Regulations*

An excerpt of election sign regulations contained in the Sign By-law is attached to this report as Appendix E. During the review of current election sign provisions and the public's feedback, the following issues were identified by MES:

- The cumbersome nature of accessing election sign provisions in the Sign By-law;
- The proliferation of election signs resulting in sign blight;
- The challenges with administering the current sign deposit program;
- Enforcement challenges;
- The storage of signs removed by MES due to non-compliance with the Sign By-law;
- Election sign location maps per ward were reviewed to ensure regional roads are not included.

The Election Sign By-law proposes the following changes respecting election signs to address the issues noted above:

#### 1. Reduction of Sign Blight by:

- Reducing the current display period for election signs prior to voting day from 45 days to 30 days for a municipal election. The display period for Federal and Provincial elections remains unchanged. The Clerk's Department has confirmed that the reduction to 30 days prior to voting day will provide sufficient time for election signs to be displayed prior to advance voting days.
- Prohibiting the placement of an election sign on a road allowance or boulevard adjacent to a residence, excluding multi-unit residences such as apartment buildings and condominiums, except where the occupant of the dwelling has agreed to the location and the location otherwise complies with the By-law. The occupant must be advised of the size of the election sign prior to its installation. The Election Sign By-law also provides that an occupant may remove an election sign that has been placed on an adjacent road allowance or boulevard without their consent.
- Limiting the size of an election sign to a maximum of 1.22 metres in height and width and a sign area of 1.49 square metres.
- Increasing the required distance between election signs for the same candidate from 10 metres to 20 metres which will help to reduce visual clutter. For instance, on a 40-metre road, the current 10-metre spacing allows up to 5 signs, whereas increasing the distance to 20 metres would limit the number to 3. This change reduces the concentration of signs in a single area, creating a cleaner, more organized appearance in public spaces and

preventing streets and neighborhoods from being overwhelmed by excessive signage.

Current distance between election signs for same candidate:



Proposed distance between election signs for same candidate:



## 2. Election Sign Permits:

Currently a candidate and registered third party advertiser must submit a deposit before they are able to display election signs. Current election signs regulations do not include registered referendum committees. A total of 46 sign deposits, amounting to \$9,430, were collected during the 2022 municipal election. Costs for administering the program are not recovered under the sign deposit. Fees for election sign enforcement (the removal of non-compliant signs during the election period and following voting day) are deducted from the deposit by MES administration staff. Administration staff reimburse any remaining funds to the candidate/registered third party advertiser or prepare invoices for any fees charged exceeding the deposit. This is a time-consuming process for MES administration staff, requiring a great deal of tracking and documentation.

To simplify this process, the proposed Election Sign By-law requires that candidates, registered third party advertisers and registered referendum committees obtain an election sign permit prior to displaying their election signs. To streamline the permit process, applications will be submitted and permits issued online. The permit fee is non-refundable and non-transferrable, so there will be no reimbursement to candidates, registered third party advertisers or registered referendum committees. A separate fee will still apply for retrieving signs removed due to non-compliance. MES is proposing that the election sign permit fee remain the same as the current sign deposit fee, approved in the Rates and Fees By-law.

## 3. Enforcement:

The majority of election sign enforcement during the 2022 municipal election was complaint based, with:

- 70 calls for service received;
- 258 election signs removed by officers following a complaint and 114 signs proactively removed for a total of 372 signs removed prior to voting day;
- 32 election signs removed on voting day and 50 signs removed after voting day (the current requirement to remove elections signs 72 hours after voting day has been included in the proposed Election Sign By-law);

MES also attends the sign storage facility for the retrieval of election signs by candidates and registered third party advertisers. There were 16 scheduled sign pick-ups from candidates who had signs removed prior to and after voting day. MES anticipates that increasing the required distance between election signs for the same candidate from 10 meters to 20 meters could help reduce the overall number of signs displayed. Further, language has been added to the proposed Election Sign By-law that clarifies that candidates, registered third party advertisers and registered

referendum committees, as the case may be, are responsible for the placement, maintenance and removal of election signs and shall ensure that all requirements of the by-law are met. This clarification aims to eliminate any confusion regarding accountability for compliance with the By-law.

#### 4. Storage of Signs Removed by MES for Non-Compliance

The current process under the Sign By-law for the retrieval of election signs removed for non-compliance has not been changed, except for the number of days following voting day that the signs will be stored. Currently, elections signs that are not retrieved within 30 days of voting day may be destroyed. The Election Sign By-law provides that any election sign remaining in storage seven business days following voting day may be destroyed without notice.

Storage space is limited for all signs removed for non-compliance with the Sign By-law, not just election signs.

#### *Amending By-laws*

If the Election Sign By-law is approved, Sign By-law 2018-153 will have to be amended to delete references to election signs and Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 will have to be amended to add the Election Sign By-law as a designated by-law. By-law 2025-017 and By-law 2025-018 attached to this report as Appendix B and C provide for these amendments.

#### *Sign Material*

Some public feedback raised concerns about the environmental impact of election signs. MES investigated the availability of biodegradable election signs and found that it is challenging to find a supplier in Ontario and that these signs could be cost-prohibitive for some candidates. To ensure a balanced and equitable election process, the Election Sign By-law does not set environmental standards however, supports an overall reduction of signs used.

### **CONSIDERATIONS:**

#### **(A) PUBLIC**

- Persons that provided contact information and answered the questionnaire during the public engagement have been notified of the report and date of the Council meeting.
- Political parties have been notified of the report and date of the Council meeting.



- Notice of the report and date of the Council meeting was posted on the Town of Oakville website.
- Results of the public engagement are attached as Appendix D.
- The town’s website will be updated prior to any election to provide candidates, registered third party advertisers and registered referendum committees with information regarding election signs and the placement of election signs to encourage compliance with the Election Sign By-law.

**(B) FINANCIAL**

- MES expects to avoid costs in administration staff time by instituting a non-refundable election sign permit rather than the current sign deposit. Overtime costs will continue, similar to under the current election sign regulations, for enforcement of the Election Sign By-law.
- Fees will continue to apply for election sign permits, sign retrieval, and the removal of election signs 72 hours after voting day. While no changes to the current election fees are proposed, if the Election Sign By-law is approved, the Rates and Fees item titled "Deposit - Election Signs" will need to be renamed "Election Sign Permit." This change will result in additional revenue, as permit fees will no longer be refunded to candidates.
- The Election Sign By-law provides for issuance of fines or administrative penalties for non-compliance with the By-law.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

- Municipal Enforcement Services, Transportation and Engineering, Planning, Clerks and Legal departments have been involved in the review process for this report.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses the corporate strategic goal(s) to:

- enhance our economic environment
- continuously improve our programs and services
- provide outstanding service to our residents and businesses
- be accountable in everything we do
- be the most livable town in Canada

**(E) CLIMATE CHANGE/ACTION**

N/A

**APPENDICES:**

Appendix A – By-law 2025-016, a by-law to regulate election signs in the Town of Oakville

Appendix B – By-law 2025-017, a by-law to amend Sign By-law 2018-153

Appendix C – By-law 2025-018, a by-law to amend Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038

Appendix D – Public consultation results

Appendix E – Excerpt from Sign By-law 2018-153 respecting election signs

Appendix F – Table of Changes

Appendix G – Election Sign Location Maps Per Ward

Prepared by:

Andrew Eldridge, Municipal Standards Investigator

Recommended by:

Selena Campbell, Director, Municipal Enforcement Services

Submitted by:

Ralph Kaminski, Acting Commissioner of Community Development



**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-016**

A by-law to regulate election signs in the Town of Oakville

**WHEREAS** subsection 11(3) of the *Municipal Act, 2001* S.O. 2001 c. 25, as amended (the “Municipal Act”) authorizes municipalities to pass by-laws respecting signs;

**WHEREAS** subsection 63(1) of the Municipal Act provides that a by-law may prohibit or regulate the placing or standing of an object on or near a highway, and may provide for the removal and impounding or restraining and immobilizing any object placed or standing on or near a highway;

**WHEREAS** subsection 425(1) of the Municipal Act provides that a municipality may pass by-laws providing that a person who contravenes any by-law of the municipality passed under the Act is guilty of an offence;

**WHEREAS** subsection 434.1(1) of the Municipal Act provides that a municipality may require a person, subject to such conditions as the municipality considers appropriate, to pay an administrative penalty if the municipality is satisfied that the person has failed to comply with a by-law of the municipality passed under this Act;

**WHEREAS** Sign By-law 2018-153, as amended, regulates signs within the Town of Oakville, other than election signs;

**COUNCIL ENACTS AS FOLLOWS:**

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## 1. Definitions

(1) In this By-law:

**“Administrative Penalties for Non-Parking Violations and Orders By-law”**  
means the Town’s By-law 2021-038, or successor by-laws;

**“Agent”** means a person duly appointed by the candidate to act on their behalf;

**“Boulevard”** means that part of the highway situated between the curb line and the property line of the lot abutting the highway, but does not include a sidewalk, shoulder or combined facility, if any;

**“Campaign Office”** means a building or portion of a building which is used by a candidate or an agent of a candidate as part of an election campaign and where a candidate's campaign staff are normally present, and the public may enter to obtain information regarding the candidate;

“**Candidate**” means a person who has been nominated under the *Canada Elections Act*, S.C. 2000, c. 9, the *Election Act*, R.S.O. 1990, c. E.6 or the *Municipal Elections Act*, 1996, S.O. 1996, c. 32, Sched.;

“**Cenotaph**” means a monument or memorial to people who died in war, specifically those who are buried elsewhere, that is located on Town property;

“**Construction Zone**” is an area where construction, repair or maintenance work is being performed on a highway;

“**Corporate Brand**” refers to the unique corporate identity, standards, and images associated with the Town, including the Town’s name, logo, visual design (including colours), values, messaging, and overall community strategy;

“**Council**” means the Council of the Corporation of the Town of Oakville;

“**Designated Official**” means the Director of Municipal Enforcement Services, or designate;

“**Election Sign**” means a double or single-faced sign advertising or promoting the election of a candidate for public office in a federal, provincial or municipal election, including signs promoting the position of a person registered to campaign with respect to a question on a ballot, third-party election signs and signs promoting a question put to electors by referendum, not including election campaign literature such as pamphlets and brochures;

“**Frontage**” means the length of the property line of any lot that is parallel to and along each legally accessible public street;

“**Halton Region**” means The Regional Municipality of Halton;

“**Height**” means the height of an election sign measured by the vertical distance from the ground on which it stands to the highest point of the sign and includes any support structure or ornamental feature;

“**Highway**” includes a common and public highway, street, avenue, parkway, lane, alley, driveway, square, place, bridge, viaduct, or trestle, designed and intended for, or used by, the general public for passage of vehicles;

“**Illumination**” means artificial light directly from or from a source of light connected to an election sign, or light focused upon or chiefly directed at the surface of an election sign or where an election sign is comprised of a material that glows or lights up, including but not limited to a neon sign and “illuminated” has a similar meaning;

**“Officer”** means any person authorized by the Town to enforce by-laws and includes Municipal Law Enforcement Officers, police officers, and provincial offences officers;

**“Official Sign”** means any sign erected by or under the jurisdiction of a federal, provincial or municipal government or agency and any sign required by a federal or provincial statute or municipal by-law;

**“Owner”** includes:

- (a) the registered owner(s) of the property;
- (b) the person, for the time being, managing or receiving the rent from a building on the property, whether on the person’s own account or as agent of any other person, or who would receive the rent if the building on the property were let;
- (c) an occupant of a building on the property; or
- (d) a lessee or occupant of the property who, under the terms of a lease, is required to repair and maintain the property in accordance with the standards for the maintenance and occupancy of property;

**“Park”** includes all public parks, gardens, gorges, trails, valleys, squares, athletic fields, harbor lands and recreation grounds within the Town of Oakville under the management and control of the Parks and Open Space Department of the Town;

**“Penalty Notice”** means a notice issued pursuant to the provisions of the Administrative Penalties for Non-Parking Violations and Orders Bylaw;

**“Person”** means an individual, business, firm, corporation, association, partnership, or any combination thereof;

**“Rates and Fees Schedule”** means the Town’s current rates and fees schedule approved by Council as part of the annual budget approval process;

**“Referendum”** means the asking of a political question to an electorate, for direct decision by general vote;

**“Registered Referendum Committee”** means any person who, or group that, is registered under section 13 of the *Referendum Act*, S.C. 1992, c. 30;

**“Registered Third Party Advertiser”** means an individual, corporation or trade union that is registered under section 88.6 of the *Municipal Elections Act, 1996*;

**“Third Party Election Sign”** means any third party advertisement by a registered third party advertiser;

**“Town”** means The Corporation of the Town of Oakville or the geographic area of the Town of Oakville, as the context requires;

**“Town Property”** means municipal property owned, occupied or leased by the Town of Oakville;

**“Trustee”** means a candidate for the office of trustee for a district school area that falls within Oakville’s boundaries, as defined by the *Education Act, R.S.O. 1990, c. E.2*;

**“Vehicle Sign”** means any form of election sign displayed in or on a vehicle, including a vehicle wrap;

**“Voting Day”** means the day on which the final vote is taken in an election;

**“Voting Place”** means a designated place where electors cast their ballots and:

- (a) when a voting place is located on Town property, includes all the area enclosed by the lot lines of the Town property and any highway abutting, and
- (b) when a voting place is located on private property, includes all of the common elements of the private property and any highway immediately abutting.

## **2. Interpretation**

- (1) This By-law is a designated by-law under the Administrative Penalties for Non-Parking Violations and Orders By-law.
- (2) The table of contents and section headings used in this By-law are for convenient reference only and shall not form part of this By-law.
- (3) This By-law does not apply to signs placed by the Town, Halton Region or the Provincial or Federal governments to provide information concerning an election or by-election or any part of an election or by-election process.

### **3. Election Sign Permit**

- (1) No candidate, candidate's agent, registered third party advertiser or registered referendum committee shall place or permit the placement of an election sign without:
  - (a) obtaining an election sign permit from the Designated Official; and
  - (b) paying the election sign permit fee as set out in the rates and fees schedule.
- (2) The election sign permit fee referred to in subsection 3(1)(b) is non-refundable and non-transferrable.

### **4. Timing for Placement of Election Signs**

- (1) No person shall place or otherwise display an election sign:
  - (a) in the case of a federal or provincial election or by-election, prior to the day that the writ for the election is issued;
  - (b) in the case of a federal referendum, prior to the day that writ of referendum is issued;
  - (c) in the case of a municipal election, more than 30 days prior to voting day; or
  - (d) on the property of a voting place 48 hours prior to voting day, during any advance voting and during voting hours.
- (2) Election signs may be placed or otherwise displayed on campaign offices:
  - (a) from the day the writ of election is issued for a federal election or provincial election; or
  - (b) despite subsection 4(1)(c) and in accordance with this By-law, once the candidate in a municipal election has filed their nomination with the Town Clerk, or designate; or
  - (c) despite subsection 4(1)(c) and in accordance with this By-law, once a registered third party advertiser has filed their registration with the Town Clerk.



- (3) Election signs may be placed or otherwise displayed at the offices of a registered referendum committee from the day the writ of referendum is issued.
- (4) Vehicle signs:
  - (a) may only be displayed as set out in subsection 4(1)(a), 4(1)(b) and 4(1)(c); and
  - (b) may not be displayed on the property of a voting place at any time during advance voting and during voting hours.
- (5) Election signs shall be removed by the respective candidate, candidate's agent, registered third party advertiser or registered referendum committee within seventy-two (72) hours immediately following voting day.

## **5. General Prohibitions**

- (1) No person shall place or permit the placement of an election sign except in accordance with this By-law.
- (2) No person shall place or permit the placement of an election sign without obtaining an election sign permit.
- (3) No person shall permit an election sign to be left in a state of disrepair.
- (4) No person shall fail to remove, alter or repair an election sign which is not in compliance with the provisions of this By-law when so directed by an Officer.
- (5) No person shall obstruct or hinder an Officer from removing an election sign in accordance with section 12.
- (6) No person shall display the Town's corporate brand on an election sign.
- (7) No person shall place or permit the placement of an election sign on private property without the consent of the owner or occupant of the property and without advising them of the size of the election sign.
- (8) No person shall place or permit to be placed an election sign on a road allowance or boulevard adjacent to a residence, excluding multi-unit residences such as apartment buildings and condominiums, except where an occupant of the dwelling has agreed to the location and the location is otherwise in compliance with this By-law.

- (9) The occupant of a dwelling may remove and dispose of an election sign that has been placed or permitted to be placed on a road allowance or boulevard adjacent to their residence without their consent.
- (10) No person shall use any digital display units, animated lights, or any form of animation or illumination on a vehicle sign.
- (11) No person shall place or permit the placement of an election sign that is animated, contains any video display elements, is illuminated, has flashing lights, emits sound, moves or simulates motion, made of reflective material or has any attachments adding to its height or width that result in the election sign being larger than the dimensions permitted under subsection 10(1).

## **6. General Regulations**

- (1) Candidates, registered third party advertisers, and registered referendum committees as the case may be, are responsible for the placement, maintenance and removal of election signs and shall ensure that all requirements of this By-law are met.
- (2) Candidates in a municipal election for the offices of Mayor and Regional Chair may place or permit the placement of election signs in all Wards within the Town.
- (3) Candidates in a municipal election, except for the offices of Mayor and Regional Chair, may only place or permit the placement of election signs within the Ward where they are running for office.
- (4) Candidates in a municipal election for the offices of trustee may only place election signs in the Ward(s) where they are running for office.
- (5) Candidates in provincial and federal elections may only place or permit the placement of election signs in the riding where they are running for office.
- (6) The only election signs which may be placed within the Town are:
  - (a) election signs for a candidate running to represent the Town or a portion thereof;
  - (b) election signs promoting a position with respect to a question on a ballot or on a referendum upon which eligible voters in the Town may vote; or
  - (c) third party election signs in support of or in opposition to:

- (i) a candidate running to represent the Town or a portion thereof; or
  - (ii) a question on a ballot upon which eligible voters in the Town may vote.
- (7) All election signs promoting a candidate shall include the candidate's name on the election sign in a plainly visible and readable format.

## **7. Campaign Office Election Signs**

- (1) Campaign office election signs shall only display:
- (a) the name of a candidate in a municipal election; or
  - (b) the name of a candidate and may include the name and/or logo of a political party in a federal or provincial election; or
  - (c) the name of a registered third party in a municipal election; and
  - (d) the location of a candidate's or registered third party's campaign office;
- and shall contain no other message.
- (2) A candidate for the position of Town Councillor, Town and Regional Councillor or Trustee may display election signs at no more than one (1) campaign office in the Ward where the candidate is running for office.
- (3) A candidate for the position of Mayor or Regional Chair may display election signs at no more than four (4) campaign offices within the Town.

## **8. Registered Referendum Committee Election Signs**

- (1) Referendum committees must be registered with the Chief Electoral Officer as set out in section 13 of the Referendum Act before placing any election signs.

## **9. Third Party Election Signs**

- (1) Third party advertisers must be registered with the Town Clerk prior to placing any election signs.
- (2) Each third party election sign shall contain valid and up-to-date information and identify:

- (a) the name of the registered third party advertiser;
- (b) the municipality where the third party is registered; and
- (c) a telephone number, mailing address or email address at which the registered third party may be contacted regarding the third party election sign.

**10. Election Sign Size Standards**

- (1) An election sign shall have a maximum:
  - (a) sign area of 1.49 square metres (16 square feet);
  - (b) height of 1.22 metres (4 feet); and
  - (c) width of 1.22 metres (4 feet).

**11. Location of Election Signs**

- (1) No person shall place or permit the placement of an election sign:
  - (a) on or within any Town property other than arterial road allowances as designated by the Town's Official Plan, including major, multipurpose, minor and industrial arterial road allowances;
  - (b) on any major arterial or minor arterial transit corridor north of Dundas Street;
  - (c) despite subsection 11(1)(a), in a construction zone as established by the Director of Roads and Works of the Town, or designate, or the Director of Transportation and Engineering for the Town, or designate;
  - (d) on or within any road allowance abutting any Town owned building or Town park;
  - (e) overhanging any Town property other than a road allowance;
  - (f) on any utility pole, official sign or official sign structure;
  - (g) on any tree, tree support, or fence on Town property;

- (h) at any location on Town property where the election sign might obstruct any door, window, fire exit or any opening required for light, ventilation, ingress, egress or firefighting;
  - (i) at any location on Town property where the election sign might interfere with underground services;
  - (j) at any location where the election sign could obstruct the view of any pedestrian or driver of a motor vehicle or obstruct the visibility of a traffic sign or device, or where it could interfere with vehicular traffic so that it could endanger any person; or
  - (k) at any location where such election sign, in the opinion of the Designated Official, constitutes a safety hazard to the general public.
- (2) No person shall place or permit the placement of an election sign within a road allowance where the election sign is:
- (a) on any center median, traffic island or center boulevard;
  - (b) within 1.5 m of a fire hydrant, curb, driveway or the travelled portion of a street;
  - (c) within 30.0 m of any intersection;
  - (d) within 15.0 m of any bus stop;
  - (e) on any railing, retaining wall, bridge, bench, garbage can or structure of any kind;
  - (f) on Town property within 100.0 m of any property line of a voting place; or
  - (g) within 20.0 m of another election sign for the same candidate.
- (3) No person shall place or permit the placement of an election sign along the frontage of properties where a cenotaph is located.
- (4) Despite subsection 11(2) and subsection 11(3), an election sign may be installed on Town property where paid advertising is permitted (e.g. bus shelters). Such signs may not be placed on the property of a voting place at any time during advance voting or during established voting hours.

## **12. Removal and Return of Election Signs**

- (1) The Designated Official or an Officer may remove and store any election sign placed in contravention of this By-law without notice. As soon as practicable after the removal occurs, the Designated Official shall notify the candidate, the registered third party advertiser or the registered referendum committee of the removal in a time and manner as determined by the Designated Official.
- (2) The Designated Official shall return any election sign which has been removed to the candidate, registered third party advertiser or registered referendum committee upon payment of the fees specified in the rates and fees schedule, provided:
  - (a) the candidate, registered third party advertiser, registered referendum committee or their agent has contacted the Designated Official to make an appointment for the retrieval of the sign; and
  - (b) the candidate, registered third party advertiser, registered referendum committee or their agent presents acceptable government issued identification and authorization letter when retrieving signs, upon request.
- (3) Any election signs remaining in the Designated Official's custody seven (7) business days following voting day may be destroyed without notice.
- (4) The Designated Official may recover the expense of the removal of an election sign from the candidate, registered third party advertiser or registered referendum committee and may commence proceedings against them to recover such costs.
- (5) No election sign may be retrieved on voting day.

## **13. Order**

- (1) Where an Officer has reasonable grounds to believe that a contravention of this By-law has occurred, the Officer may issue an Order to the person contravening this By-law in accordance with the provisions of the Administrative Penalties for Non-Parking Violations and Orders By-law.
- (2) Any person who contravenes an Order under this By-law is guilty of an offence.

**14. Fees and Charges**

- (1) Council may, from time to time, impose fees and charges to recover costs in relation to the administration and enforcement of this By-law.

**15. Administrative Penalties**

- (1) An Officer who finds or has reasonable cause to believe that a person has contravened any provision of this By-law, including any Schedules, may issue a penalty notice to the person in accordance with the provisions of the Administrative Penalties for Non-Parking Violations and Orders By-law.
- (2) Each person who has been issued a penalty notice shall, upon issuance of the penalty notice, be liable to pay an administrative penalty to the Town in the amount of \$300 or as revised in the Town's rates and fees schedule.
- (3) If an Officer has issued a penalty notice under subsection 15(1) of this By-law and has reasonable cause to believe that the same person has contravened the same provisions of this Bylaw, including any Schedules, for a second time within twenty-four (24) months of the date the first penalty notice is deemed to be served, the Officer may issue a second penalty notice to the person.
- (4) Upon issuance of the second penalty notice, the person shall be liable to pay an administrative penalty to the Town in the amount of \$400 or as revised in the Town's rates and fees schedule.
- (5) If an Officer has issued a penalty notice under subsection 15(3) of this By-law and has reasonable cause to believe that the same person has contravened the same provision of this Bylaw, including any Schedules, for a third or subsequent time within twenty-four (24) months of the date the second penalty notice is deemed to be served, the Officer may issue a third or subsequent penalty notice to the person.
- (6) Upon issuance of a third or subsequent penalty notice, the person shall be liable to pay an administrative penalty to the Town in the amount of \$500 or as revised in the Town's rates and fees schedule.
- (7) A person who has been issued a penalty notice under this By-law may request a review of the penalty notice in accordance with the Administrative Penalties for Non-Parking Violations and Orders By-law.

**16. Liability for Damages**

- (1) The provisions of this By-law shall not be construed as relieving or limiting the responsibility or liability of any person placing any election sign for personal injury or property damage resulting from the placing of such election sign or resulting from the negligence or willful acts of such person, or their agents or employees, in the construction, placing, maintenance, repair or removal of such election sign.
- (2) The Town shall not be responsible for any damage to, or loss of, an election sign that occurs during its removal, transportation, storage, or disposal. The candidate, agent or registered third party advertiser assumes all risk associated with the removal of the election sign by the Town.

**17. Notices**

- (1) Service of any penalty notice, order, or any other notice may be given as specified in the Administrative Penalties for Non-Parking Violations and Orders By-law.

**18. Penalty**

- (1) Every person who contravenes any provision of this By-law is guilty of an offence and on conviction is liable to a fine as provided for in the Provincial Offences Act, R.S.O. 1990, c P. 33.

**19. References**

- (1) References in this By-law to any legislation or by-law means as may be amended or successor by-laws or legislation and includes any regulations thereunder.

**20. Severability**

- (1) In the event any provisions of this By-law are deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

**21. Title**

- (1) This By-law may be known as the “Election Sign By-law.”



**22. Effective Date**

- (1) This By-law comes into force and effect on the date it is passed.

PASSED this 27<sup>th</sup> day of January, 2025

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CLERK



## THE CORPORATION OF THE TOWN OF OAKVILLE

### BY-LAW NUMBER 2025-017

A by-law to amend Sign By-law 2018-153

**WHEREAS** section 11 of the *Municipal Act, 2001* permits municipalities to pass by-laws respecting signs;

**WHEREAS** Sign By-law 2018-153, as amended, was approved by the Council of the Corporation of the Town of Oakville (“Council”) on December 10, 2018;

**WHEREAS** Election Sign By-law 2025-016 passed on January 27, 2025, regulates election signs in the Town of Oakville;

**WHEREAS** Council wishes to amend Sign By-law 2018-153 respecting election signs as set out in this By-law;

#### **COUNCIL ENACTS AS FOLLOWS:**

1. The recitals in Sign By-law 2018-153 are hereby amended by the addition of the following new recital after recital number five:

Whereas Election Sign By-law 2025-016 regulates election signs within the Town of Oakville;

2. Definition 95 – Sign of Part 1 – Definitions of Sign By-law 2018-153 is hereby amended by adding the phrase “,excluding election signs” to the end of the definition.
3. Section 9 of Part 2 - Administration and Permits of Sign By-law 2018-153 is hereby amended by deleting the phrase “the Municipal Elections Act, 1996, S.O. 1996, c. 32, Sched,” from line three.
4. Part 3 – Prohibitions of Sign By-law 2018-153 is hereby amended by adding new section 2 as follows:
  2. Despite any other provisions of this By-law, no person shall erect, locate or display a sign along the frontage of properties where a cenotaph is located.

5. Part 4 – Prohibited Signs of Sign By-law 2018-153 be amended by deleting the phrase “, and permitted under Part 10 of this By-law” from subsection 1(f).
6. Section 2, Additional Regulations for Table 9.1 under Part 9 – Regulations for Third Party Advertising Signs of Sign By-law 2018-153 be amended by deleting the phrase “or, if applicable, Part 10” from line one.
7. Part 10 – Regulations for Election Signs of Sign By-law 2018-153 is hereby deleted in its entirety and deleted from the Table of Contents.
8. Part 11 – Signs Not Requiring a Permit of Sign By-law 2018-153 be amended by:
  - (a) deleting Row 2 - Election Signs; and
  - (b) deleting bullet 2 from Row 20 - Vehicle Signs in its entirety.
9. Part 20 - Seizure and Return of Signs of Sign By-law 2018-153 is hereby amended by:
  - (a) deleting the phrase “or election sign” from line one of section 2;
  - (b) deleting subsection 1(b), section 3 and section 7 in their entirety; and
  - (c) deleting the phrase “except for election signs,” from line one of section 5;
10. All other provisions of Sign By-law 2018-153 hereby remain in force and effect.

PASSED this 27th day of January, 2025

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MAYOR

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CLERK



**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-018**

A by-law to amend By-law 2021-038

**WHEREAS** subsection 434.1 of the Municipal Act provides that a municipality may require a person to pay an administrative penalty if the municipality is satisfied that a person has failed to comply with a by-law of the municipality passed under the Municipal Act;

**WHEREAS** the Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 was approved by the Council of the Corporation of the Town of Oakville ("Council") on February 22, 2021;

**WHEREAS** Council wishes to amend Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 as set out in this By-law;

**COUNCIL ENACTS AS FOLLOWS:**

1. Section 1.1 - Application of this By-law of Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 is hereby amended by adding new subsection (w) as follows:
  - (w) Election Sign By-law 2025-016
2. All other provisions of Administrative Penalties for Non-Parking Violations and Orders By-law 2021-038 hereby remain in force and effect.

PASSED this 27th day of January, 2025

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MAYOR

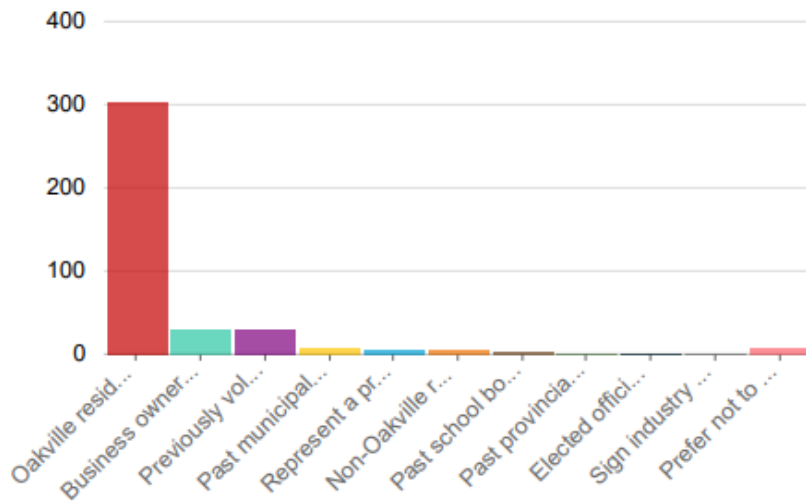
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CLERK

Public Engagement Questionnaire Results – Election Signs



Please tell us about yourself (check all that apply)



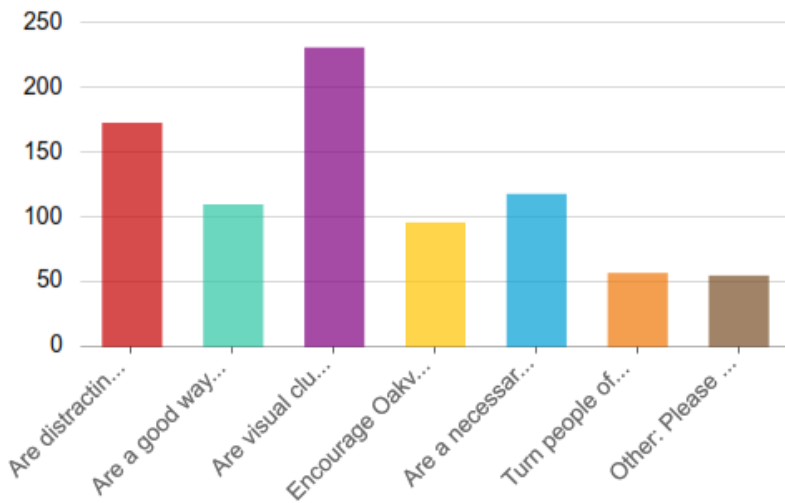
**Answers** **Count** **Percentage**

| Answers  | Count | Percentage |
|--|-------|------------|
| Oakville resident                                    | 304   | 95.9%      |
| Business owner in Oakville                           | 30    | 9.46%      |
| Previously volunteered or worked for a campaign      | 31    | 9.78%      |
| Past municipal candidate                             | 7     | 2.21%      |
| Represent a provincial or federal riding association | 5     | 1.58%      |
| Non-Oakville resident                                | 6     | 1.89%      |
| Past school board candidate                          | 4     | 1.26%      |
| Past provincial or federal candidate                 | 1     | 0.32%      |
| Elected official                                     | 2     | 0.63%      |
| Sign industry member (ex. commercial sign provider)  | 2     | 0.63%      |
| Prefer not to say                                    | 7     | 2.21%      |

Answered: 317 Skipped: 0



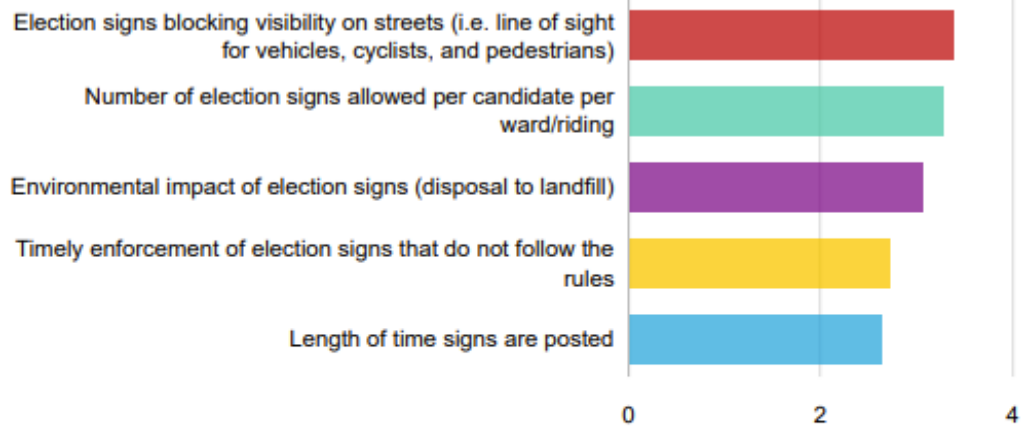
Which of the following statements about election signs do you agree with? (check all that apply)



| Answers  | Count | Percentage |
|--|-------|------------|
| Are distracting when I'm driving                             | 173   | 54.57%     |
| Are a good way for candidates to promote their campaign      | 110   | 34.7%      |
| Are visual clutter   | 231   | 72.87%     |
| Encourage Oakville residents to get involved in the election | 96    | 30.28%     |
| Are a necessary part of a democratic election                | 118   | 37.22%     |
| Turn people off from voting                                  | 57    | 17.98%     |
| Other: Please Specify  | 55    | 17.35%     |

Answered: 317 Skipped: 0

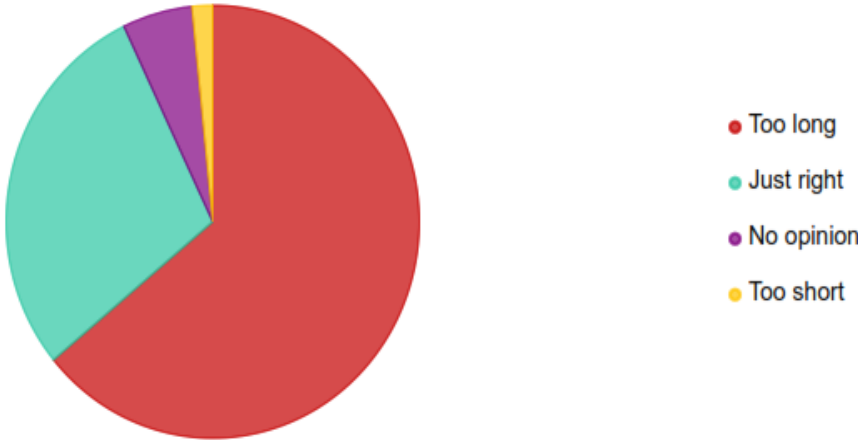
Please rank the following issues you are most concerned about on a scale of 1 to 5. Number 1 being most concerned about to number 5 being least concerned about the issue.



| Rank | Answers  | 1            | 2            | 3            | 4            | 5            | Average score |
|------|--|--------------|--------------|--------------|--------------|--------------|---------------|
| 1    | Election signs blocking visibility on streets (i.e. line of sight for vehicles, cyclists, and pedestrians) | 33.07%<br>84 | 20.87%<br>53 | 12.6%<br>32  | 16.54%<br>42 | 16.93%<br>43 | 3.37          |
| 2    | Number of election signs allowed per candidate per ward/riding   | 22.44%<br>57 | 26.77%<br>68 | 19.69%<br>50 | 16.93%<br>43 | 14.17%<br>36 | 3.26          |
| 3    | Environmental impact of election signs (disposal to landfill)  | 25.2%<br>64  | 16.93%<br>43 | 18.5%<br>47  | 15.35%<br>39 | 24.02%<br>61 | 3.04          |
| 4    | Timely enforcement of election signs that do not follow the rules  | 11.81%<br>30 | 20.08%<br>51 | 19.69%<br>50 | 23.62%<br>60 | 24.8%<br>63  | 2.70          |

Answered: 254 Skipped: 63

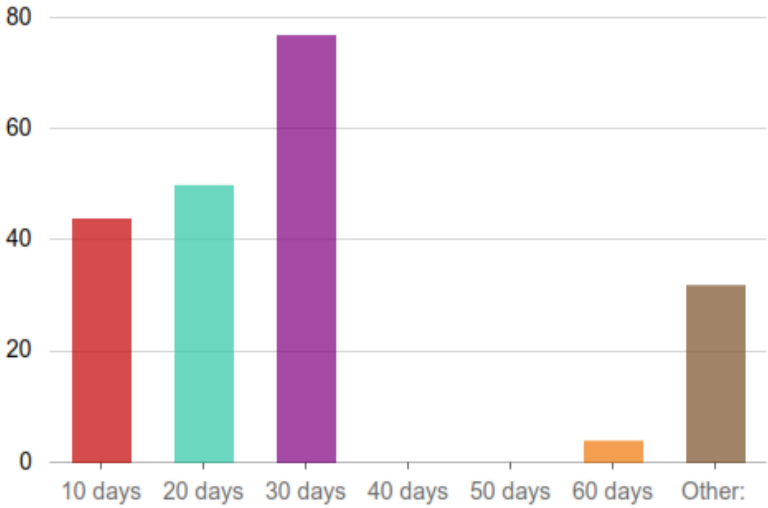
Currently election signs are allowed to be on display 45 days prior to voting day for a municipal election. For provincial and federal elections, signs can be posted 45 days prior to the day of election or prior to the issuance of the writ for the election (whichever is later). How do you feel about the current display period?



| Answers    | Count | Percentage |
|------------|-------|------------|
| Too long   | 199   | 62.78%     |
| Just right | 90    | 28.39%     |
| No opinion | 17    | 5.36%      |
| Too short  | 5     | 1.58%      |

Answered: 311 Skipped: 6

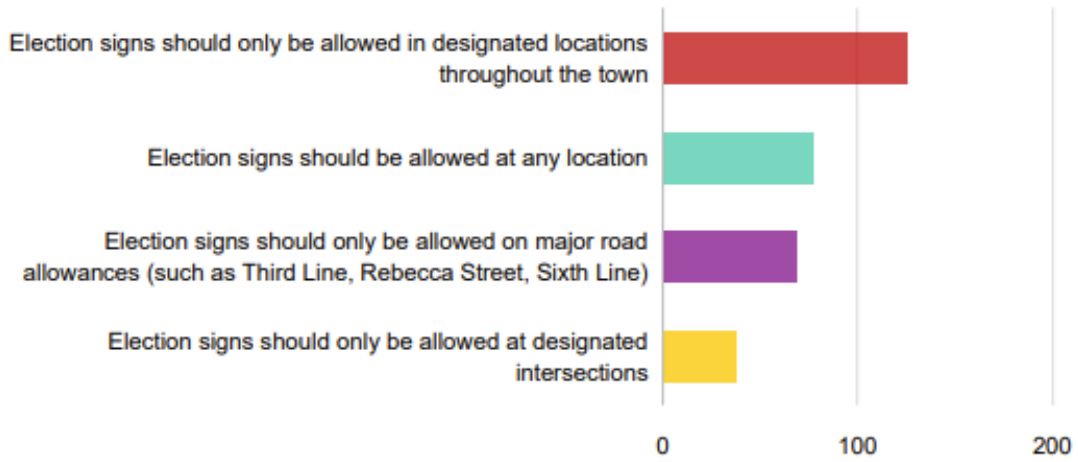
Currently election signs are allowed to be on display 45 days prior to voting day for a municipal election. For provincial and federal elections, signs can be posted 45 days prior to the day of election or prior to the issuance of the writ for the election (whichever is later). How do you feel about the current display period?



| Answers | Count | Percentage |
|---------|-------|------------|
| 10 days | 44    | 13.88%     |
| 20 days | 50    | 15.77%     |
| 30 days | 77    | 24.29%     |
| 40 days | 0     | 0%         |
| 50 days | 0     | 0%         |
| 60 days | 4     | 1.26%      |

|        |    |        |
|--------|----|--------|
| Other: | 32 | 10.09% |
|--------|----|--------|

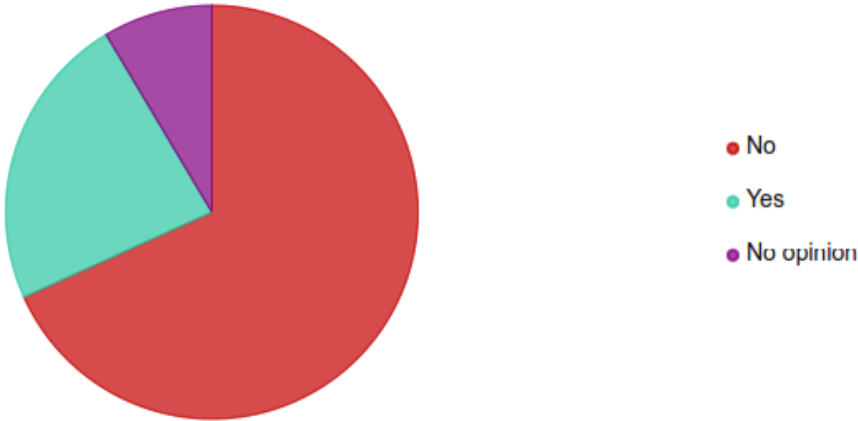
Select one of the following statements that you agree with.



| Answers   | Count | Percentage |
|---|-------|------------|
| Election signs should only be allowed in designated locations throughout the town                               | 124   | 39.12%     |
| Election signs should be allowed at any location  | 76    | 23.97%     |
| Election signs should only be allowed on major road allowances (such as Third Line, Rebecca Street, Sixth Line) | 68    | 21.45%     |
| Election signs should only be allowed at designated intersections   | 37    | 11.67%     |

Answered: 305 Skipped: 12

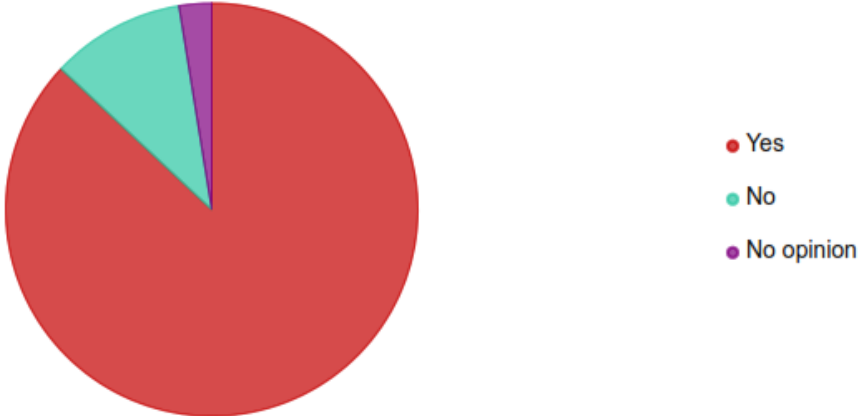
Do you think restricting election signs on public road allowances provides an unfair advantage to the incumbent and/or political party?



| Answers    | Count | Percentage |
|------------|-------|------------|
| No         | 215   | 67.82%     |
| Yes        | 73    | 23.03%     |
| No opinion | 27    | 8.52%      |

Answered: 315 Skipped: 2

Do you think there should be a limit on the number of election signs per candidate on a public road allowance?

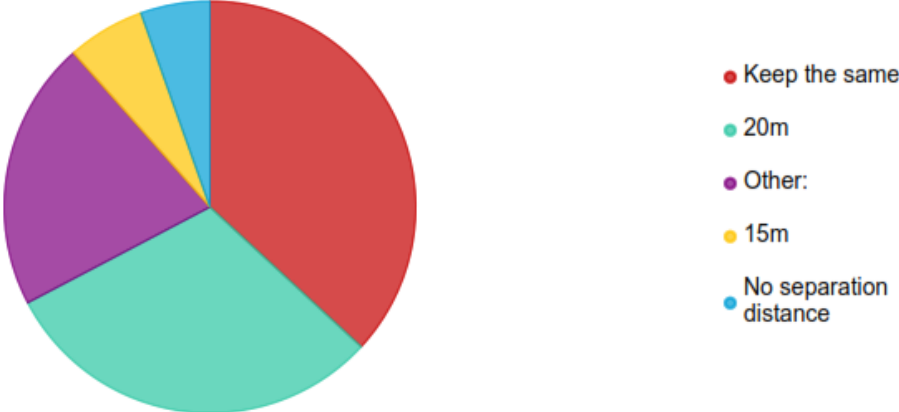


| Answers    | Count | Percentage |
|------------|-------|------------|
| Yes        | 273   | 86.12%     |
| No         | 33    | 10.41%     |
| No opinion | 8     | 2.52%      |

Answered: 314 Skipped: 3



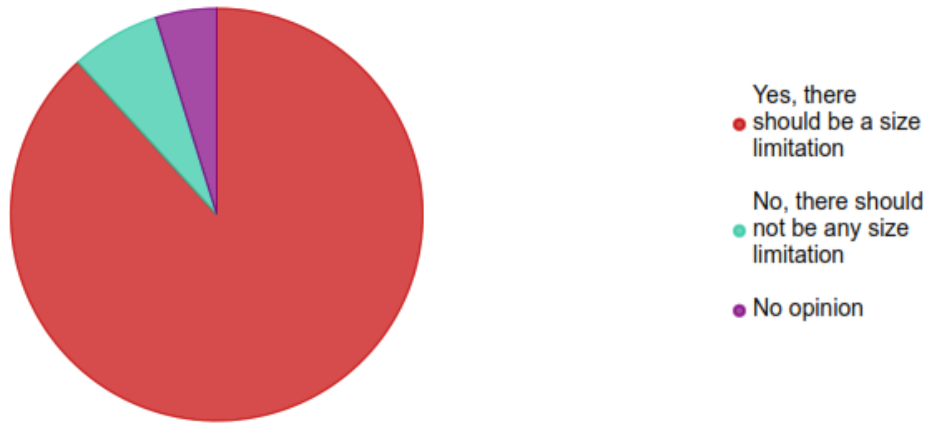
Currently, the distance between election signs for candidates must be a minimum of 10m apart. What distance between signs would you recommend?



| Answers                | Count | Percentage |
|------------------------|-------|------------|
| Keep the same          | 115   | 36.28%     |
| 20m                    | 95    | 29.97%     |
| Other:                 | 66    | 20.82%     |
| 15m                    | 19    | 5.99%      |
| No separation distance | 17    | 5.36%      |

Answered: 312 Skipped: 5

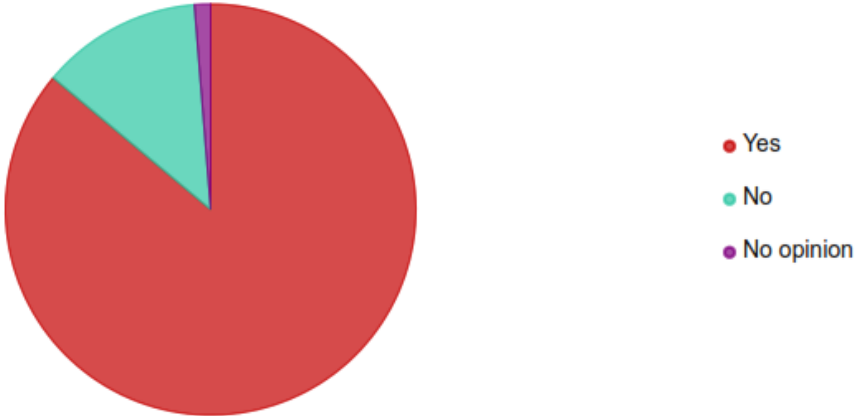
Do you think there should be size limitations for an election sign?



| Answers                                     | Count | Percentage |
|---|-------|------------|
| Yes, there should be a size limitation      | 277   | 87.38%     |
| No, there should not be any size limitation | 22    | 6.94%      |
| No opinion                                  | 15    | 4.73%      |

Answered: 314 Skipped: 3

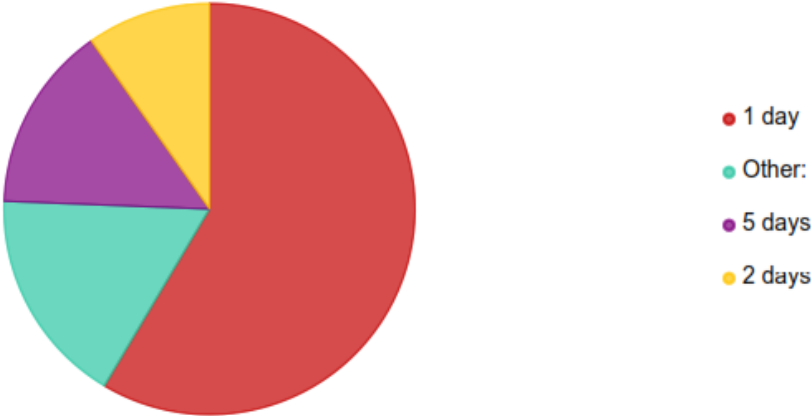
Election signs for municipal, school board, provincial, and federal elections must be removed within 3 days of voting day. Do you believe this is an appropriate period of time?



| Answers    | Count | Percentage |
|------------|-------|------------|
| Yes        | 272   | 85.8%      |
| No         | 40    | 12.62%     |
| No opinion | 4     | 1.26%      |

Answered: 316 Skipped: 1

Since you answered "No" to the previous question, what do you think the appropriate time to remove an election sign after voting day should be?



| Answers | Count | Percentage |
|---------|-------|------------|
| 1 day   | 24    | 7.57%      |
| Other:  | 7     | 2.21%      |
| 5 days  | 6     | 1.89%      |
| 2 days  | 4     | 1.26%      |

Answered: 41 Skipped: 276

## Excerpt of Provisions in Sign By-law 2018-153 for Election Signs

### PART 1 Definitions

1. In this By-law:

|     | Term                      | Definition  |
|-----|---------------------------|---|
| 38  | Election Sign             | means a double or single-faced sign advertising or promoting the election of a candidate for public office in a federal, provincial or municipal election and includes signs promoting the position of a person registered to campaign with respect to a question on a ballot and third party election signs.     |
| 49  | Height                    | means the vertical distance measured from the proposed or finished grade immediately adjacent to the sign to the highest extremity of the sign, that includes any frame, border or ornamental feature.  |
| 53  | Illumination              | means the act of lighting a sign by way of an artificial light source that is located within, on or external to the sign, with the brightness and intensity of which are measured in lux and nits.  |
| 73  | Owner                     | means the registered property owner on the land's title.  |
| 95  | Sign                      | means any device, including surfaces, structures and/or other component parts, whose purpose and design is to advertise, announce, draw attention to or identify a product, place, activity, person, institution, business or other entity, or to communicate a message or information of any kind to the public. |
| 107 | Third Party Election Sign | means any third party advertisement, as defined under the <i>Municipal Elections Act, 1996</i> , as amended.  |
| 114 | Vehicle Sign              | means a single-faced sign which is displayed on a vehicle and includes a sign painted or otherwise exhibited on a vehicle or a sign displayed on a secondary surface placed upon or over the vehicle.   |

1.1 This By-law is a Designated By-law under the Administrative Penalties for Non-Parking Violations and Orders By-law.

### PART 2 Administration and Permits

9. The Designated Official shall issue a permit if all provisions of this By-law, and any other applicable law known to the Designated Official, including the Building Code Act, the Municipal Elections Act, 1996, S.O. 1996, c. 32, Sched. 1, any by-laws of the Regional Municipality of Halton, any guidelines of the Ministry of Transportation for the Province of Ontario and any other applicable legislation respecting sign application or placement have been complied with.

## **PART 4 Prohibited Signs**

1. The following signs are prohibited under this By-law:
  - f. any vehicles with signs that are parked on a property in a manner that is unrelated to their normal use as vehicles and is more consistent with the use or intended use of the vehicle as a sign, and permitted under Part 10 of this By-law;

## **PART 9 Regulations for Third Party Advertising Signs**

### **Table 9.1 Regulations for Third Party Advertising Signs in Employment Land Use Designations (A)**

#### **Additional Regulations for Table 9.1:**

2. Except as set out in Part 4, subsection 1(l) or, if applicable, Part 10, Vehicle Signs are permitted wherever the vehicle on which they are found is permitted.

## **PART 10 Regulations for Election Signs**

### **Deposit Required**

1. No person shall erect, locate or display an election sign on Town property unless the security specified in the rates and fees schedule has been paid to the Designated Official by the sign owner or the sign owner's authorized agent.

### **Timing of Display**

2. No person shall erect, locate or otherwise display an election sign:
  - a. in the case of a municipal election, 45 days prior to the day of the election as set out in the *Municipal Elections Act, 1996*, as amended;
  - b. in the case of a federal or provincial election, 45 days prior to the day of election or prior to the issuance of the writ for the election whichever is later;
  - c. in the case of any election, for a period greater than three (3) days immediately following the day of the election; or
  - d. on the property of a voting location 48 hours prior to voting day, any advance voting and during voting hours.

### **Location**

3. No person shall erect, locate or display an election sign:

- a. on or within any Town property other than arterial road allowances as designated by the Town's Official Plan, including major, multipurpose, minor and industrial arterial road allowances;
  - b. on any major arterial or minor arterial transit corridor north of Dundas Street;
  - c. on or within any road allowance abutting any Town owned building;
  - d. overhanging any Town property other than a road allowance;
  - e. on any utility pole, official sign or official sign structure;
  - f. on any tree, tree support, or fence on Town property;
  - g. at any location on Town property where the election sign might obstruct any door, window, fire exit or any opening required for light, ventilation, ingress, egress or firefighting;
  - h. at any location on Town property where the election sign might interfere with underground services;
  - i. at any location where the election sign could obstruct the view of any pedestrian or driver of a motor or obstruct the visibility of a traffic sign or device, or where it could interfere with vehicular traffic so that it could endanger any person; or
  - j. at any location where such election sign, in the opinion of Designated Official, constitutes a safety hazard to the general public; outside of the geographical area for the office in which the candidate is running (including third party advertisers opposing or supporting a candidate).
4. No person shall erect, locate or display an election sign within a road allowance where the election sign is:
- a. on any center median, traffic island or center boulevard;
  - b. within 1.5 m of a fire hydrant, curb, driveway or the travelled portion of a street;
  - c. within 30.0 m of any intersection;
  - d. within 15.0 m of any bus stop;
  - e. on any railing, retaining wall, bridge, bench, garbage can or structure of any kind;
  - f. on Town property within 100.0 m of any property line of a voting location; or
  - g. within 10.0 m of another election sign for the same candidate.
- 4.1 No person shall erect, locate or display an election sign along the frontage of properties where a cenotaph is located.
5. Notwithstanding Parts 10, subsection 3 and 4, an election sign may be installed on Town property where paid advertising is permitted (e.g. bus shelters). Such signs

may not be displayed on the property of a voting location at any time during established voting hours.

### **Vehicle Signs**

6. An election sign which is a vehicle sign is not subject to the provisions of Part 10, subsection 5. An election sign which is a vehicle sign is subject to the following provisions:
  - a. an election sign which is a vehicle sign may only be displayed during the time period permitted by Part 10, subsection 2; and
  - b. an election sign which is a vehicle sign may not be displayed on the property of a voting location at any time during established voting hours.

### **Election Signs Displayed in Oakville**

7. The only election signs which may be displayed within the Town are:
  - a. election signs for a candidate running to represent the Town or a portion thereof;
  - b. election signs promoting a position with respect to a question on a ballot upon which eligible Town voters may vote; or
  - c. third party election signs in support of or in opposition to:
    - i. a candidate running to represent the Town or a portion thereof; or
    - ii. a question on a ballot upon which eligible Town voters may vote.
- 7.1 Each third party election sign referred to in subsection 7(c) shall identify the name of the registered third party, the municipality where the third party is registered and a telephone number, mailing address or email address at which the registered third party may be contacted regarding the third party election sign.

### **Method of Erecting Signs**

8. No person shall erect, locate or display an election sign unless the Designated Official has approved the type of pole or support for the election sign in writing, having regard to the public safety and the potential for damage to public property or services within the road allowance.

### **Special Provisions – Business Improvement Areas**

9. Notwithstanding Part 10 subsection 3 (e), any person may affix or display an election sign on a public utility pole located within the Downtown Oakville Business Improvement Area, the Bronte Business Improvement Area, or the Kerr Street Business Improvement Area, subject to complying with all of the following requirements:
  - a. the public utility pole is not located within 15.0 m of an intersection;



- b. the election sign is at all places affixed flushed with the surface of the utility pole;
- c. the election sign is of light-weight construction only;
- d. the election sign is no larger than 0.61 m by 0.61 m; and
- e. the election sign is not affixed with nails, screws, tacks, staples, glue or wire or by a fastener that penetrates, punctures or otherwise creates a hole in the surface of a public utility pole.

**Return of Security Deposit**

- 10. Following the election, fees incurred due to the removal of any election signs placed in contravention of this By-law or damage within the road allowance will be deducted from the security paid and/or invoiced accordingly.

**PART 11 Signs Not Requiring a Permit**

The signs listed in this section are permitted without a permit, subject to the regulations below:

|    | <b>Sign Type</b> | <b>Location/Zone</b> | <b>Regulations</b>  |
|----|------------------|----------------------|---|
| 2  | Election Signs   | All Property         | refer to Part 10  |
| 20 | Vehicle Signs    | All properties       | <ul style="list-style-type: none"> <li>• vehicle must be legally parked, licensed, and capable of being driven</li> <li>• see additional regulations in Part 10, if applicable</li> </ul> |

**PART 20 Seizure and Return of Signs**

- 1. The Designated Official may pull down or remove any sign, without notice, where such sign:
  - a. is erected on Town property or on private property in contravention of this By-law; or
  - b. is located at a voting location in contravention of this By-law; or
  - c. is deemed to constitute a safety hazard.
- 2. The Designated Official shall return any sign or election sign which has been seized to the sign owner or the sign owner’s authorized agent upon payment of the fees specified in the rates and fees schedule, provided:
  - a. The sign owner has contacted the Designated Official to make an appointment for the retrieval of the signs; and
  - b. The sign owner or the sign owner’s authorized agent presents acceptable government issued identification and authorization letter, where applicable, when retrieving signs.

3. No election sign may be retrieved on voting day.
4. Notwithstanding Part 20, subsection 2 and Part 20, subsection 6 of this By-law, the Designated Official may immediately destroy bag signs erected on Town property, without notice.
5. For any signs seized by the Town, except for election signs, the sign owner shall no longer be permitted to display signs on Town property if they fail to retrieve the sign within 7 days.
6. Any sign that has been seized and is not retrieved by the sign owner or the sign owner's authorized agent within 30 days of the date of removal may be destroyed by the Designated Official.
7. Notwithstanding Part 20, subsection 6 of this By-law, any election sign that has been seized and is not retrieved by the sign owner or the sign owner's authorized agent within 30 days of voting day may be destroyed by the Designated Official.
8. If any part of a fine for contravention of this By-law remains unpaid or the sign owner has not arranged for a review of an administrative penalty by the Screening Officer or a review of the screening decision by the Hearing Officer:
  - a. The sign owner shall no longer be permitted to display signs on Town property or on private property;
  - b. The sign owner's signs on Town property or on private property, including signs that comply with this By-law, may be seized by the Designated Official; and
  - c. The sign owner's signs that have been seized shall not be returned to the sign owner.

**Table of Changes**

**APPENDIX F**

Sign By-law 2018-153 will be amended (see By-law 2025-016) to delete references to election signs. This table includes:

- sections of the Sign By-law that will be amended
- language in the Sign By-law has been included in the Election Sign By-law but has been amended
- new language added to the Election Sign By-law that is not included in the Sign By-law.

|    | <b>Election Sign By-law 2025-016</b> | <b>Election Sign Provisions in Sign By-law 2018-153</b> | <b>Change Description</b>  |
|----|--------------------------------------|---|--|
| 1. | Section 1 Definitions                | Part 1 Definitions                                      | <p>Added the following definitions in the Election Sign By-law:</p> <ul style="list-style-type: none"> <li>• Agent</li> <li>• Boulevard</li> <li>• Campaign Office</li> <li>• Candidate</li> <li>• Construction Zone</li> <li>• Corporate Brand</li> <li>• Highway</li> <li>• Park</li> <li>• Penalty Notice</li> <li>• Referendum</li> <li>• Registered Referendum Committee</li> <li>• Registered Third Party Advertiser</li> <li>• Trustee</li> <li>• Voting Day</li> <li>• Voting Place</li> </ul>   |
| 2. | Section 1 Definitions                | Part 1 Definitions                                      | <p>The following definitions are found in the Sign By-law. They have been included in the Election Sign By-law but have been amended:</p> <ul style="list-style-type: none"> <li>• Election Sign - to include signs promoting a question put to electors by referendum, and to not include election campaign literature such as pamphlets and brochures</li> <li>• Simplified the Sign By-law’s definition of “Height” and “Illumination”</li> <li>• Owner- to include occupants, property managers</li> <li>• Amended the Sign By-law’s definition of “Sign” to exclude election signs</li> <li>• Third Party Election Sign – specifies registered third party advertisers</li> </ul> |

|  | <b>Election Sign By-law 2025-016</b>                      | <b>Election Sign Provisions in Sign By-law 2018-153</b> | <b>Change Description</b>   |
|--|---|---|---|
|  |   |   | <ul style="list-style-type: none"> <li>• Vehicle Sign – specifies vehicle signs used as election signs</li> </ul>   |
| 3.   | Section 2 Interpretation                                  | N/A   | <p>Added the following to section 2 of the Election Sign By-law:</p> <ul style="list-style-type: none"> <li>• ss. 2(2) referencing the table of contents and use of section headings</li> <li>• ss. 2(3) exempting signs placed by the Town, Halton Region or the Provincial or Federal governments to provide information concerning an election or by-election or any part of an election or by-election process</li> </ul> |
| 4.   | N/A   | Part 2 Section 9 Administration and Permits             | Part 2 section 9 of the Sign By-law amended to delete reference to the Municipal Elections Act  |
| 5.   | Subsection 11(3) Location of Election Signs               | Part 3 Prohibitions                                     | Adding a new section 2 to Part 3 in the Sign By-law to prohibit the display of a sign along the frontage of properties where a cenotaph is located.   |
| 6.   | N/A   | Part 4 Prohibited Signs subsection 1(f)                 | Deleted reference to Part 10 in Part 4 subsection 1(f) of the Sign By-law   |
| 7.   | N/A   | Part 9 Regulations for Third Party Advertising Signs    | Deleted reference to Part 10 in additional regulations for Table 9.1, #2 in the Sign By-law   |
| <b>Note – Part 10 Regulations for Election Signs in the Sign By-law is being deleted in its entirety</b> |   |   |   |
| 8.   | Section 3 Election Sign Permit                            | Part 10, Section 1 Deposit Required                     | Changing the security deposit currently required in Part 10 section 1 of the Sign By-law to an election sign permit   |
| 9.   | Subsection 4(1)(a) Timing for Placement of Election Signs | Part 10 subsection 2(b) Timing of Display               | Subsection 4(1)(a) of the Election Sign By-law prohibits the placement of election signs for federal/provincial elections prior to the issuance of the writ; it does not include “45 days prior to the day of the election” as is included in the Sign By-law   |
| 10.  | Subsection 4(1)(b) Timing for Placement of Election Signs | N/A   | Added ss. 4(1)(b) to the Election Sign By-law respecting display of election signs for a federal referendum   |
| 11.  | Subsection 4(1)(c) Timing for Placement of Election Signs | Part 10 subsection 2(a) Timing of Display               | Subsection 4(1)(c) in the Election Sign By-law reduces the time to display an election sign in a municipal election to 30 days from 45 days   |
| 12.  | Subsection 4(2) & 4(3) Timing for                         | N/A   | Added language to the Election Sign By-law for the display of election signs at campaign offices and offices of registered referendum committees  |

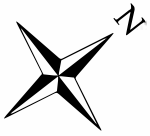
|     | <b>Election Sign By-law 2025-016</b>                      | <b>Election Sign Provisions in Sign By-law 2018-153</b>      | <b>Change Description</b>   |
|-----|---|--|---|
|     | Placement of Election Signs                               |  |   |
| 13. | Subsection 4(4)(a) Timing for Placement of Election Signs | Part 10 Subsection 6(a) Vehicle Signs                        | Updated the Sign By-law language to reflect correct section numbers for the Election Sign By-law  |
| 14. | Subsection 4(5) Timing for Placement of Election Signs    | Part 10 subsection 2(c) Timing of Display                    | Clarified the language in the Election Sign By-law regarding removal of election signs after voting day   |
| 15. | Section 5 General Prohibitions subsections 5(1)-5(11)     | N/A  | Subsection 5(1) – 5(11) are new additions to the Election Sign By-law   |
| 16. | Section 6 General Regulations subsections 6(1)-6(5), 6(7) | N/A  | Subsection 6(1) – 6(5) and 6(7) are new additions to the Election Sign By-law   |
| 17. | Section 6 General Regulations subsection 6(6)(b)          | Part 10 subsection 7(b) Election Signs Displayed in Oakville | Language added in the Election Sign By-law to refer to referendums  |
| 18. | Section 7 Campaign Office Election Signs                  | N/A  | New section 7 added to the Election Sign By-law   |
| 19. | Section 8 Registered Referendum Committee Election Signs  | N/A  | New section 8 added to the Election Sign By-law   |
| 20. | Section 9 Third Party Election Signs subsection 9(1)      | Part 10 Section 7.1 Election Signs Displayed in Oakville     | New subsection 9(1) added to the Election Sign By-law requiring that third party advertisers be registered with the Clerk prior to placing election signs   |
| 21. | Section 10 Election Sign Standards                        | N/A  | Language added to the Election Sign By-law to specify maximum election sign size  |
| 22. | Section 11 Location of Election Signs subsection 11(1)(c) | Part 10 Section 3 Location                                   | New subsection 11(1)(c) added to the Election Sign By-law regarding elections signs in construction zones   |
| 23. | Section 11 Location of Election Signs subsection 11(1)(d) | Part 10 Section 3 Location subsection 3(d)                   | The language of subsection 3(d) of the Sign By-law is amended in the Election Sign By-law to include Town parks in the prohibition of displaying an election sign abutting Town owned buildings   |
| 24. | Section 11 Location of Election Signs subsection 11(1)(i) | Part 10 Section 3 Location subsection 3(j)                   | The language of subsection 3(j) of the Sign By-law is amended in the Election Sign By-law to delete “outside of the geographical area for the office in which the candidate is running (including third party advertisers opposing or supporting a candidate) |

|     | <b>Election Sign By-law 2025-016</b>                                       | <b>Election Sign Provisions in Sign By-law 2018-153</b>                      | <b>Change Description</b>  |
|-----|--|--|--|
| 25. | Section 11 Location of Election Signs subsection 11(2)(g)                  | Part 10 Section 4 Location subsection 4(g)                                   | The distance between election signs from the same candidate on a road allowance has been increased to 20m from 10m in the Election Sign By-law   |
| 26. | N/A  | Part 10 Section 8 Method of Erecting Signs                                   | Part 10 Section 8 in the Sign By-law has not been included in the Election Sign By-law   |
| 27. | N/A  | Part 10 Section 9 Special Provisions – Business Improvement Areas            | Part 10 Section 9 in the Sign By-law has not been included in the Election Sign By-law   |
| 28. | N/A  | Part 10 Section 10 Return of Security Deposit                                | Part 10 Section 10 in the Sign By-law has not been included in the Election Sign By-law  |
| 29. | N/A  | Part 11 Signs Not Requiring a Permit #2 Election Signs and #20 Vehicle Signs | <ul style="list-style-type: none"> <li>• #2 Election Signs has been deleted from the Sign By-law</li> <li>• Reference to Part 10 has been deleted in #20 of the Sign By-law</li> </ul> |
| 30. | Section 12 Removal and Return of Election Signs                            | Part 20 Seizure and Return of Signs subsection 20(1)(b)                      | Deleting reference to voting location in subsection 20(1)(b) of the Sign By-law  |
| 31. | Section 12 Removal and Return of Election Signs                            | Part 20 Seizure and Return of Signs Section 2, 5                             | Deleting reference to elections signs in Part 20 sections 2 and 5 of the Sign By-law   |
| 32. | Section 12 Removal and Return of Election Signs subsection 12(1) and 12(2) | Part 20 Seizure and Return of Signs Section 1 and 2                          | Language from Part 20 sections 1 and 2 of the Sign By-law have been expanded in subsections 12(1) and 12(2) of the Election Sign By-law  |
| 33. | Section 12 Removal and Return of Election Signs subsection 12(5)           | Part 20 Seizure and Return of Signs Section 3                                | Part 20 section 3 referring to the retrieval of election signs on voting day is deleted from the Sign By-law   |
| 34. | Section 12 Removal and Return of Election Signs subsection 12(3)           | Part 20 Seizure and Return of Signs Section 7                                | The Election Sign By-law rewords Section 7 of the Sign By-law to provide that election signs that have not been retrieved 7 days following voting day may be destroyed without notice  |
| 35. | N/A  | Part 20 Seizure and Return of Signs Section 7                                | Deleting Part 20 Section 7 from the Sign By-law respecting retrieval of election signs   |
| 36. | Section 12 Removal and Return of Election Signs subsection 12(4)           | N/A  | Language added to the Election Sign By-law regarding the recovery of expenses for the removal of election signs  |

|     | <b>Election Sign By-law<br/>2025-016</b> | <b>Election Sign<br/>Provisions in Sign<br/>By-law 2018-153</b> | <b>Change Description</b>  |
|-----|--|---|--|
| 37. | Section 16 Liability for Damages         | N/A   | Language regarding liability for damages added to the Election Sign By-law |

# WARD 1 - ELECTION SIGN LOCATIONS

APPENDIX G



DUNDAS STREET WEST

WILLIAM  
PKY

COLONEL

UPPER MIDDLE ROAD WEST

BRONTE ROAD

**STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THUS** 

| STREET NAME                    | FROM STREET         | TO STREET                         |
|--------------------------------|---------------------|-----------------------------------|
| BURLOAK DRIVE (EAST SIDE ONLY) | LAKESHORE ROAD WEST | WYECROFT ROAD                     |
| GREAT LAKES BOULEVARD          | REBECCA STREET      | BURLOAK DRIVE                     |
| BRONTE ROAD                    | LAKESHORE ROAD WEST | SPEERS ROAD                       |
| THIRD LINE                     | LAKESHORE ROAD WEST | QEW (NORTH LIMIT OF WARD 1)       |
| WYECROFT ROAD                  | BRONTE ROAD         | THIRD LINE (EAST LIMIT OF WARD 1) |
| SPEERS ROAD                    | BRONTE ROAD         | THIRD LINE (EAST LIMIT OF WARD 1) |
| REBECCA STREET                 | BURLOAK DRIVE       | THIRD LINE (EAST LIMIT OF WARD 1) |
| LAKESHORE ROAD WEST            | BURLOAK DRIVE       | THIRD LINE (EAST LIMIT OF WARD 1) |
| UPPER MIDDLE ROAD WEST         | BRONTE ROAD         | PROVINCIAL PARK                   |

WARD 1

ELECTION SIGNS (OAKVILLE) PERMITTED ON EAST SIDE OF BURLOAK DRIVE ONLY

QEW

WYECROFT ROAD

WYECROFT ROAD

SPEERS ROAD

THIRD LINE

BRONTE ROAD

REBECCA STREET

REBECCA STREET

ROAD WEST

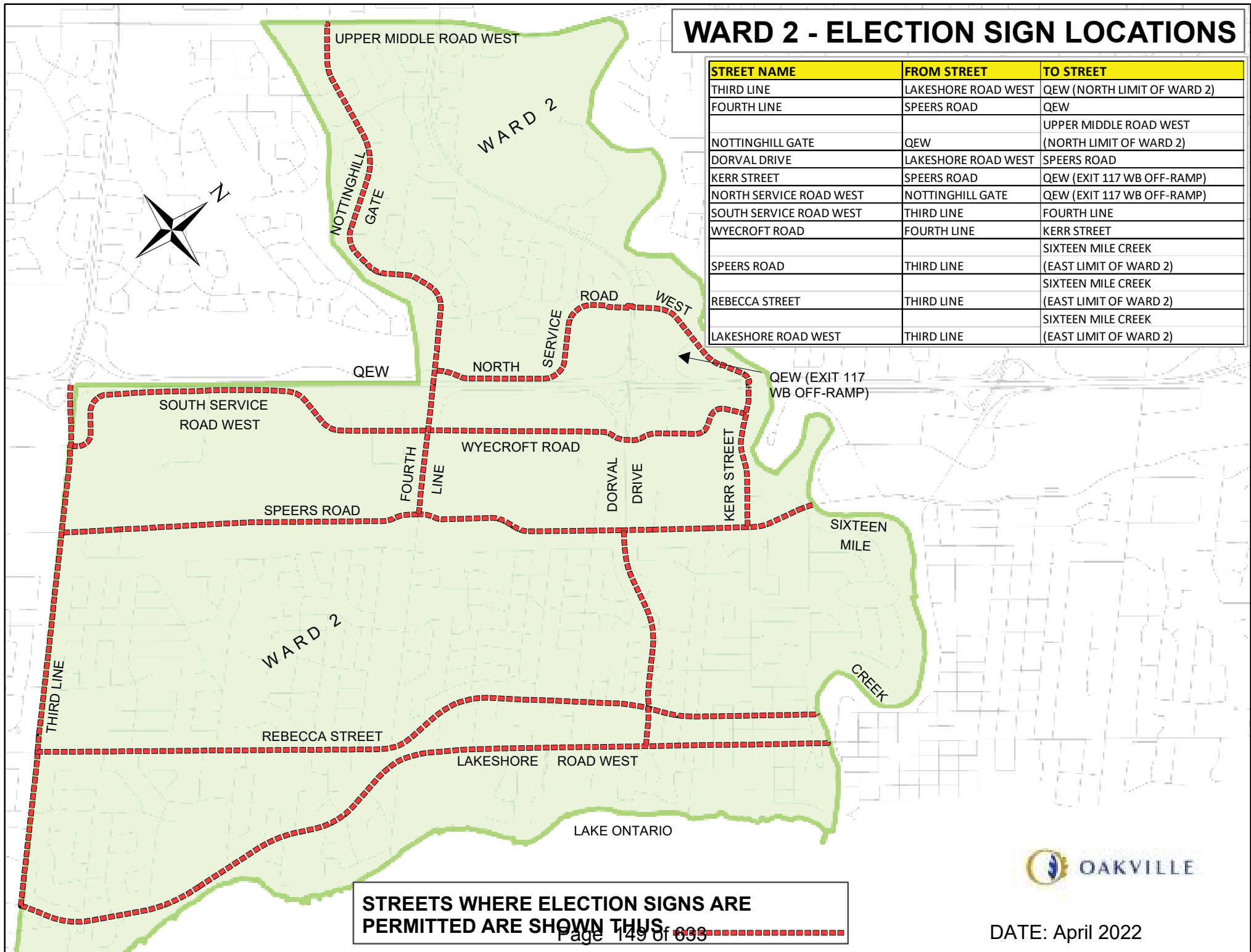
LAKESHORE





# WARD 2 - ELECTION SIGN LOCATIONS

| STREET NAME             | FROM STREET         | TO STREET   |
|-------------------------|---------------------|---|
| THIRD LINE              | LAKESHORE ROAD WEST | QEW (NORTH LIMIT OF WARD 2)                       |
| FOURTH LINE             | SPEERS ROAD         | QEW   |
|                         |                     | UPPER MIDDLE ROAD WEST<br>(NORTH LIMIT OF WARD 2) |
| NOTTINGHILL GATE        | QEW                 |   |
| DORVAL DRIVE            | LAKESHORE ROAD WEST | SPEERS ROAD                                       |
| KERR STREET             | SPEERS ROAD         | QEW (EXIT 117 WB OFF-RAMP)                        |
| NORTH SERVICE ROAD WEST | NOTTINGHILL GATE    | QEW (EXIT 117 WB OFF-RAMP)                        |
| SOUTH SERVICE ROAD WEST | THIRD LINE          | FOURTH LINE                                       |
| WYECROFT ROAD           | FOURTH LINE         | KERR STREET                                       |
|                         |                     | SIXTEEN MILE CREEK<br>(EAST LIMIT OF WARD 2)      |
| SPEERS ROAD             | THIRD LINE          | SIXTEEN MILE CREEK<br>(EAST LIMIT OF WARD 2)      |
| REBECCA STREET          | THIRD LINE          | SIXTEEN MILE CREEK<br>(EAST LIMIT OF WARD 2)      |
| LAKESHORE ROAD WEST     | THIRD LINE          | SIXTEEN MILE CREEK<br>(EAST LIMIT OF WARD 2)      |



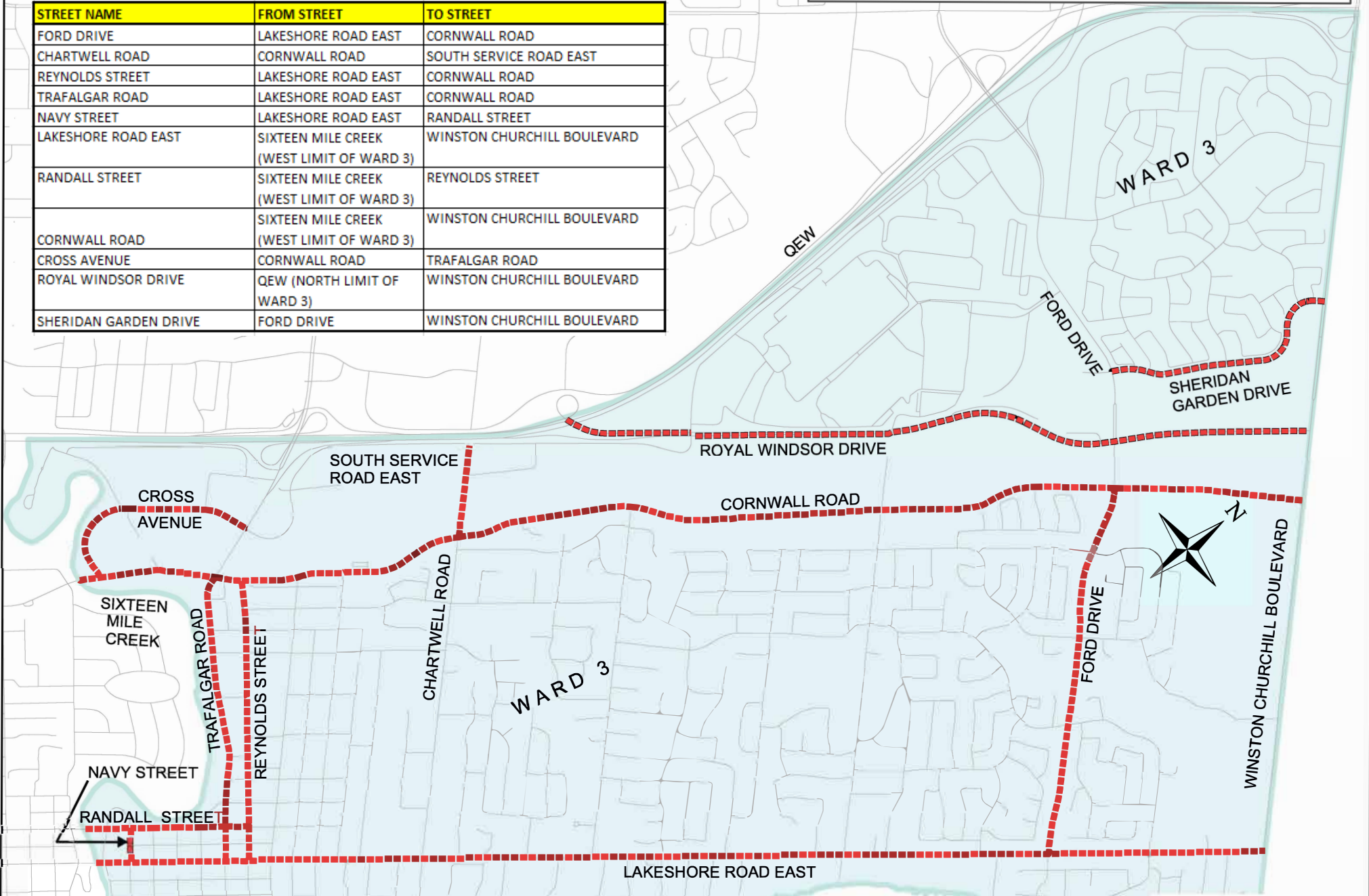
**STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THIS**



# WARD 3 - ELECTION SIGN LOCATIONS

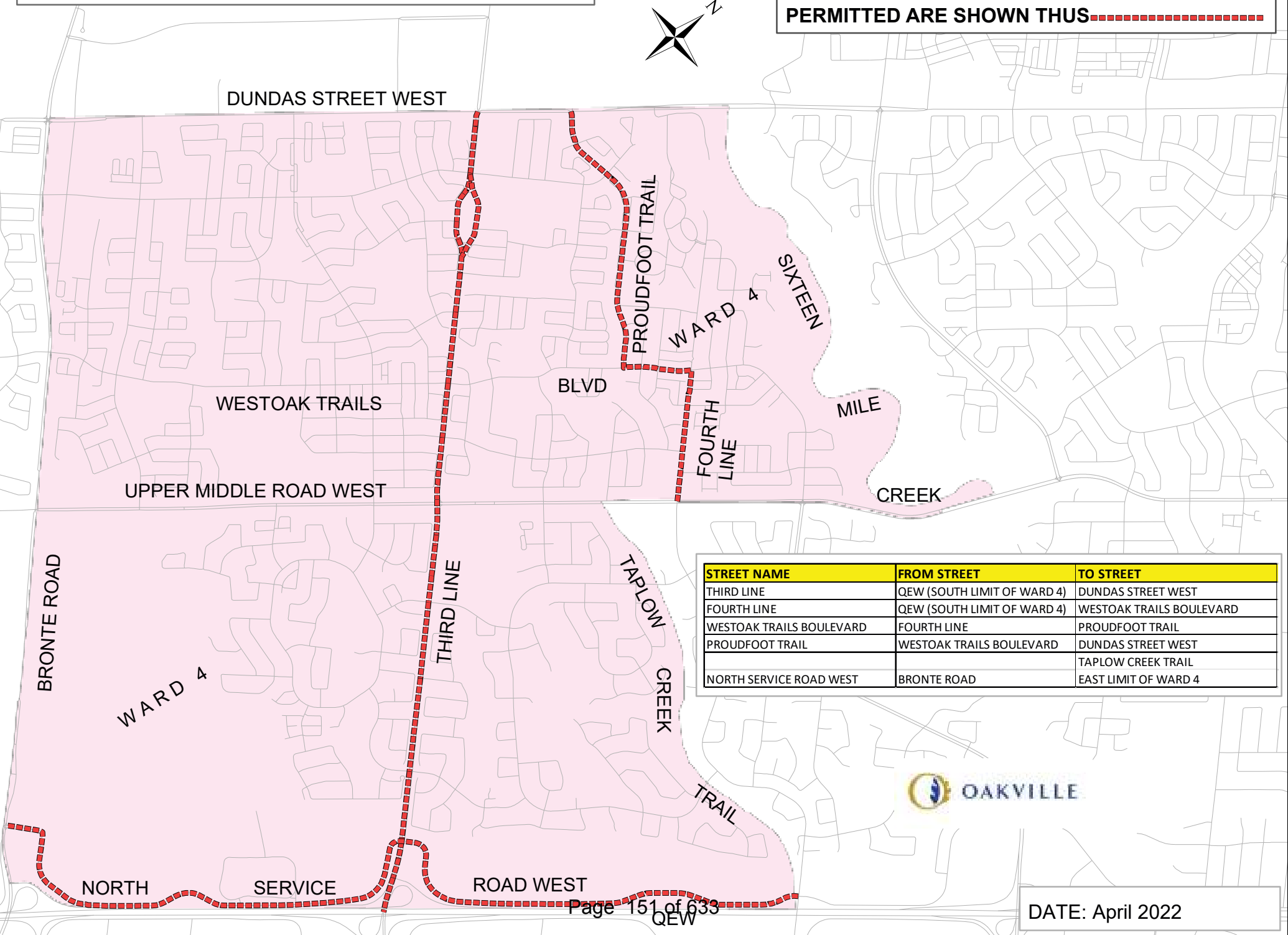
STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THUS 

| STREET NAME           | FROM STREET                               | TO STREET                   |
|-----------------------|---|-----------------------------|
| FORD DRIVE            | LAKESHORE ROAD EAST                       | CORNWALL ROAD               |
| CHARTWELL ROAD        | CORNWALL ROAD                             | SOUTH SERVICE ROAD EAST     |
| REYNOLDS STREET       | LAKESHORE ROAD EAST                       | CORNWALL ROAD               |
| TRAFALGAR ROAD        | LAKESHORE ROAD EAST                       | CORNWALL ROAD               |
| NAVY STREET           | LAKESHORE ROAD EAST                       | RANDALL STREET              |
| LAKESHORE ROAD EAST   | SIXTEEN MILE CREEK (WEST LIMIT OF WARD 3) | WINSTON CHURCHILL BOULEVARD |
| RANDALL STREET        | SIXTEEN MILE CREEK (WEST LIMIT OF WARD 3) | REYNOLDS STREET             |
| CORNWALL ROAD         | SIXTEEN MILE CREEK (WEST LIMIT OF WARD 3) | WINSTON CHURCHILL BOULEVARD |
| CROSS AVENUE          | CORNWALL ROAD                             | TRAFALGAR ROAD              |
| ROYAL WINDSOR DRIVE   | QEW (NORTH LIMIT OF WARD 3)               | WINSTON CHURCHILL BOULEVARD |
| SHERIDAN GARDEN DRIVE | FORD DRIVE                                | WINSTON CHURCHILL BOULEVARD |



# WARD 4 - ELECTION SIGN LOCATIONS

STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THUS 

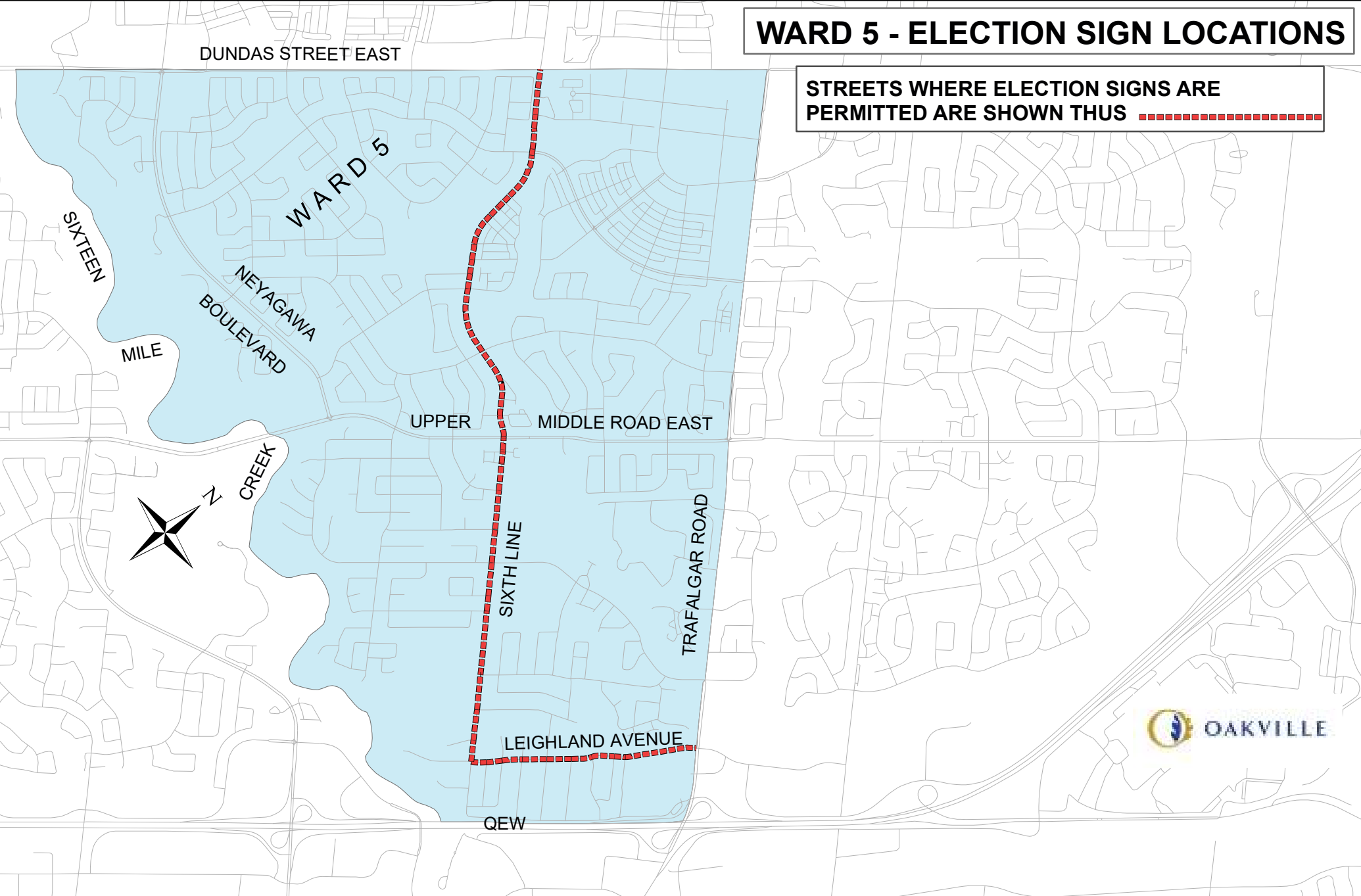


| STREET NAME              | FROM STREET                 | TO STREET                |
|--------------------------|-----------------------------|--------------------------|
| THIRD LINE               | QEW (SOUTH LIMIT OF WARD 4) | DUNDAS STREET WEST       |
| FOURTH LINE              | QEW (SOUTH LIMIT OF WARD 4) | WESTOAK TRAILS BOULEVARD |
| WESTOAK TRAILS BOULEVARD | FOURTH LINE                 | PROUDFOOT TRAIL          |
| PROUDFOOT TRAIL          | WESTOAK TRAILS BOULEVARD    | DUNDAS STREET WEST       |
|                          |                             | TAPLOW CREEK TRAIL       |
| NORTH SERVICE ROAD WEST  | BRONTE ROAD                 | EAST LIMIT OF WARD 4     |



# WARD 5 - ELECTION SIGN LOCATIONS

STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THUS 



| STREET NAME      | FROM STREET      | TO STREET                                |
|------------------|------------------|--|
| SIXTH LINE       | LEIGHLAND AVENUE | DUNDAS STREET<br>(NORTH LIMIT OF WARD 5) |
| LEIGHLAND AVENUE | SIXTH LINE       | TRAFALGAR ROAD<br>(EAST LIMIT OF WARD 5) |

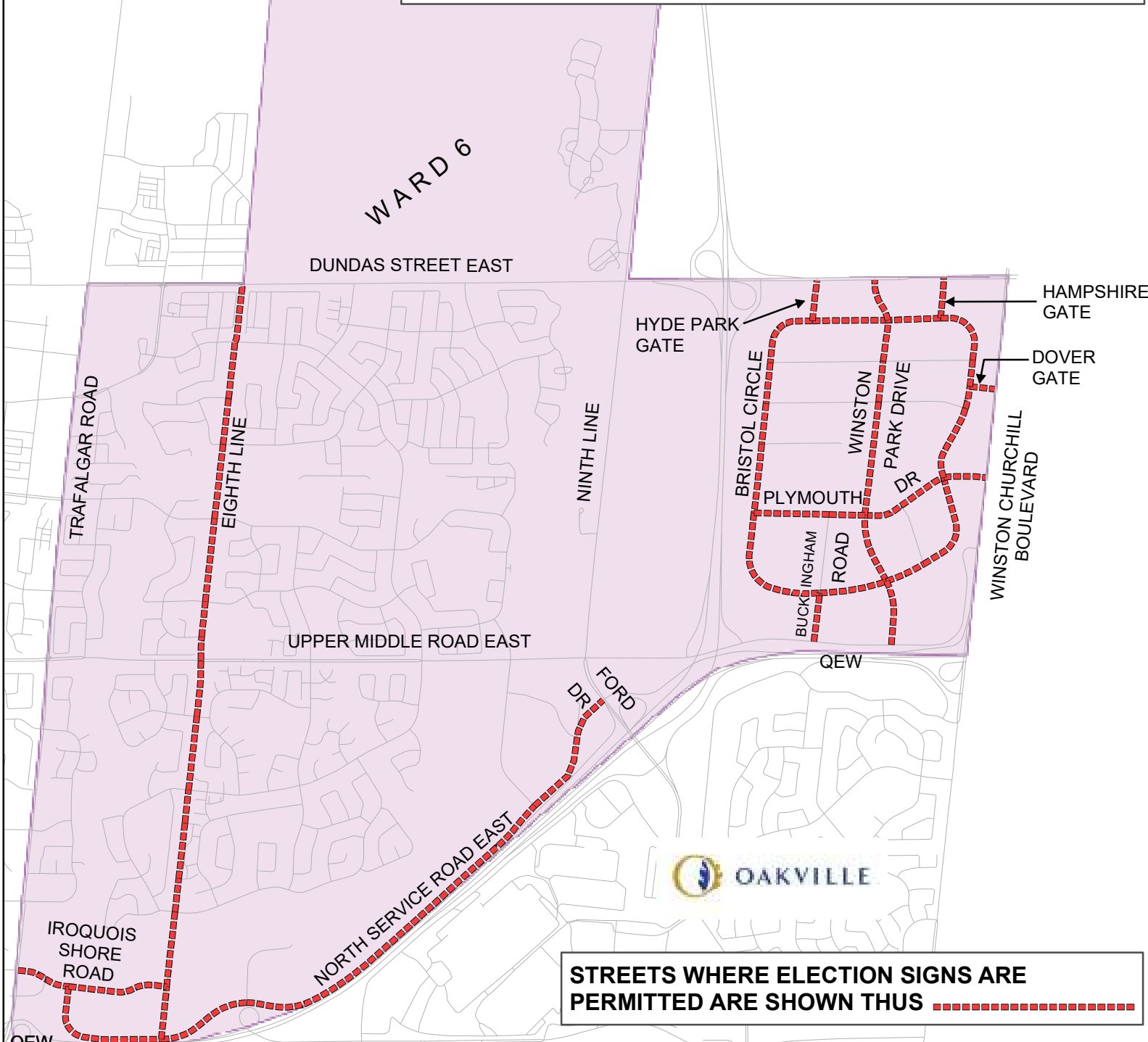
DATE: April 2022



# WARD 6 - ELECTION SIGN LOCATIONS



| STREET NAME             | FROM STREET             | TO STREET                   |
|-------------------------|-------------------------|-----------------------------|
| BRISTOL CIRCLE          | ENTIRE STREET           |                             |
| WINSTON PARK DRIVE      | UPPER MIDDLE ROAD EAST  | DUNDAS STREET EAST          |
| HYDE PARK GATE          | BRISTOL CIRCLE          | DUNDAS STREET EAST          |
| HAMPSHIRE GATE          | BRISTOL CIRCLE          | DUNDAS STREET EAST          |
| DOVER GATE              | BRISTOL CIRCLE          | WINSTON CHURCHILL BOULEVARD |
| BUCKINGHAM ROAD         | UPPER MIDDLE ROAD EAST  | BRISTOL CIRCLE              |
| PLYMOUTH DRIVE          | BRISTOL CIRCLE          | WINSTON CHURCHILL BOULEVARD |
| IROQUOIS SHORE ROAD     | TRAFALGAR ROAD          | EIGHTH LINE                 |
| NORTH SERVICE ROAD EAST | IROQUOIS SHORE ROAD     | JOSHUAS CREEK DRIVE         |
| EIGHTH LINE             | NORTH SERVICE ROAD EAST | DUNDAS STREET EAST          |



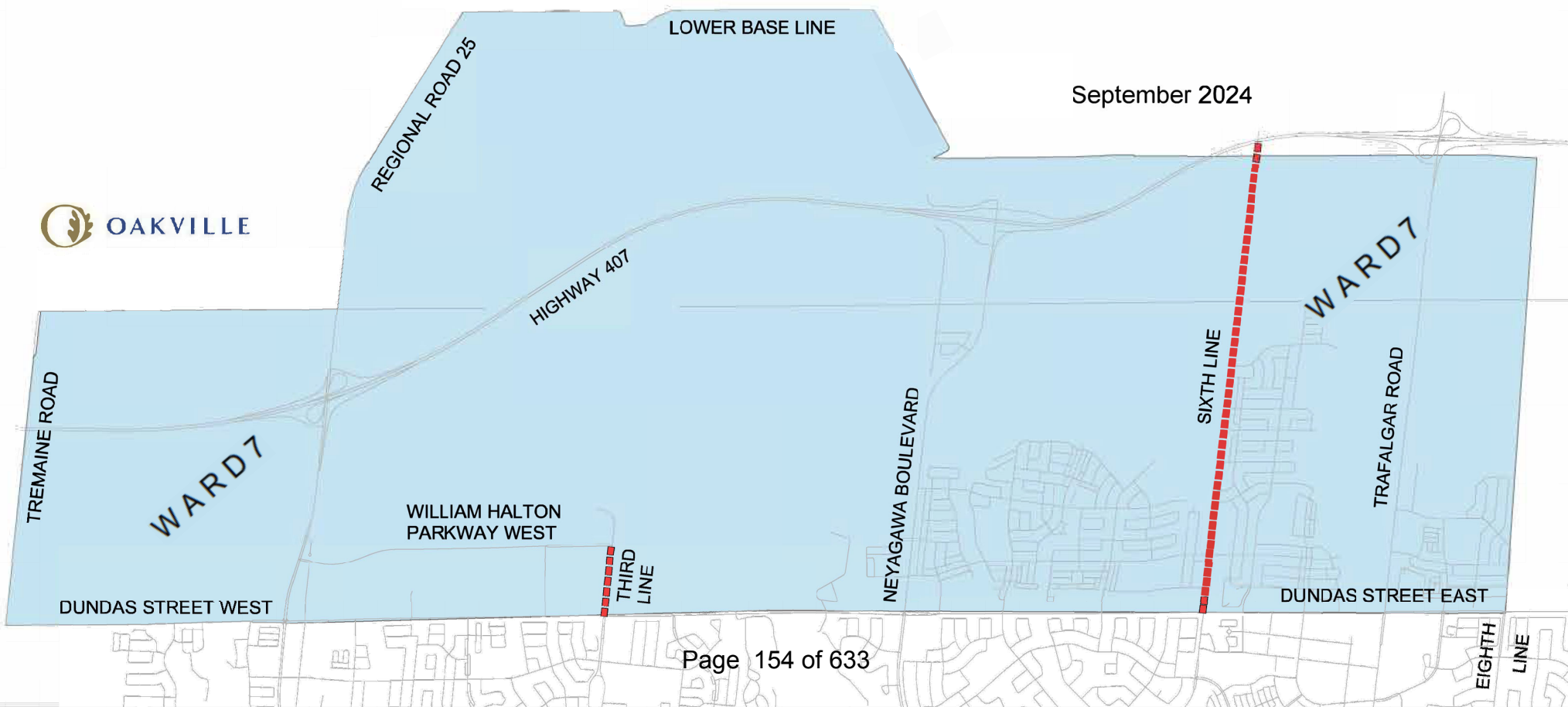
**STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THUS** - - - - -

# WARD 7 - ELECTION SIGN LOCATIONS

| STREET NAME | FROM STREET        | TO STREET                   |
|-------------|--------------------|-----------------------------|
| SIXTH LINE  | DUNDAS STREET EAST | NORTH LIMIT OF WARD 7       |
| THIRD LINE  | DUNDAS STREET WEST | WILLIAM HALTON PARKWAY WEST |



**STREETS WHERE ELECTION SIGNS ARE PERMITTED ARE SHOWN THUS** .....



## REPORT

### Council

**Meeting Date: January 27, 2025**

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**FROM:** Transportation and Engineering Department

**DATE:** January 14, 2025

**SUBJECT:** Heritage Way Neighbourhood 40km/h Area Speed Limit Review

**LOCATION:** Heritage Way Neighbourhood

**WARD:** Ward 4

Page 1

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#### **RECOMMENDATION:**

That the 40km/h Neighbourhood Speed Limit pilot in the Heritage Way Neighbourhood be concluded and the speed limits within the neighbourhood be maintained as currently posted.

#### **KEY FACTS:**

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

- The Heritage Way Neighbourhood was designated as a 40km/h Area pilot project following the Council directions at its meeting on October 22, 2019.
- Speed data collected in Heritage Way Neighbourhood, presented to Council on September 18, 2023, indicated there was a negligible effect on operating speeds as a result of the speed limit change.
- Collision data within Heritage Way neighbourhood indicates a reduction in collisions since the implementation of the 40km/h Area speed limit.
- On July 9, 2024, Council directed staff to conduct public consultation within the Heritage Way neighbourhood for reinstating the speed limit to 50km/h within the Heritage Way neighbourhood (excluding 40km/h school zones on Heritage Way).
- Public consultation, via a survey mailed to all households within the Heritage Way neighbourhood, was conducted in November 2024.
- Survey results indicate that 54% of respondents are in favour of keeping 40km/h Area speed limits.
- Staff recommend maintaining the current 40 km/h posted speed in the Heritage Way Neighbourhood and not revert back to a 50km/h speed limit.

**BACKGROUND:**

In October 2019, Council directed staff to implement 40km/h Area speed limit pilot in Heritage Way Neighbourhood, as permitted by the *Highway Traffic Act*. This neighbourhood is bounded by Upper Middle Rd, Third Line, North Service Rd, and Fourteen Mile Creek. Refer to *Appendix A* of this report for a map of the area. A second pilot area was also introduced in West River Neighbourhood.

Following the implementation of the 40km/h Area pilots, staff conducted speed studies and reported back to Council in [January 2021](#). The results showed a marginal increase in operating speed compared to operating speed before implementing the pilot in the Heritage Way neighbourhood. This indicated ineffectiveness of 40km/h signage to slow the traffic down.

The January 2021 report recommended that 40km/h speed limits be retained in these two pilot study areas and that complementary measures be investigated. This report also recommended that future consideration of neighbourhood 40 km/h zones be limited to neighbourhoods where the road network can limit non-resident traffic, and that they be considered in conjunction with complimentary measures. The staff recommendation regarding future neighbourhood 40 km/h zones was not adopted and Council directed staff to report back in fall 2021 with an implementation plan for a 40 km/h speed limit on all local and minor collector roads in the Town of Oakville.

Staff reported back in [October 2021](#) with the recommended implementation plan for a 40 km/h speed limit on all local and minor collector roads. Council deferred the implementation plan and directed staff to continue monitoring the existing 40 km/h Areas of Heritage Way and West River as well as to add a new 40 km/h Area in Lakeshore Woods. Staff collected speed data at 16 different locations in the Heritage Way neighbourhood for four seasons. Results in *Appendix B* show the comparison between “before” speeds and the speeds collected in May 2023 for the Heritage Way neighbourhood. Speed data, while varying in range when looking at individual locations, indicated an overall increase of 1.0km/h for all locations studied compared to operating speed before implementing the pilot. The speed data was presented to Council in [September 2023](#) reiterating the findings from January 2021 that the lower speed limit signs, on their own, were not effective in reducing operating speeds. In addition, staff provided two options for implementing the 40km/h speed limit should Council wish to proceed. Ultimately, Council voted against implementing a 40km/h speed limit on all local and minor collector roads. However, the speed limits in the 40km/h pilot areas of Heritage Way, West River, and Lakeshore Woods, were maintained and did not revert back to 50km/h.



On [July 9, 2024](#), Council directed staff to conduct public consultation in the Heritage Way neighbourhood for reinstating the 50km/h posted speed limit from the current posted speed limit of 40km/h on all streets in Heritage Way 40km/h Area (excluding 40km/h school zones on Heritage Way) and report back with the public consultation results.

### **COMMENT/OPTIONS:**

On October 30, 2024, a letter was distributed to approximately 1900 households within the Heritage Way neighbourhood. The letter provided the required information to access an online survey, as well as contact information of staff should a resident wish to correspond via telephone or email. The letter is included in *Appendix C* of this report. The survey requested feedback, asking the residents for their opinion on:

- Maintaining the 40km/h Area speed limit; or
- Reverting to a 50km/h speed limit on all roads within the neighbourhood, except Heritage Way within the existing school zones.

### **Survey Responses**

The resident survey was available online for one month, from October 30 to November 29, 2024. Responses were received from 320 households through the online survey, as well by phone and email correspondence with staff. The respondents' addresses were well distributed throughout the neighbourhood.

Of the respondents, 54% indicated support for the 40km/h Area speed limit to remain and 46% indicated support for all roads to revert to 50km/h (except for school zones).

Respondents were also asked to comment on what they have observed in general driving behaviour since the 40km/h Area speed limit was implemented. The survey offered a choice of three responses: 1. Driving slower, 2. Driving faster, or 3. No change. Of the responses received, 60% indicated observing 'no change' in driving behaviour. Results are provided in *Appendix D*.

### **Collision History**

Collision history within Heritage Way Neighbourhood was also analyzed by comparing the number of collisions before and after the 40km/h Area posted speed limit was implemented. The collision analysis considered three years prior to implementation from January 2017 to December 2019 and three years after implementation from January 2021 to December 2023. Data from 2020 was intentionally excluded due to potential anomalies caused by the global COVID-19 pandemic. A full year of data is not yet available for 2024.

Collision data indicates that there were 55 collisions, of all types, between January 2017 and December 2019 within the Heritage Way Neighbourhood. In comparison,

the total number of recorded collisions dropped to 24 between January 2021 and December 2023, representing a 56% reduction. The following table summarizes the yearly collision statistics.

**Table 1: Summary of Number of Collisions in the Heritage Way Neighbourhood – 2017 to 2019 and 2021 to 2023**

| Year         | Before Implementing Pilot |      |      | After Implementing Pilot |      |      |
|--------------|---------------------------|------|------|--------------------------|------|------|
|              | 2017                      | 2018 | 2019 | 2021                     | 2022 | 2023 |
| Collisions   | 18                        | 17   | 20   | 7                        | 6    | 11   |
| 3-year Total | 55                        |      |      | 24                       |      |      |

This significant reduction in collisions represents a positive change in the neighbourhood that may be attributed to lowered speed limit as well as other factors. Collision comparison is illustrated in Appendix E.

### Automated Speed Enforcement

The town is launching its Automated Speed Enforcement (ASE) program in January 2025. Fourteen (14) ASE cameras – two per ward - will be installed in Community Safety Zones within each ward on a 4-month rotation basis. There is an existing Community Safety Zone on Heritage Way from a point 10m east of Brays Lane and a point 10m east of Postmaster Drive, that includes both Heritage Glen Public School and St. Bernadette Catholic Elementary School. The implementation of ASE cameras on Heritage Way is anticipated to increase speed compliance and enhance road safety in the neighbourhood.

### Conclusion

While the speed data presented in the September 2023 staff report showed that there was no decrease in operating speeds during the Heritage Way Neighbourhood 40km/h Area pilot, collision rates have decreased with the lower speed limits in effect. The 40 km/h Area pilot has been in place for over three years, and most of the survey respondents are in favour of maintaining the 40 km/h posted speed in the neighbourhood. Therefore, staff recommend maintaining the current 40 km/h posted speed in the Heritage Way Neighbourhood and not revert back to a 50km/h speed limit.

### CONSIDERATIONS:

#### (A) PUBLIC

A notification letter will be distributed to residents indicating survey results and that speed limits in the neighbourhood will remain as currently posted.

#### (B) FINANCIAL

There are no financial impacts as a result of this report.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

There are no impacts to other departments as a result of this report.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses the corporate strategic goal(s) to:

- Improve town's multi-modal transportation network to support effective movement of people and goods, by promoting safe travel on town roads.

**(E) CLIMATE CHANGE/ACTION**

Slower vehicle operating speeds for any given vehicle generally requires less fuel per distance travelled. Therefore, maintaining 40km/h Areas may result in less production of greenhouse gases compared to a higher posted speed limit.

**APPENDICES:**

Appendix A – Heritage Way Neighbourhood Area Map

Appendix B – Speed Comparison Before-After 40km-h Area Implementation - Chart

Appendix C – Resident Letter

Appendix D – Survey Results

Appendix E – Collision Comparison

Prepared by:

Jacob McDonald

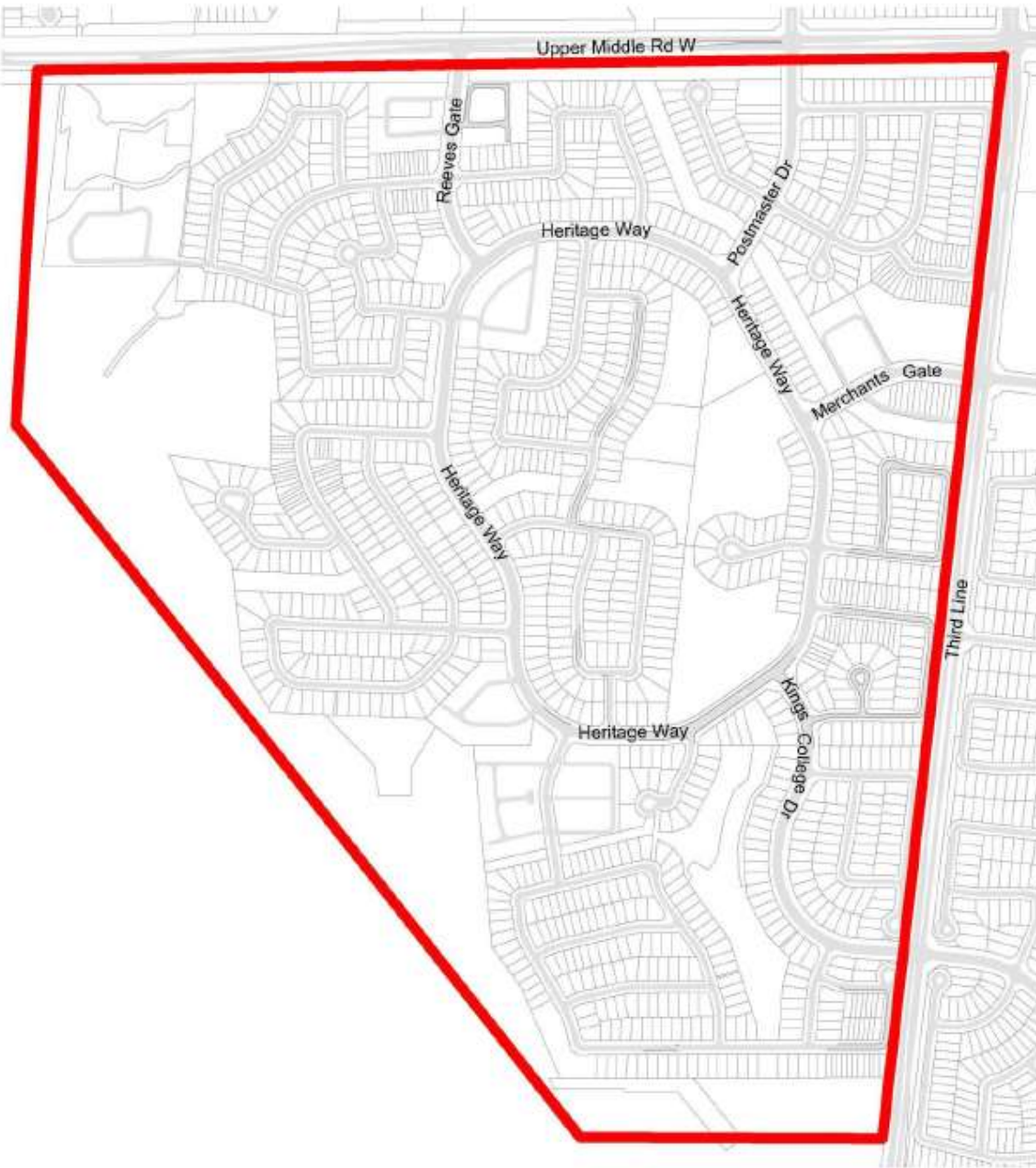
Traffic Technologist

Submitted by:

Jill Stephen

Director, Transportation and Engineering

**Pilot 40 km/hour speed limit project  
Heritage Way area**



| Table 9 - Heritage Way Results (Comparison between Before Studies & Last Set of After Studies) |                     |  |                       |                       |                       |                       |                       |                       |
|--|---------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| No.  | Road                | Road Segment                           | Before Studies        |                       | Last Set of Studies   |                       | Comparison            |                       |
|  |                     |  | Northbound /Eastbound | Southbound /westbound | Northbound /Eastbound | Southbound /westbound | NB/EB Change          | WB/SB Change          |
|  |                     |  | 85th Percentile Speed | 85th Percentile Speed | 85th Percentile Speed | 85th Percentile Speed | 85th Percentile Speed | 85th Percentile Speed |
|  |                     |  | km/h                  | km/h                  | km/h                  | km/h                  | km/h                  | km/h                  |
| 1  | Reeves Gate         | Upper Middle Road & Heritage Way       | 58.2                  | 56.4                  | 52.3                  | 55.0                  | -5.9                  | -1.4                  |
| 2  | Postmaster Drive    | Upper Middle Road & Heritage Way       | 58.4                  | 54.1                  | 58.4                  | 60.2                  | 0.0                   | 6.1                   |
| 3  | Merchants Gate      | Third Line & Heritage Way              | 52.6                  | 53.8                  | 53.3                  | 55.7                  | 0.7                   | 1.9                   |
| 4  | Kings College Drive | Playter Place & Giles Gate             | 54.9                  | 51.8                  | 59.2                  | 62.4                  | 4.3                   | 10.6                  |
| 5  | Heritage Way        | Saddler Circle & Stonecutter Drive     | 55.5                  | 52.8                  | 54.0                  | 57.7                  | -1.5                  | 4.9                   |
| 6  | Heritage Way        | Merchants Gate & Schoolmaster Circle   | 56.6                  | 57.5                  | 59.3                  | 54.8                  | 2.7                   | -2.7                  |
| 7  | Heritage Way        | Parish Lane & Cobbler Lane             | 51.6                  | 52.1                  | 55.2                  | 52.7                  | 3.6                   | 0.6                   |
| 8  | Shipwright Road     | Reeves Gate & Mayors Manor             | 47.4                  | 49.3                  | 49.7                  | 49.2                  | 2.3                   | -0.2                  |
| 9  | Silversmith Drive   | Cobbler Lane & Cobbler Lane            | 40.8                  | 41.1                  | 43.1                  | 43.6                  | 2.3                   | 2.5                   |
| 10   | Carpenters Circle   | Stonecutters Drive & Tinsmith Lane     | 47.6                  | 44.4                  | 48.0                  | 48.3                  | 0.4                   | 3.9                   |
| 11   | Brays Lane          | Heritage Way & Bowman Drive/Brays Lane | 45.4                  | 42.4                  | 36.8                  | 32.6                  | -8.6                  | -9.8                  |
| 12   | Brays Lane          | Hurley Drive & Langtry Drive           | 48.5                  | 46.8                  | 51.0                  | 49.4                  | 2.4                   | 2.6                   |
| 13   | Tinsmith Lane       | Stonecutters Drive & Carpenters Circle | 43.3                  | 37.4                  | 38.5                  | 37.6                  | -4.9                  | 0.2                   |
| 14   | Brays Lane          | Bowman Drive & Giles Gate              | 46.3                  | 45.1                  | 48.7                  | 46.4                  | 2.4                   | 1.3                   |
| 15   | Lumberman Lane      | Livery Lane & Wheelwright Road         | 44.6                  | 45.5                  | 46.7                  | 45.4                  | 2.2                   | -0.2                  |
| 16   | Blacksmith Lane     | Heritage Way & Grainer Court           | 41.1                  | 41.9                  | 42.2                  | 39.7                  | 1.1                   | -2.2                  |
|  |                     | <b>Directional Average</b>             | <b>49.6</b>           | <b>48.3</b>           | <b>49.8</b>           | <b>49.4</b>           | <b>0.2</b>            | <b>1.1</b>            |
|  |                     | <b>Cumulative Average</b>              | <b>48.9 km/h</b>      |                       | <b>49.6 km/h</b>      |                       | <b>0.7 km/h</b>       |                       |



October 30, 2024

2062 MERCHANTS GATE  
OAKVILLE ON L6M 2Z8

Dear Resident,

**Provide your input about Heritage Way Area Posted Speed Limit**

The town invites you to participate in an online survey to provide your preference about the posted speed limit in the Heritage Way neighbourhood. Please complete the survey using the QR code or URL provided on the reverse of this letter by November 29, 2024. We value your input to keep our streets safe and convenient for all users - residents, pedestrians and drivers.

**Background**

In October 2019, the town implemented 40 km/h Area Pilot in Heritage Way Neighbourhood. This changed the posted speed limit from 50 km/h to 40 km/h on all streets within the outlined Heritage Way area. New speed limits were posted at key entry points at Reeves Gate, Postmaster Drive, Merchants Gate and Kings College Drive. A map of the pilot area is attached with this letter (see reverse).

Staff conducted speed studies at 14 locations within the pilot area for four seasons to assess the effectiveness of the 40 km/h Area Pilot and presented the results to Council in September 2023. The results of speed studies showed minimal change in operating speeds after the speed limit was lowered.

In July 2024, Council directed staff to consult with the residents of the Heritage Way area to determine if they prefer to revert to the 50 km/h speed limit on all streets within the area (excluding two school zones on Heritage Way).

If you have any questions, please contact:

Jacob McDonald  
Transportation and Engineering  
(905) 845-6601 ext. 3340  
[jacob.mcdonald@oakville.ca](mailto:jacob.mcdonald@oakville.ca)

Town of Oakville | 1225 Trafalgar Road, Oakville L6H 0H3 | 905-845-6601 | [oakville.ca](http://oakville.ca)

Vision: A vibrant and livable community for all



QR Code:

URL: <https://arcg.is/1ib5OW0>



### Heritage Way 40 km/h Area



Town of Oakville | 1225 Trafalgar Road, Oakville L6H 0H3 | 905-845-6601 | oakville.ca

Vision: A vibrant and livable community for all



Figure D.1: Survey Results on Preference in Area Posted Speed Limit

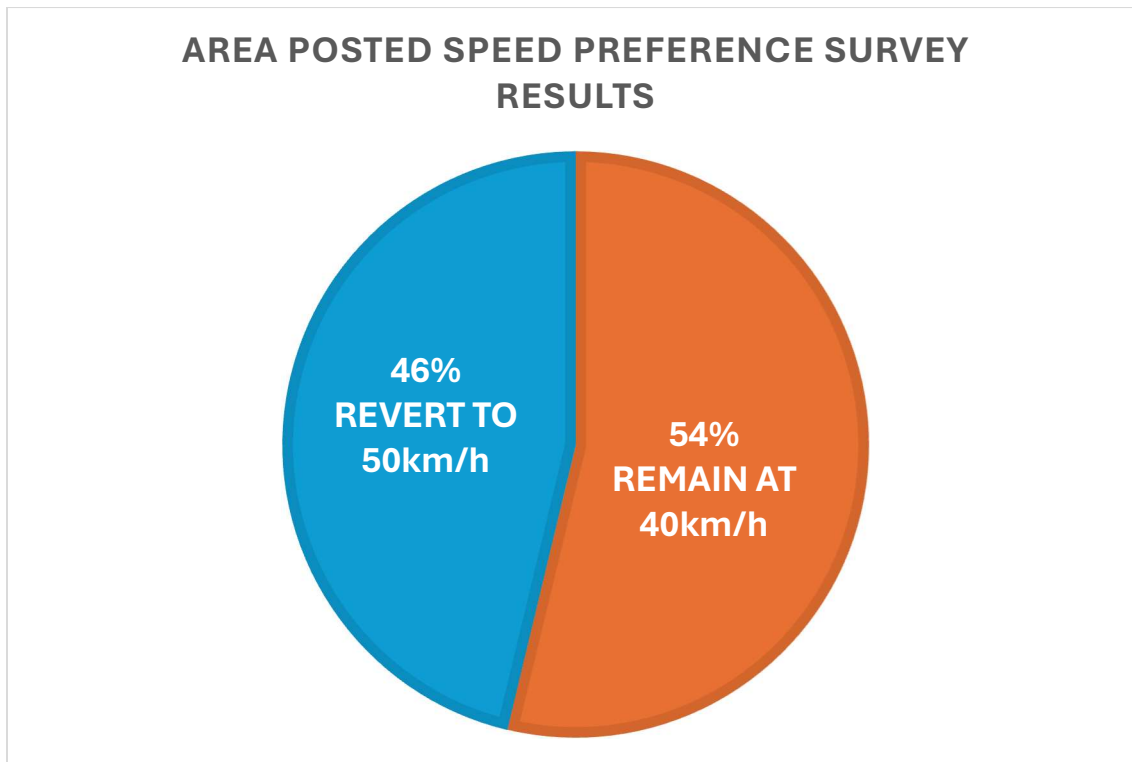


Figure D.2: Survey Response on Observed Driving Behaviours

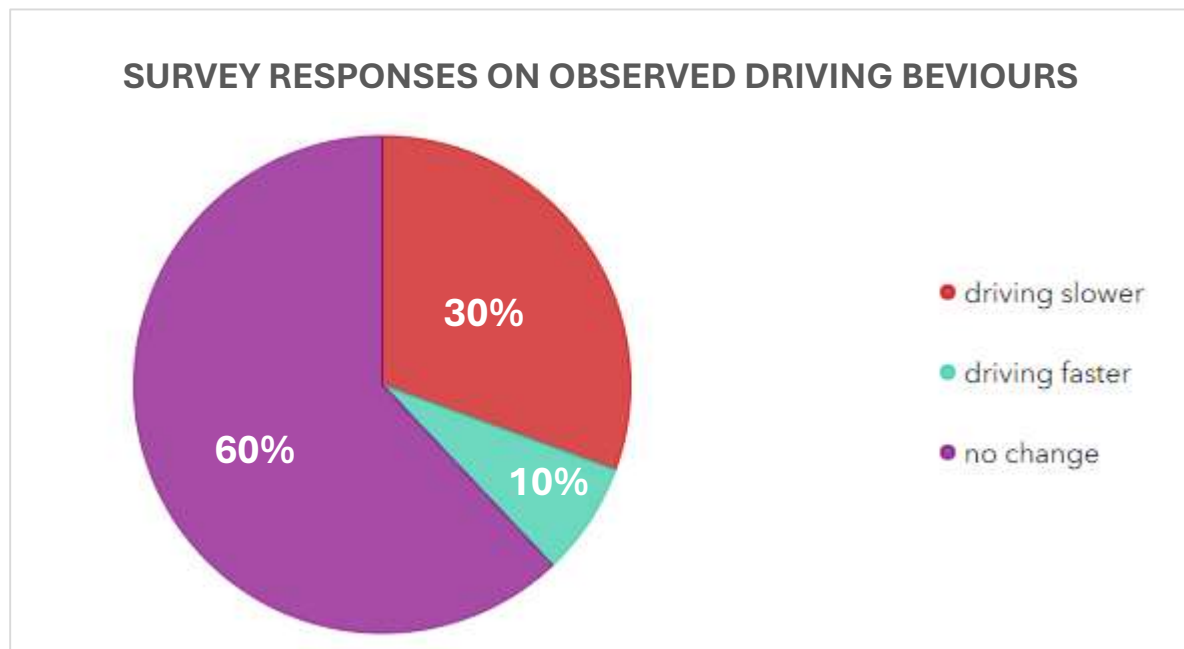




Figure E.1: Total Recorded Collisions in Heritage Way Neighbourhood

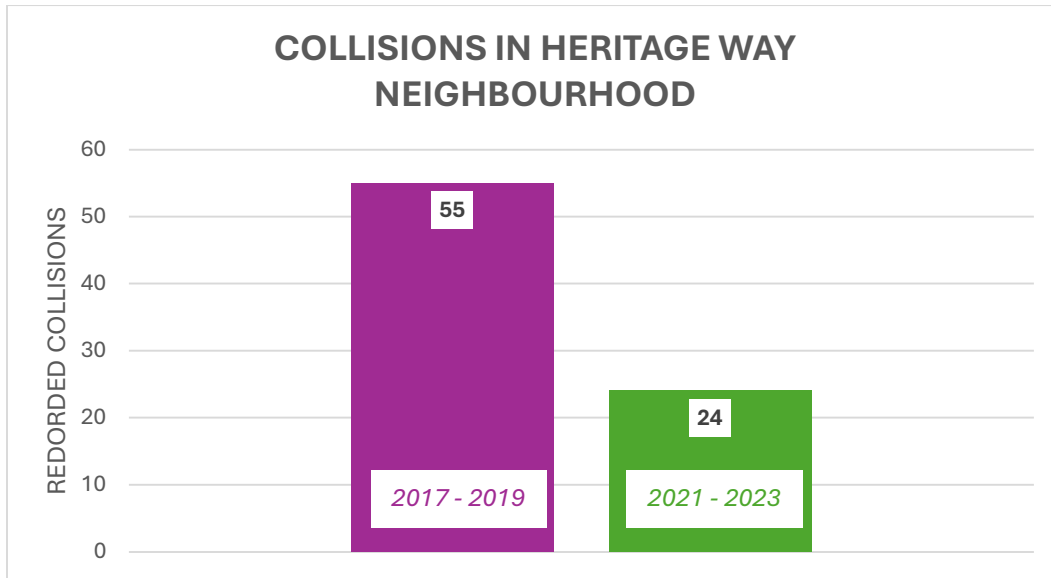


Figure E.2: Recorded Collisions, per month, in Heritage Way Neighbourhood

Before the 40km/h Pilot

After 40km/h Speed Limits Implemented

| Date                | Number of collisions |           |           |
|---------------------|----------------------|-----------|-----------|
|                     | Intersection         | Midblock  | Total     |
| January             | 1                    | 3         | 4         |
| February            | 0                    | 2         | 2         |
| March               | 0                    | 2         | 2         |
| April               | 0                    | 0         | 0         |
| May                 | 0                    | 0         | 0         |
| June                | 0                    | 3         | 3         |
| July                | 0                    | 1         | 1         |
| August              | 0                    | 0         | 0         |
| September           | 0                    | 0         | 0         |
| October             | 0                    | 0         | 0         |
| November            | 0                    | 1         | 1         |
| December            | 1                    | 4         | 5         |
| <b>2017 Total</b>   | <b>2</b>             | <b>16</b> | <b>18</b> |
| January             | 0                    | 0         | 0         |
| February            | 0                    | 0         | 0         |
| March               | 0                    | 3         | 3         |
| April               | 0                    | 2         | 2         |
| May                 | 0                    | 1         | 1         |
| June                | 0                    | 1         | 1         |
| July                | 0                    | 1         | 1         |
| August              | 0                    | 1         | 1         |
| September           | 0                    | 3         | 3         |
| October             | 0                    | 0         | 0         |
| November            | 1                    | 3         | 4         |
| December            | 0                    | 1         | 1         |
| <b>2018 Total</b>   | <b>1</b>             | <b>16</b> | <b>17</b> |
| January             | 0                    | 1         | 1         |
| February            | 0                    | 3         | 3         |
| March               | 0                    | 0         | 0         |
| April               | 0                    | 3         | 3         |
| May                 | 0                    | 1         | 1         |
| June                | 0                    | 1         | 1         |
| July                | 0                    | 3         | 3         |
| August              | 0                    | 0         | 0         |
| September           | 0                    | 2         | 2         |
| October             | 0                    | 2         | 2         |
| November            | 1                    | 1         | 2         |
| December            | 0                    | 2         | 2         |
| <b>2019 Total</b>   | <b>1</b>             | <b>19</b> | <b>20</b> |
| <b>3 Year Total</b> | <b>4</b>             | <b>51</b> | <b>55</b> |

| Date                | Number of collisions |           |           |
|---------------------|----------------------|-----------|-----------|
|                     | Intersection         | Midblock  | Total     |
| January             | 0                    | 0         | 0         |
| February            | 0                    | 0         | 0         |
| March               | 2                    | 0         | 2         |
| April               | 0                    | 0         | 0         |
| May                 | 0                    | 1         | 1         |
| June                | 0                    | 0         | 0         |
| July                | 0                    | 0         | 0         |
| August              | 0                    | 1         | 1         |
| September           | 0                    | 1         | 1         |
| October             | 0                    | 0         | 0         |
| November            | 0                    | 0         | 0         |
| December            | 0                    | 2         | 2         |
| <b>2021 Total</b>   | <b>2</b>             | <b>5</b>  | <b>7</b>  |
| January             | 0                    | 0         | 0         |
| February            | 0                    | 2         | 2         |
| March               | 0                    | 0         | 0         |
| April               | 0                    | 1         | 1         |
| May                 | 0                    | 1         | 1         |
| June                | 0                    | 0         | 0         |
| July                | 0                    | 0         | 0         |
| August              | 0                    | 1         | 1         |
| September           | 0                    | 0         | 0         |
| October             | 0                    | 0         | 0         |
| November            | 0                    | 1         | 1         |
| December            | 0                    | 0         | 0         |
| <b>2022 Total</b>   | <b>0</b>             | <b>6</b>  | <b>6</b>  |
| January             | 0                    | 1         | 1         |
| February            | 0                    | 2         | 2         |
| March               | 0                    | 1         | 1         |
| April               | 0                    | 1         | 1         |
| May                 | 1                    | 0         | 1         |
| June                | 0                    | 2         | 2         |
| July                | 0                    | 0         | 0         |
| August              | 0                    | 1         | 1         |
| September           | 0                    | 0         | 0         |
| October             | 0                    | 1         | 1         |
| November            | 0                    | 0         | 0         |
| December            | 0                    | 1         | 1         |
| <b>2023 Total</b>   | <b>1</b>             | <b>10</b> | <b>11</b> |
| <b>3 Year Total</b> | <b>3</b>             | <b>21</b> | <b>24</b> |

## REPORT

### Council

Meeting Date: January 27, 2025

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**FROM:** Finance Department

**DATE:** January 14, 2025

**SUBJECT:** Oakville Vacant Home Tax

**LOCATION:**

**WARD:** Town-wide [Click here for multiple wards.](#)

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#### RECOMMENDATION:

1. That staff proceed with a plan to implement a Vacant Home Tax within the municipality and that staff report back in Q3 2025 with more details on a proposed Vacant Home Tax program.
2. That the Town Clerk forward a copy of this report's resolution to Halton Region, City of Burlington, Town of Milton and Town of Halton Hills.

#### KEY FACTS:

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

- March 27, 2024 (and updated September 13, 2024) Ontario released a Provincial Policy Framework which provided supplemental Vacant Home Tax (VHT) guidelines and recommendations, in addition to *Municipal Act, 2001* Part IX.1 Optional Tax on Vacant Residential Units legislation, to promote consistency and best practices in application of a VHT.  
<https://www.ontario.ca/page/municipal-vacant-home-tax#section-2>
- The 2024 Provincial Policy Framework included a recommendation for municipalities with an upper tier and lower tier system of government, that upper tier municipalities receive supportive statements or endorsements from lower tiers, including approaches to ensure that the lower tiers will be able to retain revenues sufficient to offset their costs of VHT collection and administration.”
- Upper tier municipalities are responsible to set out key aspects of a VHT program, such as the tax rate and definition of vacancy. Further, upper tier municipalities will specify in a by-law for which lower tiers the VHT will be in effect, and in which it will not.

- To date all other Halton Region lower tier municipalities have provided the Region with approved resolutions that they be excluded from any potential by-law(s) that would implement a VHT within their respective municipalities.
- Should the Town of Oakville Council wish to proceed with a plan for a VHT program, Oakville will be required to provide a supportive statement to Halton Region to participate in a VHT program.
- Should the Town of Oakville Council wish to opt-out of a VHT program, Oakville will be required to provide an approved resolution to Halton Region to be excluded from a VHT program by-law.
- If Oakville Council would like to proceed with a plan for a VHT program, town staff will commence further design of a program for Oakville only and work with Halton Region on contents of the program by-law that would be passed by Regional Council. Once details of the program have been evaluated, staff would return to Council for approval of a VHT program.

**BACKGROUND:**

The option for Municipalities to implement a Vacant Home Tax was originally established through Bill 127, *Stronger, Healthier Ontario Act* in 2017. Bill 127 amended the *Municipal Act, 2001* by adding a new Part IX.1, which allowed designated municipalities through by-law to impose a tax on vacant residential units in certain circumstances. Rules regarding the by-laws were established within Part IX.1, and it allows the Ministry of Finance the authority to make regulations governing the VHT as necessary or desirable.

In December 2022, the Ministry of Finance formed a VHT working group that includes Ministry of Finance members and upper tier and lower tier municipalities. Oakville, Burlington, Milton and Halton Region are part of the VHT working group, and this working group remains in place and is currently actively meeting. Through its findings and discussions with the VHT working group, the Ministry of Finance released a Provincial Policy Framework in March 2024. This Framework established that municipalities are no longer required to be designated by the Ministry of Finance to impose a VHT and recommended, amongst other items, that within a two-tier municipality, the upper tier municipality must pass the by-law at Regional Council, but the VHT is recommended to be endorsed and opted in by the lower tier municipal Council(s).

Commencing in 2021, Halton Region and the local municipalities have worked together with Ernst & Young LLP (EY) regarding a VHT program design and feasibility study. Below, and in Appendices A-D, is a summary of reports and related information brought forward to Regional Council on a VHT program to date:

- April 20, 2022: through Halton Region report FN-15-22 (Appendix A), Regional Council received a VHT feasibility assessment of adopting a VHT, prepared by EY.
- Regional Council gave direction to staff to proceed with undertaking a design and implementation study of a proposed VHT program in the region.
- November 22, 2023: through Halton Region report FN-41-23 (Appendix B), Regional Council received an update on the VHT work to-date which included results of a public consultation process completed by the region and notification of an upcoming provincial framework to be received. At the council meeting a motion was passed to pause the VHT work until the province established and released the policy framework.
- March 27, 2024: the Ministry of Finance released the Provincial Policy Framework which included guidelines and recommendations for the VHT. This framework also established an option for lower tier municipalities to opt-out of participating in a VHT program. <https://www.ontario.ca/page/municipal-vacant-home-tax>
- April 17, 2024: through Halton Region report FN-12-24 (Appendix C) and with the release of the province's framework, Regional Council approved the resumption of work on the study of a VHT program for Halton Region.
- May 13, 2024: through report ES-009-24\*, the Town of Milton requested to be excluded from a VHT program.
- June 17, 2024: through report CS-2024-015\*, the Town of Halton Hills requested to be excluded from a VHT program.
- September 17, 2024: through report F-27-24\*, the City of Burlington requested to be excluded from a VHT program.
- October 23, 2024: through Halton Region report FN-26-24 (Appendix D), Regional Council received the VHT exclusion requests from the other three Halton Region lower tier municipalities and requested Oakville provide a statement to the region to indicate its intent to participate in a VHT program.

**COMMENT/OPTIONS:**

The province has stated the intent of a VHT program is to increase the housing supply by creating an incentive for property owners to sell unoccupied homes or make them available to rent. VHTs are municipal taxes that are a tax rate applied to the current assessed value of a vacant home.

\* Included in Appendix D – Halton Region Report FN-26-24 appendices

Municipalities have some autonomy in designing a VHT program using the legislation for guidelines and recommendations. Property exemptions from the tax, methods of vacancy declaration, late declaration fees, audit methods and inspection powers, and the use of dispute resolution are decided by the municipality. In a two-tier municipality, these details of a VHT program, along with an established tax rate and definition of a vacant unit, are to be approved by Regional Council through by-law. A fulsome summary of a VHT program design can be found in Appendix D – Halton Region Report FN-26-24.

Current Ontario Municipalities that have implemented a VHT program include:

- City of Toronto (Appendix E):
  - Approved by Council in 2021
  - 2022 VHT program revenue \$56.5M (1% tax rate)
  - 2023 VHT program revenue \$50.6M (1% tax rate)
  - Vacancy rate (% of residential vacant units) in Toronto is estimated between 1.0%-1.2%
  - Universal declaration methodology
  - 2024 VHT program tax rate increased to 3%, program revamped with longer declaration period, declarations can be submitted via a portal, increased customer care and late declaration fees remain waived for the time being
  - \$5.8M annual administration cost. This amount includes \$3.1 for general administration, \$1.1M for customer care staffing (311), \$1.6M for communications (campaign and print)
- City of Ottawa (Appendix F)
  - Approved by Council in 2022
  - 2022 VHT program revenue \$12.6M (1% tax rate)
  - 2022 Vacancy rate (% of residential vacant units) in Ottawa was 1.1%
  - Universal declaration methodology
  - 2022 VHT program administration costs \$2.28M. This amount includes 12 FTEs and 6 PTEs, development of an IT solution and communication expenses
- City of Hamilton (Appendix G)
  - Approved by Council in 2024
  - 2025 commencement year
  - Approved using a 1% tax rate, estimated net revenue of \$3.3M in the first five years of the program.
  - Universal declaration methodology
  - One time implementation costs estimated at \$2.6M, annual administration costs estimated at \$2.2M. These amounts include 16 FTEs, general administration and communication costs. (EY estimates)
- City of Windsor (Appendix H)
  - Approved by Council in 2023

- Volunteer declaration methodology and public reporting (tips)
- 2024 implementation with a 3% tax rate
- 2024 projected revenue \$246K and estimated expenses \$146K (includes two FTE plus general administration and communication fees)
- City of Sault Ste. Marie (Appendix I)
  - Approved by Council in 2024
  - 2025 implementation with a 3% tax rate
  - Volunteer declaration methodology and public reporting (tips)
  - Estimate of 45 properties are vacant
  - 2025 projected revenue of \$58.6K and estimated expenses \$96.7K (includes 1 FTE plus general administration and communication fees)

EY feasibility study for Oakville found in Appendix D, attachment #5 notes the following estimates for implementing a VHT program:

- 332 estimated eligible vacant units
- At a 1% tax rate, projected annual revenues of \$2.8M for the first 10 years of the program, comprised of \$2.76M in tax levy revenue and \$0.07M in penalty revenue
- EY estimated implementation costs would be approximately \$1.6M:
  - Declaration and audit systems: \$1.0M (noted based on regional system cost, not explored for Oakville)
  - Other Costs (business support, public consultations, project team) \$0.5M
- EY estimated annual costs to operate the program to be \$2.2M:
  - EY estimate includes 14 FTEs at \$2.1M
  - Annual software license fees at \$0.1M (noted based on regional system cost, not explored for Oakville)

EY estimated average annual net revenues projected for a VHT program in Oakville to be \$0.6M, with an estimated implementation cost of \$1.6M to be recovered from net revenues of the program, with a payback period of less than three (3) years.

#### Next Steps:

Should Council wish to proceed with a plan for a VHT program, the recommendations in this report should be passed. Staff will then inform Halton Region that Council is in support of a VHT program and work with Halton Region to determine what would be required for the regional by-law.

At the same time, staff will begin the work to design an Oakville-specific VHT program, including addressing program details, identifying timelines, costs, and staffing requirements, proposing uses of net VHT funds, and coming up with a communications plan. Staff could likely return to Council in Q3 2025 with further details of the program for a possible roll-out in 2027.

**CONSIDERATIONS:****(A) PUBLIC**

A Vacant Home Tax program can be onerous to property owners if a universal declaration is established as part of a VHT program; however, revenues potentially can be significant and could be put towards housing affordability which would benefit the public and Oakville's housing needs in general.

Over time, a VHT program should reduce the number of vacant units and therefore, the program can be reviewed annually and amended from a universal declaration to another less burdensome form, such as a self-declaration method.

**(B) FINANCIAL**

Staff would require further cost analysis of implementing and administering a VHT program in Oakville, outside of the estimation provided by EY's feasibility study previously provided to Regional Council as costs were generally estimated and Oakville staff think that there is overlap with suggested staffing requirements and existing staff.

Implementing a VHT program would provide revenues that could be used for assisting with affordable housing development and/or other Oakville goals. Should Council wish to move forward with a VHT program, part of the staff report to come back at a later date would outline for what purposes any net proceeds could be used.

Currently, the town's previously approved budget includes 0.5 FTE in Finance to help with implementation of a VHT program. Given the pause at the region, staff have not filled this position. Should Council wish to move forward with a VHT program, staff would fill this position to assist in the work required to bring a final report forward to Council for approval.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

There would be a need to increase staff in Revenue Services & Tax to administer the program and provide additional customer service needs, particularly the first two years of implementation.

The Communications department would also be impacted and may require additional staffing. There should be minimal impact to ITS as staff would work with the town's new tax software vendor to facilitate a declaration and tracking method through the current tax solution and tax portal.

**(D) COUNCIL STRATEGIC PRIORITIES**

The goal of a VHT program is to reduce the number of vacant residential units within a municipality to aid with increasing housing units (owned or leased) and to ensure areas are adequately populated in so that commercial areas thrive and are able to service the community as planned.

The goal of the Vacant Home Tax program aligns with the Council approved Housing Strategy and Action Plan's goal to increase the housing supply in keeping with the town's urban structure, improve housing options and choice, and collaborate with other levels of government to create more housing which is contextually appropriate. Revenue generated from a Vacant Home Tax could be used to assist in the implementation of action items identified in the Housing Strategy, including the potential to fund programs developed within a Community Improvement Plan intended to improve housing affordability in Oakville.

**(E) CLIMATE CHANGE/ACTION**

NA

**APPENDICES:**

- Appendix A - Halton Region Report FN-15-22 Apr 20, 2022
- Appendix B - Halton Region Report FN-41-23 Nov 22, 2023
- Appendix C - Halton Region Report FN-12-24 Apr 17, 2024
- Appendix D - Halton Region Report FN-26-24 Oct 23, 2024
- Appendix E - City of Toronto Redesigning the VHT Program Report Sept 17, 2024
- Appendix F - Ottawa VHT 2022 Occupancy Year Annual Report
- Appendix G - Hamilton Residential Vacant Unit Tax Program Framework Jan 18, 2023
- Appendix H - Windsor Development and Implementation of a City Wide VHT Program Report Nov 27, 2023
- Appendix I - Sault Ste Marie Municipal VHT Report Apr 29, 2024

**Prepared by:**

Danielle Tummon  
Manager, Revenue Services & Taxation

**Submitted by:**

Jonathan van der Heiden  
Treasurer (Acting) and Director of Finance





## The Regional Municipality of Halton

|            |   |
|------------|---|
| Report To: | Regional Chair and Members of Regional Council              |
| From:      | Cyndy Winslow, Commissioner, Finance and Regional Treasurer |
| Date:      | April 20, 2022  |
| Report No: | FN-15-22  |
| Re:        | Optional Vacant Homes Tax in Halton Region                  |

### RECOMMENDATION

1. THAT staff be authorized to proceed with the design and implementation of a proposed Vacant Homes Tax in Halton Region which includes undertaking public engagement to obtain input and feedback from Halton Residents and stakeholders and report back to Regional Council for approval, as outlined in Report No. FN-15-22 re: Optional Vacant Homes Tax in Halton Region.
2. THAT staff be authorized to transfer \$300,000 from the Tax Stabilization Reserve (501020) in order to fund the design and implementation study on a proposed Vacant Homes Tax in Halton Region.
3. THAT the Regional Clerk forward a copy of Report No. FN-15-22 to the City of Burlington, the Town of Halton Hills, the Town of Milton and the Town of Oakville, for their information.

### REPORT

#### **Executive Summary**

- At the Regional Council meeting on June 16, 2021, Council requested staff to report back on a tax on vacant homes, the impact of corporate purchases of single family homes, and the related impact on affordable housing.
- The Region retained Ernst & Young LLP (EY) for the purpose of conducting a feasibility assessment of adopting a Vacant Homes Tax (VHT) in Halton. This report provides Regional Council with the findings of the VHT Feasibility Assessment and the anticipated impact on affordable and assisted housing.

- Regional Council also requested to know the impact of corporate purchases of single family homes in Halton. Aggregate information related to the sale and ownership of homes by corporations is not available, so this request could not be responded to.
- The EY report titled “Feasibility Assessment for Vacant Homes Tax”, presented in Attachment #1, provides indication that the implementation of a VHT in Halton would lead to a reduction in vacant homes and result in positive net revenues which could be invested to support Halton Region’s Comprehensive Housing Strategy objectives.
- This report seeks approval for staff to proceed with the design and implementation of a VHT program in Halton which starts with undertaking public engagement to obtain input and feedback from Halton Residents and stakeholders to help design the program. This will be followed by staff undertaking a design and implementation study with the engagement of a third party consultant and will develop the proposed VHT program framework.
- It is recommended that a third party consultant be retained through a competitive procurement process to assist with development of the design and implementation study. The estimated cost of the study is projected to be \$300,000, and it is recommended that this cost be funded through a transfer from the Tax Stabilization Reserve (501020) in 2022.
- Staff will report back to Regional Council in 2023 with the public engagement findings and the proposed VHT program framework for approval. Upon approval, Halton Region would need to submit a request to the Ministry of Finance for Halton Region to be a designated municipality under Part IX.1 Optional Tax on Vacant Residential Units, of the *Municipal Act, 2001*. Thereafter a report would be brought forward with the associated by-law for Council approval to implement the VHT program. While it is not yet known how long it will take to receive approval from the Minister of Finance, it is estimated that the earliest that the VHT could be implemented would be billing in 2024 based on the 2023 taxation year; however billing in 2025 based on the 2024 taxation year may be a more realistic estimate.

## Background

On May 17, 2017, *Bill 127 – Stronger, Healthier Ontario Act (Budget Measures), 2017*, received Royal Assent and amended and repealed various Acts to implement the measures contained in the 2017 Ontario Budget, including the Fair Housing Plan. The *Municipal Act, 2001* (the Act) was also amended and Part IX.1 Optional Tax on Vacant Residential Units was introduced. Under this legislation, interested municipalities may seek designation status from the Minister of Finance to be granted the authority to impose a tax on vacant residential units in certain circumstances.

Under section 338.2 of the Act, designated municipalities in Ontario can impose a tax on vacant residential units that meet the criteria established by the municipality. Council has the authority to pass a by-law to impose a VHT on the assessed value of a vacant home in the residential property class. The by-law must contain the applicable tax rate and the conditions of a vacancy that, if met, make a unit subject to the tax. The by-law may also contain, if Council deems appropriate, possible exemptions from the tax, rebates of tax, audit and inspection powers and a dispute resolution mechanism.

The Act preserves the right of the Minister of Finance to make regulations pertaining to the tax including any conditions or limits on how the tax is imposed, defining a vacant unit, governing the collection of a tax, and dispute resolution. As of the date of this report, no such regulation has been filed.

**Municipal Scan**

As shown in the table below, a survey of neighbouring municipalities indicates that only the City of Toronto currently has authority to implement the vacant homes tax through an amendment to the *City of Toronto Act, 2006*, and plans to begin collecting the tax in 2023 based on the 2022 taxation year. Other municipalities that are planning to proceed forward with the tax are in various stages in the process, and have projected that the process will take a number of years prior to implementation of tax collection. Halton Region’s projected timeline, shown in the table below, is discussed in further detail in this report.

| <b>Municipality</b> | <b>VHT Feasibility Study</b> | <b>VHT Program Framework Approved</b> | <b>VHT Minister of Finance Approval</b> | <b>VHT Effective Date</b> | <b>Tax Collection Year</b> |
|---------------------|------------------------------|---------------------------------------|---|---------------------------|----------------------------|
| City of Toronto     | 2017 - 2021                  | December 2021                         | Not Applicable*                         | 2022                      | 2023                       |
| City of Ottawa      | 2020 - 2021                  | March 2022                            | Data not available                      | 2022 Projected            | 2023 Projected             |
| City of Hamilton    | 2019 - 2022                  | Data not available                    | Data not available                      | 2022 Projected            | 2023 Projected             |
| Peel Region         | 2021 - 2022                  | 2023 Projected                        | 2023 Projected                          | 2023/2024 Projected       | 2024/2025 Projected        |
| Halton Region       | 2021 - 2022                  | 2023 Projected                        | 2023 Projected                          | 2023/2024 Projected       | 2024/2025 Projected        |

\* The Provincial government amended the *City of Toronto Act, 2006*, in 2017 allowing the City of Toronto to impose an optional tax on vacant residential units

**Discussion**

**Vacant Homes Tax Feasibility Assessment**

The Region retained EY for the purpose of investigating the feasibility of adopting a VHT in Halton. A stakeholder group including Regional staff from Finance, Housing and

Economic Development and the Area Treasurers have been working together with EY to conduct a feasibility assessment on a VHT. The feasibility assessment includes the following key components:

- A current state overview of housing market trends in Halton;
- Overview of the VHT;
- Operational components of administering a VHT program and;
- Financial and feasibility analysis of the VHT.

The EY report titled “Feasibility Assessment for Vacant Homes Tax” can be found as Attachment #1 to this report.

## **State of Housing**

The VHT is commonly implemented in high-growth urban centres which face challenges related to housing such as rapidly appreciating home-prices (at a rate higher than the growth of income) or low availability of homes for sale or rent. As reported through Report No. SS-19-19/LPS86-19 re: “Comprehensive Housing Strategy 2014-2024 – Five Year Review”, housing in Halton Region has become less affordable in both the ownership and rental markets. The cost of housing has outpaced household income. The average price of house sales in 2018 was 39 per cent higher than in 2014, while household incomes between 2011 and 2016 increased by 16.7 per cent on average. This trend has continued, as reported through Report No. LPS50-21 re: 2020 State of Housing Report. The average price of all sales was \$902,576 in 2020, an increase of 8.1 per cent compared to 2019, while average rent increased 7.0 per cent over 2019.

The percentage of gross income spent on housing/shelter costs is a key measure of affordability adopted by the Canadian Mortgage and Housing Corporation (CMHC), with the current threshold being 30 per cent. As reported through Report No. SS-11-21 re: Comprehensive Housing Strategy Update 2014-2024 Annual Progress Report, according to the CMHC Halton Region has surpassed Toronto with the most cost prohibitive rents in Ontario. Halton Region had the highest average market rent across the Province in 2020 at \$1,583, which illustrates the affordability challenges that the residents of the Region are facing.

This has put significant pressure on Halton’s affordable and assisted housing programs. As reported through Report No. SS-19-19/LPS86-19, the waitlist for subsidized, or rent-geared-to-income housing in the Region is over 3,200 applicants, and the Region has seen a significant increase throughout the pandemic in demand for assisted housing in the Region and increased this waitlist. To relieve pressure on the housing system, the Region has created 1,005 new assisted housing opportunities since 2014, and 80 additional new assisted housing opportunities are projected to be delivered in 2022. As reported through Report No. LPS84-21/SS-25-21 re: Portfolio Approach to Achieving Comprehensive Housing Strategy Objectives, the Region is well positioned to deliver a mix of up to 600 units of purpose built rental and assisted rental housing programs between 2021-31 in support of the Region’s portfolio approach to assisted housing creation with funding support from the federal and provincial governments. Many factors

influence housing affordability and the demand for assisted housing. Reviewing the feasibility of introducing the VHT in Halton is timely and may provide a revenue source to enhance affordable and assisted housing in the Region.

### **Objectives / Purpose of a VHT**

The purpose of implementing a VHT is two-fold. First, it is a policy measure to encourage owners of vacant homes to rent, sell or occupy the home. This should provide incentive to increase the supply of units to the housing market. Secondly, revenue generated from the VHT could be used to enhance affordable and assisted housing programs in support of the Region's Comprehensive Housing Strategy.

As indicated in EY's report, the enabling legislation was announced as part of Ontario's Fair Housing Plan and as such, using the funds from this tax for the benefit of housing affordability aligns with this plan. This is consistent with what neighbouring municipalities in Ontario have put forward in their proposed VHT Programs, and is also the consensus of the stakeholders in the EY VHT Feasibility Assessment. It should be noted however, that the legislation does not specifically indicate that the revenue must be used for housing. Currently in Ontario, the Province has not yet approved any VHT requests through this legislation, therefore there is not yet precedent with respect to approvals and utilization of revenues. The Provincial government amended the City of Toronto Act, 2006, in 2017 allowing the City of Toronto to impose an optional tax on vacant residential units.

### **Required Components of the VHT**

The Act sets out certain requirements and conditions to impose taxes on vacant residential units, which include:

- It must be a tax applied on a property's assessed value
- The tax may only apply to the residential class
- The property must be taxable under the *Assessment Act* for municipal purposes
- It must be imposed by a by-law stating the tax rate, identifying the conditions of vacancy (definition of an eligible property), and other necessary conditions with respect to collection of the taxes.

### **VHT Tax Rate**

When designing the VHT, the selection of the tax rate to charge is an important component. The neighbouring municipalities in Ontario that are planning to implement a VHT are starting with a tax rate of 1 per cent of the assessed value. This tax rate would be levied annually against the property's assessed value and would be in addition to the residential property tax rate. The EY VHT Feasibility Assessment reviewed a range of possible tax rates and estimated revenues, however the feasibility analysis focused on a tax rate of 1 per cent. The optimal tax rate would be reviewed further through the design and implementation study.

## Conditions of Vacancy

Most neighbouring municipalities that have or are close to implementing the VHT have defined an eligible property to be one that has been vacant for more than six months. The definition can include allowable exemptions from the tax even for those properties that have been vacant beyond six months. These exemptions can include principal residences (e.g. Snowbirds/Cottagers for more than 6 months would still be exempt), extended renovations, sale of a property, medical conditions, change of ownership, etc. The EY VHT Feasibility Assessment includes these and additional exemptions considered by other municipalities for reference. The potential exemptions would be reviewed further through the design and implementation study.

## Operational Components of Administering a VHT Program

There are four main operational components of administering the VHT:

1. **Reporting:** A process would need to be put into place that enables the municipality to identify the homes eligible to be taxed. Generally there are three processes that would be considered when implementing a VHT:
  - **Mandatory Declaration:** the most common thus far, requires all property owners to declare yes or no as to the vacancy status of their property per the definition each taxation year;
  - **Self Declaration/Declaration by Exemption:** requires only those that fit the definition to declare their property as vacant each taxation year;
  - **Complaints Based:** relies on complaints or tips received to identify potentially vacant homes.
2. **Collections:** The collections process includes collection of tax revenue from vacant homes and penalties from homeowners who are non-compliant or who present fraudulent declarations.
3. **Compliance:** The compliance process includes conducting investigations to determine if a property is vacant and understand if declarations submitted by property owners are truthful. Investigations will be required to determine if there are properties not in compliance. Considerations for compliance will vary depending on the declaration method chosen, and would include various forms of audits.
4. **Communications:** The communications process includes addressing queries and complaints, and building awareness of the tax to help the public understand the scope, reporting guidelines, and compliance processes.

Designing the administration of a VHT is quite complex, especially in a two-tier municipal structure. The EY VHT Feasibility Assessment reviewed several models of administering a VHT program, including fully administered by the Local Municipalities, fully administered by the Region, and a hybrid approach. Currently, the Municipal Act does not allow regional

governments to levy or collect taxes therefore, a fully regionally-administered model would require legislative changes and would not be recommended for further consideration. If Council approves moving forward with the next steps of implementing a VHT program in Halton, Regional and Local staff would work together through the design and implementation study to undertake further review and analysis to determine the preferred administration model.

## **Financial Analysis**

Implementation of the VHT requires careful consideration of the potential financial impacts to the Region and the Local Municipalities. EY's modelling provides 10-year estimates for revenues, operating costs, implementation costs, and impacts on housing supply. Data provided by the Region, case studies and assumptions were used to prepare the financial analysis presented in EY's report.

The financial analysis is comprised of two components: revenues and costs.

Revenues from the VHT is derived from two sources:

- Tax levy – revenue earned from homeowners who declare/report their homes as vacant; and
- Audits – revenue from homeowners found to be non-compliant or fraudulent in their declaration/reporting, and charged a penalty.

Costs incurred for implementing the VHT are categorized as:

- One-time costs – the upfront costs associated with implementing the VHT, such as software costs to upgrade the tax collection systems, etc.; and
- Ongoing costs – the costs associated with operating the tax annually, such as salaries of compliance and audit staff, etc.

## **Revenue Estimation**

Revenue estimates were developed by EY's financial model using key inputs and assumptions provided by the stakeholder group and EY's own research. For the financial model, the estimated number of vacant homes was derived using aggregate water consumption data with a low usage threshold of 50 litres/day to determine vacancy. This analysis identified approximately 4,700 vacant homes in the Region. This estimate was then adjusted to reflect the projected number of eligible vacant homes, taking into account possible exemptions, based on experience to date derived from the City of Vancouver. This analysis projected an estimate of 985 vacant homes in the Region, or 0.5 per cent of the total housing supply, that would be eligible to pay the VHT. Annual growth rates of 2.19 per cent in housing supply and 1.7 per cent in assessment values were included in the model based on historic trends, and a 1 per cent tax rate was applied. Based on these key inputs and assumptions, the model projected average annual revenues of \$6.1 million for the first 10-years of the program, comprised of \$5.8 million in tax levy revenues and \$0.3 million in penalty revenues.

## Cost Estimates

Cost estimates for administering a VHT program in the Region include one-time implementation costs and annual operating costs. Depending on the delivery model chosen, i.e. local municipal delivery or hybrid delivery, costs will differ across cost categories. The EY VHT Feasibility Assessment indicates that the hybrid delivery model would have lower implementation and operating costs due to efficiencies that may be realized by centralization of functions at the Regional level. However, additional analysis will be required of the tax systems in each of the Local Municipalities to estimate the effort required to implement and operate a VHT program.

The EY financial model calculated cost estimates based on the experience of the City of Vancouver, adjusted for inflation and other factors to project the estimated costs for Halton Region. Based on available data and assumptions, it is estimated that the implementation costs would range from \$3.3 million (hybrid model) to \$3.9 million (local municipal model), and the annual costs to operate the program are estimated in the range of \$1.8 million (hybrid model) to \$2.0 million (local municipal model), as shown in Table 1 below.

**Table 1: Costs Summary**

|                                  | Implementation Costs | Annual Operating Costs |
|----------------------------------|----------------------|------------------------|
| <b>Total Estimated FTEs</b>      | <b>6 - 9</b>         | <b>11 - 12</b>         |
| <b>FTE Costs (\$ Millions)</b>   | <b>\$0.8 - \$1.2</b> | <b>\$1.2 - \$1.3</b>   |
| Professional Services            | \$1.2 - \$1.4        |                        |
| Infrastructure Costs             | \$0.2                |                        |
| Technical Implementation Costs   | \$1.1                |                        |
| Notices and Advertising          |                      | \$0.12 - \$0.15        |
| IT Support & Maintenance         |                      | \$0.13 - \$0.16        |
| Customer Service                 |                      | \$0.33                 |
| <b>Total Costs (\$ Millions)</b> | <b>\$3.3 - \$3.9</b> | <b>\$1.8 - \$2.0</b>   |

The table below illustrates the estimated average annual net revenues projected for the program, after deducting the estimated annual operating costs of \$1.8 to \$2.0 million from the revenues after full implementation of the VHT program. The model estimates that the number of vacant homes required to break even annually is between 348 and 376, not including the implementation costs that would need to be recovered. It is expected that the implementation costs which are estimated at \$3.3 to \$3.9 million would be recovered from the net revenues of the program, however a payback period for the implementation costs would need to be further reviewed during the design and implementation study.



**Table 2: Summary of Annual Net Revenues**

| Annual Net Revenues (\$ Millions)             | Estimated Range      |
|---|----------------------|
| 1.0% Tax Rate Revenue                         | \$5.8                |
| Penalties                                     | \$0.3                |
| <b>Total Estimated Revenues</b>               | <b>\$6.1</b>         |
| Annual Operating Costs                        | \$1.8 - \$2.0        |
| <b>Net Revenues</b>                           | <b>\$4.1 - \$4.3</b> |
| Number of Vacant Homes Required to Break Even | 348 - 376            |

**Risks**

It is important to note that estimated revenue and cost projections in the EY VHT Feasibility Assessment will require further review as part of the design and implementation study. The VHT is a complex program which is further complicated in a two-tiered municipal structure. Detailed planning to identify the scope and complexity of tax system upgrades will be required, along with the design of an administration model outlining the roles and responsibilities of the Region and Local Municipalities. The revenue and cost projections will be updated through this detailed review and planning process, and as such, may differ from the projections from the EY VHT Feasibility Assessment presented in this report and Attachment #1.

While the EY VHT Feasibility Assessment indicates that the VHT is financially feasible to implement in Halton Region, the following risks have been identified with proposed mitigation strategies including:

- Inadequate revenues to fund implementation and annual program costs: The program would require continuous monitoring to ensure there are sufficient revenues to offset costs to administer the program.
- Tax System and process challenges: Detailed systems planning and process mapping exercises would be undertaken through the design and implementation study to identify the scope and complexity of systems and processes required in a two-tier municipal structure.
- High non-compliance rates of status declaration: Incorrect declarations of occupancy status or exemption applications could be mitigated through the design and implementation of a rigorous, risk-based audit process. Detailed review and development of an audit and compliance process would be undertaken through the design and implementation study.

- Lack of resident support for the VHT: Public engagement will be conducted to gauge public support, and communicate the benefits of the tax. The findings will be considered in the design and implementation study.

Staff will consider these risks and mitigation strategies further as part of the design and implementation study.

## **Key Takeaways**

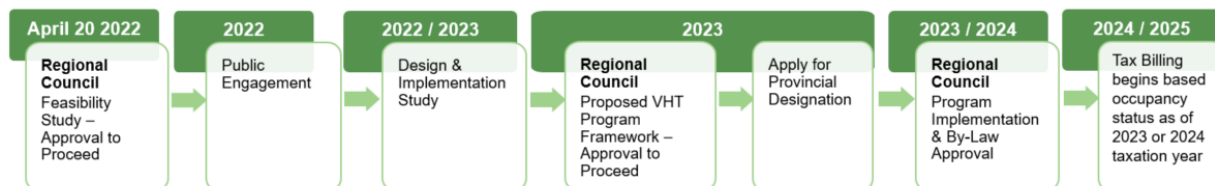
The findings of the EY VHT Feasibility Assessment indicate that the VHT appears to be a feasible policy and revenue tool for Halton Region, to reduce the number of vacant homes thereby increasing housing supply, and can provide positive net revenues to support Halton Region's affordable and assisted housing programs. Key takeaways from the EY VHT Feasibility Assessment include the following:

- It is projected over a ten year period that 330 vacant homes would be sold or converted to rental properties as a result of the VHT.
- The VHT is expected to generate net positive revenues that could be used to invest in Halton Region's affordable and assisted housing priorities and programs.
- A hybrid administration model may have lower implementation and operating costs. However, additional analysis will be required of the tax systems in each of the Local Municipalities to estimate the effort required to implement and operate a VHT program.
- Net revenues will need to be continuously monitored to ensure that there are sufficient revenues to fund the implementation and operating costs of the program; it is expected that revenues will decline over time as vacant homes are converted to rental properties or sold as a result of the tax.
- A design and implementation study will be key in establishing the VHT Program Framework which includes
  - The definition of vacant homes and recommended exemptions
  - The optimal tax rate (or a range of rates)
  - Audit and inspection powers and processes
  - Set out preferred program administration process in a two-tier municipal structure
  - The most appropriate way to utilize the VHT revenue net of administrative costs
  - Updated revenue and cost projections based on the proposed VHT Program Framework
  - Performance evaluation and reporting processes

## Recommended Next Steps

Based on the findings of the EY VHT Feasibility Assessment, staff recommend proceeding with the next steps to develop a proposed VHT Program Framework for Halton Region which starts with public engagement to obtain input and feedback from Halton residents and stakeholders. Regional staff will work together with the Area Treasurers to develop a public engagement plan to consult and engage with residents and appropriate community stakeholders which aligns with Halton Region's Public Engagement Framework. This will be followed by staff undertaking a design and implementation study, with the engagement of a third party consultant to develop the proposed VHT Program Framework. Staff will report back to Regional Council in 2023 with the results of public engagement and bring forward the proposed VHT program framework for approval.

Following Regional Council approval of the VHT Program Framework, in order to implement the VHT program, the Region will need to submit a request to the Ministry of Finance for Halton Region to be a designated municipality under Part IX.1 Optional Tax on Vacant Residential Units, of the *Municipal Act, 2001*. Thereafter a report would be brought forward with the associated by-law for Council approval to implement the VHT. While it is not yet known how long it will take to receive approval from the Minister of Finance, it is estimated that the earliest that the VHT could be implemented would be billing in 2024 based on the 2023 taxation year; however billing in 2025 based on the 2024 taxation year may be a more realistic estimate. A projected timeline for implementing a VHT in Halton Region is presented below.



## FINANCIAL/PROGRAM IMPLICATIONS

Following approval of this report, a consultant will be retained through a competitive procurement process to undertake a design and implementation study of a Vacant Homes Tax in Halton Region. The estimated cost of the study is projected to be \$300,000, and it is recommended that this cost be funded through a transfer from the Tax Stabilization Reserve (501020) in 2022.

Respectfully submitted,



Debbie Symons  
Director, Budgets and Tax Policy



Cyndy Winslow  
Commissioner, Finance and Regional  
Treasurer

Approved by



Jane MacCaskill  
Chief Administrative Officer

If you have any questions on the content of this report,  
please contact:

Debbie Symons

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Attachments: Attachment # 1 – Ernst & Young LLP Halton Region Feasibility Assessment for Vacant  
Homes Tax (Under Separate Cover)

# Feasibility Assessment for Vacant Homes Tax Halton Region

Final Report

March 2022

# Disclaimer

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Ernst & Young LLP (“EY”) prepared the attached report only for Halton Region (“Client”) and the Project Steering Committee comprising of senior officials from the Region (collectively, the “Steering Committee”) pursuant to an agreement solely between EY and Client. EY did not perform its services (the “Review”) on behalf of or to serve the needs of any other person or entity. Accordingly, EY expressly disclaims any duties or obligations to any other person or entity based on its use of the attached report. Any other person or entity must perform its own due diligence inquiries and procedures for all purposes, including, but not limited to, satisfying itself as to the financial condition and control environment of the Steering Committee, and any of its funded operations, as well as, the appropriateness of the accounting for any particular situation addressed by the report. EY did not perform an audit or review (as those terms are identified by the CPA Canada Handbook - Assurance) or otherwise verify the accuracy or completeness of any information provided by the Client or the Steering Committee or any of its funded operations financial statements. Accordingly, EY did not express any form of assurance on accounting matters, financial statements, any financial or other information or internal controls. EY did not conclude on the appropriate accounting treatment based on specific facts or recommend which accounting policy/treatment the Steering Committee, or any funded operations should select or adopt. The observations relating to all matters that EY provided to the Steering Committee were designed to assist the Steering Committee in reaching its own conclusions and do not constitute EY’s concurrence with or support of Client's accounting or reporting or any other matters.



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# Introduction | Project Objectives

Halton Region engaged EY to conduct a feasibility analysis for the potential implementation of a Vacant Homes Tax. The objectives of the assessment are listed below:



Review and analyze Halton Region's housing market conditions, and the short- and long-term impacts of the COVID-19 pandemic on the housing market



Assess the potential impacts a Vacant Homes Tax may have on the availability and affordability of housing at Halton Region



Assess various operating models that the Region can use to implement the Vacant Homes Tax in Halton, taking into account Halton's two tiered municipal structure



Model the impacts of tax rates to estimate potential revenue generated from vacant homes, and determine the operating costs (one-time and ongoing costs) of the vacant homes tax program

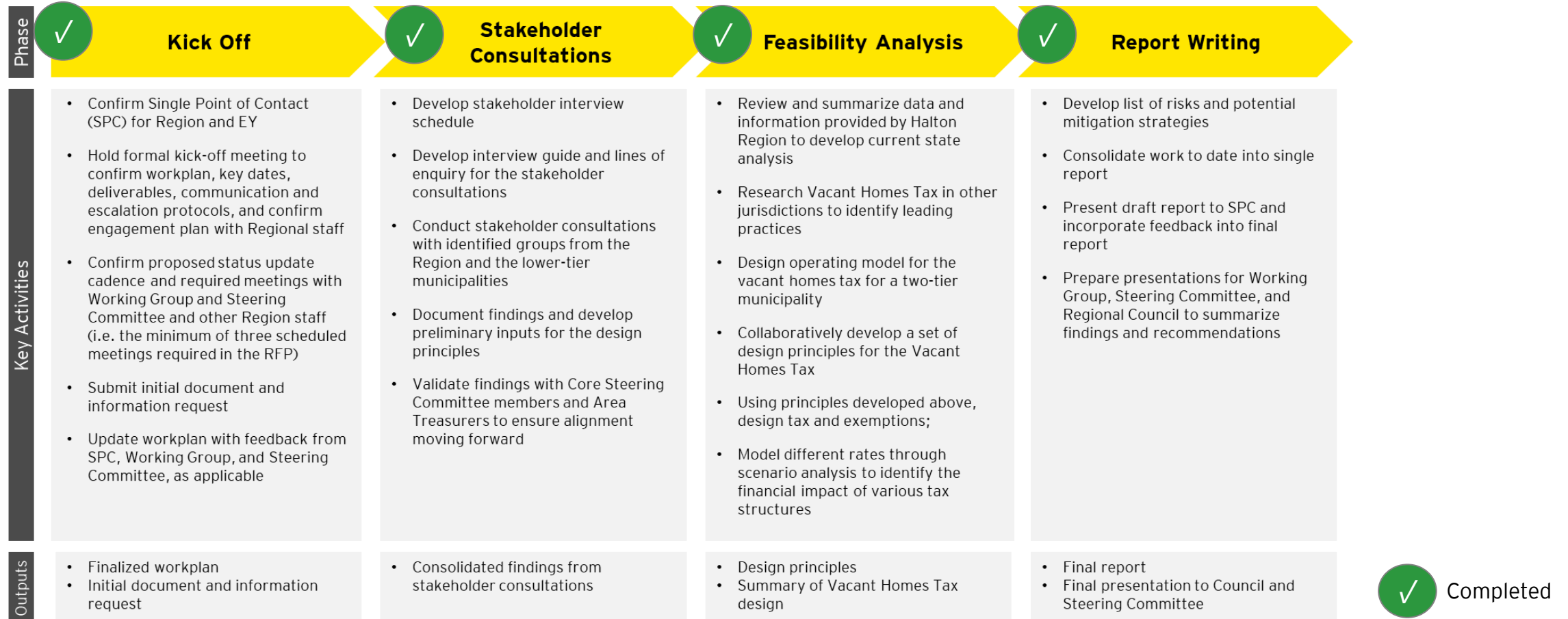


Assess feasibility and determine risks of implementing the vacant homes tax



# Introduction | Completion Status of RFP Objectives

The completion status of the objectives laid out in the RFP is illustrated below:



- Note: The RFP required an analysis of the impact of corporate/institutional purchases of single family homes on housing prices. However, this planning/housing data on the volume/trends on corporate purchases of homes is not available/tracked, therefore this analysis could not be completed and was removed from the scope of the engagement

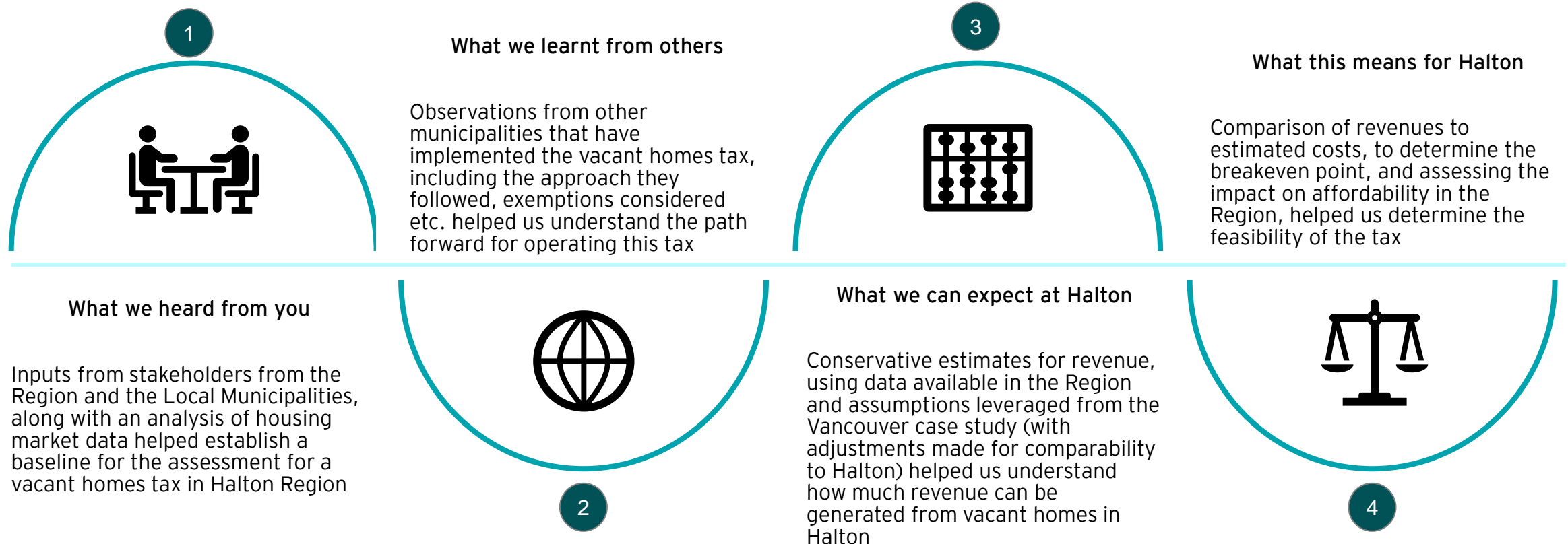
# Introduction | Approach

The key project activities for the development of the feasibility analysis of the vacant homes tax at Halton Region, including their completion status, is illustrated below:



# Introduction | Report Objective

This report summarize findings from 4 focus areas that guided our approach for this project as illustrated below:



# Introduction | Report Overview



## Report purpose

This report presents the project team's interim findings through stakeholder consultations, jurisdictional review, secondary research, and data analysis conducted using both publicly available data and data provided by the Region. These findings are to be reviewed and validated by the Region and Local Municipalities before finalizing the report



**Current State Overview:** The role a Vacant Homes Tax can play to raise funds for assisted housing programs or address affordability at Halton Region



**Understanding the Vacant Homes Tax:** An overview of what a Vacant Homes Tax is, what it includes (and does not include) and what the objectives of implementing the tax are



**Operating the Vacant Homes Tax:** An analysis of how the Vacant Homes Tax can be implemented and managed within a two-tiered municipal structure, including an evaluation on the various operating models and risks, synergies and duplications for each model



**Financial Analysis:** Preliminary financial estimates on the potential revenue at various rates, one-time and operational costs for the various models identified in the previous phase



**Feasibility Analysis:** Feasibility assessment, through an evaluation of net financial impact (revenue less operating costs) and risks

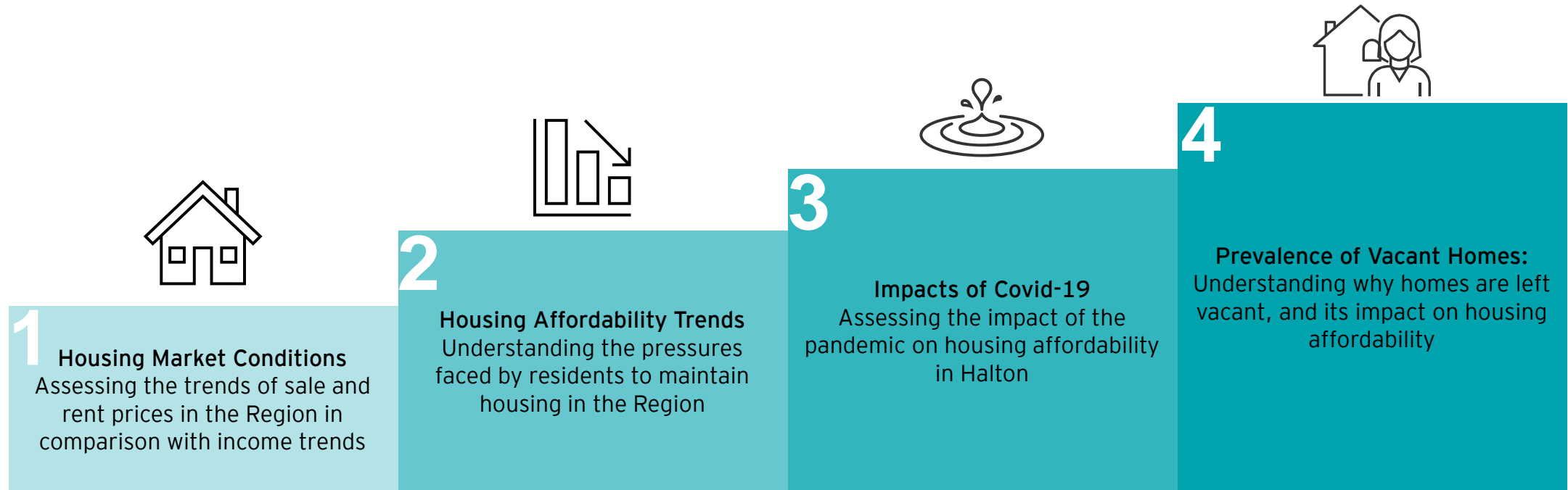


## CURRENT STATE OVERVIEW

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# Current State Overview | Introduction

Understanding housing market trends of availability and affordability is key to assessing the feasibility of a Vacant Homes Tax in Halton Region. In this section, we review the current state of housing in Halton by assessing the following:



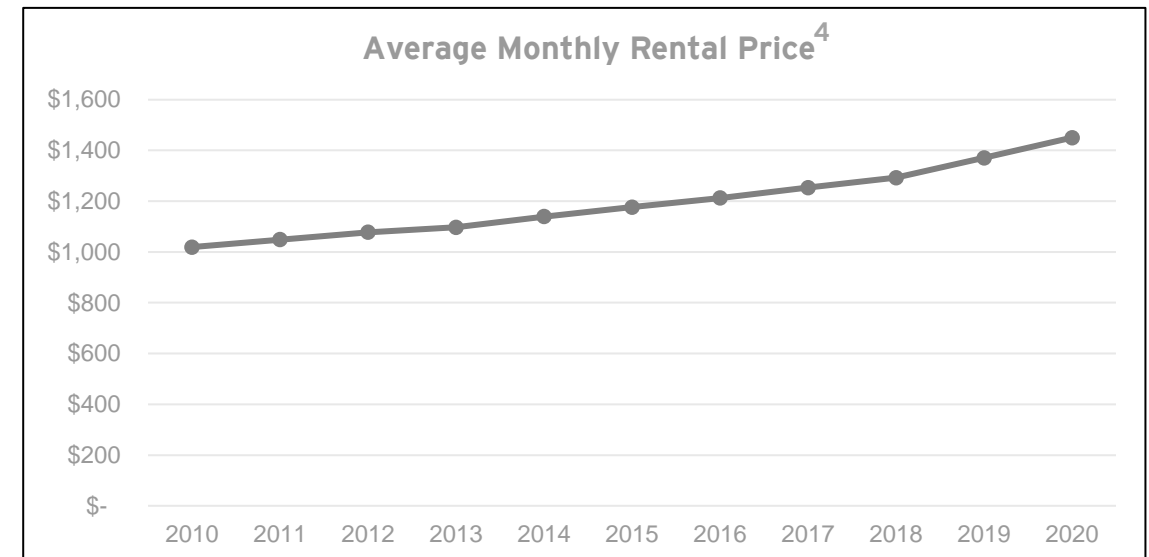
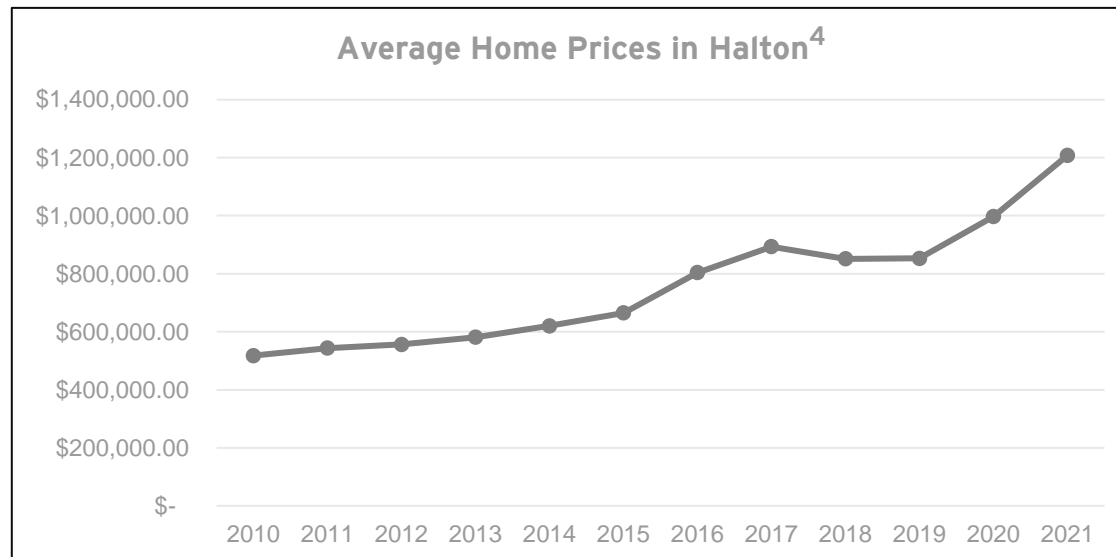
Inputs related to the above were developed through a combination of analysis of housing data submitted by Halton Region, secondary research, and consultations with key stakeholders (tax policy and finance staff at the Local Municipalities, housing staff in the Region, and Halton's project leadership)

# Current State Overview | Housing Market Conditions

Challenges with affordability of home ownership in the Region are evident, with average housing sale prices growing 2x faster than the average household income within a 5 year timeframe

## HIGHLIGHTS

According to the findings from the Five Year Review<sup>1</sup> of the Region's Comprehensive Housing Strategy (CHS) Update 2014-2024, the average sale price in the Region has increased by over 39% between 2014-18, while household income increased only by 16.7% between 2011-16. The shortfall (gap between supply and demand) for assisted and affordable housing in the Region also increased to 16.9 % and 6.9% respectively in 2020 indicating increased dependency on government assistance to meet housing needs<sup>2</sup>. The 5 year CHS Review Report<sup>1</sup> mentioned above indicates that the waitlist for subsidized, or rent-geared-to-income housing in the Region is over 3,200, and it is likely that the pandemic has exacerbated the demand for assisted housing in the Region and increased this waitlist. To relieve pressure on the housing system, the Region has created 1,005 new assisted housing opportunities since 2014, and 80 additional new assisted housing opportunities are projected to be delivered in 2022. The Region is also well positioned to deliver a mix of up to 600 units of purpose built rental and assisted rental housing programs between 2021-31 in support of the Region's portfolio approach to assisted housing creation with funding support from the federal and provincial governments<sup>3</sup>



1. Halton Region Comprehensive Housing Strategy 2014-24 Five Year Review (SS-19-19/LPS86-19)

2. Halton Region State of Housing Report (LPS50-21)

3. Halton Region report on portfolio approach to achieving Comprehensive Housing Strategy Objectives (LPS84-21/SS-19-19)

4. Data provided by Halton Region



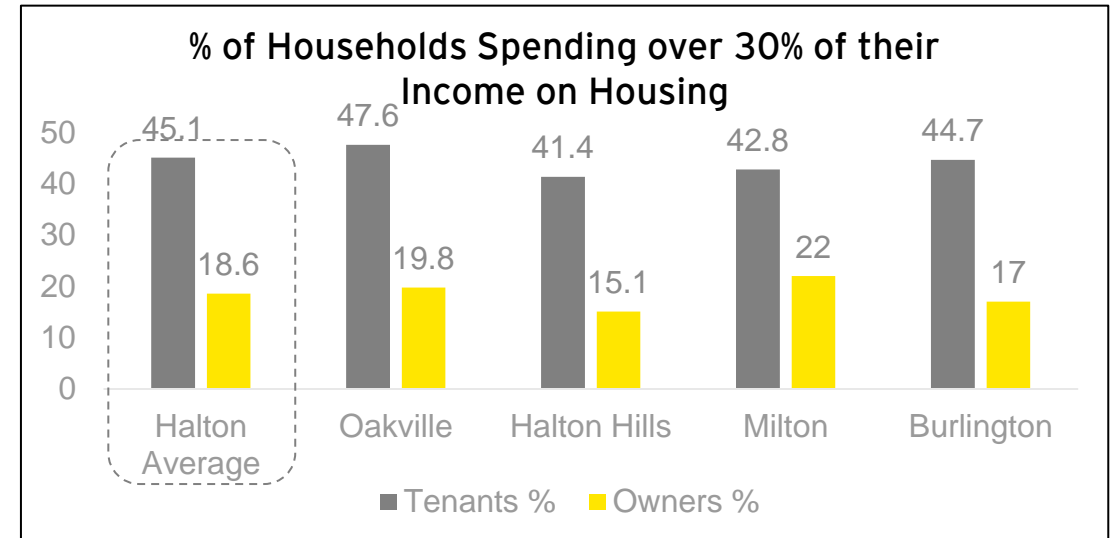
# Current State Overview | Housing Affordability

Over 45% of tenants in Halton spend more than 30% of their income on housing - indicating an affordability crisis for a large portion of the Region's residents

## Housing affordability is a persistent challenge in the Region...



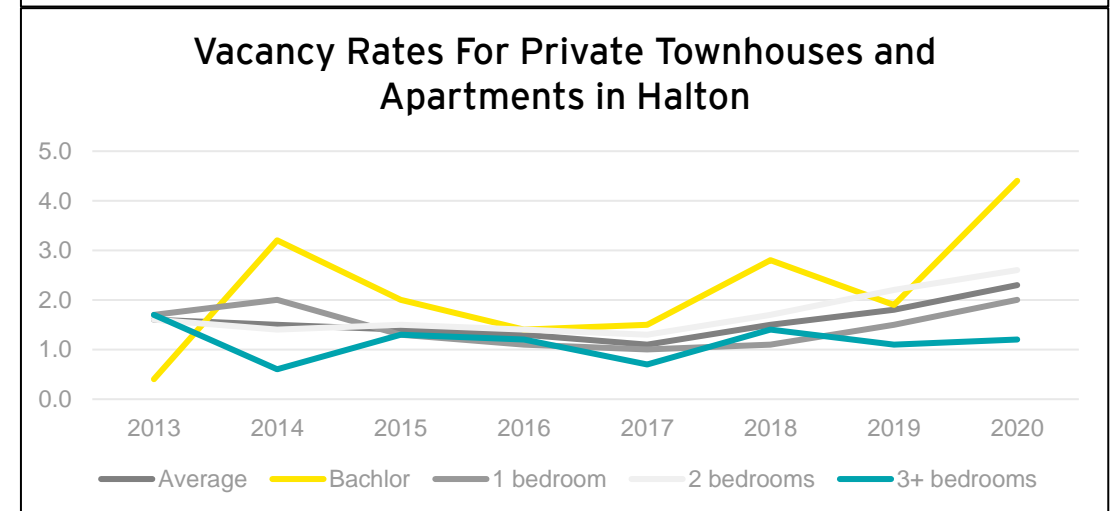
The percentage of gross income spent on housing/shelter costs is a key measure of affordability adopted by the Canadian Mortgage and Housing Corporation - with the current threshold being 30%.<sup>1</sup> As indicated the graph on the right, over 45% of tenant households and 18% of homeowners across Halton Region spend more than 30% of their income on housing as per the 2016 census illustrating the affordability challenges that the residents of the Region are facing.



## ...and is expected to remain so if left unaddressed



Vacancy rates between 2014-2019 have largely decreased, which worsens affordability due to lack of housing supply. In 2020, vacancy rates within the Region increased (e.g. vacancy in bachelor units reached an 8-year high of 4.4%). However, this may be attributed to the temporary conversion of short-term rentals as a result of the COVID-19 pandemic, and is likely to reverse as the Province moves back to normalcy. However, despite this increase in vacancy rates, the average rental rates in the Region still increased by an average of 7% between 2019-2020.<sup>2</sup>






<sup>1</sup>Data sourced from Canadian Mortgage and Housing Corporation  
<sup>2</sup>2020 State of Housing Report - Halton Region (LPS50-21)



# Current State Overview | Impact of COVID-19 On Housing

*The pandemic has had varied impacts on the housing market - but there is limited evidence to assess whether those impacts would be short- or long-term*

Between September 2019-2021, Halton has seen a 37% increase<sup>1</sup> in the average sale price of homes - this may be attributed to the rising trend of migration by residents of bigger cities (e.g. Toronto) to other regions of the Greater Golden Horseshoe Area. Halton's condo vacancy also dropped to 0.2% in the third quarter of 2021, well below the 3% minimum threshold that is indicative of a healthy rental market. Although it may not be possible to predict whether these impacts of the pandemic would sustain over the long term, it is evident that the pandemic has not had any long-lasting positive effects on improving housing affordability in the Region. Some of these impacts are discussed below.

| Trend   | Impact  |
|---|---|
|  <p>Demand for short-term rentals (e.g. AirBnB) have decreased due to a decline in interprovincial and international travel, putting pressure on AirBnB owners to either sell or list their unit on the long-term housing market</p>   | <p>In the first three months of the pandemic, the GTA housing market saw a 52%<sup>2</sup> increase in furnished rental listings, while rent prices fell 5.7% year-over-year<sup>2</sup>, largely attributed to be driven by Airbnb hosts. This indicates the pandemic was able to temporarily improve housing supply to ease affordability pressures, but this change is unlikely to be long-term if domestic and international travel return to pre-pandemic levels</p> |
|  <p>Owners may not list their property for rent due to an unwillingness to handle an increased burden of being a landlord during uncertain times.<sup>3</sup> They may also be averse to having unknown persons rent units that are in proximity to the owner's home (e.g. basement apartment attached to the owner's primary residence)</p> | <p>Landlords who would have potentially listed their vacant units onto the market may now do so at an increased price, to compensate for the additional perceived risk, or leaving it vacant to avoid the additional burden or potential exposure to the COVID-19 virus. This negatively impacts housing affordability in the Region.</p>   |
|  <p>Occasional use property owners such as snowbirds or frequent travelers have returned and occupied their previously vacant home due to restrictions on international travel</p>   | <p>Homes that were generally left vacant by these classes of homeowners have now been occupied. However, this has no impact on housing affordability as those units were not previously expected to be sold or rented.</p>  |

<sup>1</sup>Calculated using data provided in the Real Estate Housing Sales Data file sent from Halton

<sup>2</sup>Miscellaneous EY Internal Market Research

<sup>3</sup>City of Toronto assessment of COVID-19 impact on affordability

# Purpose and Objectives of Vacant Homes Tax

*Leaving homes vacant lowers the rental housing supply - which negatively impacts housing affordability*

The Vacant Homes Tax is commonly implemented in high-growth urban centres which face challenges related to housing such as rapidly appreciating home-prices (at a rate higher than the growth of income) or low availability of homes for sale or rent. The tax is generally applied to homes that are vacant for at least 6 months over a 12-month period (calendar year or fiscal year). The objectives of this tax are two-fold as illustrated below:



## Policy Tool To Improve Housing Affordability

Discourage holding of homes as a means to park capital and incentivize owners of vacant properties to either sell or rent out their units. This results in an increase in supply of units on the housing market which may improve the affordability of housing in the Region



## Revenue Tool To Support Housing Programs

Raise revenue to fund and support rent relief programs, build and maintain assisted housing, and provide grants to non-profit organizations to assist the community. This helps municipalities improve the reach and outcome of their assisted housing initiatives.




By designing the right tax structure, which is high enough to support a change in behavior and raise adequate revenues, municipalities may be able to access a new source of revenue to address housing challenges and/or increase the supply of housing in the market to address affordability challenges.

# Market Motivations of a Vacant Home Owner







A number of short- and long-term reasons exist for leaving a home vacant, which must be understood by a municipality before considering the vacant homes tax

Based on case studies of vacant homes tax implementations in other jurisdictions, there are varied reasons for keeping a home vacant. Below is an aggregated list of reasons identified through research:

## Short term reasons\*

- 1  Inertia: the owner has a plan to occupy or rent the property out, however due to various reasons, they have not
- 2  Construction: the property cannot be lived in as a result of current renovations or large construction
- 3  Recent sale or transfer: the property recently was sold or ownership was transferred

## Long term reasons\*\*

- 4  Recent death, or medical care: Owner currently lives outside of their home due to medical reasons or have recently passed away
- 5  Uninhabitable: the property is no longer safe to live in and homeowner may not have resources to reinstate to a livable condition
- 6  Liquidity: a vacant home is easier to sell than an occupied one allowing the owner more flexibility to time the market
- 7  Aversion to being a landlord: owners may find being a landlord tedious and not worth the financial benefits
- 8  Seasonal or occasional use: the homeowner uses the property occasionally for a few months each year (e.g. snowbirds)
- 9  Speculation: Non-resident or domestic speculators who buy properties to store wealth in the hope of price appreciation

The short and long-term reasons identified above will play a crucial role in informing the designing, implementation and operation of the Vacant Homes Tax within Halton Region, as exemptions from the tax can be used to prevent taxing residents who have legitimate causes for vacancy

\*Short term reasons are situations that may be reasonably resolved within 6 months

\*\*Long term reasons are situations that may require more than 6 months to be resolved

# Summary of Stakeholder Consultations

Stakeholders across the Region and the Local Municipalities demonstrated a general consensus to the major lines of enquiry around a vacant homes tax

EY conducted interviews with key personnel in the Region and the Local Municipalities to obtain perspectives on various components of the vacant homes tax. Detailed findings from the interviews were submitted to the Region as part of a “Summary of Stakeholder Interviews” deliverable in November 2021. Key takeaways, grouped by the lines of enquiry of the interviews, are as follows:



## Purpose

Revenues generated from the vacant homes tax should be used for assisted housing programs and initiatives. However, decisions would have to be made on allocation of funds to assisted housing or housing support programs run by the Region and by Local Municipalities



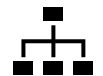
## Taxation Principles

Tax rates should be determined using a combination of four factors - benchmark rates set by other jurisdictions, rate required to generate a net positive revenue from the program, rate required to incentivize a behavioral change that impacts housing affordability, and fairness of the rate in comparison with existing property tax rates



## Identification of Vacant Homes

Stakeholders expressed agreement that self declaration\* would be the most ideal method to identify vacant homes - owing to privacy concerns about other mechanisms such as utility monitoring. However, concerns were also raised about the anticipated level of compliance with self-declarations



## Implementation and Operations

Tax collection and administration would remain with the local municipalities in accordance with the Municipal Act. However, stakeholders expressed interest in exploring opportunities to centralize other functions (e.g. audit and compliance) to leverage economies of scale and lower operating costs



## Risks

Key concerns flagged by stakeholders predominantly focused on the need for a dispute resolution mechanism, and the liability for the Region and the Local Municipalities in the event that the vacant homes tax does not generate adequate revenue nor address the affordability challenges faced in Halton

\*Various methods for declaration are discussed in the next section

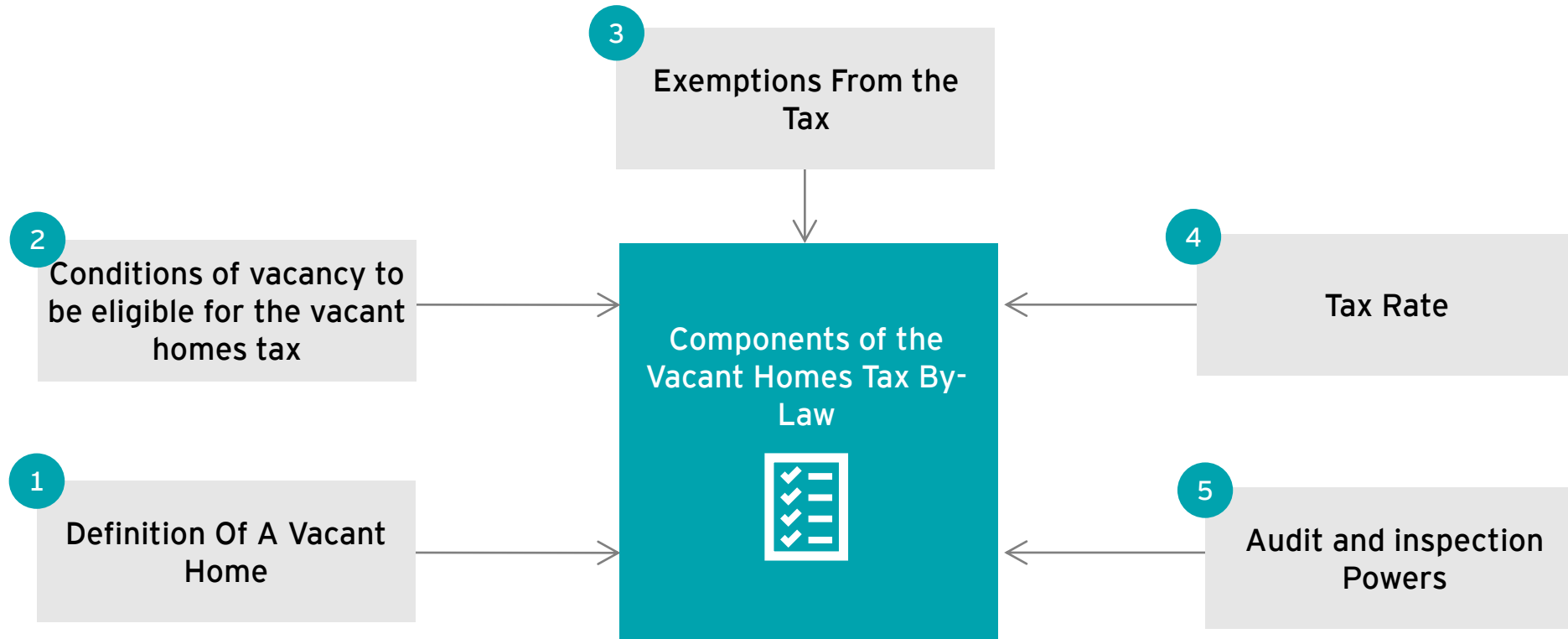


## UNDERSTANDING THE VACANT HOMES TAX

*"What is a Vacant Homes Tax and who does it apply to?"*

# Understanding the Vacant Homes Tax | Introduction

In 2017, the Government of Ontario promulgated Bill 127 (Stronger, Healthier Ontario Act), and Schedule 19 of this Act allows municipalities to implement a by-law to impose taxes on vacant residential units in certain circumstances. According to the provincial legislation, the by-law to be passed by each municipality must include the following:



In this section we will explore items 1, 2, and 3 from the list above to help inform decisions around these components for the by-law. Findings were developed through a combination of stakeholder consultations, and secondary research from jurisdictions that have previously implemented, or considering to implement, a Vacant Homes Tax. Items 4 and 5 from the list will be discussed in subsequent sections

# Understanding the Vacant Homes Tax | Definition

*Most municipalities that have implemented the vacant homes tax deem a home to be vacant when unoccupied for over 6 months/year*

While developing the policy and by-law for the vacant homes tax, municipalities are required to define what qualifies a home to be designated as vacant. A jurisdictional scan of municipalities that have implemented, or considering to implement, a Vacant Homes Tax yielded the following findings on the possible definitions of a vacant home.

| Definition   | Municipalities that include this definition* |
|--|--|
| Unoccupied for more than 6 months or 184 days within the reference period, and is not the principal residence of the owner   | Toronto, Ottawa, Melbourne                   |
| Unoccupied for more than 6 months of the reference period, and is not the principal residence of the owner - periods of occupation must be at least 30 consecutive days in duration (e.g. if the home is rented out, it should be for a period of 30 or more consecutive days) | Vancouver                                    |
| Unoccupied for more than 3 months of the reference period  | Paris  |

\* Most suitable definition for Halton Region

As vacant homes taxes are calculated based on assessment values, which are in turn revised at the end of the calendar year every 4 years, the “reference period” for assessing whether a home is vacant can be set to a calendar year basis. This also aligns with property tax calculation and collection schedules in the Region’s municipalities.

# Understanding the Vacant Homes Tax | Exemptions

*Exemptions applied by municipalities are largely comparable - however exemption for snowbirds is exclusive to Toronto*

Not all homes that fall under the definition of “vacant” as discussed earlier are eligible to be taxed, as municipalities enact exemptions to vacant homes for various reasons based on policy decisions. Below is a list of exemptions used by municipalities both domestically and internationally.

| Exemption  |                                   | Definition   | Municipalities that include this exemption* |
|--|-----------------------------------|--|---|
| <b>Potential exemptions identified from domestic jurisdictions</b> |                                   |  |   |
| 1.1  | Snowbirds/<br>holiday home        | Primary residences owned by snowbirds are exempt from the tax  | Toronto                                     |
| 1.2  | Deceased owner                    | If the owner is deceased, the property is exempt until the estate transfer process is completed  | Vancouver, Toronto, Ottawa                  |
| 1.3  | Large renovations                 | Large renovations are exempt from this tax. Note - The specific parameters around what constitutes a “large renovation” is unclear and can lead to misinterpretations, hence it would need to be clearly defined by Halton Region (See definition of large renovations used by Paris on the next page) | Vancouver, Toronto, Ottawa                  |
| 1.4  | Owner in Medical Care             | Properties owned by an owner who is in medical care can be exempt. In Vancouver, this exemption can be applied for up to two consecutive years   | Vancouver, Toronto, Ottawa                  |
| 1.5  | Inability to find tenant or buyer | This includes the situation where the owner could not find suitable tenant(s) for their property or the property has been listed for sale for an extended amount of time   | Vancouver                                   |
| 1.6  | Change of ownership               | If the property has recently changed ownership, it is exempt for one tax cycle to accommodate the changes  | Vancouver, Toronto, Ottawa                  |
| 1.7  | Court prohibiting occupancy       | Any forms of court related orders that prohibit the owner from renting or selling the property is exempt from the tax  | Vancouver, Toronto, Ottawa                  |

\*Ottawa’s exemptions are as per staff report #26 submitted in June 9 2021 available in [this link](#)



# Understanding the Vacant Homes Tax | Exemptions (Cont'd)

| Exemption   |   | Definition   | Municipalities that include this exemption* |
|---|---|--|---|
| <b>Potential exemptions identified from international jurisdictions</b> |   |  |   |
| 1.8   | Furnished accommodations such as second homes | Any properties that are furnished and set up to be used as a second home are exempt from this tax. However, by declaring the unit to be a second home, it is then subject to the "Owner Tax", which is 3% of home's fair market rental value | Paris                                       |
| 1.9   | Rezoned within the previous year              | Properties that were recently rezoned by the City are exempt for one cycle before being subject to a 1% vacant land tax  | Melbourne                                   |
| 1.10  | Premises are uninhabitable                    | If the premise is deemed uninhabitable, the City will not charge owners the Tax  | Paris                                       |
| 1.11  | Large renovations                             | Renovations that are greater than or equal to 25% of the total value of the property are exempt from the tax, until renovations are completed  | Paris                                       |
| 1.12  | The unit is of low value                      | Any vacant properties whose market value is lower than €300,000 (approx. \$440,000 CAD) is exempt from the tax   | Paris                                       |
| 1.13  | Work purpose unit                             | The property is used and occupied for work purposes for at least 140 days of the year  | Melbourne                                   |

Halton Region would need to finalize a set of exemptions that it may apply to owners of vacant homes, as part of the design of the vacant homes tax. Exemptions may include the ones explored in other municipalities, and may also include other occupancy categories (e.g. students, veterans etc.) as per policy decisions of the Region.

# Understanding the Vacant Homes Tax | Identification

*Universal declaration, supported by a complaints based system, is observed to be the most common method for identification of vacant homes*

There are four major methods of identifying vacant homes as discussed below:

## Suggested primary method



### UNIVERSAL DECLARATION

All homeowners within the Region need to, annually, self-declare their housing status to be occupied or vacant. Failure to do so can either result in a fine, or the property will be automatically deemed vacant. This method ensures the VHT is kept top of mind if an owner's property becomes vacant in the future.

## Suggested secondary method



### COMPLAINTS BASED

Residents or municipal employees (e.g. waste management staff) can report suspected vacant homes. Complaints may have a higher chance of identifying non-compliant homeowners as neighbours are able to observe the unit over a longer period of time to identify trends or signs of home vacancy. However, identifying vacant units in condos would be challenge.



### DECLARATION BY EXEMPTION

Only homeowners of vacant units will be required to self-declare property vacancy. All other homes are automatically deemed occupied and could be potentially subjected to compliance and auditing procedures.

### UTILITY MONITORING

Utility monitoring is likely to be the most accurate form of identifying the property status, while requiring minimal effort from property owners. However, residents may find this method to be intrusive and may leave out properties who are not individually metered (E.g. condominium units) or not connected to the Regional utility systems (E.g. farms).

# Understanding the Vacant Homes Tax | Identification (Cont'd)

*Universal declaration is the only method for identification that has been employed in a Canadian municipality (Vancouver) - and has generated positive results, leading to its adoption by Toronto*

| Method                   | Advantages  | Disadvantages   |
|--------------------------|---|---|
| Universal Declaration    | <ul style="list-style-type: none"> <li>Places the onus of compliance on the homeowners as they are required to declare, on an annual basis, whether their home is vacant or occupied - and indicate if they qualify under any exemptions if their home is vacant</li> <li>Anticipated to have lower non-compliance rate (based on experience of Vancouver) as homeowners would be expected to submit truthful declarations</li> </ul> | <ul style="list-style-type: none"> <li>Requires significant communications effort to ensure that homeowners are aware of the declaration requirements, and understand the definitions and exemptions of the vacant homes tax by-law</li> <li>Requires high administrative effort as the tax administration team of the municipality will have to process and validate a high volume of submissions from property owners annually</li> </ul>   |
| Declaration by exemption | <ul style="list-style-type: none"> <li>Requires lower administrative effort as the tax administration team of the municipality will have to process and validate only the submissions from homeowners of vacant properties (and not owners of all homes)</li> </ul>   | <ul style="list-style-type: none"> <li>Requires higher investment in audit and enforcement capabilities as compliance staff would be required to assess a larger number of properties to ensure that they haven't been declared as "occupied" for the purpose of evading the tax. This places the onus of compliance on municipal staff</li> <li>Places additional challenges on grievance redressal mechanisms as home owners may seek to avoid tax payment or penalties by claiming lack of awareness of reporting obligations</li> </ul> |

While the associated administrative effort is higher, the Region may consider adopting the "Universal Declaration" method for identification of vacant homes, as it has been observed to generate positive results in the City of Vancouver. Over time, the Region can also digitize the declaration process thereby simplifying it for the property owner, and improving the administrative efficiency to reduce operating costs



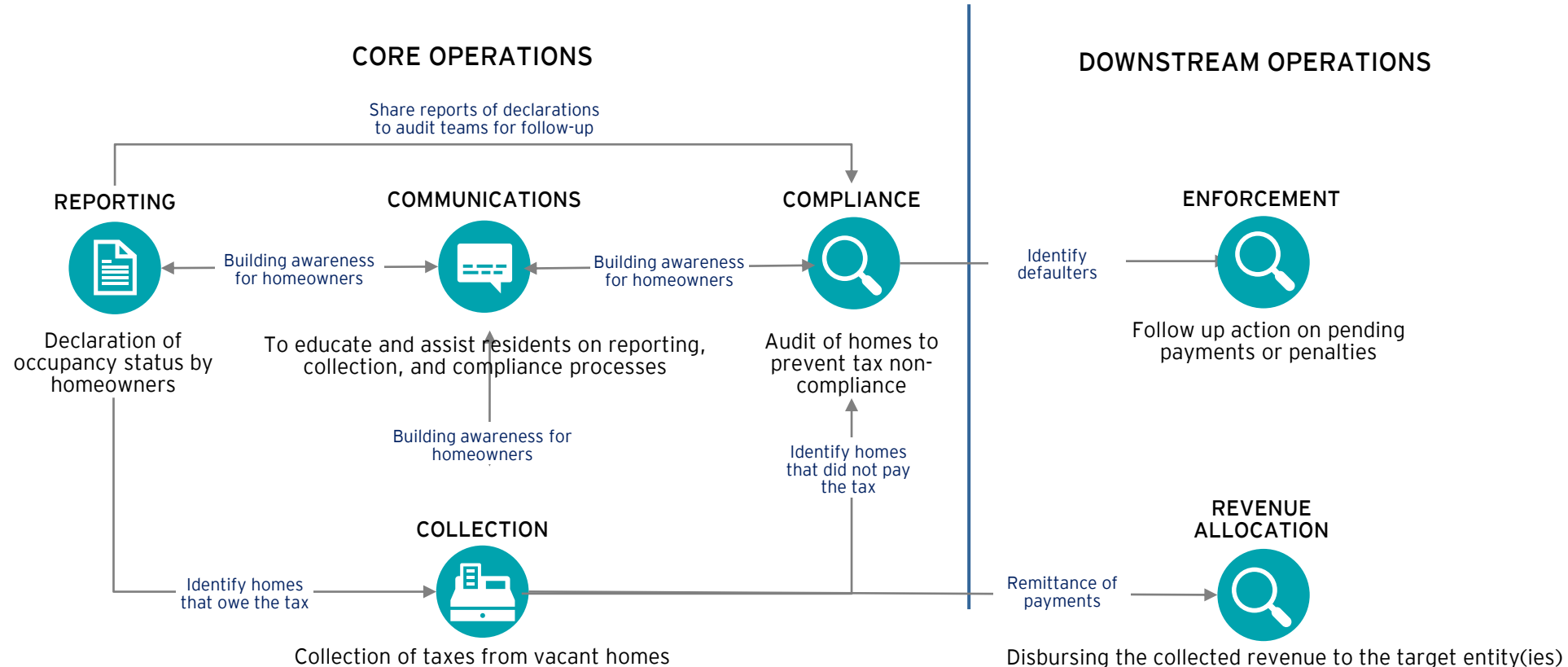
## OPERATING THE VACANT HOMES TAX

*"How does the Vacant Homes Tax work?"*

# Operating the Vacant Homes Tax | Introduction

*There are several operational components of the vacant homes tax - and the Region and Local Municipalities would need to make decisions on how to allocate responsibilities for each.*





Operations of the vacant homes tax can be segmented into two major groups - core operations and downstream operations - as illustrated below. This section provides information on the processes within each of these groups, and also explores various delivery model options for division of responsibilities of core operations between the Region and the Local Municipalities.



# Core Operations | Overview

*Understanding the four processes that form the core operations of the vacant homes tax*

Core operations of the vacant homes tax comprises of 4 major processes as described below. In a two-tier municipal system, the Region and the Local Municipalities would need to make decisions on how to delineate responsibilities associated with these processes - this will be discussed later as part of the analysis of delivery models.

|                       |  <b>Reporting</b>   |  <b>Collections</b>   |  <b>Compliance</b>   |  <b>Communications</b>  |
|-----------------------|--|--|---|--|
| <b>What is it</b>     | Process of identification of vacant homes in the Region through declarations reported by homeowners  | Collection of tax revenue from vacant homes and penalties from homeowners who are non-compliant or who present fraudulent declarations   | Conducting investigations to determine if a property is vacant and understand if declarations submitted by property owners are truthful   | Addressing queries and grievances, and building awareness of the tax to help the public understand the scope, reporting guidelines, and compliance processes   |
| <b>How is it done</b> | <ul style="list-style-type: none"> <li>Homeowners would submit a mandatory declaration each year to indicate if their property is occupied or vacant. Declaration forms would be issued by the Region/Local Municipalities for submission through online or digital channels</li> <li>The Region/Local Municipalities may request for additional documentation or subject the owner to an audit if there are any concerns about the validity or accuracy of a declaration</li> </ul> | <ul style="list-style-type: none"> <li>Tax collection can be done through the existing property tax collection systems at the municipalities or through a new system that is created and deployed in the Region.</li> <li>The collection system will need to access existing property tax assessment information to calculate the tax amount to be applied to the vacant home.</li> <li>The collection system would share data on homeowners that have defaulted on their payments/penalties with the audit and compliance team</li> </ul> | <ul style="list-style-type: none"> <li>Compliance teams will audit properties to ensure the status of occupancy declared by the homeowner is valid.</li> <li>Audits may be done through a combination of the following techniques - random audits, risk-based audits, and complaint-based audits (discussed in detail in the following pages)</li> <li>Compliance teams would escalate instances of non-payment of the tax/penalties for enforcement actions</li> </ul> | <ul style="list-style-type: none"> <li>The Region, and Local Municipalities, would need to utilize existing communication channels, both physical (e.g. notices) and digital (e.g. website, social media), to spread awareness about the Vacant Homes Tax</li> <li>The Region, or the Local Municipalities, would need to equip their customer service agents to handle queries from homeowners, address grievances, and escalate complaints related to the Vacant Homes Tax.</li> </ul> |

# Core Operations | Compliance Processes

*Developing methods to assess if the stipulations in the Vacant Homes Tax by-law are being adhered to and prevent revenue loss*

The compliance processes help the Region identify potential cases of non-compliant vacant homes situations. Compliance teams would scrutinize homes that were declared to be occupied or applied for exemptions under the vacant homes tax, and/or investigate complaints lodged by residents. Based on the jurisdictional scan and desktop research, three identified compliance mechanisms are discussed below:

## Random Audits

The compliance team will randomly audit units that were self-declared to be occupied to ensure the declaration was correct

- Pro**
1. Encourages compliance and proper declaration as the owner can, at anytime, be audited, and face fines for non-compliance
  2. Increases the number of audited units as there is a dedicated team that is responsible for auditing, potentially lowering non-compliance

- Cons**
1. More expensive to implement as it will require hiring full-time compliance auditors and require customized auditing processes and systems
  2. May be seen as intrusive by the public

## Risk Based Audits

The compliance team uses judgemental sampling methods to select units for inspection based on defined risk parameters so that audit resources are dedicated to high risk areas, rather than casting a wide net across all homes

1. Allows audit teams to select homes which are considered to be of special audit interest based on risk-profiles (e.g. same exemption criteria declared for multiple years)
2. High potential for digitization and streamlining through the use of analytics as more information on non-compliance trends become available

1. High reliance on the professional judgement of auditors which can be developed only after a reasonable amount of historical information is available to determine high risk areas
2. Presents risks of bias against various communities

## Complaints Based

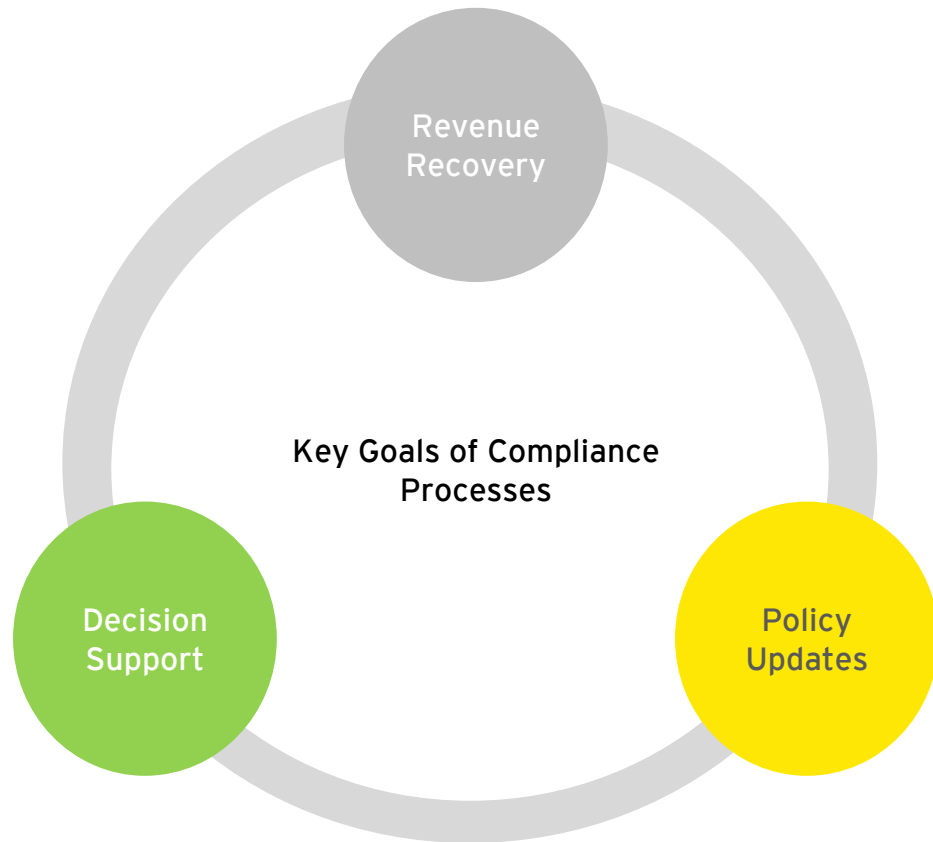
The compliance team would only investigate units that are suspected to be vacant by neighbours, or Regional/City service staff (e.g. waste management staff) who observe the lack of inhabitation at an address

1. Easier to implement, as it does not require a dedicated audit team since only complaints are investigated (can be done by by-law officers)
2. Cheaper to implement as an online form or existing call centres can be leveraged to intake complaints

1. May not have a large uptake if neighbours are not keen to report vacancy
2. May not achieve the goal to increase total housing supply if owners do not believe they will be audited
3. Pushes onus of ensuring compliance onto residents instead of the Region

# Core Operations | Compliance Processes (Cont'd)

While the key objective of compliance and audit processes is to help the Region and the municipalities avoid revenue loss/leakage, there are secondary goals that help strengthen the effectiveness of the Vacant Homes Tax program.



## Revenue Recovery

- The compliance processes help audit staff validate the occupancy status submitted by homeowners to prevent cases of tax non-compliance
- Occupancy status may be validated through a review of documents submitted by the homeowner in response to the audit request, or by physical verification of the property (after issuing advance notice to the homeowner)
- Audit of occupancy status helps prevent revenue leakage and encourages homeowners to submit truthful declarations as they, at any time, can be audited

## Decision Support

- Findings from the compliance processes would help in the development of a data repository that helps the audit team identify key trends in tax non-compliance (E.g. fraudulent or expired tenancy agreements), and develop a risk-based framework for audits

## Policy Updates

- Compliance processes would enable the Region identify key loopholes in the Vacant Homes Tax by-law through which homeowners attempt to avoid paying the tax
- The Region would then be able to enact amendments to the by-law to address these loopholes to the extent that it is feasible to do so, thereby strengthening the Vacant Homes Tax by-law to pre-empt and prevent cases of non-compliant owners



# Downstream Operations | Enforcement Processes

*Enforcement activities are critical in reinforcing the compliance processes and avoiding revenue loss to the Region*

Enforcement is a follow-up to the compliance processes discussed earlier, and is necessary when the resident is found to be non-compliant in the auditing process, and if the resident refuses to pay the penalty amount, despite multiple notifications. In such cases, there are three enforcement methods that can be leveraged by the Region and the local municipalities to collect any outstanding dues. These are discussed below:

## 1. Adding the Vacant Homes Tax and penalty amount to bill

If the owner is found to be non-compliant through the auditing process and refuses to pay associated fines despite reminders (e.g. collection letters, telephone contact, etc.), the Vacant Homes Tax amount and fine would be added onto the property tax bill, along with any additional penalty or interest

## 2. Third Party Collection

If the owner of the property does not pay the full property tax bill inclusive of the vacant homes tax penalty that was added to the original tax amount, third party services (collection agencies) including a bailiff may be engaged to expedite collection

## 3. Tax Arrears Certificate

If the owner of the property does not pay the owed amount despite bailiff action, a Tax Arrears Certificate may be registered against the property under section 371 of the Municipal Act, and the property can be advertised for foreclosure if arrears are not paid within one year of registering the Tax Arrears Certificate

The above enforcement steps are already in place at the lower-tier municipal level for non-payment of property taxes. Also, as per the Municipal Act (Part I Section 2.1 and Section 3, Part XI Section 400 (d) and (e)), priority lien status can be accorded to the vacant homes tax. However, some Municipal systems may face issues regarding the total number of line-items allowed on a property tax bill, and upgrades to the collection system will need to be in place to ensure the enforcement penalties can be levied through property taxes

# Downstream Operations | Allocation of Net Revenue

*Net revenue may be allocated to the Region to be invested in assisted housing programs as the enabling legislation for the vacant homes tax was introduced as part of Ontario's Fair Housing Plan*

Consultations with stakeholders from the Ministry of Finance (Government of Ontario), who were responsible for developing the Vacant Homes Tax legislation, indicated that there is no legislative mandate or restrictions on how the Vacant Homes Tax revenue should (or not) be used. Hence, a decision would need to be made if revenue from vacant homes is utilized for general revenue purposes or distributed for homelessness and assisted housing initiatives. These options are listed below:

## 1 Revenue allocated for Assisted Housing

- Presently, housing programs requiring investments are predominantly delivered at the Regional level, with local municipalities involved only in policy tools and strategies
- The Region receives the net revenue from the vacant homes tax in each of the municipalities, and the revenue would be allocated towards assisted housing programs and priorities outlined in the Comprehensive Housing Strategy 2014-24 and the Portfolio Approach outlined in the Region's Report # LPS84-21/SS-25-21
- The Region would need to introduce a policy/guideline to help determine how investments in assisted housing are allocated for programs in each lower tier municipality based on need.

## 2 Revenue allocated for General Purposes





- The Region or local municipalities would retain the net revenue raised from the vacant homes and allocate the same for general purposes identified in the operating budget
- Allocation of revenue to general purposes may create challenges with public communications and outreach as there may be a negative reception towards the tax if the proceeds aren't tied to a tangible social goal

While the Province has not indicated any restrictions on how the net revenue may be utilized or allocated within the legislation, it has been directed towards assisted housing initiatives in other jurisdictions. Hence, if the Region allocates the Vacant Homes Tax towards general revenue purposes, it would be an outlier among Canadian municipalities. Allocation of revenue towards assisted housing may also facilitate the approval process of the by-law when submitted for Ministerial assent to the Province

# Delivery Model Options

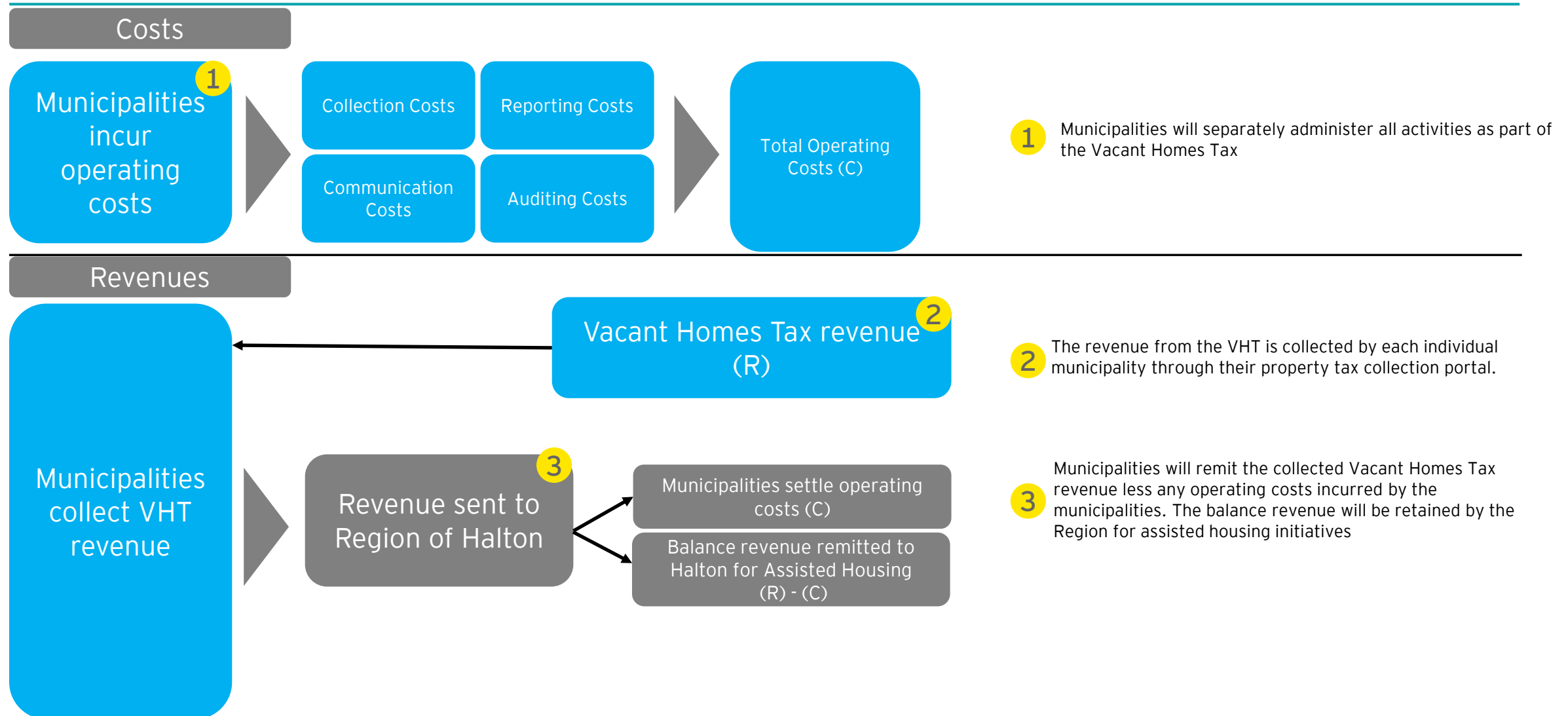
*Developing delivery options that cater to the two-tier municipality system by delineating responsibilities between the entities involved*

As Halton Region is a two-tiered municipality, the implementation and operations of Vacant Homes Tax requires a unique solution that accommodates or leverages the existing systems, responsibilities, and processes of the jurisdictions to deliver the tax. Implementation and operational costs would change based on synergies that may exist within options. Three examples of delivery models are presented for illustrative purposes with the distribution of responsibilities shown in the table below. These options, and possibly additional options, would be considered for further review as part of a design / implementation stage.

|   |  | Option 1: Municipal Delivery |                          | Option 2: Hybrid Delivery |                          | Option 3 : Regional Delivery                |                          |
|---|--|------------------------------|--------------------------|---------------------------|--------------------------|---|--------------------------|
| Activity  |  | Regional responsibility      | Municipal responsibility | Regional responsibility   | Municipal responsibility | Regional responsibility                     | Municipal responsibility |
|    | Communication and customer service: Public communications and awareness building about the tax |                              | ✓                        | ✓                         |                          | ✓   |                          |
|    | Reporting: Providing the platform where the resident is able to declare property status        |                              | ✓                        |                           | ✓                        | ✓   |                          |
|   | Collection: Collecting the tax when applicable   |                              | ✓                        |                           | ✓                        | ✓<br>(Requires amendments to Municipal Act) |                          |
|  | Auditing: Auditing and compliance functions  |                              | ✓                        | ✓                         |                          | ✓   |                          |

# Option 1: Municipal Delivery | Flow of Responsibilities

The municipal delivery model assigns full responsibility of core operations to each of the Local Municipalities



# Option 1: Municipal Delivery | Summary

*The municipal delivery model leverages existing infrastructure and processes for tax collection, but may lead to duplication of costs and increased staffing levels if audit and customer service responsibilities are decentralized*

## HOW IT WOULD WORK

- ▶ The Local Municipalities would be responsible for all the operational activities for the Vacant Homes Tax - This includes administering the reporting forms for self-declaration, collecting taxes, managing the audit processes, and delivering communications/customer service
- ▶ The municipalities may leverage existing property tax collection systems to assess, impose, and collect a vacant homes tax on properties that have been declared as vacant by the homeowner. The municipalities may also leverage existing enforcement mechanisms to collect owed revenue
- ▶ If the net revenue is to be allocated to the Region, the municipalities would settle their internal operating costs from the collected revenue, and remit the balance to the Region.

## WHAT WOULD NEED TO CHANGE

### PROCESS CHANGES

Design self-declaration forms and implement a reporting process for home-owners

Design reporting mechanism to assess the status of declarations and collections and identify arrears

Implement process changes to existing enforcement mechanism to collect tax arrears from vacant homes

Upskill existing customer service staff to manage queries about the vacant homes tax

Municipal Responsibility

### TECHNOLOGY CHANGES

Implement a portal for collecting information on the declaration of occupancy status

Implement upgrades to the existing property tax collection system to include a module for the vacant homes tax

Implement systems to facilitate the audit and compliance process including status tracking

Implement systems to streamline the response process for audited homeowners to submit proof of occupancy or exemptions

Regional Responsibility

## WHAT ARE THE RISKS

- ▶ Varying timelines for implementation of the proposed changes and roll-out of the vacant homes tax, as each municipality may have different project timelines
- ▶ Potential for duplication in staffing levels for audit and enforcement teams as each municipality would have to have its own group of compliance officers
- ▶ Lack of standardization in reporting and collection processes, unless the processes are jointly designed
- ▶ Inconsistencies in customer service due to varied interpretations or applications of the by-law

## HOW MUCH IT WOULD COST\*

### ONE TIME COSTS

\$3.9M

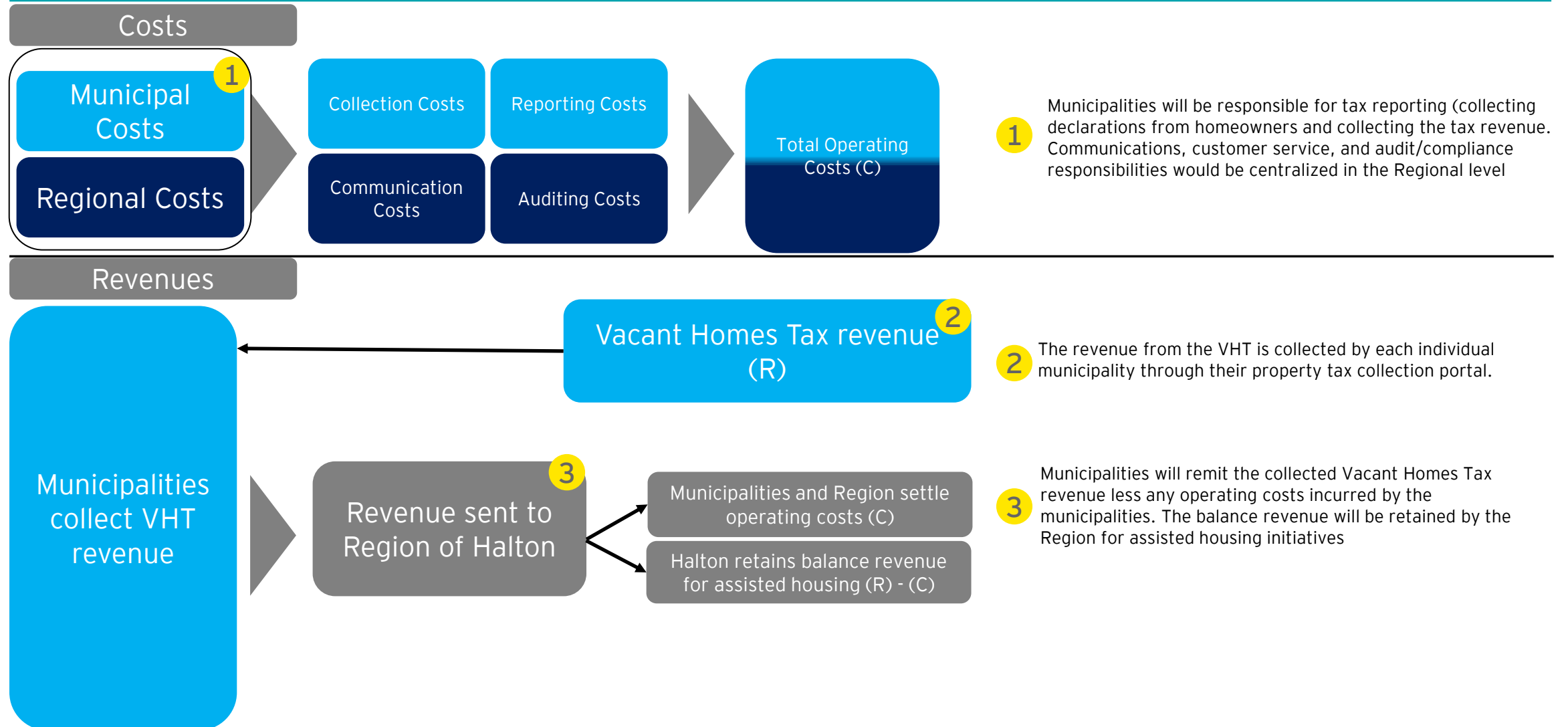
### ONGOING OPERATING COSTS

\$1.9M

\*Detailed cost calculations are provided in the financial analysis section

# Option 2: Hybrid Delivery | Flow of Responsibilities

The hybrid delivery model assigns reporting and revenue collection responsibilities to the municipalities, in order to leverage existing property tax collection systems - while centralizing audit and customer service/communications responsibilities in the Regional level



# Option 2: Hybrid Delivery | Summary

The hybrid delivery model seeks to eliminate duplication of effort for audit and customer service, while leveraging existing infrastructure and processes at the municipal level for tax collection

## HOW IT WOULD WORK

- ▶ The Local Municipalities would be responsible for managing the reporting forms for self declaration, and collecting the tax from owners of Vacant Homes. The Region would be responsible for overseeing audit and compliance activities, and managing customer service for the residents
- ▶ The municipalities may leverage existing property tax collection systems to assess, impose, and collect a vacant homes tax on properties that have been declared as vacant by the homeowner.
- ▶ If the net revenue is to be allocated to the Region, the municipalities would settle their internal operating costs from the collected revenue, and remit the balance to the Region.
- ▶ While the Region would be responsible for auditing homes, it would coordinate with the municipalities to collect arrears using existing enforcement tools

## WHAT WOULD NEED TO CHANGE

### PROCESS CHANGES

Design self-declaration forms and implement a reporting process for home-owners

Design reporting mechanism to assess the status of declarations and collections and identify arrears

Implement process changes to leverage municipal enforcement tools for collection of tax arrears

Upskill existing customer service staff to manage queries about the vacant homes tax

Municipal Responsibility

### TECHNOLOGY CHANGES

Implement a portal for collecting information on the declaration of occupancy status

Implement upgrades to the existing property tax collection system to include a module for the vacant homes tax

Implement systems to facilitate the audit and compliance process including status tracking

Implement systems to streamline the response process for audited homeowners to submit proof of occupancy or exemptions

Regional Responsibility

## WHAT ARE THE RISKS

- ▶ Requires significant integration efforts between existing (and new) systems and processes in the Region and the municipalities to facilitate information sharing on tax payment status, arrears, status of enforcement actions etc. Breakdown in information sharing may lead to lost revenue
- ▶ Potential for duplication of effort if audit and compliance teams in the Region are unable to effectively pursue enforcement actions due to lack of support at the municipal level
- ▶ Creates multiple points of contact for the resident for resolution of queries and grievance redressal

## HOW MUCH IT WOULD COST\*

### ONE TIME COSTS

\$3.3M

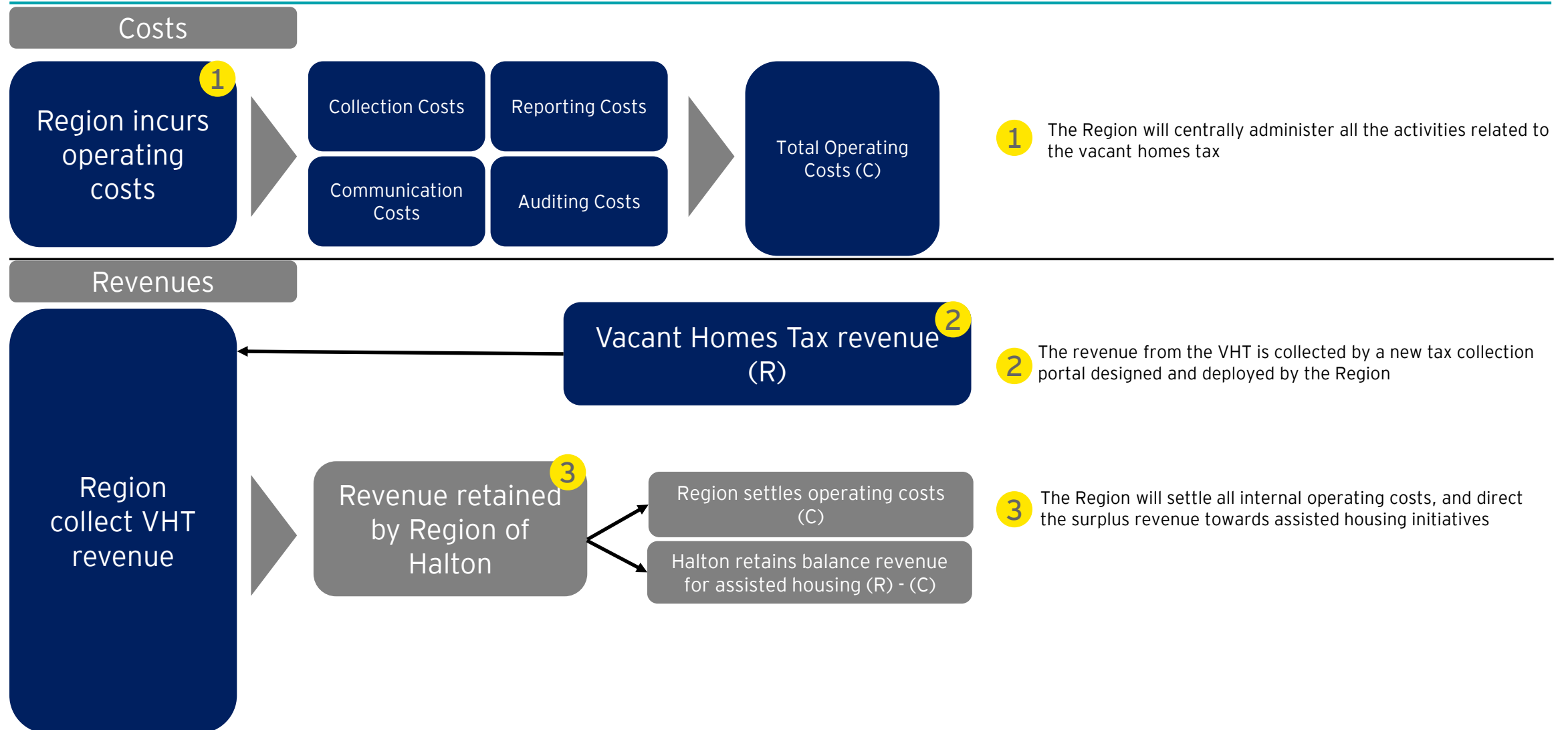
### ONGOING OPERATING COSTS

\$1.8M

\*Detailed cost calculations are provided in the financial analysis section

# Option 3: Regional Delivery | Flow of Responsibilities

The regional delivery model assigns full responsibility of core operations to Halton Region





# Option 3: Regional Delivery | Summary

The regional delivery model involves full centralization of all processes - however the Region would still rely on the municipalities to obtain data on property assessment values, and to conduct follow-up on enforcement actions, thus requiring continued collaboration

## HOW IT WOULD WORK

- ▶ The Region would be responsible for all the operational activities for the Vacant Homes Tax - This includes administering the reporting forms for self-declaration, collecting taxes from vacant homes, managing the audit processes, and delivering customer service
- ▶ The Region would need to create a separate tax collection system, or enhance the functionality of existing fee collection systems (e.g. utility fee systems) to assess, impose, and collect a vacant homes tax on properties that have been declared as vacant by the homeowner. The Region would also need to create an audit and compliance team which would identify cases of non-compliance and work with the municipalities to initiate enforcement actions
- ▶ If the net revenue is to be allocated to the municipalities, the Region would settle its internal operating costs from the collected revenue, and remit the balance to the municipalities in the same proportion as it was collected (i.e. taxes from vacant homes in Oakville would be remitted to Oakville)

## WHAT WOULD NEED TO CHANGE

### PROCESS CHANGES

Design self-declaration forms and implement a reporting process for home-owners

Design reporting mechanism to assess the status of declarations and collections and identify arrears

Implement process changes to leverage municipal enforcement tools for collection of tax arrears

Upskill existing customer service staff to manage queries about the vacant homes tax

Municipal Responsibility

### TECHNOLOGY CHANGES

Implement a portal for collecting information on the declaration of occupancy status

Implement upgrades to the existing property tax collection system to include a module for the vacant homes tax

Implement systems to facilitate the audit and compliance process including status tracking

Implement systems to streamline the response process for audited homeowners to submit proof of occupancy or exemptions

Regional Responsibility

## WHAT ARE THE RISKS

- ▶ Requires extensive legislative changes as the Municipal Act (Part X - Sections 340, 343, and 345) allows only the local municipalities to collect taxes, and not the Region
- ▶ Requires large upfront investments in building a new tax collection system. The system would also need to be integrated with the property tax collection systems at the municipal level in order to conduct enforcement follow-up for non-payment
- ▶ Significant integration efforts between existing (and new) systems and processes in the Region and the municipalities to facilitate information sharing on taxation amount, arrears, status of enforcement actions etc.
- ▶ New systems developed in the Region to collect taxes may be redundant if the Vacant Homes Tax program is wound down, leading to sunk costs

## HOW MUCH IT WOULD COST\*

As indicated above, this option would require extensive and time-consuming legislative changes, that are beyond the control of the Region, thereby rendering it improbable to implement. Hence, detailed costing has not been done for this option.

# Delivery Model Options Compared

*The regional delivery model may provide efficiencies through centralization, and lower implementation costs, however it presents a number of unknowns related to the complexity of creating a new tax collection system in the Region*

A high level summary of the delivery model options discussed earlier is presented below. Based on the findings, the Region may consider exploring the hybrid delivery option in order to leverage synergies of existing systems and processes (e.g. payment collection systems), while avoiding duplication of effort through centralization of staff wherever possible (e.g. audit and enforcement staff)

|              | Municipal Delivery  | Hybrid Delivery   | Regional Delivery  |
|--------------|---|---|--|
| <b>Pros</b>  | <ol style="list-style-type: none"> <li>Existing property tax portals may be upgraded to add a new module to collect taxes for Vacant Homes.</li> <li>Existing by-law capabilities may be used for compliance monitoring to decrease implementation and operational costs</li> </ol>   | <ol style="list-style-type: none"> <li>The Region can rely on the municipalities to collect the vacant homes tax by upgrading their existing property tax system</li> <li>Synergies may be realized by centralization and standardization of audit teams</li> <li>Centralizing communications in the Region also facilitates consistency of messaging</li> </ol>  | <ol style="list-style-type: none"> <li>No duplication of effort is required as all tasks are centralized within one area</li> <li>If the net financial benefit is used towards assisted housing initiatives, Halton can internally settle up costs and disperse funds towards assisted housing projects directly</li> <li>As communication is handled in the Regional level, information given to the public can be standardized</li> </ol>  |
| <b>Cons</b>  | <ol style="list-style-type: none"> <li>Potential duplication of effort and higher staffing levels as each municipality would need to have separate tax administration and enforcement teams</li> <li>Procedures related to assessing exemptions, addressing grievances etc. may be varied leading to lack of standardization</li> <li>Communication to the public on the vacant homes tax may be inconsistent due to different procedures and standards followed in the contact centres of each municipality</li> </ol> | <ol style="list-style-type: none"> <li>Creating multiple points of contact may lead to confusion among residents regarding steps for grievance redressals, assessing exemptions etc.</li> <li>Significant collaboration would be required between the Region and the municipalities to implement streamlined processes for audits and customer service</li> <li>The Region may have to create a new compliance and enforcement team as those capabilities currently do not exist in the Region</li> </ol> | <ol style="list-style-type: none"> <li>Requires provincial legislative changes to the Municipal Act which could be time-consuming and entail significant lobbying efforts</li> <li>The Region will need to build a new collection system to process taxes from owners of vacant homes. This may lead to significant start-up costs.</li> <li>The Region may have to create a new compliance and enforcement team as those capabilities currently do not exist within the Region</li> </ol> |
| <b>Costs</b> | One time - \$3,901,220<br>Ongoing - \$1,959,470   | One time - \$3,300,445<br>Ongoing - \$1,814,894   | Costs for this option were not assessed as it was deemed to be improbable to implement due to the complexity of legislative changes required, and the low likelihood of provincial support.  |

# Vacant Homes Tax Operations | Summary of Findings

*While decisions on delivery models can be finalized based on operational feasibility, it is recommended that net revenue is allocated to the Region for Assisted Housing initiatives as the enabling Provincial Legislation was introduced as part of the Ontario Fair Housing Plan*

Key takeaways from the analysis of processes to operate the vacant homes tax are summarized below



## Feasibility of methods to identify vacant homes

- Based on the experiences of municipalities that have implemented the Vacant Homes Tax, self declaration may be the most appropriate mechanism for identifying vacant homes in the Region
- Other methods (e.g. utility monitoring) may lead to privacy concerns, have legislative barriers, or not be comprehensive enough to cover all types of homes in the Region



## Division of responsibilities for implementation and delivery of the vacant homes tax

- Decisions on delivery models may be made in a manner that enables the Region and Local Municipalities to leverage existing systems and processes and reduce duplication of effort
- Additional processes, and resources may be required for audit and compliance processes, as existing by-law staff may not have the capacity to conduct audits of homes to verify if the occupancy status quoted through self-declaration is correct



## Objectives for the revenue raised

- The Region and the Local Municipalities would need to agree-upon, and clearly articulate the objectives for the revenue before developing the vacant homes tax by-law. This is required for public communications so the public know the rationale for the tax, and what the revenue would be utilized for, and for the submission to the Ministry of Finance for the approval of the by-law
- It is recommended that revenue generated from vacant homes is allocated towards assisted housing initiatives so that the Region's policy is consistent the objectives of the enabling legislation from the Province.



## FINANCIAL ANALYSIS

---

*"How much revenue can be expected from the Vacant Homes Tax? And at what cost?"*

# Financial Analysis - Overview

*Financial analysis was conducted using a combination of data provided by the Region, observations from case studies of vacant homes tax implementations in Canada, and assumptions validated with the Region's project team*

In order to estimate the feasibility of the Vacant Homes Tax in Halton Region, a high-level quantitative analysis was conducted to understand the potential budgetary impact to the Region and the Local Municipalities. The analysis comprised of two components:



- Revenues from the Vacant Homes Tax would come from two sources:
  - Tax Levy - Revenue earned from homeowners who declare/report their homes to be vacant
  - Audit Revenue - Revenue from homeowners who have been found to be non-compliant or fraudulent in their declaration/reporting and are charged a penalty

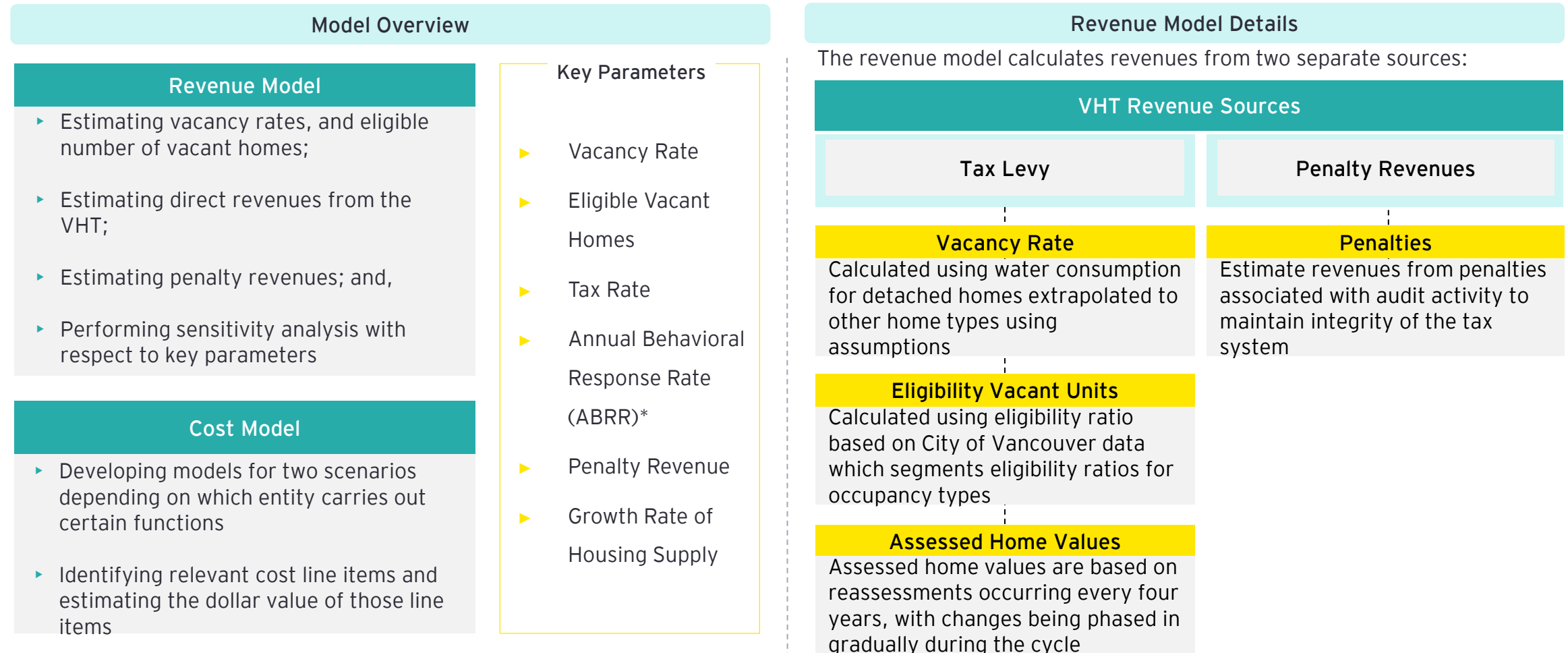


- These costs incurred for implementing a vacant homes tax falls under two categories:
  - One Time Costs - Upfront costs associated with implementing the tax (e.g. software costs to upgrade tax collection systems)
  - Ongoing Costs - Ongoing costs associated with operating the tax (e.g. salaries of compliance and audit staff)

This section provides details of the data sources, methodology, and assumptions for the financial feasibility analysis conducted to determine the financial impact of implementing the vacant homes tax.

# Financial Analysis - Methodology

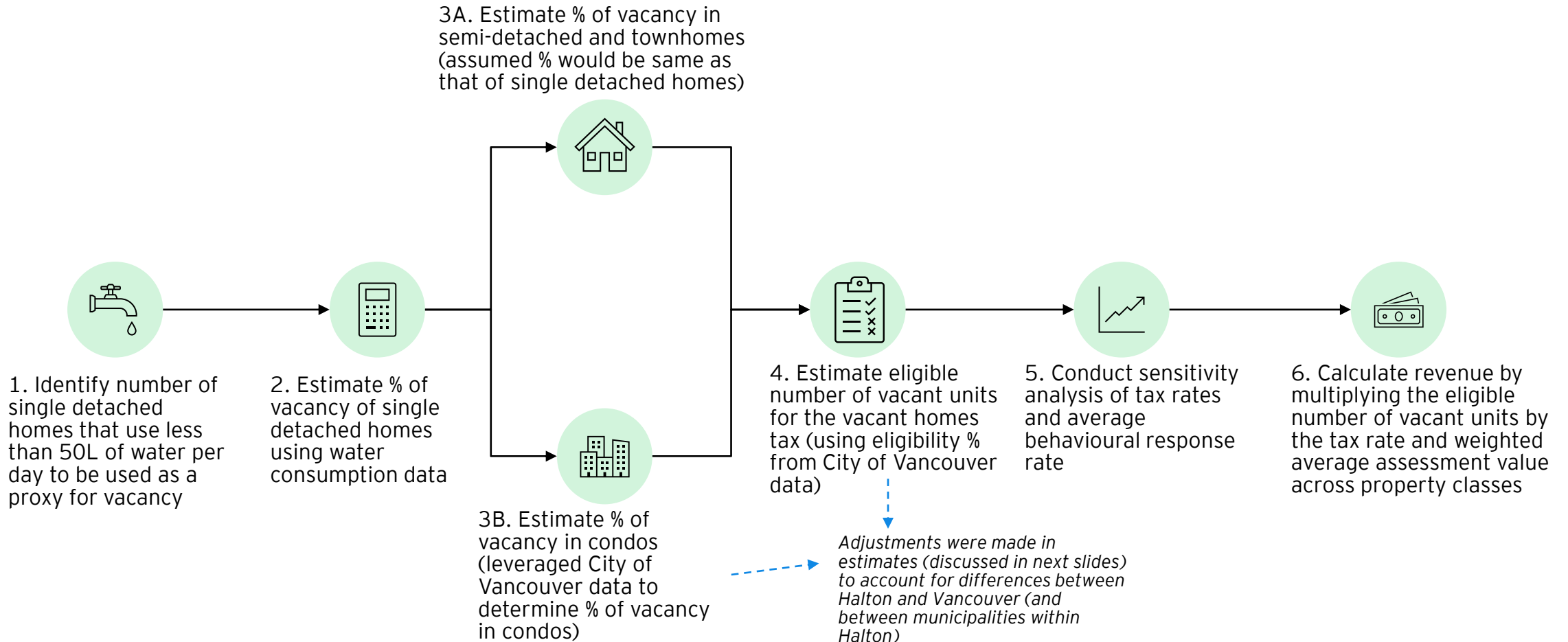
EY's modelling exercise provides 10-year estimates for revenues, operating costs, implementation costs, and impacts on housing supply and affordability.



\*Percentage of vacant homes that are released to the rental supply as a result of the vacant homes tax

# Financial Analysis | Revenue Estimation - Illustrated

The process of estimating revenue from vacant homes - using water consumption data as a proxy for vacancy is illustrated below. To be conservative, a threshold of water consumption of 50L/day was used as an indicator for vacancy rates.



# Financial Analysis | Revenue Estimation | Assumptions\*

*In order to develop financial estimates using limited data, we had to leverage assumptions based on observations from the vacant homes tax implementation in other jurisdictions*

## **Vacancy Rates:**

- ▶ Vacancy rates for single detached units were calculated using the Region's data on water consumption levels, applying a threshold of 50L/day of water usage as a determinant for vacancy in a house. Water consumption data is not available for most semi-detached units and townhouses, however, we assume the vacancy rate would be identical to single detached homes, hence the same vacancy rate was applied to these units
- ▶ For condos, the City of Vancouver was used as a proxy to estimate the proportion of total vacancies in condos to detached homes

Note - While Government of Canada estimates the average water consumption per person in a household to be at least 250 L/day, we have applied a very low threshold of 50 L/day for conservatism - This estimate is expected to address differences in water usage in homes based on demographics (e.g. water consumption may be lower in homes with elderly individuals) and other factors (e.g. energy and water conserving/conscious households)

## **Eligible Vacant Units:**

- ▶ Used the City of Vancouver data to determine eligibility ratio of vacant units, since the same exemption/eligibility criteria applied by Vancouver was found to be acceptable for the Regional Municipality of Halton during stakeholder consultations

## **Penalties:**

- ▶ Assumed the ratio of tax levy revenue and penalty revenues is similar to the City of Vancouver's, under the assumption that the jurisdictions may have similar rates of non-compliance and penalties

## **Growth Rates:**

- ▶ Assumed that historical growth rates of housing supply would hold constant into the future

## **Assessed Values of Housing Units:**

- ▶ The assessed value for the purposes of determining a tax base was derived from MPAC Assessment Values as of 2016. A year-over-year growth rate of 1.7% was applied to the assessment values based on inputs from the Region's project team.

## **Sensitivity Analysis:**

- ▶ A sensitivity analysis was performed by varying the tax rate on VHT from 0.5% to 3%, and varying the annual behavior response rate (% of vacant homes placed on the market for sale or rent) from 3.5% to 7%

\* Detailed assumptions are provided in Appendix 2



# Financial Analysis | Revenue Estimation | Overview of Methodology and sources

| Parameter             | Description  | Estimation Methodology and Sources  |
|-----------------------|--|---|
| Vacancy Rate          | The number of homes (condos, detached, semi-detached/townhouses) that are expected to be vacant in the Regional Municipality of Halton | <p><b>Detached Homes</b> - Water consumption data with a cut off of 50L/day representing vacant homes</p> <p><b>Semi-Detached/Townhouses</b> - Water consumption data not available for these units - assume a similar vacancy rate as detached homes</p> <p><b>Condos</b> - City of Vancouver data to determine how many more condos are vacant when compared to detached homes, while adjusting for differences in demographics, housing composition, and speculative activity</p> <p>[Source: Data obtained from Region of Halton and City of Vancouver Annual Report]</p> |
| Housing Supply        | The number of homes by type in the Regional Municipality of Halton   | [Source: Region of Halton]  |
| Assessed Value        | The estimated value of a property for the purposes of calculating the VHT owed by residents  | [Sources for Housing Data: MPAC data provided by Region of Halton]  |
| Eligible Vacant Units | The number of homes which are vacant and can be deemed eligible for collection under a VHT   | <p>Use the City of Vancouver data which compiles total number of reported vacant homes and number of vacant homes which are eligible under a VHT to develop an eligibility ratio. It is assumed the eligibility ratio will remain unchanged as the two VHTs are assumed to have similar exemptions and populations identical in the reasons they would leave homes vacant.</p> <p>Eligibility ratios are separately determined for condo and non-condo dwellings.</p> <p>[Source: City of Vancouver Annual Report, 2020, Page 11 of PDF]</p>                                  |
| Penalty Revenue       | The revenue from penalties and fines as a result of audit activity   | <p>Calculate ratio of tax levy revenue and penalty revenues from City of Vancouver data and assume similar ratio in Region of Halton under the assumption that the Regions will have similar rates of non-compliance and penalties.</p> <p>[Source: City of Vancouver Annual Report, 2020, Page 6 of PDF]</p>   |

# Financial Analysis | Revenue Estimation | Adjustments for differences across municipalities

Assumptions for vacancy rates, eligibility ratio of vacant homes etc. were determined using statistics from the City of Vancouver. However, due to the significant differences between Vancouver and Halton Region, adjustments had to be made to certain parameters to factor in these differences. EY evaluated differences across five criteria in both jurisdictions for which data could be reliably obtained and supporting rationale could be provided for its inclusion. (Details of adjustments are provided in Appendix A)

| Criteria                     | Rationale   |
|------------------------------|---|
| Growth Rate in Market Prices | A higher growth rate in market prices may be positively correlated to increased speculative activity, which could lead to higher vacancy rates  |
| Housing Starts               | A greater amount of housing starts proxies for a greater demand for housing units in the municipality, potentially implying greater demand for speculative activity, driving vacancy rates  |
| Housing Supply               | Criteria adjusts for demographic related differences, including how urban a municipality is and the composition of housing units (e.g. municipalities with higher share of condos in the total housing supply would have a higher vacancy rate) |
| Population Density           |   |
| Population                   |   |

# Financial Analysis | Revenue Estimation | Steps

Revenue estimates were developed through a three step process leveraging data submitted by the Region's water and housing teams, and assumptions leveraged from the City of Vancouver (adjusted wherever applicable)

The steps involved in estimating the revenue from vacant homes is discussed below:

Step 1: Estimating Number of Vacant Units based on analysis of water consumption data (low threshold of 50 litres/day) and other assumptions

| Jurisdiction                          | Vacant Homes |               |            |        |                    |
|---------------------------------------|--------------|---------------|------------|--------|--------------------|
|                                       | Detached     | Semi Detached | Townhouses | Condos | Total Vacant Homes |
| Burlington                            | 584          | 46            | 69         | 352    | 1,051              |
| Halton Hills                          | 206          | 9             | 18         | 15     | 248                |
| Oakville                              | 1,268        | 70            | 369        | 319    | 2,026              |
| Milton                                | 773          | 142           | 370        | 92     | 1,377              |
| <b>Total Vacancy in Halton Region</b> |              |               |            |        | <b>4,702</b>       |

Step 2: Estimating Number of Vacant Units that are eligible to pay the vacant homes tax (eligibility ratio is ~42% for condos, ~16% for other units)

| Jurisdiction                          | Eligible Vacant Homes |               |            |        |                    |
|---------------------------------------|-----------------------|---------------|------------|--------|--------------------|
|                                       | Detached              | Semi Detached | Townhouses | Condos | Total Vacant Homes |
| Burlington                            | 98                    | 8             | 12         | 145    | 265                |
| Halton Hills                          | 35                    | 2             | 3          | 6      | 45                 |
| Oakville                              | 213                   | 12            | 62         | 134    | 420                |
| Milton                                | 130                   | 24            | 62         | 39     | 255                |
| <b>Total Vacancy in Halton Region</b> |                       |               |            |        | <b>985</b>         |

# Financial Analysis | Revenue Estimation | Steps (Cont'd)

Step 3: Estimating behavioral response to tax rates (Percentage of homes that are placed on the market for sale or rent if a certain tax rate is applied on vacant homes). The behavioral response rate was estimated using both real-world observations from the City of Vancouver (trends of homes being converted from vacant to non-vacant since the implementation of the tax), and independent literature review.

| Scenario   | Tax Rate | Behavioral Response Rate<br>(% of vacant homes placed on market) |
|------------|----------|--|
| Scenario 1 | 0.50%    | 3.50%  |
| Scenario 2 | 1.00%    | 4.00%  |
| Scenario 3 | 1.25%    | 4.50%  |
| Scenario 4 | 1.50%    | 5.00%  |
| Scenario 5 | 2.00%    | 5.50%  |
| Scenario 6 | 2.25%    | 6.00%  |
| Scenario 7 | 2.50%    | 6.50%  |
| Scenario 8 | 3.00%    | 7.00%  |

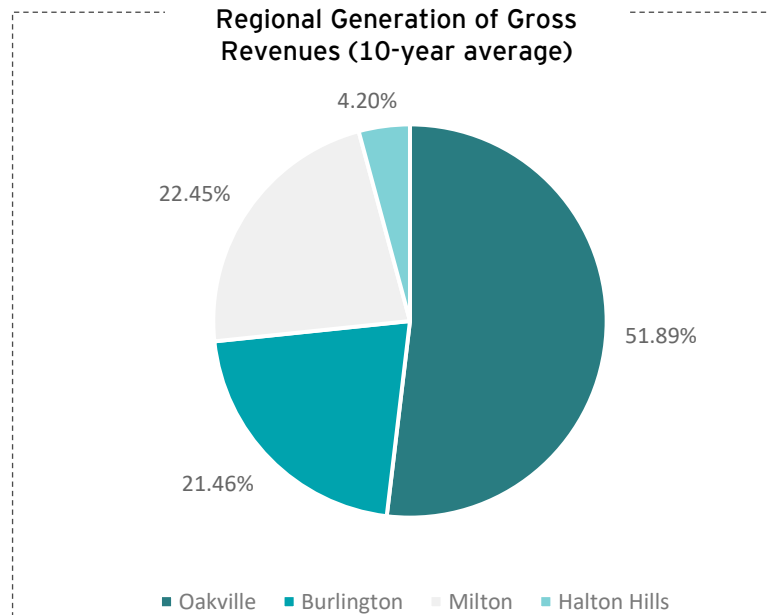
# Financial Analysis | Revenue Estimation | Preliminary Results

Preliminary results obtained by EY using the approach, assumptions, and parameters discussed earlier are provided below:

|                        |  |  |   |  |
|------------------------|--|--|---|--|
| <b>Halton Overview</b> | <b>985</b> Eligible Vacant Units<br><i>(Or 0.5% of Total Housing Supply)</i> | <b>180,796</b> Housing Supply<br><i>(2016)</i> | <b>2.19%</b> Historical Growth Rate of Housing Supply | <b>1.7%</b> Projected Y-o-Y Growth in Assessment Value |
|------------------------|--|--|---|--|

## Key VHT Numbers

Results are for the baseline 1% tax rate and a 4.00% Annual Behavioral Response Rate over a 10 year period



**VHT Revenue**

**\$6.1 Million**  
Average Annual Revenue

**\$61 Million**  
10-year Cumulative Revenue

**330**  
Reduction in Eligible Vacant Homes  
*(over 10 years)*

## Sensitivity Analysis

| Tax Rate     | ABRR*        | Average Revenue/Year |                  |
|--------------|--------------|----------------------|------------------|
|              |              | Tax Levy             | Penalties        |
| 0.50%        | 3.50%        | \$2,986,394          | \$157,615        |
| <b>1.00%</b> | <b>4.00%</b> | <b>\$5,839,250</b>   | <b>\$308,183</b> |
| 1.25%        | 4.50%        | \$7,136,616          | \$376,655        |
| 1.50%        | 5.00%        | \$8,374,234          | \$441,973        |
| 2.00%        | 5.50%        | \$10,919,491         | \$576,306        |
| 2.25%        | 6.00%        | \$12,014,934         | \$634,121        |
| 2.50%        | 6.50%        | \$13,058,523         | \$689,200        |
| 3.00%        | 7.00%        | \$15,329,927         | \$809,079        |

\*ABRR - Annual Behavioral Response Rate



# Financial Analysis | One-Time Costs | Methodology

*One-time implementation/start-up costs would differ based on the delivery model option chosen by the municipalities (municipal delivery or hybrid delivery) due to synergies (or duplication of effort) that may exist across different cost categories*

An overview of the implementation costs and the associated assumptions and rationale is provided below.

| Category                       | Description   | Calculation Methodology and Assumptions  | Estimates   | Rationale  |
|--------------------------------|---|--|---|--|
| Project Team                   | Team responsible for overseeing the day-to-day activities related to the implementation and delivery of the project   | Estimated project team size based on corresponding project team size at City of Vancouver at a cost of \$110K <sup>1</sup> per team member   | <ul style="list-style-type: none"> <li>Municipal Delivery - 6 members</li> <li>Hybrid Delivery - 4 members</li> </ul>   | Municipal delivery is expected to require the highest project management support due to upgrades required in four different tax collection systems. Hybrid delivery may require a smaller team due to synergies involved in overseeing the components of implementation that are centralized in the Region |
| Business Support               | Internal or external advisors from domains such as legal, tax, regulatory policy, legislative services, and communications to provide guidance and advice for the delivery of the project | Estimated number of business support personnel required to provide guidance to the project team at a cost of \$165K <sup>2</sup> per advisor | <ul style="list-style-type: none"> <li>Municipal Delivery - 3 advisors</li> <li>Hybrid Delivery - 2 advisors</li> </ul> | Similar to the project management team above, the municipal delivery model may require the most business support staff due to policy and legislative changes to be made across four different municipalities   |
| Technical Implementation Costs | Team responsible for designing, developing, implementing, and testing the upgrades to existing tax payment systems in order to collect the vacant homes tax                               | Used City of Vancouver implementation cost data from 2017 adjusting for differences in costs in the Region and accounting for inflation      | Same costs for both delivery models - \$1.09M (expected range of +/- 20% based on complexity on implementation)         | Without a detailed assessment of existing systems, and extent of changes required, it is not possible to accurately estimate the costs for upgrading the existing tax systems. Hence, costs incurred for Vancouver were used as a baseline   |

1 – Based on estimates from [Vancouver](#) – adjusted for inflation and differences in wages in Ontario

2 – Assumes a 50% premium on cost of project team members to account for specialized skill sets

# Financial Analysis | One-Time Costs | Methodology (Cont'd)

| Category              | Description   | Calculation Methodology and Assumptions   | Estimates  | Rationale   |
|-----------------------|---|---|--|---|
| Professional Services | Costs for process re-engineering and service design for the operations of the vacant homes tax                                    | Used City of Vancouver implementation cost data from 2017 adjusting for differences in costs in the Region and accounting for inflation | <ul style="list-style-type: none"> <li>Municipal Delivery - \$1.4M</li> <li>Hybrid Delivery - \$1.2M</li> </ul>  | Municipal delivery is expected to have the highest costs due to duplication of effort in process and service re-design across four entities. Hybrid delivery is expected to see minor efficiencies as some of the processes to be redesigned would be owned by a central entity |
| Infrastructure costs  | Costs associated with deploying hardware (e.g. computers) and software (e.g. licenses) for the operations of the vacant homes tax | Used City of Vancouver implementation cost data from 2017 adjusting for differences in costs in the Region and accounting for inflation | <ul style="list-style-type: none"> <li>Same costs for both delivery models - \$209K (expected range of +/- 20% based on complexity on implementation)</li> </ul> | Similar to technical support costs discussed earlier, the same cost is applied to both delivery models due to a lack of data of the extent on infrastructure investments  |

# Financial Analysis | One-Time Costs | Result

*Based on the currently available inputs, the hybrid model has the lowest implementation costs - however, detailed systems analysis is required to improve the degree of certainty of the technical support costs*

One-time implementation/start-up costs for each of the delivery model options is provided below.

| Category              | Cost*              |                 |
|-----------------------|--------------------|-----------------|
|                       | Municipal Delivery | Hybrid Delivery |
| Project Team          | \$0.66M            | \$0.44M         |
| Business Support      | \$0.49M            | \$0.33M         |
| Technical Support     | \$1.10M            | \$1.10M         |
| Professional Services | \$1.44M            | \$1.22M         |
| Infrastructure costs  | \$0.21M            | \$0.21M         |
| <b>TOTAL</b>          | <b>\$3.90M</b>     | <b>\$3.30M</b>  |

- Differences in implementation costs are driven by the level of complexity involved in each model. E.g. Implementing the municipal delivery model requires changes in processes and systems across four municipalities, and hence requires a higher number of resources to manage, thereby potentially escalating costs related to project management and professional services. However, the hybrid model involves centralization of some processes in the Regional level, thus creating efficiencies for the project management and professional services teams
- Oakville and Burlington are undergoing a replacement of their tax collection systems. If the module for collecting a vacant homes tax is included in the requirements of the proposed tax collection system during the design phase, the municipalities may be able to reduce the costs associated with technical support and professional services.
- Note - In comparison, Vancouver's<sup>1</sup> one-time implementation cost was \$7.4M, Toronto's<sup>2</sup> estimated implementation cost is \$11.1M, and Ottawa's estimated implementation cost is \$3.5M

1 - Vancouver Staff Report on Amendments to Vacancy Tax By Law, June 2017

2 - Recommended Tax Design to Implement a Vacant Homes Tax in Toronto

3 - Ottawa Vacant Unit Tax Staff Report



# Financial Analysis | Ongoing Operating Costs | Methodology

*Ongoing costs would differ based on the delivery model option chosen by the municipalities (municipal delivery or hybrid delivery) due to synergies (or duplication of effort) that may exist across different cost categories*

Ongoing costs, similar to start up costs, would differ based on the delivery model option chosen by the municipalities (municipal delivery or hybrid delivery) due to synergies (or duplication of effort) that may exist across different processes for operating the vacant homes tax. An overview of the costs and associated assumptions is given below.

| Category                | Description   | Calculation Methodology and Assumptions   | Estimates   | Rationale  |
|-------------------------|---|---|---|--|
| Tax Administration      | Staff responsible for overseeing the reporting of vacant homes, and tracking and reviewing the receipt of payments from owners of vacant properties | Scaled up the tax administration staffing level at Vancouver, adjusting for the population difference   | <ul style="list-style-type: none"> <li>Municipal/Hybrid Delivery - 6 staff</li> </ul>                             | Both models would have the same staffing requirements as tax administration is done at the local municipality level  |
| Review and Compliance   | Staff responsible for conducting audits, investigating complaints, and conducting follow-up for non-reporting or non-payments                       | Scaled up the audit staffing level at Vancouver, adjusting for the population difference                | <ul style="list-style-type: none"> <li>Municipal Delivery - 6 staff</li> <li>Hybrid Delivery - 5 staff</li> </ul> | Assumes a 15% efficiency gain through centralization of audit and compliance staff in the Regional level in the Hybrid delivery model  |
| Notices and Advertising | Costs associated with public awareness and outreach (e.g. advertising) and information notices to owners of vacant properties                       | Scaled up the annual communication costs incurred at Vancouver, adjusting for the population difference | <ul style="list-style-type: none"> <li>Municipal Delivery - \$146K</li> <li>Hybrid Delivery - \$124K</li> </ul>   | Assumes a 15% efficiency gain through centralization of administrative effort required for issuing notices and advertising through the centralization of communications in the Regional level in the Hybrid delivery model |

\* EY experience in shared service reviews indicate that centralization of functions lead to a 10%-15% efficiency gain

# Financial Analysis | Ongoing Operating Costs | Methodology (Cont'd)

| Category                   | Description   | Calculation Methodology and Assumptions  | Estimates   | Rationale  |
|----------------------------|---|--|---|--|
| IT Support and Maintenance | Costs associated with maintaining the technical infrastructure (hardware and software) placed for the operations of the vacant homes tax                    | Scaled up the costs incurred at Vancouver for IT support and maintenance by adjusting for volume of calls expected at the IT helpdesk by a factor of the size of the operations team                         | <ul style="list-style-type: none"> <li>Municipal Delivery - \$157K</li> <li>Hybrid Delivery - \$134K</li> </ul> | Assumes a 15% efficiency gain through centralization of administrative effort for IT support in the Regional level   |
| Customer Service           | Costs associated with managing information calls and service requests (e.g. through 3-1-1 or other channels) from residents as part of the vacant homes tax | Scaled up the costs incurred at Vancouver for call centre support by adjusting for volume of calls/enquiries expected at 3-1-1/helpdesk by a factor of the size of Halton's population relative to Vancouver | <ul style="list-style-type: none"> <li>Same costs for both delivery models - \$335K</li> </ul>                  | The same costs would be incurred for both delivery models as the driver of costs is call volume, which is a function of Halton's population, and remains constant irrespective of the delivery model |

# Financial Analysis | Ongoing Operating Costs | Result

*Based on the currently available inputs, the Hybrid Delivery model has the lowest operational costs due to efficiencies that may be realized by centralization of functions*

Annual operating costs for each of the delivery model options is provided below. The cost differences between the options are relatively minor as the cost drivers are based on the volume of outputs (e.g. number of tax notices to be processed, number of audits to conduct etc.) which do not vary between options. Differences in costs, if any, are due to administrative efficiencies through centralization of different functions.

| Category                   | Cost*              |                 |
|----------------------------|--------------------|-----------------|
|                            | Municipal Delivery | Hybrid Delivery |
| Tax Administration         | \$0.66M            | \$0.66M         |
| Review and Compliance      | \$0.66M            | \$0.56M         |
| Notices and Advertising    | \$0.15M            | \$0.12M         |
| IT Support and Maintenance | \$0.16M            | \$0.13M         |
| Customer Service           | \$0.33M            | \$0.33M         |
| <b>TOTAL</b>               | <b>\$1.96M</b>     | <b>\$1.81M</b>  |

Annual operating costs for both models (\$1.8M - \$1.9M) are lower than the expected annual revenue through a 1% tax rate (\$6.1M) and a 0.5% tax rate (\$3.1M), which indicate that the benefits of a vacant homes tax could exceed the costs of operation

*Note - In comparison, Vancouver's<sup>1</sup> ongoing operating costs are \$2.5M, while Toronto's<sup>2</sup> and Ottawa's<sup>3</sup> estimated ongoing operating costs are \$3.1M and \$1.3M respectively*

The hybrid delivery model has the lowest annual operating costs due to efficiencies realized in the centralization of staff for various operational processes. Centralization of operations may also help in accelerating the benefits of future digitization/automation of processes (E.g. automated verification of documents for audits) thus resulting in further efficiencies.

1 - Vancouver Empty Homes Tax Annual Report 2020

2 - Recommended Tax Design to Implement a Vacant Homes Tax in Toronto

3 - Ottawa Vacant Unit Tax Staff Report



## FEASIBILITY ANALYSIS

*"Should the Region consider implementing the Vacant Homes Tax?"*

# Feasibility Analysis - Overview

This section provides an summary of the findings related to the feasibility of implementing a Vacant Homes Tax within the Region. Feasibility was assessed through a quantitative comparison of projected revenues and estimated costs (discussed in the previous section) and a qualitative evaluation of risks (developed through stakeholder consultations and learnings from Vancouver). These components are summarized below:



## Net Financial Impact

Estimation of net revenue and the breakeven point (minimum number of vacant homes required in the region to recoup operating costs)



## Sensitivity Of Tax Rates

Assessment of conversion ratio of homes as a result of various tax rates



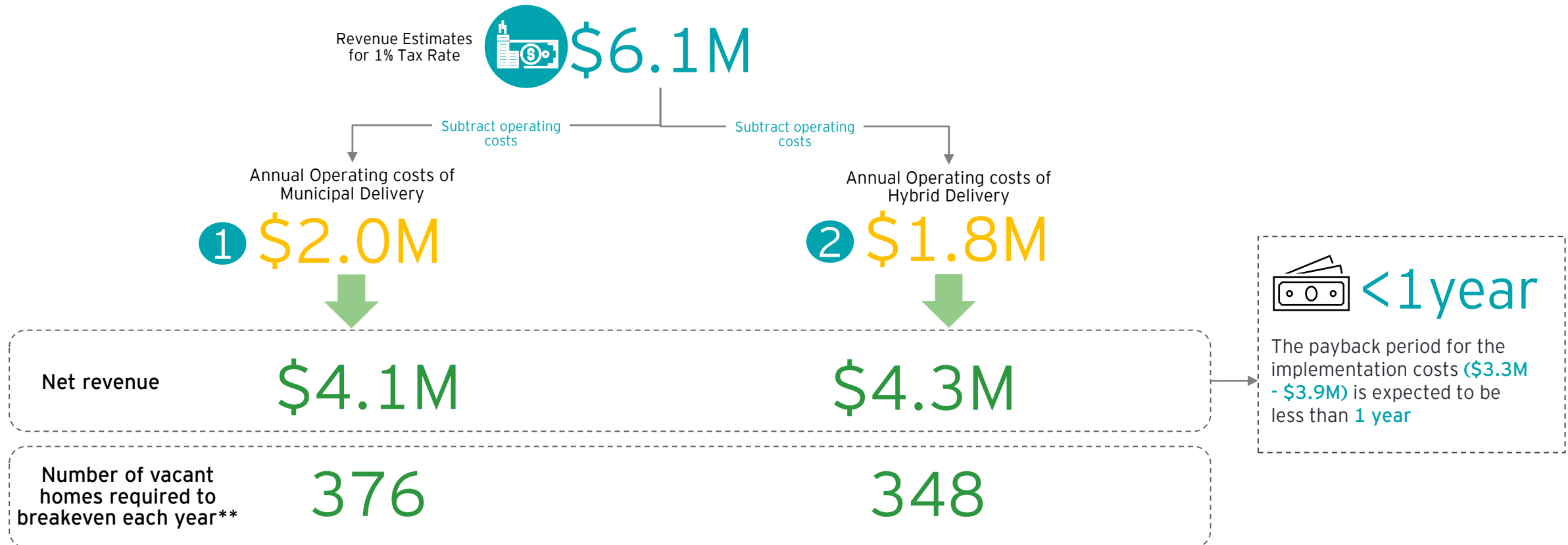
## Risks

Key risks thin the Region may encounter while implementing the vacant homes tax - along with mitigation options

# Feasibility Analysis | Net Financial Impact

In spite of conservative estimates used for revenue projections, it is expected that the vacant homes tax will generate a positive budgetary impact at Halton Region

Findings related to the financial feasibility of implementing a vacant homes tax in the Regional Municipality of Halton is summarized below. This was done by comparing the net revenue (revenue less operating costs) and assessing the breakeven point\* for each delivery model option (minimum number of vacant homes required to generate tax revenue that is greater than the operating costs).



The findings above indicate that, irrespective of the chosen delivery model option, the vacant homes tax is expected to generate net positive financial benefits for the Region, and hence, is a feasible tool to be explored in further detail.

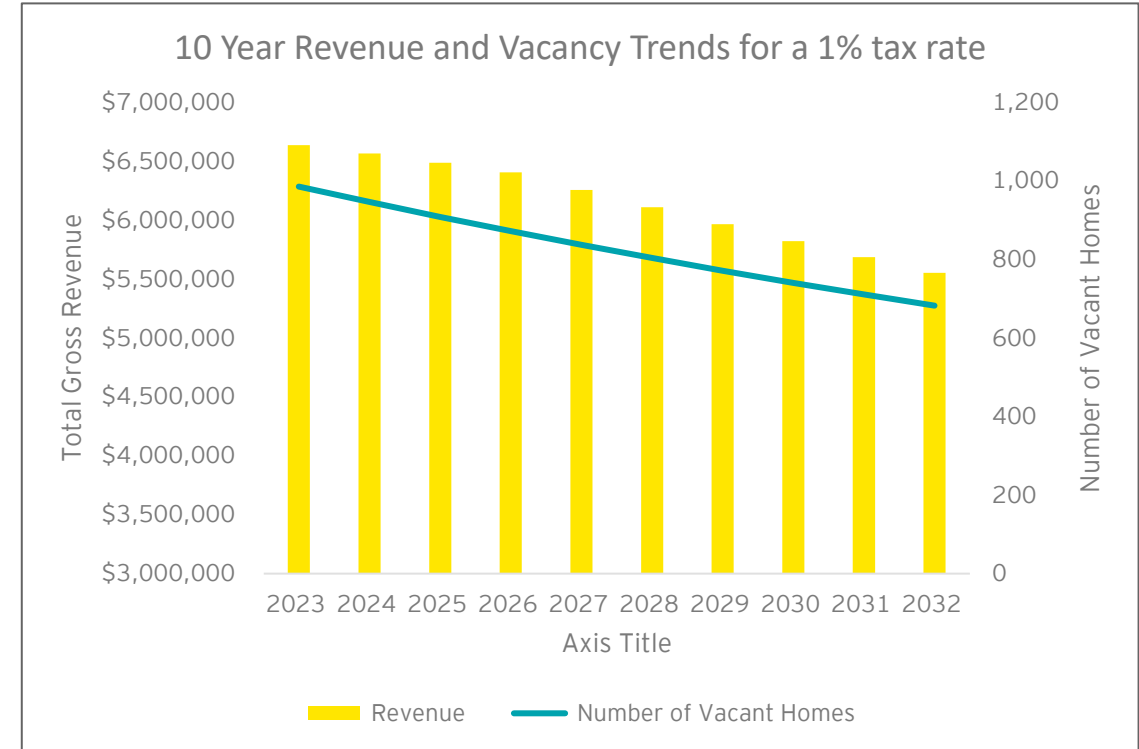
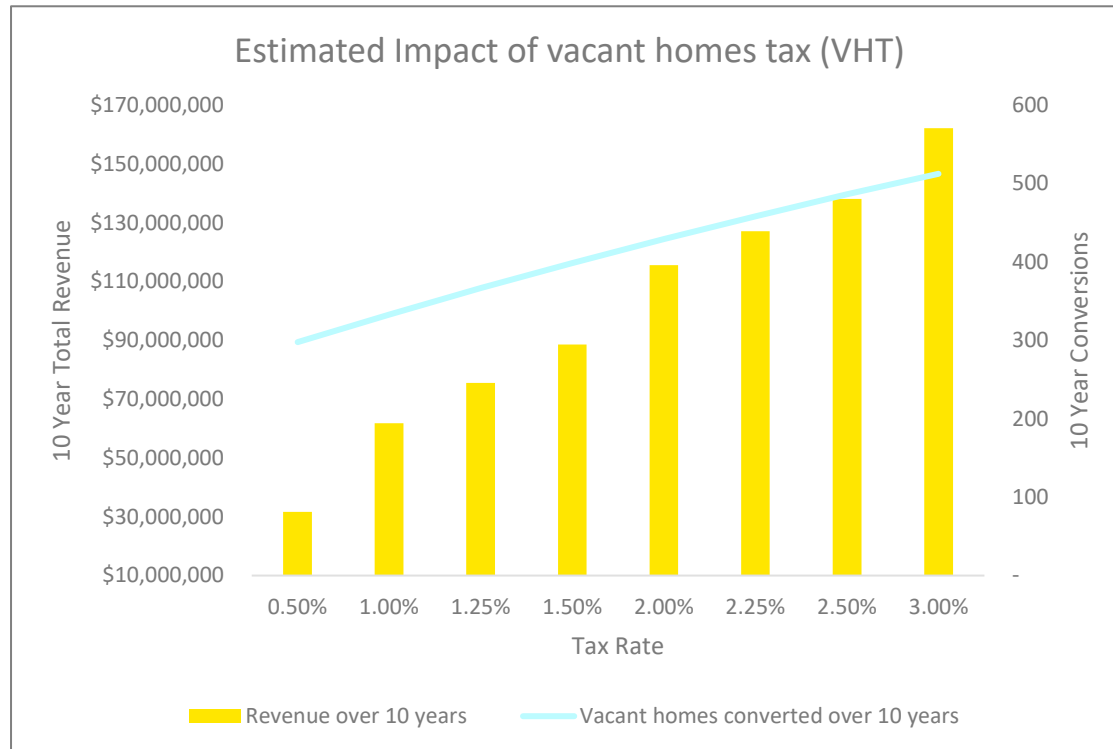
\*Breakeven point is determined by the weighted average assessment value of vacant homes in the Region

\*\*As indicated in the revenue estimates, the estimated number of vacant homes is over 900

# Feasibility Analysis | Sensitivity of Tax Rates

Tax rates are expected to generate a directly proportionate impact on conversion of vacant homes to rental properties which may ease affordability by improving supply

By modeling various tax rates, and their associated behavioural response rate (% of vacant homes sold or converted to a rental property to avoid paying the tax), we estimated the revenue projections and number of vacant homes converted corresponding to each tax rate over a period of 10 years. Findings are illustrated below:



This indicates that the VHT has positive benefits including improving housing affordability by increasing the supply of homes, and utilizing the surplus revenues to support the Region's Comprehensive Housing Strategy's assisted housing programs

# Feasibility Analysis | Risks

Risks identified below may be mitigated by leveraging learnings from municipalities such as Vancouver, which had implemented this tax, and had to address similar risks as part of their journey

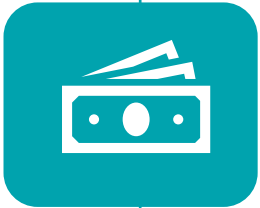
|                            | Lack of revenue  | Systems Challenges   | Process Challenges   | High Non-Compliance Rates  | Poor Public Reception   |
|----------------------------|--|--|--|--|---|
|                            |  |  |  |  |   |
| <b>Risk Description</b>    | <ul style="list-style-type: none"> <li>Revenue from Vacant Homes are inadequate to cover the implementation and operating costs of the program</li> </ul>  | <ul style="list-style-type: none"> <li>Technology challenges with updating vacant homes tax collection and enforcement functionalities on existing systems (e.g. property tax collection systems)</li> </ul>   | <ul style="list-style-type: none"> <li>Inability to implement standardized processes related to reporting, collection, and enforcement across the four municipalities thereby leading to inconsistent application of the vacant homes tax</li> </ul>   | <ul style="list-style-type: none"> <li>High instances on non-compliance through incorrect declarations of occupancy status or applications for exemptions</li> </ul>   | <ul style="list-style-type: none"> <li>Residents of Halton may not welcome the tax for varied reasons (E.g. intrusiveness, privacy concerns, disagreement with the tax as a tool for improving affordability etc.)</li> </ul>   |
| <b>Mitigation Approach</b> | <ul style="list-style-type: none"> <li>Region to validate the findings of the feasibility study during public consultations to gauge the extent of prevalence of vacant homes in the Region prior to launching the tax</li> <li>Infrastructure and staffing investments to be phased in stages to assess volume of revenue prior to full-scale implementation</li> </ul> | <ul style="list-style-type: none"> <li>Perform detailed systems planning in advance to identify scope and complexity of upgrades required.</li> <li>Engage with technology implementation teams at Toronto, Peel, and Vancouver to learn about approach and leading practices for systems enhancement</li> </ul> | <ul style="list-style-type: none"> <li>Conduct detailed process mapping exercise through inclusive consultations with impacted stakeholders to identify and address potential challenges and pain points</li> <li>Leverage learnings from other jurisdictions like Vancouver to understand leading practices in process design to facilitate a vacant homes tax</li> </ul> | <ul style="list-style-type: none"> <li>Design and implement a rigorous, risk-based, and data driven audit process that leverages learnings from Vancouver's techniques to minimize non-compliance rates without being intrusive to the public</li> </ul> | <ul style="list-style-type: none"> <li>Conduct extensive public consultations to gauge the level of public support prior to making decisions about the vacant homes tax</li> <li>Design communications to convey benefits of the tax, along with success stories from other jurisdictions to help residents understand the social outcomes</li> </ul> |
|                            | <b>Legend</b> <span style="border: 1px solid black; padding: 2px;">Low</span> <span style="border: 1px solid black; padding: 2px; background-color: #e0f2f1;">Medium</span> <span style="border: 1px solid black; padding: 2px; background-color: #00838f; color: white;">High</span>  |  |  |  |   |



# Feasibility Analysis | Key Takeaways

*Preliminary estimates based on available data and validated assumptions indicate that it is financially feasible to implement the Vacant Homes Tax in the Region.*

Key takeaways of the feasibility analysis is discussed below



## Vacant Homes Tax is expected to generate a net positive revenue

- Despite conservative estimates around vacancy rates based on water consumption thresholds, and a low tax rate, the vacant homes tax is still expected to generate revenues that are greater than the operating costs for the program. Additionally revenue estimates are based on 2016 MPAC values and property counts, and are expected to be higher in reality upon completion of the next reassessment
- While upfront investment for implementing the vacant homes tax is >\$3.5M, the Region is expected to recover the investment within the first year of implementing the tax, with a tax rate of 1%



## Hybrid Model expected to provide highest benefits

- Preliminary analysis indicates that the hybrid delivery model has the lowest implementation and operating costs. However, additional analysis is recommended to ascertain the costs by conducting an analysis of the tax systems in all four municipalities to estimate the effort required to create a module for the vacant homes tax.
- The Region and municipalities may benefit from leveraging existing tax collection/administration capabilities at the lower-tier level through a hybrid delivery model, while realizing efficiencies through centralizing activities such as compliance and communications.



## Need for continuous monitoring of net revenue to inform future decisions

- The Region would need to continuously monitor net revenues from the vacant homes tax to make decisions around the future of the program. For e.g.
  - Continued prevalence of vacant homes may require decisions around increasing tax rates to enforce behavioral changes (e.g. City of Vancouver is tripling the tax rate from 1% to 3%)
  - Declining revenues may indicate high conversion rates of vacant homes (home being put up for rent or sale), thereby requiring the Region to develop an appropriate exit strategy for the vacant homes tax (Note: Based on initial estimates, over 330 vacant homes are expected to be converted to rental properties, or sold, as a result of the tax)



## RECOMMENDATIONS AND NEXT STEPS

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# Conclusion and Next Steps

As indicated in the financial analysis, the vacant homes tax appears to be a feasible policy and revenue tool to address housing affordability at Halton Region. However, prior to making decisions around the implementation of the vacant homes tax, the following steps are to be undertaken in the Region and the Local Municipalities



■ In-depth assessment of implementation costs by conducting a review of the functionality of the existing payment collection systems, and determining level of effort required to implement upgrades to collect a vacant homes tax



■ Assessment of the key processes that need to be re-engineered, and new processes that are to be deployed to facilitate the implementation of the vacant homes tax



■ Deployment of public communications and consultation tools to elicit feedback from the public to gauge support for the tax, and obtain inputs to help design the tax



■ Develop draft framework for the Vacant Homes Tax by-law and submit for Council approval

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## APPENDIX A - Financial Assumptions

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# Assumptions | Revenue Estimates

## Vacancy Rates

- ▶ Vacancy rates for single detached units were calculated using the Region's data on water consumption levels, applying a threshold of **50L/day** of water usage as a determinant for vacancy in a house.
- ▶ Water consumption data is not available for semi-detached units and townhouses, however, we assume the vacancy rate would be identical to single detached homes, hence the same vacancy rate was applied to these units.
- ▶ For condos, the City of Vancouver data was used as a proxy to estimate the proportion of total vacancies in condos
  - ▶ For the purposes of the modelling, City of Vancouver data was used due to its comprehensiveness
- ▶ As condos are a unique asset class from the perspective of investment (foreign and domestic), and there are differences within each municipality with regards to how many condos exist relative to the total number of housing units (e.g. Halton Hills has very few condos in its housing supply whereas), a number of adjustments were made to scale down the vacancy rate of condos to account for the differences between Vancouver and Halton (and between the municipalities of Halton too). The calculations of these adjustments are displayed in the slide #68

*Note: The conservative estimate for water consumption is expected to inherently account for exemptions for primary residences of snowbirds. For e.g. Snowbirds have to remain in Ontario for at least 5 months in a year to maintain OHIP coverage. A daily water consumption of 50L per day amounts to a total of 18,250 litres per annum - which according to StatsCan's estimate of residential water consumption of 225 litres per day equals less than 90 days of water usage. Hence a single family snowbird household would exceed the threshold with less than 3 months of water usage and hence can be assumed to be excluded/exempted from the vacancy analysis.*

## Eligible Vacant Units

- ▶ Used the City of Vancouver data to determine eligibility ratio of vacant units, since similar exemption/eligibility criteria applied by Vancouver was found to be acceptable for Halton Region during stakeholder consultations
  - ▶ E.g. If City of Vancouver sees 40% of vacant units as non-exempt to the tax, then 40% of total vacant units within each municipality can be assumed to be eligible for a VHT
  - ▶ The calculations were performed based on housing unit type. E.g. an eligibility ratio for condos and non-condos was separately calculated.

# Assumptions | Revenue Estimates (Cont'd)

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## Audit Activity

- ▶ Estimated the ratio of Vancouver's revenue from audit activity as a percentage of total revenue, and assumed Halton would have a similar ratio

## Growth Rates

- ▶ Throughout the course of the analysis, growth rates needed to be calculated to estimate current or future values of key parameters
  - ▶ E.g. Housing prices during the forecast period
  - ▶ E.g. Housing supply in 2021 as the last census was conducted in 2016
- ▶ Historical growth rates were calculated for each parameter, and then are assumed to hold constant into the future
  - ▶ E.g. If housing supply grew 25% between 2001 and 2016, an annual growth rate was calculated and applied in the projections

## Assessed Values of Housing Units

- ▶ The assessed value for the purposes of determining a tax base was derived from MPAC Current Value Assessments, based on the valuation date of January 1, 2016.
- ▶ Growth in assessment values was estimated to be at 1.7% year over year as per input from the Region's staff

## Sensitivity Analysis

- ▶ A sensitivity analysis was performed by varying the tax rate on VHT from 0.5% to 3%, and varying the annual behavior response rate from 3.5% to 7%
  - ▶ The scenarios considered under the sensitivity analysis are developed based on the project team's experience implementing other vacant homes taxes and observations which can be derived from City of Vancouver data

# Assumptions | Adjustments for differences across municipalities

- ▶ Below is a summary of the adjustments made to the vacancy rate data obtained from the City of Vancouver to account for the differences between Vancouver and Halton Region (and between the municipalities in Halton Region)
- ▶ Firstly, Vancouver was provided an index score of 100 (as a baseline reference). It was then compared to each of Halton's municipalities for the 5 criteria discussed on slide 7 that are intended to be a proxy for evaluating vacancy of homes
- ▶ The difference between Vancouver and Halton's municipalities were calculated for each of the criteria above - and these differences were used to obtain an index score for each municipality (in comparison with Vancouver's index score of 100). A weightage was assigned to each criteria as follows - Growth rate (30%), housing starts (20%), population density (20%), condo supply (20%), population (10%)
- ▶ The vacancy rate for each municipality was then determined by scaling down Vancouver's vacancy rate by the same factor of the difference between the index scores of each municipality in comparison to Vancouver (E.g. if a municipality's index score is 40, then it's vacancy rate is estimated to be 60% lower than Vancouver)

| City of Vancouver   |   |                                    |                           |                   |                                 |
|---------------------|---|------------------------------------|---------------------------|-------------------|---------------------------------|
| Vacancy Index and % | Growth Rate in Market Prices (2016-2019 avg.) | Condo Housing Starts a Year (2021) | Population Density (2021) | Population (2021) | Apartments/Condos Supply (2021) |
| 100.00              | 13.2%   | 2,099                              | 5493                      | 633,279           | 98,306                          |
| <b>3.7%</b>         |   |                                    |                           |                   |                                 |
| <b>Burlington</b>   |   |                                    |                           |                   |                                 |
| Vacancy Index and % | 12%   | 404                                | 1029.5                    | 191,172           | 21,433                          |
| <b>41.04</b>        |   |                                    |                           |                   |                                 |
| <b>1.52%</b>        |   |                                    |                           |                   |                                 |
| <b>Halton Hills</b> |   |                                    |                           |                   |                                 |
| Vacancy Index and % | 11.77%  | 0                                  | 229.5                     | 63,387            | 1,363                           |
| 28.76               |   |                                    |                           |                   |                                 |
| <b>1.07%</b>        |   |                                    |                           |                   |                                 |
| <b>Oakville</b>     |   |                                    |                           |                   |                                 |
| Vacancy Index and % | 10.50%  | 1,589                              | 1482.3                    | 205,845           | 14,855                          |
| 50.58               |   |                                    |                           |                   |                                 |
| <b>1.88%</b>        |   |                                    |                           |                   |                                 |
| <b>Milton</b>       |   |                                    |                           |                   |                                 |
| Vacancy Index and % | 12.41%  | 0                                  | 395.7                     | 143,763           | 6,060                           |
| 33.04               |   |                                    |                           |                   |                                 |
| <b>1.23%</b>        |   |                                    |                           |                   |                                 |

Estimated vacancy across the municipalities is shown in the cells highlighted in yellow (Note - These are total vacancies, and not eligible vacancies for the vacant homes tax)

Source of data is internal EY research based on StatsCan and housing market analysis

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# Assumptions | Vancouver Cost Baseline

In order to estimate the costs for the vacant homes tax at Halton, EY leveraged publicly available information on the implementation and operating costs for the tax program in the City of Vancouver, while adjusting for:

- ▶ The two-tier nature of the Regional Municipality of Halton
- ▶ General budgetary differences, including salaries and cost of labour
- ▶ Demographic and economic differences (e.g. population)

The cost categories considered by the Project Team can be divided into implementation and operating costs. Each category is further divided into additional line items. The tables below present these line items as well as the City of Vancouver costs incurred or budgeted for an initial reference point.

## City of Vancouver - Implementation costs of EHT

| Cost Category          | Cost               |
|------------------------|--------------------|
| Project Team           | \$800,000          |
| Business Support       | \$850,000          |
| Technical Support      | \$2,100,000        |
| Professional Services* | \$2,750,000        |
| Hardware and Software  | \$400,000          |
| Contingency            | \$500,000          |
| <b>Total</b>           | <b>\$7,400,000</b> |

## City of Vancouver - First Year Operating Costs

| Cost Category                      | Cost               |
|------------------------------------|--------------------|
| Tax Administration Staffing        | \$800,000          |
| Review and Compliance Staffing     | \$940,000          |
| Notice & Advertising               | \$250,000          |
| IT Support and Maintenance         | \$270,000          |
| 3-1-1- Call Centre and Maintenance | \$385,000          |
| <b>Total</b>                       | <b>\$2,600,000</b> |

Note: Report on Vancouver's costs can be found in [this link](#)

\*Vancouver's costs for professional services doubled during the implementation phase due to challenges encountered during implementation. However, for Halton's case, we have scaled down the professional services cost baseline by 50% to align with the original estimate of Vancouver as we assume that challenges encountered during implementation can be pre-empted and avoided by Halton through sharing of leading practices.



## APPENDIX B - Jurisdictional Scans

# Jurisdictional Findings - Domestic

To help inform decisions around tax policy design, the EY team analyzed the tax structure, exclusions, tax rates, compliance methods, and, if available, results from the implementation of a Vacant Homes Tax within selected domestic and international jurisdictions. In all six jurisdictions analyzed, the policy objective and rationale behind the tax is to increase total number of units on the market and provide municipalities with revenue to tackle homelessness and housing affordability initiatives. A summary of the learnings from this scan can be found below:

|                                     | Vancouver   | Toronto   | Ottawa   |
|-------------------------------------|---|---|--|
| Definition of Vacancy               | 6 months, each stay must be 30 consecutive days in length   | Unoccupied for more than 6 months of the year   | Unoccupied for more than 184 days of the year  |
| Exclusions / exemptions             | <ul style="list-style-type: none"> <li>- Redevelopment or major renovations</li> <li>- Medical care (up to 2 consecutive years)</li> <li>- Rental restrictions or prohibition</li> <li>- Change of 100% of ownership during the year</li> <li>- Court order prohibiting occupancy</li> <li>- Limited use of property (e.g. property used for exclusively parking)</li> <li>- Death of the property owner</li> </ul> | <ul style="list-style-type: none"> <li>- Property under renovation</li> <li>- Owner in medical care</li> <li>- Owner deceased</li> <li>- Property owned by a snowbird (must live in house for a minimum of 4 weeks every year)</li> <li>- Final report and tax bylaw not yet published</li> </ul> | Final report and tax bylaw not yet published   |
| Tax Rate                            | 1% in 2017, 1.25% in 2019, 3% in 2021 of total assessed property value  | 1% of assessed property value   | 1% of assessed property value  |
| Declaration / Identification Method | Self-declaration and complaints based   | Self-declaration and complaints based   | Self-declaration and complaints based  |
| Audit / Compliance Check Method     | Random audit  | Random audit  | Final report and tax bylaw not yet published   |
| Results                             | 25% decrease in vacant units and \$61.3 Million in cumulative revenue as of 2017  | Expected outcome to be similar to Vancouver. Estimated revenue to be \$55-65 Million in first year  | Expected outcome to be similar to Vancouver. Estimated revenue to be \$6.6 Million in the first year |

# Jurisdictional Findings - International

|                                     | Melbourne   | New York   | Paris  |
|-------------------------------------|---|--|--|
| Definition of Vacancy               | Unoccupied for more than 6 months of the year   | To be determined if Law is approved  | Occupied for less than 3 months of the year  |
| Exclusions / exemptions             | <ul style="list-style-type: none"> <li>- Change of ownership during the period</li> <li>- Property was rezoned into a residential property during the year</li> <li>- Property used as a holiday home (property must be occupied for at least 4 weeks of the year)</li> <li>- Property used and occupied for work purpose for at least 140 days of the year</li> <li>- Properties undergoing significant renovation or construction</li> <li>- Properties that form part of an estate of a recently deceased</li> <li>- COVID-19 exemptions to all vacant land/property's are currently in place, indefinitely</li> </ul> | To be determined if Law is approved  | <ul style="list-style-type: none"> <li>- Units who's vacancy is of no fault of the owner</li> <li>- Secondary residences of owners</li> <li>- Illegally occupied accommodation (e.g. squatters)</li> <li>- The accommodation is being sold, or process of being sold</li> <li>- Unit is planned for significant renovation (more than 25% of the value of the unit) or demolition</li> <li>- Premises are uninhabitable</li> <li>- Furnished accommodations, such as second homes</li> </ul> |
| Tax Rate                            | 1% of assessed property value   | 0.5%-4.15%, dependant on home value<br>10%-13.5% on condos over \$300,000 in value   | 20% of fair market value of rent in 2015, 60% of fair market value of rent in 2017. Expected to be 250% of fair market rent in the future  |
| Declaration / Identification Method | Self-declaration and complaints based   | To be determined if Law is approved  | Self-declaration   |
| Audit / Compliance Check Method     | Random audit  | To be determined if Law is approved  | Random audits. City has also shut off water or electricity to test if a unit is vacant   |
| Results                             | Expected to generate \$90 Million annually to fund affordable housing programs  | Expected to generate \$232 to \$650 Million in revenue which will be used to fund affordable housing, improve public transportation and other City infrastructure projects | Generated €21 Million (Approximately \$30 Million CAD) at the 20% rate. At the 60% tax rate, the City is expected to triple total earnings to around €60 Million (Approximately \$90 Million CAD) at the 60% fair market rate  |

# Jurisdictional Analysis - Vancouver

|   | Vancouver   |
|---|---|
| Policy Objectives   | To return empty or under-used properties to the long term rental/for sale market to Vancouverites who live and work within the City   |
| Implementation date                                       | January 1 <sup>st</sup> 2017  |
| Definition of Vacancy                                     | <ul style="list-style-type: none"> <li>- Unoccupied for more than six months during the calendar year</li> <li>- Periods of occupation must be at least 30 consecutive days in duration</li> </ul>  |
| Exclusions / exemptions                                   | <ul style="list-style-type: none"> <li>- Redevelopment or major renovations</li> <li>- Medical care (up to 2 consecutive years)</li> <li>- Rental restrictions or prohibition</li> <li>- Change of 100% of ownership during the year</li> <li>- Court order prohibiting occupancy</li> <li>- Limited use of property (e.g. property used for exclusively parking)</li> <li>- Death of the property owner</li> </ul>                             |
| Tax Rate  | Began at 1% at time of implementation, increased to 1.25% in 2019. In 2021, the rate has increased to 3% of the property's assessed value   |
| Declaration / Identification Method and potential penalty | <ul style="list-style-type: none"> <li>- All property owners are required to declare if their property is vacant or not</li> <li>- If the property owner is caught falsifying the claim, they are subject to a 1.25% tax on the assessed value of the property and a \$250 by-law ticket for the 2020 year</li> <li>- If the property owner does not fill out declarations, they will be subject to the 1% tax regardless of vacancy</li> </ul> |
| Audit / Compliance Check Method                           | <ul style="list-style-type: none"> <li>- Random checks on properties selected based on internal risk assessment profile</li> </ul>  |
| Results   | The net revenues of the Vacant homes tax of \$61.3 Million has been allocated to support affordable housing initiatives within the City and the total number of vacant property's has fallen 24% since the taxes implementation in 2017   |

Source - Vancouver Empty Homes Tax By Law

# Jurisdictional Analysis - Toronto

|   | Toronto   |
|---|---|
| Policy Objectives   | The goal of the tax is to change the behaviours of vacant home owners, encouraging them to sell or rent out their homes, therefore increasing total housing supply. It is estimated the City will generate between \$55 to \$66 Million in revenue from this tax which will be used to help increase affordable housing funding.                              |
| Implementation date                                       | January 1 <sup>st</sup> 2022, with first payments being due May 1 <sup>st</sup> 2023* (*Subject to change)  |
| Definition of Vacancy                                     | <ul style="list-style-type: none"> <li>- Unoccupied for more than six months in the previous calendar year</li> <li>- The final report and tax bylaw will be prepared for council's review by the end of 2021 for final details</li> </ul>  |
| Exclusions / exemptions                                   | <ul style="list-style-type: none"> <li>- Property under renovation</li> <li>- Owner in medical care</li> <li>- Owner diseased</li> <li>- Property owned by a snowbird (must live in house for a minimum of 4 weeks every year)</li> <li>- The final report and tax bylaw will be prepared for council's review by the end of 2021 for final detail</li> </ul> |
| Tax Rate  | 1% of the total assessed value of the home  |
| Declaration / Identification Method and potential penalty | <ul style="list-style-type: none"> <li>- Property owner to self-declare</li> <li>- The final report and tax bylaw will be prepared for council's review by the end of 2021 for final details</li> </ul>   |
| Audit / Compliance Check Method                           | <ul style="list-style-type: none"> <li>- Random checks on properties selected based on internal risk assessment profile</li> </ul>  |
| Results   | The expected result is similar to the Vancouver outcome, which brought 5,000 condos to the market and reduce vacancy rates by 24% since the taxes implementation in 2017  |

# Jurisdictional Analysis - Ottawa

|   | Ottawa  |
|---|---|
| Policy Objectives   | The main objective of the tax is to increase the total housing stock within the City and encourage owners to rent out or sell their vacant units. It is estimated that the City will generate around \$6.6 Million in revenue in the first year based on the assumption of 1,500 vacant units. The City's vacancy rates rose to 3.9% in 2020 from 1.8% largely due to COVID-19 related factors, such as lower student rentals. (Details can be found in <a href="#">this link</a> ) |
| Implementation date                                       | January 1 <sup>st</sup> 2022, with first payments being due in 2023   |
| Definition of Vacancy                                     | <ul style="list-style-type: none"> <li>- The units is vacant for more than 184 days (around 6 months) of the year</li> <li>- The final report and tax bylaw will be prepared for council's review by Spring 2022 for final details</li> </ul>   |
| Exclusions / exemptions                                   | <ul style="list-style-type: none"> <li>- The final report and tax bylaw will be prepared for council's review by Spring 2022 for final details</li> </ul>   |
| Tax Rate  | 1% of assessed property value   |
| Declaration / Identification Method and potential penalty | <ul style="list-style-type: none"> <li>- All 307,000 homeowners will need to declare if their unit is occupied or not</li> </ul>  |
| Audit / Compliance Check Method                           | <ul style="list-style-type: none"> <li>- The final report and tax bylaw will be prepared for council's review by Spring 2022 for final details</li> </ul>   |
| Results   | The expected result is similar to the Vancouver outcome, which brought 5,000 condos to the market and reduce vacancy rates by 25%   |

# Jurisdictional Analysis - Melbourne

|   | Melbourne  |
|---|--|
| Policy Objectives   | Originally, the tax targeted land owners who left their lot vacant hoping they can sell the land to a developer for a profit. In 2020, the City approved the extension of this tax to empty residential properties within the greater Melbourne region.  |
| Implementation date                                       | January 1 <sup>st</sup> 2018   |
| Definition of Vacancy                                     | - Unoccupied for more than six months during the calendar year   |
| Exclusions / exemptions                                   | <ul style="list-style-type: none"> <li>- Change of ownership during the period</li> <li>- Property was rezoned into a residential property during the year</li> <li>- Property used as a holiday home (property must be occupied for at least 4 weeks of the year)</li> <li>- Property used and occupied for work purpose for at least 140 days of the year</li> <li>- Properties undergoing significant renovation or construction</li> <li>- Properties that form part of an estate of a recently deceased</li> <li>- COVID-19 exemptions to all vacant land/property's are currently in place, indefinitely</li> </ul>                              |
| Tax Rate  | 1% of assessed property value  |
| Declaration / Identification Method and potential penalty | <ul style="list-style-type: none"> <li>- Self identification by property/land owners by January 15<sup>th</sup> of the calendar year</li> <li>- The City also has a form that encourages homeowners or residents to "tip-off" City officials if they believe a property owner is not complying with the law</li> <li>- If the property owner is caught, the City will levy a 5% assessed property value if the vacant property owner admits before the investigation, a 20% levy if the owner admits during the investigation or up to 90% of the total value if the owner intentionally disregarded the law and hindered the investigation</li> </ul> |
| Audit / Compliance Check Method                           | - Random checks on properties selected based on internal risk assessment profile   |
| Results   | In 2017, it was estimated that the City had 82,000 homes that were not being used and estimated to generate \$90 Million dollars, however media outlets have reported revenues were as low as \$5.4 Million in the first year, far lower than the intended revenue. While water usage data indicates 4.1% of Melbourne homes were vacant in 2019, the Vacant Residential Land Tax was only levied on 2.6% of homes. Vacancies within the Greater Melbourne area have risen by 13.3% between 2017 and 2019 - before and after the tax.  |



# Jurisdictional Analysis - New York

|   | New York   |
|---|--|
| Policy Objectives   | There were three main objectives of the tax, first to bring down the total number of short-term vacation rental units which represented 2.1% (75,000 units) of total housing within the City. Secondly is to increase availability of affordable house. Finally, the City looked to increase total revenue to help fund its public transit system. |
| Implementation date                                       | The tax has not been approved and is in the City's Senate Local Government for deliberation as of February 2021  |
| Definition of Vacancy                                     | - To be determined if law is approved  |
| Exclusions / exemptions                                   | - Condos less than the \$300,000 market value<br>- Primary resident and/or immediate family members residing within the property   |
| Tax Rate  | 0.5% to 4.15% of the assessed value on homes with a 5-year average of more than \$5 million dollars. 10%-13.5% on condos above \$300,000 in market value.  |
| Declaration / Identification Method and potential penalty | - To be determined if law is approved  |
| Audit / Compliance Check Method                           | - To be determined if law is approved  |
| Results   | The City estimates that the tax could bring between \$232 Million to \$650 Million in annual revenues which will be split between affordable housing, funding public transportation and other public projects. A Wall Street Journal analysis suggested the tax could drop the value of properties assessed more than \$25 Million by 46%.         |

# Jurisdictional Analysis - Paris

|   | Paris  |
|---|--|
| Policy Objectives   | The objective of the tax is to help bring the estimated 100,000 vacant units, representing, in some estimates, 8% of Paris' total available units to the market. It was found that 40,000 units were disconnected from the electrical grid, implying that the units were most probably used for speculative purposes.  |
| Implementation date                                       | January 1 <sup>st</sup> 2015, revised in September 2017  |
| Definition of Vacancy                                     | - Occupied for less than 90 consecutive days of the year (approximately 3 months)  |
| Exclusions / exemptions                                   | <ul style="list-style-type: none"> <li>- Units who's vacancy is of no fault of the owner (unable to find a suitable occupant)</li> <li>- Occupied for more than 90 consecutive days in a year</li> <li>- Secondary residences of owners (these units are subject to an alternative tax called the owner tax)</li> <li>- Illegally occupied accommodation (e.g. squatters)</li> <li>- The accommodation is being sold, or process of being sold</li> <li>- Unit is planned for significant renovation (more than 25% of the value of the unit) or demolition</li> <li>- Premises are uninhabitable</li> <li>- Furnished accommodations, such as second homes</li> </ul> |
| Tax Rate  | Originally set at 20% of fair market value of rent, which tripled to 60% in September of 2017. Some media outlets are reporting the local government is considering to increase it to 250% in the future.  |
| Declaration / Identification Method and potential penalty | <ul style="list-style-type: none"> <li>- Self declaration</li> <li>- The City also runs a "rent solidarity" program in which the owner will entrust the vacant unit to a partner agency for 3-6 years. The partner will select a tenant, guarantee the owners will be paid on time and any damages will be paid for by the City. In exchange, the owner will receive 70-80% of the market rent. Currently this program accommodates 902 units housing 2,900 tenants.</li> <li>- Delayed payment of the vacant homes tax will result in a 10% penalty in addition to the tax</li> </ul>   |
| Audit / Compliance Check Method                           | - Random checks on properties selected based on water and utility usage. City may also shut off water or electricity supply to test if unit is vacant  |
| Results   | The City's original 20% of fair market value of rent rate had a 0.13% impact on the vacancy rate, which means it was largely ineffective. However, it did bring the City more tax revenue (Approximately \$30 Million CAD) at the 20% rate. At the 60% tax rate, the City is expected to triple the total earnings to around €60 Million (Approximately \$90 Million CAD)  |



## The Regional Municipality of Halton

|            |   |
|------------|---|
| Report To: | Regional Chair and Members of Regional Council              |
| From:      | Cyndy Winslow, Commissioner, Finance and Regional Treasurer |
| Date:      | November 22, 2023   |
| Report No: | FN-41-23  |
| Re:        | Optional Vacant Homes Tax in Halton Region Update           |

### RECOMMENDATION

THAT Report No. FN-41-23 re: "Optional Vacant Homes Tax in Halton Region Update" be received for information.

### REPORT

#### **Executive Summary**

- On April 20, 2022, staff provided Regional Council with a Vacant Homes Tax feasibility assessment completed by Ernst & Young LLP through Report No. FN-15-22 (re: Optional Vacant Homes Tax in Halton Region). Regional Council authorized staff to proceed with a design and implementation study of a proposed Vacant Homes Tax (VHT) in Halton Region, which included undertaking a public engagement to obtain input and feedback from Halton residents and stakeholders.
- On November 28, 2022, the Province announced that they would establish a Provincial-Municipal working group to consult on a Provincial Policy Framework, which will set out the key elements of local vacant home taxes, and facilitate the sharing of information and best practices.
- This report provides Council with an update on the work undertaken to date to develop a proposed VHT Program Framework for Halton Region, including the results from the public engagement.

#### **Background**

On May 17, 2017, *Bill 127 – Stronger, Healthier Ontario Act (Budget Measures), 2017*, received Royal Assent and amended and repealed various legislation to implement the measures in the 2017 Ontario Budget, including the Fair Housing Plan. The *Municipal*

*Act, 2001* (the Act) was also amended and Part IX.1 Optional Tax on Vacant Residential Units was introduced. Under this legislation, interested municipalities may seek designation status from the Minister of Finance to be granted the authority to tax vacant residential units in certain circumstances.

Under section 338.2 of the Act, designated municipalities in Ontario can impose a tax on vacant residential units that meet the criteria established by the municipality. Once designated, Council has the authority to pass a by-law to impose a VHT on the assessed value of a vacant home in the residential property class. The by-law must contain the applicable tax rate and the conditions of a vacancy that, if met, make a unit subject to the tax. The by-law may also contain possible exemptions from the tax, rebates, audit and inspection powers and a dispute resolution mechanism.

The Act preserves the right of the Minister of Finance to make regulations pertaining to the tax, including any conditions or limits on how the tax is imposed, defining a vacant unit, governing the collection of a tax, and dispute resolution.

On April 20, 2022, through Report No. FN-15-22, staff provided Regional Council with a feasibility assessment completed by Ernst & Young LLP on a potential VHT in Halton Region. Council approved proceeding with the next steps to develop a proposed VHT Program Framework for Halton Region, with the engagement of a third-party consultant, which began with public engagement to obtain input and feedback from Halton residents and stakeholders, followed by a design and implementation study, to develop the proposed VHT Program Framework for Halton Region.

## **Discussion**

### **Public Engagement**

During November 2022, with support from Municipal Tax Equity (MTE) Consultants Inc., staff undertook public engagement to obtain feedback from Halton residents and stakeholders on a potential VHT in Halton Region. The public engagement consisted of an online public survey and two public consultation webinars. Residents were also able to submit feedback or questions by calling Access Halton (311) or submitting an email through [VacantHomesTax@halton.ca](mailto:VacantHomesTax@halton.ca). The summarized results of the public engagement are attached to this report (Attachment #1 – Public Engagement Results) from MTE.

#### Survey Highlights

A communications strategy was developed to bring awareness to residents of the opportunity for public engagement. Communications activities included Google ads, social media, media releases, mobile road signs, and a dedicated webpage on Halton.ca.

The survey consisted of 16 questions and was available throughout the month of November 2022. The questions were a mix of yes or no and multiple choice, with some

questions providing the opportunity to provide additional input using text boxes. Each question was optional.

A total of 1,578 survey responses were received and 2,383 comments were provided with the following themes:

### ***Housing Supply***

- 53.7% of respondents agreed or strongly agreed that a significant number of vacant homes are contributing to a housing shortage in Halton, while 18.9% disagreed or strongly disagreed.
- 75.5% of respondents agreed or strongly agreed that a vacant homes tax could encourage owners to rent or sell their vacant residential properties, while 16.9% disagreed or strongly disagreed.
- Some respondents commented that the revenue raised must be used for affordable housing.

### ***Vacant Homes Tax Rate & Vacancy Duration***

- When asked their opinion on the tax rate:
  - The majority of respondents (46.6%) supported a tax rate of 5% or more
  - 15.5% of respondents supported a tax rate of 3%
  - 13.2% of respondents supported a tax rate of 1%
  - 6.0% of respondents supported a tax rate of less than 1%
  - 15.0% of respondents supported no tax
  - Some respondents commented suggesting rates of 25% or more, variance or progressive tax schemes and a tax exclusively on foreign ownership.
- When asked their opinion on how long a property should be vacant for it to be eligible for the tax:
  - The majority of respondents (34%) supported a vacancy duration of 6 months
  - 17.5% of respondents supported 3 months
  - 16.3% of respondents supported 12 months
  - 14.8% of respondents supported 9 months
  - 13.4% of respondents supported 18 months

### ***Declaration Method***

- The majority of respondents (61.9%) supported a universal declaration model where all residential property owners would be required to declare their occupancy status.
- 32.1% of respondents supported a self-declaration model, where only the owners of properties that are eligible to be taxed as vacant would be required to make declarations.
- 73.3% of respondents were also in support of a process for neighbours or municipal staff to report suspected vacant homes. Respondents who supported having the option stated that residents would be most aware of vacant homes and those with vacant homes could evade the tax.

- Some respondents were cautiously supportive of a municipal staff or neighbour reporting process, suggesting that only municipal staff should report on suspected vacant homes, citing concerns over the risk of false reports.

### ***Exemptions to the Vacant Homes Tax***

- The survey provided a list of exemptions that respondents could choose to support, based on exemptions provided in other municipalities. Support for the proposed exemptions is outlined in the table below:

| <b>Exemption</b>                       | <b>% in Favour</b> |
|--|--------------------|
| Property in Development                | 74.9%              |
| Resident(s) Absent for Medical Reasons | 74.0%              |
| Property Undergoing Renovations        | 70.8%              |
| Only Resident is Deceased              | 68.4%              |
| Court Order Preventing Occupancy       | 62.2%              |
| Resident(s) Absent for Travel          | 62.0%              |
| Property Listed for Sale or Rent       | 58.4%              |
| Property Recently Sold or Transferred  | 45.8%              |
| Property is Uninhabitable              | 42.4%              |
| Property Used as Short Term Rental     | 23.8%              |

- Exemptions for snowbirds, owners in long-term care, owners that travel for work frequently, properties in an estate settlement and rental properties that were between tenants were also suggested by respondents.
- Respondents suggested that exemptions should be limited, citing that there may be too many loopholes to evade the tax.
- Commenters suggested that exemptions should be given reasonable time limits to prevent abuse.

Overall, the respondents of the survey that favoured the vacant homes tax noted that it would improve the property standards in neighbourhoods, reduce foreign ownership and reduce short-term rentals. However, some respondents expressed extreme concern with being compelled to take on tenants given delays and backlog issues with the Ontario Landlord and Tenant Board and the lack of protection for landlords renting out their property. Respondents opposed to the tax also commented that they felt there was a lack of justification for the tax, and the tax was too administratively burdensome and could be too easily evaded to be worthwhile.

### Webinar Highlights

The webinars were held virtually on Tuesday November 15<sup>th</sup> 2022 and Wednesday November 23<sup>rd</sup> 2022 between 6:30 pm and 7:30 pm. Both webinars consisted of a presentation with polling questions and a Question & Answer period at the end. The November 15<sup>th</sup> session had 5 attendees and the November 23<sup>rd</sup> session had 17 attendees.

The following are the combined results from the poll questions from both webinars:

- When asked if vacant homes are contributing to a housing shortage:
  - 27% of poll respondents strongly agreed/agreed
  - 33% strongly disagreed/disagreed, and
  - 40% neither agreed nor disagreed.
- When asked about exemptions for properties sold/listed, secondary homes, short-term rentals, uninhabitable properties, and property owners incapable of occupying their home due to long-term care or illness, 82% of respondents supported all proposed exemptions.
- When asked about preference for declaring occupancy status, 53% of poll respondents preferred the universal declaration method, while 47% preferred the self-declaration method.
- When asked their opinion on tax rate:
  - 47% of respondents selected a rate of 1%
  - 27% selected a tax rate of 3%
  - 20% selected a tax rate of 0.5% and
  - 7% selected a tax rate of 5%.

During the Question & Answer periods, attendees shared a number of concerns related to the tax. A common concern related to the cost of administering the program versus the benefit of the VHT. Some attendees questioned if vacant homes were a significant issue in Halton, and if the VHT would increase the housing supply. There were concerns raised about how a potential shortfall would be funded if the costs exceeded the revenue raised. Some attendees commented that the Region should focus on supply issues, which they perceived as being caused by developers. Several comments were made on the possibility of the VHT infringing on property rights and whether the Region has the legislative authority to impose the tax.

### **Design and Implementation Study**

In Ontario's 2022 Budget released on April 28, 2022, it was noted that the Province would be working with municipalities to facilitate the sharing of information and best practices, as well as explore opportunities to enhance the existing legislative framework for vacant home taxes. On November 28, 2022, the Province announced that a Provincial-Municipal working group would be established to consult on a Provincial Policy Framework, which will set out the key elements of local vacant home taxes. The Provincial Policy Framework will be released both as a Policy Document and Minister of Finance regulation covering mandatory elements.

At the time of finalizing this report, the Provincial Policy Framework has not been released. The Design and Implementation study is dependent on the Provincial Policy Framework as Halton Region's proposed VHT Program Framework will include a vacancy definition, eligible property types, the tax rate and exemptions. Without the Provincial Policy Framework, there is a risk of designing a framework that is not consistent with provincial regulations.

As such, staff continue to work closely with the area Treasurers and local tax teams on developing the proposed processes for receiving declarations, audit and compliance, handling appeals and complaints, and billing and collecting the VHT, incorporating the feedback and input received from Halton residents and stakeholders throughout the public engagement process. The financial analysis will be updated to reflect the implementation plan including resourcing, one-time and ongoing costs.

### **Municipal Scan**

The following table highlights all of the jurisdictions across Ontario that have implemented the tax, are considering implementation or have opted not to implement the VHT. At the time of writing this report, three municipalities have received provincial designation to implement a VHT.



| Municipality     | Feasibility Study   | Framework Approval | Minister of Finance Approval | Effective Date   | Tax Collection Year |
|------------------|---|--------------------|------------------------------|------------------|---------------------|
| City of Toronto  | 2017 – 2021   | December 2021      | Not Applicable*              | 2022             | 2023                |
| City of Ottawa   | 2020 – 2021   | March 2022         | May 2022                     | 2022             | 2023                |
| City of Hamilton | 2019 – 2022   | February 2022      | May 2022                     | 2022             | 2024                |
| City of Guelph   | The City of Guelph took a report to their council on September 22, 2023, recommending not to move forward with the vacant homes tax, citing that it was unlikely to generate either the necessary revenue gains or fulfill the City’s anticipated policy and economic goals.    |                    |                              |                  |                     |
| Peel Region      | On June 6, 2023, the Province passed Bill 112, <i>The Hazel McCallion Act, 2023</i> , which will dissolve Peel Region on January 1, 2025. On July 6, 2023, Peel Region paused the vacant homes tax implementation due to the uncertainty of Bill 112.                           |                    |                              |                  |                     |
| Niagara Region   | Niagara Region did not implement a vacant home tax, rather it was determined that the Local Area Municipalities were more suited to develop and implement the tax policy. To date, the City of St. Catharine’s has reported to be investigating the VHT.                        |                    |                              |                  |                     |
| Waterloo Region  | Waterloo Region decided not to take a Regional program to their Council. The City of Kitchener undertook a feasibility study for their local municipality only. Based on the results of the study, Kitchener decided not to move forward.                                       |                    |                              |                  |                     |
| York Region      | On May 4, 2023 York Region approved the deferral of the Vacant Home Tax to ensure alignment with the Provincial Policy Framework and the use of more updated cost and benefit estimates based on the current economic and legislative environment.                              |                    |                              |                  |                     |
| Durham Region    | Based on a review of water consumption data, there does not appear to be a significant number of vacant residential properties in the Region (under 0.4%) to warrant the administrative costs of developing and implementing a vacant home property tax in Durham at this time. |                    |                              |                  |                     |
| Halton Region**  | 2021 - 2022   | Projected 2024     | Projected 2024               | To be Determined | To be Determined    |

\* The Provincial government amended *The City of Toronto Act, 2006*, in 2017 allowing the City of Toronto to impose an optional tax on vacant residential units

\*\*Timing is dependent on the release of the Provincial Policy Framework.

## Next Steps

Staff will continue working closely with the Local Municipalities and anticipate bringing forward the potential Halton Region VHT Program Framework for Regional Council’s consideration in 2024, pending timely release of the Provincial Policy Framework. Staff will update Council with a projected timeline for implementing a VHT in Halton Region once the Provincial Policy Framework is released.

FINANCIAL/PROGRAM IMPLICATIONS

There are no direct financial implications as a result of this report.

Respectfully submitted,



Debbie Symons  
Director, Budgets and Tax Policy



Cyndy Winslow  
Commissioner, Finance and Regional  
Treasurer

Approved by



Jane MacCaskill  
Chief Administrative Officer

If you have any questions on the content of this report,  
please contact:

Debbie Symons

Tel. # 7155

Attachments: Attachment #1 – Municipal Tax Equity (MTE) Consultants Inc. Summary Report – Vacant  
Homes Tax Survey & On-line Public Engagement Sessions

**SUMMARY REPORT  
VACANT HOMES TAX SURVEY  
&  
ON-LINE PUBLIC ENGAGEMENT SESSIONS**

*Prepared For:*  
**THE REGIONAL MUNICIPALITY OF HALTON**

*Prepared By:*  
**MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.**  
GEORGETOWN, ONTARIO  
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*Published On:*  
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The discussion and commentary contained in this report do not constitute legal advice or the provision of legal services as defined by the *Law Society Act*, any other Act, or Regulation. If legal advice is required or if legal rights are, or may be an issue, the reader must obtain an independent legal opinion.

Decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

MTE is not responsible to the municipality, nor to any other party for damages arising based on incorrect data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special, or consequential damages.

**BACKGROUND AND INTRODUCTION**

The Region of Halton has engaged Municipal Tax Equity Consultants (MTE) Inc. to support its efforts to consider and design a potential Vacant Homes Tax program for potential implementation. Part of the services falling within the scope of work was to provide support for the Region's public engagement efforts undertaken during the Fall of 2022.

The core elements of the Region's engagement efforts were a public, internet-based survey and two (2) on-line public information sessions. The public information sessions involved the delivery of a background presentation and the solicitation of input via interactive poll questions and the submission of freeform questions and comments by the public.

This report has been prepared to summarize these two public engagement campaigns and provide the reader with a general sense of the feedback and input they garnered.

MTE's involvement in the design, planning and administration of these efforts has been minimal and mainly focused on the provision of technical and design suggestions. We had limited input or influence on the engagement itself, the survey design or the scope and tone of the public engagement session. For the most part our role in the delivery of the public engagement was to present the technical background and respond to a limited number of technical enquiries. Our role in the survey exercise involved advancing modest adjustment suggestions very late in the design process, and preparing the summary contained herein.

As MTE's role in the design of these campaigns was marginal our commentary must be limited to general observations in regard to the input received. We cannot comment on the objectives of these campaigns, the design choices or logic, or any other subjective matter regarding the implementation of these efforts. This report is limited to describing the exercises themselves and summarizing the input received.

**PUBLIC AWARENESS EFFORTS & PARTICIPATION**

Based on information provided by Regional Staff, MTE understands that a number of strategies were employed to create awareness of these campaigns. These strategies included, but may not have been limited to:

- A Google Ad campaign, which solicited the greatest number of "link clicks" for the surveys;
- Facebook and Instagram Ads;
- Posts and messaging through the Region's website and its own social media accounts on Facebook, Instagram, LinkedIn and Twitter;
- Media outreach, word of mouth and general promotion by Regional Staff, Council and local area municipalities; and
- Some measure of physical advertising around the Region such as road-side signs, etc.

In all, these efforts resulted in approximately 1,600 survey responses being completed and 25 unique participants joining the on-line public engagement sessions. There were eight (8) for the first session, 17 for the second.

**PART ONE: ON-LINE SURVEY: OVERVIEW AND DISCUSSION*****Survey Format Overview***

The Region's survey was deployed on-line for the entire month of November 2022 in order to solicit citizen and stakeholder input in regard to the potential implementation of a Vacant Homes Tax. The survey itself consisted of 16 questions, which have been summarized and generally categorized in the following matrix. The reader should note that the survey questions have been truncated or paraphrased for the purposes of this summary and that the actual survey questions and structure is attached as Appendix A to this report.

| Categories and Questions  | Answer Count       |
|---|--------------------|
| <b><i>Qualifying Questions for All Survey Takers</i></b>  |                    |
| 1) Self-description of survey taker (primary resident, landlord, etc.)  | 1,578              |
| 2) Location of your Primary Residence   | 1,578              |
| 3) Do you own or rent your primary residence?   | 1,577              |
| 4) What type of property is your primary residence?   | 1,578              |
| 5) Do you own a residential property in Halton that is not your primary residence?                              | 1,578 <sup>1</sup> |
| <b><i>Qualifying Questions for those who Answered Yes to #5</i></b>   |                    |
| 6) Describe type and quantity of secondary residential properties.  | 143                |
| 7) Describe the intended or usual use of your secondary residential properties.                                 | 145                |
| <b><i>Questions Related to the Underlying Purpose/Objective of a Halton VHT</i></b>                             |                    |
| 8) Do you agree that there are a significant number of Vacant Homes in Halton?                                  | 1,558              |
| Do you agree that a VHT could motivate people to rent, sell or otherwise return vacant homes to occupied homes? | 1,530              |
| <b><i>Program Design Element Questions</i></b>  |                    |
| 9) What rate of tax do you think should be applied to vacant homes in Halton?                                   | 1,569              |
| 10) How long do you think a home should be unoccupied for it to be considered vacant?                           | 1,515              |
| 11) Universal, everyone declares every year; or<br>Self-Assessment, only those with vacant homes declare.       | 1,483              |
| 12) Support for Citizens/Municipal Staff reporting on suspected vacant homes.                                   | 1,567              |
| 13) Taxpayer Declarations: Online or Paper Declarations?  | 1,377              |
| 14) When should a vacant home be exempt from the tax?   | 1,487              |
| <b><i>Free Form Input and Comments</i></b>  |                    |
| 15) Do you have any other comments about a potential vacant homes tax in Halton?                                | 786                |

<sup>1</sup> Both "No's" and blanks were taken as "No".

Most of the questions were posed in a yes/no or multiple-choice format with the exception of questions 8-A, 8-B and 15. For 8-A and B respondents were asked whether they agreed or disagreed with statements regarding the volume of vacant home and the potential effectiveness of a VHT. Question 15 simply allowed respondents to provide any “additional” comments or statements they wished to.

In addition to question 15, respondents had a number of opportunities to provide free-form responses beyond the fixed multiple-choice options and yes/no selections.

- Questions 1 through 4, 9, 13 and 14 allowed the respondent to add their own options to the range of multiple choice answers set out on the survey form by way of an “other” field.
- Question 12, which asked whether the respondent supports a process for reporting suspected vacant homes allowed respondents to explain why they do or do not support such a strategy.

### ***Survey Administration, Responses and Response Interpretation***

MTE was provided with 1,810 survey records that were collected by the Region, however, not all of these are included in our summary of results.

- 208 surveys were discarded because they were not completed by the survey taker; and
- 24 were discarded because the survey takers failed to complete the core qualifying questions, mainly questions 1 and 2.

With these 232 removed, our final survey sample includes 1,578 responses. As noted above, this survey was administered on-line only.

The entire respondent group is made up of individuals who became aware of the survey by way of the Region’s promotion efforts, word of mouth, or by simply coming across it on the Region’s web site. As such, this survey represents an exercise in solicited stakeholder input and the results must be considered in this light. The interpretation of the results must be taken as purely qualitative and cannot be extrapolated to the population of Halton Region in general, or to any specific group, subset, or demographic.

Those considering and assigning weight to the responses must also be aware that the survey administration did not include any meaningful controls to prevent multiple submissions from individual respondents.

Neither of these issues invalidate the survey exercise or outcomes, but they must be considered when interpreting the results and the reader must be aware that any extrapolation of these results, or reliance on counts as a basis for statistical inference would be invalid and most likely misleading. In sum, these results represent the opinions of the 1,578 survey responses we have reported on in this report.

## MUNICIPAL POLICY REPORT

### Qualifying Questions for all Survey Takers

Questions 1 through 5 related to qualifying the survey takers to identify who was providing feedback and where they reside.

Table 1 has been prepared to provide an at-a-glance picture of the survey takers. These categories generally follow the options set out under Question 1 of the survey, however, a significant number of respondents used the “other” option to define their living arrangements. Further, a number of respondents self-identified under multiple categories and we have utilized a priority sequence to assign each to a primary category and Table 1 follows that order. For example, if a respondent selected “I own or rent my primary residence in Halton” and “I am a landlord of one or more residential properties in Halton” they would be assigned to the “Resident” category and we would count 1 secondary identification under the “Landlord” category.

**Table 1**  
**Respondent Counts by Main and Secondary Categorization**

| Primary Respondent Category | Secondary Respondent Self-Identification |             |              |                   |          |          |
|-----------------------------|--|-------------|--------------|-------------------|----------|----------|
|                             | Occasional                               | Landlord    | STR Provider | Vacant Home Owner |          |          |
| Resident                    | 1,537                                    | 97.4%       | 3            | 44                | 3        | 4        |
| Occasional Resident         | 10                                       | 0.6%        |              | 2                 | -        | -        |
| Landlord                    | 16                                       | 1.0%        | -            |                   | -        | 1        |
| Short Term Rental Provider  | 1  | 0.1%        | -            | -                 |          | -        |
| Vacant Home Owner           | 3  | 0.2%        | -            | -                 | -        |          |
| Interested Non-Resident     | 11                                       | 0.7%        | -            | -                 | -        | -        |
| <b>Total</b>                | <b>1,578</b>                             | <b>100%</b> | <b>3</b>     | <b>46</b>         | <b>3</b> | <b>5</b> |

Table 2 provides a summary of the respondents by primary category and reported municipality. The reported municipality data was derived from Question 2, which asked respondents to identify the location of their primary residence.

**Table 2**  
**Respondent by Main Category and Local Municipality**

| Primary Respondent Category | Burlington   | Halton Hills | Milton      | Oakville     | Outside Halton |
|-----------------------------|--------------|--------------|-------------|--------------|----------------|
| Resident                    | 570          | 154          | 143         | 670          | 0              |
| Occasional Resident         | 3            | 2            | 0           | 4            | 1              |
| Landlord                    | 10           | 0            | 1           | 5            | 0              |
| Short Term Rental Provider  | 0            | 0            | 0           | 1            | 0              |
| Vacant Home Owner           | 2            | 1            | 0           | 0            | 0              |
| Interested Non-Resident     | 0            | 0            | 0           | 0            | 11             |
| <b>Total</b>                | <b>585</b>   | <b>157</b>   | <b>144</b>  | <b>680</b>   | <b>12</b>      |
| <b>% of Respondents</b>     | <b>37.1%</b> | <b>9.9%</b>  | <b>9.1%</b> | <b>43.1%</b> | <b>0.8%</b>    |



## MUNICIPAL POLICY REPORT

Question 2 asked respondents to identify the location of their primary residence with the options of select a Halton local municipality or identify a location outside Halton Region. Like Table 1, the results summarized in Table 2 and all other results reporting by local area municipality are derivative of the survey responses but with some adjustments made. The adjustments made between the raw responses and the summary and our categorization of respondents by local area municipality may be summarized as follows:

- There was a small minority of respondents that did not identify Halton Region as the location of their primary residence under Question 1, but who selected a Halton local municipality rather than “outside Halton” as their response to Question 2. We have not altered these responses, however, a limited number of responses may refer to the location of secondary properties only.
- A small minority of respondents who selected the free form option listed a community or area within a Halton local, these have been adjusted to align with the four formal area municipalities.

Questions 3 and 4 asked respondents about their occupancy status in regard to their primary residence and the physical nature of their homes. As these questions was intended to gain an understanding of those respondents who live in Halton Region, we have limited our summary here to those respondents that reported Halton Region being the location of their primary residence. Table 3 summarizes the responses to Question 3 from all respondents categorized a *Resident*. Table 4 breaks the counts out by local area municipality. While not included in Tables 3 or 4, all respondents in the Occasional Resident category reported owning their property.

**Table 3**  
**Occupancy Status of Respondents Categorized as Residents**

| Reported Occupancy Status       |              | % of Resident Category | % of All Respondents |
|---------------------------------|--------------|------------------------|----------------------|
| Own                             | <b>1,351</b> | 87.9%                  | 85.6%                |
| Rent                            | <b>175</b>   | 11.4%                  | 11.1%                |
| Live with Family                | <b>7</b>     | 0.5%                   | 0.4%                 |
| Other / No Response             | <b>4</b>     | 0.3%                   | 0.3%                 |
| <b>Total: Resident Category</b> | <b>1,537</b> | <b>100%</b>            | <b>97.4%</b>         |

**Table 4**  
**Occupancy Status of Respondents Reporting Primary Residence is in Halton**

| Reported Occupancy Status       | Burlington | Halton Hills | Milton     | Oakville   | Total        |
|---------------------------------|------------|--------------|------------|------------|--------------|
| Own                             | 501        | 135          | 116        | 599        | 1,351        |
| Rent                            | 65         | 17           | 26         | 67         | 175          |
| Live with Family                | 2          | 2            | 0          | 3          | 7            |
| Other / No Response             | 2          | 0            | 1          | 1          | 4            |
| <b>Total: Resident Category</b> | <b>570</b> | <b>154</b>   | <b>143</b> | <b>670</b> | <b>1,537</b> |

## MUNICIPAL POLICY REPORT

Question 4 asked respondents to identify the type of property that best described their primary residence. They were given the option to select from one of the multiple choice, pre-set descriptions, or add their own. Table 5 summarizes the responses by local area municipality. Similar to the tables above that report on Question 3, this summary relates to the responses of those captured by the Resident category of respondents.

**Table 5**  
**Primary Residence of Resident Respondents by Area Municipality**

| Primary Residence Reported                | Burlington | Halton Hills | Milton     | Oakville   | Total        |               |
|---|------------|--------------|------------|------------|--------------|---------------|
| Detached Home                             | 396        | 129          | 91         | 491        | 1,107        | 72.0%         |
| Semi-Detached Home/Townhouse <sup>2</sup> | 87         | 15           | 43         | 107        | 252          | 16.4%         |
| Individual Condominium Unit               | 60         | 4            | 5          | 50         | 119          | 7.7%          |
| Individual Apartment Building Unit        | 24         | 2            | 2          | 18         | 46           | 3.0%          |
| Basement Apartment/Secondary Suite        | 2          | 3            | 2          | 3          | 10           | 0.7%          |
| <b>Other</b>                              |            |              |            |            |              |               |
| Individual Co-op unit                     | 1          | 0            | 0          | 0          | 1            | 0.1%          |
| Rental unit above commercial              | 0          | 1            | 0          | 0          | 1            | 0.1%          |
| Retirement Residence                      | 0          | 0            | 0          | 1          | 1            | 0.1%          |
| <b>Total Resident Category</b>            | <b>570</b> | <b>154</b>   | <b>143</b> | <b>670</b> | <b>1,537</b> | <b>100.0%</b> |

The final qualifying question that applied to all survey takers was Question 5, which asked the respondent whether or not they owned a residential home in Halton Region that was **not** their primary residence. A summary these responses is set out in Table 6.

**Table 6**  
**Respondents Reporting Residential Property Other than their Primary Residence**

| Primary Category           | Yes                    |             | No           |              | No Response |             |
|----------------------------|------------------------|-------------|--------------|--------------|-------------|-------------|
| Resident                   | 120                    | 7.6%        | 1,385        | 87.8%        | 32          | 2.0%        |
| Occasional Resident        | 9                      | 0.6%        | 1            | 0.1%         | 0           | 0.0%        |
| Landlord                   | 13                     | 0.8%        | 3            | 0.2%         | 0           | 0.0%        |
| Short Term Rental Provider | 0                      | 0.0%        | 1            | 0.1%         | 0           | 0.0%        |
| Vacant Home Owner          | 3                      | 0.2%        | 0            | 0.0%         | 0           | 0.0%        |
| Interested Non-Resident    | 1                      | 0.1%        | 8            | 0.5%         | 2           | 0.1%        |
| <b>Total</b>               | <b>146<sup>3</sup></b> | <b>9.3%</b> | <b>1,398</b> | <b>88.6%</b> | <b>34</b>   | <b>2.2%</b> |

<sup>2</sup> Includes those reporting *Rowhouse, Link Home and Duplex*.

<sup>3</sup> Respondents that did not answer Question 5, but who provided responses to Questions 6 and 7 are included in the "Yes" count for this table.

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### Qualifying Questions for Those with Secondary Property

Questions 6 and 7 were posed exclusively to those respondents who answered “Yes” to Question 5, which asked if they owned a residential property in Halton that was not their primary residence.

Table 7 summarizes the number of secondary properties reported by general property type and local municipality. This table also reports on the total number of respondents that reported under each property type.

**Table 7**  
**Count of Secondary Properties Reported by Type**

| Secondary Property Type         | Respondent Count | Secondary Properties Reported |               |
|---------------------------------|------------------|-------------------------------|---------------|
| Detached Home                   | 58               | 96                            | 46.2%         |
| Semi-Detached Home/Townhouse    | 12               | 43                            | 20.7%         |
| Individual Condominium Unit     | 13               | 46                            | 22.1%         |
| Multi-Unit Residential Building | 61               | 20                            | 9.6%          |
| Seasonal/Recreational Property  | 2                | 3                             | 1.4%          |
| <b>Total</b>                    | <b>146</b>       | <b>208</b>                    | <b>100.0%</b> |

Question 7 of the survey asked respondents to report on the intended or usual use of their secondary residential properties. Table 8 has been prepared to summary these responses by property type.

**Table 8**  
**Count of Secondary Properties by Type and Reported Use**

| Secondary Property Type         | Count by Normal or Intended Use |                  |                      |                     |
|---------------------------------|---------------------------------|------------------|----------------------|---------------------|
|                                 | Long Term Rental (1yr +)        | Short Term Renal | Property is for sale | Investment Property |
| Detached Home                   | 34                              | 0                | 6                    | 4                   |
| Semi-Detached Home/Townhouse    | 19                              | 0                | 0                    | 3                   |
| Individual Condominium Unit     | 26                              | 1                | 1                    | 3                   |
| Multi-Unit Residential Building | 5                               | 0                | 0                    | 0                   |
| Seasonal/Recreational Property  | 1                               | 0                | 0                    | 0                   |
| <b>Total</b>                    | <b>85</b>                       | <b>1</b>         | <b>7</b>             | <b>10</b>           |

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### Questions Related to the Underlying Purpose/Objective of a Halton VHT

Question 8-A and 8-B were intended to solicit each respondent's perspective two fundamental factors related to the subject matter at hand. Both were presented in the form of a statement that respondents were asked to consider and indicate whether or not they agreed. Responses are summarized in Tables 8 through 11.

**Table 8**  
**Opinion of the Number of Vacant Homes by Respondent Category**

| <i>There are a significant number of vacant homes in Halton contributing to a shortage of available housing.</i> |                |              |            |              |                            |              |            |             |                   |              |             |             |
|--|----------------|--------------|------------|--------------|----------------------------|--------------|------------|-------------|-------------------|--------------|-------------|-------------|
| Primary Category   | Strongly Agree |              | Agree      |              | Neither Agree nor Disagree |              | Disagree   |             | Strongly Disagree |              | No Response |             |
| Resident   | 468            | 29.7%        | 370        | 23.4%        | 405                        | 25.7%        | 117        | 7.4%        | 157               | 9.9%         | 20          | 1.3%        |
| Occasional Resident  | 0              | 0.0%         | 0          | 0.0%         | 2                          | 0.1%         | 2          | 0.1%        | 6                 | 0.4%         | 0           | 0.0%        |
| Landlord   | 3              | 0.2%         | 0          | 0.0%         | 3                          | 0.2%         | 2          | 0.1%        | 8                 | 0.5%         | 0           | 0.0%        |
| Short Term Rental Provider   | 0              | 0.0%         | 0          | 0.0%         | 0                          | 0.0%         | 0          | 0.0%        | 1                 | 0.1%         | 0           | 0.0%        |
| Vacant Home Owner  | 0              | 0.0%         | 0          | 0.0%         | 0                          | 0.0%         | 0          | 0.0%        | 3                 | 0.2%         | 0           | 0.0%        |
| Interested Non-Resident  | 4              | 0.3%         | 3          | 0.2%         | 2                          | 0.1%         | 1          | 0.1%        | 1                 | 0.1%         | 0           | 0.0%        |
| <b>Total</b>   | <b>475</b>     | <b>30.1%</b> | <b>373</b> | <b>23.6%</b> | <b>412</b>                 | <b>26.1%</b> | <b>122</b> | <b>7.7%</b> | <b>176</b>        | <b>11.2%</b> | <b>20</b>   | <b>1.3%</b> |

**Table 9**  
**Opinion of the Number of Vacant Homes by Local Municipality**

| <i>There are a significant number of vacant homes in Halton contributing to a shortage of available housing.</i> |                |              |            |              |                            |              |            |             |                   |              |             |             |
|--|----------------|--------------|------------|--------------|----------------------------|--------------|------------|-------------|-------------------|--------------|-------------|-------------|
| Respondent From  | Strongly Agree |              | Agree      |              | Neither Agree nor Disagree |              | Disagree   |             | Strongly Disagree |              | No Response |             |
| Burlington   | 133            | 8.4%         | 126        | 8.0%         | 192                        | 12.2%        | 47         | 3.0%        | 81                | 5.1%         | 6           | 0.4%        |
| Halton Hills   | 45             | 2.9%         | 37         | 2.3%         | 40                         | 2.5%         | 15         | 1.0%        | 20                | 1.3%         | 0           | 0.0%        |
| Milton   | 45             | 2.9%         | 31         | 2.0%         | 35                         | 2.2%         | 13         | 0.8%        | 16                | 1.0%         | 4           | 0.3%        |
| Oakville   | 248            | 15.7%        | 176        | 11.2%        | 142                        | 9.0%         | 46         | 2.9%        | 58                | 3.7%         | 10          | 0.6%        |
| Other  | 4              | 0.3%         | 3          | 0.2%         | 3                          | 0.2%         | 1          | 0.1%        | 1                 | 0.1%         | 0           | 0.0%        |
| <b>Total</b>   | <b>475</b>     | <b>30.1%</b> | <b>373</b> | <b>23.6%</b> | <b>412</b>                 | <b>26.1%</b> | <b>122</b> | <b>7.7%</b> | <b>176</b>        | <b>11.2%</b> | <b>20</b>   | <b>1.3%</b> |

## MUNICIPAL POLICY REPORT

**Table 10**  
**Opinion of the Potential Effectiveness of a Vacant Homes Tax by Respondent Category**

| <i>A vacant homes tax could encourage owners to rent or sell vacant residential property.</i> |                |              |            |              |                            |             |           |             |                   |              |             |             |
|---|----------------|--------------|------------|--------------|----------------------------|-------------|-----------|-------------|-------------------|--------------|-------------|-------------|
| Primary Category  | Strongly Agree |              | Agree      |              | Neither Agree nor Disagree |             | Disagree  |             | Strongly Disagree |              | No Response |             |
| Resident  | 826            | 52.3%        | 351        | 22.2%        | 69                         | 4.4%        | 73        | 4.6%        | 170               | 10.8%        | 48          | 3.0%        |
| Occasional Resident   | 0              | 0.0%         | 1          | 0.1%         | 2                          | 0.1%        | 0         | 0.0%        | 7                 | 0.4%         | 0           | 0.0%        |
| Landlord  | 2              | 0.1%         | 3          | 0.2%         | 1                          | 0.1%        | 1         | 0.1%        | 9                 | 0.6%         | 0           | 0.0%        |
| Short Term Rental Provider  | 0              | 0.0%         | 0          | 0.0%         | 0                          | 0.0%        | 0         | 0.0%        | 1                 | 0.1%         | 0           | 0.0%        |
| Vacant Home Owner   | 0              | 0.0%         | 0          | 0.0%         | 0                          | 0.0%        | 0         | 0.0%        | 3                 | 0.2%         | 0           | 0.0%        |
| Interested Non-Resident   | 7              | 0.4%         | 2          | 0.1%         | 0                          | 0.0%        | 0         | 0.0%        | 2                 | 0.1%         | 0           | 0.0%        |
| <b>Total</b>  | <b>835</b>     | <b>52.9%</b> | <b>357</b> | <b>22.6%</b> | <b>72</b>                  | <b>4.6%</b> | <b>74</b> | <b>4.7%</b> | <b>192</b>        | <b>12.2%</b> | <b>48</b>   | <b>3.0%</b> |

**Table 11**  
**Opinion of the Potential Effectiveness of a Vacant Homes Tax by Local Municipality**

| <i>A vacant homes tax could encourage owners to rent or sell vacant residential property.</i> |                |              |            |              |                            |             |           |             |                   |              |             |             |
|---|----------------|--------------|------------|--------------|----------------------------|-------------|-----------|-------------|-------------------|--------------|-------------|-------------|
| Respondent From   | Strongly Agree |              | Agree      |              | Neither Agree nor Disagree |             | Disagree  |             | Strongly Disagree |              | No Response |             |
| Burlington  | 274            | 17.4%        | 138        | 8.7%         | 30                         | 1.9%        | 38        | 2.4%        | 86                | 5.4%         | 19          | 1.2%        |
| Halton Hills  | 88             | 5.6%         | 31         | 2.0%         | 6                          | 0.4%        | 6         | 0.4%        | 23                | 1.5%         | 3           | 0.2%        |
| Milton  | 80             | 5.1%         | 28         | 1.8%         | 6                          | 0.4%        | 5         | 0.3%        | 20                | 1.3%         | 5           | 0.3%        |
| Oakville  | 386            | 24.5%        | 157        | 9.9%         | 30                         | 1.9%        | 25        | 1.6%        | 61                | 3.9%         | 21          | 1.3%        |
| Other   | 7              | 0.4%         | 3          | 0.2%         | 0                          | 0.0%        | 0         | 0.0%        | 2                 | 0.1%         | 0           | 0.0%        |
| <b>Total</b>  | <b>835</b>     | <b>52.9%</b> | <b>357</b> | <b>22.6%</b> | <b>72</b>                  | <b>4.6%</b> | <b>74</b> | <b>4.7%</b> | <b>192</b>        | <b>12.2%</b> | <b>48</b>   | <b>3.0%</b> |

## MUNICIPAL POLICY REPORT

### Program Design Element Questions

Question 9 was intended to solicit input on the possible rate of tax to be applied to a vacant home. The tax rates will be applied against the Current Value Assessments used for traditional property taxes and each option given was accompanied by the corresponding taxes that would be raised against 100,000 of CVA. The options provided were 0.5% or \$500; 1.0% or \$1,000; 2.0% or \$2,000; 3.0% or \$3,000 or 5.0% or greater or \$5,000 +.

Respondents also had the option to choose “other” and enter an alternate rate. Approximately 250 respondents choose to enter their own response, many of those did not include a tax rate or percentage, but instead used this space to make comments in support of or against the program in general. Tables 12 and 13 have been prepared to summarize the responses where rates were included or indicated. Those comments that were general in nature will be discussed in the same context as the other general comments provided by respondents.

**Table 12**  
**Opinion on the Tax Rate by Respondent Category**

| Primary Category           | Preferred Tax Rate |             |             |              |             |              |              |                 |
|----------------------------|--------------------|-------------|-------------|--------------|-------------|--------------|--------------|-----------------|
|                            | No Tax             | < 0.5%      | 0.5%        | 1%           | 2%          | 3%           | 5% or More   | Did Not Specify |
| Resident                   | 217                | 4           | 83          | 207          | 2           | 243          | 727          | 54              |
| Occasional Resident        | 8                  | 0           | 2           | 0            | 0           | 0            | 0            | 0               |
| Landlord                   | 7                  | 0           | 4           | 1            | 0           | 1            | 2            | 1               |
| Short Term Rental Provider | 0                  | 0           | 1           | 0            | 0           | 0            | 0            | 0               |
| Vacant Home Owner          | 3                  | 0           | 0           | 0            | 0           | 0            | 0            | 0               |
| Interested Non-Resident    | 2                  | 0           | 0           | 1            | 0           | 1            | 6            | 1               |
| <b>Total</b>               | <b>237</b>         | <b>4</b>    | <b>90</b>   | <b>209</b>   | <b>2</b>    | <b>245</b>   | <b>735</b>   | <b>56</b>       |
|                            | <b>15.0%</b>       | <b>0.3%</b> | <b>5.7%</b> | <b>13.2%</b> | <b>0.1%</b> | <b>15.5%</b> | <b>46.6%</b> | <b>3.5%</b>     |

**Table 13**  
**Opinion on the Tax Rate by Local Municipality**

| Respondent From | Preferred Tax Rate |             |             |              |             |              |              |                 |
|-----------------|--------------------|-------------|-------------|--------------|-------------|--------------|--------------|-----------------|
|                 | No Tax             | < 0.5%      | 0.5%        | 1%           | 2%          | 3%           | 5% or More   | Did Not Specify |
| Burlington      | 112                | 3           | 34          | 89           | 1           | 98           | 231          | 17              |
| Halton Hills    | 27                 | 0           | 6           | 18           | 1           | 19           | 81           | 5               |
| Milton          | 19                 | 1           | 13          | 21           | 0           | 21           | 64           | 5               |
| Oakville        | 76                 | 0           | 37          | 80           | 0           | 106          | 353          | 28              |
| Outside Halton  | 3                  | 0           | 0           | 1            | 0           | 1            | 6            | 1               |
| <b>Total</b>    | <b>237</b>         | <b>4</b>    | <b>90</b>   | <b>209</b>   | <b>2</b>    | <b>245</b>   | <b>735</b>   | <b>56</b>       |
|                 | <b>15.0%</b>       | <b>0.3%</b> | <b>5.7%</b> | <b>13.2%</b> | <b>0.1%</b> | <b>15.5%</b> | <b>46.6%</b> | <b>3.5%</b>     |

## MUNICIPAL POLICY REPORT

Question 10 asked respondents how long a home should be unoccupied for it to be considered vacant. The responses are summarized in Table 14.

**Table 14**  
**Duration of Vacancy by Respondent Category**

| Primary Category           | 3 months   |              | 6 months   |              | 9 months   |              | 12 months  |              | 18 months  |              | No Response |             |
|----------------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|-------------|-------------|
| Resident                   | 273        | 17.3%        | 529        | 33.5%        | 232        | 14.7%        | 244        | 15.5%        | 197        | 12.5%        | 62          | 3.9%        |
| Occasional Resident        | 0          | 0.0%         | 0          | 0.0%         | 2          | 0.1%         | 3          | 0.2%         | 5          | 0.3%         | 0           | 0.0%        |
| Landlord                   | 2          | 0.1%         | 2          | 0.1%         | 0          | 0.0%         | 5          | 0.3%         | 6          | 0.4%         | 1           | 0.1%        |
| Short Term Rental Provider | 0          | 0.0%         | 0          | 0.0%         | 0          | 0.0%         | 0          | 0.0%         | 1          | 0.1%         | 0           | 0.0%        |
| Vacant Home Owner          | 0          | 0.0%         | 0          | 0.0%         | 0          | 0.0%         | 2          | 0.1%         | 1          | 0.1%         | 0           | 0.0%        |
| Interested Non-Resident    | 1          | 0.1%         | 6          | 0.4%         | 0          | 0.0%         | 3          | 0.2%         | 1          | 0.1%         | 0           | 0.0%        |
| <b>Total</b>               | <b>276</b> | <b>17.5%</b> | <b>537</b> | <b>34.0%</b> | <b>234</b> | <b>14.8%</b> | <b>257</b> | <b>16.3%</b> | <b>211</b> | <b>13.4%</b> | <b>63</b>   | <b>4.0%</b> |

Questions 11 and 13 addressed how taxpayers would declare their homes as vacant and their preferred method of submitting this declaration. Question 11 posed two options related to who would be required to declare the status of their property and under what circumstances. The responses received to Question 11 have been summarized by respondent category and local area municipality in Tables 15 and 16 respectively.

Option 1 - Universal Declarations:

Owners of all potentially eligible properties would be required to declare the status of their property every year, regardless of whether it was vacant or not.

Option 2 – Self-Assessment:

Only owners of property that are eligible to be taxed as vacant homes would be required to make an annual declaration.

**Table 15**  
**Declaration Approach by Respondent Category**

| Primary Category           | Universal  |              | Self-Assessment |              | No Response |             |
|----------------------------|------------|--------------|-----------------|--------------|-------------|-------------|
| Resident                   | 961        | 60.9%        | 485             | 30.7%        | 91          | 5.8%        |
| Occasional Resident        | 3          | 0.2%         | 5               | 0.3%         | 2           | 0.1%        |
| Landlord                   | 3          | 0.2%         | 12              | 0.8%         | 1           | 0.1%        |
| Short Term Rental Provider | 0          | 0.0%         | 1               | 0.1%         | 0           | 0.0%        |
| Vacant Home Owner          | 1          | 0.1%         | 2               | 0.1%         | 0           | 0.0%        |
| Interested Non-Resident    | 8          | 0.5%         | 2               | 0.1%         | 1           | 0.1%        |
| <b>Total</b>               | <b>976</b> | <b>61.9%</b> | <b>507</b>      | <b>32.1%</b> | <b>95</b>   | <b>6.0%</b> |

**Table 16**  
**Declaration Approach by Local Area Municipality**

| Respondent From | Universal  |              | Self-Assessment |              | No Response |             |
|-----------------|------------|--------------|-----------------|--------------|-------------|-------------|
| Burlington      | 322        | 20.4%        | 222             | 14.1%        | 41          | 2.6%        |
| Halton Hills    | 101        | 6.4%         | 48              | 3.0%         | 8           | 0.5%        |
| Milton          | 91         | 5.8%         | 43              | 2.7%         | 10          | 0.6%        |
| Oakville        | 453        | 28.7%        | 192             | 12.2%        | 35          | 2.2%        |
| Other           | 9          | 0.6%         | 2               | 0.1%         | 1           | 0.1%        |
| <b>Total</b>    | <b>976</b> | <b>61.9%</b> | <b>507</b>      | <b>32.1%</b> | <b>95</b>   | <b>6.0%</b> |

Question 13 asked respondents to indicate their preferred method of submitting a required declaration. The survey posed two options (on-line or mail/drop-off) and also allowed for *other* suggestions. As with most free-form fields on this survey, respondents took advantage of this open field to express their general position in regard to this issue as a whole. The responses to the multi-choice options are summarized in Table 17, the general comments will be addressed separately along with the other general input received.

**Table 17**  
**Declaration Method by Respondent Category**

| Primary Category           | On-Line      | Paper Form |
|----------------------------|--------------|------------|
| Resident                   | 1,254        | 344        |
| Occasional Resident        | 8            | 1          |
| Landlord                   | 14           | 1          |
| Short Term Rental Provider | 1            | 0          |
| Vacant Home Owner          | 2            | 1          |
| Interested Non-Resident    | 10           | 4          |
| <b>Totals</b>              | <b>1,289</b> | <b>351</b> |



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Question 12 asked whether respondents would support a process by which neighbours or municipal Staff would report homes that were or were suspected be vacant. Survey takers had the option to select Yes (they support such a strategy), or No (they would not support it). They were also asked to express the reason for their choice.

Tables 18 and 19 summarize the Yes/No responses, the responses to the question “why or why not?” will be addressed with all other comment based input received through this survey.

**Table 18**  
**Support for Staff and Citizen Reporting Program**

| Primary Category           | Yes          |              | No         |              | No Response |             |
|----------------------------|--------------|--------------|------------|--------------|-------------|-------------|
| Resident                   | 1,143        | 72.4%        | 383        | 24.3%        | 11          | 0.7%        |
| Occasional Resident        | 0            | 0.0%         | 10         | 0.6%         | 0           | 0.0%        |
| Landlord                   | 5            | 0.3%         | 11         | 0.7%         | 0           | 0.0%        |
| Short Term Rental Provider | 0            | 0.0%         | 1          | 0.1%         | 0           | 0.0%        |
| Vacant Home Owner          | 0            | 0.0%         | 3          | 0.2%         | 0           | 0.0%        |
| Interested Non-Resident    | 8            | 0.5%         | 3          | 0.2%         | 0           | 0.0%        |
| <b>Total</b>               | <b>1,156</b> | <b>73.3%</b> | <b>411</b> | <b>26.0%</b> | <b>11</b>   | <b>0.7%</b> |

**Table 19**  
**Support for Staff and Citizen Reporting Program by Local Area Municipality**

| Respondent From | Yes          |              | No         |              | No Response |             |
|-----------------|--------------|--------------|------------|--------------|-------------|-------------|
| Burlington      | 400          | 25.3%        | 181        | 11.5%        | 4           | 0.3%        |
| Halton Hills    | 118          | 7.5%         | 38         | 2.4%         | 1           | 0.1%        |
| Milton          | 110          | 7.0%         | 34         | 2.2%         | 0           | 0.0%        |
| Oakville        | 520          | 33.0%        | 154        | 9.8%         | 6           | 0.4%        |
| Other           | 8            | 0.5%         | 4          | 0.3%         | 0           | 0.0%        |
| <b>Total</b>    | <b>1,156</b> | <b>73.3%</b> | <b>411</b> | <b>26.0%</b> | <b>11</b>   | <b>0.7%</b> |

**MUNICIPAL POLICY REPORT**

The final Question 14 addressed under which circumstances the respondents felt that a vacant home would be exempt from the VHT. The question was multiple choice with the ability to select as many criteria as the respondent thought was appropriate. Tables 20 through 22 document these results.

**Table 20**  
**Respondents in Favour of Multiple-Choice Exemption Options**

| <b>Exemption</b>                       | <b>Votes in Favour</b> | <b>% of Respondents</b> |
|--|------------------------|-------------------------|
| Property Undergoing Renovations        | 1,118                  | 70.8%                   |
| Property in Development                | 1,182                  | 74.9%                   |
| Resident(s) Absent for Medical Reasons | 1,167                  | 74.0%                   |
| Resident(s) Absent for Travel          | 979                    | 62.0%                   |
| Property is Uninhabitable              | 669                    | 42.4%                   |
| Property Recently Sold or Transferred  | 722                    | 45.8%                   |
| Property Listed for Sale or Rent       | 921                    | 58.4%                   |
| Property Used as Short Term Rental     | 376                    | 23.8%                   |
| Court Order Preventing Occupancy       | 982                    | 62.2%                   |
| Only Resident is Deceased              | 1,079                  | 68.4%                   |

**Table 21**  
**Respondents in Favour of Multiple-Choice Exemption Options by Respondent Category**

| <b>Primary Category</b> | <b>Reno</b>  | <b>Develop</b> | <b>Medical Reasons</b> | <b>Travel</b> | <b>Unfit</b> | <b>Sold</b> | <b>Listed</b> | <b>STR</b> | <b>Court Order</b> | <b>Death</b> |
|-------------------------|--------------|----------------|------------------------|---------------|--------------|-------------|---------------|------------|--------------------|--------------|
| Resident                | 1,087        | 1,151          | 1,134                  | 950           | 643          | 691         | 887           | 356        | 952                | 1,045        |
| Occasional Resident     | 9            | 9              | 10                     | 10            | 9            | 10          | 9             | 7          | 10                 | 10           |
| Landlord                | 12           | 12             | 12                     | 11            | 9            | 10          | 14            | 8          | 10                 | 13           |
| STR Provider            | 1            | 1              | 1                      | 1             | 1            | 1           | 1             | 1          | 1                  | 1            |
| Vacant Home Owner       | 3            | 2              | 2                      | 2             | 2            | 3           | 3             | 2          | 2                  | 3            |
| Interested Non-Res.     | 6            | 7              | 8                      | 5             | 5            | 7           | 7             | 2          | 7                  | 7            |
| <b>Total</b>            | <b>1,118</b> | <b>1,182</b>   | <b>1,167</b>           | <b>979</b>    | <b>669</b>   | <b>722</b>  | <b>921</b>    | <b>376</b> | <b>982</b>         | <b>1,079</b> |

**Table 22**  
**Respondents in Favour of Multiple-Choice Exemption Options**  
**by Local Municipality**

| Respondent From | Reno         | Develop      | Medical Reasons | Travel     | Unfit      | Sold       | Listed     | STR        | Court Order | Death        |
|-----------------|--------------|--------------|-----------------|------------|------------|------------|------------|------------|-------------|--------------|
| Burlington      | 417          | 430          | 454             | 367        | 267        | 278        | 352        | 151        | 387         | 420          |
| Halton Hills    | 108          | 127          | 99              | 96         | 57         | 62         | 107        | 36         | 69          | 72           |
| Milton          | 103          | 107          | 108             | 88         | 68         | 66         | 80         | 42         | 91          | 108          |
| Oakville        | 484          | 511          | 497             | 422        | 272        | 308        | 374        | 145        | 427         | 471          |
| Other           | 6            | 7            | 9               | 6          | 5          | 8          | 8          | 2          | 8           | 8            |
| <b>Total</b>    | <b>1,118</b> | <b>1,182</b> | <b>1,167</b>    | <b>979</b> | <b>669</b> | <b>722</b> | <b>921</b> | <b>376</b> | <b>982</b>  | <b>1,079</b> |

### Discussion / Summary of Comments

As noted above, respondents were provided with multiple opportunities to provide free-form input within this survey. Most comment sections were intended for elaboration in regard to specific questions, however, many respondents used these questions to express their general opinions. In all, approximately 2,400 decipherable comments were received from the 1,578 responses we are reporting on in this summary. The breakdown of these comments, by the questions they were made under is as follows.

| Questions  | Count        |
|--|--------------|
| 9) What rate of tax do you think should be applied to vacant homes in Halton?    | 252          |
| 12) Support for Citizens/Municipal Staff reporting on suspected vacant homes.    | 903          |
| 13) Taxpayer Declarations: Online or Paper Declarations?                         | 207          |
| 14) When should a vacant home be exempt from the tax?                            | 259          |
| 15) Do you have any other comments about a potential vacant homes tax in Halton? | 762          |
| <b>Total Comment Count</b>   | <b>2,383</b> |

As it would be impractical, and of limited benefit to report every comment, we have summarized this body of feedback based on the general themes and messages we observed based on our review of each comment. We have organized this summary by question but the reader will note, that respondents did not limit their responses to the questions at hand.

**Question 9: Comments Related to the Tax Rate that Might Apply****Comments Opposed**

The majority of respondents (55%) who provided a comment under this question simply indicated that they were opposed to the suggestion of a vacant homes tax all together. This position was expressed in a number of ways, from entering a tax rate of 0.00% to *“How about 0%. FO with your taxes. REDUCE GOVT SPENDING!”*.

A small number of comments under this section suggested that the vacant homes tax would unfairly pressure property owners into renting their homes in an atmosphere that they perceived as being unfair to landlords. For example: *“0% tax should apply to vacant homes. Protection allowed to landlords currently discourages landlords from renting investment properties unless they have to”*

This sentiment was expressed under the tax rate question by fewer than 5 respondents but was also seen elsewhere in the responses.

Two respondents indicated that they were opposed to any tax for “snowbirds”.

**Comments In Favour**

Those who appeared to be in favour of the VHT tended to express their support through the suggestion of high tax rates. Approximately 70 respondents indicated that they were in favour of tax rates greater than 5%, with 18 of those suggesting rates of 25% or more.

A small number of respondents suggested variable or progressive rate schemes. Some of these were based on rates increasing based on the length of the vacancy, others were based on the effectiveness (or lack thereof) of the overall program.

**Tax Rates for Foreign Ownership and “Non-Canadians”**

Approximately 10 respondents suggested that property owned by non-citizens, or individuals who lived overseas should be treated differently under the program. Some suggested that a higher rate of tax should be applied to these properties, some stated that they supported the tax for *“foreign owned property only”*, and another went so far as to say *“Home ownership should be only allowed if you are a Canadian citizen”*.

**Question 12: Support for Citizens/Municipal Staff reporting on suspected vacant homes**

This question sparked the largest pool of comments and the most diverse as some respondents spoke to the vacant home tax in general, while others focused on the idea of reporting program specifically.

**Negative Comments**

Approximately 1/3 or 300 of the responses received under this question can be categorized as being in opposition to the vacant homes tax in general and/or the idea of a reporting program specifically. No fewer than 100 respondents simply used this question to express their opposition to the vacant homes tax in general.

Approximately 80 respondents indicated that they were opposed to a reporting program based on arguments generally rooted in the idea that it would be a violation of their personal and property rights. These comments range greatly in the degree of opposition with the most vehement involving references to “big brother”, “the KGB”, “fascism”, “nazism”, “police states”, etc. A review of these comments in context indicated that this group of respondents were strongly opposed to the vacant homes tax in general as well as the idea of a reporting program specifically.

Another collection of approximately 85 comments opposed the suggestion on the basis that it was simply an undesirable, or distasteful suggestion that had the potential for negative community outcomes. These respondents were clear that they did not support a “snitch” culture, which could cause resentment among neighbours. It was also suggested that such a process could be abused by vindictive or otherwise motivated neighbours. The most aggressive of these comments reads as follows: “This is why people get stabbed and property gets vandalized”.

A further 20+ respondents opposed the suggestions on the basis that it would be difficult for someone to know why a home appeared vacant, which could lead to a lot of false reports. Others simply suggested that there were better ways to proceed.

It is notable that the respondents from these last two groups included those whose overall surveys indicated a level of support for the vacant homes tax as well as those who appeared to be in overall opposition. That is, many respondents who seemed to support the initiative in general, did not like the idea of a reporting program.

**Supporting Comments**

The two largest response grouping supported the idea of a reporting program, but for two slightly different reasons. There were respondents that suggested public reporting would be a good, or even the best way to identify vacant properties. That residents were most aware of the state of homes in their neighbourhood, building or community. Another group of respondents asserted that public reporting would be necessary because those with vacant homes would not report honestly and would find ways to evade the tax. Combined, these two groupings represent almost 500 comments.

There were also 100 comments by respondents who supported a reporting process as a means of addressing property standards concerns. These respondents raised concerns ranging from unkept lawns to rat infestations, to squatters and drug dens. A number of comments in this group

clearly indicated that it is the neighbouring property owners who are most impacted by vacant homes due unsightly neighbourhoods and property value impacts. A review of the comments by this group of supporters suggests that they do not necessary connect the initiative with housing availability, but more as a means of addressing other concerns with their neighbours and community.

At least 16 respondents made direct references to their concerns surrounding “foreign owners” as the basis for their support of the vacant homes tax and/or a reporting process.

The remainder of those who generally expressed support for a reporting process are made up of those who suggested such a process should only apply for municipal staff, and those who were only cautiously supportive with some reservations related to potential abuse or malicious reporting.

### **Question 13: Taxpayer Declarations: Online or Paper Declarations?**

Under Question 13 respondents were able to select their preference for on-line or paper declarations, and also had the opportunity to submit an alternate suggestion for the means of declaration. It should be noted that this question is distinct from Question 11, which asked whether the Region should require universal declarations, or only require declarations from those who were eligible for the tax.

#### ***Format Suggestions***

Approximately 30 of the 207 comments under this question simply stated that both physical and on-line options should be made available. An addition 50 respondents made actual alternate suggestions regarding possible means of declaration. These suggestions may be generally summarized as follows:

- A direct mail campaign which would require each property owner to either return a form or complete a declaration on-line. Multiple respondents included that return postage should be pre-paid for declaration forms.
- Many respondents suggested incorporating the declaration process into the existing property tax (or assessment) function. Most of these suggestions were general in nature.
- A small group suggested the option to declare by phone be made available.
- At least one respondent provided a reminder to ensure that the declaration process was accessible to those whose first language was not English.
- There were also a limited number of suggestions that would not be viable, such as making it part of one’s income tax reporting.

#### ***Objections to Vacant Homes Tax and/or Declaration Process***

The remaining 125+ comments under this question expressed opposition to the vacant homes tax in general and/or the requirement to make any sort of declaration. In addition to those who indicated their opposition, there was a significant sub-set of respondents who stated they would defy any requirement or request to report.

**Question 14: When should a vacant home be exempt from the tax?**

Respondents were able to indicate support or opposition to 10 different possible exemptions from the vacant homes tax. These exemptions contemplated circumstances under which an unoccupied home would not be considered *vacant* for the purposes of this tax. The possible exemptions ranged from property renovations to long-term travel, to a property being listed for sale or rent.

***Exemption Suggestions***

Approximately 65 respondents offered suggestions as to when the vacant homes tax should not be imposed. The overwhelming majority of these were already covered by the multiple choice options or were akin to those options. For example, multiple commenters stated that no tax should be imposed on “*snowbirds*” or owners in long-term care, or those traveling for business. Others suggested that taxes should not be imposed while a property was part of an ongoing estate settlement or when a rental property was between tenants.

A small number of respondents (<10) suggested that second, or ancillary homes used occasionally should be exempt. These suggestions referred to properties used for work, vacation or as the local residence of someone living abroad.

***Limit and Minimize Exemptions***

There were approximately 90 commenters who supported limiting exemptions. A minority suggested that there should be no exemptions, while most urged caution in creating too many “*loopholes*”.

Over 50 respondents suggested that even the exemptions they supported should be time limited. Some of these asserted that property owners should be given a reasonable amount of time under each exemption but expressed concerns around abuse and manipulation of the rules. For example, perpetually advertising a property for rent, but not accepting tenants, or “*renovations*” that go on indefinitely.

Others suggested limiting exemptions based on circumstance rather than time. For example, only allowing for renovations that were required to make a home habitable, or renovations that were being undertaken by a primary resident rather than an investor or “*flipper*”.

Five respondents asserted that no exemption be given to short-term rental properties and/or that short-term rentals should not qualify as occupation. Two comments stated that no exemptions should be extended to “*foreign owned homes*”.

***Objections to Vacant Homes Tax***

As with all free form comment fields in this survey, a large contingent of respondents used this question to simply express their opposition to the vacant homes tax in general. In this instance, approximately 100 comments indicated opposition to the program in language ranging from mild to aggressive and defiant. Many of these comments included references to “*freedom*”, “*property rights*” and excessive taxation.

**Question 15: Do you have any other comments?*****Expressions of Support and Opposition***

The final question was intended to provide an open forum for respondents to express ideas not covered under the multiple-choice questions. Our pool for review and summary included 762 comments under this question. Approximately 225 of these were categorized as expressing general support for the initiative. The degree of support ranges, but the comments generally align with those already discussed and summarized above. An equal number of comments expressed opposition to the program and again, most were similar to the opposing comments discussed above.

***Support with Context***

In addition to what we have categorized as general expression of support, there were approximately 150 comments that referenced specific goals or objectives they hoped or believed a vacant homes tax could address.

- 60 of these referenced concerns over property standards and/or the negative impacts of vacant homes on neighbourhoods, athletics or property values.
- Another 65 believed or hoped that the tax would address concerns over “foreign ownership” and/or occupation. Consistent with some of the comments summarized above, a portion of these suggested increased rates for “*non-Canadians*”, while others asserted the program should only apply to foreign owners.
- Approximately 25 respondents stated that the tax should target or address short-term rentals, mainly from the perspective that they are a nuisance with only a minority referencing their impact on housing.

***Opposed with Context***

There were under 50 opposing comments that advanced any reason beyond the issues of privacy, property rights or simple opposition to more tax. These opposing positions may be generally summarized as follows:

- There is no need, or insufficient need to justify such a program in Halton Region.
- Too complex and administratively burdensome and/or too easily evaded to succeed/be worthwhile.
- Could encourage more short-term rentals.
- The concerns with “*forcing*” property owners to take on undesirable tenants.

***General Comments and Questions***

In addition to the themes summarized above, the submissions under Question 15 included a number of very general comments, notes and questions that either followed comments summarized earlier, or were immaterial (eg. Thank you, no other comment, etc.). Other comments were deemed *Out of Scope* in that they made suggestions for immigration tax, settlement tax, or income based taxes that the Region has no authority to levy.

Other out of scope comments were those that suggested only Canadians should be allowed to own homes, or that immigration should be stopped.



Comments that were not necessarily made in support or opposition of the program included, but were not limited to:

- Suggestions that the revenue must be used for housing;
- Encouraging clear, transparent and/or prudent program rules and parameters; and
- Asking that an effective appeal or review process be established.

Finally, there were a series of what can be termed neutral questions posed, such as “when will this take effect?”.

## MUNICIPAL POLICY REPORT

### PART TWO: PUBLIC CONSULTATIONS

In conjunction with Region Staff, MTE prepared a presentation to deliver via Zoom to interested members of the public. These online public consultations were carried out on Tuesday, November 15 and Wednesday, November 23 from 6:30 p.m. to 7:30 p.m. The Region prepared poll questions as a way to encourage feedback during the consultations. The presentation is included as Appendix B.

The first consultation had limited attendance with very few questions. The second consultation was very different with more material questions and a lot of negative input regarding the program and manner of consultation.

A summary of the poll results from each session is included below.

| <b>Who are we hearing from? Please select the description that fits you best.</b> |   |  |                    |
|---|---|--|--------------------|
| Session   | I own or rent my primary residence in Halton. | I own a home in Halton that is currently vacant. | None of these fit. |
| 1   | 2   | 1  | 1                  |
| 2   | 10  | 1  | 1                  |
| <b>Total</b>  | <b>12</b>                                     | <b>2</b>   | <b>2</b>           |

| <b>There are a significant number of vacant homes in Halton that are contributing to a shortage of available housing. Do you:</b> |                |          |                            |          |                   |
|---|----------------|----------|----------------------------|----------|-------------------|
| Session   | Strongly Agree | Agree    | Neither Agree Nor Disagree | Disagree | Strongly Disagree |
| 1   | 0              | 1        | 2                          | 1        | 0                 |
| 2   | 2              | 1        | 4                          | 0        | 4                 |
| <b>Total</b>  | <b>2</b>       | <b>2</b> | <b>6</b>                   | <b>1</b> | <b>4</b>          |

| <b>Under what circumstances should an unoccupied property not be taxed as a Vacant Home? Select ALL that apply.</b> |  |  |  |   |   |                  |
|---|--|--|--|---|---|------------------|
| Session   | Property has been sold or listed for rent/sale | Home is used occasionally for vacation or business stays | Uninhabitable (renovation, fire, etc.) | Property is being operated as a short-term rental (less than a month) | Regular occupant is incapable of occupying the property (illness, long-term care) | All of the Above |
| 1   | 0  | 0  | 0                                      | 0   | 1   | 2                |
| 2   | 0  | 0  | 0                                      | 0   | 1   | 7                |
| <b>Total</b>  | <b>0</b>                                       | <b>0</b>   | <b>0</b>                               | <b>0</b>  | <b>2</b>  | <b>9</b>         |

## MUNICIPAL POLICY REPORT

| Under what circumstances should taxpayers be required to report the occupancy status of their residential property? |  |  |
|---|--|--|
| Session   | Universal Declarations filed annually, regardless of whether it is occupied or vacant. | Self Assessment Declarations filed only for properties that are vacant and eligible to be taxed under the VHT. |
| 1   | 1  | 2  |
| 2   | 7  | 5  |
| <b>Total</b>  | <b>8</b>   | <b>7</b>   |

| Keeping in mind that the first goal of a VHT is to encourage occupancy, what might be a reasonable and effective rate of taxation? |                                    |                                      |                                      |                                      |
|--|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Session  | 0.5%<br>(\$500 Per<br>100,000 CVA) | 1.0%<br>(\$1,000 Per<br>100,000 CVA) | 3.0%<br>(\$3,000 Per<br>100,000 CVA) | 5.0%<br>(\$5,000 Per<br>100,000 CVA) |
| 1  | 1                                  | 2                                    | 1                                    | 0                                    |
| 2  | 2                                  | 5                                    | 3                                    | 1                                    |
| <b>Total</b>   | <b>3</b>                           | <b>7</b>                             | <b>4</b>                             | <b>1</b>                             |

### Discussion / Summary of Comments

The public consultations included the opportunity for attendees to submit questions and comments at the end of the presentation. There were only 2 questions during the first session while the second session included 59 unique questions/comments. To give the reader a sense of the input received, we have prepared a general summary of the nature and theme of the comments made. We have also included a high-level summary of the questions that were addressed during the sessions as well as the answers provided by the panel.

### *Comments Related to Need, Effectiveness and Appropriateness of Program*

During session two in particular it was evident that there were some participants who were skeptical or opposed to the vacant homes tax in general. The concerns and points of opposition expressed during that session followed a few main themes:

- Some commenters raised the concern that the costs of administering a vacant homes tax in Halton Region might outstrip the benefit. Included in these comments was the rhetorical question as to who would pay if the program costs exceeded the taxes raised.
- Other comments raised concerns over both need and effectiveness. These comments questioned how big an issue vacant homes pose and whether a vacant homes tax would actually increase housing supply.
- One commenter questioned whether renters should be encouraged to live in Halton and suggested this could lead to “other issues”.
- Two comments raise the issue of “property rights” and suggest that a VHT would be an infringement.

**Program Suggestions**

In addition to the broader comments, criticisms and questions posed, the following specific suggestions were advanced during these sessions.

- A few comments encouraged the Region to focus on supply issues, including addressing those they perceived as being caused by developers;
- One participant indicated that *Snowbirds* should be exempt from the tax; and
- One person suggested simply following Toronto’s lead

**Critical of Session, Format and/or Presenters**

18 of the comments were simply complaints about the engagement session itself and/or the presenters.

- There were 8 complaints that the Poll Questions did not give participants the option of selecting “none of the above”, or voice opposition to the vacant homes tax in general.
- 4 comments were critical of the fact that participants were not allowed to address the panel or participants directly or verbally.
- There were 4 complaints that a question was not answered, or addressed properly; and
- Two comments contained nothing more than profane, abusive and racist insults directed towards a panel member.

**Summary of Questions Addressed**

**Q.** What if administration costs are higher than the taxes?

**A.** This is why an annual review is important. At a minimum, the Region wants to break even. The program will be assessed and continue if it is viable.

**Q.** understand the purpose behind the VHT but what is being done to address the bigger problem of affordability, renters and first time buyers?

**A.** Brief explanation of the Region’s Comprehensive Housing Strategy.

**Q.** The question of using utility records to identify vacant units was raised four times by two participants.

**A.** The response(s) provided were that utilities may be utilized as part of a broader review or audit strategy, but that they were not sufficient a basis for levying a tax.

**Q.** How will the tax be enforced?

**A.** These details are to be worked out as part of the design phase and there would likely be multiple strategies employed.

**Q.** What would happen if we continually see vacant homes despite the tax implications?

**A.** Other jurisdictions have chosen to increase rates to increase effectiveness.

**Q.** How many homes does the Region estimate are vacant?

**A.** Reference to EY Feasibility Study.

**Q.** How will we know which houses are paying the tax?

**A.** Individual citizens will not know which homes are paying the tax. It will not be reported at the property level.

**Q.** Will the Region publicly report on the outcome of this program?

**A.** Yes. If the vacant homes tax is adopted, it would be monitored and reported on annually.

**Q.** Has the "Vacant Homes Tax in Halton" already been approved by the city council and the region? And if so where did you get Residents feed back as the Survey is open till Nov 30/2022.

**A.** The VHT has not been approved by Regional Council. Council approved to proceed with next steps based on the Feasibility Study.

**Q.** What is cost of the bureaucracy to do all this?

**A.** Reference to EY Feasibility Study.

**Q.** Do you have an accurate number of vacant properties (not based on water usage), now, as a baseline.

**A.** We do not have an accurate number. Water consumption can't be used as an accurate measure. It is an indicator and it may prove to be a good audit tool only.

**Q.** Do you see this being an effective strategy if owners of these vacant properties have access to excess money that would cover any sort of tax implications and can afford to still keep them vacant?

**A.** The VHT has 2 policy drivers, one is to encourage owners in increasing housing supply to rent or sell houses the other is to generate revenue to invest in affordable and assisted housing.

**Q.** How will the Region confirm if a home is vacant or not?

**A.** The Region has yet to determine exactly what unoccupied conditions will be applied against eligible properties. In broad strokes, it will exclude primary residences.

**Q.** If we can't tell will you set up a "snitch line" to report my neighbour?

**A.** This is an option under consideration. People are always welcome to report and provide feedback to the municipality.

**Q.** Duration which will determine vacant home?

**A.** This is a design question that will be addressed in the coming months.

**Q.** Why not follow what City of Toronto is doing?

**A.** Each municipality is to develop a program based on local priorities. Halton is a two-tier municipality and has additional complexities and mechanics.

***Questions Posed but Not Specifically Addressed***

The following questions were posed, but we not directly responded to due to time constraints and/or redundancy of theme.

- Why does this proposed tax not use the same definition of vacancy used by the law - “no intent to return”?
- Will you publish all of the questions asked?
- Rather than taxing what taxpayer have saved so hard to build, why are you not simply going after developers who are speculating and, for example, have cut gas lines etc.?
- condos. How would water usage be measured?
- 1000 vacant properties does not seem viable to the costs outlay that would be expended.
- Has any consideration been given to outlawing Air BNBs?
- Has Halton Legal signed off on the tax?
- Seniors leaving for few winter months will be kept in mind? (The snowbirds in homes and condos.) These need to be exempt.

**APPENDIX A**

*To The:*  
**SUMMARY REPORT  
VACANT HOMES TAX SURVEY  
&  
ON-LINE PUBLIC ENGAGEMENT SESSIONS**

*Prepared For:*  
**THE REGIONAL MUNICIPALITY OF HALTON**

*Published On:*  
**WEDNESDAY, DECEMBER 21, 2022**



## **Vacant Homes Tax Survey - Halton Region**

Housing supply and affordability continue to be a challenge for many growing communities, including Halton. Some municipalities have started to tax vacant homes that are not occupied in order to encourage homeowners to sell, rent or occupy the home. Halton, like other GTHA municipalities has a low vacancy rate.

Halton Region is currently studying the potential to develop a vacant homes tax. To support the study, the Region is seeking community input to help inform key features of a potential vacant homes tax. The vacant homes tax would only affect homes (including townhouses and condominiums) that are unoccupied. In addition to the vacant homes tax helping the increase in housing supply, a vacant homes tax could also contribute to the Comprehensive Housing Strategy in Halton.

This survey is anonymous and your participation is voluntary. Survey responses will be used to help inform the development of a potential vacant homes tax in Halton, and only aggregate data will be used publicly. No attempts will be made to identify you through your responses. The survey should take approximately 10 minutes to complete.

If you have any questions or require this survey in an alternate format, please email [accesshalton@halton.ca](mailto:accesshalton@halton.ca) or call 311, 905-825-6000, toll-free 1-866-442-5866 or TTY 905-827-9833. Please complete the survey by **November 30, 2022**.

To begin, please click “Next” below.

### **Part One: You and Your Property**

**1. Please select the description(s) that fit you best, or which best represents the perspective you would like your survey answers to represent. (select all that apply)**

- I own or rent my primary residence in Halton.
- I am a landlord of one or more residential properties in Halton.
- I own a residential property that I use occasionally.
- I own a residential property that I offer for short-term rentals.
- I own a home that is currently vacant.
- None of these fit.

**2. Please indicate the location of your primary residence (where you normally and regularly reside).**

- Burlington
- Halton Hills
- Milton
- Oakville
- Outside Halton Region (*textbox*)

**3. What best describes your occupancy status of your primary residence?**

- Own
- Rent
- Other (*textbox*)

**4. Which of the following best describes your primary residence?**

- Detached Home
- Semi-Detached Home/Townhouse
- Individual Condominium Unit
- Individual Apartment Building Unit
- Basement Apartment / Secondary Suite
- Other: (*textbox*)



**5. Do you own residential property in Halton Region that is not your primary residence?**

- Yes (If yes, the following two questions will appear)
- No

**6. Select from the options below that best describes the type and number of residential properties****you own in Halton** (excluding your primary residence or vacant land.)

- |   |           |
|---|-----------|
| ○ Detached House                          | Pull Down |
| ○ Semi-Detached / Townhouse               | Pull Down |
| ○ Individual Condominium Unit             | Pull Down |
| ○ Multi-Unit Residential Building/Complex | Pull Down |
| ○ Seasonal or Recreational Property       | Pull Down |

|                |
|----------------|
| Pull Down Menu |
| None (default) |
| 1              |
| 2              |
| 3              |
| 4              |
| 5              |
| 6 or More      |

**7. Select from the options below to describe the primary or intended use or status of your properties.**

- |   |           |
|---|-----------|
| ○ Detached House                          | Pull Down |
| ○ Semi-Detached / Townhouse               | Pull Down |
| ○ Individual Condominium Unit             | Pull Down |
| ○ Multi-Unit Residential Building/Complex | Pull Down |
| ○ Seasonal or Recreational Property       | Pull Down |

|  |
|--|
| Pull Down Menu                           |
| Select (Default)                         |
| Rent or Lease (Minimum 1 yr. Term)       |
| Short Term Rental                        |
| Occasional Personal or Business Use      |
| Property is For Sale                     |
| Vacant Development / Investment Property |
| None of these Fit                        |

**Part Two: Vacant Homes Tax**

Halton is considering a potential vacant homes tax on vacant residential properties such as single detached homes, semi-detached homes, townhouses and condominiums.

**8. A common objective among jurisdictions that tax vacant homes program is to encourage owners to return these properties to the housing supply (sell or rent). Please indicate whether you agree or disagree with each the following statements.**

- There are a significant number of vacant homes in Halton that are contributing to a shortage of available housing.  
Pull down
- A Vacant Homes Tax could be an effective incentive for owners to rent or sell their vacant residential property.  
Pull down

|                           |
|---------------------------|
| Pull Down Menu            |
| Select (Default)          |
| Strongly Agree            |
| Agree                     |
| Neither Agree or Disagree |
| Disagree                  |
| Strongly Disagree         |

The table below outlines what the approximate annual vacant homes tax rate could be on home in Halton with a \$100,000 Current Value Assessment (CVA).

| Current Value Assessment (CVA) | 0.5%  | 1%       | 3%       | 5%       |
|--------------------------------|-------|----------|----------|----------|
| \$ 100,000                     | \$500 | \$ 1,000 | \$ 3,000 | \$ 5,000 |

\* Properties are currently being taxed based on their estimated value as of January 1, 2016, not its 2022 market value. Your home's assessment value can be found on your property tax bill or your notice of assessment from the Municipal Property Assessment Corporation (MPAC)

**9. What rate of tax do you feel should be applied to vacant homes in Halton?**

- 0.5% of assessed property value
- 1% of assessed property value
- 3% of assessed property value
- 5 % or more of assessed property value
- Other – please specify (*textbox*)

**10. How long do you feel a home should be unoccupied for it to be considered vacant?**

- 6 months
- 9 months
- 12 months
- 18 months

**11. Below are two options to identify vacant homes in Halton. Which option do you support the most?**

- Universal** – All homeowners within Halton would need to declare the status of their home or condominium as either occupied or vacant each year.
- Self Assessment Declarations** – Only homeowners of vacant home or condominium would be required to declare property vacancy. All other homes or condominiums would be automatically deemed occupied.

**12. Do you support a process for neighbours or municipal staff to report homes that they suspect to be vacant?**

- Yes
- No
- Why or why not? (*textbox*)

**13. If you were required to submit a property occupancy declaration for your home, which method would you prefer? (*multiple selection*)**

- Online form – you would fill out the required information online and submit it electronically.
- Mail/Drop-off – the form would be available online to be printed and completed. Forms would also be available to pick up at Local Municipal offices. The completed forms could be mailed back or dropped off in-person.
- Other (*textbox*)

**14. If a vacant homes tax is implemented in Halton, some exemptions may be considered for vacant homes or condominium units that meet specific criteria. Which exemptions would you support?**

(Please select all that apply.)

- Property is or will be undergoing renovations
- Property is under development (for example, new home being built)
- Resident(s) are living outside of home due to medical reasons
- Resident(s) away for long-term travel (for example, seasonal travel)
- Property may be uninhabitable
- Property was recently sold or transferred
- Property is listed for sale or rent
- Property is being operated as a short-term rental (for example, less than a month)
- Court order prohibiting owner from selling, occupying or renting
- Only resident has recently passed away
- Other (Please specify) –(textbox)

**Additional Comments:**

**15. Do you have any other comments about a potential vacant homes tax in Halton?**

(textbox)

Thank you for your feedback! Your input is valuable and will help inform the development of the framework for a potential vacant homes tax in Halton. To learn more about Regional programs and services, visit **halton.ca**.

**APPENDIX B**

*To The:*  
**SUMMARY REPORT  
VACANT HOMES TAX SURVEY  
&  
ON-LINE PUBLIC ENGAGEMENT SESSIONS**

*Prepared For:*  
**THE REGIONAL MUNICIPALITY OF HALTON**

*Published On:*  
**WEDNESDAY, DECEMBER 21, 2022**



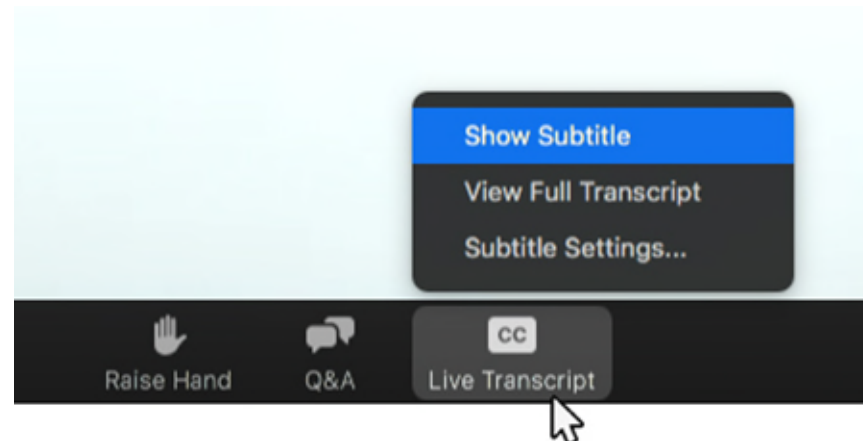
# Halton Region Vacant Homes Tax

Public Engagement  
November 2022



# How to View Closed Captioning

- You will see a notification above Closed Caption in the meeting controls, informing you that closed captioning is available.
- If you require captioning, click Closed Caption then “Live Transcript” at the bottom of your screen and select “Show Subtitle”.



(To be Replaced with Embedded Video)

# Land Acknowledgement

*Boozhoo, She:kon , Tanshi, Greetings!*

*Halton Region acknowledges the Treaty Lands of the Mississaugas of the Credit First Nation as well as the Traditional Territory of the Haudenosaunee, Huron-Wendat and Anishinabek on which we gather.*

*In stewardship with Mother Earth and the enduring Indigenous presence connected to these lands we acknowledge the Indigenous Nations of the past, present and future.*

*In the spirit of ally-ship and mutual respect, we will take the path of Truth and Reconciliation to create change, awareness and equity as we strive to elevate the collective consciousness of society.*

*Miigwetch, Nia:wen, Marsi, Thank you*

# Introductions

## Engagement Team

### Halton Region Staff

- Cyndy Winslow, Commissioner of Finance & Regional Treasurer
- Debbie Symons, Director of Budgets & Tax Policy
- Andrew Balahura, Director of Housing Services
- Jayne Hartley, Manager of Housing Services

### Facilitator

- Peter Frise, VP Policy & Consulting Services, Municipal Tax Equity Consultants Inc.



# Agenda

- Introduction
- General Background & Context
- Vacant Homes Tax Features and Functions
- Question & Answer
- Next Steps
- Further Information & Input Opportunities



# Notice to Attendees

- This public engagement session is being recorded.
- Any media questions can be directed to [mediarelations@halton.ca](mailto:mediarelations@halton.ca).
- Please note that the Q&A portion is for general public participants only.

# General Background

- Housing supply and affordability continue to be a challenge.
- Some municipalities have started to tax unoccupied homes to encourage property owners to sell, rent or occupy their home.
- Halton Region is currently studying the potential to develop a vacant homes tax which could help increase housing supply and support the Region's Comprehensive Housing Strategy.



# General Background

- Based on the findings of the feasibility assessment, Regional Council approved that staff<sup>1</sup>:
  - Develop a public engagement plan to consult residents and appropriate community stakeholders
  - Undertake a design and implementation study to develop the proposed Vacant Homes Tax (VHT) Program Framework

## Public Meetings

- Tuesday, November 15, 2022 from 6:30 to 7:30p.m.
- Wednesday, November 23, 2022 from 6:30 to 7:30 p.m.

[Vacant Homes Tax Survey](#)

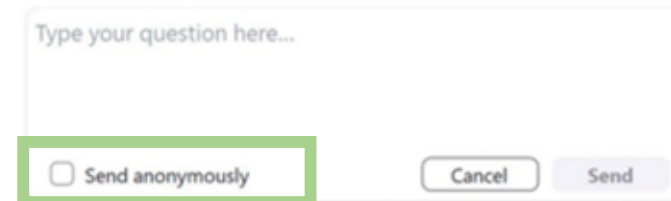
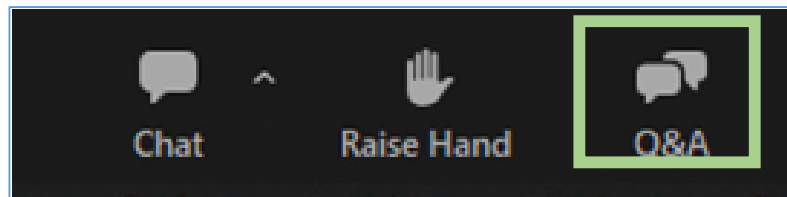
# What to Expect Out of Today's Session?

- Today we will introduce you to the Vacant Homes Tax and ask for your input.
- As the Vacant Homes Tax is a relatively new concept in Ontario we will begin with a general overview and outline of the tax.
- We will also discuss some of the main program features, explain their function and talk about the various design options that the Region must consider.
- Attendees are encouraged to participate and will have the opportunity to ask questions and provide comments by using the Q&A chat and by responding to poll questions that will be put up along the way.

# Attendee Participation

## Questions and Comments are Encouraged

- Online participants may submit questions at any time by using the Q&A icon at the bottom of your browser window. You have the option to submit questions anonymously.

A light grey form with a text input field containing the placeholder text 'Type your question here...'. Below the input field is a checkbox labeled 'Send anonymously', which is highlighted with a green box. To the right of the checkbox are two buttons: 'Cancel' and 'Send'.

- Those of you who are joining by phone can *Raise Your Hand* by pressing \*9.
- If we call on you during the Q&A period, you will be asked to press \*6 to unmute your line.

# Attendee Participation

## Live Polling

- Attendees who are on-line will be able to participate in the live polling component of today's session.
- Technology does not allow us to collect poll responses by phone



# Poll Question: Who are we Hearing From?

*Please select the description that fits you best*

- I own or rent my primary residence (where you regularly reside) in Halton.
- I am a landlord of one or more residential properties in Halton.
- I own a residential property in Halton that I use occasionally.
- I own a residential property in Halton that I offer for short-term rentals.
- I own a home in Halton that is currently vacant.
- None of these fit.



# General Background and Context

What is a Vacant Homes Tax?

# What is a Vacant Homes Tax?

- A Vacant Homes Tax (VHT) is a tax levied against unoccupied homes that meet a specific set of criteria defined by the taxing body.
- Such taxes are most often levied where the housing supply is limited and generally apply to properties capable of being occupied as a permanent residence, but which are not.
- Common objectives attached to the implementation of a VHT include:
  - Encouraging owners to sell, rent or occupy vacant homes; and
  - Helping to fund affordable and assisted housing programs.



# Ontario's Vacant Homes Tax

- The base authority for a Vacant Homes Tax in Ontario was introduced under Provincial law in 2017
  - The legislated parameters are limited and interested municipalities are responsible for designing their own local programs.
  - The first VHT's expected to be levied in 2023 by Toronto, Ottawa and Hamilton.
- Halton, along with a number of other Greater Toronto Area (GTA) municipalities are currently exploring their own VHT options.

# Status of Vacant Homes Tax in Halton Region

- Halton Region began to examine the potential opportunities and implications of a Vacant Homes Tax in 2021.
- A high-level feasibility study determined that a VHT could be a viable option for advancing the following core objectives:
  - Increasing housing supply by encouraging owners of vacant homes to rent, sell, or occupy the home; and
  - Revenues generated could be used to support affordable and assisted housing needs of Halton residents.

# Poll Question

***There are a significant number of vacant homes in Halton that are contributing to a shortage of available housing.***

***Do you:***

- Strongly Agree
- Agree
- Neither Agree Nor Disagree
- Disagree
- Strongly Disagree

# Vacant Homes Tax Features and Functions

Explanation of Program Elements and Options

# Vacant Homes Tax Design Elements

- Municipalities that wish to impose a VHT must design their own programs sensitive to local priorities, circumstances, and goals.
- The core design elements we will be discussing today include the following.

|                            |   |
|----------------------------|---|
| <b>Eligible Properties</b> | The types of property that will be taxed if they are deemed vacant.                 |
| <b>Vacancy Test</b>        | The conditions and rules that will determine when the VHT will be applied.          |
| <b>Taxpayer Reporting</b>  | The taxpayer's role in reporting the status of their property (vacant or occupied). |
| <b>Rate of Taxation</b>    | The tax rate to be applied to eligible properties.                                  |

# Eligible Properties

- VHT can only be levied against vacant **Residential Units** in property classified as **Residential** for traditional property tax purposes.
- Not all properties that people live or stay in meet these criteria.

| Meet Basic Criteria                         |
|---|
| Detached, Semi-Detached and Townhomes       |
| Residential Condominiums                    |
| Seasonal, Recreational & Waterfront Homes   |
| Farm Houses                                 |
| Rental Complexes with < 7 Units             |
| Boarding House/Group Home (Entire Property) |

| Do Not Meet Basic Criteria                  |
|---|
| Rental Complexes with 7 or More Units       |
| Living Space in Group Home & Boarding House |
| Dormitories                                 |
| Business Suite Style Hotel                  |
| Homes Converted to Business Use             |
| Vacant Residential Land (no buildings)      |

- Municipalities must decide which of the allowable property types will be included in their VHT programs.



# What will be Considered Vacant & Taxable?

- Once we establish what properties will be eligible for the tax *if they become vacant*, we must define when a property will be deemed *vacant and taxable*.
- As we expect vacant properties to be the exception rather than the rule, an effective starting point is establishing a definition of occupied, or not vacant.
- A clear and objective definition of **Occupied** will simplify the exercise of determining a property's taxable status for most property owners.
  - Generally speaking, properties that serve as a primary and regular residence will be excluded from this tax, regardless of whether the occupant owns or rents the property.

# What will be Considered Vacant & Taxable?

- Starting with a definition of **Occupied** simplifies things greatly and will make it clear for the majority of property owners that the tax does not apply to them.
- There are, however, many reasons a residential property might be unoccupied on a short or longer-term basis.
- Municipalities must set the rules and conditions that determine when a property that is **Not Occupied** becomes **Vacant and Taxable**.
  - There are some obvious/common exclusions such as temporary absences or periods where a new tenant or owner is being sought.
  - There are other circumstances that may not be as clear-cut.

# Exemptions of Other Municipalities

| Toronto                                  | Ottawa  | Vancouver   | Hamilton                                  |
|--|---|---|---|
| Death of the owner                       | Death of the owner                                  | Death of the owner                                  | Death of the owner                        |
| Renovation (6 mo.)                       | Renovation (184 days)                               | Renovation (6 mo.)                                  | Renovations                               |
| Owner is in care                         | Owner is in care (184 days)                         | Owner is in care                                    | Owner is in care                          |
| In case of sale                          | In case of sale                                     | In case of sale                                     | Listed for sale/rent                      |
| Court order                              | Court order   | Court order   | Court order                               |
| Property required for employment (6 mo.) | Cottage rental                                      | Property required for employment (6 mo.)            | Transferred under a non-arm's length sale |
|  | Combination of tenanted and construction/renovation | Combination of tenanted and construction/renovation |   |
|  |   | Unit is prohibited from being rented                |   |
|  |   | Limited use of residential property                 |   |

# Poll Question

***Under what circumstances should an unoccupied property not be taxed as a Vacant Home? Select ALL that apply.***

1. Property has been sold or listed for rent/sale.
2. Home is used occasionally for vacation or business stays.
3. Uninhabitable (renovation, fire, etc.)
4. Property is being operated as a short-term rental (for example, less than a month)
5. Regular occupant is incapable of occupying the property (illness, long-term care, etc.)
6. All of the Above

# When do Properties become Taxable?

## Discussion Themes:

Properties may be unoccupied for a host of reasons.

We may not want the VHT tax to apply under every circumstance.

---

There are also circumstances where a residential property is in use, but not contributing to the housing supply.

E.G., Short Term Rentals

# Taxpayer Reporting

- Another decision municipalities must make is how to identify vacant/taxable properties; including taxpayer roles and responsibilities in the process.
- Most VHT programs rely on taxpayer declarations, which fall into two general categories.

| Universal Approach  |
|---|
| Owners of all eligible properties must actively declare the status of their property.               |
| Those that cannot substantiate occupancy or do not qualify for an exclusion are liable for the tax. |
| Those who fail to declare are also liable for the tax.  |

| Self Assessment Approach   |
|--|
| Declarations must be submitted only by owners of vacant properties   |
| Only those who declare a qualifying vacancy, or who are identified through audit/inspection efforts are liable for taxation. |
| Usually includes provisions for significant penalties / fines for non-reporting.   |

# Poll Question

***Under what circumstances should taxpayers be required to report the occupancy status of their residential property?***

- Universal Declarations filed annually, regardless of whether it is occupied or vacant.
- Self Assessment Declarations filed only for properties that are vacant and eligible to be taxed under the VHT.

# Taxpayer Reporting

## Discussion Themes:

When choosing an approach, municipalities must consider both accuracy/completeness and the effort involved for all parties.

---

Consideration must also be given to how declarations will be made.

(On-Line, Paper Forms, Telephone, Other)



# Rate of Taxation

- When setting VHT tax rates municipalities must weigh a host of strategic considerations, including:
  - The degree to which the resulting tax might encourage an owner to sell or rent their vacant residential property; and
  - The revenue that may be raised by the tax.
- In many ways, this will involve a bit of a balancing act.

# Rate of Taxation

## Discussion Themes

Eligible properties would be taxed using the same Current Value Assessment (CVA) that applies for traditional property tax purposes.

| Typical Property Illustrations | ----- VHT Rate ----- |         |          |          |
|--------------------------------|----------------------|---------|----------|----------|
|                                | 0.5%                 | 1%      | 3%       | 5%       |
| Condominium                    | \$1,900              | \$3,800 | \$11,400 | \$19,000 |
| Town/Semi-Detached             | \$2,500              | \$5,000 | \$15,000 | \$25,000 |
| Detached Home                  | \$3,950              | \$7,900 | \$23,700 | \$39,500 |
| Per 100,000 of CVA             | \$500                | \$1,000 | \$3,000  | \$5,000  |

NOTE: When considering your own property, refer to your tax bill or assessment notice for your current CVA. MPAC's assessments are currently based 2016, not 2022 market values.

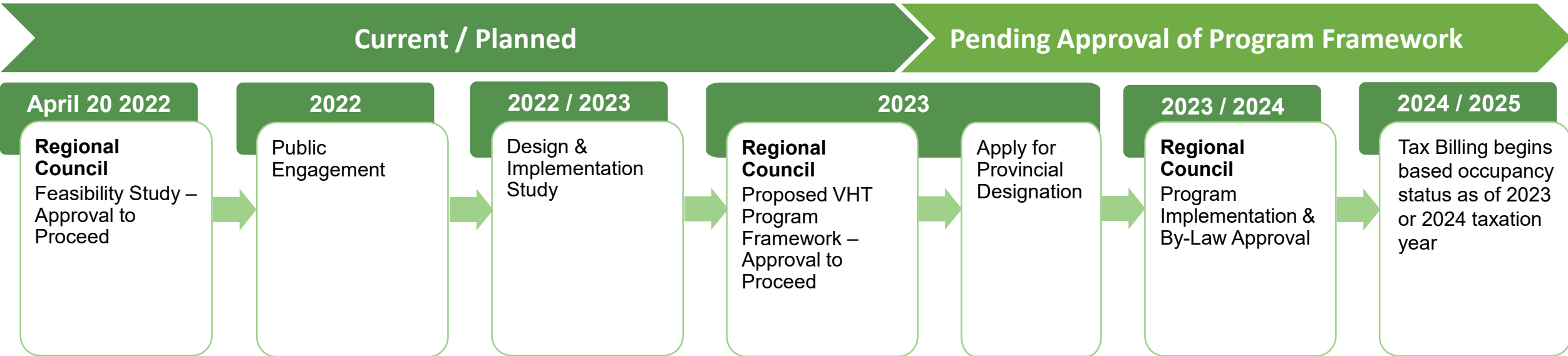
# Poll Question

***Keeping in mind that the first goal of a VHT is to encourage occupancy, what might be a reasonable and effective rate of taxation?***

- 0.5% (\$500 Per 100,000 CVA)
- 1.0% (\$1,000 Per 100,000 CVA)
- 3.0% (\$3,000 Per 100,000 CVA)
- 5.0% (\$5,000 Per 100,000 CVA)

# Question & Answer

# Next Steps



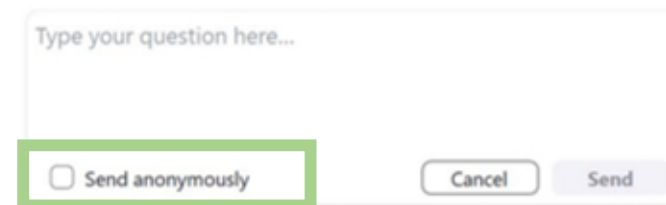
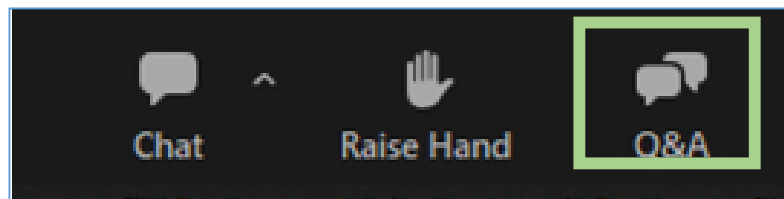
# Further Information & Input Opportunities

- For additional information and to complete the survey please visit the Vacant Homes Tax webpage on [www.Halton.ca](http://www.Halton.ca)
- Please complete the survey by November 30, 2022
- If you have any further questions, please contact us at [VacantHomesTax@halton.ca](mailto:VacantHomesTax@halton.ca)
- If you are on the phone and don't have access to email you can submit questions by calling 311.

# Thank You

# The presentation has ended

If you any questions please enter them by using the Q&A icon at the bottom of your browser window. You have the option to submit questions anonymously

A light gray form with a text input field containing the placeholder text 'Type your question here...'. Below the input field is a checkbox labeled 'Send anonymously', which is highlighted with a green border. To the right of the checkbox are two buttons: 'Cancel' and 'Send'.





## The Regional Municipality of Halton

|             |   |
|-------------|---|
| Report To:  | Regional Chair and Members of Regional Council  |
| From:       | Cyndy Winslow, Commissioner, Finance and Regional Treasurer                                     |
| Date:       | April 17, 2024  |
| Report No.: | FN-12-24  |
| Re:         | Update on the Optional Vacant Homes Tax in Halton Region – Provincial Policy Framework Released |

### Recommendation

THAT staff be authorized to resume work on the study of an optional Vacant Homes Tax program in Halton Region and report back to Council in the Fall of 2024, as set out in Report No. FN-12-24 re: “Update on the Optional Vacant Homes Tax in Halton Region – Provincial Policy Framework Released”.

### Report

#### **Executive Summary**

- On April 20, 2022, staff provided Regional Council with a Vacant Homes Tax feasibility assessment completed by Ernst & Young LLP through Report No. FN-15-22 re: “Optional Vacant Homes Tax in Halton Region”. Regional Council authorized staff to proceed with the study of a proposed Vacant Homes Tax (VHT) in Halton Region, which included undertaking a public engagement to obtain input and feedback from Halton residents and stakeholders.
- On November 28, 2022, the Province announced that they would establish a Provincial-Municipal working group to consult on a Provincial Policy Framework, which would set out the key elements of local vacant home taxes, and facilitate the sharing of information and best practices.
- On November 22, 2023, through Report No. FN-41-23 re: “Optional Vacant Homes Tax in Halton Region Update”, staff provided Council with an update on the work undertaken to date to develop a proposed VHT Program Framework for Halton Region, including the results from the public engagement. At the November 22, 2023 Regional Council meeting, Council passed a motion to amend the report recommendations in Report No. FN-41-23, which included direction to staff to pause the VHT work and for staff to report back to Regional Council once the Provincial Policy Framework is released, or as part of the 2024 Tax Policy report, whichever comes first.

- On March 27, 2024, the Provincial Policy Framework was released, which provides guidelines and recommendations for municipal Vacant Home Taxes.
- With the release of the Provincial Policy Framework, Council authorization is required to resume work on the study of an optional Vacant Homes Tax in Halton Region. If this report is approved, staff will resume work on the study, working closely with the Local Municipalities. Staff will review the Provincial Policy Framework and complete the study, with the assistance of an external consultant, and report back to Council in the Fall of 2024.

## **Background**

On May 17, 2017, *Bill 127 – Stronger, Healthier Ontario Act (Budget Measures), 2017*, received Royal Assent and amended and repealed various legislation to implement the measures in the 2017 Ontario Budget, including the Fair Housing Plan. The *Municipal Act, 2001* (the Act) was also amended and Part IX.1 Optional Tax on Vacant Residential Units was introduced. Under this legislation, interested municipalities were able to seek designation status from the Minister of Finance to be granted the authority to tax vacant residential units in certain circumstances.

On April 20, 2022, through Report No. FN-15-22, staff provided Regional Council with a feasibility assessment completed by Ernst & Young LLP on a potential VHT in Halton Region. Council approved proceeding with the next steps to develop a proposed VHT Program Framework for Halton Region, with the engagement of a third-party consultant, which began with public engagement to obtain input and feedback from Halton residents and stakeholders, followed by a study, to develop the proposed VHT Program Framework for Halton Region.

On November 28, 2022, the Province announced that they would establish a Provincial-Municipal working group to consult on a Provincial Policy Framework, which would set out the key elements of local vacant home taxes, and facilitate the sharing of information and best practices.

On November 22, 2023, through Report No. FN-41-23 re: “Optional Vacant Homes Tax in Halton Region Update”, staff provided Council with an update on the work undertaken to date to develop a proposed VHT Program Framework for Halton Region, including the results from the public engagement. The study is dependent on the Provincial Policy Framework as Halton Region’s proposed VHT Program Framework will include a vacancy definition, eligible property types, the tax rate and exemptions. Without the Provincial Policy Framework, there is a risk of designing a Regional program that is not consistent with the Provincial Policy Framework. At the November 22, 2023 Regional Council meeting, Council passed a motion to amend the report recommendations and directed staff to pause the VHT work and for staff to report back to Regional Council once the

related Provincial Policy Framework is released, or as part of the 2024 Tax Policy report, whichever comes first

In the *2024 Ontario Budget*, released on March 26, 2024, the Province announced the release of the new Provincial Policy Framework to support municipalities by setting out best practices for implementing a Vacant Homes Tax. The Province also announced that it is extending authority broadly to all single- and upper-tier municipalities to impose a municipal tax on vacant homes. Ontario Regulation 143/24 which amends O. Reg. 458/22, released on March 27, 2024, provides authority to all single- and upper-tier municipalities to implement municipal Vacant Home Taxes.

## **Discussion**

On March 27, 2024, the Provincial Policy Framework was released, which provides guidelines and recommendations for municipal Vacant Home Taxes. For municipalities that choose to implement a Vacant Home Tax, the Province expects that they follow the policy intent and recommendations as a measure to increase the supply of housing available in their respective jurisdictions. The framework does not introduce any new requirements related to municipal Vacant Home Taxes.

## **Provincial Policy Framework**

The [Provincial Policy Framework](https://www.ontario.ca/page/municipal-vacant-home-tax#section-2) (<https://www.ontario.ca/page/municipal-vacant-home-tax#section-2>) contains the following elements;

### ***Recommended exemptions and definition of vacancy***

The *Municipal Act, 2001* states that municipal Vacant Home Taxes may apply to residential units that are classified in the residential property class under the *Assessment Act* and are taxable under that act for municipal purposes. Vacant Home Taxes are taxes on assessed value collected under Part X of the *Municipal Act, 2001*.

The framework recommends the following:

- only self-contained residential units that are suitable for residential habitation be subject to Vacant Home Taxes
- no Vacant Home Tax be payable by a property if any of the following circumstances apply:
  - It is a principal residence.
  - It is rented out and occupied as a residence by a tenant for at least 6 months of a taxation year.

- It was owned by a registered property owner who has died in the applicable reference (occupancy) year / tax year.
- It is owned by a registered property owner who is in care (for example, institutionalized or hospitalized).
- Ownership of the property was transferred in the reference year / tax year.
- It is undergoing major redevelopment or renovations that, in the judgement of the municipality, are being pursued within a reasonable timeframe.
- It is subject to a court or municipal order prohibiting occupancy and the owner has made reasonable efforts to remedy the circumstances that led to the order.
- It is a seasonal property.
- It is otherwise uninhabitable for reasons beyond the owner's control.
- Other circumstances identified by a municipality as representing an appropriate use of a residential property (for example, a municipality may wish to exempt properties required for occupation for employment purposes).

### ***Tax rate***

Neither the applicable legislation nor the Provincial Policy Framework set out any requirements related to the tax rate for Vacant Home Taxes. The province indicates that it will work with municipalities to explore ways of identifying foreign-owned vacant homes, and encourage imposing a higher Vacant Home Tax rate on such properties.

### ***Tax year, tax collection and administration***

The framework recommends that a municipality imposing a Vacant Home Tax should establish a process for confirming the occupancy status of properties in the reference year. Vacant Home Taxes should be imposed on the Current Value Assessment of properties in the reference year during which occupancy status is determined.

### ***Appeals and dispute resolution***

The framework recommends that a municipality imposing a Vacant Home Tax should establish processes for appeals and dispute resolution related to the imposition of Vacant Home Taxes.

## ***Public consultations***

The framework recommends that a municipality seeking to impose a Vacant Home Tax should conduct consultations on the implementation of potential Vacant Home Taxes. It is further recommended that the feedback received and results of these consultations be shared with the province to help inform best practices going forward.

## ***Annual reporting***

In order to support evidence-based evaluation of outcomes, the framework recommends that a municipality imposing a Vacant Home Tax should include data related to its Vacant Home Tax in its annual Financial Information Return (FIR). The FIR provides a standardized reporting of a municipality's financial activities in the previous fiscal year (January to December) and must be submitted by municipalities annually to the Ministry of Municipal Affairs and Housing.

## ***Upper tier and lower tier responsibilities***

In the case of municipalities with an upper tier and lower tier system of government, as is the case in Halton Region, the framework recommends as a best practice that:

- upper tiers receive supportive statements or endorsements from lower tiers, including approaches to ensuring that lower tiers will be able to retain revenues sufficient to offset their costs of Vacant Home Tax collection and administration
- upper tiers be responsible for setting out key aspects of a Vacant Home Tax, such as rates and definition of vacancy
- upper tiers adopt Vacant Home Tax bylaws that specify in which lower tiers the Vacant Home Tax will be in effect, and in which lower tiers it would not be

## **Municipal Scan**

Staff continue to monitor the VHT status in surrounding municipalities. The following table highlights jurisdictions across Ontario that have implemented VHT, are considering implementation or have opted not to implement the VHT.

**VHT Municipal Scan (as of March 28, 2024)**

| <b>Municipality</b>           | <b>Feasibility Study</b> | <b>Framework Approval</b> | <b>Minister of Finance Approval<sup>2</sup></b> | <b>Effective Date</b>         | <b>Tax Collection Year</b> |
|-------------------------------|--------------------------|---------------------------|---|-------------------------------|----------------------------|
| City of Toronto               | 2017 – 2021              | December 2021             | Not Applicable <sup>1</sup>                     | 2022                          | 2023                       |
| City of Ottawa                | 2020 – 2021              | March 2022                | May 2022  | 2022                          | 2023                       |
| City of Hamilton <sup>3</sup> | 2019 – 2022              | February 2022             | May 2022  | To be determined <sup>3</sup> |                            |

| Municipality    | Feasibility Study   | Framework Approval  | Minister of Finance Approval <sup>2</sup> | Effective Date   | Tax Collection Year |
|-----------------|---|---|---|------------------|---------------------|
| City of Guelph  | Staff at the City of Guelph took a report to its Council on September 22, 2023, recommending not to move forward with the vacant homes tax, citing that it was unlikely to generate either the necessary revenue gains or fulfill the City's anticipated policy and economic goals.   |   |   |                  |                     |
| City of London  | Staff at the City of London are currently working with a consultant to perform a feasibility study regarding a vacant home tax. Completion of the study and reporting to council are scheduled for May 2024.  |   |   |                  |                     |
| City of Windsor | 2021 - 2023   | November 2023   | Not Applicable                            | 2023 (Projected) | 2024 (Projected)    |
| Durham Region   | Based on a review of water consumption data, there does not appear to be a significant number of vacant residential properties in the Region (under 0.4%) to warrant the administrative costs of developing and implementing a vacant home property tax in Durham at this time.   |   |   |                  |                     |
| Niagara Region  | Niagara Region did not implement a vacant home tax, rather it was determined that the Local Area Municipalities were more suited to develop and implement the tax policy. To date, the City of St. Catharines has reported to be investigating the VHT.   |   |   |                  |                     |
| Peel Region     | On June 8, 2023, the Province passed <i>Bill 112, The Hazel McCallion Act, 2023</i> , which planned to dissolve Peel Region on January 1, 2025. On July 6, 2023, Peel Region paused the vacant homes tax implementation due to the uncertainty of Bill 112.   |   |   |                  |                     |
| Waterloo Region | Staff at Waterloo Region decided not to take a Regional program to its Council. The City of Kitchener undertook a feasibility study for their local municipality only. Based on the results of the study, Kitchener decided not to move forward.  |   |   |                  |                     |
| York Region     | <ul style="list-style-type: none"> <li>- On May 4, 2023 York Region approved the deferral of the Vacant Home Tax to ensure alignment with the Provincial Policy Framework and the use of more updated cost and benefit estimates based on the current economic and legislative environment.</li> <li>- In November 2023, York Region decided not to proceed with the implementation of a Vacant Home Tax, based on an updated analysis demonstrating that the Vacant Home Tax would not be financially self-sustaining. York Region may revisit the Tax as a potential policy option through its forthcoming Affordable Housing Implementation Plan.</li> </ul> |   |   |                  |                     |
| Halton Region   | 2021 - 2022   | At the November 22, 2023 Council meeting, through Report No. FN-41-23, Regional Council directed Staff to pause work on the study, pending the release of the Provincial Policy Framework |   |                  |                     |

<sup>1</sup> The Provincial government amended the *City of Toronto Act, 2006*, in 2017 allowing the City of Toronto to impose an optional tax on vacant residential units.

<sup>2</sup> As announced through the *2024 Ontario Budget* on March 26, 2024, approval for designation from the Minister of Finance to be granted authority to impose a tax on vacant residential units is no longer required. Effective March 27, 2024, the Province has extended authority to all single- and upper-tier municipalities to impose a municipal tax on vacant homes.

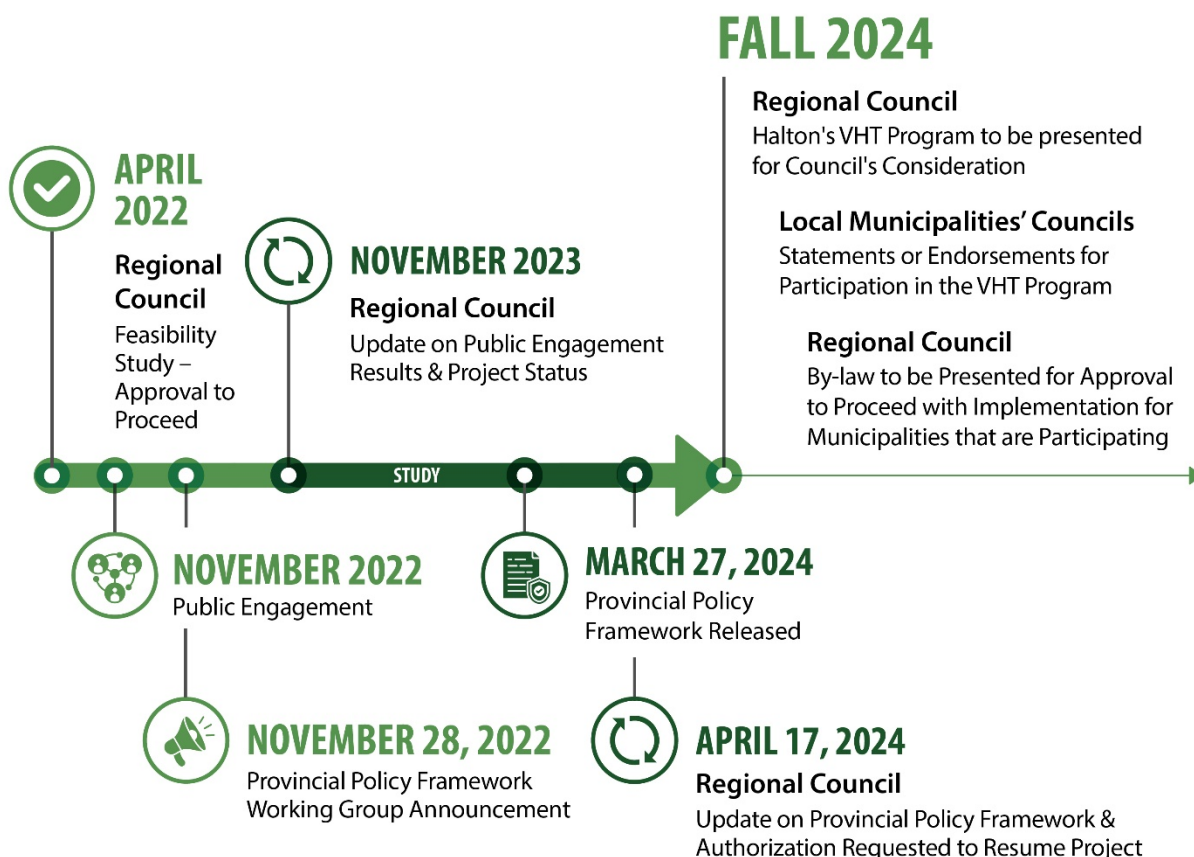
<sup>3</sup> The City of Hamilton did not proceed with the Vacant Units Tax in 2024 (2023 vacancy year). The City's approval of a By-law is needed in order to implement the Vacant Units Tax, however the timing for this is not known at this time.

**Next Steps**

Upon approval of this Report, Regional Staff will resume work on the study of an optional Vacant Homes Tax in Halton Region, which will entail working closely with the Local Municipalities to design the program, update revenue and cost projections, and develop potential implementation timelines. Staff will review the Provincial Policy Framework and complete the study, with assistance of an external consultant.

As recommended in the Provincial Policy Framework, Halton Region's proposed VHT Program will include opportunity for the Local Municipalities to review and determine support to opt-in.

A timeline of the work undertaken to-date and next steps is provided below. Staff anticipate reporting back in the Fall of 2024 with Halton Region’s proposed VHT program and implementation timeline for Council’s consideration. Subject to Council’s approval of a VHT Program in Halton Region, participation will be dependent on Halton Region receiving supportive statements or endorsements from the respective Councils of the Local Municipalities. A Regional By-law would then need to be approved to proceed with implementation for Municipalities that are participating. Please note: With the legislative changes made as a result of the 2024 Provincial Budget, there is no longer a requirement for municipalities to submit for Provincial designation; upper and single tier municipalities have been given the authority to impose a vacant homes tax through passing a municipal by-law.



## Financial/Program Implications

The 2024 Operating Budget includes funding to support work on the study of an optional Vacant Homes Tax in Halton Region.

Respectfully submitted by,

Debbie Symons  
Director, Budgets and Tax Policy

Cyndy Winslow  
Commissioner, Finance and  
Regional Treasurer

Approved by,

Jane MacCaskill  
Chief Administrative Officer

If you have any questions about the content of this report, please contact:  
Debbie Symons, Director, Budgets and Tax Policy

Attachments:  
None

Additional Information:

The sources listed below are for supplemental information and reference only. Halton Region is not responsible for the currency, accuracy, or legality of the content from any external links.

N/A





## The Regional Municipality of Halton

|             |   |
|-------------|---|
| Report To:  | Regional Chair and Members of Regional Council              |
| From:       | Cyndy Winslow, Commissioner, Finance and Regional Treasurer |
| Date:       | October 23, 2024  |
| Report No.: | FN-26-24  |
| Re:         | Halton Regional Optional Vacant Home Tax Program            |

### Recommendation

1. THAT Regional Council receive the requests from the following Local Municipalities to be excluded from a Vacant Homes Tax program;
  - a. Town of Milton through Report No. ES-009-24, dated May 13, 2024
  - b. Town of Halton Hills through Report No. CS-2024-015, dated June 17, 2024
  - c. City of Burlington through Report No. F-27-24, dated September 17, 2024
2. THAT the Regional Clerk forward a copy of Report No. FN-26-24 to the City of Burlington, the Town of Halton Hills, the Town of Milton, and the Town of Oakville for their information.

### Report

#### **Executive Summary**

- On April 20, 2022, staff provided Regional Council with a Vacant Homes Tax feasibility assessment completed by Ernst & Young LLP (EY) through Report No. FN-15-22 re: "Optional Vacant Homes Tax in Halton Region". Regional Council authorized staff to proceed with a study of a proposed Vacant Homes Tax (VHT) in Halton Region, which included undertaking a public engagement to obtain input and feedback from Halton residents and stakeholders.
- On March 27, 2024, the Provincial Policy Framework was released, which provides guidelines and recommendations for municipal Vacant Home Taxes. The Province also announced that it is extending authority broadly to all single- and upper-tier municipalities to impose a municipal tax on vacant homes.
- The Provincial Policy Framework recommends in the case of municipalities with an upper tier and lower tier structure, that upper tiers receive supportive statements or endorsements from lower tiers to participate in the VHT program.

- This report provides Regional Council with the findings of the study that was completed by EY on an optional Vacant Homes Tax Program in Halton Region, and provided through attachments #4, #5, #6 and #7 to this report.
- The following Local Municipalities have approved resolutions that they be excluded from any potential by-laws that would implement a vacant home tax within their respective municipalities:
  - Attachment #1: The Town of Milton through Report No. ES-009-24, approved on May 13, 2024
  - Attachment #2: The Town of Halton Hills through Report No. CS-2024-015, approved on June 17, 2024
  - Attachment #3: The City of Burlington through Report No. F-27-24, approved on September 17, 2024
- Should the Council of the Town of Oakville approve to implement a Vacant Homes Tax, it will be required to provide a supportive statement to Halton Region indicating its participation in the program.
- To proceed with implementation of a vacant homes tax for any Municipalities that are participating, a Regional By-law would need to be approved which would provide the authority to impose the vacant home tax, specify in which lower tier(s) the VHT applies, and set out the tax rate and vacancy definition. The Local Municipality's Council approved Vacant Home Tax program would be included with the Regional By-law as an attachment.

## Background

On May 17, 2017, *Bill 127 – Stronger, Healthier Ontario Act (Budget Measures), 2017*, received Royal Assent and amended and repealed various Acts to implement the measures in the 2017 Ontario Budget, including the Fair Housing Plan. The *Municipal Act, 2001* was also amended and Part IX.1 Optional Tax on Vacant Residential Units was introduced. Under this legislation, interested municipalities may tax vacant residential units in certain circumstances.

At Regional Council on April 20, 2022, staff provided Council with a feasibility assessment completed by EY (Report No. FN-15-22, re: Optional Vacant Homes Tax in Halton Region) on a VHT in Halton Region. Based on the results of the feasibility assessment, Council authorized staff to proceed with a study of a proposed Vacant Homes Tax in Halton Region, which included undertaking a public engagement to obtain input and feedback from Halton residents and stakeholders. The results of the

public engagement were provided to Council through Report No. FN-41-23 re: “Update on Optional Vacant Home Tax in Halton Region”.

On November 28, 2022, the Province announced that they would establish a Provincial-Municipal working group to consult on a Provincial Policy Framework, which would set out the key elements of local vacant home taxes, and facilitate the sharing of information and best practices. On March 27, 2024, the Provincial Policy Framework was released, which provides guidelines and recommendations for municipal vacant home taxes. The Province also announced that it is extending authority broadly to all single- and upper-tier municipalities to impose a municipal tax on vacant homes. Ontario Regulation 143/24 which amends O. Reg. 458/22, released on March 27, 2024, provides authority to all single- and upper-tier municipalities to implement municipal Vacant Home Taxes.

On April 17, 2024 through Report No. FN-12-24 re: “Update on the Optional Vacant Homes Tax in Halton Region – Provincial Policy Framework Released”, staff provided an update to Council on the policy framework. The Provincial Policy Framework provides high-level recommendations related to:

- Exemptions and the definition of vacancy;
- Tax rates;
- Tax year, tax collection and administration;
- Appeals and dispute resolution;
- Public consultations; and
- Annual reporting.

In the case of municipalities with an upper tier and a lower tier system of government, it also recommends as best practice that:

- Upper tiers receive supportive statements or endorsements from lower tiers, including approaches to ensuring that lower tiers will be able to retain revenues sufficient to offset their costs of Vacant Home Tax collection and administration;
- Upper tiers be responsible for setting out key aspects of a Vacant Home Tax, such as rates and definition of vacancy; and
- Upper tiers adopt Vacant Home Tax by-laws that specify in which lower tiers the Vacant Home Tax will be in effect, and in which lower tiers it would not be.

With the assistance of an external consultant, EY, Regional Staff worked closely with the Local Municipalities to complete the study of an optional Vacant Homes Tax in Halton Region, which entailed developing the design of the program, incorporating the

Provincial Policy Framework, updating revenue and cost projections, and developing potential implementation timelines.

## **Discussion**

### **Vacant Homes Tax Study**

The original scope of the study entailed developing a VHT program based on all four local municipalities participating in the program. A program framework, financial analysis, and an implementation plan was developed by EY for this scenario, based on the experiences and best practices observed in other municipalities which have implemented VHT programs. The universal declaration method was recommended through the study, as it is the leading practice in Canadian municipalities that have implemented a VHT, and supports robust risk mitigation, improved audit and compliance effectiveness, and offers an accessible peer group to support continuous improvement. A hybrid administration model was recommended through the study, which included program implementation and administration undertaken by Halton Region, with billing and collection of taxes occurring at the local municipality level. Full details of this scenario can be found in attachments #4, #5 and #6 of this report.

The scope of the engagement was expanded to include an additional scenario which considers a VHT program implemented by a local municipality. This additional scenario was developed based on the design of the original scenario, incorporating the recommendations from the Provincial Policy Framework, and adjusted to reflect a local municipality implementation based on data and cost estimates provided by the Town of Oakville. The full details of this additional scenario can be found in attachments #5 and #6 of this report.

A Halton Region-implemented Vacant Homes Tax program is no longer a viable scenario at this time, as the Towns of Milton and Halton Hills, and the City of Burlington have approved resolutions to be excluded from any potential by-laws that would implement a Vacant Home Tax within their municipalities at this time.

Without the participation of all four local municipalities, there are financial and operational limitations of a Halton-implemented program which make it not feasible from an administration or cost perspective. Challenges with a Regional implementation without the participation of all four Local Municipalities include:

- The EY study projected one-time implementation costs of \$1.6 million and average annual operating costs of \$4.1 million for a Halton-implemented Vacant Homes Tax program with all four local municipalities participating (details can be found in

attachment #5 to this report). The cost of administration for a Halton-implemented program requires the revenues and economies of scale achieved through the participation of all four local municipalities in order to be financially viable.

- Costs would be incurred for additional FTEs as a result of the increased manual effort due to the lack of system integration between the Region and Local Municipalities, thus increasing operating costs and reducing overall net revenues relative to a program implemented by a local municipality.
- Challenges in implementing and communicating the program to residents, due to the mixed participation of local municipalities, which may result in public confusion and financial implications due to additional customer service staff required, and significant amounts of late or missed declarations and resulting false vacancies.
- Challenges with ensuring that the implementation and annual operating costs that would be incurred through a Halton-implemented model do not impact the tax payers of the local municipalities that are not participating in the VHT program.
- Challenges with the allocation and utilization of net revenues. In a Halton-implemented program, the net revenues would be managed by the Region to support Regional housing priorities and initiatives, which may not align with the objectives of the Local Municipality.

Therefore this report focuses on the implementation and administration of the program undertaken by a local municipality.

## **Vacant Homes Tax Study: Local Municipality-Implemented Program**

### Halton Region By-law Requirements

As per the *Municipal Act, 2001*, s. 338.2, in order to implement a Vacant Homes Tax, Halton Region would be required to approve a by-law annually which would provide the authority to impose the vacant home tax, specifies in which lower tier(s) the VHT applies, and sets out the tax rate and vacancy definition.

#### **1. Tax Rate**

When designing the VHT, the selection of the tax rate to charge is an important component. The neighbouring municipalities in Ontario that are planning to or have implemented a VHT are generally starting with a tax rate of 1.0% of the assessed value. This tax rate would be levied annually against the property's assessed value and would be in addition to the residential property tax rate. The study considered a range of possible tax rates and estimated revenues, as outlined in attachment #5 to this report.

Neither the applicable legislation nor the Provincial Policy Framework set out any requirements related to the tax rate for Vacant Home Taxes. The Province encourages imposing a higher tax rate on foreign-owned vacant homes, and has indicated that it will work with municipalities to explore ways of identifying such properties.

Halton Region, as the upper-tier Municipality, would be responsible for approving the VHT tax rate annually through a Regional by-law. Regional staff would consult with staff at the local municipalities that choose to implement a VHT to determine the recommended tax rate that would be applied for all participating municipalities for Regional Council's approval.

## **2. Vacancy Definition**

The *Municipal Act, 2001* states that municipal Vacant Home Taxes may apply to residential units that are classified in the residential property class under the *Assessment Act* and are taxable under that act for municipal purposes. Vacant Home Taxes are taxes on assessed value collected under Part X of the *Municipal Act, 2001*.

The Provincial Policy Framework recommends that only self-contained residential units that are suitable for residential habitation and are occupied for less than 6 months (183 days) of the year be subject to Vacant Home Taxes.

The Vacancy Definition recommended by the EY study, which aligns with the Provincial Policy Framework, and was endorsed by the Area Treasurers is "unoccupied for at least 183 days within the reference period, with no single occupancy for less than 30 days".

### Vacant Home Tax Program Components Approved by the Local Municipality

The study undertaken by EY provides a recommended program framework which aligns with the Provincial Policy Framework, and best practices experienced in other municipalities that have implemented VHT programs. If a Local Municipality wishes to implement a VHT program, it has the discretion to utilize the external consultant work undertaken to date and recommendations provided through the study, or to develop a program which best supports local priorities and objectives.

The Local Municipality would be responsible for developing and implementing the following program components:

1. Approving a VHT Program which defines the eligible properties, exemptions from the tax, reference period, audit & inspection powers, and dispute resolution mechanisms.
2. Development and implementation of processes including communication, declarations, billing & collections, audit & compliance, customer service, and reporting.

3. Administering the revenues, program costs, and allocation of net revenues.

The program components will be described in further detail below.

#### **1. Approving a VHT Program, which defines:**

- *Eligible properties:* The study recommends that eligible properties include all properties in the residential class that can be occupied on a year-round basis, and that Life lease & Co-op, Multi-unit and Special Residential properties be taxed on the whole property rather than on a per unit basis, and condos under development not be eligible for VHT until the condo has been registered and individual units have their own roll number and assessment.
- *Exemptions from the tax:* The study and Provincial Policy Framework recommend the following exemptions:
  - Principal residences
  - It was owned by a registered property owner who has died in the applicable reference (occupancy) year / tax year
  - It is owned by a registered property owner who is in care (for example, institutionalized or hospitalized)
  - Ownership of the property was transferred in the reference year / tax year
  - It is undergoing major redevelopment or renovations that, in the judgement of the municipality, are being pursued within a reasonable timeframe
  - It is subject to a court or municipal order prohibiting occupancy and the owner has made reasonable efforts to remedy the circumstances that led to the order
  - It is a seasonal property that is not inhabitable on a year-round basis
  - It is otherwise uninhabitable for reasons beyond the owner's control
- *Reference (occupancy) period:* As recommended in the Provincial Policy Framework, Vacant Home Taxes should be imposed on the Current Value Assessment of properties in the reference year during which occupancy status is determined. Setting the reference period to a calendar year basis aligns with property tax calculation and collection schedules in the local municipalities
- *Audit and inspection powers of the municipality:* Authority of the municipality to perform audits and request information or evidence to support declarations and occupancy status.
- *The establishment and use of dispute resolution mechanisms:* The Provincial Policy Framework recommends that a municipality imposing a Vacant Home Tax should establish processes for appeals and dispute resolution related to the imposition of Vacant Home Taxes.

The Local Municipality's approved VHT program would be referenced in the Regional By-law as an attachment.

## 2. Development and Implementation of Processes:

- *Communications:* To achieve a high compliance rate on program launch, jurisdictions such as Vancouver have engaged in proactive outreach prior to and during the declaration process. This includes using multiple communication channels and media, establishing in-person activities for accessibility, and conducting outbound engagement through call centres.
- *Declarations:* There are various declaration methods that municipalities can use to identify the homes that are eligible to be taxed. These include:
  - Universal Declaration: the most commonly used method thus far, which requires all property owners in the municipality to declare the vacancy status of their property each year;
  - Self Declaration/Declaration by Exemption: requires only those that fit the vacancy definition to declare their property as vacant each year;
  - Complaint-based: relies on complaints or tips received to identify potentially vacant homes.

The EY study recommends the universal declaration method, as it is the leading practice in Canadian municipalities that have implemented a VHT, and supports robust risk mitigation, improved audit and compliance effectiveness, and offers an accessible peer group to support continuous improvement.

EY have prepared a supplementary report, which is included as attachment #7 to this report, which provides a comparison of vacant home tax declaration methods.

A dedicated system will be required to enable declaration and audit functions. For local municipalities that choose to implement a VHT, they would be responsible for identifying systems that best fit their specific needs, potentially including CentralSquare or other third-party software.

- *Billing & Collections:* It is anticipated that the local municipal tax collection software (CentralSquare) may be configured to support VHT billing and collections. The Local Municipalities are in various stages of transitioning to using CentralSquare as their tax billing and collection system. The relevant tax procedures and processes would need to be updated to reflect the implementation of a VHT, and new processes would need to be developed to support the identification and tracking of late and outstanding declarations and payments.
- *Audit & Compliance:* The audit and compliance process is an important function to ensure the success of the VHT program, and the level of staff required to support



this function will depend on the number of exemptions and declarations received, and the desired compliance rate. A dedicated declaration and audit system will be required to collect documentation and evidence to support declarations, and track the audit function. A dispute resolution process will also need to be established to resolve disputes related to the VHT.

- *Customer Service:* A dedicated communications plan for a VHT program would need to be developed, to proactively inform residents prior to and during the implementation of a VHT program. Trained staff would be required to handle incoming queries, and systems and platforms would be required to address VHT-related communications.
- *Reporting:* The Provincial Policy Framework recommends that a municipality imposing a Vacant Home Tax should include data related to its Vacant Home Tax in its annual Financial Information Return (FIR), in order to support evidence-based evaluation of outcomes.

The EY study provides detailed processes and an implementation plan for an optional VHT program, outlined in attachments #4 and #6 to this report.

### **3. Revenues, Program Costs, and Allocation of Net Revenues**

In the case of a local municipality-implemented VHT program, the local municipality would receive the revenues, be responsible for the implementation and ongoing program costs, and for the allocation and utilization of net revenues.

#### **Financial Analysis**

For the financial model, the estimated number of vacant homes was derived using the latest available aggregate water consumption data. This estimate was then adjusted to reflect the projected number of eligible vacant homes, taking into account possible exemptions, and based on experience to date derived from the City of Vancouver. As shown in Table 1 below, the financial model projected a total estimate of 816 vacant homes in the Region. This estimate is lower than the estimate of 985 eligible vacant units that was derived through the Feasibility Assessment undertaken in 2022 (FN-15-22), likely due to changes in housing market conditions over the past several years. High interest rates have raised home ownership costs, therefore reducing the financial return on homes held vacant. Low or negative housing price inflation further reduces financial returns on vacant homes and may incentivize owners to seek additional returns through renting or limit losses through sale. Lastly high rental price growth can contribute to strengthening the incentive to place units on the rental market.

**Table 1: Estimated Eligible Vacant Homes**

|   | <b>Burlington</b> | <b>Halton Hills</b> | <b>Oakville</b> | <b>Milton</b> | <b>Total</b> |
|---|-------------------|---------------------|-----------------|---------------|--------------|
| Feasibility Assessment, April 2022        | 265               | 45                  | 420             | 255           | 985          |
| <b>Implementation Study, October 2024</b> | <b>258</b>        | <b>45</b>           | <b>332</b>      | <b>181</b>    | <b>816</b>   |
| Change                                    | -7                | 0                   | -88             | -74           | -169         |

Revenue estimates were developed by EY’s financial model using key inputs and assumptions provided by Regional data and EY’s analysis of the experience of the City of Vancouver. Based on these assumptions, housing supply, and an estimate of 332 eligible vacant properties in the Town of Oakville, EY’s model projected average annual revenues of \$2.8 million for the first 10-years of the program with a 1% tax rate, comprised of \$2.76 million in tax levy revenues and \$0.07 million in penalty revenues.

Cost estimates for administering a VHT program in a local municipality include one-time implementation costs and annual operating costs. The EY financial model, provided as attachment #5 to this report, calculated cost estimates based on data provided by the Town of Oakville and observed annual auditor capacity from other municipalities. The cost of implementing a declaration and audit system was based on an estimated Regional system cost; the cost for a declaration and audit system will vary by municipality. The estimate derived by EY for additional staffing is based on leading practices in implementing VHT programs in other jurisdictions. Based on these assumptions, the housing supply and estimated number of vacant properties in the Town of Oakville, it is estimated that a total of 14 FTEs would be required to administer the program, including:

- 9 FTEs to support Audit & Compliance
- 3 FTEs to support Operations
- 1 FTE to provide Customer Service, and
- 1 FTE to support the overall management of the program.

There may be capacity within a local municipality’s existing operations to absorb some of these functions, and it is recommended that further analysis be undertaken by a local municipality that chooses to implement a VHT to determine the incremental FTE requirement.

It is estimated that the implementation costs would be approximately \$1.6 million, with average annual costs to operate the program estimated to be \$2.2 million as shown in Table 2 below.

**Table 2: Estimated Costs Summary**

| <b>\$Millions</b>  | <b>Implementation Costs</b> | <b>Average Annual Operating Costs</b> |
|--|-----------------------------|---------------------------------------|
| Declaration and Audit Systems*                                     | \$1.0                       |                                       |
| Other Costs (Business Support, Public Consultations, Project Team) | \$0.5                       |                                       |
| Contingency  | \$0.1                       |                                       |
| Staffing (14 FTEs)   |                             | \$2.1                                 |
| Annual software licence fees*                                      |                             | \$0.1                                 |
| <b>Total</b>   | <b>\$1.6</b>                | <b>\$2.2</b>                          |

\*Estimate based on Regional system cost. Local system cost estimate will vary by municipality

Table 3 below illustrates the estimated average annual net revenues projected for the program of \$0.6 million, after deducting the estimated annual operating costs of \$2.2 million. The model estimates that the number of vacant homes required to break even annually is approximately 220, not including the implementation costs that would need to be recovered. However it is important to note that the estimated breakeven number is based on the average assessment value of residential properties in the Town of Oakville, and the actual breakeven number will vary as a result of the actual assessment values of vacant homes experienced. It is expected that the implementation costs, which are estimated to be \$1.6 million, would be recovered from the net revenues of the program, with a payback period of less than 3 years.

**Table 3: Summary of Annual Net Revenues**

| <b>Estimated Average Annual Net Revenues (\$Millions)</b> |              |
|---|--------------|
| Total Average Annual Revenues                             | \$2.8        |
| Annual Operating Costs                                    | \$2.2        |
| <b>Net Revenues</b>                                       | <b>\$0.6</b> |
| Estimated Number of Vacant Homes Required to Break Even   | 220          |
| Estimated Payback Period for Implementation Costs         | 2.7 Years    |

Full details of EY’s financial analysis can be found in attachment #5 to this report. It is important to note that the Town of Oakville would need to undertake a detailed review of the cost estimates (implementation and annual operating) derived by the EY study to yield a financial model that reflects the Town’s specific system requirements, staffing and cost estimates. The Towns of Milton and Halton Hills, and the City of Burlington have approved resolutions to be excluded from any potential by-laws that would implement a Vacant Home Tax within their municipalities at this time. Additional

financial analysis would be required for each of these local municipalities should they choose to implement a VHT in the future.

## **Municipal Scan**

Staff continue to monitor the VHT status, and learn from the experiences of surrounding municipalities that have implemented a VHT.

The City of Toronto [reported](#) significant challenges related to its Vacant Home Tax declaration process for the 2023 taxation year. The VHT declaration rate for the second year of the program was considerably lower than the declaration rate for its first year, which resulted in over 167,000 properties that were deemed vacant following the March 15, 2024 deadline. The City noted that challenges were experienced related to communicating the requirement to declare property status on an annual basis, coupled with implementation challenges associated with the program design. To address these challenges, the City will be implementing the following [updates](#) to its program for the 2024 taxation year:

- Updating its declaration process to include a longer declaration period
- Implementing a revamped, user-friendly portal to declare occupancy status
- Providing property owners with confirmation of declaration by email, or a confirmation number if declaring by phone
- Introducing a dedicated Customer Care Centre enabling homeowners to declare by phone with support available in 180 languages. Homeowners will also have the option to submit their declarations in person at Toronto City Hall and civic centres.
- Continuing to waive the late declaration fee, although this may be reinstated in future years based on the success of the VHT program redesign.
- Updating the process for issuing Vacant Home Tax bills to a more data-driven approach, allowing the City's CFO to delay sending bills if the overall declaration rate falls short of expectations.

The following tables highlight jurisdictions across Ontario that have implemented VHT, are considering implementation or have opted not to implement the VHT.

## VHT Municipal Scan (as of September 27, 2024)

| <b>Municipalities that have Approved the Implementation of VHT</b> |                          |                           |                       |                            |                                    |
|--|--------------------------|---------------------------|-----------------------|----------------------------|------------------------------------|
| <b>Municipality</b>  | <b>Feasibility Study</b> | <b>Framework Approval</b> | <b>Effective Date</b> | <b>Tax Collection Year</b> | <b>Declaration Method</b>          |
| City of Toronto  | 2017 – 2021              | December 2021             | 2022                  | 2023                       | Universal                          |
| City of Ottawa   | 2020 – 2021              | March 2022                | 2022                  | 2023                       | Universal                          |
| City of Hamilton   | 2019 – 2022              | February 2022             | 2024                  | 2025                       | Universal                          |
| City of Windsor  | 2021-2023                | November 2023             | 2024                  | 2025                       | Self-Declaration / Complaint Based |
| City of Sault Ste. Marie   | 2023-2024                | April 2024                | 2024                  | 2025                       | Complaint Based                    |

| <b>Municipalities that are Considering, or have Opted not to Implement a VHT</b> |   |
|--|---|
| City of Guelph   | Staff at the City of Guelph took a report to its Council on September 22, 2023, recommending not to move forward with the vacant homes tax, citing that it was unlikely to generate either the necessary revenue gains or fulfill the City's anticipated policy and economic goals.   |
| City of London   | On July 23, 2024, the City of London approved a recommendation to take no further action towards the implementation of a Vacant Home Tax using the mandatory declaration model, and further investigate alternative strategies to reduce the number of vacant residential units.  |
| Durham Region  | Based on a review of water consumption data, there does not appear to be a significant number of vacant residential properties in the Region (under 0.4%) to warrant the administrative costs of developing and implementing a vacant home property tax in Durham at this time.   |
| Niagara Region   | Niagara Region did not implement a vacant home tax, rather it was determined that the Local Area Municipalities were more suited to develop and implement the tax policy. To date, the City of St. Catharines has reported to be investigating the VHT.   |
| Peel Region  | On June 8, 2023, the Province passed <i>Bill 112, The Hazel McCallion Act, 2023</i> , which planned to dissolve Peel Region on January 1, 2025. On July 6, 2023, Peel Region paused the vacant homes tax implementation due to the uncertainty of Bill 112.   |
| Waterloo Region  | Staff at Waterloo Region decided not to take a Regional program to its Council. The City of Kitchener undertook a feasibility study for their local municipality only. Based on the results of the study, Kitchener decided not to move forward.  |
| York Region  | In November 2023, York Region decided not to proceed with the implementation of a Vacant Home Tax, based on an updated analysis demonstrating that the Vacant Home Tax would not be financially self-sustaining. York Region may revisit the Tax as a potential policy option through its forthcoming Affordable Housing Implementation Plan. |

## **Recommended Next Steps & Implementation Timeline**

Upon approval of this report, if the Council of the Town of Oakville would like to implement a Vacant Homes Tax within its municipality, it will be required to provide a supportive statement to Halton Region indicating its intent to participate in the program. A Regional by-law would then be brought forward to Regional Council for approval to provide the authority for Town of Oakville to impose a vacant home tax which would include the vacancy definition and tax rate set and approved by Regional Council, and the Town of Oakville's Vacant Homes Tax program would be included as an attachment to the by-law. In accordance with the legislation, a by-law would need to be passed in the year to which it relates, i.e. in the year that the vacant home tax would be based on, or the reference year. With the legislative changes made as a result of the 2024 Provincial Budget, there is no longer a requirement for municipalities to apply for Provincial designation; upper and single tier municipalities have been given the authority to impose a vacant homes tax through passing a municipal by-law.

EY have developed an implementation plan (attachment #6 to this report) which details the next steps and implementation initiatives that would be required to implement a Vacant Homes Tax program. EY have developed a tentative timeline indicating the earliest potential implementation of a Vacant Home Tax in a local municipality based on information provided by the Town of Oakville. The Towns of Milton and Halton Hills, and the City of Burlington have approved resolutions to be excluded from any potential by-laws that would implement a Vacant Home Tax within their municipalities at this time. Further analysis would be required for each of these local municipalities to develop implementation plans should they choose to implement a VHT in the future. The local municipalities will have the option to implement a vacant homes tax in the future, as part of the Region's annual tax policy review and by-law approval by Regional Council. Implementation of a vacant homes tax in a local municipality will be dependent on Halton Region receiving supportive statements or endorsements from the respective Councils of the Local Municipalities.

## Financial/Program Implications

The cost of the study of an optional Vacant Homes Tax in Halton Region was funded through the approved 2024 Operating Budget.

If a Local Municipality approves the implementation of a Vacant Homes Tax, all revenues, implementation and ongoing costs associated with the program would be managed within the Local Municipality, including the allocation and utilization of any net revenues.

Respectfully submitted by,

Debbie Symons  
Director, Budgets and Tax Policy

Cyndy Winslow  
Commissioner, Finance and  
Regional Treasurer

Approved by,

Jane MacCaskill  
Chief Administrative Officer

If you have any questions about the content of this report, please contact:  
Debbie Symons, Director, Budgets and Tax Policy

### Attachments:

Attachment #1: Town of Milton Report No. ES-009-24 re: Vacant Home Tax  
Attachment #2: Town of Halton Hills Report No. CS-2024-015 re: Vacant Homes Tax  
Attachment #3: City of Burlington Report No. F-27-24 re: Vacant Home Tax  
Attachment #4 – Ernst & Young LLP Halton Region: Vacant Home Tax Program Design Framework  
Attachment #5 - Ernst & Young LLP Halton Region Vacant Home Tax Implementation Study: Financial Analysis Report  
Attachment #6 - Ernst & Young LLP Halton Region Vacant Home Tax Implementation Study: Implementation Plan  
Attachment #7 - Ernst & Young LLP Supplementary Report: Comparison of Vacant Home Tax Declaration Methods

### Additional Information:

The sources listed below are for supplemental information and reference only. Halton Region is not responsible for the currency, accuracy, or legality of the content from any external links.

None



**Council Meeting**

**Resolution Number** 072-24

**Title:** Vacant Home Tax

**Date:** May 13, 2024

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**Moved by** Councillor Challinor

**Seconded by** Councillor Ijaz

**THAT** Halton Region be advised that the Town of Milton would like to be excluded from any potential by-laws that would implement a Vacant Home Tax within the municipality.

**THAT** a copy of the Town of Milton's resolution along with report ES-009-24 be circulated to the Region of Halton, the City of Burlington, the Town of Halton Hills and the Town of Oakville.

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Chair





# The Corporation of the Town of Milton

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Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: May 13, 2024

Report No: ES-009-24

Subject: Vacant Home Tax

**Recommendation:** THAT Halton Region be advised that the Town of Milton would like to be excluded from any potential by-laws that would implement a Vacant Home Tax within the municipality.

THAT a copy of the Town of Milton's resolution along with report ES-009-24 be circulated to the Region of Halton, the City of Burlington, the Town of Halton Hills and the Town of Oakville.

## EXECUTIVE SUMMARY

- On April 17, Halton Regional Council provided authorization for work to resume on the study of an optional Vacant Home Tax (VHT). Next steps will include finalizing the design and timing of the VHT program, updating cost and revenue projections, and preparing by-laws. The Region intends to seek statements or endorsements from local municipal Councils in the fall of 2024.
- To date, a VHT has been implemented in the cities of Ottawa and Toronto. Municipalities that have assessed the VHT and decided not to implement it include the Regions of Durham and York, as well as cities such as Guelph and Kitchener. Other municipalities remain at various stages of assessment of the VHT.
- Town staff believe that sufficient information currently exists for the Town to arrive at the determination that the implementation of a VHT is not in Milton's best interest at this time. This conclusion has been arrived at with consideration of the feasibility assessment work and municipal scans that have occurred since the evaluation process was initiated in 2021, with the rationale outlined in further detail in the report below.
- Housing affordability and the availability of housing will continue to be areas of focus for the Town and all levels of government. The Town of Milton will continue to implement a number of initiatives to increase housing densities, accelerate approval

## EXECUTIVE SUMMARY

timelines, provide financial incentives and provide dedicated staff resources for affordable housing solutions.

- Should Council prefer to wait until the fall of 2024 in order to adopt a position with respect to a potential VHT, a resolution could be passed to simply receive report ES-009-24 for information at this time.

## REPORT

### Background

In 2017 through Bill 127 - Stronger, Healthier Ontario Act (Budget Measures), the Province established the legislative framework that provides municipalities with the option to implement a Vacant Home Tax (VHT). In April 2022, Halton Regional Council was provided with a [VHT feasibility study](#) that was prepared by Ernst & Young LLP through report [FN-15-22](#). On the basis of that report, Regional Council gave direction to proceed with the design and implementation of a proposed VHT program in Halton Region. A subsequent report ([FN-41-23](#)) was provided to Regional Council in November 2023, which included the results of a public consultation process that had been undertaken by MTE Consultants Inc.

At the November 2023 Regional Council meeting, direction was provided for the VHT work to be paused until such time as the Provincial Policy Framework for VHT was released. On March 27, 2024, that [framework](#) was released by the Province, and it included guidelines and recommendations for the VHT. At the same time, the Province released [Ontario Regulation 143/24](#), that provides authority to all single and upper tier municipalities to implement a VHT. In April 2024 through report [FN-12-24](#), Regional Council authorized the resumption of work on the study of an optional VHT for Halton Region.

The Provincial Policy Framework recommends that, in the case of two-tier municipal governments, the upper tier municipality receive supportive statements or endorsements from lower tier municipalities with respect to the VHT. The framework makes clear that the VHT bylaws that are established by the upper tier municipality should specify which lower tier municipalities the VHT will be in effect for, and which it will not.

Through FN-12-24, Halton Region has outlined the intended next steps, which include finalizing the proposed VHT program, as well as the implementation timeline, for Regional Council's consideration. Supportive statements or endorsements will also be sought from

## Background

local municipalities, followed by approval of Regional by-laws for the participating municipalities.

The following report has been prepared in order to provide Milton Council with an opportunity to establish a position with respect to a potential VHT within the municipality. Although Council could choose to wait until the Fall of 2024 in order to adopt a position (as the Region has proposed), Town staff feel that sufficient information currently exists already to inform a decision, and efficiencies could be created should Council provide a direction at this time.

## Discussion

The VHT framework was established as a tool to, amongst other considerations, potentially improve housing affordability within the Province. The legislation allows a municipality to impose a tax on vacant residential units that meet the criteria established by the municipality. Once designated, Council has the authority to pass a by-law to impose a VHT on the assessed value of a vacant home in the residential property class. The by-law must contain the applicable tax rate and the conditions of a vacancy that, if met, make a unit subject to the tax. The by-law may also contain possible exemptions from the tax, rebates, audit and inspection powers and a dispute resolution mechanism.

Since its inception, a VHT has been implemented in the cities of Toronto and Ottawa. Municipalities that have assessed the VHT and decided not to implement it include the Regions of Durham and York, as well as cities such as Guelph and Kitchener. Reasons for not proceeding have included concerns about the financial viability (i.e. not self sustaining), insufficient vacant homes to warrant the administration of a VHT, and/or the expectation that the VHT was not likely to fulfill the intended policy or economic goals. A number of other municipalities are at various stages of review and consideration of a VHT.

Within Halton Region, a review of the VHT was initiated in 2021. Halton Region has led the engagement and have retained external consulting support at various stages of the review. Local municipalities have supported the process through providing information, analysis and feedback. As noted in Regional report FN-15-22, the objective in implementing a VHT would be two-fold:

1. It is a policy measure to encourage owners of vacant homes to rent, sell or occupy the home
2. Revenue generated from the VHT could be used to enhance affordable and assisted housing programs in support of the Region's comprehensive housing strategy

There are four main operational components in administering a VHT, being:

1. Reporting - a process to identify the homes that are to be taxed. The primary options would be a mandatory universal declaration process for all property owners, a self

## Discussion

declaration process for only those that are vacant, or a complaint based program to identify vacant homes.

2. Collections - collection of both the VHT and any related penalties for non-compliance.
3. Compliance - which includes investigations to determine if there are properties that are not in compliance.
4. Communication - to address queries, complaints, and to build awareness of the program and the responsibilities of property owners.

Ernst & Young LLP (E&Y) was retained by the Region to assess the potential for a VHT to achieve the two primary objectives, as well as to consider an implementation plan in relation to the operational areas. Their initial findings were presented through FN-15-22 and included the following:

- It was estimated that 985 vacant homes within Halton Region would be eligible to pay a VHT, representing 0.5% of the total housing supply.
  - For Milton specifically, the total number of VHT eligible properties was estimated at 255.
  - Of the 985 unit total, it was estimated that 330 vacant homes across the Region (33%) would be sold or rented over a 10 year period in response to a VHT.
- Based on this estimate, and assuming a 1% VHT was applied (based on the property's assessed value), the estimated annual revenue was projected to be \$6.1 million within the Region (comprised both of the VHT (\$5.8 million) and penalties (\$0.3 million).
- The cost to implement a VHT program was estimated to be \$3.3 million to \$3.9 million for the initial implementation, and \$1.8 million to \$2.0 million in annual operating costs. These estimates assumed that an annual staffing level of 11-12 Full Time Equivalents (FTE) would be required.
- It was acknowledged that these estimates were preliminary and would be subject to change through a more detailed implementation planning stage. Risks of any program included revenue uncertainty, tax system and process challenges, and the potential for high rates of non-compliance or incorrect declarations subject to the declaration methodology that was adopted.

Subsequent to E&Y's report, additional time was dedicated towards a detailed design of a VHT program. E&Y was re-engaged to support this process, and although the analysis will continue in 2024, initial updated findings in 2023 included:

- Consistent with Toronto and Ottawa, the feasibility assessment recommended the universal declaration method as the primary method for the potential implementation of a VHT in Halton Region.
- Based on preliminary work undertaken to date, the staffing complement that will be required is projected to be greater than what was anticipated in the feasibility assessment. As program design and financial modeling work is still underway, these projections remain subject to further change.

## Discussion

- Halton Region and the local municipalities do not currently have systems with the capability to receive declarations and communicate the results for collection. Therefore new software systems and processes would need to be developed.
- It was also noted that several local municipalities are currently in the process of migrating to a new property tax software system (CentralSquare), with completion dates ranging from 2024 to 2026. These software migrations are currently separate and distinct from the implementation of a VHT declaration and administration platform.

## Recommendation

Staff recommend that Milton advise the Region that the Town is not interested in further pursuing the implementation of a VHT in the municipality at this time. The rationale supporting this recommendation includes:

- Neither of the two primary objectives for a VHT appear to be achieved in a material way or with sufficient certainty
  - Only a minimal impact on vacant units is anticipated based on the modelling undertaken (only 255 eligible VHT units in Milton to begin with, of which 33% were estimated to be sold or rented in response to a VHT over a 10 year period)
  - Uncertainty exists with respect to the financial viability of the program, and the risks associated with both the potential revenue that could be generated and the costs to administer a VHT
- Based on the relatively minor number of units that are expected to be returned to the market in response to a VHT, no material impact on housing prices is expected to occur as a result of a VHT program.
- Use of the universal declaration method is concerning
  - As 99.5% of residential properties are not expected to be vacant, and given the prevalence of non-responses to the annual declaration that is expected based on the experience in other municipalities, the universal declaration method does not appear to be an effective or fair method of implementing the program.
    - It has been reported that in the City of Toronto for the year 2022, whereas there were 2,336 properties that declared as vacant, there were 44,902 properties that were initially deemed vacant due to no declaration being made (the majority of which were not vacant).
- A number of municipalities that share similar characteristics with the Town of Milton have already arrived at the same conclusion and have discontinued efforts to progress with a VHT.
- In 2021 the Federal Government introduced an Underused Housing Tax (UHT) program that applies a tax of 1% of a properties' value to vacant properties that are owned by those who are not Canadian residents. As such, some of the intended outcomes of the VHT may be achieved via the UHT, without the need for duplication.
- The Town is undertaking a significant change in the form of a new property tax software, as well as the introduction of a public portal for property owners to use to

## Discussion

manage their accounts. It is recommended that the Town's effort and focus remain on that initiative which is expected to go live to the public in 2026.

It is recommended that Council adopt a position at this time on the basis of the information that is already available. Doing so in advance of the Region's remaining development of the full VHT program and by-laws will allow the Region's analysis and review to be more aligned with final scope of the program that will be adopted, and it will create efficiencies for Town staff who can focus their efforts on our property tax software transition.

Housing affordability and the availability of housing solutions will continue to be an area of focus for the Town and Region. Although the assessment of a VHT program has not demonstrated that it will have a material affect on the availability of housing or home prices, there are a number of initiatives being undertaken at all levels of government to improve housing market conditions. At the Town, for example, current initiatives being undertaken include but are not limited to:

- Allowing increased housing density on a single lot, including promoting the 'missing middle', encouraging accessory dwelling units and promoting infill development.
- Enhancing delegated authorities to expedite approval processes.
- Enhancing the public portal that is available for building permit approval to streamline and enhance the approval process.
- Providing financial incentives for affordable and rental units that are created (development charge incentives, building permit fee rebates, etc.)
- Adding additional staff with a focus on affordable housing solutions

## Alternatives Considered

As outlined in Regional report FN-12-24, Halton Region has proposed that additional program design, including an updated financial projection and the development of VHT by-laws, occur between now and the fall of 2024, after which statements or endorsements from local municipal councils would be sought. If Milton Council preferred to make a decision with respect to VHT in the fall after the additional implementation details become available, Council could choose to amend the recommendations presented in this report, and instead receive report ES-009-24 for information.



### Financial Impact

The cost of the external consultants that have supported the review of the VHT has been funded by the Region of Halton. To date, the Town's contributions have included staff time to help inform the review process, including research, analysis and consultation.

Should a VHT be implemented, it is expected that any net proceeds (after VHT program expenses) will be managed by Halton Region and utilized primarily towards enhancing affordable and assisted housing opportunities within the Region.

Respectfully submitted,

Glen Cowan  
Chief Financial Officer / Treasurer

For questions, please contact: Glen Cowan

Phone: Ext. 2151

### Attachments

None

Approved by CAO  
Andrew M. Siltala  
Chief Administrative Officer

### Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.



**THE CORPORATION  
OF  
THE TOWN OF HALTON HILLS  
Council Meeting**

**Title:** Final Disposition - Report No. CS-2024-015

**Date:** Council Meeting - June 17, 2024

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THAT Report No. CS-2024-015, dated May 27, 2024, regarding Vacant Homes Tax be received;

AND FURTHER THAT Council support staff's recommendation to request the Town of Halton Hills be excluded from any potential Region of Halton by-laws that would impose a Vacant Homes Tax on the municipality;

AND FURTHER THAT a copy of this report and the associated Council resolution be forwarded to the Region of Halton as a means of a formal request for the Town of Halton Hills to be excluded from any by-laws related to the imposition of a Vacant Homes Tax.

**CARRIED**

**Recommendation No.:** GC-2024-0066

**Resolution No.:** 2024-0099





## REPORT

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

**FROM:** Moya Leighton, Treasurer

**DATE:** May 27, 2024

**REPORT NO.:** CS-2024-015

**SUBJECT:** Vacant Homes Tax

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### RECOMMENDATION:

THAT Report No. CS-2024-015, dated May 27, 2024, regarding Vacant Homes Tax be received;

AND FURTHER THAT Council support staff's recommendation to request the Town of Halton Hills be excluded from any potential Region of Halton by-laws that would impose a Vacant Homes Tax on the municipality;

AND FURTHER THAT a copy of this report and the associated Council resolution be forwarded to the Region of Halton as a means of a formal request for the Town of Halton Hills to be excluded from any by-laws related to the imposition of a Vacant Homes Tax.

### KEY POINTS:

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

- Halton Regional Council approved the resumption of work on the study of an Optional Vacant Homes Tax (VHT) on April 17, 2024.
- A feasibility study conducted by Ernst & Young LLP in 2022 documented that out of an estimated 248 vacant homes in Halton Hills, only 45 would meet the eligibility ratio for paying a Vacant Homes Tax.
- The current recommended method of declaration for Halton Region is the universal method, requiring all homeowners to self-declare each year whether their homes are vacant or occupied.

## **BACKGROUND AND DISCUSSION:**

In 2017 through Bill 127 – Stronger, Healthier Ontario Act (Budget Measures), the Province established the legislative framework that provides municipalities with the option to implement a Vacant Homes Tax (VHT). This framework was established as a tool to potentially improve housing affordability within the Province.

Within Halton Region, a review of the VHT was initiated in 2021. Halton Region has led the engagement and retained external consultants at various states of the review. The Town of Halton Hills has supported this process through the provision of information, analysis and feedback.

In April 2022, Halton Regional Council was provided with a VHT feasibility study (Appendix A) that was prepared by Ernst & Young LLP (E&Y) through Regional report FN-15-22 (Appendix B). On the basis of that report, Regional Council gave direction to staff to proceed with the design and implementation of a proposed VHT program in Halton Region, with the following objectives :

1. Encouraging owners of vacant homes to rent, sell or occupy the home
2. Generating revenues that can be used to enhance affordable and assisted housing programs in support of the Region's comprehensive housing strategy

E&Y's initial findings included the following:

- It was estimated that 985 vacant homes within Halton Region would be eligible to pay a VHT, representing 0.5% of the total housing supply.
  - For the Town of Halton Hills, the total number of VHT eligible properties was estimated at 45 and equates to 4.57% of the Regional total
- Of the 985 Region wide vacant homes, it was estimated that 330 (33%) across the Region would be sold or rented over a 10-year period in response to a VHT
- The cost of implementing the program was estimated to be between \$3.3M and \$3.9M for the initial start-up.
- Annual program operating costs of between \$1.8M and \$2.0 M were also estimated, assuming an annual staffing level of 11-12 full time equivalents (FTEs)
- Based on the 985-home estimate, and assuming a 1% VHT was applied to the properties' assessed value, the estimated annual revenue was projected to be \$6.1M for the entire Region.
- The net annual revenue from the VHT program is estimated to be \$4.1M (\$6.1M less \$2.0M). Using 4.57% (the Town's proportionate number of vacant homes) as a base - this equates to \$187K of net revenues– (note: clarity is still required for the distribution of revenues related to the VHT)
- The universal method of declaration is currently being recommended requiring all homeowners to make an annual declaration on the occupancy status of their homes.
- Halton Region and the local municipalities do not currently have software systems with the capability to receive declarations and communicate the results for collection.

A subsequent report FN-41-23 (Appendix C) provided to Regional Council in November 2023, included the results of a public consultation process that had been undertaken by Municipal Tax Equity Consultants Inc. (MTE). Staff were also directed to pause the VHT work until such time as a Provincial Policy framework for VHT was available.

On March 27, 2024, the Province released a framework for the application of a VHT. The details of which are outlined in the following link:

<https://www.ontario.ca/page/municipal-vacant-home-tax#section-2> In April 2024, Regional Council approved the resumption of work on the study of an optional VHT for Halton Region, through report FN-12-24 (Appendix D).

An important element of the Provincial Policy Framework is that it recommends in situations where there is two-tier system in place, the upper tier municipality receive supportive statements or endorsements from the lower tier municipality with respect to the VHT. The framework makes it clear that the VHT bylaws that are established by the upper tier municipality should specify which lower tier municipalities the VHT will be in effect for, and which it will not. In light of the estimated small number of vacant homes in Halton Hills, measured against the annual reporting impact for all homeowners and anticipated administrative workload that this program will entail, staff are recommending that a request is made to the Region of Halton to exclude the Town of Halton Hills from any VHT bylaw and the associated work that is involved with the Regional Council direction to resume work on the study of an optional VHT,

#### **STRATEGIC PLAN ALIGNMENT:**

This report is administrative in nature and does not have an impact on the Town's Strategic Plan.

#### **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.

#### **PUBLIC ENGAGEMENT:**

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

#### **INTERNAL CONSULTATION:**

The Finance team were consulted on the preparation of this report.

**FINANCIAL IMPLICATIONS:**

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

Reviewed and approved by,

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer



**SUBJECT: Vacant Home Tax**  
**TO: Committee of the Whole**  
**FROM: Finance Department**

Report Number: F-27-24

Wards Affected: All

Date to Committee: September 9, 2024

Date to Council: September 17, 2024

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**Recommendation:**

Direct the Chief Financial Officer to advise Halton Region that the City of Burlington would like to be excluded from the by-law(s) that would implement a Vacant Home Tax within the municipality; and

Direct the City Clerk to forward a copy of the City of Burlington's resolution along with finance department report F-27-24 to the Region of Halton, Town of Oakville, Town of Milton and the Town of Halton Hills.

**PURPOSE:**

**Vision to Focus Alignment:**

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

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**Executive Summary:**

This report is prepared to allow Council to establish a position on a Vacant Home Tax (VHT) within the City of Burlington.

- Halton Regional Council, on April 17, 2024, approved the resumption of work to review and finalize the design, costing and timelines of the Optional Vacant Homes Tax (VHT). The Region intends to seek statements of exclusion or endorsement from the local municipal Councils in the fall of 2024.
  - The feasibility assessment work conducted by Ernst & Young LLP (EY) in 2022 estimated that in Burlington potentially 265 vacant homes would be eligible to pay the Vacant Homes Tax.
  - Further, the current recommended method of declaration for Halton Region is the universal method, requiring all homeowners to self-declare each year whether their homes are vacant or occupied.
  - To date, VHT has been implemented in a few single tier cities in Ontario: Ottawa, Toronto and Hamilton. Some municipalities that have reviewed the VHT and decided not to implement the program include the Regions of Durham, York, Niagara and Waterloo, as well as the cities of Guelph, Kitchener and London. Other municipalities remain at various stages of assessment of the VHT.
  - Staff suggest it is in Burlington's best interest to be excluded from the implementation of a VHT, at this time. In staff's opinion, the feasibility assessment work and municipal scans taken place since the start of the evaluation process in 2021 provides support for the recommendation.
  - Housing affordability and the availability of housing is a priority for the City of Burlington and all levels of government. The City continues to implement many initiatives to increase housing densities, accelerate approval timelines, provide financial incentives (e.g. DCs), dedicated planning staff and other resources to support implementing the Housing strategy.
  - Should Council choose to wait for the Region's Q4 2024 report to adopt a position on the VHT, Council could receive report F-27-24 for information.
- 

## **Background and Discussion:**

In 2017 through *Bill 127, Stronger, Healthier Ontario Act*, the Province established the legislative framework providing municipalities with the option to implement a Vacant Homes Tax (VHT). Regional Council holds the authority to pass a by-law to impose a VHT in the Region. For two-tier municipalities, the Provincial Policy Framework recommends that the lower tier municipalities provide statements of exclusion or endorsement for participation in the program.

Highlighted below is a summary of Region reports and related information brought forward to Regional Council on VHT to date.

- April 20, 2022, through Halton Region report FN-15-22, regional council received a VHT feasibility assessment of adopting a VHT prepared by Ernst & Young LLP (EY). Based on the report, Regional council gave direction to staff to proceed with undertaking the design and implementation study of a proposed VHT program in Halton Region.

- November 22, 2023, a subsequent report FN-41-23 was provided to Regional Council with an update on the work undertaken to date on a VHT Program for Halton Region, which included results of a public consultation process undertaken by MTE Consultants Inc. on behalf of the Region. As well, at the council meeting, a motion was passed to pause the VHT work until such time the Provincial Policy Framework for a VHT were established and released by the Province.
- March 27, 2024, the policy framework was released by the Province which included guidelines and recommendations for the Vacant Home Tax.
- On April 17, 2024, through report FN-12-24, with the release of the Provincial Policy Framework Regional, Council approved the resumption of work on the study of a potential VHT program for Halton Region, and report back in the fall of 2024.

The Provincial Policy Framework makes it clear that VHT by-laws established by the upper tier municipality should specify which lower tier municipalities the VHT will be in effect for, and which it will not be.

Halton Region report FN-12-24 outlined the intended next steps, which include finalizing the design of the proposed residential VHT program, as well as the implementation timeline for Regional Council's consideration. Statements of endorsements or exclusion will be sought from the local municipalities, followed by approval of Regional VHT by-laws for the participating municipalities. Regional staff are scheduled to report back in Q4 of 2024 with Halton Region's proposed VHT program and implementation timeline for Council's consideration.

As of the date of this report, the Town of Milton and Town of Halton Hill's Councils have approved resolutions to be excluded from a VHT program and by-law(s) that would implement a Vacant Home Tax. It is anticipated that the Town of Oakville will provide their position and a resolution later this fall.

Local municipalities do have the choice to opt into the program each year as part of the Region's annual tax policy review and by-law(s) approval at Regional Council.

This report is brought forward to provide Council with an opportunity to establish a position regarding a Vacant Home Tax (VHT) for the City of Burlington at this time. For reasons highlighted later in this report staff are of the opinion there is adequate information available to inform a decision.

### **Strategy/process/risk**

The VHT Provincial framework was established as a tool to potentially improve housing affordability within the province. It allows municipalities to levy a tax on vacant residential units based on established criteria. Once established, Regional Council has the authority to pass a by-law to impose a VHT based on assessed property values, inclusive of tax rates, vacancy conditions, exemptions, rebates, audit and inspection powers, and dispute resolution mechanisms.

Staff continue to scan surrounding municipalities to monitor their VHT status. A vacant home tax has been implemented by the single-tier municipalities of Ottawa, Toronto, Hamilton and Windsor. Some of the municipalities that have reviewed the optional VHT and decided not to implement a VHT include, but not limited to, the Regions of Durham, York, Niagara and Waterloo, including cities such as Guelph, Kitchener, and London. Reasons for refraining from implementing include concerns over financial feasibility and sustainability, insufficient vacant properties to justify VHT costs and administration, and skepticism regarding achieving intended policy or economic goals. Other municipalities are currently at different phases of their VHT review. At present, a VHT program has not been implemented in a two-tier municipality in Ontario.

Commencing in 2021 Halton Region has led the VHT process including retaining external consultants to assist in the review of the VHT design and implementation process. The local municipalities have supported the review process by providing information, analysis, data and feedback.

Halton Region's report FN-15-22 identified two key objectives of a VHT implementation:

- A policy measure to reduce the number of vacant homes and encourage owners of vacant homes to rent, sell, or occupy the home, and
- To provide net revenues to support Halton Region's assisted housing programs and comprehensive housing strategy.

The operational components of the VHT involves four key components:

- Reporting: a process to identify residential homes that are to be taxed. Options include universal declaration by all property owners, self-declaration for vacant properties only, or a complaint-based program identifying vacant homes.
- Billing and Collections: collection of the VHT and associated penalties for non-compliance.
- Audit and Compliance: includes investigations to determine property compliance.
- Communication: addressing inquiries, complaints, and enhance property owners' awareness of the program and their responsibilities.



Ernst & Young LLP (EY) assessed the VHT potential to achieve the primary objectives and created an operational implementation plan for the Region of Halton. Below are early findings noted in Region report FN-15-22.

- Projected 985 vacant homes eligible for VHT in Halton Region (an average of 0.5% of total housing supply in Halton).
  - For Burlington specifically, 265 properties were identified as possibly eligible.
  - Further analysis suggests that 33% of all Regional projected properties, which is about 330 units over a 10-year period, could potentially be sold or rented in response to the VHT.
- Currently based on this estimate and additional assumptions (for all four municipalities), an annual revenue projection of \$6.1 million for the Region was estimated (comprising \$5.8 million from VHT and \$0.3 million from penalties).
- Initial implementation costs were projected at \$3.3 million to \$3.9 million, with annual operating costs estimated at \$1.8 million to \$2.0 million, necessitating 11-12 Full Time Equivalent (FTE) required.
- The feasibility assessment recommended a universal declaration method, consistent with Toronto and Ottawa, to be the primary approach for the potential VHT implementation in Halton Region.
- Estimates are preliminary and subject to change with more detailed modeling and an implementation plan. Identified risks include revenue uncertainty, tax system and processes challenges, and potential high rates of non-compliance or incorrect declarations based on declaration methodologies.

With additional work on the design of the VHT program in 2023, EY also identified the following:

- The preliminary detailed work suggests the staffing complement and related costs required are projected to be greater than originally anticipated in the 2022 feasibility assessment noted above.
- Halton Region and local municipalities currently do not have the system capabilities to support the declaration process for VHT. New software systems and processes will be required.
- Also, it was noted that several local municipalities are in the process of migrating to a new property tax software system (CentralSquare), with completion dates ranging from 2024 to 2026. These software migrations are currently separate from the execution of a VHT declaration and administration platform.

Also, further work on detail design and financial modeling for the program has been underway by EY with Regional staff scheduled to report back to Regional Council later this fall. This includes updates to the financial analysis and a review of the financial structure of the program including lower tier(s) responsible for implementation and administration given that two municipalities have opted out of the VHT program.

## Recommendation

Staff are recommending the City be excluded from the implementation of a Vacant Home Tax (VHT) program at this time and advise the Region accordingly. The reasoning for the recommendation includes the following:

- Based on the assessment work, neither of the primary objectives for a VHT appear to be achieved with sufficient certainty or in any material way:
  - Based on the modeling estimates indicate a minimal impact on vacant units are anticipated. With only 265 eligible VHT units in Burlington of which possibly 33% were anticipated to be sold or rented over a ten-year time period.
  - Uncertainty exists regarding the financial viability of the program, and the risk associated with both the anticipated revenue that could be generated and administrative costs related with the program.
- Given the relative minor number of housing units anticipated to revert to the market in response to a VHT, there is no material impact on housing prices or availability is expected to occur as a result of a VHT program.
- Concerns arise regarding the universal declaration method. With 99.5% of residential properties expected not to be vacant and considering the high prevalence of non-responses to annual declarations, as observed in other municipalities, this method may not appear to be an effective or fair form for program implementation. As an example, it was reported in the City of Toronto for the year 2022, there were 2,336 properties that declared as vacant, yet initially there were 44,902 properties deemed vacant due to no response being made under the universal method (the majority of which were not vacant).
- Based on a municipal scan, several municipalities with similar characteristics to Burlington have come to the same conclusions and ceased efforts to proceed with a VHT.
- In the past few years, the Federal Government introduced the Underused Housing Tax (UHT), which applies a 1% tax on vacant properties owned by non-Canadian residents. This initiative may achieve some of the intended outcomes of the VHT (without municipal duplication).
- Burlington is also undergoing an important transition to a new property tax system, initiating the integration with our ERP software (Workday) alongside plans of introducing an on-line public portal platform for property owners to manage their property tax accounts in the upcoming year. It is recommended the City focus resources and efforts on these initiatives prior to pursuing an uncertain and complex two-tier VHT implementation.

Based on information to date and the uncertain financial viability of the VHT, staff propose Council adopt a position to be excluded from the VHT program at this time.

Housing affordability and housing solutions will continue to be a crucial focus for the City of Burlington and the Region. Even though the assessment of a VHT has not demonstrated that the program will have a material change the housing market, there

are many projects underway, at all levels of government, to improve the availability of housing. Here in Burlington, examples of current initiatives include but are not limited to:

- Working toward implementing Council's motion on four units as of right and increasing housing options.
- Building new tools like the Community Planning Permit System and generally enhancing delegated authority to expedite approval processes.
- Initiating work on a Housing focused Community Improvement Plan and providing financial incentives for affordable and rental units that are created (e.g. DCs).
- Enhanced the public portal that is available for building permit approval to streamline and improve the approval process.
- Providing dedicated planning staff and other resources to support implementing the Housing Strategy and the Housing Accelerator Fund Action Plan (CMHC) with a focus on affordable housing solutions.

### **Options Considered**

Halton Region's report FN-12-24 noted that additional program design, updated financial projections and proposed VHT program will be reported to Regional Council in Q4 of 2024. Subsequently, the remaining local municipal council(s) will be required to provide their statements of exclusion or endorsement. Should Council prefer to wait till after the Region's fall report to adopt a position on a potential VHT, Council could receive and file report F-27-2024.

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### **Financial Matters:**

#### **Total Financial Impact**

The City's contributions to date include staff time to assist in the review process, including research, analysis, and consultation. The costs of external consultants supporting the review of the VHT has been funded by the Region of Halton.

Should a VHT program is implemented, based on Halton Region reports to date, revenues (net of VHT program expenses) will be managed by Halton Region and used mainly to enhancing affordable and assisted housing opportunities throughout the Region.

#### **Other Resource Impacts**

Potential additional risks to net revenues, including additional enforcement resourcing needs, possible litigation costs, revenue impacts of any additional exemptions, limited number of vacant homes, and complexities related to implementing a VHT in a two-tier municipal environment, which cannot be quantified.

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## **Climate Implications:**

N/A

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## **Conclusion:**

The VHT feasibility assessment has not demonstrated to have a material effect on the key policy objectives to materially increase the supply of housing or enhance affordable and assisted housing program. As well, uncertainty exists regarding the financial sustainability of the program with the risk associated with the anticipated revenue that could be generated and costs to administer the VHT program. Staff will continue to have dialogue with the Region through Tax policy discussions for future consideration of the VHT program. As resonated through Council's mandate, Burlington will continue to focus efforts on housing affordability and solutions, continued enhancements to our planning and building permit approval processes and the dedicated resources to support the Housing Strategy and the Housing Accelerator Fund Action Plan

---

Respectfully submitted,

Ann Marie Coulson

Manager of Taxation and Assessment

(905) 335-7600 ext. 7655

## **Notifications:**

Region of Halton, Town of Oakville, Town of Milton, Town of Halton Hills

## **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.

# Halton Region: Vacant Home Tax Program Design Framework

25 September 2024



The better the question. The better the answer.  
The better the world works.

## DISCLAIMER

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Ernst & Young LLP (“EY”) prepared the attached report only for the Region of Halton (“Client”) and the Project Steering Committee comprising of senior officials from the Region (collectively, the “Steering Committee”) pursuant to an agreement solely between EY and Client. EY did not perform its services (the “Review”) on behalf of or to serve the needs of any other person or entity. Accordingly, EY expressly disclaims any duties or obligations to any other person or entity based on its use of the attached report. Any other person or entity must perform its own due diligence inquiries and procedures for all purposes, including, but not limited to, satisfying itself as to the financial condition and control environment of the Steering Committee, and any of its funded operations, as well as, the appropriateness of the accounting for any particular situation addressed by the report. EY did not perform an audit or review (as those terms are identified by the CPA Canada Handbook - Assurance) or otherwise verify the accuracy or completeness of any information provided by the Client or the Steering Committee or any of its funded operations financial statements. Accordingly, EY did not express any form of assurance on accounting matters, financial statements, any financial or other information or internal controls. EY did not conclude on the appropriate accounting treatment based on specific facts or recommend which accounting policy/treatment the Steering Committee, or any funded operations should select or adopt. The observations relating to all matters that EY provided to the Steering Committee were designed to assist the Steering Committee in reaching its own conclusions and do not constitute EY’s concurrence with or support of Client's accounting or reporting or any other matters.



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An aerial photograph of a city, likely Columbus, Ohio, showing a complex highway interchange with multiple overpasses and ramps. A river is visible on the left side of the image. The city buildings and green spaces are visible in the background. The image is overlaid with a semi-transparent dark grey layer.

# Executive Summary



# DESIGNING THE VACANT HOME TAX | REPORT PURPOSE

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This report is intended to present the results of analysis performed through this engagement to design a Vacant Home Tax (VHT) framework for the Region of Halton.

The report outlines the process, findings, and conclusions of the development of a program design with a delineation of responsibilities between the Region and local municipalities and detailed program parameters for a Region-wide Vacant Home Tax implementation.

The program design presented in this report was developed based on multiple inputs including findings from municipal stakeholder consultations, engagements with Region and local municipality finance, tax, assessment, legal and privacy, communications, IT and data departments, and updated insights from Canadian jurisdictions (such as Vancouver and Toronto) that have implemented a Vacant Home Tax.

Further, additional considerations are identified to support the Region's implementation decision-making, including key risks and a potential implementation timeline.

# DESIGNING THE VACANT HOME TAX | CONTEXT AND BACKGROUND

There are a number of policy levers and revenue tools that can be explored by municipalities to address a housing affordability crisis - a tax on vacant homes being one of them. The tax is commonly implemented in rapidly growing urban centres which face challenges related to housing such as rapidly appreciating house prices (at a rate higher than the growth of income) or low availability of homes for sale or rent.

The objectives of a Vacant Home Tax are to be (1) a policy tool to improve housing affordability, and (2) a revenue tool to support housing programs.

In 2017, the Ontario government passed Bill 127 (“Stronger, Healthier Ontario Act”). Schedule 19 of the Bill included amendments to the Municipal Act to allow municipalities designated by the Minister of Finance by Regulation to implement a by-law imposing taxes on vacant residential units in certain circumstances.

According to the legislation, any by-law passed by a single-tier or Regional municipality wishing to impose this tax must include the following:

- 1 **Tax rate\***  
The percentage of the assessed value of the home to be paid.
- 2 **Conditions of vacancy that, if met, make a unit subject to the tax\***  
Definition of a Vacant Home.

\* mandatory item

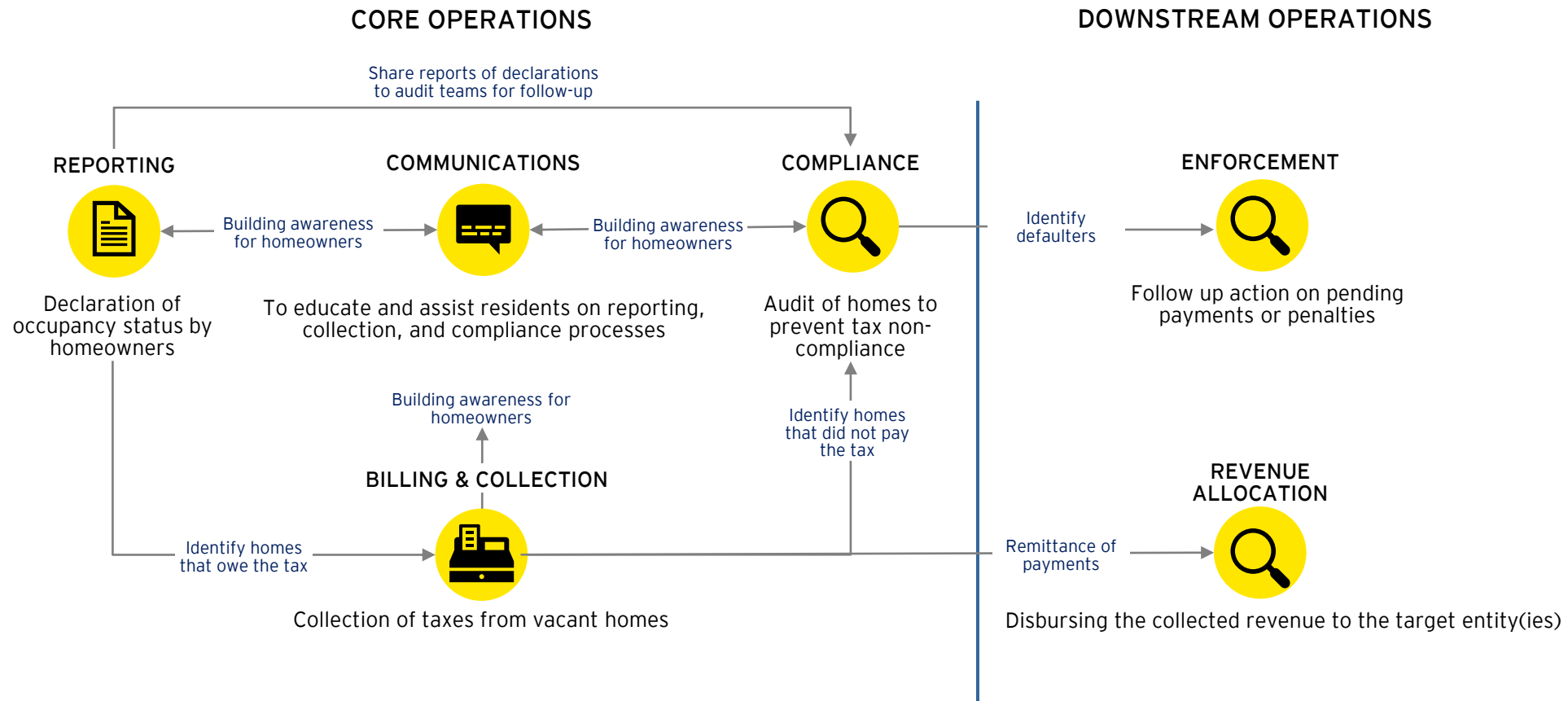
The by-law may also include such matters that the council of the municipality considers appropriate, including the following, which may be determined by the local municipalities:

- 3 **Rebates or exemptions from the tax**  
Situations that exclude a home from taxation despite meeting the definition of a Vacant Home.
- 4 **Audit and inspection powers**  
The actions a municipality may take to ensure compliance.
- 5 **Establishment and use of dispute resolution mechanisms**  
Processes in place (e.g. appeals) to resolve disputes related to vacancy status, payments, or other elements of the tax.

In addition, the Provincial Policy Framework released on March 27, 2024, recommends that Regional municipalities receive supportive statements or endorsements from local municipalities, and adopt VHT by-laws that specify in which local municipalities the Vacant Home Tax will be in effect, and in which local municipalities it will not be.

# VACANT HOME TAX DESIGN | CORE AND DOWNSTREAM OPERATIONS

Operations of the vacant home tax can be segmented into two major groups - core operations and downstream operations - as illustrated below. Core operations consist of functions that occur consistently and are required for the program to function effectively. Downstream operations are supporting (enforcement) or end-state (revenue allocation) functions that occur inconsistently (as-needed) or represent the output of the overall process, respectively.



# DESIGNING THE VACANT HOME TAX | APPROACH

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The Region of Halton engaged EY to develop a detailed design of the Vacant Home Tax program including the people, processes, policy, technology, and governance associated with its operation. The program design described in this report includes:

1. Refining and confirming key vacant home tax parameters including definition, tax rate, exemptions, and other components
2. Designing a detailed process flow of declaration / identification of vacant homes
3. Refining a detailed process flow for billing and collection
4. Developing a detailed process flow for audit and compliance activities, including an audit mechanism and approach, and identifying potential audit techniques
5. Designing a customer service and dispute resolution process along with the grievance redressal mechanism
6. Finalizing the breakdown of roles and responsibilities between the Region and local municipalities

# DESIGNING THE VACANT HOME TAX | APPROACH

The approach taken to developing a vacant home tax program design includes the following:



# VACANT HOME TAX DESIGN | DEFINITION AND PROFILE

While developing the policy and by-law for the vacant home tax, municipalities are required to define what qualifies a home to be designated as vacant. Below are the parameters of the tax and the rationale for each in Halton.

| Parameter   | Rationale   |
|---|---|
| <p><b><u>Definition:</u></b><br/>Unoccupied for at least 183 days within the reference period, with no single occupancy for less than 30 days</p> | <p>Approved by consensus by Halton Treasurers</p>   |
| <p><b><u>Tax rate:</u></b><br/>Initial tax rate of 1%</p>   | <p>Most common rate observed to be chosen by municipalities</p> <p><i>Note: Vancouver initially selected a 1% tax rate, and as of 2021 has increased the tax rate to 3%. Toronto, Ottawa, and Hamilton have similarly selected a 1% tax rate for initial implementation.</i></p>  |
| <p><b><u>Reference Period:</u></b><br/>Calendar year</p>  | <p>Similar to property taxes, the vacant home tax is calculated based on the most recent assessed values of homes. Setting the reference period to a calendar year basis aligns with property tax calculation and collection schedules in local municipalities. For example, if the VHT billing year is 2025, the reference period is 2024.</p> |

# UPDATED INSIGHTS FROM OTHER JURISDICTIONS

Since the beginning of this engagement, other jurisdictions have updated the design of their Vacant Home Tax programs. The following is a summary of updated insights from other Canadian jurisdictions.

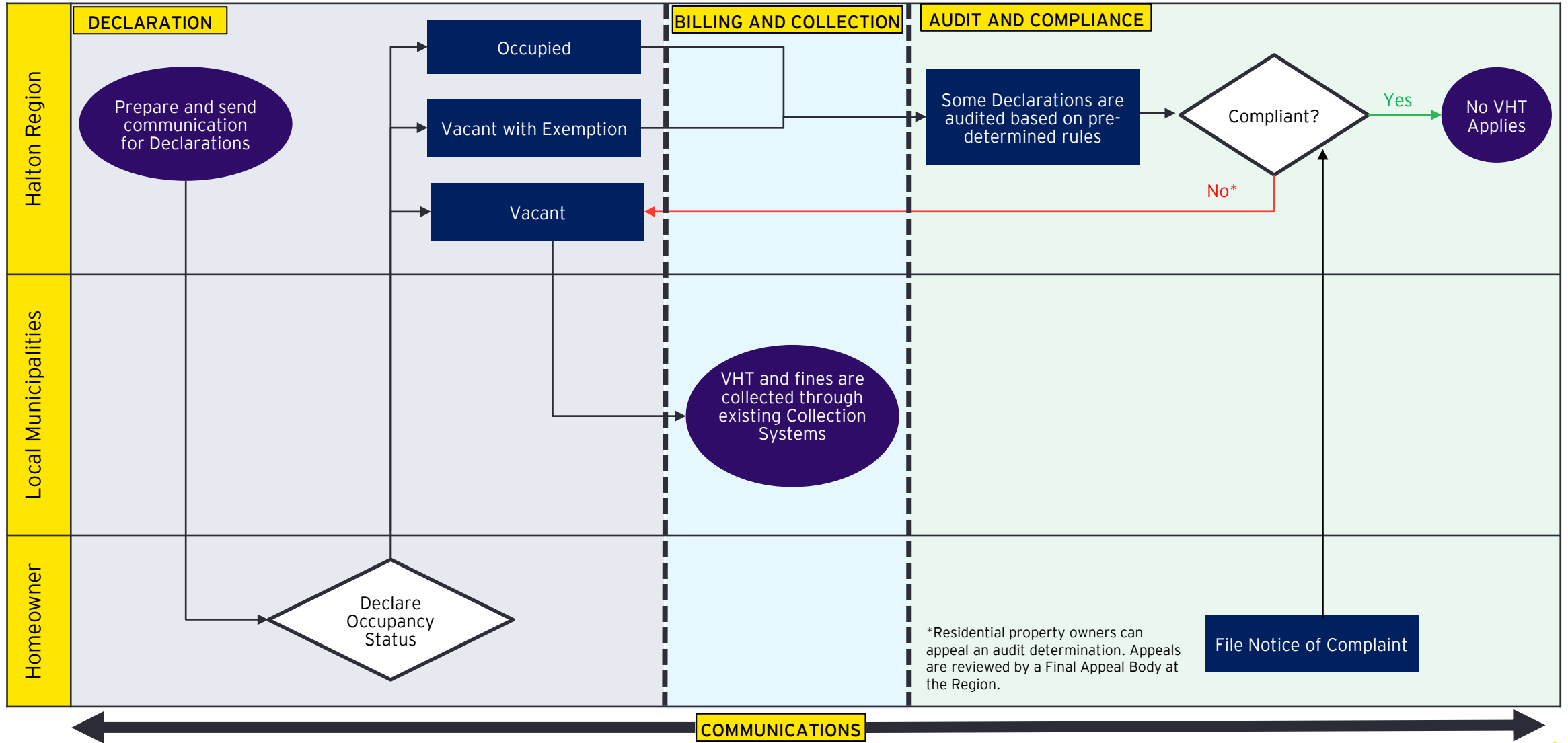
|                         | Vancouver**  | Toronto   | Hamilton  | Ottawa  |
|-------------------------|--|---|---|---|
| Definition              | Residential property is considered to be vacant property if it has been unoccupied for <b>more than six months</b> during the vacancy reference period it is deemed to be vacant property in accordance with this by-law   | A property is considered vacant if it is not the principal residence of the owner or any permitted occupants or was not occupied by tenants for <b>at least six months</b> during the previous calendar year or is otherwise deemed to be vacant under the bylaw                                | Vacant Residential Unit: A residential unit that has been unoccupied for <b>more than 183 days</b> during the previous calendar year or is deemed vacant by the City of Hamilton.<br><br>Unoccupied Property: A residential unit is unoccupied when it is not the principal residence of the owner or a permitted occupier and is not occupied for residential purposes by one or more tenants for <b>more than 183 days</b> during the previous calendar year. | A property is considered vacant if it has been unoccupied for <b>more than the aggregate of 184 days</b> during the previous calendar year, is not the Principal Residence of an Occupier, and it is not occupied for residential purposes by a Tenant under a Tenancy Agreement, or by a subtenant under a Sublease Agreement, for a term of at least 30 consecutive days; or it is deemed to be a vacant unit by the City of Ottawa in accordance with this by-law. |
| Tax Rate                | 1% (2017-2019), 1.25% (2020), 3% (2021-Present)  | 1%  | 1%  | 1%  |
| Declaration & Reporting | <ul style="list-style-type: none"> <li>• Online</li> <li>• Declaration due in February</li> <li>• Exemptions: Death of Owner; Renovations; Owner in Care; Strata Rental Restriction; Transfer of Property; Occupancy for Full-Time Employment; Court Order; Limited-Use Residential Property;</li> </ul> | <ul style="list-style-type: none"> <li>• Online and paper declaration form</li> <li>• Notice issued December 31, declaration due February 1</li> <li>• Exemptions: Death of Owner; Renovations; Owner in Care; Transfer of Property; Occupancy for Full-Time Employment; Court Order</li> </ul> | <ul style="list-style-type: none"> <li>• Declarations are mailed in December and are due in March the following year</li> <li>• Exemptions: Death of Owner; Renovations; Sale of Property; Owner in Care; Court Order; Property listed for sale; property transferred under a non-arm's length sale; property listed for rent; federal or provincial court order prohibiting occupancy, sale, or rent</li> </ul>  | <ul style="list-style-type: none"> <li>• Online and in-person declaration</li> <li>• Declaration due in March</li> <li>• Exemptions: Sale of Property; Court/Government Order; Death of Owner; Owner in Care; Construction/Renovation; Combination Exemption; Cottage Rental</li> </ul>   |
| Collection              | <ul style="list-style-type: none"> <li>• Payment is due in April</li> </ul>  | <ul style="list-style-type: none"> <li>• Payment collected in three installments: May, June, and July</li> </ul>  | <ul style="list-style-type: none"> <li>• Payments collected in two installments: June and September</li> </ul>  | <ul style="list-style-type: none"> <li>• Payment collected in June</li> </ul>   |
| Audit & Compliance      | <ul style="list-style-type: none"> <li>• Risk-based and random audits</li> <li>• Notice of Complaint reviewed by Vacancy Tax Review Officer and final appeal reviewed by Vacancy Tax Review Panel</li> </ul>   | <ul style="list-style-type: none"> <li>• Random or specific-criteria audits</li> <li>• Notice of Complaint reviewed by the City and final appeal reviewed by Appellate Authority</li> </ul>   | <ul style="list-style-type: none"> <li>• Random and specific-criteria audits</li> <li>• Notice of Complaint reviewed by Program Administrator and final appeal reviewed by Appellate Authority</li> </ul>   | <ul style="list-style-type: none"> <li>• Specific-criteria audits</li> <li>• Notice of Complaint and Request for Review (final appeal) reviewed by an independent reviewer</li> </ul>   |

NOTE: Information is current as of March 2023. All jurisdictions listed are single-tier municipal governments and may have different considerations than the Region of Halton's two-tier government.

\*\* Vancouver's 2022 Empty Homes Tax Annual Report cites a 20% reduction in vacant properties from 2020 to 2021. Additionally, 49% of properties declared, deemed, or determined vacant in 2020 were occupied in 2021.

# DELIVERY MODEL | OVERALL PROCESS

Below is an overview of the proposed Vacant Home Tax program design. Additional details can be found in the following pages.





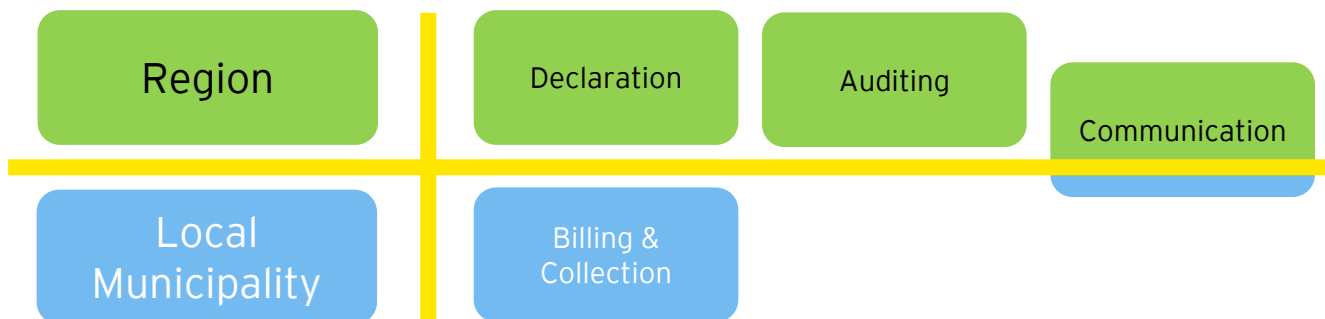
# DELIVERY MODEL | FLOW OF RESPONSIBILITIES

The delivery model has been designed to leverage the authorities, capabilities, and capacities of each municipal partner to maximize effectiveness and reduce operational complexity and cost. This model assigns billing and collection to local municipalities in order to leverage existing property tax collection systems, while centralizing declaration system, audit, and customer service/communications responsibilities at the Regional level.

## HOW IT WOULD WORK

- ▶ The Region would be responsible for establishing and managing the declaration system, including sending declaration notices, establishing and overseeing audit and compliance activities and systems, and managing customer service for residents. The local municipalities would direct any queries they receive from homeowners to the Region.
- ▶ The local municipalities would leverage existing property tax collection systems and processes with the required functionality enhancements to impose and collect a vacant home tax on properties that have been declared as vacant by the homeowner or deemed as such through subsequent audits.
- ▶ While the Region would be responsible for auditing declarations, it would coordinate with local municipalities to collect fines and arrears using existing collection and enforcement tools.

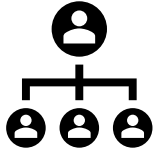
## RESPONSIBILITY



Municipalities will be responsible for collecting the tax revenue along with directing any inbound homeowner inquiries to the Region. Communications, customer service, declarations and audit/compliance responsibilities are primarily centralized at the Region.

# VACANT HOME TAX DESIGN | KEY CONSIDERATIONS

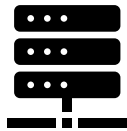
The capability and capacity to deliver a Vacant Home Tax does not currently exist within the Region or local municipalities. Investment in systems and people will be required to enable the program and will be simplified by a consistent collection system across municipalities.



A dedicated Vacant Home Tax Unit within the Region will be required to conduct audit and compliance activities, address escalated homeowner inquiries, and support continuous improvement through ongoing policy analysis and updates.



Halton and local municipalities do not currently have systems with capability to receive declarations and communicate the results for collection. New systems and processes - including the need for both a portal and database - will need to be developed and can be based on the Region's internal platform.



Local municipalities are changing (or planning to change) collection systems, with target completion dates ranging from 2024 (Oakville and Burlington) to 2026 (Milton). When complete, all municipalities will be on the same system (CentralSquare) and will have similar capabilities.



External-facing audit capability, including the systems and personnel to receive and verify documentation from residents, does not currently exist at the Regional or local municipal levels.

An aerial photograph of a city, likely Columbus, Ohio, showing a complex highway interchange with multiple overpasses and ramps. A river is visible on the left side of the frame. The city buildings and green spaces are visible in the background. The image is overlaid with a semi-transparent dark grey filter.

# Declaration & Reporting

# DECLARATION & REPORTING

The first step in the Vacant Home Tax process requires all homeowners to declare the occupancy status of their homes.

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The Declaration & Reporting process is the initial step in core vacant home tax operations:

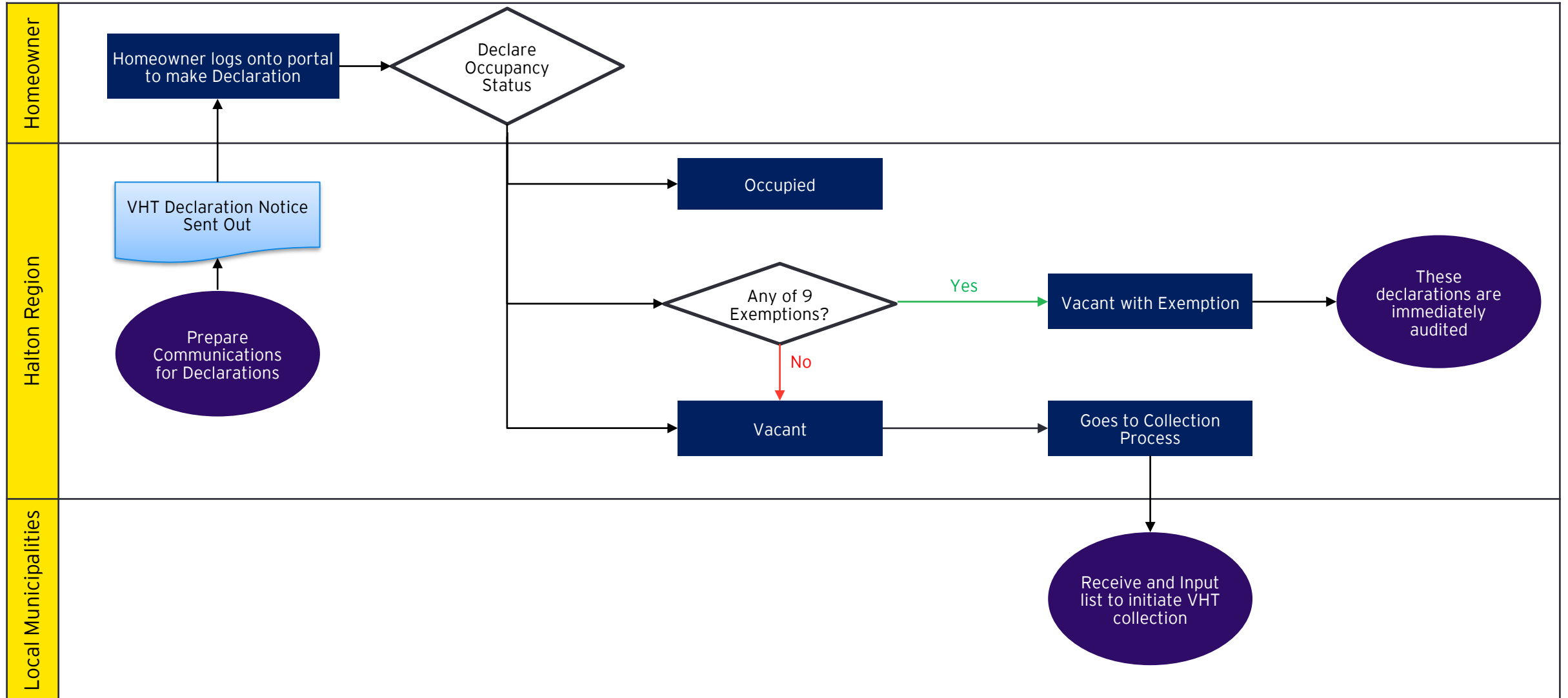
- All Halton homeowners are required to declare whether a home is occupied as a principal residence, vacant with exemption, or vacant.
- A notice informing the homeowner of the requirement to declare the home's occupancy status is sent by the Region.
- Homeowners enter and confirm their declaration through a Region-administered declaration portal. A home declared vacant but exempt requires substantiating evidence to be uploaded.
- Homes declared vacant, or deemed vacant through the Audit & Compliance process, will proceed to the Billing and Collection process.
- Homes declared occupied, or confirmed occupied through the Audit & Compliance process, will not proceed beyond Declaration.

## **Leading Practice:** **Universal Declaration**






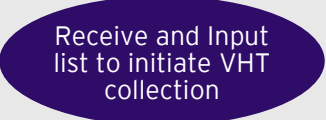
*As the method adopted by all Canadian jurisdictions implementing a VHT, a Universal Declaration method supports robust risk mitigation, improved audit and compliance effectiveness, and offers an accessible peer group to support continuous improvement.*

# DECLARATION & REPORTING | PROCESS

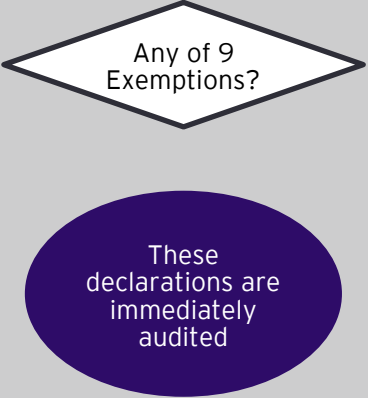
The process of identifying vacant homes in the Region through declarations reported by homeowners is outlined below.



# DECLARATION & REPORTING | KEY COMPONENTS

| Legend  | Description  |
|---|--|
|  <p>Prepare Communications for Declarations</p>  <p>VHT Declaration Notice Sent Out</p> | <p>Region to create and disseminate written communication to homeowners indicating the requirement and deadline to declare status, instructions to access the declaration system (including their unique Access Code), and contact information for outstanding questions or concerns. The Region may also include detailed instructions on how to submit documents through the Declaration System, in particular documents with identifiable information.</p> <p>The Region will proactively conduct an awareness campaign using a variety of communication methods such as mailed paper notices, social media, advertisements, and information sessions to inform Halton homeowners that they will need to declare the occupancy status of their primary residence.</p> |
|  <p>Homeowner logs onto portal to make Declaration</p>  | <p>Homeowners log onto the declaration website using the unique Access Code sent to them and their Postal Code. Before declaring property status, homeowners must first acknowledge that the Region will collect evidence required for the initial reporting, audit and compliance for the purpose of imposing the Vacant Home Tax. The homeowner then enters their declaration along with any supporting information or required documentation (e.g. when declaring a vacant home with exemption).</p> <p>Homeowners may call Access Halton or visit the Region in person for assistance submitting their declaration.</p>  |
|  <p>Occupied</p>  | <p>Home has been declared occupied as a principal residence and no tax applies. Home may be selected for audit to verify status.</p>   |
|  <p>Vacant</p>  <p>Receive and Input list to initiate VHT collection</p>            | <p>Home has been declared vacant and the tax applies. These declarations are immediately sent to local municipalities through a single complete list for collection through a template that is compatible with their local tax collection system.</p>  |

# DECLARATION & REPORTING | KEY COMPONENTS

| Legend  | Description  |
|---|--|
|  | <p>Homeowners may select from any of the following nine (9) exemptions:</p> <ol style="list-style-type: none"><li>1. Transfer of Ownership</li><li>2. Death of Owner</li><li>3. Owner in Care</li><li>4. Major redevelopment or renovations</li><li>5. Court order prohibiting occupancy</li><li>6. Seasonal Property</li><li>7. Uninhabitable</li><li>8. Properties purchased part-way through year</li><li>9. Exempting previously vacant properties</li></ol> <p>If any of the above apply to the home, the homeowner must upload <u>the appropriate documentation</u> to substantiate their claim and declare the exemption to which no vacant home tax applies. Exemptions are immediately sent to the Regional audit system to be audited.</p> <p>If none of the above exemptions apply, the homeowner declares the home to be Vacant.</p> |

# DECLARATION & REPORTING | CHANGES REQUIRED

The proposed declaration and reporting process requires primarily technological changes in the form of a new declaration system

|                    | PEOPLE   | PROCESS  | TECHNOLOGY   |
|--------------------|--|--|--|
| REGION             | Some incremental effort is anticipated for initial setup and ongoing maintenance of the declaration system (e.g. software updates) as well as ongoing policy reviews and updates, but is not anticipated to result in the need for incremental IT or policy Full-Time Equivalents. | Design online declaration forms and implement a reporting process for homeowners.  | Implement a dedicated declaration system with the ability to: <ul style="list-style-type: none"> <li>• Generate a template or report in a format compliant with the local tax collection system identifying tax roll numbers for the local municipalities to bill</li> <li>• Receive documents from homeowners and transfer those to the Regional audit system</li> <li>• Integrate the declaration system with the Region’s selected audit software.</li> </ul> |
| BOTH               | Resource requirements will be monitored following implementation of the program to identify any incremental employee impacts.  |  |  |
| LOCAL MUNICIPALITY | As the declaration system will be established and maintained by Halton, no ongoing incremental employee impacts are expected.  | Upload or input the report generated by the Regional declaration system into the local tax collection system to charge the VHT to applicable homeowners. | Ensure CentralSquare and Vailtech are able to receive and input the template or report generated by the Regional declaration system.   |



# DECLARATION & REPORTING | OCCUPIED DECLARATIONS

The first step in the Declaration & Reporting Process requires the homeowner to identify themselves. The following is a table that outlines what information is required when an individual declares a property as occupied. The purpose of collecting this information is to ensure all communications related to the Vacant Home Tax are addressed to the right individual.

| DECLARE OCCUPIED   |   |
|--|---|
| Declaration  | Information Required on Declaration   |
| Owner  | N/A   |
| On Behalf of Owner   | Owner's Full Name, Phone Number, and Email ( <i>Optional</i> )<br>Declarer's Full Name, Phone Number, and Email ( <i>Optional</i> ) |
| Corporation  | Name of Corporation<br>Contact Full Name, Phone Number, and Email ( <i>Optional</i> )   |
| Principal Residence with a Permitted Occupant <sup>1</sup> | Number of Occupants<br>Full Name and Phone Number for Each  |
| Tenanted <sup>2</sup>                                      | Number of Agreements in Vacancy Period Year<br>Names on Each Agreement  |

1. Property was used as a principal residence by a family member, friend, or other permitted occupier who is 18 or older for at least 183 days of the year.

2. Property was rented to one or more arm's length tenant(s) or subtenant(s) for residential purposes for at least 183 days of the current year with no single occupancy for less than 30 days.

# DECLARATION & REPORTING | EXEMPTIONS

The following is a proposed list of nine exemptions that homeowners may select from during the Declaration process. The table includes the definition for each exemption. Homeowners will also be required to upload documentation to substantiate their declaration, which can be found on the “Evidence Required for Audit and Compliance” slide. This supports risk mitigation and improves audit and compliance effectiveness. As all residential property owners are required to declare the status of their home, historical evidence is built that allows for a risk-based, targeted approach to audits and enables compliance activities to become more effective and efficient over time. When collecting substantiating information upfront and then validating through the audit process, the risk of “false positives” is reduced, which helps to ensure that tax levies and fines are only collected following a defensible process.

| Exemption |                                   | Definition   | Covered under Vacancy Definition | Covered under Eligible Properties |
|-----------|-----------------------------------|--|----------------------------------|-----------------------------------|
| 1         | Transfer of Ownership             | The transfer of 100 percent of the legal interest in the property was registered in the Land Title Office to an Arm’s Length party during the reference period.  |                                  |                                   |
| 2         | Death of Owner                    | The property was unoccupied for at least 183 days because of the death of the registered owner in the applicable reference period or in the previous period. This exemption is only available in the year of death and the subsequent year.  | ✓                                |                                   |
| 3         | Owner in Care                     | Property was unoccupied for at least 183 days because the owner, tenant, or permitted occupant resided in a hospital, long-term, or supportive care facility and had previously been using the property as a principal residence or occupying it for residential purposes as a tenant. |                                  |                                   |
| 4         | Major Redevelopment or Renovation | Renovations that are greater than or equal to 25% of the total value of the property or take over 6 months are exempt from the tax, until renovations are completed.   |                                  |                                   |

# DECLARATION & REPORTING | EXEMPTIONS

The following is a proposed list of nine exemptions that homeowners may select from during the Declaration process. The table includes the definition for each exemption. Homeowners will also be required to upload documentation to substantiate their declaration, which can be found on the “Evidence Required for Audit and Compliance” slide.

| Exemption |  | Definition   | Covered under Vacancy Definition | Covered under Eligible Properties |
|-----------|--|--|----------------------------------|-----------------------------------|
| 5         | Court Order Prohibiting Occupancy          | Property was unoccupied for at least 183 days because the property was under: a court order; court proceedings; or an order of a governmental authority prohibiting occupancy or prohibiting the owner from renting or selling the property. Note: in cases where occupancy is not permitted due to the owner's neglect, an exemption will not be granted. |                                  |                                   |
| 6         | Seasonal Property                          | The property is unoccupied for at least 183 days as the residence is not available or habitable for year-round occupancy.  |                                  | ✓                                 |
| 7         | Uninhabitable                              | Properties that are unoccupied for at least 183 days due to being uninhabitable as a result of environmental or accidental damage such as a fire, natural disaster, or other accident are exempt for one year.   |                                  |                                   |
| 8         | Properties purchased part-way through year | Properties sold to an arm's length party during the reference year.  |                                  |                                   |
| 9         | Exempting previously vacant properties     | Properties purchased during the billing year that were vacant in the reference year. This exemption applies irrespective of the date of property transfer within the reference year.*  |                                  |                                   |

\*Note: As the VHT applies to properties rather than residential property owners, a deadline date may unfairly impact those who purchased a previously vacant property after listed deadline.

# DECLARATION CONSIDERATIONS

Consultations with staff from the Region and local municipalities indicated the declaration and reporting function is likely best centralized within Halton, confirming decisions approved by area treasurers.

| Local Municipalities  | Halton Region  |
|---|--|
| <ul style="list-style-type: none"> <li>▶ As no declaration system currently exists within local municipalities, declaration may best reside with the Region to ensure consistency and avoid duplicative investments and systems for a Region-wide VHT implementation.</li> <li>▶ A declaration system’s primary purpose should be to automate the declaration process to the greatest extent possible. Any manual effort is likely to be highly labour intensive and cost-prohibitive. As such, local municipalities will need to ensure that their local tax billing systems are able to receive and input the template-based report generated by the Region’s declaration system to optimize efficiency.</li> </ul> | <ul style="list-style-type: none"> <li>▶ Any system built or sourced needs to be integrated with the audit system and must also have the capability of receiving files from homeowners</li> <li>▶ The declaration system must be able to produce a template-based report that is compatible with the local tax collection system in order for local municipalities to accurately charge the VHT to the list of properties declared or deemed vacant</li> <li>▶ Requires significant initial communications effort to ensure that homeowners are aware of declaration requirements, and understand the definitions of and exemptions from the vacant home tax by-law</li> <li>▶ New FTEs may be required to offer in-person or over-the-phone declarations support, including for different segments of the population (i.e. those with limited digital literacy)</li> <li>▶ Privacy mechanisms will be important to consider, as the system will be handling potentially sensitive information.</li> </ul> |

# DECLARATION RISKS

Key risks, and associated mitigation measures, related to the Declaration & Reporting process are outlined below.

| Risks   | Mitigation Measures  |
|---|--|
| <p>Privacy implications and potential breaches to data privacy associated with storing confidential data from residents.</p>  | <p>Storing declaration information centrally in a single Region-managed system will allow Halton to put in place appropriate safeguards to prevent unauthorized access to information.</p> <p>Records related to the Vacant Home Tax should be retained according to the Region's records retention policies and aligned with taxation-related record retention practices.</p>   |
| <p>Multiple potential points of contact for queries regarding the Declaration process. As residents are accustomed to contacting local municipalities about support with Property Taxes, there may be confusion about who to contact about the Vacant Home Tax.</p> | <p>All communications related to the program, aside from the tax bill, will originate from the Region and will clearly identify Halton as the primary point of contact for all inquiries related to the program. Additionally, any call centres and front line staff at the local municipalities may redirect homeowners to contact the Region.</p>  |
| <p>Some residential property owners may fail to declare their occupancy status.</p>   | <p>Communications approaches and tactics are designed to ensure multiple potential points of contact for homeowners and residents to improve overall program awareness. Further, particularly in the first implementation year, the Region may use additional measures to account for potential communications challenges, such as extending declaration deadlines and waiving declaration-related penalties in certain cases.</p>   |
| <p>Administrative burden of reversing VHT billings can have material resource impacts with high volumes.</p>  | <p>Communications tactics and the Declaration and Audit and Compliance processes are designed to mitigate the risk of needing to reverse VHT billings by using multiple points and methods of contact, collecting relevant information through declarations, using an escalating penalty system, and carefully reviewing evidence related to declarations prior to deeming a home vacant in the absence of a vacant declaration.</p> |

# DECLARATION | COMMUNICATIONS OVERVIEW

Communication with homeowners is on-going throughout the vacant home tax process, but has two key phases as outlined below.

## INITIATION PHASE

- Initial targeted direct mail campaign informing homeowners that a Vacant Home Tax will be implemented
- Includes an explanation of what the tax is, why it is being implemented, an overview of what the process will be, and any other pertinent information for the homeowner to be aware of

## ONGOING OPERATIONS PHASE

- Sending out regular reminders, instructions, and deadlines for Declarations, Collection, and Audit
- Handling inbound queries, complaints, and grievances from homeowners
- Escalating queries as needed through the appropriate channels (Access Halton and the Region's dedicated Vacant Home Tax Unit)

### **Leading Practice: Proactive Outreach**

*To achieve a high compliance rate on program launch, jurisdictions such as Vancouver have engaged in proactive outreach prior to and during the declaration process. This includes using multiple communication channels and media, establishing in-person activities for accessibility, and conducting outbound engagement through call centres.*

# DECLARATION | COMMUNICATION APPROACH

Inbound and outbound declaration-related communications are expected to decline following the first year of implementation, as observed in Vancouver, resulting in differing communication approaches over time.

|                   | Year 1  | Year 2 and Beyond  |
|-------------------|---|--|
| OBJECTIVES        | <ol style="list-style-type: none"> <li>1. Ensure broad awareness of requirement to declare</li> <li>2. Maximize declaration compliance rate</li> <li>3. Utilize all available communication channels to compensate for limitations (e.g. availability of detailed homeowner contact information)</li> </ol>   | <ol style="list-style-type: none"> <li>1. Provide ongoing reminders of requirement to declare to existing homeowners</li> <li>2. Inform new homeowners of requirement to declare</li> <li>3. Leverage data collection to increase effectiveness of communication efforts</li> </ol>  |
| POTENTIAL TACTICS | <ul style="list-style-type: none"> <li>• Direct mail to Halton residential addresses via the Region's print and communication services</li> <li>• Public information sessions at Region and local municipal facilities including libraries, community centres, and others</li> <li>• News and radio releases and advertisements</li> <li>• Social media advertisements and posts on Halton/local channels</li> <li>• Targeted outbound communications (e.g. to seniors) from Access Halton and through in-person targeted outreach</li> <li>• In-person Declaration Clinics at Region and local municipal facilities to collect declarations</li> </ul>                               | <ul style="list-style-type: none"> <li>• News and radio releases and advertisements</li> <li>• Social media advertisements and posts on Halton/local channels</li> <li>• Direct mail to homeowner addresses (<i>optional</i>)</li> </ul>   |
| RISKS             | <ol style="list-style-type: none"> <li>i. Homeowners, particularly those residing outside of Halton, may not receive declaration notifications and therefore may not submit a declaration</li> <li>ii. Certain populations (seniors, newcomers, people with disabilities) may face barriers to submitting a declaration</li> <li>iii. If a property owner does not submit a declaration, the property is likely to be deemed vacant and the owner may need to go through the complaints and appeals process to reverse the charge</li> <li>iv. Due to potentially limited access to information in the first year, there would be no way to directly contact the homeowner</li> </ol> | <ol style="list-style-type: none"> <li>i. Reduced outreach efforts may result in lower overall reach</li> </ol>  |
| MITIGATIONS       | <ol style="list-style-type: none"> <li>i. A multitude of communication channels are used to ensure wide reach for awareness and notification. Further, Halton may elect to extend declaration deadlines and/or waive declaration fees to provide additional flexibility. Should the tax be levied on homeowners that did not declare, they may file a Notice of Complaint citing that they did not receive the declaration notice.</li> <li>ii. Communication will be designed to consider accessibility including choice of media, use of multiple languages, and design (including optimizing for text to speech, readability for visual impairment, etc.)</li> </ol>               | <ol style="list-style-type: none"> <li>i. Communication in subsequent years of implementation is not anticipated to require the same intensity of effort as initial implementation. As seen with Vancouver, high (over 99%) compliance rates are achievable with limited communication, as most homeowners are aware of declaration requirements in subsequent years. However, the Region may send targeted direct mail to homeowners based on contact information collected in Year 1. Further, the Region may use any tactics from Year 1 to augment communication efforts in subsequent years.</li> </ol> |

# DECLARATION & REPORTING | COMMUNICATIONS CHANGES REQUIRED

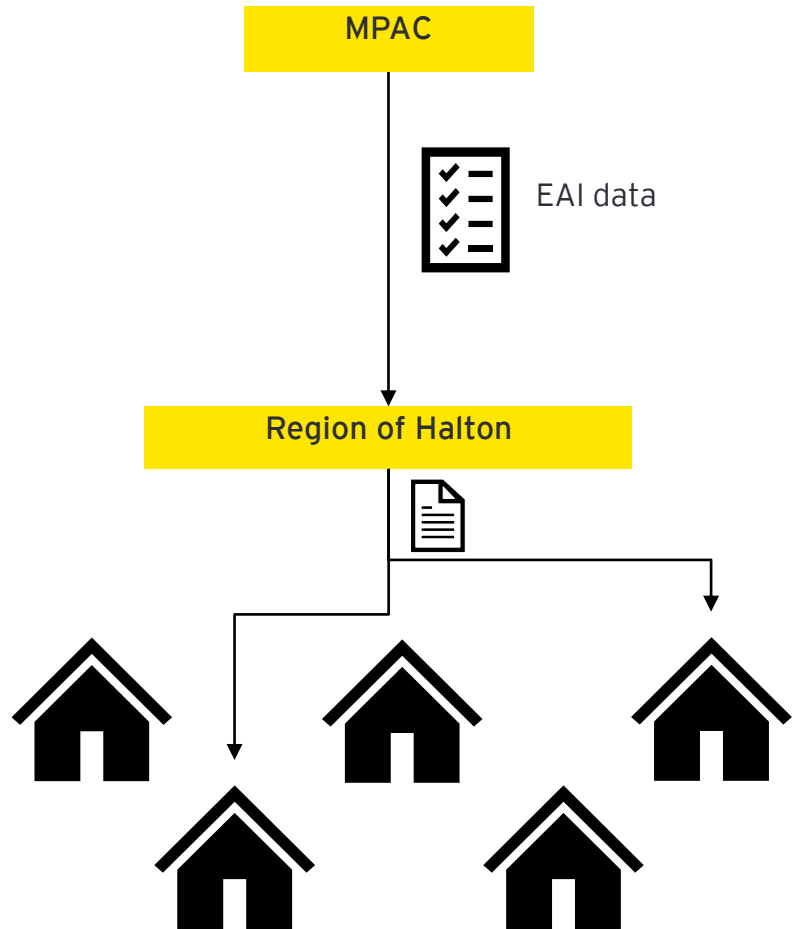
Changes required to implement communications processes are focused on ensuring trained staff and robust processes are in place.

|                    | PEOPLE   | PROCESS   | TECHNOLOGY  |
|--------------------|--|---|---|
| REGION             | <p>Access Halton or other communications staff may be required to handle queries, complaints, and grievances.</p> <p>Additional communication staff may be required in a new vacant home tax organizational unit to support escalated cases.</p> <p>Upskill existing customer service staff to manage queries about the vacant home tax.</p>   | <p>Develop training materials and processes for front-line communications staff.</p> <p>Ensure communications are accessible in multiple languages, for the visually impaired, and for segments of the population such as seniors.</p> <p>Develop staged communications processes, including escalation points.</p> | <p>Adjust Access Halton, phone, and other communications systems as appropriate to support a new organizational unit and the ability to escalate vacant home tax-related communications as needed</p> |
| BOTH               | <p>Resource requirements will be monitored following implementation of the program to identify any incremental employee impacts.</p>   |   |   |
| LOCAL MUNICIPALITY | <p>Inform and train appropriate staff to support initial awareness campaign and direct queries to Halton. There may be communication impacts and increased inbound call volumes as homeowners are accustomed to contacting their local municipalities. Resource requirements will be monitored to identify any incremental employee impacts, but local municipalities have noted an estimate of 1 FTE for six months to manage related call volumes.</p> |   |   |



# DECLARATION NOTICES | COMMUNICATION TACTICS

Halton will use data from MPAC to send targeted declaration notices to homeowners in the first year of VHT operation



1. MPAC provides EAI data to Halton, which includes homeowner contact information. *(Note: MPAC has verified the ability to share this information for this specific purpose)*
2. The Region uses homeowner mailing addresses to send targeted communications identifying the requirement to declare, providing instructions on how to declare, and providing an Access Code unique to the property

## Approach Considerations

- Maintains the ability to target communication to homeowners, decreasing risk of missed communication
- Improves privacy and security, reducing the risk of false declarations and false positives, by allowing two-factor authentication through a unique Access Code
- Decreased risk of resident confusion and decreased likelihood of inbound calls to local municipalities as communication is coming directly from Halton
- Does not require incremental data sharing agreements or transfers between Halton and other stakeholders (e.g. local municipalities)

An aerial photograph of a city, likely Columbus, Ohio, showing a complex highway interchange with multiple overpasses and ramps. A river is visible on the left side of the image. The city buildings and green spaces are visible in the background. The image is overlaid with a semi-transparent dark grey filter.

# Audit & Compliance

# AUDIT AND COMPLIANCE

An overview of the Audit and Compliance Process is provided below.

Following receipt of a declaration, the Audit and Compliance Process is initiated.

- A multi-stage approach, including multiple points of contact and opportunities for review, is used to minimize the risk of tax levies on occupied or exempt homes.
- A new audit system is required to manage external-facing audits. Integration with the declaration system will be required.
- A dedicated Vacant Home Tax Unit within the Region will manage audit and compliance activity.
- All homes declared as vacant with exemption are audited based on evidence provided through the declaration process.
- Homes declared as occupied are audited at rates based on remaining audit capacity and total audit volume targets set by Halton.
- Declarations may be subject to audit for up to two (2) years following the date of declaration.
- Audit findings may be appealed once. Appeals are reviewed and a final determination is made by a dedicated Final Review Body consisting of either a Vacancy Tax Review Officer or third-party review service provider.

## **Leading Practice:** **Exemption-Based Audits**

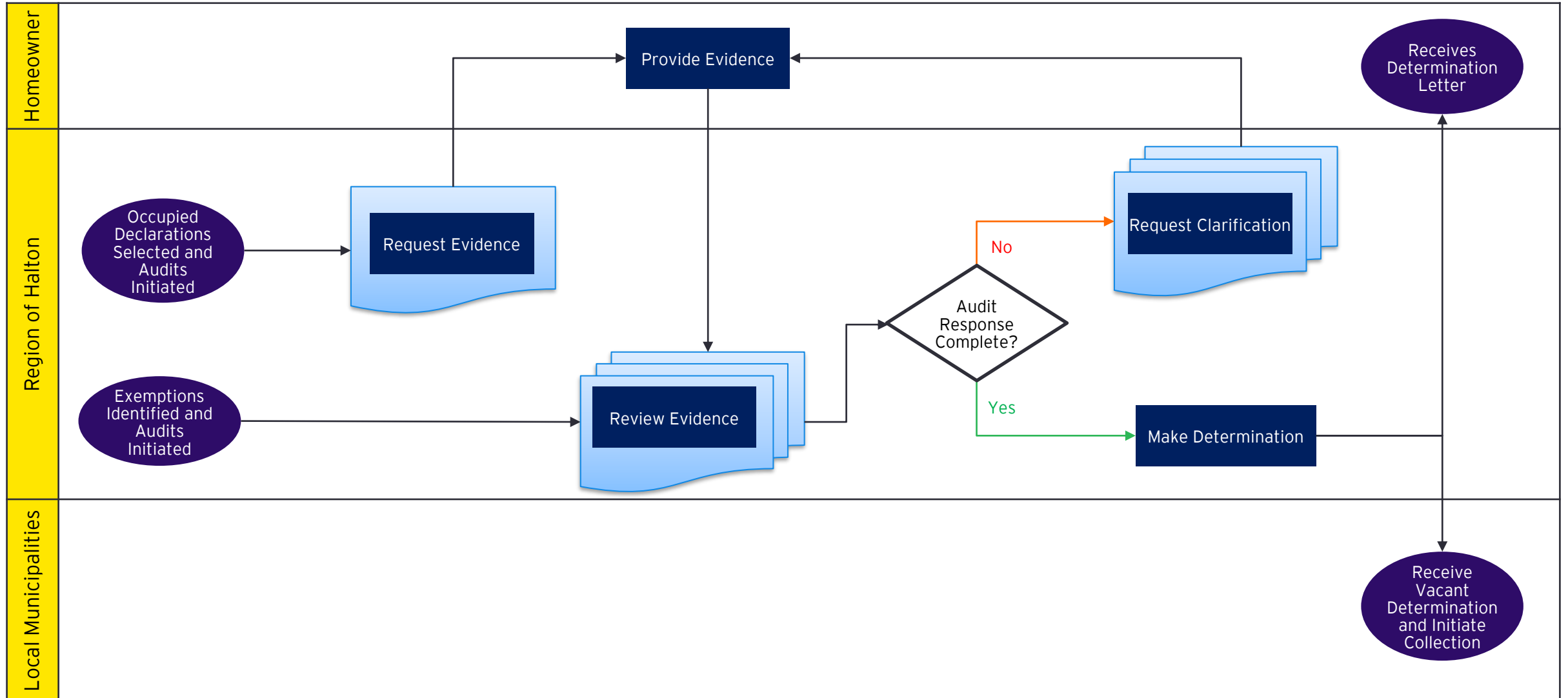
*Properties declared vacant but exempt are relatively higher risk due to misunderstanding or false declaration. Auditing all exempt declarations has proven to improve the effectiveness of compliance activities.*

## **Leading Practice:** **Declaration Process Evidence Collection**



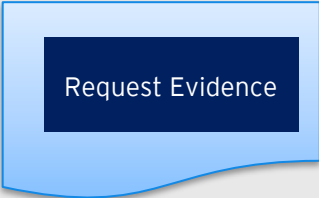
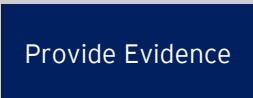
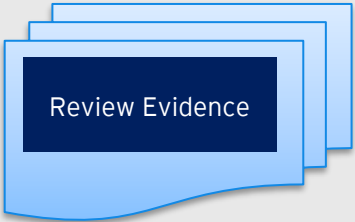
*Collection of evidence through the declaration process, particularly for homes declared vacant with exemption, significantly improves audit efficiency and reduces administrative effort.*

# AUDIT AND COMPLIANCE | AUDIT PROCESS




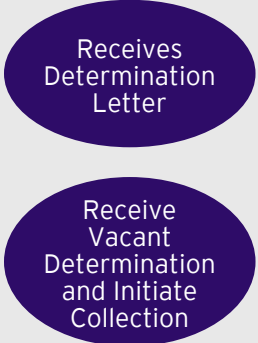
The process for conducting investigations, at the Region level, to confirm the declared vacancy status of a property is outlined below.



# AUDIT AND COMPLIANCE | KEY COMPONENTS - AUDIT

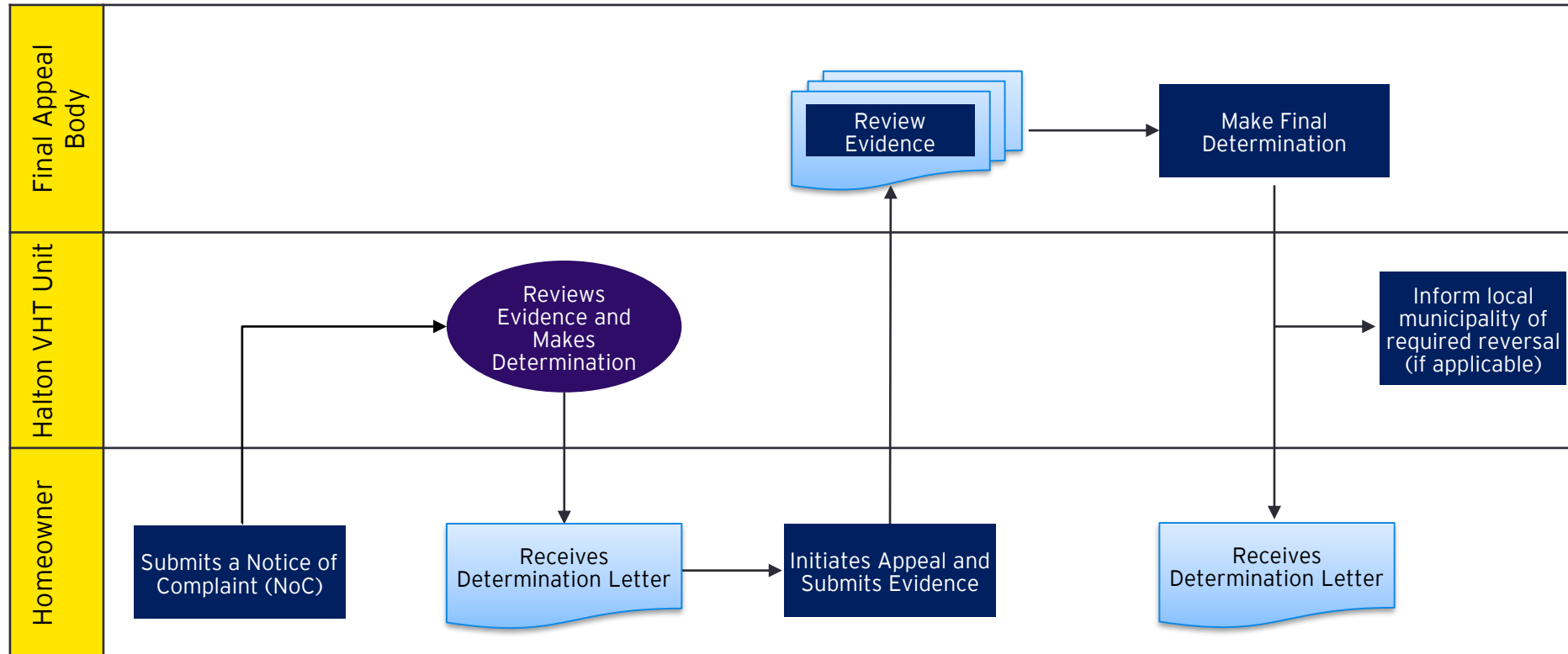
| Legend   | Description   |
|--|---|
| <br> | <p>Audits are initiated within the Region's audit system based on the type of declaration received. Each property is assigned a Case Number and is assigned to a dedicated Compliance Analyst.</p> <p>Audits are immediately initiated for properties declared vacant but exempt. Remaining auditor capacity is dedicated to audits initiated on random samples or complaint-based selections of occupied declarations.</p> |
|   | <p>In the event of an audit on an occupied declaration, the Compliance Analyst sends a communication to the homeowner requesting evidence to determine the validity of the declaration status.</p>  |
|    | <p>Using their unique tax roll number or other identifier, the homeowner provides requested evidence via online portal (uploaded through the audit system), mail (directly mailed to the Halton VHT Unit), or in person (submitted confidentially to a front desk agent and forwarded to the Halton VHT Unit).</p>  |
|   | <p>The Compliance Analyst reviews information provided by the homeowner through the declaration process (for vacant but exempt declarations) or document request (for occupied declarations).</p>   |

# AUDIT AND COMPLIANCE | KEY COMPONENTS - AUDIT

| Legend   | Description   |
|--|---|
|   | <p>Based on the evidence provided, the Compliance Analyst concludes whether the information is sufficient to make a determination. If the Compliance Analyst is able to complete an audit, a determination is made. If not, further clarification and documentation is requested as required.</p>   |
|   | <p>If the evidence provided by the homeowner is insufficient, the Compliance Analyst sends a communication to the homeowner requesting clarification and further information.</p>   |
|   | <p>The Compliance Analyst makes a determination on the Case File after reviewing provided evidence.</p>   |
|  | <p>The homeowner receives a determination letter from the Region outlining the determination of the audit, the rationale, and next steps. If the homeowner is found compliant, no further action is required and the audit process ends.</p> <p>If the homeowner is found non-compliant, the Audit System changes the declaration status of the property in the declaration system. The amended declaration initiates the billing and collection process and the homeowner is required to pay the tax in addition to any applicable penalties.</p> <p>The homeowner is provided the option to appeal the determination, with instructions outlined in the determination letter.</p> |

# AUDIT AND COMPLIANCE | COMPLAINT AND APPEAL PROCESS

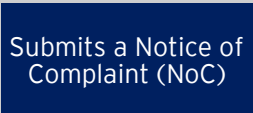



The process for appealing audit determinations at the Region level is outlined below.



**Leading Practice:  
Final Appeal Body**

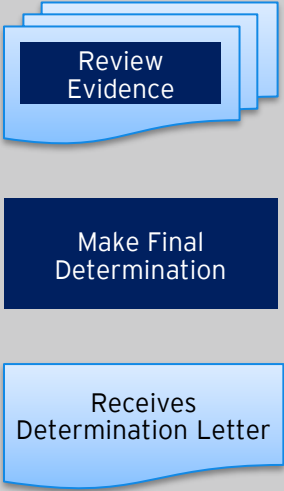
*The Final Appeal Body is a person (or persons) independent from the original audit or review that makes a final determination on appeals. As with Toronto, Ottawa, and Hamilton, a senior municipal employee such as the Regional Treasurer may take this role in Halton.*

# AUDIT AND COMPLIANCE | KEY COMPONENTS - COMPLAINT AND APPEAL

| Legend   | Description  |
|--|--|
|   | <p>The homeowner completes an online form and submits supporting evidence to substantiate their claim.</p> <p>A Notice of Complaint can be submitted in the following cases:</p> <ol style="list-style-type: none"> <li>1. The homeowner did not submit a declaration during the declaration period</li> <li>2. The homeowner believes an incorrect declaration was submitted</li> <li>3. The homeowner wishes to dispute the tax levied</li> <li>4. The homeowner wishes to dispute an audit determination</li> </ol> <p>The deadline for submitting a Notice of Complaint is set as 90 days from the date of issuance of the Vacant Home Tax bill.</p> |
|   | <p>Staff within Halton's dedicated Vacant Home Tax Unit review the Notice of Complaint and associated evidence provided by the homeowner. A determination is made on the submitted claim and a determination letter is issued to the homeowner.</p>  |
| <br> | <p>After receiving the determination letter indicating the results of the initial review from the Region, the homeowner initiates an appeal, and the case is sent to the Final Appeal Body for review.</p>   |

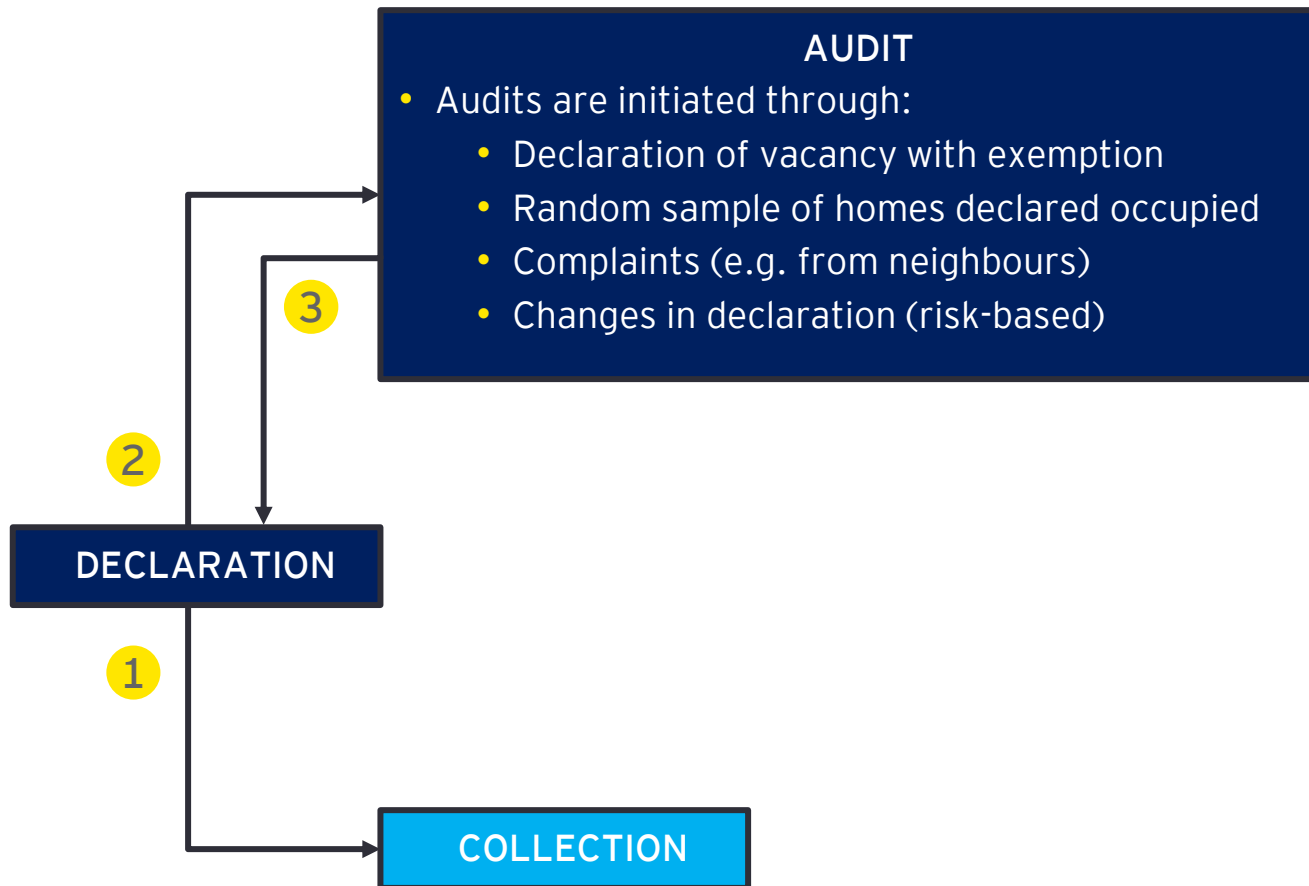


# AUDIT AND COMPLIANCE | KEY COMPONENTS - COMPLAINT AND APPEAL

| Legend  | Description  |
|---|--|
|  <p>Review Evidence</p> <p>Make Final Determination</p> <p>Receives Determination Letter</p> | <p>The Final Appeal Body reviews evidence submitted by the homeowner and makes a final determination independent of the initial review. A communication is sent to the homeowner through the Region's audit system indicating the final decision.</p> <p>If the Final Appeal Body finds in favour of the appellant, the Region will then notify the homeowner's local municipality to administer the reversal against the tax account.</p> |

# AUDIT AND COMPLIANCE | INFORMATION FLOW

Once a declaration is entered in the system, it may flow directly to collection or move to audit for validation. Audits may change status in the declaration system, which subsequently initiates application and collection of the vacant home tax.



**AUDIT**

- Audits are initiated through:
  - Declaration of vacancy with exemption
  - Random sample of homes declared occupied
  - Complaints (e.g. from neighbours)
  - Changes in declaration (risk-based)

In this process, limited information-sharing to the municipalities takes place. There is a one-way flow from declaration to collection and a two-way flow between declarations and auditing.

1. Vacant declarations trigger application and collection of the tax
2. Declarations are audited based on predetermined rules (all exemptions are audited, occupied declarations are audited at random or based on risk)
3. Depending on audit results, a change in declaration may take place, triggering application and collection of the tax

# AUDIT AND COMPLIANCE | CHANGES REQUIRED

The following changes are anticipated to be required at the regional and local municipal levels to enable the audit and compliance process.

|                    | PEOPLE   | PROCESS  | TECHNOLOGY  |
|--------------------|--|--|---|
| REGION             | <p>Create a new organizational unit to support the ongoing operation of the Vacant Home Tax.</p> <p>It is anticipated that the organization will require incremental Full-Time Equivalent (FTE) positions directly, and additional supporting positions may be required in other organizational units.</p> | <p>Design new vacant home tax audit process to validate declarations, including appeals process, audit checklist, and communication and escalation procedures.</p> | <p>Develop and implement an Audit System which includes features such as:</p> <ul style="list-style-type: none"> <li>• Status tracking</li> <li>• The ability for residential property owners and Regional staff to both scan and upload files</li> <li>• Notification issuance</li> <li>• Integration with the Declaration System to allow audit staff to amend declarations.</li> </ul> |
| BOTH               | <p>Resource requirements will be monitored following implementation of the program to identify any incremental employee impacts.</p>   |  |   |
| LOCAL MUNICIPALITY | <p>No anticipated changes.</p>   | <p>Amend (or develop new) billing and collection processes for off-cycle billing to support fine and tax collection.</p>   | <p>Ensure property tax collection system, or associated vacant home tax module, is capable of supporting off-cycle billing for fines or audit-driven tax levies.</p>  |

# AUDIT AND COMPLIANCE | AUDIT SCENARIOS

Audits will be based on claimed exemptions, random samples, complaints, and behavioural changes to align with other jurisdictions.

|  | PROS   | CONS   |
|--|--|--|
| <p><b>EXEMPTION-BASED</b></p> <p>The compliance team will audit units that residential property owners declared to be exempt to ensure the declaration was correct</p>   | <ol style="list-style-type: none"> <li>1. If data are readily available, audits can be conducted quickly by referencing easily accessible information</li> <li>2. Having clearly defined, rules-based exemptions can increase the total audit capacity of staff and overall audit accuracy</li> <li>3. Encourages compliance as the owner knows if they declare an exemption, they are likely to be audited</li> </ol> | <ol style="list-style-type: none"> <li>1. If data are not readily available for high volume exemptions, the audit process can require significant effort and lead to increased operating costs</li> <li>2. May not achieve the goal to increase total housing supply if owners successfully claim fraudulent exemptions on their vacant homes</li> </ol> |
| <p><b>RANDOM SAMPLE</b></p> <p>The compliance team will randomly audit units that residential property owners declared to be occupied to ensure the declaration was correct</p>  | <ol style="list-style-type: none"> <li>1. Encourages compliance and proper declaration as the owner can, at anytime, be audited, and face fines for non-compliance</li> <li>2. Increases the number of audited units as there is a dedicated team that is responsible for auditing, potentially lowering non-compliance</li> </ol>   | <ol style="list-style-type: none"> <li>1. More expensive to implement as it will require hiring full-time compliance auditors and require customized auditing processes and systems</li> <li>2. May be seen as intrusive by the public</li> </ol>  |
| <p><b>HOMEOWNER COMPLAINTS</b></p> <p>The compliance team would only investigate units that are suspected to be vacant by neighbours, or Regional/City service staff (e.g. waste management staff) who observe the lack of inhabitation at an address</p>                  | <ol style="list-style-type: none"> <li>1. Easier to implement, as it does not require a dedicated audit team since only complaints are investigated (can be done by by-law officers)</li> <li>2. Cheaper to implement as an online form or existing call centres can be leveraged to intake complaints</li> </ol>  | <ol style="list-style-type: none"> <li>1. May not have a large uptake if neighbours are not keen to report vacancy</li> <li>2. May not achieve the goal to increase total housing supply if owners do not believe they will be audited</li> <li>3. Pushes onus of ensuring compliance onto residents instead of the Region</li> </ol>                    |
| <p><b>RISK-BASED ASSESSMENT</b></p> <p>The compliance team uses judgemental sampling methods to select units for inspection based on defined risk parameters so that audit resources are dedicated to high risk areas, rather than casting a wide net across all homes</p> | <ol style="list-style-type: none"> <li>1. Allows audit teams to select homes which are considered to be of special audit interest based on risk-profiles (e.g. same exemption criteria declared for multiple years)</li> <li>2. High potential for digitization and streamlining through the use of analytics as more information on non-compliance trends become available</li> </ol>                                 | <ol style="list-style-type: none"> <li>1. High reliance on the professional judgement auditors which can be developed only after a reasonable amount of historical information is available to determine high risk areas</li> <li>2. Presents risks of bias against various communities</li> </ol>   |

# EVIDENCE REQUIRED FOR AUDIT AND COMPLIANCE

Evidence required to audit and verify each listed declaration and exemption is detailed in the table below. More information may be requested during the Audit & Compliance process.

| EVIDENCE FOR AUDIT                           |   |
|--|---|
| Declaration                                  | Examples of Evidence Required   |
| Principal Residence for a Permitted Occupant | <u>One</u> of: Driver's Licence; or Government Photo ID card(s) with address; and<br><u>Two</u> of: CRA Notice of Assessment; Official Government Agency Correspondence; Homeowner's Insurance Certificate; Vehicle Insurance & Registration; Utility Bills.<br>More information may be requested during the audit process. |
| Tenanted                                     | 1. Rental Agreement<br>2. Proof of Rental Income  |

# EVIDENCE REQUIRED FOR AUDIT AND COMPLIANCE

Evidence required to audit and verify each listed declaration and exemption is detailed in the table below. More information may be requested during the Audit & Compliance process.

## EVIDENCE FOR AUDIT

| Exemption |  | Examples of Evidence Required   |
|-----------|--|---|
| 1         | Transfer of Ownership                      | 1. Title Transfer of Deed, and one of:<br>2. Statement of Adjustments;<br>3. Copy of Land Transfer Tax;<br>4. Letter from Lawyer, as needed   |
| 2         | Death of Owner                             | Copy of Death Certificate of Owner  |
| 3         | Owner in Care                              | Signed Letter from Care Facility on Letterhead  |
| 4         | Major Redevelopment or Renovation          | 1. Copy of the Building Permit<br>2. Letter from Contractor with Start and End Date   |
| 5         | Court Order Prohibiting Occupancy          | Copy of the Court Order   |
| 6         | Seasonal Property                          | Evidence may not be required as associated property codes would not be considered eligible for the tax.                                       |
| 7         | Uninhabitable                              | 1. Copy of the Fire Report or other emergency services report<br>2. Letter from Insurance Provider including date of damage and scope of work |
| 8         | Properties purchased part-way through year | See "Transfer of Ownership" above.  |
| 9         | Exempting previously vacant properties     | See "Transfer of Ownership" above.  |

# AUDIT AND COMPLIANCE CONSIDERATIONS

Consultations with staff from the Region and local municipalities indicated the audit and compliance function is likely best centralized within Halton, confirming decisions approved by area treasurers.

| Local Municipalities   | Halton Region  |
|--|--|
| <ul style="list-style-type: none"> <li>▶ Local municipalities do not have existing IT systems to undertake external-facing audits</li> <li>▶ The incremental cost of audit and compliance staff may not be offset by regular or audit-derived revenue in individual local municipalities</li> <li>▶ There does not appear to be a role for local municipalities in the audit and compliance process</li> </ul> | <ul style="list-style-type: none"> <li>▶ Any system built or sourced needs to be integrated with the declaration system and must also have the capability of receiving files and issuing notifications to homeowners</li> <li>▶ Because of evidence collected through the declaration process and the audit system's capability to collect evidence directly from homeowners, data-sharing with local municipalities is not anticipated to be required</li> <li>▶ The audit and compliance function represents the bulk of resources assigned to the dedicated Vacant Home Tax Unit, as has been observed in other jurisdictions</li> <li>▶ Evidence required for audit scenarios will determine the level of effort required for each, and subsequently overall audit capacity</li> <li>▶ Evidence collected for vacant but exempt properties through declaration will materially improve audit effectiveness and enable higher overall capacity</li> </ul> |

# AUDIT AND COMPLIANCE RISKS

Key risks, and associated mitigation measures, related to the Audit & Compliance process are outlined below.

| Risks  | Mitigation Measures   |
|--|---|
| <p>Prior to an appeal or Notice of Complaint determination, a homeowner may choose to pay the Vacant Home Tax and the levy may subsequently be reversed. Reversal of charges is administratively burdensome and may increase operating costs for local municipalities.</p> | <p>The program, including the audit and compliance process, is designed to incentivize compliance and prevent reversal of charges.</p> <p>A Notice of Complaint may be submitted within 90 days of the declaration deadline, tax payment deadline, or audit determination date.</p> <p>Homeowners that do not pay the tax during the review period, and are subsequently deemed ineligible to pay the tax, will not incur any tax charges. However, fines associated with late declaration would apply.</p> |
| <p>Privacy implications and potential breaches to data privacy associated with storing confidential data from residents.</p>   | <p>Storing declaration information centrally in a single Region-managed system will allow Halton to put in place appropriate safeguards to prevent unauthorized access to information.</p> <p>Records related to the Vacant Home Tax should be retained according to the Region's records retention policies and aligned with taxation-related record retention practices.</p>  |
| <p>While there are initial and ongoing costs associating with building a division of staff to manage the Vacant Home Tax program, the number of staff available may not have the capacity to handle the number of audits.</p>  | <p>Similar to other jurisdictions, audit rates can be set that result in an overall number of audits that lie within the expected capacity of Compliance Analysts and the Vacancy Tax Review Officer. Annual reviews of capacity and generated revenue will be required to amend audit rates as desired.</p>  |



An aerial photograph of a city, likely St. Louis, Missouri, showing a complex highway interchange with multiple overpasses and ramps. A river is visible on the left side of the image. The city buildings and greenery are visible in the background. The image is overlaid with a semi-transparent dark grey filter.

# Billing & Collection

# BILLING & COLLECTION

An overview of the Billing and Collection Process is provided below.

Following a declaration or determination of vacancy, the Billing and Collection process is initiated:

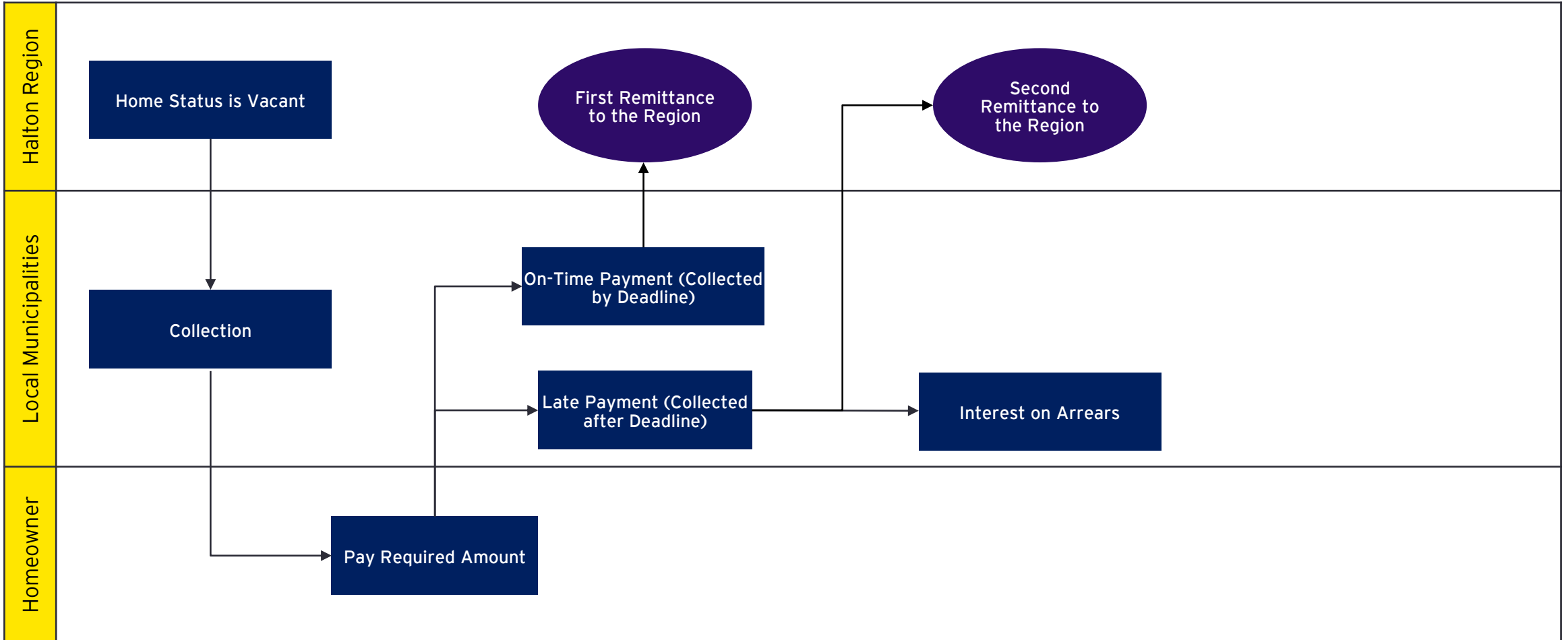
- If a home is declared vacant, or deemed vacant through the Audit & Compliance process, the Vacant Home Tax is applied.
- A list of roll numbers eligible for the tax is provided by Halton to local municipalities in a template format for input into the local municipalities' tax billing system.
- The tax amount to be collected is based on the latest available assessed value of the home, multiplied by the tax rate.
- A bill is generated for identified homes through local municipality property tax systems, and is sent on the final property tax bill (homes declared vacant or audits completed prior to cut-off) or through off-cycle billing (audits completed following the final property tax bill cut-off).
- Administrative fees for late declaration and enforcement mechanisms for false declaration, non-declaration, or other offences are issued by the Region. Local municipalities collect interest on arrears.

## **Leading Practice:** **Property Tax Alignment**

*It has been observed that collection of the Vacant Home Tax is typically aligned with property tax collection timelines and systems. In Halton, this means collecting taxes on vacant declarations on the final property tax bill through the local municipalities' tax collection system.*

# BILLING & COLLECTION | COLLECTION PROCESS

The process of collecting tax revenue from vacant homes and fines from homeowners who are non-compliant or who present fraudulent declarations is outlined below.



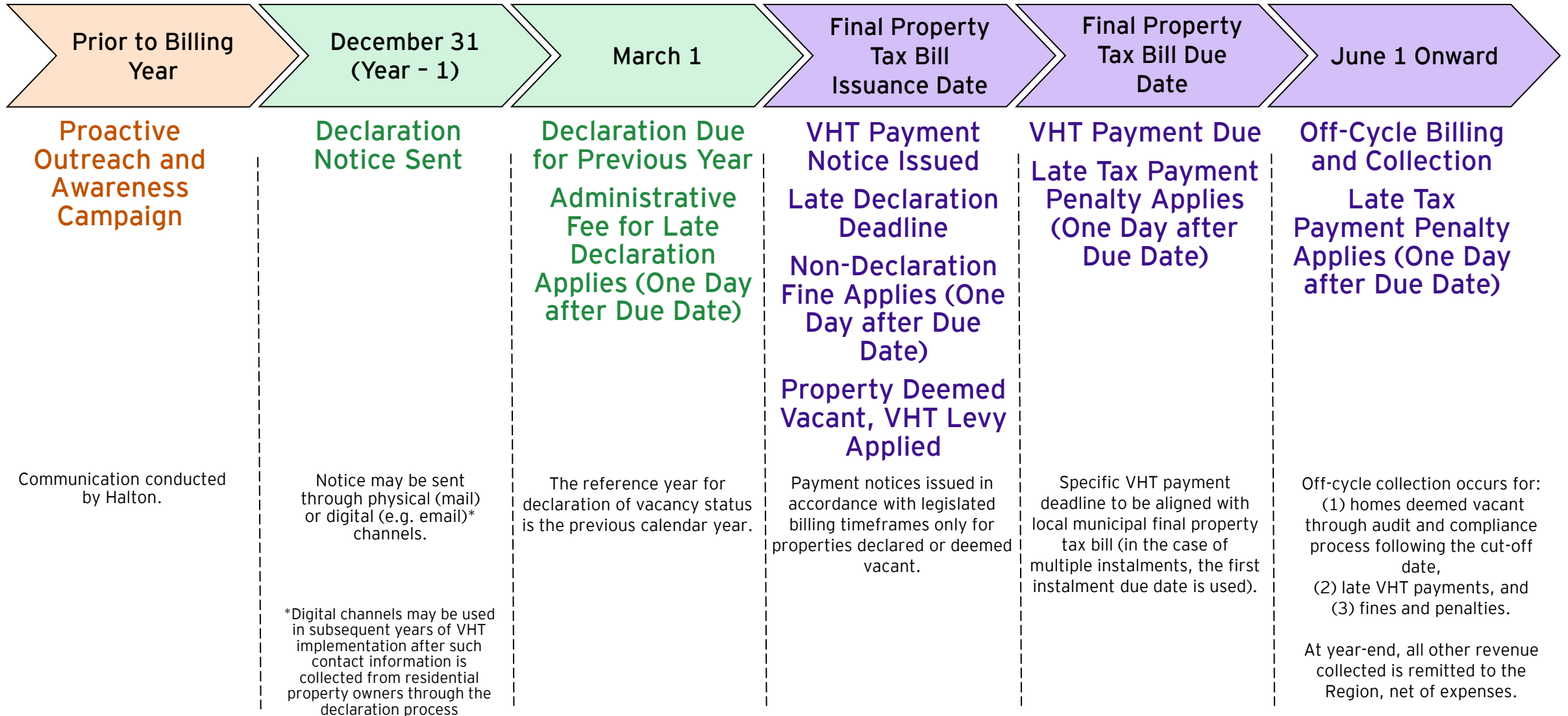
# BILLING & COLLECTION | KEY COMPONENTS

The process of collecting tax revenue from vacant homes and fines from homeowners who are non-compliant or who present fraudulent declarations is outlined below.

| Legend  | Description  |
|---|--|
| <p><b>Declared Vacant</b></p>                             | <p>The property has been classified as vacant through (1) a declaration by the homeowner, (2) a determination through the Audit &amp; Compliance process, or (3) the homeowner fails to declare by the deadline and the home is deemed vacant.</p> <p>An administrative fee has been determined to be applied related to late payment while a fine is applied to non/false declaration.</p>  |
| <p><b>Collection</b></p>                                  | <p>Halton provides the tax roll number to be levied the tax or fine. Local municipalities begin the billing and collection process. Taxes collected on homes declared vacant, along with any fines or levies collected (as a result of audit) from January 1, are remitted net of expenses following the final property tax bill deadline. Any amounts collected following this deadline until December 31 are remitted net of expenses to the Region at year-end.</p> |
| <p><b>Pay Required Amount</b></p>                         | <p>Homeowners could potentially use existing property tax accounts and processes to pay the vacant home tax online, in person, by mail, or over the phone.</p>   |
| <p><b>On-Time Payment<br/>(Collected by Deadline)</b></p> | <p>The homeowner pays the vacant home tax by the deadline. The collection process ends.</p>  |
| <p><b>Late Payment (Collected<br/>after Deadline)</b></p> | <p>If the homeowner fails to pay the vacant home tax by the prescribed deadline, an administrative fee is applied in addition to the vacant home tax outstanding. Late payments are collected through the same payment options as on-time payments.</p>  |
| <p><b>Interest on Arrears</b></p>                         | <p>Penalties apply for non-payment of tax due and interest is applied on VHT amounts in arrears. If non-payment continues, the local municipality may undertake a tax sale process on the property in accordance with existing property tax processes. The collection of fines and penalties may be completed through off-cycle billing.</p>   |

# BILLING & COLLECTION | TIMELINES

An overview of the proposed Billing and Collection timeline is provided below



# BILLING & COLLECTION | CHANGES REQUIRED

Limited changes to the local municipal billing and collection process are anticipated to enable collection of the VHT.

|                    | PEOPLE  | PROCESS  | TECHNOLOGY   |
|--------------------|---|--|--|
| REGION             | No anticipated changes.   | New processes to identify late or outstanding declarations and payments for collection of fines. | Ensure the Region's declaration system can generate a report or template compatible with the local tax collection system that the local municipalities may input to collect the VHT and any subsequent penalties from the listed tax roll numbers.                                 |
| BOTH               | Resource requirements will be monitored following implementation of the program to identify any incremental employee impacts.                       |  |  |
| LOCAL MUNICIPALITY | Given the nature of the process, at this time, a total of 4 FTEs are anticipated to be required at the local municipal level to support operations. | Update tax collection processes to include the implementation of a Vacant Home Tax.              | Add VHT-specific module to CentralSquare and Vailtech ( <i>note: Vailtech module may be unfeasible</i> ).<br><br>Ensure property tax collection system, or associated vacant home tax module, is capable of supporting off-cycle billing for penalties or audit-driven tax levies. |

# BILLING & COLLECTION | FINES AND PARAMETERS

Details of fines applied in relation to declaration and payment of the vacant home tax are further outlined below.

| Charges Enabled by Halton   | Responsibility       | Enforcement Mechanism  | Rationale  |
|---|----------------------|--|--|
| Late declaration  | Region of Halton     | <ul style="list-style-type: none"> <li>▶ One-time \$250 administrative fee is issued. This may be waived at Halton's sole discretion.</li> </ul>   | Implemented in Vancouver and Ontario municipalities consistent with similar by-law offences.   |
| Non-declaration   | Region of Halton     | <ul style="list-style-type: none"> <li>▶ Property is deemed vacant, tax is applied. Fine may be waived and tax reversed at Halton's sole discretion.</li> <li>▶ \$250 - \$10,000 fine for each offence.</li> </ul>   | Implemented in Vancouver and Ontario.  |
| False declaration   | Region of Halton     | <ul style="list-style-type: none"> <li>▶ Property is deemed vacant, tax is applied</li> <li>▶ \$250 - \$10,000 fine for each offence.</li> </ul>   | Implemented in Vancouver and Ontario municipalities consistent with similar by-law offences.   |
| Other offences<br>(making false entries or omitting information, willfully evading or attempting to evade compliance) | Region of Halton     | <ul style="list-style-type: none"> <li>▶ \$250 - \$10,000 fine for each offence.</li> </ul>  | Similar to fines implemented in Ontario municipalities.  |
| Charges Enabled by Local By-Laws  |                      |  |  |
| Late tax payment or non-payment   | Local Municipalities | <ul style="list-style-type: none"> <li>▶ 1.25% monthly interest on arrears.</li> <li>▶ Local municipality retains interest collected, remits principal (net of expenses) to Halton</li> <li>▶ A tax sale process if amounts owed remain outstanding. (Timelines may vary due to application of payment rules)</li> </ul> | Similar to system implemented in Vancouver and Ontario municipalities consistent with local municipal property tax penalties and tax sale process. |

NOTE: Cells highlighted in blue represent charges collected by local municipalities through the property tax collection process, while cells highlighted in green represent charges collected by Halton Court Services on behalf of the Region



# BILLING & COLLECTION | CONSIDERATIONS

Consultations with staff at the Region and local municipalities primarily indicated concerns about implementation timing and off-cycle billing

| Burlington   | Halton Hills   | Milton   | Oakville   | Region of Halton  |
|--|--|--|--|---|
| <ul style="list-style-type: none"> <li>▶ Will transition to CentralSquare by 2024</li> <li>▶ Requires adding a VHT module within the Collection System with the capacity to support VHT collection as well as fines and penalties after payment deadline</li> <li>▶ Burlington expressed concerns about off-cycle billing and distinguishing between fines and penalties on the collection system</li> </ul> | <ul style="list-style-type: none"> <li>▶ Currently using CentralSquare</li> <li>▶ Although fines and penalties may be applied at the beginning of each month, distinguishing between penalties for the VHT module and the property tax module may prove challenging</li> </ul> | <ul style="list-style-type: none"> <li>▶ Will transition to CentralSquare between 2025 and 2026</li> <li>▶ May be required to use Vailtech for VHT collection in the interim, which Milton staff indicated could collect VHT through a one-time manual process</li> <li>▶ Once Milton transitions to CentralSquare, there may be challenges migrating data from Vailtech to CentralSquare to ensure historical accuracy</li> <li>▶ Milton also expressed concerns about off-cycle billing and distinguishing between fines and penalties on the collection system</li> </ul> | <ul style="list-style-type: none"> <li>▶ Will transition to CentralSquare by 2024</li> <li>▶ Although fines may be applied at the beginning of each month, distinguishing between fines for the VHT collection and property tax collection may prove challenging as they may need to be manually adjusted</li> </ul> | <ul style="list-style-type: none"> <li>▶ Halton does not have the legal authority to collect taxes, but may set tax rates and require collection by local municipalities</li> <li>▶ Halton may consider the use of a secure file-sharing system (such as a shared site) to facilitate transmission of collection-related information</li> </ul> |



# BILLING & COLLECTION | RISKS

Key risks and their subsequent mitigation measures to the Billing and Collection process are outlined below.

| Risks  | Mitigation Measures   |
|--|---|
| <p>If the Region of Halton prefers to align the Vacant Home Tax with Property Tax timelines, it may be difficult to align with the collection timelines of the four local municipalities, in particular as three of the four are updating respective tax collections systems. The Region may elect to defer implementation of the VHT until all local municipalities have updated their collection systems, which may result in lost revenue.</p>  | <p>Consultation and agreement on collection timelines with the four local municipalities will be required. Further, the Region may consider developing an interim approach to collection with the local municipalities (primarily Milton) to determine a different method of collection, such as manually initiating collection through existing systems.</p>   |
| <p>A large volume of tax levy reversals can lead to significant administrative burden, and potential resource implications, for local municipalities. There are two situations in which local municipalities may be required to issue reversals on tax accounts :</p> <ol style="list-style-type: none"> <li>1. The homeowner fails to declare and the home is deemed vacant.</li> <li>2. The home is deemed vacant through audit and is subsequently found to be occupied or exempt through appeals.</li> </ol> | <ol style="list-style-type: none"> <li>1. A multitude of proactive communication tactics and channels are used to ensure wide reach for awareness and notification of the requirement to declare. Further, Halton may elect to extend declaration deadlines and/or waive declaration fees to provide additional flexibility.</li> <li>2. If the homeowner files a Notice of Complaint to dispute vacancy status, Halton may hold the VHT bill until the time limit for filing an appeal expires. As properties that have declared are being audited, the Region will have options and opportunities to communicate with the residential property owner to mitigate risks of requiring a reversal.</li> </ol>  |
| <p>With current tax collection system capabilities, it is not possible to separate VHT-related charges from property tax levies in the absence of a dedicated VHT module. As a result, manual tracking may be required to ensure remittance of appropriate amounts from the local municipality to Halton, leading to higher administrative effort, a lack of separation between tax levies and interest, and potentially increased need for resources (e.g. FTEs).</p>   | <p>To mitigate this, the Region can work with local municipalities to develop a VHT module within the local municipal tax collection system. This would allow local municipalities to track payment charges, reducing the level of effort required and would enable the Region to communicate directly with homeowners. Estimated implementation costs are unclear at the time of writing.</p> <p>Although a separate VHT module would reduce overall administrative burden, issues may arise relating to sequencing of payments and affects on pre-authorized payment plans. However, if the Region is able to respond to disputes in a timely manner through a robust dispute resolution mechanism, the complexity of administering reversals may be minimized.</p> |

An aerial photograph of a city, likely Columbus, Ohio, showing a complex highway interchange with multiple overpasses and ramps. A river is visible on the left side of the image. The city buildings and green spaces are visible in the background. The image is overlaid with a semi-transparent dark grey layer.

# Additional Considerations

# TENTATIVE IMPLEMENTATION TIMELINE

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Once the VHT Program Design has been approved by Council, it may proceed through the next steps of implementation, as outlined in the tentative timeline below.

*Note: the timeline below represents the earliest potential Halton implementation of a VHT program and is aligned with the expected implementation of tax collection software. The timeline may be impacted by factors including software development delays and is dependent on local municipalities' implementation of new tax collection systems and processes.*



*\*Note: Requires all four local municipalities to be on CentralSquare*

# DELIVERY MODEL | KEY RISKS

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1

Requires developing integrations between processes in the Region and the municipalities to facilitate information sharing on tax collection, tax payment status, arrears, status of enforcement actions, etc. Breakdown in information sharing may lead to lost revenue.

2

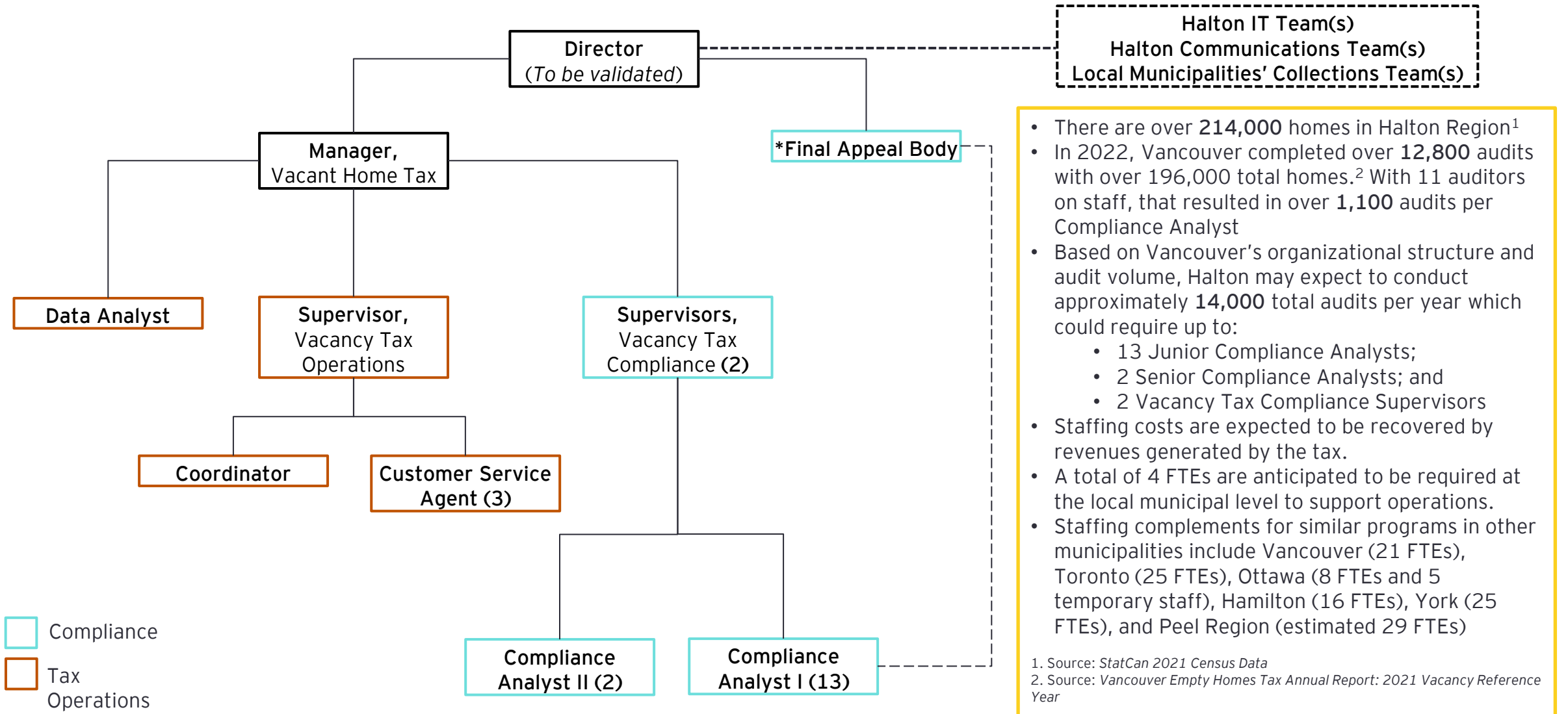
Will likely create multiple points of contact for residential property owners for resolution of queries and grievance redressal, leading to confusion and frustration.

3

Upfront and ongoing investments would be required to establish declaration, collection, and audit functions. Should revenue not materialize as expected, the program may generate negative net revenue and operations may be difficult to cease.

# STAFF ORGANIZATIONAL CHART | HALTON VACANT HOME TAX UNIT

It is estimated that approximately 24 new Full-Time Equivalent positions may be needed in a dedicated vacant home tax organization.



# STAFF DESCRIPTIONS | HALTON VACANT HOME TAX UNIT

The following outlines a high-level description of the purpose of each position within the vacant home tax organization.

|   |  |
|---|--|
| <b>Compliance Analyst I</b>                   | Conducts audits, collects and assesses documents from residential property owners, makes determinations, and communications with owners as appropriate.  |
| <b>Compliance Analyst II</b>                  | Handles more complex and non-routine audit cases and act as By-Law Enforcement Officers as needed.   |
| <b>Supervisor,<br/>Vacancy Tax Compliance</b> | Oversees operations and training for Compliance Analysts and provides approval for audit determinations made by Compliance Analysts.   |
| <b>Customer Service Agent</b>                 | Responds to any escalated VHT-related inquiries via phone or email.  |
| <b>Coordinator</b>                            | Manages inbound communication via phone and email and triages requests to Customer Service Agents.   |
| <b>Supervisor,<br/>Vacancy Tax Operations</b> | Oversees the management of inbound inquiries. Serves as a knowledge source for Coordinators and Customer Service Agents to escalate further as needed and identify potential policy changes for consideration. |
| <b>Data Analyst</b>                           | Collects and assesses relevant metrics for the purposes of reporting. Supports the review and assessment of potential policy changes, as required.   |
| <b>Manager</b>                                | Oversees all operations within the Vacant Home Tax Unit.   |

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# Halton Region

Vacant Home Tax Implementation Study

VHT Financial Analysis Report - FINAL

25 September 2024



# Disclaimer

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Ernst & Young LLP (“EY”) was engaged by the Halton Region (“Halton”) to conduct a feasibility review of a Vacant Homes Tax (VHT) program under multiple delivery scenarios in Halton. In preparing this document (“Report”), EY relied upon unaudited data and information from Halton, Statistics Canada, and other third party sources (collectively, the “Supporting Information”). EY reserves the right to revise any analyses, observations or comments referred to in this Report, if additional Supporting Information becomes available to us subsequent to the release of this Report. EY has assumed the Supporting Information to be accurate, complete and appropriate for the purposes of the Report. EY did not audit or independently verify the accuracy or completeness of the Supporting Information. Accordingly, EY expresses no opinion or other forms of assurance in respect of the Supporting Information and does not accept any responsibility for errors or omissions, or any loss or damage as a result of any persons relying on this Report for any purpose other than that for which it has been prepared.

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# Purpose of the Report

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The purpose of this report is to provide an overview of a VHT under:

- ▶ **Scenario 1 - Halton Region Administration:** The VHT program includes 4 participating local municipalities (Oakville, Milton, Burlington, Halton Hills), with a hybrid administration model. This is not a feasible scenario at this time, as the Towns of Milton and Halton Hills, and the City of Burlington, have opted to be excluded from the program.
- ▶ **Scenario 2 - Local Municipality Administration:** The VHT is administered by a single local municipality and only applies to homes within that municipality. Assumptions for this scenario are based on estimates and insights derived through engagement with staff at the Town of Oakville.

This analysis was conducted based on methodologies reviewed and validated by Halton staff and customized to Halton Region's unique circumstances.

This report reflects analysis completed toward the above objective, including:

1. Estimating the number of vacant residential units in Halton Region based on the latest available aggregate water usage data.
2. Incorporation of the Vacant Home Tax Provincial Policy Framework, released on March 27, 2024.
3. Analysis of potential revenue generated by a VHT using eligibility and tax rates observed in other jurisdictions.
4. Conducting sensitivity analysis to determine the impacts of a range of potential tax rates and behavioural responses.
5. Estimating potential implementation and ongoing operating costs related to a VHT program across the scenarios outlined above.

# Housing Market Considerations

In examining housing market dynamics in municipalities, certain factors can strongly influence the prevalence of vacant residential units. The three primary factors are:



## Interest Rates



## Home Price Appreciation



## Rental Price Growth

It will be important for the Region to monitor these factors closely as their dynamics can fluctuate significantly. The number of vacant residential properties was estimated based on 2023 water consumption data, and eligibility assumptions based on the experience of the City of Vancouver. This has resulted in a lower number of estimated vacant residential properties, compared to the feasibility assessment that was undertaken in 2022, likely due to factors such as higher interest rates, low price appreciation, and high rental price growth in 2023. (*note: this observation represents a point in time and may not be indicative of longer-term trends*).



**Low interest rates** reduce debt costs, improving returns on capital (price) gains on homes held vacant.

+



**High price appreciation** provides potentially significant financial returns on vacant homes with relatively low incremental effort.

+



**Low rental price growth**, when exceeded by price appreciation, may provide inadequate financial returns to incentivize placement of units on the rental market.

= Higher Prevalence of Vacancies



**High interest rates** raise homeownership costs, reducing returns on homes held vacant.

+



**Low or negative price appreciation** further reduces financial returns on vacant homes and may incentivize owners to seek additional returns through renting or limit losses through sale.

+



**High rental price growth** can significantly contribute to financial returns, particularly where debt interest costs are high, strengthening incentives to place units on the rental market.

= Lower Prevalence of Vacancies

*Note: Current federal and provincial policies may also impact the prevalence of vacant residential units, however, more data is needed to make a direct correlation.*

# Considerations and Constraints

While a Halton-implemented VHT program may seem initially viable, it is important to consider the notable advantages of a locally-implemented approach

The two scenarios assessed in this financial analysis include a Halton-implemented VHT, in which Halton administers the program on behalf of all four local municipalities, and a program implemented and administered by a local municipality.

With four participating local municipalities, a Halton-implemented program appears feasible and presents implementation cost advantages due to scale. However, the estimated ongoing operating costs of a Halton-implemented program significantly exceed those of the local municipality-implemented scenario.

|  | Halton Region Administration | Local Municipality Administration |
|--|------------------------------|-----------------------------------|
| Implementation Costs                     | \$ 1.59 M                    | \$ 1.59 M                         |
| Average Annual Operating Costs (10-year) | \$ 4.1 M                     | \$ 2.2 M                          |

A Halton-implemented program without the participation of all four local municipalities is less financially feasible and operationally efficient relative to a local municipality-implemented program. The financial and operational implications of partial participation of local municipalities include:

- Increased manual effort resulting in the need for participating municipalities to hire additional FTEs for billing and collection, thus increasing operating costs and reducing overall net revenues relative to a local municipality-implemented program
- The potential requirement additional customer service staff at the Region to address inquiries from residents in non-participating municipalities
- Challenges in implementing and communicating the program due to the mixed participation of local municipalities, which may result in public confusion and financial implications (e.g., significant amounts of late or missed declarations and resulting false positives)

# Considerations and Constraints

While a Halton-implemented VHT program may seem initially viable, it is important to consider the notable advantages of a locally-implemented approach

Although costs between the two delivery models are comparable, a VHT program administered and implemented by local municipalities appears to have some potential advantages over a Halton-implemented program, namely:

1. The collection of property taxes by local municipalities ensures that the implementation of the VHT is integrated into the existing property tax billing framework, simplifying program administration and communication with residents.
2. Adopting a Halton-implemented hybrid delivery model for the VHT could increase the potential for errors due to manual processes (i.e., transmission of declaration data from the Region to local municipalities for the purposes of tax collection). However, in the local municipal administration scenario, systems would be more easily integrated to reduce the need for manual effort and the potential for errors.
3. With local municipal implementation, the municipality gains the flexibility to tailor the VHT program's parameters to fit their specific contexts. The Region would approve a by-law which sets the tax rate and definition of vacancy, while all other program parameters would be determined by the local municipality. This approach allows for customization that aligns with the unique characteristics and needs of each municipality.
4. Local municipal administration ensures that only residents of the local municipality wherein the VHT applies contribute to the costs of the program. In other words, taxpayers across the Region are not financially contributing to a program that does not apply to them.
5. Leading practice suggests net revenues generated by the VHT program will be retained by the entity leading the program's implementation. To align with this, should implementation be led by local municipalities, the implementing municipalities would retain net revenues to support local housing priorities and initiatives. For Halton-led implementation, net revenues would be retained by the Region to support regional housing priorities and initiatives.

# Executive Summary: Costs Breakdown

For a universal declaration-based program, implementation costs in both scenarios are expected to be similar with lower local municipality operating costs.

## Scenario 1 - Halton Region Administration

The cost inputs below outline costs associated with a program implemented and administered by Halton, with billing and collection of taxes occurring at the local municipality level. Estimated costs are based on observed needs in other municipalities and vendor-provided software development estimates.

| Implementation Costs  | Estimated Costs  |
|---|------------------|
| Building Declaration and Audit Systems                        | \$ 1.0 M         |
| Others (including business support services and project team) | \$ 0.47 M        |
| Contingency   | \$ 0.12 M        |
| <b>Total</b>  | <b>\$ 1.59 M</b> |

| Operational Costs (Year 1)            | Estimated Costs  |
|---------------------------------------|------------------|
| Salary Expense - Halton Region        | \$ 3.2 M         |
| Salary Expense - Local Municipalities | \$ 0.33 M        |
| Software Annual Subscription Fee      | \$ 0.2 M         |
| <b>Total</b>                          | <b>\$ 3.73 M</b> |

|   |                      |
|---|----------------------|
| <b>Estimated Breakeven Vacant Homes**</b> | <b>557 (approx.)</b> |
|---|----------------------|

## Scenario 2 - Local Municipality Administration

The cost inputs below outline costs associated with a program implemented and administered by a local municipality. Operational costs were modelled based on data from the Town of Oakville. Implementation costs were found to be similar to a Halton-implemented program based on existing capability and function.

| Implementation Costs  | Estimated Costs  |
|---|------------------|
| Building Declaration and Audit Systems*                       | \$ 1.0 M         |
| Others (including business support services and project team) | \$ 0.47 M        |
| Contingency   | \$ 0.12 M        |
| <b>Total</b>  | <b>\$ 1.59 M</b> |

| Operational Costs (Year 1)          | Estimated Costs  |
|-------------------------------------|------------------|
| Salary Expense - Local Municipality | \$ 1.75 M        |
| Software Annual Subscription Fee*   | \$ 0.1 M         |
| <b>Total</b>                        | <b>\$ 1.85 M</b> |

|   |                      |
|---|----------------------|
| <b>Estimated Breakeven Vacant Homes**</b> | <b>220 (approx.)</b> |
|---|----------------------|

\*Estimate based on Regional system cost. Local system cost estimate will vary by municipality

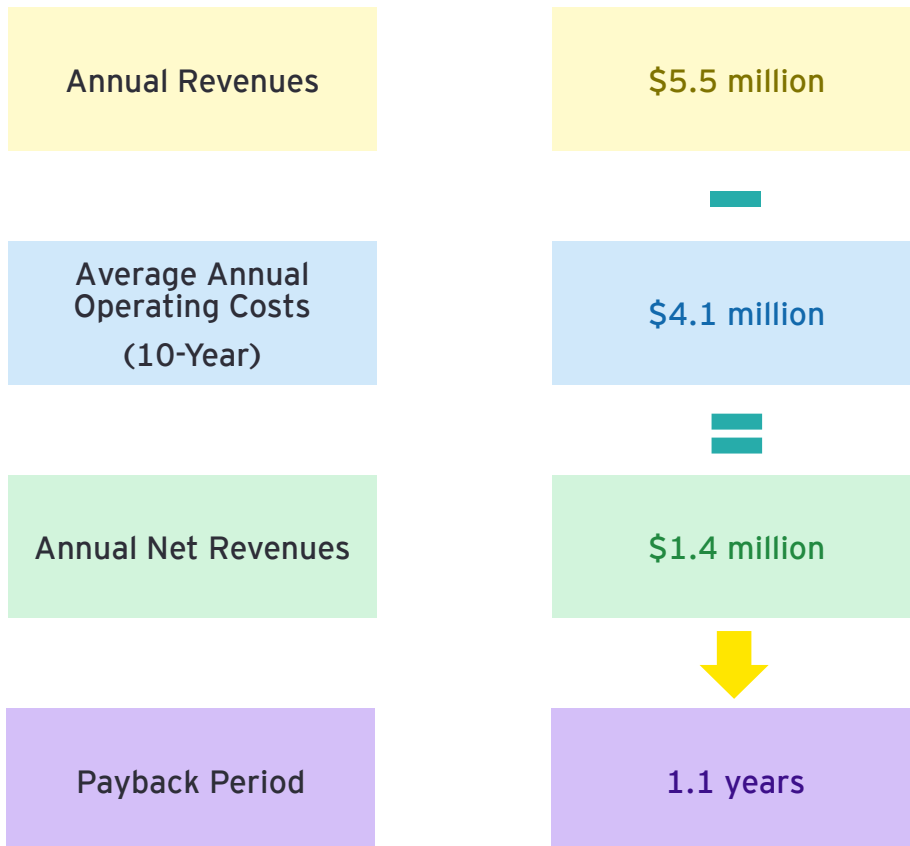
\*\* Actual breakeven number of homes may vary as a result of differing assessment values across local municipalities and home types.

# Executive Summary: Results

Based on the latest available data, both Halton and Local Municipality Implementation scenarios appear to be feasible.

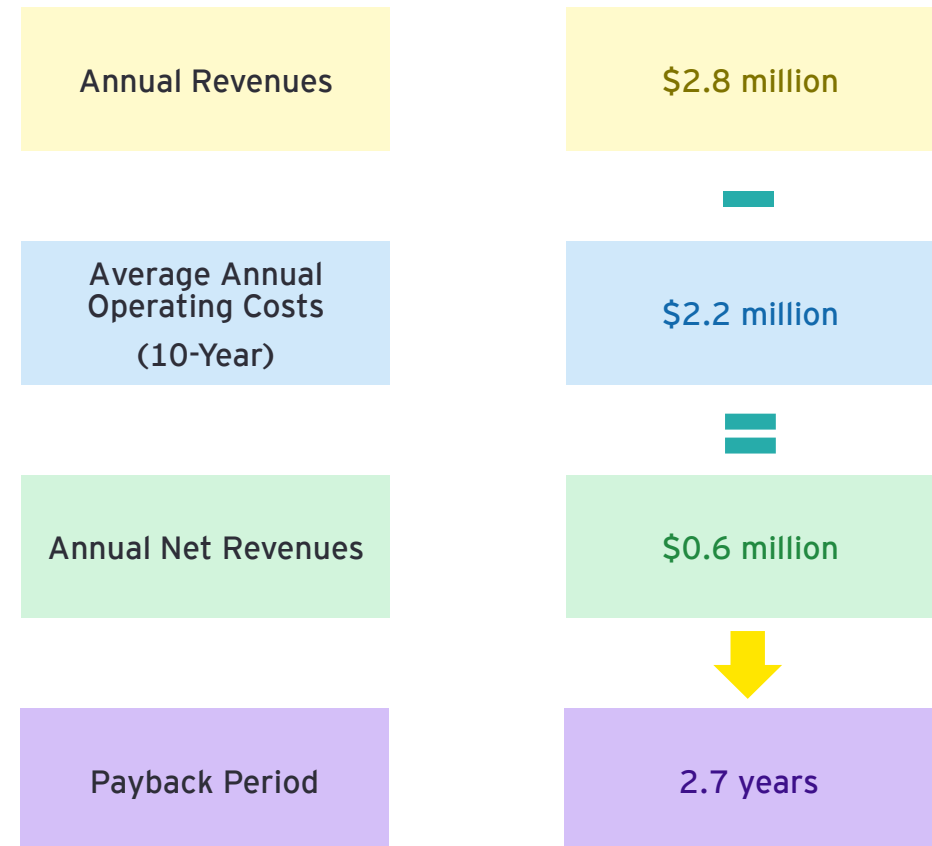
## Scenario 1 - Halton Region Administration

The financial results below are based on current and forecasted housing supply and assessment value data. In 2023, there were an estimated **816 eligible vacant homes** with an **average assessment value of \$670,254** in the Halton Region.



## Scenario 2 - Local Municipality Administration

The financial outputs below are based on current and forecasted housing supply and assessment value data in Oakville. In 2023, there were an estimated **332 eligible vacant homes** with an **average assessment value of \$840,174**.







Financial Analysis:

Halton Region  
Administration

# Cost Estimations - Halton Region Administration

It is estimated that implementation costs could total approximately \$1.6 million, with an annual average operating cost of nearly \$4.1 million.

## Costs Estimation Illustrated


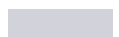

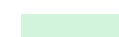

The cost estimations for implementing a VHT across Halton Region are based on a detailed review of similar programs in other jurisdictions, and corresponding by-laws. The estimates presented below reflect cost factors, including compensation estimates by role, specific to Halton Region. In this scenario, all four constituent local municipalities participate in the VHT program. *Note that cost estimates are subject to change based on further analysis.*

### Estimated Implementation Costs

| Cost Category  | Estimated Costs  |
|--|------------------|
| Building Declaration and Audit Systems***  | \$ 1 M           |
| Others (including business support services, public consultations, and project team) | \$ 0.47 M        |
| Contingency  | \$ 0.12 M        |
| <b>Total</b>   | <b>\$ 1.59 M</b> |

### Estimated Average Annual Operating Costs

| Cost Category                          | Number of Positions |
|--|---------------------|
| Compliance Analyst I                   | 13                  |
| Compliance Analyst II                  | 2                   |
| Supervisor, Compliance*                | 2                   |
| Customer Service Agent                 | 3                   |
| Coordinator*                           | 1                   |
| Supervisor Vacancy Tax Operations      | 1                   |
| Data Analyst*                          | 1                   |
| Access Halton Customer Service Manager | 1                   |
| Local Municipal Positions              | 4                   |
| <b>Total Number of Positions</b>       | <b>31</b>           |
| <b>Compensation Total</b>              | <b>\$ 3.9 M</b>     |
| <b>Other Costs**</b>                   | <b>\$ 0.2 M</b>     |
| <b>Total</b>                           | <b>\$ 4.1 M</b>     |

|  |  |  |
|--|--|--|
|  Audit (17)           |  Operations Support (3) |  Billing and Collection (4) |
|  Customer Service (6) |  Management (1)         |  |

\* The functions of these positions may be able to be performed by existing internal staff. However, the highly specific nature of a VHT has resulted in dedicated positions being created in municipalities implementing the tax.

\*\* Other costs include an estimated CentralSquare annual subscription fee.

\*\*\* Implementation costs depend on selection of vendor. Quotes received by Halton to date indicate these could range from \$0.35 M to \$1 M depending on vendor selected and desired functionality. The high estimate has been used to develop a conservative estimate.

# Net Financial Impact - Halton Region Administration

At a 1% tax rate, commonly used by municipalities when implementing a VHT, annual net revenues are estimated to be \$1.4M in a Halton-implemented hybrid model.

## Net Financial Impact (Annual)

Findings related to the financial feasibility of implementing a VHT in Halton Region is summarized below. The summary results show the net revenue (revenue less operating costs) for a 1% tax rate, the most common rate observed on implementation.

1

Revenues from the VHT would come from two sources:

- ▶ **Tax Levy** - Revenue earned from homeowners who declare/report their homes to be vacant
- ▶ **Audit Revenue** - Revenue from homeowners who have been found to be non-compliant or fraudulent in their declaration/reporting and are charged a penalty

2

These costs incurred for implementing a VHT falls under two categories:

- ▶ **One Time Costs** - Upfront costs associated with implementing the tax (e.g. software costs to upgrade tax collection systems)
- ▶ **Ongoing Costs** - Ongoing costs associated with operating the tax (e.g. salaries of compliance and audit staff)

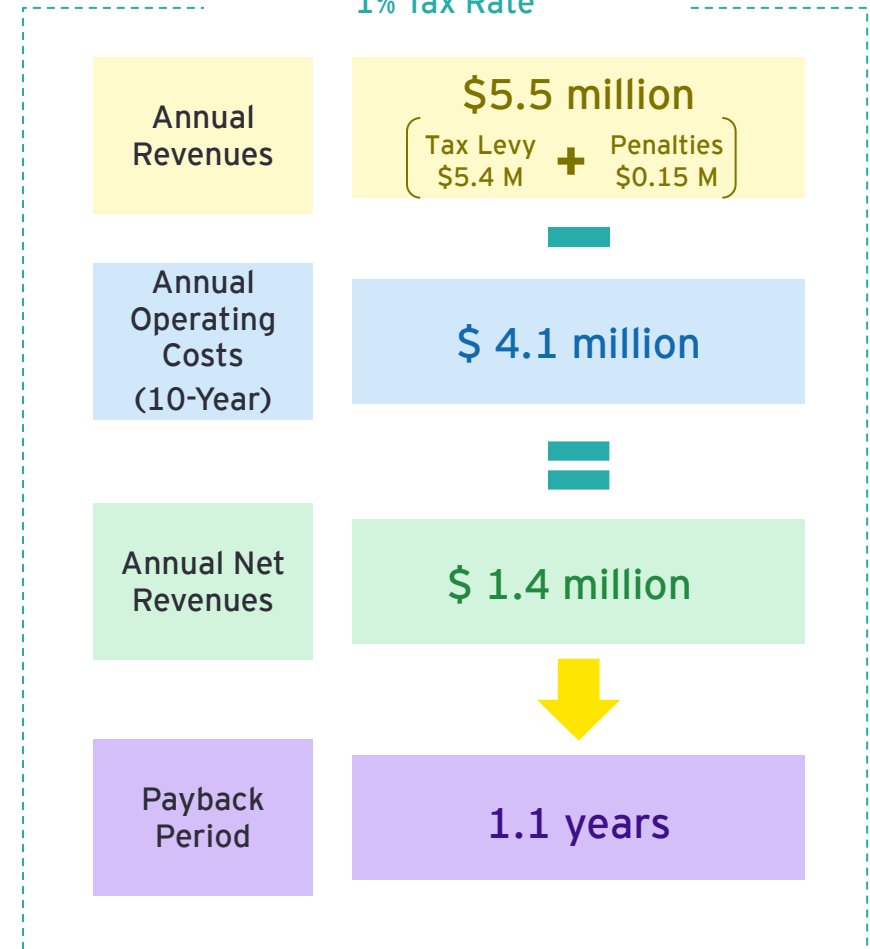
3

The **net financial impact** is an estimate of net revenue for the year. At the typical initial tax rate of 1%, net revenue is estimated to be positive.

4

The **payback period** refers to the period of time it takes to recover the initial investment where the VHT program is viable and can sustain itself without further investment.

### 1% Tax Rate



Source: Please see [Appendix A](#) for the inputs and corresponding sources for the financial model.

# Financial Model Results - Halton Region Administration

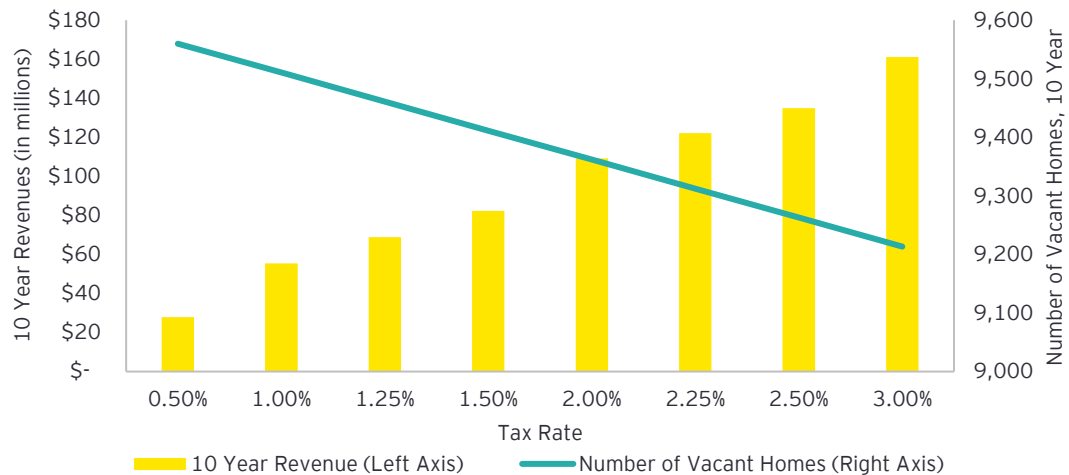
At a tax rate of 1%, a VHT may pay back implementation costs within 1.1 years.

## Sensitivity of Tax Rates

By modeling various tax rates, and their associated behavioural response rate (% of vacant homes sold or converted to a rental property to avoid paying the tax), we estimated revenue projections and number of vacant homes corresponding to each tax rate over a period of 10 years. The model also assumes one-time implementation costs of approximately \$1.59 million and the expected annual operating costs are shown below.

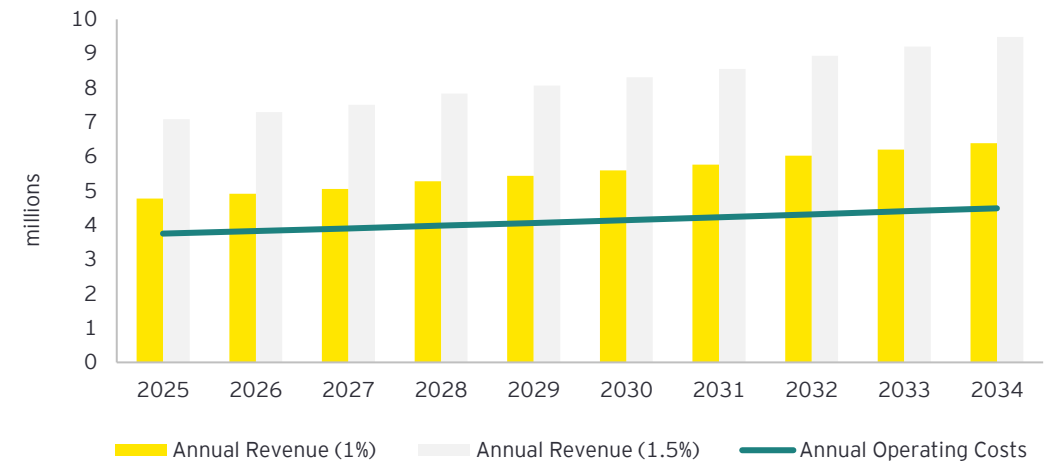
Findings for two scenarios are illustrated below:

### Estimated Impacts of Vacant Home Tax



This indicates that at a higher tax rate, the number of vacant homes will be lower as homeowners are encouraged to convert the vacant homes to avoid paying VHT.

### 10 Year Financial Outlook for 1% and 1.5% Tax Rates



- At a 1% tax rate, the initial investment generates adequate revenue to recover initial or ongoing operating costs.
- If a VHT of 1.5% is implemented, net revenue may be even greater, with a payback period within the first year.



Financial Analysis:  
Local Municipality  
Administration

# Cost Estimations - Local Municipality Administration

Implementation costs are estimated to be \$1.59M, with estimated annual average operating costs of \$2.2 M

## Costs Estimation Illustrated

Implementation costs were estimated to be aligned with a Halton-Implemented scenario based on similar technology and capability needs. Operating costs were estimated based on Town of Oakville 10-year housing supply and vacancy rates, and observed annual auditor capacity, including (1) estimation of an average 2,000 declared exemptions to be audited, (2) estimated average 5,000 occupied declarations to be audited, and (3) annual per-auditor capacity of approximately 1,000 cases. Supporting functions typically seen in VHT programs were added to Compliance Analyst estimates to derive total operating costs. It is recommended that the implementing local municipality undertake additional analysis to determine applicable incremental FTE requirements.

### Estimated Implementation Costs

| Cost Category  | Estimated Costs  |
|--|------------------|
| Building Declaration and Audit Systems*  | \$ 1.0 M         |
| Others (including business support services, public consultations, and project team) | \$ 0.47 M        |
| Contingency  | \$ 0.12 M        |
| <b>Total</b>   | <b>\$ 1.59 M</b> |

### Estimated Average Annual Operating Costs

| Cost Category**                    | Number of Positions |
|------------------------------------|---------------------|
| Compliance Analyst I               | 7                   |
| Compliance Analyst II              | 1                   |
| Supervisor, Compliance             | 1                   |
| Customer Service Agent             | 1                   |
| Coordinator                        | 1                   |
| Supervisor Vacancy Tax Operations  | 1                   |
| Data Analyst                       | 1                   |
| Manager                            | 1                   |
| <b>Total Number of Positions**</b> | <b>14</b>           |
| <b>Compensation Total**</b>        | <b>\$ 2.1 M</b>     |
| <b>Other Costs***</b>              | <b>\$ 0.1M</b>      |
| <b>Total</b>                       | <b>\$ 2.2 M</b>     |

|   |   |
|---|---|
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #fff9c4; border: 1px solid #ccc;"></span> Audit (9)            | <span style="display: inline-block; width: 15px; height: 15px; background-color: #cccccc; border: 1px solid #ccc;"></span> Operations Support (3) |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #c8e6c9; border: 1px solid #ccc;"></span> Customer Service (1) | <span style="display: inline-block; width: 15px; height: 15px; background-color: #e1bee7; border: 1px solid #ccc;"></span> Management (1)         |

\*Estimate based on Regional system cost. Local system cost estimate will vary by municipality.

\*\*Estimate based on leading practices observed in implementation of VHT programs. The functions of these positions may be able to be performed by existing internal staff. However, the highly specific nature of a VHT has resulted in dedicated positions being created in municipalities implementing the tax. It is recommended the local municipality undertake further analysis to finalize incremental FTE requirements. Compensation is based on estimates for Halton FTEs.

\*\*\* Other costs include estimated incremental CentralSquare annual license fees.

# Net Financial Impact - Local Municipality Administration

At a 1% tax rate, commonly used by municipalities when implementing a VHT, annual net revenues are estimated to be above \$0.6 M for a local municipal program.

## Net Financial Impact (Annual)

Findings related to the financial feasibility of implementing a VHT in a local municipality are summarized below. The summary results show the net revenue (revenue less operating costs) for a 1% tax rate, the most common rate observed on implementation.

- Revenues** from the VHT would come from two sources:

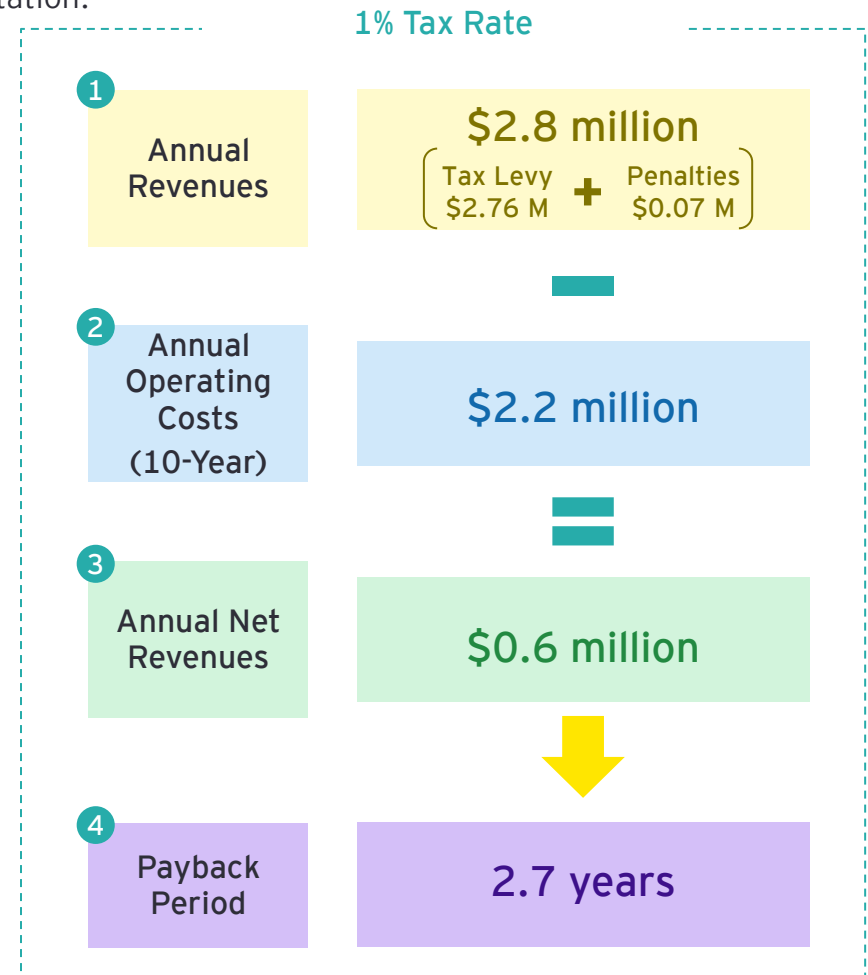
  - ▶ **Tax Levy** - Revenue earned from homeowners who declare/report their homes to be vacant
  - ▶ **Audit Revenue** - Revenue from homeowners who have been found to be non-compliant or fraudulent in their declaration/reporting and are charged a penalty

- These **costs** incurred for implementing a VHT falls under two categories:

  - ▶ **One Time Costs** - Upfront costs associated with implementing the tax (e.g. software costs to upgrade tax collection systems)
  - ▶ **Ongoing Costs** - Ongoing costs associated with operating the tax (e.g. salaries of compliance and audit staff)

- The **net financial impact** is an estimate of net revenue for the year. At the typical initial tax rate of 1%, net revenue is estimated to be positive.

- The **payback period** refers to the period of time it takes to recover the initial investment where the VHT program is viable and can sustain itself without further investment.



Source: Please see [Appendix A](#) for the inputs and corresponding sources for the financial model.

# Financial Model Results - Local Municipality Administration

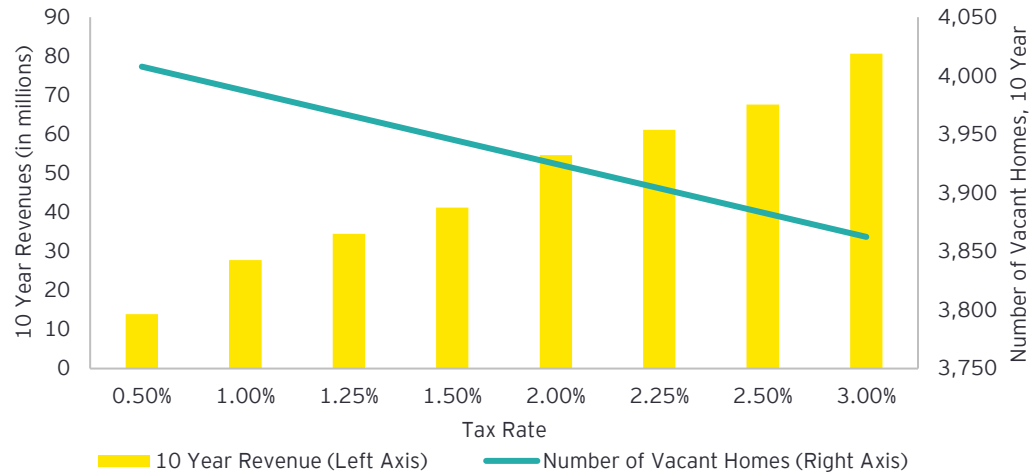
At a tax rate of 1%, a VHT may pay back implementation costs of approximately 2.7 years.

## Sensitivity of Tax Rates

By modeling various tax rates, and their associated behavioural response rate (% of vacant homes sold or converted to a rental property to avoid paying the tax), revenue projections and number of vacant homes were estimated corresponding to each tax rate over a period of 10 years. The model also assumes one-time implementation costs of approximately \$1.59 million.

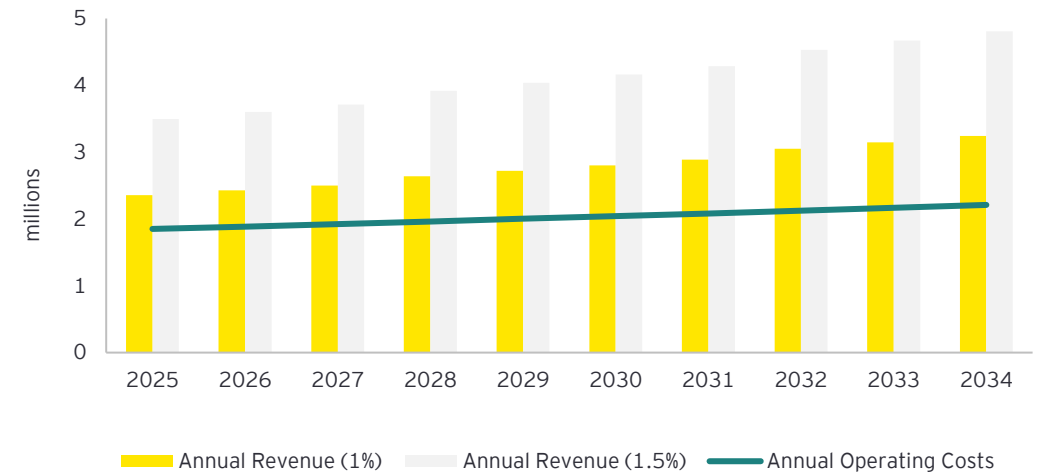
Findings for two scenarios are illustrated below:

### Estimated Impacts of Vacant Home Tax



This indicates that at a higher tax rate, the number of vacant homes will be lower as homeowners are encouraged to convert the vacant homes to avoid paying VHT.

### 10 Year Financial Outlook for 1% and 1.5% Tax Rates



At a 1% tax rate, the initial investment generates adequate revenue to recover initial or ongoing operating costs, with a payback period of approximately 2.7 years.



# Conclusions

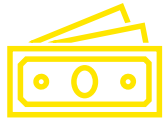


# Looking Ahead

Annual net revenues are expected to be positive in both scenarios at a 1% tax rate.

## Conclusion and Next Steps

Given the inputs and assumptions ([Appendix A](#)) used in the current model, the results from financial analysis indicate that a Halton Region-led VHT program could generate an annual net revenue of \$1.4 million with a payback period of 1.1 years. A local municipal VHT program may also be viable with a payback period of approximately 2.7 years. To support decision-making on VHT implementation, the following steps could be undertaken by Halton to refine and validate estimates:



In-depth assessment of implementation costs by conducting a review of the functionality of the existing payment collection systems, and determining level of effort required to implement upgrades to collect a VHT.



Assessment of the key processes that need to be re-engineered, and new processes that are to be deployed to facilitate the implementation of the vacant home tax.



Development of related policies, processes, and by-laws.



Deployment of public communications and educational campaigns to support the implementation of a VHT.

## 4. Appendix

# Appendix A: Data Inputs for Key Parameters for Revenue Model

The table below outlines data inputs and considerations for the revenue model.

| Parameter   | Assumptions  | Sources   | Estimated Inputs   |   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
|---|--|---|--|---|--|--|--|--|-----------------------------------|------------|--------------|----------|--------|----------------------------|--------|--------|--------|--------|--------------------------|-------|-------|-------|-------|-----------------|-------|-------|-------|-------|--------------|--------|-------|--------|-------|--------------|---------------|---------------|---------------|---------------|
| Vacancy Rate  | i. The vacancy for single- and semi-detached properties will be applied to townhouses.<br>ii. The vacancy rate for condos is determined based on the ratio between the vacancy rate of condos and single-family houses in Vancouver. | <ul style="list-style-type: none"> <li>Water Consumption Data 2023, Halton Region</li> <li>Municipal Property Assessment Corporation 2023 Municipal Change Profile, Halton Region</li> <li>City of Vancouver, Empty Homes Tax Annual Report Vancouver 2023</li> </ul> | <table border="1"> <thead> <tr> <th colspan="5">Table 1: Vacancy Rate by Property Type</th> </tr> <tr> <th>Type of Property (Property Code*)</th> <th>Burlington</th> <th>Halton Hills</th> <th>Oakville</th> <th>Milton</th> </tr> </thead> <tbody> <tr> <td>Single Detached (301, 313)</td> <td>1.99%</td> <td>1.89%</td> <td>2.95%</td> <td>3.30%</td> </tr> <tr> <td>Semi Detached (311, 322)</td> <td>1.99%</td> <td>1.89%</td> <td>2.95%</td> <td>3.30%</td> </tr> <tr> <td>Townhouse (309)</td> <td>1.99%</td> <td>1.89%</td> <td>2.95%</td> <td>3.30%</td> </tr> <tr> <td>Condos (370)</td> <td>2.52%</td> <td>2.39%</td> <td>3.74%</td> <td>4.18%</td> </tr> </tbody> </table>  | Table 1: Vacancy Rate by Property Type              |  |  |  |  | Type of Property (Property Code*) | Burlington | Halton Hills | Oakville | Milton | Single Detached (301, 313) | 1.99%  | 1.89%  | 2.95%  | 3.30%  | Semi Detached (311, 322) | 1.99% | 1.89% | 2.95% | 3.30% | Townhouse (309) | 1.99% | 1.89% | 2.95% | 3.30% | Condos (370) | 2.52%  | 2.39% | 3.74%  | 4.18% |              |               |               |               |               |
|   |  |   | Table 1: Vacancy Rate by Property Type   |   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Type of Property (Property Code*)                   | Burlington   | Halton Hills  | Oakville   | Milton  |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Single Detached (301, 313)                          | 1.99%  | 1.89%   | 2.95%  | 3.30%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Semi Detached (311, 322)                            | 1.99%  | 1.89%   | 2.95%  | 3.30%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Townhouse (309)                                     | 1.99%  | 1.89%   | 2.95%  | 3.30%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Condos (370)  | 2.52%  | 2.39%   | 3.74%  | 4.18%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Housing Supply                                      | The number of housing units by property type is calculated based on the property codes defined in Table 1.   | <ul style="list-style-type: none"> <li>Municipal Property Assessment Corporation 2023 Municipal Change Profile, Halton Region</li> </ul>  | <table border="1"> <thead> <tr> <th colspan="5">Table 2: Housing Supply by Property Type 2023</th> </tr> <tr> <th>Type of Property</th> <th>Burlington</th> <th>Halton Hills</th> <th>Oakville</th> <th>Milton</th> </tr> </thead> <tbody> <tr> <td>Single Detached</td> <td>35,505</td> <td>15,767</td> <td>43,183</td> <td>21,108</td> </tr> <tr> <td>Semi Detached</td> <td>2,796</td> <td>792</td> <td>2,299</td> <td>3,659</td> </tr> <tr> <td>Townhouse</td> <td>4,088</td> <td>1,275</td> <td>9,648</td> <td>8,519</td> </tr> <tr> <td>Condos</td> <td>18,910</td> <td>1,294</td> <td>12,317</td> <td>4,658</td> </tr> <tr> <td><b>Total</b></td> <td><b>61,299</b></td> <td><b>19,111</b></td> <td><b>67,447</b></td> <td><b>37,944</b></td> </tr> </tbody> </table> | Table 2: Housing Supply by Property Type 2023       |  |  |  |  | Type of Property                  | Burlington | Halton Hills | Oakville | Milton | Single Detached            | 35,505 | 15,767 | 43,183 | 21,108 | Semi Detached            | 2,796 | 792   | 2,299 | 3,659 | Townhouse       | 4,088 | 1,275 | 9,648 | 8,519 | Condos       | 18,910 | 1,294 | 12,317 | 4,658 | <b>Total</b> | <b>61,299</b> | <b>19,111</b> | <b>67,447</b> | <b>37,944</b> |
| Table 2: Housing Supply by Property Type 2023       |  |   |  |   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Type of Property                                    | Burlington   | Halton Hills  | Oakville   | Milton  |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Single Detached                                     | 35,505   | 15,767  | 43,183   | 21,108  |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Semi Detached                                       | 2,796  | 792   | 2,299  | 3,659   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Townhouse   | 4,088  | 1,275   | 9,648  | 8,519   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Condos  | 18,910   | 1,294   | 12,317   | 4,658   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| <b>Total</b>  | <b>61,299</b>  | <b>19,111</b>   | <b>67,447</b>  | <b>37,944</b>                                       |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Housing Supply Growth Rate                          | The housing supply annual growth rate is calculated using 2021 and 2023 property counts data and assuming a constant growth rate going forward.  | <ul style="list-style-type: none"> <li>Municipal Property Assessment Corporation 2023 Municipal Change Profile, Halton Region</li> </ul>  | <table border="1"> <thead> <tr> <th colspan="5">Table 3: Housing Supply Growth Rate (Annual Growth)</th> </tr> <tr> <th>Type of Property</th> <th>Burlington</th> <th>Halton Hills</th> <th>Oakville</th> <th>Milton</th> </tr> </thead> <tbody> <tr> <td>Single Detached</td> <td>0.16%</td> <td>0.84%</td> <td>1.28%</td> <td>1.14%</td> </tr> <tr> <td>Semi Detached</td> <td>0.44%</td> <td>4.92%</td> <td>0.00%</td> <td>2.46%</td> </tr> <tr> <td>Townhouse</td> <td>0.64%</td> <td>0.56%</td> <td>1.77%</td> <td>3.10%</td> </tr> <tr> <td>Condos</td> <td>0.00%</td> <td>8.60%</td> <td>2.95%</td> <td>3.12%</td> </tr> </tbody> </table>  | Table 3: Housing Supply Growth Rate (Annual Growth) |  |  |  |  | Type of Property                  | Burlington | Halton Hills | Oakville | Milton | Single Detached            | 0.16%  | 0.84%  | 1.28%  | 1.14%  | Semi Detached            | 0.44% | 4.92% | 0.00% | 2.46% | Townhouse       | 0.64% | 0.56% | 1.77% | 3.10% | Condos       | 0.00%  | 8.60% | 2.95%  | 3.12% |              |               |               |               |               |
| Table 3: Housing Supply Growth Rate (Annual Growth) |  |   |  |   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Type of Property                                    | Burlington   | Halton Hills  | Oakville   | Milton  |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Single Detached                                     | 0.16%  | 0.84%   | 1.28%  | 1.14%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Semi Detached                                       | 0.44%  | 4.92%   | 0.00%  | 2.46%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Townhouse   | 0.64%  | 0.56%   | 1.77%  | 3.10%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |
| Condos  | 0.00%  | 8.60%   | 2.95%  | 3.12%   |  |  |  |  |                                   |            |              |          |        |                            |        |        |        |        |                          |       |       |       |       |                 |       |       |       |       |              |        |       |        |       |              |               |               |               |               |

Inputs for the Model

\* The same property codes are applicable to all parameters hereafter.

# Appendix A: Data Inputs for Key Parameters for Revenue Model (cont.)

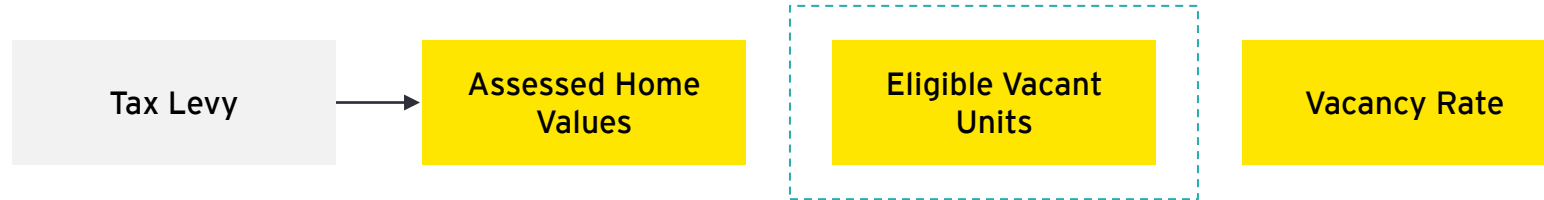
The table below outlines data inputs and considerations for the revenue model.

| Parameter  | Assumptions   | Sources  | Estimated Inputs  |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
|--|---|--|---|--|--|------|--------------------|---------------------------------|------------------|----------------------------------|--------------|------------------------|--------|-----------------|------------|------------|--------------|------------|---------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|--------|------------|------------|------------|------------|---------|------------|------------|---------|------------|
| Average Current Value Assessment                                 | Average assessment values for each property type are estimated based on Halton Region's estimated growth by property type.  | <ul style="list-style-type: none"> <li>Municipal Property Assessment Corporation 2023 Municipal Change Profile, Halton Region</li> </ul> | <table border="1"> <thead> <tr> <th colspan="5">Table 4: Average Current Value Assessment 2023</th> </tr> <tr> <th>Type of Property</th> <th>Burlington</th> <th>Halton Hills</th> <th>Oakville</th> <th>Milton</th> </tr> </thead> <tbody> <tr> <td>Single Detached</td> <td>\$ 712,481</td> <td>\$ 630,363</td> <td>\$ 1,025,908</td> <td>\$ 666,074</td> </tr> <tr> <td>Semi Detached</td> <td>\$ 470,513</td> <td>\$ 431,563</td> <td>\$ 591,389</td> <td>\$ 485,795</td> </tr> <tr> <td>Townhouse</td> <td>\$ 471,762</td> <td>\$ 453,886</td> <td>\$ 587,735</td> <td>\$ 439,833</td> </tr> <tr> <td>Condos</td> <td>\$ 370,634</td> <td>\$ 305,944</td> <td>\$ 433,171</td> <td>\$ 318,613</td> </tr> <tr> <td>Average</td> <td>\$ 579,935</td> <td>\$ 588,619</td> <td>840,174</td> <td>\$ 555,241</td> </tr> </tbody> </table> | Table 4: Average Current Value Assessment 2023                   |  |      |                    |                                 | Type of Property | Burlington                       | Halton Hills | Oakville               | Milton | Single Detached | \$ 712,481 | \$ 630,363 | \$ 1,025,908 | \$ 666,074 | Semi Detached | \$ 470,513 | \$ 431,563 | \$ 591,389 | \$ 485,795 | Townhouse | \$ 471,762 | \$ 453,886 | \$ 587,735 | \$ 439,833 | Condos | \$ 370,634 | \$ 305,944 | \$ 433,171 | \$ 318,613 | Average | \$ 579,935 | \$ 588,619 | 840,174 | \$ 555,241 |
|  |   |  | Table 4: Average Current Value Assessment 2023  |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Type of Property   | Burlington  | Halton Hills   | Oakville  | Milton   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Single Detached  | \$ 712,481  | \$ 630,363   | \$ 1,025,908  | \$ 666,074   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Semi Detached  | \$ 470,513  | \$ 431,563   | \$ 591,389  | \$ 485,795   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Townhouse  | \$ 471,762  | \$ 453,886   | \$ 587,735  | \$ 439,833   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Condos   | \$ 370,634  | \$ 305,944   | \$ 433,171  | \$ 318,613   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Average  | \$ 579,935  | \$ 588,619   | 840,174   | \$ 555,241   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Assessment Value Growth Rate                                     | The assessment value growth rate is assumed at 1.8% based on an input from Halton.  | <ul style="list-style-type: none"> <li>Municipal Property Assessment Corporation 2023 Municipal Change Profile, Halton Region</li> </ul> | <table border="1"> <thead> <tr> <th colspan="5">Table 5: Assessment Value Growth Rate</th> </tr> <tr> <th>Type of Property</th> <th>Burlington</th> <th>Halton Hills</th> <th>Oakville</th> <th>Milton</th> </tr> </thead> <tbody> <tr> <td>Single Detached</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> </tr> <tr> <td>Semi Detached</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> </tr> <tr> <td>Townhouse</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> </tr> <tr> <td>Condos</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> <td>1.8%</td> </tr> </tbody> </table>   | Table 5: Assessment Value Growth Rate                            |  |      |                    |                                 | Type of Property | Burlington                       | Halton Hills | Oakville               | Milton | Single Detached | 1.8%       | 1.8%       | 1.8%         | 1.8%       | Semi Detached | 1.8%       | 1.8%       | 1.8%       | 1.8%       | Townhouse | 1.8%       | 1.8%       | 1.8%       | 1.8%       | Condos | 1.8%       | 1.8%       | 1.8%       | 1.8%       |         |            |            |         |            |
| Table 5: Assessment Value Growth Rate                            |   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Type of Property   | Burlington  | Halton Hills   | Oakville  | Milton   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Single Detached  | 1.8%  | 1.8%   | 1.8%  | 1.8%   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Semi Detached  | 1.8%  | 1.8%   | 1.8%  | 1.8%   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Townhouse  | 1.8%  | 1.8%   | 1.8%  | 1.8%   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Condos   | 1.8%  | 1.8%   | 1.8%  | 1.8%   |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Eligible Vacant Units  | The share of eligible vacant units for condos and other property types are estimated based on the eligibility estimates in Vancouver.   | <ul style="list-style-type: none"> <li>City of Vancouver, Empty Homes Tax Annual Report Vancouver 2023</li> </ul>                        | <table border="1"> <thead> <tr> <th colspan="2">Table 6: Share of Eligible Units, Condos vs Other Property Types</th> </tr> <tr> <th>Type</th> <th>Eligibility Rate</th> </tr> </thead> <tbody> <tr> <td>Condos</td> <td>36.4%</td> </tr> <tr> <td>Non-Condos</td> <td>10.0%</td> </tr> </tbody> </table>   | Table 6: Share of Eligible Units, Condos vs Other Property Types |  | Type | Eligibility Rate   | Condos                          | 36.4%            | Non-Condos                       | 10.0%        |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Table 6: Share of Eligible Units, Condos vs Other Property Types |   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Type   | Eligibility Rate  |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Condos   | 36.4%   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Non-Condos   | 10.0%   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Penalty Revenue  | The ratio of revenues from penalties and tax levy in Vancouver will be used in the model as a proxy to estimate potential rate of non-compliance and penalties that could be expected in Halton Region. | <ul style="list-style-type: none"> <li>City of Vancouver, Empty Homes Tax Annual Report Vancouver 2023</li> </ul>                        | <table border="1"> <thead> <tr> <th colspan="2">Table 7: Rate of Non-Compliance, Vancouver</th> </tr> <tr> <th>Type</th> <th>2022 (in millions)</th> </tr> </thead> <tbody> <tr> <td>Vancouver Revenue from Tax Levy</td> <td>\$ 46.0</td> </tr> <tr> <td>Vancouver Revenue from Penalties</td> <td>\$ 1.2</td> </tr> <tr> <td>Rate of Non-Compliance</td> <td>2.64%</td> </tr> </tbody> </table>   | Table 7: Rate of Non-Compliance, Vancouver                       |  | Type | 2022 (in millions) | Vancouver Revenue from Tax Levy | \$ 46.0          | Vancouver Revenue from Penalties | \$ 1.2       | Rate of Non-Compliance | 2.64%  |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Table 7: Rate of Non-Compliance, Vancouver                       |   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Type   | 2022 (in millions)  |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Vancouver Revenue from Tax Levy                                  | \$ 46.0   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Vancouver Revenue from Penalties                                 | \$ 1.2  |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |
| Rate of Non-Compliance   | 2.64%   |  |   |  |  |      |                    |                                 |                  |                                  |              |                        |        |                 |            |            |              |            |               |            |            |            |            |           |            |            |            |            |        |            |            |            |            |         |            |            |         |            |

Inputs for the Model

# Appendix B: Eligible Vacant Units: An Overview

The number of eligible vacant units is a key parameter in the financial model to calculate the VHT revenue from tax levy.



Based on relevant inputs and assumptions, EY has estimated the number of current and expected eligible vacant units in the Halton Region and Oakville over a 10-year timeframe. **Table 8** below presents the number of eligible units for each property type in the absence of a VHT program for 2023, 2028 (Year 5) and 2034 (Year 10).

| Table 8: Number of Eligible Units by Property Type |               |            |            |                         |            |            |            |                         |
|--|---------------|------------|------------|-------------------------|------------|------------|------------|-------------------------|
| Type of Property                                   | Halton Region |            |            |                         | Oakville   |            |            |                         |
|  | 2023          | 2028F      | 2034F      | Share of Housing Supply | 2023       | 2028F      | 2034F      | Share of Housing Supply |
| Single Detached                                    | 299           | 313        | 334        | 0.3%                    | 128        | 136        | 149        | 0.3%                    |
| Semi Detached                                      | 26            | 28         | 32         | 0.3%                    | 7          | 7          | 7          | 0.3%                    |
| Townhouse  | 67            | 75         | 87         | 0.3%                    | 29         | 31         | 35         | 0.3%                    |
| Condos   | 423           | 467        | 544        | 1.4%                    | 168        | 194        | 238        | 1.4%                    |
| <b>Total</b>                                       | <b>816</b>    | <b>883</b> | <b>998</b> | <b>0.4%</b>             | <b>332</b> | <b>369</b> | <b>429</b> | <b>0.4%</b>             |

Sources: Water Consumption Data 2023, Halton Region; Municipal Property Assessment Corporation 2023 Municipal Change Profile, Halton Region; City of Vancouver, Empty Homes Tax Annual Report Vancouver 2023; and EY analysis.

# Appendix B: Eligible Vacant Units: Calculations

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Below is a step-by-step explanation of the calculations that are used to derive the final count of eligible units in the Halton Region.

## Step 1: Housing Supply

The housing supply is calculated by extrapolating the 2023 using the housing supply growth rate from the same, for each property type (**Table 2 and 3, page 22**). The growth rate is assumed to be constant for every year in the projection timeframe.

$$\text{Housing Supply in Year X} = \text{Housing Supply of Year (X-1)} * (1 + \text{Housing Supply Growth Rate})$$

## Step 2: Vacant Units

The number of vacant units is calculated based on the vacancy rates shown in **Table 1 (page 22)**. Similar to above, the vacancy rate is assumed to be constant for each year.

$$\text{Number of Vacant Homes} = \text{Vacancy Rate} * \text{Housing Supply}$$

## Step 3: Eligible Vacant Units

The share of eligible vacant units for condos and other property types are estimated based on the eligibility rates in Vancouver (**Table 6, page 23**). Eligible vacant units are those which are vacant, but not deemed exempt\* from the vacant home tax. The eligibility rate for each type of property is applied on the number of vacant units calculated in **Step 2** to get the final number of eligible vacant units.

$$\text{Eligible Vacant Units} = \text{Number of Vacant Homes} * \text{Eligibility Rate}$$

\* A property may be exempt from the vacant home tax due to several reasons such as death of a registered owner, repairs or renovations, etc.

# Appendix C: Cost Assumptions

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Below is an outline of the assumptions made when estimating implementation and operating costs in the two scenarios.

## 1. Development Effort and Building Audit and Declaration Systems

Halton Region:

- Based on conversations with Region staff, Halton has the internal capabilities to develop an audit and declaration system using internal resources.
- The development effort of the CentralSquare VHT module will be completed based on the vendor's 2023 estimated costs.

Local Municipality Only:

- Local municipalities will outsource the development effort of the building of an audit and declaration system to third party contractors, potentially CentralSquare.

## 2. Program Staffing

Halton Region:

- Incremental staffing complement consists of 24 direct VHT program staff, 3 Access Halton staff, and 4 local municipal tax collection staff.
- Halton Region compliance analyst amount is calculated based on the observed average audit load of Vancouver compliance analysts. The Vancouver FTEs requirement is then adjusted for Halton based on the difference in expected number of audits between the two programs.
- Expected audits comprise (1) a fixed minimum consisting of declared exemptions, and (2) a statistically significant random sampling of occupied declarations

For Local Municipality Only implementations, the Halton Region estimate is adjusted using the following process:

- Multiplying the Halton Region Compliance Analyst I FTE estimate (13) by the portion of housing supply in Oakville, and
- Adjusting the Oakville compliance analyst estimate using (1) the expected vacancy rates in each local municipality and (2) typical annual auditor capacity of 1,000 audits completed.



# Appendix D: Cost Comparison with Initial Feasibility Assessment

The following table presents a comparison of the estimated revenue, one-time implementation, and ongoing operating costs for Halton-Implemented scenario, contrasting figures from the initial feasibility assessment with those from the current VHT Implementation study.

|   | Feasibility Assessment<br>(Mar. 2022) | VHT Implementation<br>Study (Jul 2024) | Difference  | Rationale   |
|---|---------------------------------------|--|-------------|---|
| Estimated<br>Eligible Vacant<br>Homes           | Burlington: 265                       | 258                                    | -7          | Updated estimate based on most recent available water usage data.   |
|   | Halton Hills: 45                      | 45                                     | 0           |   |
|   | Oakville: 420                         | 332                                    | -88         |   |
|   | Milton: 255                           | 181                                    | -74         |   |
|   | <b>Total: 985</b>                     | <b>Total: 816</b>                      | <b>-169</b> |   |
| <b>Scenario 1: Halton Region Administration</b> |                                       |  |             |   |
| FTE<br>Requirements                             | 12                                    | 31                                     | +19         | Increase primarily due to higher estimated FTE needs for audit, customer service, and tax collection. Estimated FTE requirements were refined through (1) extensive engagement with Halton and local municipal staff and (2) updated observations from ongoing VHT implementations in other jurisdictions (Vancouver, Ottawa, Toronto, Hamilton). |
| Revenue<br>Estimation                           | \$ 6.1 M                              | \$ 5.5 M                               | - \$ 0.6 M  | Updated estimate based on changes to estimated eligible vacant homes and updated assessment growth rate assumptions.  |
| One-time<br>Implementation<br>Costs             | \$ 3.3 M                              | \$ 1.6 M                               | - \$ 1.7 M  | Decline primarily due to refinement and validation of assumptions regarding software requirements. Updated costs include (1) confirmation of software functionality required by Region and local municipal staff, and (2) estimated software development costs provided by vendors.   |
| Ongoing<br>Operating Costs                      | \$ 1.8 M                              | \$ 3.7 M                               | + \$ 1.9 M  | Increase driven by refined estimate of the number of positions required to operate the program.   |

# Halton Region

Vacant Home Tax Implementation Study

VHT Implementation Plan - FINAL

25 September 2024





# Table of Contents

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An aerial photograph of a city, likely Columbus, Ohio, showing a complex highway interchange with multiple overpasses and ramps. A river is visible on the left side of the image. The city center is filled with various buildings, including a prominent tall skyscraper. The overall scene is captured from a high angle, providing a comprehensive overview of the urban landscape and infrastructure.

# Overview

# Context and Purpose

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## Context

Halton Region has initiated a VHT implementation study for a potential implementation of the program at a regional or local municipal level.

When implementing a Vacant Home Tax (VHT) program municipalities must consider existing, and incremental need for, staffing resources, technology, and administrative processes. A deliberate and thorough approach is needed to identify the necessary changes that need to take place to enable a successful VHT program.

## Purpose

The objective of this report is to provide an implementation plan for a universal declaration-based VHT program under the following scenarios:

- **Halton Region:** The VHT program is Region-implemented, with hybrid delivery and 4 participating local municipalities (Oakville, Milton, Burlington, Halton Hills).
- **Local Municipality:** The VHT is implemented and administered by a single local municipality and only applies to homes within that municipality. Assumptions for this scenario are based on estimates and insights derived through engagement with staff at the Town of Oakville.

At the time of preparing this report, the Towns of Halton Hills and Milton, and the City of Burlington, have opted to be excluded from any potential Region of Halton by-laws that would implement a Vacant Home Tax within the municipality at this time.

# Assumptions

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- ▶ The proposed implementation plan is aligned with leading change management practices and will allow the Region and local municipalities to better manage and mitigate risks, allocate resources more efficiently, improve user adaptation, facilitate business continuity, and enable gathering of feedback from Regional departments and local municipalities at each phase. In particular, while each component of the VHT program will be implemented in a step-by-step manner, some components may be implemented concurrently to streamline the process. For example, while both the declaration and audit systems may be developed simultaneously, staff training may only commence after these systems are operational.
- ▶ The proposed implementation plan was developed independent from other initiatives occurring in the organization. The Region and local municipalities will consider any ongoing initiatives, dependencies, capacity constraints, and/or other events that may impact its ability to deliver on the VHT program.
- ▶ Throughout this report, it is noted that the declaration and audit systems could be built on Salesforce. This is a result of discussions with Halton Region staff, who have indicated the potential to build declaration and audit functions on the existing system for a Halton-led implementation.
- ▶ At the local municipality level, declaration and audit systems may be able to be built on existing tax collection software (i.e., CentralSquare). At this time, only high-level estimates have been included.
- ▶ Timelines for action items listed in this report are indicative of (1) where available, estimates provided by Halton or the Town of Oakville, (2) dependencies on other items (e.g., training for use of a system being dependent on the system's functions being identified and/or developed), or (3) a target end date that allows sufficient time to address operational concerns prior to public implementation of the program.



An aerial photograph of a city, likely Halton, showing a complex highway interchange with multiple lanes and overpasses. A river flows through the city, and various commercial and residential buildings are visible in the background. The image is overlaid with a semi-transparent dark grey layer.

# Scenario 1: Halton-Implemented Vacant Home Tax Program

# Tentative Halton-Implemented Timeline

This scenario reflects a Halton Region implementation of a universal declaration-based VHT program including the participation of all four local municipalities, and is being provided for information purposes only. Once the VHT program has been approved by Council, it may proceed through the next steps of implementation, as outlined in the tentative timeline below. At the time of preparing this report, the option outlined does not appear to be feasible as the Towns of Halton Hills and Milton, and the City of Burlington, have opted to be excluded from any potential Region of Halton by-laws to implement a Vacant Home Tax within the municipality at this time.

A Halton-implemented program without the participation of all four local municipalities is less financially feasible and operationally efficient relative to a local municipality-implemented program. Partial participation of local municipalities may lead to higher operating costs and staffing needs, potential customer service challenges at the Regional level, and public confusion that could cause financial issues such as late or missed declarations.

*Note: the timeline below represents the earliest potential Halton implementation of a VHT program and is aligned with the expected implementation of tax collection software. The timeline may be impacted by factors including software development delays and is dependent on local municipalities' implementation of new tax collection systems and processes.*



\*Note: Requires all four local municipalities to be on CentralSquare





# High-Level Implementation Roadmap (Region)

Sequencing for the earliest potential implementation of a VHT Program at the Region level is outlined below.

| Implementation Initiatives   |         |         |         |         |      |
|--|---------|---------|---------|---------|------|
| Quarter and Year   | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | 2026 |
| <i>Pre-Planning (By-Law Development, etc.) - completed prior to Q4 2024</i>  |         |         |         |         |      |
| <b>Declaration &amp; Reporting</b>   |         |         |         |         |      |
| 1. Draft policy documents to establish declaration processes   |         |         |         |         |      |
| 2. Build Declaration System on Salesforce  |         |         |         |         |      |
| 3. Ensure compatibility between Regional declaration form and local collection systems                             |         |         |         |         |      |
| <b>Audit &amp; Compliance</b>  |         |         |         |         |      |
| 4. Draft policy documents to reflect audit process and related procedures  |         |         |         |         |      |
| 5. Build Audit System on Salesforce  |         |         |         |         |      |
| 6. Hire and train a Vacant Home Tax staff  |         |         |         |         |      |
| 7. Local municipalities will need to update billing and collection processes to align with audit-driven tax levies |         |         |         |         |      |
| <b>Billing &amp; Collection</b>  |         |         |         |         |      |
| 8. Ensure the template-based report for declarations is compatible with local tax collection systems               |         |         |         |         |      |
| 9. Update procedural documents to identify and track late and outstanding declarations and payments                |         |         |         |         |      |
| 10. Update policy documents  |         |         |         |         |      |
| 11. Configure local municipal tax collection software  |         |         |         |         |      |
| 12. Hire and train FTEs to support billing and tax collection  |         |         |         |         |      |
| <b>Communications</b>  |         |         |         |         |      |
| 13. Develop and Implement VHT program communications plan (Ongoing)  |         |         |         |         |      |
| 14. Hire and train Access Halton Customer Service Representatives  |         |         |         |         |      |

# Declaration and Reporting

## Current State

Currently, Halton and local municipal systems are unable to identify the occupancy status of homes in the Region, track declarations, or support VHT audit and compliance functions.

## Implementation Initiatives

1. Draft policy documents to establish declaration processes
2. Build declaration system on Salesforce
3. Ensure compatibility between the template-based report produced by the Regional declaration system and local collection systems




## Outcomes

The Region will have a declaration system that:

- Is integrated with the Regional audit system
- Allows homeowners to declare their occupancy status and upload supporting documentation
- Allows Region staff to amend declaration outcomes as appropriate
- Can produce a template-based declarations report compatible with local tax collection systems


# Implementation Considerations - Declaration and Reporting

Specific considerations for the Region to implement the Declaration function have been noted below.

| Action  | Department(s)   | Description  | Estimated Timeline  |
|---|---|--|---|
| <p>1. Draft policy documents to establish declaration processes</p> |  Finance<br> Information Technology | <ul style="list-style-type: none"> <li>Will require the design and implementation of declaration forms, including processes for homeowner submission, information flow, and staff efforts related to communication and analysis.</li> <li>Processes can be reflected in policy documents outlining internal procedures to initiate, collect, and manage declarations.</li> </ul>   | <ul style="list-style-type: none"> <li>Development of policy and procedure documents associated with declaration to be completed by Q1 2025.</li> <li>Development of policies, procedures, and the declaration form can be done concurrently with technology implementation to ensure alignment.</li> </ul> |
| <p>2. Build declaration system on Salesforce</p>                    |  Information Technology  | <ul style="list-style-type: none"> <li>A dedicated system, likely developed on Halton's existing Salesforce platform, will be required to enable declaration and audit functions. Preliminary indicative estimates from vendors indicate development of declaration and audit functionality on Salesforce could require an investment of up to \$1 million, to be confirmed through a formal procurement process.</li> <li>Incremental effort was indicated to have potential to be absorbed within existing Halton IT staff capacity. As such, no incremental FTE impacts are anticipated.</li> </ul> | <ul style="list-style-type: none"> <li>Development of system(s) with declaration and audit functionality to be completed by Q3 2025.</li> </ul>   |

# Implementation Considerations - Declaration and Reporting

Specific considerations for the local municipalities to implement the Declaration function have been noted below.

| Action  | Department(s)   | Description  | Estimated Timeline   |
|---|---|--|--|
| <p>3. Ensure compatibility between Regional declaration form and local collection systems</p> |  Tax | <ul style="list-style-type: none"> <li>Though local municipalities will not maintain or operate the declaration system or related activities, a process will be required to receive and input information from Halton into the local tax collection system.</li> </ul> | <ul style="list-style-type: none"> <li>Establish a process for receiving and handling declaration-related information from Halton by Q3 2025.</li> </ul> |

# Audit and Compliance

## Current State

Currently, Halton's systems are unable to track or audit occupancy status, or enable trained staff to conduct audits of declarations received.

## Implementation Initiatives

4. Draft policy documents to reflect audit process and related procedures
5. Build audit system on Salesforce
6. Hire and train a Vacant Home Tax organizational unit
7. Local municipalities to update billing and collection processes to align with audit-driven tax levies



## Outcomes

The Region will have:

- An audit system integrated with the Regional declaration system to allow for status tracking and for homeowners to upload supporting documentation
- A team of trained staff to conduct audits of vacant-but-exempt and occupied declarations



# Implementation Considerations - Audit and Compliance

Specific considerations for the Region to implement the Audit function have been noted below.

| Action   | Department(s)  | Description   | Estimated Timeline  |
|--|--|---|---|
| <p>4. Draft policy documents to reflect audit process and related procedures</p> |  Finance                | <ul style="list-style-type: none"> <li>Audit policy will likely be established in the Region's VHT bylaw or associated process documents.</li> <li>Internal audit procedures including identification of acceptable documents, audit checklists, communication and escalation processes, and other considerations are required to enable consistent and objective review of declarations.</li> </ul>  | <ul style="list-style-type: none"> <li>Development of internal audit procedures and associated documentation to be completed by Q1 2025.</li> <li>As some elements of audit will be documented in the VHT bylaw, development of certain procedures can be done concurrently with technology development and implementation. However, some detailed elements such as user manuals may need to be completed following technology implementation.</li> </ul> |
| <p>5. Build audit system on Salesforce</p>                                       |  Information Technology | <ul style="list-style-type: none"> <li>A dedicated system, likely on Salesforce, will be required to enable declaration and audit functions.</li> <li>Outputs (i.e., finalized declarations) will need to be compatible with local municipal tax collection software (CentralSquare).</li> <li>Incremental effort by Halton IT staff (and potentially external partners) is likely to be required, however no incremental FTE impacts are anticipated. Preliminary indicative estimates from vendors indicate development of declaration and audit functionality on Salesforce could require an investment of up to \$1 million, to be confirmed through a formal procurement process.</li> </ul> | <ul style="list-style-type: none"> <li>Development of system(s) with declaration and audit functionality to be completed by end of Q3 2025.</li> </ul>  |



# Implementation Considerations - Audit and Compliance

Specific considerations for the Region to implement the Audit function have been noted below.

| Action   | Department(s)   | Description  | Estimated Timeline   |
|--|---|--|--|
| <p>6. Hire and train VHT organizational unit</p> | <p>  Finance<br/>  Human Resources                 </p> | <ul style="list-style-type: none"> <li>Requires establishment of a new organizational unit, including up to 31 Full-Time Equivalent positions at Halton (27) and local municipalities (4), to conduct audit activity, along with approval for the associated operating budget.</li> <li>Estimated annual cost of staffing the VHT organizational unit for a Halton-led implementation is approximately \$3.9 million on average over a 10-year time horizon.</li> <li>Limited overlap exists between current positions and audit-related skills and activities at the Region, potentially requiring the development of new job descriptions and training materials.</li> <li>Some incremental effort will be required to designate senior auditor positions as bylaw enforcement officers to allow for pursuit of administrative charges.</li> <li>Certain positions, including audit and communications staff, may be classified as temporary roles in the first year of implementation to ease adaptation to actual audit and call volumes.</li> </ul> | <ul style="list-style-type: none"> <li>Secure approval, establish positions and job descriptions, and hire and train staff by Q1 2026.</li> <li>Approval, establishment of positions and job descriptions, and hiring can likely be completed concurrently with technology development and implementation. However, training is dependent on a functional technology solution and would need to occur following its implementation.</li> </ul> |

# Implementation Considerations - Audit and Compliance

Specific considerations for the local municipalities to implement the Audit function have been noted below.

| Action  | Department(s)  | Description   | Estimated Timeline  |
|---|--|---|---|
| <p>7. Update billing and collection processes to align with audit-driven tax levies</p> | <p>  Information Technology<br/>  Tax                 </p> | <ul style="list-style-type: none"> <li>Local property tax collection systems will need to be configured to reflect VHT program design parameters, including billing for fines and off-cycle tax levies</li> </ul> | <ul style="list-style-type: none"> <li>Align processes and technical functions to VHT requirements by Q3 2025.</li> </ul> |



# Billing and Collection

## Current State

## Implementation Initiatives

## Outcomes

Local municipality property tax collection systems require reconfiguration to enable the implementation of a VHT.

- The Region must:
  8. Ensure the template-based report for declarations is compatible with local tax collection systems
  9. Update procedural documents to identify and track late and outstanding declarations and payments
- Local municipalities will need to:
  10. Update policy documents
  11. Configure local municipal tax collection software
  12. Hire and train FTEs to support billing and tax collection

Local municipalities will have:

- A VHT-specific configuration that can collect on-time payments as well as support off-cycle billing to collect late payments, fines, and penalties related to the Vacant Home Tax



The Region will:

- Receive remittances, net of expenses, from local municipalities to apply to affordable housing initiatives

# Implementation Considerations - Billing and Collection



Region

Specific considerations for the Region to implement the Billing and Collection function have been noted below.

| Action  | Department(s)  | Description  | Estimated Timeline   |
|---|--|--|--|
| <b>8. Ensure the template-based report for declarations is compatible with local tax collection systems</b> |  Information Technology | <ul style="list-style-type: none"><li>The Region's declaration system needs to be configured to generate a template that can be accepted by the local tax collection system.</li></ul>   | <ul style="list-style-type: none"><li>Configuration of the declaration system can be done as part of system development and implementation, to be completed by end of Q3 2025.</li></ul>   |
| <b>9. Update procedural documents to identify and track late and outstanding declarations and payments</b>  |  Finance                | <ul style="list-style-type: none"><li>New processes will need to be developed to support the identification and tracking of late and outstanding declarations and payments. These processes will support collection of associated charges (e.g. for late declaration, late payment).</li></ul> | <ul style="list-style-type: none"><li>Develop associated processes while the Audit and Declaration systems are being built and local municipalities are configuring local tax collection systems, to be completed by end of Q3 2025.</li></ul> |



# Implementation Considerations - Billing and Collection

Specific considerations for the local municipalities to implement the Billing and Collection function have been noted below.

| Action   | Department(s)  | Description   | Estimated Timeline   |
|--|--|---|--|
| <p>10. Update policy documents</p>                           |  Tax                    | <ul style="list-style-type: none"> <li>• Tax procedures and processes will need to be updated to reflect the implementation of a Vacant Home Tax.</li> </ul>  | <ul style="list-style-type: none"> <li>• Update and include the VHT in tax-related documentation by Q1 2025.</li> </ul>  |
| <p>11. Configure local municipal tax collection software</p> |  Information Technology | <ul style="list-style-type: none"> <li>• Configure local municipal tax collection systems to include the ability to receive and input information received from Halton's declaration system.</li> </ul> | <ul style="list-style-type: none"> <li>• Validate business needs for collection system configuration and make associated change to local municipal tax collection systems. Estimated completion is dependent on Milton's implementation of CentralSquare.</li> </ul> |

# Implementation Considerations - Billing and Collection

Specific considerations for the local municipalities to implement the Billing and Collection function have been noted below.

| Action   | Department(s)   | Description   | Estimated Timeline  |
|--|---|---|---|
| <p>12. Hire and train FTEs to support billing and tax collection</p> | <p>  Finance<br/>  Human Resources         </p> | <ul style="list-style-type: none"> <li>As limited capacity currently exists within tax teams, each local municipality may be required to hire and train one full-time equivalent to support operations. Estimates of associated costs are included in the Region's implementation considerations, as any operational costs would be borne by Halton.</li> <li>Although job descriptions may be reused, all staff within the tax collection team may require training on the VHT-specific configuration of the tax collection system.</li> </ul> | <ul style="list-style-type: none"> <li>Secure approval, finalize positions and job descriptions, as well as hire and train staff by end of Q3 2025.</li> <li>While approval, finalization, and hiring may occur during technology development, training is dependent on configuration of the local municipal tax system.</li> </ul> |

# Communications

## Current State

Although the Region currently has a communications process used in program implementations, there is no existing communications plan for the VHT program.

## Implementation Initiatives

13. Develop a VHT program communications plan
14. Hire and train Access Halton Customer Service Representatives



## Outcomes

The Region will have:

- A detailed communications plan to proactively reach residents prior to and during the implementation of the VHT program
- Trained staff to handle incoming queries, complaints, and grievances
- Systems and platforms to address vacant home tax-related communications as needed



# Implementation Considerations - Communications

Specific considerations for the Region to implement the Communications function have been noted below.

| Action   | Department(s)  | Description   | Estimated Timeline   |
|--|--|---|--|
| <p>13. Develop and Implement VHT Program Communications Plan</p> | <p>  Communications<br/>  Tax                 </p> | <ul style="list-style-type: none"> <li>• A communications plan will need to include strategies for initial and ongoing communications throughout the VHT process. The Region’s communications team has indicated existing processes may be leveraged from the implementation of previous programs. This may include training materials and staged processes for front-line communications staff, such as escalation procedures.</li> <li>• Leading practices for VHT communications indicate materials should ensure accessibility for population segments at higher risk of experiencing communications challenges, including seniors.</li> <li>• Collaboration with local municipalities is required for communications involving public information sessions, in-person declaration clinics, and other targeted communications at local facilities.</li> <li>• Access Halton, the Regional phone line, and other communications systems will need to be configured to support VHT-related processes such as connecting with the new organizational unit and the ability to escalate vacant home tax-related communications as needed.</li> <li>• There may be a learning curve - and therefore increased complaints - for both staff and residents in the transition of implementing the VHT on existing systems.</li> </ul> | <ul style="list-style-type: none"> <li>• Create and finalize a communications plan that uses a variety of methods to reach residents across Halton and to ensure VHT functionality is integrated into existing processes, to be completed by end of Q2 2025.</li> <li>• Implement communications plan on an ongoing basis, with communications to residents occurring in advance of VHT program launch.</li> </ul> |

# Implementation Considerations - Communications

Specific considerations for the Region to implement the Communications function have been noted below.

| Action   | Department(s)  | Description  | Estimated Timeline   |
|--|--|--|--|
| <p>14. Hire and train Access Halton Customer Service Representatives</p> | <p>  Human Resources<br/>  Communications                 </p> | <ul style="list-style-type: none"> <li>• Access Halton and other communications staff may experience an increase in inbound call volumes related to the VHT.</li> <li>• Based on anticipated call volume, Region staff estimated that three additional customer service representatives may be required to handle complaints, grievances, other VHT-related queries, and to support the VHT organizational unit in escalated cases.</li> </ul> | <ul style="list-style-type: none"> <li>• Secure approval, finalize positions and job descriptions, and hire and train staff by end of Q1 2026.</li> <li>• Training of new, and upskilling of existing staff may occur after technology solutions and processes have been implemented to ensure all staff have a comprehensive understanding of the VHT program and are well-prepared to manage queries about the vacant home tax.</li> </ul> |

An aerial photograph of a city, likely Atlanta, Georgia, showing a complex highway interchange with multiple overpasses and ramps. A river, possibly the Chattahoochee River, flows through the city. The background is filled with various city buildings and green spaces. The image is overlaid with a semi-transparent dark grey layer.

# Scenario 2: Local Municipality Implemented Vacant Home Tax Program



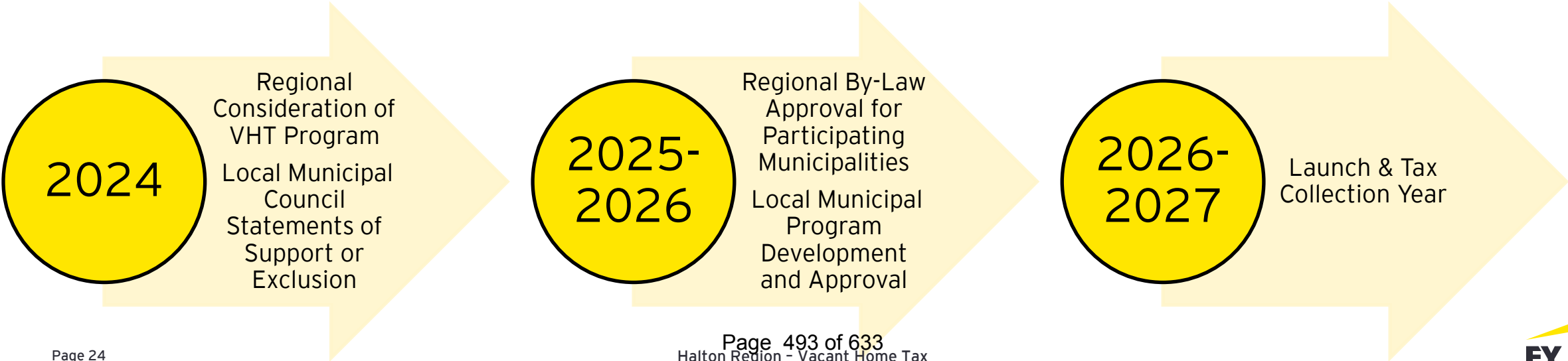
# Local Municipality-Implemented Program

According to the Provincial Policy Framework, it is recommended that Regional governments be responsible for defining the key aspects of a Vacant Home Tax, such as rates and definitions. However, leading practice indicates the importance of consulting impacted stakeholders when making policy.

In this implementation option, it is important for the Region to collaborate with local municipalities when developing elements of the VHT. This includes drafting the by-law, defining tax rates, and identifying the definition of a vacancy to ensure it considers the unique context and needs of each local municipality. Additionally, participating municipalities may submit statements of support to be approved by Local Council. After doing so, the local municipality would be responsible for the implementation and ongoing operations of the VHT.










After individual Regional consultation with local municipalities, the VHT program may proceed through the next steps of implementation, as outlined in the tentative timeline below.

*Note: the timeline below represents the earliest potential implementation of a Vacant Home Tax in a local municipality. The timeline may be impacted by factors including software development delays. This implementation timeline is based on information provided by the Town of Oakville. At the time of writing, the towns of Halton Hills and Milton, and the City of Burlington, have opted to be excluded from the program. Municipalities proceeding to participate would require further analysis to develop an associated implementation plan should a VHT be chosen to be implemented in their local municipality in the future.*




# High-Level Implementation Roadmap

Sequencing for the earliest potential implementation of a Local Municipality-Implemented Program is outlined below

| Implementation Initiatives   |   |         |         |         |         |
|--|---|---------|---------|---------|---------|
| Quarter and Year   | Q4 2024   | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 |
| <b>By-Law Development</b>  |   |         |         |         |         |
| 1. Develop By-Law in Consultation with Participating Municipalities  |    |         |         |         |         |
| 2. Obtain Regional Council Approval  |   |         |         |         |         |
| <b>VHT Program Implementation</b>  |   |         |         |         |         |
| 3. Draft Policy & Procedural Documents for Declaration and Audit   |    |         |         |         |         |
| 4. Build Declaration and Audit System  |    |         |         |         |         |
| 5. Hire and Train staff to administer the VHT (including staff to manage declarations, audit, billing, and communications) |    |         |         |         |         |
| 6. Update Policy & Procedural Documents for Billing and Collection   |    |         |         |         |         |
| 7. Configure CentralSquare for VHT collection  |  |         |         |         |         |
| 8. Train Local Billing and Collection Staff  |  |         |         |         |         |
| 9. Develop and Implement Communications Plan (Ongoing)   |  |         |         |         |         |
| 10. Hire and Train Local Customer Service Representatives  |  |         |         |         |         |

# Implementation Considerations - By-Law Development

Specific considerations for the Region in developing the VHT By-Law have been noted below.

| Action   | Department(s)   | Description   | Estimated Timeline   |
|--|---|---|--|
| <ol style="list-style-type: none"> <li>1. Develop By-Law in Consultation with Participating Municipalities</li> <li>2. Obtain Regional Council Approval</li> </ol> |  Tax | <ul style="list-style-type: none"> <li>• The Region will need to consult with local municipalities whose Local Councils approve participation into the VHT program on the key components of the VHT to be included in the by-law. Per the provincial framework, this includes, at a minimum, the tax rate and definition of vacancy.</li> <li>• Participating local municipalities will need to submit supportive statements or endorsements to the Region indicating Local Council approval to impose a VHT in their local municipality.</li> <li>• The Region's by-law will need to specify in which local municipalities the VHT applies and local-specific elements (tax rates, vacancy definitions) if necessary.</li> </ul> | <ul style="list-style-type: none"> <li>• Consult with local municipalities and issue the VHT by-law in alignment with the provincial framework in Q4 2024.</li> <li>• Obtaining Regional Council by-law approval is dependent on Local Council participation scheduling and may vary anticipated timelines. Current expected timing is Q1 2025.</li> </ul> |

# Declaration and Reporting

## Current State

Local municipal systems are unable to identify the occupancy status of homes, track declarations, or support VHT audit and compliance functions.

## Implementation Initiatives




3. Draft Policy & Procedural Documents for Declaration and Audit
4. Build Declaration System

## Outcomes

- The local municipality will have a declaration system that:
- Is integrated with the local municipal audit and tax collection systems
  - Allows homeowners to declare their occupancy status and upload supporting documentation
  - Allows local municipal staff to amend declaration outcomes as appropriate

# Implementation Considerations - Declaration and Reporting

Specific considerations for the local municipalities to implement the Declaration function have been noted below.

| Action   | Department(s)   | Description   | Estimated Timeline  |
|--|---|---|---|
| <p><b>3. Draft Policy &amp; Procedural Documents for Declaration</b></p> |  Finance<br> Information Technology | <ul style="list-style-type: none"> <li>Will require the design and implementation of declaration forms, including processes for homeowner submission, information flow, and staff efforts related to communication and analysis.</li> <li>Processes can be reflected in policy documents outlining internal procedures to initiate, collect, and manage declarations.</li> </ul>  | <ul style="list-style-type: none"> <li>Development of policy and procedure documents associated with declaration by Q1 2025.</li> <li>Development of policies, procedures, and the declaration form can be done concurrently with technology implementation to ensure alignment.</li> </ul> |
| <p><b>4. Build Declaration System</b></p>                                |  Information Technology  | <ul style="list-style-type: none"> <li>A dedicated system will be required to enable declaration and audit functions. Local municipalities will be responsible for identifying equivalent systems that best fit their specific needs, potentially including CentralSquare or other third-party software. Preliminary indicative estimates from vendors indicate development of declaration and audit functionality on CentralSquare could require an investment of up to \$1 million, to be confirmed through a formal procurement process.</li> <li>Incremental effort was indicated to have potential to be absorbed within existing local municipal IT staff capacity. As such, no incremental FTE impacts are anticipated.</li> </ul> | <ul style="list-style-type: none"> <li>Development of system(s) with declaration and audit functionality by Q3 2025.</li> </ul>   |

# Audit and Compliance

## Current State

Local systems are currently unable to track or audit occupancy status or enable trained staff to conduct audits of occupancy declarations.

## Implementation Initiatives



3. Draft Policy & Procedural Documents for Audit
4. Build Audit System
5. Hire and Train staff to administer the VHT (including staff to manage declarations, audit, billing, and communications)

## Outcomes

- The local municipality will have:
- An audit system integrated with the declaration system to allow status tracking and for homeowners to upload supporting documentation
  - A team of trained staff to conduct audits of vacant-but-exempt and occupied declarations



# Implementation Considerations - Audit and Compliance

Specific considerations for the local municipalities to implement the Audit function have been noted below.

| Action   | Department(s)  | Description   | Estimated Timeline   |
|--|--|---|--|
| <p><b>3. Draft Policy &amp; Procedural Documents for Audit</b></p> |  Finance                | <ul style="list-style-type: none"> <li>Audit policy will likely be established in the local municipalities' VHT bylaw or associated process documents.</li> <li>Internal audit procedures including identification of acceptable documents, audit checklists, communication and escalation processes, and other considerations are required to enable consistent and objective review of declarations.</li> </ul>   | <ul style="list-style-type: none"> <li>Development of internal audit procedures and associated documentation by Q1 2025.</li> <li>As some elements of audit may be documented in the VHT bylaw, development of certain procedures can be done concurrently with technology development and implementation. However, some detailed elements such as user manuals may need to be completed following technology implementation.</li> </ul> |
| <p><b>4. Build Audit System</b></p>                                |  Information Technology | <ul style="list-style-type: none"> <li>A dedicated system will be required to enable declaration and audit functions. Local municipalities will be responsible for identifying equivalent systems that best fit their specific needs, potentially including CentralSquare or other third-party software. Preliminary indicative estimates from vendors indicate development of declaration and audit functionality on CentralSquare could require an investment of up to \$1 million, to be confirmed through a formal procurement process.</li> <li>Incremental effort was indicated to have potential to be absorbed within existing local municipal IT staff capacity. As such, no incremental FTE impacts are anticipated.</li> </ul> | <ul style="list-style-type: none"> <li>Development of system(s) with declaration and audit functionality by Q3 2025.</li> </ul>  |

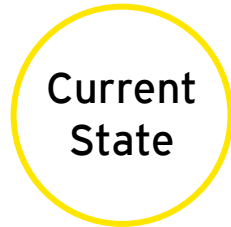
# Implementation Considerations - Audit and Compliance

Specific considerations for the local municipalities to implement the Audit function have been noted below.

| Action  | Department(s)   | Description  | Estimated Timeline   |
|---|---|--|--|
| <p>5. Hire and Train staff to administer the VHT (including staff to manage declarations, audit, billing, and communications)</p> | <p>  Finance<br/>  Human Resources                 </p> | <ul style="list-style-type: none"> <li>Local municipalities are responsible for hiring and training dedicated VHT staff. This requires an assessment of current capabilities to identify functional needs, followed by recruitment and training of individuals to fill these roles.</li> <li>Requires establishment of a dedicated organizational unit, including up to 14 Full-Time Equivalent positions depending on the local municipality, to conduct audit activity, along with approval for the associated operating budget.</li> <li>Estimated annual cost of staffing the VHT organizational unit for a local municipality-led implementation is approximately \$2.1 million on average over a 10-year time horizon, based on estimates for Oakville.</li> <li>Some VHT-related roles may be able to be completed with existing capacity and roles, potentially reducing incremental FTE needs.</li> <li>Certain positions, including audit and communications staff, may be classified as temporary roles in the first year of implementation to ease adaptation to actual audit and call volumes.</li> </ul> | <ul style="list-style-type: none"> <li>Secure approval, establish positions and job descriptions, and hire and train staff by Q4 2025.</li> <li>Approval, establishment of positions and job descriptions, and hiring can likely be completed concurrently with technology development and implementation. However, training is dependent on a functional technology solution and would need to occur following its implementation.</li> </ul> |



# Billing and Collection



Local municipal tax collection software (i.e., CentralSquare) may be configurable to collect a VHT.



6. Update Policy & Procedural Documents for Billing and Collection
7. Configure CentralSquare for VHT collection
8. Train Local Billing and Collection Staff

Local municipalities will:

- Have a VHT-specific configuration that can collect on-time payments as well as support off-cycle billing to collect late payments, fines, and penalties related to the Vacant Home Tax
- Receive revenue, net of expenses, to apply to affordable housing initiatives



# Implementation Considerations - Billing and Collection

Specific considerations for the local municipalities to implement the Billing and Collection function have been noted below.

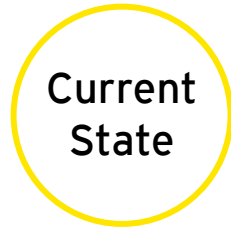
| Action  | Department(s)  | Description   | Estimated Timeline  |
|---|--|---|---|
| <p>6. Update Policy &amp; Procedural Documents for Billing and Collection</p> |  Tax                    | <ul style="list-style-type: none"> <li>• Tax procedures and processes will need to be updated to reflect the implementation of a Vacant Home Tax.</li> <li>• New processes will need to be developed to support the identification and tracking of late and outstanding declarations and payments. These processes will support collection of associated charges (e.g. for late declaration, late payment).</li> </ul>      | <ul style="list-style-type: none"> <li>• Update and include the VHT in tax-related documentation by Q1 2025.</li> </ul> |
| <p>7. Configure CentralSquare for VHT Collection</p>                          |  Information Technology | <ul style="list-style-type: none"> <li>• If the declaration and audit systems are built on CentralSquare, it may be possible to integrate declaration, audit, and collection into a single system at the local municipal level.</li> <li>• If a third-party software is used instead, the local municipal tax collection systems will need to be configured to integrate with the declaration and audit systems.</li> </ul> | <ul style="list-style-type: none"> <li>• Configure and test CentralSquare for VHT collection by Q3 2025.</li> </ul>     |

# Implementation Considerations - Billing and Collection

Specific considerations for the local municipalities to implement the Billing and Collection function have been noted below.

| Action   | Department(s)   | Description  | Estimated Timeline  |
|--|---|--|---|
| <p>8. Train Local Billing and Collection Staff</p> | <p>  Finance<br/>  Human Resources                 </p> | <ul style="list-style-type: none"> <li>VHT-related billing and collection roles may be completed with existing capacity and roles, reducing incremental FTE needs.</li> <li>All staff within the tax collection team may require training on the VHT-specific configuration of the tax collection system to support operations.</li> </ul> | <ul style="list-style-type: none"> <li>Secure approval, finalize positions and job descriptions, as well as hire and train staff by Q3 2025.</li> <li>While approval, finalization, and hiring may occur during technology development, training is dependent on configuration of the local municipal tax collection system.</li> </ul> |

# Communication



A dedicated communications plan for a VHT program is required to be developed.


9. Develop and Implement Communications Plan

10. Train Local Customer Service Representatives

- The local municipality will have:
- A detailed communications plan to proactively inform residents prior to and during the implementation of the VHT program
  - Trained staff to handle incoming queries
  - Systems and platforms to address vacant home tax-related communications as needed



# Implementation Considerations - Communications

Specific considerations for the local municipalities to implement the Communications function have been noted below.

| Action  | Department(s)   | Description   | Estimated Timeline   |
|---|---|---|--|
| <p>9. Develop and Implement Communications Plan</p> | <p> Communications</p> | <ul style="list-style-type: none"> <li>• A communications plan will need to include strategies for initial and ongoing communications throughout the VHT process. Existing processes may be leveraged from the implementation of previous programs. This may include training materials and staged processes for front-line communications staff, such as escalation procedures.</li> <li>• Leading practices for VHT communications indicate materials should ensure accessibility for population segments at higher risk of experiencing communications challenges, including seniors.</li> <li>• Collaboration with local municipalities is required for communications involving public information sessions, in-person declaration clinics, and other targeted communications at local facilities.</li> <li>• Local municipalities' phone lines, and other communications systems will need to be configured to support VHT-related processes such as connecting with the new organizational unit and the ability to escalate vacant home tax-related communications as needed.</li> <li>• There may be a learning curve - and therefore increased complaints - for both staff and residents in the transition of implementing the VHT on existing systems.</li> </ul> | <ul style="list-style-type: none"> <li>• Create and finalize a communications plan that uses a variety of methods to reach residents of the local municipality in which the VHT applies to, by Q2 2025.</li> <li>• Implement communications plan on an ongoing basis with communications to residents occurring in advance of VHT program launch.</li> </ul> |

# Implementation Considerations - Communications

Specific considerations for the local municipalities to implement the Communications function have been noted below.

| Action  | Department(s)  | Description  | Estimated Timeline   |
|---|--|--|--|
| <p>10. Train Local Customer Service Representatives</p> | <p>  Human Resources<br/>  Communications                 </p> | <ul style="list-style-type: none"> <li>Local Customer Service Representatives (CSRs) and other communications staff may experience a material increase in inbound call volumes related to the VHT.</li> <li>Local CSRs would need to be trained to respond to VHT-related inquiries, and to escalate to dedicated VHT staff as needed. Anticipated volume may be able to be addressed within existing staff capacity.</li> </ul> | <ul style="list-style-type: none"> <li>Develop and deliver training to existing customer service representatives by Q3 2025.</li> <li>Training of new, and upskilling of existing staff may occur after technology solutions and processes have been implemented to ensure all staff have a comprehensive understanding of the VHT program and are well-prepared to manage queries about the vacant home tax.</li> </ul> |

An aerial photograph of a city, likely Columbus, Ohio, showing a complex highway interchange with multiple overpasses and ramps. A river flows through the city, and various urban buildings and green spaces are visible in the background. The image is overlaid with a semi-transparent dark grey filter.

# Additional Considerations

# Reporting

The following are metrics the Region may include when reporting on the Vacant Home Tax program. **For a Local Municipality Implemented Program, the local municipality is responsible for reporting to the province and the public.**

According to the Provincial Policy Framework, a municipality implementing a VHT should include data related to its VHT program in the annual Financial Information Return (FIR) to support evidence-based evaluation of outcomes. Currently, the Region reports on the Current Value Assessment (CVA), tax rates, and upper tier tax levies for residential properties in the FIR.

In addition to this, the Region may consider including the following as part of its annual reporting to the province:

## Reporting to the Province

- ✓ Differences in vacancy before and after VHT implementation
- ✓ Average assessed value of vacant units
- ✓ VHT Operating Expenses
- ✓ Revenue Collected
  - Tax Levy
  - Fines and Penalties
  - Total Amount
- ✓ Distribution/Use of Funds
  - Priority Projects and Descriptions
  - Funding Allocation for each

Along with reporting requirements to the Province, based on observed reporting in other jurisdictions, the Region may include the below in annual VHT reports to the public\*:

## Reporting to the Public

- ✓ General
  - Description of the VHT program
  - Number of Late Declarations
  - Property Status (Number of Occupied, Vacant, and Exempt properties)
- ✓ Compliance
  - Total Number of Audits Completed
  - Number of Non-Compliant Audits
  - Non-Compliance Rate
  - Number of Complaints
  - Number of Cases Reviewed by the Final Appeal Body
- ✓ Other Key Performance Indicators
  - Number of properties required to declare
  - Change in property status
  - Breakdown by exemption type
  - Change in tenanted properties

\*Note: The Region may also report on trends for any of these items over time once multi-year data has been established.



# Policy Review & Trigger Events

Net revenue generation, administrative cost trends, and housing market dynamics are key factors to consider when assessing the VHT program's ongoing viability.

The VHT program can be reviewed on an annual basis to ensure it continues to meet policy and financial objectives. There are three factors to consider monitoring to assess the viability of continuing the program:

## 1 Net Revenue Generation

One of the objectives of a Vacant Home Tax is to reduce the number of vacant residential units. Should this policy outcome be achieved to a significant extent, a VHT program may become unviable as net revenue generation is likely to significantly decline and potentially be negative.

## 2 Administrative Cost Trends

The primary operational cost related to a VHT is administration, with a particular focus on audit and compliance activity. Should these costs increase significantly, or remain consistent, as eligible vacant homes decline, the VHT program may become unviable.

## 3 Reduction in the Number of Vacant Homes

Housing market dynamics - such as a combination of high interest rates, low home price appreciation, and high or stable rental price growth - in addition to taxes imposed by other levels of government - such as the federal government's Underused Housing Tax - disincentivize holding of vacant properties. Should these conditions be present and persist for an extended period, the number of vacant homes is likely to decrease and the VHT program may become unviable.

Regular annual assessment of the above factors, including the overall financial and policy outcomes of the VHT, can support decision-making related to the continuation of the program.

Leading practice suggests that the entity leading the VHT program's implementation is responsible for managing costs and may retain net revenues generated by the program. To align with this, should implementation be led by local municipalities, the implementing municipalities would manage costs of the VHT program as well as retain net revenues to meet policy and financial objectives of the program, including supporting local housing priorities and initiatives.

# Next Steps

The following are key next steps in progressing the implementation of the Vacant Home Tax.

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Seek Regional Council consideration, and if required, Local Municipal statements of support or exclusion to proceed with implementing a VHT



The Region develops the Vacant Home Tax By-Law for Regional Council approval for participating local municipalities



Participating local municipalities' implementation of the VHT

- Establish accountabilities, roles and responsibilities for implementation and ongoing operations
- Initiate establishment of VHT systems, processes, organization, and communication

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# Supplementary Report: Comparison of Vacant Home Tax Declaration Methods

August 21, 2023



The better the question. The better the answer.  
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# Self Declaration and Universal Declaration Definitions

Definitions of Self Declaration and Universal Declaration, and jurisdictions applying each respective approach, are outlined below.

## Self Declaration



- Only owners of eligible vacant residential properties are required to declare the property's status
- All other residential properties are assumed to be occupied or vacant with an exemption, and could be subjected to compliance and audit procedures
- Residential properties deemed vacant through audit will be subject to fines or penalties for failing to self-declare

Observed Jurisdictions Include:



## Universal Declaration



- All residential property owners are required to declare their property's status as either occupied, vacant, or vacant with an exemption
- Failure to submit a declaration may result in the property being deemed vacant, resulting in corresponding penalties or fines being applied
- Residential property owners who falsely declare their property as occupied and are subsequently deemed vacant through the audit process are required to pay the tax and may face additional penalties or fines

Observed Jurisdictions Include:



# Advantages and Disadvantages - Self Declaration

*An initial analysis of the advantages and disadvantages of Self Declaration is outlined below.*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"><li>• Overall residential property owner administrative effort is reduced as a limited number of property owners are required to declare.</li><li>• Required capacity to process declarations is reduced as both declaration volumes and complexity of information collected are lower, potentially resulting in reduced initial investment associated with a simpler declaration system.</li><li>• Reduces the need to track declaration status and administer associated penalties for late submission due to the lower volume of declarations.</li><li>• Potential to reduce the number of “false positives” (e.g. penalty or tax levy applied to an occupied home due to a failure to declare or other error).</li></ul> | <ul style="list-style-type: none"><li>• May require materially higher investment in audit and enforcement capabilities as the lack of supporting information (e.g. exemptions that may apply) requires audit and compliance activity to be based on random selection. This in turn may require additional staff to increase the number of audits conducted and ensure audit volumes are statistically significant.<ul style="list-style-type: none"><li>• Additionally, audit approaches may not be similar for each property type. For example, accessing information to audit a house may be easier than investigating the property status of a condominium unit.</li></ul></li><li>• May result in inbound communications and appeals based on a lack of residential property owner awareness, and confusion about, obligation to declare. This may include confusion about the process especially considering neighbouring municipalities will be using universal declaration.</li></ul> |

# Advantages and Disadvantages - Universal Declaration

*An initial analysis of the advantages and disadvantages of Universal Declaration is outlined below.*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"><li>• Potential to reduce overall administrative burden on municipalities as residential property owners are required to submit declarations and specify status (i.e. vacant, vacant with exemption, or occupied), allowing for more targeted audit and compliance activities.</li><li>• Ability to build a historical database of properties according to their status history, allowing for more targeted audit and compliance activities based on changes in declared status.</li><li>• Provides an evidentiary basis for applying penalties for false declarations should a property be deemed vacant during the audit stage.<ul style="list-style-type: none"><li>• For example, as a residential property owner is required to declare their property status and they declared occupied, that declaration acts as evidence of a false declaration if the property was deemed vacant through an audit.</li><li>• Likewise, if a residential property owner has declared their property to be vacant for multiple years and suddenly declares their property as occupied, this may flag the need for Regional staff to conduct a risk-based audit to confirm property status.</li></ul></li></ul> | <ul style="list-style-type: none"><li>• As high volumes of more complex declarations (including substantiating information and evidence) are being collected annually, a larger initial investment may be required to build or acquire a dedicated declaration system and develop linkages to a dedicated audit system.</li><li>• Due to higher volumes of declarations, a comprehensive audit and appeals system is required to reduce the potential for charges made in error and apply appropriate penalties (e.g. for late declaration, failure to declare, or non-declaration).</li><li>• Places the burden of declaration on all residential property owners</li></ul> |

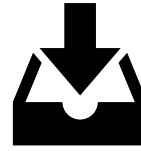
# Additional Considerations - Self Declaration

*Self Declaration may result in increased overall operating cost despite appearing to result in lower administrative effort.*



## Increased Communication Complexity

- Though a limited number of residential property owners are required to declare, **communication must still be sent to all owners** in the Region annually with detailed instructions to ensure awareness and understanding of obligations.
- Although overall **inbound communication volumes may be slightly lower than Universal Declaration**, residential property owners are just as likely to inquire about vacancy status, exemptions, and obligations, especially if neighbouring municipalities are using a Universal Declaration method.



## Increased Audit and Compliance Needs

- **Self Declaration may result in higher ongoing operating costs.** A lack of auditable supporting information for most properties may require **higher reliance on a random selection method, and significantly higher numbers of audits (vs. Universal Declaration) may need to be completed** to ensure statistically significant and representative sampling.
- **Increased communication with residential property owners may be needed** to collect appropriate documentation and compensate for the lack of evidence provided through declaration.
- Higher volumes of random audits **may result in higher numbers of appeals**, particularly on the basis of being unaware of requirements, necessitating additional compliance capacity.



## Lack of Precedent

- **Self Declaration has not been implemented in a Canadian jurisdiction.** Further, low global adoption means there is **limited available information on the outcomes of adopting this approach.** This may increase the need for policy review and amendment over time.



# Additional Considerations - Universal Declaration

*Though Universal Declaration requires higher initial investment, the incremental benefit may support more efficient and effective operations.*



## Supports Risk Mitigation

- Substantiating information is collected beginning from the declaration stage and is validated through audits and appeals, resulting in **application of the tax or associated penalties following a thorough audit process or in the event of non-compliance.**
- An escalating penalty structure, combined with multiple points of communication to the residential property owner, will **reduce the risk of “false positives” and help ensure that tax levies and penalties are only collected following a defensible process.**



## Improved Audit and Compliance Effectiveness

- Universal Declaration **allows for more targeted audit and compliance activity**, as audits are initially exemption-based with a lower volume of random audits. The ability to target, along with evidence collected through declaration, **can allow for more efficient audit and compliance operations and may result in a lower ongoing cost.**
- Because all owners are required to declare the status of their home, **historical evidence is built that allows for a risk-based, targeted approach to audits** and enables compliance activities to become more effective and efficient over time.



## Accessible Peer Group

- Because **Universal Declaration has been adopted by all Canadian jurisdictions implementing a Vacant Home Tax**, the Region will be able to improve overall policy design by engaging with peers to identify and implement leading practices and lessons learned.

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## REPORT FOR ACTION

# Redesigning the Vacant Home Tax Program and Supporting Housing Supply

Date: September 17, 2024  
 To: Executive Committee  
 From: Chief Financial Officer and Treasurer  
 Wards: All

## SUMMARY

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In 2021, City Council approved the Vacant Home Tax (VHT) as a policy tool to help address the housing crisis that exists in Toronto. The primary objective of the VHT is to improve housing availability by reducing the number of residential properties that would otherwise be left vacant. The VHT program creates a disincentive for property owners to leave residential properties vacant and encourages them to bring these homes into the active rental or ownership housing market. Where property owners choose to keep a property vacant, revenues collected from the program are invested in initiatives that increase or preserve housing supply, such as the City's Multi-Unit Residential Acquisition (MURA) Program.

While the VHT program is still relatively new in Toronto, evidence from other jurisdictions has shown that it is an effective policy tool to increase housing supply. As seen in Vancouver, their equivalent policy tool to the VHT has directly resulted in an increase in housing stock in the rental market.

While the VHT program is an important policy tool to support housing supply in the City, the 2023 declaration process that culminated last April was incredibly challenging for residents who received a Vacant Home Tax charge for a property they continued to reside in, as well as Members of Council, their teams and City staff that fielded countless calls from distressed residents. During [a report to Council in April 2024](#), staff acknowledged the challenging 2023 VHT declaration process and immediately identified actions to address those challenges. Staff committed to undertaking a full review of the program and reporting back with a completely redesigned VHT process effective for the 2024 taxation year.

Since then, Revenue Services, in collaboration with Strategic Public & Employee Communications, Technology Services, Customer Experience (311), Legal Services, Office of the Chief Information Security Officer (CISO) and Office of the Chief Financial Officer & Treasurer have completed a full review and redesign of the program, focusing on improvements to the following four key areas, all with a customer centred approach:

1. Process and timelines,
2. Ease of declaration,
3. Communications strategy, and
4. Technology and customer interface.

Together, these improvements aim to make the declaration process as simple and accessible as possible based on feedback from discussions and consultations with various target audiences.

The recommended changes outlined in this report will ensure that homeowners are able to declare their occupancy status in a format that works best for them, whether online, in-person or over the phone, over an extended period of time with access to a dedicated customer care team should additional support be needed. The revised program will ensure a smoother and more efficient experience for Torontonians who, through annual declarations, are a key part of helping the City address its current housing crisis. These changes will also ensure that no homeowner will receive any billing related to VHT, unless they are specifically determined as vacant in accordance with the VHT program by-law.

## **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer recommends that:

1. City Council approve the following changes to the Vacant Home Tax program and timeline, effective for the 2024 Taxation Year unless specified otherwise, and amend City of Toronto Municipal Code Chapter 778, Taxation, Vacant Home Tax, accordingly:

- A. Extend the declaration due date to the last business day of April of the year following the Taxation Year in respect of which the declaration is made.
- B. Change the deadline for the issuance of the Notice of Tax to June 1. Should June 1 fall on a weekend, the bill will be issued the first business day following June 1.
- C. Change the payment due dates to the 15th of September, October, and November, from the 15th of May, June, and July, or such other date as may be indicated on a notice of assessment.
- D. Delegate authority to the Chief Financial Officer and Treasurer to alter the declaration due date, date of Notice of Tax issuance, payment due dates and Notice of Complaint deadline, if required; and subsequently report to Council, in consultation with the City Solicitor, as soon as practical with a bill to amend Chapter 778.
- E. Add a new exemption for Secondary Residence for Medical Reasons.

- F. Change the requirement for the exemption occupancy for full-time employment from “the Vacant Unit is required for occupation for employment purposes for an aggregate of at least six months in the Taxation Year, by its Owner who has a Principal Residence outside of the Greater Toronto Area” to:

“The Vacant Unit is required for residential purposes by the Owner or their spouse and the following conditions have been met:

- (a) Owner or their spouse was employed full-time during the taxation year and the nature of the employment required their physical presence in Toronto;
- (b) the employment term(s) was an aggregate of at least six months during the taxation year; and
- (c) the unit occupant (owner or their spouse) has a Principal Residence outside of the Greater Toronto Area.”

- G. Change the definition of Self-Contained Unit from “a dwelling unit which includes a dedicated washroom and kitchen” to “a dwelling unit that is classified as a residential unit by the Municipal Property Assessment Corporation, which includes a dedicated washroom and kitchen even if in disrepair”.

- H. Remove section 778-7.2. Demand for information subsection (A)(3).

- I. Change section 778-7.2 Demand for information subsection (A)(4) to “Income tax notices of assessment of any Occupant and Owner”.

- J. Change the definition of Appellate Authority from the City’s Controller to the City’s Deputy Treasurer.

2. City Council amend City of Toronto Municipal Code Chapter 441, Fees And Charges, Appendix C, Schedule 5, Revenue Services, effective January 1, 2025, to suspend the issuance of the user fee for failing to provide a Declaration of Occupancy Status by the declaration due date.

## **FINANCIAL IMPACT**

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### **Investments in Housing**

The VHT is a policy tool specifically designed to increase the supply of housing in the City by disincentivizing keeping homes vacant. When a home remains vacant, any VHT revenue collected is directed towards initiatives that increase or preserve housing supply.

Following the second year of implementation of the VHT program, it is estimated that the current vacancy rate in the City is approximately 1% - 1.2%. As the program has its desired impact of reducing the number of vacant homes, there will be a corresponding decrease in VHT revenues collected. The program currently generates approximately \$55 million annually. These funds are not used to offset general budget pressures or balance the City's budget but rather are reinvested specifically into housing initiatives. After offsetting program administration costs, funds have been used to support capital initiatives within the Housing Secretariat and Toronto Community Housing Corporation, with a further allocation towards the Multi-Unit Residential Acquisition (MURA) program that enables the purchase of at-risk private market rental housing to secure the homes as permanently affordable non-profit housing.

To date, it is estimated that the VHT program has collected total revenues of \$107.2 million (\$56.5 million for the 2022 taxation year and \$50.6 million for the 2023 taxation year). Actual revenues generated by VHT program will not be finalized until all Notices of Complaint and audits are complete for these taxation years.

To further encourage a reduction in vacancies and support adequate housing supply, City Council has approved a rate increase to the VHT from 1% of a residential property's current value assessment (CVA) to 3%, effective for the 2024 taxation year. As a result, the City anticipates a decrease in the current vacancy rate with preliminary estimates for annual revenues of approximately \$105 million in 2025. A refined estimate will be considered as part of the 2025 Budget process based on market trends and response to the program. Staff anticipate this to be diminishing revenue, with an expected decline each year as more homes are actively occupied.

### **Program Administration**

This report includes recommendations on a redesign of the VHT program that includes a series of program enhancement with an overall financial impact estimated at approximately \$5.8 million annually associated with administering the program. This includes areas of staffing for a dedicated customer care team available through 311, totalling an estimated \$1.1 million annually. The enhanced communication strategy including a more robust print and online advertising campaign, additional mail notices, and print and postage costs for tax bills inserts is expected to have an annual cost of approximately \$1.6 million. Table 1 below provides details on proposed additional impacts for the 2024 VHT Taxation Year.

**Table 1: Comparison of 2023 and 2024 VHT Program Administration Budgets**

|                        | 2023 Taxation Year (\$M) | 2024 Taxation Year (\$M) | Added Investment (\$M) |
|------------------------|--------------------------|--------------------------|------------------------|
| General Administration | 3.1                      | 3.1                      | 0                      |
| Customer Care Team     | 0                        | 1.1                      | 1.1                    |
| Communications         | 0.12                     | 1.6                      | 1.5                    |
| <b>Total</b>           | <b>3.2</b>               | <b>5.8</b>               | <b>2.6</b>             |

Program administration costs will continue to be fully offset through VHT revenue collected with no impact on the City’s property tax base.

### **Waiving the Declaration Late Fee**

For the 2023 taxation year, City Council waived the user fee for failing to declare occupancy status by the due date (Item CC17.1). This fee had previously been implemented as of January 1, 2024, at an amount of \$21.24 for each property owner with the intent to apply funds received to administrative costs. Staff recommend that the user fee continue to be waived while the success of program redesign initiatives are evaluated. Staff will reassess the success of the program through evaluation of the ease of declaration and the declaration rate to make appropriate recommendations on the further extension of this user fee waiver or the reinstatement of the inflation-adjusted user fee for subsequent taxation years.

Given the recommended program design changes in this report, specifically including the extended deadline to April 30, increased ease of declaration, and enhanced communication strategy, staff expect the number of property owners to submit a late declaration to be significantly minimized in future years.

### **DECISION HISTORY**

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On December 15, 2021, City Council adopted [EX28.2 – Final Tax Design and Steps to Implement a Vacant Home Tax in Toronto](#), approving the design and implementation plan of the VHT beginning in 2022. At this meeting, City Council also directed staff to annually report back with findings, and to prioritize an investment of at least \$10 million annually in the MURA program from the program revenues.

On October 11, 2023, City Council adopted [EX8.7 – Vacant Home Tax: Status Update](#), approving administrative amendments to the program design, and a rate increase from 1% to 3% of a property’s CVA. City Council also requested staff review the feasibility of

creating a new VHT exemption for a Secondary Residence for Medical Reasons for the 2024 tax year.

For both 2022 and 2023 taxation years, City Council approved an extension to the declaration period. In February 2023, City Council adopted [Item MM3.17](#) – Extending the Vacant Home Tax Declaration Due Date and Adding Additional Instalment Due Dates for Making VHT Payments, to extend the declaration deadline for the 2022 taxation year to February 28, 2023. In March 2024, City Council adopted [EX12.9 – Extending Declaration Date for the Vacant Home Tax for the 2023 Taxation Year](#), which provided an extension to the declaration period for the 2023 taxation year to March 15, 2024.

On April 17, 2024, City Council adopted [CC17.1 – Immediate Actions to Address the 2023 Taxation Year of the Vacant Home Tax](#), waiving the fee for failing to declare by the deadline, authorizing the use of 2022 occupancy data for 2023 undeclared properties and directing staff to report back on a completely revised VHT program design effective for the 2024 taxation year. Specifically, Council directed the redesign to include consideration of:

- a. the feasibility of an evaluation process based on City utility usage data;
- b. a comprehensive communications plan for the 2024 Taxation Year, including distinct multilingual mailings, partnerships with agencies and organizations, and internal communications improvements with Members of Council;
- c. user experience improvements to the online and in-person declaration systems, including receipting, digital confirmations, and email and/or phone contacts;
- d. the VHT declaration process for 2025, and a standard practice of providing a confirmation number or receipt when declaring online;
- e. additional changes based on feedback received through 311 Toronto/Customer Experience and from Members of Council;
- f. feedback incorporated from focus groups on items “a” through “e”, with an emphasis on seniors, residents experiencing barriers to internet access, and multilingual communication;
- g. the number of vacant homes in 2022 and 2023, and any other findings on the effectiveness of the VHT program in achieving housing objectives;
- h. options on how to make the reporting mechanism more user-friendly to seniors and other vulnerable groups;
- i. the feasibility of eliminating any proposed late fees for seniors and other vulnerable groups living in their principal residences;
- j. the inclusion of a notice in the VHT bill that allows residents to declare online or by mail that their property is not vacant; and
- k. that no penalties or fees be charged to residents who declare their homes not vacant.



## COMMENTS

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### Objectives of the Vacant Home Tax Program

In 2021, Council approved the VHT Program as a policy tool in support of addressing significant housing supply challenges in the city. The VHT Program aims to increase housing supply through the following:

- Encouraging property owners to rent or sell unoccupied homes reducing the number of properties vacant in the city; or
- Increasing or preserving housing supply in the city through reinvesting any revenue generated from the VHT program in housing initiatives such as the Multi-Unit Residential Acquisition program that enables the purchase of at-risk private market rental housing to secure the homes as permanently affordable non-profit housing.

The value of the VHT Program is amplified in the current challenging housing market. It is estimated that approximately 1% - 1.2% of homes in the City, or 8,700 to 10,000 homes, are currently vacant. Through the VHT Program these homes could be unlocked for occupancy, without the impact of rising construction costs, financing rates or needing to make significant infrastructure investments to achieve the equivalent supply through new developments.

The VHT Program aims to increase the supply of housing in the city without needing subsidization from the City's property tax base or provision of building incentives, however, to achieve this the VHT declaration process does require the support of Torontonians who, through their annual declarations, can play a key role in helping the City address its current housing crisis. Currently, the City has approximately 820,000 residential properties who are asked to submit an annual declaration, even if their occupancy status has not changed, to ensure the success of this important initiative aimed to increase housing supply.

### Reviewing the VHT Program

The 2023 declaration process was incredibly challenging for our residents that received a VHT charge for a property they continued to reside in, as well as Members of Council, their teams and City staff that fielded countless calls from distressed residents.

Staff committed to conducting a full review of the VHT Program to correct the 2023 declaration process that failed and committed to reporting back with a completely redesigned VHT process effective for the 2024 taxation year, as outlined to Council in Item [CC17.1](#) on April 17, 2024.

Revenue Services in collaboration with Strategic Public & Employee Communications, Technology Services, Customer Experience (311), Legal Services, Office of the Chief Information Security Officer (CISO) and Office of the Chief Financial Officer & Treasurer

established a working group to review and redesign the program focusing on improvements to the following four key areas, all with a customer centred approach:

1. Process and timelines,
2. Ease of declaration,
3. Communication strategy, and
4. Technology and customer interface.

Recommended opportunities for improvements have been broken down into immediate actions for the 2024 taxation year and future considerations, where applicable. Details are provided in the following section of the report. Together, these improvements aim to make the declaration process as simple and accessible as possible based on the comprehensive review of program challenges experienced last Spring and further feedback from discussions and consultations with various target audiences. Additional commentary on stakeholder engagement conducted is detailed later in the report.

## **Redesign of the VHT Program: Proposed Changes**

Following a comprehensive review that incorporated feedback from the public, Members of Council and City staff, staff have recommended improvements across four key areas, all with a customer centred approach:

### **1. Process and Timelines**

Beginning with the declaration period for the 2024 taxation year, the City has made improvements to internal processes and the overall VHT timeline to ensure more property owners are able to successfully navigate the declaration process within the required period.

#### **The recommended process improvements for the 2024 taxation year include:**

Changes to the VHT timeline that will ensure everyone has ample time to submit their property's occupancy status. This includes those who travel for extended periods. **The City will achieve this through:**

- An extended declaration period by an additional two months, allowing declarations to be made from November 1 to April 30.
  - Beginning the declaration period on November 1 is aimed to ensure outreach efforts and declaration options are available prior to extended winter travel periods.
  - The revised declaration deadline of April 30 will ensure greater alignment with other filing dates, such as Canada Revenue Agency's income tax filing deadline.
- A revised bill issuance date from March 31 to June 1

- This will mean applicable homeowners (i.e. those with vacant properties) will receive billing information in June of each year.
- The extended period of time between the deadline of April 30 and the bill issuance of June 1 will ensure appropriate time for staff analysis and review prior to distribution.
- Revised payment dates to the 15<sup>th</sup> of September, October, and November of each year, rather than current dates of May, June and July.
  - This change ensure adequate time for residents to file a Notice of Complaint for limited properties that may ultimately be deemed vacant prior to any payment due dates.

As discussed in greater detail in the following Communication Strategy section, the changes in process timelines will be complimented with enhanced communication efforts.

- Increased notifications to property owners including two direct mailed notices (November 2024 and March 2025) as well as two rounds of email notifications and two rounds of robocalls as necessary to residents that have not yet submitted declarations; and
- Improved integration between 311 and Revenue Services for enhanced customer service support, including a dedicated Customer Care team, with the ability for the integrated call centre to accept declarations over the phone, with access to service in over 180 languages.

A key program design change includes providing delegated authority to the CFO & Treasurer to alter the bill issuance date, payment due dates and Notice of Complaint deadline if required to ensure the successful administration of the VHT program.

- This report recommends that the CFO be granted authority to further extend key dates as required based on real-time metrics. The billing process will not begin, and bills will not be issued, until the CFO has provided authorization and signoff.
- Any changes to the established deadlines will be clearly communicated to applicable property owners and will ensure there is sufficient time for various processes such as the production of the bills and mailouts.

Staff are also proposing a full waiver of the declaration late fee, should homeowners not submit a declaration by the due date.

- Staff recommend that the user fee continue to be waived while the success of program redesign initiatives are evaluated.
- In evaluating the success of the redesign initiatives on annual basis, staff will determine if and/or when the late declaration fee should be reinstated.

Moving forward into the 2025 taxation year and beyond, processes will continue to be examined and new options explored to further improve the customer experience such as a review of the new timeline to determine effectiveness of the program enhancements.

## 2. Ease of Declaration

A key objective of the VHT Program redesign was to enable declarations through increased channels while also reducing any technological or language barriers that exist to ultimately ease the declaration process.

The program redesign placed an emphasis on simplifying the declaration process to ensure it works well for all homeowners, who will now have the ability to declare their status in a format that works best for them (whether online, over the phone, or in-person) over an extended period of time. Consistent with previous years, homeowners will continue to also have the option of allowing another authorized individual declare on their behalf.

While most declarations are expected to be received through the City's online portal, non-digital options to submit a Declaration of Occupancy Status will now be available. The following options will be available to submit your 2024 VHT declaration:

- **Online VHT declaration portal**
- **Calling the dedicated VHT Customer Care Team** – available by calling 311 and selecting the VHT priority option.
  - Beginning with the 2024 declaration period, a 311 and Revenue Services integrated call centre will be set up to accept declarations over the phone.
  - The VHT Customer Care Team will have access to multilingual support in 180 languages.
- **Drop-in sessions** - Increasing the number of drop-in sessions to be held across the City to educate and assist homeowners with the declaration process. Session timing will correspond with major VHT communication initiatives.
  - Revenue Services will also be available for further drop-in sessions (Councillor events, community groups, condo buildings, etc.) upon request.
- **Tax and Utility Inquiry and Payment Counter** – Residents who visit City counters will be asked if they have had an opportunity to submit their VHT declaration for the year and, if not, staff will be able to accept declarations.
- **311 Services** – The working group is working with Customer Experience (311) to establish a process that would enable 311 to ask residents who call 311 for other services if they have had an opportunity to submit their VHT declaration for the year and, if not, will be provided with an option to be directed to the VHT Customer Care Team to complete.

- **Paper Declaration** - Additionally, homeowners can request a paper declaration form through 311 or at a Tax and Utility Inquiry and Payment Counter.
  - While the paper declaration option will be available, individuals that seek this option will be informed of other channels available for declaration.

**In summary, the following ease of declaration improvements will be implemented for the 2024 taxation year:**

- Embedding links to the declaration form via hyperlink when communicating via digital channel (e.g., email, digital ads, etc.) and QR code when communicating via physical channel (e.g., mail, billboards, etc.) to ensure easy access to the City's online portal.
- Ensuring non-digital formats are available to homeowners to declare their status including the option to submit a declaration over the phone, in-person at Inquiry & Payment Counters and at City drop-in sessions.
- Increased outreach by providing drop-in sessions at Inquiry & Payment Counters
- Activation of a dedicated Customer Care Team that can accept and confirm declarations over the phone with access to multilingual support in 180 languages.
- Continued ability for declarations to be submitted by someone else on behalf of an owner.

### **3. Communications Strategy**

The VHT program communications strategy has been enhanced and will engage Torontonians not only about *what* they need to do but *why* this policy helps the city as a whole to increase housing supply. The strategy includes an overhaul of the VHT web pages and declaration portal, expanded direct communications with simplified language (including mailed letters/notices), and a multi-faceted communications plan.

The overarching communications strategy for the rollout of the VHT for the 2024 taxation year uses all available direct and indirect touchpoints to reach homeowners. A multi-media communications campaign includes advertising in multiple languages (English, French and the top 10 home languages in Toronto). All property owners will receive at least one direct mailing. For those who do not declare their property status after the first mailing, another mailing will be sent, which will be preceded by targeted emails and robocalls. As outlined below, once people declare their property status, they will no longer receive direct reminders for 2024. Leveraging these direct points of contact will help ensure that owners understand the importance of the VHT program in helping to create more affordable housing and increase the housing supply in Toronto. Homeowners will receive clear information about what they need to do to make a declaration of occupancy status, and by when they need to act.

For the 2024 taxation year, the following is being implemented:

- **Enhanced direct communications:**
  - November 2024: The first direct mail will be issued to all owners of residential property in Toronto. The notice will include instructions on how to make a declaration of occupancy status, highlight information needed for their declaration and a QR code directing users to the City's VHT portal and web pages. The envelopes the notes are sent in will be yellow and have messaging about VHT printed in red.
  - November 22, 2024 (***National Housing Day***) – Enhanced communication and outreach efforts highlighting the importance of the VHT Program to support the increase of housing supply in the city.
  - December 2024: The first round of emails will be sent, excluding homeowners who have already submitted a declaration of their property's 2024 occupancy status.
  - January 2025 – VHT buck slips will be included with interim property tax bills to spread program awareness.
  - February 2025: First round of robocalls to owners of residential property who have not declared occupancy status.
  - March 2025: Second direct mail to owners of residential property who have not yet submitted a declaration of occupancy status, which will highlight the specific VHT charge that would be applicable if the property were ultimately deemed vacant.
  - March 2025: Second round of emails to homeowners who have not yet submitted a declaration of 2024 occupancy status.
  - April 2025: Second round of robocalls to homeowners who have not yet declared occupancy status.
- **Enhanced campaign strategy:**
  - *Data supported:* The enhanced communication strategy will be informed by declaration rates throughout the process to both understand the success of communication initiatives and to guide added or enhanced activities if required.
  - *Broad approach:* Increased outreach to a variety of audiences through translated print and online advertising in multilingual and specialized media outlets and translated messages in mailouts.

- *Clear language*: Simplified, clear instructions on how to declare occupancy status and plain language messaging about the overall goal of the VHT, to increase the housing supply in Toronto.
- *Robust advertising*: Increased advertising reach through a broadened multi-media campaign that includes transit shelter ads, TTC subway/ bus/ streetcar posters, print and online ads, condo elevator screens, radio spots and geo-targeted ads on social media platforms
- *Social media*: City of Toronto corporate social media channels to deliver multimedia messages about the program and responses to questions received on these channels.
- *Media outreach*: Proactive media relations including news releases and media pitching.
- *Councillor toolkits*: Materials provided for each major program and communication event including Q&As with information to help Councillors' offices answer inquiries from constituents and provide support, prepared articles for use in Councillor newsletters, social posts and creative to share with constituents.
- *Toronto.ca*: Revamped webpages with clear instructions and plain language.
- *Activate partners*: Flyers in community centres, civic centres, City agencies and libraries to further build awareness.
- *QR code convenience*: QR codes will be used on materials as appropriate to connect owners directly to the VHT web pages for information or to make their declaration.

In addition, staff will continue to consider future opportunities to expand the communications strategy, including further collection of property owners' contact information to expand opportunities for direct communications.

#### **4. Technology and Customer Interface**

Homeowners opting to use the City's online portal or seeking further information about the VHT program online will now have a better user experience submitting their annual declaration.

Previously, it was challenging to determine the required steps throughout the portal which resulted, in some instances, in homeowners abandoning the declaration process prior to fully submitting their declaration. Homeowners will now be able to easily track their progress through the online portal as they are making their declaration and will receive a confirmation email after submission, if an email address is provided. They will also be able to easily print and/or save their confirmation receipt; and receive a confirmation email if an email address is provided.

**Informed by customer experience research with selected user groups, the following technological improvements are being implemented:**

- QR codes on mail-out notices directing users to the City's VHT webpage and portal.
- Enhanced online declaration portal to ensure it is easier to submit a declaration, which will include:
  - An easier login process by simplifying the authentication requirements. The portal will now allow the user to sign in with the property's assessment roll number or their property address, in addition to the owner's customer number.
    - Direct mailouts to property owners will ensure all information required to submit a declaration is provided and highlighted for ease of use.
    - Staff acknowledge that the assessment roll number in particular is challenging for data entry reasons due to its length (21 digits) and therefore have provided the option to reference an address instead.
  - A "progress tracker" has been added to let users know where they are in the declaration process.
  - Easy to understand plain language to ensure users understand the questions and requirements.
  - The ability for another authorized individual to submit a declaration on a homeowner's behalf in the portal.
  - The ability to easily print and/or save the confirmation at the end of the process for all users.
  - Provision of an email confirmation receipt upon submission for all users who provide an email address during the process.
- The portal will be supported by a mobilized dedicated response team to address any surge capacity.

Additionally, the City is working to improve the homeowner email database for VHT administration purposes. There will now be the option for the owner to provide their email address if they are interested in receiving future VHT program reminders and updates via email.

Staff will also continue to explore the opportunity for further improvements in future years to improve the overall customer experience. This will include continued review of options for prepopulated forms, based on previous declaration data, and investigating the ability to provide a confirmation to mobile devices by validating and accepting mobile numbers.



## Stakeholder Engagement

The VHT working group consisting of staff from Revenue Services, Strategic Public & Employee Communications, Technology Services, Customer Experience (311), Legal Services, Office of the Chief Information Security Officer (CISO) and Office of the Chief Financial Officer & Treasurer tasked with the redesign of the VHT Program were supported by various stakeholders throughout the redesign process.

Key engagement activities with stakeholders included:

- **Feedback and Observations on Previous Program Challenges** – The working group collected information on key program challenges experienced last Spring from the public, Council Members and their offices and City staff.
  - Critical challenges identified included lack of program awareness, communicating the need to declare annually, declaration portal issues including lack of confirmation, inadequate outreach, and reliance on the Notice of Complaint process to resolve discrepancies.
  - Redesign efforts detailed in the prior sections aimed to address all feedback and observations provided.
- **Program Redesign** – Stakeholders were engaged to review key elements of the initial VHT Program redesign to ensure the proposed changes addressed all challenges experienced. This resulted in additional improvements which were identified and incorporated into the final proposal, following valuable stakeholder feedback. Stakeholder groups who were engaged include:
  - Toronto Seniors Forum,
  - Council Members and their offices,
  - Customer Experience Divisional staff who received VHT inquiries from the public,
  - Digital Citizen Advisory Group (usability testing),
  - Representatives from multilingual communities; and
  - Digital Citizen Advisory group members.

Additional feedback will be received through various meetings with stakeholder groups in the fall.

- **Usability Testing** - Customer research was held to obtain feedback on the program enhancements for the 2024 changes and future program considerations. The goal of the research was to understand if customers had a basic understanding of the VHT Program and how it applies to their situation, and to test the ease of completing declarations online.
  - During the month of September, usability testing was conducted through 45 to 60 minute remote sessions.
  - Digital Citizen Advisors (DCA) were utilized to recruit 12 to 15 members of the public to participate in the testing. All participants were to have

previously submitted a VHT declaration for themselves or on behalf of someone else.

- The participants selected were from a mix of demographics (age, location, race, language) with mixed proficiency with online tools. Seniors and people using English as a second language were included.
- The objective of the testing was as follows:
  1. *Learn about VHT:*
    - Assess clarity of the November and March paper notices and web page
    - Identify additional information needed
  2. *Submit a declaration:*
    - Assess ease of declaration portal
    - Identify pain points in process
  3. *Receive confirmation of declaration:*
    - Assess clarity of the confirmation web page and the confirmation email
    - Identify additional information needed
  4. *Provide input on the future VHT Program:*
    - Make suggestions for the future of the program
    - Assess concepts being considered for the future of the program

As of the date of this report, the results of the engagement sessions were still being reviewed and analyzed. Any resulting changes to program design or the declaration portal will be identified in future VHT reporting.

- ***Declaration Portal Demonstrations*** – Will be provided to Councillor Offices in the weeks prior to November 1, 2024, for information and to enable constituency supports.
  - An initial demonstration is also planned during the October 1, 2024 meeting of Executive Committee.

## **Annual Status Update on the VHT Program**

Further information on the VHT Program's activity since its inception in 2022 is provided in the sections below.

### ***Number of Properties Declared or Deemed Vacant***

As noted in Table 2 below, as of August 14, 2024, 10,180 properties were estimated to be vacant for the 2022 taxation year followed by 8,695 properties for 2023. While the

sample data is limited to those two years only, the number of vacant properties (both deemed and declared vacant) has decreased since the start of the program.

*Table 2: Vacant Home Tax – Number of Accounts Declared and Deemed Vacant as of August 14, 2024*

|                 | No. of Accounts | VHT – Final Amount Billed (\$ millions) |
|-----------------|-----------------|---|
| <b>2023</b>     |                 |   |
| Declared Vacant | 1,453           | \$11.171                                |
| Deemed Vacant   | 7,242           | \$39.471                                |
| <b>Total</b>    | <b>8,695</b>    | <b>\$50.641</b>                         |
|                 | <b>1.07 %</b>   |   |
| <b>2022</b>     |                 |   |
| Declared Vacant | 1,936           | \$14.949                                |
| Deemed Vacant   | 8,244           | \$41.593                                |
| <b>Total</b>    | <b>10,180</b>   | <b>\$56.542</b>                         |
|                 | <b>1.25 %</b>   |   |

### **Notices of Complaint and Audits**

The actual number of vacant properties in the City of Toronto will not be finalized until all Notice of Complaints and audits for the taxation year have been completed.

For the 2022 and 2023 taxation years, property owners can file their Notice of Complaint until December 31, 2024. For these years, an extension to file a complaint may be granted to December 31, 2025. Audit activities may continue for three years, therefore any statistics reported are considered estimates and will be updated through the VHT annual report until actual vacancies and corresponding VHT revenues can be accurately reported.

As of August 14, 2024, the number of Notice of Complaints received for the 2022 taxation year was 38,003 and for the 2023 taxation year was 169,149. Table 3 provides a summary of the complaints that have been processed. The recommended program redesign elements for the 2024 taxation year will help to reduce the reliance on this process to resolve disputes, by clearly communicating the annual declaration process, extending the declaration deadline, and offering a variety of declaration opportunities to property owners.

*Table 3: Notices of Complaint Processed as of August 14, 2024*

| Current Complaint Status | 2022 Complaints Processed | 2023 Complaints Processed |
|--------------------------|---------------------------|---------------------------|
| Decision: Not Vacant     | 36,508                    | 165,178 <sup>1</sup>      |
| Decision: Exempt         | 791                       | 2,847                     |
| Decision: Not Exempt     | 10                        | 0                         |
| Decision: Vacant         | 290                       | 8                         |
| To Be Reviewed           | 404                       | 1,116                     |

|              |               |                |
|--------------|---------------|----------------|
| <b>Total</b> | <b>38,003</b> | <b>169,149</b> |
|--------------|---------------|----------------|

Note: Figure includes 40,891 declarations of occupancy Status that were pushed from 2022 to 2023. The City may audit any declaration with respect to the occupancy or exemption claim related to the residential unit for a period of three years. As part of the audit process, City staff will be reviewing all exemption claims to ensure they meet the requirements under the By-law. Audit activities began in early 2024 and progress will be included in future reports.

As of August 14, 2024, the number of audits initiated for the 2022 taxation year was 7,997 (of which 3,590 audits have been concluded) and for the 2023 taxation year was 6,559 (of which 1,142 audits have been concluded). The review of audits for the 2022 and 2023 taxation years is ongoing. Table 4 provides a summary of the audits that have been initiated, reviewed, and processed.

*Table 4: Audits Initiated, Reviewed, and Processed as of August 14, 2024*

| <b>Current Audit Status</b> | <b>2022 Audits Processed</b> | <b>2023 Audits Processed</b> |
|-----------------------------|------------------------------|------------------------------|
| Decision-Not Vacant         | 19                           | 0                            |
| Decision-Exempt             | 3,571                        | 1,142                        |
| Decision-Not Exempt         | 0                            | 0                            |
| Decision-Vacant             | 0                            | 0                            |
| Under Review                | 4,407                        | 5,417                        |
| <b>Total</b>                | <b>7,997</b>                 | <b>6,559</b>                 |

### ***Impacts of Vancouver’s Empty Homes Tax and Monitoring Impacts in Toronto***

While it is still relatively early to determine program outcomes in the City of Toronto, there is strong evidence that the Empty Homes Tax (EHT) is reducing the number of vacant residential properties in Vancouver. From 2017 to 2022, the number of vacant properties decreased by 54%, with 2023 results yet to be reported.

Following the introduction of the EHT in 2017, there has been a positive impact on the rental housing supply with a significant shift toward long-term rental. Between 2018 and 2019, Vancouver saw an increase of 5,920 condominium units in the long-term rental stock. This increase exceeded the number of new condominiums added to the stock during that period, indicating a shift toward long-term rental from a previous use, which was attributed to the EHT. Since then, the overall number of condominium units in the rental pool continues to increase due to both increasing supply and a shift toward long-term rental. Between 2021 and 2022 there was an overall increase of 1,631 units to the condominium rental market.

Since the launch of the EHT, the City of Vancouver has allocated over \$142 million of net revenues from the tax to support affordable housing initiatives in Vancouver. The revenues from the tax saw an increase from \$26 million in 2021 to \$67 million in 2022 due to the increase of the tax rate from 1.25% for the 2020 reference period to 3% for

the 2021 reference period. Vancouver's EHT rate remains at 3% for the 2023 taxation year.

The City of Vancouver prepares an annual progress report on the EHT. The most recent report released is the ["Empty Homes Tax Annual Report – 2022 Vacancy Reference Year"](#).

As the VHT program continues, City staff will monitor key housing system indicators to assess its impact on the rental housing market. Data has not been available for sufficient duration to identify impacts from the early rollout of the program. Key indicators that will be monitored and reported on annually include:

- the number of vacant and occupied residential properties in the city;
- changes in the number of secondary rental market units in the city, relative to new unit completions; and
- revenue generated from VHT and contributions to other affordable housing programs.

## **Response to EX8.7: Rental Properties & New Exemption for Secondary Residences for Medical Reasons**

On October 11, 2023, City Council adopted [EX8.7 - Vacant Home Tax: Status Update](#), requesting the inclusion of information about rental properties in future reporting, and for staff to explore the feasibility of a new exemption for secondary residences required for medical reasons in the 2024 annual report.

### ***Rental Properties***

All residential properties in the City of Toronto are required to submit an annual declaration in support of the VHT program.

As defined by Chapter 547 of the City's Municipal Code, properties that are used for short-term rental in the City of Toronto must be the owner's principal residence. Although an annual declaration is required for all residences, principal residences are considered as 'occupied'. If a property is not the principal residence of a homeowner, formal tenant, or other occupant, then it may be subject to a VHT charge if no other exemption applies.

A tenant is defined as a person who occupies a residential unit for at least 30 days as outlined in a written lease or sublease. Properties declared as 'tenanted' must be occupied by one or more tenants for at least six months aggregated during the taxation year. If audited, the owner would be required to provide evidence in the form of a lease agreement. If the owner is not able to substantiate their claim of occupied tenant, the property will be charged the tax. This process is currently in place for the 2023 taxation year.

Any rental property that is not a defined short-term rental in accordance with the definition above (i.e. a principal residence) and does not have a lease in place for an

aggregate of 6 months or more, may be subject to the VHT should no other exemptions apply.

### ***Secondary Residence for Medical Reasons***

Members of the public and City Council have expressed the need for a new exemption for secondary residence for medical reasons. Vancouver has implemented this exemption and staff are recommending adopting a similar exemption effective for the 2024 taxation year.

This exemption would be for properties used as a secondary residence that are occupied periodically by the owner, their spouse or dependent for medical purposes and where the owner of the property has a principal residence outside of the Greater Toronto Area. To qualify for this exemption, detailed personal medical information and test results are not required. When claiming this exemption, the owner and the medical care provider must fill out a Vacant Home Tax Medical Treatment Certificate Form

### **Use of Utility Data**

City Council directed staff to review the feasibility of a VHT evaluation process based on City utility usage data.

Staff have sought a formal opinion from the Information and Privacy Commissioner of Ontario (IPCO) regarding the use of utility usage data for the purposes of administering the VHT program. In addition, staff have explored the feasibility from an administrative and operational perspective.

Staff continue to await a formal opinion from the IPCO however in the absence of a formal response, staff have identified significant concerns and challenges with using utility data, and it is not seen as an effective or efficient way to administer the VHT program.

Condo buildings with bulk meters make up approximately 60% of all residential properties subject to the VHT declaration process. This means that approximately 492,000 individual property owners do not have access to their own individual utility meter. Utility data cannot be obtained from these properties or from a number of other properties for various reasons (e.g. flat rate accounts).

Further, it is important to design a declaration process that is clear, fair and consistent among all property owners. As more than half of homeowners would not be able to leverage utility data (including water and/or hydro accounts), staff do not recommend pursuit of this option.

The following considerations have also been flagged as additional challenges in administering the VHT program if utility data were to be relied upon for declarations:

- The declaration process for the 2024 taxation year opens on November 1, 2024 and it would be challenging to implement a revised process that addresses concerns at this stage even if the IPCO provided a formal opinion that utility data

could be leveraged for the VHT declarations.

- Resident travel activities, including those with a principal residence who travel for an extended period (e.g. snowbirds) could cause the utility use to be below the prescribed threshold. To avoid being charged VHT, owners would have to notify the City of travel plans which creates security and privacy concerns.
- Properties with estimated meter reading or experiencing leaks may result in an incorrect status.
- Secondary residences consume water, therefore utility usage is not an accurate way of determining if a property is a principal residence. Per the VHT by-law, if the property is not a principal residence, the VHT charge applies. Owners that run illegal short-term rental properties would be considered occupied based on water consumption.
- Variations in household consumption and various demographics may use less water and fall below the prescribed threshold.
- Requirements of historical data is challenging, which can be compounded by ownership transfers during the taxation year.
- The use of utility data for metered properties would result in two separate declaration processes which could result in added program confusion.

While staff do not recommend leveraging utility data as a main source for declarations, it may be used to support reviewing Notices of Complaint, Appeals and Audits, along with other required supporting documentation.

### **By-Law Amendments**

This report includes recommendations for amendments to the VHT By-law to improve administration of the program and billing of this tax, in accordance with the program redesign elements detailed earlier in this report. This includes:

- Amendment of the declaration due date, billing date and payment dates,
- Delegated authority to the CFO & Treasurer to alter timelines as required, including the issuance of the bills,
- Introduction of a new exemption for secondary residences for medical reasons,
- Expansion of the definition for 'Self-Contained Unit',
- Changing the definition of "Appellate Authority",
- Removing some of the acceptable supporting documents currently outlined,
- Updating the requirements for the exemption occupancy for full-time employment, and

- Continuing to waive the user fee for failing to declare an occupancy status by the declaration deadline.

The intention of these changes is to improve clarity and efficiency to the overall administration of the program.

## Conclusion

While staff acknowledge this past year's declaration process was particularly challenging, they remain optimistic that the VHT program is an effective policy tool to increase housing supply. Through the collaboration of several City divisions, staff are committed to implementing the improvements identified in this report immediately, for the 2024 taxation year which will begin on November 1, 2024. Staff appreciate the ongoing support from Members of Council, their offices, and homeowners in contributing to the City of Toronto's objective of ensuring adequate housing and are thankful for combined efforts in ensuring declarations are submitted. With a variety of formats now available, along with enhanced communications, a simpler-to-use portal and a dedicated customer care team, staff hope to ensure a successful VHT program for this upcoming year and beyond. The divisional working group will continue to review results on an ongoing basis and will explore further opportunities for subsequent improvements to the customer experience.

## CONTACT

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## SIGNATURE

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Stephen Conforti  
Chief Financial Officer and Treasurer

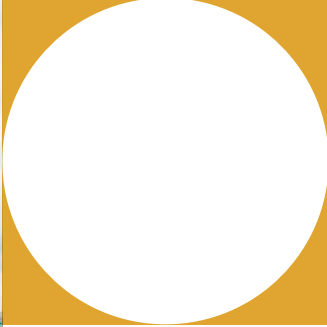




# **Vacant Unit Tax**

2022 occupancy year  
annual report





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## Introduction

In 2023, Ottawa launched the Vacant Unit Tax (VUT) program. Eligible residential property owners are required to complete an annual declaration indicating whether their property was occupied or vacant during the previous calendar year. The program addresses Ottawa's housing crisis by encouraging property owners to return vacant units back to the market. This increases the supply of housing and, in turn, improves overall housing affordability. In addition, all net proceeds generated from the program help fund the City's affordable housing initiatives.

This report provides a summary of the key results and impacts of the first year of the VUT program, which targeted the 2022 occupancy year. Data included in this report is captured as of August 15, 2024 and captures the vast majority of audits and appeals completed for the 2022 occupancy year. City staff will publish this report annually on [Ottawa.ca/VUT](https://ottawa.ca/VUT) and will include updated data for previous years to continue providing insight into the impact of the program and its effect on Ottawa's vacancy rate.

## Why a Vacant Unit Tax?

In response to Ottawa's affordable housing crisis, City staff were directed to conduct a detailed study on the impact and feasibility of implementing a Vacant Unit Tax (VUT) in Ottawa. Like many major Canadian cities, Ottawa faces increasing demand for affordable housing fueled by population growth, inflation, and rising living costs.

According to 2021 federal census data, in Ottawa, 35.1 per cent of renter households spend 30 per cent or more of their income on shelter costs. The Canada Mortgage and Housing Corporation (CMHC) 2024 Housing Market Outlook indicates Ottawa continues to face a tight rental market resulting in increased rental costs, with house prices expected to continue to increase in 2025 and 2026. The 2024 rental market report further underscores Ottawa's housing challenges, with a big jump in demand as 56 per cent more people migrated to Ontario compared to the prior year.

The VUT is one tool the City can leverage to directly target the surge in demand by encouraging property owners to keep residential units available on the market, increasing housing supply and improving overall housing affordability.

In 2022, 13,317 residential properties were sold on the housing market, according to Municipal Property Assessment Corporation (MPAC) Property Pulse Dashboard. Had the 3,672 vacant units identified as vacant through VUT in 2022 been available to the market to transact, they would have increased the property inventory by 28%. It is evident that these vacant properties would have made a tangible impact on the housing market had they been offered for sale or lease.

In developing this new program, staff reviewed similar tax regimes across the globe to determine best practises, such as Vancouver's Empty Home Tax, which has decreased vacancy rates by eight per cent on average annually. Staff incorporated feedback from stakeholders and received feedback from residents through an online survey, which indicated strong support for a vacant unit tax program.

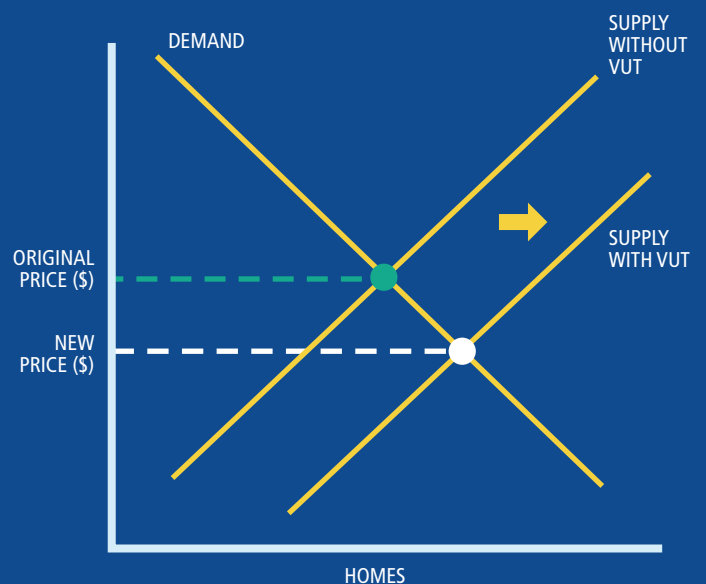
After careful consideration, Ottawa's City Council approved the VUT in March 2022 to help make housing more affordable and available in the city. Several municipalities across Ontario have since implemented or are considering implementing this tool.

**13,317** Homes sales in 2022

**3,672** Vacant units for the 2022 Occupancy Year.



**28%** Potential increase in housing inventory





## How the VUT works

All residential property owners are required to register the status of their property for the previous calendar year annually. Declarations must be submitted by the Interim tax due date each year. A \$250 late declaration fee applies if the deadline is missed, although this fee was waived in the first year of the program. Declarations are accepted until April 30 of each year. If no declaration is made, the property is deemed vacant and subject to the tax.

Eligible residential properties are identified based on property assessments determined by the Municipal Property Assessment Corporation (MPAC). Provincial legislation limits eligibility to residential properties with six units or less.

Units are considered occupied if they are used as someone's principal residence for at least six months during the previous calendar year. Property owners are required to specify the type of occupancy. There are three occupancy types:

- 1. Principal residence – homeowner**  
This designation is for the location where you live and carry out your daily activities, such as receiving mail and paying bills. You can only have one principal residence, even if you are away for extended periods due to travel or work. It is the home you ordinarily occupy.
- 2. Principal residence – permitted occupant**  
This category applies when the unit is occupied by a family member, friend, or other permitted occupant for residential purposes, and they consider it their principal residence.
- 3. Tenanted**  
This status applies when the property has been occupied by tenants for at least 184 days, in increments of at least 30 days.

If the unit was not occupied for at least six months, property owners may claim one of the following exemptions:

- In case of sale
- In case of court/government order
- In case of death
- Owner in care
- Construction/renovation
- Combination of tenanted and construction/renovation
- Cottage rental

A unit is declared vacant if it was not occupied and no exemption applies.

### VUT Annual Cycle



#### DECLARATION PHASE

**Standard:** January 1–March 16  
**Late:** March 17–April 30

#### APPEAL PHASE

**Step 1 Notice of Complaint:**  
May 15–September 15  
**Step 2 Request of Review:**  
60 days from NoC determination

#### AUDIT PHASE

**May 15 onwards**  
City staff have authority to audit property owner's declaration for up to 3 years

Properties that do not meet the minimum of six months of occupancy or are declared vacant are charged the Vacant Unit Tax (VUT). If a declaration is not received, the property is deemed vacant and charged the VUT on the Final property tax bill.

The VUT tax rate for 2022 was one per cent of the property's assessed value. For multi-unit properties such as duplexes, the VUT charge is prorated based on the number of vacant units.

A two-stage appeal process is available to property owners who disagree with the VUT charge. Additionally, declarations undergo random audits to confirm the validity of declarations, ensure compliance, and maintain equitable application of the VUT program across all properties.

## 2022 vacancy and geographic data

The declaration period began on January 4, 2023. A total of 336,812 residential units were required to submit a declaration stating how the unit was occupied in 2022. To date, the City has received 99.56 per cent of the required declarations for the 2022 occupancy year. Declarations are accepted through various accessible methods to accommodate all property owners. These include online through [Ottawa.ca](https://ottawa.ca) or [My ServiceOttawa](https://myserviceottawa.ca) (My SO); over the phone or in-person with City staff; or by mail upon request.



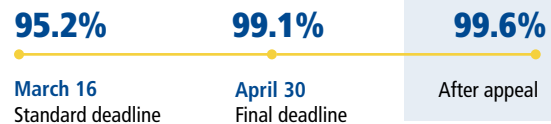
### Declaration method

|                              |                |     |
|------------------------------|----------------|-----|
| Online (Ottawa.ca and My SO) | 321,948        | 96% |
| Phone/in person              | 13,415         | 4%  |
| <b>Total</b>                 | <b>335,363</b> |     |

\*Most property owners completed their declaration online, resulting in a significant increase in registrations for My ServiceOttawa and paperless billing.

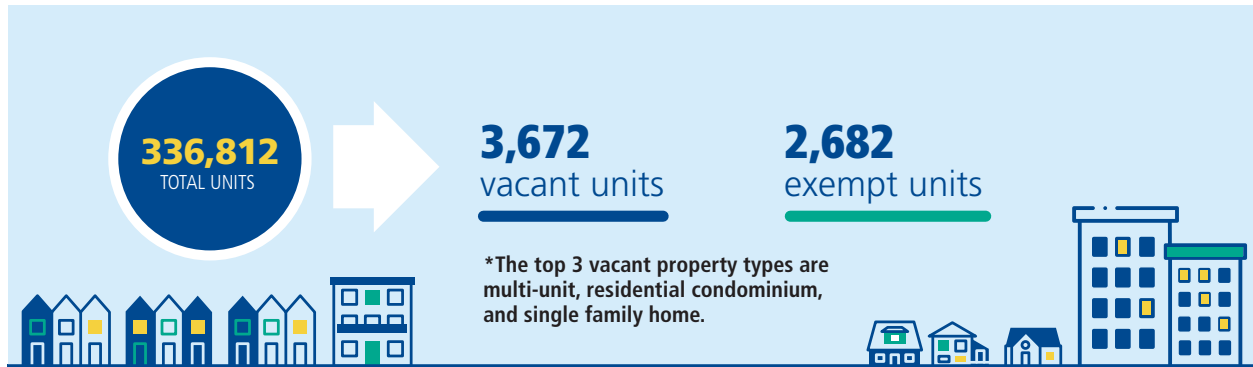
### Declaration timeline

#### Percentage of Declarations Received



\*Over 50% of declarations were received in the first 2 weeks.

## 2022 Occupancy status – net of appeals and audits



| Property Type                      | Occupied       | Exempt       | Vacant              | Total units    |
|------------------------------------|----------------|--------------|---------------------|----------------|
| Single family detached home        | 168,144        | 1,192        | 1,198 (0.7%)        | 170,534        |
| Condominium                        | 65,489         | 550          | 1,280 (1.9%)        | 67,319         |
| Townhouse                          | 58,271         | 365          | 423 (0.7%)          | 59,059         |
| Multi-unit residence up to 6 units | 19,823         | 421          | 589 (2.8%)          | 20,833         |
| Semi-detached home                 | 17,715         | 109          | 120 (0.7%)          | 17,944         |
| Other                              | 1,016          | 45           | 62 (0.6%)           | 1,123          |
| <b>Total</b>                       | <b>330,458</b> | <b>2,682</b> | <b>3,672 (1.1%)</b> | <b>336,812</b> |

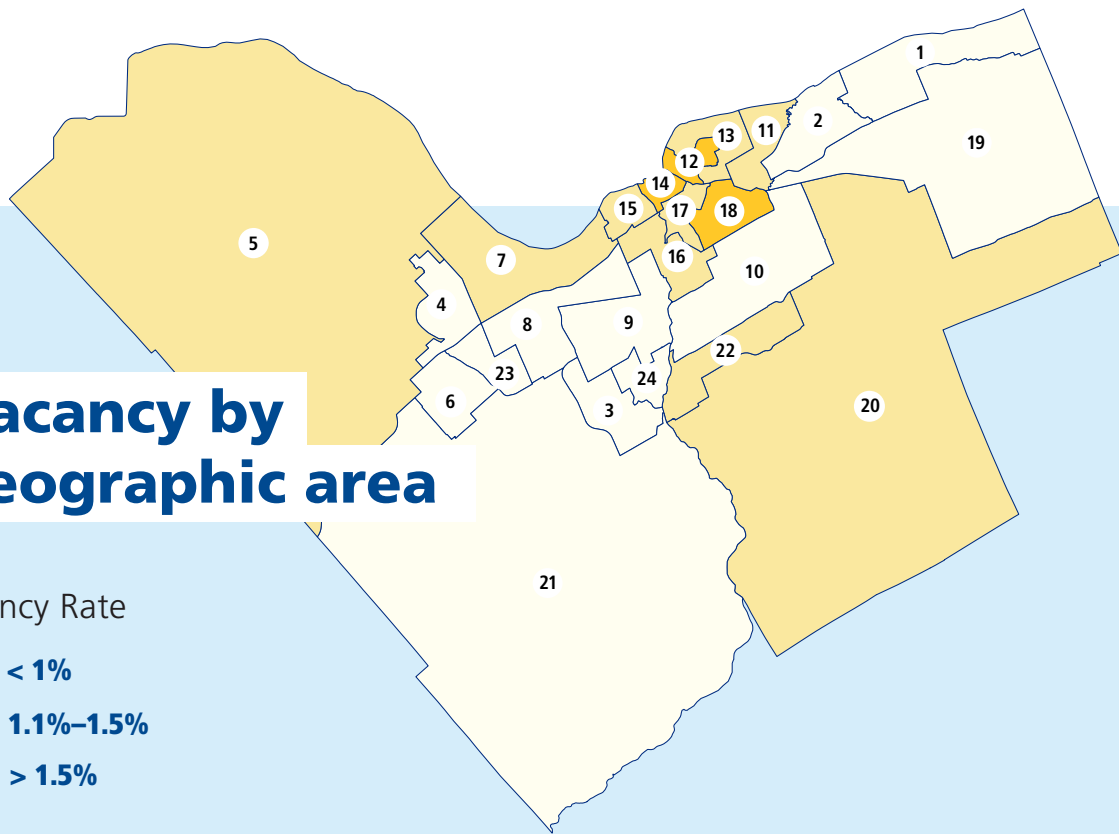
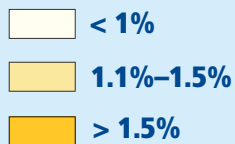
Condominiums and multi-unit properties had the highest proportion of vacancy across all property types in 2022. Ottawa is the sole municipality in Canada collecting vacancy data for multi-unit properties with up to 6 self-contained units.

This data helps ensure these units are occupied and contributing to the City's housing supply.

The most common exemption claimed was property sale, a detailed summary of all exemptions claimed is included in Appendix 1.

## Vacancy by geographic area

Vacancy Rate



### Vacancy by Geographic Area

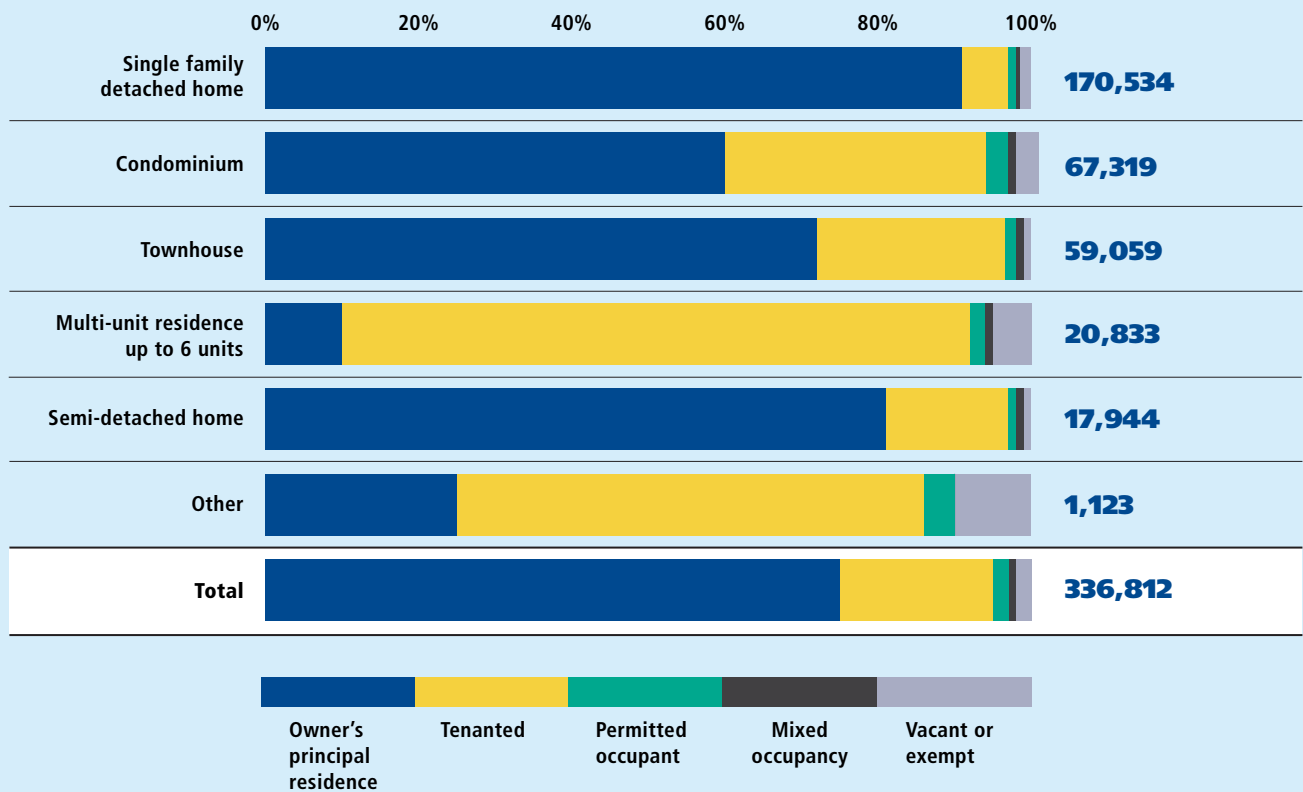
| No. | Ward                          | VUT eligible units | Vacant Units | Vacancy rates |
|-----|-------------------------------|--------------------|--------------|---------------|
| 1   | Orléans East-Cumberland       | 17,929             | 114          | 0.6%          |
| 2   | Orléans West-Innes            | 16,758             | 101          | 0.6%          |
| 3   | Barrhaven West                | 17,971             | 119          | 0.7%          |
| 4   | Kanata North                  | 13,807             | 72           | 0.5%          |
| 5   | West Carleton-March           | 8,717              | 114          | 1.3%          |
| 6   | Stittsville                   | 16,697             | 83           | 0.5%          |
| 7   | Bay                           | 12,616             | 172          | 1.4%          |
| 8   | College                       | 17,311             | 177          | 1.0%          |
| 9   | Knoxdale-Merivale             | 11,911             | 86           | 0.7%          |
| 10  | Gloucester-Southgate          | 13,478             | 135          | 1.0%          |
| 11  | Beacon Hill-Cyrville          | 11,118             | 124          | 1.1%          |
| 12  | Rideau-Vanier                 | 15,614             | 355          | 2.3%          |
| 13  | Rideau-Rockcliffe             | 11,201             | 172          | 1.5%          |
| 14  | Somerset                      | 13,885             | 333          | 2.4%          |
| 15  | Kitchissippi                  | 14,823             | 228          | 1.6%          |
| 16  | River                         | 13,605             | 156          | 1.1%          |
| 17  | Capital                       | 13,579             | 192          | 1.4%          |
| 18  | Alta Vista                    | 11,658             | 228          | 2.0%          |
| 19  | Orléans South-Navan           | 17,531             | 149          | 0.8%          |
| 20  | Osgoode                       | 9,983              | 111          | 1.1%          |
| 21  | Rideau-Jock                   | 10,101             | 104          | 1.0%          |
| 22  | Riverside South-Findlay Creek | 12,715             | 148          | 1.2%          |
| 23  | Kanata South                  | 17,530             | 84           | 0.5%          |
| 24  | Barrhaven East                | 16,248             | 115          | 0.7%          |



The areas of the city with the highest vacancy rates are concentrated in the urban core. The three wards with the highest vacancy rate are Rideau-Vanier, Somerset and Alta Vista. In each of these wards, condominium units are the most common type of vacant property.

### How is Ottawa’s housing stock used?

The data collected from the VUT program provides valuable insight into how Ottawa’s housing stock is being used, indicating whether properties are owner-occupied as a principal residence or otherwise. Annual declarations help monitor trends in property types and ownership. Condominiums and multi-unit properties have the highest proportion of tenanted occupancy. Nearly one quarter of all units are not occupied by the property owner. A breakdown of occupancy type by ward is included in Appendix 2.





## Appeals, audits, and revenue

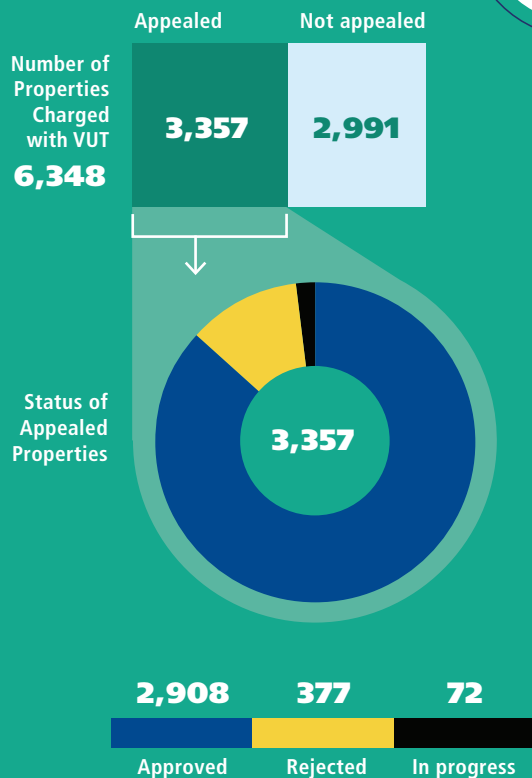
### Appeals

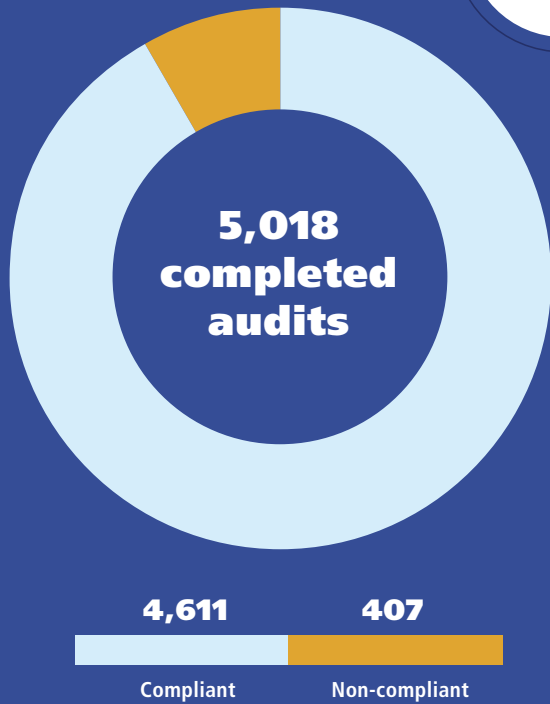
Ottawa's Vacant Unit Tax (VUT) program includes a process for property owners to appeal the tax if they believe they should not have been charged. Appeals must be submitted by specific deadlines and require supporting evidence.

The first stage of appeal is called a Notice of Complaint (NOC), which allows property owners who received a VUT charge on their Final property tax bill or a Supplementary tax bill to contest it. If the NOC is denied, property owners have the option to proceed to the second level of appeal. This stage involves filing a Request for Review (RFR) within 60 days of the initial denial.

Throughout both stages, the City may request additional information from the appellant to substantiate their appeal.

Approved appeals commonly involved residents who failed to submit a declaration and were deemed vacant, or who made an error on the declaration form such as inputting partial occupancy rather than claiming the property sale exemption.



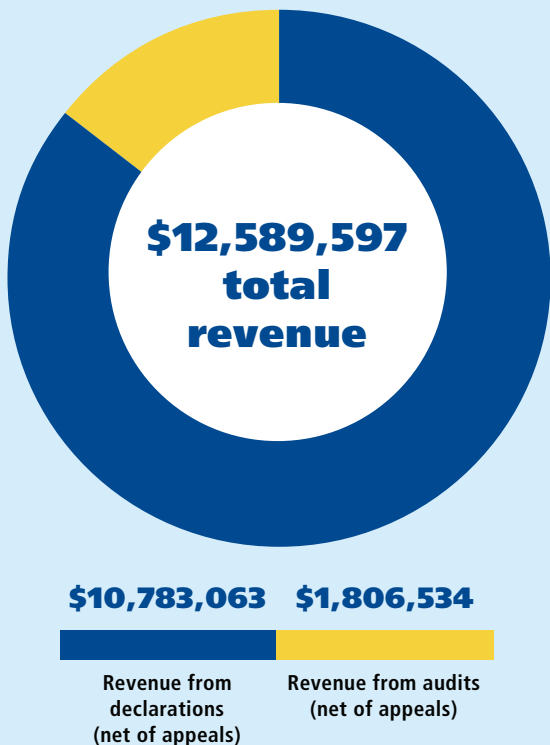


## Audits

The City audits declarations where the Vacant Unit Tax (VUT) was not charged to ensure that the information provided is accurate, complete, and complies with the VUT by-law. Property owners may be asked to provide additional documentation if needed. If sufficient information is provided, the audit is closed with no further action. However, if documentation is inadequate or not provided, the VUT charge is applied to the property tax roll. Property owners who disagree with the Audit determination can file a Notice of Complaint and follow the same appeal process as properties charged the VUT on their Final Tax bill.

Audits are planned by assessing the scope, objectives, and risks associated with each declaration year. Due to capacity constraints, a variety of methods are used to ensure residents comply with the VUT by-law. These methods include risk assessments, random sampling, and testing to verify compliance. Residents have 30 days to respond to an audit letter, with additional time granted when necessary. This timeline is consistent with other government-led audits.

The majority of audits for the 2022 occupancy year have been completed. Any revenues from the remaining in progress audits will be reflected in the 2023 occupancy year annual report.



## Revenue

The City has generated \$12.6 million in revenue from the first year of the Vacant Unit Tax (VUT) program. This amount includes initial billing on the 2023 Final property tax bill, audit billing, and any adjustments from VUT charge reversals due to appeals. The VUT is subject to penalties and interest, just like property taxes. If payment is not made by the due date, a penalty of 1.25 per cent for late payment will be added to the account the following day, and additional interest will accrue at this rate on the first day of each following month until the account is paid in full. If the VUT remains unpaid, it becomes a lien on the property, and collection actions proceed similarly to property taxes.



## Use of funds

Revenue generated from the Vacant Unit Tax (VUT) is used to recover all administrative costs of the program, all remaining proceeds are allocated entirely to the City's affordable housing initiatives.

### Program administration costs

All costs of the Vacant Unit Tax (VUT) program are fully funded by VUT revenues. Costs for administering the first year of the VUT program total \$2.28 million, which includes expenses from 2022 (the year City Council approved the VUT) and 2023 (the first year the VUT was in effect). The City employs 12 full-time staff and 6 part-time casual staff to manage the program. Additional costs include the development and maintenance of the IT solution and communication expenses. The high use of online methods for declarations allows the program to run efficiently, with most residents taking advantage of self-serve channels.



The **2023 VUT** portion of the funding contribution to these projects is equivalent to **51 fully supported** affordable housing units.

### Funding affordable housing

The net revenues from the Vacant Unit Tax (VUT) contribute to the capital construction of new affordable and supportive housing. For 2023 and 2024, these projects include:

- 54 supportive housing units by Salus at 56 Capilano drive in Ward 9;
- 31 affordable rental units by Nepean Housing at 1 Dunbar Court in Ward 8;
- Acquisition of 1245 Kilborn Place (Ward 18) for the purpose of redeveloping the site to include supportive housing and a community and social services hub;
- 133 affordable rental units by Multifairth housing initiative who are partnering with a private developer Dream (247 affordable and 354 market units) at 665 Albert Street in Lebreton Flats in Ward 14; and
- 273 affordable rental units by Ottawa Community Housing Corporation's Rochester Heights Phase 2 project at 822 Gladstone Avenue in Ward 14.





## Conclusion

The first year of the Vacant Unit Tax (VUT) program has revealed that Ottawa's vacant housing issue is more significant than anticipated. The vast majority of residents have complied with the program, completing their annual declarations and responding to audits as required. Due to an effective communications and awareness campaign, it is clear that nearly every homeowner is capable of declaring annually. This is important because an annual declaration is the most effective tool to remind every resident once a year of City Council's strategic priority: a city that has affordable housing and is more liveable for all. It reaches every resident and every home annually, is cost-effective, and only takes one minute to complete.

Further, the program has successfully identified and taxed vacant units. This will return units back to the market quicker and has made significant contributions toward affordable housing initiatives.

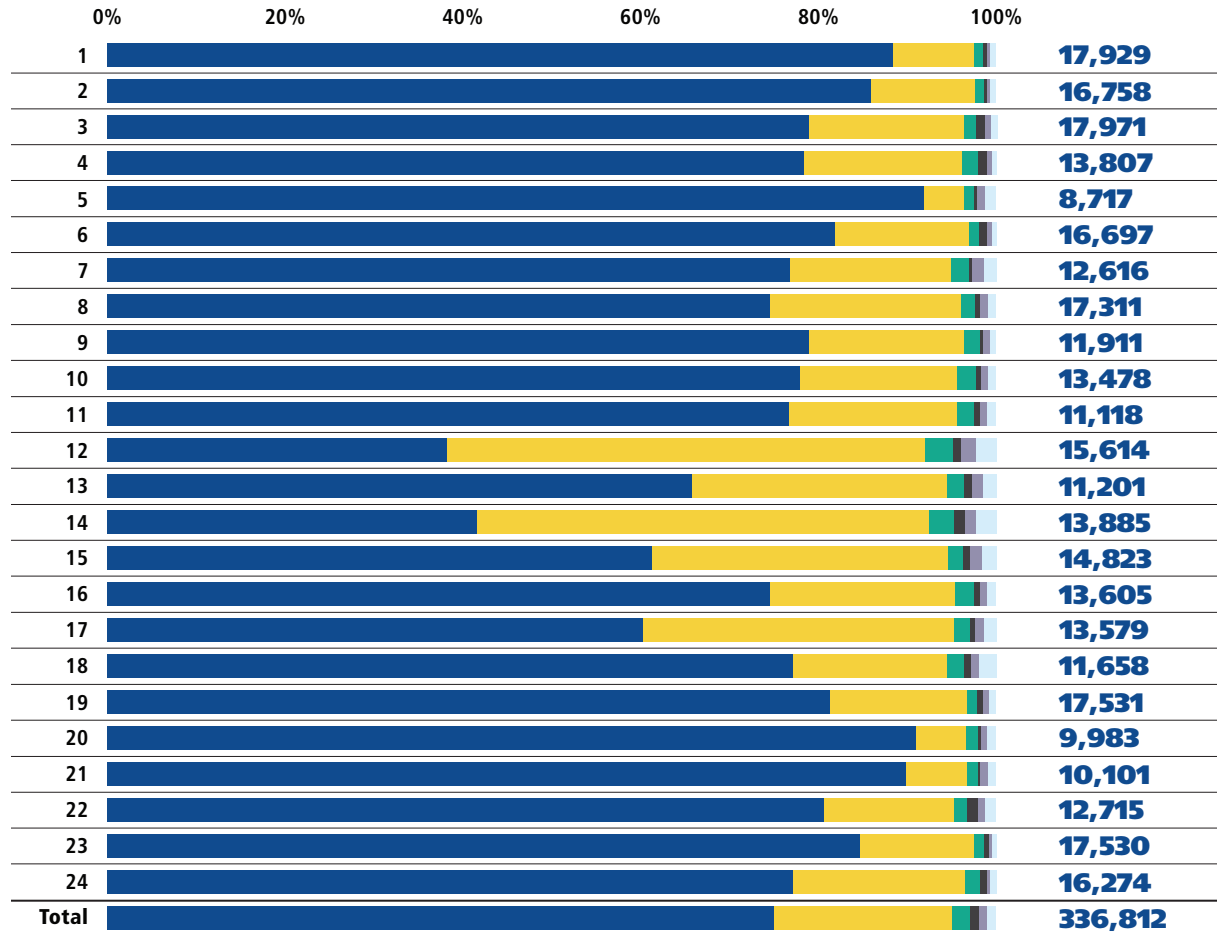
Monitoring year over year changes in occupancy data and analyzing the effect on property owners will be essential in assessing the VUT's impact on Ottawa's housing market. Staff will continue to monitor the impact of these and other indicators as part of the City's broader priority for affordable housing and improved livability for all residents. An annual report will be published each fall on the performance of the VUT in order to measure its effectiveness and to ensure the goals of the program are achieved.

## Appendix 1: Exemption data

Summary of units that qualified for an exemption for the 2022 occupancy year

| Exemption   | Number claimed |
|---|----------------|
| In case of sale                                     | 1,325          |
| In case of court/government order                   | 9              |
| In case of death                                    | 296            |
| Owner in care                                       | 205            |
| Construction / Renovation                           | 743            |
| Combination of tenanted and construction/renovation | 81             |
| Cottage rental                                      | 23             |
| <b>Total</b>  | <b>2,682</b>   |

## Appendix 2: Occupancy type by ward



| Ward | Ward Name               | Ward | Ward Name                     |
|------|-------------------------|------|-------------------------------|
| 1    | Orléans East-Cumberland | 13   | Rideau-Rockcliffe             |
| 2    | Orléans West-Innes      | 14   | Somerset                      |
| 3    | Barrhaven West          | 15   | Kitchissippi                  |
| 4    | Kanata North            | 16   | River                         |
| 5    | West Carleton-March     | 17   | Capital                       |
| 6    | Stittsville             | 18   | Alta Vista                    |
| 7    | Bay                     | 19   | Orléans South-Navan           |
| 8    | College                 | 20   | Osgoode                       |
| 9    | Knoxdale-Merivale       | 21   | Rideau-Jock                   |
| 10   | Gloucester-Southgate    | 22   | Riverside South-Findlay Creek |
| 11   | Beacon Hill-Cyrville    | 23   | Kanata South                  |
| 12   | Rideau-Vanier           | 24   | Barrhaven East                |

A detailed breakdown on how Ottawa's housing stock is used can be found on <https://open.ottawa.ca>




Visit [ottawa.ca/VUT](http://ottawa.ca/VUT)  
for more information.







**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning, Administration and Policy Division**

|                           |  |
|---------------------------|--|
| <b>TO:</b>                | Mayor and Members<br>General Issues Committee  |
| <b>COMMITTEE DATE:</b>    | January 18, 2023   |
| <b>SUBJECT/REPORT NO:</b> | Residential Vacant Unit Tax Program Framework<br>(FCS21017(c)) (City Wide)                                 |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Gloria Rojas (905) 546-2424 Ext. 6247  |
| <b>SUBMITTED BY:</b>      | Brian McMullen<br>Director, Financial Planning, Administration and Policy<br>Corporate Services Department |
| <b>SIGNATURE:</b>         |                           |

**RECOMMENDATION(S)**

- (a) That the Residential Vacant Unit Tax program framework as detailed in Appendix "A" to Report FCS21017(c) be approved;
- (b) That the City Solicitor be authorized and directed to prepare all necessary by-laws for the purposes of levying and collecting the Residential Vacant Unit Tax for the 2023 reference year;
- (c) That any annual net operating revenues of the Residential Vacant Unit Tax Program be transferred to a new Affordable Housing Reserve for affordable housing initiatives after the implementation costs are repaid to the Investment Stabilization Reserve 112300;
- (d) That a late mandatory declaration fee under the Residential Vacant Unit Tax Program of \$250 be charged;
- (e) That staff be directed to report back with the findings from the first year of the Residential Vacant Unit Tax as part of an annual reporting requirement.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

## **EXECUTIVE SUMMARY**

On June 8, 2022, Council approved the implementation of the Vacant Home Tax Program, now named Residential Vacant Unit Tax (VUT) Program, starting in 2023. The main objective of implementing a VUT is to encourage owners to rent out empty properties, in order to increase the supply and affordability of housing. A tax on vacant residential units is designed primarily as a housing tool rather than a revenue tool. A secondary outcome of the VUT can be additional net revenue after operating costs for the City.

Report FCS21017(c) “Residential Vacant Unit Tax Program Framework” recommends the design features of the program and presents an update on the housing market, as well as, information on related programs at the federal and provincial level.

In recognition that this is a new tax and in order to achieve a high level of compliance, staff has developed a comprehensive communications and education strategy that includes targeted mailouts, social media messages, a detailed Q&A section in the City’s website and increased support in the Customer Contact Centre. One of the key messages of the communication campaign is that principal residences will not be subject to the VUT but they are still required to submit the mandatory declaration.

Staff is also recommending that in order to measure the effectiveness of the tax, annual reporting on the results and trends be performed.

Information previously presented on the financial implications of the program and the results of public consultation is summarized later in Report FCS21017(c).

The Residential Vacant Unit Tax (VUT) is an annual tax payable by the owner of an eligible property that has been vacant for more than 183 days in the previous calendar year. All owners of eligible properties must submit an annual mandatory declaration on the status of their property.

An eligible property means property or a portion of a property that is assessed in the Residential property class by Municipal Property Assessment Corporation (MPAC) is categorized in one of the property codes set out in Table “B” of Appendix “A” to Report FSC21071(c) and is taxable under the *Municipal Act*. A non-exhaustive list of eligible properties includes single family homes, semi-detached homes, townhomes, residential condominiums, duplexes, triplexes, fourplexes, five-plexes and six-plexes, among others.

With the submission of an annual mandatory declaration, a principal residence will not be subject to the VUT.

Staff is recommending a tax rate of 1.0% of the Current Value Assessment (CVA) of the residential property upon which the vacant unit is located, based on the most recently returned assessment roll.

**SUBJECT: Residential Vacant Unit Tax Program Framework (FCS21017(c))  
(City Wide) – Page 3 of 14**

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A vacant residential unit will be exempt from the VUT in case of the death of the owner, if major renovations make the occupation of the unit impossible, in case of the sale of the property, if there is a court order prohibiting occupancy of the residential unit or if the principal resident is in care, institutionalized or hospitalized.

Mandatory declarations on the status of the property received after the prescribed dateline, but before billing, will be charged a late mandatory declaration fee of \$250. The VUT tax is considered a lien on the property and will be subject to the same penalty and interest as property taxes. The program also considers offenses such as making a false mandatory declaration and providing insufficient or false information.

Regular audits will be conducted to ensure the accuracy of the mandatory declarations and compliance with the program. If, as a result of an audit, the property is deemed vacant, the property will be subject to the VUT.

The VUT will have a two-tier appeal mechanism. The first tier will be a complaint process and the second tier will be an appeal process. If an appeal is successful, the VUT, including any penalties and interest, will be rescinded.

Additional details on the program framework are included in Appendix “A” to Report FCS21017(c).

The *Municipal Act, 2001* requires that a by-law be passed in the year to which the tax relates to stating the tax rate, definition of a vacant home, exemptions, rebates, as well as, audit and inspections powers. Staff will bring forward a by-law for Council approval on or before November of 2023.

**Alternatives for Consideration – Page 13**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Staff estimated that based on a tax of 1% on the assessed value of the property, the City could receive a net revenue of \$3.3 M in the first five years of the program. Implementation costs are estimated at \$2.6 M which will be borrowed from the Investment Stabilization Reserve (112300) and repaid from VUT revenue. The annual program administration costs are estimated at \$2.2 M and will also be funded from the VUT revenue. Additional details are included in Report FCS21017(b) “Vacant Home Tax in Hamilton”. To the end of 2022, no funds have been drawn from the reserve for the implementation of the program.

**Staffing:** An estimated total of 16 full time equivalents (FTE’s) will be needed to for the administration of the VUT program including audit and appeals and supporting functions including IT support and maintenance and customer service. These FTE’s were approved June 1, 2022 through Report FCS21017(b). To date, the

implementation has been conducted solely with internal resources. The hiring of program staff will be conducted on an “as needed” basis.

**Legal:** The City requested authorization from the Province to be a designated municipality for the purposes of Part IX.1 of the *Municipal Act 2001*, which was granted under O. Reg 458/22. In addition, legislation requires that an annual by-law be passed on the year in which the tax applies. This provision is included in Recommendation (b) of Report FCS21017(c).

## **HISTORICAL BACKGROUND**

At its meeting of December 11, 2019, Council approved a motion directing staff to review the feasibility of imposing a tax, fee or charge to the owners of vacant properties (GIC Report 19-026, Item 12.1).

Staff prepared Report FCS21017, “Considerations to Implement a Vacant Home Tax in Hamilton” which presented information on the implications of imposing a vacant home tax in the City of Hamilton. Staff received further direction to prepare a report on using the Vacant Building Registry as a means to identify vacant homes (GIC February 25, 2021, Report (Budget) 21-002(j)).

Report FCS21017(a) / PED21114, “Considerations to Implement a Vacant Home Tax in Hamilton” provided information on the Hamilton Vacant Building Registry, as well as, additional information on the implementation of a vacant home tax in Vancouver, Ottawa and Toronto, the housing information from the 2016 Census and an update on Hamilton’s rental market. A motion was approved for staff to report back with a draft by-law, guidelines and framework for public consultation and consideration (GIC July 5, 2021, Report 21-014).

At the GIC meeting of February 2, 2022, staff presented Report FCS21017(b) “Vacant Home Tax in Hamilton” and recommended that the City request authorization to the Province to levy the tax and to start the implementation of the program. Staff was directed to request the authorization to the Province. However, the recommendations regarding the implementation of the program were deferred.

On May 2, 2022 the Province passed legislation O. Reg 458/22 making Hamilton a designated municipality for the purposes of Part IX.1 of the *Municipal Act 2001*. On June 1, 2022 Report FCS21017(b) “Vacant Home Tax in Hamilton” was reconsidered by General Issues Committee and, on June 8, 2022, Council approved the recommendations to start the implementation of the program. However, given the timing of the Provincial approval, 2023 was determined as the first reference year for the tax. Report FCS21017(c) “Residential Vacant Unit Tax Program Framework” recommends the design features of the program and presents an update on the housing market, as well as, information on related programs at the federal and provincial level.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Part IX.1 of the *Municipal Act, 2001* contains provisions permitting municipalities to impose a tax for vacant units that are classified in the residential property class and that are taxable under the Act for municipal purposes. To be able to impose such tax, a municipality must be designated by regulation. On May 2, 2022, the City received authorization from the Province to be a designated municipality for the purposes of Part IX.1 of the *Municipal Act 2001* which was granted under O. Reg 458/22.

Other provisions needed to impose the tax include a by-law passed in the year to which it relates stating the tax rate, definition of a vacant home, exemptions, rebates, as well as, audit and inspections powers. Staff will bring forward a by-law for Council approval on or before November of 2023, having 2023 as the first reference year of the program.

## **RELEVANT CONSULTATION**

The Financial Planning, Administration and Policy Division with the support from Corporate Communications conducted a “Vacant Home Tax” online engagement project with the goal of getting input from interested stakeholders on the need to implement a tax on properties that are left vacant for a certain period of time and the issues to be considered in implementing such a tax.

An online survey in the Engage Hamilton platform was launched on September 7, 2021 and closed on September 30, 2021. The “Vacant Home Tax” engagement page had 5,400 visitors and of those, 3,860 participated in the survey.

Some of the highlights of the survey are below:

- 91.4% of respondents support the idea of a vacant home tax
- 71.5% think that the number of vacant homes in Hamilton is negatively impacting the supply of affordable housing
- 80.7% support a mandatory declaration
- 52.7% support a tax rate of 2% or more
- there was strong support for the City to consider a variety of exemptions to the residential vacant unit tax

Detailed survey results can be found in Appendix “B” to Report FCS21017(b) – Project Report, 07 September 2021 – 30 September 2021 – Engage Hamilton – Vacant Home Tax.

As part of the engagement process, staff also met with representatives from the West End Hamilton Home Builders Association (WE HBA) and The Hamilton District Apartment Association (HDAA), who provided their input on the implementation of the tax. The comments submitted by the WE HBA are included in Appendix “C” to Report FCS21017(b). In addition, Lou Piriano, President of the Realtors Association of

Hamilton-Burlington, spoke at the GIC meeting of February 2, 2022 as part of a Delegation Request regarding Report FCS21017(b) “Vacant Home Tax in Hamilton”.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

As previously reported, the main objective of implementing a Vacant Unit Tax (VUT) is to encourage owners to rent out empty properties in order to increase the supply and affordability of housing. It can be reasonably assumed that by simply announcing the tax and its effective taxation date of January 1, 2023, some owners of vacant properties may seek out tenants or sell the property to avoid paying the tax.

A tax on vacant residential units is designed primarily as a housing tool rather than a revenue tool. However, a secondary outcome of the VUT is additional revenue for the City.

The residential Vacant Unit Tax (VUT) is an annual tax payable by the owner of an eligible property that has been vacant for more than 183 days in the previous calendar year. All owners of eligible properties must submit an annual mandatory declaration on the status of their property. Failure to submit a mandatory declaration will result in the property being deemed vacant and made subject to the VUT.

### **Eligible Properties**

An eligible property means property or a portion of a property that is assessed in the Residential property class by MPAC, is categorized in one of the property codes set out in Table “B” of Appendix “A” to Report FSC21071(c) and is taxable under the *Municipal Act, 2001*. A non-exhaustive list of eligible properties includes single family homes, semi-detached homes, townhomes, residential condominiums, duplexes, triplexes, fourplexes, five-plexes and six-plexes, among others.

Where an eligible property has more than one residential unit, a mandatory declaration will be required for each unit and the property will be deemed vacant if one or more of the residential units were vacant for more than 183 days in the previous calendar year. The VUT will be adjusted based on the number of vacant units in the property.

With the submission of an annual mandatory declaration, a principal residence will not be subject to the VUT.

Vacant residential land in the residential tax class and residential properties with seven or more units assessed in the Multi-Residential and New Multi-Residential classes are not subject to the Vacant Home Tax.

### **Vacant Residential Unit**

A residential unit is vacant if it has been unoccupied for more than 183 days during the previous calendar year or is deemed vacant by the City of Hamilton.

A reasonable time to make renovations or to find suitable occupants for an unoccupied property is considered to be 183 days. This period of time is consistent with what Toronto and Ottawa, the only other two municipalities in Ontario that have implemented the tax, have included in their definition of vacant residential unit.

A residential unit may be deemed vacant by the City and subject to the tax if the owner:

- failed to make a mandatory declaration by the prescribed deadline;
- made a false mandatory declaration;
- failed to provide information or to submit any evidence required by the City;
- provides false information or submits false evidence to the City; or
- if at least one unit within the eligible property is unoccupied.

### **Tax Rate**

Staff is recommending a tax rate of 1.0% of the Current Value Assessment (CVA) of the residential property upon which the vacant unit is located, based on the most recently returned assessment roll.

Toronto and Ottawa have also opted for a 1.0% tax rate in recognition that this rate will offer an incentive to change homeowners' behaviours or to comply with the tax while providing a positive revenue stream.

The rate will be reviewed annually and will be adjusted, as appropriate, to ensure effectiveness of the program.

### **VUT Exemptions**

If any of the following circumstances exist during the previous calendar year, a vacant residential unit will be exempt from the VUT for that year:

**Death of an owner:** The exemption applies to the year of death plus one subsequent year only.

**Major renovations:** Major renovations or redevelopment make occupation of a unit impossible for more than 183 days in the same calendar year, provided a building permit has been issued under the *Building Act*.

**Sale of the property:** The VUT shall not apply in the year of the sale, provided that the transfer is to an arm's length transferee.

If any of the following circumstances exist during the previous calendar year, the residential unit shall not be considered vacant during the exempt period.

Principal Resident is in care, institutionalized or hospitalized: Period when the principal resident of a residential unit resides in a hospital, long-term or supportive care facility.

Court Order: Court order prohibiting occupancy of the residential property is in effect.

### **Fees, Fines, Penalties and Offences**

Mandatory declarations on the status of the property received after the prescribed dateline but before billing will be charged a late mandatory declaration fee of \$250.

The VUT is considered a lien on the property and will be subject to the same penalty and interest as property taxes. According to By-law No. 13-136, By-law to Impose Late Payment Charges for Non-Payment of Taxes, the penalty is 1.25% on the first day of default and interest is 1.25% per month.

The program also considers offenses such as making a false mandatory declaration and providing insufficient or false information.

### **Audits**

The Program Administrator will conduct regular audits to ensure the accuracy of the mandatory declarations and compliance with the program. Audits regarding the status of a property could be conducted for the current reference year plus the two most recent previous reference years.

If, as a result of an audit, the property is deemed vacant, the property will be subject to the VUT.

### **Dispute resolution**

The VUT will have a two-tier appeal mechanism. The first tier will be a complaint process and the second tier will be an appeal process.

A property owner who believes they have been charged the VUT in error will have 60 days after the tax bill or the audit determination notice has been received to submit a notice of complaint. The notice of complaint form will be available on the City's website.

Upon receipt of a complaint, the Program Administrator may request additional information to support the claim. The complaint will only be considered if the requested information is received within a specified period.

If the complaint is successful, the VUT, including any penalties and interest, will be rescinded.



**SUBJECT: Residential Vacant Unit Tax Program Framework (FCS21017(c))  
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Property owners whose complaint has been denied can appeal the decision to the Appellate Authority within 60 days of the denial of the notice of complaint by submitting a Request for Review. The Appellate Authority will review the request and issue a decision within 60 days of receipt of the Request for Review or receipt of additional information requested by the Appellate Authority. A notice of determination issued by the Appellate Authority shall be final.

**Program Timeline**

Eligible properties that have been vacant for a period of 183 days or more will have the tax included in the property tax bill, unless an exemption applies, and due dates will follow the schedule of the property tax. The mandatory declarations on the status of the property will be mailed to owners of eligible properties by mid-December of the reference year. The deadline to submit the mandatory declaration without penalty will be March 31<sup>st</sup> of the tax year. Mandatory declarations received between April 1<sup>st</sup> and April 30<sup>th</sup> will be charged a late fee of \$250. If the mandatory declaration is not received by April 30<sup>th</sup>, the property will be deemed vacant and the VUT will be charged.

Property owners will have the option to submit the mandatory declaration by mail or to use the mandatory declaration platform that will be available in the City’s website. The mandatory declaration platform will open on January 1<sup>st</sup> of the tax year. For example, for the 2023 reference year, the platform will open on January 1, 2024.

Table A indicates the program key dates.

**Table A  
Vacant Unit Tax Program Key Dates**

| <b>Date</b>         | <b>Action</b>   |
|---------------------|---|
| Early November 2023 | By-law approval*  |
| Mid December 2023   | Mandatory declarations are mailed                       |
| January 1           | Mandatory declaration platform opens                    |
| March 31            | Mandatory declaration deadline                          |
| April 1 to April 30 | Late mandatory declarations will be accepted with a fee |
| First week of June  | Tax bills are mailed                                    |
| June 30             | First tax payment due                                   |
| July 2              | Complaint period begins                                 |
| September 30        | Second tax payment due                                  |

\* For reference years beyond 2023, it is recommended that the by-law be passed at an earlier date.

Additional details on the program framework are included in Appendix “A” to Report FCS21017(c).

## **Communications Strategy**

In recognition that this is a new tax and in order to achieve a high level of compliance, staff has developed a comprehensive communications and education strategy. A dedicated page for the VUT has been created in the City's website and several social media messages have been sent to raise awareness.

Upon approval of the framework presented in Appendix "A" to Report FCS21017(c), a more robust and detailed campaign will take place. In order to make sure that property owners are aware of the upcoming tax and the requirement to complete the mandatory declaration on the status of the property, the City will mail flyers to the more than 170,000 eligible properties with information on the timelines, the mandatory declaration, exemptions, etc. The campaign will also include a detailed Q&A section in the City's website, social media messages and increased support in the Customer Contact Centre.

One of the key messages of the communication campaign is that principal residences will not be subject to the VUT but they are still required to submit the mandatory declaration.

The mandatory declaration will be mailed to the eligible properties by mid-December and several reminders will be sent during the declaration period in order to maximize compliance with the program.

## **Annual Reporting**

Staff is recommending that in order to measure the effectiveness of the tax, annual reporting and monitoring be required. The annual report would include analysis on the results and trends, as well as, recommendations on any possible changes to the program. The annual report shall be presented in the fourth quarter of the year following the reference year.

## **Estimated Revenue and Program Costs**

One of the most challenging components of implementing the vacant home tax is the unknown number of empty properties that would be eligible for the tax in the City. However, after careful analysis that included Census data and the experience from other municipalities, staff concluded that the City has approximately 1,135 unoccupied residential properties that would pay the VUT. Under this estimate and based on the average residential assessment of \$381,000, the City could expect to receive \$4.3 M in revenue in the first year the tax is imposed, assuming the recommended tax rate of 1.0%.

Implementation costs, which include the development of the software for the taxation and collection systems, as well as, the development of the mandatory declaration, administrative processes for the program, the audit and the appeals process and education and awareness campaigns, are estimated at \$2.6 M for the 2022-2023 period. The funds to cover these costs will be borrowed from the Investment Stabilization Reserve

and will be repaid, including interest, with the revenue generated from the program which the City will start receiving in 2024.

Annual operating costs are estimated at \$2.2 M starting in 2024 and include 16 new FTEs, billing, printing, communication and IT maintenance, among others. The hiring of program staff will be conducted on an “as needed” basis as some of the FTE’s need to be hired early in the process to support the creation, set up and implementation of the program, while others would need to be hired and trained by the end of Q4 2023 to be ready for the administration of the program. Operating costs will also be recovered with the revenues generated by the program.

Staff estimates that, for the 2023-2028 period, the program will generate a net revenue of \$3.3 M which staff is recommended to be directed to affordable housing initiatives. The estimate assumes a reduction of 20% in the number of eligible properties in the second reference year, followed by a gradual reduction of 5% every year. This annual reduction in the number of properties being taxed is a way to measure the success of the program.

It is important to recognize that the residential market is strongly related to the composition of the population as properties owned by non-residents are more likely to be left vacant for speculative purposes. In Hamilton, only 6% of the population were non-Canadian citizens and only 1% were not residents. Based on these statistics, staff believes that having only 0.5% of the properties (880 properties) paying the tax is also a possibility. Under this scenario, during the 2023-2028 period, the program would have a net deficit of approximately \$532,000. While the main objective of the program is to increase the stock of properties by creating an incentive to rent or sell unoccupied properties, it is important to note that there would not be funds available from this program to dedicate to affordable housing initiatives.

## **MUNICIPAL WORKING GROUP**

The Ministry of Finance has announced that a municipal working group will start meeting in December 2022 with the purpose of developing a policy framework for the tax on unoccupied properties. City of Hamilton staff along with staff from municipalities that are implementing or have expressed interest in implementing the tax have been invited to participate. Staff will report to Council on the outcome of this working group and will recommend any necessary course of action.

## **UPDATE ON HOUSING MARKET**

According to the Realtors Association of Hamilton Burlington (Hamilton Monthly Statistics Package October 2022), new listings in October slowed compared to earlier in the year but remained nearly 10% higher than last year's levels. Much of the growth in new listings was driven by homes priced above \$800,000, providing limited choice for those looking for more affordable and attainable options. While conditions have not entirely shifted to favour

buyers based on traditional measures, like the months of supply or the sales to new listings ratio, prices have trended down for the eighth consecutive month.

Benchmark prices continue to trend down from the higher levels reported earlier in the year. The most significant adjustment has occurred in the detached sector, where prices eased from a high of \$1,080,200 in February to \$826,200 in October. Detached homes priced below \$800,000 continue to experience relatively tight conditions, while higher priced properties are reporting higher months of supply. However, while there is an overall year-over-year decline for the month of October, prices are still higher than levels reported at the end of 2020.



In terms of sales, year-to-date sales have declined by nearly 31% over last year and remain below the 10-year average.

However, while continued interest rate hikes from the Bank of Canada are dissuading potential home buyers, there is a higher demand in the rental market due to booming immigration, students returning to university, and workers moving back to city centres.

According to Rentals.ca and Bullpen Research and Consulting, the average monthly price for a one-bedroom rental home in Hamilton increased by 15.5% to \$1,696 per month in August compared to the same time last year, and a two-bedroom rental home increased by 21.5% to \$2,167 per month.

## **PROVINCIAL AND FEDERAL PROGRAMS**

### **Ontario's Non-Resident Speculation Tax (NRST)**

On April 21, 2017, the Government of Ontario implemented a Non-Resident Speculation Tax ("NRST") which is a tax payable on the purchase of a residential property located anywhere in Ontario. The NRST is payable by foreign entities or taxable trustees of a foreign entity and is paid in addition to any applicable land transfer taxes. When implemented, the NRST was 15% and applied only to residential properties located in Greater Golden Horseshoe region. Effective March 30, 2022, the tax was increased to 20% and applies to purchases in the entire province of Ontario. Effective October 25, 2022, the NRST was increased further to 25%.

Despite its description, the NRST applies regardless of whether a property is acquired with a speculative investment intention.

## **Federal Underused Housing Tax**

On June 9, 2022, Canada's Bill C-8, *Economic and Fiscal Update Implementation Act, 2021*, received Royal Assent and was enacted. Bill C-8 implements, among other measures, the *Underused Housing Tax Act* (UHT Act) which is an annual 1% tax on the value of vacant or underused residential property directly or indirectly owned by non-resident, non-Canadians, effective January 1, 2022. The stated purpose for introducing a national underused housing tax was to counter speculative transactions and undesired vacancy in Canadian residential real estate.

The UHT applies in respect of a calendar year to an owner of residential property in Canada as of December 31 of the calendar year if: (1) the owner is required to file an annual declaration in respect of the property for the calendar year; and (2) the owner is not eligible to claim an exemption in respect of their interest in the property for the calendar year.

Every owner of a residential property, other than an excluded owner, will be required to file an annual declaration with the Canada Revenue Agency (CRA) for each residential property they own on or before April 30 of the following calendar year. This means that an owner's declaration in respect of a property for the 2022 calendar year would be required to be filed on or before April 30, 2023.

## **ALTERNATIVES FOR CONSIDERATION**

Alternative: To set the tax rate of the program at 1.5%

During the consultation process in September of 2021, 18.0% of the respondents supported a tax rate of 1.5% and 52.7% supported a tax rate of 2.0% or higher. Following public input, Council could consider a tax rate of 1.5% for the program. Under this alternative, the City might realize higher revenues and might speed the pace at which unoccupied properties are rented or sold. However, a rate higher than 1.0% may become too punitive for property owners that have to pay the tax for reasons other than unoccupancy (e.g. not sending the mandatory declaration).

Financial: The potential net revenue of the program for the 2023-2028 period would be approximately \$11.9 M.

Staffing: There are no additional staffing implications under this alternative.

Legal: There are no additional legal implications under this alternative.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

**Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS21017(c) – Residential Vacant Unit Tax Program Framework



**Subject: Development and Implementation of a City Wide Vacant Home Tax Program – City Wide**

**Reference:**

Date to Council: November 27, 2023

Author: Carolyn Nelson, Manager Property Valuation & Administration

(519) 255-6100 ext 6170

cnelson@citywindsor.ca

Taxation & Financial Projects

Report Date: November 9, 2023

Clerk's File #: AF2023 & GP2023

**To:** Mayor and Members of City Council

**Recommendation:**

THAT this report with regards to the Design and Implementation of a Vacant Home Tax **BE RECEIVED**; and further,

THAT City Council **ADOPT** a Municipal Vacant Home Tax (VHT) program pursuant to Part IX.1 of the *Municipal Act, 2001* (the Act); and,

THAT City Council **AUTHORIZE** Administration to submit an application to the Minister of Finance to be designated as a municipality that has the power to impose a tax on residential vacant units, per Part IX.1 section 338.1 of the Act;; and further,

Subject to receiving Ministerial consent to becoming a designated municipality in the regulations under the Act, THAT the City of Windsor's VHT program **BE EFFECTIVE** January 1, 2024; and further,

THAT City Council **ESTABLISH** the vacancy reference period to be the prior taxation year; and further,

THAT City Council **APPROVE** a tax rate of 3% to be applied to the prior year's assessment value as determined by the Municipal Property Assessment Corporation (MPAC) to calculate the amount of VHT to be charged; and further,

THAT City Council **APPROVE** the definition of "vacant" and the recommended exemptions listed in the Discussion section of this report, for the purposes of identifying properties that would be subject to the Vacant Home Tax; and further,

THAT City Council **SUPPORT** one new Property Tax Clerk position (L543 09) and one new Property Assessor position (L543 14) as permanent additions to the Assessment Division staff complement, which will be funded through revenue collected through the VHT program; and further,

THAT the CFO/City Treasurer **BE DIRECTED** to amend the 2024 staff complement to reflect the addition of the two (2) permanent staff required for the administration of the VHT program; and further,

THAT City Council **DIRECT** any resulting surplus in revenue, after all Administrative costs have been recovered, be transferred to the City's Housing Reserve (Fund 216) to be used for purposes of housing related programs, projects and initiatives; and further,

THAT City Council **ESTABLISH** a penalty of \$2,500 to be imposed for declarations determined to be false or misleading; and further,

THAT where appropriate, any amounts which are considered due and payable to the municipality **BE ADDED** to property taxes and collected in the same manner as property taxes; and further,

THAT City Council **AUTHORIZE** Administration to take any and all action that is deemed necessary to enforce compliance and to undertake audits and inspections as necessary relative to the collection and remittance of the VHT as outlined in this report; and further,

THAT upon the City of Windsor receiving consent to be a designated municipality in the regulations under the Act, the City Solicitor **BE AUTHORIZED** to prepare the VHT By-law.

### **Executive Summary:**

N/A

### **Background:**

As part of the Fair Housing Plan announced in 2017 by the former Ontario government, municipalities were provided with an ability to impose a tax on vacant homes. The intent of this program is to stimulate affordable housing by making it less attractive for a property owner to allow a residential property to remain unused. By either selling the home or renting it out, the property owner will contribute to increasing the supply of available housing in the community.

Due to the significant need for housing in Windsor, a report was brought to Council in December 2021 to provide information regarding the power to impose a VHT and request approval to further research and develop a program to be brought back to Council for approval prior to implementation. Council Decision B38/2021 granted this approval.

Currently in Ontario only the City of Toronto under s. 302.1 of the *City of Toronto Act, 2006*, the City of Hamilton and the City of Ottawa under s. 338.2 of the *Municipal Act, 2001*, have been authorized to impose by by-law a VHT on vacant residential units. Administration has researched the Ontario programs currently operating in Ottawa, Toronto, and Hamilton, as well as the similar program in Vancouver.



The author was part of a working group with the Ministry of Finance to discuss the major considerations with these programs to assist the Province in formulating a Regulation regarding the VHT. Municipalities involved in the working group include Ottawa, Toronto, Hamilton, York Region, Markham, Kitchener, Burlington, Halton, Peel Region, London, Waterloo, Aurora, and Windsor. Per correspondence with the lead of the working group on May 11, 2023, the Ministry is still discussing this matter internally with no expected date at this time for release of any related Regulations. As such, Administration has developed a framework for the implementation of a VHT program for the City of Windsor should it be approved as a designated municipality in the Regulations under the Act, and is seeking City Council's approval for the key components of the program.

## **Discussion:**

The municipalities that have operating VHT programs have designed them similarly with respect to the definition of vacancy and exceptions, required elements to be included in By-laws (mainly audit, enforcement and inspection authority), tax rates, declaration methodology, which year's CVA to use when calculating the taxes, and verification and audit processes. This report outlines to City Council the program parameters that would be applied in regards to the administration of a VHT program for the City of Windsor, which have been developed based upon those existing programs. The recommendations in this report regarding the key elements are required for purposes of the required By-law, which will be finalized following approval and acceptance of this report and designation by Ministry.

In early May, Council for the Region of York decided to defer the consideration of the VHT based on a report from Administration citing too many unknowns. Reasons given: the program will have to comply with the Ministry's Regulation which as mentioned, is still being drafted; the difficulty in estimating the number of properties that actually qualify as "vacant" after considering all of the exceptions; the recent implementation of the 1% Vacant and Underused Housing Tax by the Federal Government which applies to non-resident, non-Canadian owners of Canadian residential properties that are vacant more than 6 months in a calendar year; and the impact of high interest rates.

Recently, the City of Hamilton implemented their VHT program with much scrutiny from the taxpayers and media mainly due to the lack of clarity about the program in their communications. Should Windsor decide to implement a VHT program, it will be imperative that Administration provide the community with clear and concise information in advance of the start of the program.

The main concept of a VHT is to impose a fee to owners of residential properties where the home has been declared, or deemed to be, "vacant". A VHT rate will be applied to the assessment value of the property (determined by MPAC) to calculate the amount owing each year. This additional cost is intended to serve as a motivation for property owners to rent out or sell the property to someone who will occupy it or rent it thereby contributing to the housing supply in the City.

Should Council approve the implementation of the program and the City of Windsor be approved as a designated municipality in the Regulations under the Act, the effectiveness and elements of the program will be reviewed internally on a regular basis. Should changes be required, those changes would be reported to City Council. It should be noted that if the program works as planned, the amount of VHT collected annually will likely decrease and could result in an annual operating deficit after offsetting administrative costs of the program. The intention of a VHT program is not to be a revenue generator.

## **Key Considerations of a Vacant Home Tax Program**

As there are no provincial regulations attached to current legislation, it is up to designated municipalities to decide on the key elements of the program and state them in the By-law. Part IX.1 subsection 338.2 (2) states the two required criteria for the By-law – the tax rate and the conditions of vacancy that make a unit subject to the tax. Subsection 338.2(3) gives the designated municipality the choice to include in the By-law other elements they consider appropriate.

These program elements, as defined below and as recommended by Administration, will form the basis upon which the By-law will be prepared and will be reviewed annually.

### **The Definition of “Vacant”**

For the purpose of this program, Administration is recommending the following definition:

A vacant property will be defined as any residential unit unoccupied for more than 183 days in a taxation year.

### **Exemptions to the definition would include the following:**

- Principal Residences
- Residential units that are considered to be under construction, renovation, or redevelopment as supported by permits issued by the City’s building department
- Residential units that are vacant for a period of up to 2 years following the death of the registered owner in the year
- Residential units that are vacant for a period of up to 2 years following due to the registered owner being admitted to care (hospitalization, long-term care)
- Residential units that are listed for lease or sale for a period of up to 1 year
- Transfer of ownership of property during the year
- Residential units that are vacant due to Court order/proceedings
- Multi-residential properties (more than 6 units)
- Residential units that are managed or considered social or affordable housing and are in receipt of funding from the City

While there may be additional reasons for a property to remain vacant, Administration will review those situations on a case-by-case basis and attempt to resolve through the program appeal process noted below.

### **Vacancy Reference Period**

There are two options for which year is referenced for the period of vacancy; the current taxation year or the prior taxation year. With consideration to the definition and exemptions of vacancy, use of the current year as the vacancy reference period would delay the verification process and as such preparation of VHT bills would have to occur late in the year or early the following year. While using the prior year may create some initial challenges in terms of verification, once the program has been implemented this issue can be mitigated through ongoing inspections and timely follow up to public tips. For these reasons, it is recommended that the program reference the prior tax year for the vacancy reference period.

### **Identification of a Vacant Unit**

The City of Ottawa identified three primary methods of identifying vacant units being:

- Mandatory declaration – a process by which all residential property owners would be required to declare annually if the property is occupied either as a principal residence, rental or other. The program could provide that a failure to respond results in the property being “deemed” vacant
- Vacant unit declaration – a process by which only those residential property owners who have a vacant property will be required to notify the municipality
- Complaint based enforcement – vacant residential properties will be identified at the time that a complaint is received or tip is received from the public

At this time, Administration recommends that the City of Windsor adopt a complaint based program whereby properties identified as vacant via complaints or tips received from the public would be reviewed for vacancy. Properties identified by City staff (in various departments such as Taxation, Licencing and Building) that possibly meet the criteria for vacancy will also be reviewed.

Initially, a letter and declaration form would be mailed out to the owners of identified residential properties, explaining the VHT program, the definition of “vacant” under this program, acceptable exemptions, the Vacancy Reference Period, and the deadline to submit the form. The declaration form would be available for them to manually fill out and mail in, and the letter would also provide a link to access the form online which they can submit by email. Administration would set up an email address specifically for VHT. Only one declaration per property would be accepted regardless of the number of owners. Should more than one declaration, indicating different occupancy status be received, staff would be assigned to follow up directly with the property owners. Declaration forms would be due 30 days from the date of the letter. When a form is not received by the deadline, Administration would deem the property to be vacant and proceed to bill the VHT. Forms received that declare the property to be vacant will be billed the VHT.

## **Tax Rate**

The VHT is calculated using a percentage rate multiplied by the prior year's assessment value of the home. The decision regarding the percentage tax rate to charge is a difficult one, as the goal of the program is to encourage owners of vacant residential properties to either rent out or sell the home thereby creating available homes. What amount of additional tax will accomplish this goal is not the same for all owners depending on their financial circumstances and/or their reason for keeping the property in its current state.

The cities of Vancouver, Ottawa, Toronto and Hamilton all implemented the VHT using a 1% tax rate in year one. Vancouver implemented their program in 2017 and raised their tax rate to 1.25% in 2020 and then to 3% in 2021. The City of Toronto is increasing their tax rate to 3% in 2024.

In January of this year, the Assessment Division solicited community input via a Vacant Home Tax Survey. According to the results, 46.8% of participants felt the tax would need to be higher than 2% to succeed in creating more housing. Any rate less than that would not accomplish that goal but would be perceived as just another source of revenue to the City.

The City of Windsor's approved 2023 residential property tax rate is 1.939661%. Administration is recommending that a rate of 3% be approved for purposes of the VHT, essentially 1.5 times the amount of the annual property tax levied against a residential vacant home. VHT would be payable in addition to the annual property tax levy.

## **Billing Process**

When a property has been declared or deemed to have been vacant during the Vacancy Reference Period, a bill will be issued to the property owner. The calculation will be the assessment value of the property for the taxation year of vacancy multiplied by the rate. There will be no proration based on number of days vacant. The bill will be payable in one instalment payment due within 90 days of the issue date of the bill. Any amount outstanding after the due date will be added to property taxes and will be subject to penalties and interest accordingly.

## **Audit Process**

All declarations that are received claiming one or more of the exemptions from vacancy will be reviewed by staff. Property owners would be contacted to provide supporting documentation prior to a decision being made regarding eligibility. To ensure compliance with the program, Administration is recommending that all declarations for residential properties be considered open and subject to review for a period of up to two years after the Vacancy Reference Period. This will allow Administration to retroactively bill a property owner should the declaration be found false or inaccurate.

## **Appeal Process**

If the property owner chooses to dispute a VHT charge, a Notice of Complaint form would be made available to be filled out by the owner and submitted to the Assessment Division along with supporting documentation within 30 days of the date of the VHT

charge bill. This form would be an option for those owners that were charged the VHT tax and would include reasons such as: 1) did not declare by the deadline and the property was deemed vacant; 2) no/inadequate documentation was received by the owner to confirm the exemption status; 3) a declaration of occupied was proven false through the audit process; and 4) any other reason the owner deems valid. A review of the information and communication with the owners would have to take place, and a VHT Audit Determination Notice would be issued. Administration would make every effort to respond to Notices within 90 days from the date of receipt. In those cases, where an error has been made, the VHT and penalties would be reversed and any payment refunded.

Once the VHT Audit Determination Notice has been sent, the owner would have 60 days to file a "Request for Review". These requests would be reviewed by the Deputy Treasurer, Taxation, Treasury & Financial Projects who would make every effort expeditiously to review the information received to date, request more information, make a decision as to whether the property qualifies as vacant or not, and notify the owner via "Notice of Decision". The decision of the Deputy Treasurer would be considered final.

### **Additional Penalty for False Declaration**

Where it is determined that a false declaration has been deliberately made to avoid the VHT, Administration is recommending that a penalty of \$2,500 be charged in addition to the VHT for the year.

### **Staffing Requirements**

Current staffing levels within the Assessment division are not able to absorb all of the added duties required to administer a VHT program. Administration is seeking approval for two (2) permanent additional staff resources which would be required to administer the program on an ongoing basis including any rebate process, the performance of random audits and dispute resolution.

One Property Tax Clerk – (L543 Gr 09) – addition of one FTE to staff compliment

- Monitor the VHT Inbox
- Handle general VHT inquiries
- Assist with letters, mail-outs and other clerical functions

One Property Assessor – (L543 Gr 14) – addition of one FTE to staff compliment

- Follow up on exemptions and Notices of Complaint
- Process billings for properties declared as vacant
- Conduct audits of and inspections

One Senior Tax Analyst - (NU10) –existing position

- Overall program administration

Existing staff within the Assessment division will also assist with processing payments, decisions on appeals, monitoring revenue and expenses of the program, and reporting to Council as required.

### **Timeline of Development / Implementation of the Vacant Home Tax Program**

The following section outlines the timeline for program development and community engagement. It also outlines the next steps in terms of program implementation should City Council accept the recommendations in this report.

#### **January 16 – February 19, 2023 – Community Consultation**

From January 16<sup>th</sup> to February 19<sup>th</sup> 2023, Administration posted a survey on the “Let’s Talk Windsor” platform of the City website. An invitation to participate in the survey was sent to every property owner in the City of Windsor, included with the Interim Tax Bills.

The survey included questions related to key elements of the VHT program such as: how many months should a home be empty to be considered vacant; should there be exemptions; what tax rate should be charged; how should we handle the declaration process, etc.

790 participants took part in the survey with the majority residing in Wards 1 through 6.

#### **Results:**

- 89.5% of participants own their principal residence
- 74.1% are in support of a vacant home tax
- 37.1% (majority) of participants felt that the identification of vacant homes should be handled through a mandatory declaration process, whereby every residential property owner has to declare whether the property is vacant or not.
- 46.8% (majority) felt that the rate of tax applied should be more than 2% of the assessed property value
- 41.6% (majority) felt that a property should be unoccupied for at least 6 months in a calendar year to be considered vacant
- 75.4% thought that the City should grant exemptions in certain circumstances

#### **February 20<sup>th</sup> – June 12<sup>th</sup>, 2023**

Results of the VHT survey were reviewed and tabulated for purposes of reporting back to Council and consideration of the community’s concerns and suggestions.

Further research has been conducted through review of the programs already in place in the cities of Vancouver, Ottawa, Toronto, and Hamilton. Consultation and discussions with the VHT Working Group took place from the end of December 2022

through March 2023. The working group was formed by the Ministry of Finance to discuss the pertinent issues with VHT programs and which elements the Ministry should consider for inclusion in legislation. As mentioned earlier, many Ontario cities took part in the working group; those that have established a program and those that are considering it. Representatives from Ottawa and Toronto responded to many questions and offered great feedback and suggestions to the group.

### **End of November 2023**

Should Council approve the recommendations in this report, Administration will file a formal application to the Minister of Finance requesting designation to impose the Vacant Home Tax commencing in 2024. Should the Minister of Finance approve the City of Windsor as a designated municipality, a By-law will be formulated with the assistance of Legal, outlining the VHT program and procedures including audit and possible inspection authority.

### **December 2023 and January 2024**

Once consent is received from the Ministry, the VHT By-law will be written and presented to Council. Extensive communication and education of the program will be shared with the public through the media, the City website, social media platforms, and messaging via the My Property Tax portal.

Additional staff identified in the report will be recruited. Existing staff will commence documenting proper procedures, handling inquiries, creating all of the necessary forms, and the tracking sheet.

New and existing staff in the Taxation and 311 areas, would be trained on the new VHT, procedures and processes.

### **February 2024 and beyond**

Full implementation of the VHT program would commence following completion of the actions noted above. Program launch is mainly dependant upon Ministerial approval and adoption of the required By-law.

### **Risk Analysis:**

There are certain risks associated with the implementation of a new tax including but not limited to the following items. The degree to which each of these risks affect the program or can be mitigated by program parameters which have been detailed below.

- Possible negative reaction resulting from the implementation of a VHT on residential property owners. Given that the municipalities of Ottawa, Toronto and Hamilton have operating programs, and given the importance of ensuring housing availability, the requirement to pay a tax will likely become more widely

adopted. An extensive communications strategy is also important to properly inform the community.

- Hesitancy from residential property owners in declaring a vacant unit or in remitting the tax that is levied. Once approved by Council, the tax will become mandatory. False declarations would be subject to a penalty. Risks associated with receipt of revenue would be mitigated through penalty and interest charges as well as any audit and enforcement provisions.
- Given external factors that may affect the number of vacant units each year, there may be a financial impact in that the amount collected may fluctuate year over year.

## Climate Change Risks

### Climate Change Mitigation:

N/A

### Climate Change Adaptation:

N/A

## Financial Matters:

### Tax Rate and Estimated Revenue

Using the current four-year assessment cycle, which has set property values based upon a January 1, 2016 market, the average assessment value for a residential home in the City of Windsor was \$168,000. Homes which have been left vacant for extended periods of time and subject to negative elements, such as inclement weather, vandalism etc., typically require a significant amount of investment to restore to an occupied use. As such, the assessment value is generally lower than the average. Using a reduced value of \$100,000, the below noted chart illustrates a per unit revenue potential from of a vacant unit tax rate ranging from 1.0% to 3%.

| Average Residential Assessment | Vacant Unit Tax Rate | Vacant Unit Tax |
|--------------------------------|----------------------|-----------------|
| \$100,000                      | 1.0%                 | \$1,000         |
| \$100,000                      | 2.0%                 | \$2,000         |
| \$100,000                      | 3.0%                 | \$3,000         |

As mentioned, all municipalities that have implemented the program started with a 1% tax rate. Vancouver has gradually increased their tax rate from 1% in 2017 to 3% in 2021. The City of Toronto is increasing their tax rate from 1% to 3% in 2024.

Considering that the majority of participants in the community survey thought that the tax rate should be greater than 2% for the program to be effective, Administration is recommending that a 3% tax rate be used when calculating the VHT. At this tax rate,



the expectation is that the incentive is greater to residential owners to rent out or sell their vacant properties quickly. It is important that the community understands that the City is committed to this program as a tool to assist with the housing crisis and not as a revenue generator.

At this time, and until more information is received through the program, there is no ability for Administration to estimate the total revenue that could be received in a given year. In anticipation of the implementation of the VHT program, revenue in the amount of \$100,000 was added to the Assessment operating budget. This base revenue was considered net of any operating expenditures required to fund the program. Based on the projected costs to administer the program, Administration has estimated that 82 properties valued at \$100,000 and taxed at 3% would generate enough revenue to reach the net budgeted revenue of \$100,000 for 2024. There are approximately 77,000 residential properties in Windsor so it is expected that the number of vacant properties could be much higher.

### **Administrative Costs**

There would be initial start-up costs associated with the development of the VHT program including the preparation of a full submission to the Minister of Finance. Two new permanent positions in Finance would be required for start-up and to administer the program as outlined in the Discussion section. Communication and documentation mailing costs will also be incurred.

With the exception of the additional permanent staffing being requested, all other functions will be completed using existing resources and operating budgets.

Costs expected in 2023 would only be consulting fees to submit the application to the Ministry. These can be absorbed through the existing budget for consulting services.

### **2024 Projected Operating Budget Impact**

An amount of \$100,000 has been established as part of the 2023 operating budget. This amount can be further broken down as follows:

|   |                  |
|---|------------------|
| Estimated Revenue (82 properties @ \$100,000 x 3%)      | \$246,000        |
| Estimated Program expenses:                             |                  |
| One Property Tax Clerk – (L543 Gr 09) including fringes | \$ 61,668        |
| One Property Assessor – (L543Gr 14) including fringes   | \$ 74,156        |
| Program expenses *                                      | <u>\$ 10,176</u> |
| Total expense   | \$145,824        |
| Budgeted Net Revenue                                    | \$100,000        |

- Program expenses include office set up, postage, mileage, etc.

Since the intention of this program is to improve housing options for residents, it is being recommended that any surplus, above what is provided for within the current operating budget of \$100,000, as a result of this program, be transferred to the City's Housing Reserve (Fund 216). In this regard, the City will be able to utilize this funding in support of housing related programs, projects and initiatives.

**Consultations:**

Kate Tracey, Senior Legal Counsel  
 Kirk Whittal, Executive Director, Housing & Children Services

**Conclusion:**

Municipalities have been provided with the power to impose a tax on vacant residential units with the intention of stimulating affordable housing by making it less attractive for a property owner to allow a residential property to remain unused.

**Planning Act Matters:**

N/A

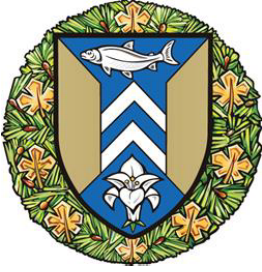
**Approvals:**

| Name                | Title  |
|---------------------|--|
| Janice Guthrie      | Commissioner Corporate Services/CFO & City Treasurer |
| Mark Nazarewich for | City Solicitor                                       |
| Joe Mancina         | Chief Administrative Officer                         |

**Notifications:**

| Name | Address | Email |
|------|---------|-------|
|      |         |       |

**Appendices:**



**The Corporation of the  
City of Sault Ste. Marie**

**COUNCIL REPORT**

April 29, 2024

TO: Mayor Matthew Shoemaker and Members of City Council

AUTHORS: Shelley J Schell, CPA CA, Chief Financial Officer &  
Treasurer  
Peter Tonazzo, RPP, MCIP, Director of Planning

DEPARTMENT: Corporate Services

RE: Municipal Vacant Home Tax

**Purpose**

The purpose of this report is to seek Council approval to implement a Municipal Vacant Home Tax (VHT) and to begin the development of the program.

**Background**

On March 20, 2023, Council passed the following resolution:

*Whereas the City of Sault Ste Marie has seen a large increase in vacant homes and properties in the last 10 years, including a large increase in out of town investors buying property and allowing it to sit empty; and*

*Whereas much like the rest of the province, Sault Ste. Marie is in need of more housing, specifically affordable housing; and*

*Whereas Council has identified housing affordability as a major issue in Sault Ste Marie with a need to identify available tools to address this issue, thus creating the Affordable Housing Task Force; and*

*Whereas if successful, the vacant property tax would be a tool aimed at changing the behaviour of property owners and help release more housing to the market, as well as lowering the number of boarded up properties within the community; and*

*Whereas any revenue generated from this tax could go directly toward supporting affordable housing initiatives identified by the Affordable Housing Task Force;*

*Now Therefore Be It Resolved that the Affordable Housing Task Force review and report back to Council on the feasibility and benefit of*

*implementing a Vacant Property Tax in Sault Ste Marie (included in this report would be the definition of vacant for the purpose of the tax, parameters of implementation and enforcement, comparisons with other municipalities who have implemented a similar tax, an estimate on the amount of revenue that could be generated, and the rate at which vacant properties would be charged.)*

## **Analysis**

### **Housing Action Plan**

The City's Housing Action Plan 2023-2028 includes a sub-action to assess the viability of enacting a VHT to discourage owners from leaving their residential properties unoccupied (sub-action 3.9). The Housing Action Plan was developed through extensive consultation with the Affordable Housing Task Force as well as stakeholders and the public.

The implementation of a VHT will contribute to achieving the goals of the Housing Action Plan by:

- *Decreasing the number of empty rental units in the City* - a VHT will motivate property owners to rent out or occupy their empty units. Similarly, a VHT will encourage property owners who do not intend to rent or occupy their vacant units to sell them to someone who will.
- *Increasing affordable housing options within the City* - a VHT is meant to increase rental housing supply which may have a downward pressure on rental prices within the City.

### **Municipal Vacant Home Tax Program**

The Province announced a series of measures to address a number of housing issues under Ontario's Fair Housing Plan of 2017. Included in these measures was permitting designated municipalities to impose a tax on vacant homes with the intent to encourage owners to rent or sell empty properties to increase the supply of available housing in a community.

The 2024 Ontario Budget released on March 26, 2024 implemented a change to the municipal vacant home tax as "an unoccupied home is unacceptable in a housing crisis". Ontario empowered municipalities to make more vacant homes available for housing by:

- Extending authority broadly to all single and upper-tier municipalities to impose a tax on vacant homes, effective immediately.
- Releasing a Provincial Policy Framework that will support municipalities by setting out best practices for implementing a VHT.

Authority to impose an optional tax on vacant residential units is provided under Part IX.1 of the *Municipal Act, 2001*. A by-law must be passed by Council and contain the following criteria:

- The tax rate to be used;
- Conditions of vacancy that, if met, make a unit subject to the tax;
- Exemptions from the tax;
- Rebates of the tax;
- Audit and inspection powers; and
- The establishment and use of dispute resolution mechanisms.

The Province released its Provincial Policy Framework on April 4, 2024 (Appendix A). The policy sets out recommended exemptions and the definition of vacancy. Prior to the change in the 2024 Ontario Budget very few municipalities had implemented the VHT with the required Ministry approval. Current municipalities that have implemented include Toronto and Ottawa. Hamilton was to implement the tax in 2024 but was deferred and is now slated to be in effect for 2025. Windsor deferred 2024 implementation to await the Provincial Policy Framework, but it is expected to still be in place for 2024. A comparison of these municipal VHT programs and the Provincial Policy Framework are included in Appendix B.

### **Program Elements**

The VHT is not intended to generate revenue. The intent is to encourage properties to be used for housing. If the program is successful, the amount of VHT collected annually will likely decrease and could result in an annual operating deficit after offsetting administrative costs of the program. If there is excess revenue it would be recommended that it be transferred to a new Housing Reserve that would be utilized to forward the City's housing initiatives.

#### *Definition of Vacancy*

The definition of vacancy as set out in the Provincial Policy Framework is a self-contained residential unit suitable for habitation that is classified in the residential property class. Although the Framework does not state a vacancy timeframe, the exemptions in the Framework reference greater than 6 months. Some other VHT programs state 183 or 184 days which provides better clarity to the definition. Specific property codes used by the Municipal Property Assessment Corporation are included in some by-laws to set out clearly the properties that would be subject to the VHT and those exempted. The City of Sault Ste Marie has 27,420 properties in the residential class, 89 of which, are estimated to be vacant.

#### *Tax Rates*

The rate of tax charged for implemented VHT's in Ontario are either 1% or 3% of the property's assessment. With only four municipal comparators with recent rollouts of VHT, there is not enough data to determine what rate accomplishes the best outcomes for the program. The intent of the program is to encourage owners to move vacant residential property to homes available for occupancy so the rate charged should be looked at as punitive. For comparison, the 2024 residential tax rate, including education is 1.789136%

The estimated VHT per \$100,000 of assessment is reflected in the table below.

| Rate | Tax per \$100,000 assessment |
|------|------------------------------|
| 1%   | \$1,000                      |
| 2%   | \$2,000                      |
| 3%   | \$3,000                      |

### *Types of VHT Programs*

There are three primary methods of determining vacant units that have been identified by municipalities that have implemented the VHT:

- 1) Mandatory Declaration – all residential property owners would be required to declare annually if the property is occupied either as a principal residence, rental or other. This type of program could provide that a failure to respond results in the property being “deemed” vacant.
- 2) Vacant Unit Declaration– only those residential property owners who have a vacant property would be required to notify the municipality.
- 3) Complaint-based Enforcement – vacant residential properties would be identified at the time that a complaint or tip is received from the public. The City would also be able to register complaints on properties identified by staff in their duties, such as Taxation and Building, that possibly meet the criteria.

The mandatory declaration is being used by Toronto and Ottawa currently and is the proposed program for Hamilton. Toronto has been in the media for a “disastrous rollout” of the VHT due to confusion over billing errors and the declaration process. They have increased the tax from 1% to 3% in 2024.<sup>1 2</sup>

Hamilton also experienced issues over the clarity of the implementation of the VHT, which delayed the implementation.<sup>3</sup>

A mandatory declaration requires all 27,420 residential property owners to declare annually, creating significant staff administration costs to review, audit, enforce, track and bill the tax. Having all residential properties declare annually also places an administrative burden on a significant majority of property owners who are not impacted by the VHT.

The vacant unit declaration has not been utilized by any municipalities. A property owner self assessing a tax may not provide the outcomes required as there would not be an incentive to declare ones own property to be taxed. This would lead to higher administrative costs to audit and verify vacancies that were not declared.

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<sup>1</sup> [https://www.thestar.com/news/gta/after-disastrous-rollout-of-vacant-home-tax-city-staff-propose-a-host-of-fixes/article\\_d9a7535e-f8fc-11ee-9767-33d65ca9905c.html](https://www.thestar.com/news/gta/after-disastrous-rollout-of-vacant-home-tax-city-staff-propose-a-host-of-fixes/article_d9a7535e-f8fc-11ee-9767-33d65ca9905c.html)

<sup>2</sup> <https://globalnews.ca/news/10404140/toronto-vacant-home-tax-late-fee-issues/>

<sup>3</sup> <https://www.cbc.ca/news/canada/hamilton/vacant-unit-tax-1.7093382>

A complaint-based enforcement is being implemented by the City of Windsor in 2024. After a review of the Windsor program and the administrative requirements to manage it, staff recommend that this would be an effective and efficient program for the City.

*Estimated VHT Budget*

It is difficult to predict the number of vacant homes in the residential class within the City. Staff in the Building Division have been maintaining a list of vacant properties noted from their inspections and other reviews. Residential class properties on this list total approximately 90. It is not known how many would qualify for exemptions nor what the exemptions would be for the program at this time. A high-level conservative estimate of 45 properties and the average assessment of the properties identified in the Building Division list were used to provide budget scenarios.

There is the risk of non-remittance of tax, especially if the property is in a tax arrears position. Tax sale proceedings would apply but collection would be longer term.

Additional resources would be required in Finance's Taxation Division, to administer the program. It is anticipated that one Local 67, Tax Analyst would be required to implement the program. Program development and oversight can be managed at the start by the non-union Assessment Review Analyst due to the postponement of reassessment by the Province. Depending on when the program is rolled out, a 2024 in-year complement increase may be required with funding recommended from future VHT revenues. Once the program is running and the actual administrative requirements for Finance, and other supporting departments is known there may be additional resources required.

Once the program is implemented, it will be internally reviewed on a regular basis to determine if changes are required and to report thereof to Council.

There is a possible levy impact if revenue is less than administrative costs.

The estimated budget scenarios below are based upon a conservative estimate of 45 properties and provides a slightly better than breakeven point with a 2% tax.

Municipal Vacant Home Tax

April 29, 2024

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Revenue:

|                                  |         |
|----------------------------------|---------|
| Estimated number of vacant homes | 45      |
| Average assessment               | 115,000 |

|                   |                 |                  |                  |
|-------------------|-----------------|------------------|------------------|
| Proposed tax rate | 1%              | 2%               | 3%               |
|                   | <u>\$51,750</u> | <u>\$103,500</u> | <u>\$155,250</u> |

|   |                   |                |                 |
|---|-------------------|----------------|-----------------|
| Net surplus(deficit) after administration | <u>\$(44,910)</u> | <u>\$6,840</u> | <u>\$58,590</u> |
|---|-------------------|----------------|-----------------|

Expenditures:

|                                     |               |
|-------------------------------------|---------------|
| Staffing Requirements               |               |
| Tax Analyst (Local 67 Job Class 10) | 86,660        |
| Program Expenses                    | 10,000        |
|                                     | <u>96,660</u> |

Program expenses include office set up, postage, website for online reporting, and other administrative costs.

**Next Steps**

If Council approves the implementation of a VHT, staff would seek to implement the tax in 2025, based upon 2024 vacancies.

The Provincial Policy Framework highly recommends public consultation on the implementation of the tax and that the results of these consultations be shared with the Province to help inform best practices going forward. The consultation would look to identify the support of a vacant home tax, the rate of tax that should be applied, and the type of exemptions that should be granted.

Further collaboration with other departments is required. This includes formalizing the definition of vacancy, program implementation requirements, appropriate tax rate, other possible immediate resource requirements, refinement of revenue and expense estimates, exemptions that best fit the community, audit and inspection requirements, dispute resolution mechanism, etc. The by-law would then be developed in conjunction with the Legal Department and presented to the Housing Task Force for review and endorsement. Subsequently staff would report back to Council with the implementation plan and to request approval of the by-law to establish the VHT.



A robust communication strategy is important. As noted previously, Toronto reported significant issues on roll out and incorrect penalties and taxes assessed. Hamilton deferred implementation due to lack of clarity in process. Corporate Communications would be utilized to implement a communication strategy, starting with a public announcement of the potential VHT for vacancies in 2024 to allow owners to have their properties occupied, if necessary, in 2024.

### **Financial Implications**

At this time with limited information on estimated revenue and administration costs as well as an approved tax rate, there is not an ability to estimate the total net revenue position if the VHT program is implemented.

The intent of the program is not to generate revenue. The intent is for vacant residential properties to be used for housing. If the program outcomes are successful the amount of the VHT collected annually will likely decrease and could result in cost that would increase the levy in future years.

If a surplus does occur for the program, it is recommended that it be transferred to a new reserve that would be set up for the purpose of supporting the City's housing related initiatives.

### **Strategic Plan / Policy Impact / Climate Impact**

Although addressing the increase in housing with the community is not a specific item on the 2021-2024 Corporate Strategic Plan, the implementation of a VHT does align with several strategic focus areas.

**Promote Quality of Life Advantages:** Adequate and affordable housing is a key quality of life indicator. A VHT promotes an increase in the overall housing supply and may have a positive effect on rental housing affordability within the City; thereby providing more housing options to a broader range of income levels.

**Vibrant Downtown Areas:** A disproportionate number of vacant homes are within the Downtown and older core areas of the City. A VHT will result in an increase in occupied residential dwellings in the Downtown and can help create a vibrant, complete community where people want to live and work.

The implementation of a VHT also aligns with the goals of the City's Housing Action Plan as it will contribute to an increase in the housing supply and may have a positive impact on housing affordability.

There is no climate impact

### **Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Financial Officer and Treasurer and the Director of Planning dated April 29, 2024 concerning a Municipal Vacant Home Tax be received and that a municipal vacant home tax be implemented in 2025 for 2024 vacancies.

Municipal Vacant Home Tax

April 29, 2024

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Respectfully submitted,

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## REPORT

### Council

**Meeting Date: December 16, 2024**

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**FROM:** Corporate Services Commission

**DATE:** December 3, 2024

**SUBJECT:** OEC Quarterly Update – December 16, 2024

**LOCATION:**

**WARD:** Town-wide

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#### **RECOMMENDATION:**

That the presentation from Rob Lister, President and CEO of Oakville Enterprises Corporation (OEC) regarding the quarterly update be received.

#### **KEY FACTS:**

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

- On a quarterly basis, Council is provided with progress reports from Oakville Enterprises Corporation (OEC).

#### **BACKGROUND:**

The Corporation of the Town of Oakville (“the Town”) is 90% shareholder of Oakville Enterprises Corporation (“Oakville Enterprises, OEC”). The unanimous shareholder agreement requires Oakville Enterprises to make periodic reports to Council.

#### **COMMENT/OPTIONS:**

Oakville Enterprises Corporation President and CEO, Rob Lister, will present the OEC Quarterly Update.

#### **CONSIDERATIONS:**

##### **(A) PUBLIC**

There are no public considerations with this report.

**(B) FINANCIAL**

The town share of Oakville Enterprises Corporation is an important asset of the town.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

n/a

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses Council's strategic priority/priorities:

- Accountable Government.

**(E) CLIMATE CHANGE/ACTION**

The matter addressed in this report does not directly affect climate change, however, Oakville Enterprises Corporation is an important asset of the town, and it is important to ensure its growth as our community grows and energy demands change.

Submitted by:

Nancy Sully

Commissioner, Corporate Services & Treasurer



## REPORT

### Council

January 27, 2025

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**FROM:** Transportation and Engineering Department

**DATE:** January 14, 2025

**SUBJECT:** **Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study**

**LOCATION:** Fourteen Mile Creek and McCraney Creek from Dundas Street to Lake Ontario

**WARD:** Ward 2 , 5, 7 Page 1

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#### RECOMMENDATION:

That the Notice of Completion for the Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study, Municipal Class Environmental Assessment Study be published, commencing a 30-day public review period from April 1, 2025, to April 30, 2025.

#### KEY FACTS:

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

- In 2008 the *Town-Wide Flood Prioritization Study Review* identified, at a high-level, flood-prone areas throughout the town, including Fourteen Mile Creek and McCraney Creek watersheds.
- The Fourteen Mile Creek and McCraney Creek Study Flood Mitigation Opportunities Study (herein referred to as the Study) is a follow up to the 2008 study and includes a detailed assessment of riverine flood risk and recommends works to reduce these risks, in accordance with the Municipal Class Environmental Assessment (MCEA), Master Plan Process.
- The recommendations to mitigate creek flood risks include a combination of green infrastructure, a crossing upgrade along McCraney Creek at Lakeshore Road and berming (where feasible) when carrying out future creek erosion mitigation projects.

- The EA recommendations will be assessed through the lens of the Rainwater Management Financial Plan to prioritize against all other stormwater related infrastructure projects.
- An Environmental Study Report has been compiled, documenting the selection of the preferred alternatives. This report, subject to Council's endorsement, will be made available for public review, commencing April 1, 2025, to April 30, 2025.

## **BACKGROUND:**

### **Town-wide Flood Prioritization Study identified flood-sensitive sites and subsequent creek studies have been completed and currently underway.**

In 2008, the town compiled the findings from a long list of historical studies into one comprehensive document which was used to quantify the magnitude of riverine flood risk exposure in Oakville. Over 40 flood-sensitive sites were identified and documented in the 2008 *Town-Wide Flood Prioritization Study Review* report (Philips Engineering Ltd., 2008). The report contains details on each flood sensitive area, mapping, and high-level options for mitigation.

Subsequent detailed studies of those creek channel reaches with flood sensitive sites were initiated to determine the most viable and responsible mitigation options. Follow-up flood mitigation studies to date include:

- Munn's Creek Flood Mitigation Opportunities Study (Completed in 2017)
- Sheldon Creek Flood Mitigation Opportunities Study (Completed in 2019)
- Joshua's Creek Flood Mitigation Opportunities Study (Completed in 2024)
- Lower Morrison and Lower Wedgewood Creeks Flood Mitigation Opportunities Study (Completed in 2024)

As part of the 2008 flood study, several creek flood prone sites were identified within Fourteen Mile Creek and McCraney Creek watersheds.

## **COMMENT/OPTIONS:**

The town retained WSP to complete the Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study as a Master Plan study carried out under the Municipal Class Environmental Assessment process (herein referred to as the "Study").

### **The Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study assessed flood risks for properties along the creeks.**

The purpose of the Study is to establish recommended municipality-led capital work to reduce flood risks. This study is not an exercise in floodplain mapping for the purposes of establishing floodplain Regulatory boundaries, pursuant to the Conservation Authorities Act and under the authority of Conservation Halton (CH).

The limits of the study area extend from Lake Ontario to Dundas Street encompassing the Fourteen Mile Creek and McCraney Creek watersheds that originate north of Dundas Street. McCraney Creek has two main tributaries north of the Canadian National Rail (CNR) tracks: Taplow Creek and Glen Oak Creek.

Flood risks refer to the condition that occurs when any depth of riverine waters is present on a property, and/or a building is exposed to any depth of flood water on one or more of its sides, posing a potential danger to public safety and/or potentially causing damage to property and the environment. Flood risk is quantified into two categories for properties along the creeks:

1. "Property at risk" -
  - a. Flooding risk on property, no flooding in the building
  - b. Flooding risk on property, no buildings (vacant property)
2. "Building at risk" - Flooding risk on property, flooding risk in the building

**Fourteen Mile Creek and McCraney Creek Results**

Results indicate that flood risk is possible during the more frequent flooding events along the creeks (i.e. less than a 10-year flood event); however, flooding impacts are greatest during the Regional Storm conditions. Specifically, during the Regional storm event, there are 263 properties and 289 buildings at risk for potential flooding.

Flood mitigation alternatives were developed and screened based on functionality (technical merits) initially. Shortlisted alternatives were then comparatively assessed based on natural, social environment, and economic considerations. The alternatives, and the preferred alternatives (recommendations), are summarized in the table below:

| ALTERNATIVE SOLUTIONS | DESCRIPTION / RESULT OF EVALUATION   |
|-----------------------|--|
| Do Nothing            | <p>"Status quo." Do Nothing option is required to be included within the Municipal Class EA to provide a benchmark for the other alternatives.</p> <p><b>Not recommended</b></p> |

| ALTERNATIVE SOLUTIONS                                       | DESCRIPTION / RESULT OF EVALUATION   |
|---|--|
| Low Impact Development Best Management Practices (LID BMPs) | <p>Low impact development (LID) measures to promote infiltration, evaporation, harvesting, filtration, and detention of stormwater.</p> <p><b>Recommended with other alternatives as part of the Town’s green infrastructure preferred approached to rainwater management</b> – LIDs as a stand alone alternative are not designed to provide flood control for severe flood events, such as a 100-year storm and therefore cannot be considered a standalone solution. However, LIDs for the detention of runoff from more frequent storms will be incorporated during the detailed design phase.</p> |
| Culvert/ Bridge Upgrades                                    | <p>Culvert and/or bridge upgrades can increase conveyance capacity and mitigate upstream flood conditions or the overtopping of roadways.</p> <p><b>Recommended alternative (McCraney Creek crossing at Lakeshore)</b> – estimated at \$6.15 million.</p>  |
| Floodplain /Channel Improvements                            | <p>Improve channel and floodplain flow capacity by widening the channel, local grading improvements, removal of flow obstructions and channel lowering.</p> <p><b>Not recommended</b><br/>Limited space available to widen channel and floodplain.</p>   |
| Flood Proofing Buildings                                    | <p>Buildings can be flood proofed by sealing low building openings or alternatively by constructing localized berms and/or flood walls.</p> <p><b>Recommended alternative (berms)</b> - estimated at \$1.8 million.</p>  |
| Modifying Culvert Inlets                                    | <p>Change existing culvert inlets to prevent debris from blocking the inlet.</p> <p><b>Not recommended</b><br/>Ineffective at reducing flooding for larger storm events (i.e., flows greater then a 2-year storm event.</p>  |
| Roadway Profile Modifications                               | <p>Modify roadway profiles to reduce the upstream channel flooding by lowering the road, allowing more water to flow over the road and create less back-up upstream.</p> <p><b>Not recommended</b><br/>Lowering roadway profile would negatively impact vehicle movement over roadways during storm events.</p>  |



| ALTERNATIVE SOLUTIONS                | DESCRIPTION / RESULT OF EVALUATION   |
|--------------------------------------|--|
| Flood Storage (Off-Line/On-Line)     | <p>Store flood waters to reduce peak flows using off-line and/or online surface ponds and underground storage tanks.</p> <p><b>Not recommended</b><br/>                     High cost and minimal benefit in decreasing property and buildings at risk (off-line storage).<br/>                     Not permissible due to ecological and regulatory concerns (on-line storage).</p> |
| Flow Diversion                       | <p>The use of a channel or pipe to convey flow/drainage away from high-risk flood areas to locations further downstream within the same creek, or within another creek system that has capacity.</p> <p><b>Not recommended</b><br/>                     High cost and minimal benefit in decreasing property and buildings at risk</p>   |
| Over Control North of Dundas Street. | <p>Provide additional flood storage within planned stormwater management facilities (SWMF) north of Dundas Street to reduce flows within Fourteen Mile Creek.</p> <p><b>Not recommended</b><br/>                     Storage north of Dundas Street would provide minimal flow reduction south of QEW.</p>   |
| Reinforce /Optimize Crossings        | <p>Modifying and reinforcing existing crossings to optimize flood storage.</p> <p><b>Not recommended</b><br/>                     Existing culverts are already optimized to the full extent to provide flow reduction south of QEW.</p>   |
| Combination                          | <p>Combination of the foregoing alternatives used to strategically improve flood mitigation effectiveness.</p> <p><b>Recommended alternative</b></p>   |

**The preferred alternative is a combination green infrastructure (LID), a McCraney Creek crossing upgrade, and floodproofing in the form of berms in the amount of approximately \$8 million.**

The McCraney Creek crossing upgrade at Lakeshore Road, at the detailed design stage will need to consider property boundaries, construction access, road design, structural design, existing utilities, soil conditions, stream morphology, and natural heritage impacts. Further assessment of the crossing was carried out through the

town’s McCraney Creek Bridge Replacement EA Study. Design of this structure will commence in 2025. The 10-year capital forecast identifies that construction will commence in 2028 with utility work in the first year, followed by bridge reconstruction in 2029.

Berming along McCraney Creek and 14 Mile Creek will require full participation from landowners as it may impact private property use and require significant tree removal. Notably, some of the identified berming areas coincide with areas of monitoring for potential future erosion mitigation projects (as identified in the Town’s 2021 Creek Inventory and Assessment). Therefore, it is recommended that the feasibility of berming along the creek is to be assessed during future erosion mitigation works, considering that the area will need to be disturbed at that time. Currently, there is one berming area along McCraney Creek, just north Rebecca Street, scheduled for erosion mitigation work as part of the 10-year capital plan with design commencing in 2031 and construction in 2034.

**Future detail design phase of the recommended alternatives will incorporate green infrastructure design.**

Town Council passed a motion that green infrastructure be preferred, and grey infrastructure used only where necessary and will be adopted under the town’s Climate Action Plan.

The Study assessed Low Impact Developments (LIDs) as an option to reduce flood risk, however LIDs is not intended for flood control during severe storms. LIDs employ various strategies, such as infiltration, evaporation, harvesting, filtration, and stormwater detention at a smaller scale. During the detail design phase, LIDs such as tree conservation, soil improvements, and infiltration measures will be incorporated.

**The implementation of the preferred alternatives will benefit 110 properties by reducing flood risk or removal from flooding during the Regional storm event.**

|                                | <b>Locations At Risk during Regional Storm Flooding</b> | <b>Reduced Flood Risk</b> | <b>Removed from Flood Risk</b> | <b>Remaining Properties at Risk</b> |
|--------------------------------|---|---------------------------|--------------------------------|-------------------------------------|
| <b><i>Property at Risk</i></b> | <b>263</b>  | <b>32</b>                 | <b>35</b>                      | <b>196</b>                          |
| <b><i>Building at Risk</i></b> | <b>289</b>  | <b>9</b>                  | <b>34</b>                      | <b>246</b>                          |

After implementation of the preferred alternatives, there will be properties that will continue to experience flood risks, as there are limited engineering solutions on publicly owned lands that can assist in the mitigation of the risks. However, there are several resources available to Oakville residents to help ensure their safety and minimize property damage due to flooding. This includes the Town of Oakville's Emergency Preparedness webpage and the Region of Halton's Community Hazards webpage. Additional flooding resources are available through Conservation Halton's webpages and the University of Waterloo Intact Centre on Climate Adaptation at [www.intactcentreclimateadaptation.ca/](http://www.intactcentreclimateadaptation.ca/).

### **Rainwater Management Financial Plan**

**The Rainwater Management Financial Plan (RWMP) is a long-term plan to improve climate resiliency and protect our stormwater infrastructure and natural assets.**

The RWMP takes comprehensive approach to integrate the state of good repair and increase resiliency of the town's stormwater network based on various studies and assessments completed to date. The multi-phase RWMP will deliver a financing plan that provides an all-inclusive approach to planning and implementing stormwater-related infrastructure renewal and improvement projects into the future.

Results from the Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study will be assessed through the lens of the RWMP to prioritize recommendations along with all other stormwater initiatives, including all other riverine flood study recommendations and related creek erosion mitigation recommendations. The RWMP has developed a matrix to prioritize the projects from the various study recommendations that considers, asset management principles, cost/benefit, risk and likelihood of service impact and alignment/coordination with other projects so that projects in areas with the greatest risk and provide the most benefit are prioritized first.

Each watershed has its own unique characteristics that influence the nature of flooding within an area, this includes features such as drainage area, topography, proximity of urban land use to watercourse, etc. As a result of these differences, a consistent level of flood mitigation protection cannot always be achieved from one creek system to another or in one area to another within the same creek system. For example, not all mitigation options are able to protect a neighbourhood entirely from flooding at the more extreme events (i.e. 100-year storm, Regional storm event). The RWMP will evaluate these protection measures in conjunction with their cost-effectiveness and level of flood protection as it prioritizes projects for future capital budgets.

## **Conclusion**

The Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study has been compiled documenting the selection of a recommended preferred alternative. Appendix B is the consultant's Executive Summary Report.

In accordance with a Municipal Class EA Master Plan undertaking, the project file must be made available for a minimum 30-day public review period and staff are proposing to do so after the final Consultant's report is received, commencing April 1, 2025, to April 30, 2025. The Report will be made available on the town's website and special accommodations to view hard copies will be determined on an as needed basis. A Notice of Study Completion will be sent out to the public and stakeholders and posted on the town's website and will have details on the public review period and how those interested can provide comments. Should no requests be made to Minister of Environment, Conservation and Parks requiring further study on the grounds of prevention, mitigation, or remedy of adverse impacts on constitutionally protected Aboriginal and treaty rights during the review period, the study will be deemed approved.

Moving forward, the Study recommendations will be integrated in the town's RWMP which will prioritize works against all other works related to stormwater assets.

## **CONSIDERATIONS:**

### **(A) PUBLIC**

Property owners located within the Study areas have received notifications about the Study and have been invited to attend Public Information Centres (PICs). Community groups, including Oakville Green and local residents' association, were also informed at various stages during the Study.

Three (3) PICs held on November 14, 2013, December 2, 2014, and November 6, 2024, presented an overview of the issues, background and modelling results, evaluation, and preliminary preferred alternatives. Feedback was gathered from residents, community groups, and agencies such as Conservation Halton, the Region of Halton, the Ministry of Environment, Conservation, and Parks, and the Ministry of Natural Resources and Forestry.

Additionally, Indigenous groups, including the Mississauga of the Credit First Nation, Haudenosaunee Confederacy Council, Metis Nations of Ontario, and Six Nations of Grand River, were provided opportunity to engage with the project team, ask questions, and provide feedback.

**(B) FINANCIAL**

There is currently no financial impact from the Study recommendations. Recommendations from the Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study will be evaluated alongside other stormwater initiatives, using the RWMP framework to prioritize projects for the capital forecast which is pending the development of a sustainable financing plan which is currently underway.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

Recommendations from the Study have taken into consideration feedback from Parks and Open Space, Asset Management, Planning and Development and Legal, and external parties such as Conservation Halton, Region of Halton, area stakeholders and residents.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report addresses Council's strategic priority:

- Environmental Sustainability

**(E) CLIMATE CHANGE/ACTION**

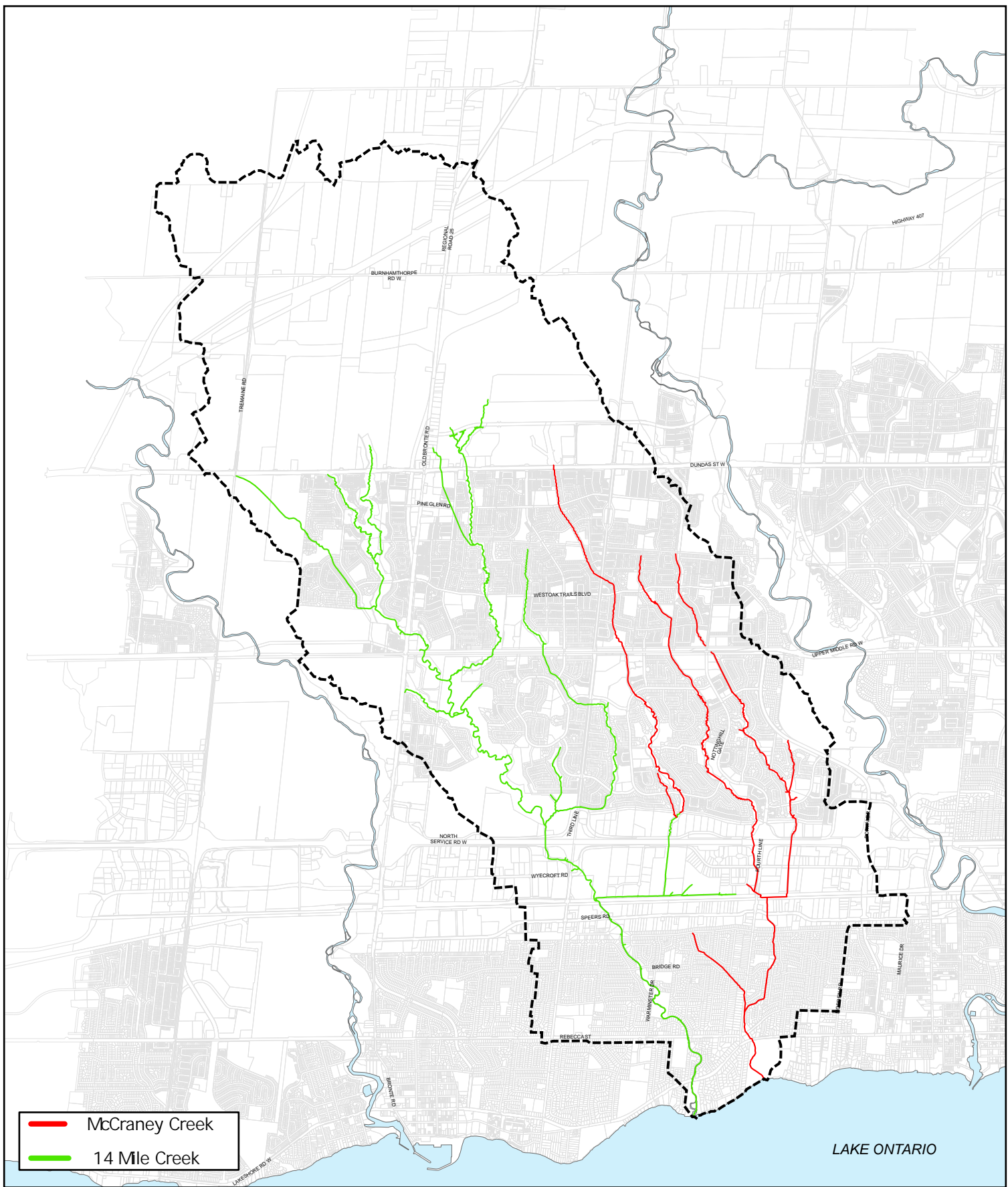
The recommendations of the report support the incorporation of climate change resiliency through flood protection measures. This initiative offers community benefits by safeguarding private and public lands, thereby mitigating the risks posed by more frequent and severe rainstorms resulting from climate change.

**APPENDICES:**

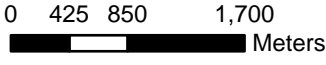
- Appendix A - Map of Study Area
- Appendix B - Fourteen Mile Creek and McCraney Creek Flood Mitigation Opportunities Study Executive Summary.

Prepared by:  
Diana Michalakos  
Project Leader, Capital Projects

Submitted by:  
Jill Stephen  
Director, Transportation and Engineering



- McCraney Creek
- 14 Mile Creek



**STUDY AREA**

## 14 Mile Creek and McCraney Creek

## APPENDIX A

Community Development Commission



## EXECUTIVE SUMMARY

### Introduction

The Town of Oakville initiated an assessment of the existing flooding conditions, through the Town-Wide Flood Study, April 2008. The Town-wide Flood Study determined flood prone sites and a priority-based work program, including conducting Flood Mitigation Opportunities Studies to further assess flooding conditions and develop flood mitigation actions to be implemented to reduce flood risk.

In response, the Town of Oakville has initiated this Flood Mitigation Opportunities Study to formalize the understanding of flood risks within the Fourteen Mile and McCraney Creeks systems which would help in reducing flood risks to the public, property, buildings and infrastructure.

WSP E&I Canada Limited (WSP), formerly Wood Environment & Infrastructure Solutions Canada Limited (Wood) and formerly Amec; has been retained by the Town of Oakville (Town) to assess the Fourteen Mile Creek and McCraney Creek existing level of flood risk and to develop flood mitigation alternative recommendations to reduce flood risk. The study is intended to develop a comprehensive flood risk reduction plan for both creek systems.

The project limits, herein referred to as the Study Area, include 3183.6 ha +/- draining to Fourteen Mile Creek and 970.50 ha +/- draining to McCraney Creek (ref. Figure EX-1). The watersheds consist of a mixture of industrial, commercial, and residential land uses. The lower reaches of the Fourteen Mile Creek, as well as the lower reach of the McCraney Creek, are conveyed through the Town of Oakville to the outlets at Lake Ontario.

### Class Environmental Assessment Process

This study has been completed as a Master Plan Approach #2 Detailed Master Planning of the Municipal Engineers Association (MEA) Class Environmental Assessment (Class EA) Process (ref. Municipal Engineers Association's Municipal Class Environmental Assessment October 2000, as amended in 2007, 2011, 2015 & 2023), completing the first two phases of MEA Class process and satisfying recommended Schedule B projects. The approved MEA Class EA document describes the process that a proponent must follow for a class or group of undertakings in order to satisfy the requirements of the Environmental Assessment Act. Additionally, it represents a method of obtaining an approval under the provincial Environmental Assessment Act and provides alternatives to carrying out individual environmental assessments for each separate undertaking or project within the class. This study has been developed, based upon the following Phased approach:

- Phase 1: Problem Definition
- Phase 2: Develop and Review Alternatives
- Phase 3: Preferred Alternatives Selection and Preliminary Design
- Phase 4: Preparation of Environmental Study Report

### Consultation

Public Information Centres (PIC) have been held at planned intervals during the Flood Mitigation Opportunities Study process to inform the public of the study progress and seek input. The first PIC for the Flood Mitigation Opportunity Study was held on November 14, 2013, at the Town of Oakville Town Hall, while a second PIC was held on December 2, 2014, and a third PIC was held on November 6, 2024. Notifications of the three PICs were sent to stakeholders, local residents, agencies and municipal staff by mail and email.

Consultation has also been conducted with indigenous peoples, namely the Six Nations of Grand River Territory, Mississaugas of the New Credit First Nation, Haudenosaunee Confederacy Council and Metis Nations of Ontario.

The Class EA has been completed under the oversight of a Technical Steering Committee which included representatives from the Town of Oakville and Conservation Halton. Meetings have been held at key milestones throughout the study to review data needs and findings while providing input and guidance to achieve the study objectives.





### Baseline Assessment

A PCSWMM hydrologic/ hydraulic model has been used as the base model to determine peak flows for the 2 year to 100 year and Regional Storm (Hurricane Hazel) events for both creek systems. The PCSWMM model has been refined and calibrated based on observed flows and rainfall.

Hydraulic (HEC-RAS) modelling for both the Fourteen Mile Creek and McCraney Creek has been prepared for this study. The detailed hydraulic models for Fourteen Mile Creek and McCraney Creek, have been prepared, based on topographic mapping and field reconnaissance by WSP (to confirm details of the road crossings and the associated immediate upstream and downstream creek reaches). The updated existing HEC-RAS hydraulic modelling has been used to determine flood elevations for the 2 to 100 year and Regional Storm (Hurricane Hazel) events. Floodplain mapping have been prepared for both creeks based on the foregoing modelling.

For Fourteen Mile Creek approximately 132 properties and 140 buildings (buildings located on the flood risk properties) have been determined to be at flood risk, while for McCraney Creek, 131 properties and 149 buildings (buildings located on the flood risk properties) are at flood risk during the Regional Storm event. The identified flood risk primarily stems from inadequate flow conveyance capacity at crossings and/or historical land use encroachment into natural hazard lands.

### Alternative Assessment

Detailed analyses have been completed to evaluate various alternatives to mitigate the flood risk within both Fourteen Mile Creek and McCraney Creek.

A long-list of flood mitigation alternatives has been assessed through the use of evaluation criteria and scoring of the results, with the resulting short-list of alternatives undergoing a detailed assessment using the hydrologic and hydraulic modelling, and a cost/ benefit assessment. Conservation Halton and the Ministry of Natural Resources reviewed the initial preferred alternatives and rejected the proposed online flood storage located upstream of the QEW Highway, as a result, supplemental alternatives were established and assessed to determine additional ways to mitigate flood risk.

To determine the preferred alternatives, a cost benefit assessment was conducted, comparing smaller scale local improvements which offer the possibility of reducing flood risk in a targeted area (e.g.. culvert/bridge upgrades), versus, system wide improvements, which offer the potential of reducing system wide peak flows and lowering flood risk over a broader area. In comparison, the system-wide improvements offer limited additional flood risk reduction but come with a significant increase in cost compared to the local improvements. As a result, the local improvement approach to flood mitigation was selected as the preferred approach.

The preferred alternatives consist of Low Impact Development (LIDs), crossing upgrade (McCraney Creek at Lakeshore Road) and berming to be located where feasible on town owned lands and private lands where no alternative is available.

Non-structural alternatives were also evaluated, including creek maintenance, emergency preparedness, flood forecasting/warning, and regulation. These programs are currently in effect and help to reduce the threat to life and property, but do not reduce existing flood conditions. Land acquisition of flood-risk properties and buildings could take place if it is determined that the benefits of purchasing the property outweigh the mitigation costs; however, there are significant social and economic considerations that reduce its viability.

The potential flood risk reduction benefits for the 10-year, 100-year storm and Regional Storm events for both Fourteen Mile Creek and McCraney Creek for the preferred alternatives have been provided in Tables EX-1, EX-2 and EX-3. The tables summarize the benefits from the combined alternative (culvert upgrades and localized berming) for the 10-year, 100-year and Regional Storm events, respectively. Where a building floods under the existing conditions but the risk of flooding is lowered to the property parcel and the building is removed from flooding under a specific flood mitigation alternative scenario, those cases are denoted in parentheses.





**Table EX-1. Summary of Flood Risk Reduction Benefits Resulting from Alternatives (10 Year)**

| FOURTEEN MILE CREEK |                                       |                                      |                                    |                                   |                                    |                                   |
|---------------------|---------------------------------------|--------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| ALTERNATIVE         | EXISTING NUMBER OF AT RISK PROPERTIES | EXISTING NUMBER OF AT RISK BUILDINGS | PROPERTIES WITH REDUCED FLOOD RISK | BUILDINGS WITH REDUCED FLOOD RISK | PROPERTIES REMOVED FROM FLOODPLAIN | BUILDINGS REMOVED FROM FLOODPLAIN |
| <b>Combined</b>     | 92                                    | 12                                   | 23                                 | 0                                 | 4                                  | 0                                 |
| McCRANEY CREEK      |                                       |                                      |                                    |                                   |                                    |                                   |
| Alternative         | EXISTING NUMBER OF AT RISK PROPERTIES | EXISTING NUMBER OF AT RISK BUILDINGS | PROPERTIES WITH REDUCED FLOOD RISK | BUILDINGS WITH REDUCED FLOOD RISK | PROPERTIES REMOVED FROM FLOODPLAIN | BUILDINGS REMOVED FROM FLOODPLAIN |
| <b>Combined</b>     | 97                                    | 48                                   | 5                                  | 0                                 | 7                                  | 0                                 |

**Table EX-2. Summary of Flood Risk Reduction Benefits Resulting from Alternatives (100 Year)**

| FOURTEEN MILE CREEK |                                       |                                      |                                    |                                   |                                    |                                   |
|---------------------|---------------------------------------|--------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| ALTERNATIVE         | EXISTING NUMBER OF AT RISK PROPERTIES | EXISTING NUMBER OF AT RISK BUILDINGS | PROPERTIES WITH REDUCED FLOOD RISK | BUILDINGS WITH REDUCED FLOOD RISK | PROPERTIES REMOVED FROM FLOODPLAIN | BUILDINGS REMOVED FROM FLOODPLAIN |
| <b>Combined</b>     | 130                                   | 46                                   | 30                                 | 1(1)                              | 15                                 | 1                                 |
| McCRANEY CREEK      |                                       |                                      |                                    |                                   |                                    |                                   |
| Alternative         | EXISTING NUMBER OF AT RISK PROPERTIES | EXISTING NUMBER OF AT RISK BUILDINGS | PROPERTIES WITH REDUCED FLOOD RISK | BUILDINGS WITH REDUCED FLOOD RISK | PROPERTIES REMOVED FROM FLOODPLAIN | BUILDINGS REMOVED FROM FLOODPLAIN |
| <b>Combined</b>     | 96                                    | 88                                   | 2                                  | 14                                | 12                                 | 3                                 |

**Table EX-3. Summary of Flood Risk Reduction Benefits Resulting from Alternatives (Regional Storm)**

| FOURTEEN MILE CREEK |                                       |                                      |                                    |                                   |                                    |                                   |
|---------------------|---------------------------------------|--------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| ALTERNATIVE         | EXISTING NUMBER OF AT RISK PROPERTIES | EXISTING NUMBER OF AT RISK BUILDINGS | PROPERTIES WITH REDUCED FLOOD RISK | BUILDINGS WITH REDUCED FLOOD RISK | PROPERTIES REMOVED FROM FLOODPLAIN | BUILDINGS REMOVED FROM FLOODPLAIN |
| <b>Combined</b>     | 132                                   | 140                                  | 27                                 | 0                                 | 21                                 | 13(15)                            |
| McCRANEY CREEK      |                                       |                                      |                                    |                                   |                                    |                                   |
| Alternative         | EXISTING NUMBER OF AT RISK PROPERTIES | EXISTING NUMBER OF AT RISK BUILDINGS | PROPERTIES WITH REDUCED FLOOD RISK | BUILDINGS WITH REDUCED FLOOD RISK | PROPERTIES REMOVED FROM FLOODPLAIN | BUILDINGS REMOVED FROM FLOODPLAIN |
| <b>Combined</b>     | 131                                   | 149                                  | 5                                  | 9                                 | 14                                 | 3(3)                              |



The results in Tables EX-1, EX-2 and EX-3, indicate the largest benefit is provided for the Regional Storm event, which has a total benefit of 110 properties and buildings with either reduced flood risk, or are removed from flood risk for both Fourteen Mile and McCraney Creeks combined.

Costing has been prepared for the preferred alternatives as indicated in Table EX-3 for both creek systems.

**Table EX-3. Summary of Preliminary Costs Associated with Proposed System Upgrades**

| SYSTEM  | TOTAL COST (\$M) | TOTAL COST WITH 15% CONTINGENCY (\$M) |
|---|------------------|---------------------------------------|
| <b>Culvert Upgrade (McCraney Creek at Lakeshore Road)</b> | \$ 5.34 M        | \$ 6.15 M                             |
| <b>Berming</b>  | \$ 1.61 M        | \$ 1.85 M                             |
| <b>Total</b>  | <b>\$ 6.95 M</b> | <b>\$ 8.0 M</b>                       |

The total number of properties and buildings which benefit from the alternatives by being removed from the Regional Storm floodplain is provided in Table EX-4. Figures EX-2 and EX-3 indicate the existing and proposed Regional Storm floodlines with the preferred alternatives implemented.

**Table EX-4. Summary of Flood Risk Reduction Benefits Resulting from Alternatives (Regional Storm)**

| <b>FOURTEEN MILE CREEK AND McCraney Creek (263 PROPERTIES AND 289 EXISTING BUILDINGS AT FLOOD RISK)</b> |                  |   |
|---|------------------|---|
| ALTERNATIVES  | TOTAL COST (\$M) | REDUCED FLOOD RISK (REDUCED OR REMOVED) |
| <b>Culvert Upgrade (McCraney Creek at Lakeshore Road) and Berming</b>                                   | \$ 8M            | 110                                     |

**Implementation**

Subject to town and Council approval, the preferred alternatives for mitigating the flood risk at various identified sites on Fourteen Mile and McCraney Creeks, as presented herein, can be advanced to the next stages of planning and design. Prioritization of the alternatives would be established by the Town as part of overall flood risk mitigation works and stormwater network works being considered through the lens of the Rainwater Management Financial Plan (RWMP). The Rainwater Management Financial Plan (RWMP) takes a comprehensive approach to integrate the state of good repair and increase resiliency of the town’s stormwater network based on various studies and assessments completed to date. The multi-phase RWMP will deliver a financing plan that provides an all-inclusive approach to planning and implementing stormwater-related infrastructure renewal and improvement projects into the future.

Implementation of each of the alternatives has been considered based on the Municipal Class EA process and associated project schedules (ref. Table EX-5) and whether each alternative will or will not require a more detailed Class Environmental Assessment. For the recommended culvert upgrade and the proposed flood protection berming, this Class EA has fulfilled the Municipal Class EA process and associated assessment requirements.

The Town will implement LIDs within the Fourteen Mile Creek and McCraney Creek Subwatershed areas, as town projects occur with the appropriate conditions (e.g. groundwater depths, soil conditions, availability of space, etc.) and in accordance with the Town of Oakville’s Stormwater Management Master Plan and Town of Oakville Climate Action Plan



Table EX-5. Summary of Preferred Alternatives and Implementation Considerations

| LOCATION   | MUNICIPAL CLASS EA SCHEDULE  | EA STATUS  | OTHER CONSIDERATIONS  |
|--|--|--|---|
| <ul style="list-style-type: none"> <li>Crossing Upgrade at Lakeshore Road, McCraney Creek</li> </ul> | <ul style="list-style-type: none"> <li>Exempt</li> <li>McCraney Creek Bridge Replacement Class EA (Completed)</li> </ul> | <ul style="list-style-type: none"> <li>Culvert Crossings upgrades are exempt under the 2023 Municipal Class EA Guidelines, based on Table C – Municipal Transit Projects:                             <ul style="list-style-type: none"> <li>Project Classification 8b: <i>Culvert repair or replacement where the capacity of the culvert or drainage area is changed.</i></li> </ul> </li> <li>Should culverts be replaced solely for the purpose of flood control, then under Table B Municipal Water and Wastewater Projects (Shoreline/ In Water Works):                             <ul style="list-style-type: none"> <li>Project Classification 50: <i>Modify existing water crossings for the purposes of flood control</i> a Schedule B is required.</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>Conservation Halton to be consulted May require Department of Fisheries and Oceans (DFO) consultation.</li> <li>Design to consider:                             <ul style="list-style-type: none"> <li>property</li> <li>construction access</li> <li>road design</li> <li>structural design</li> <li>utilities</li> <li>geotechnical conditions,</li> <li>excess soils</li> <li>hydraulics, including McCraney Creek spill conditions at the CNR</li> <li>erosion conditions</li> <li>stream morphology</li> <li>fisheries passage and habitat</li> <li>terrestrial vegetation assessment</li> <li>wildlife and species at risk</li> <li>construction timing restrictions</li> </ul> </li> </ul>  |
| <ul style="list-style-type: none"> <li>Flood Protection Berms</li> </ul>                             | <ul style="list-style-type: none"> <li>Schedule B (fulfilled by this Class EA)</li> </ul>                                | <ul style="list-style-type: none"> <li><i>As per Table B Municipal Water and Wastewater Projects (Shoreline/ In Water Works) flood protection berms are a Schedule B activity based on:</i> <ul style="list-style-type: none"> <li>Project Classification 49: <i>Construct berms along a watercourse for the purposes of flood control in areas subject to damage by flooding</i></li> <li>Project Classification 50: <i>Modify existing watercourses for the purpose of flood control</i></li> <li>Project Classification 51: Works undertaken in a watercourse for the purposes of flood control or erosion control, which may include:                                     <ul style="list-style-type: none"> <li>Bank or slope regrading</li> <li>Deepening the watercourse</li> <li>Relocation, realignment or channelization of watercourse</li> <li>Revetment including soil bio-engineering techniques</li> <li>Reconstruction of a weir or dam</li> </ul> </li> </ul> </li> <li>Based on this Flood Mitigation Opportunities Study fulfilling Schedule B requirements, a subsequent Schedule B Class EA for the proposed berm works would not be required.</li> </ul> | <ul style="list-style-type: none"> <li>Conservation Halton, DFO and Ministry of Environment Conservation and Parks (MECP) to be consulted (for species at risk).</li> <li>To be located on town-owned lands to the full extent possible.</li> <li>For berms entirely on private property and berms adjacent to private property as grading may extend into private property, property owners to meet with Town to understand what is entailed in constructing a localized flood protection berm and provide permission for works to proceed. Depending on location, multiple property owners will need to agree to a flood protection berm to allow berm design and construction</li> <li>Town to coordinate design and construction of berms with other creek improvements (erosion mitigation) whenever possible.</li> <li>Design to consider:                             <ul style="list-style-type: none"> <li>construction access for berm and creek works</li> <li>creek overbank grading to offset flood storage lost by berm works</li> <li>utilities,</li> <li>existing land use and amenities (i.e. decks, pools, sheds, etc.)</li> <li>geotechnical and hydrogeological conditions,</li> <li>excess soils</li> <li>hydraulics</li> <li>erosion conditions</li> <li>stream morphology</li> <li>fisheries habitat protection</li> <li>terrestrial vegetation assessment</li> <li>wildlife and species at risk</li> <li>construction timing restrictions</li> <li>post construction monitoring and adaptive measures</li> <li>maintenance of creek works – town and private landowner agreement</li> </ul> </li> </ul> |



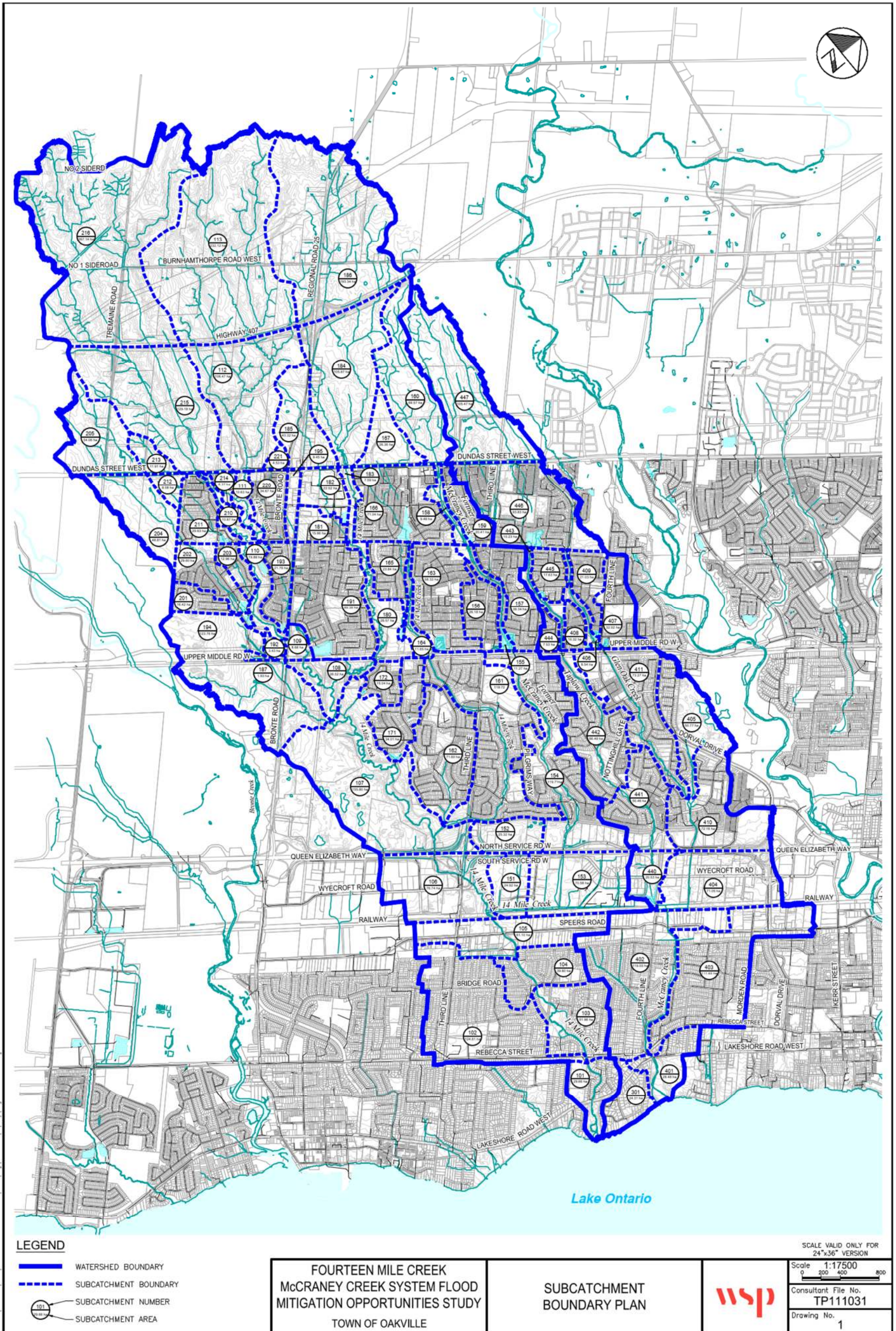
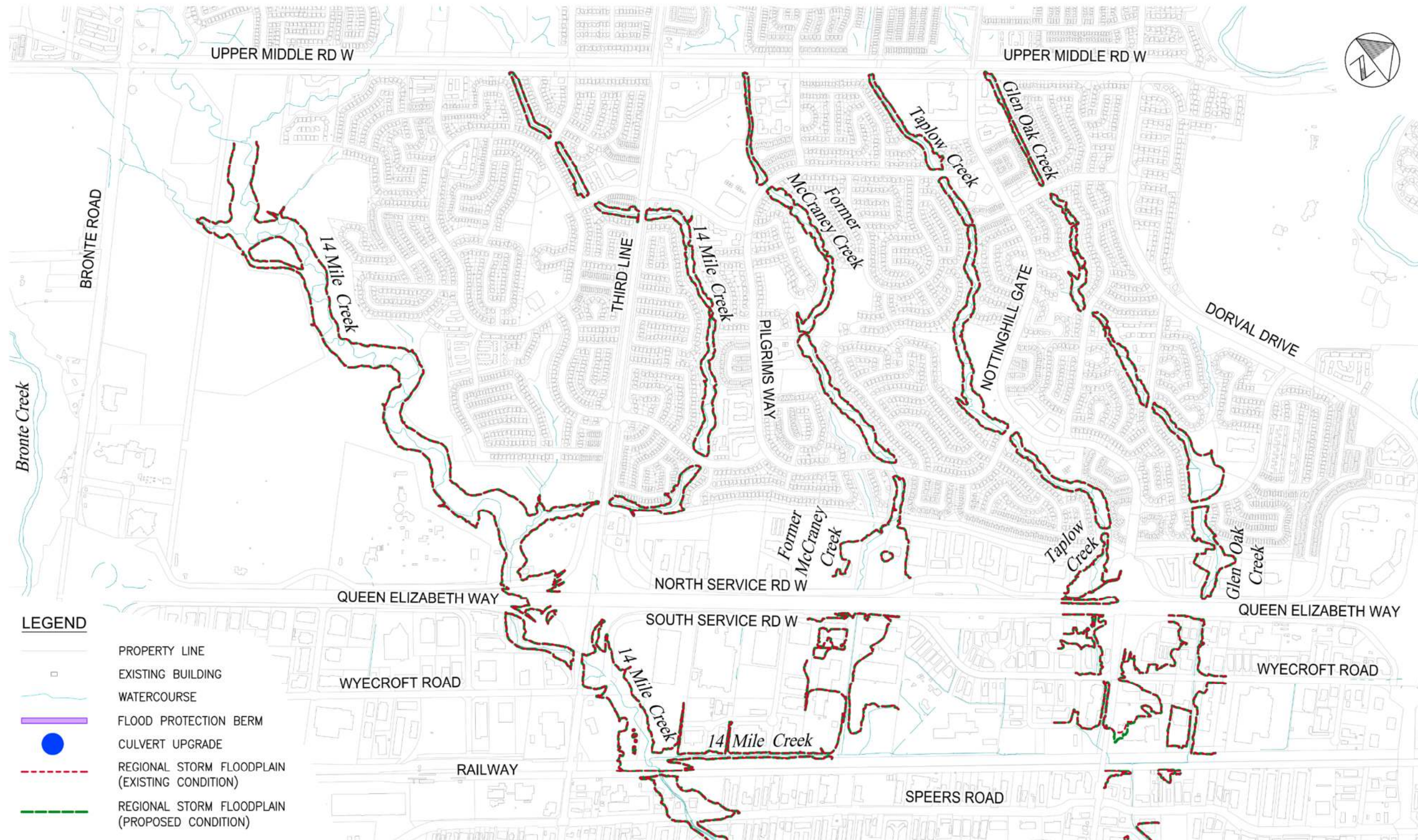


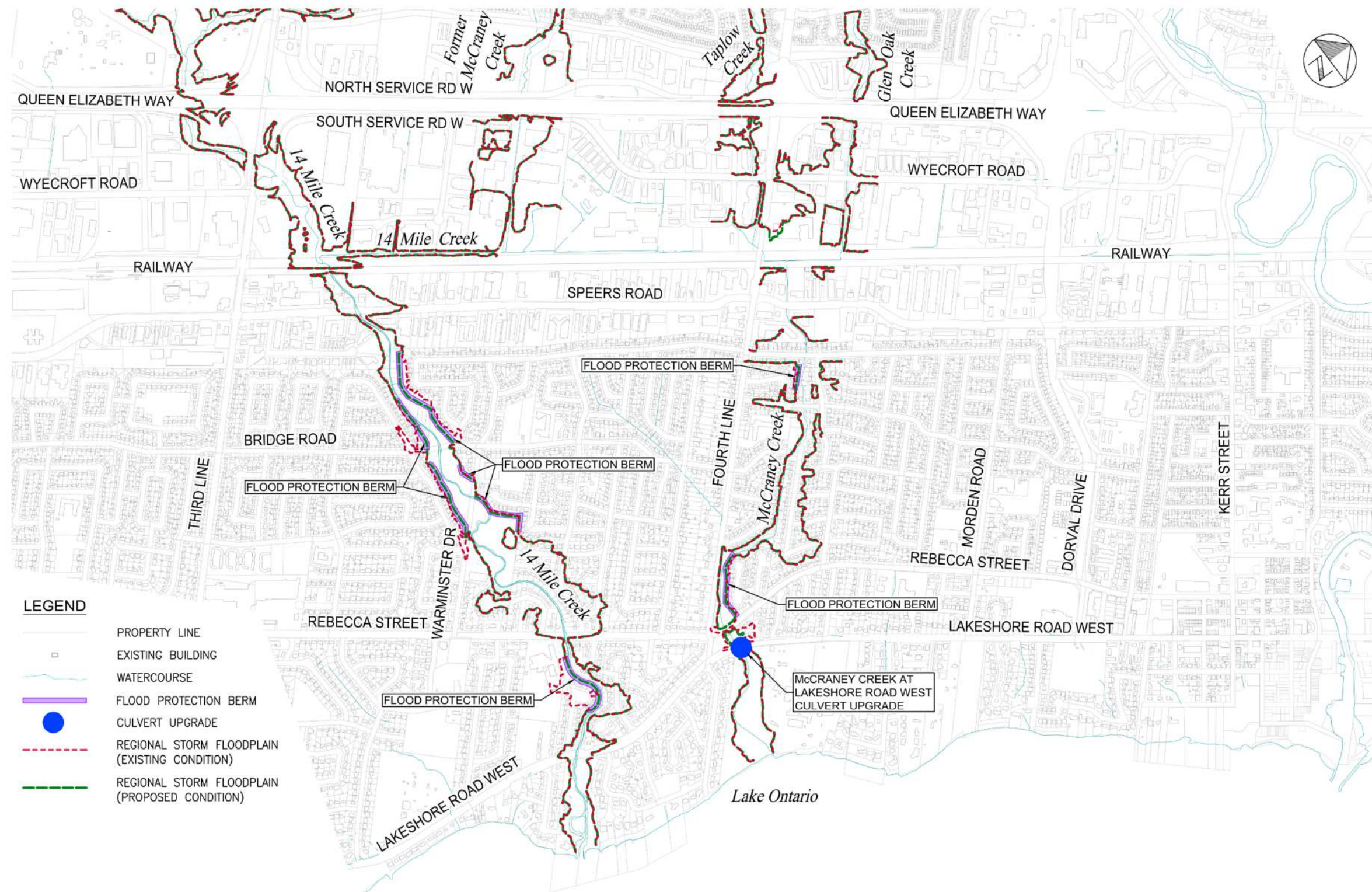
Figure EX-1. Fourteen Mile Creek and McCraney Creek Drainage Area Plan





**Figure EX-2. Fourteen Mile Creek and McCraney Creek Regional Storm Floodlines North of the QEW Highway**





**Figure EX-3. Fourteen Mile Creek and McCraney Creek Regional Storm Floodlines South of the QEW Highway**



## **Accessibility Advisory Committee**

### **MINUTES**

**Date:** December 12, 2024

**Time:** 3:00 pm

**Location:** Council Chamber

**Members:** David Underwood, Chair  
Julie Romanow, Vice-Chair  
Councillor Gittings  
Karen Bodolai  
Nora Lavell  
Deborah Metrakos

**Regrets:** Devin Bright

**Staff:** A. Coyne, Manager of Elections, Policy and Print Services  
J. Radomirovic, Council and Committee Coordinator  
L. Harris, Council and Committee Coordinator

**Also Present:** Alexi Haghighatjou, Project Coordinator  
Brandon Bortoluzzi, Consultant Salter Pilon Architecture

**A meeting of the Accessibility Advisory Committee was held on December 12, 2024, in the Council Chamber of the Oakville Municipal Building, commencing at 3:00 p.m.**

**These minutes will go forward to the Council meeting of January 27, 2025, for approval. Please view those minutes to note any changes Council may have made.**

---

**1. Regrets**

As noted above.

**2. Declarations of Pecuniary Interest**

No declarations of pecuniary interest were declared.

**3. Confirmation of Minutes of Previous Meeting(s)**

**3.1 Minutes September 12, 2024**

Moved by Deborah Metrakos

That the minutes of the Accessibility Advisory Committee meeting of September 12, 2024 be approved.

CARRIED

**4. Discussion Item(s)**

**4.1 2024 Accessibility Annual Status Update**

Moved by Karen Bodolai

That the 2024 Accessibility Annual Status Update be endorsed.

CARRIED

**4.2 Fire Hall 9 Accessibility Update**

The following delegates spoke on this item:

Brandon Bortoluzzi, Consultant Salter Pilon Architecture

Moved by Deborah Metrakos

That the report dated December 3, 2024, entitled "Fire Hall 9 Accessibility Update", be received.

CARRIED

**5. Information Item(s)**

**5.1 Council approves 2024 – 2029 Multi-Year Accessibility Plan**

**5.2 2025 Accessibility Advisory Committee Meeting Schedule**

Moved by Karen Bodolai

That the information item(s) be received.

CARRIED



**6. Date and Time of Next Meeting**

March 20, 2025  
Oakville Municipal Building  
Council Chamber - 4:00 p.m.

**7. Adjournment**

Moved by Councillor Gittings  
The Chair adjourned the meeting at 3:42 p.m.  
CARRIED

| <b>DATE OF ITEM</b> | <b>December 04 - 10, 2024<br/>COUNCIL INFORMATION INDEX<br/>CONTENT</b>   | <b>DATE RECEIVED</b> | <b>PAGE</b> |
|---------------------|---|----------------------|-------------|
| December 04, 2024   | INTERNAL – Office of the Mayor RE: Novae Res Urbis Vol. 27 No. 48   | December 04, 2024    | <b>1</b>    |
| December 05, 2024   | EMAIL – Halton Region RE: Halton Region Correspondence Re Motion to Seek Leave to Appeal (CN)                                       | December 05, 2024    | <b>14</b>   |
| December 05, 2024   | EMAIL – AMO Communications RE: Watchfile - December 5, 2024   | December 05, 2024    | <b>15</b>   |
| December 04, 2024   | EMAIL – Tammy Cawse RE: Increase Police Resources in Oakville   | December 06, 2024    | <b>18</b>   |
| December 05, 2024   | EMAIL – AMO Policy RE: Policy Update – Pre-Budget Submission, Advocacy on Water, Recent Bills and Building Officials                | December 06, 2024    | <b>19</b>   |
| December 06, 2024   | EMAIL – Clive Cawse RE: Increase Police Resources in Oakville   | December 06, 2024    | <b>23</b>   |
| December 06, 2024   | EMAIL – AMO Policy RE: Policy Update – Gender-Based Violence Toolkit  | December 06, 2024    | <b>24</b>   |
| December 08, 2024   | EMAIL - Dipak Shah RE: Property tax 2025 budget   | December 09, 2024    | <b>26</b>   |
| December 09, 2024   | INTERNAL – Office of the Mayor RE: Memo From the Honourable Trevor Jones, Associate Minister of Emergency Preparedness and Response | December 10, 2024    | <b>27</b>   |
| December 09, 2024   | EMAIL – Marilyn MacMullen RE: Tax increase  | December 10, 2024    | <b>29</b>   |
| December 10, 2024   | EMAIL – MMAH RE: Short-Term Rental Enforcement Fund   | December 10, 2024    | <b>30</b>   |

| <b>DATE OF ITEM</b> | <b>December 11 - 17, 2024<br/>COUNCIL INFORMATION INDEX<br/>CONTENT</b>   | <b>DATE RECEIVED</b> | <b>PAGE</b> |
|---------------------|---|----------------------|-------------|
| December 09, 2024   | EMAIL – East Ferris RE: Resolution from the Northern Ontario Women's Caucus   | December 10, 2024    | <b>1</b>    |
| December 11, 2024   | INTERNAL – Office of the Mayor RE: Novae Res Urbis Vol. 27 No. 49   | December 11, 2024    | <b>2</b>    |
| December 11, 2024   | EMAIL – AMO Education RE: Building Resilient Communities through Managing Assets - New 2025 AMO Workshop  | December 11, 2024    | <b>18</b>   |
| December 12, 2024   | INTERNAL MEMO – Transportation and Engineering RE: Bill 212 – Reducing Gridlock, Saving You Time Act, 2024<br>Framework for bike lanes that require removal of a traffic lane     | December 11, 2024    | <b>20</b>   |
| December 12, 2024   | EMAIL – AMO Policy RE: Policy Update – Homelessness Encampments Legislation   | December 12, 2024    | <b>22</b>   |
| December 12, 2024   | EMAIL – AMO Communications RE: Watchfile - December 12, 2024  | December 12, 2024    | <b>24</b>   |
| December 12, 2024   | EMAIL – AMO Policy Update RE: Municipal Codes of Conduct Legislation  | December 13, 2024    | <b>27</b>   |
| December 12, 2024   | INTERNAL – Office of the Mayor RE: Letter from Minister Paul Calandra (234-2024-5801)   | December 13, 2024    | <b>29</b>   |
| December 13, 2024   | EMAIL – Halton Region RE: Halton Correspondence re FN-33-24 - Interim Regional Property Tax Requisition for 2025  | December 13, 2024    | <b>31</b>   |
| December 16, 2024   | EMAIL – Michael Perretta RE: 465 Morden Re By-law 2024-187  | December 16, 2024    | <b>37</b>   |
| December 16, 2024   | EMAIL – Bonnie Matchen RE: Agenda Item 8.6 Council Meeting Monday Dec. 16th   | December 16, 2024    | <b>43</b>   |
| December 16, 2024   | EMAIL – AMO Policy RE: Policy Update - Pre-Budget Key Messages for Use at ROMA Delegations, Conservation Authority Fees, Energy Supply and Distribution Plans, Environmental Bill | December 16, 2024    | <b>44</b>   |
| December 16, 2024   | EMAIL – Ali Ashtari RE: Antisemitic intimidation  | December 17, 2024    | <b>48</b>   |
| December 16, 2024   | EMAIL – Tenants of Bronte RE: Concerns Regarding By-law 2024-187 and Its Impact on Local Businesses   | December 17, 2024    | <b>50</b>   |
| December 17, 2024   | INTERNAL – Clerk's Department RE: Municipal Clearance for Liquor Sales Licence  | December 17, 2024    | <b>51</b>   |

| <b>DATE OF ITEM</b> | <b>December 18 - 23, 2024<br/>COUNCIL INFORMATION INDEX<br/>CONTENT</b>  | <b>DATE RECEIVED</b> | <b>PAGE</b> |
|---------------------|--|----------------------|-------------|
| December 13, 2024   | INTERNAL MEMO- Planning & Development<br>RE: Updated – Oakville Growth Analysis  | December 18, 2024    | <b>1</b>    |
| December 18, 2024   | EMAIL - The City of Stratford RE: Council<br>Resolution Regarding Enabling Municipalities to<br>Charge Fees for use of Municipal Property by<br>Gas Utilities  | December 19, 2024    | <b>2</b>    |
| December 18, 2024   | INTERNAL – Office of the Mayor RE: Novae Res<br>Urbis Vol. 27 No. 50   | December 20, 2024    | <b>6</b>    |
| December 19, 2024   | EMAIL- AMO Communications RE: AMO<br>Watchfile - December 19, 2024   | December 20, 2024    | <b>24</b>   |
| December 19, 2025   | EMAIL - Intergovernmental Services RE: Guelph<br>City Council Resolution Opposing the Use of the<br>Notwithstanding Clause to Enable Encampment<br>Relocations | December 20, 2024    | <b>28</b>   |
| December 21, 2024   | EMAIL – AMO Events RE: Important Information<br>on AMO 2025 Conference Hotel Booking   | December 23, 2024    | <b>31</b>   |

| <b>DATE OF ITEM</b> | <b>December 24 – January 07, 2025<br/>COUNCIL INFORMATION INDEX<br/>CONTENT</b>              | <b>DATE RECEIVED</b> | <b>PAGE</b> |
|---------------------|--|----------------------|-------------|
| December 20, 2024   | EMAIL – City of Toronto RE: Correspondence from the City Clerk Ref.: 24-MM23.1               | December 24, 2024    | <b>1</b>    |
| December 24, 2024   | EMAIL – Township of South Stormont RE: Resolution - Rural Road Safety Program Implementation | January 02, 2025     | <b>5</b>    |
| January 02, 2025    | EMAIL – AMO Events RE: AMO 2025 Hotel Booking Opens January 14 at 10 AM – Book Fast!         | January 02, 2025     | <b>7</b>    |

| <b>DATE OF ITEM</b> | <b>January 08 – 14, 2025<br/>COUNCIL INFORMATION INDEX<br/>CONTENT</b>  | <b>DATE RECEIVED</b> | <b>PAGE</b> |
|---------------------|---|----------------------|-------------|
| January 09, 2025    | EMAIL – Town of Aylmer RE: Motion to Oppose Provincial Legislative on Cycling Lanes   | January 09, 2025     | <b>1</b>    |
| January 09, 2025    | EMAIL – AMO Policy RE: AMO Policy Update – Reports on Ontario’s Homelessness Crisis, Water and Wastewater Utility Feasibility | January 09, 2025     | <b>3</b>    |
| January 09, 2025    | EMAIL – AMO Communications RE: AMO Watchfile - January 09, 2025   | January 10, 2025     | <b>5</b>    |
| January 13, 2025    | EMAIL – AMO Events RE: AMO Hotel Room Bookings Open Tomorrow  | January 14, 2025     | <b>8</b>    |
| January 14, 2025    | INTERNAL MEMO – Clerk’s Department RE: Municipal Clearance for Liquor Sales Licence The Bronte Boathouse                      | January 14, 2025     | <b>9</b>    |
| January 14, 2025    | INTERNAL MEMO – Clerk’s Department RE: Municipal Accountability Act   | January 14, 2025     | <b>10</b>   |

# Council Information Memo

**To:** Mayor Burton and Members of Council

**From:** Jill Stephen – Director, Transportation and Engineering

**CC:** Jane Clohecy – CAO  
Phoebe Fu – Commissioner, Community Infrastructure

**Date:** December 12, 2024

**Subject:** Bill 212 – Reducing Gridlock, Saving You Time Act, 2024  
Framework for bike lanes that require removal of a traffic lane

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## Background

On October 21, 2024, the Ontario government announced [proposed Bill 212](#) titled: “*Reducing Gridlock, Saving You Time Act, 2024 – Framework for bike lanes that require removal of a traffic lane*”. The proposed Bill was made available at the Ontario Environmental Registry for a 30-day comment period between October 21 and November 20, 2024 and received Royal Assent on November 25, 2024.

The legislation, through an amendment to the Highway Traffic Act, provides the province with the authority to establish a review process, with a set of specified criteria to be set out in the regulation, for:

- 1) **New bike lanes** where the removal of a lane of vehicle traffic will take place  
Prescribed municipalities are required to seek provincial approval for new bicycle lanes that require the removal of an existing lane of traffic.
- 2) **Existing bike lanes** where the removal of a lane of vehicle traffic took place  
The Province will develop a framework which will provide them with the authority to require municipalities to submit information about existing bike lanes on municipal roads where an existing vehicle lane was removed. Based on the outcome of the review, a regulation could be made to require the removal of the bike lane and its return to a lane of traffic.

The legislation requires the province to remove sections of the Bloor Street, Yonge Street, and University Avenue bike lanes in the City of Toronto and to restore lanes of traffic for motorized vehicles.

The Ministry of Transportation still needs to provide details of the provincial criteria and review process. However, Oakville has no planned projects that would remove a through travel lane for the purposes of constructing bike lanes. **Therefore, based on the information available to date, there is no expected impact to the Town of Oakville from Bill 212.**

Oakville does have **one** bike lane project in the 10-year Capital Forecast that would require the removal of the centre two-way-left-turn vehicle lane and left turn lane on: Lakeshore Road East between Allan Street and Winston Churchill Boulevard. The ongoing Transportation Master Plan will recommend locations for new bicycle lanes. Staff will evaluate future bike lane projects against the details of Bill 212 once they are available.

### **Conclusion**

**Based on the information available to date, there is no expected impact to the Town of Oakville from Bill 212.** Town staff provided comments to the Province seeking clarification on the criteria, the definition of a vehicle lane, the prescribed municipality list/definition, and the framework for municipality to submit information on existing bike lanes for assessment. If new information is provided by the Province that identifies an impact to Oakville from Bill 212, staff will provide Council with an update of those impacts and the affected projects.



# Memo

To: Mayor Burton and Members of Council  
From: Vicki Tytaneck, Town Clerk  
CC: Jane Clohecy, CAO  
Nancy Sully, Commissioner, Corporate Services & Treasurer  
Date: December 17, 2024  
Subject: Municipal Clearance for Liquor Sales Licence

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The following requests for comment regarding Municipal Clearances for liquor sales licences were received and circulated by the Clerk's department from November 13, 2024 to December 17, 2024 for the following establishments:

- Boleo Dance Studio
- The Topsy Fox Oakville



*Jar:* Vicki Tytaneck  
Town Clerk

# Memo

To: Mayor Burton and Members of Council  
From: Planning & Development  
CC: Ralph Kaminski, Acting Commissioner  
Date: 13 December, 2024  
**Subject: Updated – Oakville Growth Analysis**

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At its Special Council meeting on 29 October, 2024, staff presented the new draft Midtown Official Plan Amendment. One of the appendices attached to the report was a growth analysis for Midtown, and a high level forecast for the town to 2051.

Staff have continued to work with Watson & Associates Economists Ltd. to make minor corrections to the reported unit counts within active development applications in Midtown. Corrections were also made to identify that some applications have been ‘appealed to the OLT’ rather than ‘approved by the OLT’. These changes were made both in the body of the report and in Appendix ‘E’ of the report.

The updated Final Report can be found at [oakville.ca/midtown](https://oakville.ca/midtown)

This memo will be provided in the Council Information Package.

# Memo

To: Mayor Burton and Members of Council  
From: Vicki Tytaneck, Town Clerk  
CC: Jane Clohecy, CAO  
Doug Carr, Town Solicitor and Acting Commissioner, Corporate Services  
Date: January 14, 2025  
Subject: Municipal Clearance for Liquor Sales Licence

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The following requests for comment regarding Municipal Clearances for liquor sales licences were received and circulated by the Clerk's department from December 17, 2024 to January 13, 2025 for the following establishments:

- The Bronte Boathouse Inc.

  
for: Vicki Tytaneck

Town Clerk

# Council Information Memo

**To:** Mayor Burton and Members of Council

**From:** Vicki Tytaneck, Town Clerk

**Date:** January 14, 2025

**Subject:** Municipal Accountability Act

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## Comments

On December 12<sup>th</sup>, the Ford Government introduced [Bill 241: Municipal Accountability Act](#) to strengthen municipal governance and accountability. The bill would amend the Municipal Act establishing a new, standardized municipal code of conduct and integrity commissioner framework.

The changes being introduced reflect a common concern from municipalities looking for better tools to codify and enforce higher standards of accountability for elected officials and support a safe and respectful work environment for members of council and staff.

If passed, the bill and forthcoming regulations would, among other things:

- Standardize both the municipal code of conduct with mandatory training for members,
- Standardize integrity commissioner investigation processes including reporting requirements.
- Establish a role for the Integrity Commissioner (IC) of Ontario in municipal code of conduct and integrity commissioner matters, such as advising on IC appointments, training local commissioners and conducting inquiries.
- Introduce a mechanism for members of council and certain local boards to be removed and disqualified for four years for serious code violations.

The Association of Municipal Managers, Clerks and Treasurers of Ontario has been gathering comments and/or responses to submit to the Ministry which is available until February 10, 2025 should Council wish to provide any further suggestions or concerns.

Vicki Tytaneck  
Town Clerk

| Agenda Item   | Due Date   | Description  | Meeting Type | Meeting Date | Department   |
|---|------------|--|--------------|--------------|--|
| Procedure By-law Review   | 3/31/2025  | <p>That the Budget Standing Committee size and composition be amended to reflect a membership of all Council members, and that a Chair be elected annually.</p> <p>That revisions to the Procedure By-law reflecting this change be brought forward to a future Council meeting.</p> <p>That the Clerk consider the comments of Council in finalizing the draft procedure by-law for consideration by Council.</p> <p>That staff report back with a draft version of the Procedure By-law 2023-066 in June 2023.</p> <p>Further revisions to be considered 1st quarter 2024.</p> | Council      | 5/29/2023    | Clerk's Department                                   |
| 2026 Municipal Election Preparation                               | 12/31/2024 | <p>That the Town Clerk report back to Council in Q2 2025 on a Campaign Contribution Rebate Program for the 2026 Oakville municipal election.</p> <p>That the resolution endorsing the Association of Municipal Managers, Clerks and Treasurers of Ontarios proposed updates to the Municipal Elections Act, attached as Appendix B to the report from the Clerks department dated November 5, 2024, be adopted.</p>  | Council      | 11/18/2024   | Clerk's Department                                   |
| Town of Oakville Council Strategic Plan and 2023-2026 Action Plan | 8/31/2024  | That staff report back on how green space is measured.   | Council      | 7/11/2023    | Corporate Strategy & Government Relations Department |
| Climate Emergency Declaration Progress Report                     | 8/31/2024  | That staff report on the operation, success and progress of the Guelph local improvement charge program.   | Council      | 7/11/2023    | Corporate Strategy & Government Relations Department |
| Public Notice and Engagement Policy and Procedure Update          | 12/31/2024 | That this item be referred to staff to further explore public notice requirements for statutory public meetings and the timeframe to inform Council members of the matters within their ward and report back to Council at the August 13th Council meeting.  | Council      | 6/17/2024    | Corporate Strategy & Government Relations Department |
| Public Notice and Engagement Policy and Procedure Update          | 12/31/2024 | That this item be referred back to staff to further review procedures to ensure that Council members are informed on local issues in advance of the public when permitted by law.  | Council      | 11/18/2024   | Corporate Strategy & Government Relations Department |
| Regulating the Display and Distribution of Objectionable Images   | 6/23/2025  | See confidential minutes for direction.  | Council      | 6/17/2024    | Legal Department                                     |

| Agenda Item  | Due Date  | Description   | Meeting Type | Meeting Date | Department                                |
|--|-----------|---|--------------|--------------|---|
| Fishing from Town Parkland - Update                                  | 3/24/2025 | That the amendments to the Parks By-law 2013-013, to reflect the permission for night fishing to be a permanent program, be included in the next council agenda for approval.   | Council      | 9/16/2024    | Legal Department                          |
| Notice of Motion: Election Sign Regulations                          | 1/27/2025 | <p>THEREFORE BE IT RESOLVED THAT:</p> <p>No person shall display an Election Sign at any location other than entirely on private property;</p> <p>No person shall display an Election Sign on private property without the permission or consent of the owner of the property;</p> <p>No person shall display, or permit to be displayed, an Election Sign which is in a state of disrepair so as to be unsafe or unsightly; and</p> <p>THAT staff develop a comprehensive set of rules that ensure signs are installed safely so as not to cause harm or hazard to residents on private property</p> <p>That the motion be referred to staff to undertake community consultation and report back, including legal advice, on the existing by-law regulations and availability of election signage, and options to further regulate and prohibit election signage, including third party elections signs on public property and the resources and cost of implementation.</p> | Council      | 1/30/2023    | Municipal Enforcement Services Department |
| Teo's Law  | 1/27/2025 | That staff report back to Council on the feasibility of implementing a by-law for pool safety when hosting guests at their home where there is a unsecured pool present.  | Council      | 8/15/2023    | Municipal Enforcement Services Department |
| Sale and Discharge of Consumer Fireworks Response to Staff Direction | 2/24/2025 | That Council and staff consult with the public on the use and sale of consumer fireworks and report back to Council in the Fall of 2024.  | Council      | 11/20/2023   | Municipal Enforcement Services Department |
| Business Licensing By-law Review Draft By-law                        | 3/17/2025 | <p>That Council's comments and draft licensing by-law attached as Appendix A to the report from Municipal Enforcement Services dated June 4, 2024 be received for consideration and not passed at this time.</p> <p>That Municipal Enforcement Services report back with comments received from the business community and the final version of the licensing by-law in Q4 of 2024.</p>   | Council      | 6/17/2024    | Municipal Enforcement Services Department |

| Agenda Item  | Due Date   | Description   | Meeting Type | Meeting Date | Department                                |
|--|------------|---|--------------|--------------|---|
| Towing Without the Vehicle Owners Consent, By-law 2024-187 | 12/31/2025 | <p>That By-law 2024-187, a by-law to regulate the towing of any vehicle without the vehicle owners consent from land in the Town of Oakville, as detailed in Appendix A of the Municipal Enforcement Services report, as amended, be passed.</p> <p>That any Town by-laws requiring amendments to enable and implement By-law 2024-187 be presented to Council at a future Council meeting for passage, without a separate report.</p> <p>That the waiting period of one (1) hour be reduced to 30 minutes in Section 5(2)(e) of By-law 2024-187.</p> <p>That staff provide a review of the effectiveness of By-law 2024-187 in one year.</p> <p>That exceptions to the waiting period in section 5(2)(e) of By-law 2024-187 be referred back to staff for further investigation and comment regarding the viability of designating special paid parking or reserved parking.</p>   | Council      | 12/16/2024   | Municipal Enforcement Services Department |
| 48 Bronte Road   | 1/27/2025  | <p>Staff be directed to report on the potential public ownership of the former Greb Property in order to address such issues as:</p> <p>Potential threats to this section of the Bronte Creek due to extreme weather events/flooding, in consultation with Conservation Halton;</p> <p>The role of this property and section of the Bronte Creek to provide protection/climate proofing, reduction in erosion risks and public infrastructure, and loss of top of bank, in consultation with Conservation Halton;</p> <p>The strategic role of this property to provide a connection to the Fishermans Park and pier, Bronte Heritage Waterfront Park, the Bronte Inner Harbour lands, with connections to Berta Point and Bronte Beach for recreational purposes in consultation with Conservation Halton and Halton Region;</p> <p>A potential role of this property as a cultural heritage landscape and as part of the Harbours portfolio of offerings to boaters and connection to Bronte Road; and,</p> <p>The ability to access any available Federal, Provincial, and Regional funding and other programs for climate proofing.</p> | Council      | 11/20/2023   | Parks and Open Space Department           |

| Agenda Item   | Due Date   | Description   | Meeting Type                     | Meeting Date | Department                          |
|---|------------|---|----------------------------------|--------------|-------------------------------------|
| Parks & Open Space Strategy: Town of Oakville Parks Plan 2031 and Parkland Dedication By-law 2024-034 | 5/26/2025  | That prior to the finalization of the Land Acquisition Strategy, Staff continue to monitor land acquisition opportunities within the towns Strategic Growth Areas, and where acquisition supports community and infrastructure needs, staff will present options to Council for consideration.  | Planning and Development Council | 4/8/2024     | Parks and Open Space Department     |
| Oakville Marine Search and Rescue - Relocation to Bronte Harbour                                      | 12/15/2025 | That this matter be referred back to staff to develop more options, conduct public consultation and produce a recommendation to Council.<br>That staff consult the public about future uses of 2 Navy Street, where TOWARF was located before their name change to Oakville Search and Rescue.  | Council                          | 7/9/2024     | Parks and Open Space Department     |
| Streetscape Improvements  | 11/30/2025 | That staff report on options to improve the streetscapes on arterial and collector roads.   | Council                          | 2/27/2023    | Planning and Development Department |
| Bronte Village Revitalization Comprehensive Plan  | 11/30/2025 | That staff prepare a report outlining the terms of reference, workplan, resources, and timing needed to create a comprehensive and integrated plan to better coordinate the vision, revitalization, and investments in Bronte Village, comparable to the approach taken for the Downtown Oakville Plan, their strategic action plan and associated initiatives.   | Council                          | 3/27/2023    | Planning and Development Department |
| Information Report Warehousing and Distribution Industries Review (File No. 42.15.61)                 | 12/8/2025  | 1. That this item be referred back to staff to seek additional research from other jurisdictions, identify options for definitions that recognize the difference between warehouses and distribution centres in terms of scale, operational impacts, and best practices in land use compatibility requirements for Q1 2024.<br>2. That this will allow staff to identify implications from the 2023 Provincial Planning Statement, and provide residents a greater opportunity to review and comment to Planning and Development Council. | Planning and Development Council | 6/12/2023    | Planning and Development Department |
| Old Oakville Heritage Conservation District Revised Study   | 2/3/2025   | That the Old Oakville Heritage Conservation District Revised Study as attached in Appendix A to the staff report dated January 23, 2024 and revised in accordance with the memo dated February 5, 2024 from Planning Services, be approved.<br>That staff be directed to continue work on the Old Oakville Heritage Conservation District Update to create a revised Plan and Guidelines.   | Planning and Development Council | 2/5/2024     | Planning and Development Department |



| Agenda Item   | Due Date   | Description   | Meeting Type                     | Meeting Date | Department                          |
|---|------------|---|----------------------------------|--------------|-------------------------------------|
| White Paper: Planning Act Tools to Facilitate Development of Affordable Housing                       | 11/30/2024 | That staff initiate and undertake work programs in an efficient, and where possible, concurrent manner to investigate, and if deemed appropriate, implement the following Planning Act tools:<br><br>Inclusionary Zoning within Protected Major Transit Station Areas;<br>Community Planning Permit System within Midtown Oakville and with opportunity to do so in other parts of the Town; and<br>Community Improvement Plan to incentivize affordable housing across the Town. | Planning and Development Council | 3/18/2024    | Planning and Development Department |
| Parks & Open Space Strategy: Town of Oakville Parks Plan 2031 and Parkland Dedication By-law 2024-034 | 12/31/2024 | That prior to the finalization of the Land Acquisition Strategy, Staff continue to monitor land acquisition opportunities within the towns Strategic Growth Areas, and where acquisition supports community and infrastructure needs, staff will present options to Council for consideration.  | Planning and Development Council | 4/8/2024     | Planning and Development Department |

| Agenda Item   | Due Date          | Description   | Meeting Type                            | Meeting Date     | Department                                 |
|---|-------------------|---|---|------------------|--|
| <p>Public Meeting Report Town-initiated Official Plan Amendment Midtown Oakville Urban Growth Centre (File No. 42.15.59) April 22, 2024</p>   | <p>12/31/2024</p> | <p>That the analysis of the following matters of interest to Council be included as part of the recommendation report:</p> <p>There is a desire for a complete community, and density to ensure viability;<br/>                     There is a desire for a complete community, and density to ensure viability;<br/>                     There is a desire for a walkable, urban environment that includes sufficient; density - consider the Copenhagen model to achieve this;<br/>                     Concerns regarding the planned population, density and height of buildings leading to insufficient amount of greenspace and adversely affecting the character of the area;<br/>                     Concerns regarding the transportation network and capacity;<br/>                     There is a desire to ensure that financial pressures on the tax base related to Midtown be mitigated to the greatest extent possible; and<br/>                     Need further clarification around how matters such as:</p> <p>how a landowners group will function,<br/>                     phased redevelopment of sites,<br/>                     ratio of non-residential uses,<br/>                     delivery of supporting community amenities (i.e. schools, community centres),<br/>                     implementation tools (i.e. zoning, financial, green development</p> | <p>Planning and Development Council</p> | <p>4/22/2024</p> | <p>Planning and Development Department</p> |
| <p>Public Meeting and Recommendation Report Town-initiated Official Plan and Zoning By-law Amendments Four Units As-of-Right and Sheridan College Housing Area (File No. 42.15.62 and 42.15.63) May 6, 2024</p> | <p>12/31/2024</p> | <p>Staff be directed to create a Sheridan College Housing Taskforce with the objective to enable, advance, and accommodate the development of residential uses, including student housing, on the Sheridan College campus; and Staff be directed to create a work program, in alignment with ongoing HAF initiatives, to bring forward any necessary recommendations, including programs, Official Plan and/or Zoning By-law Amendments, to achieve the findings of the Sheridan College Housing Taskforce to expedite the delivery of student housing on the Sheridan Campus.</p>  | <p>Planning and Development Council</p> | <p>5/6/2024</p>  | <p>Planning and Development Department</p> |

| Agenda Item  | Due Date  | Description  | Meeting Type | Meeting Date | Department                                |
|--|-----------|--|--------------|--------------|---|
| Heritage Way Speed Limit                                       | 1/27/2025 | That staff conduct public consultation in the Heritage Way neighbourhood for reinstating the 50 km/h previously posted speed limit from the current posted speed limit of 40 km/h on all streets in Heritage Way 40 km/h Area (excluding 40 km/h school zones on Heritage Way) and report back to Council on the results.  | Council      | 7/9/2024     | Transportation and Engineering Department |
| Sports Activities and Equipment within Municipal Rights-of-Way | 6/30/2025 | That the general prohibition be lifted, in a limited fashion to allow identified sports (to be determined) on only specific types of roads and at certain times of day (to be determined) at the participants own risk, through a staff report that further informs Council on best practices in other jurisdictions.  | Council      | 9/16/2024    | Transportation and Engineering Department |
| On-Street Daytime Parking                                      | 6/23/2025 | That staff be requested to conduct a scan of Parking Regulations/By-laws in other municipalities within the GTHA and report back with recommendations regarding daytime on-street parking restrictions and the current three (3) hour on-street parking limit to accommodate more people working from home, multiple car families, contractors working at residence and multiple car families managing limited driveway space. | Council      | 11/18/2024   | Transportation and Engineering Department |



OAKVILLE

**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-020**

A by-law to amend By-law 2022-125 as amended, a by-law to make appointments to the Board of Management for the Downtown Oakville Business Improvement Area

**WHEREAS** pursuant to the Municipal Act R.S.O. 2001 as amended, a Board of Management shall be composed of one or more directors selected by a vote of the membership of the improvement area and appointed by the municipality;

**WHEREAS** By-law 2022-125, appointed members to the Downtown Oakville Business Improvement Area Board of Management (the Board) on November 21, 2022 and was further amended by By-law 2023-133 on September 18, 2023:

**WHEREAS** the Downtown Oakville Business Improvement Area Board of Management passed a motion at their October 9, 2024 board meeting to approve and recommend revisions to the current appointments,

**COUNCIL ENACTS AS FOLLOWS:**

That By-law 2022-125, a by-law to make appointments to the Board of Management for the Downtown Oakville Business Improvement Area and repeal By-law 2018-167 and amending By-law 2021-024, be amended by removing Kevin Graff and Scott Collier and adding Erin Morra and Ed Rafih.

PASSED this 27th day of January 2025

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CLERK



**THE CORPORATION OF THE TOWN OF OAKVILLE**

**BY-LAW NUMBER 2025-021**

A by-law to confirm the proceedings of a meeting of Council

**COUNCIL ENACTS AS FOLLOWS:**

1. Subject to Section 3 of this by-law, every decision of Council taken at the meeting at which this by-law is passed and every resolution passed at that meeting shall have the same force and effect as if each and every one of them had been the subject matter of a separate by-law duly enacted.
2. The execution and delivery of all such documents as are required to give effect to the decisions taken at the meeting at which this by-law is passed and the resolutions passed at that meeting are hereby authorized.
3. Nothing in this by-law has the effect of giving to any decision or resolution the status of a by-law where any legal prerequisite to the enactment of a specific by-law has not been satisfied.

PASSED this 27<sup>th</sup> day of January, 2025

\_\_\_\_\_  
Rob Burton

\_\_\_\_\_  
Mayor

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Vicki Tytaneck

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Town Clerk