

REPORT

Council

Meeting Date: January 31, 2022

FROM: Community Development Commission
Corporate Services Commission

DATE: January 25, 2022

SUBJECT: **Province of Ontario's Housing Affordability Task Force Draft Report**

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

That the report from the Community Development Commission and Corporate Services Commission dated January 25, 2022, entitled *Province of Ontario's Housing Affordability Task Force Draft Report*, be received.

KEY FACTS

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

- The Province of Ontario created a Housing Affordability Task Force in December 2021 with the mandate of determining ways in which to address housing affordability across the Province,
- A draft of the Task Force's recommendations has been reported upon in various news outlets,
- A total of 58 recommendations are included in the draft report that touch all aspects of market-housing from supply to the approvals system to financial matters.

- If implemented as proposed, many of recommendations would undermine local land use planning, and could negatively affect development approval processes and municipal development financing.

BACKGROUND

A nine-member Housing Affordability Task Force was struck by the Provincial government in December 2021. The purpose of this Task Force is to provide the government with solutions for mitigating market-based housing affordability across the Province. The task force was to: “explore measures to address housing affordability, including increasing the supply of market housing, reducing red tape and accelerating timelines, and supporting economic recovery and job creation”.¹

A draft of the Task Force's report has been made public and it includes a list of recommendations that staff has reviewed. Although the range of the recommendations is extensive, it is acknowledged that the report remains in draft and may be revised by the time it is finalised for release at the end of January 2022.

The recommendations contained within the draft report could significantly alter the way in which market-based housing is delivered throughout the Province. Considerations include: reducing opportunities for public participation in the development process, reducing costs to applicants, and imposing broader permissions for residential developments.

COMMENT

The town's Official Plans (both the *Livable Oakville Plan* and the 1984 Official Plan in effect for North Oakville) are the municipality's guiding documents for how every land use is considered throughout the town.

A municipality's Official Plan establishes the desired land use patterns, helps to co-ordinate infrastructure in line with new growth and development, and provides a policy context for decision-making that supports Provincial and Regional policy.

A key component of the Official Plan is the town's *Urban Structure* (identified as Schedule A1 to the *Livable Oakville Plan*) whose purpose is to provide the basic structural elements for the Town. Its approach is to:

- protect natural heritage, open space and cultural heritage;

¹ <https://news.ontario.ca/en/backgrounder/1001286/ontario-names-chair-and-members-of-housing-affordability-task-force>

- maintain the character of established residential areas; and,
- direct growth to an identified system of nodes and corridors

The Urban Structure accomplishes this by providing for a series of growth areas where higher intensity forms of mixed-use development are to be directed. Areas such as the Hospital District and Uptown are locations intended for future intensification since these communities are well-served by frequent transit. In the case of Bronte GO and Midtown, these areas will also provide for significant employment and population growth adjacent to higher order transit corridor (Lakeshore West).

The *Livable Oakville Plan* provides land use policy that intends to maintain the character of Oakville's established neighbourhoods. This is not to suggest that neighbourhoods cannot evolve and mature under appropriate circumstances, but broadening permissions as suggested in the Task Force draft report, would likely erode the existing neighbourhood fabric. For example, one recommendation coming from the Task Force is to eliminate exclusionary zoning by permitting four unit, four storey tall, residential buildings in areas currently zoned for single-detached dwellings.

The housing market in Oakville continues to evolve quickly and demand has been shifting away from grade-related housing (i.e. single-detached and townhouse forms), and towards more apartment type product. These mid-rise and tall buildings are planned primarily for the primary transportation corridors and within the strategic growth areas (Uptown, Midtown), and Main Streets (Bronte, Kerr and Downtown Oakville). These locations provide an immediate mix of amenity, entertainment and recreational opportunities in close proximity to transit. Opening up permissions within the town's established neighbourhoods without due regard for scale, compatibility, infrastructure capacity or cultural heritage resources is contrary to the *Livable Oakville Plan*.

A key theme that runs throughout Ontario's *Planning Act* is that of public consultation and participation. This tenet of the legislation is important because planning communities is rarely successful when directed through an entirely top-down approach. Those who live and work in a community should have a voice in how their community grows and responds to their needs, and upper-tier land use planning policy. A plan is only made better through active participation from a community. The Task Force draft report recommends reducing opportunities for public participation by eliminating the public process for minor variances, removing Local Appeal bodies, and charge third party appeals a fee of \$10,000.

There continue to be assumptions that facilitating faster approval timeframes directly translates to savings for new-home purchasers. There is no evidence to suggest this. Furthermore, the definition of market-based housing is often narrowly focussed on the delivery of grade-related housing products and does not sufficiently account for

opportunities for apartment dwelling units – particularly in the “Missing Middle” segment of the market.

It is acknowledged that there are a variety of factors limiting purchasers' access to housing, beyond simply supply. Issues related to housing affordability are challenging and complicated. A multitude of factors affect market pricing, with many of them outside the influence of municipal planning processes. For example:

- Lack of provincial infrastructure investments which limits opportunities in key growth areas
- Federal immigration policy resulting in increased demand for housing in the GTHA
- The backlog of cases at the Ontario Land Tribunal which does not allow approvals to proceed
- Land designated for development that is being held back by developers and which has not proceeded to a development application
- Lack of skilled labour to deliver more complex development projects
- Increased costs of building materials, notwithstanding supply chain challenges
- Incomplete development application submissions which require constant revisions to meet basic requirements prior to Councils being able to make decisions
- Frequent, sometimes conflicting, provincial initiatives and policy reforms which challenges municipal staff to respond thereby limiting staffs' abilities to address development applications

A comprehensive, and co-ordinated response to the issue of housing supply is needed. There are a range of issues when dealing with complex development projects that span the responsibility of Municipal, Regional, Provincial and Conservation Authority mandates, requirements and policies.

The draft recommendations from the Task Force also seek to limit the ability of municipalities to recover the true cost of growth. Eliminating development charges and cash-in-lieu of parkland contributions for projects with 10 units or fewer puts pressure on non-growth sources of revenue including property taxes and user fees and charges. Eliminating development charges does not eliminate the need for the infrastructure and pushes the pressure of funding the infrastructure to other sources that impact affordability for existing residents and businesses.

Municipalities can continue to contribute to improving housing supply by reviewing and updating Official Plan policy and Zoning By-law regulations, as well as setting appropriate Development Charge rates. The Town of Oakville is currently undertaking its Official Plan Review Programme in the context of the 2020 Provincial Policy Statement and 2019 Growth Plan. The Town is also in the midst of its Development

Charge Background study and Community Benefit Charges Strategy work plan with the intent to report to Council later this year.

One of the next projects in the town's Official Plan Review will be the review of the town's residential land use policies. Policy updates will be proposed related to land use designations, permitted uses, housing opportunities (including secondary suites), criteria for redevelopment, and implementation tools.

As noted above, the Task Force is expected to provide the provincial government with its final report and recommendations at the end of January 2022. Following the release of the Report, staff will provide further information to Council for its consideration.

CONSIDERATIONS

(A) PUBLIC
N/A

(B) FINANCIAL
Any changes to Development Charges would have an impact on the town's financial tools to pay for growth related infrastructure costs.

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

(D) CORPORATE STRATEGIC GOALS
This report addresses the corporate strategic goal to be the most liveable town in Canada.

(E) CLIMATE CHANGE/ACTION
N/A

APPENDICES

Appendix A – Recommendations from the Draft Report of the Ontario Housing Affordability Task Force (January 20, 2022)

Submitted by:
Nancy Sully, CPA, CMA
Commissioner, Corporate Services Commission & Treasurer

Neil Garbe, RPP, PLE
Commissioner, Community Development Commission