

REPORT

Planning and Development Council

Meeting Date: April 4, 2022

FROM: Community Development Commission
Corporate Services Commission

DATE: March 29, 2022

SUBJECT: **Report of the Ontario Housing Affordability Task Force and Implications for Oakville**

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION

1. That the report from the Community Development Commission and Corporate Services Commission dated March 29, 2022, entitled *Report of the Ontario Housing Affordability Task Force and Implications for Oakville*, be received,
2. That the Town Clerk forward this staff report and Council's comments regarding the *Report of the Ontario Housing Affordability Task Force and Implications for Oakville* to the Minister of Municipal Affairs & Housing, Halton Area MPPs, Halton Region, the City of Burlington, the Town of Halton Hills, and the Town of Milton.

KEY FACTS

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

- On 30 March, 2022, the provincial government tabled new legislation entitled: "*The More Homes for Everyone Act*". This legislation builds off of the recommendations made by the Housing Affordability Task Force. Staff have not had the opportunity to review the legislation in depth, and will report to Council in the near term.
- 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. The Province has referred to the lack of affordable

housing as a crisis and is seeking ways in which to bring more homes to market faster.

- The Task Force's Final Report was released 8 February, 2022 with the intent of generating feedback from the public.
- The Final Report includes 55 recommendations that touch all aspects of market-housing from supply to the approvals system to financial matters. An appendix to the HATF report includes 8 additional recommendations specific to affordable housing.
- The Province continues to seek ways to increase the supply of market rate rental and ownership housing as quickly as possible. These efforts to address market housing affordability are largely separate from Provincial supports for affordable housing for the most vulnerable Ontarians
- As indicated in Appendix B, and highlighted in this report, staff can offer qualified support for some of the recommendations that could assist in providing more attainable housing. A number of recommendations though, are difficult to support since they run counter to the land use planning policies implemented by local Councils in conformity with existing Provincial land use plans and policies.
- Several municipalities have voiced comment on the Final Report through their respective Councils, as has the Ontario Big City Mayors. There are similar themes throughout the commenting; however, varying financial and planning objectives among municipalities result in inconsistencies relative to individual recommendations from the Final Report.
- If the Province mandates unconstrained growth without due regard for the Town's Urban Structure, Staff remain concerned about the town's ability to plan for, and keep pace with, community facilities and services. Furthermore, it remains to be seen how the Province may support the town with provincially-funded facilities and services (e.g., new schools, hospital expansion, frequent transit, among others).
- Through the Town's Official Plan work, and in consultation with Halton Region, the Town has already planned for measured growth in accordance with the town's urban structure and in conformity with the Province's Growth Plan. While there remain opportunities for increased density, within reason, this needs to be in conformity with the town's Official Plan, and sound fiscal management.

BACKGROUND

As noted above, new legislation (Bill 109) has been brought forward by the Provincial government and at the time of writing this report, it has only had First Reading. The legislation intends to curb non-resident land speculation, strengthen consumer protection for new home purchasers, accelerate planning processes for municipalities, and ease the building of more community housing using provincially-owned lands, among others.

This Staff report was prepared prior to the release of Bill 109 and does not speak to the content of, or provide any opinion on, the Bill. That commentary will be provided at a future date.

The balance of this report is Staff's review of the Province's *Report of the Housing Affordability Task Force* and was prepared in anticipation of the then forthcoming legislation, and is offered for Council's information.

Town staff provided an initial report to Council in January 2022 which offered commentary on a leaked draft report from the Housing Affordability Task Force (HATF). As noted at that time, the HATF was appointed by the Provincial government in December 2021. The purpose of the Task Force was to provide the government with solutions for mitigating market-based housing affordability across the Province. The task force was to recommend ways in which to increase the supply of market housing, reduce red tape and support economic recovery and job creation.

The recommendations contained within HATF's final report were similar to what was identified in the January draft. A summary follows in this report.

COMMENTS

The HATF final report attached as Appendix 'A', and is composed of five theme areas:

- Require Greater Density
- Reduce and Streamline Urban Design Rules
- Depoliticise the Process and Cut Red Tape
- Support Municipalities that Commit to Transforming the System
- Fix the Ontario Land Tribunal

The essence of the report is to achieve 1.5 million more homes across the province within the next ten years. It supports this goal by allowing more housing supply in more locations "as of right". This would be through provincial direction and limit, or eliminate, local municipal approvals.

Requiring greater density at the local level has merit where it implements local planning objectives. As Council is aware, the Town's Urban Structure intends to achieve exactly this – to plan for intensification in appropriate locations throughout the town where that intensification can be supported by services, infrastructure and frequent transit. Arbitrary direction to simply increase densities undermines ability of all levels of government to plan, co-ordinate and finance the delivery of the facilities, services, infrastructure and frequent transit on which residents and employees depend. Furthermore, development which strays from a municipality's planning objectives runs the risk of diluting neighbourhood character which is often the very element that attracts residents in the first place.

As Halton Region has recently experienced through the Integrated Growth Management (IGMS) process, the Region, and the local municipalities are intent on meeting the Province's Growth Plan requirements to accommodate a population of 1.1 million people by 2051 – up from the current 597,000. The numerous delegations to Regional Council focussed on the tension between delivering needed housing in the right areas through intensification and preserving greenspaces, farmland and the Natural Heritage System. Municipal Councils are already acknowledging that relying on continued greenfield growth is not sustainable. There is a need to intensify Halton's communities. Councils and the public are working together, as intended, to do that in a manner that is sensitive to the built context.

It is difficult to understand how reducing urban design rules would add to the supply of housing in Oakville. As Council is aware, Urban Design has less to do with how a building looks, and more to do with ensuring places, buildings, and the spaces in-between are functional, safe and appropriate for the respective contexts. In considering parking requirements for new development, Council has often been supportive of innovative ways in addressing parking ratios, where appropriate. As the town continues to mature and develop, it is reasonable to expect that people will choose efficient ways to move throughout the municipality and the GTA overall.

Another theme in the HATF Report is to eliminate NIMBYism (Not In My BackYard). As stated in staff's January report to Council, public consultation and participation is an important, and needed, component of land use planning in Ontario. Reducing this opportunity will lead to greater tension in neighbourhoods where development is forced and not sufficiently shaped to complement the existing context. Similarly, limiting a community's ability to participate in the appeal process by putting the Ontario Land Tribunal (OLT) out of reach with increased fees dilutes the integrity of the public process.

The final theme recommends that the Provincial government "reward" those municipalities that support change and reduce funding to those municipalities that are not in support.

Considerations

As noted in Staff's January report, the delivery of housing is subject to forces often beyond a municipality's control; and not necessarily singularly focussed on the amount of supply. Housing affordability can be affected by factors related to federal immigration policy, financial factors (e.g. labour, supply chain challenges, interest rates), and location among others. Compressing the development approvals timeframe does nothing to address the foregoing.

Delivering housing supply is something that can only be addressed through the willing participation of all levels of government and the housing industry working towards shared, reasonable goals.

While there are some recommendations in the HATF Report that have merit, it is challenging to provide unqualified support due to how those same recommendations could be implemented. There are also peripheral considerations which will affect implementation of those recommendations, including but not limited to:

- Regional / local urban structure
- Water and wastewater services
- Stormwater management and tree canopy coverage
- Cultural heritage conservation
- Local zoning and urban design
- Building standards and fire safety
- Transit service

These considerations are similarly shared among municipalities who have presented reports. Again, the thrust of the HATF Report is also an important consideration – finding ways to increase housing supply, but within reason.

HATF Final Report Recommendations

Of the 63 recommendations (including sub-recommendations), Oakville staff can offer qualified support or neutrality for 38 of them, while not supporting the balance since these will either have no direct relation to housing affordability and attainable housing, or will adversely affect the municipality. A review of the HATF recommendations is provided in Appendix 'B'.

Some of the recommendations may assist in providing more attainable housing such as permitting secondary suites as-of-right (Recommendation #5), which has had support across most municipalities. Bill 108 already requires municipalities to authorize in their official plans and zoning by-laws the use of an additional residential unit in both a primary dwelling (i.e., detached, semi-detached and row houses) *and* in

an ancillary building or structure (e.g., above laneway garages or coach houses). The effect of Bill 108 will be to allow up to three units on most residential properties instead of two, but subject to new requirements and standards.

Another opportunity is with the permission for as-of-right multi-tenant housing (Recommendation #6). These are an important part of the affordable rental housing market, providing single-room accommodation to diverse communities, including students, seniors, new immigrants and low/moderate income residents. Staff recognise that municipal by-laws, licensing and enforcement will be required to ensure that such homes are safe and well-maintained.

There is also support for Recommendation #9 which could allow as-of-right zoning of six to 11 storeys (with no minimum parking requirements) on streets used by public transit. It would not be appropriate for all transit routes in the Town to be subject to this level of intensification. That said, the town's Urban Structure identifies opportunities for residential intensification, such as along two Rapid Transit Corridors (Dundas Street and Trafalgar Road). Locating buildings with a high concentration of affordable rental apartments in proximity to transit routes with high service levels is a reasonable planning objective.

Having this level of intensification along a street such as Reynolds Street though, would not be appropriate. Although it is considered a transit route, it also traverses a Heritage Conservation District and there would be greater potential to erode the integrity of this District with blanket intensification permissions.

Other recommendations that have merit include:

- Recommendation #40 – Requiring the federal government to create an urban, rural and northern indigenous housing strategy
- Recommendation #41 – Funding for pilot projects that create innovative pathways to homeownership, for Black, Indigenous, and marginalized people and first-generation homeowners
- Recommendation #42 – Providing provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects

Recommendation #26 also has support among municipalities that have commented. This recommendation would require appellants to promptly seek permission (“leave to appeal”) of the OLT and demonstrate that an appeal has merit, relying on evidence and expert reports, before it is accepted. This will help prevent frivolous appeals because appellants, including development proponents, should be required to demonstrate that an appeal has merit. The caveat to this is that the Ontario Land Tribunal will need to be sufficiently resourced to support this requirement.

Implications for Oakville

Like many municipalities across the GTA, and the province, the town has demonstrated that it is doing its part to accommodate growth allocated to it in conformity with the Growth Plan. The latest update to the Growth Plan adjusted the planning horizon to 2051 and Halton Region and the local municipalities have been working to allocate that adjusted population of 1.1 million people throughout the Region.

It should be noted that while planning for an increased population has been ongoing, there remain constraints to housing supply such as:

- water and waste water servicing capacity
- transit and infrastructure improvements
- skilled labour to build new housing (and infrastructure)
- building materials, equipment and supply chain constraints

In addition, with increased population comes the needed provision for associated community facilities and services, and the burden those put on new and existing residents and businesses. As Council is aware, new development is limited in what can be collected through development charges. The tax levy needs to account for the balance of those fiscal demands.

These matters must also be balanced against the desire to direct growth to appropriate locations as identified in the Urban Structure. While some increased density may be appropriate in established neighbourhoods, this can only be done if new development is compatible with, and sensitive to, the existing neighbourhood character, and is sensitive to the town's cultural heritage resources.

Next Steps

While municipalities expect that the Province will respond to the HATF Report with new legislation, the timing and extent of the changes that will ultimately be proposed are unknown. The HATF Report recommendations are over-arching and lack important details about how they are intended to be implemented. It is therefore difficult to provide further commentary at this time. Should that legislation be identified, staff will respond in kind and present this to Council for its consideration.

CONSIDERATIONS

- (A) PUBLIC**
N/A

(B) FINANCIAL

N/A

(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

CONCLUSION

There is little doubt there are numerous constraints in the system as it relates to how future residents can attain home ownership. As is appropriately identified in the HATF Final Report – each level of government, and the housing industry itself, has a role to play in easing the housing crisis in Ontario. There is no easy way out; however, blanket changes will not speed up the process, it will only exacerbate existing issues.

APPENDICES

Appendix A – Report of the Ontario Housing Affordability Task Force

Appendix B – Preliminary Response on Recommendations

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