



Report to: Development Services Committee

Report Date: March 7, 2022

SUBJECT: Comments on the Report of the Ontario Housing Affordability Task Force

PREPARED BY: Emily Irvine, R.P.P., M.C.I.P., Special Projects Coordinator, Policy & Research, Ext. 2094

REVIEWED BY: Darryl Lyons, R.P.P., M.C.I.P., Senior Manager, Policy & Research, Ext. 2459

RECOMMENDATION:

- 1) That the report dated March 7, 2022 entitled "Comments on the Report of the Ontario Housing Affordability Task Force" be received;
- 2) That the City of Markham requests the province to undertake consultation should any of the recommendations in the Report of the Ontario Housing Affordability Task Force be considered for implementation;
- 3) That this report be forwarded to the Ministry of Municipal Affairs and Housing and Region of York as the City of Markham comments on the Report of the Ontario Housing Affordability Task Force; and,
- 4) Further that Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY

This report provides comments on the [Report of the Ontario Housing Affordability Task Force](#) (Task Force Report) released February 8, 2022 containing 55 recommendations to the province to increase the supply of market housing and a goal to build 1.5 million homes over the next 10 years.

The nine member Task Force included representatives from the banking, home building, real estate and finance industries as well as representatives with expertise in the non-profit sector, Indigenous housing and economics. The Task Force did not include any municipal representation.

There are 13 recommendations in the Task Force Report that focus on actions for senior levels of government, simplify or improve the planning process and support the workforce.

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There are 17 recommendations in the Task Force Report that could potentially be supported involve changing land use permissions, incentives for affordable housing and streamlining the planning process.

There are 25 recommendations that are not supported as they propose to create a one size fits all approach to planning, challenge the ability to create complete communities, impact municipal financial sustainability and create a less inclusive consultation process.

PURPOSE:

This report provides comments on the [Report of the Ontario Housing Affordability Task Force](#) (Task Force Report) that contains 55 recommendations to the province to increase the supply of market housing.

BACKGROUND:

On December 6, 2021, the province [announced](#) a Housing Affordability Task Force to provide the government with recommendations on additional measures to address market housing supply and affordability.

The Housing Affordability Task Force was mandated to address housing affordability through measures which included:

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

The nine member Task Force included representatives from the banking, home building, real estate and finance industries as well as representatives with expertise in the non-profit sector, Indigenous housing and economics. The members were:

- **Chair - Jake Lawrence**, Chief Executive Officer and Group Head, Global Banking and Markets, Scotiabank
- **Lalit Aggarwal**, President, Manor Park Management
- **David Amborski**, Professional Urban Planner and Professor, Ryerson University's School of Urban and Regional Planning
- **Julie Di Lorenzo**, President, Diamante Urban Corporation
- **Andrew Garrett**, Senior Principal, Real Estate, Investment Management Corporation of Ontario
- **Tim Hudak**, Chief Executive Officer of the Ontario Real Estate Association
- **Justin Marchand**, Chief Executive Officer of Ontario Aboriginal Housing Services
- **Ene Underwood**, Chief Executive Officer of the Habitat for Humanity Greater Toronto Area

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- **David Wilkes**, President and Chief Executive Officer of the Building Industry and Land Development Association

The Housing Affordability Task Force did not include any municipal representation.

DISCUSSION:

The Task Force Report released on February 8, 2022 included 55 recommendations to increase housing supply

On February 8, 2022 the province released the Task Force Report which included 55 recommendations to increase the supply of market housing and a goal to build 1.5 million homes over the next 10 years. The province will need to decide which recommendations, if any, that it will seek to implement.

Staff have undertaken a review of the Task Force Report and 13 of the recommendations seem positive and can be supported, 17 recommendations could potentially be supported subject to further clarification and working through implementation challenges, finally 25 recommendations cannot be supported as they could undermine the realization of complete, sustainable communities and seem to treat all communities across the province as uniform, which is not the case.

The recommendations and staff comments are included in Appendix A. This section provides a summary of staff comments organized by:

1. Recommendations that can be supported
2. Recommendations that there is the potential to support
3. Recommendations that staff do not support

The overall goal of the Task Force Report as stated in Recommendation #1 is to set a province-wide goal of building 1.5 million new homes in ten years, which seems to be unrealistic given historical growth rates. This goal has the potential to be supported, however increasing the housing supply should not be at the cost of building complete communities which includes appropriate parkland, community services that meet resident's needs, a healthy balance between employment and residential development, financial sustainability, environmental protection and enhancement, climate change and the provision of efficient and modern public infrastructure. In addition, building 1.5 million homes over a 10-year period should include aggressive targets for affordable and rental housing. There is a concern that this goal cannot be supported if all the proposed recommendations in the Task Force Report are necessary to achieve this target.

1. Recommendations that can be supported

There are 13 recommendations in the Task Force Report that focus on actions for senior levels of government, simplify or improve the planning process and support the workforce

There are 13 recommendations that can be supported in the Task Force Report, as they generally align with actions the City of Markham has taken to increase the supply of affordable housing and improve the development planning process.

In July 2021 Markham adopted [Housing Choices: Markham's Affordable and Rental Housing Strategy](#) (Housing Strategy) that includes a Vision, 3 goals and 35 actions the City will take to address housing gaps and needs and facilitate the delivery of affordable and rental housing. Markham's Housing Strategy includes 13 actions that call on senior levels of government to take action to address affordable housing needs. The Task Force recommendations that aim to engage senior levels of government can be supported including:

- Recommendation #40 - Call on the Federal Government to implement an Urban, Rural and Northern Indigenous Housing Strategy.
- Recommendation #42 - Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
- Recommendation #47 - Recommend that the federal and provincial government prioritize skilled trades and adjust the immigration points system to strongly favour needed trades and expedite immigration status for these workers, and encourage the federal government to increase from 9,000 to 20,000 the number of immigrants admitted through Ontario's program.

There are a number of recommendations in the Task Force Report that are intended to simplify and improve the planning process that can be supported:

- Recommendation #14 - Require that public consultations provide digital participation options.
- Recommendation #22 - Simplify planning legislation and policy documents.
- Recommendation #28 - Encourage greater use of oral decisions issued the day of the hearing, with written reasons to follow, and allow those decisions to become binding the day that they are issued.

Finally, the Task Force recommendations that support the workforce can also be supported:

- Recommendation #30 - Provide funding to increase staffing (adjudicators and case managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets.
- Recommendation #45 - Improve funding for colleges, trade schools, and apprenticeships; encourage and incentivize municipalities, unions and employers to provide more on-the-job training.
- Recommendation #46 - Undertake multi-stakeholder education program to promote skilled trades.

2. Recommendations that could potentially be supported

There are 17 recommendations in the Task Force Report that could potentially be supported involve changing land use permissions, incentives for affordable housing and streamlining the planning process

There are 17 recommendations in the Task Force Report that could potentially be supported with further information or clarification as to their implementation.

The report includes recommendations that propose changing planning permissions to support intensification and increase the housing supply. Intensification is a well-established direction in the Provincial Policy Statement, A Place to Grow (Growth Plan) and Markham Official Plan:

- Recommendation #2 - Amend the Planning Act, Provincial Policy Statement, and Growth Plans to set “growth in the full spectrum of housing supply” and “intensification within existing built-up areas” of municipalities as the most important residential housing priorities in the mandate and purpose.
- Staff comments: Clarity is needed on “growth in the full spectrum of housing supply” as certain housing types are not appropriate in all locations and the extent of “intensification within built-up areas.” Markham Official Plan, 2014 already supports a mix and range of housing types. These priorities should not override other city-building goals and objectives such as building complete communities.
- Recommendation #7 - Encourage and incentivize municipalities to increase density in areas with excess school capacity to benefit families with children.
- Staff comments: Considering additional family sized units in school areas with excess capacity may be supported in appropriate locations subject to available infrastructure and other community services such as parks, libraries, recreational, emergency services, etc. Consultation would be required with school boards to determine locations where schools may have excess capacity.

Markham has provided incentives for affordable housing through its Development Charge Deferral Policy which includes case-by-case payment (or removal) of Development Charges for not-for-profit affordable rentals, as well as reduction in cash-in-lieu of parkland and Section 37 for affordable housing projects. The following recommendation aims to support affordable housing through this type of incentive and has the potential to be supported:

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

- Staff comments: The rationale for the 40 year period is unclear. Financial assistance from senior levels of government is requested to support this recommendation. Also, an option should be provided to develop discounted Development Charge Rate for affordable housing.

Markham has continuously explored opportunities to streamline the development application and building permit review processes within and outside of EPlan. Recommendations in the Task Force Report that look to streamline the development process that could potentially be supported:

- Recommendation #15 - Require mandatory delegation of site plan approvals and minor variances to staff or pre-approved qualified third-party technical consultants through a simplified review and approval process, without the ability to withdraw Council's delegation.
- Staff comments: While certain planning matters have been delegated to staff, there is potential to support further delegation subject to Council approval.
- Recommendation #20 - Fund the creation of "approvals facilitators" with the authority to quickly resolve conflicts among municipal and/or provincial authorities and ensure timelines are met.
- Staff comments: While staff are generally supportive of facilitation as a tool to resolve conflict, it is unclear how these "approvals facilitators" would be different than the current Office of the Provincial Land and Development Facilitator. Further information is needed regarding the facilitators' role, authority, and when they can be engaged, including pre or post appeal to the Ontario Land Tribunal.
- Recommendation #50 - Fund the adoption of consistent municipal e-permitting systems and encourage the federal government to match funding. Fund the development of common data architecture standards across municipalities and provincial agencies and require municipalities to provide their zoning bylaws with open data standards. Set an implementation goal of 2025 and make funding conditional on established targets.
- Staff comments: The City of Markham has implemented an e-permitting system known as "EPlan" that provides online application, review, approvals and inspection services for Development Services applications (both planning and building). While staff are supportive of the province funding development of e-permitting systems as options for municipalities, further discussion is needed to determine how provincial e-permitting systems can work with EPlan. For municipalities with existing e-permitting systems such as Markham, it is appreciated the province is providing funding through the

Streamline Development Approval Fund to upgrade the existing system and would also support further funding for future upgrades to support municipalities across Ontario. Staff are supportive of establishing common data standards and open data for all development. It is equally important that provincial agencies involved in application review also adopt compatible e-permitting systems to allow proper integration of the municipal and provincial plans review processes. Currently some external agencies are not participating in EPlan which causes extra time and delay in sorting and uploading application information to external agencies.

3. Recommendations that staff do not support

There are 25 recommendations that are not supported as they propose to create a one size fits all approach to planning, challenge the ability to create complete communities, impact municipal financial sustainability and create a less inclusive consultation process

A number of the Task Force recommendations propose a one size fits all approach to planning that is not appropriate to reflect the diversity of communities across the province. Examples of these types of recommendations are:

- Recommendation #8 - Allow “as of right” zoning up to unlimited height and unlimited density in the immediate proximity of individual major transit stations within two years if municipal zoning remains insufficient to meet provincial density targets.
- Recommendation #12 - Create a more permissive land use, planning, and approvals system: (c) Establish province-wide zoning standards, or prohibitions, for minimum lot sizes, maximum building setbacks, minimum heights, angular planes, shadow rules, front doors, building depth, landscaping, floor space index, and heritage view cones, and planes; restore pre-2006 site plan exclusions (colour, texture, and type of materials, window details, etc.) to the Planning Act and reduce or eliminate minimum parking requirements.
- Recommendation #23 - Create a common, province-wide definition of plan of subdivision and standard set of conditions which clarify which may be included; require the use of standard province-wide legal agreements and, where feasible, plans of subdivision.

Some recommendations in the Task Force Report challenge the ability to create complete communities, protect employment lands and efficiently use existing infrastructure, such as:

- Recommendation #4 - Permit “as of right” conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use.
- Recommendation #11 - Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building necessary

infrastructure to support higher density housing and complete communities and applying the recommendations of this report to all undeveloped land.

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

In addition, some of the recommendations would impact municipal financial sustainability and cannot be supported such as:

- Recommendation #17 - Requiring municipalities to compensate property owners for loss of property value as a result of heritage designations, based on the principle of best economic use of land.
- Recommendation #29 - Where it is found that a municipality has refused an application simply to avoid a deemed approval for lack of decision, allow the Tribunal to award punitive damages.
- Recommendation #32 - Waive development charges and parkland cash-in-lieu and charge only modest connection fees for all infill residential projects up to 10 units or for any development where no new material infrastructure will be required.

Other recommendations create a less inclusive consultation process such as:

- Recommendation #13 - Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.
- Recommendation #21 - Require a pre-consultation with all relevant parties at which the municipality sets out a binding list that defines what constitutes a complete application; confirms the number of consultations established in the previous recommendations; and clarifies that if a member of a regulated profession such as a professional engineer has stamped an application, the municipality has no liability and no additional stamp is needed.

NEXT STEPS:

Staff will report back to Development Services Committee when the province releases its response to the Task Force Report as appropriate and are recommending that should the province wish to implement any of the task force's recommendations, that appropriate consultation be undertaken.

FINANCIAL CONSIDERATIONS:

A number of the recommendations, if implemented, would have financial impacts for the City as included in Appendix A.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Aligns with Goal 3 – Safe, Sustainable and Complete Community of Building Markham’s Future Together, 2020-2023. More specifically, it supports Goal 3.2: “Build complete communities that offer a range of housing and employment opportunities, transportation options and outstanding community amenities”.

BUSINESS UNITS CONSULTED AND AFFECTED:

Planning and Urban Design, Engineering, Finance and Legal Services were consulted during preparation of this staff report.

RECOMMENDED BY:

Biju Karumanchery, R.P.P., M.C.I.P.
Director, Planning and Urban Design

Arvin Prasad, R.P.P., M.C.I.P.
Commissioner of Development Services

ATTACHMENTS:

Appendix A – Report of the Ontario Housing Affordability Task Force, Comments
Summary Table