



Report to: Development Services Committee

Meeting Date: February 28, 2023

SUBJECT: Municipal Housing Pledge

PREPARED BY: Duran Wedderburn MCIP, RPP, Manager, Policy (ext. 2109)

RECOMMENDATION:

1. That the report dated February 28, 2023 titled “Municipal Housing Pledge” be received;
2. That the City support the pledge to meet the Municipal Housing Target by undertaking actions as outlined in Appendix B of this report in an effort to facilitate the construction of 44,000 new housing units by 2031;
3. That the Province be requested to provide financial support to facilitate achievement of the municipal housing target given the need for additional resources and hard and soft infrastructure to support accelerated growth;
4. That staff be directed to prepare a letter for the Mayor to the Minister of Municipal Affairs and Housing to be sent by March 22, 2023, outlining Council’s pledge;
5. That this report be forwarded to the Minister of Municipal Affairs and Housing and Region of York; and
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this staff report is to present a response to the Minister of Municipal Affairs and Housing’s request for the City of Markham to pledge to the construction of 44,000 new homes in the City by 2031, in support of the Province’s target of 1.5 million new homes in Ontario over the next 10 years.

BACKGROUND:

The Province of Ontario (the “Province”) has committed to 1.5 million homes being built over the next 10 years. To support this goal, the Minister of Municipal Affairs and Housing released the [More Homes, Built Faster: Ontario’s Housing Supply Action Plan 2022-2023](#) and the [More Homes Built Faster Act](#) (Bill 23) which received royal assent on November 4, 2022.

The Province's overall goal of 1.5 million homes by 2031 is to be achieved in part by assigning a Municipal Housing Target to 29 large and fast-growing municipalities in Ontario, including the City of Markham.

On February 13, 2023 the Minister of Municipal Affairs and Housing issued a letter to the City of Markham advising that the City's Municipal Housing Target is 44,000 new homes before 2031 and requested a pledge be submitted to the Minister by March 22, 2023. The Minister's letter is attached as **Appendix A – Minister's Letter on Municipal Pledge and Target**.

According to the Province, the intent of the pledge is to demonstrate the City's commitment to accelerating the supply of housing and to identify initiatives and actions to facilitate achievement of the target. The Province intends to use the pledges to monitor and track progress on the stated housing goals, to inform how it can best support municipalities and in removing barriers to housing development.

The City's role in facilitating housing supply is to provide growth opportunities through appropriate planning policies and land use designations as well as to facilitate planning approvals. The housing market is complex, with many factors beyond the control of the City of Markham. Market forces, such as rapidly rising interest rates that affect the cost of construction as well as availability of major infrastructure (i.e. storm, sewer, water, transit) that fall under the responsibility of York Region and Provincial agencies are additional examples of matters beyond the control of housing. That said, there are levers the municipality controls such as the pace and ease of approvals and creating planning policies that facilitate new development. As the City is not itself a housing provider it must also act in partnership with the Development Industry to achieve the desired provincial results.

This staff report identifies initiatives and actions that the City will take to support the Municipal Housing Pledge and Target.

OPTIONS/ DISCUSSION:

The City of Markham has several initiatives underway or planned that will establish a municipal planning framework to facilitate housing in complete communities and support a leaner and more efficient development approvals process. Together, these initiatives will position the City to respond to the Municipal Housing Target prescribed by the Province and contribute to increasing the supply of homes.

The Municipal Housing Target of 44,000 homes by 2031 (4,400 homes annually), is double the City's historic rate of new units issued in building permits over the past 5 years.

The 5-year average for total new units issued via building permits is approximately 2,100 units. The housing target established by the Province of 44,000 units over 10 years. This requires an effective doubling of the amount of total units. The chart below shows the

number of total new housing units in building permits issued and residential units occupied by year.

Building Permits Issued for New Units and Residential Units Occupied 2018-2022		
Year	New Units	New Residential Units Occupied
2018	3,312	1,870
2019	136	1,469
2020	1,196	1,172
2021	3,582	917
2022	2,200	1,790
5 Year Average	2,100	1,445

Source: Building Permit Activity Report, City of Markham, 2023

Increasing the number of building permits issued for new residential units will require efficiencies in the development approvals process and increased resources that are outlined later in this report. Markham currently meets or exceeds the legislative timelines set out in the Ontario Building Code for complete applications. As such, achievement of these targets is also contingent on other stakeholders such as the development industry keeping pace with the applications necessary to give effect to the approvals, the market allowing for construction to proceed and historical construction constraints within the Greater Toronto Area being resolved. While staff support increasing the supply of housing along with achieving other city building objectives, there is some concern based on previous building activity whether the proposed target is achievable without commitments from other sectors that are responsible for designing and building homes. That said, the City is committed to simplifying and streamlining the processes within its control to facilitate the stated provincial goals.

York Region's Official Plan forecasts 22,500 new units in Markham between 2021 and 2031

In November of 2022, the Province approved the York Region Official Plan that provides growth to the year 2051. Between 2021 and 2051, the City of Markham is forecasted to accommodate an additional 257,000 people and 86,000 units.

For the period between 2021 and 2031, Markham is forecasted to accommodate 62,000 people and 22,500 new units. During this period, there is infrastructure identified in York Regions 2022 Water and Wastewater Master Plan that is required to support forecasted growth.

The City's Official Plan Review will commence in 2023, implementing a new vision to guide growth.

The current Markham Official Plan, 2014 provides direction for growth to 2031. An Official Plan Review (OPR) will be initiated in 2023 to address conformity with the York Region Official Plan and reflect provincial plans, the new consolidated Provincial Policy Statement and Growth Plan and extend the planning horizon to 2051. The OPR will address key growth considerations including policies and a process to guide the

development of an additional 1,000 hectares of community area land in north Markham and plan for appropriate intensification in the built up area including planning for 22 Protected Major Transit Station Areas.

Markham has several initiatives underway aimed at streamlining development review and approvals

On January 19, 2022, Premier Ford announced the Streamline Development Approvals Fund (SDAF) as a funding opportunity to help Ontario's 39 largest municipalities modernize, streamline and accelerate processes for managing and approving housing applications. Utilizing this funding opportunity, the City has several projects underway:

- **End-to-end Review of the Development Application Review Process** – Identify efficiencies and streamlining process opportunities to improve development application processing timelines.
- **ePLAN Project Dox upgrade (development and permit application review software)** – This upgrade improves functionality and customer service experience for the application review process.
- **ePLAN Web Portal Update (development and permit application submission portal)** – This update will allow for easier navigation and mobile application for building inspections process
- **3D Electronic Model** – The model will provide visualization of existing and approved development applications and scenarios of development data metrics to inform and accelerate development applications recommendations
- **Geographical Information System (GIS) Map Interface of Development Applications (MappiT)** – Provides a map of the entire City in GIS with development application information and technical studies that are available to the public to increase transparency and confidence in the development application process. The interface also supports the private sector and consultants by allowing technical studies identified or already completed to be leverage to support future applications and technical requirements.

These initiatives will modernize the development approval process, improve transparency, and streamline processes to increase staff capacity to process an increased volume of applications to facilitate achievement of the municipal target. Additional staff resources and systems may be needed to support the development, implementation, and training on new processes. Further, staff efforts on process improvements related to Bill 109 – More Homes for Everyone Act and Bill 23 may lead to faster decision making.

There are approximately 109,000 units proposed through recently completed and active secondary plans/planning studies.

The City has completed or is working on various secondary plans that will support the development of new housing in healthy and complete communities. These secondary plans are located within the existing urban boundary for Markham. The table below outlines proposed units within completed or emerging secondary plans/studies that demonstrates a significant amount of potential growth being planned in the range of approximately 109,000 units.

Secondary Plan/Planning Study	Status	Proposed Units
Markham Centre	In Progress	53,000
Markham Road- Mount Joy	In Progress	14,200
Milliken	In Progress	9,000
Yonge Corridor Land Use and Built Form Study	Completed	23,000
Robinson Glen	Completed	4,800
Berczy Glen	Completed	4,200
Victoria Glen	Completed	840
Total Units		109,000

The above figures also do not include proposed units associated with the Bridge Station Transit Oriented Community (approximately 20,000 units) and Minister's Zoning Orders (MZO) that have been issued across the City.

Further, it is anticipated that the secondary plan studies will identify infrastructure improvements required to support proposed growth. The delivery of necessary infrastructure will influence the timing of build out for these secondary plan areas and the ability for growth to be accelerated.

An updated Comprehensive Zoning By-law will reduce the need for Amendments where proposed developments are consistent with the in-effect Official Plan.

The Planning Act requires municipalities review and update their municipal zoning by-laws to conform with Official Plans within three years after the Official Plan comes into effect.

Markham has 46 different zoning by-laws applying to different areas of the City. These zoning by-laws were adopted between 1954 and 2004. They now require updating to be consistent with the in-effect Official Plan.

The City is preparing an updated comprehensive Zoning By-law that is intended to be:

- user-friendly, interactive & web-based;
- guide land use and development in Markham;
- respond to emerging planning and development trends; and
- implements the policies of the in effect Official Plan.

An updated by-law will ensure that the policies of the official plan are reflected in zoning, which should reduce the need for zoning by-law amendments in cases where proposed developments are consistent with the current official plan. A report on the new comprehensive Zoning By-law will be presented to Development Services Committee (DSC) in Q2 2023.

The City request the Province provide financial support to facilitate achievement of the municipal housing target given the need for additional resources and hard and soft infrastructure to support accelerated growth.

There are elements of community building that are complex and many do not rest with the City alone. Through the implementation of the Municipal Housing Pledge, additional capital projects or changes to the capital plan timing may be required to support accelerated housing growth while building complete and healthy communities. Further, additional operational costs may be required to support the process improvements identified through the implementation of the Municipal Housing Pledge and the review of additional development applications associated with an accelerated pace of housing growth.

The Province has indicated there will be a correlation between Municipal Housing Pledges and funding opportunities for growth related costs, in particular in relation to the impacts of Bill 23. While details have not yet been provided, the Municipal Housing Pledge may provide opportunities for the City of Markham to seek available funding.

Staff support the development of a municipal framework to achieve more housing to support the Municipal Housing Target

While the City does not build homes, the Municipal Housing Pledge seeks to establish a road map with initiatives within the control of the City to get more homes built faster.

Markham has several initiatives and strategies in place that will support the development of a municipal framework to accelerate housing. However, it will be important to understand and monitor the role other stakeholders, such as the development industry, and external forces, such as market demand, have in influencing the City's ability to achieve the target.

City staff will monitor and report on key performance indicators to actively manage the opportunities and risks associated with the pledge.

FINANCIAL CONSIDERATIONS

As the Municipal Housing Pledge is tied to Bill 23, there may be financial implications to the City's finances that have not been fully realized. Staff will continue to provide updates to Council as available.

HUMAN RESOURCES CONSIDERATIONS

Accelerating growth will require additional staffing to process development applications and support the issuance and approval of building permits. These impacts will need to be assessed further and considered in light of other changes to the development approval process as a result of Bill 109 – More Homes for Everyone Act, 2022. Staff will continue to provide updates to Council as available.

ALIGNMENT WITH STRATEGIC PRIORITIES:

This report aligns with Goal 3.2 of Markham’s Future Together, 2020-2023 (BMFT): “Build complete communities that offer a range of housing and employment opportunities, transportation options and outstanding community amenities”.

BUSINESS UNITS CONSULTED AND AFFECTED:

The following departments were consulted on the preparation of this report: Development Engineering, Strategy and Innovation, Building, and Legal.

RECOMMENDED BY:

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ATTACHMENTS:

- Appendix A – Minister’s Letter on Municipal Pledge and Target
- Appendix B – Markham Initiatives for Municipal Housing Pledge