

Norfolk County Office of the Mayor



October 11, 2023

Sent by e-mail to: minister.mah@ontario.ca

The Honourable Paul Calandra Minister of Municipal Affairs and Housing College Park, 17th Floor 777 Bay Street Toronto, Ontario M7A 2J3

Dear Minister Calandra

Subject: Responding to the Housing Affordability Task Force's Recommendations

Thank you for your letter dated September 15, 2023 regarding your request for response to the list of 74 Task Force housing recommendations by October 16, 2023. I am responding today to re-iterate Norfolk's strong desire to work with the province to help deliver on needed housing growth and infrastructure expansion in our municipality.

As you know, creating an environment for growth and increasing housing approvals requires a concerted effort from all levels of government. Our government is doing everything it can to streamline approvals of applications – including a 66% reduction in site plan approval timelines, a month-and-a -half reduction in the average rezoning (with the majority occurring within 90 days), delegated minor zoning bylaws, and other efficiencies.

The Association of Municipalities Ontario (AMO) has provided a response letter dated October 3, 2023 with a sector-wide perspective. They have identified a number of recommendations that could be supported including a sustainable funding framework to support infrastructure and growth. With all of the recent changes, municipalities must be "made whole" so that growth is not unduly subsidized by existing property taxpayers. In Norfolk, we are investing in our water and wastewater systems which will not only provide stability for existing residents but will support growth for generations to come.

Housing, and in particular affordable housing, is a critical issue, including in Norfolk. We feel there are actions listed in the Housing Affordability Task Force recommendations that could be reasonably supported and many that requires additional clarification and come with potential challenges to implement. Several recommendations require further information in order to understand the potential implications to help make a determination. In some cases, further clarity amongst partners and stakeholders may be required in order to help directly implement the action.

There are several recommendations that either aim to establish new, continually-changing or confusing regulations, could further impact the public process or would have direct financial impact on municipalities. Well-informed policy objectives and decisions affecting the municipality and residents are important in the interests of Norfolk and Ontario residents.

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There are a number of recommendations that could be supported as they benefit the facilitation towards or the creation of long-term housing options. Other recommendations that the municipality could directly play a role in are supportable, provided additional clarification is provided to fully understand the intent and meaning of the recommendation. From an initial review, and in the absence of clarification on the meaning of some of the recommendations, below are the top 5 recommendations to support:

Please identify the top 5 HATF recommendations that you support, and rationale / comments

- 1. | 5) Permit "as of right" secondary suites, garden suites, and laneway houses province-wide.*
 - Comments: Norfolk County amended its land use documents in Sept. 2022 to fully permit and promote additional residential dwelling units (ARDUs). As Mayor, I have taken a strong stance particularly with new developments to push for the creation of more of these types of units. We have now seen an increase in permits for ARDUs and any additional information (to reduce NIMBYism) or funding opportunities to directly incent the conversion and creation of these units is appreciated.
- 2. 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.*
 - Comments: From a day-to-day standpoint, this would have a direct impact on making the development process smoother, more understandable and a dedicated problem-solver to help applicants register their plans and deliver on new housing starts. If the province helped fund or create "approval facilitators" within municipalities and with authority to make decisions to achieve timelines, this would deliver on housing.
- 3. 42) Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
 - Comments: Rental housing developers and affordable housing providers are telling us that with the increase in construction costs and other factors, despite any incentives that our municipality currently provides (such as Development Charge exemptions or even providing land at no cost)-the financing margins are so thin that they cannot raise the capital to build. Providing (interest-free) loan guarantees would help provide needed assurance for these type of developments to build.
- 4. B-3) Create an Affordable Housing Trust from a portion of Land Transfer Tax Revenue (i.e., the windfall resulting from property price appreciation) to be used in partnership with developers, non-profits, and municipalities in the creation of more affordable housing units. This Trust should create incentives for projects serving and brought forward by Black- and Indigenous-led developers and marginalized groups.

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Comments: Having a dedicated funding source that could directly be accessed for new affordable housing units would go a long way. Experience has shown that with any provincial or other funding envelope provision, there are developments lined up to access and many successful builds have occurred. This Trust fund should be further explored.

5. C-1) to C5) Review surplus lands and accelerate the sale and development through RFP of surplus government land and surrounding land by provincially pre-zoning for density, affordable housing, and mixed or residential use / include affordable housing component / upzone Crown property and reoccupy as a tenant in higher density buildings or relocate services outside major population centres.

Comments: Norfolk has undertaken a process to review and identify our vacant and underutilized land. To date, we have identified several parcels that could be utilized for a range of housing opportunities – including for affordable housing. We are going through a public process and in cases where pre-zoning is required to bring the lands to market we are pursuing completion of that. Other provincial and public land could be reviewed to determine which properties could be capitalized on for new housing. Relocation of services outside major centres to areas such as Norfolk is an attractive and financially beneficial proposition for the province.

As you know, it will be increasingly important to focus on specific actions that governments can help implement or work with the private and non-profit housing sector and providers to deliver on the most needed housing types and affordabilities.

As per your letter, we too look forward to our partnership that will ensure our residents have an affordable place to call home.

I look forward to meeting you and hope to connect at ROMA.

Thank you,

Amy Martin

Mayor, Norfolk County

Attachment: Letter dated October 3, 2023 from AMO President

Letter dated September 15, 2023 from The Hon. Paul Calandra



Office of the President

Sent by e-mail to: minister.mah@ontario.ca

October 3, 2023

The Honourable Paul Calandra Minister of Municipal Affairs and Housing College Park, 17th Floor 777 Bay Street Toronto, Ontario M7A 2J3

Dear Minister Calandra:

I am writing today to convey a sector-wide perspective on the September 15th request you sent to mayors regarding the June 2022 recommendations of the government's Housing Affordability Task Force. As you know, the housing supply and affordability crisis is of top concern for municipal governments and we welcome the opportunity to work with you on this critical issue. As you also know, housing crisis challenges and solutions are complex and nuanced – not easily reduced to "yes" or "no" answers. We trust that this exercise is only the beginning of an ongoing partnership between provincial and municipal governments to proceed is a manner that reflects informed decision-making in the interests of Ontario's residents and communities.

The Housing Affordability Task Force did not include members representing the experience, expertise, or interests of Ontario's municipal sector. Nor did it consider the full range of circumstances of the nation-wide housing supply and affordability crisis apparent at the time, including industry supply management, interest rates, the actions of property investors vs. homebuyers, decades long under-investment in community housing stock, and many other elements integral to truly complex challenge.

The most immediate outcome of the Task Force's recommendations was Bill 23, which was introduced on October 25th and passed on November 28th, 2022. Bill 23 was subject to extensive criticism from Ontario's municipal sector, outlining among other concerns, substantial financial impacts that would limit the ability to invest in the infrastructure needed to support growth. That said, AMO and its members were pleased in November 2022, when the Government of Ontario committed to fully offsetting the financial impacts the Bill. Municipalities continue to look forward to the fulfilment of that important promise.

As an organization committed to good public policy, building sustainable communities and to working with the government to help it meets its ambitious housing targets, AMO wants to ensure that these important public policy matters are given the consideration and

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analysis necessary to help the government to fulfil its commitment to objective, well-informed, and evidence-based policy.

Your letter to Mayors requests that they identify those Task Force recommendations that should be prioritized for implementation and that those Mayors with provincial housing targets provide a response to each of the Task Force's 74 recommendations. You indicate that if Mayors decline the opportunity to do so, their communities will be subject to a financial penalty. Given that the request is to Mayors and not to Councils, it is not clear whether Mayors will be able to enlist the support of the municipal public service in order to analyse the impacts of the recommendations. AMO is confident the government understands that any policy decision framework that accounts only for external task force recommendations and the views of individual mayors would not be sufficient to accomplish its own public policy making standards.

In the interest of supporting AMO members, and the government, in advancing good public policy, we are providing information to AMO members which the AMO Board believes they may find useful.

In general, AMO is expressing its support for the bulk of the Government's Task Force recommendations, with a few exceptions noted below, subject to firm conditions the Government will recognize as essential before proceeding to Cabinet.

Municipalities believe that the following conditions are necessary for the successful implementation of the Task Force's recommendations or, indeed, any other actions that the government chooses to pursue to address the housing supply and affordability crisis, including:

- 1) A **fair and sustainable funding framework** to support infrastructure and growth, that is not unduly subsidized by existing property taxpayers.
- 2) A **comprehensive**, **sequenced implementation plan** that gives both developers and municipalities certainty regarding costs and rules to support effective long-term decision-making.
- 3) An **accountability framework** that accurately recognizes the roles and responsibilities of different housing partners and does not hold municipalities accountable for the actions of developers or provincial ministries. Mechanisms must be included to ensure that public investments are tied to outcomes in the public interest.
- 4) A core focus on **non-market housing**, which was not within the mandate of the Housing Affordability Task Force. A robust non-market housing sector is a critical part of a well-functioning overall housing system and needs to be prioritized by governments.
- 5) A **public policy review by the Ontario Public Service** verifying that each recommendation is feasible, likely to result in increased housing supply and/or affordability and, is in the public interest.

As noted above, AMO is expressing its support for the bulk of the recommendations subject to the conditions noted above. AMO has identified only three of the Task Force's recommendations that cannot be supported at a sector level from a principled perspective:

- 12. Support responsible housing growth on undeveloped land, including outside existing municipal boundaries, by building infrastructure necessary to support high density housing and complete communities and applying the recommendations of this report to all undeveloped land. AMO and many others have identified Intensification is an important principle that should underpin development in Ontario. While building on undeveloped land will be necessary in some small, rural and northern communities, in general it is not required to meet provincial housing targets. Given risks and controversy surrounding recently proposed development outside of municipal boundaries, AMO recommends that scarce resources are best directed elsewhere.
- 22. 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. Requiring municipalities to use taxpayer funding to compensate private landowners for implementing provincial legislation is not consistent with the public interest or a well-functioning system of governance.
- 57. Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets. This recommendation stands out as inconsistent on its face with conditions for success, as it fails to appropriately understand and assign accountability for housing development roles.

AMO is also recognizing the following recommendations as its top priorities for consideration, in an effort to assist Mayors in identifying their top-five recommendations as your letter requires. They include:

Recommendations supporting affordable housing: While not requested to provide recommendations on increasing the supply of non-market housing, the Task Force identified a number of recommendations that municipalities believe should be explored on a priority basis as part of a broader strategy to urgently increase the supply of deeply affordable housing in Ontario, including:

66. Create an Affordable Housing Trust from a portion of Land Transfer Tax Revenue (i.e., the windfall resulting from property price appreciation) to be used in partnership with developers, non-profits, and municipalities in the creation of more affordable housing units. This Trust should create incentives for projects serving and brought forward by Black- and Indigenous-led developers and marginalized groups.

- 67. Amend legislation to:
 - Allow cash-in-lieu payments for Inclusionary Zoning units at the discretion of the municipality.
 - Require that municipalities utilize density bonusing or other incentives in all Inclusionary Zoning and Affordable Housing policies that apply to market housing.
 - Permit municipalities that have not passed Inclusionary Zoning policies to offer incentives and bonuses for affordable housing units.
- 68. Encourage government to closely monitor the effectiveness of Inclusionary Zoning policy in creating new affordable housing and to explore alternative funding methods that are predictable, consistent, and transparent as a more viable alternative option to Inclusionary Zoning policies in the provision of affordable housing.

Recommendations to enhance supply of skilled trades: Municipalities applaud the actions that the government has taken to date to address these critical labour shortages. Almost without exception, municipalities that submitted housing pledges identified this as a key challenge in meeting housing targets. Continued focus and monitoring are required to ensure that actions are successful in addressing the challenge. As such, AMO prioritizes the following Task Force recommendations:

- 53. Improve funding for colleges, trade schools, and apprenticeships, encourage and incentivize municipalities, unions, and employers to provide more on-the-job training.
- 54. Undertake multi-stakeholder education program to promote skilled trades.
- 55. 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.

Recommendations to hold developers accountable for building: Municipalities have continuously highlighted the hundreds of thousands of approvals that sit, sometimes for years, without building permits being pulled. Recommendations like the following can play a critical role in ensuring that zoned and serviced land is developed in a timely way:

51. Enable municipalities, subject to adverse external economic events, to withdraw infrastructure allocations from any permitted projects where construction has not been initiated within three years of build permits being issued.

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Recommendations to streamline the approvals process: Municipalities have heard feedback regarding lengthy approvals processes and are supportive of approaches such as province-wide zoning standards – including the following recommendation – and other time-saving mechanisms if they are developed and implemented in a thoughtful way:

15. 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.

This information is provided in the spirit of collaboration, and to support our shared goals of improved housing affordability and good public policy in Ontario. The AMO Board hopes its members and the Government will find this information helpful as policy discussions and internal Government deliberations continue on these important matters.

Sincerely,

Colin Best AMO President

Councillor for the Region of Halton

cc: Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing Ontario Heads of Council

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Ministry of Municipal Affairs and Housing

Office of the Minister

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234-2023-4596

September 15, 2023

Dear Head of Council,

Subject: Responding to the Housing Affordability Task Force's Recommendations

As you know, in February 2022, the Housing Affordability Task Force delivered its final report with recommendations to help Ontario tackle the housing supply crisis and build at least 1.5 million homes by 2031. Including sub-items and appendices, the Task Force made 74 unique recommendations. While Ontario has made progress in acting on these recommendations — with 23 implemented to date helping to achieve the highest level of housing starts in over three decades — as the province grows at incredible speed, all levels of government need to do more.

To bring the dream of home ownership into reach for more people, I have asked my ministry to renew its efforts to review and, where possible, implement the Task Force's remaining recommendations with minimal delay. As part of that review, I am asking for your position, as head of council, on all 74 recommendations, as well as for you to prioritize your top five recommendations for future consideration. For these top five priorities, this could include your advice to revisit the way a recommendation has been implemented up to this point (for example, the Task Force's recommendation to allow as-of-right zoning for four units on a single residential lot, compared to the province's current baseline of allowing three units as-of-right with the option for municipalities to adopt a higher density threshold if they choose), as well as how some of the recommendations could or should be implemented with amendments.

Accompanying this letter, you will find a chart containing the full list of 74 Task Force recommendations. Please fill in this chart, indicating whether you as the leader of your municipality support each recommendation. At the top of the chart, I ask that you rank the top five Task Force recommendations that you feel would be, or have been, the most useful in increasing housing supply in your community and across Ontario.

As we look to do more to solve the housing supply and affordability crisis together, it's important for the province to have a full understanding of our municipal partners' positions on these recommendations as quickly as possible. I ask that you please return the completed chart to housingsupply@ontario.ca no later than October 16, 2023.

At the same time, we cannot afford to deploy resources or enable tools where they won't be used or optimized. Now more than ever, we need clarity about your views. As such, failing to return this chart completed in full by October 16, 2023 will disqualify your municipality from being eligible for the province's new \$1.2 billion Building Faster Fund that was announced at the Association of Municipalities of Ontario conference in August. To make this process easy and efficient for you, we have standardized the feedback form with very simple 'support' or 'oppose' options.

I look forward to continuing our work together to ensure that more people can afford a place to call home.

Sincerely,

The Hon, Paul Calandra

Minister of Municipal Affairs and Housing

C: Hon. Rob Flack, Associate Minister of Housing
Kirstin Jensen, Interim Chief of Staff, Minister's Office
Martha Greenberg, Deputy Minister
Joshua Paul, Assistant Deputy Minister, Market Housing Division
Sean Fraser, Assistant Deputy Minister, Planning and Growth Division
Caspar Hall, Assistant Deputy Minister, Local Government Division

Attachment:

List of 74 Housing Affordability Task Force (HATF) Recommendations for Response