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**MEMORANDUM**

**CWCD 2022-71**

**Subject:** Report of the Ontario Housing Affordability Task Force

**Date:** March 18, 2022

**To:** Planning and Economic Development Committee

**From:** Diana Morreale, Acting Director, Community and Long Range Planning

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The purpose of this memo is to provide a copy of staff's response letter to the recommendations contained within the "Report of the Ontario Housing Affordable Task Force" (Appendix 1).

In December 2021, the Province created a Housing Affordability Task Force. The Task Force was created to deliver recommendations on ways to address market housing supply and affordability. The Province appointed nine members to the Task Force.

In February 2022, the Task Force released recommendations to the public. The recommendations within the report centred on the following themes:

- Focus on getting more homes built;
- Making land available to build;
- Cut the red tape so we can build faster and reduce costs;
- Reduce the costs to build, buy and rent; and,
- Support and incentivize scaling up housing supply;

Appendix 1 to CWCD 2022-71 contains a letter to Minister Clark outlining staff's response on the Task Force recommendations.

Respectfully submitted and signed by

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Acting Director, Community and Long Range Planning

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Sent via e-mail: [steve.clark@pc.ola.org](mailto:steve.clark@pc.ola.org)

March 15, 2022

The Honourable Steve Clark  
Minister of Municipal Affairs and Housing  
17<sup>th</sup> Floor, 777 Bay Street  
Toronto, Ontario  
M7A 2J3

**Subject: Response to the Report of the Ontario Housing Affordability Task Force**

Dear Minister Clark,

On February 8, 2022, the Ontario Housing Affordability Task Force (“Task Force”) published a total of 55 recommended actions aimed at increasing Ontario’s housing supply by 1.5 million households over the next ten years. The recommendations, which are aimed at all levels of government and their associated agencies, primarily seek to increase “as-of-right” intensification within urban areas, streamline development approvals and related timelines, improve tax and municipal financing, and reform the Ontario Land Tribunal appeals process.

The Niagara Region appreciates the Province’s commitment to improving housing affordability across Ontario. Over 20,000 of Niagara’s households were reported to have been in core housing need as of 2016, primarily driven by a lack of affordable housing options within the community. Given the recent surge in housing prices experienced across the Province, rates of core housing need are have risen. Action must be taken to ensure more housing of all types are provided to meet the needs of our growing population.

The provision of affordable, accessible, and adequate housing is a complex matter that requires coordination between all levels of government. The report focuses on the inefficiencies in the land development process and how it contributes to the crisis, however planning approvals at the municipal level are only one factor in housing affordability. There are other economic factors contributing to the housing supply challenge and affordability including:

- building industry capacity (lack of labour);
- supply chain and shortages in materials ; and,
- approved land supply being held back by landowners.

While not addressed specifically in the Task Force's report, the Province should also consider the specific challenges associated with increasing the supply of community housing (i.e. housing owned and operated by non-profit housing corporations, housing co-operatives and municipal governments) and supportive housing. Although an increase in market supply can address the issue of housing affordability in part, the private sector alone cannot solve the entirety of this problem and it is the community housing need that is the most dire and needs to be addressed. A collective effort from all levels of government, housing service providers, and the development industry is required to provide the necessary tools and interventions to address this problem.

The Province should also consider the unique housing challenges faced by communities of all types and sizes, including small to medium sized cities and rural communities. A city like Toronto versus a city like Thorold will have access to different resources and require vastly different solutions towards the achievement of improved housing affordability. In short, a "one-size-fits-all" approach should be avoided.

Regional and local staff have reviewed all recommendations provided by the Task Force. At this time, the Province has not specified which, if any, policy, regulation, and/or protocol changes the Province may elect to advance. In the absence of more substantive details relating to the recommendations, Regional and local staff have outlined general comments on the primary objectives and themes of the Task Force's report below, which are shared with the Ministry of Municipal Affairs and Housing for their consideration. In addition to this letter, a few of our local municipalities have also indicated that they will be submitting comments on these recommendations.

## **Increase Density and "As of Right" Permissions**

### **Relevant Task Force Recommendations**

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3. Limit exclusionary zoning in municipalities through binding provincial action:
    - a) Allow "as of right" residential housing up to four units and up to four storeys on a single residential lot.
    - b) Modernize the Building Code and other policies to remove any barriers to affordable construction and to ensure meaningful implementation (e.g., allow single-staircase construction for up to four storeys, allow single egress, etc.).
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4. Permit “as of right” conversion of underutilized or redundant commercial properties to residential or mixed residential and commercial use.
  5. Permit as of right secondary suites, garden suites, and laneway houses province-wide
  6. Permit “as of right” multi-tenant housing (renting rooms within a dwelling) province-wide.
  7. Encourage and incentivize municipalities to increase density in areas with excess school capacity to benefit families with children.
  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.
  9. Allow “as of right” zoning of six to 11 storeys with no minimum parking requirements on any streets utilized by public transit (including streets on bus and streetcar routes).
  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.
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- Staff is generally supportive of the objective to increase the overall density and diversity of housing in built up areas.
- Over 60% of Niagara’s current housing stock is made up of single-detached dwellings. Although recent construction activity has begun a shift towards more medium density builds there is a range of housing types the Region is seeking to encourage through its new Niagara Official Plan.
- Staff do support flexibility in “as of right” permissions for housing, particularly within planned major transit station areas and strategic growth areas and in a manner that is compatible in scale with stable residential areas; however, staff cannot support intensification that is completely unplanned and unrestricted.
- Intensification must be considered in balance with other key considerations needed for the creation of complete communities, such as infrastructure and servicing

capacity, parking requirements, impacts to neighbourhood character, access to employment uses, and landscaping and public realm design. In the absence of municipal oversight through zoning, there are limited tools to ensure development and related services are planned for in a strategic manner.

- **Recommendation 4**, Regional staff support the conversion of underutilized commercial lands along major arterial transit routes as priority areas for mixed residential and commercial use, provided that these sites do not serve as land supply for population based employment.
- **Recommendation 11**, clarification is needed to understand what is meant by development “outside municipal boundaries”. If referring to settlement area expansions, existing Provincial policy provides sufficient ability for municipalities to consider adjustments to their urban and rural settlement area boundaries, and while Regional staff support higher densities and the creation of complete communities on potential expansion lands, staff do not support unplanned development within natural areas or agricultural lands. Development should be directed to settlement areas where infrastructure and service levels exists to support development vs. to areas outside of settlement of settlement area boundaries. The resultant financial burden on municipalities would be significant if development occurs outside of settlement area boundaries.

## **Streamline Development Approvals**

### **Relevant Task Force Recommendations**

- 12.** Create a more permissive land use, planning, and approvals system:
  - a) Repeal or override municipal policies, zoning, or plans that prioritize the preservation of physical character of neighbourhood.
  - b) Exempt from site plan approval and public consultation all projects of 10 units or less that conform to the Official Plan and require only minor variances
  - 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

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(colour, texture, and type of materials, window details, etc.) to the Planning Act and reduce or eliminate minimum parking requirements; and

- d) Remove any floorplate restrictions to allow larger, more efficient high-density towers.

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**13.** Limit municipalities from requesting or hosting additional public meetings beyond those that are required under the Planning Act.

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**14.** Require that public consultations provide digital participation options.

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**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.

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**16.** Prevent abuse of the heritage preservation and designation process by:

- a) Prohibiting the use of bulk listing on municipal heritage registers.  
b) Prohibiting reactive heritage designations after a Planning Act development application has been filed.

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**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.

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**49.** Reductions in funding to municipalities that fail to meet provincial housing growth and approval timeline targets.

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**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.

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- Regional staff support the objective to streamline the development approvals process, expand the usage of delegated approval for applications that are technical and/or minor and nature, and reduce unnecessary delays in the delivery of needed housing supply. However, several of the recommendations noted above impede the ability for municipalities to consider local characteristics and existing built environments as part of planned development. It must also be acknowledged that development approval processes does not only rest with municipalities; there are

development approval processes that take place at the provincial level and there is the need to have appropriate staff resources available to those ministries and a commitment to streamlining provincial development approval processes as well.

- NIMBY is a significant barrier for the development of affordable housing, community housing, supportive housing, and other facilities needed for homelessness services in particular, and presents a challenge for intensification in particular.
- Addressing NIMBY requires continued dialogue, education, negotiation and relationship building is required to demystify the perceived threats associated with growth and development, which is where the importance of public consultation should also be acknowledged. Public consultation allows opportunities to provide information with local residents, allow for open dialogue, and allow a variety of voices to be heard.
- **Recommendation 12 c)**, although staff support additional guidance for flexible zoning standards, a Regional approach would be more appropriate. The growth forecasts, intensification targets, and existing built form in Niagara are different from those of Toronto and the Greater Toronto Area. A “one size fits all” approach with such technical considerations would contribute to a homogenous urban form that disregards local characteristics
- **Recommendation 13**, Regional staff are of the opinion that the necessity for additional meetings remain at the discretion of the local municipality and/or approval authorities provided they comply with existing *Planning Act* timeframes.
- With regards to **Recommendation 16**, Regional staff note that recent changes to the Ontario Heritage Act includes statutory timeline limitations for when municipalities can designate a property following the submission of certain applications under the *Planning Act*. The conservation of culturally and historically significant resources is a Provincial objective that merit continued priority in site specific cases.

## Reform the Ontario Land Tribunal Appeals Process

### Relevant Task Force Recommendations

18. Restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews.
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.

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.
  26. Require appellants to promptly seek permission (“leave to appeal”) of the Tribunal and demonstrate that an appeal has merit, relying on evidence and expert reports, before it is accepted.
  27. Prevent abuse of process:
    - a) Remove right of appeal for projects with at least 30% affordable housing in which units are guaranteed affordable for at least 40 years.
    - b) Require a \$10,000 filing fee for third-party appeals.
    - c) Provide discretion to adjudicators to award full costs to the successful party in any appeal brought by a third party or by a municipality where its council has overridden a recommended staff approval.
  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.
  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.
  30. Provide funding to increase staffing (adjudicators and case managers), provide market-competitive salaries, outsource more matters to mediators, and set shorter time targets.
  31. In clearing the existing backlog, encourage the Tribunal to prioritize projects close to the finish line that will support housing growth and intensification, as well as regional water or utility infrastructure decisions that will unlock significant housing capacity.
- Regional staff agree that additional changes can be made to continuously improve the appeals process. For instance, subject to further information regarding the manner in which these objectives are implemented, Regional staff generally support the aims of **Recommendations 20, 21, 26, 28 and 30** as a means of reducing baseless appeals and reducing the wait times for decisions to be rendered.



- Regional staff are concerned, however, that measures to increase the filing fee for appeals as outlined in **Recommendation 27 b)** or to introduce the ability to award punitive costs as outlined in **Recommendation 29** would essentially eliminate the ability for residents or small interest groups to participate in the appeals.
- **Recommendation 18**, allowing developers to appeal MCRs will result in a dramatic slow down of the growth management process, and ultimately, the development approvals process. In addition, there are competing interests within the development community itself that will serve to frustrate and lengthen the appeals process. One of the challenges of the last several years has been the instability in the planning and development sector as a result of the long protracted appeals associated with the original conformity exercises to the Growth Plan followed by several years of changes to Provincial legislation and Plans. Permitting these types of appeals will serve to undermine the Province's goal of streamlining the approvals process and will prevent municipalities from bringing housing on-line in an expedited fashion.
- **Recommendation 31**, prioritization should focus on proposals that include an affordable housing component, and should allow for equitable consideration across the Province (i.e. in areas outside of Toronto and the Greater Toronto Area). In clearing the existin backlog of appeals priorities should be given to municipal initiated amendments that are appealed.

## **Improve Municipal Financing and Taxes**

### **Relevant Task Force Recommendations**

25. Require municipalities to provide the option of pay on demand surety bonds and letters of credit.
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.
33. Waive development charges on all forms of affordable housing guaranteed to be affordable for 40 years.
34. Prohibit interest rates on development charges higher than a municipality's borrowing rate.
35. Regarding cash in lieu of parkland, s.37, Community Benefit Charges, and development charges:

- a) Provincial review of reserve levels, collections and drawdowns annually to ensure funds are being used in a timely fashion and for the intended purpose, and, where review points to a significant concern, do not allow further collection until the situation has been corrected.
  - b) Except where allocated towards municipality-wide infrastructure projects, require municipalities to spend funds in the neighbourhoods where they were collected. However, where there's a significant community need in a priority area of the City, allow for specific ward-to-ward allocation of unspent and unallocated reserves.
36. Recommend that the federal government and provincial governments update HST rebate to reflect current home prices and begin indexing the thresholds to housing prices, and that the federal government match the provincial 75% rebate and remove any claw back.
37. Align property taxes for purpose-built rental with those of condos and low-rise homes.
39. Eliminate or reduce tax disincentives to housing growth.
42. Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
43. 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.
44. Work with municipalities to develop and implement a municipal services corporation utility model for water and wastewater under which the municipal corporation would borrow and amortize costs among customers instead of using development charges.

The recommendations included above require further detail and analysis to provide substantive comments. There are a number of recommendations Regional staff have concerns with, including:

- **Recommendation 25**, The Region does not support the use of surety bonds as they do not offer the same financial security as a Letter of Credit.
- **Recommendation 32**, The Region currently has grant programs for development charges on social housing that meet specific grant program criteria. Infill units still create a demand for regional services. Development Charges (DCs) help pay for the construction of growth related infrastructure, waiving them for infill units will have

impacts on the Region's finances and will shift growth costs to existing homeowners. Also, it is not clear what is meant by "no new material infrastructure" and this could lead to appeals based on different interpretations.

- **Recommendation 33**, DCs help pay for the construction of growth related infrastructure, waiving them for affordable housing will have significant impacts on the Region's finances and will shift growth costs to existing taxpayer. Additional information is required on the definition of affordable. The Region currently has grant programs for development charges on social housing that meet specific grant program criteria. However, occupants of this housing type still create demand for services which are paid for by DCs. The cost of growth for these developments are funded from Regional taxes and shift growth costs to existing homeowners which also impacts affordability. The Provincial government should provide funding for such programs.
- **Recommendation 34**, The Region has concerns of the potential funding gap that will occur if interest rates are not included in DCs, this places a greater burden on the existing taxpayer. Municipal borrowing rates fluctuate so flexibility needs to be provided to municipalities.
- **Recommendation 35(b)**, The Region does not support and prefers the current flexibility to adopt area specific or Region wide charges and the flexibility to prioritize use of DCs based on actual growth and need.
- **Recommendation 37**, the Niagara Region has a tax policy already in place that charges new multi-residential at the same tax rate as residential.
- **Recommendation 44**, the Region does not support. Municipal development charge models are effective tools to ensure growth pays for growth.

## Moving Forward

Further consultation with the municipal sector is recommended before the implementation of any strategy, actions, or regulations in response to the Task Force's recommendations to ensure that strong and effective solutions for facilitating the development of affordable housing is reflected in all communities across the Province. The Report recommendations does not address the need for additional mechanisms to support affordable housing from Provincial and Federal governments (i.e. tax incentives). Long-term funding from all levels of government must also be available to provide needed support services to create healthy mixed income communities.

Regional and local municipal staff are available to convene and contribute municipal expertise and knowledge in this matter.

Respectfully,

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