



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	March 22, 2022
SUBJECT/REPORT NO:	City of Hamilton's Response to the Provincial Housing Affordability Task Force (HATF) Report (PED22071) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Council adopt the staff response to the Ministry of Municipal Affairs and Housing regarding the Provincial Housing Affordability Task Force Report;
- (b) That the Director of Planning and Chief Planner be authorized and directed to confirm the submission made to the Province, attached as Appendix "A" to Report PED22071.

EXECUTIVE SUMMARY

On February 8, 2022, the Province received and released the report from the Housing Affordability Task Force (HATF) which includes 58 recommendations intended to increase the supply of market housing in response to the housing crisis.

The HATF recommendations focus heavily on the actions intended to quickly increase the supply of market housing specifically, to meet a goal of adding 1.5 million homes over the next 10 years. These themes include:

- Making changes to planning policies and zoning to prioritize growth and to allow for greater density and intensification while providing a variety of housing types;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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- Reducing and streamlining urban design and heritage policies and guidelines to lower costs of development;
- Changes to growth funding tools;
- Depoliticizing the approvals process to address NIMBYism by reducing opportunities for public participation and cut red tape to speed up housing approvals;
- Preventing abuse of the appeal process and addressing the backlog at the Ontario Land Tribunal (OLT) by prioritizing cases that increase housing;
- Supporting modernizing technologies to improve the intake/review of applications, and delivering the necessary municipal infrastructure (both “hard” and “soft”) and services that growth requires; and,
- Aligning efforts between all levels of government to incentivize more housing.

Staff support the general intent of the report, but have concerns regarding some of the following directions:

- The emphasis is on being more permissive and expediting processes for approvals, but not addressing tools or mechanisms to ensure proposed developments are actually built and in a reasonable time;
- Changes to growth funding tools such as Development Charges, Parkland Dedication and Community Benefit Charges, which would shift the cost of growth-related infrastructure to existing taxpayers instead of growth paying for growth;
- A ‘one size fits all’ approach to land use planning across the Province, fails to recognize the variation that exists and could create mismatched land use planning tools to meet the objective of increasing affordable housing supply and complete communities;
- Removal of public consultation requirements is not supported by staff, as it removes the opportunity for meaningful conversation to improve the outcome of a development through early identification of issues and opportunities. This dialogue allows applicants to respond to concerns and allows the municipality to educate the public as to what a municipality can / cannot regulate;
- The term “abuse” is used with regards to heritage preservation and urban design considerations. The Province has already made significant changes to the Ontario Heritage Act. A province-wide approach to drastically changing tools that help

ensure high quality urban design, does not recognize that both heritage and urban design add value to the planning process and contribute to creating distinct communities and enjoyable spaces; and,

- The HATF report provides no indication of an implementation or a phasing plan. Furthermore, many of the recommendations require more clarity, as some contain multiple ideas in one recommendation.

If implemented some of the recommendations from the HATF report could significantly alter local decision-making on development applications and approval processes, and the way in which market-based housing and affordable housing is delivered throughout the Province. A full analysis of each recommendation is provided in Appendix "A" – City of Hamilton Response to HATF Report, attached to Report PED22071.

Many of the recommendations identified in the HATF report will require legislative changes. As of the date of writing this report, Staff have not seen proposed legislative changes, but it is anticipated that proposed legislative changes would be introduced quickly, prior to the Legislature's recess leading up to the Provincial election.

Staff request that the MMAH provide clarity to some of the recommendations as outlined in staff questions noted in Appendix "A" – City of Hamilton Response to HATF Report, attached to Report PED22071, and that sufficient time be provided for appropriate municipal and stakeholder consultation should any draft legislation or regulations arise from the HATF report recommendations.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Any changes to Development Charges Act or the Planning Act with regards to Parkland Dedication or Community Benefits Charges would have an impact on the City of Hamilton's financial tools to pay for growth related infrastructure and servicing costs.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

On December 6, 2021, the Province of Ontario created a HATF consisting of nine members with the mandate of determining ways in which to address housing

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affordability across the Province. The mandate of the Housing Affordability Task Force is to explore measures to address housing affordability by:

- 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.

On February 8, 2022, the Province received and released a report from the HATF, which included 58 recommendations intended to increase the supply of market housing.

The HATF recommendations are divided into five main areas (focus on getting more homes built; making land available to build; cutting red tape; reduce costs to build; and support and incentivize scaling up housing supply) to quickly increase the supply of market housing and to meet a goal of adding 1.5 million homes over the next 10 years.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The City of Hamilton has already implemented a number of actions to streamline planning approvals, plan for intensification, and bring housing supply to the market quicker, in an effort to address housing affordability within our jurisdiction. Of note, 2021 was an all-time record year for new housing construction in Hamilton. As outlined in Appendix "A" – City of Hamilton Response to HATF Report, attached to Report PED22071, many of the City's actions align with the intent of the recommendations from the HATF report.

Many factors have led to Ontario's current housing affordability crisis. Some of these go beyond the land use planning policy framework and relate to low interest rates, accumulated home equity creating buying power, speculative demand, labour shortages, cost of materials and other factors. It is noted that the HATF recommendations focus solely on the premise that the cause of the housing affordability crisis is an increase in population and a lack of housing unit supply, without consideration for many other aspects of the planning process that ensure sustainable well-functioning communities. Supply of housing is not just about the number of units, but the location of those units, the type of housing (diversity in built-form, tenure, and bedroom size).

In addition, the report focuses on being more permissive and expediting the process for getting projects to approval. This does not guarantee proposals will be built in a timely basis, or at all. The City of Hamilton has made many efforts to streamline the development approvals process and prioritize files only to then see the lands sitting vacant for some time. Based on the City's Vacant Residential Land Areas and Unit Potential Analysis (December, 2020), there were 34,570 potential units in the City of Hamilton. Focus should also be on providing tools or mechanisms to ensure proposed developments get built and in a reasonable time and conversely, if development does not proceed in a timely fashion, the ability to sunset approvals to allow for the allocation of servicing capacity. The HATF report also fails to address the delays that can occur as a result of incomplete or insufficient development applications.

Some of the recommendations would change the way some growth funding tools such as Development Charges and Parkland Dedication are currently collected and calculated and would shift the cost of growth-related infrastructure to existing taxpayers. Municipalities still need to be able to fund the infrastructure that is required to service growth. Decisions about how to increase supply must be sustainable in terms of the cost to service, the cost to deliver and maintain those services.

Several recommendations suggest a 'one size fits all' approach to land use planning across the Province with a heavy provincial influence on zoning, approvals processes and consultation requirements. It must be noted that recognizing variation within and across municipalities is key to implementing successful land use planning tools and processes to meet the objective of increasing affordable housing supply.

The recommendation to completely remove public consultation requirements is not supported, as it removes the opportunity for meaningful conversation to improve the outcome of a development. It has been the City's experience that early "non-statutory consultation with the general public allows for the early identification of issues and opportunities for applicants to revise their proposals to respond to these concerns and / or to educate the public as to what a municipality can / cannot regulate (i.e. tenure).

The term "abuse" is used in the report with regards to heritage preservation and urban design considerations. This is not consistent with the City of Hamilton's experience. The Province has already made significant changes to the *Ontario Heritage Act* and it is important to keep in mind the refrain that "density without design leads to disaster", which captures why good urban design is important. In other words, it is the City's view that high quality urban design is an important matter of public interest and is also critical to the acceptance and success of the very forms of development that the HATF Report is seeking to achieve. A province-wide approach to drastically changing tools that help ensure high quality urban design, especially when the alleged overreach of these tools may not be happening in all jurisdictions, does not recognize that both heritage and urban design add value to the planning process and contribute to creating distinct communities and enjoyable spaces.

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A full analysis of each specific recommendation is provided in Appendix “A” – City of Hamilton Response to HATF Report, attached to Report PED22071, including how the City of Hamilton has already been addressing the recommendations locally, and other implications the MMAH must consider before advancing each recommendation.

Overall, staff advise that consideration must be given to the following gaps within the HATF report:

- Supply of housing is not just about the number of units, but also about the type of housing, including diversity of form, tenure, and size (e.g. number of bedrooms);
- Decisions about how to increase supply must be sustainable in terms of the cost to service, the cost to deliver and maintain those services, environmental performance, as well as providing necessary social infrastructure and other forms of infrastructure required to build complete communities;
- Rewriting Official Plans, Secondary Plans and Zoning By-laws will take time. Resources are needed to complete those updates in the timeframes mentioned; and,
- Recognition that the province is diverse in many ways and housing supply issues, and the factors contributing to those issues, are different across the province.

If implemented the recommendations from the HATF report could significantly alter local decision-making on development applications and approval processes, and the way in which market-based housing and affordable housing is delivered throughout the Province.

Staff request that the MMAH provide additional information on the approach to implementing any of the recommendations the MMAH may elect to advance forward, including any proposed timelines for phasing.

Lastly, staff request that sufficient time be provided for appropriate municipal and stakeholder consultation should any draft legislation or regulations arise from the HATF report recommendations.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" - City of Hamilton Response to HATF Report

TS:sd