

April 19, 2022

The Honourable Doug Ford, M.P.P.
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

The Honourable Steve Clark, M.P.P.
Minister of Municipal Affairs and Housing
17th Floor
777 Bay St.
Toronto, ON M5G 2E5

Sent via email: premier@ontario.ca and steve.clark@pc.ola.org

**Re: St. Catharines Response to Ontario Housing Affordability Task Force
Recommendations
Our File 35.31.18 & 60.73.5**

Dear Premier Ford and Minister Clark,

At its meeting held on April 7, 2022, St. Catharines City Council approved the following motion and requested that Minister Clark consider the staff recommendations starting on page 7 of the enclosed report (Report PBS-059-2022):

That Council, via the Mayor's Office, advise the Premier that the Housing Affordability Task Force recommendations require further evaluation and analysis, including feedback from AMO, ROMA, OPPI, MFOA, and OBCM, prior to implementation; and

That Council strongly recommends that substantial Provincial investment be provided to support municipalities to fund anticipated infrastructure upgrades to accommodate new intensification goals outlined in the Task Force's recommendations; and

That Council requests the Minister of Municipal Affairs and Housing to consider the staff recommendations starting on page 7 of Report PBS-059-2022; and

That staff forward Report PBS-059-2022 and its Appendices to the Premier, the Minister of Municipal Affairs and Housing and local Members of Provincial Parliament; and

That Council recommends the Province remove appeal rights to individuals and parties who appeal affordable housing developments to the OLT; and

Further, that Council's resolution be shared with Ontario Municipalities for their endorsement.

If you have any questions, please contact the Office of the City Clerk at extension 1524.



Bonnie Nistico-Dunk, City Clerk
Legal and Clerks Services, Office of the City Clerk
:em

cc: Jennifer Stevens, MPP - St. Catharines
Jeff Burch, MPP - Niagara Centre
Wayne Gates, MPP - Niagara Falls
Sam Oosterhoff, MPP - Niagara West-Glanbrook
Tami Kitay, Director of Planning and Building Services
Brian York, Director of Economic Development and Government Relations
Melissa Wenzler, Government Relations Advisor
Scott Rosts, Chief of Staff, Mayor Sendzik's Office
Ontario Municipalities

Encl. Report PBS-059-2022

Report from: Planning and Building Services, Director

Report Date: February 14, 2022

Meeting Date: April 7, 2022

Report Number: PBS-059-2022

File: 35.31.18 & 60.73.5

Subject: St. Catharines Response to Ontario Housing Affordability Task Force
Recommendations

Strategic Pillar:

This report aligns with the following St. Catharines Strategic Plan pillars: economic, social, environmental, and cultural.



Recommendation

That Council, via the Mayor's Office, advise the Premier that the Housing Affordability Task Force recommendations require further evaluation and analysis, including feedback from AMO, ROMA, OPPI, MFOA, and OBCM, prior to implementation; and

That Council strongly recommends that substantial Provincial investment be provided to support municipalities to fund anticipated infrastructure upgrades to accommodate new intensification goals outlined in the Task Force's recommendations; and

That Council requests the Minister of Municipal Affairs and Housing to consider the staff recommendations starting on page 7 of Report PBS-059-2022; and

That staff forward Report PBS-059-2022 and its Appendices to the Premier, the Minister of Municipal Affairs and Housing and local Members of Provincial Parliament; and

Further, that Council's resolution be shared with Ontario Municipalities for their endorsement.

Summary

On December 6, 2021, the Province appointed a Housing Affordability Task Force to assess how a lack of housing supply bears responsibility for the housing affordability crisis. The Task Force, consisting primarily of private sector development industry representatives, crafted 55 recommendations aimed at supporting market housing affordability. The Task Force is focused on bringing 1.5 million new homes to market in the next 10 years. The recommendations impact many areas of land use planning, municipal financing, cultural heritage assets and public participation. The purpose of this report is to provide a high-level assessment of the recommendations for Council's information.

Relationship to Strategic Plan

The Provincial Housing Affordability Task Force recommendations, if implemented as currently intended, will negatively impact all four pillars of the City's Strategic Plan:

- **Economic Prosperity:** Support the City's commitment to building and growing a diverse and resilient economy through fiscal responsibility, urban regeneration, and collaborative partnerships.
- **Social Well-Being:** Build and support strong, inclusive neighbourhoods, that provide high quality of life for residents of all ages.
- **Environmental Stewardship:** Adopt innovative approaches and continue responsible community planning and decision-making that balances growth, enhances quality of life, manages emergencies, and minimized the environmental impacts of climate change.
- **Cultural Renaissance:** Celebrate the City's rich history, diversity, arts and cultural assets through leadership, promotion and investments that support measurable, sustainable creative growth.

Background

Since 2000, Canadian property price increases have significantly outpaced those of wages. The average home price in Canada has quadrupled from 2000 to 2020, whereas the average Canadian family's income has only increased 37% in the same time period ([Statistics Canada](#)). Canada Mortgage and Housing Corporation [data](#) indicates that in 2020, Toronto was the sixth most expensive city in the world in which to live. Furthermore, the Canadian government has [targeted immigration](#) levels of 411,000 new residents in 2022 and 421,000 new residents in 2023. Many of these new residents will settle in major cities and their surrounding areas to contribute to skilled workforce opportunities. In the Greater Golden Horseshoe, a surplus of housing does not exist, which further contributes to a lack of affordable options for new and existing residents.

On December 6, 2021, nine persons were appointed to a Provincial Housing Affordability Task Force to provide the government with recommendations to address market housing supply and affordability.

Specifically, their mandate was to explore 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 the planning processes;
- Supporting economic recovery and job creation; and
- Balancing housing needs with protecting the environment.

The Task Force was chaired by Jake Lawrence, CEO of Global Banking and Markets at Scotiabank. The other appointments included:

1. Lalit Aggarwal, President of Manor Park Holdings
2. David Amborski, Professor at Ryerson's University's School of Planning
3. Julie Di Lorenzo, President of Diamante Urban Corp
4. Andrew Garrett, Senior Principal of Real Estate, Investment, and Management Corporation of Ontario
5. Tim Hudak, CEO of the Ontario Real Estate Association
6. Justin Marchand, CEO of Ontario Aboriginal Housing Services
7. Ene Underwood, CEO of Habitat for Humanity GTA
8. David Wilkes, CEO of Building Industry and Land Development Association

On February 8, 2022, the Ontario Housing Affordability Task Force [released their report](#) (linked above and attached as Appendix 1) and their 55 recommendations. To date, the Minister has not indicated which of the recommendations will be implemented, nor has a timeline been published.

The recommendations have significant implications for the future of land use planning, city building, heritage preservation, and municipal finance. As such, staff from Planning and Building Services and Financial Management Services have reviewed the Task Force's recommendations and contributed to the comments in Appendix 2 to this report. The purpose of this report is to share staff's assessment of the recommendations for Council's information.

It is recommended that Council advise the Province of their position on these recommendations, despite not being solicited for feedback.

Report

The Provincial Housing Affordability Task Force has predicated their recommendations entirely on increasing supply as the primary factor in market housing affordability. It is worth noting that it was not within the Task Force's mandate to evaluate true affordable housing objectives or actions. The Task Force places a significant portion of culpability on the housing crisis to municipal zoning and slow approvals; costs of development process, including fees, charges, and securities; public consultation, and political influence in decision making.

Of the Task Force’s 62 recommendations (55 core recommendations, 7 sub-recommendations), staff have identified the recommendations that can be supported, those that are neutral or require additional information to provide a determination, and those recommendations that are opposed:

Recommendations that St. Catharines Staff		
Support	Neutral/More Information Needed	Opposed
17	20	25

The Housing Affordability Task Force’s recommendations and the accompanying staff comments are listed in Appendix 2 of this report.

Overview of Task Force’s Themes

The Housing Affordability’s Task Force report, attached as Appendix 1 to this report, identifies 5 themes:

1. Make the creation of housing a greater planning priority, require greater density and broadly expand development rights.
2. Reduce, shorten, and streamline planning application processes and implement province-wide zoning and urban design standards.
3. Depoliticize the planning process by eliminating restrictive zoning and removing neighbourhood character considerations.
4. Fix the Ontario Land Tribunal (OLT) and prevent abuse of the appeals system.
5. Support municipalities that commit to transforming the system.

Theme 1: The City of St. Catharines agrees that increased density and choice in housing supply is necessary to accommodate growing population needs. However, by broadly expanding development rights to the extent identified in the recommendations will result in substandard development, extensive taxpayer burden, infrastructure deficits, and a loss of cultural heritage and parkland attributes that make communities desirable and livable. Furthermore, the Task Force has not demonstrated how any savings attributed to expanded development rights will increase affordability.

Theme 2: The City of St. Catharines supports any efforts by the Province to review Provincial ministry and agency development review processes for efficiencies, including adequate resources to ensure quicker turnaround for approvals. Staff do not support shortening Planning Act timeframes further as many delays in the development application review process can be attributed to developers, consultants and external consulting agencies. Province-wide zoning standards can not be supported as they do not consider community context and would be counter productive as it would increase the number of minor variance and zoning by-law amendment applications. Staff also do not support Province-wide urban design standards as different communities have different identities and character and harmonizing the built form of 444 municipalities would destroy the aspects that make cities livable.

Theme 3: Staff could support efforts to depoliticize the decision-making process. However, the Task Force recommendations on how to undertake this action are unclear in how they would be screened and administered and furthermore, are borderline undemocratic. The Task Force assumes that public consultation only adds delay and not value to the development process. In staff's opinion, meaningful public consultation results in better development and less acrimonious appeal processes.

Theme 4: Staff are supportive of a comprehensive review of Planning Act appeal rights and Ontario Land Tribunal processes. However, the Task Force recommendations with regards to "preventing abuse of the appeals system" are unclear in how appeals would be screened for abuse (beyond methods the Tribunal currently employs) and seemed to be crafted in a manner to prevent participation by the general public.

Theme 5: Staff are appreciative of Provincial support to improve the development approvals process. However, the Task Force's recommendations in this manner are punitive of municipalities striving for quality development and livable cities and otherwise incentivize insufficient process and substandard development.

St. Catharines Efforts that Support the Task Force's Mandate

The Planning and Building Services Department supports Provincial goals to create additional housing and has undertaken many efforts to remove process barriers to expedite development.

Incentivization

The City of St. Catharines incentivizes private development investment through its Community Improvement Plan (CIP) which prioritizes brownfield remediation, affordable housing, heritage preservation and intensification areas. The City's Development Charges by-law has DC grant programs for downtown development, affordable housing and industrial uses.

Process Improvement

The City of St. Catharines is a recipient of the Province's Streamline Development Fund and has committed to undertaking a process improvement review with a perspective of ensuring an efficient review and evaluation process. In addition, staff are implementing an e-permitting system and online portal for development applications in an effort to simplify the application process and reduce costs incurred by the applicant for mileage, copies of drawings, etc.

Permissive Official Plan and Zoning By-law

The City's Garden City Official is fully implemented by the City's Zoning By-law leading to the majority of development applications going straight to site plan – including a 30-storey mixed-use tower in the downtown. The City's lowest density residential zone permits a variety of ground-oriented housing, as of right, including single and semi-detached dwellings, accessory dwelling units, quadplexes, and townhouses removing opportunities for NIMBY (Not In My Backyard) appeals and creating opportunity for gentle density in established neighbourhoods. Furthermore, the downtown enjoys a policy environment with no density cap, no height cap and no parking minimums.

Appeals

The City maintains a very low development application appeal rate. This achievement can be attributed to constructive dialogue with applicants, the public and commenting agencies, focusing on an outcome-based approach. In fact, there are only four matters currently in front of the OLT – three of which are for one development proposal and one on a city-wide Official Plan Amendment meant to implement the Province's Growth Plan. All four appeals were filed by developers and not the general public.

St. Catharines Housing Action Plan

The City of St. Catharines anticipated the rising cost of housing in 2017 and responded with Council's approval of a [Housing Action Plan](#). Among other recommendations, the report proposed the following actions:

- Amend the Official Plan's condominium conversion policies;
- Amend the Zoning By-law to address accessory dwelling units;
- Streamline affordable housing development applications;
- Amend the Zoning By-law to incorporate the possibility of inclusionary zoning;
- Amend the Community Improvement Plan to include an affordable housing program;
- Participate in the Regional Development Charge Review; and
- Advocate for the development of affordable housing projects and related funding programs.

The City has implemented all of the above actions; save and except for an inclusionary zoning practice which is currently under development.

Surplus Lands Task Force

City Council has created a Surplus Lands Task Force dedicated to the review of surplus municipal lands and positioning of the lands to be developed for affordable, supportive, and/or rent geared to income housing. The City has declared two properties surplus so far and have entertained proposals to develop housing that supports a range of affordable, rent geared to income, and market housing at 6-8 Academy Street and [320 Geneva Street](#). The City [has entered into an agreement](#) with Penn Terra Group Ltd., Bethlehem Housing, and Habitat for Humanity to see the development of a former City property to 43% affordable housing, 14% social housing and 43% market rate housing. Furthermore, there will be 180 rental units and 32 townhomes, 19,000 sq.ft. of commercial space and three community gardens.

Staff Response to Task Force Recommendations

Staff question the Task Force's fundamental premise that broadly increasing development rights while decimating a municipality's ability to collect payment for growth related infrastructure, recreational and park improvements will translate to the development of market affordable housing. It is generally understood that the market will pay for what the market can bare and the recommendations do not guarantee that any financial savings enjoyed by the developer through the stripping of the land use planning system will be passed on to the end user.

The City of St. Catharines has an in-effect policy environment that permits, as of right, the development of 14,390 dwelling units to accommodate an additional population of 31,390 ([STC Land Needs Assessment, adopted by Council November 2020](#)). Approved by Niagara Region Council March 2021. Appealed by developer April 2021 and currently awaiting Ontario Land Tribunal decision). The City has no authority or ability to force the development of those units. In addition to a permissive Official Plan and Zoning By-Law framework discussed above, staff can advise that unlimited development rights have not resulted in a measurable increase in housing supply or contribution to housing affordability.

The Housing Affordability Task Force is especially dismissive of the value that heritage conservation brings to the community, ignores opportunities for adaptive reuse and expansion and ignores that many heritage assets can be reused for multiple residential unit conversions. In the City of St. Catharines, there are several examples of heritage schools being converted to residential dwelling units, heritage homes being converted from a single unit to multiple dwellings and heritage industrial buildings being converted to residential dwellings. The City supports two heritage advisory committees and responsibly utilizes the tools of the Ontario Heritage Act to designate and list buildings of interest. The City is mindful of property rights and works to achieve balance, collaboration and cooperation with property owners.

The City of St. Catharines relies on municipal taxes, fees and development charges to forecast, budget and plan for community service investment, maintenance and replacement for the infrastructure that residents rely on. Should the municipality's ability to collect growth related fees from development be significantly reduced, as recommended by the Task Force, the City will have to make the decision to drastically reduce service levels or raise property taxes to fund growth related costs. While staff can understand how the reduction of these fees would benefit the applicant, there is no guarantee provided that demonstrates the cost savings being passed to the occupant. Furthermore, there is nothing to suggest that these recommendations would create additional housing supply and diversity.

The City of St. Catharines prides itself on supporting the tender fruit lands and its thriving grape growing capabilities. Niagara prides itself on its wine making innovations and is known around the world for the quality of its wines, its festivals and the many industries that thrive from this specialty crop area. The City and staff do not support the expansion of urban boundaries or municipal boundaries to permit development on these lands. The Task Force's recommendation in this regard is directly contrary to the Province's Greenbelt Plan and would be detrimental to the highest quality food producing soil and microclimate in the Province.

Staff Recommendations to the Task Force

Staff suggest that the Minister could consider the following items to achieve additional housing affordability:

- Regulate the Ontario Real Estate Association to discourage blind bidding, unethical pricing practices and realtor hoarding of residential units.

- Disincentivize house flipping for profit through capital gains tax for any property bought, improved and sold within 12 months.
- Assess, evaluate and leverage all Provincially owned land for residential suitability and make available for true affordable housing providers, where suitable.
- Empower municipalities to zone for residential tenure to ensure multi-residential developments have a mix of rental and ownership tenures at strategic intensification areas such as downtown, MTSA and intensification corridors.
- Modify taxation systems to encourage and incentivize the construction and operation of purpose built rental, cooperative living, truly affordable housing and housing to support racialized communities.
- Undertake a Planning Act reform process, with an advisory committee of municipal planners and lawyers, to instill consistency, clarity, and intent of the Act. Pre-submission consultations must be considered a development application. Furthermore, loopholes routinely exploited for substandard applications must be closed to provide integrity to the process (i.e. the clock must stop when an application is deemed incomplete).
- Reinstate the intent of the Bill 139 Planning Act amendments that saw the elimination of “de novo” hearings, consider decisions made by municipal Councils and to adjudicate only on contested matters of land use planning.
- Redirect any ministry budget surpluses to a fund that directly creates truly affordable housing units.

Consultation

It is noted that the Task Force did not seek or include feedback from the Association of Municipalities of Ontario (AMO), Rural Ontario Municipalities Association (ROMA), Ontario Professional Planners Institute (OPPI), Ontario Big City Mayors (OBCM), or numerous other organizations, agencies or Provincial Ministries whose mandates would be impacted by these recommendations. The composition of the Housing Affordability Task Force represents a perspective of supporting the building industry’s desire for expedited approvals while sacrificing many of the aspects that make cities livable. Prior to the implementation of any of the Task Force’s recommendations, the City strongly recommends that a comprehensive review and consultation take place with the aforementioned agencies, municipalities, and bodies.

Financial Implications

There are no financial implications associated with this report. However, if these recommendations are implemented as currently worded there will be significant impacts to municipal finances. These would represent a shift from “growth pays for growth” to the taxpayer subsidizing development to the benefit of the developer. Should the Task Force’s recommendations be implemented there is no evidence to suggest that the costs savings to be realized by the developer would be transferred to the end user.

Environmental Sustainability Implications

There are no environmental sustainability implications associated with this report. However, if these recommendations are implemented as currently worded there will be a significant decrease in the municipality's ability to invest in resilient infrastructure and parkland development.

Conclusion

The City of St. Catharines has undertaken numerous proactive policy and regulatory approaches to expedite development that implements the vision set out in the Garden City Official Plan, which has been brought into conformity with the Province's Growth Plan population targets. The City has demonstrated commitment to Provincial goals of creating more housing, providing a greater mix of housing types, and expediting approvals, where under municipal control. However, staff have concerns with the fundamental premise of the Task Force's recommendations that by reducing "barriers" to development in favour of developers that the market will flood with supply and housing costs will substantially decrease.

The City has championed unlimited development rights in the downtown since 2010 (no height cap, no density cap, no required parking) and until 2021, little attempt was made to capitalize on these benefits. The development industry will always phase development to reduce downward pressure on price, full well knowing that the purchase price will always be set by what the market can bare. Staff remain concerned that many of the Task Force's recommendations will negatively impact public consultation, municipal revenues, municipal autonomy and many aspects of city building that improve livability. None of the recommendations are guaranteed to reduce the cost of housing to the end user.

Overall, staff are not confident that the implementation of the Task Force's recommendations will succeed at improving housing affordability.

Notifications

It would be prudent to notify the following individuals of Council's recommendation:

- Niagara Regional Council
- Grape Growers Association
- Rural Ontario Municipalities Association
- Association of Municipalities of Ontario
- Ontario Professional Planners Institute
- Office of the Premier
- Steve Clarke, Minister of Municipal Affairs and Housing
- Jennie Stevens, MPP
- Sam Oosterhoff, MPP
- Jeff Burch, MPP
- Niagara Home Builders Association
- Niagara Construction Association
- Ontario Federation of Agriculture

Prepared and Submitted by

Tami Kitay, MPA MCIP RPP
Director of Planning and Building Services

Approved by

Dave Oakes, MPA
Chief Administrative Officer

Appendices

1. Report of the Province's Housing Affordability Task Force ([link](#))
2. Provincial Housing Affordability Task Force Recommendations and St. Catharines Comments
3. Ontario Professional Planners Institute – Letter to Minister of Municipal Affairs and Housing, dated February 10, 2022 ([link](#))
4. AMO's Response to the Province's Housing Affordability Task Force, dated March 1, 2022 ([link](#))
5. Municipal Finance Officers' Association of Ontario - Response to the Province's Housing Affordability Task Force ([link](#))
6. Niagara Region Response to Minister of Municipal Affairs and Housing on the Ontario Housing Task Force Report, dated March 15, 2022 (report can be found starting on Page 21 at this [link](#))