

City of Mississauga
Corporate Report



<p>Date: September 21, 2023</p> <p>To: Mayor and Members of Council</p>	<p>Originator's files:</p>
<p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building</p>	<p>Meeting date: October 11, 2023</p>

Subject

Mississauga Updated Response to the 2022 Housing Affordability Task Force's Recommendations and Top Priorities

Recommendation

1. That the report titled "Mississauga Updated Response to the 2022 Housing Affordability Task Force's Recommendations and Top Priorities" from the Commissioner of Planning and Building, dated September 21, 2023, be received for information.
2. That Council endorse positions contained in this report.
3. That the City Clerk forwards Appendix 2 for submission on behalf of "the head of Council", as per the Minister's instructions indicated in the letter attached as Appendix 1.

Executive Summary

- The Minister of Municipal Affairs and Housing established Ontario's Housing Affordability Task Force (HATF) in 2021 and delivered its final report in February 2022 with recommendations to help Ontario tackle the housing supply crisis and build at least 1.5 million homes by 2031.
- On September 15, 2023, the Minister of Municipal Affairs and Housing sent a letter to the City of Mississauga requesting head of council's position on all 74 recommendations, as the prioritized top five recommendations for future consideration.
- Failing to return the completed chart in full by October 16, 2023 disqualify the City of Mississauga from being eligible for the province's new \$1.2 billion Building Faster Fund.
- The City's Housing Panel, which includes representation from Council, the construction and development industry, not-for-profit groups and the academic community was engaged in the recommendations.
- Staff have proposed the top 5 recommendations for Council support and submission,

while asking the Province to have meaningful consultation with Ontario's municipalities in order to refine them and work on their implementation. Staff will continue to keep Council informed of the status and implications of the HATF recommendations.

Background

On December 6, 2021, the Minister of Municipal Affairs and Housing established Ontario's Housing Affordability Task Force (HATF). Their mandate is to address housing affordability by increasing the supply of market housing, reducing red tape, accelerating timelines, supporting economic recovery and job creation.

On February 8, 2022, the HATF 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 recommendations.

On March 2, 2022 a [Report of the Ontario Housing Affordability Task Force and Implications for Mississauga](#) provided Council with an overview of the Task Force's recommendations; the potential impacts on the City; and, seeks authority to submit comments to the Minister for further consideration.

Municipalities were asked to submit a housing pledge to the Province to confirm they will meet their housing target. On March 1, 2023, Mississauga City Council endorsed [Growing Mississauga: An Action Plan for New Housing](#) (Growing Mississauga) as the City's housing pledge. In Growing Mississauga, the City emphasised that housing is a top priority and outlined a pathway that will help us get more homes built, streamline building approvals and make homes more affordable. The Province's goal for Mississauga is 120,000 additional residential units over the next 10 years. While the City's Growing Mississauga and the Official Plan structure supports this envisioned growth, a commitment to funding and building new infrastructure at a much more accelerated pace is needed.

On August 21, 2023 at the 2023 Association of Municipalities of Ontario (AMO) Conference at the RBC Place in London, Ontario, Premier Doug Ford announced a new \$1.2 billion *Building Faster Fund* to help municipalities support the creation of new housing. Funding will flow to municipalities over a three-year period, beginning in 2024-25.

On September 15, 2023, the Minister of Municipal Affairs and Housing sent a letter to the City of Mississauga requesting head of council's position on all 74 recommendations, as well as the prioritized top five recommendations for future consideration. The letter is included as Appendix 1 to this report. Stated within this letter, "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."

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The purpose of this report is to: provide Council with an overview; identify top five areas of support for the recommendations and matters that could be reconsidered; and, seek authority to submit to the 'completed chart' to housingsupply@ontario.ca so that Mississauga's opinion and funding opportunity will be considered.

Comments

Overview of HATF Recommendations

The Housing Affordability Task Force:

- Considers that a lack of housing supply is at the root of Ontario's affordability crisis with all recommendations aimed at bringing 1.5 million houses to market in the next 10 years.
- Places a significant portion of responsibility for this housing crisis on slow approvals, outdated zoning, high fees, frivolous appeals and community opposition.
- Proposes sweeping changes that touch many aspects of the planning system, public participation and growth related charges.
- At time of authoring this report, the Ministry indicates that 24 recommendations have been implemented; however, some of those recommendations have only been partially implemented and the Province is still working on further implementation measures on many of these recommendations (e.g., revisions to the Ontario Building Code are still underway). There may be opportunities for the Province to work with municipalities and industry to refine the recommendations and include local planning input. The Province's webpage to monitor the progress on the recommendations can be found [here](#).

2022 Response to the HATF Recommendations

The Task Force's recommendations and the staff responses were listed in detail in the previous March 2, 2022 Council report. At the time there was no template, and staff through Council advocated the City's position on these matters. Staff categorized responses that included "support", "neutral" and "oppose / support" and "oppose" due the scope of the recommendations. Staff supported or were neutral on the majority of HATF's recommendations; however, over 20 actions were identified as not supportable as presented and provided suggestions on how to improve them. Overall, staff asked to involve municipalities and industry experts in refining many of HATF's recommendations as "one size fits all" approach to housing would not work in such a diverse range of municipalities in Ontario.

Response to the Ministers letter regarding the 2022 HATF Recommendations

City staff note the following for consideration:

- The City is obligated to support and implement legislation, and thus previous HATF recommendations that are implemented are supported. However, staff has included additional commentary with further considerations and needed refinements.

- Housing affordability and finding solutions to the housing crisis is a City priority. The proposed top 5 recommendations reflect the potential to deliver impact in the shortest timeframe, as access to capital and finances can be a key factor that influences demand and supply of housing. Financial incentives can stimulate the production and preservation of affordable housing units, reduce the financial barriers for both households and developers who need affordable housing options.
- The City is required to respond “Support” or “Oppose” for each recommendation and to submit by October 16, 2023 to qualify or be eligible for the provinces new funding.
- The City is required to “identify the top 5 HATF recommendations that you **support**, and rationale/comments” for future consideration. While the Province is only asking to identify the top five, staff hopes to engage with the Province and continue the discussion regarding the implementation of the rest of the recommendations.
- Staff supported recommendations that align with the goals and actions in Growing Mississauga. Although there is support for the majority of HATF recommendations, in some cases, support is subject to further discussions and suggested refinements with municipalities on the way the recommendations are implemented. In these cases staff marked both support and oppose.
- Staff identified several recommendations that cannot be supported as presented. There is a degree of risk, complexity, and/or potential for unintended consequences involved in those HATF recommendations. Staff comments advise the Province to collaborate with municipalities and revisit/revise the recommendations with little to no support and find viable solutions to the housing affordability crisis.
- In general, “as of right” permissions should be avoided as “one size fits all” is not conducive to good planning and local context is important to manage change (e.g., what works for the City of Mississauga might not work for much smaller municipalities). The Province should establish a general framework within the recommendations and allow municipalities to implement them through their official plan reviews and zoning conformity.
- The City is has implemented or initiated various solutions and policies that are in alignment with delivering housing options and affordability, highlights include but are not limited to: implemented electronic application/permitting solution ePlans; increased densities in mall-based nodes (Reimagining the Mall); approved Major Transit Station Areas policies; reduced parking requirements; and, implemented Inclusionary Zoning. Furthermore, the City is updating it’s zoning to allow for 3 units per lot and is looking at additional infill options through the Increasing Housing Choices in Neighbourhoods study (IHCN).

The City’s positions and brief comments have been included and can be found in Appendix 2.

Top Five HATF Recommendations Staff Support

Staff propose to Council the following top five recommendations with the acknowledgement that the response may have future City implications on opportunities or policies that are being implemented by the HATF.

1. **HATF # 36)** Recommend that the federal government and provincial governments update HST rebate to reflect current home prices and begin indexing, and that the federal government match the provincial 75% rebate and remove any clawback.
2. **HATF # C-2)** All future government land sales, whether commercial or residential, should have an affordable housing component of at least 20%.
3. **HATF # 42)** Provide provincial and federal loan guarantees for purpose-built rental, affordable rental and affordable ownership projects.
4. **HATF # 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.
5. **HATF # 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.

Appendix 2 includes staff comments on these top five recommendations and suggestions on how to refine these as more discussion is needed in order to guarantee successful implementation and to avoid unintended consequences.

Engagement and Consultation

Mississauga Housing Panel

The City established a housing panel to help implement our action plan, Growing Mississauga. This 12 person panel includes representation from Council, the construction and development industry, not-for-profit groups and the academic community. This matter was introduced and discussed at the September 18, 2023 Housing Panel meeting, and staff requested input.

Those panel members who were able to provide us with valuable input and insights were considered and incorporated into the recommendations. Staff are appreciative for the panel's contributions and collaborations, and we acknowledge their role in enhancing the quality and credibility of the response.

The following areas of consensus were identified and will help inform future discussions and advocacy efforts:

- Strongly supports the modernization of the Building Code and other policies to remove barriers to affordable construction
- Increased financing/loans for purpose-built rental, affordable rental and affordable ownership projects
- Strongly supports permitting as of right secondary suites, garden suites, laneway houses and multi-tenant housing as of right province-wide
- Strongly opposes exclusionary zoning

Association of Municipalities Ontario (AMO)

The AMO Board has [sent a letter to Minister Calandra](#) and stated that the letter would be shared with all municipal governments. While mayors will each make individual decisions that reflect local circumstances, AMO states that at a sector-level, municipalities conditionally support all Task Force recommendations with a few exceptions, provided that the government puts in place:

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.

AMO has previously stated that the government has chosen its own path in addressing the housing crisis in Ontario, despite the advice of municipalities, and will be accountable for its outcomes. AMO has also stated that municipalities will do everything within their power to help the province to achieve its housing targets and outcomes. The AMO Board believes that the response outlined in the letter is reflective of this approach.

Financial Impact

Failing to return the completed chart in full by October 16, 2023 disqualify the City of Mississauga 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.

As indicated in Growing Mississauga, the provincial housing target for Mississauga (120,000 unit growth in 10 years) is ambitious and it will place pressure on resources, require a re-prioritization of capital budgets, and considerable new funding to accelerate the construction of

major infrastructure, such as transit, sewer, water, and fire & emergency services to support growth.

Staff will continue to advise Council on the impacts of any changes stemming from these recommendations, as implementation details become available.

Conclusion

The City acknowledges the Minister's efforts to solve the housing supply and affordability crisis with Ontario municipalities on these recommendations as quickly as possible. Housing affordability is one of Mississauga's top priorities and agrees that all involved have to work together in finding solutions to build more homes. Through Growing Mississauga and many other policy initiatives, Mississauga has demonstrated a strong commitment to support provincial aims to create more housing and to make it more affordable.

The City encourages that the Minister and provincial staff to continue to engage with Ontario's municipalities in a manner that is meaningful in effort to tackle the housing supply crisis and build at least 1.5 million homes by 2031. These collaboration opportunities and considerations allow municipalities to advise the Province on the degree of control, influence and responsibilities to the local communities that municipalities have, and in doing so it may allow the Housing Affordability Task Force Recommendations to be more impactful.

Staff will continue to keep Council informed of the status and implications of the HATF recommendations.

Attachments

Appendix 1: Paul Calandra, Minister of Municipal Affairs and Housing, Letter – Responding to the Housing Affordability Task Force's Recommendations

Appendix 2: City of Mississauga Response – List of 74 Housing Affordability Task Force (HATF) Recommendations for Response



Andrew Whitemore, M.U.R.P., Commissioner of Planning & Building

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