



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	February 14, 2023
SUBJECT/REPORT NO:	Municipal Housing Pledge (PED23056) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

RECOMMENDATION

That Appendix “B” attached to Report PED23056 be endorsed as Hamilton’s Housing Pledge and that:

- (a) The Mayor be authorized to sign the City of Hamilton’s Housing Pledge;
- (b) That the City Clerk be directed to forward a copy of the signed Pledge to the Minister of Municipal Affairs and Housing.

EXECUTIVE SUMMARY

On October 25, 2022, the Province of Ontario *introduced* Bill 23, *More Homes Built Faster Act, 2022* to ensure municipalities across Ontario grow and provide housing to meet the needs of all Ontarians. Bill 23 authorized the Minister of Municipal Affairs and Housing to assign to municipalities a non-statutory housing target. For the City of Hamilton, a near term housing target of 47,000 new housing units by 2031 has been assigned. The Province is expecting municipalities to do their part in providing housing for future population growth and to meet the Provincial goal of building 1.5 million new homes by 2031.

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.

SUBJECT: Municipal Housing Pledge (PED23056) (City Wide) - Page 2 of 10

The City of Hamilton has been asked to demonstrate its commitment to accelerating housing supply by developing a Municipal Housing Pledge and taking necessary actions to facilitate the construction of 47,000 units, 11,400 more units than the City's current 2031 target assigned through A Place to Grow - Growth Plan for the Greater Golden Horseshoe (2019, as amended).

The Minister of Municipal Affairs and Housing advised the City Clerk on October 25, 2022, that the City of Hamilton's Municipal Housing Target is 47,000 new homes before 2031 requires delivery of the Pledge to the Minister by March 1, 2023. The correspondence from Minister Clark is attached as Appendix "A" to Report PED23056.

The housing target does not replace the population and employment forecasts in A Place to Grow-Growth Plan for the Greater Golden Horseshoe, nor are municipalities requested to update their growth management strategies and/or official plans to reflect the pledge target.

The purpose of this staff report is to seek Council's endorsement of a draft Municipal Housing Pledge, attached as Appendix "B" to Report PED23056 which summarizes the actions Hamilton has taken and will continue to pursue towards achieving the 2031 Municipal Housing Target.

Within the existing built up area, there are substantial opportunities for intensification. It is expected that Hamilton's 2031 Municipal Housing Target will be achieved through intensification, redevelopment and greenfield development based on the pre-OPA 167 urban boundary.

Land use policy, zoning, infrastructure investments, housing initiatives on city-owned lands and other housing strategies and initiatives have been, and will continue to be, put in place to support the development of housing including affordable housing of both rental and ownership tenure. Process efficiencies and organizational changes to reduce barriers in the development approval processes have been put in place to facilitate housing starts.

Collaborative, continuous city-building activities and initiatives continue to maintain and further create a city attractive to industry and business, driving housing demand and support the City's goal as the best place to raise a child.

Alternatives for Consideration – See Page 9

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial N/A

Staffing: N/A

Legal: The housing pledge is a non-statutory, non-binding document and land use decisions will continue to be based on the City's Official Plan and Zoning By-laws.

HISTORICAL BACKGROUND

On October 25, 2022, the Province launched *More Homes Built Faster: Ontario's Housing Supply Action Plan 2022-2023*. More Homes Built Faster is the Province's plan to facilitate the construction of 1.5 million homes in the next 10 years. To implement the Province's Plan, *Bill 23 - More Homes Built Faster Act, 2022* was also proposed on October 25, 2022. The Bill proposed to amend several pieces of provincial legislation (such as the *Planning Act*) and associated regulations to remove barriers to building housing in Ontario. Bill 23 received Royal Assent on November 28, 2022.

Concurrent with the posting of Province's Housing Supply Action Plan and proposed changes through Bill 23, the Province, through ERO Posting 019-6171 posted a Bulletin, "2031 Municipal Housing Targets" which assigned housing targets to 29 lower- and single-tier municipalities in Southern Ontario, including Hamilton. The 2031 housing targets were based on current population and 2011 – 2021 housing trends in the largest and fastest-growing census areas of Ontario for those municipalities with a population of 100,000 or greater. The target for the City of Hamilton is 47,000 housing units by 2031.

The 2031 Municipal Housing Targets Bulletin and accompanying letter from the Minister of Municipal Affairs and Housing dated October 25, 2022 (attached as Appendix "A" to Report PED23056) asks the City of Hamilton to demonstrate its commitment to accelerating housing supply by developing a Municipal Housing Pledge and taking necessary steps to facilitate the construction of 47,000 units.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

A Place to Grow - Growth Plan for the Greater Golden Horseshoe, 2019 (as amended) identifies population and employment forecasts to 2051 to be used for planning and managing growth. These provincial forecasts are included in the Urban Hamilton Official Plan (UHOP) and the Rural Hamilton Official Plan (RHOP).

Hamilton's population is expected to grow by 62,000 between 2021 and 2031 with the number of housing units (represented as the household forecast prepared as part of the City's Land Needs Assessment) to grow by 35,600 between 2021 and 2031. Land use policies within the UHOP establish the distribution of growth and land use permissions required to achieve the forecasted growth. The City of Hamilton Zoning By-laws implement the policies by establishing more detailed permissions and requirements for development and must comply with the policies of the Official Plans.

The City's Official plans and Zoning By-laws will remain in force and effect. Land s planning decisions will continue to be reviewed against the UHOP, RHOP and Zoning By-Laws.

RELEVANT CONSULTATION

Planning and Economic Development Department Staff in the Planning, Growth Management, and Economic Development Divisions, as well as Healthy & Safe Communities Department Staff in the Housing Division were consulted in preparing this report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The 2031 Municipal Housing Targets Bulletin issued in November 2022 is not a legislative change. Municipalities are being asked to build additional housing, beyond the legislative levels found in the A Place to Grow and approved official plans, to meet the provincial goal of building 1.5 million homes.

The Province's "2031 Municipal Housing Targets" assign a target of 47,000 units by 2031 for the City of Hamilton which is 11,400 units more than the 35,600 target within the UHOP and RHOP for that time period. The target of 35,600 units was incorporated in the Council adopted OPA 167, and subsequently approved by the Minister "as-is". Meeting the target of 47,000 units requires moving from a yearly average of 3,560 to 4,700 units/year (over the 2021-31 time period) or 5,875 units/year (over the 2023-31 time period).

As the municipality does not actually build the majority of new housing units, achieving this additional housing will be a challenge. However, the City has been diligently planning for intensification, streamlining development approvals and reducing barriers to achieving development through intensification and it is expected that the additional 11,400 units can be achieved within the pre-OPA 167 Urban Area and associated planning framework. The Housing Pledge target of 47,000 dwelling units does not require development occurring in the Urban Boundary expansion lands imposed through the Ministry of Municipal Affairs modification of OPA No. 167 nor does it require the redevelopment of lands at a scale, mass or density that does not comply with the criteria contained in the UHOP for reviewing and assessing intensification proposals.

Intensification Opportunities

In 2021, analysis on residential intensification supply was completed as part of the GRIDS2/Municipal Comprehensive Review and indicated a potential supply of 72,000 units within the existing built up area of the city with 26,000 of those units estimated for the 2021 -2031 time period. The analysis looked at conditions in key areas that would indicate a likelihood of a property intensifying. Vacant lot supply, existing policy and pre-

zoning conditions and development approvals in various stages were reviewed. There are, however, many more sites within the built up area that could intensify and were not part of this analysis so the potential intensification supply is vast. This analysis was done prior to the recent zoning amendments identified below.

Initiatives to Facilitate Intensification and Housing Growth

1. Policy Development for Intensification

In 2011, the original adoption of the UHOP put in place a policy framework centered on intensification in strategic areas of the city, namely nodes and corridors. Since 2011, Hamilton has undertaken secondary planning and amendments to secondary plans as well as specific zoning initiatives to pre-zone lands for intensification. Secondary Planning has been established or updated in the Downtown Hamilton Urban Growth Centre, the Centennial Sub-Regional Node, Waterdown and Ancaster Community Nodes as well as in secondary plans along the B-Line Corridor in Strachcona, West Harbour and Ainslie Wood-Westdale neighbourhoods to establish land use policies and pre-zoning to support intensification.

2. Zoning Initiatives

The City has prioritized intensification with all of the recent Comprehensive Zoning projects. Large amounts of the City's urban area has been pre-zoned to allow for greater intensification opportunities as of right. Specifically, the City's Downtown Zones, Transit Oriented Corridor and Commercial and Mixed Use Zones replaced out of date zoning and incorporated permissions for greater height and density in the City's nodes and corridors.

In the City's neighbourhood areas, the City has already undertaken a number of initiatives to support higher rates of infill and intensification that implement OPA 167. As a proactive measure to enabling the Urban Hamilton Official Plan policies, all the Community Zoning By-laws have been updated to remove exclusionary zoning in low density residential areas. The By-laws have been updated to allow for a full range of low density built forms including single detached, semi-detached, duplex, street townhouse and conversions allowing up to four units on a property.

These permissions have been coupled with recent amendments to allow for additional dwelling units (both internal and detached) within low density residential areas. The introduction of these provisions enables traditionally single use areas to be developed in a variety of ways accommodating a full range of housing types. With the enabling policies and as of right zoning the City has removed barriers to intensifying within existing residential areas. Additional work is being completed to allow for further permissions within low density residential areas to allow purpose built multi-plexes. This work will be completed through 2023.

Considerations are also being given to implementing parking reductions to allow for additional housing opportunities, and flexibility in permissions to accommodate appropriate intensification possibilities across the City.

3. Other Policy and Planning Initiatives

Other initiatives currently underway addressing intensification are focused on increasing densities around transit station areas and establishing clear policy and zoning requirements for provide a mix and range of housing, in terms of form, function, tenure, and affordability.

The City is undertaking planning for Major Transit Station areas, areas designed to accommodate increased density over time to support the LRT along the B-Line. As the project proceeds, additional changes to Official Plan designations and zoning along the corridor may be implemented to permit higher densities. The project also will identify Protected Major Transit Station Areas (PMTSAs) where an inclusionary zoning framework would apply, requiring new market rate residential development to include a certain percentage of new affordable housing units. Inclusionary Zoning can contribute to increase the supply of more affordable housing units in the City. Both projects are planned for completion in Q3, 2023.

The Family Friendly Housing initiative is establishing policy and zoning to ensure housing suitable for larger households and households with children is provided in developments. The project is planned for completion in Q4, 2023.

The Rental Housing Protection initiative is addressing conversions of primary rental housing to condominium tenure and demolitions of primary rental housing. Policy changes proposed are intended to establish appropriate limitations to manage change and ensure protection for existing affordable rental housing units. The use of a Municipal Act By-law is being considered to implement the policies. The project is planned for completion in Q4, 2023.

Graphic illustration of the initiatives identified above are shown on Appendices “C” and “D” attached to Report PED23056.

4. Other Municipal Initiatives to Facilitate Housing Growth

Housing Sustainability and Investment Roadmap

While the Provincial housing targets speak to growth, the target does not address or propose measures and solutions to address issues of housing affordability.

Hamilton is developing a Housing Sustainability and Investment Road Map to respond to new and growing pressures along the housing continuum. There is an urgent need

for a prioritization framework to change how the city and community partners work together to deliver on shared affordable housing goals in order to deliver best possible affordable housing outcomes for Hamiltonians.

The roadmap focuses on policies and procedures of the City that impact maintaining current supply, new development of, and the acquisition of affordable housing as well as supports to keep people housed. A key objective is to remove barriers, improve responsiveness and timelines within city divisions related to affordable housing construction, acquisition and retention. The roadmap development and implementation of prioritized near-term action will continue through Q1 2023 and progress reported yearly thereafter.

Municipal Land Development Office and City Real Estate Initiatives

Through City-initiatives, partnerships, acquisitions, directed sales, and disposition strategies to raise funds to support other housing initiatives, the City is employing a wide range of tactics to increased opportunities for housing construction, including opportunities to increasing the supply affordable housing.

The Municipal Land Development Office leverages municipally-owned assets with the goal of achieving broad public-policy goals. Although each project is unique, actions to date have focused on intensifying uses on under-utilized former industrial brownfield sites, to create mixed-use, residential and commercial and mixed income developments.

The City continues to review its owned properties to identify opportunities that could facilitate a variety of needs on the housing continuum. To date a number of city-owned sites have been or are in the process of being disposed of for new affordable housing projects, and in conjunction with master planning exercises, sites are being examined for potential intensification of use with housing. The City is also reviewing future opportunities for housing along the B-Line LRT corridor and continuing to incentivize residential development through programs under Community Improvement Plans

Monitoring of Housing Targets

Monitoring is essential for tracking progress towards housing and growth targets. A monitoring framework is being prepared to guide the preparation of annual monitoring reports and will establish the baseline, metrics and data sources to be used going forward to monitor progress towards growth targets, affordability and housing goals including progress towards meeting the Municipal Housing Pledge. The framework will be presented in Q1, 2023 with the first Monitoring Report to follow.

5. Addressing Barriers to Development

The City has been working to reduce barriers to development through organizational shifts, process improvements, policy and zoning revisions, and commitments to upgrading infrastructure to support intensification. City Council has supported several initiatives through wise and consistent funding of operating and capital budgets, and delegated approval authority to staff.

Hamilton has re-engineering the planning approval process to remove uncertainty in the development approval process. Responding to Bill 109 – More Homes for Everyone Act, over the past year changes have been made to development review and approval process which have included reduced timelines for reviewing applications, providing clear expectations for development application submissions, and providing Terms of References for background studies for development to clarify expectations for studies.

6. Utilizing Funding to Accelerate Housing

The City is accessing funding through the Provincial Streamline Development Approval Fund to supporting Hamilton's projects that will update zoning, explore opportunities to accommodate new housing development as-of-right, provide policy and zoning clarity for development, and acquisition of data to enhance the 3D modelling program.

The City, through its role as a Service Manager, administers Federal and Provincial funding programs for affordable housing providers to facilitate the development of affordable housing. The City is accessing funding through the Ontario Priorities Housing Initiative (OPHI), Canada Ontario Community Housing Initiative (COCHI), and the Rapid Housing Initiative (RHI).

7. Risks and Barriers to Achieving the Municipal Housing Targets

Responsibility for achieving the Housing Pledge target does not rest completely with the City. While supportive policies and processes to support the achievement of the 2031 Housing Target are in place and will be continually improved, the market must ultimately respond to build housing. Market fluctuations and the state of the overall economy will have impacts on a developer's business case and influence both the type and scale of housing projects being proposed, and the rate to which projects advance from approvals to construction. The supply of skilled labour in the construction industry will also impact the rate at which housing is constructed.

Building housing is part of community building, a complex and collaborative effort between the City, other levels of government, property owners, the development industry, businesses, institutions, residents, stakeholders, and other government agencies. Together, these players play a role in creating a strong, vibrant, healthy, economically and socially diverse city. Healthy natural and built environments that are

resilient to the effects of climate change, supportive social, health care and educational institutions, unique, diverse and connected neighbourhoods all underpinned with the necessary hard and soft infrastructure, support a strong economy and job growth.

Hamilton's continued success in achieving city-building outcomes will play a large role in creating the desirable place where people want to live and driving the demand for housing to which the market will respond. Achievement of the 2031 Housing Target may be at risk should the community fall short in these city-building activities.

ALTERNATIVES FOR CONSIDERATION

1. Council could choose to not endorse the Municipal Housing Pledge. This alternative is not recommended as the ultimate goal of building more homes is shared by the Province and the City of Hamilton. The Municipal Housing Pledge outlines actions within the City's control to facilitate the municipal target of 47,000 units provided to the City by the Province of Ontario.
2. Council could add additional items to implement the Municipal Housing Pledge. While this option is available, staff will be reporting back to Council through the Annual Housing Monitoring Report described above and additional items and mechanisms that support intensification can be added at any time.

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.

Built Environment and Infrastructure

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED23056 - Letter from Minister of Municipal Affairs and Housing regarding 2031 Municipal Housing Pledge
Appendix "B" to Report PED23056 - DRAFT - Hamilton's Municipal Housing Pledge

SUBJECT: Municipal Housing Pledge (PED23056) (City Wide) - Page 10 of 10

Appendix "C" to Report PED23056 - Housing Initiatives Infographic

Appendix "D" to Report PED23056 - Zoning Initiatives Map

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