
REPORT NUMBER 236-2023 – Infrastructure, Development, & Operations –
Development Services

DATE

PREPARED

August 29, 2023

FILE

PROJ-02-2023

MEETING DATE

October 23, 2023

SUBJECT

2023 Ontario Housing Pledge

RECOMMENDATION

WITH RESPECT to Report 236-2023-Infrastructure, Development, & Operations - Planning Services, we recommend that the City of Thunder Bay's Housing Pledge identifying strategies and actions to achieve the Provincial Housing Target of 2,200 homes by 2031 be approved;

AND THAT the Mayor and City Clerk be authorized to sign all documentation related to these matters;

AND THAT the City Clerk be directed to forward a copy of the signed Pledge to the Minister of Municipal Affairs and Housing.

AND THAT any necessary by-laws be presented to City Council for ratification.

LINK TO STRATEGIC PLAN

The submission of a Housing Pledge is keeping with the growth and sustainability pillars of the 2023-2027 Strategic Plan as the Initiatives will support new housing opportunities, affordability, increased assessment, and urban density and intensification.

EXECUTIVE SUMMARY

On August 21, 2023, the Ontario government announced the launching of the Building Faster Fund with the stated purpose of helping municipalities meet or exceed the Provincially assigned housing targets. Thunder Bay was assigned a target of 2,200 homes to be built by the end of 2031. To be eligible for these funds the City must submit a housing pledge identifying the strategies and actions to meet that target.

The deadline to submit the Pledge to the Minister of Municipal Affairs and Housing is December 15, 2023.

DISCUSSION

The purpose of this staff report is to seek Council's approval of the attached Housing Pledge, (Attachment "A") which sets out, at a high level, Initiatives that Thunder Bay would take towards achieving the assigned Municipal Housing Target. Many of these Initiatives will require future Council approval.

On August 21, 2023, the Ontario government announced the launching of the Building Faster Fund. This fund is a new three-year, \$1.2 billion program that provides new funding based on achievement of Provincially assigned housing targets.

The Ontario government has now assigned housing targets to 21 additional municipalities, including the City of Thunder Bay, as part of its plan to build at least 1.5 million homes by 2031. Should these municipalities pledge to achieve their targets, they will have access to the new Building Faster Fund. Thunder Bay is assigned a target of 2,200 homes to be built by the end of 2031.

It is understood that the City's portion of the \$400 million available annually through the Fund will be determined based on its share of the greater Provincial housing goal, as well as performance compared to the annual assigned targets. For example, if a municipality's target represents 10 per cent of the province-wide target, that municipality could be eligible for 10 per cent of the total funding through the Building Faster Fund. For Thunder Bay, 2,200 homes represents 0.147% of the 1.5 million new homes target, which means Thunder Bay's estimated annual portion of available funding could be \$586,666, more or less. Program details are not available at this time and as such the above is an estimation.

Municipalities are advised that performance will be evaluated by comparing the number of housing starts and additional residential units created in a given calendar year against the annual target. Municipalities that achieve 80% or more of their annual target will be able to access a portion of their allocation. Those that exceed their target will be eligible to receive additional funding. The Building Faster Fund provides double the funding for every one per cent above 100% of a municipality's target.

Reaching the target of 2,200 homes will be challenging and require a coordinated and consultative community effort. While supportive municipal policies, programs and processes are in place and will be continually adjusted and improved, the market must ultimately respond to build housing. Market fluctuations and the state of the overall economy will have impacts on developers' decision making and influence both the type and scale of housing projects, and the rate to which projects advance from approvals to construction. Legislative changes, the availability of grant funding, interest rates, the supply chain and the supply of skilled labour in the construction industry will significantly impact the rate at which housing is constructed.

Within the existing built-up area, there are substantial existing opportunities for development and intensification. It is expected that the target can be achieved through

recent and ongoing updates to land use policy, zoning, infrastructure investments that facilitate intensification, infill, and redevelopment. Additionally, the existing registered and draft plans of subdivisions provide an approximate total of 900 lots available plus new apartment and condominium blocks for a total of over 2,000 units. This is in addition to significant rural lot creation and urban infill potential that will be detailed in the upcoming housing study. Secondary planning and development plans are in process to address gaps in servicing and potential service extensions over the longer term.

Initiatives to support meeting the target of 2,200 homes by 2031 include:

- Ongoing review of the Official Plan and Zoning By-law to identify policies and regulations that can support additional residential infill and intensification;
- Completion of Secondary Plans and Neighbourhood Development Plans;
- Evaluation of City owned lands for the development of all housing types;
- Identify vacant or underutilized publicly owned and commercial and industrial sites suitable of housing development;
- Review and establishment of Community Improvement Plan areas to incentivise intensification and affordable units;
- Incentives for Additional Dwelling Units (ADUs) and Affordable units utilizing Building Faster Funds;
- Completion of the Housing Land Needs Study and Strategy to ensure an adequate availability of serviced lands and appropriate growth sequencing;
- Digitization and streamlining of Planning Approval and Building Permit processes to ensure speedy and smooth development approvals;
- New Development Services Project Manager Position to advance development of surplus City owned lands and work with community partners to develop affordable and supportive housing (approved in 2023 Budget);
- Continuous infrastructure planning and improvements to support intensification and close gaps in servicing through annual capital budgets, available grants and infrastructure planning;
- Housing Accelerator Task Force to share knowledge, identify barriers and collaborate on actions to best accelerate housing development; and
- An Archeological Master Plan to identify areas of high archaeological potential and streamline requirements for site specific archeological predevelopment studies.

FINANCIAL IMPLICATION

There are no direct financial implications related to the submission of the housing Pledge. However, if the Pledge is not approved and submitted to the Minister of Municipal Affairs and Housing, The City of Thunder Bay would be ineligible for Provincial funding through the Building Faster Fund. Specific initiatives, designed to achieve the housing target, may have budget implications depending on grant funding available.

CONCLUSION

It is concluded that the City of Thunder Bay should submit a Pledge to achieve the provided target of building 2,200 homes by 2031 and eligibility to the Building Faster Fund.

Future Council approvals will be sought as required to advance the Housing Pledge Initiatives.

Council will receive updates on the progress made on the Initiatives and permits issued for housing units.

BACKGROUND

On October 25, 2022, large and fast growing Ontario Municipalities were issued a housing target by letter from Minister Clarke and asked to pledge to meet the target in contribution to Ontario's goal to build 1.5 million homes by 2031. Thunder Bay did not receive a letter, was not provided a target nor requested to provide a pledge. On June 16, 2023 the Municipalities that did provide a pledge received Strong Mayor powers.

On June 16, 2023, by letter from Minister Clark to the Mayor, the City was requested to, by December 15, 2023, pledge a locally appropriate housing target. A similar letter was sent to 20 other medium sized Ontario Municipalities.

On August 22, 2023, by letter from Minister Clark to the Mayor, the City was advised that it is now assigned a housing target of 2,200 homes by 2031. The letter asks that the Mayor respond in writing by October 15, 2023 confirming a commitment to meet the target. Municipalities are still requested to provide a Housing Pledge by December 15, 2023. Additionally, the letter provided information on the Building Faster Fund. A similar letter was sent to 20 other Ontario Municipalities.

Mayor Boshcoff confirmed the city's assigned housing target in a letter to the Minister of Municipal Affairs and Housing on September 21, 2023.

REFERENCE MATERIAL ATTACHED

Attachment A – Draft Municipal Housing Target Pledge
Attachment B – Letter from MMAH dated August 22, 2023

REPORT PREPARED BY

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REPORT SIGNED AND VERIFIED BY

Kerri Marshall, General Manager – Infrastructure, Development & Operations

Date (10/11/2023)