

Corporate Report

REPORT NUMBER 171-2024-Infrastructure, Development & Operations-Development Services-Planning Services

DATE PREPARED	May 17, 2024	FILE	PROJ-04-2022
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MEETING DATE June 3, 2024

SUBJECT Thunder Bay Housing Land Needs Study and Strategy

RECOMMENDATION

For information only.

LINK TO STRATEGIC PLAN

The vision of the City’s 2023-2027 Strategic Plan – Maamawe, Growing Together is that Thunder Bay will foster an inclusive city focused on service excellence and collaboration, improve long term financial sustainability by maximizing return on community investments’ and provide opportunities for a high quality of life.

This Report provides an update on efforts aligned with the Growth and Sustainability strategic pillar as the study will assist the City to meet current and future housing demand in a way that is cost effective, sustainable, and in the public interest.

EXECUTIVE SUMMARY

The Housing Land Needs Study and Strategy, prepared by HTFC Planning & Design (HTFC) identifies current and forecasted housing supply/demand and recommends actions to improve housing affordability, reduce barriers to development and address gaps in the existing housing supply. Many of the recommendations are already being actioned under Council’s Housing Accelerator Action Plan and the Housing Pledge for Thunder Bay.

Amongst the findings is that, within the existing serviced area, sufficient land supply exists to accommodate 19,803 units, more than double the projected need of 8,825 units over the next 20 years under the high growth scenario. Considerable additional capacity then remains for further housing growth should Thunder Bay’s population be undercounted.

The Housing Land Needs Study and Strategy will be used to guide development policy, Zoning By-law and Official Plan Review and staff recommendations for Planning Applications and infrastructure investments.

Planning Services will continue work to implement the Housing Land Needs Study and Strategy recommendations seeking Council direction and approval as required and monitor for effectiveness.

DISCUSSION

Purpose and Scope of the Housing Study

The Housing Land Needs Study and Strategy (Appendix A) is an important document to ensure that the City is well positioned for housing affordability, housing supply and land supply to meet future housing needs in a way that is cost effective, sustainable, and to the best public interest. The Official Plan requires a minimum ten-year supply of land be designated for residential use with the goal of a three-year supply of draft approved and/or registered lots and/or blocks being available.

The key tasks and deliverables for the Study include:

1. Stakeholder Consultation (Appendix B).
2. Complete Past and Current Population Growth and Housing Demand.
3. Inventory of current Residential Land Supply and Housing.
4. Forecast residential land and housing units required to meet future demand.
5. Assess the significant sites designated for future residential development. (Appendix C).
6. Identify gaps in the forecasted land and/or housing supply.
7. Review municipal processes and identify any constraints, opportunities, or barriers and how to address them.
8. Recommend a strategy to ensure an adequate supply of land and housing stock is available to meet future demand for housing type and affordability levels.

Housing Study – Key Findings and Recommendations

The overall goal of the Housing Study is to provide a strategy to ensure an adequate supply of housing is available in the City of Thunder Bay over the next 20 years.

The Housing Study shows that Thunder Bay's population has been relatively stable in recent years, however there is a need for more housing, especially affordable housing. The Study concludes that the Thunder Bay housing sector must increase the rate of housing construction (between the years of 2021 and 2045) from an average of 190 housing units per year to 353 to meet the existing housing deficit of 865 units and future high-growth population projections.

Based on the analysis, under the high growth scenario, 8,825 units are required to meet housing demand over the next 20 years. Within the existing serviced area, between lands already approved for subdivision, infill opportunities and the top 10 designated future development sites, land supply exists to accommodate 19,803 units, more than double the projected need. Additional capacity remains for further housing growth should Thunder Bay's population be undercounted.

However, the analyses may differ from how the land is developed over time. The City will need to continue to monitor population growth and housing availability to determine if the trends are in line with projections. If the population growth in the next census period is in line with the low or medium growth scenarios, the City may wish to hold off on the development of future development areas. If the population growth is consistent with the high-growth scenario, the City should facilitate development of the future development sites on a priority basis.

The Housing Study concludes that unless the City of Thunder Bay's population significantly exceeds the growth rate forecasted in the high-growth scenario, the City should not permit urban expansion into the Growth Area identified in the Official Plan.

To increase the rate of housing construction, the Housing Study provides strategies and actions to achieve the project goals of improving housing affordability, reducing barriers to development, creating a residential land and housing inventory, and addressing the gaps in the existing housing supply. Included are recommended changes to Thunder Bay's Official Plan policies and zoning regulations; actions to supporting affordable housing; ways to incentivize targeted housing; and other strategies that will help the City of Thunder Bay to prepare for growth and change over the coming decades.

Study recommendations include:

Official Plan Policies and Zoning Regulations

- Focus on Sustainable Growth
- Prepare Secondary Plans in Future Growth Areas
- Review Zoning to expand for Residential Development on Commercial Sites
- Reduce Minimum Parking Space Requirements
- Develop clearer Rules for Tiny Homes and other Alternative forms of Housing

Supporting Affordable Housing

- Hire Affordable Housing Navigator
- Create an Affordable Housing Community Improvement Plan
- Create an Arms-Length Development Corporation for new affordable housing projects

Incentivizing Housing

- Updating Core Areas "Community Improvement Plan" (CIP) Grants for Residential Infill

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- Encouragement of Accessory Dwelling Units (ADUs)
- Budget Financial Support for Housing Repair or Renovations of existing inadequately constructed dwellings

Other Strategies

- Continue to Implement an E-Permitting System
- Address Student Housing Needs
- Conduct a Vacant Industrial Land Assessment & Conversion Program
- Pilot a Tiny Home Pocket Community
- Complete a City-Wide Archaeological Management Plan

Many of these actions are currently underway under Council's Housing Accelerator Action Plan and the Housing Pledge for Thunder Bay.

CONSULTATION

Two main public engagement objectives were to:

1. Engage with key stakeholders who are involved in the provision of housing or housing-related services in Thunder Bay to understand constraints and barriers to housing development.
2. Engage residents of Thunder Bay that represent the full diversity of the population to understand the lived experience with housing and hear community member's ideas for the future of housing development.

The project team held an in-person workshop in Thunder Bay (January 24, 2023), conducted one-on one interviews both in-person and virtually (January – March 2023), and coordinated an online survey open to the public on getinvolvedthunderbay.ca, the City's public engagement portal (February 2023).

FINANCIAL IMPLICATION

There are no direct financial implications associated with this report. Any future financial resources identified in the study will be included in the regular budget process for consideration.

The report findings align with the Asset Management Plan objective to be fiscally responsible, reduce risks, help the City to be sustainable, and meet the needs of the community. The recommendations within the study support efforts to reduce the infrastructure gap by capitalizing on the City's existing infrastructure and avoid expanding infrastructure prematurely.

CONCLUSION

It is concluded that the Housing Land Need Study and Strategy will be used to guide development policy, Zoning By-law and Official Plan Review and staff recommendations for Planning Applications and infrastructure investments.

It is further concluded that Planning Services should work to implement the Housing Study recommendations seeking Council direction and approval as required and monitor for effectiveness.

BACKGROUND

The Streamline Development Approval Fund (SDAF) was made available to large urban municipalities to unlock housing supply by streamlining, digitizing, and modernizing their approach to managing and approving applications for residential developments. On January 19, 2022, the City of Thunder Bay was advised its allocation was up to \$1.75 million.

The Housing Land Needs Study and Strategy was one of 18 projects undertaken through SDAF funding.

REFERENCE MATERIAL ATTACHED

Appendix A- Thunder Bay Housing Land Needs Study & Strategy
Appendix B- Engagement Summary (Housing Study Appendix 1)
Appendix C- Site Assessment Matrix (Housing Study Appendix 2)

REPORT PREPARED BY:

Decio Lopes, RPP, Supervisor – Planning Services

REPORT SIGNED AND VERIFIED BY

Kayla Dixon, Acting General Manager- Infrastructure, Development & Operations
05/27/2024