

# Staff Report



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To	<b>City Council</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Tuesday, February 28, 2023
Subject	<b>City of Guelph Housing Pledge: For Guelph, By Guelph</b>

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## Recommendation

1. That the City of Guelph Housing Pledge to facilitate the construction of 18,000 units by 2031, attached as Appendix "A" be approved; and
  2. That the Mayor be authorized to submit the final Municipal Housing Pledge to the Minister of Municipal Affairs and Housing and those copied on March 1, 2023.
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## Executive Summary

### Purpose of Report

The Minister of Municipal Affairs and Housing issued a letter on October 25, 2022, revised February 13, 2023, concerning the Province's Bill 23, More Homes Built Faster Act, 2022. The letter states that to implement the 1.5 million homes target, the Minister is asking the City of Guelph to demonstrate its commitment to accelerating housing supply by developing a Municipal Housing Pledge and taking the necessary steps to facilitate the construction of 18,000 new homes by 2031.

The (revised) deadline for delivering the City's pledge to the Minister is March 22, 2023.

This report provides the City's pledge and outlines City led strategies and actions as well as key considerations to accelerate supply for a housing target that exceeds the projections for the period to 2031.

### Key Findings

The City of Guelph is committed to facilitating the provision of new housing units. This commitment is evident through the City's Strategic Plan and Community Plan. We are very much aligned with the Provincial desire to increase the housing supply.

The Housing Pledge outlines the strategies and actions that the City will or has adopted to prioritize and accelerate housing supply. The pledge recognizes that the development community and other levels of government are necessary partners in achieving the creation of new units through construction activity and other supports.

The housing target of 18,000 new homes by 2031 exceeds projections by 6,100 units and would require construction of over 2,000 units per year to 2031 to meet the target by 2031. This level of construction has never been experienced in Guelph before.

The City's growth management strategy and OPA 80 designates land to meet the 2051 growth target, once OPA 80 is in effect, enough land is designated to meet the housing needs of a population of 208,000. The City's master plans address servicing for this level of growth over the long term. Guelph has been planning for intensification, streamlining development approvals, and completing service area master plans that maximizes the quantum of housing units that can be provided in a given area of the City.

The impacts of growing at a higher rate than planned are primarily on the City's ability to provide services, which is limited by the development industry's project timing and Provincial processes, to accommodate additional housing in the period to 2031 that was not anticipated through the master plans while Bill 23 restricts the City's ability to collect development charges.

The housing target is not just for the City to achieve, it requires support from the Province, the development community, public agencies and partners.

## **Strategic Plan Alignment**

This report supports the priority area of Building our Future, specifically increasing the availability of housing that meets community needs. This report is also connected to Sustaining our Future where we aim to plan and design an increasingly sustainable city as Guelph grows. Lastly, there are connections in this report to Working Together for our Future as we consider the financial impacts and role of other community partners in increasing housing supply.

## **Financial Implications**

Accelerating housing supply will require consideration of advancing infrastructure projects to ensure that servicing is available to accommodate the new units. The Council approved growth management strategy and the Official Plan set out where growth is to occur. To accelerate these plans will require analysis of master plans and servicing requirements and timing to understand what is achievable. Once this is complete, the City can then assess the financial implications associated with revisions to the staging and timing of capital projects and evaluate the fiscal capacity and partnerships that are required to execute it.

There is significant risk to the City in taking on the cost of servicing of both greenfield and intensification areas up-front without cost sharing partnerships with developers.

Growth revenue sources have decreased with changes to Development Charges, Parkland Dedication, and Community Benefits Charges made through Bill 23. The changes made to these revenue sources as a result of Bill 23 are outlined in report [2022-349 Analysis of Bill 109 \(More Homes for Everyone Act, 2022\) and Bill 23 \(More Homes Built Faster Act, 2022\)](#). While the changes to Parkland Dedication and Community Benefits Charges are impactful and significant in terms of the City's resources to help build complete communities, the most significant impacts of Bill

23 on the City's resources to service land for development are the changes to the Development Charges Act.

Staff will continue to progress with the Development Charges Background Study Update using assumptions based on the planning and master planning work that has already been completed. Staff will consider a mechanism for reporting accelerated priorities, using the forecast to 2051 as the baseline against which plans to fast track certain developments will be measured.

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## **Report**

The Minister of Municipal Affairs and Housing issued a letter on October 25, 2022, revised February 13, 2023, (attachment 2) concerning the Province's Bill 23, More Homes Built Faster Act, 2022. The letter states that to implement the 1.5 million homes target, the Minister is asking the City of Guelph to demonstrate its commitment to accelerating housing supply by developing a Municipal Housing Pledge and taking the necessary steps to facilitate the construction of 18,000 new homes by 2031. The target for Guelph supports the Province's goal of building 1.5 million homes over the next 10 years.

The (revised) deadline for delivering the City's pledge to the Minister is March 22, 2023. The pledge is to be accessible to the general public and as such it will be posted on our website. It will also be used by the province to monitor and track progress.

The recommended approach for the Housing Pledge is to remain high-level, strategic, and focus on the items that the City is already doing well and on those items that the City will undertake to enable the Province's goal of building more homes faster, while also highlighting areas that will require further collaboration with the Province and commitment from the development community.

The Housing Pledge (Attachment 1) focuses on two key areas: policy and initiatives that the City has undertaken or can undertake to support the supply of housing and the City's request to the Province to help with support to this pledge.

### **City Commitments for Housing Pledge (Implementation Plan)**

The City is well-positioned to support the Province's goal of building more homes through the following ongoing initiatives:

- Continuing to implement the Official Plan (e.g., focusing growth in Strategic Growth Areas, detailed planning for Secondary Plan areas), finalizing and approving the Comprehensive Zoning By-law Review to provide more flexibility and increase densities and heights in support of building more homes faster.
- Removal of exclusionary zoning permissions.
- Continuous improvement and streamlining the development approvals, utilizing the Streamlining Approvals grant to the City of Guelph, applying LEAN principles and the introduction of better digital tools for reviewing applications.
- Continuing to plan for and deliver essential infrastructure and services through well-planned, fiscally-responsible, and climate resilient capital

projects and associated programs that take into consideration existing and future residents.

- Supporting the recommendations of the Master Plans and focusing on the Downtown Renewal Infrastructure project.

The following outlines considerations, barriers, gaps and risks of the Province's housing target for Guelph and in accelerating housing supply over the next 10 years.

## **Constraints and Considerations**

### **Policy and Housing Supply**

The City's Official Plan supports the creation of complete communities through a focus on the achievement of a well-designed, compact, vibrant city that provides convenient access to meet people's needs for daily living throughout their lifetime by providing a full range and mix of housing types and densities to accommodate a range of incomes and household sizes. This is accomplished through designating lands for housing to meet the needs of a population of 208,000. The City has been diligently planning for intensification.

The municipal housing target assigned to the City (18,000 units by 2031) exceeds the projections to the year 2031 by 6,100 units. Since 2008, the average annual residential permits is 981 and the industry would have to apply for 2,000 units per year to meet the target. This converts to an increase of 750 units per year to 2026 and 470 units per year from 2026-31 (using the forecast recently approved by Council for the growth management strategy). This target exceeds the highest permit years in the past 20 years by 400 units. This level of construction has not been experienced in Guelph in recent decades.

The City's short-term supply of housing which includes units on lands that are zoned, sites in draft approved and registered plans of subdivisions is 6,345 housing units, of which 3,500 could be brought to market in the next few years. When considering the total housing supply which includes the short-term supply and lands that are designated and available (long-term), there is currently potential for 14,900 units. These numbers will increase with approval of the City's Official Plan Update, the Clair-Maltby Secondary Plan and the Comprehensive Zoning Bylaw Review. Further, the advancement of the residential lands within the Guelph Innovation District Secondary Plan has the potential for approximately 3,290 additional housing units. Overall, servicing is required to advance development of these units, particularly those that are within lands that are designated and available.

The growth management strategy and OPA 80 designates land to meet the 2051 growth target, once OPA 80 is in effect, enough land is designated to meet the housing needs of a population of 208,000. The impacts of growing at a higher rate than planned would be on the City's ability to provide and fund services to accommodate that growth in a time period that was not anticipated through the master plans.

The City has experienced low vacancy rates for many years, the rate for October 2021 was two per cent and has declined to 1.5 per cent in October 2022 ([CMHC, Rental Market Report 2022](#)) This remains below a balanced and healthy vacancy rate of three per cent.

Census data shows that the percentage of households renting dwellings has increased from 32.7 per cent to 34.1 per cent between 2016 and 2021. The number of people who changed residences in Guelph in the five-year period prior to the 2021 Census increased by 9.7 per cent and among those who changed residences, 59 per cent of those people moved to Guelph from outside the city. This figure is up from 43.7 per cent in 2016.

## **Infrastructure and Servicing**

Essential services such as water and wastewater must be delivered to support the required growth. Essential services are delivered through infrastructure such as roads and pipes. Construction of 18,000 new housing units by 2031 will require construction of new pipes and roads, as well as reconstruction and upsizing existing infrastructure.

Under standard practice, Guelph completes master plans to ensure responsible provision of public services like water supply, wastewater treatment, solid waste management, stormwater management, and more. Master plans are completed following the Provincially regulated Environmental Assessment process. Master plans ensure the infrastructure needs to support growth and the existing population are planned and aligned in a fiscally responsible way that matches human resource capacity to deliver the required capital projects and associated programs.

With the addition of 6,100 more units than planned by 2031, City staff will need to determine the impact to project prioritization and the timing of key projects that are required to unlock growth.

There are positive outcomes to building new infrastructure, particularly from an economic development perspective. As businesses continue to recover from the impacts of COVID-19, increasing demand on the construction market and associated trades and supply chain will create a positive local economic stimulus impact in Guelph, including the creation of new jobs.

There are also numerous challenges and limitations from an infrastructure and servicing perspective.

- Supply chain and markets for materials used in construction are still unstable as a result of COVID-19 and other world events. Increased demand will further strain the supply chain and may cause longer lead times for items, thus delaying construction project timelines.
- There is a limitation to the number of skilled trades and contractors that construct new infrastructure. Their services will be in high demand as many contractors work in multiple municipalities. Increased demand for limited contractors will likely result in price escalations beyond those related to inflation. This will cause pressure on the City's budget, particularly as development charges are set to reduce the services these funds can support.
- Design and construction of new infrastructure will also create pressure on the professional engineering profession and other areas such as project management, surveying, inspection, contract administration, water and wastewater operators, planners, building services, legal services and purchasing services. Complex design work will need to be completed faster, which will have a similar supply and demand impact as contractors in trades, meaning that costs for services are likely to increase with demand on a

- limited pool of professionals. Further, utility locate delays is anticipated to be a concern and to improve these services, Bill 93 will need to be effective.
- To get applications approved quicker, there is likely to be pressure on relaxing planning and engineering standards, accepting substandard designs and the resulting levels of service generated from review of planning applications. This may produce undue professional risk, ethical dilemmas for professionals, and risks to the end user of infrastructure. Examples of risks could include sanitary surcharging, flooding, noise, water pressure, fire prevention, environmental impact, etc.
  - Areas of Guelph that are critical to achieving the housing supply, such as downtown and GID, are either not yet serviced or are not serviced to meet the demand caused by growth. It will take time to construct these services and the construction will have a short-term disruptive impact to the community. Provision of essential services is a requirement of the City's zoning bylaw; and building permits for new growth cannot be granted until services are adequate and available.
  - The cumulative fiscal impact of the challenges above will compete with the fiscal impacts of the city's existing infrastructure renewal needs to keep services in a state of good repair. Guelph's 2020 asset management plan forecast nearly a \$290 million infrastructure backlog and the need to maintain over \$4 billion in total assets. If efforts are focused more towards growth related infrastructure, the City expects to deal with more emergency repairs and service disruptions from failure of existing infrastructure already past its lifecycle.
  - City staff are already operating at the maximum capacity as it relates to delivery of capital projects as outlined in the [Capital Program Resource Strategy](#). More human resources will be required to deliver more capital projects faster. Similarly, once more housing is built faster, the City will need other resources (e.g., more garbage collection, more fire, police and paramedic services, more recreation and park services).
  - Compliance with Provincial regulations takes time. Example processes that are time consuming include Environmental Assessments (EAs), consultation, excess soil management, planning application appeals, permits to take water (PTTW) and so on. For example: Development of new water supply capacity, as identified in the Water Supply Master Plan, is a lengthy process dependent on Class EA and PTTW processes which can constrain, limit, delay or even prevent successful development of new water supplies.
  - Water supply; the City has initiated several water supply projects to address short-term growth and demand. The water supply forecast will need to be monitored against the progress towards Bill 23 to determine if any new supply is required to service future populations to 2031. Presently, no new supply is anticipated under the water supply master plan projected growth rates until 2036.
  - Wastewater treatment capacity; the City's water resource recovery center (or wastewater treatment plant) is planned to increase capacity in two phases. The first phase is underway now and is scheduled for completion in 2027/2028. This means the City's sanitary system won't have added treatment volume capacity until 2028, which could become a limiting factor to meet this new rate of growth. Phase 1 is already on an aggressive schedule and Phase 2 upgrades aren't scheduled until 2038.

- There are other services required to support new housing starts that are supplied by third parties such as electricity, natural gas, telecommunications, etc., and the capacity of these third-party suppliers needs to be considered.

## **Transportation**

The increase in housing supply will have an impact on the City's transportation network. More residents moving to Guelph puts increased pressure on the transportation network before planned service improvements to transit come online, and before improved active transportation infrastructure and services are fully delivered. To ensure alignment with the principals of Guelph's Transportation Master Plan (TMP), City staff will continue to advocate for the delivery of two-way all day GO rail service, improvements to Highways 6 and 7, funding for transit (both local and interregional), funding for active transportation, and funding for the state of good repair for connecting links and other roadways.

Increased construction of the infrastructure services required to support growth needs will present disruptive impacts to the transportation network. The City must balance disruption to emergency services, police services, transit and goods movement to protect public safety and reduce economic impacts. City staff will also need to consider impacts to services like parking through the forthcoming downtown parking master plan.

The TMP recommended a prioritization of corridor improvements based on how well they address equity, safety, connectivity, sustainability and affordability. Prioritizing the needs of new development negates the savings made by combining lifecycle renewal projects with implementing the TMP recommendations. This is particularly true for the City's efforts toward vision zero, cycling network implementation and sidewalk connectivity.

## **City Wide Resources**

Within the attached pledge, there are many other resources impacted if there is solely a focus on housing without the supports by other levels of government, agencies and partners. Housing is one element in a complete community, however, left in a vacuum it will not generate our vision for the City. The recent master plans and Official Plan update plan for our population to 2051 would support the pledge number of 18,000 units, however, the accelerated timing causes concerns for other infrastructure and services that support the City. The anticipated surge in new housing units would impact City staffing, such as in increased need for building inspectors, and the need for additional paramedics, long term care facilities and transit drivers. If we are anticipated to double our new housing starts for each year over the next 10 years, there will also be a need for additional funding of health care workers, public health and social services to address the proposed increase in population.

We are also asking the province to fund post secondary housing, affordable and supportive housing to ensure the housing continuum is met. With the proposed increase in population we will need the acceleration from various ministries to advance schools, our hospital and social services.

## Financial Implications

Accelerating housing supply will require consideration of advancing infrastructure projects to ensure that servicing is available to accommodate the new units. The Council-approved growth management strategy and the Official Plan set out where growth is to occur. To accelerate these plans will require analysis of master plans and servicing requirements and timing to understand what is achievable. Once this is complete, the City can then assess the financial implications associated with revisions to the staging and timing of capital projects and evaluate the fiscal capacity and partnerships that are required to execute it. Consideration must be given to sequencing of projects that impact existing transportation routes and contractor capacity to execute projects.

There is significant risk to the City in taking on the cost of servicing of both greenfield and intensification areas up-front without cost sharing partnerships with developers, as serviced land is more valuable than un-serviced land and this may increase land speculation. This could leave the City in the position of having to service debt costs associated with growth infrastructure without the associated development charge revenue to pay for it, requiring tax and ratepayers to fund growth-related debt servicing costs while not increasing the number of homes in the community.

The Municipal Comprehensive Review (MCR) fiscal impact assessment presented to Council in March 2022 identified a number of fiscal constraints that would need to be overcome in order to accommodate future growth in the City.

These constraints include:

- Cash flow constraints - The revenue related to growth usually comes after the infrastructure is required and the costs are incurred.
- Debt capacity - The City is limited on the amount of debt that they can take on as a percentage of revenue. The required infrastructure is very costly and the City would exceed its debt capacity limits if we funded it all ourselves.

To help mitigate these pressures the MCR fiscal impact report recommended potential financing options. These include:

- Require new development to prepay development charges or front-end projects for roads, water, and wastewater services to minimize debt risk for the City.
- Consider additional agreements with developers to contribute towards or fund capital projects required for growth. Through these agreements, there is less reliance on growth-related debt to fund the capital program, which would provide a positive impact on the City's debt capacity.
- Delay capital expenditures and/or growth to minimize any cash flow issues.

The decrease in growth revenue streams from Bill 23 will put further pressure on tax and rate revenues to support future infrastructure growth. This negatively impacts the City's objective of having growth pay for growth to the largest extent possible. The changes made to these revenue sources as a result of Bill 23 are outlined in report [2022-349 Analysis of Bill 109 \(More Homes for Everyone Act, 2022\) and Bill 23 \(More Homes Built Faster Act, 2022\)](#). While the changes to Parkland Dedication and Community Benefits Charges are impactful and significant in terms of the City's resources to help building complete communities, the most significant impacts of Bill 23 on the City's resources to service land for development



are the changes to the Development Charges Act. While we await regulations associated with this legislation to be rolled out, at a high level, the impacts to the Development Charges Act can be summarized as follows:

The City's development charge reserve funds contain funds from three sources: funds contributed by developers by way of payment of development charges; funds contributed by City tax and ratepayers by way of transfers from tax and rate funded capital reserve funds in the amount of development charge exemptions made under the legislation throughout the year; and investment income earned on the reserve fund balances.

Bill 23 introduced several new exemptions for affordable and attainable residential units and non-profit housing development, and discounts for rental housing developments. A five-year phase-in period for new development charge rates was also introduced. The loss of development charge revenue from these changes will increase the amount of exemptions that need to be tax and rate funded to keep Development Charge reserve funds whole. Prior to Bill 23, the City collected an estimated 85 per cent of development charges otherwise owed because of these legislated exemptions. Bill 23 has increased this shortfall significantly and it is now anticipated total collections to only be approximately 70 per cent. This will create an increased cost for the property tax and rate payers in Guelph.

Bill 23 also made changes to which expenditures are eligible to be funded through development charges. Many growth planning studies including development charge studies are now ineligible costs. That means that the costs associated with the planning work outlined above that is required to determine development priorities and what is achievable will be tax and rate funded. In addition to studies, Bill 23 also identified that land costs for certain services will now be ineligible, but the regulations to specify which services have not yet been released.

Bill 23 also changed the Development Charges service standard to increase it to 15 years (from 10). This may have a positive or negative financial impact which is dependent on the historical service standard and would need to be assessed on a service-by-service basis and is subject to further details to be prescribed in regulation.

Looking forward, staff will continue to progress with the Development Charges Background Study Update with the planned Development Charges Bylaw update to be in force no later than March 2024 when the existing bylaw expires. The assumptions underlying this background study will be based on the planning and master planning work that has already been completed. The 2024-2033 10-year capital budget and forecast will also be prepared on this basis for consideration by Council as part of the 2024-2027 multi-year budget. Staff will consider a mechanism for reporting accelerated priorities, using the forecast to 2051 as the baseline against which plans to fast track certain developments will be measured.

## **Consultations**

This report was developed in consultation with Service Areas across the corporation. Analysis and preliminary feedback from professional and municipal.

Associations as well as Guelph District Homebuilder industry representatives have also been considered in the development of Guelph's response.

## **Attachments**

Attachment-1 City of Guelph Housing Pledge: By Guelph, For Guelph

Attachment-2 Letter from Minister of Municipal affairs and Housing regarding 2031 Municipal Housing Pledge

## **Departmental Approval**

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# **Attachment 1**

## **City of Guelph Housing Pledge: By Guelph, For Guelph**

### **Guelph's pledge**

The City of Guelph is committed to facilitating the provision of new housing units. This commitment is evident through the City's Strategic Plan objective under Building our Future to help increase the availability of housing that meets community needs and the "We are home" key theme in Guelph's Community Plan. We agree that housing is a human right, and that housing should be affordable and attainable for all. The City also agrees that municipalities must work together in a collaborative effort with federal and provincial governments and other key partners including homebuilders and social services organizations in our community to create smart programs and policies that enable more people to obtain housing.

The following is the City of Guelph's pledge to facilitate the construction of 18,000 new homes by 2031:

### **Municipal policy and regulation initiatives to be led by the City**

1. Official Plan: Municipal Comprehensive Review
  - The Minister's approval of the updated policies and land use schedules to meet population and employment forecasts to the year 2051, supporting the potential development of 29,205 housing units is essential to achieving the targets including the designation of strategic growth areas and increased heights and densities in the city.
2. Approval and implementation of secondary plans:
  - Guidelines in place to support the implementation of the Guelph Innovation District Secondary Plan which has the potential for 3,290 housing units.
  - Minister's exemption of appeals to the Clair Maltby Secondary Plan which is Council approved to allow 16,300 people and 1,250 jobs, and 7,150 units.
  - Minister's approval of the Downtown Secondary Plan Official Plan Amendments (OPA), through OPA 80, with recent revisions to support the achievement of a density target of 150 persons and jobs by 2031, 175 residents and jobs to 2041 and 200 residents and jobs by 2051.
  - Initiation of the boundary adjustment secondary plan or equivalent process for the Dolime lands boundary adjustment to provide for housing for an anticipated 5,000-7,500 people.
3. Comprehensive Zoning Bylaw Review
  - The City to finalize a new zoning bylaw that pre-zones properties, increases heights and densities in accordance with the Official Plan, removes exclusionary zoning and promotes intensification.

#### 4. Additional dwelling units

- Permissive regulations are in place that promote intensification within neighbourhoods allowing for this form of housing which currently represents 20 per cent of annual new housing unit creation since the permissions were provided for in 2020.

#### 5. Streamline the development approvals review process

- Applying LEAN principles to the development review process to improve efficiency and processing timelines.
- Implementing technological improvements (e.g., digital development plan review and markup tool and upgrades to permitting system).
- Enhancing the pre-consultation and pre-submission process to provide clarity and certainty to applicants.
- Prioritizing and streamlining application process for supportive and affordable housing projects including those that have Canadian Mortgage and Housing Corporation or federal funding support.
- Remove redundancy on departmental comments and overlap between Zoning Bylaw Amendment and Site Plan applications.
- Focus planning application comments to specific policy requirements.

#### 6. Infrastructure and servicing

- Increase human resources to deliver capital projects consistent with the City's Capital Program Resourcing Strategy and committing new and existing human resources to deliver capital infrastructure projects that provide essential services like water and wastewater needed for new housing and to keep existing services in a state of good repair, that maximizes the quantum of housing units that can be provided in a given area of the city.
- Review and update the City's 10-year capital forecast to incorporate recently completed master plans and determine any adjustments in capital project prioritization to support the acceleration of housing.
- Invest in the renewal of infrastructure in the downtown to support realization of the Downtown Secondary Plan.
- Rehabilitate land through brownfield renewal projects to support land supply for housing.
- Seek to improve utility locate turnaround timelines consistent with the goals of Bill 93 so that projects break ground faster.
- Communicate with third-party utility providers, such as telecommunications and hydro, so they are aware of Guelph's growth needs and can adjust their plans.
- Communicate with construction industry partners to ensure they are informed of the City's plan so they are able to plan how to support achievement of the housing goals.
- Continue to invest and build infrastructure to support all modes of transportation, consistent with the goals of the City's Transportation Master Plan with the assistance of federal and provincial partners.

- Complete a downtown parking master plan strategy that considers the planned growth in downtown Guelph and links to Guelph's Major Transit Station Area.

## 7. Financing

- Complete growth-related revenue bylaw reviews including a comprehensive Development Charge Study, Parkland Dedication fee review, water, wastewater and stormwater utility revenue model review and development application fee review in order to maximize City revenues to fund as much of the cost of infrastructure required for growth as possible, understanding that full cost recovery is not possible in all cases.
- Establish a process for front-ending agreements with developers for the prepayment of Development Charges or front-ending project funding for roads, water, and wastewater services to minimize debt requirements for the City and share in the financial risk of servicing these sites for anticipated development.
- Advocate for upfront funding from upper levels of government to finance the infrastructure required to service greenfield and intensification developments in order to share the financial risk of servicing sites for anticipated development and to reduce the capital cost of growth on both the property tax-payers and new home buyers of Guelph.
- Advocate for ongoing funding to support the associated growth required for transit.
- Review and update Community Improvement Plans to incentivize certain types of development consistent with the goals of the City's Strategic Plan.
- Perform an update to the City's debt forecast to understand growth financing capacity from a whole-city perspective.

## 8. Monitoring measures

- Continue to produce an annual monitoring report measuring number and type of units created and fulfill the data reporting requirements of the Minister with available data.
- Continue to post the monthly building permit report and share with the housing industry.
- Analysis of housing needs and opportunities through the Affordable Housing Strategy Update (scheduled for 2023-2024).

## **Guelph's requests of the Province to support this pledge**

9. That the Minister of Municipal Affairs and Housing approve our Municipal Comprehensive Review (MCR) that is currently paused by the Minister and increase our population target from 203,000 to 208,000 as requested though the MCR work in OPA 80.
10. That the Minister exempt appeals of secondary plans and comprehensive zoning bylaws that account for increased population, densities, heights and end exclusionary zoning.

11. That the Province work with municipalities to open the discussion on a new long-term, permanent municipal funding strategy to fund critical growth-related infrastructure projects and until a new agreement is in place, ensure municipalities are made whole, dollar-for-dollar to eliminate the unintended consequences of revenue Development Charges reductions associated with Bill 23.
12. That the Province recognizes the risk to municipalities of servicing land for development without any guarantee of the timing or extent of that development and the associated collection Development Charges or property tax assessment growth and works with municipalities to provide upfront funding for infrastructure to mitigate this risk.
13. That provincial ministries, municipalities, developers, homebuilders and other community partners be held jointly accountable and the Province identifies annual targets for each group, along with agreed upon accountability measures and metrics put in place based on each partner's role in the homebuilding process.
14. That the Province look at review and permit issuance delays within their ministries (e.g., Ministry of Transportation, Ministry of Environment, Conservation and Parks) and mandate maximum response times, and the responsibility of developers and homebuilders to further coordinate the building of homes in a timely manner once development approvals are in place.
15. That the Province commits to building supporting institutions including schools, hospitals, daycares and long-term care facilities to support the provincially anticipated surge in population.
16. That the Province supports the associated funding of health care workers, paramedics, public health and social services to address the proposed increase in population.
17. That the Province addresses the shortage of parkland a municipality receives though development application changes under the planning act in order to ensure Guelph meets its provincial approved policies in the Official Plan for parkland in Guelph.
18. That the Province amend the Planning Act to re-instate bonusing provisions (former Section 37 – increased density, etc., provision bylaw), whereby permitting increased height or density in return for the provision of facilities or services.
19. That the province increases education and training spaces in the Guelph area to provide the highly-skilled talent that is needed for development and growth. Relevant programming includes professional services, engineering, skilled-trades and apprenticeships.
20. That the province provide additional investments for housing in municipalities with post-secondary institutions.

21. That the Province addresses supply chain shortages and gaps as well as interest rates and inflation that will impact the housing market and market decisions by homebuilders.
22. That the Province provides transportation network improvements to service growth by fast tracking two-way all day GO transit service, improvements to Highway 6 and construction of the new Highway 7 linking Waterloo Region to Guelph/Wellington and invests in interregional and local transit.
23. That the Province funds and expedites approval for necessary infrastructure including water supply, waste treatment plants.
24. That the Province approve the backlog of Municipal Class Environmental Assessments (EA) and reduce the administrative burden of EA's while still achieving the environmental protection goals of the Environmental Assessment Act.
25. That the Province waive the requirement for new municipally and privately initiated EA's that will provide housing infrastructure.
26. That the Province provide clear and consistent guidance with respect to Indigenous engagement and fund capacity requirements for Indigenous engagement in the EA process.
27. That the Province increases funding for affordable and supportive housing projects to address the critical shortage in Guelph which would include funding for new units as well as ongoing support services.

Signed by

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Cc: Doug Ford – Premier  
Caroline Mulroney – Minister of Transportation  
Sylvia Jones – Minister of Health  
David Piccini – Minister of the Environment, Conservation, and Parks  
Paul Calandra – Minister of Long-term Care  
Michael A. Tibollo – Minister of Mental Health and Addictions  
Peter Bethlenfalvy – Minister of Finance



Kinga Surma – Minister of Infrastructure  
Michael S. Kerzner – Solicitor General  
Jill Dunlop - Minister of Colleges and Universities  
Mike Schreiner – MPP Guelph  
Ted Arnott - Speaker, MPP Wellington-Halton Hills  
Spencer Reid – GDHBA, President  
Mayor Drew Dilkens, Chair, Housing Supply Action Plan Implementation Team  
Ontario Big City Mayor’s Caucus  
Colin Best -Association of Municipalities of Ontario

**Ministry of  
Municipal Affairs  
and Housing**

Office of the Minister

777 Bay Street, 17<sup>th</sup> Floor  
Toronto ON M7A 2J3  
Tel.: 416 585-7000

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Affaires municipales  
et du Logement**

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234-2023-711

February 13, 2023

Your Worship  
Mayor Cam Guthrie  
City of Guelph  
1 Carden Street,  
Guelph ON N1H 3A1

[mayor@guelph.ca](mailto:mayor@guelph.ca)

**Subject: Municipal Housing Targets and Municipal Housing Pledges  
City of Guelph: 18,000**

Dear Mayor Guthrie,

I would like to congratulate you on your re-election in the City of Guelph last fall. With last year's municipal and provincial elections now behind us, Ontarians are counting on us to work together productively and build a relationship of trust that delivers for the people we represent.

The lack of housing supply has become one of the defining issues in Ontario today, and I know it was just as prevalent in last year's municipal elections as it was for those of us on the provincial level.

Our government is taking bold and transformative action to get 1.5 million homes built by 2031.

That's why, last October, our government introduced our More Homes Built Faster Plan. The plan contains practical measures that will have a real impact on our communities, reduce costs for homebuyers, and encourage the development of more housing supply.

These measures included municipal housing targets and pledges. While municipalities have taken significant steps in increasing the housing supply, our government requires a commitment from our municipal partners to take extra effort in providing housing for future population growth.

To implement the 1.5 million homes target, large and fast-growing municipalities, including yours, are being assigned a **Municipal Housing Target**. Via your municipal Clerk in last October, I asked the City of Guelph to demonstrate your commitment to accelerating housing supply by developing a **Municipal Housing Pledge** and taking the

necessary steps to facilitate the construction of 18,000 new homes in your community by 2031.

I would like to inform you that the Ministry of Municipal Affairs and Housing is extending the deadline for the submission of municipal housing pledges from March 1, 2023, to March 22, 2023, in response to requests from some of our municipal partners.

As I stated in my previous letter, pledges will provide important information that showcases the strategies and actions that municipalities choose to adopt in order to prioritize and accelerate housing. Our government intends to use your pledges to monitor and track progress so we can continue to play a role in supporting municipalities and removing barriers to housing development. Please see the information sheet attached again to this letter for information and considerations in developing a Municipal Housing Pledge.

We are committed to addressing the policy and implementation barriers you may encounter as you develop your pledges and I encourage you to reach out to Wendy Ren, Executive Lead, Municipal Policy/Program Collaboration, at [Wendy.Ren@ontario.ca](mailto:Wendy.Ren@ontario.ca) or 437-995-7094, if you have any questions, comments, or suggestions.

Please acknowledge receipt of the letter to Wendy Ren as well.

I look forward to working together to increase housing supply for all Ontarians.

Sincerely,



Steve Clark  
Minister

Encl.

c: Kate Manson-Smith, Deputy Minister  
Ryan Amato, Chief of Staff, Minister's Office  
Michael Parsa, Associate Minister of Housing  
Joshua Paul, Assistant Deputy Minister, Housing Division  
Sean Fraser, Assistant Deputy Minister, Planning and Growth Division  
Wendy Ren, Executive Lead, Municipal Policy/Program Collaboration  
Ian Roger, City Manager  
Amanda Knight, City Clerk

## **Info Sheet: Considerations in Developing Municipal Housing Pledge**

The pledge is not intended to be a land-use planning document, and its development should not require external technical expertise. The format and language used in the pledge should be accessible to the general public. The pledge is intended to be approved by municipal councils and should help codify Council's commitment to meeting their municipal housing target.

Municipalities can leverage new and existing policy tools as they develop housing pledges and work towards their housing targets.

Below is a non-exhaustive list of potential strategies and actions that municipalities may include in developing their housing pledges. There may be additional opportunities based on local circumstances and the Province is interested in hearing about those ideas and creative solutions.

- Strategies to encourage and promote gentle intensification to enable and expedite additional residential units in existing residential areas
- Outline ways in which funding under provincial programs, such as the Streamline Development Approval Fund (SDAF) or Municipal Modernization Program (MMP), has been used to streamline existing municipal development approval processes
- Information on municipal development approval timelines and whether municipalities are being appealed for non-decisions
- Identify potential measures where current lack of infrastructure capacity (e.g., water/wastewater servicing) may limit future housing development
- Strategies to use municipal surplus lands
- Commitment to plan for, fund, and approve (where applicable) specific critical municipal infrastructure to support growth and new housing (e.g., water, wastewater, transit etc.), which may include expanded capacity as well as fully new facilities/assets
- Priorities for strategic and site-specific planning decisions to expedite housing in priority areas (e.g., around transit stations and in transit-serviced areas)
- Update zoning by-laws to permit a greater range of housing to be built without the need for costly and lengthy rezoning applications
- Municipalities may also consider existing tools such as the Community Infrastructure and Housing Accelerator, [Community Planning Permit System](#), Major Transit Station Areas, and Protected Major Transit Station Areas.

Below are some of the potential components of a municipal housing pledge. Municipalities are free to choose, alter, or add any new components that seem reasonable. Pledges can be represented in the form of plain text, tables, charts, maps, or a combination of them.

- Municipal Housing Target
- Planned and proposed Municipal Initiatives
- Initiative Owner and Additional Stakeholders
- Context and Description of How Initiative Accelerates Housing
- Number of units per initiative and housing type
- Considerations (Barriers, Implementation, Risks, etc.)
- Potential Mitigation Strategies and Proposal to Accelerate Housing
- Potential Reporting and Monitoring Measures

The deadline for municipalities to submit housing pledges to the Minister of Municipal Affairs and Housing is March 1, 2023.

Municipal housing pledges are intended to be public documents and it's anticipated that municipalities will post them online.

Municipalities can contact Ministry staff with any questions and for clarification.