



Council Report

Report Number:	CAO2023-004
Meeting Date:	November 21, 2023
Title:	Kawartha Lakes Municipal Housing Pledge
Description:	Recommended City of Kawartha Lakes Housing Pledge in response to Provincial Housing Targets, Strong Mayor Powers and Building Faster Fund.
Author and Title:	Doug Elmslie, Mayor Ron Taylor, Chief Administrative Officer

Recommendations:

That Report CAO2023-004, **Kawartha Lakes Municipal Housing Pledge**, be received;

That City Council endorses the Kawartha Lakes Municipal Housing Pledge, as outlined in Appendix F to this report; and

That Council Policy CP2019-005 Development Charges Assistance Policy, as provided in Appendix G to this report, be rescinded effective immediately.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Report CAO2023-003, **Municipal Housing Pledges and Targets, and Strong Mayor Powers** was provided previously to Council (see Appendix A). At their meeting of September 26, 2023 Council adopted the following resolution:

CR2023-457

Moved By Deputy Mayor Richardson
Seconded By Councillor Warren

That Report CAO2023-003, **Municipal Housing Pledges and Targets, and Strong Mayor Powers**, be received;

That the City of Kawartha Lakes is committed to the housing target of 6500 housing units constructed by the end of 2031; and

That this resolution be provided to the Minister of Municipal Affairs and Housing.

Carried

By letter dated October 10, 2023, Mayor Elmslie provided the above-resolution to Minister Calandra (see Appendix B). Also included was the City's commitment to preparing and submitting to the Ministry prior to December 15, 2023, the Kawartha Lakes Housing Pledge to outline the City's local strategies and actions to achieve the housing target.

By letter dated October 12, 2023 (see Appendix C), Mayor Elmslie provided the City's response to the Housing Affordability Task Force's Recommendations.

The Province expects that the City's Housing Pledge will outline the steps the City will take to achieve its housing target by 2031.

The Province further expects, under the Building Faster Fund (announced August 21, 2023), that the City will achieve annual targets, determined by taking the municipality's proportion of the overall provincial 1.5 million homes goal and applying that proportion against province-wide annual targets over the next three years. Minister Calandra's October 23, 2023 letter outlining the annual targets is attached to this report (see Appendix D).

In response to the City's commitment to meeting its housing target and submitting its Housing Pledge, Minister Calandra provided to Mayor Elmslie confirmation that as of October 31, 2023, strong mayor powers have been expanded to heads of Council of 18 municipalities who have committed to their housing target, including the City of Kawartha Lakes. Minister Calandra further confirmed that the City's commitment to its

housing target is a key step towards its eligibility for the Building Faster Fund (see Appendix E).

Report CAO2023-004 addresses the above-resolution and commitment, and recommends a Kawartha Lakes Municipal Housing Pledge (see Appendix F).

Rationale:

The Kawartha Lakes Municipal Housing Pledge ('Housing Pledge') sets out the City's existing, planned and proposed strategies, tools and actions to accelerate housing development and meet our housing targets. By no means does this represent an all-inclusive set of strategies to accomplish our housing target(s). Ongoing review, monitoring and reporting will occur to ensure the City best leverages all strategies, resources and tools available.

The Housing Pledge combines census data and core programming to underpin a number of municipal initiatives that position the City to reach its housing targets, and includes the following components:

- Financial Strategies: Long Term Financial Plan, optimizing potential revenue streams (i.e. Developer Contributions, Debenture Strategy, Development Charges, application and permit fees);
- Anticipated Development (committed, forecasted and MZOs);
- Connections to Other City Plans: Growth Management Strategy and Infrastructure Plans, Active Transportation Master Plan, Community Improvement Plan, Corporate Strategic Plan, Housing and Homelessness Plan, and other Plans to meet the growing needs of our population;
- Targeting a mix of housing supply, and including "true" Affordable Housing as defined by the City, in its role of Consolidated Municipal Service Manager;
- Planned and Proposed Municipal Initiatives: Municipal Comprehensive Review, Zoning By-law Consolidations
- Supportive Provincial Investments; and
- Partnerships, Monitoring and Measuring Success.

Other Alternatives Considered:

The 6500-unit housing target for Kawartha Lakes is generally in alignment with current growth forecasts to 2031.

The Province has established a 2023 year-end target of 477 housing units to be approved for construction. As of November, the City is approaching 80% of this target, and we remain optimistic that based on current activity and applications, that we will meet and exceed at least 80% of the total 2023 target.

Financial Implications

Immediate Recommended Actions:

- In 2016 Council approved the Development Charges (DC) Assistance Policy. At the time, the purpose was to provide a tool to aid in promoting economic competitiveness and prosperity of the City as related to development. It proved effective at the time to incent growth activity (the City approved an estimated 30 of these payment deferral requests since 2016). The Current development landscape has changed immensely since 2016. The Provincial housing supply targets necessitate the need for extensive infrastructure investment. The City requires the collection of DCs to occur earlier in the process in order to finance these accelerated and critical investments. It is recommended that Council rescind this Policy effective immediately.
- An immediate increase to certain Planning fees is required to better cost-recover and accelerate approval time frames. Recommendations will come forward to Council through our annual fees and charges reporting for immediate fee increases (effective Jan 1 2024). A full review of planning and development fees and charges will occur in 2024, with additional recommendation to Council.
- Monitor all grant funding opportunities and identify the impact of the Build Faster Fund to assist with the significant financial investments required to accelerate growth and development.

Future Actions:

- The City will be undertaking a DC review/update with a targeted Council approval mid 2025. The timing of DC collections will be reconsidered at that time, to advance collection from building permit issuance to time of development agreement execution, where applicable.
- A Long Term Financial Plan (LTFP) update to incorporate the master servicing plans affected by the growth targets and the impact of infrastructure investments on the financial sustainability model for the City. The LTFP will also incorporate the anticipated increased revenues associated with the growth.
- Commencing in 2024 Annual budget(s) shall include required infrastructure investments to meet the growth targets and the associated revenues.

Additionally, the budget process shall include the foreseeable operational impacts, asset management needs, and the required staffing resource capacity to align with the growth strategy, the LTFP and the debenture strategy.

- Identify financing alternatives resulting from the estimated \$60 Million reduced DC collections (through the current DCs and supporting background study growth period), resulting from recent DC legislation changes (Bill 23).

Alignment to Strategic Priorities

Committing to needed housing supply locally to address demand and needs contributes to the City's four strategic priorities within the 2020-2023 Kawartha Lakes Strategic Plan, being:

1. Healthy Environment
2. An Exceptional Quality of Life
3. A Vibrant and Growing Economy
4. Good Government

The forecasted growth is anticipated, and is being assessed through our multi-year, cross-Departmental growth management and affordable housing programs.

Consultations:

All Departments

Attachments:

Appendix A – Report CAO2023-003, Municipal Housing Pledges and Targets, and Strong Mayor Powers



CAO2023-003 -
Municipal Housing I

Appendix B – Letter from Mayor Elmslie (October 10, 2023)



Signed Letter to
Paul Calandra Oct 10

Appendix C – Letter from Mayor Elmslie (October 12, 2023)



Letter from Mayor
Elmslie to Minister C

Appendix D – Letter from Minister Calandra (October 23, 2023)



Letter from Minister
Calandra to Mayor E

Appendix E – Letter from Minister Calandra (November 1, 2023)



Letter from Minister
Calandra to Mayor E

Appendix F – Kawartha Lakes Municipal Housing Pledge



Kawartha Lakes
Municipal Housing I

Appendix G – Council Policy CP2019-005 Development Charges Assistance Policy



CP2019-005
Development Charges

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Department Head: Ron Taylor (CAO)