



Staff Report

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Report To:	Council	
Date of Meeting:	December 18, 2023	Report Number: PDS-069-23
Submitted By:	Carlos Salazar, Deputy CAO, Planning and Infrastructure	
Reviewed By:	Mary-Anne Dempster, CAO	By-law Number:
File Number:	PLN 11.27	Resolution#:
Report Subject:	Housing Pledge for 13,000 Units by 2031 – Units Issued and Starts Update, 2023	

Recommendation:

1. That Report PDS-069-23 and any related delegations or communication items, be received;
2. That a copy of Report PDS-069-23 be forwarded to the Ministry of Municipal Affairs and Housing with final unit count as of December 31, 2023; and
3. That any funds allocated to the Municipality of Clarington for meeting the 2023 Housing Targets be directed to the Municipality's non-profit housing fund.

Report Overview

As of December 6, 2023, Clarington has met the unit target allocated by the Province for 2023 and is now eligible to receive funding from the Building Faster Fund (BFF). The fund is a new three-year, \$1.2 billion program that will provide up to \$400 million per year to municipalities that meet or exceed their annual housing targets.

The provincial Government assigned a target of 13,000 residential units by 2031 and a target of 953 units 2023 for the Municipality of Clarington. In March 2023, Clarington Council signed the required Housing Pledge to meet this target and outlined a series of actions to meet the targets. These actions include service improvements, and efficiencies in the Planning and Infrastructure Services Department.

We are confident that, subject to external market and economic conditions, the municipality will meet its annual targets as applications in Secondary Plan areas get approval, and infill developments and additional dwelling units in existing and new residential buildings get developed.

1. Background

- 1.1 On October 25, 2022, the Minister of Municipal Affairs and Housing (MMAH), issued a Minister's Order to 29 large and rapidly growing Ontario municipalities, including Clarington, to sign a Housing Pledge to meet the Provincial Government's target of providing 1.5 million new homes in the next decade (Province ERO bulletin No. 019-6171). Clarington was assigned 13,000 new units as a target.
- 1.2 On February 27, 2023, Council endorsed Clarington's Housing Pledge to the Province. that the Pledge commits Clarington to support the Ontario Government's initiative to build 1.5 million new homes over the next decade through a series of planning policy and process improvement initiatives. The signed pledge was forwarded to the Province on March 1, 2023, ahead of the March 22, 2023, deadline (see **Attachment 1**).
- 1.3 On August 21, 2023, Premier Ford announced the new BFF, a new three-year \$1.2 billion program to help municipalities meet or exceed the housing targets they have pledged to achieve by 2031. The BFF is intended to provide up to \$400 million over three years in financial support for municipalities that can be directed toward housing-enabling infrastructure and related costs that support community growth.
- 1.4 On October 23, 2023, the Municipality received a Letter from MMAH outlining Clarington specific annual housing targets under the BFF (see **Attachment 2**).
- 1.5 Clarington's annual housing targets under the BFF are outlined in **Table 1** below.

Target	2023	2024	2025
Municipality of Clarington	953	1,083	1,300

Table 1 – Clarington’s Annual Housing Start Targets Under the BFF

- 1.6 As of December 6, 2023, the Municipality has met the housing target under the BFF, see **Table 2** below.

Municipality of Clarington Units Issued, 2023	1015
Municipality of Clarington Starts, 2023	956

Table 2 – Municipality of Clarington units Issued and Started, 2023
(As of December 6, 2023)

2. Discussion and Comments

Building Faster Fund (BFF)

- 2.1 Annual targets are determined by taking each municipality’s proportion of the overall 1.5 million home goal and applying that proportion against province-wide annual targets, which will increase each year over the course of the Building Faster Fund. For example, if a municipality’s target represents 5% of 1.5 million homes, the annual targets for that municipality would be 5% of the province-wide targets for 2023, 2024 and 2025. For the first year of the program, 2023, province-wide annual housing targets will start at 110,000 new housing starts. From there, housing targets will ramp up to 125,000 in 2024, 150,000 in 2025 and 175,000 beginning in 2026 (one year beyond the end of the BFF program period). 175,000 units per year beginning in 2026 would be the pace needed to achieve 1.5 million homes by 2031. Based on these calculations, if Clarington meets 100% of the annual target, we would be eligible to receive 4 million dollars, with the ability to receive additional funding should the target be exceeded.

- 2.2 Based on the fund calculations by the Municipality, if Clarington meets 100% of the annual target, we would be eligible to receive up to 4 million dollars, with the ability to receive additional funding should the target be exceeded.
- 2.3 On October 23, 2023, the Municipality received a Letter from MMAH outlining Clarington specific annual housing targets to be eligible for the BFF (see **Attachment 2**).

CMHC Starts and Completions Survey

- 2.4 For the Province to determine a Municipality's unit starts, Canada Mortgage and Housing Corporation (CMHC) completes a monthly Starts and Completions Survey. The survey is conducted through site visits. These visits are used to confirm that new residential units have reached set stages in the construction process.
- 2.5 A "Start" is defined as the beginning of construction work on a building. This is usually when the concrete has been poured for the whole of the footing around the structure or an equivalent stage where a basement will not be part of the structure.
- 2.6 In a letter dated October 23, 2023, from the Province, the Minister clarified that in addition to single-detached, semi-detached, townhouses, and apartments, additional dwelling units and other institutional housing types (such as Long-Term Care beds) could be included when calculating unit starts in relation to local targets.

2023 Clarington Housing Unit Starts

- 2.7 As seen in **Table 1**, the Municipality of Clarington was provided a 2023 start target of 953 units, to be eligible to receive 100% of the BFF funding. As described in section 2.6 of this report, the start of a unit is considered when construction has begun, more commonly the footing concrete has been poured.
- 2.8 As of December 6, 2023, Staff has confirmed that the 956 units have started, and foundation has been poured in 2023, exceeding our provincial target, see **Table 2**.
- 2.9 The commitments within the Housing Pledge in **Attachment 1** will assist in streamlining the development approval process and undertaking major development policy initiatives like the review of our Official Plan and completion of Secondary Plans as we continue towards achieving our 13,000-unit pledge.

3. Financial Considerations

- 3.1 It is anticipated that 100% of the BFF funding allocated to the Municipality will be awarded as a result of meeting the provided targets.

- 3.2 Increased development could result in the need to provide services to the lands (including parks, roads, sidewalks) which may be development charge eligible. Further, resources in Planning and Infrastructure Services may be necessary to carry out the land use planning policy initiatives, and process development applications and building permits to meet the annual targets.

4. Concurrence

This report has been reviewed by the Deputy CAO, Finance and Technology/Treasurer who concurs with the recommendations.

5. Conclusion

- 5.1 It is respectfully recommended that Council receive this report and the associated residential housing start numbers for 2023. Following Council receipt, Staff will forward the report and associated information to the MMAH requesting our share of the Building Faster Fund. We also recommend that funds be allocated to the non-profit Housing Fund created by the municipality. Staff will bring forward the framework for the funds in the Spring of 2024.
- 5.2 As demonstrated, the Municipality has met the housing starts as allocated by the Province to be eligible for the Building Faster Fund. It is essential to note that the realization of the units is subject to market conditions and available regional infrastructure.

Staff Contact: Staff Contact: Brendan Grigg, Deputy Chief Building Official 905-623-3379 x 2313 or bgrigg@clarington.net and Amanda Tapp, Manager of Development Review Division 905-623-3379 ext. 2427 or atapp@clarington.net.

Attachments:

Attachment 1 – Clarington Signed Housing Pledge (March 2023)

Attachment 2 – October 23, 2023, Letter from MMAH

Interested Parties:

There are no interested parties to be notified of Council's decision.