

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee
From: Scott Mathers, Deputy City Manager, Planning and Economic Development
Subject: London: A Place to Call Home (LDI and LHBA)
Date: January 17, 2023

Recommendation

That, on the recommendation of the Acting Deputy City Manager, Planning and Economic Development, this report summarizing the City's response to the *London: A Place to Call Home* white paper **BE RECEIVED** for information.

Executive Summary

The London Development Institute (LDI) and the London Home Builders' Association (LHBA) authored a white paper *London: A Place to Call Home* in June 2022 with the intent of generating informed discussion about housing availability and affordability in London. The paper includes seven policy recommendations and five process recommendations for the City of London. This report provides a summary of initiatives that are currently underway and relevant to the recommendations. This report also identifies areas for further discussion between Civic Administration and the industry.

Linkage to the Corporate Strategic Plan

This report supports the following 2019-2023 Strategic Plan areas of focus: Strengthening our Community, as it recognizes gaps in the provision of affordable housing and identifies City initiatives that aim to address those deficiencies; Building a Sustainable City, as it details planning and development projects and tools that will help to promote and direct future residential growth; Growing our Economy, as it acknowledges the economic spin-off benefits of housing development in related industries such as trades and manufacturing; and, Leading in Public Service, as it identifies work currently underway to improve existing development review processes that will accelerate the approval of residential units.

Related Reports

June 22, 2022 - Strategic Priorities and Policy Committee - Delegation - London: A Place to Call Home - Mike Wallace, Executive Director, London Development Institute

A list of reports and resources related to the individual projects identified in this report is provided in Appendix B.

Analysis

1.0 Background

1.1 London: A Place to Call Home by LDI and LHBA

At the June 22, 2022, meeting of the Strategic Priorities and Policy Committee (SPPC), the London Development Institute (LDI) and the London Home Builders' Association (LHBA) presented the white paper titled *London: A Place to Call Home*, attached to this report as Appendix A.

The intent of the white paper is to generate informed discussion about housing availability and affordability in London, and to find mutually beneficial solutions to the

challenges at hand. An underlying theme from the industry is the need to work collaboratively with the City of London and other partners.

London: A Place to Call Home outlines opportunities to explore with the federal and provincial governments, as well as seven policy recommendations and five process recommendations for the City of London.

1.2 Policy Recommendations

The following policy recommendations are proposed by LDI and LHBA:

1. Review the Urban Growth Boundary
2. Development industry to be full participants in the ReThink Zoning process
3. Incentives to support residential growth downtown
4. Create a Mayor's Task Force on housing affordability & availability
5. Growth-based funding increase for Planning and Economic Development
6. Multi-stakeholder working group to address deep affordability issues
7. Fast track completion of the Permit Ready Lot Program

1.3 Process Recommendations

The following process recommendations are proposed by LDI and LHBA:

1. Development of an accountability tracking system for individual applications
2. Review of the File Management/Complete Application process for subdivisions
3. Improved Consultants' reports requirements for complete application clearance
4. Enforce prescribed circulation deadlines for comments on applications from third parties
5. Review the options to improve and expand the use of electronic application submissions

2.0 Follow-up with the Development Industry

Upon receiving *London: A Place to Call Home*, City staff organized a series of urgent targeted meetings with the building and development industry over the fall months to discuss and fully understand the concerns and recommendations put forward in their report prior to coming back to Council. Targeted meetings with the industry occurred on the following dates:

- August 18, 2022
- September 15, 2022
- October 21, 2022
- November 10, 2022

Based on these conversations, it is clear that many of the recommendations in *London: A Place to Call Home* align with the Planning and Development area's priorities moving forward and much of the work to address these recommendations is currently underway. This report summarizes staff's understanding of the various recommendations made by the development industry, identifies existing projects that are underway, and highlights actions moving forward.

3.0 Policy Recommendations

The following section identifies on-going projects and initiatives that are relevant to the policy recommendations in *London: A Place to Call Home*. Anticipated timelines for key milestones are also included.

3.1 Comprehensive Review of The London Plan and Urban Growth Boundary

The London Plan is the City's Official Plan and plays a key role in directing growth over the long term. It includes growth management policies that ensure sufficient land is available to meet future demand through intensification and new areas designated for urban development. It includes growth projections that form the basis of this analysis. Every five years, a municipality can undertake a comprehensive review of their Official

Plan, which includes reviewing all policies of the Plan to ensure it remains up to date and able to meet new challenges as they arise.

A comprehensive review of The London Plan is currently underway. This process began with the preparation of new growth projections, which were presented at the December 6, 2022, SPPC meeting. The comprehensive review includes the following three major components:

- A review of all policies to ensure they conform with new or updated provincial requirements;
- A review of employment areas to ensure there is a sufficient supply and consider the possible conversion of existing employment lands to permit other types of land use; and,
- An analysis of residential land supply and demand, which will ensure there is enough room within the Urban Growth Boundary to accommodate future development.

The next steps in the project work schedule includes a report to Planning and Environment Committee (PEC) to present the terms of reference to initiate the comprehensive review. This report is being targeted for January 30, 2023. A review of residential and employment land needs will be completed. If deficiencies are identified, a recommendation to Council on whether to expand the urban growth boundary will be provided by the end of 2023. This timeline aligns with the recommendation from LDI/LHBA to complete this work by the end of 2023. A review of alternative directions to accommodate any shortfall can then be considered with recommendations on possible amendments to the urban growth boundary and The London Plan by mid-2024.

3.2 ReThink Zoning

Rethink Zoning is the process of developing a new comprehensive Zoning By-law that will conform with and implement the policies of The London Plan. Once the new Zoning By-law is complete, zones will be applied across the city that facilitate growth and intensification in the way that is envisioned in The London Plan.

The primary goal of ReThink Zoning is to develop a new zoning approach that implements the vision of the Place Types that are described in the Plan. This includes creating new regulations for the use, intensity, and form of development. Through the ReThink Zoning process, the project team is also aiming to ensure the new Zoning By-law provides a balanced framework that ensures development contributes to the surrounding context and vision for the Place Types, while also providing flexibility to allow for creative building designs and adaptability to future market demands.

ReThink Zoning was initiated in early 2022 and has included the preparation of discussion papers in June 2022 and sample zones in October 2022 that have helped focus the discussion with stakeholders. The next steps for the project include the preparation of a First Draft of the new by-law anticipated for spring 2023, followed by an updated Second Draft at the end of 2023. Due to existing project timelines and constraints, a final draft by the end of 2023 is not feasible, as recommended by LDI/LHBA.

A stakeholder working group has been formed that includes representation from both community and development industry organizations. On-going consultation has taken place in a variety of formats including meetings with interested groups and individuals, and online through the project website.

3.3 Community Improvement Plan Incentives – 5 Year Review

There are nine Community Improvement Plans (CIPs) in London that enable the City to offer grants and other incentives to attract and/or improve different types of development in several designated areas. In the Downtown CIP, for example, there are tax and development charge equivalent grants to incentivize residential development.

City staff are currently undertaking a review of all the City's CIPs and associated programs with the intent to report to Council on any recommended changes to the

programs and associated funding levels. The comprehensive review includes CIPs throughout the city (not only downtown), and incentives are applicable not only to residential, but also commercial, and industrial properties/development. Some CIP incentive programs will be impacted by the legislative changes enacted through Bill 23, and these changes will be integrated into the review.

City staff hosted a session in late November, to generate input from LDI members, as well as non-LDI members and LHBA representation. The input from this session will form a significant contribution to the City's consultation strategy for this project, which also includes a city-wide survey, and other focused sessions with community organizations and those who have accessed incentive programs.

The staff report on the Community Improvement Plan Incentives – 5 Year Review project is anticipated to be submitted for Council consideration in Q2 2023.

3.4 Core Area Vacancy Reduction Strategy

City staff are currently developing a strategy to address concerns with vacant buildings in the Core Area. City staff have met with LDI staff to discuss how they can best contribute to this project. LDI has committed to establishing a Downtown Developers' Working Group, formed mainly of its members who are significant landowners and/or developers in the downtown area, to review the opportunities for redevelopment. The group met on November 15, 2022, with City staff and the economic research consultant that has been retained to conduct a study of vacant lands and buildings in London's Core Area. The scope of the consultant's work includes measuring the size of certain units in the Core Area, and noting which units are vacant as well as conducting stakeholder outreach to investigate the reasons for the vacancies. The Downtown Working Group assembled through LDI is a significant component of the City's consultation process, which also includes other landlords, realtors, and partner organizations.

The recommended Core Area Vacancy Strategy is scheduled to be submitted for Council consideration in Q2 2023.

3.5 Multi-stakeholder Working Group on Deep Affordability

A recommendation of *London: A Place to Call Home* is to form a working group of City staff, the development industry and not-for-profit housing providers, with the mandate of facilitating the provision of deep affordable housing (referred to as the 'Affordable Housing group' in this report for clarity). This request is similar to a recommendation by Council's Governance Working Group from January 2022, highlighted below:

*e) the Civic Administration **BE DIRECTED** to report back to the Strategic Priorities and Policy Committee with a plan to establish a new Housing Committee to assist Council in meeting its goals under the approved municipal budget, the Strategic Plan and the Roadmap to 3000, with the committee include representatives from London and Middlesex Community Housing, community members at large, and relevant housing not-for-profits, organizations, and industry partners.*

City staff are currently developing a terms of reference for an Affordable Housing group that aligns with the recommendation highlighted in *London: A Place to Call Home* and the Governance Working Group resolution. The structure and purpose of this group will be developed with consideration of the structure and purpose of the Housing Supply group discussed in the following section. The mandate of both of these groups will be further outlined in a future report to Council regarding the Provincial housing targets, within Q1 of 2023.

3.6 Mayor's Task Force on Housing Supply

Similar to the above, the white paper recommends the creation of a Mayor's Task Force with a mandate of developing a strategy to increase housing supply (referred to in this report as the 'Housing Supply group' for clarity). As noted above, the structure of the Housing Supply group will be outlined in the Provincial housing targets report, which will

provide context to differentiate the role, mandate and membership of the group from the Affordable Housing group discussed in the previous section.

3.7 Roadmap to 3,000 Units and the Housing Enterprise Action Team (HEAT)

In December 2021, Council endorsed the *Roadmap to 3,000 Affordable Units Plan* ('Roadmap') which sets the framework for creating 3,000 new affordable housing units by 2026. \$78 million of capital funding to advance the Plan was also approved. The focus and intent of the Roadmap is to guide Civic Administration in establishing key partnership opportunities with the for-profit and non-profit community.

An update report on the Roadmap was provided through the Community and Protective Services Committee (CPSC) in November 2022.

Over the past year, City staff have been actively engaged in several different streams, including the formalization of the Housing Enterprise Action Team (HEAT). The HEAT team was established in early 2022 and meets on a regular basis. The team includes subject matter experts from across the corporation including representatives from Housing Stabilization, Finance, Legal, Realty, Planning and Development, Economic Services and Supports, among others. In the Fall, the team increased the frequency of meetings in order to review and address the changing conditions in London's housing market.

A report to the January 10, 2023, meeting of CPSC seeks to reallocate \$6.3 million of approved annual capital funding for the *Roadmap to 3,000 Affordable Units* from the "Affordable Rental" category to a new "City-led Shovel-Ready Projects" program category in order to ensure these projects are shovel-ready for government funding or partnerships when they are available.

This will allow the City to leverage its strengths in stakeholder engagement and development approvals, while facilitating opportunities for the non-profit and for-profit development community to leverage their knowledge of tenant and market needs and their strength in delivering housing quickly. The building and development industries are key partners in moving the *Roadmap to 3,000 Affordable Units Plan* forward.

The total number of units and overall budget for the Roadmap are not proposed to change. A further report on the program's details is planned for late Q2 of 2023.

3.8 Permit Ready Lots

The intent of the Permit Ready Lots program is to categorize and track units advancing through the Plan of Subdivision application process and use this information to help develop performance measures and lot and unit number targets for this process. This work has been on-going for several years and the City and industry meet regularly to discuss advancement. It is recognized that it is contingent on all parties involved in the approval process working together to bring units to market. Developers, consultants, contractors, suppliers and the City all have a significant role to play in building new homes in an affordable way.

Development of the program is informed by a working group consisting of City staff, the local development industry and home builders. Findings to date have been included in the extensive review of the Plan of Subdivision process currently underway as part of the Streamlining Approvals projects noted below.

The work completed related to Permit Ready Lots and the outcomes of the Streamlining Approvals project, including improved data collection, performance measures and the detailed tracking of proposed lots and units, will be integrated into the proposed approach to achieve the province's 47,000-unit target by 2031.

A future report to Council will provide a response to London's assigned housing target, highlight City initiatives that provide opportunities for increased housing development and identify various initiatives, strategies and actions to help facilitate meeting the housing target. This report is anticipated within Q1 of 2023.

3.9 Assessment Growth Funding for Planning and Economic Development

The recommendation of “Adopt policy of 3% of the annual assessment growth revenue to be reinvested in Planning and Economic Development Services” is contrary to the intent and purpose of the Council-approved Assessment Growth Policy. Civic Administration does not recommend or support modifying the Policy to allow for a specific predefined allocation.

Assessment growth generally refers to the net increase in assessment attributable to new construction less adjustments resulting from assessment appeals and property tax classification changes. While this represents additional revenue to the City, it is important to note that these newly constructed homes and businesses require the same services and service levels that the rest of the city receives, such as garbage collection, policing, fire services, snow removal, grass cutting for new parks, etc. Specifically allocating assessment growth revenues to pay for these costs ensures that ‘growth pays for growth.’

The process for the allocation of assessment growth revenues is outlined in the Assessment Growth Policy which includes eligibility criteria, specifically:

4.1.3. Business cases will be considered eligible for funding and prioritized by the following categories:

- 1) Operating or one-time capital costs directly linked to the extension of existing services to new development;*
- 2) Operating costs associated with developer-constructed capital assets assumed by the City or new Development Charges-funded growth-related capital assets constructed by the City of London or associated agencies, boards or commissions;*
- 3) Future lifecycle renewal capital costs for developer-constructed capital assets assumed by the City or new Development Charges-funded growth-related assets constructed by the City of London or associated agencies, boards or commissions;*
- 4) Support services and activities required to support the delivery of services related to items 1), 2) and 3) above;*
- 5) Operating or one-time capital costs related to pressures of a growing city (supported by appropriate metrics at the sole discretion of the City Treasurer or designate).*

Fundamental to the Assessment Growth Policy is that assessment growth allocations are based on specific growth needs supported by fulsome business cases with strong metrics demonstrating the associated growth need. Automatically allocating a portion of annual assessment growth revenues to a particular service area without requiring a service area to demonstrate the growth need has numerous shortcomings, including but not limited to:

- It disadvantages the other service areas across the Corporation who are required to justify their growth needs;
- It impedes the ability to assess all growth needs on a consistent and equitable basis;
- It may lead to sub-optimal allocations of scarce assessment growth revenues if there are greater growth needs in other areas in a particular year; and
- Inconsistent with the core ‘growth pays for growth’ principle of the Assessment Growth Policy, it may result in assessment growth revenues being used for non-growth needs if there are not sufficient growth needs in that service area in a particular year.

The various services delivered by Planning and Economic Development would qualify under categories 4 and 5 of section 4.1.3 of the Assessment Growth Policy noted above. As a result, if other funding sources (e.g., user fees) are deemed unsuitable for a particular growth need and if suitable metrics can support the growth need in question, business cases could be submitted by Planning & Economic Development under the current Assessment Growth Policy, without any required revisions to the Policy.

4.0 Process Recommendations

The following section identifies on-going projects and initiatives that are relevant to the process recommendations in *London: A Place to Call Home*. Anticipated timelines for key milestones are also included.

4.1 Streamlining Approvals Project

Through the Province's \$1.7 million grant to the City of London in February 2022, under the Streamline Development Approval funding, a comprehensive review of every Planning Act application process is underway and recommendations for streamlining the current workflow are being actioned through a series of rapid improvement initiatives. By systematically reviewing and improving current workflows, City staff can identify key project milestones that will form the backbone of the future tracking system. Some near-term process improvements will be made, including the creation of checklists to scope requirements for a complete application and templates to provide clear, actionable comments to keep files moving.

Using this funding, Planning and Development is also working towards a software solution that will, in part, address many of the industry's tracking recommendations. This is aligned with Strategic Business Case #11 (a) in the 2019-2023 Multi-year Budget through the Digital Planning Application Tracker project. The business planning work is well underway and has been enhanced by the streamlining activities.

Ultimately, re-aligning the current processes and workflow to provide repeatable, standardized approach to all applications will include developing a single source of truth for tracking the various reports and studies that a software solution would rely upon.

While work is progressing on the Digital Planning Application Tracker project, an external-facing self-serve software solution is not attainable by July 2023 as recommended in *London: A Place to Call Home*. Incremental process changes will be shared and tested with stakeholder groups beginning in early 2023.

4.2 Memorandum of Understanding with the UTRCA

At the June 21, 2021, PEC meeting, City staff presented an updated Development Memorandum of Understanding between the City and the Upper Thames River Conservation Authority (UTRCA) including revised roles and responsibilities between the two parties in the review of planning and development applications. The City's internal capacity to undertake ecological and natural heritage review has increased over the years and presented an opportunity to streamline review processes.

City staff from Planning and Development, in partnership with Environment and Infrastructure have been meeting regularly with the UTRCA to review and address matters related to development application review and flood modelling. The team is now working through the legislative changes in Bill 23 and Bill 109 to assess their impact on technical reviews required by the UTRCA.

A broader team including representatives from Finance, Environment and Infrastructure, Planning and Development and Legal are reviewing the requirements by the Province that speak to the core services the Conservation Authority provides the City.

4.3 Planning Application Process Changes (in response to Bill 109)

In April 2022, the Province passed Bill 109, the *More Homes for Everyone Act*, to implement some of the recommendations of the Ontario Housing Affordability Task Force. Among the amendments included in Bill 109 was a change to the *Planning Act* that requires municipalities to refund application fees on a graduated basis over time if they fail to meet the statutory timelines for decisions on applications. Zoning By-law Amendments and Site Plan approval applications that are received on or after January 1, 2023, are subject to the mandatory refunds. The Minister has committed to extending this timeline to July 1st, 2023, to provide a transition period for implementing refunds, and an amendment to the legislation is forthcoming.

Planning application fees are established based on a cost recovery model, and the intent of the legislation is to ensure municipalities in Ontario make decisions within the required timeframe. Therefore, changes to the planning application review process are required that will be implemented on any application received after January 1, 2023.

Some key changes include:

- Pre-Application Consultation will be emphasized and will be where most discussions between City staff and the applicant take place. Any issues identified with an application need to be resolved before an application is submitted.
- The Record of Pre-Application Consultation will include specific issues that need to be addressed within required reports and studies for an application to be accepted as complete.
- Some application requirements, such as community information meetings or review by the Urban Design Peer Review Panel will be moved to the pre-application phase of the project.
- Once an application is received there will be no opportunity for major changes requiring recirculation. Any application with major issues will be brought to Council for refusal within the legislated timelines, and the reasons for refusal will identify issues that could be addressed in a subsequent application.

The above changes will streamline the processing of applications by providing more certainty and transparency as to the major issues identified and the ability for staff to support development proposals.

4.4 Bill 23 More Homes, Built Faster

On October 25, 2022, the Government of Ontario introduced Bill 23, the *More Homes, Built Faster Act*, which includes substantive changes to legislation that will impact planning and development, with the primary goal to increase the supply of new homes through more clarity of requirements and reducing process and financial barriers for the development industry.

A report detailing the proposed legislative changes and resulting impacts of Bill 23, *More Homes Built Faster Act* was presented to SPPC on November 22, 2022.

Bill 23 received royal ascent on November 28, 2022. City staff across the corporation are working to better understand the impacts of Bill 23 on service provision, regulations and finances, and a future report will be provided in the coming months.

5.0 Financial Impact/Considerations

There are no financial impacts associated with receiving this report.

Financial impacts may arise if Civic Administration is directed to do any of the following, including but not limited to, alter the timelines or deliverables of projects that are currently underway; purchase new or significantly alter existing technology; amend tax policy; or alter or introduce new financial incentive programs.

Conclusion

The London Development Institute and the London Home Builders' Association presented *London: A Place to Call Home* in June 2022 with the intent of generating informed discussion about housing availability and affordability in London. The white paper includes 13 recommendations to Civic Administration.

Many of the recommendations in the *London: A Place to Call Home* align with the Planning and Development area's priorities moving forward and much of the work to address these recommendations is currently underway. Civic Administration will return to Municipal Council with project updates at the times outlined in this report.

Some recommendations will require further discussions between City staff, the building and development industry and housing partners. Details on the proposed approach to achieve the Province's 47,000-unit target will be provided to SPPC in February.

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Director, Planning and Development

Recommended by: **Scott Mathers, MPA P.Eng.**
Deputy City Manager, Planning and Economic Development

Appendix A – London A Place to Call Home White Paper

Appendix B – Project-Specific Reports

Provincial Legislation – Bill 109 and Bill 23

[Bill 109, More Homes for Everyone Act, 2022](#)

[November 28, 2022 – Planning and Environment Committee – Bill 109, More Homes for Everyone Act](#)

[Bill 23, More Homes Built Faster Act, 2022](#)

[November 22, 2022 – Strategic Priorities and Policy Committee – Bill 23, More Homes Built Faster Act](#)

Comprehensive Review of The London Plan

[December 6, 2022 – Strategic Priorities and Policy Committee – City of London Growth Projections 2021-2051](#)

ReThink Zoning

[June 20, 2022 – Planning and Environment Committee - ReThink Zoning Update Report and Background Papers](#)

[October 3, 2022 - Planning and Environment Committee - ReThink Zoning Information Report - Update & Sample Place Type Zones](#)

Roadmap to 3000 Units

[November 23, 2021 - Community and Protective Services Committee - Proposed Implementation of the “Roadmap to 3,000 Affordable Units” \(Roadmap\) Action Plan](#)

[January 17, 2022 – Governance Working Group Report](#)

[November 1, 2022 - Community and Protective Services Committee - Update on Roadmap to 3,000 Affordable Units](#)

[January 10, 2023 – Community and Protective Services Committee – Shovel-Ready Projects: Roadmap to 3,000 Affordable Units](#)

Planning and Development Review Processes

[June 21, 2021 – Planning and Environment Committee - Memorandum of Understanding for Development and/or Planning Act Application Review Between the City of London and UTRCA](#)

[April 25, 2022 – Planning and Environment Committee - Streamline Development Approval Fund: Continuous Improvement of Development Approvals Single Source Contract Award](#)

[January 9, 2023 – Planning and Environment Committee - Audit and Accountability Fund – Intake 3 – Final Report \(Site Plan Approvals Process\)](#)



LONDON

A Place to Call Home

A whitepaper on solutions
to our housing crisis

June 2022

*Submitted by
London Development Institute, and
London Home Builders' Association*





PURPOSE OF THIS DOCUMENT

London Development Institute and the London Home Builders' Association have produced this whitepaper to generate informed discussion about the ways and means to address the housing crisis in London, Ontario.

Our goal is to find mutually beneficial solutions and establish a commitment to action that all stakeholders can embrace, and in their own area of influence and expertise, participate.

Working with the City of London, the Province of Ontario, the Government of Canada, we want to build an affordable, attainable, and sustainable city for current and future generations of Londoners.

Indeed, our wish is that everyone who wants to call London home can find an available and affordable place to live.

About the London Development Institute (LDI)

LDI is a member-based organization representing most large land developers in the London area. LDI has been the leading voice on development issues in our city for more than 40 years. Our goal, working with our partners in local government and the community, is to build a better London.

Mike Wallace, Executive Director
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About the London Home Builders' Association (LHBA)

The London Home Builders' Association provides a forum for its members to share information and experience; promote ethical building and business practices; be the voice of the residential construction industry in London; and work towards the betterment of our community.

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TABLE OF CONTENTS

Executive Summary	... 3
Introduction	... 7
PART ONE: The Housing Crisis in Context	... 10
PART TWO: The Consequences of the Crisis	... 13
PART THREE: Opportunities & Solutions	... 18
• <i>Government of Canada</i>	... 18
• <i>Province of Ontario</i>	... 20
• <i>City of London</i>	... 22
Conclusion	... 35
Glossary of Terms	... 36
Endnotes	... 40





EXECUTIVE SUMMARY

London is in a housing crisis, both in terms of affordability and availability. The problem is complex as are the solutions. But one thing is clear. It is the municipal level where the rubber hits the road on the housing crisis. This is where homes are actually built. The process, however, from acquiring land to developing plans to having those plans approved and the construction of a home can take up to 7 years – sometimes longer. If London is going to successfully address its housing crisis, the development industry and the municipality need to work together to reduce that time frame in a way that respects approval requirements and demand.

All three levels of government are involved in the solution. Both the federal and provincial governments have programs in-place that can fund and expedite housing projects. It is critical that the City of London work with these governments to extract every dollar of support it can and reflect the unique condition in our city. The body of this whitepaper explores some of these options, such as the federal government’s New Housing Accelerator Fund, its Rapid Housing Initiative, and expanded infrastructure spending.

The solutions proposed by the Ontario Government’s Housing Task Force, unfortunately, are mostly focused on Toronto and the Greater Toronto Area (GTA). While there are some very good recommendations that can be carried forward into London – such as “*Depoliticize the approvals process to address NIMBYism and cut red tape to speed up housing*”¹, it is the City of London that must act upon them. To develop better provincial solutions for cities outside of the GTA, we recommend looking at forming a coalition of similar municipalities, such as Windsor, Kitchener, Kingston, and Ottawa.

The members of the London Development Institute and the London Home Builders Association have collaborated to create this whitepaper on possible solutions. We are wholly committed to working not only with the City of London, but also not-for-profit developers and stakeholders across the city to develop and implement solutions. **LONDON: A Place to Call Home** is not just the title of this report, it is the goal of so many people – and forms the fundamental foundation of the housing crisis. For many years, supply has not kept pace with the demand for homes in our city. This must be fixed. And it can.



The people of London recognize this crisis as the number one issue facing our community. In recent polling², almost three of four people agree with the statement “*London has a housing crisis*” and over four of five people say housing affordability is important to them. Over half of those polled also believe that the City of London is “*most responsible for providing solutions*”.

London’s development and home building industry believes we too have an important role to play – but successfully addressing the housing crisis cannot be accomplished in isolation. It requires an all-in approach and collaboration.

This report makes several recommendations for improvements to policy and process at the City of London. It is respectfully submitted with the goal of having fulsome discussions with political and civil service leaders. As the rubber-hits-the-road for the improvement at City Hall, the shovel-digs-the-ground with home builders. Let’s work together.

POLICY RECOMMENDATIONS

Policy Recommendation 1

The City’s comprehensive study to review the Urban Growth Boundary to commence immediately with a decision to Council on any change by the end of 2023.

Policy Recommendation 2

ReThink Zoning process to develop a more flexible zoning by-law be completed by the end of 2023.

Policy Recommendation 3

A working group be formed with significant landowners in the downtown area to review the opportunities for redevelopment with a mandate to develop programs and incentives to drive residential growth in downtown.

Policy Recommendation 4

A Mayor’s Task Force consisting of political representation, senior municipal staff and the development/building industry with a mandate to develop an implementable strategy to tackle housing supply crisis with a report to Council in December 2022.



Policy Recommendation 5

Adopt policy of 3% of the annual assessment growth revenue to be reinvested in Planning and Economic Development Services.

Policy Recommendation 6

The City in consultation with the development industry complete the Permit Ready Lot program matrix with performance measures and lot number targets reflecting current and potential growth rates to be completed by September 30th, 2022

Policy Recommendation 7

The City form a working group of City staff, not-for-profit housing providers and the private sector development community to review and recommend any policy and tools that could be used to facilitate opportunities for the provision of needed deep affordable housing.

PROCESS RECOMMENDATIONS

Process Recommendation 1

Implementation of an accountability tracking system for individual applications. A “barcode” system needs to be developed to allow both the proponent and city management to track an application through the approval process. Operational by July 2023

Process Recommendation 2

Review of the File Management/Complete Application process for subdivisions. Streamlining the requirements of sub-division applications and moving pre-approval requirements to other parts of the planning process need to be reviewed. Review in 2022 with any changes in 2023.

Process Recommendation 3

Improved checklist of requirements of Consultants’ reports for complete application clearance. Any changes could be implemented in the beginning of 2023.



Process Recommendation 4

Implement the MOU with the UTRCA as presented at the Planning and Environment Committee of Council on June 21, 2021. MOU recommendations should be implemented immediately.

Process Recommendation 5

Improve and expand the use of electronic submissions for applications. We believe the technology is available for improved use of software for application submissions that will improve the review process. Should commence as funds are available.

A crisis can be an opportunity.

Solving London's housing crisis has a second tier of significant benefits, beyond the fundamental goal of increasing supply and making homes more affordable.

New home construction creates jobs. Not only in the construction sector, but also in the legal and financial sector, architecture, design and décor, home furnishings, and shipping. As the city looks to improve its economy after the devastating impacts the COVID19 pandemic, solving the housing crisis will also fuel the economic engine of the community.

London is not an island. It is rapidly becoming a hub community for the growing suburban municipalities that surround it. This places un-funded demand on London's infrastructure as well as taking residential tax dollars that could have been paid to our municipality and are instead funding the expansion of our neighbours. This also places more cars on our roads harming the positive actions that the City of London is taking to address climate change.

The housing crisis has social, economic, and environmental consequences. It will require leadership from the mayor's office, council, and city management to successfully address it. London's development industry and its home builders are ready to collaborate with the City of London and ensure that everyone who wants to live in London can find a place to call home.

We look forward to discussing this report with council, committees, staff, and stakeholders across the city.



INTRODUCTION

Canada is in a housing crisis. The City of London has not been spared from it as we enter the latter half of 2022, a critical juncture has arrived. A plan to address the crisis must be made quickly, yet also be well-informed, swiftly implemented, and be able to be sustained for years to come.

The crisis has national, provincial, and local ramifications. You cannot open a newspaper, turn on the news or scan social media without seeing a story or discussion on the cost and availability of housing. Housing has become the number one public policy issue being discussed, not only at the dinner table, but at every level of government within Canada.

The issues and causes of the housing crisis are intertwined and tend to be complicated; a positive impact will require a multi-solution approach. Workable solutions will need collaboration from all stakeholders including government, private sector, and not-for-profit providers. Some opportunities and solutions will have a more immediate effect, but many of solutions will take time to implement and produce results. This means critical actions must consider both immediate and long-term needs.

On March 7, 2022, the Government of Canada has not only recognized the housing crisis but made it their priority in the 2022 Budget.

“There are several factors that are making housing more expensive, but the biggest issue is supply. Put simply Canada is facing a housing shortage—we have a lower number of homes per person than many OECD countries. Increasing our housing supply will be key to making housing more affordable for everyone.”³

The Government of Ontario has also recognized the problem of supply of housing.

On February 8, 2022, the provincial government’s Ontario Housing Affordable Task Force presented its findings and recommendation to tackle the housing affordability crisis in Ontario. In his cover letter to the Minister of Municipal



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



Affairs and Housing, the Chair of the Housing Affordability Task Force, Jake Lawrence, summarized the state of housing in the province.

“The way housing is approved and built was designed for a different era when the province was less constrained by space and had fewer people. But it no longer meets the needs of Ontarians. The balance has swung too far in favour of lengthy consultations, bureaucratic red tape, and costly appeals. It is too easy to oppose new housing and too costly to build. We are in a housing crisis and that demands immediate and sweeping reforms”⁴

The City of London is not immune to the housing supply crisis. It is experiencing its own perfect storm of rapid population growth and a shortage of supply of housing to meet the growing demand resulting in an unprecedented rise in housing prices within the city.

In the recently published study of London’s population growth by the Smart Prosperity Institute entitled *The Growth of London Outside of London* the author, Mike Moffat, states:

“Given that the new arrivals include a range of individuals and families, from international students to young families priced out of the GTA to mid-to-late career professionals, policymakers must ensure that municipal planning allows for enough housing to be built to meet the needs of these groups.”⁵

The London Development Institute (LDI) and the London Home Builders Association (LHBA) want to be part of the solutions to the housing affordability and availability crisis in our community.

We want to collaborate with the municipality, local business groups, not-for-profit housing providers and labour organizations in tackling the housing supply crisis. Together, we need a plan and the commitment to see it through. This whitepaper provides our thoughts on the way forward to making this a reality.



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A whitepaper on solutions to our housing crisis, June 2022



We have structured this whitepaper as follows:

1. Review of the housing supply crisis in a local context.
2. Outline of the consequences of the housing supply crisis in our community.
3. Opportunities & Solutions
 - a. Review of the recent Federal government announcements, with recommendations for the City of London to capture opportunities now available
 - b. Review of recent Provincial government announcements, with recommendations for the City of London to respond to provincial opportunities
 - c. Review of recent Municipal Reports relating to Growth, including recommended actions in the short, medium, and long-term, supported with notes for accountability, timeline, and outcome framework.





PART ONE: THE HOUSING CRISIS IN CONTEXT

Is there a Housing Supply Crisis in London?

The housing supply crisis is a London issue. London is one of the fastest growing communities in all of Canada. As the industry associations for London's development sector and home builders, our members are experiencing demand that far outstrips our ability to supply new homes - both for ownership and rental. New developments sell out in minutes after they are announced and there are long waiting lists for home buyers – people who just want the opportunity to purchase a new home as future developments become available.

The study issued by the Smart Prosperity Institute titled *The Growth of London Outside of London* clearly identifies the cause and effects of this extreme pressure to meet demand. The data used in the study, from the 2021 Census and Canadian Mortgage and Housing Corporation, supports two overriding components to the housing crisis issue in London.

1. The London area's population is rapidly growing due, in part, to an increased number of families moving in from the Greater Toronto Area.
2. Increasingly, the family-sized homes being built to support a growing number of families are being built outside of the municipal boundaries of the City of London.⁶

The full study can be found at: [The Growth of London Outside of London](#)

This issue of supply is not limited to new home availability but also in the resale housing market. Over the last few years, the London and St. Thomas Association of Realtors (LSTAR) have reported record increases in the average selling prices of homes in London. The average sale price of all homes has increased in London from \$307,831 in February 2017 to \$825,221 in February of 2022.⁷

These price increases are a direct result of the demand for homes far exceeding the supply in the resale housing market. This lack of supply has resulted in unprecedented bidding wars driving up selling prices.



LSTAR has also been tracking the number of sales of homes by realtors who belong to real estate boards from other parts of Ontario. It has found as many as 30 percent of the residential sales, are being sold by realtors who are not LSTAR members. Recently, both sellers and buyers are increasingly working with realtors from the GTA or other neighbouring areas to represent them for home purchasing in London.

Concerning the housing supply, this is a significant issue, as buyers from outside of London reduce local supply without adding a property to sell or rent in return. Out of 1,044 sold listings in April across LSTAR's jurisdiction, 248 listings or 23.7 percent, were sold by a non-LSTAR REALTORS® member,⁸ exacerbating the supply crisis.

Is the housing supply crisis an issue for the public?

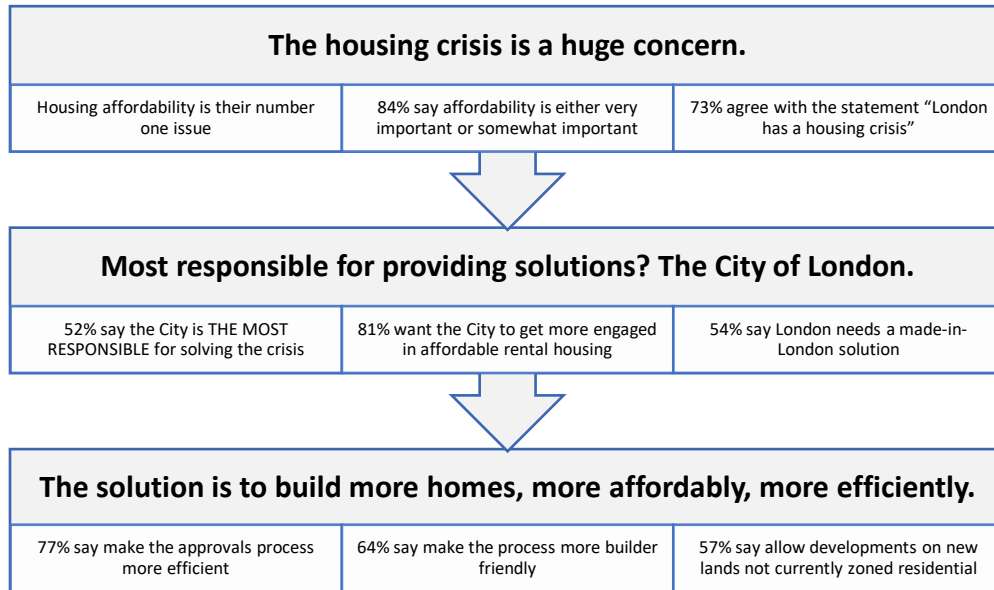
The London Development Institute, and the London Home Builders Association commissioned an opinion poll to evaluate Londoner's ranking of housing issues and their opinion on who and how to tackle the issue.

The survey of 600 residents both renters and owners of homes in London found that the housing supply crisis is a huge concern⁹.

- Eighty-four percent of those surveyed said that housing affordability is either very or somewhat important with 73 percent agreeing that "London has a housing crisis".
- The poll also asked who was responsible for working to resolve the housing supply crisis. Fifty-two percent of the respondents said the City is the most responsible for solving the crisis with 54 percent supporting made-in-London solutions.
- A large percentage, 81 percent responded they want the City of London to get more engaged in affordable rental housing.

The survey asked respondents their opinion on potential solutions in tackling the housing affordability and availability issue they identified.

- A full 77 percent said the approvals process needs to be more efficient. In addition, 64 percent believed the application process needs to be more builder friendly and 57 percent were supportive in allowing developments on new lands not currently zoned residential.¹⁰



The full survey can be reviewed at [London Housing Crisis Poll - April 2022](#)

It is clear from the information highlighted above and the many additional reports from a variety of sources including the CHMC that many parts of Canada, Ontario and specifically the City of London are facing a housing supply crisis.

Agreeing that London has a housing crisis is the first step – as this will inform the decision-making process on how to fix it. Before that can happen, however, we believe all stakeholders must also agree on the consequences of the crisis and what could happen if it is not successfully addressed.

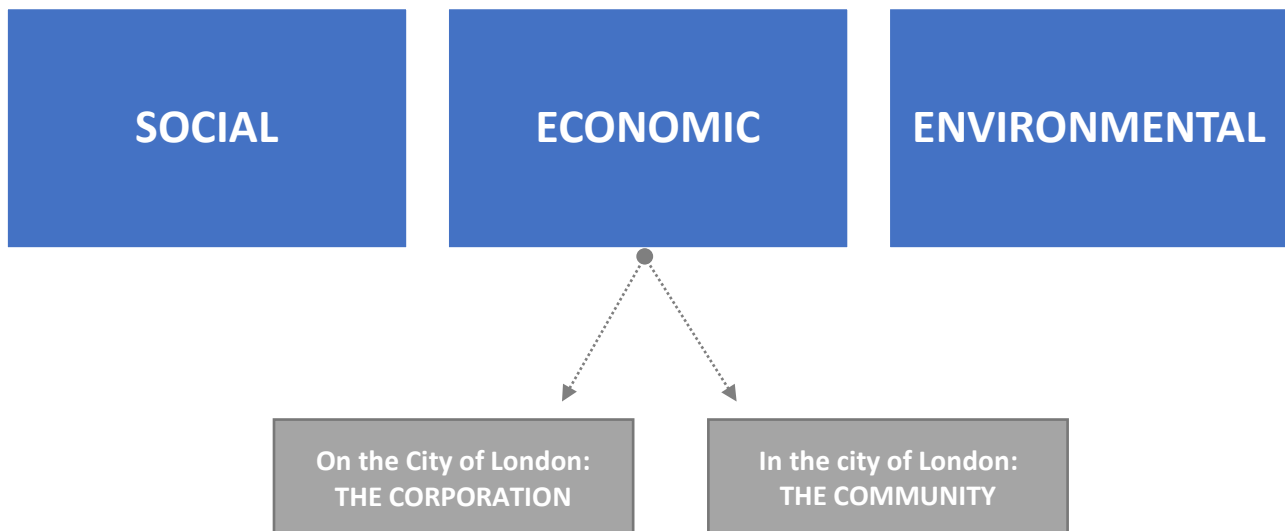


PART TWO: THE CONSEQUENCES OF THE CRISIS

Housing costs, both in the ownership and rental markets, will continue to experience rapid price increases as the growth in population from migration and immigration will make London less and less affordable.

It is important to not only acknowledge an issue but to understand its consequences in determining solutions. Recommended solutions need to be realistic and deliverable to be effective. We have highlighted some of the key outcomes if the housing supply crisis is not addressed in London.

The consequences of the lack of housing supply in London fall into three interconnected categories:



Social consequences:

One of the fundamentals of a great quality of life is based on the place you call home. A home is part of a neighbourhood that in turns forms a community. At its core, a home is the beginning of relationships, for family and friends to relationships that create the social fabric of our city. But unfortunately, the lack of affordable housing threatens to disrupt the quality of both the lives of current residents and those the city hopes to attract.



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



Specific social consequences of the housing supply crisis are:

1. Both in terms of owned homes and rentals, housing costs will continue to experience rapid price increases, making London less and less affordable.
2. The lack of housing supply is having a direct impact on our community. We are at risk of losing a large segment of the next generation of Londoners who have been committed community members.
 - Young Londoners who have grown up here with their families are being priced out of the market. They must look outside the city to start their independent lives and their own families
3. New immigrants to Canada have the advantage of choosing most anywhere they want to live, and that choice can last for generations. Yet, their advantage could be London's disadvantage if we cannot provide them with affordable homes, as well a sense of welcome, inclusion and opportunity.
 - If not addressed locally, the housing crisis will force new immigrant families to by-pass London as they start their Canadian journey. This will negatively impact a significant source of pride in London, the cultural diversity of our city. This will also impact the city's need for workers (see Economic Consequences).
4. The number of homeless people will continue to rise, increasing the need for so-called deep affordability.
 - London's by-name list of chronically homeless individuals has doubled in the last 2 ½ years, from 966 in September 2019 to 1898 in June 2022¹¹.
 - People experiencing homelessness are sleeping in doorways and along the river, suffering from exposure.
 - Many more are "hidden homeless," couch surfing or living in crowded or unsuitable housing. As a community of compassion, we must create housing for all¹².



Economic Consequences for City of London (the corporation):

If the supply of new housing does not keep up with demand, the economic consequences on the City of London's revenues will be significant. Let's first examine the basics of the City's budget and how it is funded.

- ✓ Of the City's \$4.2 billion annual budget, 65 percent of this revenue to fund it comes from property taxes.¹³
- ✓ Since 2017, the annual assessments have grown over \$54 million (from a low of \$8.2 million to over \$13 million in any one year)¹⁴
- ✓ These new revenues are allocated to service improvements.
- ✓ As these are not one-time revenues, they become part of the base funding for the City in perpetuity.

Specific economic consequences for the City of London

1. The amount of in year assessment growth will begin to shrink, putting further pressure on Council to find new revenues to meet current service demands. This will put pressure on the current tax base as the most likely (and least desired) opportunity to increase revenue will be to raise the property taxes of current residents.
2. As illustrated in the Smart Prosperity Institute's *The Growth of London Outside of London* study, the unmet demand for housing in the city will be driven to surrounding communities to be fulfilled.¹⁵ This creates a double hit to the City's operating budget.
 - First, a loss of new tax revenue, as the buyers and renters of new homes outside of London will pay property taxes to the municipality where they live.
 - Second, as populations outside of the city grow, these populations are also highly likely to use London as a hub for shopping, healthcare, education, and sources of employment. This means that the demand on the city's infrastructure and services including everything from roads to policing will increase, but without the benefit of the additional property tax contributions to fund their sustainability and maintenance.



Economic Consequences for City of London (the community):

Attracting new business and companies is vital to long-term health of the local economy of any city and London is no different. It is a very competitive process to attract and retain a vibrant and growing business community.

The ability of a business to convince their employees to move to a new location is a major part of a company's decision matrix. Therefore, the cost and availability of housing is an important factor for those employees is important.

The London Economic Development Corporation (LEDC) touts affordability as one of its key messages to attract new companies to the city. On their website, they describe the local housing market under the banner "Afford More", stating, "In London, you'll enjoy all the benefits of living in a big city without the costs".¹⁶

The London District Construction Association (LDCA), too, understands the impact quality-of-life factors make in the decision of a person and their family to move to London. On its website housing cost and availability are the lead factors in making London their home.¹⁷

If not addressed, the housing supply crisis in London will become a barrier in attracting business to London. London wants and needs the jobs and the economic benefits of new business. We must make sure that housing supply or the lack thereof does not hinder London's economic opportunity and growth.

Specific consequences are:

1. London's job creators will no longer have a competitive advantage in attracting and retaining skilled employees.
 - Prior to the recent drastic increase in population growth and housing demand local businesses could position London as an affordable housing market that provided a variety of housing options throughout the city.
 - The supply of housing has not kept up to meet the new demand that our business community has delivered. We are on the verge of losing our competitive advantage in attracting new talent to London.



London needs skilled labour to insure the growth and sustainability of local businesses. Our competitive advantage to attract and retain a skilled workforce was our ability to promote London as a safe, clean, and affordable City with a lot of the opportunity.

Environmental Consequences:

The lack of supply of housing in London is environmentally harmful. As illustrated in the Smart Prosperity Institute report *The Growth of London Outside London*, the pace of new homes being built outside of London is much greater on a percentage basis than our community¹⁸

The specific environmental consequences include, but are not limited to:

1. People are choosing to live in bedroom communities surrounding London that are within driving distance to London for their work, shopping, entertainment, and recreation. They are choosing to live outside of London because housing supply is more available and often more affordable. There are very limited transit options with no significant service improvements being contemplated soon. As the automobile is the number one contributor to greenhouse gas emissions from individual actions,¹⁹ the impact of the housing crisis on the environment is real, present, and without action, will be exacerbated.
2. The new homes outside of London are not infill projects but ever-expanding greenfield developments. The vast majority are not high density residential but much less intense than what could be built in London. The 2021 Annual Development Report dated February 7, 2022, indicated that a full 50 percent of London's new residential units were apartments and 46.9 percent of new units were built within the Built-Area-Boundary²⁰.
3. The rapid growth of communities surrounding is facilitated by the absorption of agricultural land, reducing local food supply.



PART THREE: OPPORTUNITIES & SOLUTIONS

Opportunities for Leadership:

The results of the housing supply crisis are real and have a direct impact on the City of London and its residents. The City of London is experiencing record growth over the past five years greater than any other city in Ontario.²¹ The desire to live in London whether driven by migration, immigration or international students choosing to make London their home does create challenges for our community.

London is positioned to have a more balanced approach to increased housing supply opportunities within the city limits within an urban growth boundary and within the built-area boundary. We believe this is a much more environmentally sustainable approach to meeting the increasing housing demand.

Fortunately, we believe there are opportunities and potential solutions to meet these challenges and build a better London. The path forward requires an examination of what all three levels of government have to offer and how the City of London can best take advantage of them.

GOVERNMENT OF CANADA

Background:

The federal government recognizes the issue of housing affordability in Canada. It has made it the priority in the recent 2022 Federal Budget.²²

In Chapter 1, *Making Housing More Affordable* there were several initiatives including the creation of the New Housing Accelerator Fund, more flexible infrastructure funding to encourage more home construction, and support of new affordable housing projects funded through the Rapid Housing Initiative administered by CMHC.



FEDERAL GOVERNMENT OPPORTUNITY #1

The City of London identify planning and building process improvement projects, obtain Council endorsement conditional on federal funding through the “New Housing Accelerator Fund” and be ready to start projects as soon as funding is confirmed.

Recommendation: Planning and Economic Development Department, working with the development industry, to identify and detail potential planning process projects that would be eligible for funding. Applications to be developed and submitted by the City with support documentation from industry stakeholders. City and industry stakeholders ensure local Members of Parliament are consulted and briefed throughout the application process.

Timing: Funding is to be available over 5 years, but we recommend that we begin the process immediately to be ready for the first intake of applications.

FEDERAL GOVERNMENT OPPORTUNITY #2

Review future City infrastructure projects and their timing and prioritize those projects that are directly tied to bringing planned residential development to the market sooner. Develop a “shovel ready” approach that would allow the municipality to take advantage of the new flexibility of federal infrastructure funding.

Recommendation: The departments of Planning and Economic Services and Environment and Infrastructure Services of the City working with the industry stakeholders through the GMIS and capital works infrastructure projects to identify projects that would be eligible for federal infrastructure funding. All stakeholders to keep local Members of Parliament informed of any infrastructure applications for the City.

Timing: Begin the review of potential projects immediately and begin to fulfill any requirements to make any application “shovel ready”.

FEDERAL GOVERNMENT OPPORTUNITY #3

Initiate a working group of local Not-For-Housing providers, the local development industry, and the City to identify and prepare any applications for the additional money allocated to London through the Rapid Housing Initiative.

Recommendation: The new money for the program is to be allocated over the next two years it would be important for all stakeholders to work together to expediate any processes that would permit applications to be submitted as



soon as possible. This fund has been traditionally oversubscribed. Keep local Members of Parliament informed of any application and seek their support.

Timing: As soon as possible as this fund is already in existence so the intake of the application process is already in place for the allocation of the new funding.

GOVERNMENT OF ONTARIO

Background:

The provincial government has housing affordability and an increase in housing supply a key goal of their government. Several actions have been designed and implemented to make 1.5 million more homes available in Ontario over the next 10 years. These include:

- The creation of the Ontario Housing Affordability Task Force
- The new \$45 million Streamline Development Fund
- The passing of the More Homes for Everyone legislation

The provincial government has demonstrated their willingness to make change to tackle the housing supply crisis. Now is the time for London to advocate for further actions that will have a direct impact on London's housing supply.

PROVINCIAL GOVERNMENT OPPORTUNITY #1

Continue to advocate for the implementation of the recommendations of the Ontario Housing Affordability Task Force that were not implemented through the recently passed Bill 109: More Homes for Everyone Legislation. These include but are not limited to the following:

- Establish province-wide zoning standards
- Removal of preservation of physical character of neighbourhood legislation
- Removal of floorplate restrictions for more efficient high-density development
- Restore full right of appeal of Official Plans and Municipal Comprehensive Reviews
- Create a province-wide standard of Sub-division standards



- Regulated professional stamp such as a professional engineer be recognized eliminating any further municipal stamp requirements

Recommendation: Industry stakeholders to continue to work together to continue to advocate for priority changes as recommended by the Ontario Housing Affordability Task Force. Collaborate with City staff on recommendations that the development community and the City could both support.

Timing: Advocacy activity to begin after current Provincial election and the Municipal Affairs and Housing Minister has been appointed. Brief local Members of Provincial Parliament on recommendations being made to the Minister and the Ministry.

PROVINCIAL GOVERNMENT OPPORTUNITY #2

Advocate for the creation of planning legislation that would address growth targets, planning tools and planning legislation changes that would recognize the unique opportunities and requirements of urban centers outside the Greater Golden Horseshoe (GGH).

The Provincial government has made several changes to the Planning Act in recent years which have a different impact on urban municipalities outside the GGH. As an example, Section 37 Bonus provisions of the Planning Act which were working in the City of London but will no longer be available as a tool in the Act for the provision of affordable housing as of the end of August of this year.

A second example is the introduction of Inclusionary Zoning (IZ) as a planning tool to provide affordable housing in primary major transit station areas (PMTSA) within a city. The recent study conducted by N. Barry Lyon Consultants for the City of London recommended against the use of IZ in London's PMTSA's as a tool for the creation of affordable housing.²³

In fact, the study showed that the use of IZ could be a disincentive to development in the PMTSA's in London except for Downtown if the application is supported by other incentives including a Community Improvement Plan (CIP) to facilitate development. The conclusion is IZ may be feasible at mass



transit settings such as subway and Go transit stations but not at rapid bus stations.

These are just two examples of changes to the Planning Act and other planning legislation that has different impacts across the province.

Recommendation: We believe there is a need and opportunity to develop and implement planning legislation that can facilitate housing needs and growth in urban communities not part of the GGH. A coalition of other growing urban communities like London, Windsor, Kingston, and Ottawa that are outside the GGH come together to develop an advocacy position to present to the provincial government.

Working with the Coalition and the development industry, the provincial government could develop and implement legislative changes that will support the growth potential of urban centers outside the GGH.

Timing: This is a longer-term project that could be accomplished within one term of provincial government. Discussion on the possibility for legislative change through the creation of a provincial task force to review the opportunities could begin this fall.

THE CORPORATION OF THE CITY OF LONDON

Background:

According to a recent poll of both homeowners and renters conducted by Public Square Research., the housing crisis is the number one issue facing the city. In this same poll, most respondents indicated that the City is most responsible for solving the crisis and “made in London” solutions are needed.²⁴

The City of London has an opportunity to tackle the housing affordability and supply crisis both through policy changes and process changes both in the short and medium term.

In addition, the current process used by municipalities to predict growth rates is an issue as outlined in the *Forecast for Failure* report from the Smart Prosperity Institute in January of this year.

One of the key recommendations:



“Growth plans should be set to population estimates that are higher than forecast to allow for unavoidable errors in forecasting. Just as government budgets typically have contingency buffers to accommodate unplanned events, so too should growth plans.”²⁵

The City needs to adopt this approach in its population growth forecasting.

The following recommendations first highlight needed policy reviews that will have a direct impact on the supply of housing and secondly on City Hall planning process improvements that can improve the timing of the development process from concept to building permit.

Below is representative of some of the more critical recommendations but is not an exhaustive list of potential opportunities in tackling the housing supply crisis.

CITY OF LONDON OPPORTUNITY #1

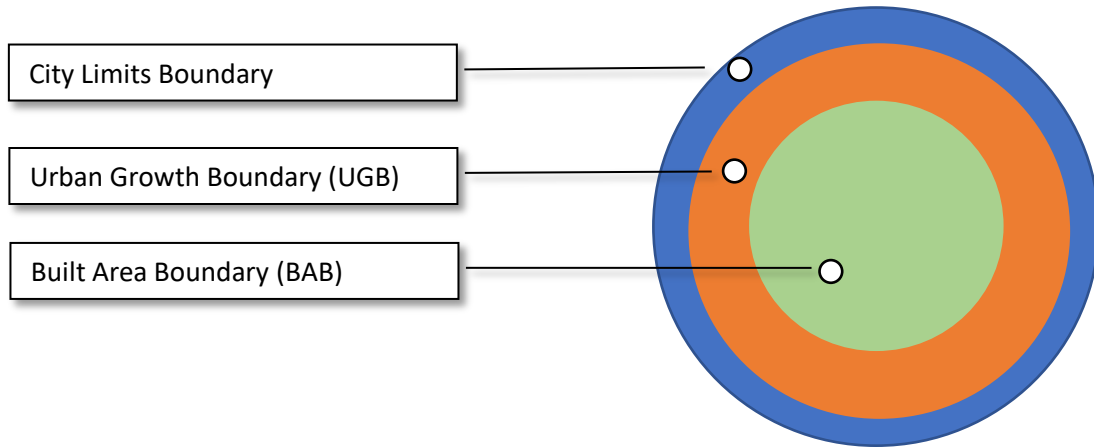
Review the Urban Growth Boundary

The City of London Planning and Economic Development department uses three boundaries in planning of the city.

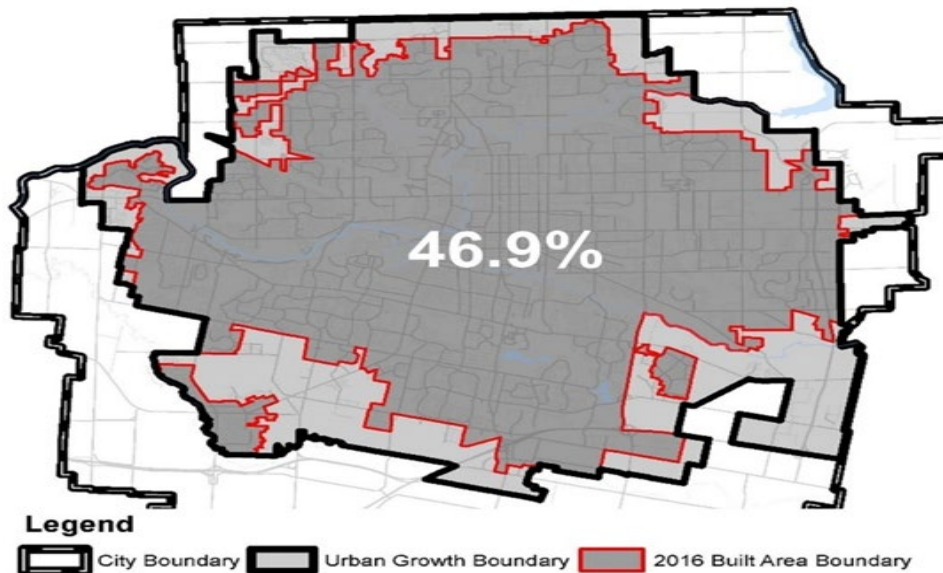
First, there is the legal limits of the City boundary which are the outer limits of the City. Lands outside this boundary line are part of other municipalities and are not part of the City of London.

Secondly, there is an Urban Growth Boundary (UGB) within the city limits. All development must occur within the UGB. The current UGB was established to capture enough land to allow for 20 years of projected growth. The UGB is determined through a comprehensive study of land availability and timing of serviceability including sewer and water and population growth projections. Any recommendations of the UGB must be approved by the province.

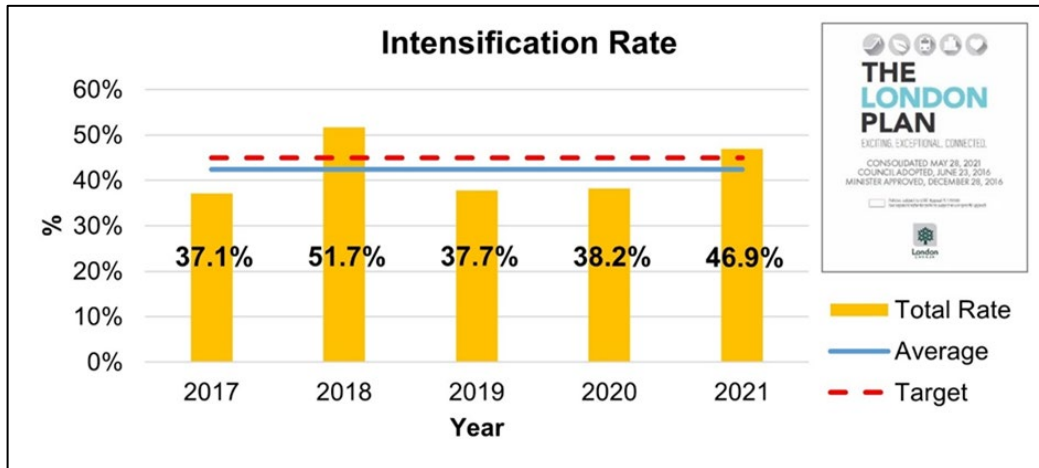
Thirdly, an additional boundary, which is inside the UGB, is the Built Area Boundary (BAB). The BAB represents the edge of development that has already occurred. The land between the BAB and UGB has not yet developed but is greenfield eligible for future development. Of course, as development occurs on the land the BAB should move to capture the area as part of the built area of the city.



The map below shows the 2016 current boundaries as presented to Council on February 7, 2022, in the 2021 Annual Development report.²⁶ The City boundary extends further south and is not captured on this map.



It is important to note that this mapping of the three boundaries is five years old. Development over that time has reduced the amount of greenfield available inside the UGB. The 46.9 percent is the amount of growth that has occurred last year inside the 2016 BAB as illustrated on the following page.²⁷



The City also uses a Growth Management Implementation Strategy (GMIS) to plan for future delivery of infrastructure needed to accommodate the development in a systematic and cost-effective manner.²⁸

Every year the City Planning department reviews, with the affected developers, the potential future timing of developments so underground infrastructure and storm water facilities can be delivered on a “just in time” basis.

The 2023 GMIS Update clearly shows the complete build-out of within the Urban Growth Boundary of the Northwest and West areas within 3 to 5 years. In addition, these predictions are based growth forecasts that are 10 years old and do not reflect the high of growth the city has experienced over the last 5 years.

It is also important to note that as per the 2021 Annual Development Report the Permit Ready Lot calculation shows that the process for sub-division approval is 4 to 5 years.²⁹ This does not include required time to get through the steps of the planning process prior to a sub-division application being submitted.

Realistically it is a 7-to-10-year process from a landowner’s first interaction with the City for a proposed development to the issuance of a building permit. This means that any change to the UGB will not result in a building permit on any new lands for at least 7 years.



Recommendation: The City’s comprehensive study to review the Urban Growth Boundary to commence immediately. We cannot wait for the 10-year statutory review requirement of a new Official Plan which would not be completed until 2026. The study needs to be focused on the issues dealing with the UGB and not be incumbered by any other study or processes. The review should use a 25-year planning horizon to allow for more flexibility in determining land needs. In addition, we would recommend that comprehensive UGB review occur after every census to stay current with applicable growth patterns. As the general appeals of the London Plan have now been resolved the comprehensive study of the UGB can proceed as the land development and intensity targets are now in full force and can be used during the review.

Timing: With the commencement of the study recommendations of any changes to the UGB could be made to Council by mid-2023. Giving the Provincial government a few months to approve any changes and to have a new UGB come into effect January 2024.

CITY OF LONDON OPPORTUNITY #2

Incentives to support residential growth downtown

As identified in the London Plan, the City’s target is to have 45 percent of new development to occur within the Built Area Boundary. The above chart shows that the industry has met or come close to that target over the last 5 years. A significant opportunity to meet this target is the residential intensification of downtown London.

The City needs to review what programs and incentives that are in place now and their success. A review of what other successful communities have done. Our industry believes that there is a tremendous potential for the redevelopment of downtown and we must take advantage of the momentum that has started such as Canada’s Music City UNESCO designation.

The review of the current “downtown boundaries” should also be considered with an option to include a downtown core area and a downtown secondary area that is within a 30-minute walk to the center of the core.



Recommendation: A working group be formed with significant landowners in the downtown area to review the opportunities for redevelopment with a mandate to develop programs and incentives to drive residential growth in downtown.

Timing: A working group of property owners be formed over the summer with a goal to report back to Council by June 2023.

CITY OF LONDON OPPORTUNITY #3

Create a Mayor's Task Force on Housing Affordability & Availability

The Mayor and Council have endorsed a strategy to achieve 3000 affordable housing units to tackle the homelessness and near homelessness issue in London within a 5-year timeframe. This is an ambitious plan that calls on all levels of government as well as all private sector stakeholders to participate and contribute to delivering this much needed housing.

London needs this same level of political leadership to tackle the supply crisis of all Londoners.

We are asking the Mayor and Council to also commit to resolving the supply local housing supply crisis that is affecting attainability of homes in London. The housing supply crisis affects everyone from 1st time buyers and renters to the attraction and retention of skilled labour in support of local business and the welcoming new Canadians who want to make London their home.

Recommendation: A Mayor's task force consisting of political representation, senior municipal staff, and the development/building industry with a mandate to develop an implementable strategy to tackle housing supply crisis.

Timing: Task force could begin meeting over the next few months with a goal to have an approved strategy in place for the next Council's implementation.



CITY OF LONDON OPPORTUNITY #4

Growth-based funding increase for Planning and Economic Development

As previously highlighted in the consequence section of this white paper year the City Treasurer presents the Annual Assessment Growth Allocation report to Council. This report provides recommendations on where to allocate unbudgeted revenue generated by new assessment within the last calendar year.

The cash flow from this new assessment amounts to an average of over \$10 million a year which is allocated to a variety of City services and becomes part of the base budget in perpetuity.

In reviewing the allocations recommended and approved by Council from 2020 to 2022 very little or none of the new money has been allocated to Development Services.³⁰ Just three percent of the new assessment money being allocated to the Development and Economic Services would have meant over one million dollars being reinvested in the Department. As Development and Economic Services is the department whose efforts lead to the generation of this new revenue, we believe it is important to reinvest in this key revenue generating service as you would if you were in the private sector.

Recommendation: We suggest a policy be adopted that a percentage of revenue generated by Planning and Economic Development as presented in the Annual Assessment Growth Allocation be automatically assigned to the department to reinvestment in their services. We would recommend three percent of the annual assessment growth be earned for the department. This average \$300,000 could be used to fund several projects, studies or additional staff that would further improve the revenue generating capacity of the department.

Timing: A City policy be presented and passed in the fall of 2022 and implemented with the 2023 Assessment Growth Allocation report in the Winter of 2023.

CITY OF LONDON OPPORTUNITY #5

Multi-stakeholder working group to address deep affordability issues

The deep housing affordability issues facing the homeless and near homeless are important to the health of our city. Our industry does not have the knowledge and experience to address these issues directly. Our industry does have the development and building expertise to assist the not-for-profit housing providers and the City in the creation of sustainable housing to tackle the deep affordability issue. We also believe that City Council and City staff cannot do this alone.

We do believe it is a city-wide responsibility. As active members in this community our for-profit development industry is willing to participate in working on solutions with partners who are better suited to tackling these issues. Our London industry leaders in the development/building community along with the private sector not-for-profit housing providers need to be at the table as partners with the City. Together, we believe that we can develop improved and implementable opportunities for deep housing affordability and availability for London.

Recommendation: The City form a working group of City staff, not-for profit housing providers and the private sector development community to review and recommend any policy and tools that could be used to facilitate opportunities for the provision of needed deep affordability housing options. Any ideas and solutions coming from this working group could be part of the development of both the new comprehensive zoning by-law and the CIP review.

Timing: It is imperative for this group to begin meeting immediately.





CITY OF LONDON OPPORTUNITY #6

Fast track completion of the Permit Ready Lot Program

Opportunity: The City has embarked on developing a planning tool referred to as the Permit Ready Lot (PRL) program to track the projected supply of lots over a one-to-three-year timeframe. This strategy was initiated as an opportunity to support the City and the local development industry in decision making to ensure building lot availability stays strong and avoids any lot supply scarcity which has occurred in London in the past. The development of the PRL matrix has been under discussion with the industry and needs to finalize the programs performance measures and agreed upon targets.³¹

Working Group Categories, Timing and Definitions

Category	Subdivision Approval Process	Time in Years ¹	Definition
Unknown	No Application	4	Developable Land
Future Opportunity (FO)	Under Review	3	under review and draft approved subdivisions; site plan consultation
	Draft Approved	2.5	
On the Market (MO)	Subdivision Agreement	1	subdivision agreement and final approval without clearance; site plan application
	Final Approval Clearance not Granted	1.0 - 0.1	
Permit Ready (PRL)	Final Approval Clearance Granted	Today	Final approval granted; site plan agreement in place

¹ "Time in Years" reflects the amount of time anticipated before Permit Ready Lots are available.

Recommendation: The City in consultation with the development industry complete the PRL program matrix with performance measures and lot number targets. The performance measurements should be understandable to all stakeholders including Council. PRL targets should represent a minimum 3-year supply and should not just reflect the status quo but reflect anticipated demand growth. As an example, the actual average MDR permit ready lot production has been just over 830 per year for the last 5 years. A three-year goal of 2600 of PRL in the que is just not good enough. The targets need to reflect growth and have the flexibility to be achievable. The target goal should



identify twice or three times the actual lot average that has been realized over a five-year period. In the MDR example the 3-year target should be 5000 to 7000 PRL. We recognize that it is not just the City's responsibility to accomplish these goals, but the development industry must also be proactive in bringing development applications forward to achieve the PRL targets.

Timing: Immediately restart the discussions to complete the PRL program matrix and set targets going forward.

CITY OF LONDON OPPORTUNITY #7

Development industry to be full participants in the ReThink Zoning Process

A more flexible and adoptable zoning by-law should lead to fewer zoning by-law amendments (ZBA). The reduction in the use of the ZBA planning tool will be beneficial for both the proponent of a development application as well as City staff. If the new zoning by-law is done right the lengthy and costly ZBA process will not be required of the developer and valuable City staff time will be available to improve the timeliness of other applications.

A new comprehensive zoning by-law also can create a positive environment to encourage intensification and in-fill opportunities within the BAB. The by-law may not be able to overcome the challenges of new development in established neighbourhoods but can provide the flexibility to encourage and support higher intensification.

Recommendation: We want to confirm that we will be full participants in the current ReThink Zoning process to develop a more flexible zoning by-law. This is an opportunity to create a zoning by-law that accomplishes several policy items that can improve the application process and encourage intensification and infill development.

Timing: The ReThink zoning process has begun but needs to be intensified now the London Plan is in place.



CITY OF LONDON OPPORTUNITY #8

Recommendations for the City to Improve the Approvals Process

Opportunity: The following are a series of recommendations we believe would improve the City’s planning processes. The recommendations are to assist in the improved efficiency and management of the application approval process. We appreciate the return of staff to the office as it will improve efficiency as we have experienced in our member’s organizations. We are also appreciative of the actions currently underway dealing with improvement to the site-plan approval process and the delegated authority of holding provisions.

The chart below is from the 2021 Annual Development Report of the City. It is not meeting the required statutory timeframes for application decisions in many of the categories of planning applications.³²

2019-2021 Applications Received and Processed within Planning Act Timeframes

Application Type	2019			2020			2021		
	Applications Received	Statutory Period (Days)**	%*	Applications Received	Statutory Period (Days)	%*	Applications Received	Statutory Period (Days)	%*
OPA and ZBA	19	210/120	89%	16	120	56%	24	120	58%
Zoning By-law Amendment (ZBA)	41	150/90	88%	27	90	56%	38	90	24%
Temporary Use	3	150/90	100%	2	90	100%	3	90	33%
Removal of Holding Provision	36	150/90	94%	31	90	58%	37	90	78%
Draft Plan of Subdivision	2	180/120	0%	3	120	33%	8	120	50%
Draft Plan of Condominium	17	180/120	88%	14	120	93%	21	120	67%
Condominium Conversion Plans	2	180/120	100%	0	120	0%	1	120	100%
Consent	58	90	53%	38	90	61%	43	90	74%
Minor Variance	143	30	5%	142	30	24%	170	30	12%
Site Plan	117	30	71%	113	30	86%	120	30	65%
TOTAL APPLICATIONS	438	-	-	386	-	-	465	-	-
Pre-Application Consultations	124	n/a	n/a	118	n/a	n/a	138	n/a	n/a
Site Plan Consultations	192	n/a	n/a	162	n/a	n/a	212	n/a	n/a
GRAND TOTAL	754	-	-	666	-	-	815	-	-

* % of applications considered by Planning and Environment Committee within Planning Act Timeframe

* % Includes applications put on hold at the request of the applicant

** Revised Bill 108 Statutory Periods came into force on September 3rd 2019

A Series of Recommendations to Improve the Approvals Process

We are committed to working closely with the City, through working groups, and other consultation methods to improve the development application process. Below are a series of recommendations that we hope the City takes responsibility for. We submit them as our industry is fully prepared to participate in developing solutions as an active partner.



Recommendation 1

Development of an Accountability tracking system for individual applications.

A barcode system needs to be developed to allow both the proponent and city management to track an application through the approval process. The tracking tool should capture the deadline dates for an application, who is responsible for each stage, where the file is currently in real time and the expected dates for Committee and Council approval if required. If a parcel can be tracked in real time by a customer all over the world, we are confident this can be done in the application process. This tool would not only be useful for the proponent of the application but also important data for management and Council reporting.

Timing: Would like to see this implemented for applications submitted starting in 2023. Funds from the Streamlining Development Approval Fund could be used for any software/hardware requirements and training.

Recommendation 2

Review of the File Management/Complete Application process for sub-divisions.

This process was created in the late 2000's with the view to expediate the sub-division application process. It is time for it to be reviewed as the process has become very cumbersome and difficult to achieve approvals in the prescribed timelines. Streamlining the requirements of sub-division applications and moving pre-approval requirements to other parts of the planning process need to be reviewed.

Timing: Similar to the site-plan process review recently approved by Council, a review should be initiated on the File Management process for sub-division applications.

Recommendation 3

Improved Consultants' reports requirements for complete application clearance.

Our members report that applications are often slowed down because of required resubmissions from one or more consultants working on behalf of an application's proponent. The developer relies on several consultants to study



and report, as part of the application process, on a variety of issues from ecology to engineering. The developer also wants to avoid resubmission as this costs time and money. A clearer robust “checklist” of what is expected up front will allow the developer to better manage his consulting team and reduce the number of re-submissions.

Timing: A report from the development industry working with the consultant industry could be presented to staff this fall on the issue with potential solutions for City consideration. Any changes could be implemented in the beginning of 2023.

Recommendation 4

Enforce prescribed circulation deadlines for comments on applications from third parties.

In addition, complete the MOU with the UTRCA as presented at the Planning and Environment Committee of Council on June 21, 2021. This memo of understanding defined the responsibilities regarding development applications and their circulation. This MOU would be a good first step in improving this application circulation process.

Timing: Should be implemented immediately.

Recommendation 5

Review the options to improve and expand the use of electronic application submissions.

There is technology available for improved electronic application submissions to improve the process.

Timing: Review of software available and experiences in other municipalities should commence as funds are available.



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



Conclusion:

It is certain that the City of London is facing a housing supply crisis. This crisis of affordability and availability of homes are two of the top issues concerning the residents of London. There are consequences that are not good for the viability of the City of London.

The good news, however, is there are opportunities to confront this crisis.

Of course, there is not a magic solution but working together the development/building industry, the community, and the City, we can find and implement mutually beneficial ideas and solutions that will build a better London.

Respectfully submitted,

London Development Institute
London Home Builders' Association
June 2022





GLOSSARY OF TERMS & ACRONYMS	
Annual Assessment Growth Allocation	City Treasurer report to Council on property tax revenues that were received by the City in a calendar year but not accounted for in the multi-year budget. It includes recommendations on where to spend this new revenue.
Annual Development Report	Deputy City Manager’s report on previous year’s real property development activity in the City of London. Data is generated by the Planning and Economic Services Department.
Bill 109	Province of Ontario Legislation entitled <i>More Homes for Everyone Act</i> passed April 14, 2022
Bonusing	Section 37 of the Planning Act gave a municipality the opportunity to “bonus” a development application with more intensification in exchange for a community benefit including affordable housing units. The “bonusing” tool is being removed from the Planning Act in September 2022
Built Area Boundary	Land area within London where development has already occurred within the Urban Growth Boundary as of 2016
CHMC	Canadian Mortgage & Housing Corporation. Its mandate is to promote housing affordability and choice, facilitate access to, and competition and efficiency in the provision of, housing finance, protect the availability of adequate funding for housing at low cost, and generally contribute to the well-being of the housing sector in the national economy.
City	The Corporation of the City of London Ontario
city	Where people live in London



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



City Limits Boundary	The legal boundary that defines the land that constitutes the outer limits of the City of London
Community Improvement Plan (CIP)	A planning tool to provide financial or other supports from a municipality to encourage and foster desirable change in a defined area. An example, a Heritage CIP may provide financial incentives to owners of a heritage building to fix and maintain its heritage characteristics.
Deep Affordability	A commonly used term to identify the housing needs of those on the affordability scale that are harder to serve often do to mental or addiction issues and often find themselves homeless or near homeless.
Development and Economic Services	City of London Department that manages the planning and building processes and activity within the city.
Exclusionary Zoning (EZ)	Zoning by-laws that prohibit modest forms of intensification such as triplexes and small apartments in single family housing zoning.
File Management/Complete Application process	City application process to manage development application progress
GGH	Greater Golden Horseshoe (from Oshawa to Niagara Falls)
GMIS	Growth Management Implementation Strategy. City of London planning tool to match infrastructure and development applications
GTA	Greater Toronto Area
Inclusionary Zoning (IZ)	A zoning tool that allows municipalities to require affordable housing units to be provided in new residential developments



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



Intensification Rate	Rate of growth within the Built Area Boundary
LDCA	London District Construction Association
LDI	London Development Institute
LEDC	London Economic Development Corporation
LHBA	London Home Builders Association
LSTAR	London and St Thomas Area Realtors
MDR permit ready lot production	Medium Density Residential allows for townhouse and low-rise walk-up and apartment building development.
MOU	Memorandum of Understanding
Municipal Comprehensive Review	Planning Act process requirement for municipalities to review land use policies including official plans and urban growth boundary at the time of their potential update
Official Plan	Overall land use plan required and approved by the province to guide the development by type and location within a municipality
Ontario Housing Affordability Task Force	Province of Ontario task force mandated to review and report on potential solutions to the housing crisis in Ontario
Permit Ready Lot	City of London planning and development tool to insure a 3-year supply of lots being ready for building permit issuance to meet growth demand
Planning and Environment Committee	Standing Committee of Council responsible for the review of development applications
PMTSA	Primary Major Transit Station Area



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



ReThink Zoning Process	City initiated process to update current Zoning By-law to reflect changes made by the London Plan
Streamline Development Fund	Province of Ontario funding program for municipalities to improve their local development application processes
The Planning Act	Province of Ontario legislation regulating all planning and development activity in the province
Urban Growth Boundary	Boundary within the city limits of London beyond which development cannot occur
UTRCA	Upper Thames River Conservation Authority
ZBA	Zoning By-law amendment



End Notes

¹ News release, Municipal Affairs & Housing, February 8, 2022, *Ontario Publishes Housing Affordability Task Force Report*, <https://news.ontario.ca/en/release/1001556/ontario-publishes-housing-affordability-task-force-report>

² *London Ontario Housing Crisis* public poll results, April 2022, Public Square Research, poll of 600 London residents (homeowners and renters)

³ *2022 Budget*, Government of Canada, Chapter 1, Making Housing More Affordable, Pg. 33

⁴ 2022 Report of Ontario Housing Task Force, Letter to Minister Clark, Pg. 3

⁵ *The Growth of London Outside of London*, March 2022, Smart Prosperity Institute, Conclusions and Final Thoughts, page 49

⁶ Ibid, page iii

⁷ LSTAR Monthly Sales activity reports as published on the LSTAR website www.lstar.ca

⁸ Courtesy of the London and St. Thomas Association of REALTORS®, April 2022 MLS® Statistics

⁹ London Ontario Housing Crisis, public poll results, April 2022, Public Square Research Inc.

¹⁰ Ibid

¹¹ Craig Cooper, Director, Housing Stability Services, Social and Health Development, City of London

¹² Julie Ryan, Community Engagement Coordinator, Indwell

¹³ 2018- 2022 City of London Multi-Year Budget, Pg.5

¹⁴ *2018 to 2022 Annual Assessment Growth Funding Allocation* reports: City of London, Strategic Priorities and Policy Committee, March 8, 2022; March 9, 2021; June 2020; March 19, 2019; February 12, 2018

¹⁵ *The Growth of London Outside of London*, March 2022, Smart Prosperity Institute, Conclusions and Final Thoughts. Pg. 49

¹⁶ London Economic Development Corporation, www.ledc.ca, “Why London” section, “Living in London”

¹⁷ London District Construction Association, www.ldca.on.ca, “London” section, “Live” page

¹⁸ *The Growth of London Outside of London*, March 2022, Smart Prosperity Institute, Conclusions and Final Thoughts. Pg. 49



London: A Place to Call Home
A whitepaper on solutions to our housing crisis, June 2022



¹⁹ Greenhouse Gas Emissions; Canadian Environmental Sustainability Indicators, April 2022, Environment and Climate Change Canada, Pg. 10-11

²⁰ Rental.ca, *April 2022 Rent Report*, Municipal Rental Rates Section, “Average Rent and Annual Change in Average Rent for all Property Types, Select Municipalities”, March 2022 chart

²¹ Canadian Census of Population, Statistics Canada, February 9, 2022, Canada’s fastest growing and decreasing municipalities from 2016 to 2021, Table 3

²² *2022 Budget*, Government of Canada, Chapter 1, Making Housing More Affordable, Pg. 33

²³ Inclusionary Zoning Assessment Report: Preliminary Findings and Direction, N. Barry Lyon Consultants, City of London Planning and Environment Committee, Inclusionary Zoning Project Update, Appendix C., February 7, 2022 meeting

²⁴ *London Ontario Housing Crisis* public poll results, April 2022, Public Square Research

²⁵ *Forecast for Failure*, January 2022, Smart Prosperity Institute, Conclusions and Recommendations. Recommendation 2. Pg. 61. Full report <https://institute.smartprosperity.ca/publications/forecast-for-failure>

²⁶ *2021 Annual Development Report*, City of London, February 7, 2022, Planning and Environment Committee

²⁷ Ibid

²⁸ Ibid

²⁹ *2023 GMIS Update Report*, City of London Strategic Priorities and Policy Committee, June 7, 2022

³⁰ *2021 Annual Development Report*, City of London, February 7, 2022, Planning and Environment Committee

³¹ *2018 to 2022 Annual Assessment Growth Funding Allocation* reports: City of London, Strategic Priorities and Policy Committee, March 8, 2022; March 9, 2021; June 2020; March 19, 2019; February 12, 2018

³² *2021 Annual Development Report*, City of London, February 7, 2022, Planning and Environment Committee