

# Information Report

---



---

Service Area	Infrastructure, Development and Environment
Date	Friday, May 31, 2024
Subject	<b>Guelph Growth Management and Affordable Housing Monitoring Report 2023</b>

---

## Executive Summary

### Purpose of Report

This report provides details on the 2023 achievement of Guelph's Official Plan policies, updated through [Official Plan Amendment 80](#) that was approved by the Minister on April 11, 2023. This report provides monitoring data for the Shaping Guelph growth management strategy and A Place to Grow: The Growth Plan for the Greater Golden Horseshoe, as well as information on development activity and housing supply in accordance with the updated growth forecasts to 2051, the City's Housing Pledge and the Provincial Policy Statement, 2020. This report also provides the City's achievement towards affordable housing targets and provides updated benchmarks for affordable ownership and rental housing for 2024.

### Key Findings

Development activity within the city:

- Meets the vision and policies of the City's Official Plan and policies set by A Place to Grow;
- Results in growth that are in line with the updated long-term population and employment projections to 2051 and supports the City's Housing Pledge;
- Results in a range and mix of housing types, with a greater proportion of townhouse and apartment units being constructed in recent years, in line with the City's growth vision and policies;
- Meets the intensification target for residential development in the built-up area;
- Meets the overall Greenfield Area density target (for developed and committed lands),
- Supports the achievement of the strategic growth area density targets through residential intensification, and;
- Supports the achievement of the urban growth centre density target through residential intensification in the form of major apartment projects.

The city exceeds the housing supply requirements of the 2020 Provincial Policy Statement. The supply translates into the creation of housing units as building permits are issued.

The affordable housing ownership target of 25 per cent was not met. In 2023, no new units were sold below the affordable ownership benchmark price of \$429,016. However, the affordable housing secondary rental market target of 4 per cent was

met with over 10 per cent of new units created last year being rented at or below the affordable rental benchmark price of \$1,434 for 2023.

The affordable housing benchmarks for 2024 are set according to affordable housing thresholds contained in the Minister of Municipal Affairs and Housing’s [Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#). This is a change from past practice, but important for the City to align with provincial expectations.

- affordable ownership benchmark purchase price of \$398,800, and
- affordable rental housing benchmark price according to rental unit size as shown below.

Table 1 Affordable monthly rental threshold prices as set by the Minister of Municipal Affairs and Housing

Rental unit size	Affordable monthly threshold price
Bachelor	\$1,160
1-bedroom	\$1,508
2-bedroom	\$1,646
3+ bedroom	\$1,695

### **Strategic Plan Alignment**

The Guelph Growth Management and Affordable Housing Monitoring Report aligns with the following priorities within Guelph’s Strategic Plan 2024-2027:

**Foundations** - This report will support maintaining delivery of the City of Guelph’s core services to a growing population through the confirmation of long-term growth assumptions.

**City Building** – This report will help inform how the City of Guelph is progressing in terms of the approval, construction, and availability of housing with the goal of improving and accelerating the local housing supply and progress towards achievement of the City’s housing pledge.

**Environment** – Through annual updates to the city’s growth, this report will assist in making informed decisions to help support sustainable growth with the goal of mitigating climate change and conserving and protecting Guelph’s drinking water.

**People and Economy** – Providing updates on the city’s growth will help guide strategic planning for a growing city that will support local business and investment attraction.

### **Future Guelph Theme**

City Building

### **Future Guelph Objectives**

City Building: Improve housing supply

## **Financial Implications**

From a financial perspective, meeting the City's Growth Plan targets provides confidence in the long-term capital plan and underlying financing strategies that are in place to build the infrastructure required to support a growing city. When actual experience deviates from the plan, it can significantly impact the assumptions used in budget forecasting including timing of planned projects, development charges, cash-in-lieu of parkland, community benefit charges, property tax assessment, and user fee growth, all of which underpin the City's long-term financial models.

The information that is provided through this report is used by City staff to inform several ongoing strategies, master plans and programs including affordable housing financial incentives. Reflecting on where the City is experiencing gaps enables data driven policy decisions aligned with the goals of the Strategic Plan.

Effective June 1, 2024, there are new municipal development-related fee exemptions in effect for housing units that meet the affordable ownership and affordable rental housing thresholds. These exemptions include development charges, community benefit charges and parkland dedication cash in lieu. As part of the latest Development Charge Study, the development charge portion of the exemption is estimated to cost the City upwards of \$119M over 10 years if the City successfully reaches its affordable housing unit policy targets. Additional cost impacts from other fee exemptions are not yet quantifiable but are expected to further limit the City's revenue available for new parks and service amenities in intensification areas. Overall, this will mean a significant investment by the City into the creation of affordable housing in Guelph which is not yet included in the 2025 adopted budget. Staff are currently working on the processes to implement this provincial decision, focused on protecting the housing stock that receives this community investment to remain affordable for at least 25 years.

---

## **Report**

### **Details**

The Growth Management and Affordable Housing Monitoring Report (Attachment-1) is an annual report that provides information on land supply, development activity, and achievement of City and Provincial Policies. This report presents year end 2023 data that informs City plans and documents in terms of growth projections and policies.

This year's report provides details on the achievement of Guelph's Official Plan policies, as amended by Official Plan Amendment 80, as adopted by Guelph City Council on July 11, 2022. On April 12, 2023, the previous Minister of Municipal Affairs and Housing (The Honourable Steve Clark) approved Official Plan Amendment 80 with 18 modifications. These modifications were then reversed by the current Minister of Municipal Affairs and Housing (The Honourable Paul Calandra) to the version of the amendment as adopted by Guelph City Council on July 11, 2022, without any Provincial modifications, except for any modifications that are necessary to protect matters of public health and safety, or which are required to align with legislation or regulations. The reversal of the modifications to Guelph's Official Plan was introduced through legislation was passed by the Provincial Legislature on December 5, 2023 through Bill 150, Planning Statute Law

Amendment Act, 2023. The current Minister of Municipal Affairs and Housing (The Honourable Paul Calanda) then invited comments and information from municipalities about the modifications to Official Plans, which included the modifications that the municipality would support. Motions were introduced by Guelph City Council on the 18 provincial amendments to Guelph's Official Plan Amendment 80, which were discussed and voted on by Council during a special meeting of Council on December 5, 2023 ([Official Plan Amendment 80 - Minister's Reversal of Provincial Modifications - 2023-459](#)). The motions that were passed by Council to amend Guelph's Official Plan at the Council meeting on December 5, 2023 ([Minutes of Guelph City Council, December 5, 2023](#)), were then provided to the province and are required to be approved by the Minister of Municipal Affairs and Housing, however, a Ministerial decision on those motions has not yet been made.

This report primarily focuses on Guelph's Official Plan for growth management and housing supply. The report also provides annual updates on the achievement of the City's affordable housing targets and provides updated affordable housing benchmark prices for the upcoming year.

### **Official Plan Policies**

The City's Official Plan sets an intensification target for the built-up area and density targets for the greenfield area, the urban growth centre, and the newly delineated strategic growth areas. Figure 1 in Attachment-1 is Schedule 1a from the City's updated Official Plan which identifies the built-up area, Urban Growth Centre, greenfield area, and the strategic growth areas of the city as defined by A Place to Grow (2020).

**Intensification target:** a minimum of 46 per cent of the city's annual residential development will occur within the city's built-up area.

**Built-up area:** the lands identified within the built boundary as shown on Figure 1 in Attachment-1.

**Greenfield area density target:** the greenfield area will be planned and designed to achieve an overall minimum density target that is not less than 68 residents and jobs combined per hectare. The greenfield area density target is measured across all residential and population serving employment lands, excluding natural areas and features mapped as part of Guelph's natural heritage system.

**Greenfield area:** the area within the settlement area boundary that was not part of the built-up area in 2006 is as shown on Figure 1 of Attachment-1.

**Urban growth centre density target:** The urban growth centre defined as downtown with boundaries established through the Downtown Secondary Plan will be planned to achieve a minimum density target of:

1. 150 residents and jobs combined per hectare by the year 2031;
2. 175 residents and jobs combined per hectare by the year 2041; and,
3. 200 residents and jobs combined per hectare by the year 2051.

These density targets are based on gross area and measured across the entire downtown.

**Strategic growth area density targets:** The newly delineated strategic growth areas, defined as areas to accommodate residential intensification and higher-density mixed uses in a more compact built form were introduced through Official Plan Amendment 80. These areas are planned to achieve individual density targets as outlined in the following policies of Guelph’s Official Plan:

3.6.4 The following strategic growth areas are classified as intensification corridors and will be planned to achieve the following density targets at build-out.

Table 1 Intensification Corridors

<b>Name</b>	<b>Density Target</b>
Eramosa Road	100 residents and jobs combined per hectare
Silvercreek Parkway	100 residents and jobs combined per hectare
Gordon Street at Harvard Road	100 residents and jobs combined per hectare
Gordon Street at Arkell Road	120 residents and jobs combined per hectare
Gordon Street in Clair-Maltby	200 residents and jobs per hectare
Stone Road at Edinburgh Road	160 residents and jobs combined per hectare

3.6.6 The following strategic growth areas are classified as Community Mixed-Use Nodes and will be planned to achieve the following density targets at build-out:

Table 2 Community Mixed-Use Nodes

<b>Node</b>	<b>Density Target</b>
Woodlawn Road/Woolwich Street	120 residents and jobs combined per hectare
Paisley Road/Imperial Road	110 residents and jobs combined per hectare
Silvercreek Junction	130 residents and jobs combined per hectare
Guelph Innovation District	100 residents and jobs combined per hectare

<b>Node</b>	<b>Density Target</b>
Watson Parkway/Starwood Drive	130 residents and jobs combined per hectare
Gordon Street & Clair Road	130 residents and jobs combined per hectare

Strategic growth area densities are based on gross area and are measured across the entire strategic growth area.

The City’s Official Plan provides policy direction for monitoring growth, including policies directed at monitoring development activity, to ensure that growth is consistent with population forecasts, intensification targets for the built-up area and density targets for the greenfield area. The Official Plan also requires tracking of the supply of residential units in accordance with the housing supply policies of the Official Plan. The housing supply policies conform to the Provincial Policy Statement (2020) policy 1.4.1 which states:

To provide for an appropriate range and mix of housing types and densities required to meet projected requirements of current and future residents of the regional market area, planning authorities shall:

- maintain at all times the ability to accommodate residential growth for a minimum of fifteen years through residential intensification and redevelopment and, if necessary, lands which are designated and available for residential development; and
- maintain at all times where new development is to occur, land with servicing capacity sufficient to supply at least a three-year supply of residential units through lands suitably zoned to facilitate residential intensification and redevelopment, and land in draft approved and registered plans.

**Population and Employment Projections**

The City’s updated Official Plan sets out the following policies related to population and employment forecasts:

**3.2 Population and Employment Forecasts**

- By the year 2051, Guelph is forecast to have a population of 208,000 people. The rate of growth will be moderate, steady, and managed to maintain a compact and human-scale city.
- Employment growth in the city is planned to keep pace with population growth by planning for a minimum forecast of 116,000 jobs by the year 2051.

The average annual forecast growth rate to 2051 is targeted at 1.2 per cent per year and the projected total number of dwellings in Guelph is 85,700; an estimated increase of approximately 27,700 units from the end of 2023.

**Housing Pledge**

To increase housing supply across Ontario, the Minister of Municipal Affairs and Housing issued a letter in October 2022 to twenty-nine municipalities across

Ontario concerning the Province's Bill 23 (More Homes Built Faster Act, 2022) and set housing targets for those municipalities to accelerate their housing supply to support the construction of 1.5 million homes by 2031. The Provincial housing target for Guelph is 18,000 new units between 2021 and 2031.

Guelph's Municipal Housing Pledge ([City of Guelph Housing Pledge: For Guelph, by Guelph](#)) outlines City-led strategies and actions to facilitate the construction of 18,000 new homes by 2031. This target exceeds the OPA 80 housing forecast to the year 2031 by 6,100 units. From January 2021 to year end 2023, 3,311 units have been created to contribute towards this target.

Achievement of the Housing Pledge is measured through housing starts as tracked by the Canadian Mortgage and Housing Corporation. The average annual long-term housing target to achieve the housing pledge requires an average of 2,000 housing starts per year. With 1,280 housing starts in Guelph in 2023, the City achieved 98 per cent of its 1,320 targeted housing starts. For the year 2024, the Province has set a target of 1,500 housing starts for Guelph.

### **Affordable Housing**

The City's Official Plan recognizes the importance of housing, including affordable housing, in meeting the needs of the city's existing and future residents. Policies in the Official Plan direct the City to monitor affordable housing developments and set new affordable housing benchmark prices for ownership and rental housing for the upcoming year.

Through Bill 23, the More Homes Built Faster Act, 2022, the province introduced exemptions and discounts from municipal development-related charges for affordable residential units. Bill 23 amended the Development Charges Act, 1997 to exempt residential units that are sold or rented at or below the affordable residential unit thresholds from development charges, community benefits charges, and parkland dedication requirements. These affordable residential unit thresholds are anticipated to be set annually through a bulletin issued by the Minister of Municipal Affairs and Housing. On May 1, 2024, the Minister issued the first [Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#), which comes into effect for municipalities across Ontario, on June 1, 2024. This bulletin sets out the market-based thresholds (that is, average purchase prices and average market rents in Guelph) and income-based thresholds (that is, affordable purchase prices and market rents at the 60<sup>th</sup> household income percentile in Guelph) that are to be used to determine the eligibility of a residential unit for an exemption from development charges and exclusions from the maximum community benefits charge and parkland dedication requirements. Applicable units must be subject to agreements that provide for them to remain affordable residential units for 25 years.

The bulletin determines that the affordable price thresholds for both home ownership and rental housing in 2024 will be the less expensive of the market-based or income-based purchase price identified in the bulletin. The affordable residential unit price thresholds for Guelph contained in the bulletin will be used to set the affordable housing benchmarks for both home ownership and rental units in Guelph for 2024.

Achievement of the affordable housing targets for 2023 will continue to be measured against the 2023 affordable housing benchmarks set by the [2022 Guelph Growth Management and Affordable Housing Monitoring Report](#). Measuring achievement of affordable housing targets are done in accordance with the policies of Guelph's Official Plan, which states that under 7.2.6.11, the City will annually monitor:

- the number and types of affordable housing produced through new residential development and intensification efforts;
- the number and types of affordable housing lost through demolition and condominium conversion;
- ownership and rental house prices;
- rental vacancy rates; and,
- achievement of the affordable housing targets of this Plan.

An annual target of 30 per cent of all new residential development will constitute affordable housing. This target is measured city-wide and includes an annual target of 25 per cent affordable ownership units, an annual target of 4 per cent affordable secondary rental housing units, and 1 per cent primary rental housing units. The primary rental housing unit target is measured over a 5 year period.

Guelph is also currently reviewing its affordable housing policies through an [Housing Affordability Strategy](#) which seeks to update the City's existing [Affordable Housing Strategy \(2017\)](#). The purpose of this update is to identify actions like policy changes, tools and incentives, advocacy, and partnership approaches to address private-market housing gaps in the short, medium, and long term. This update builds off the key issues impacting housing affordability in Guelph as identified in the City's [State of Housing](#) report published December 2023 and may explore setting new housing affordability targets and may define updated methods for setting the housing affordability benchmarks in Guelph.

## **Highlights of the Monitoring Report**

### **Population and Permit Activity**

- By the end of 2023, Guelph's population is estimated to have increased to 148,200 and employment levels are estimated to have increased to 86,400 jobs.
- Over the past year, Guelph's population grew by an estimated 1.4 per cent, which is above the average long-term projected growth rate of 1.2 per cent for Guelph to 2051. The city is on track to meet its population forecast by 2051.
- Residential building permit activity in 2023 resulted in 1,285 new dwelling units being created. To meet the City's long-term forecast growth targets, an average of 947 units will need to be constructed per year to the year 2051. Guelph had a provincial housing target of 1,320 housing starts for 2023 and achieved 98 per cent of that target with 1,287 housing starts.
- Residential permit activity in 2023 was largely sustained by the construction of apartments, adding 838 new apartments and 272 additional dwelling units (ADUs), or accessory apartments to the housing stock, which is in line with the City's vision for growth.
- Development activity was strong in 2023 with several approved applications during the year that added a combined 1,408 units to the city's housing supply.



## **Density Targets**

- Using the new process outlined in A Place to Grow for calculating the density of the designated greenfield area, the density of Guelph's developed and committed lands within the designated greenfield area have increased to approximately 73 residents and jobs per hectare in 2023, which continues to meet the minimum greenfield density target of 68 residents and jobs per hectare set out by the City's Official Plan.
- The built-up area achieved an intensification rate of 37 per cent in 2023, which did not meet the annual minimum intensification target of 46 per cent set out by the City's updated Official Plan. However, over the past decade, 53 per cent of all new residential development has occurred within the built-up area. Guelph continues to maintain an adequate supply of short-term supply of housing in the built-up area, which will help contribute to the City's intensification target in future years.
- The density of the Urban Growth Centre (downtown) remained at 105 residents and jobs per hectare in 2023. When considering longer term trends, the city's downtown is continuing to trend positively towards achievement of the density target of 150 residents and jobs per hectare by 2031, 175 residents and jobs per hectare by 2041, and 200 residents and jobs per hectare by 2051. The overall density of downtown has been steadily increasing, up from 90 residents and jobs per hectare in 2011.

## **Housing Supply**

- The range and mix of housing units is becoming more balanced through new development activity with the overall existing housing stock experiencing a steady shift towards a higher proportion of townhouses and apartments. This trend is expected to continue to 2051 and will result in a more balanced supply of housing units, when approximately 38 per cent of the City's overall housing stock is anticipated to be detached and semi-detached units, compared to 52 per cent in 2022.
- Guelph maintains enough land supply to meet the minimum requirements of the Provincial Policy Statement, 2020 (PPS). Currently, there is a short-term housing supply of 6.4 years on lands that are zoned, or within draft approved or registered plans of subdivision, where the PPS requires municipalities to maintain a minimum supply of three years. When considering lands that are designated and available for residential development, Guelph's total housing supply is able to accommodate a total of 17.9 years of residential growth to 2051, meeting the minimum requirement of 15 years of housing supply in the PPS. The appeals to the Clair-Maltby Secondary Plan area, settled and approved in early 2024, will further contribute to the City's future housing supply and will be included in the 2025 Guelph Growth Management and Affordable Housing Monitoring Report.

## **Affordable Housing**

- Guelph did not meet the affordable ownership target in 2023. With no new residential units sold below the affordable housing ownership benchmark price of \$429,016 in 2023, the city did not meet its minimum target of 25 per cent. In 2022, 22 per cent of all new residential units sold in Guelph were considered affordable.

- The affordable secondary rental target was met in 2023. Based on the number of new additional dwelling units (ADUs) created last year, 10 per cent of the new units created in 2023 were considered affordable secondary rentals. The target for affordable purpose-built secondary units is 4 per cent of all new units created each year.
- For 2024, the affordable housing benchmarks will be set using the affordable housing price thresholds for Guelph contained in [The Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin](#). The bulletin has set the affordable threshold for all new ownership units at \$398,800, which will be set as the affordable ownership benchmark price for 2024, and the affordable housing monthly rental threshold prices, broken down by unit size will be set as the affordable monthly rental benchmark prices for 2024, as follows:
  - \$1,160 for a bachelor unit
  - \$1,508 for a 1-bedroom unit
  - \$1,646 for a 2-bedroom unit
  - \$1,695 for a 3+ bedroom unit

## **Financial Implications**

From a financial perspective, meeting the City’s Growth Plan targets provides confidence in the long-term capital plan and underlying financing strategies that are in place to build the infrastructure required to support a growing city. When actual experience deviates from the plan, it can significantly impact the assumptions used in budget forecasting including timing of planned projects, development charges, cash-in-lieu of parkland, community benefit charges, property tax assessment, and user fee growth, all of which underpin the City’s long-term financial models.

The information that is provided through this report is used by City staff to inform a number of ongoing strategies, Master Plans and programs including affordable housing financial incentives. Reflecting on where the City is experiencing gaps enables data driven policy decisions aligned with the goals of the Strategic Plan.

Effective June 1, 2024, there will be new municipal development-related fee exemptions in effect for housing units that meet the affordable ownership and affordable rental housing thresholds. These exemptions include development charges, community benefit charges and parkland dedication cash-in-lieu. As part of the latest Development Charge Study, the development charge portion of the exemption is estimated to cost the City upwards of \$119 million over ten years if the City successfully reaches its affordable housing unit policy targets. Additional cost impacts from other fee exemptions are not yet quantifiable but are expected to further limit the City’s revenue available for new parks and service amenities in intensification areas. Overall, this will mean a significant investment by the City into the creation of affordable housing in Guelph which is not yet included in the 2025 adopted budget. Staff are currently working on the processes to implement this provincial decision, focused on protecting the housing stock that receives this community investment to remain affordable for at least 25 years.

## **Consultations**

Planning staff consulted with the Guelph & District Home Builders’ Association over the last year over concerns about Guelph’s housing supply. Updates to the housing supply have been made to address those concerns and additional clarification on

the City's short-term housing supply has been provided in this report and attachment.

Planning staff have also consulted with City of Guelph Legal staff and Finance staff in regards to the release of the [Affordable Residential units for the Purposes of the Development Charges Act, 1997 Bulletin](#). Adjustments to the affordable housing sections of this report and attachment have been made to address the bulletin and reflect the consultation.

Information contained in this report will also be used to inform a number of ongoing strategies, Master Plans and programs including Community Improvement Plans and affordable housing financial incentives. This report will also be shared with the Guelph Wellington Development Association and the Guelph & District Home Builders' Association.

## **Attachments**

Attachment-1 Growth Management and Affordable Housing Monitoring Report 2023

## **Departmental Approval**

Krista Walkey, MCIP, RPP, General Manager, Planning and Building Services

## **Report Author**

Jason Downham, Planner II – Policy and Analytics

## **This report was approved by:**

Krista Walkey, MCIP, RPP  
General Manager, Planning and Building Services  
Infrastructure, Development and Environment  
519-822-1260 extension 2395  
krista.walkey@guelph.ca

## **This report was recommended by:**

Jayne Holmes, P.Eng., PMP  
Deputy Chief Administrative Officer  
Infrastructure, Development and Environment  
519-822-1260 extension 2248  
jayne.holmes@guelph.ca