

Staff Report

To	City Council
Service Area	Infrastructure, Development and Environment
Date	Tuesday, March 18, 2025
Subject	Housing in Guelph Semi-annual Update

Recommendation

1. That the Housing in Guelph Semi-Annual Update report 2025-129, dated March 18, be received.
 2. That the proposed Affordable Housing Seed Funding Program, funded up to \$100K from the Affordable Housing Reserve #119, be approved.
 3. That the General Reserve and Reserve Fund Policy be updated to reflect the updated policy terms for the Affordable Housing reserve (119) as outlined in report 2025-129.
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Executive Summary

Purpose of Report

This report provides a consolidated update on the progress of the City's key projects that support housing in our community. It offers Guelph-specific context and identifies connections between bodies of work, strategies and legislation. It further serves to advance City-led program work and identifies next steps.

Key Findings

Through Bill 23 the More Homes Built Faster Act, 2022, the City was assigned a housing target of 18K units by 2031. The target is 6,100 units above the City's Growth Management Strategy projections and requires the construction of approximately 2K units each year to 2031, which is unprecedented in Guelph. In 2023, the City met its annual housing target whereas in 2024, it fell short. Of the municipalities that did not achieve their target, Guelph remains among the top performing municipalities advancing housing units.

Since committing to the City's Housing Pledge in 2023, City staff have been working to remove barriers to increasing housing supply. For example, Official Plan Amendment (OPA 98) and Zoning By-law Amendment (2024)- 21024, passed in December 2024 to permit up to four units as-of-right on a low-density residential property will support the development of missing middle housing. Further, the City is working to streamline the development review and approvals process through ongoing continuous improvement projects and the proposed Community Planning Permit System (CPPS) pilot project and digital service delivery upgrades.

Guelph's Housing Accelerator Fund Action Plan

The City recently marked its first year of implementing Guelph's Housing accelerator Fund (HAF) Action Plan and submitted an annual agreement report to the Canadian Mortgage and Housing Corporation (CMHC). Guelph entered a funding agreement with CMHC for \$21.4M, receiving the first payment of \$5.36M last January. Three more instalments are anticipated; the final is contingent on achieving specific housing targets, including 3,657 permitted housing units by the end of 2026 and 739 incentivized units over three years. Within the first year, the City has made significant progress, completing 56 per cent of the plan's milestones. Guelph achieved 625 permitted units and 619 missing middle housing units in addition to:

- the approval and implementation of the City's 10-year Housing Affordability Strategy (HAS);
- the development of the City's Affordable Housing Community Improvement Plan (CIP).
- updates to infrastructure policies; and
- the creation of an inventory of City-owned lands with an evaluative framework to determine potential candidates for residential development.

Other initiatives underway focus on encouraging accessory dwelling units, expanding missing middle units, designing a Community Planning Permit System pilot project and supporting infrastructure initiatives. This year, staff will prioritize investments that maximize the likelihood of reaching housing targets and securing the final grant instalments.

Affordable Housing Seed Funding Grant Program

The City's proposed Affordable Housing Seed Funding Program aims to address the funding gap for registered and charitable non-profits' predevelopment costs by allocating up to \$100K annually from the City's Affordable Housing Reserve (119). This program supports the City's Housing Affordability Strategy to create 1,770 affordable units by 2035 and 8,700 by 2051. Grants of up to \$25K per development for predevelopment work such as feasibility studies, site surveys, and planning fees will be available on a first-come, first-served basis for new affordable housing, conversions, and renovations. The evaluation will prioritize registered non-profits and charitable organizations, focusing on housing needs, project viability, and strategy alignment, with affordability ensured through income targets and a 25-year rent maintenance requirement. Staff will provide program updates to Council through future semi-annual housing updates. If approved, applications will open as early as spring 2025.

Bill 185 Impact Assessment Program

Bill 185, also known as the Cutting Red Tape to Build More Homes Act, 2024, aims to expedite government processes and build at least 1.5M homes by 2031. The Bill introduced several legislative changes, including reducing the rate freeze expiry timeline for building permits from two years to 18 months, restricting parking requirements in Protected Major Transit Station Areas (PMTSA), and allowing municipalities to pass by-laws for the allocation of water and sewage servicing capacity. The Bill also includes Use it or Lose it provisions to expedite housing development by setting expiration dates on site plans and subdivision approvals. It further permits municipalities to grant assistance to specified businesses under certain conditions and introduces lapsing provisions for site plans and draft plans of

subdivision, if building permits are not issued within a prescribed period. The broad scope of changes driven by this Bill need to be implemented by many departments across the City. Staff are leading a coordinated approach to assessing the operational and financial impacts and update our policies and processes.

Strategic Plan Alignment

The City's housing-related projects, tools, programs and funding are in place to accelerate housing supply and attainment in Guelph.

Future Guelph Theme

City Building

Future Guelph Objectives

City Building: Improve housing supply

Financial Implications

This report is intended to provide a comprehensive semi-annual update on work related to advancing housing in Guelph. Financial implications outlined in these semi-annual reports will be limited to new policies or programs recommended for Council approval. There is one such recommendation in this report.

The Affordable Housing Seed Funding Grant Program is proposed for Council approval through this report, and, if approved, would commit up to \$100K in funds from the Affordable Housing Reserve (119) annually. The Affordable Housing Reserve (119) has an available balance of \$500K in 2025 prior to this commitment.

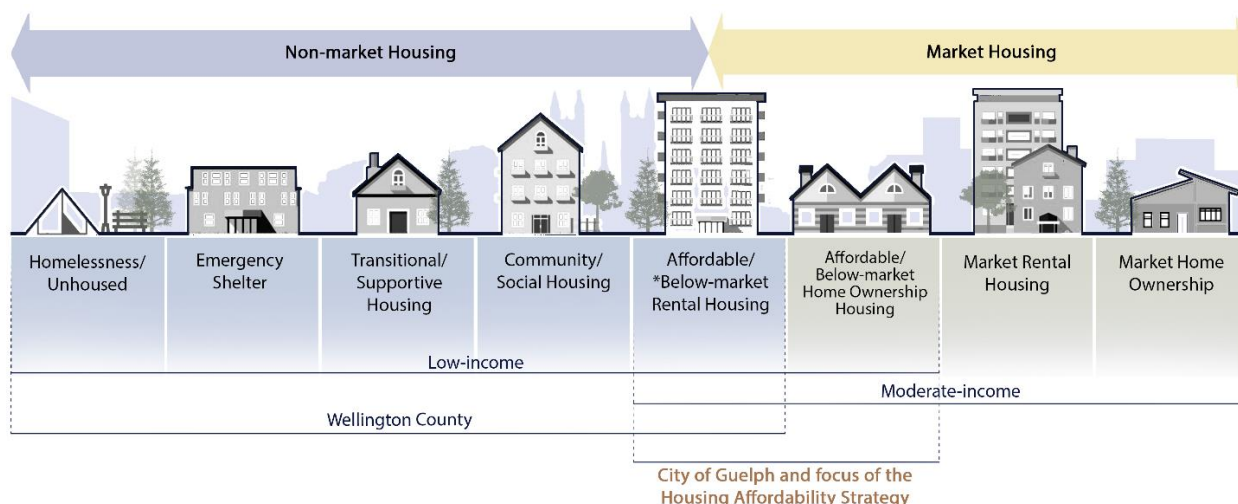
Other updates included in this report do not have direct financial implications.

Report Context

Housing Continuum

Housing is complex. The [housing continuum](#) (Figure 1, below) helps us identify the wide range of types and forms of housing. At one end of the continuum (the right side), are homeowners or renters, who bought or rented through the private market. At the other end (the left side) there are individuals and families who are in crisis, using emergency shelters or experiencing episodic or chronic homelessness. Housing types on the left side of the continuum are referred to as non-market housing and this can also include emergency shelters, transitional housing, supportive housing, rental units geared to income, and affordable non-market rental housing.

Figure 1: City of Guelph Housing Continuum



* "Below-Market Rental Housing" refers to units that are rented at 80-100% Average Market Rent

In Guelph, the responsibility for non-market housing is shared between Wellington County and the City. The Province has legislated that [Wellington County](#) is designated as our Consolidated Municipal Services Manager (CMSM). This means that, on behalf of the City of Guelph, the County is primarily responsible for providing non-market housing, with some administrative and significant financial support from the City.

Housing Pledge Commitments

In March 2023, the City issued a Housing Pledge in response to the Province’s assigned housing target of 18K units by 2031 to support the provincial goals to build 1.5M homes in 10 years. The Provincial target is 6,100 units above the City’s projections identified through the Growth Management Strategy and requires the construction of over 2K units per year to 2031. Meeting this target is dependent on a rate of housing development the City has never seen.

The Housing Pledge included a number of City-led initiatives to unlock housing potential and calls on the Province, through the identification of various other actions, to support the pledge through a commitment to financial support and regulatory changes. The City’s ability to meet its housing targets depends on the Province fulfilling the requested actions outlined in the Housing Pledge.

Of the 29 action items in the Housing Pledge, there are eight policy and regulation actions that are City-led. City staff are working to remove barriers to increase housing supply and are advancing all eight actions. For example, a Municipal Comprehensive Review has been completed for the City’s Official Plan, the Clair-Maltby Secondary Plan has been approved as well as an Official Plan Amendment to the Downtown Secondary Plan, and a new Comprehensive Zoning By-law has been approved, that includes more housing enabling regulations, though parts of the By-law are still under appeal. Official Plan Amendment (OPA 98) and Zoning By-law Amendment (2024)- 21024, passed in December 2024 to permit up to 4 units as-of-right on a low-density residential property will support the development of missing middle housing. Further, the City continues to streamline the development review and approvals process, most recently, through the proposed Community

Planning Permit System (CPPS) pilot project and digital service delivery upgrades. The City also continues to make progress on the commitment to improve infrastructure and servicing, which includes advocating for increased funding to support improvements, as well as continuing to advance its commitment to monitoring progress.

The remaining 21 actions in the Housing Pledge are Provincially-requested actions, the majority of which have not been advanced. For example, to expediate housing development expansion of servicing, infrastructure is needed but there is financial risk in servicing land for development where financial return is not necessarily imminent. In addition, revenue reductions associated with Bill 23 have put increased pressure on financing for infrastructure growth. Without increased financial support, municipalities are facing more pressure on tax and rate revenues to support infrastructure growth. As a result, the City requested that the Province work with municipalities to establish a new long-term, permanent municipal funding strategy for critical growth-related infrastructure projects. Further, the City requested exceptions from appeals on secondary plans and comprehensive by-laws, which would allow quick implementation of policies aimed at supporting unit growth. Instead, the City is facing unnecessary setbacks and delays.

In 2023, the City met 98 per cent of its annual housing target with 1,320 residential building permits issued, and 1,287 new housing starts reported by the Canada Mortgage and Housing Corporation (CMHC). In 2024, the City did not meet the annual housing target of 1,500 units with 849 new housing starts reported from January 2024 to October 2024. In 2024, 41 out of the fifty municipalities that are provincially tracked, did not meet their housing target. Despite a low number of housing starts overall in 2024, out of those municipalities that did miss their target, Guelph's performance is still in the top 30 per cent.

Many municipalities face the same barriers in meeting their housing targets due to the following economic and market factors:

- A shortage of construction workers across the country, which has led to higher labour costs, an inability for developers to find workers, and increased timelines to complete building construction;
- High construction and material costs, seen since the start of the COVID-19 pandemic;
- Rising unemployment rates as more people enter the workforce;
- Application and permitting fees, development charges, parkland dedications and community benefits charges; and
- Higher interest rates and potential tariffs.

The City's Housing Pledge recognized that the development community, public agencies, and other levels of government are necessary partners in achieving the creation of new units. It's been a challenge to meet housing targets within the current volatile economy and without the requests to the Province being fulfilled.

Residential Building Permits

Over the last 20 years (2004 to 2024) we have seen the following trends in Guelph's residential building permits that have resulted in units, as well as unit types:

- The highest number of residential building permits was for 1,483 units in 2004.

- The average number of residential building permits per year is 1,021 units (2004-2023).
- A higher percentage of multi-residential development and ADUs are being built rather than single detached, semi-detached, and on-street and cluster townhouse units.
- Multi-unit residential development has increased substantially since 2013, accounting for approximately one-third to a half of all units being built.
- Semi-detached unit counts remained stable until 2023 when we saw a significant decline.
- In 2023, there were 1,288 residential building permits, the highest number since 2015.
- ADU numbers have increased since 2019, with a noticeable leap in 2024.
- In 2024, 645 residential building permits were issued, the majority of which were issued for Additional Dwelling Units (ADUs) (330), and multi-unit residential development (223). There were 92 residential building permits issued for single detached, semi-detached, and on-street or cluster townhouse units.

Short-term Housing Supply

Short-term housing refers to land with the necessary infrastructure to support at least three years' worth of new homes. This includes land that is properly zoned and has homes that are either in the planning stages or already approved. Based on information as of year-end 2023, there are approximately 150 parcels that fall within this supply category and comprise of almost 5,900 units that are already approved but have yet to be built in Guelph. Updated 2024 figures will be available in this year's Growth Management and Affordable Housing Update report.

There are some very practical reasons why these units have not been built. In some cases, site plan applications need to be submitted for review, or for development requirements to be met by the developer before we can issue a building permit. Other reasons, that may fall within or outside a developer's control include impacts from supply chain issues, an unstable housing market, high interest rates, or an inability to secure trades to do the work.

In circumstances where the parcels have been approved well over three years ago (see reference, below, to Bill 185 and the development of a potential Use it or Lose it By-law) and there are a substantial number of units attached to this approval, City staff are actively reaching out to these developers and builders. As part of these conversations, staff are asking how the City can continue to remove barriers; if developers are interested in increasing the number of units on the parcel (due to changes in density allowances between when they received approvals and what is currently permitted); and if they have ideas about how the City can advance the units.

Where We're Focusing Growth

Through the [Growth Management Strategy \(2021\)](#) a number of priority areas for housing development have been identified to support the City's population forecast (208K) and housing needs (approximately 28K units) to 2051. The priority areas are:

- The Downtown (Urban Growth Centre/Major Transit Station Area),

- The Strategic Growth Areas (SGAs), including both Designated Greenfield Areas (DGAs), and intensification corridors located along major roads or higher order transit corridors. Focus has been put on two areas containing SGAs:
 - The Guelph Innovation District, and
 - Clair-Maltby, and
- The Dolime Quarry lands.

The following provides a brief overview of how we are enabling growth in these areas. In addition to the housing enabling infrastructure projects identified below, the City is also in the process of developing a Municipal Service and Financing Agreements (MSFA) policy that will pave the way for the City and developers to work together to advance the infrastructure needed for housing ahead of the City's capacity to deliver it.

How we're enabling growth in the Downtown (Urban Growth Centre/Major Transit Station Area)

The [Downtown Secondary Plan](#), identifies a comprehensive vision for revitalizing Downtown Guelph to 2031. The [Growth Management Strategy](#) further identifies growth projections until 2051, identifying that the Downtown can support an overall density of 200 residents and jobs per hectare. Current work on the Downtown Heights and Built Form Standards for Tall Buildings study (described below) may increase the potential for additional units to the year 2051.

To accommodate anticipated growth within the Downtown, the following programs and/or policies have been initiated:

- The multi-year Downtown Infrastructure Renewal Program (DTIRP) is reconstructing and upgrading transportation and servicing infrastructure,
- The Downtown Heights Study will identify where permitted building height could be increased,
- The Community Planning Permit System Pilot Project (CPPS) currently initiated for the Stone-Edinburgh Strategic Growth Area (SGA), will include assessing the suitability of implementing a CPPS within the Downtown,
- The Downtown Parking Master Plan has implemented parking relief for new development, and
- The Community Improvement Plan (CIP) program is anticipated to incentivize units through revitalization of vacant building spaces within the Downtown.

To accommodate anticipated growth within the Downtown, the following capital projects are planned in the 5-year horizon:

- 2025 – Wyndham / Wellington Water and Wastewater Capacity Improvement Project removes key constraints for the intensification of the Downtown Secondary Plan Area
- 2026 – Wyndham North Reconstruction Project opens up areas north of the Carden Street to intensification
- 2028 – Macdonell Street Reconstruction Project bolsters fire flow improvements across Downtown, permitting intensification while replacing infrastructure past its useful life, and includes improved active transportation access
- 2029 – Quebec Street Reconstruction Project removes further capacity constraints

Downtown Heights and Built Form Standards for Tall Buildings

Another project that the City is working on that has the potential to enable growth in the Downtown is the Downtown Heights and Built Form Standards for Tall Buildings Study. The purpose of this study is to review permitted building heights in the Downtown Secondary Plan area and make recommendations for amendments to these permissions in the Official Plan, as well as develop built form standards for tall buildings City-wide.

The overall objective of the review is to identify areas in the Downtown Secondary Plan where additional heights can be considered and what actions (i.e., policy refinements, tools, and incentives), will best work to achieve the target of 150 people and jobs per hectare by 2031 and ultimately 200 people and jobs per hectare by 2051. Work on this study will result in a decision report to Council on the recommended height permissions and City-wide built form standards.

How we’re enabling growth in the Guelph Innovation District

Guelph Innovation District (GID) is comprised of an area of approximately 436 hectares in the east end of the City. The [Guelph Innovation District Secondary Plan](#), which came into effect in 2017 following an OLT hearing, provides a mix of land uses at transit-supportive densities across a wide range of employment and residential land uses. The Provinces modifications to Official Plan Amendment 80, which came into effect on May 16, 2024 through Bill 162, Get it Done Act, modified the land uses within the secondary plan area.

To accommodate anticipated growth within the GID, the following capital projects are planned in the 5-year horizon:

- 2025 - Stone Road and Victoria Road Environmental Assessment underway
- 2025-2028 – York Road Phase 4 (Victoria to East City Limits) to connect the Clythe Water Treatment Plant to existing infrastructure and improve sanitary capacity
- 2028 – Victoria Road Upgrades to improve road capacity and underground infrastructure in support of the GID

A block plan submission for Blocks 1 & 2 is under review, making up 116.6 hectares of land with a proposed residential density of 62 units per net hectare.

How we’re enabling growth in Clair-Maltby

Clair-Maltby is an area comprising approximately 415 hectares in the City’s south end. The [Clair-Maltby Secondary Plan](#), approved by City Council in 2022, appealed, and approved by the OLT in March 2024, outlines that the area is intended to support a full range and mix of affordable and market-based housing options. Gordon Street will act as the central spine in Clair-Maltby by concentrating higher density residential development and a mix of uses along the corridor. The Gordon Street Corridor SGA in the secondary plan area is being planned for a density target of 200 residents and jobs combined per hectare. The Gordon Street and Clair Road SGA, a community mixed-use node, which includes lands within the secondary plan area, is being planned for a density target of 130 residents and jobs combined per hectare. Clair-Maltby is anticipated to accommodate over 16,500 by 2051 with a targeted build-out of 7,150 units.

To accommodate anticipated growth within Clair-Maltby, the following capital projects are planned in 2025:

- Gordon Street and Clair/Laird Road Environmental Assessment & Infrastructure Preliminary Design for road and servicing improvements underway
- Street A Environmental Assessment (Co-proponency with the Landowner's group)

The Dolime Quarry Lands

The [Dolime quarry](#) site, located in the City's west end and consisting of approximately 93 hectares, was annexed from the Township of Guelph/Eramosa following a Council requested Minister's Zoning Order to initiate the boundary adjustment in early 2022. The Dolime quarry site has also been identified as an important location for future growth. The area has been factored into the City's Growth Management Strategy providing additional Designated Greenfield Area (DGA) growth and is estimated to accommodate approximately 5K people by 2051.

To accommodate anticipated growth within Dolime, the City is currently supporting their Block Plan process.

Increasing Supply

The City's Committee of Adjustment plays a significant role in contributing to housing supply. In addition to considering minor variance applications, the Committee also reviews and approves consent (severance) applications, which can create new lots for development. In 2024, the Committee approved a total of 46 new lots, most of which are proposed to contain semi-detached dwellings. The impact of these new lots is even greater if additional dwelling units are proposed for each lot. If all of the residential lots created in 2024 were developed to include the maximum number of residential units, a total of 141 residential units would be created.

The volume of applications has surged in 2024, with the Committee considering 162 consent and minor variance applications, which represents a 47 percent increase from the previous year. With current trends, it is anticipated that the volume of applications in 2025 will be similar to the previous year.

The Committee of Adjustment is proposed to merge with the Property Standards Committee this year as part of the Redesigning Advisory Committees of Council project. The membership of both committees will be merged, while the mandates of each committee remain distinct to ensure legislative compliance. The new combined committee will meet all statutory requirements and enhance efficiency by consolidating the City's two quasi-judicial committees.

Additionally, continuous improvement efforts are underway to improve the Committee of Adjustment process. These efforts include increased data collection, greater staff involvement at hearings, regular meetings with the Chair/Vice Chair, and new orientation and training for Committee members.

New Policies, Programs, Tools

Guelph's Housing Accelerator Fund Action Plan

The first year of [Guelph's Housing Accelerator Fund \(HAF\) Action Plan](#) has concluded and staff submitted the annual agreement report to the Canadian Mortgage and Housing Corporation (CMHC) on February 7, 2025. This report provides an update on Guelph's Action Plan commitments and initiatives, as well as progress towards meeting incented housing unit targets for January 8, 2024 –

January 7, 2025. The report period is based on the date of execution of the original agreement.

In addition to the annual agreement report, staff submitted three quarterly progress trackers in June, October and December of last year. Through the review and assessment of these submissions, staff had ongoing discussions with CMHC representatives to discuss action plan progress and review housing permit data.

Funding conditions and targets

In January 2024, the City entered into a funding agreement with CMHC for \$21.4M and the first of four equal payments was received on January 16, 2024 in the amount of \$5.36M.

The HAF program of work was budgeted based on the anticipated receipt of two additional instalments: the second instalment payment received by March 31, 2025, and the third instalment received by March 31, 2026. The receipt of the fourth and final instalment of \$5.36M is dependent on the City achieving the agreed-upon targets listed below, as a condition of the funding agreement:

1. Housing Supply Growth Target (net new) of 3,657 permitted housing units to the end of 2026.
2. 739 incentivized units over the current annual average, over three (3) years
3. Additional targets:
 - a. 1454 missing middle housing units
 - b. 1860 other multi-housing units
 - c. 19.04 per cent of Housing Supply Growth Target are affordable

Progress on achieving housing targets in the reporting period of January 8, 2024 – January 7, 2025 is as follows:

- 625 net new units
- Of net new units 619 are missing middle housing units (this includes additional dwelling units)
- Of net new units 6 were single-detached units
- Of net new units 0 were other multi-housing units
- 160 affordable units were achieved

The total spend in the reporting period is \$1,533,911.80. This investment was focused on advancing the HAF Action Plan initiatives.

In 2025, staff are updating all HAF action plan initiative budgets to prioritize investments in incenting units, to maximize the likelihood of reaching our housing targets and receiving the final grant instalment.

Initiative progress

As previously reported in the [Summary of the Housing Accelerator Fund Action Plan Information Report](#), Guelph's Action Plan initiatives are:

1. Complete and implement the Housing Affordability Strategy (HAS)
2. Implement new/enhanced systems
3. Infrastructure and servicing capacity planning

4. Create and formalize an evaluative framework for disposition of City-owned lands
5. Encourage accessory dwelling units
6. Encourage missing middle units in existing neighbourhoods
7. Design and implement a new Community Planning Permit System pilot project
8. Parking reductions

The work accomplished during the first year of the HAF program advanced process and policy enhancements that are foundational building blocks to accelerating housing in Guelph. The funding created capacity to develop programs that support, incentivize, and attract development of housing types that are most needed, and formalized corporate policies that unlock lands for development. Investments also included pre-work and execution of a digital transformation project that is an end-to-end review of the development approvals process. This will improve the customer experience when fully implemented and further the City's technology maturity journey.

The City is making excellent progress towards HAF program completion. A total of fifty-six percent of program milestones have been completed in the reporting period. That's equivalent to 15 out of 27 milestones completed in the first year of funding. Below is a summary of the City's HAF program progress on the eight initiatives:

Initiative 1 Complete and implement the Housing Affordability Strategy (HAS)

- The HAS was approved by Council in December, 2024 and implementation is underway by lead departments.

Initiative 2 Implement new/enhanced systems

- The City's first Affordable Housing Community Improvement Plan (CIP) and associated financial incentive programs were developed with community consultation and approved on February 11, 2025. Uptake on the CIPs will be closely monitored this year.
- Implementation of the planning digital process improvement project is in progress and is on track for completion.

Initiative 3 Infrastructure and servicing capacity planning

- Staff updated the Surcharging Policy (see appendix E in the Development Engineering Manual) for areas that have insufficient infrastructure completed.
- Planning and design work for the Downtown Infrastructure Renewal Program (DTIRP) and infrastructure and servicing program for the Guelph Innovation District (GID) has been accelerated.

Initiative 4 Create and formalize an evaluative framework for disposition of City owned lands

- An inventory of City-owned land assets and creation and implementation of an evaluation framework to optimize and strategically acquire and/or dispose of City-owned land has been completed. This work resulted in the identification of 14 Edinburgh Road as a possible housing site and Council direction for staff to develop a request for proposal (RFP) for a minimum of 12 affordable housing units. The [RFP](#) was announced February 25, 2025. Further, properties of interest

identified using this framework will be brought forward to Council on March 18, 2025 in the City's Real Estate Assets Report.

Initiative 5 Encourage accessory dwelling units

- This initiative is integrated into the Affordable Housing CIP and includes the launch of an awareness program about the City's financial incentives towards the increased construction of affordable additional dwelling units.

Initiative 6 Encourage missing middle units in existing neighbourhoods

- The expansion and legalizing of four units as-of-right across the City was approved in December, 2024. There were no appeals in the 20-day period. Staff continue to examine the potential for five plus units throughout 2025.

Initiative 7 Design and implement a new Community Planning Permit System (CPPS) pilot project

- The CPPS pilot project is advancing in phases. Currently, the draft CPP by-law and OP amendment is focused on the Stone Road/Edinburgh Road area. The Official Plan amendment and CPP by-law will come to Council on April 8.

Initiative 8 Parking reductions

- This initiative includes the ongoing work of completing the Transportation Demand Management Action Plan. A consultant has been secured and this project is on track.

In 2025, staff are focusing on leveraging the HAF to resource and implement the high-priority actions in the Housing Affordability Strategy to help speed up the creation of new homes in Guelph and achieve housing targets.

Housing Affordability Strategy

On December 10, 2024, Council approved the 10-year [Housing Affordability Strategy](#) and associated [Implementation and Monitoring Plan](#). This Strategy was the culmination of just over a year of analysis and public engagement on housing need, specifically affordable housing based on the Province's definition, to the year 2051. It included a suite of 30 actions, each with a timeline and identified as either primary, secondary, or tertiary priority based on the actions impact on increasing potential housing supply.

The Strategy provides clear and consistent direction on how the City can best facilitate creating more affordable housing options in Guelph. One of the first steps is to determine if the City can, in a fiscally-prudent way, get more involved in building affordable housing, using City-owned land as leverage (supported by the yet to be drafted 5-year Land Strategy).

Another first step is creating an affordable housing seed funding grant program to expedite affordable housing development. This proposed program is recommended for Council approval as part of this report.

Action 2.1.1 of the Housing Affordability Strategy is to collect, monitor and use existing data on affordable housing stock to guide policy development. Possible outputs may include a renoviction by-law, vacant homes tax or rental replacement by-law. In 2025, staff are focused on collecting data and working with other municipalities to monitor existing programs to determine the best municipal policy

responses in the Guelph context. This will include, where appropriate, tailored engagement tactics that seek to more fully frame the scope of impacts related to local renovations and leverage existing data from community partners to inform policy. Additional resources will be required for implementation of any policy tools, and staff recommendations will be brought forward for Council consideration with the 2026 multi-year budget update.

Responding to Council Motions from November 13, 2024

On November 13, 2024, Council passed the following motion, that staff consider the feasibility to develop a program for non-profit affordable housing developers that allows a no interest deferral of municipal application, and permit fees prior to building permit, which would be payable in full, prior to issuance of the building permit, as part of the Affordable Housing Strategy.

In addition to the existing commitment in the Housing Affordability Strategy [action 1.1.4](#) (to continue to provide incentives for the development of affordable housing, through on-going monitoring, updating of affordable housing incentives and addressing barriers), staff have developed the proposed affordable housing seed funding grant program for Council's consideration. Permit fees are one of several eligible expenses proposed under the new program, and as a grant program the funds would not need to be repaid at any phase of the project or if the proposed project was deemed to be not viable after further study.

The proposed seed funding program was designed for maximum flexibility to help potential projects come to fruition by allowing registered or charitable non-profit affordable housing developers to apply for up to \$25,000 to offset eligible pre-construction activities. More details are below in this report.

The second motion was that staff consider the feasibility to develop a deferral of Property Tax through incremental tax financing (TIF) program for non-profit developers who are building affordable home ownership projects, to be recovered when homes are re-sold or rented, as part of the Affordable Housing Strategy.

The February 11, [2025 Decision Meeting - Affordable Housing Community Improvement Plan staff report](#) explained the New Affordable Housing Unit Grant program included in the Affordable Housing CIP provides a \$25K grant, which is calculated as approximately the upfront value of a 10-year tax increment on a new apartment or condominium. This new, Council-approved program will be open to non-profit organizations. The report further noted that an additional tax increment grant to the new program would result in the same increment being provided twice to a new affordable unit. Replacing the staff proposed program (which has since been approved) would be less attractive as the financial benefit would be received later, after the units are built, instead of up front to support the development of the units, as is the case under the new program.

Further, [action 2.2.1](#) in the Housing Affordability Strategy, staff are exploring new tools for creative financing for affordable housing. Consideration of deferral of municipal application and permit fees will be undertaken as part of that review, but in the meantime, the New Affordable Housing Unit Grant program provides a source of up front funds to support these development costs.

Affordable Housing Seed Funding Grant Program

In 2020, Council directed staff to explore transferring the responsibility of distributing incentives from the affordable housing reserve to the County of

Wellington in the form of forgivable loans intended to fund capital portions of a housing projects through a request for proposal process. As a result of negotiations, the final agreed upon process between the City and the County included the County issuing a request for proposal that was reviewed by City staff and the County as the Consolidated Municipal Service Manager (CMSM) for social and affordable housing with final recommendations to fund affordable housing projects being approved by City council. This process remains in place for larger capital projects, however there is currently no program in place for registered and charitable non-profits specifically for predevelopment seed funding opportunities.

For-profit and non-profits organizations do have the opportunity to apply for seed funding grants through CMHC's Seed Funding program, which provides financial support for individuals or organizations involved in the initial phases of creating an affordable housing project. This program is highly competitive, and funding is typically exhausted very quickly as CMHC receives multiple applications from both for-profit and non-profit organizations.

The proposed affordable housing seed program will be available solely for registered and charitable non-profits, giving more opportunity for registered and charitable non-profits to be successful in applications for seed funding grants. Organizations must meet the criteria of a non-profit developer under the [Development Charges Act \(1997\)](#) and be in good standing with either the *Not-for-Profit Corporations Act (2010)*, *Canada Not-for-profit Corporations Act (2009)*, or registered as a non-profit housing co-operative under the *Co-operative Corporations Act (1990)* with the primary objective of providing housing that is affordable. Stacking of the City's proposed affordable housing seed funding grant program funding and the CMHC seed funding will be permitted and available to registered and charitable non-profit organizations.

The seed funding program will be funded by the City's Affordable Housing Reserve (#119) to support the creation of affordable units. A total of \$100K will be allocated from the reserve to support this program annually. To facilitate this, the following updated policy terms are proposed for the Affordable Housing reserve (#119):

Reserve name: Affordable Housing

Purpose: To provide incentives to developers that encourage the creation of affordable units.

Target balance: Funds required to support the Council approved Housing Affordability Strategy.

Source of funds: Funds transferred in from approved contributions from the City's annual operating budget.

Use of funds: Funds awarded to affordable housing projects that meet program requirements.

Authority/timing: Council approved allocations to the reserve through the annual budget. Use of funds approved by management in accordance with Council direction.

Program Eligibility and Activities

The City of Guelph Affordable Housing Seed Funding Program will assist and support registered and charitable non-profit organizations with predevelopment activities related to the construction of new affordable housing supply or renovation

of existing affordable housing supply that will expedite affordable housing development. Eligible projects include the development of new affordable or below market housing, conversion of non-residential to affordable housing, and renovation of existing affordable housing for the purpose of unit creation.

Eligible seed funding activities include but are not limited to:

- Analysis of need and demand for the proposed project
- Special purpose surveys
- Financial feasibility study
- Business plans
- Professional appraisal
- Site surveys
- Planning fees (for example, rezoning, development agreement costs)
- Preliminary design assistance
- Project viability study
- Environment site assessments
- Geotechnical reports (soil load bearing tests)
- Energy modelling study (cost-benefit analysis)
- Accessibility modelling study (cost-benefit analysis)

Housing Affordability Strategy Alignment

The affordable housing seed funding grant program aligns with the newly adopted Housing Affordability Strategy and specifically action 3.3.1 which is to target and support seed funding opportunities for registered and charitable non-profit organizations. Over the 10-year life span of the Housing Affordability Strategy, a total of 1770 affordable units will need to be created by 2035, and a total of 8,700 affordable housing units by 2051 to meet affordability needs in the city.

Program Intake and Evaluation

Seed funding will be available on a first-come, first-served basis with applications being received on an ongoing basis. The program will provide grants of up to \$25K per proposed development for eligible activities. When the program reaches capacity, and the reserve allocation is exhausted, eligible projects and organizations will be notified and put on a waiting list. Based on program demand and availability of funding, staff may seek Council approval to increase the seed program funding beyond the annual allocated amount of \$100K.

The evaluation of proposals for the grant program will be limited to registered non-profit and charitable organizations in the community. Projects will be evaluated based on housing needs in the City which include form and size, structure type, intended use of grant funding, length of affordability, and alignment with the City's Housing Affordability Strategy.

Affordability and Income Requirements

Affordability will be protected by accepting only registered and charitable non-profit organizations for the seed funding grant program to mitigate risk. The intent of this program is to support projects in the infancy stages of development; therefore, staff will not be monitoring rents of any project should it move forward into the development and rent up stages. The expectation is that affordable rents will be maintained by the organization that receives funding, should the proposed

development move forward, with the expectation that rents will be set by the Province's Affordable Residential Units bulletin for Guelph and remain affordable for a minimum of 25 years.

To ensure that any affordable rental or ownership housing units are made available to low to moderate income households, gross tenant household income targets will be established by provincial data and overseen by the organization who receives the grant. To be eligible, prospective tenants should not exceed the maximum amount of gross annual income per unit size.

Reporting

Program updates and evaluations will take place on a semi-annual basis through the semi-annual housing report. Staff will report back on the number of projects supported, status of projects, as well as recommendations for increased funding from the Affordable Housing Reserve, based on program demand.

Next Steps

Following the approval of the Seed Funding Grant Program, the next step will be to launch a communications campaign to raise awareness about the program with applications anticipated to open in the spring of 2025.

Unlocking Intensification

The City builds, maintains and improves sidewalks, roads, bike lanes, multi-use paths and underground utilities like water and sewer pipes. This work is important to meet the demands of Guelph's growing population and housing needs now and for decades to come.

Recent accomplishments:

- Constructed over 2.5km of growth-related roads, watermains, and sewers, investing over \$20M in growth funding.
- Planned and designed for over 8km of growth-related roads, watermains, and sewers for construction in the next couple of years, representing approximately \$59M in growth funding in construction.
- Planned and designed for water supply and wastewater treatment projects for construction in the next couple of years, representing approximately \$100M in growth funding for construction.
- Completed six City-wide infrastructure planning and policy environmental assessments, which were instrumental for the Development Charges Background Study and the City's capital budget. These included:
 - Transportation MP
 - Stormwater MP
 - Wastewater MP
 - Clair-Maltby Master Environmental Servicing Plan
 - Water Supply Master Plan
 - Wastewater Treatment and Biosolids Master Plan
- Completed project specific environmental assessments, including Gordon Street Improvements (Lowe's to Edinburgh), Wyndham Street EA (Farquhar to Woolwich).
- Ongoing strengthening of community partner relationships.
- Managed stormwater flooding through pond retrofits, ongoing maintenance, etc.

- Complete Street Design Guide to inform road retrofits and reconstructions in support of multi-modal transportation.
- Implementation of 4.95 km of cycling infrastructure to support affordable transportation options.
- Transit service improvements with operating investment of \$1,258K in 2023 and \$1,420K in 2024 along with 4 buses to deliver the Guelph Transit Future Ready Action Plan (GTFRAP).
- Future Transit investments of approximately 91K new transit service hours for remainder of the GTFRAP between 2025 to 2031.

Future work on the 5-year horizon (2025-2029)

- The capital plan identifies infrastructure projects that address both growth and renewal priorities. Highlights are listed below.
 - Over 35 significant growth-related road, cycling, water, wastewater, and stormwater projects investing over \$190M of growth funding, including linear works as well as water supply and wastewater treatment.
 - Up to 8 km of protected cycling infrastructure funded through ICIP to support affordable transportation options on College Ave and Gordon Street.
- Key investment into enabling infrastructure in the Downtown, GID, Clair Maltby, and Dolime, are captured in the Where We're Focusing Growth section above.
- Wastewater Resource Recovery Centre Projects
 - 2025 – Tertiary Plant Expansion
 - 2026 – Plant #2 Expansion
 - 2027 – Preliminary Treatment Expansion
- Water Supply Projects
 - 2026 – Verney Booster Pump Station
 - 2027 – Clythe Water Treatment Plant
 - 2027-2030 – Southwest Guelph Wells
- Growth Plans and Studies
 - 2025 – Cycling Master Plan Update
 - 2025 – City-wide Parking Study
 - 2025 – TDM Action Plan including developer toolkit to support parking reductions

Streamlining Development Approvals

Staff-led efforts to streamline and continuously improve the development application process helps housing reach the market more quickly. The following is progress made in 2024:

- Site plan applications were approved, on average, in 23 days. This is 450 per cent faster than in 2022.
- Zoning applications were approved, on average, in 89 days. This is 130 per cent faster than in 2022.
- Draft Plan of Condominium applications were approved, on average, in 41 days. This is 400 per cent faster than in 2022.

- Condominium registration applications were approved, on average, in 14 days. This is 200 per cent faster than in 2022.

This year, the following work is underway to continue streamlining internal processes for further efficiencies and improvements.

- AMANDA system upgrade and enhancements to automate priority tasks, including Block planning, development application tracking, and Provincial reporting data requirements.
- Digitization of older building permit records to reduce review times.
- On-going development applications timeline tracking to meet or exceed legislative requirements.
- Updates to the heritage properties register to improve accessibility and the user experience.
- Dedicated points of contact for block plan areas, including technical review teams and senior leadership check-ins for faster turnaround time.

Three-unit Process Improvements

The Building Services division has received early feedback from home builders on the City's new, easier process to comply with the Ontario Building Code for the construction of three-unit buildings, which confirms it is saving them both time and money. The process changes are part of this team's ongoing efforts to improve the customer experience and facilitate a housing now culture.

Advocacy

Given the intersecting jurisdiction of housing between all levels of government, the City regularly undertakes advocacy to highlight local issues in Guelph. The focus of the City's advocacy on housing can range from policy changes, regulatory systems and funding barriers impacting the City's efforts to meeting the collective housing goals.

Financing

Funding Development Costs

The construction of housing-enabling infrastructure (water, wastewater, stormwater and roads) is required before development can occur. There are some areas of the City (e.g. downtown) that already have this infrastructure in place, but it is too old or too small (or both) to support planned development. In other areas of the City, there is no infrastructure currently in place (e.g., Clair Maltby), and it is required before development can proceed. Infrastructure investment is a prerequisite for development.

The main source of funding for growth infrastructure is development charges (DCs). DC collections are dependent on building activity (they are collected at the time of building permit issuance), which makes this revenue source more uncertain than other City revenues. As reported in the [Third Quarter Budget Monitoring Report](#), DC collections were at 23 per cent of 2024 budgeted collections through September 2024. Details for the entirety of collections and exemptions in 2024, as well as the year-end balances, will be reported in the year end reserves and debt report in May 2025. With low overall projected reserve fund balances based on an ambitious 10-year capital plan, the capital budget will remain adaptable to actual DC collections. Approximately 27 per cent of the \$2.4B capital budget and forecast

for 2025 to 2034 is DC supported capital spending, and this is in addition to capital projects that were approved in previous capital budgets and are in the process of being executed. If DC collections continue to lag expectations, some growth projects may need to be deferred, and conversely, if they exceed expectations, some growth projects may be able to advance sooner in the capital budget. This is a simple explanation of a complex analysis as capital projects frequently serve both growth and renewal and therefore are funded from multiple sources including DCs (for the growth portion) and property taxes or utility rates (for the renewal portion), and funding capacity is not the only constraint to be considered.

Over the past several years, there has been a significant focus on development charges by upper levels of government, developers' and builders' associations, and academics and economists. This has resulted in numerous legislative changes and a growing conversation in the public forum. These conversations sometimes lack complexity and nuance, and also at times raise valid questions for consideration. What has largely been missing are direct conversations with municipalities about the most effective way to make change, if that is what is desired.

To date, the City's policy principle has been that growth should pay for growth to the maximum extent possible within the development charges legislative framework. That does not have to continue to be the City's approach going forward, but the financial implications of any decision to shift away from that approach must be thoroughly understood. The City's 10-year capital budget and forecast currently contains \$645M in projects funded through development charges, and a reduction in development charges would mean shifting more of the burden on to property tax and utility rate payers, in the absence of another non-municipal funding source.

The extent to which growth does pay for growth is limited by legislated development charge exemptions and discounts, which have grown significantly in recent years. In 2020, development charge exemptions and discounts totaled just over \$4M. In 2024, that figure has grown to over \$15.3M. These costs are borne by property tax and utility rate payers.

Some other municipalities have provided temporary reductions to development charges in an effort to spur building in their communities. Vaughan reduced residential development charges by 50 per cent across the board in late 2024 (with the exception of area specific rates), while Mississauga's Council approved a 50 per cent reduction to their large apartment rate in January 2025, both on a time limited basis. In both cases, the actual reductions will have to be funded by other sources, and the total cost will depend on eligible building activity in the reduction period. Mississauga's motion indicated that grant funding would be used to cover these costs. Vaughan and Mississauga's development charges are both different from Guelph's because they are lower tier municipalities of York Region and Peel Region, respectively, while Guelph is a single tier municipality. Guelph provides all services to the community, while Mississauga and Vaughan provide some services, and others are provided at the regional level. The following chart depicts the services included in Guelph, Vaughan, and Mississauga's development charges and are based on the City-wide DC rates, to illustrate the difference. Vaughan also has area specific rates and they have not been analyzed by Guelph staff.

Table 1: Services included in City development charge

Service	Guelph	Vaughan	Mississauga
Roads	Yes	Partial	Partial
Public works	Yes	Partial	Partial
Transit	Yes		Yes
Fire	Yes	Yes	Yes
Police	Yes		
Parks & rec	Yes	Yes	Yes
Library	Yes	Yes	Yes
Long-term care	Yes		
Public health	Yes		
Ambulance	Yes		
Waste diversion	Yes		
Stormwater	Yes	Yes	Yes
Wastewater	Yes	Partial	
Water	Yes	Partial	
Growth studies	Yes	Partial	Partial
By-law enforcement			Yes

When Vaughan and Mississauga reduced their development charges, it was limited to the City portion of the overall development charge. The regional development charges were not impacted by the reductions. The following table shows the development charge rates for Guelph, Vaughan, and Mississauga, prior to the 50 per cent reductions, based on the large apartment rate. The rates outlined below for Mississauga do not include the Stormwater Management Development Charge, which is charged on a per hectare basis in addition to the rates below.

Table 2: Comparison of Guelph, Vaughan, Mississauga development charges (pre-reduction)

	Guelph	Vaughan	Mississauga
City development charge*	\$40.09	\$58.70	\$38.99
Region development charge	N/A	57.99	55.16
Total City and Region development charge	\$40.09	\$116.69	\$94.15

*Vaughan and Mississauga development charge reductions apply to this portion.

Over the past year, several grant opportunities have been announced by the Provincial and Federal governments to fund growth capital costs. In some cases, upper levels of government have identified reducing development charges as an objective of providing the grant funding. These grants provide valuable support at a time when municipalities across the province are struggling to balance investment in growth infrastructure to meet Housing Pledge targets with growing asset renewal backlogs. They have also provided relief to offset the impact of lagging development charge collections due to lower building activity in the current economic environment. However, these grant offerings are competitive (application based) programs, and do not represent a long-term source of funds that municipalities can rely on and plan for, and the application and reporting processes are resource intensive. If the objective of upper levels of government is to critically examine and change the way that capital costs for growth enabling infrastructure and amenities are funded, competitive grants are not the answer. Long-term, stable and predictable grant programs linked to population growth targets would be a much more effective and efficient approach that municipalities could plan for and factor into development charge rates proactively.

There are significant details reported about the capital grant programs the City has received funding from and/or applied for included in the quarterly budget monitoring reports. The most recent published information about grants can be found in the [Third Quarter Budget Monitoring Report](#). The next update will be provided in the 2024 year-end budget reports, which will be published in May 2025.

Aside from the City's capital infrastructure investment, there are several other ways in which the City financially supports housing on the left side of the housing continuum, including:

- Investment in the Affordable Housing Reserve (119) was increased to \$325K through the 2025 budget confirmation.
- Transfer payments to the County of Wellington for social housing and homelessness support in the City of Guelph. In 2025, the City is budgeted to pay \$28.9M to the County for social housing and homelessness support in our community. This is an increase of \$12.9M from the 2021 budget for social

housing and homelessness costs for the City, or an 80.6 per cent increase over five years.

- Additional community support for homelessness of \$450K for daytime shelter and related supports for those in our community experiencing homelessness, and \$300K for emergency funding for homelessness, mental health and addictions support.

Ongoing Challenges

Appeals

Changes in legislation over the past five years have resulted in a significant increase in appeals made by the development community, appeals frequently end in settlements that result in compromises to what the development would have delivered. Numerous appeals to the 2023 Comprehensive Zoning By-law, secondary plans, and development applications have created delays in efficiently managing growth and facilitating much-needed housing supply. Appeal processes are time-consuming, sometimes lasting up to a year or more, and significantly impact staff resources. They also divert critical funding from building infrastructure and staff capacity from processing housing applications because it is spent on legal processes.

Ongoing appeals present challenges in implementing enabling policies to support increased housing supply. For example, the 2023 Comprehensive Zoning By-law streamlined the development review process and included updated additional dwelling unit policies to reflect Bill 23, pre-zoning of lands for maximum height and density, increased residential density permissions, and reduced parking requirements in some areas. It has received 16 appeals – one that applies to specific provisions City-wide and 15 that are considered site-specific. At this time, three site-specific appeals have been resolved and the City-wide appeal has been scoped to bring some portions of the 2023 Comprehensive Zoning By-law into effect, but many regulations related to medium and high density residential development remain under appeal. The effect of these appeals is to force small developments to seek variances in order to unlock those permissions, or else to delay some developments supported under the CZBL regulations from being undertaken at all.

The Clair-Maltby Secondary Plan (OPA 79), approved by Council in May 2021, had 10 appeals filed against it from developers and the Township of Puslinch. An agreement was reached through the Ontario Land Tribunal (OLT) mediation process on March 6, 2024.

A number of site-specific appeals have contributed to setbacks to housing development, for example, 660 units tied up in the Silvercreek Lands appeal, which has been underway for about a year now.

The former International Malleable Iron Company (IMICO) 13-acre property located at 200 Beverley Street. It is a former industrial-use site that has been vacant for decades, which the City has owned since 1997. A provincially issued Certificate of Property Use (CPU) was issued in April 2022 that would allow a change of use to permit residential, commercial and institutional uses as long as risk management measures as identified in the completed risk assessment were implemented. The CPU was appealed in May 2022 and the Ontario Land Tribunal (OLT) upheld the

decision but not until January 2024, and further efforts to seek an appeal/reconsideration were not resolved until the summer of 2024.

A summary of the appeals underway this year, include:

- Three heritage appeals
- Six property-specific appeals
- The Comprehensive Zoning By-law appeal, which includes several appeals.

In 2024, the following appeals were completed:

- The Clair Maltby Second Plan appeals
- 785 Gordon appeal
- 75 Dublin North appeal
- 78-82 Eastview appeal
- 200 Beverley appeal
- 140 Hadati appeal
- Three site-specific appeals from the Comprehensive Zoning By-law as well as a motion bringing the by-law, as a whole, into partial effect.
- One heritage appeal
- One parkland dedication appeal
- One appeal challenging a provincially issued CPU on City-owned land (200 Beverley)

Recruitment

A trend reported in the City's quarterly budget monitoring is that staff vacancies continue to produce budget savings due to recruitment challenges in a variety of departments, notably in Engineering and Transportation Services, Planning and Building Services as well as Legal Services. The current labour market and competitive compensation impact the organization's ability to attract and retain staff.

Legislated Changes

There have been numerous sweeping legislative changes over the past few years. These changes include significant revisions to the Provincial Policy Statement (PPS), and several Bills, with over 30 pieces of legislation affecting housing since the current provincial government took office. While many of these legislative changes aim to increase housing supply they have been developed without substantial partnership and/or consultation from the municipal sector and these changes have had municipalities wrestling with a plethora of new processes, expedited timelines, cost and resource pressures, rework of budgets, plans and master plans. City staff are struggling with existing staff resources to properly coordinate and respond to the legislative changes, which can cause delays in delivery of other important work.

The following are examples of recent legislative changes affecting housing:

Changes as a result of Bill 108, More Homes, More Choice Act, 2019, were intended to shorten approvals, encourage the building of a variety of housing types, and provide more clarity for how development levies are calculated. Several of the changes to the Planning Act and Development Charges Act created challenges to the City's ability to meet its community needs for parkland, affordable housing and other community benefits.

Bill 23, the More Homes Built Faster Act, 2022, introduced municipal housing targets based on population size and growth, with the City being assigned 18K units

by 2031. To meet this target the Bill reduced development charges, parkland dedication fees and community benefits charges, reducing the amount of revenue municipalities can collect at the time of development to cover the capital costs needed to support growth. Exemptions and discounts from development charges and parkland dedication fees have left a significant gap in revenues that need to be funded from other sources. The City has taken a long-term approach to phasing in tax and rate supported funding for these exemptions, and competitive grant opportunities have also provided support however, not long-term, stable funding that the City can plan for. Some of the Bill 23 impacts were reversed through subsequent legislation (development charges mandatory phase-in and ineligibility of growth studies were both reversed through Bill 185). Bill 185 also nullified the Payment in Lieu of Off-street Parking Policy; an example of the City investing resources into something that could have been invested elsewhere.

Bill 109, More Homes for Everyone Act, 2022, aimed to address housing shortages by mandating municipalities to expediate approvals to build homes faster. This included development application fee refunds where decisions are not made within legislative timeframes. As a result of these changes, the City has had to significantly adjust existing work processes and resources available for reviewing planning and development applications and Ontario Land Tribunal (OLT) appeals. Outcomes have included funding for additional staff and adjustments to the development application fee structure. The adjustments help mitigate the effects of potential refunds under Bill 109 and avoid any tax levy impacts.

The Provincial Planning Statement (PPS), 2024, included significant revisions to Ontario's current land use planning policy framework, aiming to streamline the framework through the merging of the PPS and A Place to Grow: Growth Plan for the Greater Golden Horseshoe. The revised PPS intends to support the development of housing by providing municipalities with greater flexibility and control over how, where, and when to grow. Changes have included direct downloading of population growth forecasting from the Province to the City, the ability for municipalities to consider settlement expansions outside of a comprehensive review and removing mandatory intensification and density targets outside of SGAs and Major Transit Station Areas. Long-term implications of the policy revisions present challenges with respect to coordinating growth and infrastructure planning. For instance, the revised PPS emphasizes the need to make more land available for residential uses though the City has already identified sufficient supply through the Growth Management Strategy. Also, there is risk with the elimination of the provincial targets and certain planning policies that long-term financial planning will become uncoordinated and more difficult to align. It is also expected that infrastructure investment will increasingly become the key control mechanism for the pace and location of growth within the City as certain planning policies are relaxed.

Bill 185, also known as the Cutting Red Tape to Build More Homes Act, 2024, is part of the Province's ongoing commitment to speeding up government processes and building at least 1.5M homes by 2031.

Staff have initiated the Bill 185 Impact Assessment Program to review the policy, operational and financial impacts on the affected municipal services and departments. This program serves as a strategic coordination effort across the organization, ensuring legislative changes are effectively communicated to stakeholders. This Bill's various legislative changes are outlined below:

Expiry of Frozen Rates

Prior to Bill 185, the development charge rate freeze applied as long as building permits were pulled (and relevant development charges were paid) within the prescribed amount of time, which was set by the Province at two years from the approval of the relevant planning application. Bill 185 reduces the prescribed amount of time to 18 months.

Under Bill 185, the City has the option to reduce the rate freeze expiry timeline which must follow the Development Charges (DC) Act by-law amendment process. City staff intend to update the Development Charges by-law to reflect Bill 185 provisions as this will incentivize developers to move faster on their planning applications to continue receiving the locked-in rate. The timeline for this update has not been established at this time.

Restriction on Parking in Protected Major Transit Station Areas (MTSA)

As part of Bill 185 provisions, official plans and zoning by-laws can no longer contain any policy or regulation that has the effect of requiring an owner or occupant of a building or structure to provide and maintain parking facilities, other than parking facilities for bicycles, on land that is not part of a highway and that is located within a protected major transit station area (MTSA). Downtown Guelph Secondary Plan area is defined by the Province as a MTSA.

The City's 2023 Downtown Parking Master Plan previously proposed an amendment to the Zoning By-law to reduce parking requirements, as well as introducing a Payment-in-Lieu policy. The City can no longer apply its [Payment-in-Lieu program](#) in the Downtown. This program would have given development the option to reduce parking below the Zoning requirements in exchange for committing to Transportation Demand Management (TDM) measures and a cash payment towards building public parking.

Staff are reviewing the 2023 Downtown Parking Master Plan to report back on key financial, infrastructure and policy implications and recommended next steps.

Municipal Act Changes – Development of Use it or Lose it By-law

As Guelph continues to grow, additional rigor is needed to manage the finite Water and Wastewater servicing capacity of these important municipal utilities. Bill 185 made changes to the Municipal Act which permits municipalities to pass by-laws for the allocation of water and sewage servicing capacity. The by-laws can set out criteria respecting the allocation of water supply and sewage capacity to development applications, and also criteria to determine the circumstances for when the allocation is withdrawn or reallocated (if previously withdrawn from an approved development).

Staff are developing a Use it or Lose it policy and to assess the operational and financial impacts of the policy. The scope of work will include a public engagement program to solicit feedback on the servicing policy in advance of being brought before Council for decision.

Water/Wastewater Capacity Tracking Tool and Process

Consistent with Use it or Lose it provisions of Bill 185, staff are developing a Water and Wastewater Capacity tracking tool to support a coordinated process to allocate and best manage available water and wastewater plant servicing. This work will involve confirming capacity servicing needs early in the planning and building

process with customers to ensure the City responsibly supports housing and manages necessary investments for growth. Further, it will define corporate processes for the refusal of new applications if sufficient servicing capacity is not available to support the proposed development proposal. The scope of this program will also include the development of new processes to formally engage proponents on servicing capacity needs at the time of application/initial consultation, the development of new servicing capacity allocation tracking digital models, as well as the development of standard operating procedures and external facing communications to ensure awareness of and consistency in practice of new processes to be delivered.

Lapsing Provisions

Bill 185 enables municipalities to impose lapsing provisions on site plans and draft plans of subdivision if a building permit is not issued within a prescribed period of time, which (until there is a regulation setting out time frames) can be no less than three years. Imposing this type of lapsing provision would be new for site plan approvals. The City currently does attach lapsing conditions to draft plan of subdivision approvals. The extent of this work would be to prepare an amendment to the Site Plan Control By-law to reflect this change and allow for expiration of site plans. The change for draft subdivision plan approvals is now mandatory. The intent of this work plan is to address any stalled developments that can limit progress in meeting housing targets.

Municipal Act Changes – Use of Bonusing

Under Bill 185 legislation, the minister is given the power to make regulations permitting a municipality to grant assistance (an exemption from the anti-bonusing provisions) to a specified business or industrial or commercial enterprise.

Staff are reviewing the legislation and its potential implications and will be developing a corporate position.

Provincial Planning Statement 2024 (PPS 2024)

The finalization of the Provincial Planning Statement (PPS) concludes a process to streamline and combine the 2020 Provincial Policy Statement and 2019 Growth Plan for the Greater Golden Horseshoe. The new PPS 2024 was released in August 2024 and came into effect on October 20, 2024, and applies to all decisions related to planning matters made on or after that date. As of October 20, 2024, planning decisions shall be consistent with the PPS 2024, even where official plan or planning instruments have not been updated.

Generally, the PPS 2024 places greater emphasis on building homes and associated infrastructure to support the Province's goal of building 1.5M homes by 2031. The PPS 2024 has more permissive policies for accommodating housing and softened policies related to climate change and transit-supportive development. These changes are in addition to changes from Bill 23, the More Homes Built Faster Act, 2022, that led to Provincially assigned 'Housing Pledge' numbers (Bill 23 housing targets) that have drastically accelerated demands on housing enabling infrastructure.

The new PPS will be implemented through one or more amendments to the City's Official Plan. Until those amendments have been completed, it will be necessary to interpret consistency/conformity with both policy documents. Staff will conduct a

detailed review to determine which Official Plan policies can be retained and those which will need to be reconsidered and revised to be consistent with the new PPS.

Ability to Appeal Settlement Area Boundary Expansions

Applications for official plan and zoning by-law amendments that propose to add land to an area of settlement can now be appealed to the Tribunal, provided none of the land proposed to be added is in the Greenbelt.

This change is likely to increase speculation of a settlement area and encroachment on the surrounding area's agricultural land base, Agricultural System and Natural Heritage System. Staff will continue to review the impact of this component.

Requests to Amend OP Policies in Protected Major Transit Station Areas (MTSA)

While most applications to amend official plan policies in MTSA's are not allowed, an exception has been created that allows applications to amend the authorized uses of land in the MTSA.

As the City continues to respond in a timely and coordinated fashion to new or changing legislation, it is important to note that there has been no consistency in the Province's approach to legislative changes over the last number of years, which impedes municipal stability. Municipalities need reliable revenue streams to develop growth business plans. The City has provided comments in response to open consultations related to numerous bills, coordinated meetings with Ministers, and have sent letters to the Province to advocate for increased legislative flexibility, and clarifications and considerations to ensure that municipalities have the tools to implement the proposed legislation consistently and fairly and to fund financial gaps resulting from legislation changes. Despite the challenges, the City has been able to pivot and remain resilient. City staff are highly engaged on legislative matters and will continue to provide comments when the opportunities arise.

More Updates and Progress Reporting

The City publishes a variety of reports and content on guelph.ca throughout the year that offer more in-depth information on housing topics. Keep-up-to date with the following:

Building Services Monthly Permit Report

Monthly [statistics report](#) on permit types, the number issued, permit revenue and more.

Municipal Planning Data

Quarterly planning application data, including processing timelines, required by the Ministry of Municipal Affairs and Housing as per Regulation 73/23. This information was previously provided as an information report, as of April 2025 it will be available on guelph.ca.

Budget Monitoring

May, September and December

Quarterly operating budget variance positions and capital spending, adjustments and milestones.

Future Guelph Annual Performance Report

July, 2025

Annual update on the projects and key performance indicators within the Future Guelph strategic plan.

Growth Monitoring Report

Q3/Q4, 2025

Annual achievement of growth management objectives and affordable housing targets; and sets affordable rent/ownership benchmark prices for 2025.

Next Semi-annual Housing Report

Q4, 2025

Consolidated update on the progress of the City's key projects that support housing in our community.

Financial Implications

This report is intended to provide a comprehensive semi-annual update on work related to advancing housing in Guelph. Financial implications outlined in these semi-annual reports will be limited to new policies or programs recommended for Council approval. There is one such recommendation in this report.

The Affordable Housing Seed Funding Grant Program is proposed for Council approval through this report, and, if approved, would commit up to \$100K in funds from the Affordable Housing Reserve (119) annually. The Affordable Housing Reserve (119) has an available balance of \$500K in 2025 prior to this commitment.

Other updates included in this report do not have direct financial implications.

Consultations and Engagement

The City's internal Housing Enabling Strategy Team and subject matter experts across City departments were consulted and provided information to this report.

Attachments

Attachment-1 Quarterly Provincial Data Report (Q4, 2024)

Attachment-2 Housing in Guelph Semi-Annual Update Q1, 2025 Presentation

Departmental Approval

None

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