



Municipal Housing Pledge

November 2023

Kawartha Lakes
Jump In



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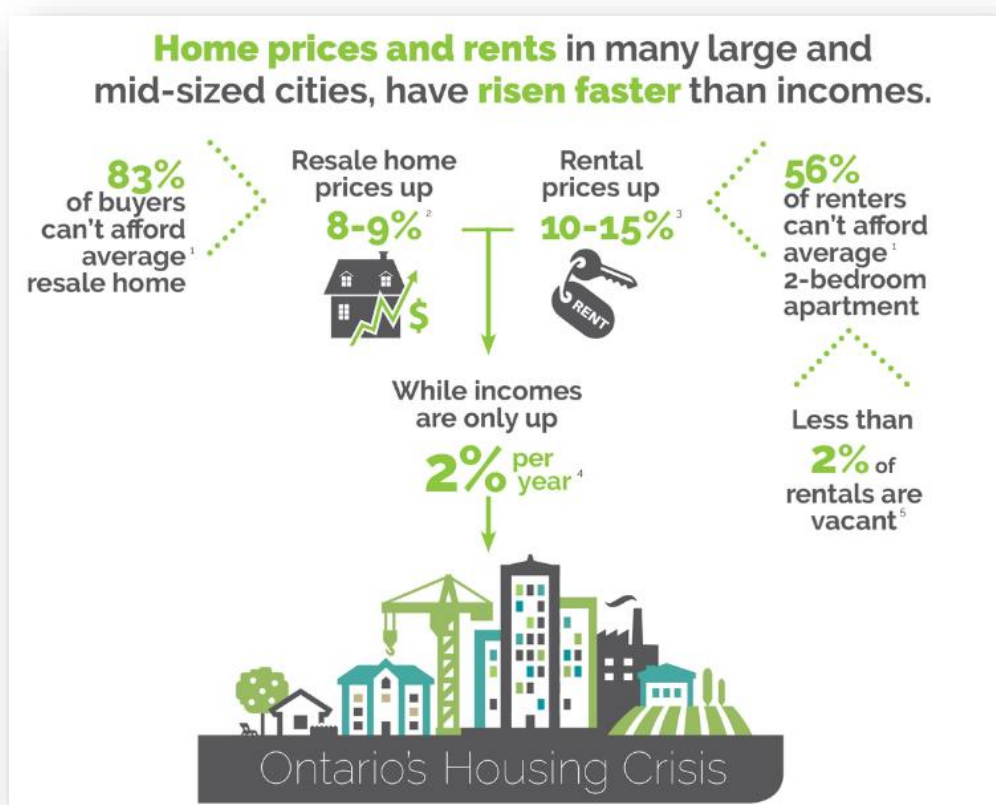
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Introduction

The global housing crisis is marked by a stark disconnect between soaring demand and limited supply, compounded over the past five years by stagnant household incomes, significant inflation and supply chain bottlenecks.

Ontario launched the 'More Homes, More Choice: Ontario's Housing Supply Action Plan' (2019), striving for homes that meet the needs and budgets of all Ontarians. The accompanying graphic illustrates the persistent housing crisis, intensified in 2023 by the intersection of four years and a global pandemic. Urgent, collaborative efforts are needed to address the evolving housing needs of our communities.



Source: More Homes, More Choice: Ontario's Housing Supply Action Plan (2019).

Ontario's Action Plan establishes the goal of building 1.5 million homes by 2031 to tackle the housing supply crisis in Ontario.

Ontario has established a housing supply target in Kawartha Lakes of 6500 new housing units by 2031. The City has committed to work to achieve this target locally.

The City of Kawartha Lakes agrees with the federal and the provincial governments that there is a housing crisis and understands the City can play a vital role as a partner in working towards solving the housing crisis. Ensuring everyone has a place to live is a collective priority and accountability.

Locally, the housing crisis has undeniably taken a toll on residents within the City of Kawartha Lakes, particularly affecting those with moderate to lower household income levels. Affordability becomes a significant hurdle for these individuals, compounded by extremely limited resources, placing them among the most vulnerable members of society. The challenge of securing housing is exacerbated by low vacancy rates, restricted housing stock, and an insufficient variety of housing options. As a result, finding a suitable place to live becomes a formidable struggle for many in our community. Addressing this pressing issue requires thoughtful and targeted efforts to enhance housing accessibility and affordability for all residents.

The City, as laid out in this pledge is committed to forward thinking and looking at every option or initiative to innovate, integrate and enable housing development across the continuum of housing to meet the needs today, along with the projected growth to 2031 and beyond.

Strategies and Actions Aligned to Kawartha Lakes Vision

The City of Kawartha Lakes has an established Mission, Vision and Values embedded within the Strategic Plan (2019 – 2023) which grounds and guides our service delivery across our expansive community.

The Plan recognizes our role as a community-builder, and our commitment to delivering municipal-wide programs to meet the needs of the public today and into the future. Our vision of **'Thriving and growing communities within a healthy and natural environment'** sets the foundation for achieving the Housing Target by 2031 in collaboration with the province, and our many collective stakeholders locally. Our mission establishes the means to which we will strive towards achieving the target to enable us **'To deliver the highest standard of municipal services while creating a healthy and sustainable future for all Kawartha Lakes residents and businesses'**.

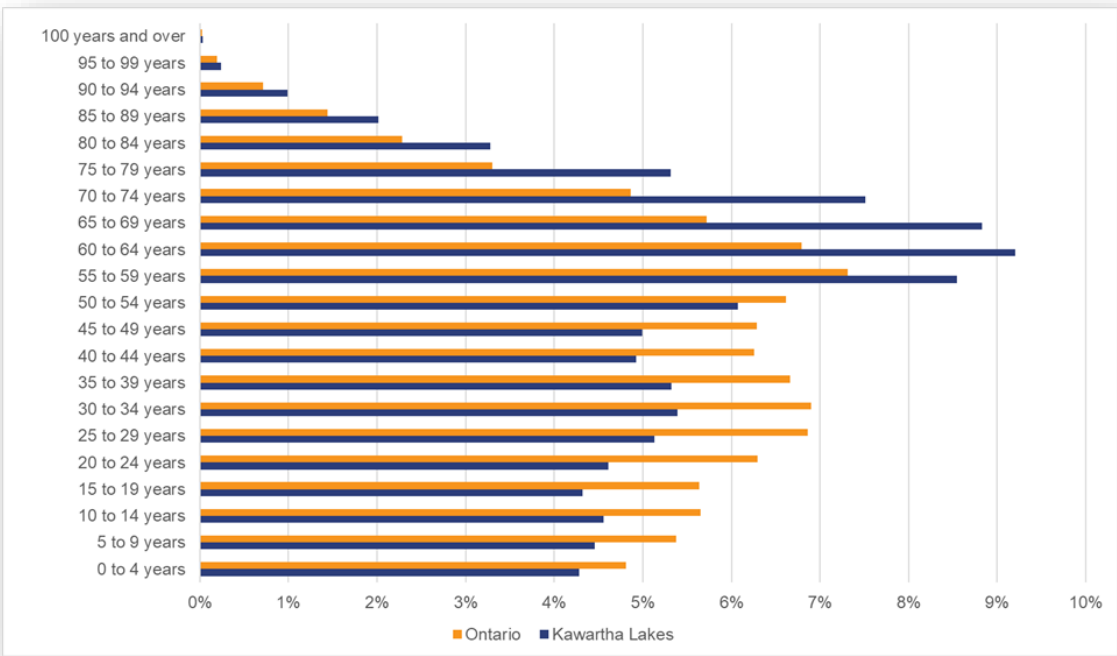


The City of Kawartha Lakes is distinctive, as it is the second largest geographic municipality in Ontario, and is a single tier municipality. This warrants all municipal services to be under the direction of Council.

The total population, based on the 2021 census is 79,247. The urban settlement areas within the municipality are the communities of Lindsay (population: 22,367), Bobcaygeon (population: 3,576), Fenelon Falls (population: 2,490), and Omemee (population: 1,060). From the 2021 census, the total land area of the City is 3,033.66 square kilometres (1,171.30 square miles) which equates to a population density of 26.1 square kilometres (67.7 square miles).

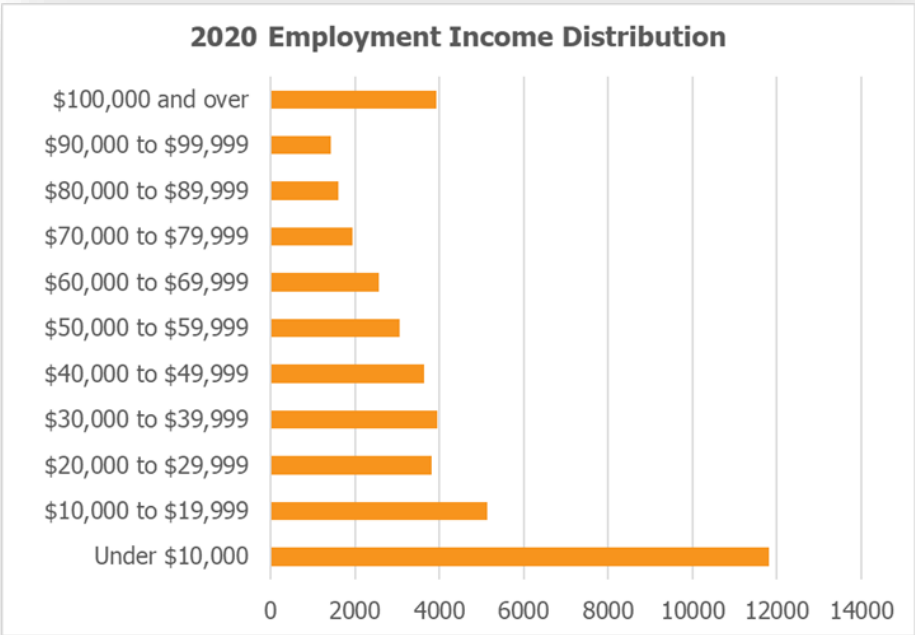
From the previous census (2016), the City saw a 5.1% total population growth rate to that recorded in 2021. There are fewer 0 – 54 year olds when compared to the province and on the contrary, more individuals 55 years and older than the province. Two main cohorts that noted increases since 2016 included a 6% increase in the 0 - 14 year olds and a 17% increase in those 65 years and older, however no change in the 15 – 64 age range. Included with the increase in total population, the City also saw a 5.4% growth rate due to immigration between 2016 and 2021, from 5,785 to 6,100 individuals. While newcomers only make up 8% of the total population, consideration is given to the growing population the City will see between now and 2031.

City of Kawartha Lakes Population compared to the Province:



Source: Statistics Canada. 2022. Census Profile. 2021 Census

Reviewing the employment income distribution across Kawartha Lakes from 2020, the median income of \$39,200 indicates that 50% of the population has an income greater than the median, and the remaining 50% lower than the median. The median income grew by 21.4% from 2015 to 2020, closely mirroring the provincial growth of 22.8%. The correlation between household incomes and housing development is evident, influencing the type and density required. This correlation aligns with both federal and provincial strategies, emphasizing the importance of ensuring that housing is not only accessible and affordable but also tailored to meet the diverse needs of the population, fostering inclusivity and sustainability.



Source: Statistics Canada. 2022. Census Profile. 2021 Census.

This Housing Pledge outlines the strategies and actions that the City will take to accelerate housing development, across the spectrum of need and income levels. The Pledge sets out a Municipal Housing Target to 2031, and the strategies and actions needed to realize and accelerate housing development. This Pledge identifies the tools and strategies needed to achieve their housing targets. Pledges may include, but are not limited to, priorities for site-specific planning decisions to expedite housing in priority areas, plans to streamline the development approval process, commitments to plan, fund and build critical infrastructure to support housing, and strategies to use municipal surplus lands.

Municipal Housing Target

The next eight years, 2023 to 2031, is the given time frame in which the City has committed to achieving the target of 6,500 new housing units.

Under the Provincial Building Faster Fund program, it is expected that the City will achieve annual housing targets for the next three years. Targets are determined by taking the municipality’s proportion of the overall provincial 1.5 million home goal and applying that proportion against province-wide annual targets over the next three years. The City’s proportion is approximately less than 1% of the province’s 110,000 new housing starts (2023), 125,000 new housing starts (2024), and 150,000 new housing starts (2025). For Kawartha Lakes, this means 477, 542, and 650 new housing starts, respectively.

Kawartha Lakes Targets 2023 - 2025

Year	Number of starts
2023	477
2024	542
2025	650

Financial Strategies

Capital Projects to Support Growth

The need for affordable and attainable housing supply is being incorporated into the City's ongoing update of the Long-Term Financial Plan (LTFP) and its development of the complimentary Debenture Strategy. The City is working on several initiatives to support the financial strategy needed to prepare for the imminent and extensive growth anticipated within the City. Several major capital projects will be required to service this growth, including growth arising from recently approved Ministry Zoning Orders (MZOs), and these projects will in turn place considerable financial obligations upon the City. The principle of "Growth Pays for Growth" will guide future Plans and cost-recovery tools.

Development Charges Synced with Master Plans and Strategies

To aid in meeting these obligations, the City will rescind the 2019 Development Charges (DC) Assistance Policy and advance the collection of DCs for hard services (roads, storm water, water and wastewater) from time of building permit issuance to time of development agreement execution. By improving the City's cash flow and ability to service debt issued for major growth-related capital projects, these measures will place the City in a stronger financial position to facilitate and even accelerate development and growth. The next DC background study and policy, which are expected to be approved by Q1 of 2025 (as the current DC by-law expires on April 1, 2025), will reflect these measures. They will also reflect the Growth Management Strategy, Transportation Master Plan and Water-Wastewater Master Plan, which are well underway.

Mitigating the Effects of Bill 23

In concert with the foregoing initiatives, the City is exploring options for mitigating the reductions to DC revenue arising from Bill 23 such as (but not limited to):

- Removal of Housing Services as an eligible Service (estimated \$2.3 million loss over 10 years)
- Removal of studies as a DC eligible cost (estimated \$4.7 million over 10 years)
- 15-year historical level of service assessment and Removal of 10% statutory deduction (estimated \$0.8 million over 10 years)
- Mandatory phase in of DC by-laws passed after January 1, 2022 (estimated \$10.1 million over 10 years)
- Statutory exemptions for affordable housing and DC reductions for rental housing development (estimated \$44.3 million over 10 years)

Alternate Fee and Tax Strategies

The City is considering potential enhancements to fees and charges. The City is awaiting announcements of new financial aid from senior levels of government, specifically in connection with the Build Faster Fund, to assist the City with the significant financial investments required to support and accelerate development. Such assistance, once announced and committed to, will be

incorporated into the LTFP and integrated with other measures aimed at achieving the City's housing development targets.

As growth continues, the City will need to build into its annual budget process the foreseeable operational impacts, asset management needs, and the required staffing resource capacity to align with the growth strategy, the LTFP and the Debenture Strategy.

Pursuit of Grants

The City will pursue supportive grants from upper levels of government and other sources to support critical infrastructure, and particularly to apply to municipal costs that cannot be recovered through established cost-recovery tools. For example, modernization review grants could provide relief to enable a software solution to provide for a citizen portal, track growth and required approval processes and status updates therein.

The existing taxpayer should not be overburdened with costs solely benefitting future growth. To the extent feasible, growth should pay for growth and not be tax base subsidized.

Anticipated Development

The City is anticipating new residential development through units in “active applications”, those being units that are under review, draft approved or final approved through development applications; and, through units subject to Ministerial Zoning Orders (MZO). There are 7,140 units in active applications, and a further 10,590 units resulting from MZOs.



It will be critical to ensure that infrastructure is able to support the growth from the MZOs, current committed approved units, and those waiting to be approved. Direct investments will be needed to build the homes including upgrading water and wastewater capacity, managing stormwater and ensuring adequate road and bridge capacity. Other infrastructure, such as schools and hospitals, will also need upgrades and/or expansion as the population of Kawartha Lakes increases.

The City will continue to leverage conditional planning approvals in order to achieve a variety of housing typologies, densities and affordability.

The Minister cannot impose MZOs with conditions. Kawartha Lakes has, and will continue to, require executed Framework Agreements with landowners to guide this future development, maintain required community and stakeholder consultation, and achieve local priority and objectives, with a commitment to a contribution of “community benefits”.

Integrated Planning Approach

The City has a number of fundamental Plans in process to guide the overall growth program to 2051 and to support the Housing Pledge over the next eight years. These plans are not only connected to the growth and development underway, but also the ongoing municipal operations and services supporting residents and businesses within the City of Kawartha Lakes.

Kawartha Lakes Strategic Plan 2020-2023

The City's Strategic Plan guides the direction of our community and organization over the next four years, and is the direct result of collaboration with members of the public, partners, staff and Council in a variety of formats. Currently the Plan centres on four strategic priorities and guides our service delivery:

- A healthy environment
- An exceptional quality of life
- A vibrant and growing economy
- Good government

High level progress indicators have been identified for each Strategic Priority Area, to be monitored throughout the life of the plan. Two indicators relate directly to housing for an exceptional quality of life, and include 1) progress on meeting Affordable Housing targets, and 2) continuing to encourage mixed development, with a focus on affordable, attainable and purpose built housing.

Given the changing environment and the horizon of the current City's Strategic Plan coming to an end (2023), Council, senior leadership and staff through inputs of various stakeholders are in the midst of refreshing and updating a new four-year plan commencing early in 2024. The new Strategic Plan (2024 – 2027) will embody the current and future state of the growing needs of our dynamic community including residents, business owners and community partners.

Growth Management Strategy

The forecasted growth for the City is 117,000 people and 39,000 jobs by 2051. Our Growth Management Strategy (GMS) will provide the technical analysis and evaluations necessary to determine where and how forecasted population and employment growth will be accommodated in the City over the next three decades. This analysis is undertaken within the framework of Ontario's Provincial Policy Statement (2020) and the Growth Plan for the Greater Golden Horseshoe (2019).

This strategy will set the future land needs and policy recommendations to plan for the City's growth, and coordinate infrastructure investment resulting in lower costs and efficient build out. The GMS recognizes that population growth and associated urban growth pressures across the City are largely controlled by broader macro-economic forces (e.g. provincial and regional job growth, federal immigration policies, regional migration patterns from elsewhere in Ontario, other considerations specific to the construction industry and increasing interest rates and inflation).

Planning policies aimed at influencing how and where growth or change occurs are key to implementation of a successful growth management strategy. Such planning policies are required to ensure that the City continues to mature and evolve, and this process occurs in a financially, environmentally, and socioeconomically sustainable manner. The City's growth management policies will aim to build complete communities, enhance livability and economic prosperity, while protecting what is important to residents and local businesses.

The Plan is set for completion in 2024.

Water and Wastewater Servicing and Capacity Master Plan

This Master Plan has been initiated to identify the existing servicing constraints and provide a long-term water and wastewater servicing strategy that supports existing communities and growth to 2051 and beyond (ultimate buildout). The study will conform to provincial policies and legislation, Official Plan, Growth Management Strategy and other existing and ongoing planning initiatives.

This study is being conducted in accordance with the requirements of Phases 1 and 2 of the Municipal Class Environmental Assessment, which is an approved process under the Environmental Assessment Act.

In Phase 1, past master planning works, and existing support documentations will be reviewed. The existing and future servicing constraints will be identified.

In Phase 2, various long-term servicing alternatives will be developed to address any existing or potential long-term servicing constraints identified in Phase 1. A preferred alternative to be able to best support planned growth will be determined.

The Plan is set for completion in 2025.

City Council will be considering environmental assessments with the intention of proceeding with critical infrastructure works starting in Lindsay to support and accommodate the majority of growth.

Transportation and Active Transportation Master Plans

The Transportation Master Plan (TMP) and the Active Transportation Master Plan (ATMP) have been initiated to strategically prepare for this growth and enhance the City's existing road-based transportation and develop our active transportation network. The TMP and ATMP are strategic policy documents that will serve as a road map for short-range, medium-range, and long-range transportation infrastructure investments, as well as multi-modal and active transportation planning to meet the demands up to the 2051 horizon year. The goal is to optimize existing infrastructure and adopt sustainable practices for accommodating new development, aligned with the city's Growth Management Strategy. The plan will guide how we:

- Develop our roadways
- Coordinate infrastructure improvements with land uses
- Provide sustainable, multi-modal transportation facilities, and services to ensure enhanced mobility, accessibility and connectivity

- Enhance the City's road network to include active transportation opportunities
- Provide more active transportation connectivity with the City's trail network
- Respond to future growth and demand on our transportation network

The TMP update will be developed in accordance with the Provincial Environmental Assessment (EA) Act, following the new Municipal Class Environmental Assessment (MCEA) Master Planning process. The TMP will cover Phase 1, Problem and Opportunity, and Phase 2, Alternative Solutions, of the MCEA process and facilitate streamlining and implementation of recommended capital works.

The ATMP will assist with comprehensive decision-making for the implementation of active transportation opportunities within existing and new roadways and providing new linkages with the City's trail network. The Plan will identify infrastructure priorities together with a phasing plan for all proposed works and costing plans.

The ATMP is set for completion in 2024 while the TMP is set for completion in 2025.

Strategic Community Improvement Plan

Community Improvement Plans (CIP) are a popular implementation tool for municipalities to fulfil strategies and policies around maintenance, rehabilitation and redevelopment for targeted areas. The City of Kawartha Lakes Strategic Community Improvement Plan was prepared in 2018 to provide a variety of financial incentive programs to business and property owners to encourage and support economic development and affordable housing in alignment with the City's strategic priorities over a 10-year period.

As it relates to housing, the City's CIP is aimed at affordable rental housing retrofits in mixed-use buildings through a variety of financial incentive programs, including loans, grants and tax assistance in the form of rebates.

10-Year Housing and Homelessness Plan

The current Housing and Homelessness Plan (HHP), as well as the Affordable Housing Targets within this plan, is currently in place from 2020-2029. During 2024 the HHP will be refreshed and updated to reflect current needs and reasonable affordable housing targets, given the current realities of the economy.

The City of Kawartha Lakes is well-positioned and working collaboratively within a broader strategy for Housing Development and Growth Management, where Affordable Housing is a means and approach on the overall continuum of housing needs to meet our community's needs.

Plans to Meet the Growing Needs of our Population

The plans outlined previously are integrally linked and are imperative to sustain and evolve over time as growth and development occur within the City. It is acknowledged that having the City's population grow to 117,000 by 2051 (next 28 years), foresight is critical at the same time to manage, monitor, invest and project the programs and services needed that a dynamic and vibrant population requires in order to live a quality lifestyle.

Municipal planning, inclusive of the well-being and health of the population will be top of mind moving forward. This will involve the projection and planning to meet the societal, economic, educational, employment, environmental, health, justice and recreational and leisure needs of the greater population.

The municipality has aligned and adopted the following plans that interface with the health and well-being of our population: 10-year Fire Master Plan (2022 – 2032); 10-year Paramedic Services Master Plan (2023 – 2033); 20-year Trails Master Plan (2023 – 2043); Active Transportation Master Plan (2024); Community Safety and Well-Being Plan (2022 – 2025); Municipal Accessibility Plan (2018 – 2023); Victoria Manor Long-Term Care Master Plan (2023 – 2035); 5-year Kawartha Lakes Police Services Strategic Plan (2022 – 2025); and more.

Looking forward to 2024, the following Plans will be updated and revised to be reflective of the significant growth and demand for services, including: 5-year Children’s Services Plan (2024 – 2028); 5-year Social Assistance Ontario Works Service Plan (2024 – 2028); 10-year Capital Plan Kawartha Lakes Haliburton Housing Corporation Plan; Parks and Recreation Strategic Plan (2024); Library Master Plan (2024); Healthy Environment Plan (2024); 5-year Transit Master Plan; Integrated Waste Management Strategy (2024); and, the Economic Development Strategy, and the Downtown Revitalization Plans (continue in 2024).

Affordable Housing

Kawartha Lakes is positioned well to meet the Housing Pledge with its current and planned development interest. It is acknowledged and understood within the City that simply meeting the Housing Pledge, in absence of building true affordable rental housing, will only continue to exacerbate the affordable housing crisis. Without plans to ensure the development of truly affordable housing, the anticipated development activity will only produce housing that is affordable for the top 10% of our ownership households in Kawartha Lakes, as outlined in Table 1.

Table 1: Ownership household incomes and corresponding affordable purchase price

30 th Income Percentile	30 th Percentile Affordable Home- ownership	50 th Income Percentile	50 th Percentile Affordable Home- ownership	90 th Income Percentile	90 th Percentile Affordable Home- ownership
\$60,100	\$206,800	\$90,600	\$311,700	\$203,300	\$699,400

Provincial Policy Statement – Housing Table, Table 1: All households’ incomes and affordable house prices, 2022

Kawartha Lakes is committed to establishing **income-based affordability targets** within the municipal Housing Pledge to ensure that deeply affordable units of various types and tenure are delivered; such as a requirement that all new development contributes towards truly¹ affordable housing, in addition to any additional residential units that may naturally be created within new housing developments.

In 2019 the City of Kawartha Lakes Council adopted the refreshed 10 Year Housing and Homelessness Plan. The HPP includes various objectives to address affordable housing and to

¹ Truly affordable housing (for renter households) – is where a household’s rent costs do not exceed 30% of gross income or maximum shelter, if on social assistance. Truly affordable housing, based on the above criteria, should be available to meet the needs of all households, including those with incomes from the 10%-60% income percentile (both low and moderate income households) for Kawartha Lakes renter households. Ideally, many of the new truly affordable rental units made available to households with the lowest incomes, should have naturally low rents that don’t rely on a costly monthly rent subsidy.

Truly affordable housing (for ownership households) – is where a household’s housing costs do not exceed 30% of gross income. Ensuring that affordable ownership options are available for households with incomes at least at the 60% income percentile (and higher), is a key strategy to ensure vibrant communities.

support homelessness prevention initiatives between the years of 2020-2029. Within the HHP, Kawartha Lakes for the first time established Affordable Housing Targets for rental housing. The adopted Affordable Housing Target aimed to have 1,280 units of affordable rental housing, including 790 units of deeply affordable rental housing, created by 2029 in order to meet the affordable housing needs of both low and middle-income households.

As of November 2023, only 35 new affordable housing units have been achieved, resulting in 1,245 affordable housing units still to be achieved by 2029.

In an effort to align the Affordable Housing Targets (currently established until 2029) with the Housing Pledge (to 2031), the City will update the Housing and Homelessness Plan in 2024 to officially update the Affordable Housing Targets to reflect current demand and fiscal realities. Presently, we can project the current Affordable Housing Targets out to 2031 to help identify affordable housing demand within the Housing Pledge. This projection suggests the need to aim to achieve 1,500 affordable rental units, with 930 of these units ideally being affordable to renter households with incomes at or below the 30th income percentile. Charts A and B below outline the specific additional rental units needed by 2031.

Chart A: Additional Rental Units to be created by 2031, by bedroom size

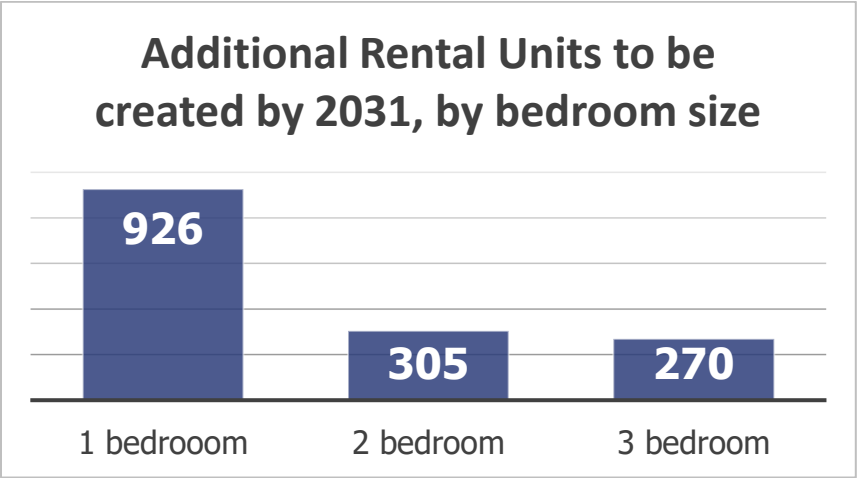
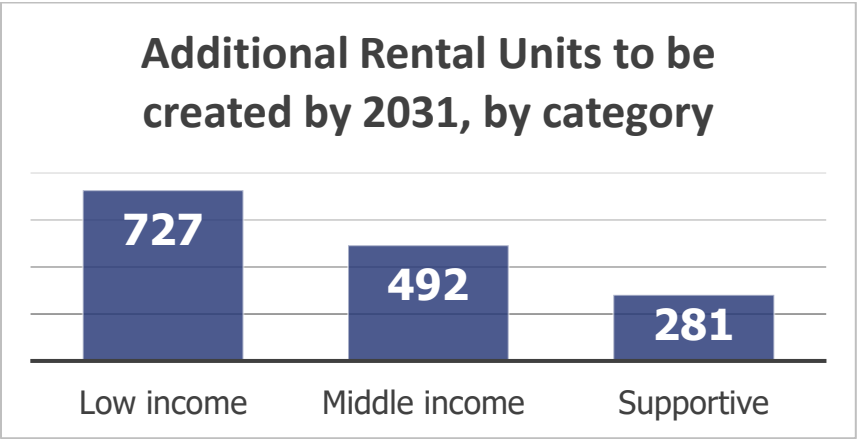


Chart B: Additional Rental Units to be created by 2031, by category



Since the inception of the refreshed HHP and the establishment of the Affordable Housing Targets, little interest has been received by either non-profit organizations or private developers to create affordable housing. It remains anticipated that the majority of affordable housing will be created through the Local Housing Corporation, Kawartha Lakes Haliburton Housing Corporation (KLH HC). Given the recent economic challenges that have created inflationary pressures, along with financing rate increases, historical municipal debt strategies are no longer sufficient to support the development of new affordable housing. A capital limitation has created a significant barrier to affordable housing development, one that can't be addressed solely by the municipal tax levy. Federal and Provincial contributions towards affordable housing are unpredictable, and have recently been largely insignificant. Additionally, through Bill 23, changes have been made to the *Development Charges Act*, which now prevents municipalities from being able to access this important source of capital to support affordable housing.

Although capital remains as the primary limiting factor in the development of affordable housing, there are various policy changes and initiatives that municipalities can make to support affordable housing. Table 2 below outlines the various policy changes and initiatives that Kawartha Lakes has initiated or is considering, to support affordable housing development as part of the overall Housing Pledge Strategy.

Table 2: Initiatives to support affordable housing:

Initiative	Considerations	Mitigation strategies
Secure significant Federal and/or Provincial funding	Future investments and partnerships by both levels of government are relied upon by municipalities to achieve these targets. Proper advance notice and collaboration in advance to support integrated planning across all levels of government is a key factor for success.	There are limited opportunities to secure appropriate funding through tax levy or other municipal fees and/or charges.
Implement disincentives, costing or fee structures to discourage such things as unit vacancy, underdeveloped and/or idle land	Staff to explore, and Council to approve, fees and/or charges related to vacant units, or underdeveloped and/or idle land to support a housing-first approach.	None
Administer a Municipal Accommodation Tax	Council to explore a Municipal Accommodation Tax to be applied to Short-term rentals, with directing a portion of tax revenues toward affordable housing development.	Will rely further on capital funding from Federal and/or Provincial funding sources if this initiative is not able to be implemented.
Create of an Affordable Housing Reserve Fund	Council to approve a new affordable housing capital reserve fund in 2024, that is tax levy-funded, with annual contribution and investment.	Will rely further on capital funding from Federal and/or Provincial funding sources if this initiative is not able to be implemented.
Streamline municipal approval process for Affordable Housing Development	Municipal process established to create a prioritized and streamlined development approval process for affordable housing development projects.	None
Housing-first prioritization of municipal surplus land	Staff and Council to continue to implement recently-approved changes to policy to allow affordable housing to be the first priority consideration towards any municipal land identified as surplus.	None
Pre-zone municipal surplus land identified for Affordable Housing	Staff and Council to support the pre-zoning of any municipal land identified as surplus for affordable housing, or implement any related	Existing planning approval process to be followed in absence of implementing this initiative.

Initiative	Considerations	Mitigation strategies
	planning mechanism that will support this initiative.	
Housing-first prioritization of under-developed and/or unused municipal land and/or building	Staff to explore, and Council to approve, housing-first prioritization of under-developed and/or unused municipal land and/or building.	None
Community Infrastructure and Accelerator Approval	Staff to explore, and Council to approve use of new Community Infrastructure and Accelerator Approval process to support affordable housing.	Existing planning approval process to be followed in absence of implementing this initiative.
Participate in and implement benefits resulting from the Eastern Ontario Warden's Caucus' 7 in 7 Housing Plan	Staff and Council to continue to support the progress and advocacy of this initiative.	Will rely further on capital funding from Federal and/or Provincial funding sources if this initiative is not able to be implemented or a collaborative partnership to enhance investment as required.
Servicing capacity allocation dedicated towards Affordable Housing	Staff to explore, and Council to approve servicing capacity allocation dedicated towards affordable housing, as through the Servicing Master Plan.	Existing servicing approval process to be followed in absence of implementing this initiative.
Enable mixed-use redevelopment of city-owned properties.	Staff to explore, and Council to approve policies to allow mixed-use redevelopment of city-owned properties to include affordable housing units.	Additional land will be needed to support affordable housing if this initiative is not implemented.
Property tax exemptions, or an annual subsidy to offset property tax payments by Affordable Housing Developers	Updated and expand current Council Policy that allows property tax exemptions for Affordable Housing, and develop applicable management directive and standard operating procedure.	None
Implement Alternative Design Standards for Affordable Housing units	Staff to explore, and Council to approve policy changes to allow implementation of alternative design standards for affordable housing, such as reducing minimum unit sizes and parking requirements.	Existing minor variance approval process to be followed in absence of implementing this initiative.

Initiative	Considerations	Mitigation strategies
Securing community benefits (to contribute towards Affordable Housing Development) through Development Framework Agreements negotiated with two large developers who have secured Ministerial Zoning Orders (MZOs)	Staff to ensure that developers follow through with commitments made within Development Framework Agreements to provide community benefits that will directly contribute towards affordable housing creation (e.g. contribution of a portion of development as true Affordable Housing units, and/or land donation and cash contribution to the Affordable Housing Capital Reserve Fund).	Will rely further on capital funding from Federal and/or Provincial funding sources if this initiative is not able to be realized.
A Challenge to Developers	Staff meet with all developers to ask them to develop a few models where homeowners have the option to purchase an ARU package as part of the construction rather than retrofitting later. Creates affordable housing and offers financial assistance to help pay the mortgage for new homeowners.	None

In addition to the above initiatives, whenever possible and appropriate, the City will continue to advocate for more changes to provincial and federal funding, legislation and policies that would provide municipalities with more resources and tools to assist with the creation of appropriate new affordable housing, including, but not limited to:

- a) more funding to help accelerate deeply affordable, and supportive housing units;
- b) more flexibility in the funding provided through housing funding programs by expanding eligibility criteria;
- c) more funding to build necessary infrastructure to support new housing (especially funding necessary to offset development charges deficits);
- d) new provincial processes to expedite the review of development applications that are circulated to various provincial ministries;

Ultimately, if new development does not balance affordability needs of all our current and future residents, further housing insecurity, as well as increases in people experiencing homelessness, will prevent us from having vibrant communities.

Planned and Proposed Municipal Initiatives

The City will continue to implement and explore new solutions to ensure the timely and necessary goal of building more homes. These include the following initiatives.

Municipal Comprehensive Review

The City's Official Plan was approved in 2012 and remains under appeal in part. The City adopted amendments to its Official Plan to provide specific policy direction for growth within its Urban Settlement Areas through the creation of Secondary Plans for the Bobcaygeon, Fenelon Falls, Lindsay, and Omemee communities, and remain under appeal in part.

Resolution of the outstanding appeals and completion of the GMS establishes the foundation for an update of the City's Official Plan, which is also referred to as the Municipal Comprehensive Review (MCR). The MCR program includes a conformity exercise to ensure that a new Official Plan reflects provincial priorities and implements policy direction from the GMS, including expansion of settlement areas, designating lands for increased densities in priority residential areas to expedite housing, encouraging a shift in housing typologies to support intensification, and the conversion of non-residential buildings for new residential uses.

Several other initiatives flow from a new Official Plan:

1. Streamline Development Approvals Process

A new Official Plan can support a streamlined development approvals process with an emphasis on pre-consultation as a valuable first step to ensure a comprehensive, complete development application submission that avoids processing delays.

Moving forward, modernization opportunities for digitizing application and permitting processes can be explored and prioritized.

A proactive approach can be taken to releasing existing securities for eligible works to proponents to produce capital to apply towards their other development projects.

2. Re-assess Development Approvals

With a supportive policy framework in place, approved yet unbuilt developments can be re-assessed for opportunities to add increased densities and height.

3. Updated Approval Fees

Our application fees will be reviewed to ensure competitiveness and that development funds the staff and resources necessary for accelerated housing approvals.

Zoning By-Law Consolidation

Since amalgamation in 2001, Kawartha Lakes has been using the original 18 Zoning By-laws to address land development within the municipality. While the original By-laws met development needs, the combination of outdated standards and regulations between areas has prompted the decision to create one new comprehensive Zoning By-law for the municipality.

This Project takes place in two Phases: Phase 1 addresses the 14 Rural Zoning By-laws and Phase 2 will address the 4 Urban Zoning By-laws. The Oak Ridges Moraine Zoning By-law will be reviewed separately. A new Urban Zoning By-law can include provisions to support increased densities set in the new Official Plan, including support and accommodation for Additional Residential Units (ARUs). Alignment with a new Official Plan reduces the number of amendments needed to build more housing.

Several other initiatives flow from comprehensive new Zoning By-laws:

1. Community Planning Permit System

As part of the second phase of this initiative, the City explore the development of a community planning permit system as a tool to make the approval process more streamlined and efficient by combining approval processes like site plan control and minor variances to the Zoning By-law at a staff level.

2. Opportunities for Gentle Intensification

The City has proactively adopted Official Plan policies and zone provisions for greater allowance of Additional Residential Units (ARUs) ahead of added permissions through Bill 23, More Homes Built Faster Act (2022). The added permissions facilitate new configurations for ARUs, and will be embedded in a new comprehensive Official Plan and implementing Zoning By-laws. Guidelines and other support materials will be updated to encourage the creation of second and third dwelling units. Property assessments can be examined for opportunities to reduce taxes on lots with ARUs.

“Up zoning” properties can be considered to gently increase density in designated urban areas.

Provincial Investments, Partnerships and Monitoring

Aligned Provincial Investment

As the City of Kawartha Lakes embarks on this journey, tandem partnership and planning with the province is essential. Given the key factors for success and to align development for the betterment of our community, the following areas require provincial alignment and investment that need to coincide with the growth:

- Investment in Regional Transit connections and/or expansions to and from the City, including connections with Peterborough and the Greater Toronto Area (GTA), as well as linkage and access to GO Transit;
- Investment in Ross Memorial Hospital capital improvements and expansion(s);
- Investment in the local health system service capacity, with priority for primary care and physician attraction and retention;
- Investment in Fleming College, Frost Campus for expansion of academic skills certifications and education training programs to match the needs and growth in relation to the local workforce development required;
- Investment in Provincial Highways traversing Kawartha Lakes, through highway and built infrastructure improvements and to widen roads and/or include passing lanes for greater movement and access for the population. This is especially important where Provincial Highways travel through and/or directly accommodate growth areas; and
- Ongoing and continued investment in expansion and maintenance of provincially-supported programs and services serving the population, including, but not limited to, childcare spaces, community and supportive housing, long term care beds, and emergency services.

Collaboration Outreach and Fostering Partnerships

Building 1.5 million homes in Ontario, including 6,500 homes in the City of Kawartha Lakes, will require collaboration from multiple levels of government, funding and opportunities for pilot projects. The City will continue to work with the private sector to better understand development challenges, and create sustainable and viable communities through expansion of the City's Development Concierge program. The City will also continue to work with the non-profit sector and its own Local Housing Corporation to explore and execute on opportunities to create deeply affordable housing, reduce homelessness, and increase supply. New partnerships with post-secondary institutions and trade schools create a supportive learning environment, and access to a wealth of resources, expertise workforce development and supports that are mutually beneficial. The City has a longstanding partnership with Fleming College – Frost Campus, and will continue to leverage that community resource.

Monitoring Program

An annual Monitoring Program includes tracking development activity to ensure alignment with the housing targets. Considerations include number of units in the development process, number of permits issued, available servicing capacity, and infrastructure construction. An inventory of City, provincial and federal owned lands can be prepared to track potential future affordable housing development.

Should monitoring efforts indicate slowed progress on achieving targets, this program would incorporate potential mitigation strategies.

Measuring Success

The Minister letter dated October 23, 2023 stated that measuring success, along with performance against the set targets “will be evaluated based on housing starts, as defined by Canada Mortgage and Housing Corporation’s Starts and Completions Survey, as well as Additional Residential Units (for example, basement suites) and other institutional housing types (such as Long-Term Care beds) created in a given calendar year.”

Canada Mortgage and Housing Corporation (CMHC) definition states that “housing starts are an economic indicator that reflect the number of residential housing projects that have been started over a specific length of time.” As CMHC looks at housing starts, three types are used to measure this including single-family houses, townhouses or small condos and apartment buildings with five or more units.

As further definition is finalized on “Additional Residential Units” by the Ministry, City staff will incorporate this into the measurement of the overall targets.

As part of accountability and transparency, the Ministry has established a Housing Supply Tracking [portal](#). This portal lists the municipalities that have committed to a target with a corresponding pledge and compares yearly new home construction starts against housing targets for 2031. Monthly housing data will be provided by CMHC and other housing ‘types’ that have been enabled and supported by provincial policies (e.g. long-term care homes, basement and laneway suites, student housing, etc.) will be added to the tracker in the future.

As previously stated, MMAH will administer the three-year \$1.2 billion Building Faster Fund program to enable municipalities to achieve their targets. As progress is made and tracking continues, municipalities that reach 80% or more of their annual target each year will be eligible for funding from the [Building Faster Fund](#). The ministry has also informed municipalities that exceed their target, a bonus will be received on top of their allocation.

The City of Kawartha Lakes is focusing on the design, implementation, and execution phases alongside continuous monitoring, tracking, and improvement processes over the next eight years. Key to success and achievement will be a robust and comprehensive system of tracking and quality check and balances throughout the development journey. Over the next three years, and immediately, the City will be required to develop and improve systems to enable this to occur.

Keeping the various stakeholders informed and engaged will be critical to success. Stakeholders include residents, customers, developers, construction industry, businesses, community agencies, service industry, and more. We will communicate through the various channels we have in place, such as the [municipal website](#), engagement platform [Jump In, Kawartha Lakes](#), social media and more.

Our Commitment

In pursuit of our vision for the City of Kawartha Lakes, this Housing Pledge affirms our commitment to fostering 'Thriving and Growing Communities in a Healthy and Natural Environment.' This commitment is backed by resolution of our Council, which has set a target of constructing 6,500 housing units by the conclusion of 2031.

Embedded within our strategic framework is a dedication to forward thinking, driving us to explore every conceivable option and initiative. Our goal is to innovate, integrate, and facilitate housing development across the entire spectrum, addressing the needs of today and anticipating the projected growth up to 2031 and beyond.