1. **TOPICS FOR DISCUSSION:**

Regional Issues

**a. Transportation Issues:**

i. **GO Transit** – Two-way service, frequency, Cambridge service

ii. **Highways** – Highway 7 Construction, Highway 401 improvements (Highway 8 to Highway 24), GTA West Corridor
   - Report P-13-027 “Niagara to Greater Toronto Area Corridor and Strategic Economic Corridors”, March 19, 2013
   - Report P-12-131 “Greater Toronto Area West Corridor and Highway 401”, December 11, 2012

**b. Development Charges Act Amendments – Transit**

   - Memo to Area MPPs “Development Charges Act Amendments - Transit”, April 19, 2013

   - 2012 Provincial By-election Candidate Briefing Note “Public Transit”, September 6, 2012

**c. Affordable Housing**

   - Memo to Area MPPs “Affordable Housing”, April 17, 2013

**d. Interest Arbitration**

   - Memo to Area MPPs “Interest Arbitration”, April 18, 2013

**e. Regional Official Plan (ROP) Verbal Update**

Issues Raised by Individual Councillors:

**f. The Ontario Municipal Partnership Fund (OMPF) formula (Ross Kelterborn)**
g. The current criteria for the assessment of agricultural land be redesigned to provide a fair tax return to the municipalities. This designation would be no added cost to the farmer (Ross Kelterborn)

2. OTHER BUSINESS
TO: Chair Jim Wideman and Members of the Planning and Works Committee

DATE: January 29, 2013

FILE CODE: A16-40/MTBM

SUBJECT: METROLINX REGIONAL TRANSPORTATION PLAN-THE BIG MOVE UPDATE

RECOMMENDATION:

THAT the Regional Municipality of Waterloo request the Province of Ontario establish a Task Force to expand on the current GO rail service mandate by examining the potential deployment of interregional rail services to link commuters with employment opportunities, colleges and universities in the major urban growth centres of Waterloo Region, Guelph and other communities in Southern Ontario, as described in Report No. P-12-008, dated January 29, 2013;

AND THAT the Regional Municipality of Waterloo formally request Metrolinx continue to plan and advance the additional rail passenger service to Waterloo Region identified in this report.

SUMMARY:

Metrolinx is currently updating its 2008 Regional Transportation Plan called “The Big Move”. As part of this update, they are preparing a progress report and have identified the “Next Wave” of projects. There is no clear advancement of projects related to Waterloo Region in this update. Prioritization of projects outside of the Greater Toronto and Hamilton Area (GTHA) is challenging when comparing external projects with projects that are within the GTHA. These external projects often have broader provincial benefits and should be considered independently of the Metrolinx mandate.

Projects of specific interest to Waterloo Region include:

- Expansion of peak hour rail passenger service to Kitchener to 4 trains leaving in the morning and 4 trains returning in the evening;
- Provision of regular rail passenger service to Cambridge;
- Provision of 2 way all day rail passenger service to Waterloo Region; and
- Electrification of the Kitchener Line.

The Province of Ontario, Waterloo Region and other communities within southern Ontario would benefit from improved rail passenger service. Current service levels are minimal or nil and do not encourage potential passengers to use the service regularly. It is recommended that the Province of Ontario in conjunction with Metrolinx and other communities in Southern Ontario including Waterloo Region establish a task force to expand the current GO rail service mandate by examining the potential deployment of interregional rail to link commuters with employment opportunities and colleges/universities in the area. It is also recommended that Metrolinx continue to plan and advance the additional rail passenger service to Waterloo Region identified in this report.

REPORT:

In 2008, Metrolinx approved its Regional Transportation Plan-The Big Move. This plan primarily covered the Greater Toronto Hamilton Area although it did identify GO Transit links to Waterloo Region. The Big Move identified 10 strategies as follows:
1. Build a comprehensive regional rapid transit network
2. Enhance and expand active transportation
3. Improve the efficiency of the road and highway network
4. Create an ambitious transportation demand management program
5. Create a customer-first transportation system
6. Implement an integrated transit fare system
7. Build communities that are pedestrian, cycling and transit supportive
8. Plan for universal access
9. Improve goods movement within the GTHA and with adjacent regions
10. Commit to continuous improvement

The strategies included in the Big Move are consistent with many of the strategies included in the Region of Waterloo Transportation Master Plan-Moving Forward 2031.

Metrolinx is currently updating the Big Move and is asking for public feedback. The purpose of the Big Move update is to:
1. Reconcile The Big Move with GO 2020
2. Incorporate findings of key studies since 2008
3. Incorporate approved Environmental Assessments

Metrolinx is also preparing a progress report on the 2008 Big Move plan. The draft update was presented to the Metrolinx board on December 5, 2012. It will be consulting with the public through January 2013, and staff will keep Regional Council apprised.

As part of the update, Metrolinx announced the Next Wave of projects which will continue expanding the regional transit network as well as providing resources for local transit, roads, active transportation and more. Projects include:

**Rapid Transit Projects:**
75 per cent of proposed investment is allocated to these regional transit projects:

- **Brampton Queen Street Rapid Transit:** 10 km of upgraded transit along Queen Street.
- **Downtown Relief Line:** New subway that will improve access to the regional core for residents from across the Greater Toronto and Hamilton Area (GTHA) and provide relief to the overflowing arteries of the Toronto transit system.
- **Dundas Street Bus Rapid Transit:** 40 km of bus service running in dedicated lanes, connecting Toronto, Mississauga and Halton.
- **Durham-Scarborough Bus Rapid Transit:** 36 km of bus service running in dedicated lanes, connecting Scarborough Centre to downtown Oshawa via Pickering, Ajax and Whitby.
- **GO Rail Expansion: More Two-Way, All-Day and Rush Hour Service:** Introducing more two-way, all-day service, adding additional rush hour service across the entire network, and extending trains to Hamilton and Bowmanville.
- **Electrification of GO Kitchener line and Union Pearson Express:** Upgrading diesel train service to electric propulsion for these two complementary transit services that share a substantial portion of their routing.
- **GO Lakeshore Express Rail Service - Phase 1 (including Electrification):** Transforming GO Transit’s backbone from Hamilton to Oshawa into a faster, more frequent and more convenient transit option by beginning the transition to an international-style Express Rail service.
- **Hamilton Light Rail Transit:** 14 km LRT line stretching from McMaster University to Eastgate Square.
- **Hurontario-Main Light Rail Transit:** 23 km LRT line connecting Port Credit to downtown Brampton via Cooksville and Mississauga City Centre.
- **Yonge North Subway Extension:** 6 km extension that will connect the City of Toronto to
the Richmond Hill / Langstaff Urban Growth Centre.

**Local transit, roads and highways and other projects:**
The remaining 25 per cent is allocated to local transit projects, as well as roads and highways, active transportation and transportation demand management throughout the region.

As part of the 2008 Big Move, possible regional rail extensions beyond the GTHA to Kitchener, Waterloo and Cambridge were identified. A partial rail passenger extension to Kitchener was implemented in December, 2011. The service included two passenger trains to Toronto in the morning and two trains returning in the evening.

The status of projects relating to Waterloo Region is:

1. **Expansion of Rail Passenger Service to Waterloo Region**
The maps are being revised to indicate that the Kitchener service now exists. There are no changes to the map for the Cambridge service and it is still designated as a possible regional rail extension.

2. **Completion of the First Phase of the Kitchener Service**
The first phase of rail passenger service to Kitchener was to include four trains departing from Kitchener in the morning and four trains returning in the evening. The completion of the first phase remains as a project in the GO capital program. The timing will be contingent on the investment strategy being prepared by Metrolinx.

3. **Electrification of the Kitchener Line**
Metrolinx has recently completed a study on the electrification of its passenger train service. The Kitchener line has been identified as a top priority for electrification and is indicated as part of the Next Wave of projects in the Big Move Update. The first phase would include electrification from Union Station to Mount Pleasant (West Brampton). Timing of this phase is also contingent on the investment strategy. The second phase would include completion of electrification to Kitchener. The intent would be to use hybrid trains on this corridor in the interim that could run on diesel between Kitchener and Mount Pleasant and then electric the rest of the way to Union Station.

4. **Completion of the Second Phase of the Kitchener Service**
The second phase of rail passenger service to Kitchener was to include two-way service all day long. The extension of two-way service from Mount Pleasant to Georgetown has been postponed to the 16 to 25 year period. There is no timing for expansion west of Georgetown.

Of additional note, two-way all day GO service on the Milton line between Meadowvale and Milton has also been postponed to the 16-25 year period. This is the same corridor that would be used by the future rail passenger service to Cambridge.

**Implications**

All of the transportation projects proposed in Metrolinx’s Next Wave of projects are important initiatives that will help strengthen the transportation network in the Greater Toronto and Hamilton Area. Prioritization of projects outside of the GTHA is challenging when comparing these external projects with projects within the GTHA. These external projects often have broader provincial benefits and should be considered independently of the Metrolinx mandate. Projects of specific interest to Waterloo Region include:

- Expansion of peak hour rail passenger service to Kitchener to 4 trains leaving in the morning and 4 trains returning in the evening;
- Provision of rail passenger service to Cambridge;
- Provision of 2 way all day rail passenger service to Waterloo Region; and,
- Electrification of the Kitchener Line.
It is important that, as part of these projects, track infrastructure be improved and travel times be reduced to improve reliability and competitiveness of the service.

Benefits of these projects include:

- Reduced traffic growth and future congestion on the busy Highway 401 corridor. This will also provide benefits to the GTHA by assisting with goods movement into and out of the area;
- Potential postponement of the need to widen Highway 401;
- Strengthen the economic contribution of Waterloo Region by providing access to a broader labor market particularly in the high-tech sector; and,
- Associated health and environmental benefits from reduced greenhouse gas emissions, pollutants and collisions.

The Province of Ontario, Waterloo Region and other communities within Southern Ontario would benefit from the provision of improved rail passenger service. Current service levels are minimal or nil and do not encourage potential passengers to use the service regularly. The importance of interregional labor force mobility for the economy of Southern Ontario and the transit orientation of postsecondary students should be recognized.

Since 1970, GO Rail has been a great success in linking people to jobs in central Toronto. It is timely to reinforce that proven success and expand GO Rail’s mandate to also link people to jobs in other major growth centres.

It is recommended that the Province of Ontario in conjunction with Metrolinx and other communities in Southern Ontario including Waterloo Region establish a task force to review the current state of rail passenger service in this area and make recommendations to develop a broader interregional rail passenger service beyond the GTHA. It should also be recommended to Metrolinx that they continue to plan and advance the additional rail passenger service to Waterloo Region identified in this report.

Subject to Regional Council endorsement, this initiative should be communicated to other communities in Southern Ontario, local MPP’s and local Chambers of Commerce to obtain their support.

Area Municipal Consultation/Coordination

A copy of this report will be circulated to the Area Municipalities for their information.

CORPORATE STRATEGIC PLAN:

The provision of GO Transit rail service is consistent with Strategic Plan Focus Area 3: Sustainable Transportation, Encourage improvements to intercity transportation services to and from Waterloo Region. Regional Council has identified this Focus Area as one of the top three initiatives for the remainder of this Council term. Regional staff is developing an advocacy strategy to address this issue and will bring a report forward for Council’s consideration.

FINANCIAL IMPLICATIONS:

NIL
OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:
NIL

ATTACHMENTS:
NIL

PREPARED BY:  Graham Vincent, Director Transportation Planning

APPROVED BY:  Rob Horne, Commissioner Planning, Housing and Community Services
TO: Chair Jim Wideman and Members of the Planning and Works Committee

DATE: March 19, 2013

FILE CODE: D09-30/NGTA

SUBJECT: NIAGARA TO GREATER TORONTO AREA CORRIDOR AND STRATEGIC ECONOMIC CORRIDORS

RECOMMENDATION:

THAT the Regional Municipality of Waterloo express its support for the Niagara to Greater Toronto Area (GTA) Corridor Transportation Development Strategy (TDS) developed by the Ministry of Transportation (MTO), as described in Report P-13-027, dated March 19, 2013;

THAT the Region of Waterloo encourage MTO to implement the Group 1 (Optimize Existing Networks) and Group 2 (New/Improved Non-Road Infrastructure) elements of the TDS as soon as possible;

THAT the Region of Waterloo continue to work with MTO and partner municipalities on strategic transportation planning for this area, to support the future strategic study of long-term highway improvements in the West Area;

AND THAT the Region of Waterloo continue to participate in the Municipal Caucus to advocate for strategic transportation investments that will support the Regional economy and promote economic development.

SUMMARY:

Since 2007, the Ontario Ministry of Transportation (MTO) has undertaken an Environmental Assessment to study transportation improvements between Niagara Region and the Greater Toronto Area (GTA). MTO held the final round of Public Information Centres (PICs) in February 2013 to present the proposed Transportation Development Strategy (TDS). Pending approval of the Minister of Transportation, the TDS will likely be released around June 2013. The TDS recommends improvements in a staged “building block” approach, with the following elements:

- Group 1 (Optimize Existing Networks)
- Group 2 (New/Improved Non-Road Infrastructure)
- Group 3 (Widen/Improve Existing Roads)
- Group 4 (New Transportation Corridors)

The TDS recommends aggressive Transportation Demand Management and Transportation System Management measures for Group 1 and aggressive expansion of public transit as part of Metrolinx’s “Big Move” for Group 2. The Region supports these directions and recommends that they be implemented as soon as possible, including MTO’s proposed Active Traffic Management Study, expansion of the current GO Train service to Kitchener/Waterloo along the Georgetown Line and extension of GO Train service to Cambridge along the Milton Line.

MTO identified Group 3 and Group 4 measures to address long-term transportation needs east of Hamilton/Burlington. However, MTO was unable to identify satisfactory road measures to accommodate long-term needs within the Hamilton/Burlington area closest to the Region of Waterloo.
Waterloo. The TDS recommends Group 3 initiatives to meet medium-term needs and further study for the long-term. The Region supports this direction but stresses that such a study needs to consider a longer-term timeframe and strategically integrate several ongoing studies to incorporate broad network planning principles and extensions of the highway grid north of Highway 401.

The Region has also been participating in discussions with the Regions of Halton, Niagara and Peel, and the Cities of Burlington and Hamilton, as well as MTO and the Southern Ontario Gateway Council, regarding strategic transportation planning to support economic development. The “Municipal Caucus” has articulated a vision that includes a connection between Highways 401 and 403 as part of a comprehensive plan that would connect the GTA West Corridor and the Niagara-GTA Corridor. The Region should continue to participate in these discussions.

REPORT:

Since 2007, the Ontario Ministry of Transportation (MTO) has undertaken an Environmental Assessment (EA) to study transportation improvements between Niagara Region and the Greater Toronto Area (GTA). The Study Area is shown in Attachment 1. The Niagara – GTA Corridor Planning and EA Study has been developing a Transportation Development Strategy (TDS) that will involve multiple modes. The TDS is to be approved by the Minister of Transportation after public consultation.

The draft TDS was released for public comment in March 2011 and contained recommended transportation improvements for the Study Area, divided into four groups. Described as a building block approach, Group 1 and Group 2 elements are intended to be implemented first and serve as a foundation for Group 3 and Group 4 elements. The groups are shown in Attachment 2 and are described briefly as follows:

1. Optimize Existing Networks (including transit, transportation demand management and transportation system management)
2. New/Expanded Non-Road Infrastructure (including public transit)
3. Widen/Improve Existing Roads (i.e. improvements to existing highways)
4. New Transportation Corridors (i.e. Group 3 PLUS new highways)

Following release and public comment on the draft TDS, MTO conducted additional analysis of the Group 3 and Group 4 alternatives. This analysis has recently been completed and MTO held Public Information Centres (PICs) regarding this additional analysis and the TDS in February 2013.

Group 1 (Optimize Existing Networks) elements of the TDS (Attachment 3) include traveller information systems, improved access to transit stations, improved integration of active transportation, and more aggressive use of Transportation Demand Management (TDM) and Transportation System Management (TSM). The TDS recommends completing an Active Traffic Management Study in the short-term.

Group 2 (New/Improved Non-Road Infrastructure) elements of the TDS include (Attachment 4) support for “The Big Move” by Metrolinx, express service along the GO Lakeshore line, various rapid transit initiatives in the Hamilton/Burlington area, and other improvements to rail lines.

The Region supports the direction of Groups 1 and 2 and has already recommended that these measures be implemented as soon as possible. The proposed Active Traffic Management Study represents a short-term project entirely under MTO’s control that could improve both safety and travel time reliability on highways used by Regional residents. Improvements to public transit service, in particular expanded GO Train service to Kitchener/Waterloo on the Georgetown Line and extended GO Train service to Cambridge on the Milton Line, are also necessary as soon as possible. Sufficient and consistent investment in GO Train services are necessary to promote a shift
away from private automobiles for long-distance commuting and help make public transit a viable alternative.

For the Group 3 (Widen/Improve Existing Roads) and Group 4 (New Transportation Corridors) elements of the TDS, MTO divided the study area into three areas: the West Area covering Hamilton and Burlington (Attachment 5), the Central Area between St. Catharines and Hamilton (Attachment 6), and the East Area between St. Catharines and Fort Erie (Attachment 7). The TDS includes the following elements:

- East Area: A new corridor connecting Highway 406 to the QEW
- Central Area: Widening of the QEW to 8 lanes (including high-occupancy vehicle lanes)
- West Area: Widening of highways 6, 403, 407, QEW to address medium-term needs, and a future study to determine how to meet long-term needs

The additional analysis undertaken by MTO was unable to identify a satisfactory Group 3/Group 4 alternative for the West Area that would satisfy long-term transportation needs without significant impacts to the natural, cultural and social environments. In addition to conventional highway construction, MTO examined several “outside-the-box” alternatives such as a second deck on Highway 403 and a tunnel under Lake Ontario. As noted above, the TDS identifies medium-term road improvements and recommends a future study to determine how to meet long-term needs.

Improvements to area highways are consistent with other ongoing MTO studies, including the Brantford to Cambridge Transportation Corridor, the GTA West Corridor and the Waterlo-Wellington-Brant inter-regional transportation planning initiative. The latter study aims to comprehensively identify regional transportation issues and move away from planning transportation infrastructure on a project-by-project basis. The Region should support the future study recommended in the TDS for the West Area, so long as it achieves the following objectives:

1. The future study should consider a longer term time frame than currently permitted. The current Provincial Policy Statement (PPS) only permits infrastructure planning for a 20-year timeframe. Proposed changes in the new draft PPS may extend this period, and the future study for the West Area should examine transportation needs for the long-term beyond 20 years.
2. The ongoing studies mentioned above highlight the need for comprehensive network planning that can integrate and benefit multiple modes of transportation. The proposed long-term study for the West Area should incorporate broad network planning principles and examine extensions of the highway grid north of Highway 401.
3. The study needs to incorporate progressive methodologies and continue to explore creative alternatives. The difficulty in identifying an alternative in the West Area was known before the Niagara – GTA study started, and a future long-term study using the same methods is likely to arrive at the same conclusion. MTO should continue and improve upon the creative process that resulted in the staged approach for this study and the GTA West Corridor.

**Municipal Caucus: Strategic Economic Logistics Corridors and Gateways**

Since December 2012, Niagara Region has been leading the formation of a group described as the “Municipal Caucus.” This group has been meeting to discuss how to respond to the Niagara-GTA Corridor study recommendations and also to encourage MTO to consider long-term transportation planning as an economic growth initiative. The Region of Waterloo has been participating in these meetings, and senior staff has met with their counterparts at the Regions of Halton, Niagara and Peel, the Cities of Burlington and Hamilton, as well as with MTO and the Southern Ontario Gateway Council, to articulate a common vision and commitment to comprehensively plan for this area of the Province. Attachment 8 shows a potential corridor connection between Highways 401 and 403 as part of a comprehensive plan that would connect the GTA West Corridor and the Niagara-GTA Corridor.
As these discussions have the potential to further the interests of Regional residents and businesses, the Region should continue to participate in these meetings.

Next Steps

MTO will review public comments and release the final TDS after it is approved by the Minister of Transportation, around June 2013. Following approval of the TDS, work will commence on the various elements of the strategy.

Area Municipal Consultations/Coordination

The area municipalities have received copies of previous Regional reports about the Niagara-GTA Corridor, and will receive a copy of this report. The area municipalities will be consulted about the activities of the Municipal Caucus as the initiative proceeds.

CORPORATE STRATEGIC PLAN:

Improved Provincial transportation infrastructure supports Strategic Objectives 2.2 (Develop, optimize and maintain infrastructure to meet current and projected needs) and 2.3 (Support a diverse, innovative and globally competitive economy). The transit components of the Niagara-GTA Corridor may also promote Strategic Objective 3.4 (Encourage improvements to intercity transportation services to and from Waterloo Region).

FINANCIAL IMPLICATIONS:

NIL

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

NIL

ATTACHMENTS:

Attachment 1 – Niagara-GTA Corridor Study Area
Attachment 2 – “Building Block” Approach (Groups)
Attachment 3 – Group 1 (Optimize Existing Networks) Elements
Attachment 4 – Group 2 (New/Improved Non-Road Infrastructure) Elements
Attachment 5 – West Area Highway Improvements (Proposed)
Attachment 6 – Central Area Highway Improvements (Proposed)
Attachment 7 – East Area Highway Improvements (Proposed)
Attachment 8 – Municipal Caucus Economic Logistics Corridor Vision

PREPARED BY: Geoffrey Keyworth, Senior Transportation Planning Engineer

APPROVED BY: Rob Horne, Commissioner, Planning, Housing and Community Services
February 6, 2013

Data were provided by the Ministry of Natural Resources through the Land Information Ontario (LIO) and Natural Resources Value Information Services (NRVIS) database.

Mapping was prepared by UPS Canada Inc. under license with the Ministry of Natural Resources.

The Science Palnet for Ontario
Developing Solutions

Widen / Improve Roads
- Group 2 plus
  - Widen / Improve Roads & Highways

Decision Trade-offs
- Environment
- Community
- Economy

New Transportation Corridors
- Elements of Group 3 plus
  - New Transportation Corridors

Group 3

New/Expanded Non-Road Infrastructure
- Group 1 plus
  - Air
  - Marine
  - Rail

Group 2

Optimize Existing Networks
- Transit
- Rail
- Roads & Highways
- Air
- Marine
- TDM
- TSM
- Inter-modal

Group 1

- First, optimize our existing infrastructure
- Then, invest in transit and non-road infrastructure
- Then, invest in roadway expansion
Priority #1: Develop an Active Traffic Management strategy that improves performance of the existing transportation system by reducing demand and improving system efficiency.

- Improving access to transit stations and mobility hubs.
- Making active transportation a more viable alternative.
- Improving integration.
- Providing real-time trip information.
- Optimizing commuter rail system (larger GO trains – 12 cars).
- More aggressive use of Transportation Demand Management (e.g., carpools) / Transportation Systems Management (e.g., electronic messaging).
- Reversible lanes to accommodate peak traffic direction.
- Encourage commuting via transit.
- Innovative technologies to make transit efficient and desirable.
- Smooth vehicle access to highways with signals on ramps (ramp metering).
- HOV / Transit only bypasses on ramps.
- Encourage less cars on the road.
- Adjustable speed limits (speed harmonization) to avoid stop and go traffic.
- Provide frequent updates on traffic conditions.
- Transit use of highway shoulders to bypass congestion.

Optimize Existing Networks

ATTACHMENT 3 – GROUP 1 (OPTIMIZE EXISTING NETWORK) ELEMENTS
ATTACHMENT 6 – CENTRAL AREA HIGHWAY IMPROVEMENTS (PROPOSED)
ATTACHMENT 7 – EAST AREA HIGHWAY IMPROVEMENTS (PROPOSED)
REPORT: P-12-131

REGION OF WATERLOO

PLANNING, HOUSING AND COMMUNITY SERVICES

Transportation Planning

TO: Chair Jim Wideman and Members of the Planning and Works Committee

DATE: December 11, 2012

FILE CODE: D09-30/GTAW

SUBJECT: GREATER TORONTO AREA WEST CORRIDOR AND HIGHWAY 401 (HESPÉLER – HALTON) ENVIRONMENTAL ASSESSMENTS

RECOMMENDATION:

THAT the Regional Municipality of Waterloo convey to the Ontario Ministry of Transportation (MTO) its major concerns with the new highway alignment component of the Greater Toronto Area West Corridor Transportation Development Strategy, as described in Report. P-12-131, dated December 11, 2012;

THAT the MTO be requested to work toward a different highway alignment during Stage 2 of the GTA West Corridor Environmental Assessment that will provide additional capacity than available on Highway 401;

THAT the Regional Municipality of Waterloo continue working with MTO and its municipal partners on advancing the Waterloo-Wellington-Brant inter-regional transportation study;

AND THAT Regional staff initiate further discussions between the Region, the MTO and the City of Cambridge to consider the acceleration of construction timing and cost sharing of pedestrian and cyclist provisions for the Franklin Boulevard interchange.

SUMMARY:

The Ontario Ministry of Transportation (MTO) has completed and is now requesting comment on the Transportation Development Strategy for the GTA West Corridor, which has already been approved by the Minister of Transportation. The study will now proceed to the Stage 2 Environmental Assessment of the new highway components, which will take place over the next five or more years. Council has previously expressed support for the transportation system efficiency and public transit elements of the strategy. In particular, improvements to the existing GO Train service to Kitchener, and extension of GO Train service from Milton to Cambridge, are needed in the short term to provide an alternative mode of travel to the GTA. However, Council has also previously expressed concern about the short-term planning horizon and western terminus of new highway construction, which will end near Milton and leave the Region with a single 400-series highway connection to the GTA. MTO’s traffic projections show capacity constraints on Highway 401 beyond 2031, and the new highway would neither provide much-needed redundancy for Highway 401 nor leverage the Provincial investment in the new Highway 7 to Guelph.

MTO has also completed and is requesting comment on the preferred plan for improvements to Highway 401 between Hespeler Road and the Wellington County/Halton Region boundary. Although studied separately, this work is also a component of the GTA West Corridor Transportation Development Strategy. The Region has been generally supportive of the direction to protect for the future widening of the highway and provide high occupancy vehicle (HOV) lanes. The Region needs to continue working with MTO and the City of Cambridge to identify provisions for active transportation across the highway, and in particular needs to consider a cost-sharing arrangement that will accelerate construction of the Franklin Boulevard interchange.
In addition to the GTA West Corridor, there is a large number of current or proposed inter-regional initiatives of interest to the Region, such as the Niagara-GTA Corridor (ongoing), the Brantford–Cambridge Transportation Corridor (ongoing), the Big Move, and the Active Traffic Management Study (proposed). The Region continues to work with MTO, the Cities of Brantford and Guelph, and the Counties of Brant and Wellington, on the Waterloo/Wellington/Brant inter-regional transportation planning study. This is the best forum to examine a strategic transportation plan that incorporates all modes, particularly intercity passenger rail service, and also plan for long-term infrastructure needs. Data collection is almost complete and work can begin on the study itself, which is expected to be complete around spring 2015.

REPORT:

The Ontario Ministry of Transportation (MTO) recently issued two notices regarding:

- Completion of the Transportation Development Strategy for the GTA West Corridor Environmental Assessment (EA)
- Completion of the Transportation Environmental Study Report (TESR) for the Highway 401 Improvements (Hespeler – Wellington County/Halton Region Boundary) Class EA

MTO is seeking public comment on both documents before the end of 2012.

GTA West Corridor Transportation Development Strategy

MTO has been undertaking an EA for the GTA West Corridor to accommodate increased transportation demand because of projected population and employment growth in Southern Ontario. MTO has completed the Transportation Development Strategy (Attachment 1) that involves:

1. Transportation system efficiency improvements
2. Expansions of public transit
3. Widening of selected highways, including Highway 401
4. A new corridor between Highway 400 north of Vaughan and Highway 401 east of Milton

The strategy has been approved by the Minister of Transportation. The Region supports many elements of the strategy, in particular the need for efficiency improvements and expansions to public transit service. The Region has also been supportive of protecting for the future widening of Highway 401, also discussed in this report and which forms part of item #3 noted above. However, with respect to the new corridor described as item #4, the Region has previously expressed concern that the study’s 2031 planning horizon is too short-term to properly identify the need for the new corridor. The proposed western terminus east of Milton will leave the Region with a single 400-series highway connecting to the GTHA, and MTO’s transportation analysis has shown that Highway 401 would be capacity-constrained by 2031.

Regional Council previously adopted the recommendations of Report P-12-089 (August 14, 2012), and a November 16, 2012 letter to the Regional Clerk (Attachment 2) contained responses by MTO as follows:

**THAT the Regional Municipality of Waterloo advise the Ontario Ministry of Transportation (MTO) that the Draft Transportation Development Strategy for the Greater Toronto Area (GTA) West Corridor will not provide sufficient infrastructure for the long term to connect Waterloo Region, Wellington County and the City of Guelph to the Greater Toronto Area, as described in Report No. P-12-089, dated August 14, 2012; MTO noted a variety of current and future infrastructure projects for this area, including:**

- GO Rail service expansion to Cambridge (GO 2020 Strategic Plan)
- Construction of the new Highway 7 (expected to start by 2015)
- Current widening of Highway 7/8 (Fischer-Hallman Road – Highway 8)
- Completed widening of Highway 8 to 8 lanes (Fairway Road – Sportsworld Drive)
- Widening of Highway 401 to 10 lanes (Highway 8 – Hespeler Road)
- New westbound freeway-to-freeway connection (Highway 401 to/from Highway 8)

THAT the Regional Municipality of Waterloo support the Group 1 (Optimize Existing Networks) and Group 2 (New/Expanded Non-Road Infrastructure) elements of the Draft Transportation Development Strategy for the GTA West Corridor; MTO noted and appreciated the Region’s support of the Group 1 and 2 elements of the draft Strategy.

THAT the Regional Municipality of Waterloo formally request MTO to confirm the Region of Waterloo’s participation in the forthcoming Provincial Active Traffic Management Study; MTO noted that it will consult with municipalities regarding participation in the study.

THAT the Regional Municipality of Waterloo request MTO to defer its decision on the western portion of the final transportation network until the completion of the Waterloo-Wellington-Brant inter-regional transportation planning initiative; MTO noted that the Waterloo-Wellington-Brant inter-regional transportation planning initiative can be complementary to, and coordinated with, the transit and highway improvements identified in the GTA West Corridor Transportation Development Strategy.

THAT the Regional Municipality of Waterloo request MTO to prioritise enhancement of the GO Rail service to Kitchener-Waterloo, and the extension of service to Cambridge, to reduce travel demand on Highway 401; MTO noted that the Waterloo/Wellington/Brant inter-regional transportation planning study can be coordinated with other recommendations in the Transportation Development Strategy. MTO also noted that it provides a good opportunity to discuss and address the issues raised by the Region such as enhancement of the GO Rail service to Kitchener-Waterloo and the extension of service to Cambridge.

THAT MTO be requested to provide a formal response to the concerns expressed by Region of Waterloo Council, as described in this report;

AND THAT this report be circulated to the Minister of Transportation, all area Members of Provincial Parliament, and to the City of Guelph and the County of Wellington.

Now that MTO has approved the Transportation Development Strategy, they will begin studying the new highway components in a detailed Stage 2 Environmental Assessment that will take place over the next five years or more. Given this long-term timeframe, it is critical for MTO to prioritize the other elements of the strategy, both because system efficiency measures may improve the safety and reliability of existing infrastructure, and because it takes time to build public transit ridership. Consequently, the Region recommends using the ongoing Waterloo-Wellington-Brant inter-regional transportation study to better understand travel patterns, identify the ability of transportation system efficiency improvements and public transit to serve these trips, and refine and prioritize any new highway construction. At the same time, the Region will continue to advocate for improvements/extensions to passenger rail service to Kitchener and Cambridge, and participate in other MTO initiatives, such as the proposed Active Traffic Management Study, and advocate on behalf of public transit expansions to serve Regional residents.

Highway 401 Improvements (Hespeler – Wellington County/Halton Region Boundary)

MTO has been conducting a Class EA to study improvements to Highway 401 between Hespeler Road and the Wellington County/Halton Region boundary. Council last examined this project in Report P-12-014 (January 31, 2012), at which time MTO had presented its preliminary preferred plan. Within the
Region of Waterloo, MTO is recommending the same preferred plan, which consists of the following changes:

- **Mainline Highway 401:** Widen to four general-purpose lanes in each direction (i.e. eight lanes total) and one high-occupancy vehicle (HOV) lane in each direction throughout the study area.
- **Hespeler Road Interchange:** Reconstruction of structure with a partial shift to the east, and other minor improvements.
- **Franklin Boulevard Interchange:** Replacement of structure at existing location, and other minor improvements.
- **Townline Road Interchange:** Minor improvements to existing interchange.

There is currently no funding identified for the widening of Highway 401 in MTO’s Southern Highways Program to 2015. Council previously issued the following recommendations about the preferred plan, with the following responses from MTO noted in the TESR document:

*THAT the Regional Municipality of Waterloo approve the following with regard to Highway 401 (Hespeler Road to Halton), as described in Report No. P-12-014, dated January 31, 2012:*

a) *Endorse the protection of the Highway 401 corridor to accommodate eight lanes and two high-occupancy vehicle lanes, and the provision of sufficient width to accommodate these lanes when replacing all structures; MTO noted this comment.*

b) *Encourage the Province of Ontario to consider increased passenger rail service, including extension of GO Rail service along the Milton Line to Cambridge and enhanced GO Rail service along the Georgetown Line to Kitchener, prior to the physical widening of Highway 401; MTO noted that GO Transit/Metrolinx is considering new/increased services to the Region.*

c) *Continue to work with the Ontario Ministry of Transportation and the City of Cambridge to identify appropriate pedestrian and cyclist crossing provision s for the Hespeler Road and Franklin Boulevard interchanges, and develop cost sharing agreements to implement these measures as soon as possible; MTO affirmed that it will continue to work with the City of Cambridge and the Region.*

d) *Encourage the Ontario Ministry of Transportation to consider modifications to the Townline Road interchange and carpool lot to accommodate inter-regional bus operators.* MTO has noted that the current carpool lot is operating at or near capacity most of the time, and is proposing to expand the lot to accommodate the heavy park and ride demand. Reducing the number of new parking spaces to accommodate bus platforms would result in a failure to address the current capacity issues. Additionally, converting the interchange to provide more direct access to the carpool lot would make the geometry and traffic operations unacceptable to MTO.

Regarding reconstruction of the Franklin Boulevard interchange, the following points merit consideration:

1. The Franklin Boulevard interchange must be fully reconstructed to accommodate the proposed widening of Highway 401.
2. The draft Active Transportation Master Plan (ATMP) is recommending pedestrian and cyclist provisions, in the form of boulevard multi-use trails, on both sides of Franklin Boulevard and across Highway 401.
3. The Highway 401 Pedestrian/Cyclist Bridge Feasibility Study, a joint Region of Waterloo/City of Cambridge study with MTO participation, recommended pedestrian and cyclist provisions be included in the Franklin Boulevard interchange if reconstruction proceeds by 2015.
4. If reconstruction does not occur by 2015, the study recommended a separate pedestrian and cyclist bridge be constructed adjacent to the Franklin Boulevard bridge.
5. MTO has proposed to fully close the interchange, with the exception of the eastbound off-ramp, and rebuild it during one construction season to minimize the disruption for drivers.
6. MTO has not identified reconstruction of the Franklin Boulevard interchange in the Southern Highways Program to 2015, but has previously stated that they are open to accelerating the reconstruction if cost sharing is available.
7. Coordination of the Franklin Boulevard interchange reconstruction with the Regional planned reconstruction of Franklin Boulevard south of Pinebush Road would assist to minimize the duration and number of disruptions for drivers and businesses in the area.
8. MTO has stated that any new walking and cycling facilities will need to be funded by the Region and/or the City of Cambridge.

Since the EA is nearing completion, this report consequently recommends that Regional staff coordinate with MTO and City of Cambridge staff to host a meeting in January 2013 to explore cost sharing arrangements and the acceleration of construction timing to coincide with the planned reconstruction of Franklin Boulevard.

The draft ATMP is also recommending pedestrian and cyclist provisions across the highway at the Hespeler Road interchange. MTO has noted difficulty in providing this crossing directly on the bridge, but has offered to continue working with the Region and the City of Cambridge to identify an appropriate crossing point. It is recommended that Regional staff continue working with MTO and City of Cambridge staff to identify appropriate active transportation provisions for the Hespeler Road bridge.

The Waterloo/Wellington/Brant Inter-Regional Transportation Study

The Region has been working with MTO, the Cities and Brantford and Guelph and the Counties of Brant and Wellington on an inter-regional transportation planning initiative. The purpose of the initiative is to study trip patterns in this area, recommend inter-regional infrastructure and network improvements, and complement the work done by Metrolinx in the GTHA. The initial data collection phase of the initiative, involving a post-secondary study survey, an origin-destination license plate survey, traffic classification counts and a commercial vehicle survey, is almost complete. The study is expected to be completed around spring 2015.

Attachment 3 shows the overlap and proximity of the study areas for the inter-regional transportation study, the GTA West Corridor and the Niagara-GTA Corridor. This highlights the need for inter-regional network planning and cooperation over a broad geographic area to determine long-term infrastructure that will benefit the Province.

Next Steps

For the GTA West Transportation Corridor Development Strategy, MTO has provided a 45-day review period and has stated that any changes will be implemented in the next phase of the EA, which is to start in late 2013.

For the Highway 401 (Hespeler–Halton) TESR, MTO has provided a 30-day review period, after which the EA will be complete. MTO would then enter into detailed design of the preliminary plan.

For the Waterloo/Wellington/Brant inter-regional transportation study, Regional staff will meet with staff from MTO, the Cities of Brantford and Guelph, and the Counties of Brant and Wellington, to draft the study Terms of Reference and determine cost sharing arrangements.
Area Municipal Consultation/Coordination

The City of Cambridge supports the findings of this report and has participated in the Highway 401 EA.

CORPORATE STRATEGIC PLAN:

This study is directly related to Strategic Objective 3.4 (Encourage improvements to intercity transportation services to and from Waterloo Region) and Action 3.4.2 (Actively participate in the Ministry of Transportation’s long-term strategic plan for South Central Ontario). Additionally, the inclusion of HOV lanes along Highway 401 and provision for active transportation at Highway 401 interchanges will help advance the following Strategic Plan objectives:

- 1.2: Reduce greenhouse gas emissions and work to improve air quality;
- 2.2: Develop, optimize and maintain infrastructure to meet current and projected needs;
- 3.2: Develop, promote and integrate active forms of transportation (cycling and walking).

FINANCIAL IMPLICATIONS:

The GTA West Corridor has no identified financial implications at this time.

Regarding the Highway 401 (Hespeler – Halton) EA, MTO is open to discussing the acceleration of the Franklin Boulevard interchange reconstruction funding if cost sharing is available. MTO has provided preliminary cost estimates of integrating sidewalks on both sides of the Hespeler Road bridge, and an additional sidewalk on the west side of the Franklin Boulevard bridge, of $655,000 and $300,000, respectively. MTO has stated that any new walking and cycling facilities will need to be funded by the Region and/or the City of Cambridge. Funding for active transportation provisions across Highway 401 is not currently identified in the Region’s 10-year Transportation Capital Program. The draft ATMP has not accounted for funding of pedestrian and cycling improvements across the 401, however, the area has been identified as a special study area to investigate further. Staff recommend moving forward with cost sharing discussions because this is a key Regionally significant active transportation area. Any additional funding would be requested during the 2014 development of the Transportation Capital Budget.

The Region’s contribution to the Waterloo/Wellington/Brant inter-regional transportation planning study would be funded from the budget allocation for continuing work on the Regional Transportation Master Plan.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

Transportation and Environmental Services and Finance have been consulted for this report.

ATTACHMENTS:

Attachment 1 – GTA West Corridor Transportation Development Strategy
Attachment 2 – November 16, 2012 Response Letter to Regional Clerk
Attachment 3 – Study Areas of Various MTO Projects

PREPARED BY: Geoffrey Keyworth, Senior Transportation Planning Engineer

APPROVED BY: Rob Horne, Commissioner of Planning, Housing and Community Services
**Group #1 Initiatives include:**
- Bus Bypass Shoulders
- Incident/Congestion Management
- Ramp Metering
- HOV/Transit Bypass Lanes
- Speed Harmonization
- Provincial/Employer Led TDM Programs
- Long Combination Vehicles

**Group #2 Initiatives include:**
- Expanded Inter-regional GO Bus Routes
- Transit Supportive Corridors
- Inter-regional Transit Hubs
- Bus Rapid Transit Links Between Urban Growth Centres
Dear Ms. Fletcher:

RE: GTA West Corridor Planning and Environmental Assessment (EA) Study
Release of Final Transportation Development Strategy Report

The Ontario Ministry of Transportation (MTO) initiated Stage 1 of a formal Environmental Assessment (EA) Study for the GTA West Corridor. The purpose of the study is to proactively plan for future infrastructure needs by examining long-term transportation problems and opportunities to the year 2031 and consider options to provide better movement of both people and goods between urban areas in the GTA West Corridor Preliminary Study Area, including designated Urban Growth Centres.

The MTO released the GTA West draft Transportation Development Strategy Report in March 2011. In response to input received on the draft Strategy, MTO carried out additional analysis and consultation to further examine the recommendations for inter-regional transportation improvements in the Halton area and update the Preliminary Route Planning Study Area throughout.

The Transportation Development Strategy Report has been finalized, following the additional analysis and consultation in the Halton area and study area revisions elsewhere. The report explains and documents the planning process followed in Stage 1 of the GTA West Planning and EA Study in developing the Transportation Development Strategy, including the assessment and evaluation of the area transportation system alternatives and a recommendation for the preferred alternative to be carried forward to Stage 2.

The final report, executive summary and appendices are now available on the study website (www.gta-west.com) and can also be reviewed at the attached list of local libraries and clerks offices beginning November 16, 2012. The report will be available for a 45 day public and stakeholder review period. We invite you to provide your feedback on the released Strategy report. All comments received during the review period will be documented as input to Stage Two of the EA.

Written comments can be provided on the project website at http://www.gta-west.com/comment-form.php or email to: project.team@gta-west.com.

The final Strategy report incorporates and reflects input from many individuals and stakeholders the Study Team has received since the release of the draft Strategy Report in March 2011 and the results of the additional analysis in the Halton area in June 2012.

We thank you for your input and participation in this study. In particular, we would like to thank you for forwarding providing Region of Waterloo’s staff report on August 14, 2012 regarding the GTA West Corridor Study.

We have noted and appreciate the Region’s support of the Group 1 and 2 elements of the draft Strategy. The finalized Strategy includes a recommendation for a multimodal area-wide study in the Waterloo/Wellington/Bramford area to explore potential for inter-regional transit service improvements west of the GTA. We believe that this study can be coordinated with the other recommendations in the Strategy, and will provide a good opportunity for discussion and address
the issues raised by the Region such as enhancement of the GO Rail service to Kitchener-Waterloo and the extension of service to Cambridge.

With the completion of the Stage 1 EA, the MTO will move forward to implement various recommendations, including identifying the specific route for the new highway in the next Stage of the EA which is anticipated to begin in late 2013.

It would be appreciated if you could distribute this letter to the Waterloo Regional Council as an information item.

Should you require further information, please feel free to contact Mr. Jim Wang, MTO Project Coordinator at (416) 585-7246 or Mr. Neil Ahmed, P. Eng., Consultant Project Manager at (905) 823-6500.

Thank you for your cooperation and assistance.

Sincerely,

Mr. Jim Wang
Project Coordinator
Provincial Planning Office
Ontario Ministry of Transportation

Mr. Neil Ahmed, P. Eng.
Consultant Project Manager
McCormick Rankin, A Member of MMM Group Ltd.

cc: Geoff Keyworth, Region of Waterloo (via email)
    Paula Sawicki, Region of Waterloo (via email)

Attach.
ATTACHMENT 3 – STUDY AREAS OF VARIOUS MTO PROJECTS

GTA West Corridor Study Area

Niagara-GTA Corridor Study Area

Waterloo/Wellington/Brant Inter-Regional Transportation Planning Study Area
MEMORANDUM

To: Rob Leone, M.P.P. Cambridge  
    John Milloy, M.P.P. Kitchener Centre  
    Michael Harris, M.P.P. Kitchener-Conestoga  
    Catherine Fife, M.P.P. Kitchener-Waterloo

From: Mike Murray, Chief Administrative Officer

Subject: DEVELOPMENT CHARGES ACT AMENDMENT - TRANSIT

The Region of Waterloo has identified development charges as one element of the financing strategy for the rapid transit project. This would require an amendment to the Development Charges Act as was done for York Region and the City of Toronto several years ago.

The Region’s rapid transit project is the largest transportation project ever undertaken in this community. It is a core element of the Region’s Official Plan and Regional Transportation Master Plan and will help implement the policy directions contained in the Provincial Growth Plan for the Greater Golden Horseshoe.

Both the Federal and Provincial governments have committed significant funding for this project – a total of $565 million combined. However, there is still a substantial portion of the cost that must be funded locally. The Region’s share of the capital costs of Phase One of the project is $253 million (2014 $). Council has been reviewing various ways to reduce the burden on Regional property taxpayers. One possible mechanism to help fund the capital costs of the rapid transit system and reduce the property tax impact is the use of development charges.

Development charges levied on new residential and industrial/commercial development are intended to help finance the cost of new infrastructure needed to support that growth. However, in calculating development charges, municipalities can only include costs associated with providing the average service level that has been in place for the previous 10 years. This prevents municipalities from recovering the growth-related costs of significant improvements in transit service levels – such as implementing a rapid transit system. Because of this constraint, the Region of Waterloo has no ability to recover any of the costs of the rapid transit system through development charges – despite the fact that much of the need for rapid transit is driven by anticipated population and employment growth.
The Province appears to have acknowledged this issue in 2006/07 when it enacted a specific amendment to the Development Charges Act exempting Toronto and York Region from this “historic service level” restriction for the extension of the Spadina subway into York Region. The amendment allowed Toronto and York to recover development charges for the growth-related portions of the capital costs based on the “future service level” rather than the “historic service level”.

The Region of Waterloo is looking for the same treatment that Toronto and York Region received which will allow the Region to access another source of revenue – one that will ensure that new growth helps pay for the costs of the rapid transit infrastructure needed to accommodate and support this growth. Regional Council is in the process of preparing a new Development Charges Background Study, and a new Regional Development Charges By-law is expected to be in place by the end of 2013. It would be preferable for the necessary amendment to be in place before this fall in order for the Region to include the rapid transit project in the study and by-law.
PUBLIC TRANSIT

Public transit in Waterloo Region is changing at a fast pace. With a combination of conventional and express bus service, plus plans for an imminent rapid transit system, Waterloo Region is planning now for the challenges and opportunities associated with population and employment growth. The Region’s population is expected to grow by 34% to 729,000 by 2031.

In June 2010, Regional Council approved a new Regional Transportation Master Plan (RTMP). The new RTMP places greater emphasis on the role of public transit to provide a sustainable transportation system that is required to achieve the compact urban form as prescribed by Ontario’s Places to Grow growth plan and the Regional Official Plan. The RTMP is based on the incorporation of rapid transit as part of the future transit network.

Conventional Transit

Investment in the Region of Waterloo’s transit system is paying off. Grand River Transit (GRT) ridership has more than doubled since the Region assumed responsibility for public transit in 2000. Moreover, ridership has increased by more than 9 per cent in 2011 - the largest annual transit ridership increase since GRT was established in 2000 - almost twice the national average transit ridership increase of 4.6 per cent. GRT ridership continues to grow in 2012 with an increase of 10.6 percent in the first quarter.

In 2011 and 2012, GRT added more than 81,000 hours of transit service (a 15 % increase in service), including a much-needed express bus service on the Region’s west side (2011) that complements the existing iXpress service along the Region’s central transit corridor, which links the three urban areas of Cambridge, Kitchener and Waterloo. In 2013, a third iXpress service is planned along the University Avenue corridor. The implementation of transit technology continues to enhance the attractiveness of public transit to current and future riders. Increased access to accurate travel information in real-time, more reliable service with fewer delays and a more convenient fare payment system all contribute to greater use of GRT.

These transit expansions and improvements provide an integrated network of buses and rapid transit that will improve the public transit experience, build ridership and contribute to the economic vitality and quality of life in the community.

Since 2004, the Region of Waterloo has benefitted significantly from the Provincial Gas Tax funding for transit (almost $9.7 million in 2012) which has helped us expand our system and grow our ridership.
**Rapid Transit**

As one of Canada’s fastest growing communities, Waterloo Region has proactive plans to expand its transit system using light rail transit (LRT). On June 15, 2011 Regional Council approved LRT as the preferred technology for the Region of Waterloo's rapid transit system with a staged approach that will allow the Region to match transit technology with current and projected ridership and development potential in a cost-effective manner.

Investment in LRT will have many benefits. It will provide riders with a more convenient, reliable and environmentally-friendly transportation choice. Furthermore, LRT will shape urban form by encouraging intensification and redevelopment and enhancing land access, image, value and desirability. This aligns with the Provincial growth plan, which requires at least 40 per cent of new development to occur within the “built boundary” of the Region, anticipates higher order transit, and prescribes increased development densities.

In June 2010, the Province of Ontario announced a commitment of $300 million in funding for the Region’s LRT project. This was followed by a Federal government announcement in September 2010 that it would fund one-third of the cost of the LRT project up to a maximum $265 million.

In May 2012, the Province of Ontario provided the Region of Waterloo with “Approval in Principle” letters. Subject to meeting the conditions in the letters and finalizing a Transfer Payment Agreement, this confirms the Provincial commitment to the project and allows it to incur costs that are eligible for Provincial funding.

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**The Region of Waterloo needs the Province:**

- To continue to honour its commitment to contribute at least $300 million towards the capital cost of constructing Stage 1 of the rapid transit system in Waterloo Region.
- To amend the Development Charges Act to allow the Region of Waterloo to calculate development charges for the rapid transit project based on the cost of future, rather than historic, service levels. This would be similar to what was done for the Toronto-York Spadina subway extension.
- To work with the Region to secure federal and Provincial funding for Stage 2 of the LRT project – extending LRT to Ainslie Street, Cambridge.
- To enhance and make permanent the Provincial fuel tax transfer to municipalities to ensure the continuation of ridership growth and transit expansion.
- To consider and provide financial tools to support the investment in transit prescribed in both provincial and municipal objectives.
Date: April 17, 2013

To: The Hon. John Milloy, M.P.P. Kitchener Centre
    Rob Leone, M.P.P. Cambridge
    Michael Harris, M.P.P. Kitchener-Conestoga
    Catherine Fife, M.P.P. Kitchener-Waterloo

Subject: Affordable Housing

Attached for your information is a Region of Waterloo Community Services Committee report, P-13-028 "Region of Waterloo Affordable Housing Strategy and Investment in Affordable Housing for Ontario – Program Delivery and Fiscal Plan Progress Update", which summarizes the Region’s success in developing affordable housing in our community over the past several years. The report was approved by Regional Council on March 27, 2013.

Subsequent to the report’s approval, the Federal government announced the extension of its funding for affordable housing for another five years.

The Region looks forward to the discussions between the Federal government and the Province of Ontario concerning the terms of a new Canada-Ontario affordable housing agreement.

Best regards,

Ken Seiling
Regional Chair
REGION OF WATERLOO

PLANNING, HOUSING AND COMMUNITY SERVICES

Housing

TO: Chair Sean Strickland and Members of the Community Services Committee

DATE: March 19, 2013

FILE CODE: D26-20

SUBJECT: REGION OF WATERLOO AFFORDABLE HOUSING STRATEGY AND INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO – PROGRAM DELIVERY AND FISCAL PLAN PROGRESS UPDATE

RECOMMENDATION:

THAT the Regional Municipality of Waterloo approve the following with regard to the Investment in Affordable Housing for Ontario – Program Delivery and Fiscal Plan (PDFP) and program delivery, as described in Report P-13-028, dated March 19, 2013:

a) Endorse the recommended revised Program Delivery and Fiscal Plan as summarized in Table 2 of Report P-13-028 and the proposed implementation revisions of the PDFP; and

b) Forward a copy of report P-13-028 to Federal and Provincial Ministers responsible for housing, local Members of Parliament and local Members of Provincial Parliament to advise them of the need for a new long term affordable housing agreement, as the CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014 is set to expire in 2014.

SUMMARY:

On October 29, 2008, Regional Council endorsed a new Affordable Housing Strategy (AHS) for the period of 2008 to the end of 2013 to help create at least 500 new units of sustainable affordable housing (P-08-105). Two priority areas identified in the new Strategy relate to affordability and supportive housing. As of the end of December 2012, there were 404 units completed under the new AHS, consisting of 286 new affordable rental units that have been built and occupied, including 121 affordable to lower income households and 81 units of supportive housing, and 118 units under the Affordable Home Ownership program. This, added to Regional Council’s 1,549 units created between 2001 and 2008, brings the total to 1,953 affordable housing units that the Region helped create by the end of 2012. Despite this considerable success, the demand for more affordable housing remains high.

The new Investment in Affordable Housing for Ontario Program (IAH) was announced in November 2011 as a four year program ending March 31, 2015. The Region of Waterloo received a notional allocation of $12.8 million and was required to provide the Province with a plan on how the funding would be utilized to address local affordable housing needs. On February 8, 2012 Regional Council approved the four year Program Delivery and Fiscal Plan (PDFP) for the $12.8 million notional allocation (P-12-017). Any funding not committed within a component in each program year will be reallocated to another Service Manager. While the total allocation to each of the components has not changed since the approval of the Plan, funding has been adjusted between the program years to ensure the Region’s allocation is fully utilized within the community.
Staff is requesting Regional Council to endorse the revised Program Delivery and Fiscal Plan (PDFP) and process outlined in the report to ensure the IAH funds remain in the community and address local housing needs. Subject to the approval of the revised PDFP, the next step would be to conduct an Expression of Interest for the currently unallocated amount of $1.75 million and to bring forward the results in a future report for consideration by Regional Council. The estimated 14 - 18 units developed with these funds, together with the 76 rental units currently under development and construction, places the Region on track to achieving the 500 unit goal by the end of 2013. This does not include households assisted through the Temporary Housing Assistance with Support or the Ontario Renovates programs.

The success of the AHS would not have been achieved without Regional Council’s leadership, and the partnerships and contributions of the development industry and non-profit housing providers, support from local agencies, Area Municipalities, and the Provincial and Federal governments. In addition to creating much needed affordable housing, there are other positive sustainable results that have been realized for Waterloo Region. These can be seen in the series of measurable outcome indicators developed by staff that monitor how well the community is achieving the goal of creating sustainable affordable housing and addressing economic, environmental and social sustainability (please see Attachment 1), such as:

- $54.0 million in capital investment in the community from the 286 rental units completed by the end of 2012;
- Each $1 invested by the Region in new rental housing has leveraged $9 from other sources;
- Revitalizing three former brownfields sites into new rental housing;
- Estimated reduction of 219 tonnes of green house gas emissions with new construction energy efficiencies; and
- Within the 286 new rental units, 54 are accessible and/or adaptable units, and 81 are new supportive housing units.

The community is on target to achieve Regional Council’s goal of helping to create at least 500 new units of sustainable affordable housing by the end of 2013. Staff are now in the preliminary stages of developing a new draft AHS that will be brought forward for consideration by Regional Council in late 2013. This will include a thorough review of community need to ensure the goals of the strategy are properly targeted. Social Services staff will also be directly involved.

REPORT:

On October 29, 2008, Regional Council endorsed a new Affordable Housing Strategy (AHS) for the period of 2008 to the end of 2013 to help create at least 500 new units of sustainable affordable housing (P-08-105). The minimum goal of 500 new units of sustainable affordable housing is targeted to be achieved as:

- New Affordable Rental Units – 370 (includes rents available to lower incomes)
- Regionally Constructed Units – 30 (supportive units)
- New Provincial Rent Supplement Units – 75
- Affordable Home Ownership Units – 25

In addition to the goal of creating at least 500 new units, two priority areas have been identified to address pressing needs in the areas of affordability and supports. The first priority is to create units affordable to the lowest income households in the Region by targeting 40 per cent of all new units created to be available at 65 per cent of the Canada Mortgage and Housing Corporation (CMHC) average market rent. At this rent level, units will generally be affordable to households receiving Ontario Works (OW), Ontario Disability Support Program (ODSP), earning minimum wage, and seniors on fixed incomes. The remaining units will still be targeted at 80 per cent of the
March 19, 2013

average market rent. These are rent levels that the private market cannot address alone and funding assistance is required to address these affordable housing gaps.

The second priority area is to increase the supply of housing with supports by helping to create at least 100 affordable supportive housing units. These additional supportive units may be located in new projects or added to current stock through partnerships with support agencies and housing providers. There are more than 1,426 households in the Region in need of not only safe and appropriate affordable housing, but also long term supports to allow them to live independently. As the Region’s population grows, it is expected that the demand for housing with supports will also increase, which can range from support for seniors, those with mental health issues, and persons with physical or cognitive disabilities to support for people needing help with basic life skill tasks.

Results to Date – Shared Success

As of the end of 2012, the Region has realized 404 units of the goal of at least 500 units under the new AHS. This is comprised of 286 rental and supportive housing units completed and occupied and 118 affordable homeownership units. When added to Regional Council’s 1,549 units created between 2001 and 2008 under the initial AHS, a total of 1,953 units have been created by the end of 2012.

<table>
<thead>
<tr>
<th>As of December 2012</th>
<th>New Rental Supply</th>
<th>Home Ownership</th>
<th>Rent Supplement</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial AHS</td>
<td>1,036</td>
<td>170</td>
<td>343</td>
<td>1,549</td>
</tr>
<tr>
<td>New AHS</td>
<td>286</td>
<td>118</td>
<td>0</td>
<td>404</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,322</td>
<td>288</td>
<td>343</td>
<td>1,953</td>
</tr>
</tbody>
</table>

An additional 26 rental units are under construction and expected to be completed this year, and a further 50 rental units have received allocations and are expected to start construction this year. The Region is recognized as a leader in the creation of affordable housing, and as a result of the collective efforts of all stakeholders, the Region continues to be among the highest producers of affordable housing in Canada.

The AHS was developed to help create new affordable housing to address a range of unmet housing needs for low to moderate income households in the community. In addition to meeting the housing needs of low to moderate income households and improving their quality of life, the AHS has provided other positive sustainable results for the Region. A series of measurable outcome indicators have been developed to monitor how well the Region is achieving the goal of creating sustainable affordable housing. The indicators measure outcomes in the areas of affordability, and economic, environmental and social sustainability (see Attachment 1).

1) **Affordability Indicators**

The new AHS has a priority to create units affordable to the lowest income households in the Region by targeting 40 per cent of all new units created to be available at 65 per cent of the CMHC average market rent. Under the new AHS, 286 affordable rental units have been completed and occupied. Of these, 121 units (42 per cent) are at rents generally affordable to households receiving OW, ODSP, earning minimum wage, and seniors on fixed incomes.
The Region's Affordable Homeownership program has been successful in helping 288 low to moderate income households become first time homeowners in the Region since the program started in 2008. The current homeownership target under the AHS is to create 25 new affordable homeownership units. However, due to new senior government funding specifically for affordable homeownership allocated after the approval of the current AHS, greater than anticipated repayments, and Habitat for Humanity developments, 118 households were able to purchase affordable homeownership units under the current Affordable Housing Strategy, far exceeding the expected goal. A trend of increased repayments is expected as earlier purchasers start to renew their mortgage, thereby allowing more households to participate in the program.

2) Economic Sustainability

Economic sustainability is based on the premise that investment in affordable housing makes good business sense both now and for the future. The 286 completed rental and supportive units and 118 affordable home ownership units to date have had the following impacts:

- Numbers of person years of employment: an estimated 699 years worth of employment have been created since the implementation of the new AHS.
- Construction Investment: the 286 rental and supportive units completed have resulted in a total capital expenditure of $54 million.
- Over $22.4 million in home purchases have been supported through the Affordable Home Ownership (AHO) Program under the new AHS. As with the construction of new units, the AHO Program has multiple economic spin offs, including jobs created for mortgage brokers, realtors, and home inspectors.
- Ability to leverage equity: each $1 invested by the Region leveraged $9 from other sources.
- Impact on Rental Market: the 286 rental units completed have helped temper the rental market vacancy rate by 0.45 per cent.

3) Environmental Sustainability

Creating new affordable housing can help diminish negative impacts to the environment and reduce consumption of energy and water. For example, recent rental developments have included solar panels on the roof, installed heat recovery ventilators and drain water heat recovery devices, and solar hot water heating. Current AHS projects completed to date have improved environmental sustainability by:

- Development of Brownfields: Heartwood Place on Ainslie, Fern Meadows (Housing Cambridge) and MennoHomes Inc. Centre Street transformed contaminated sites to new residential environments.
- Number of Intensification and Adaptive Reuse Developments: both types of developments protect green space from development. Nine of the 11 rental developments completed under the current AHS either intensified or reused sites within existing build up areas, assisting in meeting Regional Official Plan objectives.
- Reduction of Greenhouse Gas Emissions: on average, the affordable rental buildings completed before the 2012 Building Code came in were designed to be at least seven per cent more energy efficient than the prevailing code's energy efficiency requirements. Therefore, there is an estimated reduction of 219 tonnes of green house gas emissions because of the energy efficiencies incorporated above the code requirements.

4) Community Sustainability

Affordable housing can foster equity, social inclusion, and security, and help create complete communities. Community sustainability is based on the idea that future generations should have
the same or greater access to community or social resources as the current generation. The AHS successes over the past year have contributed to community sustainability by:

- Number of Affordable Units Created: the 404 units of rental and supportive housing and affordable home ownership created help to foster security for low to middle income households and increases the affordable housing choices and locations in the Region.
- Number Housed from Waiting List: Since 2009, 3,214 households from the Coordinated Access Waiting list were housed in Community Housing, including units created under the AHS.
- Number of Accessible Units Created: the 54 new accessible and/or adaptable rental housing created in Waterloo Region will expand the options for persons with disabilities, allowing them to remain in their community, close to families and friends.
- Number of Supportive Housing Units Created: the 81 new supportive housing units created across Waterloo Region will assist individuals and families with support needs to maintain their housing.

**Update on the Investment in Affordable Housing for Ontario Program**

In July 2011, senior levels of government announced a New Framework for Affordable Housing 2011-2014, which was followed in November 2011 with the announcement of the Investment in Affordable Housing for Ontario Program (IAH), which will provide $480.6 million for affordable housing in Ontario over four years. The Region of Waterloo’s notional allocation of $12.8 million is divided over Years 2 to 4 of the Program. On February 8, 2012 Regional Council approved the Program Delivery and Fiscal Plan (the Plan) for the $12.8 million notional allocation (P-12-017). Any funding not committed within a component in each program year will be reallocated to another Service Manager. While the total allocation to each of the components has not changed since the approval of the Plan, funding has been adjusted between the program years to ensure the Region’s allocation is fully utilized. The first adjustment made to the Plan was, at the request of the Province, to move $3.05 million from Rental Housing and $147,384 in Administration component funding to Year 1. The second adjustment was to move $160,662 in Year 2 Rental Housing funding to Ontario Renovates and then reverse the $160,662 between these two components in Year 3.

**Table 2: Current Allocation of IAH Funding**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SM Allocation</td>
<td>$3,198,896</td>
<td>$3,956,662</td>
<td>$3,963,745</td>
<td>$1,721,356</td>
<td>$12,840,659</td>
<td></td>
</tr>
<tr>
<td>Rental Housing</td>
<td>$3,051,437</td>
<td>*$3,000,000</td>
<td>*$3,299,590</td>
<td>$973,973</td>
<td>$10,325,000</td>
<td>85 - 90</td>
</tr>
<tr>
<td>Housing Allowance</td>
<td>*123,000</td>
<td>*77,000</td>
<td></td>
<td></td>
<td>*$200,000</td>
<td>74</td>
</tr>
<tr>
<td>Extension</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THAWS</td>
<td>*273,000</td>
<td></td>
<td></td>
<td></td>
<td>*$273,000</td>
<td>15 - 25</td>
</tr>
<tr>
<td>Ontario Renovates</td>
<td>*$560,662</td>
<td>*$439,338</td>
<td>$600,000</td>
<td>$1,600,000</td>
<td>$442,659</td>
<td>80</td>
</tr>
<tr>
<td>Administration</td>
<td>$147,459</td>
<td></td>
<td>$147,817</td>
<td>$147,383</td>
<td>$442,659</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,198,896</td>
<td>$3,956,662</td>
<td>$3,963,745</td>
<td>$1,721,356</td>
<td>$12,840,659</td>
<td>254 - 269</td>
</tr>
</tbody>
</table>

* Operation budget allocation from Province, program delivery up to 5 years
* Funding shift between Rental Housing and Ontario Renovates in Year 2 and Year 3
Update on Rental and Supportive Housing

There are six rental and supportive developments that are either occupied (two units) and/or under construction/development (76 units) that received allocations through the call for Expressions of Interest 2011-02 and are being funding through the Region’s IAH allocation (Report P-012-028). An additional development by Alfred Haenchen Co-operative Homes Inc. received an allocation under an earlier proposal call.

1) **Hunke Construction Inc. – Nafziger Road, Wellesley - Two units**

Hunke Construction Inc. completed the revitalization of a former small church located at 3639 Nafziger Rd. in Wellesley into two units in December 2012. The three-bedroom and four-bedroom units are now occupied by local families.

2) **Kitchener Housing Inc.- David Street, Kitchener - 21 units**

Construction of an additional 21 one-bedroom units, including three accessible units, is currently underway at Kitchener Housing Inc.’s site located at 35 David St. in Kitchener. Kitchener Housing is currently renting up the units and occupancy is scheduled for mid-April 2013. Dakon Construction Ltd., the general contractor for the project, partnered with Lutherwood’s Compass program to provide at-risk youth an on-site construction experience.

3) **MennoHomes Inc. - Ratz Street, Elmira - Three units**

MennoHomes Inc. has completed extensive work to renovate, upgrade and improve the energy efficiency of the existing three-bedroom dwelling at 9 Ratz St. in Elmira, the duplex consisting of two four-bedroom units on the neighbouring vacant lot is expected to be completed in April. The duplex was constructed using an existing building donated by local philanthropist planning on intensifying an urban site in Waterloo. These units will provide affordable rental housing with supports for large rural families, particularly Low German-speaking Mennonites.

4) **MennoHomes Inc. – David Street, Wellesley – Two units**

MennoHomes Inc. was recommended as a Potential Priority Project in Report P-12-028 for a two units in Wellesley. Since then, MennoHomes has purchased a currently vacant site at 146 David St. in Wellesley and is the process of developing the site as a duplex consisting of two four-bedroom units with a small ground floor commercial space. A building permit has been issued for this infill development and construction is expected to start in April with occupancy planned for July 2013. These units will provide affordable rental housing with supports for large rural families, particularly Low German-speaking Mennonites.

5) **Alfred Haenchen Co-operative Homes Inc. – Pinerow Crescent, Waterloo – Six units**

Alfred Haenchen received an allocation under the Region’s DOOR funding in response to a 2009 call for Expressions of Interest (P-09-015). A minor variance to allow the six unit intensification project and associated common space was granted in 2012. Alfred Haenchen is currently in the site plan approval process and construction is expected to commence this spring.

6) **Cambridge Kiwanis – Linden Drive, Cambridge - 23 units**

Cambridge Kiwanis Village Non-Profit Housing Corp. received an allocation for 23 new units in a four-storey stand alone building on Linden Drive in Cambridge, with 20 one-bedroom units and three two-bedroom units. Construction is planned to start in this spring with occupancy in early 2014. Cambridge Kiwanis is in discussion with a local agency to provide supports to future
residents of four accessible units. The proponent has acquired an adjacent site that was the location of a former Regionally-owned water tower, which is to be used for a community garden.

7) Kitchener-Waterloo Habilitation Services – Sydney Street South, Kitchener - 21 units

Kitchener-Waterloo Habilitation Services (KW Habilitation) received an allocation for a 21-unit affordable supportive housing building as part of the redevelopment of their property at 108 Sydney St. S. in Kitchener. KW Habilitation recently broke ground on a new facility on the site to accommodate their administration and program space. They will start construction on the apartment building once the first phase is complete. Occupancy is expected late in 2014.

Update on Housing Allowance Extension

The current Housing Allowance program provided for a maximum of five years funding for each housing unit with a program end date of March 31, 2013. The Region’s approved Program Delivery and Fiscal Plan included $200,000 to help facilitate participants in the current Housing Allowance program to transition into other long term affordable housing options. In 2012, 15 participants have been assisted with $49,258 in Housing Allowance Extension funding.

Update on Temporary Housing Assistance With Supports Program

Regional staff developed a new Temporary Housing Assistance with Supports (THAWS) program as a five-year pilot for the delivery of 15 housing allowances for households in need of rental assistance as well as supports. The THAWS Program provides up to $350 per month towards housing costs, with the supports to maintain housing provided by local support agencies. In response to EOI 2012-04, Regional Council approved the selection of Lutherwood to administer the delivery of the THAWS program in collaboration with seven other local agencies (Report P-12-093). Regional staff worked with Lutherwood and the other agencies throughout the Fall of 2012 to refine and launch the pilot project. By the end of 2012, six individuals in need of affordable housing and support had been selected to participate in the program.

Update on Ontario Renovates

Ontario Renovates is another new program delivered by the Region that fills the gap left by the cancellation of the suite of rehabilitation programs including the Residential Rehabilitation Assistance Program (RRAP) by CMHC on March 31, 2012. Applications were made available to the public to download from the website in August 2012. Staff also mailed 97 applications, including 34 households who were on a waiting list to apply for RRAP funding. The Region was also forwarded a RRAP application from a local rooming house provider. The Province’s funding deadline for Year 2 of the program was December 31, 2012 and 14 applications had been approved by that date totaling $178,772 of the $400,000 Year 2 allocation for Ontario Renovates. The most common types of improvements include: roofs, furnaces, water penetration/mould, bathroom modifications, electrical and improving access into the home. Despite the Provincial funding deadline of December 31, the Region has been able to fund emergency repairs (furnaces, leaking roofs) since then utilizing HST rebates received on payments to contractors by the Region with the IAH Ontario Renovates funding.

As the Province’s December 31, 2012, deadline was approaching, it became apparent that some of the Ontario Renovates funding ($221,228) would remain uncommitted by year end and an additional $160,662 in Rental Housing component funding remained uncommitted (totaling $382,000), and therefore, was subject to being returned to the Province. Assuming that there may be some funding available at year-end in some of the components, Staff had developed a contingency plan for the use of any remaining funding to address affordable housing needs in the region. Given the Region’s AHS and PDFF, staff first reviewed all approved rental and supportive 1370065
housing proposals with an allocation for opportunities to increase the number of rental units with the additional funding, but there were no viable options within the timeframe.

The second option was to utilize the funds for the K.W. Underhill Residential Home (Underhill Residence), under the Ontario Renovates component, which allows funding for repairs to rooming houses. The Underhill Residence is a 30-bed rooming house located at 127 Erb St. W., Waterloo that provides room and boarding services to people with mental health conditions and/or experiencing persistent homelessness. Underhill Residence receives operating funding from the Region’s Social Services through the Domiciliary Hostel Program. The RRAP application for Underhill Residence identified that extensive repairs were required to allow the building to continue to provide supportive housing including bringing the building into compliance with the Fire Code, addressing other life safety issues, replacing the roof, and updating heating and electrical wiring. Social Services staff was supportive of this application.

Next Steps

There is $1,592,901 in Year 3 (April 1, 2013 to March 31, 2014) Rental Housing component funding that is currently unallocated. Regional staff discussed the possibility of utilizing these funds with the remaining two Potential Priority Projects from Report P-12-028, but neither proponent is able to proceed with the recommended funding levels or meet the program timeframe. With the suggested transfer of $160,662 Year 3 Ontario Renovates funding to Rental Housing (see Table 1) added to the remaining $1,592,901 in Year 3 Rental Housing component funding, this would make $1,753,563 available, which would be sufficient funding to help create an additional 14-18 units. The additional units created with this funding, together with the 76 rental units currently under development and construction, places the Region on track to achieving the 500 unit goal by the end of 2013. As it is the current approved process (P-05-123/CR-RS-05-088), staff is proposing to issue a new call for Expressions of Interest targeting developments that can meet the program guidelines, with a preference for supportive housing proposals with support dollars in place. The results of a new call for Expressions of Interest would be brought forward in a future report for consideration by Regional Council.

Staff has set the application deadline for Year 3 funding of Ontario Renovates for October 1, 2013. This will provide sufficient time to have a comprehensive process for the reallocation of any remaining Ontario Renovates funding. Applications will still be received and approved after this date, with applicants placed on the waiting list for Year 4 funding. Funding will also continue to be available through HST rebate for emergency repairs (furnaces, work orders, leaking roofs, etc.).

With the current AHS ending December 31, 2013, Regional staff is in the preliminary stages of a review of the AHS. This comprehensive review will evaluate the success and issues related to the implementation of the current AHS, include input from public consultations as part of the update of the Community Action Plan for Low to Moderate Income Housing, and assess how best to direct strategic investment to reflect public interest and addresses current affordable and supportive housing gaps. The results of the review will help set the framework for a new draft AHS that will be presented for consideration by Regional Council in late 2013.

A key element to the success of a new AHS starting in 2014 is the need for continuation of long-term funding from senior levels of government. As the current CMHC-Ontario Agreement for Investment in Affordable Housing 2011-2014 is set to expire in 2014, Staff will continue to collaborate with local and sector partners (e.g. Federation of Canadian Municipalities, Ontario Municipal Social Services Association) to request senior levels of government to develop long-term housing strategies and to commit to long-term funding for sustainable affordable housing and supports, including funding for rent supplement units.
Area Municipal Consultation/Coordination

A copy of this report will be distributed to all Area Municipalities. Regional staff will continue to meet with Area Municipal staff to review proposed affordable housing projects submitted within their Municipality.

CORPORATE STRATEGIC PLAN:

Council's Strategic Focus Area 4.5 includes actions to complete and implement the New Affordable Housing Strategy.

FINANCIAL IMPLICATIONS:

The investment in Affordable Housing for Ontario Program (IAH) will provide up to $12.8 million in funding over the timeframe of the Program to help implement the Region's Affordable Housing Strategy and address local affordable housing needs. The IAH program guidelines allow up to five per cent of the notional allocation ($642,033) to be used to assist with the administration of Years 2 to 4 of the IAH Program. Regional Council approved $442,659 (3.4%) of the funding to be used to cover administrative costs, including an additional contract staff person for the length of the program, and to fund the delivery of the technical component of the Ontario Renovates program by a third party delivery agent. This amount does not include the $100,000 the Region received upon entering into an Administration Agreement with the Province for upfront administration costs for Year 1 planning and pre-development activities.

Delivery of the IAH program will have no cost impact to the tax levy. Should no further senior government funding be made available at the end of the IAH program (March 2015), the Ontario Renovates program will have to be discontinued or alternate funding made available. Operating components (Rent Supplement, Housing Allowance) that are delivered beyond March 2015 will continue to be funded as per the PDFP up to the 10-year limit.

The Region will continue its existing policy of providing limited grants out of the Planning, Housing and Community Services Department's approved operating budget to offset Regional Development Charges for rental and supportive project priorities which proceed to building permit stage on a first come, first served basis, as contained in Council-approved Report P-03-046.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

Staff from Social Services, Finance and Legal has reviewed this report and Housing staff will continue to involve staff from Finance, Social Services and Legal in the implementation of the Affordable Housing Strategy and the Program Delivery and Fiscal Plan.

ATTACHMENTS:

Attachment 1 - Affordable Housing Strategy - Outcome Measures

PREPARED BY: Jeffrey Schumacher, Supervisor, Housing Supply Initiatives
Deb Schlichter, Director of Housing

APPROVED BY: Rob Horne, Commissioner of Planning, Housing and Community Services
## ATTACHMENT 1
### AFFORDABLE HOUSING STRATEGY - OUTCOME MEASURES

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Total to Date</th>
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<tr>
<td><strong>Affordability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Number of completed rental units at 65% of AMR (percent of rental)</td>
<td></td>
<td>72 (47%)</td>
<td>48 (38%)</td>
<td>1 (50%)</td>
<td>121 (42%)</td>
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<td>Number of completed rental units at 80% of AMR</td>
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<td>82</td>
<td>82</td>
<td>1</td>
<td>165</td>
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<tr>
<td>Number of affordable home ownership units</td>
<td>23</td>
<td>49</td>
<td>27</td>
<td>19</td>
<td>118</td>
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<tr>
<td>Average AHO purchase price as compared to average resale price</td>
<td>85%</td>
<td>71%</td>
<td>63%</td>
<td>72%</td>
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<td><strong>Economic Sustainability</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of person years of employment created</td>
<td>46</td>
<td>372</td>
<td>271</td>
<td>10</td>
<td>699</td>
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<td>Construction investment from new rental</td>
<td></td>
<td>$32.3 million</td>
<td>$21.3 million</td>
<td>$0.4 million</td>
<td>$54.0 million</td>
</tr>
<tr>
<td>Ability to leverage equity from other sources based on Regional investment</td>
<td></td>
<td>$1 : $6</td>
<td>$1 : $36</td>
<td>$1 : $19</td>
<td>$1 : $9 (average)</td>
</tr>
<tr>
<td>Impact on rental market vacancy rate by completed rental units</td>
<td></td>
<td>0.5%</td>
<td>0.4%</td>
<td></td>
<td>0.45%</td>
</tr>
<tr>
<td>Total value of homes purchased through AHO</td>
<td>$4.9 million</td>
<td>$8.4 million</td>
<td>$5.2 million</td>
<td>$3.9 million</td>
<td>$22.4 million</td>
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<td><strong>Environmental Sustainability</strong></td>
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<td>Development of Brownfields projects completed</td>
<td></td>
<td>2</td>
<td>1</td>
<td></td>
<td>3</td>
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<td>Number of intensification and adaptive reuse developments completed</td>
<td></td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>9</td>
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<tr>
<td>Reduction of greenhouse gas emissions due to higher than code efficiency of new units</td>
<td></td>
<td>77 tonnes</td>
<td>142 tonnes</td>
<td></td>
<td>219 tonnes</td>
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<tr>
<td><strong>Community Sustainability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of affordable rental units created</td>
<td></td>
<td>154</td>
<td>130</td>
<td>2</td>
<td>286</td>
</tr>
<tr>
<td>Number of Households housed from Waiting List</td>
<td>871</td>
<td>884</td>
<td>733</td>
<td>726</td>
<td>3,214</td>
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<tr>
<td>Number of accessible/adaptable housing units created</td>
<td></td>
<td>43</td>
<td>11</td>
<td></td>
<td>54</td>
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<tr>
<td>Number of supportive housing units created</td>
<td></td>
<td>77</td>
<td>4</td>
<td></td>
<td>81</td>
</tr>
</tbody>
</table>
Date: April 18, 2013
To: The Hon. John Milloy, M.P.P. Kitchener Centre
    Rob Leone, M.P.P. Cambridge
    Michael Harris, M.P.P. Kitchener-Conestoga
    Catherine Fife, M.P.P. Kitchener-Waterloo
Subject: Interest Arbitration

I am writing to you concerning the need for meaningful improvements to Ontario’s interest arbitration system.

The most recent effort at change was Bill 44 which was defeated at second reading. It was a step toward meaningful change. It reflected many of the changes to the interest arbitration system that have been previously proposed by the Association of Municipalities of Ontario (AMO), the Mayors of Single-tier Cities and Regional Chairs of Ontario (MARCO), the Large Urban Mayors Caucus of Ontario (LUMCO), and the Emergency Services Steering Committee (ESSC). All of these groups support changes to the arbitration system that will improve efficiency, ensure a fair and balanced approach, improve accountability and transparency of decision-making and, that will more accurately assess a municipality’s fiscal health.

Municipalities recognize that emergency services professionals work in dangerous settings and should be highly respected. However, labour costs and salary increases within the emergency services sector continue to rise at rates that are exceeding those in other sectors. Indeed, these increases have been taking place at a time when many other workers are underemployed or facing layoffs. The disproportionate increase of costs in the emergency services sector is adding to the eroding ability of municipalities to fund key projects and essential programs designed to assist our communities at this time of need.

Interest arbitration is the only legal way to settle contract negotiation disputes with essential workers, such as police and firefighters, who are not allowed to strike. But, municipal governments have long been frustrated with the priority that replication of agreements from one community to another has had over consideration of local fiscal conditions. In addition, the length of the process can be long, sometimes taking years before a decision is made.

In the past few years there have been several attempts by private members and the Government to address these issues however the proposed changes fell short on both content and support. The concerns expressed by municipalities were summarized in a checklist issued by AMO. I have attached a copy of the March 28, 2013 AMO Media Release and Legislative Checklist on this issue for your information.
I cannot stress enough how important it is that all parties work together now to deliver what will best serve the people of Ontario and to once and for all approve the changes needed to Ontario’s interest arbitration system.

Thank you for your consideration. Please call me if you wish to discuss this further.

Best regards,

Ken Seiling
Regional Chair
Taxpayers Deserve Efficient, Accountable and Transparent Interest Arbitration

Toronto, Ontario, March 28, 2013 – Today, MPP Jim Wilson introduced the Ontario Legislature’s fourth attempt in a year to address widely held concerns about interest arbitration.

AMO urges members of Ontario’s Legislature to work with one another, and municipal governments, to adopt accountable, transparent and efficient improvements.

“There is broad agreement that interest arbitration needs to be improved,” said Russ Powers, AMO President. “This isn’t rocket science. Outcomes should be fair and balanced for everyone; decisions should be accountable and transparent for taxpayers; and arbitrators should be sensitive to fiscal challenges in communities.”

Interest arbitration settles contract disputes for emergency service workers when collective bargaining agreements can’t be reached. It is intended to ensure that outcomes are fair for employees who can’t strike. In practice, compensation for emergency service employees is growing at a much faster rate than compensation for public sector employees who can strike.

Because of their responsibilities, emergency service workers will always be among the highest paid public service employees in Ontario. The challenge is how to make fair adjustments. To be fair, arbitrators should consider economic circumstances and agreements that have been made with other employees.

“We are pleased that the authors of this Bill took time to consult with Ontario’s municipal governments and to study AMO’s proposals. Municipal input is reflected in this Bill. Consultation and cooperation between governments is in the best interest of Ontario’s communities,” said Powers.
Taxpayers Deserve Efficient, Accountable and Transparent Interest Arbitration

MPP Wilson’s Bill, the Public Sector Capacity to Pay Act, 2013, builds on the one he introduced last September. It died on the order paper when the Legislature prorogued in October. Months earlier, the Government tried to balance interest arbitration in their 2012 Budget, but that attempt fell short on content and support. It launched another effort last October through a draft bill, The Respecting Collective Bargaining Act, 2012, which has not been introduced.

“Municipal leaders with diverse political views support this Bill. AMO hopes that Members of the Legislature will work together, seize this opportunity, and pass much-needed legislation.”

Analysis of MPP Wilson’s Bill and the government’s draft proposals are available on AMO’s website, along with AMO’s February 2013 Interest Arbitration Checklist and related backgrounders.

AMO is a non-profit organization representing almost all of Ontario’s 444 municipal governments. AMO supports and enhances strong and effective municipal government in Ontario and promotes the value of municipal government as a vital and essential component of Ontario and Canada’s political system.
Interest Arbitration Checklist

Legislation to improve the current interest arbitration system should:

**Improve Efficiency by requiring:**
- A time limit for a binding pre-hearing process
- A decision no later than 12 months from the start of the arbitration process
- A single arbitrator model for all interest arbitration, rather than a three-member panel
- Limits to submissions after the hearing, which prolong the process
- Written reasons for the award which provide a clearer explanation for how the financial health of the community criteria were considered and applied in reaching a decision

**Improve Accountability & Transparency by directing arbitrators to consider:**
- The fiscal health of the community based on clear, measurable criteria
- Settlements reached by the same municipality with other employee groups
- The total compensation of the entire proposed agreement (present and future liabilities) compared to that of comparable collective agreements
- The tax increase that would be needed to pay for a proposed agreement without reducing services
- The employer's ability to find and retain qualified people
- The interest and welfare of the community served by the employer
- Provincial law or ministerial directive that places financial limitations on employer

**Better define a municipality's capacity to pay based on Fiscal Health indicators, such as:**
- Total property tax assessment
- Property tax assessment per household
- Ratio of residential, commercial and industrial properties
- Actual tax revenues
- Proportion of unpaid property taxes
- Rates of employment/unemployment
- Social service caseload
- Median household income
- Proportion of low-income households
- Compensation of other municipal employees in the same community
- Compensation of public sector employees in comparable communities
- Compensation of private sector employees in comparable communities

*Produced with the assistance of the Emergency Services Steering Committee*