



SUBJECT: Collaboration with Canada Mortgage and Housing Corporation (CMHC) to ensure alignment in housing start data

TO: Pipeline to Permit Committee

FROM: Building

Report Number: BB-06-24

Wards Affected: All

Date to Committee: November 7, 2024

Date to Council: November 19, 2024

Recommendation:

Receive for information building department report BB-06-24 regarding collaboration with the Canada Mortgage and Housing Corporation (CMHC) to ensure alignment in housing start data.

PURPOSE:

Vision to Focus Alignment:

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

Executive Summary:

This report provides information in response to staff direction SD-15-24, where the Pipeline to Permit Committee directed staff to ensure alignment between CMHC and the City of Burlington in the reporting data on housing starts. While full alignment is not attainable based on rigid collection and reporting requirements of CMHC, as explained

in this report. This report identifies what staff will be doing to achieve the greatest degree of accuracy, consistency and transparency moving forward.

The Province of Ontario uses CMHC housing start data as a means of identifying which municipalities qualify for the Building Faster Fund (BFF), therefore the accuracy of data is fundamental.

Background and Discussion:

To help achieve a shared goal of building at least 1.5 million homes by 2031, the Provincial government has provided 50 of the largest communities with housing targets. Through Report PL-24-23, City Council endorsed a housing pledge of supporting the approval of the 2031 housing target of 29,000 units.

Performance against annual housing pledge targets is being used to determine funding allocations municipalities can receive under the BFF and is also being reported on the Ministry of Municipal Affairs and Housing's website.

The annual housing targets are measured by the Province of Ontario and are based on housing starts as defined and published in the CMHC Starts and Completions Survey.

Many municipalities, including the City of Burlington, have encountered issues with accuracy, consistency and transparency when using CMHC data relating to housing starts.

The main issues are structured around three key areas: definitions of key terms, nature of inspections and timing of inspections.

1. Definitions for key terms used by CMHC: housing starts, foundation at grade, etc.

Issue: CMHC uses specific terminology that determines when a unit can be considered a 'housing start'. When this initiative was first introduced, the criteria used by CMHC was ambiguous and it was unclear whether they considered a housing start to have occurred when a building permit was issued, when site mobilization or construction commenced, when occupancy was granted, or at a specific completion percentage. CMHC later clarified construction was considered a 'housing start' once the foundation was visible and had reached grade level. In the case of a conversion, it is when the building permit is issued.

Response: When the Building Faster Fund was introduced in August 2023, the Building Department, with the assistance of Burlington Digital Services, created a new inspection process to capture when a foundation reached grade level. This additional building

inspection was above and beyond the regulatory building inspections required under the Ontario Building Code however, it was deemed necessary to validate CMHC data given that this data was what the Province was using to confirm funding requirements. As a result of the additional inspection, using CMHC terminology for what qualifies as a housing start, City staff have offered to confirm or validate this information on CMHC's behalf. These offers have been respectfully refused as CMHC thinks this would create variability in its data collection and may call into question validation standards. Their concern is that this approach could create challenges for comparison between municipalities. As an alternative, the City has offered to send regular reports from Building Inspection staff so that CMHC can use this data as an supplementary point of reference to help validate results before publishing its housing start data each month. The CMHC has agreed to this alternative.

2. Nature of Inspections by the CMHC Enumerator

Issue: CMHC staff have clarified that their field workers (called enumerators) conduct inspections at the street level, using building permit data supplied by the municipalities. They also contact developers directly to verify key details. However, there are some challenges with this approach:

- Sometimes, enumerators miss units because they cannot visually confirm if construction has started. This is common in cases where buildings are being converted for new use and the permit details are unclear. It's also hard to confirm progress when parts of the construction, like foundations, aren't visible from the street.
- Information provided by developers might not always match what the city's building inspection staff have recorded, leading to discrepancies.

Response: The City of Burlington has committed to providing CMHC enumerators with more detailed information and an expanded scope of work, including building permit descriptions, beyond what is typically included in the standard monthly StatsCan-issued building permit data. This additional information will give CMHC a comprehensive understanding of the size and number of housing units proposed for ongoing developments.

3. Timing of Inspections by the CMHC enumerator and inherent data lag

Issue: CMHC staff conduct street-level inspections at specific times each month. As a result, their report on housing starts only cover part of that month.

Response: CMHC currently has no way to update the housing start data posted on their public portal until the next inspection period. To help align CMHC's data with the

City of Burlington's, the Building Department will send CMHC monthly lists of properties where City Building Inspectors have confirmed that foundation construction has reached ground level. This will help CMHC plan inspections earlier and reconcile any differences between their data and the City's housing start data throughout the year.

Strategy/process/risk

A collaborative session was held with CMHC representatives to ensure transparency regarding the alignment of required metrics, terminology/definitions, and reporting timelines for CMHC enumerators. In addition to the regular reports produced by the Building Department for StatsCan, MPAC, and CMHC, the Building Department will also share foundation start data available on the City's P2P dashboard. This data, which relates to at-grade foundation inspections conducted by qualified building inspectors, will help CMHC cross-reference their data sources and enumerator inspections.

Options Considered

The BFF program was initiated by MMAH, which decided to use CMHC enumerators to capture unit starts instead of relying on building permit data from municipal building departments. During discussions in the established 'data working group' involving MMAH, AMO, and Chief Building Officials (CBOs), CBOs suggested the possibility of using regulatory building inspection staff to report at-grade foundation starts rather than CMHC enumerators. As the BFF program resides with MMAH they would have to implement the change.

Financial Matters:

Not applicable

Climate Implications:

Not applicable

Engagement Matters:

CMHC (Anthony Passarelli and Gianluigi Le Piane)

Conclusion:

To promote greater accuracy, consistency, and transparency in the future, staff will establish a more regular and collaborative relationship with CMHC to share housing start data from the City of Burlington. The Building Department will actively monitor reporting results and work directly with CMHC enumerators to help reconcile any discrepancies and address any issues that arise.

Respectfully submitted,

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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.