

## REPORT

**REPORT TO:** Chair and Members of Planning, Public Works and Transportation Committee

**REPORT FROM:** Steve Burke, MCIP, RPP, Manager of Special Projects and Research

**DATE:** October 7, 2019

**REPORT NO.:** TPW-2019-0031

**RE:** Affordable Housing – Establishment of an Affordable Housing Working Group

### RECOMMENDATION:

THAT Report TPW-2019-0031 dated October 7, 2019, regarding the establishment of an Affordable Housing Working Group in Halton Hills, be received;

AND FURTHER THAT Council endorse the draft Terms of Reference for an Affordable Housing Working Group attached as Schedule One to this report;

AND FURTHER THAT Council direct staff to finalize the membership of the Working Group, and arrange a kick-off meeting for January/February 2020;

AND FURTHER THAT Council direct staff to provide periodic status reports to Planning, Public Works and Transportation Committee and Council on the ongoing work of the Affordable Housing Working Group.

### BACKGROUND:

Council has identified a significant concern with housing affordability in Halton Hills, towards which effort should be made during the current 2018-2022 term of Council.

Affordable housing can mean different things to different people, so it is important to provide the appropriate context for discussion of the issue. **Figure 1** is the Housing Continuum used by the Region of Halton. It illustrates the spectrum of housing need from homelessness to obtaining housing in the private market; with special needs housing (i.e. emergency shelters, supportive housing); assisted/non-profit housing (i.e. government funding) intended to remain affordable over the long term; affordable housing (i.e. meets an affordability level when built, but is not maintained over the long

term), and market housing (i.e. accommodates demand, but not specifically intended to address affordability). It is also important to recognize the various demographic groups with often different housing needs (i.e. seniors, youth, and lower income families).

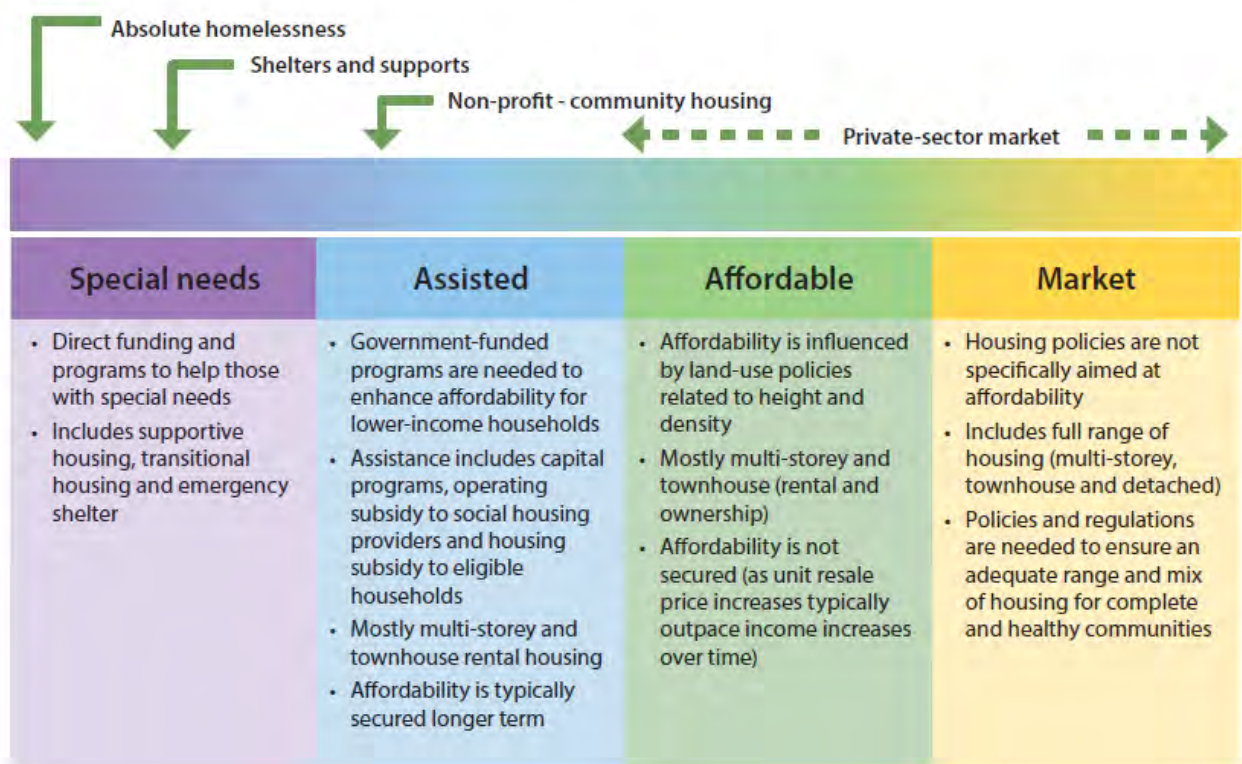
The Region of Halton definition of **affordable housing** is:

- Housing which has a market price or rent that is affordable to low and moderate income households, spending 30% of their gross household income on housing, without government assistance.

The Region of Halton definition of **assisted housing** (now referred to as ‘**community housing**’) is:

- Affordable, mostly rental, housing, with a portion of the housing cost subsidized through a government program (capital and/or operating).

**Figure 1: Housing Continuum**



Source: Region of Halton

Through Report TPW-2019-0016 dated May 2, 2019, Council adopted the following recommendations:

- THAT Council direct staff to **take the short-term actions outlined in this report** in order to address the issue of housing affordability in Halton Hills, beginning with the **creation of an Affordable Housing Working Group**;

- AND FURTHER THAT the valuable work of the Halton Hills Housing Task Force contained in the report entitled “Housing in Halton Hills: Opportunities for Attainable Housing” (attached as Schedule Two to this report), be acknowledged, and opportunities sought to build a partnership with the Task Force;
- AND FURTHER THAT the Affordable Housing Working Group review “More Homes, More Choice: Ontario’s Housing Supply Action Plan” released by the Province on May 2, 2019 as part of its mandate;
- **AND FURTHER THAT Council direct staff to report back on the status of the implementation of the actions outlined in this report and the proposed Terms of Reference and composition of the Affordable Housing Working Group, at the appropriate time.**

Report TPW-2019-0016 contained an overview of the playing field of affordable housing in Halton Hills, and the key players – Government of Canada; Ontario Government; Region of Halton; Town of Halton Hills; Halton Hills Housing Task Force, and non-profit and for-profit housing providers, and outlined the current efforts of each to address affordable housing.

Report TPW-2019-0016 also outlined a “Road Map (i.e. list) of Short-term Actions” that staff was directed to take with respect to affordable housing:

1. Continue to review and assess **Town-owned properties** for opportunities to provide affordable housing, and seek partners to develop those potential ‘quick win’ opportunities.
2. Establish a Town-led **Affordable Housing Working Group**. This Working Group would have participation from the Region, and non-profit and for-profit developers/builders, such as Habitat for Humanity and interested developers in the Vision Georgetown lands.
3. Develop a **Terms of Reference** for the Working Group that sets out the mandate of the Group, the composition of the Group (i.e. different stakeholders), and the relationship to existing initiatives.
4. As one of the first actions of the Working Group, complete a **Best Practices Review** and **Municipal Scan**, to inventory various innovative approaches to addressing housing affordability, and prioritize those approaches that are practical, and potentially most effective, in a Halton Hills context.
5. Incorporate consideration of financial incentives and municipal leadership actions focused on affordable and accessible housing into the upcoming **Community Improvement Plan Review**.
6. Build a partnership with the **Halton Hills Housing Task Force** (a community group comprised of members from local churches, non-profit organizations and social service agencies), and determine ways to collaborate to address housing affordability in Halton Hills.

7. Review and streamline the Town's **2-Unit Program** approval and administration process, from application to inspection to fees to communication and outreach.

This report contains a brief status update on the activities of the public sector players in affordable housing in Halton Hills, and on relevant items on the above list of short-term actions, as they relate to the preparation of a proposed Terms of Reference for the Affordable Housing Working Group.

## **COMMENTS:**

### **Federal/Provincial Government:**

As noted in Report TPW-2019-0016, the federal and provincial governments recently finalized new housing strategies, including multi-year financial investments. In April 2019, the province released the new Community Housing Renewal Strategy, including the Ontario Priorities Housing Initiative (OHPI) funding, of almost \$8 million, which is administered by the Region of Halton. This funding is significantly lower than previous funding under the federal/provincial cost-shared Investment in Affordable Housing-Extension (IAH-E) program.

### **Region of Halton:**

The Region recently completed a mandated Five-Year Review of its Comprehensive Housing Strategy (2014-2024), and has completed the 2018 State of Housing Report, which will be the subject of a future information report to Halton Hills Council, highlighting the information related to Halton Hills. The Strategy provides direction for the Region to potentially partner with the Town and other stakeholders in addressing housing affordability in Halton Hills.

On May 30, 2019, the Region issued a Request for Applications to access over \$3.75 million in funding for private/non-profit sector purpose-built rental housing projects, which include some government assisted rental housing units. This funding needed to be fully committed by December 31, 2019. Private sector proponents are required to partner with a non-profit housing provider, or a municipality.

Five applications and four expressions of interest were received by the July 4, 2019 deadline, including some for projects in Halton Hills. The decision was made to fund 28 units (which must be at or below 80% of CMHC Average Market Rents for a minimum of 25 years), of a 70-unit purpose-built rental project in the Town of Oakville. The Region noted that some of the other projects were likely eligible for funding but could not meet the constrained provincial timelines. The Region intends to debrief with unsuccessful applicants in advance of the next proposal call in January 2020.

### **Municipal Scan/Best Practices Review:**

One of the first tasks of the Affordable Housing Working Group will be to complete a municipal scan and best practices review to identify the various approaches that other municipalities in Ontario, and potentially beyond, are pursuing to encourage the construction of affordable housing in their communities.

The tools that municipalities can currently use to secure the construction of affordable housing units generally fall into 3 categories: 1) height and density bonusing under Section 37 of the Planning Act; 2) a new inclusionary zoning tool introduced under the Planning Act which would require developers to provide a proportion of units in new developments as affordable housing for a minimum period of time; and 3) financial incentives. Under Bill 108, height and density bonusing provisions will be eliminated and replaced by a community benefits by-law, and the inclusionary zoning tool has been limited to protected major transit station areas as identified in official plans.

To date, staff has researched the efforts of several Ontario municipalities, to identify approaches that may or may not be appropriate for use in Halton Hills. For example, the Town of Newmarket recently employed deferral of development charges, planning and building fees, and servicing allocation to ensure the construction of two purpose-built rental buildings with the guarantee of rental tenure for 20 years, and affordable rents for a portion of the units. These incentives are being provided together with incentives by the Region of York through a Community Improvement Plan focused on stimulating the construction of purpose-built rental housing. The City of Mississauga is working towards the development of a Community Improvement Plan for Affordable Rental Housing applicable to the entire city. In 2018, the City of Kitchener has approved a Development Application Fees and Building Permit Fees for Affordable Rental Housing Policy, and is initiating the preparation of an Affordable Housing Strategy guided by an Advisory Committee, looking at a range of financial incentives and the potential use of inclusionary zoning.

### **What the Town is doing:**

As previously noted in Report TPW-2019-0016, the Town of Halton Hills has already completed, or is undertaking a number of initiatives, which in whole or in part, are intended to address the lack of affordable housing in Halton Hills, including:

- Amended the Comprehensive Zoning By-law to permit accessory apartments in semi-detached and townhouse dwelling units in the urban areas of Acton and Georgetown, and in single-detached dwellings in the agricultural/rural area and Hamlets of Norval and Glen Williams;
- Partnered with Habitat for Humanity to redevelop the Exchange Hotel property in Georgetown for affordable housing units, waiving development application and building permit fees for the development;
- Developed Secondary Plans for **Vision Georgetown** and **Destination Downtown** (Georgetown) containing policies including a 30 percent affordability target for new housing units;
- Deferred collection of development charges, waived planning approval fees, reduced Site Plan Securities and acceptance of environmental lands as required parkland dedication, for seniors and/or affordable housing developments, such as St. Andrews Seniors Residence and Bennett Health Centre Phase 1;

- Undertaking an **Intensification Opportunities Study Update** to identify capacity for additional residential development within the existing communities of Acton and Georgetown to the year 2041;
- Amending the **Two-Unit House Registration By-law** to be consistent with the updated Comprehensive Zoning By-law and Building Code (Report TPW-2019-0033 on the same Planning, Public Works and Transportation Committee Agenda);
- Administering the **Two-unit (i.e. accessory apartment) program** to facilitate the legal creation of more of these units;
- Facilitating partnership discussions between funders/other levels of government and private/non-profit developers, including seeking to partner with the Region to obtain Provincial OHPI funding in January 2020; and,
- Examining the feasibility of using the Town **Community Improvement Plan** in key intensification/growth areas to assist in the provision of affordable housing.

### **Community Improvement Plan Update:**

Since 2010, the Town has had in place a Community Improvement Plan (CIP), which supports economic development by providing financial incentives (i.e. grants, loans and development charges/fee reductions) to stimulate private sector investment in revitalization and redevelopment of the Acton and Georgetown downtown areas, the GO Station area, brownfields, and other identified redevelopment areas. To date, the CIP program has been primarily focused on, and has been very successful at, fostering revitalization of commercial businesses in the Acton and Georgetown downtowns through the building and façade improvement grant and other related CIP programs.

The 2020 Capital Budget contains a request for \$45,000 to complete a 10-year review and update to the Town's CIP, including considering the incorporation of financial incentives related to affordable and accessible housing into the CIP.

### **Terms of Reference – Affordable Housing Working Group:**

Attached as Schedule One to this report is a proposed Terms of Reference for a Halton Hills Affordable Housing Working Group, in response to the direction provided by Council through Report TPW-2019-0016.

The Working Group mandate would be to advise Town staff and Council in conducting research and engaging the public, in order to develop a list of practical, affordable and effective immediate, medium-term and longer term actions to address the issue of housing affordability in Halton Hills.

The Working Group would be comprised of the key players in affordable housing in Halton Hills, including the Region of Halton, Halton Hills Housing Task Force, for-profit and non-profit builders, community agencies and residents from the senior, youth and family demographics, as well as business owners, and Council members and staff.

The proposed timeline for the work of the Working Group would be to develop the list of practical, affordable and effective immediate, medium-term and longer term actions by the end of 2020.

### **RELATIONSHIP TO STRATEGIC PLAN:**

This report relates to **Strategic Direction A: Foster a Healthy Community**, with a **Goal** to maintain and enhance a healthy community that provides a range of economic and social opportunities to ensure a superior quality of life; and in particular:

**Strategic Objective A.1:** To promote an adequate supply of housing and range of housing choices to meet the needs of present and future residents, including affordable, accessible and seniors housing.

### **FINANCIAL IMPACT:**

There is no direct financial impact related to the recommendations of this report. A project has been added to the 2020 Capital Budget submission for the consideration of Budget Committee, requesting \$25,000 to retain a consultant to assist with the delivery of the work plan defined in the Terms of Reference of the Affordable Housing Working Group.

### **CONSULTATION:**

Town staff consulted with Region of Halton Housing and Planning staff during the development of this report, and is in the process of confirming the participation of Region staff in the Affordable Housing Working Group.

### **PUBLIC ENGAGEMENT:**

No public engagement was undertaken in preparing this report. The public will be engaged in the Town efforts to address housing affordability in Halton Hills as determined by Council in consultation with the Affordable Housing Working Group.

### **SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report advances the Strategy's implementation.

This report supports the **Social Well-being** and **Economic Prosperity** pillars of Sustainability, and in particular the themes of Housing and seniors under the Social Well-being pillar. This includes the goals of: facilitating housing that is affordable and accessible to individuals and families in order to meet housing needs at all stages of life abilities; reducing the percentage of households spending 30% or more of household income on rent; increasing the supply of quality affordable housing; and, ensuring a greater variety of housing are available, including rental, co-operative projects and smaller less expensive homes for downsizing. In summary the alignment of this report with the Community Sustainability Strategy is good.

**COMMUNICATIONS:**

This report will be forwarded to the Region of Halton, the Community Support Network Affordable Housing Task Force, and Habitat for Humanity, and other interested stakeholders. The outcomes of the work of the Affordable Housing Working Group will be broadly communicated to the residents and businesses of Halton Hills through all appropriate communication platforms (i.e. 'Let's Talk Halton Hills', Ward Meetings, etc.).

**CONCLUSION:**

This report has provided a status update on the efforts of the Town with respect to affordable housing.

It is recommended that Council endorse the draft Terms of Reference for an Affordable Housing Working Group attached as Schedule One to this report, and that staff be directed to finalize the membership of the Working Group, and arrange a kick-off meeting for January/February 2020;

It is also recommended that staff be directed to provide periodic status reports to Planning, Public Works and Transportation Committee and Council on the ongoing work of the Affordable Housing Working Group.

Reviewed and Approved by,



**Chris Mills, Commissioner of Transportation and Public Works**



**Brent Marshall, Chief Administrative Officer**