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# Public Comments on the Implementation Tools

## 2009 Affordable Housing Discussion Paper



### PUBLIC FORUMS

November 17<sup>th</sup> and 25<sup>th</sup>, 2009

City Hall  
6:30 - 9:00 p.m.  
City Hall, 1 Carden St.  
Meeting Room C



The following provides a summary of the comments received in responses to the recommended targets and implementation tools outlined in the 2009 Affordable Housing Discussion Paper. The responses are organized on the basis of the implementation tools identified in the discussion paper.  
E.g. Planning Tools, Financial tools and Communication tools.

# Topic: Planning Tools



## Question 1: Official Plan Policies

Include the City-wide affordable housing target for affordable ownership and affordable rental housing under low, medium and high densities as part of Official Plan policy?

### Comments

#### Benefits to Affordable Housing

Achieving the affordable housing target will help provide a healthy housing mix and options in the City. The affordable housing target will also help create integrated communities.

#### Barriers to Affordable Housing

- Development industry not willing to decrease profit margins.
- Neighbours who oppose affordable development.
- Economic cost to construct new affordable housing.
- Provincial HST will increase new home cost in ownership by 8%.
- The lack of incentives and ongoing subsidy to construct rental buildings.

#### Social Housing Target

- Do not include social housing target in the Official Plan. It is futile to put a social housing target without definitive Federal / Provincial funding coming down the line.
- Yes – We need to be ready to identify the need to senior levels of government and grab any future social housing funding.

#### General Comments on Target

- Do not identify annual unit requirements.
- Targets are too rigid to apply on each application; the target should be a moving average over multiple years.
- A percentage target should be included in the Official Plan. Annual affordable price targets can be specified with overall percentage requirement review every 5 years.
- Co-operatives should be encouraged as a form of affordable housing.
- The affordable benchmark price should be reviewed each year.

## How to implement the target?

- Do not concentrate all the required affordable units together. Each subdivision should have a mix of housing prices and not have certain housing prices grouped together.
- There should be a mixture of owners and renters in new developments.
- Co-operative housing for different income levels should be explored.
- The minimum 36% affordability requirement should only be applied to high density areas and in main corridors with transit service provisions.

## Question 2: Complete Application

Establish policy in the Official Plan to require the demonstration of how the affordable housing target will be met by the project?

### Comments

The "Housing Issues Report" will need to include:

- How the target will be met by the proponent.
- The type and location of these affordable housing units.
- A requirement for a mix of housing types.
- Environmental friendly, age friendly, barrier-free initiatives.
- Access to transit services.
- Access to groceries.
- Public services.
- The estimated rent or purchasing price.
- Energy conservation measures.

### Question 3: Maximum Unit Size

Set maximum unit sizes for affordable housing units in the zoning by-law to reduce the overall construction cost and therefore increase affordability?

#### Comments

- In order to achieve affordable rental, the City should consider setting a maximum unit size. e.g. 1 BR apartment should have a maximum unit size of 500 square feet; this will allow more units per site.
- If there is a maximum unit size, it has to be per bedroom size. There shouldn't just be a maximum size for all bedroom sizes, e.g. a maximum unit size for a bachelor unit could be ~300-450 sq ft. There are other maximum unit sizes in the Ministry of Municipal Affairs and Housing's "Tool Kits for Service Managers".
- Minimum sizes also need to be set. Social housing minimum size is 375 sq. ft.
- Maximum and minimum sizes should take barrier-free design into consideration.

### Question 4: Development Permit System (DPS)

Within certain areas of the City allow a development permit system with incentives for affordable housing?

#### Comments

- If the development permit system is applied, there will be a need to train the planning staff to process all the different applications together as one. Requirements for affordable/social housing will need to be specified.

## Question 5: Housing First Policy

Revisit the recommendation of the Housing First Policy from the 1990 Municipal Housing Statement to allow any surplus City-owned lands to be offered to non-profit housing groups for rental housing construction?

### Comments

- The policy should be reviewed to allow developers as well as non-profit groups to gain access to City-owned lands.
- The policy should be renamed to “affordable housing first” policy.
- The policy should look at other housing types besides rental housing, e.g. emergency housing, social housing.
- Extend to other instances like “first right of refusal”.
- The City should venture into land banking and acquire other properties for the future, i.e. also consider land lease proposals.
- The housing first policy could be extended to other available properties, e.g. surplus school and church lands.

### General Comments

- Invite/challenge private developers to offer creative housing options.
- Non-profits do not have resources, cannot afford the risk unless more government funding is allocated.
- Surplus property with housing should be retained or converted to rental housing if viable.

## Question 6: Alternative Development Standards

Review the list of development standards such as (parking requirements and setbacks) to possibly reduce barriers to affordable housing construction?

### Comments

- Alternative Development Standards does not mean lowering the “quality of development” but reducing the development requirements, e.g. parking spaces.
- Majority of households have difficulties affording utilities and maintenance cost to ownership. Therefore, affordable housing should require a more sustainable development form for energy and water saving considerations.
- Energy conservation is important, no baseboard heating.
- The City should consider reducing the lot sizes and front yard setback requirements.
- Use pocket housing (Vancouver example from CMHC).
- Cars and houses are too cluttered with 3-4 cars/ unit parked on the streets making the streets unsafe for children to play. Parking requirement should not be relaxed.
- Alternative transportation mechanisms need to be made available for a healthy community, i.e. active transportation and transit.
- Crime Prevention through Environmental Design needs to be considered when constructing affordable housing.

## Question 7: Demolition Permits and Rental Conversions

To protect the existing rental stock, review and strengthen the existing policies for Demolition Permits and rental conversions?

### Comments

- The City needs to encourage and provide incentives to allow adaptive reuse to occur.
- Before demolition can occur, the city needs to review the affordability in the City – Housing First policy.
- If demolition does occur, the proponent must replace the lost rental housing. If the proponent does not want to replace the rental housing then a cash-in-lieu option with the payment going into the affordable housing reserve fund.
- There should be a policy to limit the demolition and development of “monster homes”.
- There needs to be a check list of what to consider when an applicant wishes to demolish a building.
- A set of tools with conditions is required for any incentives to happen.

## Question 8: Accessory Apartments

Recognizing that accessory apartments play a vital role in providing affordable housing. Currently, accessory apartments are only permitted in single and semi-detached dwellings. Should the provision be expanded to townhouses?

### Comments

#### **Accessory apartments should be allowed in townhouses if:**

- Constructed according to the building code. (There needs to be a separate unit exit with adequate window areas).
- Constructed for people with disabilities and seniors.

#### **Accessory apartments should not be allowed in townhouses if:**

- Parking is not being met. 90% of the time there is a parking problem and there have been complaints on this issue.

## Question 9: Density Bonusing

Explore the feasibility of a density bonusing system that provides developers with additional density in exchange for providing affordable housing? For example, provide additional building area provided an area equivalent to the increase is allocated to affordable housing.

### Comments:

- The City should expand on the above policy to allow “bonusing” for social housing.
- The height restriction should be relaxed in the Downtown and other areas of the City as a condition for affordable housing providers.

## Question 10: Update and Monitor the Affordable Housing Target

Update and monitor the affordable housing target by housing type annually?

### Comments

#### **The housing target should be monitored:**

- The target should be monitored and updated on an annual basis.
- The affordable price of a building should be reviewed at the time of construction, i.e. a building permit condition.
- There needs to be a survey to help monitor the level of affordability in new rental units in the City.
- The timing of construction of affordable housing needs to be monitored, i.e. a development permit condition.
- Conduct an owner survey on house price.
- The housing target should be updated with new statistics on population, density and demographics every 5 years with Statistics Canada census.
- When monitoring the target, the City needs to use as many indicators as possible for cross-verification.
- To test the longevity of the affordable units, the City could create a pilot monitoring program where the City selects a group of new construction buildings and surveys the affordability of these buildings for 5 years.

# Topic: Financial Tools



## Question 1: Contribution to the Affordable Housing Reserve Fund

Establish an annual contribution to maintain the Affordable Housing Reserve Fund to support additional affordable housing construction?

### Comments

#### How should the Affordable Housing Reserve Fund be replenished?

- The Development industry should contribute to the Affordable Housing Reserve Fund (AHRF) e.g. a portion of the Development fees should be put into the AHRF.
- Affordable Housing should be a charge under the Development Charges – (Peel and Peterborough) because future development and increase in population will bring more need for affordable housing.
- An increase in the property taxes could support the reserve, e.g. 1% increase in property tax for affordable and 10% for social housing.
- A portion of the money collected on the hydro bill could be used to replenish the AHRF.
- A percentage of the real estate commission could be used to replenish the AHRF, e.g. 1% of 6% or 0.5% of 5%.
- Any surplus land sold by the City should be put into the AHRF.
- Since affordable housing is mandated, the province and federal government should bear some of the cost for affordable housing through tax breaks to those who construct affordable housing. For example, 100% of the new harmonization tax should be refunded back to the builder or applied as a tax deduction for the taxes paid on all goods and services in the construction of affordable units.

#### Should there be a Reserve Fund for affordable housing?

- There should be an affordable housing dedication based on the target or cash in lieu similar to the Park dedication provisions under the Planning Act – generally referred to as an “inclusionary zoning” requirement for affordable/social housing.
- The City could support the construction of affordable housing through cash-in-lieu put toward affordable housing to be applied to non profit projects.
- A land dedication requirement for social housing (Thunder Bay did this in the 1980s).

## Question 2: Formal Review Criteria for Municipal Contributions

To effectively manage the Affordable Housing Reserve Fund, the City will establish formal review criteria, eligibility and application processes for the consideration of affordable and social housing projects for small scale non profit projects?

### Comments

#### **How should the Reserve Fund be managed?**

- The Reserve Fund should be used for social housing rather than affordable housing.
- There should be two separate funds for social and affordable housing. For example, the City could become a non-profit investor through providing interest-free loans for the downpayment on affordable housing.
- Deferral of the Development Charges is an option. Could be a sliding scale based on the affordability being offered, e.g. longer deferral for affordable and or social housing below the 30- 40<sup>th</sup> percentile.
- The criteria and method of managing the funding needs to be transparent and fair.
- The city should consider allocating funding to the person not the unit, e.g. rent geared to income or down payments
- Development Charges, taxes and building fees should be waived or reduced to provide affordable housing for X number of years.
- The installation cost to site servicing and water needs to be waived or reduced.
- Affordable housing and social housing needs to be addressed separately through different programs.
- A subsidized down payment program that is repayable upon the sale of the unit should be considered by the City.

### Question 3: Tax Increment Based Grant

Investigate if Tax Incremental Financing (TIF) is an appropriate tool to encourage the creation of affordable housing?

#### Comments

- An Affordable Housing Community Improvement Plan (CIP) that provides for tax increment based grants is a good idea provided the program is clear and does not result in a lot of “red tape” that creates a deterrent to its implementation.
- The City wouldn’t need this tool if the City decides to increase the property tax.
- There is general support to apply this tool for affordable housing as there is no loss to the City, i.e. the City wouldn’t be collecting property taxes on the property in a non-development state; the Tax Increment Based Grant stimulates activity with long term tax benefits to the City.
- It is suggested that affordable housing CIP areas should be established along corridors for transit use and be developed through infill opportunities to take advantage of the existing services and facilities.

## Question 4: Lower Tax Rate

Continue to apply a lower tax rate for new multi-residential rental housing at the residential/farm rate?

### Comments

#### Changes to the above policy:

- There should be no property tax increases for affordable units that remain affordable.
- The application of lower property taxes (residential) currently applicable to multiple residential rental properties with more than 6 units should be expanded to apply to all multi residential rentals. Criteria should be established to qualify, e.g. affordable rental units qualify.
- The tax reduction should be applied to all rental units in the City including newly constructed and existing buildings.

#### General Comments

- Lower tax rates may not be a big enough trigger to encourage construction of rental housing. The tax break goes to the owners not to the builders.
- Where the tax reduction is applied, there should be a monitoring program to ensure the units remain affordable.
- It is more efficient to run services in multi-residential than single detached and the encouragement for more high density construction is consistent with the City's plans to intensify.

## Question 5: “Add-A-Unit” Program

To revisit the feasibility of the “Add a unit Program” which is a program where the municipality provides an up-front grant to renovate an existing upper storey or basement for affordable housing on the condition that the units are maintained as affordable housing over a fixed period of time?

### Comments

#### **The program will work if:**

- It is geared towards downtown core development
- The zoning requirements do not restrict the ability to renovate the upper units in the downtown.

#### **Support for this program:**

- The “add a unit program” to existing homes is a cost effective way to add affordable units.
- The program helps add additional affordable units to the housing stock
- With the cost to maintain older homes in Guelph increasing, this program should apply to accessory units as well as upper storey space conversion.

#### **Not supportive of this program:**

- People on the waiting list will not be able to afford these units – average accessory units are around \$500- people on the waiting list cannot afford this price. This program only benefits homeowners not the people on the waiting list.

#### **Similar program**

- CMHC – Residential Rehabilitation Plan (RRAP) secondary suites provides a forgivable loan up to \$24,000/unit for 10 years. The applicants are limited to homeowners only, not for developers and it is not directed at building student housing but for people with disabilities. Townhouses are eligible if it meets building and fire regulations.

# Topic: Communication Tools



## Question 1: Promote Affordable Housing Programs

Make a strong effort to promote any affordable housing programs provided by all levels of government to the public to encourage implementation? e.g. encourage Request for Proposals when senior government funding comes available?

### Comments:

#### The City's Housing website should:

- Contain links to all Wellington County, Federal and Provincial programs related to affordable and social housing, i.e. rent bank/utility banks.
- A listing of affordable rental housing in the City.
- Place any City Request for Proposals (RFPs) or County RFP's for housing developments.
- Split the information to gear to developers/investors versus students or the general public.
- Contain a list of what the municipal contributions are and the related forms and criteria.
- Link to affordable housing reports.

## Question 2: Community Engagement

Undertake social marketing to educate and communicate to the public on the benefits of affordable housing with a view to minimize NIMBYism?

### Comments

#### There is general support for community engagement

- ONPHA.on.ca already has program to fight NIMBYism and should be capitalized upon.
- There needs to be education for those in rental or social housing about home ownership. People in rental housing may not understand or know how to get involved in home ownership.
- Educate developers on how to present their building to neighbourhood groups to minimize potential conflicts.
- Education of the merits of affordable housing is important to ensure "buy-in" from community.

### Question 3: Lobby to all levels of Government for Support

Continue dialogue with the Service Manager and the federal and provincial government for more tools to require applicants to provide a portion of their development for affordable housing?

#### Comments:

- The City needs to demonstrate the affordable housing needs of the community to senior government.
- The City, local community and development associations needs to lobby the MPs and MPPs for additional funding.
- The Development and building industry should lobby the provincial and federal governments to have the harmonization tax paid on goods and services for affordable units refunded and or as a tax deduction.

### Question 4: Develop Affordable Housing Partnerships

To encourage opportunities for working with the University of Guelph and Conestoga College to establish special programs that combines affordable housing and education for students in need?

#### Comments:

- Similar to the “Woodgreen” program in Toronto – a program to house single parent woman while the City/College provided housing and allow the individual to pay college tuition and also have a place to stay. There are strict guidelines to be accepted to this program. This program is also a collaboration with co-op education business to allow the individual to gain work experiences. The participants cannot remain in the program if they fail the education component.
- The City should establish partnerships with the university, e.g. subsidized day care so students with children can continue to get an education.