

2009 Affordable Housing Discussion Paper

-COUNCIL WORKSHOP-



Thursday, November 12th 2009
6:00pm to 8:00pm
City Hall, Meeting Room A

Overview

- Background
- Definition of Affordable Ownership and Rental Housing
- Methodology to determine Affordable Housing Targets
- Recommended Targets
- Implementation Tools

Provincial Requirements

Provincial Policy Statement (PPS) (2005)

Section 1.4.3

“Planning authorities shall provide for an appropriate range of housing types and densities to meet projected requirements of current and future residents of the regional market area by establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households...”

Affordable Benchmark Price in 2008

Understands that this benchmark price will change each year, but methodology will remain unchanged unless directed by the province.

	Definition	Affordable Benchmark Price (2008)
Ownership	Housing for which the purchase price is at least 10 % below the average purchase price of a resale unit in the regional market area;	\$237,000 (\$79,000 annual household income)
Rental	A unit for which the rent is at or below the average market rent of a unit in the regional market area.	\$833 (\$33,300 annual household income)

Methodology to Determine the Affordable Housing Target

Step 1:

- Start with the projected number of households to 2031 by housing type from the City's Growth Management Implication Report.

<i>Growth Management Implications Report</i>	Low Density	Medium Density	High Density	Total
<i># of Households</i>	7,900	8,800	9,900	26,600
<i>% of Households</i>	30%	33%	37%	100%

Methodology to Determine the Affordable Housing Target

Step 7:

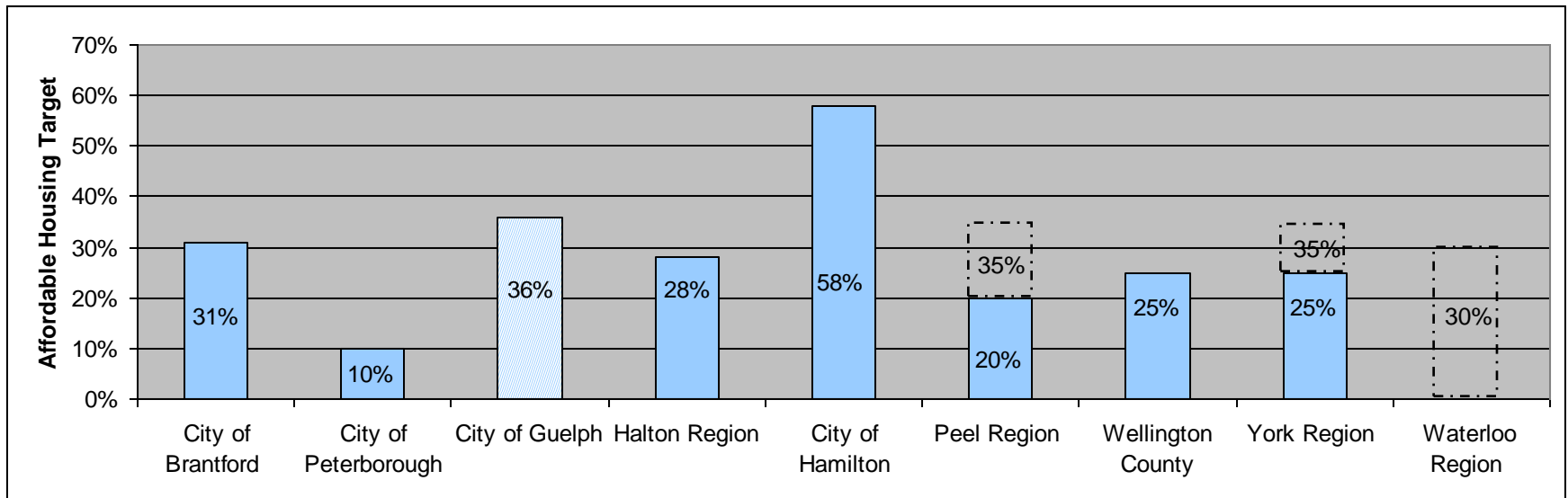
- Translate the Target into the average annual units by Tenure and Housing Type.

Tenure	Low Density	Medium Density	High Density	Total
<i>Ownership</i>	(1,161 / 25 years) = 46 units	(2,816 / 25 years) = 113 units	(3,080 / 25 years) = 123 units	<i>282 units</i>
Rental	-	(282 / 25 years) = 11 units	(2,183 / 25 years) = 87 units	98 units
Total Average Annual Affordable Units Required				380 units

Recommended Housing Targets

- Therefore the recommended affordable housing target will be 36% of the new growth to 2031.
- On an annual average, 380 affordable units.
- Based on a historical annual supply, and the importance of accessory apartments as part of the affordable housing stock, a target of 90 units per year is recommended.

Comparison of Affordable Housing Target with other Municipalities



- According to the Region of Peel's affordability discussion paper (August, 2009), the draft affordable housing target is divided into three parts. 17% for social rental housing, 3% affordable rental and 35% market rental and affordable ownership.
- York Region's overall target is 25%, however a target of 35% is applied to the Regional Centres and Regional Corridors.
- The Region of Waterloo's council adopted Official Plan (2009), requires a minimum of 30% of new residential units to be planned in forms other than single-detached and semi-detached units. Not directly an affordable housing target. In the Region's housing strategy, there is a commitment of 500 affordable units over 5 years, ~100 affordable unit/year for the region.

Implementation Tools

Planning Tools

1. City-wide affordable housing target for affordable ownership and affordable rental housing by housing type as part of Official Plan policy.
2. As part of a complete application
3. Set maximum unit size in the zoning by-law for affordable housing units
4. Allow development permit system in certain areas of the City
5. Revisit the recommendation of the Housing First Policy from the 1990 Municipal Housing Statement

Implementation Tools

Planning Tools

6. Review the list of development standards such as (parking requirements and setbacks) to possibly reduce barriers to affordable housing construction.
7. Strengthen the existing policies for Demolition Permits and rental conversions.
8. Review the possibility of allowing accessory apartments in townhouses located in transit supported neighbourhoods.
9. Explore the feasibility of a density bonusing system
10. Update and monitor the affordable housing target by housing type annually.

Implementation Tools

Financial Tools

1. Establish an annual contribution to maintain the Affordable Housing Reserve fund to support additional affordable housing construction.
2. To establish a formal review criteria for any municipal contribution and incentives for affordable and social housing projects.
3. Investigate if Tax Incremental Financing (TIF) is an appropriate tool to encourage the creation of affordable housing.
4. Continue to apply a lower tax rate for affordable multi-residential rental housing at the residential/farm rate.
5. Revisit the “Add a unit Program”, up-front grant to renovate an existing upper storey or basement for affordable housing.

Implementation Tools

Communication Tools

1. Make a strong effort to promote any affordable housing programs provided at all levels of government to the public in order to encourage implementation.
2. Undertake education and communication to the public on the benefits of affordable housing with a view to minimize NIMBYism.
3. Continue dialogue with the federal and provincial government for more legislative tools to require applicants to provide a portion of their development for affordable housing.
4. To encourage opportunities working with the University of Guelph and Conestoga College to establish special programs that combines affordable housing and education for students in need.