

# ATTACHMENT 1: Proposed Official Plan Amendment - Affordable Housing

## AMENDMENT NUMBER (?) TO THE OFFICIAL PLAN FOR THE CORPORATION OF THE CITY OF GUELPH: AFFORDABLE HOUSING AMENDMENT

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The Preamble provides an explanation of the amendment including the purpose, background, location, basis and summary of the policies and public participation, but does not form part of this amendment.

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The Amendment describes the additions, deletions and/or modifications to the Official Plan of the City of Guelph, which constitute Official Plan Amendment Number (?).

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## **PART A – THE PREAMBLE**

### **TITLE AND COMPONENTS**

This document is entitled 'Affordable Housing Amendment' and will be referred to as 'Amendment (?)'. Part A - The Preamble provides an explanation of the amendment including the purpose, background, location, basis of the amendment, summary of changes to the Official Plan and public participation, but does not form part of this amendment. Part B – The Amendment forms Amendment (?) to the Official Plan for the City of Guelph and contains a comprehensive expression of the new, deleted and amended policy.

### **PURPOSE**

The purpose of Amendment (?) is to update the affordable housing policies in the Official Plan in accordance with the Council approved Affordable Housing Strategy (2017). The OPA amends Section 7.2 of the Official Plan to update the affordable housing targets, including removing the separate policy encouraging the creation of approximately 90 accessory apartment units. The policies would also be updated to refer to the target where the City may require the submission of an Affordable Housing Report as part of a development application. Chapter 12: Glossary is also proposed to be amended to add a definition for "primary rental" and revise the definition of "affordable housing" in accordance with the Affordable Housing Strategy.

Specifically, Amendment (?):

- Removes the reference to the 2009 Affordable Housing Discussion Paper as the source of the target;
- Revises the affordable housing target breakdown;
- Removes the reference to encouraging the creation of approximately 90 accessory apartment units;
- Refers to the affordable housing target in the policy where the City may require the submission of an Affordable Housing Report as part of a development application;
- Adds a definition for "primary rental" in the Glossary in accordance with the Affordable Housing Strategy; and
- Revises the definition for "affordable housing" in the Glossary in accordance with the Affordable Housing Strategy.

### **BACKGROUND**

On March 26, 2018 City Council directed staff to initiate an amendment to the Official Plan to reflect the Council approved Affordable Housing Strategy.

The Affordable Housing Strategy addresses municipal requirements under the Provincial Policy Statement, 2014 and the Provincial Growth Plan, 2006. It builds on the City's Official Plan Update (OPA 48) which establishes a framework for planning for a range and mix of housing types and densities, through appropriate land use designations and supporting policies. Further clarity is provided around affordability issues and concrete recommendations regarding how to advance the Official Plan affordable housing target that 30% of all new residential units constructed be

affordable. This target is broken down into an annual affordable housing target of 25% affordable ownership housing, 1% affordable primary rental and 4% affordable secondary rental. The affordable housing targets currently included in the City's Official Plan are based on an Affordable Housing Discussion Paper completed in 2009 which is superseded by the Affordable Housing Strategy approved by Council in 2017.

As part of the Affordable Housing Strategy Final Report, on October 11, 2016 Council directed staff to reflect the secondary market in the affordable housing strategy target. On May 8, 2017 Council approved a revised affordable housing target breakdown, which reflected the secondary market in response to a staff report that reviewed the affordable housing target and secondary market.

The Affordable Housing Strategy was completed in four phases.

### **Phase One - Background Report**

The Background Report and a proposed project charter were presented in a staff report PBEE 14-15 on April 7, 2014. The Background Report provided an overview of the current state of housing policy and implementation in Guelph and recommended a focused scope on affordable private market rental housing and home ownership for the City of Guelph Housing Strategy. The report recognized the roles, responsibilities and relationships amongst stakeholders, including various levels of government and the private sector, and the need to work together to ensure that the entirety of the housing continuum is addressed in a systemic, integrated manner. The City's intent is to work with the County, who as Service Manager has the lead role in addressing the portion of the housing continuum between homelessness and social housing in accordance with the Housing and Homelessness Plan (HHP) approved by the Province in 2013.

Council received the report and approved the Housing Strategy Project Charter.

### **Phase Two - State of Housing Report**

On October 6, 2015 the State of Housing Report was presented through staff report IDE 15-37 for receipt. The report presented a demographic and statistical analysis of households in Guelph and identified affordable housing issues affecting residents. The analysis revealed that the City's current affordable ownership housing target set at 27% of new residential development had been met over the past five years. However the annual affordable rental housing target set at 3% had not been met over the past five years. The separate target for 90 accessory apartment per year had been exceeded each year with the exception of 2011 when an interim control by-law was in place limiting the creation of accessory apartments in the north end of the City. The analysis also identified the following issues:

1. There are not enough small units to rent or buy to meet the affordability needs of all smaller households.
2. A lack of available primary rental supply makes it difficult for people to find affordable rental housing.
3. The secondary rental market provides choice of affordable dwelling types but the supply is not as secure as the primary rental market.

A focus group session was held in February 2015 to engage key stakeholders in the State of Housing Report. The session presented data trends and analysis and identified preliminary issues. Participants were asked to review the data and preliminary issues to confirm that the data was correct, clear and supported the issues and accurately reflected the Guelph context.

A Council Workshop on affordable housing was held in June 2015 to build awareness and understanding around the roles, responsibilities and issues impacting affordable housing across the entire housing continuum.

### **Phase 3 - Draft Directions Report**

On December 8, 2015 the Draft Directions Report was presented through staff report IDE 15-101. The report identified affordable housing tools, described current City of Guelph and other municipalities' practices and presented potential draft directions to address the issues identified in the State of Housing Report.

Council received the report and supported it's use as the basis for community engagement to further the development of actions for inclusion in the draft Affordable Housing Strategy.

On December 10, 2015 a presentation was made to the Wellington Guelph Housing Committee to provide them with an update on the Affordable Housing Strategy and advise them of the release of the Draft Directions Report.

Community engagement on the draft directions included a key stakeholder session, two public meetings and an online survey.

### **Phase 4 – Final Affordable Housing Strategy**

#### **Recommended Strategic Actions**

On July 11, 2016 the Recommended Strategic Actions Report was presented through staff report IDE 16-55. The report provided a number of recommendations for a final strategy that will make an impactful difference on the City's affordable housing needs. Council received the report and endorsed the recommended the use of the report for continued community engagement in preparation of the final Affordable Housing Strategy.

Community engagement on the recommended strategic actions included a key stakeholder focus group and public posting of the report with an open request for comments.

#### **Final Report**

On October 11, 2016 the final Affordable Housing Strategy Report was presented through staff report IDE 16-75. The report included financial and non-financial actions to make an impactful difference on the City's affordable housing target included in the City's Official Plan and identified issues. The strategic actions revolved around targets, planning regulations and processes, financial incentives, development charges, partnerships and monitoring.

Council approved the Affordable Housing Strategy, excluding the financial incentives in section 6.3.3. In addition Council referred the role, if any, of the financial actions contained within section 6.3.3 back to staff to have the report reflect the secondary market in the affordable housing strategy targets.

### **Review of the Affordable Housing Target and Secondary Market**

On May 8, 2017 a review of the affordable housing target and secondary rental market was presented through staff report IDE 17-49. The report confirmed the annual city-wide 30% affordable housing target for all new residential development. However a revised affordable housing target breakdown of 25% affordable ownership units and 5% affordable rental units was recommended to reflect the secondary rental market, including accessory apartments. The affordable rental target was proposed to consist of 1% affordable primary rental units and 4% affordable secondary rental units. The report also recommended removing the separate annual target of 90 units per year for accessory apartments since they are now included in the affordable housing target.

Council approved the revised affordable housing target and directed that the Affordable Housing Strategy, as approved by Council on October 11, 2016 be modified to reflect the revised target.

### **LOCATION**

Official Plan Amendment (?) applies to the entire City.

### **BASIS OF THE AMENDMENT**

Amendment (?) amends the existing 2001 Official Plan and sets out revised housing target policies for Affordable Housing. It addresses the necessary changes to ensure that the City's policies, related to Affordable Housing targets, conform with the Provincial Growth Plan for the Greater Golden Horseshoe and are consistent with the 2014 Provincial Policy Statement. Policy 1.1.1b) of the Provincial Policy Statement states "healthy, liveable and safe communities are sustained by accommodating an appropriate range and mix of residential (including second units, affordable housing and housing for older persons)". Section 1.4.3 provides greater detail in requiring planning authorities to provide for an appropriate range and mix of housing types and densities by establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households.

Policy 2.2.6.1 of the provincial growth plan requires municipalities to develop a housing strategy that establishes targets for affordable ownership and rental housing, among other items. The growth plan includes a definition of affordable housing which was incorporated and quantified in the City's Affordable Housing Strategy.

The basis for the policy amendments come from the City's Council approved Affordable Housing Strategy.

## SUMMARY OF CHANGES TO THE OFFICIAL PLAN

The following is a summary of OPA (?):

The purpose of Amendment (?) is to update the affordable housing policies in the Official Plan in accordance with the Council approved Affordable Housing Strategy (2017). The OPA amends Section 7.2.1 Affordable Housing Targets of the Official Plan by removing the reference to the 2009 Affordable Housing Discussion Paper. The annual city-wide affordable housing target remains at 30%. However the OPA revises the target breakdown from 27% affordable housing ownership units and 3% affordable rental units to 25% affordable housing ownership units, and 1% affordable primary rental units and 4% affordable purpose built secondary rental units. The policy encouraging the creation of approximately 90 accessory apartment units is removed by the amendment. The OPA amends policies to refer to the target where the City may require the submission of an Affordable Housing Report as part of a development application. Chapter 12: Glossary is also amended by adding a definition for “primary rental” and revising the definition for “affordable housing” in accordance with the Affordable Housing Strategy.

### PUBLIC PARTICIPATION

The development of the proposed Official Plan Amendment for Affordable Housing has involved significant community stakeholder engagement that included public meetings, stakeholder meetings and workshops held as part of the development of the Affordable Housing Strategy.

### Background Studies

As outlined in the background section of the Official Plan Amendment for Affordable Housing, numerous studies and initiatives have been completed with public input in support of the preparation of the proposed Official Plan Amendment.

The background studies include:

<b>PHASE ONE – BACKGROUND REPORT</b>	<b>2014</b>
PBEE Report # 14-15 Housing Strategy Background Report and Proposed Project Charter	April 7, 2014
<b>PHASE TWO – STATE OF HOUSING</b>	<b>2015</b>
IDE Report # 15-37 Affordable Housing Strategy: State of Housing Report	October 6, 2015
<b>PHASE THREE - DRAFT DIRECTIONS REPORT</b>	<b>2015</b>
IDE Report # 15-101 Affordable Housing Strategy: Draft Directions Report	December 8, 2015
<b>PHASE FOUR – FINAL REPORT</b>	<b>2016-2017</b>
IDE Report # 16-55 Affordable Housing Strategy: Recommended Strategic Actions	July 11, 2016
IDE Report # 16-75 Affordable Housing Strategy: Final Report	October 11, 2016
IDE Report # 17-49 Affordable Housing Strategy: Review	May 8, 2017

**Public Engagement**

On February 12, 2015 a focus group session was held with key stakeholders, followed by a Council workshop on June 17, 2015. Council received the State of Housing Report in October 2015.

On December 10, 2015 a presentation was made to the Wellington Guelph Housing Committee to provide them with an update on the Affordable Housing Strategy and advise them of the release of the Draft Directions Report.

Community engagement was undertaken on the draft directions during January – February 2016 as directed by Council. A focus group session was held on January 12, 2016 to solicit feedback from key stakeholders on the draft directions. Afternoon and evening public meetings were held on February 9, 2016 followed by an online survey to solicit feedback from the public on the draft directions.

Community engagement was undertaken on the recommended strategic actions during June – August 2016 as directed by Council. On July 14, 2016 a key stakeholder focus group was held to solicit feedback on the recommended strategic actions. In addition the Recommended Strategic Actions Report was posted on June 30, 2016 with an open request for comments until August 3, 2016.

The proposed Official Plan Amendment for Affordable Housing underwent a circulation period with agencies, landowners and other stakeholders to solicit feedback.

[results of OPA (?) public consultation to be inserted in final OPA]

**Explanatory Note:**

**PART B – THE AMENDMENT**

**Format of the Amendment**

This section (Part B) of Amendment (?) sets out additions and changes to the text in the Official Plan. Sections of the Official Plan that are being added or changed are referred to as "ITEMs" in the following description. Entire sections to be deleted are described, however, the text is not shown in strike-out. Entire sections to be added are described and the new text is shown in regular font type (i.e. as it would appear in the Official Plan with titles appearing in **bold**). Text to be amended is illustrated by various font types (e.g. ~~struck-out~~ is to be deleted and **bold** text is to be added). *Italicized* font indicates defined terms.

**Implementation and Interpretation**

The implementation of this amendment shall be in accordance with the provisions of the *Planning Act*. The further implementation and associated interpretation of this amendment shall be in accordance with the relevant text of the existing Official Plan of the City of Guelph and applicable legislation.

Amendment (?) should be read in conjunction with the City of Guelph Official Plan (approved by the Ontario Municipal Board, October 2017 with the exception of one site specific appeal, one policy appeal and a few policies that are still under appeal on a site specific basis) which are available on the City's website at Guelph.ca or at the Planning Services office located at City Hall, 1 Carden Street, Guelph, ON.

## Details of the Amendment

**ITEM 1:** The purpose of 'ITEM 1' is to revise policy 7.2.1.1 within Section 7.2.1 Affordable Housing Targets. With the Council approval of the Affordable Housing Strategy in 2017, the reference to the Affordable Housing Discussion Paper is no longer relevant.

**Section 7.2.1.1 Affordable Housing Targets is hereby amended as follows:**

*An affordable housing target will be implemented through new development applications city-wide. The affordable housing target is based on the method outlined in the City of Guelph's December 2009 Affordable Housing Discussion Paper and will be implemented through the use of various planning tools (e.g., planning policy, development approvals, financial incentives, partnerships, community education and monitoring).*

**ITEM 2:** The purpose of 'ITEM 2' is to revise policy 7.2.1.2 within Section 7.2.1 Affordable Housing Targets. The affordable housing target breakdown has been revised based on the City's Affordable Housing Strategy, July 24, 2017.

**Section 7.2.1.2 Affordable Housing Targets is hereby amended as follows:**

*The annual affordable housing target requires that an average of 30% of new residential development constitute affordable housing. The target is to be measured city-wide. The target **consists of** ~~includes an annual target of 27~~**25% affordable ownership units, 1% affordable primary rental units and 4% affordable purpose built secondary rental units (which includes accessory apartments)** ~~an annual target of 3% affordable rental housing units.~~*

**ITEM 3:** The purpose of 'ITEM 3' is to delete policy 7.2.1.4 within Section 7.2.1 Affordable Housing Targets. The policy is no longer required.

*While not part of the annual affordable housing target, the creation of approximately 90 accessory apartment units annually will be encouraged.*

**ITEM 4:** The purpose of 'ITEM 4' is to revise policy 7.2.2.8 within Section 7.2.2 General Policies. The affordable housing target is included in the policy



where the City may require the submission of an Affordable Housing Report as part of a development application.

**Section 7.2.2.8 General Policies is hereby amended as follows:**

The City may require the submission of an Affordable Housing Report as a part of a *development* application, demonstrating to the satisfaction of the City how the application addresses *affordable housing* needs **and the *affordable housing target*** including the provision of a range of *affordable housing* prices.

**ITEM 5:** The purpose of 'ITEM 5' is to add a definition for "Primary Rental" within Section 12 Glossary. The affordable housing target breakdown refers to primary rental which requires a definition.

**Section 12 Glossary is hereby amended as follows:**

***Primary Rental*** means:

**Units in structures with three or more units, composed of self-contained units where the primary purpose of the structure is to house rental tenants.**

**ITEM 6:** The purpose of 'ITEM 6' is to revise the definition for "Affordable Housing" within Section 12 Glossary. The definition is aligned with the City's Affordable Housing Strategy, July 24, 2017 and the Provincial Policy Statement 2014.

**Section 12 Glossary is hereby amended as follows:**

***Affordable Housing*** means:

- a) in the case of ownership housing, **the least expensive of:**
  - i. **housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for *low and moderate income households*; or**
  - ii. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the City of Guelph;
- b) in the case of rental housing, **the least expensive of:**
  - i. **a unit for which the rent does not exceed 30 per cent of gross annual household income for *low and moderate income households*; or**
  - ii. a unit for which the rent is at or below the average market rent of a unit in the City of Guelph.