
Development & Builders Association Comments on the Implementation Tools 2009 Affordable Housing Discussion Paper



Guelph Wellington Development Association
&
Guelph & District Home Builders Association

November 18th, 2009

City Hall
1:00-3:00 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:

Should the target be included in the City's Official Plan?

- The target should not be included in the Official Plan because it will vary each year and may be appealed at the OMB.

Social Housing Target

- Social housing and affordable housing targets should be separate.
- The development industry should be responsible for affordable housing and not social housing.

Resale Units

- Existing housing stock should play a role in providing affordable housing because it is typically more affordable than new stock. The assumption is that existing home owners will sell to acquire the new housing stock, thereby freeing up more affordable existing stock.
- How many resale units are now being sold that are affordable and will the resale units provide what the City needs?
- An attempt to regulate resale housing was tried under previous Provincial Government legislation (i.e. the Affordable Housing Act) but it failed.

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:

- Apply the target to all subdivisions.
- The target would be easier to apply to the larger subdivisions.

How does a developer/development proponent determine “affordability” in the housing issues report?

- There is a gap in time between the subdivision/development approval and therefore it will be difficult to ensure affordability at the time the unit is built.

The complete application should demonstrate:

- How affordable housing will be integrated into the development and surrounding community.
- How the affordable housing is tied to land use and transit supported locations.

General Comment on “Complete Application”

- The housing justification report should provide for some flexibility.

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 general there was not much support in setting maximum unit sizes

- Establishing a maximum size may not guarantee affordability depending on the features provided.
- Do not regulate size – let the builder decide.
- The largest cost is often the land costs, therefore the size of the unit may not be the main factor for affordability.
- Rather than establishing a maximum unit size, the City's development standards should be reduced. e.g. no trees, no sidewalks, reduce 20m road right of ways.

Question 4: Development Permit System (DPS)

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

Comments:

In general there is support for the Development Permitting System

- The Development Permit System may be helpful to the extent that there is no Ontario Municipal Board appeal once the development permitting by-law has been approved. This may alleviate the “not in my back yard” objections to new development.
- Development permit would expedite the planning process but pros and cons need to be explored.
- Appears to have more opportunity for flexibility and to negotiate solutions.

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

- In addition to City owned lands, lands owned by senior government should be considered.
- Other publicly owned lands may not be viable as other public agencies still want market value for their land.
- When land becomes available through a public authority, the development opportunity should be open to all developers and not just non-profit.
- Housing first policy should apply to rental to increase the rental stock.
- The housing first policy should ensure that the units remain affordable in the long term.

- Another approach is that the municipality provides a 5 % repayable down payment on affordable housing as a stimulus. The down payment would be repayable at the time the unit is sold or within a specified time frame.

- Special programs such as a “lease to own” partnership program could be implemented. The City could lease the land and builders bid on the construction. However, who will manage the lease?

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:

Not Discussed

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:

Not Discussed

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:

Not Discussed

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:

Not Discussed

Question 10: Update and Monitor the Affordable Housing Target

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

Comments

How should the City monitor and update the target?

- The target should be adjustable because it will vary each year.
- The target should be flexible and general and reviewed on an annual basis in conjunction with the Development Priorities Plan.
- At the plan of subdivision approval or the building permit stage, the City will need to track the affordable housing to know if the target is being met.

To ensure affordable housing is built

- Subdivision agreements will need to include conditions respecting affordability.
- When affordable housing is built, the builder pays for the housing and sells it at an affordable price but there is no control of the resale and the owner may flip the property and make the profit. There needs to be a mechanism to ensure the affordable housing remains "affordable".

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:

- The Affordable Housing Reserve Fund should be funded from the tax base and not by new development.
- There needs to be an assessment on how the Reserve Fund is currently operated.
- Should there be a Reserve Fund?
- We should be taxing a particular group of people, the people who would traditionally be using affordable housing. If this is to happen, this needs to be applied province-wide.

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 process for the consideration of affordable and social housing projects for small scale non profit projects?

Comments:

If the City has a reserve fund, how should the City manage the reserve fund?

- People should be funded, not housing units.
- The City should consider applying the Options for Homes Model, helping individuals with their down payments.
- The Waterloo Region model of subsidizing rent should be considered as one of the incentives. (Waterloo Region is the Service Manger while the City of Guelph is not, and a new approach may be needed.)
- Only apply the funding to affordable housing.
- The reserve fund should be applied to all who are interesting in constructing affordable housing and not be limited to non-profit organization.
- Low density units should get greater grants, while higher density should get less.

Items the City should consider to defer/waive

- Incentives will be required, e.g. no or reduced City fees, no or reduced DC charges, deferred DC's.
- Associated Educational Development Charge reductions.
- A "tipping fee" for small difficult sites.
- Installation cost to Guelph Hydro and other utilities.
- Property tax.

Maximum Grant

- It is difficult to apply a maximum grant per unit and by housing type. Perhaps a maximum grant could be applied by location such as brownfields or by density.

Question 3: Tax Increment Based Grant

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

Comments:

Support for a Tax Increment Based Grant

- There should be an Affordable Housing Community Improvement Plan (CIP).
- Where the brownfield and affordable Housing CIPs apply – grants should be available under each program.
- If the City is looking to implement this tool, it needs to be a sub layer to the existing Brownfield CIP program.

Non- Supportive to Tax Increment Based Grant

- Currently a similar program exists for Brownfield. Since the program has started there have not been many developments using this tool, so why apply it to affordable housing?
- The problem with CIPs is that there is no up-front grant and the total amount is not attractive enough to make the project happen.
- The program may lead to the creation of low cost housing ghettos.

Areas of the City

- The affordable housing CIP should apply to areas that are transit supported. e.g., along bus routes, near the Go Train Station in the Downtown
- The CIP could apply throughout the City.

Question 4: Lower Tax Rate

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

Comments

- The tax rate should be lowered for all affordable housing units.
- The tax reduction should only be applied to rental buildings.
- The City should consider removing the 6 unit requirement.
- This policy should apply to existing and new rental construction.
- Accessory apartments should be entitled to have the same reduction.

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

- This is a good program however, the requirement of restricting the tenants be from the waiting list maybe a concern to many homeowners.
- If the requirement of taking people off the waiting list remains, there needs to be some interview process with the individual renting and the homeowner, not just simply taking the next person off the list.
- This program should also be applied to both new and existing units.

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

Not Discussed

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

Not Discussed

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

Not Discussed

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

- The City should understand the effect the University has on the rental market. Does it increase the demand for affordable housing?