

## 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:** May 2, 2019

**REPORT NO.:** TPW-2019-0016

**RE:** Affordable Housing in Halton Hills

### RECOMMENDATION:

THAT Report TPW-2019-0016 dated May 2, 2019, regarding Affordable Housing in Halton Hills, be received;

AND FURTHER 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.

## **BACKGROUND:**

The purpose of this report is to:

- provide an overview of the affordable housing issue in Halton Hills, focusing on the key players and their respective roles; and,
- Set out a 'road map' to direct future efforts of the Town to address the issue of housing affordability, primarily assisted housing, in Halton Hills.

This report is not intended to provide a statistical overview of affordable housing need (i.e. demand) or supply in the Town, some of which was provided in previous reports to Council on the Region of Halton **State of Housing Report** (i.e. PLS-2018-0082).

### **An Overview of Affordable Housing in Halton Hills**

#### **1.0 The Playing Field:**

Before discussing some of the players and relevant details of the affordable housing issue in Halton Hills, it is important to provide the context in which the issue sits. **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).

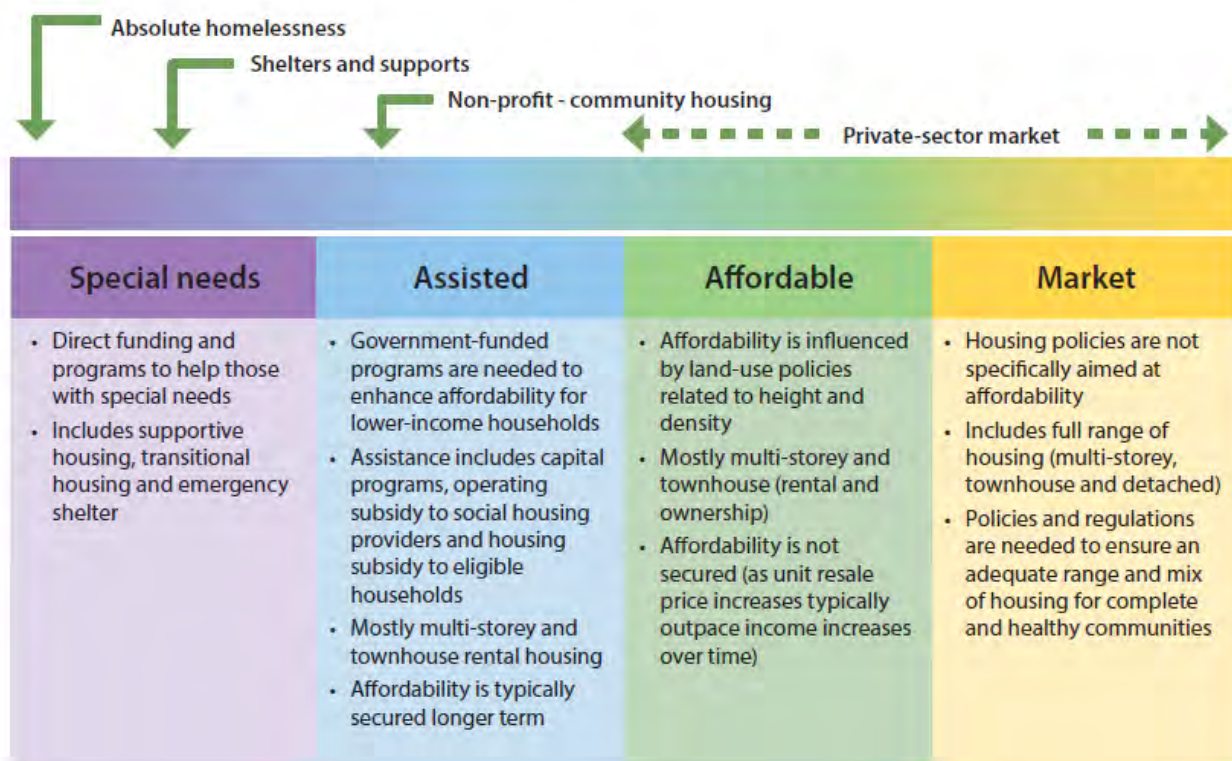
The Region of Halton definition of **affordable housing** is:

- 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** 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

## 2.0 The Players:

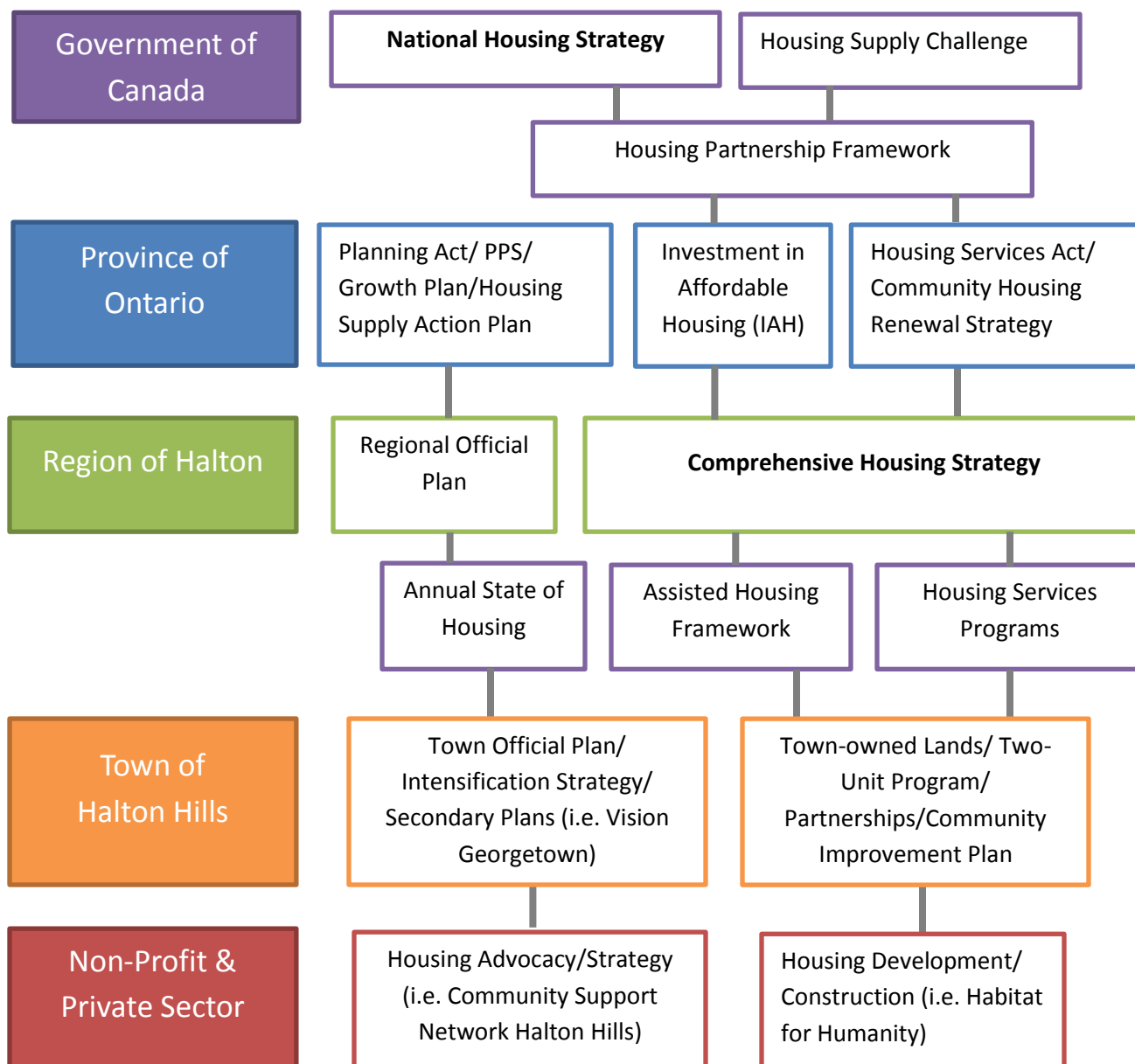
There are a number of players involved in tackling the challenge of housing affordability in Halton Hills, including the Federal Government, Provincial Government, Region of Halton, Town of Halton Hills, non-profit agencies and community groups, and private sector developers. **Figure 2** summarizes the various roles, which are described in greater detail in the following section of this report. Additional information on Federal and Provincial programs and strategies is provided in **Schedule One** to this report.

### 2.1 Government of Canada

#### National Housing Strategy:

In 2017, the Federal Government launched the first-ever **National Housing Strategy**, a 10-year, \$40 billion plan to build 100,000 new housing units, repair 300,000 housing units and reduce chronic homelessness by 50 percent. Funding under the Strategy is intended to gradually replace legacy funding, including the Investment in Affordable Housing (IAH) agreement with the Province of Ontario.

**Figure 2: The Players in Affordable Housing in Halton Hills**



Source: Adapted from Halton Region

A component of the National Housing Strategy is the **National Co-Investment Fund** which provides a mix of contributions (\$4.7 billion) and low-cost loans (\$11.2 billion) for the construction and repair of a range of affordable housing projects, including community housing (i.e. operated by non-profits or municipal governments) – including seniors housing, supportive/transitional housing and domestic abuse shelters.

The Province of Ontario has also signed a bilateral agreement under the **Housing Partnership Framework**, to partner with the Federal Government and municipalities and provide funding for affordable housing. On April 1, 2019, **Reaching Home**, a \$2.2 billion program to reduce homelessness, was launched using an outcomes-based approach intended to give municipalities' greater flexibility to identify, test and apply innovative solutions. The Region of Halton is a Designated Community under this program, previously known as the Homelessness Partnering Strategy.

### **Budget 2019:**

The Federal Government's 2019 Budget contained significant emphasis on the affordability and supply of housing in Canada. On the housing demand side, this included proposed measures such as the First-Time Home Buyer Incentive (i.e. shared equity mortgage) and increased Home Buyers Plan.

To help municipalities increase housing supply and find new solutions for affordable housing, **Budget 2019** proposes \$300 million to launch a **Housing Supply Challenge**, which will invite municipalities and other stakeholder groups across Canada to develop new innovative ways to remove barriers to the creation of new housing, including rental housing. Funding will be allocated through a merits-based competition, and will provide successful models to increase housing supply to share across the country. Staff will be reaching out to the Federal Government to get further details on this initiative, and determine how Halton Hills could access some of this funding in the future.

The Federal Budget also proposed \$10 billion in additional funds over 9 years to extend the **Rental Construction Financing Initiative**, and support the construction of 42,500 new rental housing units across Canada, and particularly in areas of low rental supply (i.e. Halton Hills), through low-cost loans over longer terms to finance rental housing projects targeted to modest and middle income Canadians.

## **2.2 Province of Ontario**

The Provincial Policy Statement (2014) contains a number of policies focused on the provision of affordable housing that contributes to the creation of complete communities. Planning authorities must provide for an appropriate range and mix of housing types and densities to meet the projected needs of future residents by: a) establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households; and b) permitting and facilitating: all forms of housing required to meet the social, health and well-being requirements of current and future residents, including special needs requirements; and all forms of residential intensification, including second units, and redevelopment.

The Growth Plan for the Greater Golden Horseshoe (2017) contains similar policies, but on May 2, 2019 the Province introduced a new Growth Plan, particularly focused on the goal of increasing the supply of housing, which will need to be assessed, to address its

implications for affordable housing in Halton Hills, as well as other Town objectives and priorities.

### **Investment in Affordable Housing:**

In 2014, under the previous Provincial Government the **Investment in Affordable Housing (IAH)** program was extended until March 31, 2020. The IAH is intended to provide housing Service Managers (i.e. Region of Halton) with the flexibility to meet local needs and priorities identified in their Housing and Homelessness Plans (i.e. Region of Halton Comprehensive Housing Strategy). The IAH program has rental housing, homeownership, home renovation and operating components.

The IAH is intended to fund the construction or repair of an estimated 11,000 housing units, including a minimum of 1,650 (15%) for seniors and 1,100 (10%) for persons with disabilities, but the Region of Halton is not mandated to meet specific targets by the Province. Funding allocation is based on the Region's share of households and number of households in core housing need.

### **Housing Supply Action Plan:**

As previously reported to Council, in November 2018 the new Provincial Government initiated a consultation exercise focused on increasing housing supply in Ontario. The Province advised that they were developing a Housing Supply Action Plan that will address the barriers getting in the way of the private market creating new ownership and rental housing. The barriers the Province identified were: it takes too long for development projects to be approved; there are too many restrictions on what can be built to get the right mix of housing where it is needed; development costs are too high because of high land prices and government-imposed fees and charges; it is too hard to be a landlord in Ontario, and tenants need to be protected; and, other concerns, opportunities and innovations to increase housing supply. The Town, through a Joint Submission of the Halton Area Planning Partnership (HAPP), provided comments to the Province.

On May 2, 2019 the Province released **More Homes, More Choice: Ontario's Housing Supply Action Plan**. It is a Five-Point Plan addressing the barriers identified at the outset of the consultation:

1. **Speed:** The Province will make the development approvals process faster, while maintaining strong environmental protections;
2. **Cost:** The Province will make development costs more predictable to encourage developers to build more housing;
3. **Mix:** The Province will make it easier to build different types of housing from detached houses and townhouses to mid-rise rental apartments, accessory apartments and family-sized condominiums;
4. **Rent:** The Province will protect tenants and make it easier to build rental housing; and,

5. **Innovation:** The Province will encourage more innovation and creativity in housing, including new housing designs and materials to creative approaches to home ownership.

Through **Bill 108**, also introduced on May 2, 2019, the Province is proposing changes to a number of pieces of legislation and policies, including the Planning Act, Provincial Policy Statement, Development Charges Act, Building Code, Conservation Authorities Act and Ontario Heritage Act as part of the Action Plan.

As this Plan and related legislation was only just introduced, the implications for the Town's efforts to address housing affordability in Halton Hills, as well as other Town objectives and priorities, remain to be assessed. However, some of the proposed changes include:

- Authoring accessory/second units in ancillary buildings and structures;
- Encouraging more housing near public transit through use of inclusionary zoning (IZ) – see **Schedule One** to this report for additional information on IZ;
- Exemptions for accessory units from development charges.

#### **Community Housing Renewal Strategy:**

On the assisted housing portion of the spectrum, in April 2019, the Province introduced a Community Housing Renewal Strategy to stabilize and grow the community (i.e. assisted or social) housing sector. While details are yet to be provided, the Province has indicated its priorities include:

- implementing flexible new programs to respond to local community needs and leverage Federal funding under the National Housing Strategy;
- improving waiting lists and helping those most in need; and,
- Simplifying rent-geared-to-income rules.

The Province has indicated that the Strategy will empower local Service Managers (i.e. Region of Halton) to tailor housing solutions that best meet local housing needs. Two new programs will be initiated in 2019. The **Canada-Ontario Community Housing Initiative** will provide funding to Service Managers to repair and expand community housing, replacing the existing agreement with the Federal government. The **Ontario Priorities Housing Initiative** will provide flexible funding to the Service Managers to address local priorities, including new affordable rental construction, rental assistance and affordable home ownership.

## 2.3 Region of Halton

Since 2011, the Region of Halton has been required under Provincial legislation to have a 10-year housing and homelessness plan. In 2006, the Region developed the **Comprehensive Housing Strategy (CHS)** to address this issue and updated the CHS in 2014 to align with Provincial requirements, with a horizon of 2024. The CHS 2014-2024 is built on five strategic directions in order to:

- Create a range and mix of new housing opportunities to meet the needs of the Halton community;
- Protect existing rental housing so that it continues to be available to Halton residents; and
- Provide coordinated services to residents who need support to obtain or maintain their housing.

The CHS identified a 10-year target for the creation of 550 to 900 new housing opportunities, but based on the assumption that the upper limit of this target could only be achieved with additional Federal and provincial funding. The 10-year Regional budget forecast for the CHS is currently projected at \$115 million. The Region will be updating the CHS in 2019.

The Region of Halton Official Plan (ROP) contains targets related to an appropriate range and mix of housing, as well as affordable housing.

**Housing Mix Target:** 50 percent of new housing created annually to be in the form of townhouses or multi-story buildings.

- In 2017, 71.2 percent of new housing in Halton Region and 63 percent of new housing in Halton Hills were in the form of townhouses or multi-story buildings.

**Housing Affordability Target:** 30 percent of new housing created annually to be affordable or assisted housing.

- In 2017, almost 50 percent of new housing was below the affordability price threshold of \$362,950, while no new home sales in Halton Hills were below this threshold, in part due to the limited available supply of only 112 units.

The Region of Halton roles in affordable and assisted housing are as follows:

**Planning Services** – implements and monitors Region Official Plan policies and is responsible for capital investment program delivery, including the Region Community Improvement Plan.

**Housing Services** – administers the Assisted Housing Programs and the Halton Community Housing Corporation (HCHC).



### **Assisted Housing Program:**

- Wait list (HATCH);
- Funding/administering of 25 non-profit and co-op housing providers;
- Human service and subsidy program delivery;
- Housing Help Centre;
- Homelessness Prevention;
- Supportive housing.

### **Halton Community Housing Corporation (HCHC):**

- Owner/operator of 38 housing projects under Federal/Provincial programs, in which the Region is the sole shareholder and staffing, is provided by the Region.

It is the understanding of Town staff that the Region will be initiating a call for assisted housing proposals for funding in 2019.

## **2.4 Town of Halton Hills**

The Town of Halton Hills performs a number of functions that have a bearing on the issue of affordable housing in Halton Hills. As noted in MEM-CORPSERV-2018-0022 dated September 7, 2018, the Town is responsible for local land use planning and financial policies that influence the affordability of housing provided in the Town. The Town is also responsible for zoning by-law and Building Code administration and enforcement.

In order to address the lack of affordable housing in Halton Hills, the Town has:

- Developed a Secondary Plan for **Vision Georgetown** containing policies with respect to the provision of affordable housing, including the 30 percent affordability target for new housing units;
- Deferred collection of Development Charges and waived planning approval fees for seniors and/or affordable housing developments, such as St. Andrews Seniors Residence and Bennett Health Centre Phase 1;
- Reduced Site Plan Securities and accepted environmental lands as required Parkland Dedication for Bennett Health Centre Phase 1

The Town is also:

- Undertaking an **Intensification Opportunities Study Update** and **Downtown Georgetown Planning Study** (i.e. Destination Downtown) to identify capacity for additional residential development within the existing communities of Acton and Georgetown to the year 2041;
- Implementing changes to 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. The Zoning By-

law currently permits accessory apartments only in single-detached dwellings in the urban areas of Acton and Georgetown;

- Seeking to incorporate affordable housing into development plans (i.e. RFP) for **Town-owned lands**;
- Administering the **2-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 new Provincial funding** coming in spring 2019;
- Examining the feasibility of using the Town **Community Improvement Plan** in key intensification/growth areas to assist in the provision of affordable housing; and,
- Seeking to partner with the Region to obtain **Region Community Improvement Plan** funding for affordable housing.

### **Accessory Apartments:**

Accessory apartments are defined as “dwelling units located within, and subordinate to, another dwelling. They are often referred to as “secondary units” or “basement apartments”. When a house contains an accessory apartment, it becomes a “two-unit house”. To make it easier to provide Accessory Apartments the Town has initiated a Zoning Amendment to allow these units in semi-detached and townhouse units provided minimum requirements such as parking can be provided.

In addition the Town is currently reviewing the enforcement, permitting, inspection and registration of Accessory Apartments to streamline the process for applicants. Once the review is completed, an updated process will be presented to Council. Following approval the Town will use the appropriate communication methods to inform the community.

## **2.5 Non-Profit Providers**

Other very important players in affordable housing in Halton Hills are the non-profit organizations. Habitat for Humanity and local church groups are important local affordable housing stakeholders that have access to government funding assistance, build affordable housing units, and are property owners in the Town.

These organizations can be critical partners with the Town and other stakeholders to secure funding and develop new affordable housing.

## 2.6 Halton Hills Housing Task Force

The Halton Hills Housing Task Force was formed in 2015, from the foundation provided by Imagine Halton Hills – the Town’s Community Sustainability Plan, and flowing from the creation of the Community Support Network Halton Hills, to further the achievement of objectives contained in the Social Well-being pillar of the ICSS.

The Housing Task Force has a Vision of “**appropriate, affordable housing for everyone**”, and their Mission is to “**champion safe, decent, affordable housing solutions in Halton Hills through research, education, advocacy, and collaboration**”. They want to be partners with the Town, Region and Province in finding positive solutions for housing. Members of the Task Force include local churches, non-profit organizations, and social service agencies.

The Task Force has prepared a report entitled “**Housing in Halton Hills: Opportunities for Attainable Housing**”, which contains several housing deficits and recommends actions to address those deficits. Also provided is a literature review of innovative housing solutions from elsewhere, and relevant background documents. Town staff has reviewed the report and met with members of the Task Force, and have committed to continue to meet in an effort to share information and coordinate efforts, where appropriate. The Task Force report is attached as **Schedule Two** to this report.

## 2.7 Private Sector

Another important player is for-profit developers and builders, who can be eligible for government funding in exchange for dedicating a portion of their residential or mixed use development to the provision of affordable housing units. Potential partners with the Town to address housing affordability in Halton Hills are the developers of the Vision Georgetown lands, as well as developers of infill/intensification projects in Georgetown and Acton.

### COMMENTS:

In keeping with the overview of affordable housing in Halton Hills provided in this report, Town staff is recommending the following short-term actions as a ‘road map’ to further our efforts to address housing affordability in Halton Hills.

### Road Map of ‘Short-Term Actions’:

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 different roles of the participants, the relationship to existing initiatives, such as the Halton Hills Housing Task Force, and short/medium term and longer term actions.
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**, 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.

There are also medium to longer term actions, such as implementation of the affordable housing policies of the Vision Georgetown Secondary Plan, which should also be addressed moving forward.

#### **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 associated with this report. Any financial impacts associated with implementation of the 'road map' for affordable housing in Halton Hills will be addressed in subsequent reports to Council.

#### **CONSULTATION:**

Town staff consulted with Region of Halton Housing and Planning staff in the preparation of this report.

## **PUBLIC ENGAGEMENT:**

No public engagement was undertaken in preparing this background and directions report.

## **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. Implementation of the 'road map' for affordable housing in Halton Hills 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 an overview of the affordable housing issue in Halton Hills, focusing on the key players and their respective roles; and set out a preliminary 'road map' to direct future efforts of the Town to address the issue of housing affordability, primarily assisted housing, in Halton Hills.

It is recommended 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;
- the valuable work of the Halton Hills Housing Task Force contained in the report entitled "Housing in Halton Hills: Opportunities for Attainable Housing", be acknowledged, and opportunities sought to build a partnership with the Task Force;
- 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,

- 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.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "C. Mills". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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

A handwritten signature in black ink, appearing to read "Brent Marshall". The signature is cursive and flows from left to right.

**Brent Marshall, Chief Administrative Officer**