Municipal Tools for Affordable Housing

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# Affordable Housing in Ontario – Roles and Responsibilities

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<th>Province</th>
<th>Service Manager</th>
<th>Municipalities (Land Use Planning)</th>
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<td>• Establish legislative and policy framework</td>
<td>• Engage the local community in determining housing needs, establish a housing vision and determine priorities for helping people in need</td>
<td>• Use local housing and homelessness plans as the basis for housing needs assessment to guide development of municipal planning policies and approaches</td>
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<td>• Set out provincial interests for housing</td>
<td>• Develop and implement local housing and homelessness plans that address provincial interests and are consistent with Ontario’s Housing Policy Statement</td>
<td>• Identify range of planning and financial tools that are available and create enabling frameworks for their use</td>
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<td>• Partner with Service Managers to ensure financial accountability through service agreements</td>
<td>• Contribute to, coordinate and administer housing funding</td>
<td>• Develop and implement official plan policies and zoning to direct development and promote the availability of a full range of housing types to meet range of identified needs. This includes implementing policies to permit second units, as well as enabling policies needed to use planning and financial tools</td>
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<td>• Provide annual reports on province-wide progress</td>
<td>• Monitor and report on progress</td>
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<td>• Contribute to funding for affordable housing and homelessness programs</td>
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<td>• Engage the federal government to establish a long-term national housing strategy including sustainable funding for affordable housing</td>
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Municipal Tools for Affordable Housing

- Planning Act
- Municipal Act
- Development Charges Act

- *Municipal Tools for Affordable Housing, Ministry of Municipal Affairs and Housing*
The Planning Act and Provincial Policy Statement (PPS) 2014

- Sets out ground rules for land use planning and development in Ontario
- Provides a range of land use planning tools to help achieve a full range of housing including affordable housing
- Identifies the provision of a full range of housing, including affordable housing as a provincial interest
- PPS provides more specific policy direction
- Requires municipalities to address local housing needs
Planning Act

- **Official Plans can include:**
  - Provisions for a range and mix of housing types and densities
  - Measures and procedures for attaining housing objectives
  - Targets for the provision of housing that is affordable to low and moderate income households
Planning Act

- **Municipal Zoning By-laws:**
  - Municipalities can specify minimum as well as maximum height and density in their ZBLs
  - This could guide development towards more compact, intensified built-form outcomes and create opportunities for more affordable housing
Development Permit System, section 70.2 and O. Reg. 608/06

- Development Permit System

  - DPS is a planning tool that combines zoning, site plan, and minor variance processes into one application and approval process

  - Under O. Reg. 608/06, a municipality can pass a by-law to establish a DPS if certain underlying policies are included in the municipality’s OP
Development Permit System, section 70.2 and O. Reg. 608/06

- Development Permit System
  - A development permit by-law has similar characteristics to a zoning by-law under section 34 of the Planning Act
  - The DPS can be used to encourage affordable housing by:
    - Promoting a range of housing types and densities
    - Promoting appropriate residential intensification, compact form and building and site design; and,
    - Eliminating “Third Party” appeals to the OMB on development permit applications that meet the OP and DPS by-law
Land Division Provisions – Subdivision and Consent, sections 51, 53

- Subdivisions / Consents
  - The Planning Act requires decision makers to have regard to the effect of a proposed subdivision or consent on matters of provincial interest
  - Matters of provincial interest are listed in section 2 of the Act, including the adequate provision of a full range of housing
Second Units, sections 17, 22, 34

- **Apartments in Houses**
  - Municipalities can establish OP policies and ZBL provisions that permit second units in detached, semi-detached, and row houses
  - Policies for second units cannot be challenged at the Ontario Municipal Board, unless the policies are opened up at the time of an OP review
  - This tool could be used to increase rental housing supply within existing residential areas
Garden Suites, section 39.1

- Municipalities can pass temporary use by-laws authorizing garden suites as a temporary use for up to 20 years
- Municipalities can also extend the temporary authorization for garden suites by further three year increments, as needed
Demolition Control Areas, section 33

- Demolition Control Areas
  - Municipalities can establish demolition control areas protecting ownership and rental properties, as well as properties with less than six units
  - Within demolition control areas, municipalities can refuse to issue a demolition permit unless a building permit has been issued to erect a new building on the site
Municipal Act, 2001, section 99.1(1)

- Demolition and Conversion of Residential Rental Properties
  - A tool that allows a municipality to prohibit demolition or conversion to condominium of residential rental property containing six or more units
  - Municipalities must pass a by-law to give effect to this tool
Height and Density Exchange, section 37

- All Ontario municipalities can use section 37 of the Planning Act to achieve specified community benefits

- Section 37 provides a discretionary, incentive-based system which enables municipalities and land developers to negotiate density/height increases on specific sites in exchange for the provision of community benefits
Reduction or Exemption from Parking Requirements, section 40

- **Parking**
  - Municipalities can enter into agreements with developers to allow for the reduction or waiving of parking requirements
  - These agreements could be drafted so as to facilitate the provision of affordable housing
Municipal Act, 2001

- Section 107 - General power to make grants

- Section 106 – General prohibition on “bonusing”
  - Prohibits municipalities from “directly or indirectly assisting any manufacturing business or other industrial or commercial enterprise through the granting of bonuses”
Municipal Act, 2001, section 110

- **Municipal Housing Project Facilities:**
  
  A class of municipal capital facilities where a municipality is permitted to enter into an agreement to provide financial assistance despite the general prohibition on bonusing.

- **Assistance can include:**
  
  - Tax exemptions
  - Development charge exemptions
  - Offering less than fair market value or a no cost option
  - Giving or lending money and charging interest
  - Giving, lending, leasing or selling property
  - Guaranteeing borrowing
  - Providing the services of municipal employees
Community Improvement Plans (CIPs), section 28

- Community Improvement Plans
  - Allows municipalities (single, lower-tier, and prescribed upper-tier) to establish CIPs.
  - Municipal OPs must contain policies related to community improvement and municipalities have enacted a by-law designating a CIP project area
Community Improvement Plans (CIPs), section 28

- Community Improvement Plans
  - Municipalities can undertake a variety of community improvement activities, and provide financial incentives within a community improvement area
  - E.g. municipalities can give grants, loans, and property tax assistance to landowners to help cover eligible community improvement costs
Community Improvement Plans (CIPs), section 28

- Community Improvement Plans
  - Subsection 28 (1.1) expressly provides that community improvement include the provision of affordable housing
  - Municipalities can use CIPs to provide financial incentives in relation to affordable housing development
Conveyance of Parkland or Cash in lieu, sections 42, 51.1

- Parkland / Cash in lieu
  - A municipality can require the conveyance of land (up to 5%) or cash-in-lieu for park purposes as a condition of approval of a plan of subdivision or development/redevelopment
  - Municipalities could tailor their parkland/cash-in-lieu requirements to facilitate the development of affordable housing
Development Charges, sections 5, 6

- Development Charges Act
  - Municipalities can give a full or partial exemption from development charges to certain types of development
  - Could be used as a financial incentive
Reduction or waiving of application fees, section 69

- **Application Fees**
  - Municipalities may reduce or waive planning application processing fees
  - A reduction or waiver of fees for applications required for an affordable housing development would reduce the costs associated with that development
Municipal Act, 2001, section 308

- **Property Tax Rate Reduction**
  - Reduce tax ratio on the existing class of multi-residential properties
  - Establish a new multi-residential class ratio and tax rate for the new class at or near the rate for the residential class
For more information:

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