Bill 109 Presentation

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WHAT ARE ISSUES RESTRICTING AFFORDABLE OR ENTRY LEVEL "MISSING MIDDLE" HOUSING SUPPLY

- ***Definition*** – "Affordable" vs "Attainable" vs "Missing Middle" housing. Need to clearly define the problem(s) while at the same time considering local or regional perspectives. For ownership, try using a percentage of a recognizable benchmark like the Average Assessed Value as determined by MPAC. For rentals, use the Average Market Rent as determined by CMHC.

- ***Local NIMBY*** - density, height, parking space reductions, traffic volume increases etc. These planning parameters require Official Plan or Zoning by law amendments, typically leading to Land Tribunal hearings.

WHAT ARE ISSUES RESTRICTING AFFORDABLE OR ENTRY LEVEL "MISSING MIDDLE" HOUSING SUPPLY

- ***Failure of Municipalities to Meet PPS*** - MOH has allowed municipalities to incorporate a watered-down version of the PPS direction into their OP and ZBL's. PPS says:

  > *"Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by:*
  >
  > *a) establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans*.

  Province needs to clarify the force and effect of this PPS "inclusionary zoning" directive and instruct the Tribunal on how to consider cases where local authorities have tired to implement the PPS to effect low and moderate income housing. Additional "inclusionary zoning" tools may be needed.

WHAT ARE ISSUES RESTRICTING AFFORDABLE OR ENTRY LEVEL “MISSING MIDDLE” HOUSING SUPPLY

- ***Local land costs -*** increasing as available developable land supply shrinks. Lower cost land typically has development/infrastructure cost disadvantages which adds to build costs.

- ***Legislative barriers -*** limits innovative funding options for Municipal investments/contributions to support affordable or entry level housing. Limits local municipal financial support such as land contributions, DC relief, building fee relief etc.

WHAT ARE ISSUES RESTRICTING AFFORDABLE OR ENTRY LEVEL "MISSING MIDDLE" HOUSING SUPPLY

- ***Long and protracted process for municipal surplus land declaration*** **-** Limits easy supply of surplus municipal land for affordable or entry level housing projects.

- ***Limited use of the Community Planning Permit System (CPPS***). Slow take-up at municipal level due to limited resources and policy shift required to implement. Inclusionary zoning only allowed where CPPS or Major Transit Station Areas exist (latter not helpful in rural Ontario).

WHAT ARE ISSUES RESTRICTING AFFORDABLE OR ENTRY LEVEL "MISSING MIDDLE" HOUSING SUPPLY

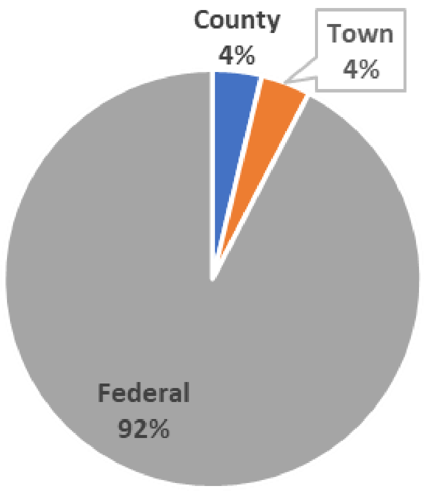
- ***Increasing hard costs -*** Project in The Town of The Blue Mountains has seen hard costs increase over the planning year of 25%!

- ***Ever increasing soft costs -*** many related to the municipal planning process and other regulatory requirements – soft costs can be up to 25% of total capital cost of project. Bill 109 deals with some of this.

- ***Down Payment Affordability*** – entry level housing buyer unable to afford down payments associated with high cost homes.

MISSING MIDDLE PROJECT EXAMPLE

- The “Project” is the first new purpose built rental building development in Thornbury for many years.
  - Blend of “attainable” and market rental units with some ground floor commercial – the latter to help subsidize the “attainable” units.
  - Concept to minimize local tax levy burden and self finance as much as possible
- Local “public consultation” reduced building height from 5 to 4 to 3 storeys (OP is 3) . Financial viability modelling shows this density reduction impacted total units, blend of market and affordable units, and affordable rental rate (approx. $100 / month per door increase per floor reduction).
- The housing mix presents units from one- to three-bedrooms. Over 50% of units (estimated at 44 units) are planned to be offered at attainable rent levels.



THE PROJECT – TARGET RENT LEVELS

PROJECTED ATTAINABLE RENT LEVELS

	Attainable Rent	Rent attainable to households earning (annual)	Rent attainable to households earning (full-time, hourly)
One-bedroom	$ 966	$ 38,640	$21.23
Two-bedroom	$ 1,086	$ 43,440	$23.87
Three-bedroom	$ 1,975	$ 79,000	$43.41

PROJECTED MARKET RENT LEVELS

	Market Rent	Rent attainable to households earning (annual)	Rent attainable to households earning (full-time, hourly)
One-bedroom	$ 1,950	$ 78,000	$42.86
Two-bedroom	$ 2,250	$ 90,000	$49.45
Three-bedroom	$ 2,950	$ 118,000	$64.84
Non-Residential	$22/sq.ft		

BILL 109 – SPECIFIC COMMENTS

- General Comment - In TBM we have no problem with homes getting built (2020, 429 units built, 2021, 394 homes built). The issue is that NONE were affordable or even near that range! Bill 109 build cost savings initiatives apply equally to market and attainable builds and in our community may only help “market” builds. Suggestion - make Schedule 5 amendments apply to only applications that contain over say 25% affordable or attainable units. Encouraging or supporting “market” builds will not help the attainability problem.

YEAR	DWELLING UNITS BUILT	CONSTRUCTION VALUE ($Mil)	AVERAGE CONSTRUCTION VALUE ($thousands)
2020	429	$210.0	$498
2021	394	$332.1	$842

BILL 109 – SPECIFIC COMMENTS

- Schedule 5 Refund of Fee Provisions – Most Municipalities would support making the approval process more efficient, however in TBM, all of our approvals require input from agencies outside TBM (Upper tier, conservation authorities and in some instances multiple Ministries). Municipalities must be provided relief from fee refunds where any delays were caused by these outside agencies.

- Schedule 5 Ministers Order – again, limit application to only applications that contain over say 25% affordable or attainable units. Encouraging or supporting market builds will not help the attainability problem.

- Schedule 5 Site Plan Approvals Delegation – at TBM this is already the case.

- Schedule 5 Reporting to Minister Requirements – this would be a helpful method for the Minister to track existing PPS direction regarding affordable or attainable housing targets

OTHER PROPOSED SOLUTIONS

1. Bill 109 Schedule 5 Additions - Create “as of Right” options for “Missing Middle” Housing - Planning Act Amendments:

   a) Require Municipalities incorporate the standardized provincial definition for affordable or attainable or entry level / “missing middle” housing in OP’s. Allow for this definition to be implemented outside of the typical Planning Act process and exempt from appeal to Tribunal.

   b) For serviced primary settlement areas of the OP’s, require Municipalities to create new Minimum/Maximum Density Requirements (“MMDR”) for affordable or attainable or entry level / “missing middle housing. Those limits would be incorporated in local OP or ZBL’s,and be ***required*** to be implemented for all new affordable or attainable or entry level / “missing middle” housing in the developments. Allow for this to be done outside of the typical Planning Act process and exempt from appeal to Tribunal.

   c) Significantly exclude zoning amendment appeals to Ontario Land Tribunal for applications that conform to the Official Plan

OTHER PROPOSED SOLUTIONS

d) Simplify the creation of a Community Planning Permit System (CPPS)

Make inclusionary zoning mandatory across the Province to allow for the implementation of the PPS statement requiring "*establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans*"

OTHER PROPOSED SOLUTIONS

2. Development Charges Act Amendments – Bill 109 Schedule 2 Additions:

   a) For Municipalities that have a housing corporation or a Community Improvement Plan providing housing incentives to the private sector, create dedicated DC funding sources for Municipal investments in Defined Housing Units :

      i. Allow for new DC charges to support municipal investments in Defined Housing Units in accordance with a planned level of service – similar to transit exemptions in the Act.

      ii. Restrict the application of these charges to non-Defined Housing Units only.

   b) For Municipalities that have a housing corporation or a Community Improvement Plan providing housing incentives to the private sector, amend the Act to allow for Municipalities to grant reductions in DC charges for Defined Housing Units with no requirement to fund these reductions from tax levy

   c) The Province should require that development charges and fees for missing-middle buildings up to four units match the charges and fees for single-unit homes

OTHER PROPOSED SOLUTIONS

3. Land Transfer Tax:

   a) For Municipalities that have a housing corporation or a Community Improvement Plan providing housing incentives to the private sector, allow all municipalities to benefit from a portion of the proceeds from the Land Transfer Tax.

      i. This could provide a regular stream of funding towards municipalities for planning & development.

      ii. Focuses revenue generation in areas of high levels of resales - where supply is dwindling and excess demand is occurring.

      iii. Municipalities would receive a portion of the Land Transfer Tax would effectively it would allow the municipalities where there are a lot of sales and growth to fund the need to plan ahead

OTHER PROPOSED SOLUTIONS

4. Municipal Act:

   a) Allow Municipalities to offer home ownership assistance to emergency and health care workers in need of support without triggering Municipal Act restrictions.

OTHER PROPOSED SOLUTIONS

Affordable Housing Credit Program:

Allow Municipalities to create an Affordable Housing Credit Program under the following criterial

- Municipality must have an inclusionary zoning bylaw or Official Plan requiring development proposals to have a minimum of X% of housing stock in a plan. This then sets an affordable housing minimum for each new development

- Developers can choose to build in excess of the minimum number of units and can use this excess as a credit for their own future projects or sell these credits to other developers. Municipalities will then certify the surplus units so that only valid surplus units are available for application to other projects. Municipalities could “tax” some of that credit value to fund a local down payment assistance program for first time home buyers.

- Allow developers to meet their attainable unit min. by either building to that minimum or buying credits form other developers in the area who have surplus credits

- Municipalities would be the program administrators but not participate in the aftermarket sale of credits other than to certify the units for sale, or to “tax” the credit value for a local down payment assistance program for first time home buyers.

THANK YOU