

The Role of Municipalities and Affordable Housing

Build Together II: People's Schools

October 2022





Vision: a self-reliant people in a vibrant community



Community reinvestment of all profits



Community Needs: Home Care, Rental Properties, Meals on Wheels, Centre for Social Innovation, Guest Home and Home Living



Not-for-profit community development corporation; Governed by a volunteer Board of Directors

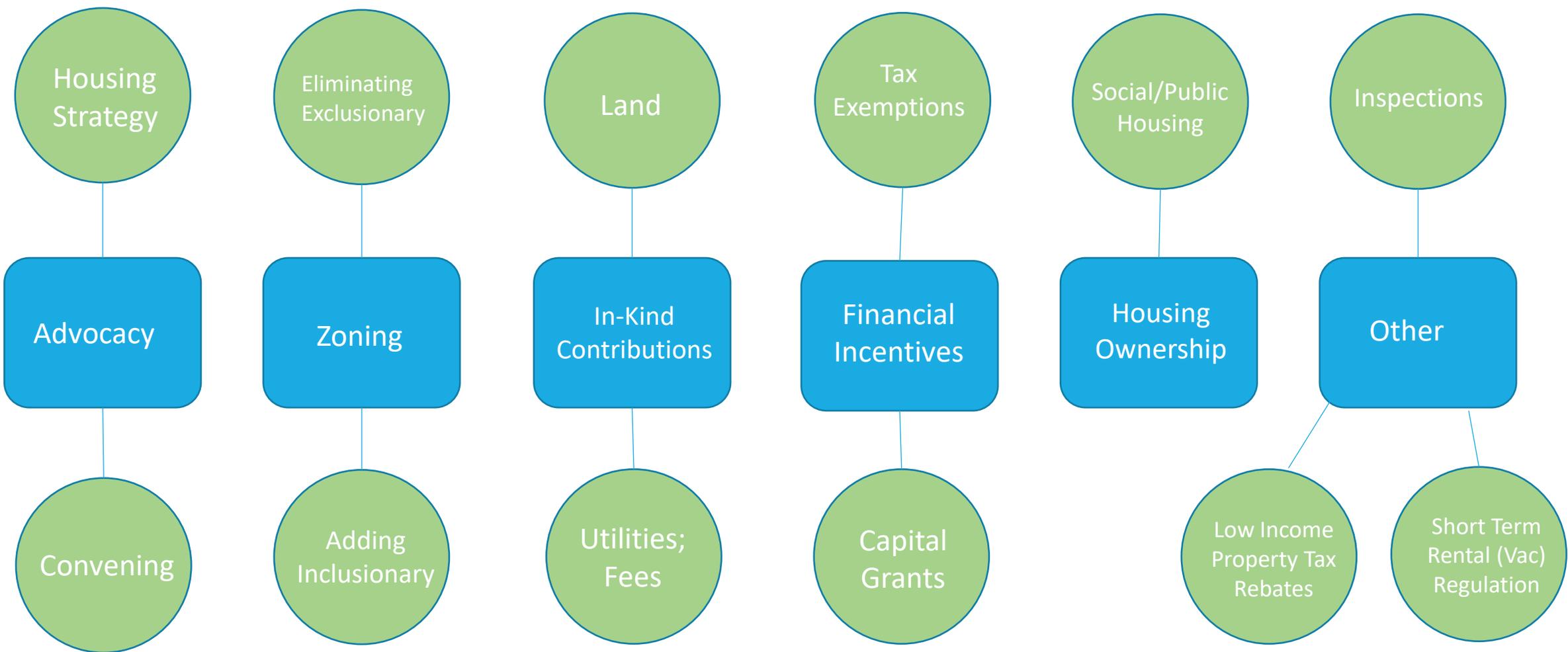


Community Change: Immigration, Governance, Centre for Arts, Food Security, Access to Capital, Community Engagement



Founded in 1976 and today has 100+ staff across seven divisions





1. Advocate

Making Affordable Housing a Municipal Priority

- Introducing a Council motion to adopt Housing as a Human Right.
- Convening local housing organizations + advocates to probe the local challenges to affordable housing development and continue as a partner in the elimination of those challenges. This might include convening MLAs, Ministers, Deputy Ministers to discuss the community's specific challenges to housing development.
- Developing a municipal affordable housing strategy/municipal poverty strategy. Local affordable housing strategy might include needs, gaps, targets, tools, monitoring/measurement (see Lanark County).
- Encouraging local chambers of commerce, economic development agencies to design/deliver information sessions on small-scale landlord/affordable housing ownership + accessory dwellings (up to 2 units within a single structure/property).
- Encouraging post-secondary institutes to provide sufficient student housing in communities.



LANARK COUNTY AND THE TOWN OF SMITHS FALLS

Municipal Tools to Support Affordable Housing

FINAL REPORT

March 2022



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ADVOCACY EXAMPLE: HALIFAX REGIONAL MUNICIPALITY

2004 Council receives Homelessness in HRM: Portrait of Streets and Shelter report detailing the scope and characteristics of the municipality's homeless and at-risk population

2008 Council receives an information report outlining the municipality's affordable housing functional plan and providing an overview of housing affordability

2015 Council receives Housing Needs Assessment

2015 Housing and Homelessness Partnership Affordable Housing Working Group 5-year affordable housing Strategic Plan

2016 Council approves in principle HHP's 5-year affordable housing targets and directs staff to develop an implementation framework to meet the targets

2017 Council approves Public Safety Strategy identifying housing/homelessness as public safety priorities

2020 Council approves Social Policy identifying housing as a focus area

2. Setting A Progressive Context

Municipal Zoning

Removing Exclusionary Zoning: In Canada, approximately 65% of lands are zoned for single detached homes alone, with only 35% zoned for multi-unit dwellings. Although perhaps not designed as such, this zoning today both reflects and perpetuates NIMBYism.

Land is spatially fixed and a limited resource. Zoning controls the uses of this limited resource and has been used to exclude people who have less power and wealth from certain areas.

An Ontario-based study found that 92.6 percent of total government spending on housing, including tax exemptions, went to homeowners.

A necessary but not sufficient condition for development of new affordable housing.

Adopting Inclusionary Zoning: In October 2021, Nova Scotia amended to MGA to allow municipalities to adopt inclusionary zoning policies. Inclusionary zoning requires all new developments to (a) include a percentage of units (often around 10%) as affordable units or (b) pay into a fund for separate affordable housing development projects, if they cannot make a certain percentage of units affordable.

City of Vancouver: ready to adopt a policy which would allow for the construction of up to six affordable housing units on lots where only one single-family home is currently allowed. The program targets the conversion of 2,000 lots around the city, with the potential to create up to 10,000 affordable homes for middle-income households.

The City of Edmonton: has recently allowed duplexes or triplexes on single detached dwelling lots as a first step in a wholesale revision of its zoning requirements.

Kings County, NS: Amend Development Agreement options for County Residential (A4) Zone to permit wider array of dwelling unit types

Kings County, NS: Greenwood 14 Wing Clements Park: former DND lands/not zoned; proposal to zone Residential Mixed Density R3 to permit wide range of dwelling options (one unit, two unit, town houses, multi-unit (up to 8 units))

City of Toronto: newly adopted inclusionary zoning policy requires private developers to secure between 5 and 10 percent of new units built near major transit stations for low-income and moderate-income households (earning between about \$32,000 and \$92,000 a year, depending on household size), increasing to 8 to 22 percent by 2030.

Changes to undo exclusionary zoning practices likely to require modest to significant community education.

3. In-Kind Contributions

Land + Municipal Utilities

Leasing free government or non-profit land can reduce costs by between 15 and 25 percent, depending on location.

Scaled-up development, which can result in additional savings and unit construction, requires working with large sites. This can be accomplished through land readjustment, whereby municipalities amass larger sites through agreements with other orders of government/private sector.

Identification of land that could be conveyed for affordable housing projects immediately + development of a land trust to hold valuable properties for affordable housing developments in future/in perpetuity and/or land bank (identification and assembly of municipal and other lands by municipality to be made available for affordable housing developments)

Determination of municipality's capacity to provide certain # of unit utilities connections each year in service of affordable housing development

Kings County: That Committee of the Whole Recommend Council instruct the CAO to investigate all Municipally owned properties to determine if there are properties that could be deemed surplus and used for housing projects.

The City of Dieppe has made a commitment to developing mixed income housing by creating a land bank in its downtown. Dieppe purchased 13 acres of downtown property and has adopted a mixed income housing strategy as the foundation for its Downtown Development Plan.

2020 HRM Council adopts amendments to AO 50 to create a municipal surplus land category specific for properties for affordable housing purposes.

3. In-Kind Contributions, Continued

Municipal (Development + Building Permit) Fee Waivers

A portion of a project's soft costs can be saved by waiving or offsetting municipal permit fees and development cost charges.

A development cost charge waiver on a 100-unit affordable rental project in Vancouver provides almost \$2 million in cost savings. If rezoning, development permit, and building permit fees are waived for the same project, this would save the project an additional \$275,000.

While Vancouver, Vernon, and Nanaimo have chosen to waive development cost charges for not-for-profit projects altogether, other municipalities, like Kelowna, Richmond, and Surrey, provide a grant to the project from their Housing Reserve Funds to offset development cost charges and permit fees charged to the project. In this way, the municipality still extracts the exact costs from all developers, and affordable housing projects receive an additional grant to offset the costs.

It is important to note that the Canadian Housing and Mortgage Corporation's (CMHC) Co-Investment Fund, a federal affordable housing funding program, considers municipal development cost charges waivers a minimum requirement for governments to be considered a "co-investor" on a project, thus making the project eligible for federal funding.

2020 HRM Council adopts amendments to AO 15 and several bylaws to waive municipal related construction fees for affordable housing developments

4. Financial Incentives

Capital Contributions and Property Tax Exemptions

Capital Contributions: direct capital grant contributions to affordable housing projects, sometimes through annual budget allocations, sometimes through Housing Reserve Funds collected through fees, levies, inclusionary zoning offsets, and community amenity contributions.

Usually provided based on the number of affordable units and require the registration of a Housing Agreement guaranteeing rent levels and the number of units for a specified length of time.

Property Tax Exemptions: Victoria and Langford on Vancouver Island offer a 100 percent permissive tax exemption to not-for-profit affordable housing projects for 10 years. Costs savings enable projects in those municipalities to stabilize rents, maintain greater levels of affordability, and reduce the project's debt load over those 10 years.

Rare: operating contributions/grants from municipal governments to affordable housing providers.

New Glasgow (Coady's Place, NS Co-op Council): the province is putting in \$3 million, \$2 million is coming from Ottawa and the Town of New Glasgow is providing a 20-year property tax exemption.

HRM: Council adopts amendments to AO 2014-001-ADM to provide streamlined and predictable multiyear property tax relief for registered non-profit or charitable housing groups

Yarmouth: contributing \$650,000 for the construction of 27 affordable units as part of a 54-unit mixed income housing project

Moncton: is investing \$6 million to support the development of 125 units of affordable housing.

Miramichi: is investing \$250,000 to support recommendations in its housing needs study; facilitate a mixed income housing project on municipal property; and make \$10K/unit available for new affordable housing.

Municipality of the District of Chester: The District of Chester will provide \$100,000 to help a non-profit housing group develop affordable housing in New Ross.

Town of Antigonish: \$100,000 is being provided to help the Antigonish Affordable Housing Society develop 12-units of affordable housing on land donated by the County of Antigonish.

HRM: Based on \$500K annually for homelessness, \$400K for affordable housing and an estimated \$100K from community and district grants in 2021-22.

5. Social/Public Housing Ownership

More than 55,000 Montréal residents live in housing managed or subsidized by the Office municipal d'habitation de Montréal, which receives only 30 percent of revenues from provincial and federal governments.

The Calgary Housing Company operates more than 7,000 social housing units, and administers another 2,200 rent-supplement arrangements, based on various shared-cost agreements

An average of 77 percent of social housing expenditures in Ontario are funded by municipal governments, compared with 14 percent and 9 percent by the provincial and federal governments, respectively. Toronto is an extreme case.

St. John's NFL made its first funding commitment to affordable housing in 2010; today it is making an annual \$3.2 million commitment. The City owns and operates 476 affordable housing units. With 6 staff, the Non-Profit Housing Division of the Community Services Department manages the housing portfolio and leads the implementation of the City's 10-year affordable housing strategy.

Currently in NS, Nova Scotia's Municipal Housing Corporations Act (MHCA) 81 states that the object of a municipal housing corporation is to 'construct, hold and manage accommodation for the aged, mentally handicapped or physically disabled or others requiring nursing or custodial care'. Unless this is amended (as Halifax is contemplating), municipalities cannot create/operate Housing Corporations for the purpose of more broadly providing affordable housing to residents who fall outside of these prescribed categories.

6. Other/Miscellaneous

Monitoring Short Term (Vacation) Rentals

Local education campaigns around mandatory provincial registry
Tracking the number, locations, size, growth of short-term rentals
Setting municipal zoning restrictions on where and how many

Regulating Short Term Rentals: A Toolkit for Local Canadian Governments: <https://www.thirdspaceplanning.ca/str-toolkit-2021>

Rental Accommodation Inspection/Certification

2019 HRM Council directs staff to amend By-law M-201 to include provisions for mandatory registration of residential rental accommodations

2019 HRM Council directs staff to disclose/make-public residential occupancy standards violations (per the terms of AO 2011-006- ADM)

Low-Income Homeowner Property Tax Rebates

Making Housing a Municipal Priority

Approach Matters

What can we do at minimal cost/with existing tools?

VERSUS

What is the problem? The current state? Based on the best available data: who is struggling with housing, what are their barriers, what demographics, in which parts of our communities?

What is our goal/target? The desired future state? Both rhetorically, but also numerically? What is the role of: provincial government, federal government, municipal staff and government, non-profit developers, for-profit developers in getting our community to the desired future state.

What policies/incentives/zoning/advocacy do we need to do to get there? Which of these do we have the authority/jurisdiction to enact, which of these do we need approval of another level of government to enact? Which are we not taking on directly, but will push other levels of government to take accountability for?

Federal Budget: 2022

FUNDING FOR MUNICIPAL HOUSING CAPACITY

Federal Budget 2022: the 2022 federal budget designated \$4 billion over the next five years starting in 2022-23 to build up municipal housing capacity (staffing, processes, indirect and direct roles in affordable housing development).

From Budget 2022: Budget 2022 proposes to provide \$4 billion over five years, starting in 2022-23, to the Canada Mortgage and Housing Corporation to launch a new Housing Accelerator Fund. The fund will be designed to be flexible to the needs and realities of cities and communities and could include support such as an annual per-door incentive for municipalities, or up-front funding for investments in municipal housing planning and delivery processes that will speed up housing development.

Additional Resources

Who Does What Series: Municipal Role in Housing <https://munkschool.utoronto.ca/imfg/wp-content/uploads/2022/04/Municipal-Role-in-Housing.pdf> (Institute on Municipal Finance and Governance; Monk School of Global Affairs and Public Policy; report comprised of four papers)

Lanark County and the Town of Smiths Falls: Municipal Tools to Support Affordable Housing <https://www.lanarkcounty.ca/en/county-government/resources/Plans-Studies-and-Reports/Municipal-Tools-to-Support-Affordable-Housing-Report.pdf> (Mar 2022; example of what a municipal housing strategy might look like)

Comparison of Municipal Funding Support for Affordable Housing: <https://www.davidharrison.ca/blog/comparison-of-direct-municipal-contributions-to-affordable-housing> (updated Sept 2021; largely focused on Atlantic Canada)

A Scan of Leading Practices in Affordable Housing <https://www.bchousing.org/research-centre/library/housing-affordability/scan-leading-practices-affordable-housing> (2017; not exclusive to the role of municipalities; weighed towards Western Canada; does include some evaluation of some practices)

November 2021 HRM Council Staff Issue Paper on Housing: <https://cdn.halifax.ca/sites/default/files/documents/city-hall/regional-council/211123rc101.pdf> (includes comprehensive review of housing policies/actions/incentives of municipalities throughout Canada)

The Shift: Realizing the Right to Housing in Canadian Municipalities: Summary of Recommendations <https://make-the-shift.org/wp-content/uploads/2022/04/Policy-Scan-Summaries-Final.pdf>

Solving the University Housing Crisis: <https://www.universityaffairs.ca/features/feature-article/solving-the-student-housing-crisis/> March 2022