

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 1, Report No. 24, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on June 27, 2017.

**1 YORK REGION AFFORDABLE HOUSING INITIATIVES
INFORMATIONAL PRESENTATION
WARDS 1 TO 5**

The Committee of the Whole (Working Session) recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management and the Director of Policy Planning and Environmental Sustainability, dated June 6, 2017, be approved; and
- 2) That the presentation by Rick Farrell, General Manager, Housing Services, York Region and Valerie Shuttleworth, Chief Planner, York Region, and Communication C1, presentation material titled "Housing Initiatives and Incentives", dated June 6, 2017, be received.

Recommendation

The Deputy City Manager, Planning and Growth Management and the Director of Policy Planning and Environmental Sustainability recommend:

1. THAT this report and presentation provided by York Region Long Range Planning, Human Services Planning Board of York Region and Housing York Inc. entitled "York Region Affordable Housing Initiatives and Incentives", BE RECEIVED for information purposes; and
2. THAT staff in Real Estate and Policy Planning and Environmental Sustainability be directed to work with Housing York Inc. to explore opportunities for Affordable Housing Initiatives on any vacant or underutilized City lands as part of its Strategic Land Acquisition Study and review of its portfolio and report back with findings.

Contribution to Sustainability

Provision of a mix of housing types and affordable housing is consistent with the Goals and objectives of Green Directions Vaughan as reflected in Goal 2, below:

Goal 2: *To ensure sustainable development and redevelopment*

Objective 2.3: To create a City with sustainable built form

Action 2.2.3: "Through the policies to be developed in the new Official Plan, ensure that a mix of housing types are provided in Vaughan and that affordability is a consideration in planning."

Economic Impact

There is no economic impact associated with this report. The presentation includes information on Bill 7 the *Promoting Affordable Housing Act* which amends the *Development Charges Act* to exempt second units in new homes from development charges. Policy Planning and Environmental Sustainability and Legal Services reported on these changes to Committee of the Whole June 21, 2016 (Item 40, Report No. 27).

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Communications Plan

There is no Communications Plan associated with this report. All presentation material will be posted on the City's website at www.vaughan.ca.

Purpose

The purpose of this report is to provide the policy background related to the presentation by York Region Long Range Planning, the Human Services Planning Board of York Region and Housing York Inc. The presentation will inform Council of the current affordable housing initiatives and incentives being undertaken by each organization. The report also describes recent initiatives undertaken by the City concerning affordable housing.

Background and Analysis

1) Provincial Policy Context

- a) The Planning Act: Housing is a key area of Provincial interest and central to developing strong, complete communities. To ensure access to adequate housing for all residents, the Provincial government has identified affordable housing as an area of increased focus. Through changes to the land use planning framework, including the *Planning Act*, the Province is seeking to produce more affordable housing options for low and moderate income groups and provide for an increased role for local municipalities in achieving these objectives.
- b) The Provincial Policy Statement (PPS 2014): The *PPS 2014* outlines the Provincial interest in key focus areas in the regulation of land use planning and development, including housing. Section 1.4.1 sets out the general housing objective "to provide for an appropriate range and mix of housing types and densities required to meet projected requirements of current and future residents...". The *PPS 2014* also requires municipalities to establish minimum affordable housing targets in their Official Plan and provides the following definition of affordable housing:

Affordable means:

- a) in the case of ownership housing, the least expensive of:
 1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for *low and moderate income households*; or
 2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the *regional market area*;
- b) in the case of rental housing, the least expensive of:
 1. a unit for which the rent does not exceed 30 percent of gross annual household income for *low and moderate income households*; or
 2. a unit for which the rent is at or below the average market rent of a unit in the *regional market area*.

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- c) The Growth Plan for the Greater Golden Horseshoe (2006): The *Growth Plan* addresses the housing market in the context of growth management. The *Growth Plan* reiterates the goal of producing a mix of housing types as well as “taking into account *affordable housing needs*” (Section 2.2.3.6.i). Section 3.2.6.6 requires Upper-tier municipalities to develop a housing strategy, including Official Plan policies that require the development of affordable ownership and rental housing opportunities.
- d) The Long Term Affordable Housing Strategy (2010) update 2016: In response to growing concerns over housing affordability, the Provincial government introduced the *Long Term Affordable Housing Strategy* in 2010. The *Strategy* outlines affordable housing policies and provides for a more active role for local municipalities in the sector. Upper-tier municipalities are now required to develop a 10 year Housing Plan. An update to the *Strategy* released in 2016 provides new funding programs and expanded policy tools for application by local municipalities to produce more affordable housing units. Amendments to the *Development Charges Act* and *Building Code* were also made to facilitate the construction of more secondary suites.
- e) The Strong Communities through Affordable Housing Act, 2012: The *Strong Communities through Affordable Housing Act, 2012* requires that local municipalities include Official Plan and Zoning By-law permissions for secondary suites, as-of-right. While a specific date was not specified as to when secondary suites policies must be implemented, local municipalities are expected to be actively working towards achieving this objective. In response, the City has successfully advanced a Secondary Suites Policy Framework and Implementation Strategy that received Council approval in February 2017.
- f) The Promoting Affordable Housing Act, 2016: The *Promoting Affordable Housing Act, 2016* permits local municipalities to implement “inclusionary zoning”. Inclusionary zoning allows municipalities to implement Official Plan policies and Zoning By-laws that require the provision of a certain percentage of Affordable Housing units in new residential developments that are to be maintained as affordable over a specified period of time. The *Promoting Affordable Housing Act* received Royal Assent on December 8, 2016, Regulations related to inclusionary zoning remain under development.

2) York Region - Affordable Housing Policy Framework and Initiatives

The Regional Municipality of York is the provincially designated Housing Service Manager in York Region and supports affordable housing through the local planning policy framework and assisted housing programs. As required by the *Long Term Affordable Housing Strategy, 2010*, York Region developed *Housing Solutions: A Place for Everyone*, the 10 year housing plan that informs all related affordable housing policies. Implementing policies and programs are described below.

- a) Section 3.5 of the York Region Official Plan (YROP 2010) describes the planning objectives concerning the housing market. In conformity with Provincial policy, Section 3.5 seeks “To promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers”. To ensure the mix of housing types includes affordable housing, YROP 2010 establishes minimum affordable housing targets for new residential development. Section 3.5.6 requires that a minimum of 25% of new residential development be affordable and include a range of housing types and sizes. In designated Regional Centres and Key Development Areas, a higher 35% affordable housing target is required (Section 3.5.7).

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To supplement the affordable housing requirements in the YROP 2010, the Region has also released the Affordable Housing Implementation Guidelines 2015. This document provides information necessary to achieve the affordable housing targets. As per Provincial Policy, affordable housing units that meet the thresholds are tracked, monitored and reported on in annual Progress Reports.

- b) York Region administers and provides funding to Housing York Inc. and other private non-profit housing providers for the provision and management of government assisted housing across the Region. Based on the most recent information, there are currently seven social and affordable housing communities located in Vaughan that provide approximately 537 housing units. On December 13, 2016, Vaughan Council approved zoning by-law amendment and site plan development applications (File Z.15.014 and DA.15.093) to permit the redevelopment of an existing Housing York Inc., site and a single detached dwelling located at 259/275 Woodbridge Avenue and 64 Abell Avenue. The new development will consist of a six storey, mixed-income apartment building which will provide 162 assisted affordable units and feature commercial uses at grade. Upon successful conclusion of the development review process for the Woodbridge property Housing York Inc. staff approached the City requesting to discuss whether additional opportunities may exist on City-owned land. There is a very limited amount of underutilized City-owned properties. Many City-owned sites are encumbered or are required for other purposes including parks accommodation needs, development purposes and other community purposes. Despite the limited number of City-owned properties, the recommendation to work with Housing York Inc. to explore opportunities for Affordable Housing Initiatives on any vacant or underutilized City lands as part of its Strategic Land Acquisition Study and review of its portfolio and report back with findings is provided in this report.
 - c) The Human Services Planning Board of York Region (Planning Board) is a non-profit partner organization created by York Region Council that has a mandate to improve the lives of low to moderate income households. In its work plan *Making Ends Meet in York Region: A Road Map for 2015 to 2018*, the Planning Board has identified housing affordability as an area of focus. Through advocacy work, research and workshops, including the *Make Rental Happen* campaign, the Planning Board works toward producing affordable housing options in York. The 2016-2018 Action Plan has renewed its focus on affordable housing with an emphasis on incentives research to assist the private sector in producing affordable housing.
 - d) In response to Provincial initiatives as well as growing concern over affordability in the Regional housing market, York Region established the York Region Local Municipal Housing Working Group (Working Group). Launched by Long Range Planning and the Human Services Planning Board, the Working Group was formed to examine the implementation of inclusionary zoning and has expanded its mandate to address a range of affordable housing issues concerning the mid-range housing market segment (\$78,517-\$114,648 - 2015 annual household income). Comprised of York Region staff and representatives from the nine local municipalities, the Working Group is scheduled to meet six times over the course of 2017. The objective of the Working Group is to develop an Affordable Ownership and Rental Housing Incentives Framework to encourage the private sector to produce affordable housing units.
- 3) City of Vaughan – Affordable Housing Status Update
- a) Section 7.5 *Housing Options* of Vaughan Official Plan 2010 (VOP 2010) provides the policy approach to the housing market in Vaughan. These policies were approved at the

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Ontario Municipal Board and now apply to new residential development applications. In conformity with YROP 2010, Section 7.5 *Housing Options* requires the provision of a mix and range of housing types and tenures. The policies emphasize the goal of developing complete communities that can accommodate the needs of residents from all age groups. Section 7.5 *Housing Options* also contains specific policies concerning affordable housing. Section 7.5.1.2 includes minimum affordable housing targets as required in the YROP 2010. Section 7.5 forms Attachment 1 to this report. It is noted that this version of Section 7.5 does not include the amendments approved by Council to permit Secondary Suites.

Affordable housing contributes to the creation of a broader range of housing types, including more compact, sustainable development (VOP 2010 Section 2.1.3). Greater access to affordable housing can also impact transportation patterns and reduce congestion as more residents are able to access housing, allowing them to live and work in Vaughan (VOP 2010 Section 7.5.1).

- b) In addition to the policies of Section 7.5, the City is striving to create more affordable housing through the implementation of the Council approved Secondary Suites Program. Staff commenced work on secondary suites in 2010, reporting to Council on January 25, 2010 and February 16, 2010. City staff followed this initial work on secondary suites in January 2012, by formally launching the City-wide Secondary Suites Study as required by Provincial legislation (File 15.112). The Study included a public consultation process and input from a Task Force, Technical Advisory Committee and project team comprised of internal City Departments, external agencies including the Province and York Region. On February 27, 2017 Council approved the draft Official Plan Amendment, Zoning Standards and Implementation Strategy to permit secondary suites in Vaughan. Once fully implemented, secondary suites will increase the stock of rental housing and provide for greater access to affordable housing throughout the City.
 - c) In addition to the ongoing work regarding the City-wide Secondary Suites Study, city staff reported to Committee of the Whole on June 21, 2016 regarding Bill 7, "*Promoting Affordable Housing Act*". This report provided Council with an update on the potential implications of the Provincial legislation (see Provincial context discussion above). Staff provided comments directly to the Ministry of Municipal Affairs in August 2016.
 - d) Policy Planning and Environmental Sustainability Staff are participating in the York Region Local Municipal Housing Working Group. Policy staff have attended all three scheduled meetings to date and presented the City's progress on the City-wide Secondary Suites Study at the first meeting.
- 4) Community Interest
- a) Recently at the April 4th, 2017 Committee of the Whole meeting, Habitat for Humanity requested that the City take a more active role in working with the Region and Habitat for Humanity. Their deputation with recommendations is attached (Attachment 2). As a result of this interest Habitat for Humanity and other housing organizations have been invited to attend this Committee meeting.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This report is consistent with the Term of Council Service Excellence Strategy objectives to:

- Create and manage affordable housing options.

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Regional Implications

The Presentation associated with this Report has been developed by York Region Long Range Planning, the Human Services Planning Board of York Region and Housing York Inc., to inform Council of their collective efforts to support the development of affordable housing.

Conclusions

Access to affordable housing is an important issue in York Region. In response to rising housing prices, there is considerable policy development underway at the Provincial and Regional level to develop the tools and incentives necessary to increase the stock of affordable housing. City staff will continue to participate in Region-led initiatives regarding affordable housing, including the remaining Working Group meetings. Council will be provided updates regarding ongoing affordable housing work at the City, including the implementation of the City-wide Secondary Suites Study, as well as any required municipal response to Provincial or Regional policy developments.

Attachments

1. Section 7.5 “Housing Options” – Vaughan Official Plan 2010
2. Habitat for Humanity Presentation – Committee of the Whole (April 4, 2017)

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)