

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 40, Report No. 27, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 28, 2016.

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BILL 204, "PROMOTING AFFORDABLE HOUSING ACT"

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management, and the Deputy City Manager, Legal and Human Resources, dated June 21, 2016:

Recommendation

The Deputy City Manager, Planning and Growth Management, and the Deputy City Manager, Legal and Human Resources recommend:

1. That staff continue its review of Bill 204 "*Promoting Affordable Housing Act*" and consider the potential impacts of the proposed legislation on the City's affordable housing/secondary suites strategy; and
2. That staff, in consultation with the Region, prepare comments on Bill 204 to be submitted on the City's behalf to the Province by August 16, 2016.

Contribution to Sustainability

N/A

Economic Impact

There is no negative economic impact in implementing the recommendations in this report.

Communications Plan

N/A

Purpose

The purpose of this report is to inform Council that the Province recently introduced Bill 204, "*Promoting Affordable Housing Act*", which is intended to address affordable housing issues by providing a legislative framework that enables inclusionary zoning in Ontario. Staff is in the process of reviewing this proposed legislation and considering its potential implications and will provide comments on the City's behalf to the Province in August.

Background - Analysis and Options

On May 18, 2016, the Minister of Municipal Affairs and Housing introduced Bill 204, *Promoting Affordable Housing Act, 2016*. Bill 204 allows municipalities to require affordable housing units to be provided in new development projects and to ensure the affordability of these units over time.

In addition to Bill 204, the Ministry released the Inclusionary Zoning Consultation Discussion Guide. The Discussion Guide sets out a list of matters that the Ministry intends to address by regulation. The deadline to submit comments on Bill 204 and its regulations is August 16, 2016.

To address affordable housing issues, amendments to both land use planning and housing assistance legislation are required. As a result, Bill 204 proposes changes to six acts, including the *Planning Act* and the *Development Charges Act*.

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Proposed Changes to the *Planning Act*

Inclusionary zoning is not currently permitted under the *Planning Act*. As a general principle, municipalities are not allowed to pass zoning by-laws that zone for the user, as opposed to the use, to avoid promoting discrimination. This general principle also precludes municipalities from requiring developers to provide affordable housing units as a condition of zoning approvals.

Bill 204 grants a narrow exception to this general principle for the limited purpose of providing affordable housing. In fact, the Province may through regulation **require** municipalities to adopt inclusionary zoning practices.

Significant changes to the *Planning Act* are required to implement inclusionary zoning. A few of the key changes proposed by the First Reading of Bill 204 include:

1. Municipalities prescribed by regulation **must** amend their official plan to contain policies that authorize inclusionary zoning. Other municipalities **may** choose to adopt this practice. Inclusionary zoning policies are official plan policies that a) authorize the inclusion of affordable housing units within buildings or projects containing other residential units, and b) provide for such units to be maintained as affordable housing units over time.
2. Municipalities prescribed by regulation **must** amend their zoning by-laws to authorize inclusionary zoning. Other municipalities **may** choose to adopt this practice. Subject to requirements as prescribed by regulation, a by-law passed by a municipality to give effect to inclusionary zoning policies (the "inclusionary zoning by-law"):
 - a. **must** include requirements as to the number of affordable housing units to be provided, the period of time affordability must be maintained and the requirements and standards that must be met for affordable housing units;
 - b. **must** require that the owners of the new development enter into agreements with the municipality to implement the requirements set by the by-law. Such agreements may be registered on title and enforced on subsequent owners;
 - c. **may** include measures and incentives to support inclusionary zoning; and
 - d. **may** set the price at which affordable housing units are sold or rented.
3. If an inclusionary zoning by-law is passed, council must establish procedures to monitor and report on the state of affordable housing units.
4. If an inclusionary zoning by-law applies to a new development, municipalities are generally prohibited from requiring a Section 37 agreement for that development, requesting cash-in-lieu of the affordable housing units, or requiring that affordable housing units be built off-site.
5. Only the Minister may appeal second unit policies and inclusionary zoning policies.
6. Minor variances cannot be granted to an inclusionary zoning by-law.
7. Long-term leases of new developments containing affordable housing units are exempt from subdivision and part-lot control.

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Proposed *Planning Act* Regulations

Many of the details for implementing inclusionary zoning may be addressed by regulation. Official plan policies and zoning by-laws must reflect the regulations unless specifically permitted to go beyond the requirements or standards set by the regulations.

The proposed regulations have not been released by the Province. However, the Ministry has provided a list of matters that it intends to address, which includes regulations that prescribe:

1. the content of inclusionary zoning policies in an official plan;
2. the content of inclusionary zoning by-laws;
3. the content of agreements required to maintain the affordable housing units over time;
4. the procedures for monitoring and ensuring affordable housing units are maintained for the required period of time;
5. the circumstances under which Section 37 of the *Planning Act* may be used when an inclusionary zoning by-law is in effect;
6. the content, timing and distribution of municipal reports and information on affordable housing units;
7. a transition date in relation to proceedings started before or after the effective date and/or the date of municipal adoption of inclusionary zoning policies and/or zoning; and
8. maximum fees for the processing of development applications where affordable housing units are provided.

The Inclusionary Zoning Consultation Discussion Guide mentioned earlier provides further guidance as to the types of issues that the Ministry intends to address by regulation.

Proposed Changes to the *Development Charges Act*

Bill 204 only proposes one change to the *Development Charges Act*. This change would prohibit municipalities from imposing development charges when a second dwelling unit is created in prescribed classes of proposed new residential buildings. The existing exemption only applies to prescribed classes of existing residential buildings.

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

Bill 204 relates to the creation and management of affordable housing options (secondary suites), which is an identified Term of Council Priority.

Regional Implications

Staff will work closely with the Region when drafting its comments to the Province as Bill 204 has broad implications on both a regional and municipal level.

Conclusion

Although inclusionary zoning provides municipalities with a powerful tool to address affordable housing concerns, the challenges municipalities may face in implementing inclusionary zoning as part of the development approval process are difficult to assess at this time. Staff will continue to review Bill 204 and will work toward providing the Province with comments by August 16, 2016.

Attachments

None

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Report prepared by:

Roy McQuillin, Director of Policy Planning and Environmental Sustainability
Armine Hassakourians, Senior Planner, Policy Planning and Environmental Sustainability
Kellie Hodges, Legal Counsel

BILL 204, “PROMOTING AFFORDABLE HOUSING ACT”

Recommendation

The Deputy City Manager, Planning and Growth Management, and the Deputy City Manager, Legal and Human Resources recommend:

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Economic Impact

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Report prepared by:

Roy McQuillin, Director of Policy Planning and Environmental Sustainability
Armine Hassakourians, Senior Planner, Policy Planning and Environmental Sustainability
Kellie Hodges, Legal Counsel

Respectfully submitted,

Claudia Storto
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