

**Policy Planning Division**  
**Sybelle von Kursell, Manager, Policy**

**Business Case – Affordable Housing Strategy**

**Background**

Goal Two of the Strategic Plan is: “Better Choice in Richmond Hill.” This Goal focuses on providing better quality options to achieve our community vision for Richmond Hill. With respect to housing, this Goal aims to provide housing within a range of affordability and within a range of neighbourhoods. One of the Strategic Plan’s desired outcomes is to plan for housing that provides options for people at all stages of life.

Presently, the Town’s Official Plan includes policies and mapping that facilitates the development of a range of housing forms and also directs that there be housing that is attainable to a variety of household incomes. Following the direction of the Provincial Growth Plan and the Regional Official Plan, the Town’s Official Plan policies include targets for the provision of affordable housing within the Town overall and within specific areas of intensification.<sup>1</sup> At a town-wide level 25% of all new units are required to be “affordable.” Within the Town’s Regional Centre and Key Development Areas, this target is 35% of new residential development. The Region has been tracking the achievement of the town-wide target over the last few years and has determined that the Town is achieving its target in ownership units; however, the majority of those units are studio or one-bedroom apartments<sup>2</sup>. This means that for larger households requiring more space, there is little to no opportunity to find a home that is affordable.

Consequently, newly adopted Secondary Plans for intensification areas include policies requiring buildings with 20 or more units to provide a minimum of 5% of units in the form of 3-bedroom or greater units. Additionally, these policies include requiring new development to indicate how they will provide the required minimum proportion of affordable units.

Based on the 2016 Census, out of all of the York Region municipalities, Richmond Hill has the highest proportion of households experiencing affordability issues for both owner and tenant households. More than half (55.8%) of all tenant households are spending 30% or more of their income on shelter costs, while over one-third (33.8%) of owner households are spending 30% or more of their income on shelter costs. These proportions have increased from 44.7% and 28.8% respectively since the 2011 Census.

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<sup>1</sup> The Official Plan defines “affordable housing” per the Provincial Policy Statement, generally speaking “affordable housing” is achieved when a household is spending 30% or less of its gross annual income on mortgage payments or rent.

<sup>2</sup> With respect to rental units, the data is more difficult to gather given that the rental market includes social housing, and a high proportion of units that are being rented are not located within purpose-built rental buildings, thereby making it difficult to track rents.

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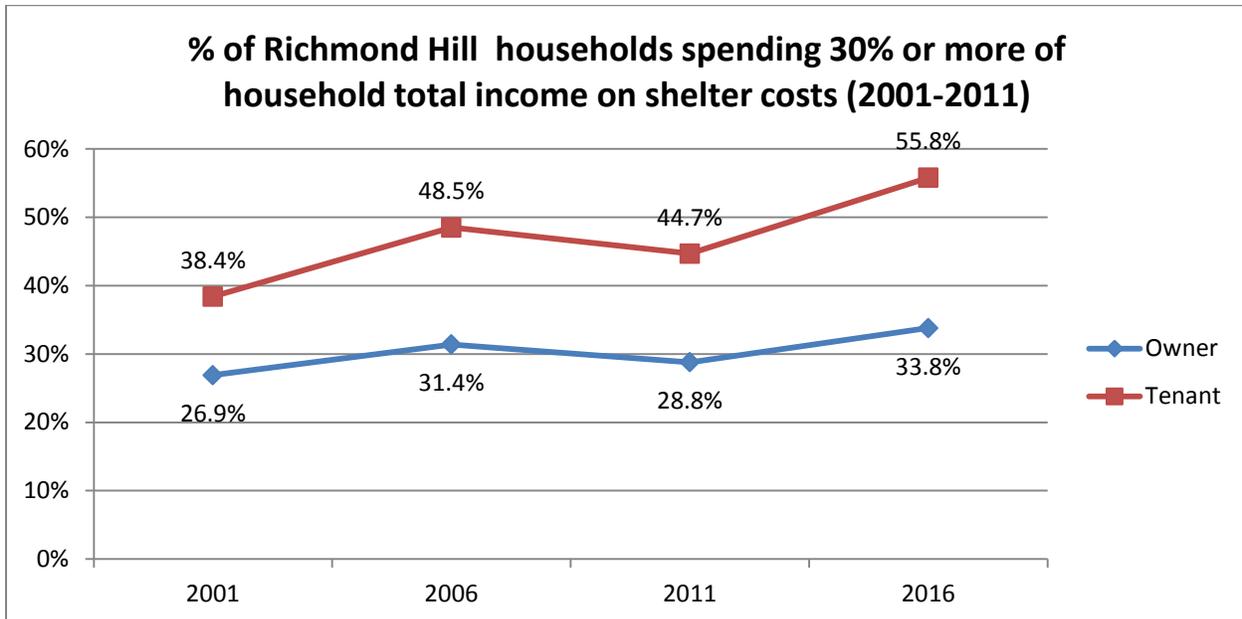


Figure 1 Source: Statistics Canada: 2001, 2006, and 2016 Census and 2011 National Household Survey

Consequently, in addition to providing a policy framework to facilitate the provision of affordable housing, the Town needs to consider a wholistic approach to realising its goals and targets for providing the people of Richmond Hill with sufficient choice in housing form and tenure. This wholistic approach will be developed through an Affordable Housing Strategy that will determine the need for affordable housing, identify incentives and opportunities to foster their development, and also assess the tools that are available for the Town to require such housing where it is most needed within the Town.

The provision of Affordable Housing is a growing concern within the Nation, Province, and Region. Recent actions from these levels of government to address this concern include:

- In November of 2017, the Federal Government announced its National Housing Strategy – “A Place to Call Home” pledging \$40 Billion towards the provision of new and improved housing units.
- In the Spring of 2017, the Province announced its “Fair Housing Plan” which lists 16 Actions the Province is committed to taking to make housing more affordable.<sup>3</sup>

<sup>3</sup> In November of 2018, the government released its Economic Statement “A Plan for the People”. As a result at least two of the 16 Actions have been reversed. The Province will no longer be funding a Development Charges Rebate program to incentivize affordable rental housing and the Government will no longer require new rental housing units to be subject to rent control.

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- In April of 2018, the Province brought into effect provisions of the Planning Act that would permit municipalities to adopt Inclusionary Zoning By-laws (which is not subject to appeal to the Local Planning Appeal Tribunal), and the Province amended the Planning Act to require local Official Plans to specifically provide practicable policies and measures to ensure the adequate provision of affordable housing.
- In June of 2018, Regional Council received a report regarding a draft Rental Housing Incentives Framework. The Region is in the process of developing a Community Improvement Plan that would incentivize the development of non-luxury rental housing with the co-operation of participating local municipalities.

Accordingly, there are many new and emerging programs and tools to facilitate the development of affordable and rental housing to meet the needs of Town of Richmond Hill residents. The focus of the Town's Affordable Housing Strategy is to identify how best to position the Town and to ensure that our affordable housing targets are being met or exceeded, with the support and partnership of the development industry, as well as other levels of Government and the not-for-profit sector.

## **Project Description**

In order to develop a “made for Richmond Hill” Affordable Housing Strategy, it is important to first identify the present and future needs of the Town's residents and employment sector. As well, it is important for the Town to understand how best to leverage the Federal, Provincial, and Regional programs that are geared towards achieving our common goal of creating and maintaining our supply of affordable market housing. Consequently, the Affordable Housing Strategy needs to be supported by foundational data, analysis, and recommendations that, when implemented, can deliver affordable housing units efficiently and expeditiously. The Project will be undertaken in three phases: Research, Consultation, and Recommendation.

The Research will help to define the need for affordable housing in terms of range of prices, tenure, size, form and location. To be able to utilize the Planning Act's Inclusionary Zoning Tool, this research phase will include the necessary analysis to prepare an “Assessment Report” as outlined in Ontario Regulation 232/18.<sup>4</sup> With the completion of the Assessment Report, the Town will have a clear understanding of the Richmond Hill housing market, supply, demand, needs and gaps. This will help to inform the development industry as to the form(s) of housing that is most needed and desired within the Town. The research will also identify existing programs that can be

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<sup>4</sup> Prior to adopting an Inclusionary Zoning By-law, the Planning Act requires that the Official Plan be updated to include policies regarding the implementation of Inclusionary Zoning, these policies must be informed by an Assessment Report which provides an overview of the need for affordable housing in terms of price, type, size, etc.

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leveraged to address need and also assess how municipal programs and tools can be utilized to deliver new affordable units. Together, this information would help to encourage the development industry to build housing that appropriately meets market need.

The Consultation Phase will include workshops with the development industry, not-for profit groups, Canada Mortgage and Housing Corporation (CMHC), York Region and other social service providers, Community Services, and the general public to receive feedback on possible tools and incentives the Town could rely upon to encourage the development of new affordable housing.

The Recommendation Phase would include a report to Council that identifies a strategy for delivering affordable housing. This strategy would be based on analysis that demonstrates that the use of specific tools and leveraging of different programs, such as the Region’s forthcoming Community Improvement Plan, together will facilitate the development of affordable housing. To assist with the research, consultation and analysis, the Town will need the support of outside consultants that have expertise in the preparation of such reports and have access to housing data and the housing industry to inform all three stages of this project. Each phase of the project is anticipated to require 3 months, with the project coming to completion within 1 year of the start date.

**Stakeholders & Impacts**

List of potential stakeholders:

- Development sector - who are relied upon to provide housing;
- The general public - who benefit from affordable housing;
- The employment sector – who depend on the Town to provide housing that their employees can afford to live in, and
- Town Council and Departments and other Public Agencies - who must review and approve new development, and who are advocating for the provision of housing that meets the needs of Town residents.

**Qualitative impact of completing the capital project:**

Completing this project will result in a comprehensive strategy for providing affordable housing in the Town of Richmond Hill. The research and recommendations associated with this strategy will inform:

- how the Town intends to update its Official Plan in compliance with the recent changes to the Planning Act;
- how the Town intends to ensure that development is delivering on the Official Plan policies regarding the provision of affordable housing;

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- how the Town may implement Inclusionary Zoning, if it is deemed a suitable tool to use; and
- how the Town may participate in the Region’s Rental Housing Incentives framework and emerging Community Improvement Plan.

Furthermore, this strategy will help staff in defending the newly adopted Secondary Plan policies regarding affordable housing.

**Strategic Alignment**

Phase 3 Indicators of the Strategic Plan for achieving the Town’s goal of “Better Choice” considers housing mix and the provision of focused housing programs. While strides are being made in realizing a mix of housing, there is a continued need for the provision of housing that is affordable and accessible to those with special needs, such as seniors, low-income earners, or those with disabilities.

The Strategic Plan Implementation Phase 3 directs that the Town “Provide Leadership” by working collaboratively with our community and others to influence and advocate on behalf of Richmond Hill. Developing a comprehensive Affordable Housing Strategy provides the blueprint for working with the development industry and other levels of government to achieve our common affordable housing goals.

The Strategic Plan Implementation Phase 3 also directs that the Town “Undertake New Initiatives.” One of the listed items on the Schedule of Actions is to implement the Official Plan both in terms of defending the Plan at the Local Planning Appeal Tribunal and through the development of Secondary Plans. The Downtown Local Centre Secondary Plan and the Yonge and Bernard Secondary Plan are now adopted; but have both been appealed to the Tribunal. These plans include policy to require the provision of affordable housing. The development of an Affordable Housing Strategy will provide the means to fulfilling those policy requirements through a multi-pronged strategy that includes financial and other forms of incentives, regulatory tools, and connections with programs offered by other levels of government.

**Capital Forecast**

This project does not currently appear in the Ten Year Capital Forecast. This project is proposed to commence in 2019 and to conclude within 12 months.

**Comparative Analysis**

Several municipalities have developed Affordable Housing Strategies. Below are examples of recently developed ones. Additionally, as noted above the Federal and Provincial governments have already turned their minds to providing programs to facilitate the development of affordable housing, and the Region is in the process of

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doing the same as it relates to the development of new rental housing geared to middle-income households.

**Brampton: *Housing Brampton, 2017***

The City of Brampton is developing its first affordable housing strategy: *Housing Brampton* (endorsed by Council in November 2017), which will serve as a guide to increase the supply of additional rental and affordable ownership units. The housing strategy also seeks to aid in City partnerships with builders, residents, stakeholders, and all levels of government to improve the state of housing affordability in the City.

**Guelph: Affordable Housing Strategy (2017)**

The City of Guelph's Affordable Housing Strategy (2017) focuses on affordable private market rental and home ownership housing. The project scope focused on policy drivers, roles, responsibilities and tools available to the City.

**Barrie: *Affordable Housing Strategy: A 10-Year Plan "A Place to Call Home" (2015)***

In February 2015, the City of Barrie initiated its own *Affordable Housing Strategy: A 10-Year Plan "A Place to Call Home,"* which includes a number of initiatives, programs and policies that encourage the production of affordable housing in the City.

## **Alternatives**

**Conduct Research In house:** The Town does not have in-house technical expertise and access to information to investigate affordable housing need and tools to best address those needs. A consultant who specializes in the housing market and who has experience working with developers who produce affordable and rental housing, would greatly assist the Town in preparing an Affordable Housing Strategy.

**Do Nothing:** There is a rising need for affordable housing within the Town of Richmond Hill. While other levels of government have developed programs and initiatives to promote the development of affordable housing, many of these programs require host municipalities to participate and/or contribute to the incentives for the program to work well. Without undertaking an Affordable Housing Strategy, only piecemeal efforts can be made by the Town which will not be as effective or efficient in their delivery. Additionally, a comprehensive strategy will also assist developers in understanding the market for affordable housing and what programs are available to them to be able to work in collaboration with the Town and other levels of government to create new affordable housing.

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**Project Costs and Benefit**

The total project is estimated to cost \$100,000 and is to be completed within one year. The funding source for the project is General Government Reserve Fund and Non Growth Reserve. The project will occur in 3 phases: Research, Consultation, and Recommendation Report. Each phase is anticipated to require 3 months. Should the Town determine that it would be in its interest to utilize the Planning Act's Inclusionary Zoning By-Law tool, the Town will need to ensure that the Assessment Report component of the Research Phase is reviewed by a qualified person that is independent of the Town. This cost is also factored into the estimate.

The Recommendation Phase will be a culmination of the research and consultation phases to arrive at an Affordable Housing Strategy and means of implementation that are achievable in the Town of Richmond Hill.

No new operational costs are anticipated with respect to this project.

The benefits of this project include building on the Town's update to the Socio-Economic report (anticipated for completion in the winter of 2019), responding to changes to legislation and Provincial policy regarding affordable housing, building on York Region's Incentive program for affordable housing and the research that has been undertaken as part of the Region/Local Municipal Housing Working Group, and building on Federal and Provincial programs to require/encourage the development of affordable housing. Ultimately, developing an Affordable Housing Strategy for Richmond Hill will provide the Town and the development industry with the information and tools we need to be able to achieve our affordable housing targets and goals in an efficient and effective manner.

**Conclusion**

Richmond Hill is committed to providing housing choice for its residents as articulated in the Strategic Plan. Part of the spectrum of choice is the provision of housing for households with low-income, special needs, and seniors. Presently, there is a growing gap between household income and housing cost. Efforts are being made at all levels of government to address this gap; however, in many instances those efforts require support from the host municipality. It is important for the Town to develop a multi-pronged strategy to ensure that scarce Town resources are optimized and to maximize the number of new affordable market units that can be delivered. Investment in the preparation of the Affordable Housing Strategy would support the Strategic Plan Goal of "Better Choice" as well as "Wise Management of Resources." Furthermore, this Affordable Housing Strategy support the Strategic Plan Implementation Phase 3 directions to "Provide Leadership" through collaboration with other levels of government and the development industry and to "Undertake New Initiatives" to implement the Official Plan. Ultimately, the development of the Strategy will help the Town and the

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development industry understand the affordable housing market need in Richmond Hill and how to leverage existing and new programs to deliver those units to the public.