

Municipality Of Chatham-Kent
Community Human Services
Housing Services

To: Mayor and Members of Council
From: Shelley Wilkins, Director, Housing Services
Date: April 14, 2020
Subject: Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent (RFP # R18-280 Report)

Recommendations

It is recommended that:

1. The recommendations contained in Appendix 1: A Summary of the “Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent, Recommendations Report,” prepared by Vink Consulting (July 2, 2019) be dealt with as follows:
 - a) Refer Planning Recommendations (Section 1): to the Director, Planning Services to include in appropriate subsequent updates and amendments to the Official Plan and the Comprehensive Zoning By-law; and
 - b) Receive and file for information the Financial Recommendations: Deferral and Waiver of Fees (Section 2.1) and Grant-in-Lieu of Property Taxes (Section 2.2).
2. The following be deferred to 2021 Budget Deliberations: Build Up Municipal Affordable Housing Reserve Fund (Section 2.3): request to increase the minimum base budget (from \$800,000) to \$1 million plus annual increases equivalent to the average Building Construction Price Index of Toronto and Ottawa CMAs as a way of further supporting affordable and supportive housing projects.
3. The Chief Financial Officer be directed to prepare an amendment to municipal Disposition of Real Property By-law No. 39-2019, within the next three months, for the purpose of considering how best to achieve the recommendations related to Housing First Policies for Surplus Properties (Section 2.4) contained in this section of the attached Appendix 1.

4. The Chief Financial Officer be directed to ensure the amendments to be proposed to By-law No. 39-2019 include a Housing First Policy that considers how best to achieve the recommendations contained in Section 2.5, Establish a Housing First Policy, of the attached Appendix 1.

Background

The combined (2012) Housing and (2013) Homelessness Plan adopted by Council in January 2014 includes 47 strategies, categorized into three main objectives: (1) Housing Supply; (2) Housing Stability; and (3) Advocacy, Partnerships and Service Coordination. Under the first objective, Housing Supply, there are essentially three strategies tied to the planning approval process for developing affordable housing: first, the Official Plan needed updates to include housing targets and objectives, aligning with the Provincial Policy Statement. This was achieved with Official Plan Amendment (OPA) No. 28, approved by Council, then by the Ministry of Municipal Affairs and Housing on May 28, 2015. The second strategy involved updating the Comprehensive Zoning By-law to implement the policy changes made by OPA No. 28. Council adopted the updated Comprehensive Zoning By-law on February 12, 2018. The third strategy is to establish specific corporate policies designed to encourage both private for profit and/or private non-profit proponents and developers to create new affordable housing within the Municipality. This report addresses this third strategy.

At the October 1, 2018 regular meeting, Council awarded RFP R18-280, Request for Proposals for Consultant to Recommend Municipal Policies to Encourage Development of Affordable Housing in the Municipality of Chatham-Kent to Vink Consulting.

Vink Consulting provided its Recommendations Report (July 12, 2019) and this was shared with Planning Services. Some recommendations in this report were used to develop recommendations for the new Chatham-Kent Community Improvement Plan (CIP) adopted at Council's March 2, 2020 regular meeting. The recommendations in this report are limited to those not already addressed in the CIP adopted by By-law No. 22-2020 passed on March 2, 2020. The newly approved CIP includes several new incentive programs to further support the development of affordable housing, several of which cover off recommendations in the Vink Report. These include the following:

1. Property Tax Increment Equivalent Program
2. Building & Planning Fee Rebate Program
3. Development Charge Partial Exemption Program, and
4. Residential Conversion and Affordable Housing Grant Program

Comments

Chatham-Kent Housing Services has delivered and administered the development of new affordable housing projects since 2006/2007 when the Ministry of Municipal Affairs and Housing first introduced federal-provincial funding programs for it. To date,

Contribution Agreements with proponents have been executed for 14 projects (in 14 years) with a total of 168 units: 152 affordable units and 16 market units. Of these 152 units, 101 have been completed and occupied and the remaining 67 units (in five projects) are currently under construction. On average, one project per year of about 12 units (11 affordable and 1 market) is being completed.

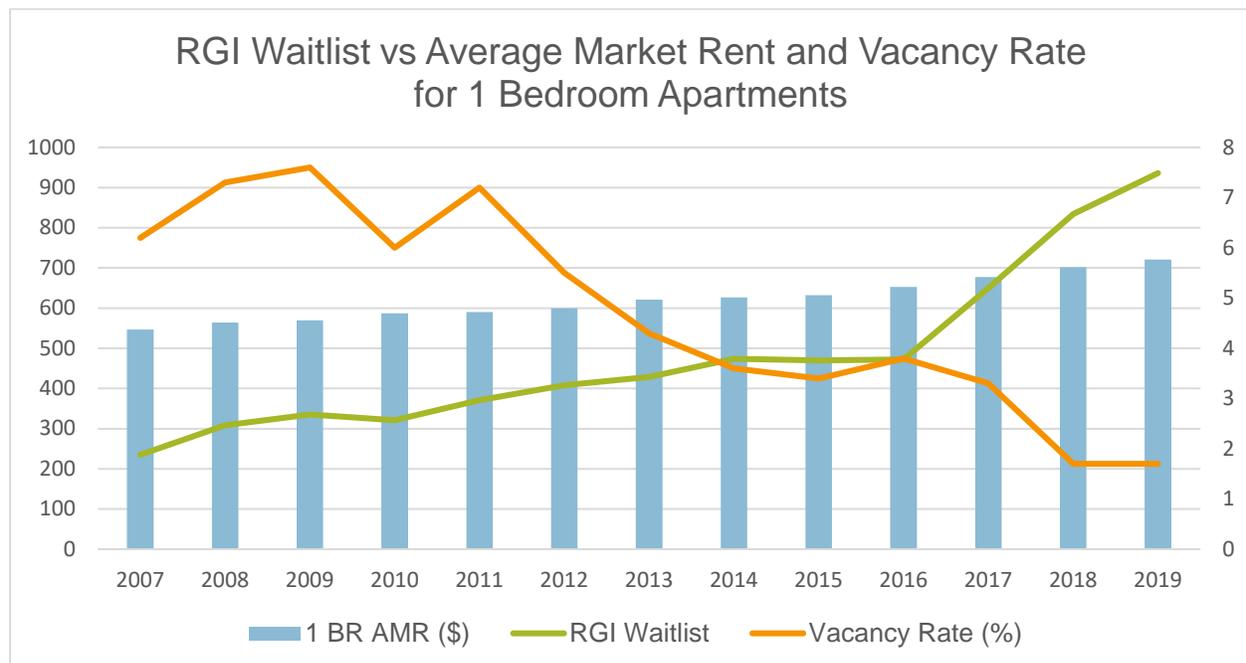
	Program/s & Project Address	Affordable Units	Market Units	Total Units	Complete/ Occupied
	AHP – Strong Start				
1	40 Arthur Dr., Chatham	1	0	1	Yes
	AHP (Wave				
2	59 Adelaide St., Chatham	12	2	14	Yes
3	196 Victoria Ave., Chatham	4	1	5	Yes
4	5 Tecumseh Road, Chatham	24	3	27	Yes
	IAH				
5	20 Wedgewood Pl., Chatham	12	1	13	Yes
	SIF - SHIP &				
6	9 Cecil St., Ridgetown	10	3	13	Yes
	SIF – IAH				
7	86 Pine St., Chatham	12	0	12	Yes
8	51 Kirk St., Chatham	8	0	8	Yes
	SIF - IAH &				
9	48 Fifth St., Chatham (upper)	20	0	20	No
	SIF - IAH,				
10	45 Michener Rd, Chatham	12	0	12	No
	IAHE				
11	534 St. Clair St., Chatham	8	0	8	Yes
	IAHE & CK				
12	48 Fifth St., Chatham (1 st Flr)	8	0	8	No
	OPHI & CK				
13	45 Margaret St., Blenheim	7	6	13	No
	CK MUN AH				
14	18 Dolsen St., Chatham	14	0	14	No
14	Totals	152	16	168	
9	Totals Completed/Occupied	91	10	101	Yes
5	Totals Under Construction	61	6	67	No

Acronym Glossary for Table above:

AHP:	(Canada-Ontario) Affordable Housing Program
CK MUN AH:	Chatham-Kent Municipal Affordable Housing funding
IAH:	(Canada-Ontario) Investment in Affordable Housing program
IAHE:	(Canada-Ontario) Investment in Affordable Housing Extension program
OPHI:	(Canada-Ontario) Ontario Priorities Housing Initiatives program
SIF – IAH:	(Canada-Ontario) Social Infrastructure Fund – Investment in Affordable Housing program
SIF – SHIP:	(Canada-Ontario) Social Infrastructure Fund – Social Housing Improvement Program

At the same time, a number of factors have converged, not unlike the rest of southern Ontario, to result in a growing waitlist of rent-geared-to-income applicant households. At December 31, 2019 the waitlist stood at 1,020 households: 261 (25.6%) Seniors (60+ years old); 268 (26.3%) Families; and 491 (48.1%) Non-seniors/no dependents.

With a declining market rental vacancy rate it has become harder and harder for low-income households to find suitable, affordable rental homes. The increase in demand, with the limited rental stock available results in ever increasing average market rents, compounding the difficulty in finding affordable housing. Moreover, a higher and higher number of applications for rent-geared-to-income assistance are being received.



Social Housing stock is static and has been since 1994¹ in Chatham-Kent when the last social housing project was built (save and except for the 2017 social housing

¹ Park St. United Church Non-Profit Housing Corporation has the last social housing project built in Chatham-Kent under the federal-provincial funding programs that pre-date the devolution of social housing to Service Managers.

regeneration project that Chatham-Kent had built to replace its public housing project in Ridgetown). It was not until 13 years later that the provincial and federal government offered funding allocations for affordable housing. Affordable Housing is quite different from social housing in that it exists outside of the Housing Services Act, and instead is subject of time limited Contribution Agreements (for 20 to 25 year terms, including a 5-year phase out period for the affordable rents). In exchange for the capital funding provided, the Proponent must provide the (capital funded) rental units at affordable rents (i.e., 20% below Average Market Rent) for the term of the Contribution Agreement. There is no on-going funding for operations. In most cases, it has not included rent subsidy for the eligible applicants. Applicants on the social housing waitlist who can afford the affordable rents are referred to the Proponent to be housed as units become vacant.

Faced with the growing unmet demand for more affordable housing, for low-to-moderate income households, it is in the Municipality's best interest to increase the number and type of affordable housing options available in Chatham-Kent. Adopting policies that encourage Proponents to seek out opportunities to add affordable housing in the Municipality is an important step and salient message to potential developers. Housing Supply is in a critical state across the Province. While it may be more acute in the Greater Toronto Hamilton Area because of the sheer numbers, at an individual household level it is very much the same pain and frustration. Chatham-Kent must be as proactive as it can to encourage the development of affordable housing, maintaining an equilibrium of housing supply across the housing continuum.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report supports the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

RFP #R18-280 Evaluation Panel members became the Steering Committee that worked with the consultant to come to consensus on the final recommendations included in the consultant's Recommendations Report. Steering Committee members included the Directors of Housing Services, Planning Services, Building Development Services/Chief Building Official; Tenant Relations Manager, Housing Services, Homelessness Prevention Program Manager, Employment & Social Services, and Project Assistant, Economic Development.

The consultant team was led by Cassandra Vink assisted by Jodi Ball.

The Directors of Housing Services, Planning Services and Building Development Services met with the Chief Financial Officer (CFO) and the Director, Budget Performance and Services, Finance, Budget and Information Technology Services to discuss funding options for the policies to encourage the development of affordable housing. The sale of surplus municipal properties is currently managed by the Finance, Budget and Information Technology Services department. The CFO supports the recommendations in this report.

Financial Implications

The cost of Vink Consulting's report and work with the Steering Committee had a total cost of \$21,865.50 (taxes included) funded from the Municipal Affordable Housing Reserve.

Recommendation one of this report will limit cost to Administration costs to include additional updates to the Official Plan and Comprehensive Zoning By-law, when appropriate.

Recommendation two is for \$200,000 to be added to the base budget for the municipal affordable housing contributions, and for it to be increased annually by an indexed amount. It is recommended that this be considered during 2021 budget deliberations.

Recommendations three and four will result in a follow-up report/s to Council with estimated financial implications to be prepared by the Chief Financial Officer or his designate for the purpose of such report/s.

Prepared by:

Shelley Wilkins, (Hon) BPA
Director, Housing Services
Community Human Services

Reviewed by:

April Rietdyk, RN, BScN, MHS, PHD PUBH
General Manager
Community Human Services

Consulted and confirmed the content of the consultation section of the report by:

Bruce McAllister
Director, Planning Services

Paul Lacina, CBO
Director, Building Development Services

Gord Quinton, MBA, CPA, CGA
Chief Financial Officer/Treasurer

Steven Brown, CPA, CMA
Director,
Budget and Performance Services

Attachments:

Appendix 1: A Summary of the “Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent, Recommendations Report,” prepared by Vink Consulting (July 2, 2019).

Appendix 2: Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent, Recommendations Report (July 12, 2019), Vink Consulting

C: Kristen Williams, Tenant Relations Manager, Housing Services

Chantal Perry, Homelessness Prevention Program Manager,
Employment & Social Services (currently, Intern Director, Housing Services)

Spencer Pray, Project Assistant, Economic Development

Cassandra Vink, Vink Consulting

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Appendix 1: A Summary of the “Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent, Recommendations Report,” prepared by Vink Consulting (July 2, 2019).

1.	Planning Recommendations
1.1	Review and update the Comprehensive Zoning By-law to reduce the current requirement of 1.5 parking spaces per dwelling unit for buildings with more than three dwelling units, allowing a lower limit, or none for affordable housing projects.
1.2	Amend the Official Plan, Section 2.3.4.2 to exempt affordable housing development, or redevelopment, from parkland dedication requirements of the Planning Act.
1.3	If/when a community benefits charges by-law is drafted for enactment, that include a waiver of the parkland portion of the community benefits charge for affordable housing projects.
1.4	<p>Amend the Comprehensive Zoning By-law for second units to:</p> <p>1.4.1 Comply with the second unit provision in Bill 108, More Homes, More Choices Act, 2019, allowing a second dwelling in both the main dwelling and a dwelling in an ancillary building.</p> <p>1.4.2 Adhere to the Ontario Building Code (OBC) by revoking the following zoning provisions where they exceed the OBC:</p> <ul style="list-style-type: none"> • 4.7(2)c Dwelling Units – Location within Basement or Cellar -No habitable room shall be located within a cellar • 4.7(3) Dwelling Unit Area (Minimum) <p>Modify the following zoning provision to read:</p> <p>1.4.3 • 4.2 Accessory Uses (2) Lot Coverage: The total lot coverage of all accessory buildings or structures on a lot shall not exceed 10% of the lot area of the said lot, except when the accessory building contains a second dwelling</p> <p>Add the following zoning provision:</p> <p>1.4.4 • Every lot containing an accessory building that contains a secondary dwelling shall provide a minimum of 35% landscaped open space..</p>

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1.5	The following additions be made to the Official Plan :
1.5.1	<p>It shall be the objective of Chatham-Kent to (i.e., pre-zoning):</p> <ul style="list-style-type: none"> • Support and promote affordable housing on underutilized properties that are no longer being used for the permitted use that are within the Residential or Public Facility designations.
1.5.2	<p>Add to Section 2.3.4 – Condominium Conversion and Demolition Control:</p> <ul style="list-style-type: none"> • The conversion of rental housing comprised of six or more units to condominium units will not be permitted unless the rental vacancy rate, as reported through CMHC Rental Market Survey, has been at or above 3% for the proceeding three-year reporting period. • The demolition of rental housing comprised of six or more units will not be permitted within the Municipality of Chatham-Kent unless: <ul style="list-style-type: none"> a. Replacement units are provided if the rents of the units proposed for demolition are at or below the average market rents at the time of the application. b. Demolition of affordable rental housing units may be permitted in cases where the building is not habitable as deemed by the Municipality’s Chief Building Official. <p><u>Encourage Non-Profit Community Land Trust</u></p>
1.5.3	<p>c. Add the following provisions to the Official Plan:</p> <p>[Policy 2.3.4.2.8] The Municipality shall encourage the provision of affordable housing through:</p> <ul style="list-style-type: none"> • [Add] Supporting non-profit corporations in developing creative options to preserve and develop affordable housing. • [Add] Supporting non-profit corporations in the development of a community land trust for the purpose of developing affordable housing. <p><u>Remove Barriers to Supportive Housing</u></p>

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1.5.4	<p>d. Amend the Official Plan as follows:</p> <p>Remove specific policies with respect to Group Homes from the Official Plan [2.3.4.2.15], including:</p> <ul style="list-style-type: none"> • Group homes are not to be concentrated in a specific area • Group homes will be located in Primary and Secondary Urban Centres • The Zoning By-law will address the separation distances, spatial location, number, type and size of group homes to prevent an undue concentration of group homes • Existing facilities that do not comply will not be permitted to expand without a minor variance or zoning by-law amendment • Group homes with any correctional purpose will be treated as an institutional use and not a residential use and require an Official Plan and Zoning By-law amendment.
1.5.5	<p>Add the following provisions, indicating that it shall be the policy of Chatham-Kent to:</p> <ul style="list-style-type: none"> • Cooperate with housing proponents (private, non-profit, or public) and all levels of government to facilitate the development of special needs housing in the Municipality; • Work with housing partners to encourage special needs housing units within new affordable housing developments (as well as any other type of housing developments); • Permit housing for persons with special needs, through a range of housing types, in all residential land use designations in accordance with the Zoning By-law.
1.5.6	<p>Amend the Official Plan and the Comprehensive Zoning By-law as follows:</p>
1.5.6.1	<p>Remove reference to ‘Group Homes,’ ‘Senior Citizen Dwelling,’ ‘Nursing Home’ and ‘Residential Care Facilities’ and leave the permissions of housing for people with special needs to existing land-use regulations (i.e., based on housing type and size).</p>
1.5.6.2	<p>Add the following definition and reference to long-term care homes to differentiate this type of facility from other housing:</p> <ul style="list-style-type: none"> • “Long-term care home” is a home-based health care facility designed for adults who need access to on-site 24-hour nursing care, frequent assistance with activities of daily living and monitoring for safety or well-being and are licensed or approved and are governed by the <i>Long-Term Care Homes Act, 2007</i> (or its successor legislation).

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1.5.6.3	<p>Add the following provision in the comprehensive Zoning By-law in Section 4 – General Provisions for All Zones:</p> <ul style="list-style-type: none">• Housing with or without supports<ul style="list-style-type: none">a. Housing with or without supports are permitted in any dwelling unit or mixed use commercial/residential building allowed in the Zone category and will be subject to the provisions of the specific dwelling unit type. <p><u>Accessible Housing Target</u></p> <p>Amend the Accessible Housing target:</p>
1.5.6.4	<ul style="list-style-type: none">• In the Official Plan from 5% to 10% of affordable housing units to be barrier free as per the definition in the Ontario Building Code.• Adopt as policy that 10% of all new affordable housing units subject to a municipal Contribution Agreement for financial assistance, or participation in a planning policy initiative, be required to be barrier-free as per the definition in the Ontario Building Code. For greater clarity, this accessibility requirement shall apply to all affordable units rather than just units that are part of developments that exceed three storeys.

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2.	Financial Recommendations
2.1	<u>Deferral and Waiver of Fees</u>
2.1.1	<p>Establish a Deferral and Waivers of Application Fees and Development Charges By-law that:</p> <ul style="list-style-type: none"> • States that the Municipality and its agencies, boards and commissions shall: <ul style="list-style-type: none"> a. Defer development charges b. Refund land use application fees c. Waive parkland levies d. Waive utility hook-up fees e. Refund planning application fees f. Waive building permit fees g. Refund and/or Waive Site Plan Control Agreement fees h. And any other municipal development fees <p style="margin-left: 40px;">for municipally approved affordable housing projects.</p>
2.1.2	<p>Deferral of development charges shall be consistent and compliant with the newly established requirements of the Planning Act.</p>
2.1.3	<p>The refunds and waivers of fees and levies will be for 100% of the cost where the affordable units represent 75% or more of the total units proposed. In cases where the affordable units represent less than 75% of the total units proposed, the refunds and waivers of fees and levies shall be proportional to the number of affordable units versus the total number of units proposed.</p>
2.1.4	<p>All affordable housing developments approved by municipal Council, with a registered Contribution Agreement with the Municipality of Chatham-Kent shall be deemed eligible for deferral, refund and/or waivers described (in subsection 2.1) above, subject to subsections ii and iii above.</p>
2.1.5	<p>For affordable housing developments approved by the Canada Mortgage Housing Corporation (CMHC) under the National Housing Strategy (NHS) Co-Investment Fund (or any other program of the NHS), endorsed by municipal Council, but without a registered Contribution Agreement with the Municipality of Chatham-Kent, shall be deemed eligible for deferral,</p>

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	<p>refund and/or waivers described (in subsection i) above, subject to subsection ii and iii above, <u>and</u>:</p> <ul style="list-style-type: none"> • For affordable housing developments to be owned and operated by private non-profits (which does not preclude private non-profits from outsourcing property management to private for profit firms), provided that they are not eligible for or in receipt of federal capital funding in excess of 90% of the total net construction cost (net of GST/HST rebates) funding; or, • For private affordable housing developments to be owned and operated by a private for profit entity or entities, provided that they are not eligible for or in receipt of federal capital funding in excess of 80% of the total net construction cost (net of GST/HST rebates) funding.
2.1.6	<p>That the municipal department/division, agency, board or commission responsible for the applicable charges, levies and/or fees, be responsible for covering the lost revenue, or cost of deferred revenue in the case of deferred charges, from their base operations budget.</p>
2.1.7	<p>That the provisions of this new by-law be applied to the affordable housing projects approved by Council prior to December 31, 2018 and currently under construction in 2019, and to any new affordable housing project that meets the criteria set out above.</p>

Appendix 1: A Summary of the “Municipal Policies to Encourage Development of Affordable Housing in Chatham-Kent, Recommendations Report,” prepared by Vink Consulting (July 2, 2019).

2.2	<u>Grant-In-Lieu of Property Taxes</u>
	Provide a grant-in-lieu of property taxes to:
2.2.1	new non-profit affordable rental housing developments equivalent to the taxes for municipal and school purposes for the affordability term of the Contribution Agreement with the Municipality, or for up to 25 years, or the affordability term of the funding agreement with CMHC, provided that the development is not receiving capital funding from the Municipality and/or CMHC that exceeds 100% ⁱ of capital costs net of GST/HST rebates;
2.2.2	new private/non-profit equity partnership affordable rental housing developments of five or more units equivalent to the taxes for municipal and school purposes for the affordability term of the Contribution Agreement with the Municipality, or for up to 25 years, or the affordability term of the funding agreement with CMHC, provided that the development is not receiving capital funding from the Municipality and/or CMHC that exceeds 96% ⁱⁱ of capital costs net of GST/HST rebates;
2.2.3	new private affordable rental housing developments of five or more units equivalent to the taxes for municipal and school purposes for the affordability term of the Contribution Agreement with the Municipality, or for up to 25 years, or the affordability term of the funding agreement with CMHC, provided that the development is not receiving capital funding from the Municipality and/or CMHC that exceeds 90% ⁱⁱⁱ of capital costs net of GST/HST rebates;
2.2.4	in either case, provided that the units remain affordable to the satisfaction of the Municipality; the grant-in-lieu will be based on the proportion of units that are affordable and the tax reduction would only be for residential uses (i.e., not commercial uses);
2.2.5	And the grant-in-lieu would be administered by the Finance division.
2.2.6	A new By-law to replace By-law No. 44-2007, Municipal Housing Facilities be passed to give authority for the grants-in-lieu of property taxes set out above.
2.2.7	

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2.3	<p><u><i>Build Up Municipal Affordable Housing Reserve Fund</i></u></p> <p>Increase the annual Affordable Housing Reserve Fund funding to a minimum base budget of \$1 million plus annual increases equivalent to the average Building Construction Price Index of Toronto and Ottawa CMAs as a way of further supporting affordable and supportive housing projects.</p>
2.4	<p><u><i>Housing First Policies for Surplus Properties</i></u></p> <p>Amend the municipal Disposition of Real Property By-law No. 39-2019 to apply a “housing first” approach to land disposition that supports affordable housing development. More particularly, Section 4, “Decision to Dispose of Land” be amended to include:</p> <p>2.4.1 The Manager shall meet with the Directors of Housing and Planning Services to review the Municipality’s land inventory on an annual basis at minimum, and prior to the Manager recommending any land suitable for residential development, as guided by the Official Plan be declared surplus for disposal, to obtain their opinion as to whether the property should be considered for affordable housing purposes;</p> <p>2.4.2 All potentially surplus municipal land and buildings shall be inventoried to ensure that unused properties are considered for affordable housing purposes;</p> <p>2.4.3 Following their recommendation, the Executive Management Team shall review potential surplus land for the following:</p> <ul style="list-style-type: none"> • Whether the land should be designated as surplus • How the land should be designated for purposes of describing its use (i.e., suitable or not suitable for residential development) • If not suitable for residential development, whether the use of the proceeds should be in accordance with the Municipality’s “Housing First Policy” • Incentives to be offered with the sale, and criteria for decision-making on the depth of affordability and term of affordability based on incentives being offered <p>2.4.4 The Chief Administrative Officer or Executive Management Team will make a recommendation to Council to dispose of the land and whether to identify the land for use under the Municipality’s “Housing First Policy”</p>

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2.5	<p><u><i>Establish a Housing First Policy</i></u></p>
	<p>Adopt the following as a “Housing First Policy”</p>
2.5.1	<p><i>Municipal Surplus Properties</i></p>
	<p>When land suitable for residential development, as guided by the Official Plan, is to be disposed of, it shall be made available through a competitive proposal call to non-profit and private sector developers for the development of affordable housing. Such proposal calls will be the responsibility of the Housing Services Director and/or the Planning Services Director.</p>
2.5.2	<p>When land not suitable for residential development, as guided by the Official Plan, is disposed of, and has been identified under the Disposition of Real Property By-law for use in the Municipality’s “Housing First Policy,” twenty-five percent (25%) of the net proceeds from the sale shall be placed in the Affordable Housing Reserve Fund for the purposes of supporting new affordable housing development. Such sales will be the responsibility of the Director, Financial Services.</p>
	<p><i>Other Government-Owned Surplus Properties</i></p>
2.5.3	<p>Consult with federal and provincial government departments and ministries, agencies, boards and commissions with land located in the municipality on an annual basis about land that such entities may be disposing of in the future.</p>
	<ul style="list-style-type: none"> • Use the information gathered to analyze the potential for the land to be used for affordable housing and determine if the Municipality would consider purchasing the property to develop affordable housing on itself, or to later offer for sale for affordable housing development. • When Chatham-Kent is formally notified of the land disposition, staff will make a recommendation as to whether the Municipality should purchase the property for its strategic interest in affordable housing development. If so, staff would recommend to Council that funds from the Affordable Housing Reserve and/or the Corporate Strategic Initiatives Reserve be used to purchase the property for affordable housing. • This process shall be led by the General Manager of Community Development Department (or his/her designate), in consultation with the General Manager of Community Human Services Department, including both the Director of

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	<p>Planning Services and the Director of Housing Services, as appropriate.</p> <ul style="list-style-type: none">• The Municipal Clerk and/or General Manager of the Corporate Services will ensure that any notices received with respect to public lands becoming available for purchase or transfer for potential affordable housing use be forthwith delivered to the above noted management staff.
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ⁱ The percentages recommended by the Director, Housing Services reflected the minimum equity contribution required under Canada-Ontario funded affordable housing programs (AHP; IAH; IAHE; and the current OPHI program, but only for the first two categories of proponents. OPHI is silent on private-for-profit proponents): 0% for private non-profits; 4% for private non-profit/private for profit equity partnerships; 10% for private for profits.

ⁱⁱ Same comment as above.

ⁱⁱⁱ Same comment as above.

Municipal Policies to Encourage Development of Affordable Housing in Chatham Kent

Recommendations Report

July 2, 2019



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Executive Summary

Like many other communities, the need for affordable housing in Chatham-Kent is outstripping the supply (Municipality of Chatham-Kent, Housing Study Update, 2012) and the social housing waitlist has been growing. To help address this issue, this report provides policy recommendations for municipal council consideration that will encourage both private for profit and/or private non-profit proponents and developers to create new affordable housing within Chatham-Kent.

The policy recommendations are as follows.

Policy	Recommendations
<p>Alternative Planning and Engineering Standards for Affordable Housing</p>	<p>The Municipality of Chatham-Kent has chosen to consider alternative development standards for the development of affordable housing through Official Plan Policy 2.3.4.2.8 e). This policy states that <i>the Municipality shall encourage the provision of affordable housing through considering innovative and alternative residential development standards that facilitate affordable housing and a more compact development form.</i></p> <p>It is recommended that Chatham-Kent maintain its current Official Plan policy direction related to alternative development standards for the development of affordable housing.</p>
<p>Reduced Parking Standards</p>	<p>It is recommended that Chatham-Kent review its Zoning By-law in order to reduce the current requirement of 1.5 spaces per dwelling unit for buildings with more than three dwelling units.</p>
<p>Reduce Parkland Dedication or Cash-in-Lieu</p>	<p>Assuming that Chatham-Kent continues to levy development charges under the <i>Planning Act</i>, and does not enact a community benefits charges by-law, it is recommended that Chatham-Kent add the following provision to Section 2.3.4.2 of the Official Plan:</p> <ul style="list-style-type: none"> • Affordable housing development, or redevelopment, shall be exempt from parkland dedication requirements of the <i>Planning Act</i>.

Policy	Recommendations
	<p>Should Chatham-Kent enact a community benefits charges by-law (which would include a charge for parkland), it is recommended that Chatham-Kent pursue opportunities to waive the portion of the community benefits charge that is related to parkland.</p>
<p>Zoning/Standards for Second Units</p>	<p>It is recommended that the Municipality update its zoning by-law to clearly comply with the second unit provision in Bill 108, More Homes, More Choices Act, 2019, which requires municipalities to include a provision to allow a second dwelling in both the main dwelling and a dwelling in an ancillary building.</p> <p>It is recommended that the Municipality adhere to the Ontario Building Code (OBC) by revoking the following zoning provisions where they exceed the OBC:</p> <ul style="list-style-type: none"> • 4.7 (2) c) Dwelling Units - Location within Basement or Cellar - No habitable room shall be located within a cellar • 4.7 (3) Dwelling Unit Area (Minimum) <p>It is recommended the following zoning provision be modified to the following:</p> <ul style="list-style-type: none"> • 4.2 Accessory Uses (2) Lot Coverage: The total lot coverage of all accessory buildings or structures on a lot shall not exceed 10% of the lot area of the said lot, except when the accessory building contains a secondary dwelling <p>It is recommended that the following zoning provision be added:</p> <ul style="list-style-type: none"> • Every lot containing an accessory building that contains a secondary dwelling shall provide a minimum of 35% landscaped open space
<p>Pre-zoning</p>	<p>It is recommended that the following additions be made to the Official Plan:</p> <ul style="list-style-type: none"> • It shall be the objective of Chatham-Kent to: <ul style="list-style-type: none"> ○ Support and promote affordable housing on underutilized properties that are no longer being used for the permitted use that are within the Residential or Public Facility designations.

Policy	Recommendations
Condominium Conversion Control	<p>It is recommended that the following provision be added to the Official Plan (in Section 2.3.4):</p> <ul style="list-style-type: none"> • The conversion of rental housing comprised of six or more units to condominium units will not be permitted unless the rental vacancy rate, as reported through CMHC Rental Market Survey, has been at or above 3% for the proceeding three-year reporting period
Demolition Control	<p>It is recommended that the following provision be added to the Official Plan (in Section 2.3.4)</p> <ul style="list-style-type: none"> • The demolition of rental housing comprised of six or more units will not be permitted within the Municipality of Chatham-Kent unless: <ul style="list-style-type: none"> ○ Replacement units are provided if the rents of the units proposed for demolition are at or below the average market rents at the time of the application. ○ Demolition of affordable rental housing units may be permitted in cases where the building is not habitable as deemed by the Municipality’s Chief Building Official.
Waivers of Application Fees and Levies and Deferrals of Development Charges	<p>It is recommended that Chatham-Kent establish a Deferral and Waivers of Application Fees and Development Charges By-Law that states that the Municipality and its agencies, boards, and commissions defer development charges, and waive land use application fees, parks levies, hook-up fees and other charges for non-profit housing developments, not receiving capital funding from the Municipality that exceeds 90% of capital costs, that meet the definition of affordable. It would also state that private housing developments, not receiving capital funding from the Municipality that exceeds 80% of capital costs, that meet the definition of affordable (pro-rated to the proportion of units that meet the affordable definition) would receive a deferral of development charges and a waiver of land use application fees, parks levies, hook-up fees and other charges. The charges would be paid in equal annual installments, with 21 instalments in the case of non-profit housing development, and six instalments in the case of the private sector, following the earlier of a building permit or first occupancy, similar to the deferral that is provided for development charges for all rental and non-profit housing under Bill 108, More Homes, More Choice Act, 2019.</p>

Policy	Recommendations
	<p>Security for Municipal Investments in Affordable Housing: For affordable rental, it is recommended that the contributions be secured by agreement between the development proponent and the Municipality that outlines governing affordability levels and term, tenant income, reporting requirements and repayment in case of non-compliance defaults.</p> <p>For affordable ownership, it is recommended that the contributions be secured by a second mortgage to the Municipality so funding returns to the Municipality on re-sale.</p> <p>The budget impact on those on the divisions and organizations collecting application fees and development charges would need to be reviewed and analyzed.</p>
<p>Grant-in-lieu of Property Taxes</p>	<p>It is recommended that it be a policy of Chatham-Kent:</p> <ul style="list-style-type: none"> • That the Municipality provide a grant-in-lieu of property taxes to new non-profit affordable rental housing developments equivalent to the taxes for municipal and school purposes for up to 25 years, consistent with the term of the associated Municipal Contribution Agreement to be registered on title, provided that the development is not receiving capital funding from the Municipality that exceeds 90% of capital costs • That the Municipality provide a grant-in-lieu of property taxes to new private affordable rental housing developments of three or more units from taxation for municipal and school purposes for a term of 25 years if not receiving capital funding from the municipality that exceeds 80% of capital costs; and provided that the units remain affordable to the satisfaction of the Municipality. • The grant would be based on the proportion of units that are affordable and the tax reduction would only be for residential uses (ie. not for commercial uses). • The grant-in-lieu would be administered by the Finance department.
<p>Affordable Housing Reserve Fund</p>	<p>It is recommended that it be a policy of Chatham-Kent:</p>

Policy	Recommendations
	<ul style="list-style-type: none"> • To increase the annual Affordable Housing Reserve Fund funding to a minimum of \$1million plus the increase in the average annual Building Construction Price Index of Toronto and Ottawa CMAs as a way of further supporting affordable and supportive housing projects • The level of funding to be provided to any affordable or supportive housing project would be at the discretion of Service Manager/Director, Housing Services
<p>Housing First Policies for Surplus Land and Selling or Leasing Land at Reduced Cost</p>	<p>It is recommended that the Municipality adopt a Housing First Policy and amend its Disposition of Land By-law to apply a “housing first” approach to land disposition that supports affordable housing development.</p> <p>The following amendments are recommended to the Disposition of Land By-Law, under the “Decision to Dispose of Land” section:</p> <ul style="list-style-type: none"> • Staff shall review the Municipality’s land inventory on an annual basis to ensure that unused properties are inventoried, managed effectively and, where appropriate identified as potentially surplus. This includes detailing lands and buildings suitable for housing. • The land inventory listing shall be distributed to Planning Services and Housing Services for review annually. Planning Services and Housing Services will collaboratively give consideration to potential surplus property for housing purposes in accordance with the “Housing First Policy”. • Following their recommendation, the Executive Management Team shall review potential surplus land for the following: <ul style="list-style-type: none"> ○ Whether the land should be designated as surplus ○ How the land should be designated for purposes of describing its use (suitable or not suitable for residential development) ○ If not suitable for residential development, whether the use of the proceeds should be in accordance with the Municipality’s “Housing First Policy”. ○ Incentives to be offered with the sale, and criteria for decision-making on the depth of affordability and term of affordability based on incentives being offered. • The Chief Administrative Officer or Executive Management Team will make a recommendation to Council to dispose of

Policy	Recommendations
	<p>the land and whether to identify the land for use under the Municipality’s “Housing First Policy”.</p> <p>The following is recommended as a “Housing First Policy”</p> <ul style="list-style-type: none"> • When land suitable for residential development, as guided by the Official Plan, is to be disposed it shall be made available through a competitive proposal call to non-profit and private sector developers for the development of affordable housing. Such proposal calls would be the responsibility of the Housing Services Director and/or the Planning Services Director. • When land not suitable for residential development, as guided by the Official Plan, is disposed of, and has been identified under the Disposition of Land By-Law for use in the Municipality’s “Housing First Policy”, 25% of the net proceeds from the sale shall be placed in the “Housing Reserve” for the purposes of supporting new affordable housing development. Such sales will be the responsibility of the Financial Services Director.
<p>Securing Other Government-Owned Surplus Properties</p>	<p>To support advanced planning, it is recommended that Chatham-Kent consult with federal and provincial government agencies, boards, and commissions with land located in the municipality on an annual basis about land that such agencies may be disposing of in the future. Chatham-Kent should analyze the potential for the land to be used for affordable housing and determine if the municipality would consider purchasing the property that it would later offer for sale for affordable housing. When Chatham-Kent is formally notified of the land disposition it should confirm whether purchasing the property is in the strategic interests of Chatham-Kent. If so, staff would recommend to Council that funds from the Affordable Housing Reserve be used to purchase the property for affordable housing.</p> <p>This process shall be led by the General Manager of Community Development Department (or his/her designate), in consultation with the General Manager of Community Human Services Department, including both the Director of Planning Services and the Director of Housing Services, as appropriate.</p> <p>The Municipal Clerk and/or General Manager of Corporate Services will ensure that any notices received with respect to public lands</p>

Policy	Recommendations
	<p>becoming or being available for purchase or transfer for potential affordable housing use be forthwith delivered to the above noted management staff.</p>
<p>Community Land Trust</p>	<p>It is recommended that the following provisions be added to the Official Plan:</p> <ul style="list-style-type: none"> • [Policy 2.3.4.2.8] The Municipality shall encourage the provision of affordable housing through: <ul style="list-style-type: none"> ○ [ADD] Supporting non-profit corporations in developing creative options to preserve and develop affordable housing. ○ [ADD] Supporting non-profit corporations in the development of a community land trust for the purpose of developing affordable housing.
<p>Zoning for Supportive Housing</p>	<p>It is recommended that the Municipality remove specific policies with respect to Group Homes from the Official Plan [2.3.4.2.15], including:</p> <ul style="list-style-type: none"> • Group homes are not to be concentrated in a specific area • Group homes will be located in Primary and Secondary Urban Centres • The Zoning By-law will address the separation distances, spatial location, number, type and size of group homes to prevent an undue concentration of group homes • Existing facilities that do not comply will not be permitted to expand without a minor variance or zoning by-law amendment • Group homes with any correctional purpose will be treated as an institutional use and not a residential use and require an Official Plan and Zoning by-law amendment. <p>It is recommended that the following provisions be added to the Official Plan:</p> <ul style="list-style-type: none"> • It shall be the policy of Chatham-Kent to: <ol style="list-style-type: none"> a. To cooperate with housing proponents (private and public), and all levels of government to facilitate the development of special needs housing in the Municipality of Chatham-Kent b. To work with housing partners to encourage special needs housing units within new affordable housing developments (as well as any other type of housing developments)

Policy	Recommendations
	<p data-bbox="651 258 1373 401">c. To permit housing for persons with special needs, through a range of housing types, in all residential land use designations in accordance with Zoning By-law.</p> <p data-bbox="508 449 1398 831">In order to further reduce barriers to the development and availability of housing options for people with special needs across the Municipality, it is recommended that Chatham-Kent remove reference to ‘Group Homes’, ‘Senior Citizen Dwelling’, ‘Nursing Home’ and ‘Residential Care Facilities’ from the by-law and leave the permissions of housing for people with special needs to existing land-use regulations (i.e. based on housing type and size). A definition and reference to long-term care homes should be added to differentiate this type of facility from other housing. The recommended definition for long-term care home is:</p> <ul data-bbox="558 842 1395 1062" style="list-style-type: none"> • Long-term care homes are home-based health care facilities designed for adults who need access to on-site 24-hour nursing care, frequent assistance with activities of daily living and monitoring for safety or well being and are licensed or approved and are governed by the <i>Long-Term Care Homes Act, 2007</i>. <p data-bbox="508 1115 1362 1182">It is recommended that the following provision be included within the Zoning By-law in Section 4 – General Provisions for All Zones:</p> <ul data-bbox="558 1192 1373 1415" style="list-style-type: none"> • Housing with or without supports <ul style="list-style-type: none"> ○ Housing with or without supports are permitted in any dwelling unit or mixed use commercial/residential building allowed in the Zone category and will be subject to provisions of the specific dwelling unit type.
<p data-bbox="207 1467 456 1724">Revise Accessible Housing Target & Require Accessible Housing as Part of Agreements Entered Into for Other Policies</p>	<p data-bbox="508 1467 1395 1577">It is recommended that Chatham-Kent revise the Accessible Housing target in its Official Plan to: 10% of affordable housing units to be barrier free as per the definition in the Ontario Building Code.</p> <p data-bbox="508 1614 1398 1797">It is also recommended that it be a policy of Chatham-Kent that 10% of all new affordable units that are subject to an agreement with the municipality for financial assistance or participation in a planning policy initiative be required to be barrier-free as per the definition in the Ontario Building Code.</p> <p data-bbox="508 1850 1373 1950">Note that this recommendation includes all affordable units rather than just units that are part of developments that exceed three storeys.</p>

Policy	Recommendations

Introduction

Like many other communities, the need for affordable housing in Chatham-Kent is outstripping the supply (Municipality of Chatham-Kent, Housing Study Update, 2012). Some 4,500 households were in core housing need in 2016 (11% of all households) (Statistics Canada, Census of population, 2016). There is no single approach or policy that will address this issue, and all communities are tackling the problem differently. There are, however, a number of policy approaches that are being used elsewhere that could be applied in Chatham-Kent.

Purpose

The purpose of this report is to provide policy recommendations for municipal council consideration that will encourage both private for profit and/or private non-profit proponents and developers to create new affordable housing within Chatham-Kent.

The preparation of this report was identified as an action in Chatham-Kent's Housing & Homelessness Plan to support an increase in the affordable housing supply.

Affordable Housing

In Chatham-Kent, affordable rental housing is housing where monthly rental costs (excluding utilities) do not exceed 30% of the tenant's gross monthly income and is rented at or below the average market rent for a rental unit in Chatham-Kent (Chatham-Kent, Official Plan, 2017). Affordable ownership housing is housing where monthly housing expenses (including mortgage principle, interest and property tax but excluding insurance or utilities expense) do not exceed 30% of gross monthly household income and where the purchase price is at least 10% below the average purchase price of a home in Chatham-Kent (Chatham-Kent, Official Plan, 2017).

Summary of the Affordable Housing Gap

In Chatham-Kent, low and moderate income households in the bottom 43% of renters' household income distribution may have a difficult time finding rental housing that is affordable to them (costing less than 30% of their income). Some 5,200 renter households in Chatham-Kent fall into this group, and have incomes below \$29,000. These households cannot afford the average rent in Chatham-Kent, which was \$735 in 2017¹. In other words, they require affordable rental housing.

Some of the 5,200 renter households in need of affordable housing already have their housing needs met either through social housing that is geared to their households income (approximately 1,365 households²) or through affordable rental housing offered by the private market (an estimated 1,900 households³). Still, an estimated 1,900 renter households are living in housing that is unsuitable, inadequate, or unaffordable, are not receiving rental assistance that is geared to their income, and are in need of affordable rental housing. This number – 1,900 households – represents the current “gap” between the supply and demand for

¹ It should be noted that based on a scan of rental listings conducted by Chatham-Kent staff, the rents likely to be found in the marketplace are somewhat higher than CMHC's Average Market Rents. Staff report that \$735 was found to be closer to the bottom of the market rather than the average. Based on its scan of rental listings, Chatham-Kent has received approval from the province to use Alternative Market Rents for some of its programs which are higher than CMHC's Average Market Rents.

² Source: MMAH

³ Vink Consulting calculations based on Statistics Canada Census data and MMAH data

affordable rental housing⁴.

Renters on some form of income assistance are particularly challenged in finding rental housing that is affordable to them. Even if a household was searching for the cheapest available unit, it would be unlikely to find any rents in the primary rental housing market for under \$550 per month. Only a few, 10% of all, units have rents below this amount. This represents the realistic starting rent for units in Chatham-Kent. Some 33% of renters (3,600 households with incomes below \$22,000) cannot afford the units at the starting rents.

The low vacancy rate, (2.7% in 2017⁵), creates additional challenges in finding suitable rental housing, and to add to the challenges, new additions to the primary rental housing stock have been extremely limited. Only 2% of housing units completed in Chatham-Kent in the five years between 2013 and 2017 were intended for the rental market⁶.

Private developers are more likely to develop new rental housing when demand is expected to increase over the next 10 to 20 years. However, the primary factors driving rental housing demand do not suggest increasing overall demand for rental housing in Chatham-Kent. Based on Chatham-Kent's projected population for the next ten years, and assuming household formation and tenure decisions of households of various age groups and household compositions remain the same, the overall demand for rental housing is likely to remain relatively consistent with the current overall demand for rental housing. Therefore, if the primary rental housing market is likely to see growth to address the estimated gap of 1,900 units of affordable rental housing, it will require stimulation from a supportive policy environment.

In terms of the affordable homeownership market, although the threshold price considered to be affordable ownership housing was approximately \$185,000 in 2017, which represents 10% below the average home price (\$206,000), the gap between supply and demand for ownership housing realistically begins below this price point – closer to the median, or typical, resale home price, which was \$174,000 in 2017.

Condo apartments had an average price of \$88,000, and median, or typical price of, \$62,000, affordable to 92% of Chatham-Kent's households. It is low income families who face greater challenges in finding ownership housing that contains enough bedrooms to accommodate a household with children. The median townhouse price was approximately \$152,000, while the median for single-detached and semi-detached homes was approximately \$180,000. Almost one third of Chatham-Kent's households cannot afford the median townhouse price (14,300 households with incomes below \$41,000). To truly address the gap, policies targeting the creation of affordable ownership housing should focus on housing forms suitable for families

⁴ Vink Consulting calculations based on Statistics Canada Census data and MMAH data

⁵ Source: CMHC Rental Market Report, 2017

⁶ Source: CMHC Housing Now, 2017

priced below \$174,000, and ideally below \$152,000.

Existing Tools

The Municipality of Chatham-Kent already has a number of existing tools that it uses to support affordable housing.

Official Plan

The Official Plan encourages a diverse range of housing choices, and has a number of specific policies to support affordable housing, including:

- Target of 25% of housing development to be affordable housing. The Municipality also has accessible and supportive housing targets (discussed in other sections)
- Supporting increased residential densities, adequate land supply and redevelopment and residential intensification, including additional units in existing dwellings, where practical and feasible
- Supporting a variety of building forms to meet the housing needs of a socially and economically diverse population
- Supporting the reduction of housing costs by streamlining the development approvals process
- Negotiating agreements with the public and private sectors to address the provision of affordably priced housing through the planning approvals process
- Considering innovative and alternative residential development standards that facilitate affordable housing and a more compact development form
- First considering surplus municipal land for affordable housing and work with other levels of government to make surplus land available to providers of affordable housing at little or no extra cost.
- One accessory residential dwelling is permitted per lot in areas where there are municipal services, subject to the provisions of the Zoning By-law
- Garden suites may be permitted as a temporary use within the Agricultural area
- The Municipality will actively discourage the conversion of affordable rental housing stock to freehold tenure, but does not include any specific anti-conversion policies.

Zoning By-law

The policies of the Zoning By-law are generally supportive of affordable housing, although there are opportunities to review certain standards to reduce potential barriers to the creation of affordable units. In support of affordable housing, the Zoning By-law:

- Permits second units in single detached dwellings, semi-detached dwellings, row house dwellings, accessory buildings, and accessory to non-residential buildings (one second unit per property)
- Permits conversions of single detached dwellings to a multiple dwelling when certain criteria is met
- Considers panelized or kit homes⁷ and modular homes⁸ to be single detached dwellings for the purposes of the zoning by-law
- Parking standards do not present undue barriers for buildings with one to three dwellings (1 space required per dwelling) or senior citizen dwellings (one space for three units with 25% designated as visitor)

Some standards may present barriers to the creation of affordable units, but generally would not significantly restrict affordable housing development:

- Policies related to second units:
 - Second units cannot be located entirely within a basement which is more than 60% below finished grade
 - The minimum sizes of second units are above the Building Code and the minimum sizes required for other dwelling units (40 sq. m for a bachelor unit plus 10 sq. m for each bedroom)
 - Second units must be on municipal serviced properties (ie. not permitted in rural areas)
 - Accessory buildings cannot exceed 10% of the lot area
 - Properties with second units are subject to the same maximum lot coverages, which in some cases are 33%
- Buildings with more than three dwelling units are required to have more parking spaces per unit than buildings with one to three dwellings (1.5 versus 1)
- Conversions of single detached dwellings to a multiple dwelling are only permitted if the building becomes unsuitable for single detached dwelling use
- Shipping containers are not permitted as housing, and are only permitted as an accessory use to a main permitted non-residential use on a property

⁷ Dwellings assembled on site using factory-built finished housing components placed on a permanent foundation over a basement, cellar or crawlspace

⁸ Dwellings that are transportable, factory-built dwelling designed to be transported in two or more separate sections with each section towed on its own wheels and chassis or on a flatbed trailer to its final location and joined together to form one dwelling unit, placed on a permanent concrete foundation with or without a basement, cellar or crawl space, and connected to public utilities

- All row dwellings require outdoor living areas accessible from a habitable room that are substantial in size (37.16 sq.m)
- Dwellings in general have minimum sizes which are above the Building Code, but are not particularly onerous (32.98 m² for a dwelling with no bedrooms)

Financial Tools

The Municipality has made some use of the following financial tools to support the creation of affordable housing, primarily on a case-by-case basis:

- The Public Utilities Commission has waived Development Charges for affordable housing on a case-by-case basis (the Municipality does not levy its own Development Charges)
- Municipal owned new builds are not subject to development charges
- Affordable housing units developed through the Federal-Provincial Affordable Housing Program have received a grant for the property tax difference between the multi-residential and the single-family residential rate (a requirement of the program)
- Affordable housing reserve fund, which has been used to provide grants to Affordable housing units developed through the Federal-Provincial Affordable Housing Program on a case-by-case basis
- Land contribution for municipally owned housing developed through the Federal-Provincial Affordable Housing Program

Best Practices for Municipal Financial Contributions Towards the Development of Affordable Housing

A review of municipal financial contributions towards the development of affordable housing included the following municipalities:

- City of Windsor/County of Essex
- County of Lambton
- County of Bruce
- County of Oxford
- City of St. Thomas/County of Elgin

For several of the municipalities, including St. Thomas, Windsor and Bruce, municipal contributions were limited to program requirements such as the reduction of property tax rates. For St. Thomas/Eglin, some projects were eligible for existing CIP funds. In the case of Bruce County, a municipal contribution of \$30,000 was provided as part of an IAH affordable rental housing development.

The Counties of Oxford and Lambton did make significant contributions towards the development of affordable housing constructed through AHP and IAH. The County of Oxford, for example, contributed approximately \$4.7 million (or about 25% of their total funding allocation) towards the development of 188 affordable housing units⁹; an average of \$25,000 per unit. According to staff, the County's Housing First policy has been very impactful in contributing to affordable housing. Revenue generated from surplus lands is transferred to the housing reserve for future developments. In addition, the County uses their revolving fund for home ownership applications and processes about 10 per year. The County recently increased their rent supplement funding with municipal dollars. The municipality does not deliver the housing allowance program but does administer a similar, locally funded, program.

The County of Lambton contributed \$3.85 million (or about 16% of their total funding allocation) towards the development of 118 new rental/supportive units through the AHP; an average of \$32,627 per unit. In addition, the County also, since 2009, has provided a Bridge Subsidy to low income households living in affordable housing units built through AHP, IAH, IAH E and SIF. The Bridge Subsidy ensures that social assistance recipients do not pay more in rent than the maximum shelter payable under OW or ODSP and that low-income seniors or wage earners do not pay more than 30% of their gross monthly income towards accommodation

⁹ This includes units built with municipal financial contributions. Overall, 683 units were developed through the County's AHP/IAH funding.

costs. In 2015, Lambton County Council approved a 10-Year Capital Asset Management and Funding Plan which outlined a strategy to provide for \$4M in annual funding commencing in 2016 in order to meet the \$40M required to complete the necessary repairs to the County owned social housing units.

Policy Alternatives at a Glance

The following table outlines each of the affordable housing policy options that were considered in developing the recommendations in this report. The table also highlights the direct cost to the municipality, anticipated potential impact level in Chatham-Kent, as well as their ease of implementation. Policy areas where recommendations have been proposed, have been determined in consultation with Chatham-Kent staff, and have been shaded in grey in the following table.

Policy Option	Direct Cost	Potential Impact in C-K	Ease of Implementation
Planning Policy Options			
Alternative Planning and Engineering Standards for Affordable Housing	Low	Low	Simple
Facilitate Lot Splitting / Severances	Low	Medium	Simple
Reduced Parking Standards	Low	Low	Simple
Reduce Parkland Dedication or Cash-in-Lieu	Low	Low	Simple
Zoning/Standards for Second Units	Low	Low	Simple
Incremental/Flex Housing	Low	Low	Simple
Reduce Restrictions on Manufactured Homes and Shipping Container Housing	Low	Low	Simple
Pocket Neighbourhoods	Low	Low	Simple
Planning Policy Options			
Pre-zoning	Low	Low	Simple
Streamline Municipal Approval Process	Medium	Low	Moderate
Short-term Rentals Regulations	Low	Low	Simple
Condominium Conversion Control	Low	Low	Simple
Demolition Control	Low	Low	Simple
Second Suite Ready	Low	Low	Simple
Prohibit Downzoning	Low	Low	Simple
Financial Options			
Charge for Social Housing in Development Charges By-Law	Low	Low	Simple
Exemptions, Waivers or Grants-in-Lieu of Application Fees and Development Charges	Medium	Low	Simple
Tax Rate Reduction or Exemptions from Property Taxes	Medium	Low	Simple

Policy Option	Direct Cost	Potential Impact in C-K	Ease of Implementation
Tax Increment Equivalent Grants	Medium	Low	Simple
Affordable Housing Reserve Fund	High	High	Moderate
Grants and Loans	High	High	Simple
Community Improvement Plans	High	High	Simple
Housing First Policies for Surplus Land and Selling or Leasing Land at Reduced Cost	High	Medium	Simple
Land Banking	High	Low	Complex
Direct Provision and Partnership Options			
Affordable Housing Development Corporation	High	High	Complex
Community Land Trust	Medium	Low	Complex
Purchasing and Preserving Existing Rental Housing	Medium	Medium	Complex

Proposed Policy Alternatives

Planning Policies

Alternative Planning and Engineering Standards for Affordable Housing

Planning or development standards are rules within the zoning by-law that municipalities use to guide the planning, design and construction of residential communities. They determine things like the size of lots, setbacks from the edge of the lot, the portion of the lot that can be covered with structures, and the amount of parking. Engineering standards include things like street design, sidewalks, utilities, and storm water management. Municipalities may choose to establish alternative standards for affordable housing. For example, the standards for affordable housing may permit more compact forms of development (e.g. reduced frontage/lot splitting or higher lot coverage ratios) or provide street design alternatives, such as providing flexibility for on-street parking.

Advantages

- More efficient built forms which can contribute to lower housing costs
- Improve use of community resources such as transportation, utilities, greenspaces (reduced infrastructure costs)
- Direct cost is low

Disadvantages

- May be complex implementation process; can involve and impact many stakeholders/municipal departments and may have different levels of support for such a policy
- Impacts are unpredictable/ may be unintended
- Impact is moderate in urban and suburban communities and low in rural areas

Examples

- Surrey British Columbia:
https://fcm.ca/Documents/case-studies/ACT/Subdivision_Leads_Way_In_Incorporating_Principles_Of_Sustainability_CS_EN.pdf

- Dieppe New Brunswick:
<https://www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce/prpr/upload/le-village-en-haut-du-ruisseau-dieppe-new-brunswick.pdf>

Recommendation

The Municipality of Chatham-Kent has chosen to consider alternative development standards for the development of affordable housing through Official Plan Policy 2.3.4.2.8 e). This policy states that *the Municipality shall encourage the provision of affordable housing through considering innovative and alternative residential development standards that facilitate affordable housing and a more compact development form.*

It is recommended that Chatham-Kent maintain its current Official Plan policy direction related to alternative development standards for the development of affordable housing.

Reduced Parking Standards

Municipalities can include provisions within their zoning by-law to reduce parking requirements for affordable housing. Sometimes these provisions are limited to non-profit organizations. Chatham-Kent currently requires 1.5 parking spaces per unit for buildings with more than three dwelling units.

Advantages

- Help to lower construction costs and therefore costs of affordable housing development, particularly in high-cost urban areas
- May encourage affordable housing near transit routes

Disadvantages

Examples

- City of Toronto (Chapter 200.10):
https://www.toronto.ca/zoning/bylaw_amendments/ZBL_NewProvision_Chapter200.htm

Recommendations

It is recommended that Chatham-Kent review its Zoning By-law in order to reduce the current requirement of 1.5 spaces per dwelling unit for buildings with more than three dwelling units.

Reduce Parkland Dedication or Cash-in-Lieu

Under the Planning Act, municipalities may require the conveyance of land or cash-in-lieu for park purposes as a condition of development or redevelopment, and as a condition of approval of a land division. Municipalities can include a provision in their zoning by-law for a reduction, or exemption, in the parkland requirements (or provide cash-in-lieu options) in specific geographic areas (i.e. downtown areas, proximity to transit routes) in order to help reduce the cost of affordable housing development.

Alternatively, as part of the recent passing of Bill 108, More Homes, More Choice Act, 2019, municipalities may now choose to enact a community benefits charges by-law to impose community benefits charges against land to pay for capital costs of facilities, services and matters required because of development or redevelopment in the area. Community benefits charges would include provisions for parkland. If a municipality has not passed a community benefits charges by-law, the Planning Act provisions related to parkland still apply.

Advantages

- Lower costs for the development of affordable housing

Disadvantages

- Less potential revenue for municipality to create parks

Examples

- City of Orillia:
<https://www.orillia.ca/en/city-hall/resources/ParklandDedicationBylaw-Current.pdf>
- City of Kingston (Section 14):
<file:///C:/Users/ASUS/Downloads/Parkland%20Dedication%20Bylaw.pdf>

Recommendation

Assuming that Chatham-Kent continues to levy development charges under the *Planning Act*, and does not enact a community benefits charges by-law, it is recommended that Chatham-Kent add the following provision to Section 2.3.4.2 of the Official Plan:

- Affordable housing development, or redevelopment, shall be exempt from parkland dedication requirements of the *Planning Act*.

Should Chatham-Kent enact a community benefits charges by-law (which would include a charge for parkland), it is recommended that Chatham-Kent pursue opportunities to waive the portion of the community benefits charge that is related to parkland.

Zoning/Standards for Second Units

Second units are self-contained residential units with kitchen and bathroom facilities within dwellings or within structures accessory to dwellings such as coach houses or laneway garages. Prior to the passing of Bill 108, More Homes, More Choices Act, 2019, municipalities in Ontario were required to include provisions in their zoning by-laws to authorize second units/accessory dwellings in all residential areas. Provisions generally included a maximum of one suite per dwelling and some restrictions based on health and safety and environmental considerations. Bill 108 requires municipalities to now include a provision to allow a second dwelling in both the main dwelling and a dwelling in an ancillary building.

Second suites should generally be permitted “as of right” with no more than one parking spot/suite required. The size of the unit or number of bedrooms should be based on the Building Code.

Municipalities can also pass temporary use by-laws authorizing garden suites as a temporary use for up to 20 years. This can be extended further by three-year increments, as needed. Garden suites or ‘granny flats’ are one-unit detached residential structures with bathroom and kitchen facilities and are designed to be portable and accessory to existing residential structure. These tend to be more common in rural areas.

Advantages

- Increase housing choices for low- and moderate-income households
- Add to supply of affordable rental housing
- Comparatively inexpensive housing option (does not require purchase of land)
- Provide homeowners opportunity to earn additional income
- Provide option for extended family or live-in caregiver
- Increase density can improve efficiency of infrastructure

Disadvantages

- Having stringent regulations may create barriers to second suites
- If homeowners find restrictions too onerous may provide suite illegally; creating health and safety concerns
- Garden suites may be more challenging in higher density neighbourhoods

Examples

- City of Ottawa Zoning By-law (No. 2008-250) Section 133:

<http://ottawa.ca/en/residents/laws-licenses-and-permits/laws/city-ottawa-zoning-law/zoning-law-2008-250-consolidation-60>

- City of Ottawa, Coach Houses: Secondary Dwelling Units in Accessory Structures:
http://documents.ottawa.ca/sites/documents.ottawa.ca/files/documents/secdwell_discpaper_s_en.pdf
- Town of Wasaga Beach Comprehensive Zoning By-law (consolidated February, 2016)
<http://www.wasagabeach.com/Bylaws/Zoning%20By-law%202003-60.pdf>
- Town of Wasaga Beach: A Guide to Second Dwelling Units:
<http://www.wasagabeach.com/Housing%20Documents/A%20Guide%20to%20Second%20Dwelling%20Units%20Final.pdf>
- Town of Caledon:
<https://www.caledon.ca/en/townhall/resources/zoning/Section-4.pdf>
- Town of Bradford West Gwillimbury, Policy 14.1.2:
<https://www.townofbwg.com/twnsrv/PDS/builddiv/homeown/AccessoryDwellUnits>

Recommendation

It is recommended that the Municipality update its zoning by-law to clearly comply with the second unit provision in Bill 108, More Homes, More Choices Act, 2019, which requires municipalities to include a provision to allow a second dwelling in both the main dwelling and a dwelling in an ancillary building.

It is recommended that the Municipality adhere to the Ontario Building Code (OBC) by revoking the following zoning provisions where they exceed the OBC:

- 4.7 (2) c) Dwelling Units - Location within Basement or Cellar - No habitable room shall be located within a cellar
- 4.7 (3) Dwelling Unit Area (Minimum)

It is recommended the following zoning provision be modified to the following:

- 4.2 Accessory Uses (2) Lot Coverage: The total lot coverage of all accessory buildings or structures on a lot shall not exceed 10% of the lot area of the said lot, except when the accessory building contains a secondary dwelling

It is recommended that the following zoning provision be added:

- Every lot containing an accessory building that contains a secondary dwelling shall provide a minimum of 35% landscaped open space

Pre-zoning

Municipalities can establish zoning by-law policies to pre-zone (or pre-designate) lands to permit greater range of housing types, higher densities, more compact or infill development, or reduced unit sizes, etc. that are intended by the Official Plan. It is used in areas or sites that are intended to evolve. The zoning by-law provisions can facilitate the alternate development by permitting the development to take place as-of-right, without the need to go through a zoning approval process. Pre-zoning tends to rely on site plan control to manage site-specific issues. However, the pre-zoned properties may also be zoned with a holding symbol which can help facilitate supporting studies and inform the site plan process. For context, under the Planning Act, holding symbols may be applied to lands to prohibit development in the underlying zone until such time as certain conditions are met, such as the preparation of supporting studies.

No Canadian examples of municipalities have been identified that have used this to zone for affordable housing specifically, rather than standards that inherently support more affordable development, but a review of the *Planning Act* suggests it is an option if affordable housing was a defined use, similar to senior citizen dwelling and group home.

Advantages

- Provides greater certainty for residents and developers and to the land use planning process
- Reduced risk for developers related to community opposition and the land use planning process by clearly establishing the municipality's expectations for development up-front
- Potentially reduced costs for developers by not having to go through a rezoning process
- Reduces Tribunal appeals

Disadvantages

- Requires additional attention by the municipality to ensure the zoning provides enough flexibility to encourage affordable housing development and to ensure the regulations are appropriate and compatible with neighbouring areas
- May limit opportunities for public engagement, as pre-zoned properties are not subject to the statutory public consultation process that is required for a rezoning application
- As-of-right zoning may result in unforeseen community impacts
- May limit a municipality's ability to require a developer to pay all costs associated with development

Examples

- City of Kitchener, Planning Around Rapid Transit Stations:
https://www.kitchener.ca/en/resourcesGeneral/Documents/DSD_PLAN_PARTS_Phase2_TDM_Strategy.pdf

Recommendations

It is recommended that the following additions be made to the Official Plan:

- It shall be the objective of Chatham-Kent to:
 - Support and promote affordable housing on underutilized properties that are no longer being used for the permitted use that are within the Residential or Public Facility designations.

Condominium Conversion Control

The Municipal Act provides authority for municipalities to enact by-laws to regulate the conversion of existing residential rental units including the conversion of rental housing to condominium or non-residential use. Municipalities can prohibit the conversion of rental housing to condominium or non-residential use or only permit conversions when vacancy rates in the rental market are above a certain threshold.

Advantages

- Help ensure preservation or replacement of affordable housing in communities where residential rental housing is decreasing

Disadvantages

- May be seen as limiting the rights of property owners

Examples

- City of Markham (Policy 4.1.2):
<https://www.markham.ca/wps/wcm/connect/markhampublic/00ad1cf0-2da1-4d64-be50-12d406a51df5/Official-Plan-Chapter-4-20180409.pdf?MOD=AJPERES&CACHEID=00ad1cf0-2da1-4d64-be50-12d406a51df5>
- City of Brantford (Policy 13.2.4):
[http://www.brantford.ca/Land%20Use%20Development%20%20Official%20Plan/Official%20Plan%20\(Consolidation\).pdf](http://www.brantford.ca/Land%20Use%20Development%20%20Official%20Plan/Official%20Plan%20(Consolidation).pdf)

Recommendation

It is recommended that the following provision be added to the Official Plan (in Section 2.3.4):

- The conversion of rental housing comprised of six or more units to condominium units will not be permitted unless:
 - The rental vacancy rate, as reported through CMHC Rental Market Survey, has been at or above 3% for the preceding three-year reporting period
 - The application does not negatively affect the supply of rental housing that is affordable

Demolition Control

Under the Planning Act, Section 33, municipalities can establish demolition control areas which can include homeownership, rental and properties with less than six units. Landowners must obtain a demolition permit prior to demolishing the whole or any part of a residential property within the area. Municipalities have the authority to refuse to issue a demolition permit unless a building permit has been issued to erect a new building on the site.

Advantages

- Can help municipalities maintain residential properties including affordable housing
- Can encourage owners to maintain viable stock
- Can allow municipalities to regulate demolition while considering and developing new land use policies for an area

Disadvantages

- May be seen as limiting the rights of property owners

Examples

- City of Waterloo:
https://www.waterloo.ca/en/contentresources/resources/business/Demo_control_bylaw.pdf
- City of Hamilton:
<http://www2.hamilton.ca/NR/rdonlyres/C0C2FB6F-347A-4937-BC9C-C7155DDD2CB6/0/09208.pdf>

Recommendation

It is recommended that the following provision be added to the Official Plan (in Section 2.3.4)

- The demolition of rental housing comprised of six or more units will not be permitted within the Municipality of Chatham-Kent unless:
 - Replacement units are provided if the rents of the units proposed for demolition are at or below the average market rents at the time of the application.
 - Demolition of affordable rental housing units may be permitted in cases where the building is not habitable as deemed by the Municipality's Chief Building Official.

Financial Policies

Waivers of Application Fees and Levies and Deferrals of Development Charges

The province's Bill 108, More Homes, More Choice Act, 2019 received Royal Assent on June 6, 2019. The Act makes deferrals of development charges for rental housing and non-profit housing mandatory. Rather than having development charges due at the time of building permit issuance, development charges are payable in annual instalments (21 instalments in the case of non-profit housing development, and six instalments in the case of the other types). The instalments begin on the earlier of the date of the issuance of a permit under the *Building Code Act, 1992* authorizing occupation of the building and the date the building is first occupied. A number of agreements are entered into to support the deferral: A deferral agreement that specifies the terms of the deferral, including length of deferral period and charges should the use be changed during the term of agreement; a restrictive covenant agreement that stipulates the required use for a required length of time; and a general security agreement that stipulates the form of security taken and registered against the title to the property.

Beyond this requirement, municipalities can reduce or waive planning application and permit fees and other levies. Some municipalities waive these outright while others allocate funds from affordable housing reserve funds to offset these fees. Municipalities can also provide exemptions on development charges for specific developments, such as affordable housing developments.

Advantages

- The reduction or waiver of fees and levies lowers the costs of developing the housing
- Acts as an incentive to private developers who might develop affordable housing
- Deferral of payment still allows the municipality to collect funds related to the increased needs for services, but can improve the viability of rental development as a result of improved cash-flow during development. For context, condominium developers often generate pre-development revenues through the pre-sale of units, whereas rental housing developers do not have this revenue source.

Disadvantages

- Municipalities often require fees to cover costs of application review, etc.

Examples

- City of Ottawa - Action Ottawa initiative for affordable housing waives development charges, planning fees, and parkland levies for affordable units.
- Region of York - Development Charge Deferral Policy for Purpose Built High-Density Rental Buildings
- The Region of Waterloo has invested \$5.17 million grants to offset Regional Development Charges toward the creation of affordable rental units since 2001. These contributions have helped create 1,598 affordable and supportive rental housing units.

Recommendation

It is recommended that Chatham-Kent establish a Deferral and Waivers of Application Fees and Development Charges By-Law that states that the Municipality and its agencies, boards, and commissions defer development charges, and waive land use application fees, parks levies, hook-up fees and other charges for non-profit housing developments, not receiving capital funding from the Municipality that exceeds 90% of capital costs, that meet the definition of affordable. It would also state that private housing developments, not receiving capital funding from the Municipality that exceeds 80% of capital costs, that meet the definition of affordable (pro-rated to the proportion of units that meet the affordable definition) would receive a deferral of development charges and a waiver of land use application fees, parks levies, hook-up fees and other charges. The charges would be paid in equal annual installments, with 21 instalments in the case of non-profit housing development, and six instalments in the case of the private sector, following the earlier of a building permit or first occupancy, similar to the deferral that is provided for development charges for all rental and non-profit housing under Bill 108, More Homes, More Choice Act, 2019.

Security for Municipal Investments in Affordable Housing:

For affordable rental, it is recommended that the contributions be secured by agreement between the development proponent and the Municipality that outlines governing affordability levels and term, tenant income, reporting requirements and repayment in case of non-compliance defaults.

For affordable ownership, it is recommended that the contributions be secured by a second mortgage to the Municipality so funding returns to the Municipality on re-sale.

The budget impact on those on the divisions and organizations collecting application fees and development charges would need to be reviewed and analyzed.

Grant-In-Lieu of Property Taxes

Municipalities can establish property tax exemptions to promote local development initiatives (i.e. affordable housing). Exemptions are sometimes for a specific time-frame (e.g. five years) or only for non-profit providers. Alternatively, they can lower property tax rates. In the case of new rental housing some municipalities have implemented property tax equalization policies, where the municipality has reduced the property tax rate on multi-residential properties to near or equal the tax rate for the residential property class (typically lower).

Advantages

- Reduced operating costs for affordable rental housing

Disadvantages

- Less potential revenue for municipality

Examples

- City of Toronto, Regent Park:
<https://www.toronto.ca/legdocs/mmis/2018/ah/bgrd/backgroundfile-116429.pdf>
- City of Regina, Housing Incentive Program:
<https://www.regina.ca/residents/bylaw/browse-most-requested-bylaws/housing-incentive-program-tax-exemption-bylaw-2017/>
- City of Regina By-law:
<http://open.regina.ca/dataset/57b61984-8685-4474-a03e-78d6984c5bc7/resource/180b944b-002e-42a4-b0e2-e21450c9f283/download/2017-5.pdf>
- Elderly Property Tax Exemption, City of Timmins:
<http://www.timmins.ca/city-hall/budget-and-finance/tax-water-rate-laws/elderly-property-tax-assistance-credit>

Recommendation

It is recommended that it be a policy of Chatham-Kent:

- That the Municipality provide a grant-in-lieu of property taxes to new non-profit affordable rental housing developments equivalent to the taxes for municipal and school purposes for up to 25 years, consistent with the term of the associated Municipal Contribution Agreement to be registered on title, provided that the development is not receiving capital funding from the Municipality that exceeds 90% of capital costs.

- That the Municipality provide a grant-in-lieu of property taxes to new private affordable rental housing developments of three or more units from taxation for municipal and school purposes for a term of 25 years if not receiving capital funding from the municipality that exceeds 80% of capital costs; and provided that the units remain affordable to the satisfaction of the Municipality.
- The grant would be based on the proportion of units that are affordable and the tax reduction would only be for residential uses (ie. not for commercial uses).
- The grant-in-lieu would be administered by the Finance department.

Affordable Housing Reserve Fund

Housing reserve funds can assist municipalities to accrue and access funds to make financial contributions towards affordable and supportive housing projects. Funding sources vary, but may include the sale or development of municipal land, general revenue, cash-in-lieu developer contributions, and private donations.

In 2017 the Municipality of Chatham-Kent established an Affordable Housing Reserve with an initial base budget of \$500,000. This base budget was increased to \$800,000 in 2018. Additional one-time supplementary funding was also allocated in 2019. This funding, leveraged with additional capital from other levels of government, as well as community partners, has been targeted for creating new affordable housing in the Municipality.

In 2018, funding for 73 new units was approved, and the units have been built or are under construction. The approved level of affordable housing funding averaged \$139,000/unit, plus the property tax reduction to the (single family) residential rate. At this rate, Chatham-Kent could expect to get an average of 7 units per year developed with a budget of \$1million if the Municipality provided all of the funding.

Statistics Canada produces Building Construction Price Indexes that can be used to inform annual increases to an affordable housing reserve fund. However, the data is only available for the Ottawa and Toronto CMAs. The annual increase in the Building Construction Price Index for apartment buildings in Ottawa and Toronto in 2018 was 7.3% and 5.8%, respectively. The following table can be referred to for future updates: Statistics Canada. [Table 18-10-0135-01 Building construction price indexes, by type of building](#)

Advantages

- Can be used as a way to leverage additional capital from other levels of government, as well as private and non-profit partners

Disadvantages

- Funds often require direct contributions from the municipality

Examples

- City of Saskatoon Affordable housing reserve - <https://www.shipweb.ca/affordable-housing-reserve/>

Recommendation

It is recommended that it be a policy of Chatham-Kent:

- To increase the annual Affordable Housing Reserve Fund funding to a minimum of \$1million plus the increase in the average annual Building Construction Price Index of Toronto and Ottawa CMAs as a way of further supporting affordable and supportive housing projects
- The level of funding to be provided to any affordable or supportive housing project would be at the discretion of Service Manager/Director, Housing Services

Housing First Policies for Surplus Land and Selling or Leasing Land at Reduced Cost

Some municipalities have adopted “housing first” policies that call for surplus lands to be considered for affordable housing before considering them for other uses. Often this strategy is used in combination with making the land available at a reduced cost, either through a sale or lease of the land. Land can be leased for up to 99 years. The terms of the lease can vary, sometimes 60 years in length, with lease payments ranging from nominal values of \$1 to 75% of market value.

Advantages

- Reduced land costs for developers to build affordable housing
- Low investment required for municipality
- An advantage of a long-term lease of land versus the donation or sale of the land is that it enables municipalities to make significant contributions to support affordable housing development while retaining the public interest in the land asset

Disadvantages

- Potential loss of revenue for sale of land at higher or full market rate
- Land may not be in suitable location for affordable housing
- Affordable housing developers do not benefit from appreciation of the land
- It may be more difficult to obtain financing on leased land, because they have less security in the event of a loan default
- If the lease is not renewed at the end of the lease period, the building does not have any value and the lessee must vacate the dwelling

Examples

- County of Oxford Housing First Policy:
<http://www.oxfordcounty.ca/home/newsroom/news-details/articleid/4742/housing-first>
- City of Regina often contributes land to affordable housing. The City puts out Requests for Proposals for the purchase of public land and development of residential projects, and affordability is a significant factor in the evaluation.

Recommendation

It is recommended that the Municipality adopt a Housing First Policy and amend its Disposition of Land By-law to apply a “housing first” approach to land disposition that supports affordable housing development.

The following amendments are recommended to the Disposition of Land By-Law, under the “Decision to Dispose of Land” section:

- Staff shall review the Municipality’s land inventory on an annual basis to ensure that unused properties are inventoried, managed effectively and, where appropriate identified as potentially surplus. This includes detailing lands and buildings suitable for housing.
- The land inventory listing shall be distributed to Planning Services and Housing Services for review annually. Planning Services and Housing Services will collaboratively give consideration to potential surplus property for housing purposes in accordance with the “Housing First Policy”.
- Following their recommendation, the Executive Management Team shall review potential surplus land for the following:
 - Whether the land should be designated as surplus
 - How the land should be designated for purposes of describing its use (suitable or not suitable for residential development)
 - If not suitable for residential development, whether the use of the proceeds should be in accordance with the Municipality’s “Housing First Policy”.
 - Incentives to be offered with the sale, and criteria for decision-making on the depth of affordability and term of affordability based on incentives being offered.
- The Chief Administrative Officer or Executive Management Team will make a recommendation to Council to dispose of the land and whether to identify the land for use under the Municipality’s “Housing First Policy”.

The following is recommended as a “Housing First Policy”

- When land suitable for residential development, as guided by the Official Plan, is to be disposed it shall be made available through a competitive proposal call to non-profit and private sector developers for the development of affordable housing. Such proposal calls would be the responsibility of the Housing Services Director and/or the Planning Services Director.
- When land not suitable for residential development, as guided by the Official Plan, is disposed of, **and** has been identified under the Disposition of Land By-Law for use in the Municipality’s “Housing First Policy”, 25% of the net proceeds from the sale shall be placed in the “Housing Reserve” for the purposes of supporting new affordable housing development. Such sales will be the responsibility of the Financial Services Director.

Securing Other Government-Owned Surplus Properties

Federal and provincial governments offering surplus land specifically for affordable housing make this land available to non-profit and private sector housing developers through Request For Proposals posted on their websites. Other surplus land being disposed of by the federal and provincial government is typically sold at market value, although the Municipality has early right of refusal to purchase the property, and has 30 days to declare an interest in purchasing the property.

Recommendation

To support advanced planning, it is recommended that Chatham-Kent consult with federal and provincial government agencies, boards, and commissions with land located in the municipality on an annual basis about land that such agencies may be disposing of in the future. Chatham-Kent should analyze the potential for the land to be used for affordable housing and determine if the municipality would consider purchasing the property that it would later offer for sale for affordable housing. When Chatham-Kent is formally notified of the land disposition it should confirm whether purchasing the property is in the strategic interests of Chatham-Kent. If so, staff would recommend to Council that funds from the Affordable Housing Reserve be used to purchase the property for affordable housing.

This process shall be led by the General Manager of Community Development Department (or his/her designate), in consultation with the General Manager of Community Human Services Department, including both the Director of Planning Services and the Director of Housing Services, as appropriate.

The Municipal Clerk and/or General Manager of Corporate Services will ensure that any notices received with respect to public lands becoming or being available for purchase or transfer for potential affordable housing use be forthwith delivered to the above noted management staff.

Partnerships

Community Land Trust

Community Land Trusts are private non-profit corporations established for the purpose of acquiring and holding land for affordable housing. The Community Land Trust maintains ownership of the land and the land is leased, usually to low- and moderate-income residents, through a long-term lease (i.e. 99 years). Resale value is limited to the Community Land Trust to ensure housing remains affordable. Municipalities can establish policies that commit the municipality to supporting the creation of a Community Land Trust, and once established, the municipality could contribute land and financial resources to the Community Land Trust.

Advantages

- Can help promote revitalization of certain areas/neighbourhoods and/or as a means of preserving affordable housing
- By taking out cost of land it makes housing more affordable
- Ensures homes are occupied by owners rather than rented by absentee landlords

Disadvantages

- Lack of community understanding and support
- Access to funding and technical support for groups/organizations can be a challenge

Examples

- Parkdale Neighbourhood Land Trust
<http://www.pnlt.ca/>
- CHRA Community Land Trusts in Canada (Research Report):
http://chra-achru.ca/sites/default/files/congress2018/2018-09-18_summary_community-land-trusts.pdf

Recommendation

It is recommended that the following provisions be added to the Official Plan:

- [Policy 2.3.4.2.8] The Municipality shall encourage the provision of affordable housing through:
 - [ADD] Supporting non-profit corporations in developing creative options to preserve and develop affordable housing.

- [ADD] Supporting non-profit corporations in the development of a community land trust for the purpose of developing affordable housing.

Supportive Housing

Supportive housing combines rental support services for people with disabilities, including mental, physical, and/or developmental disabilities, and/or seniors.

Summary of the Supportive Housing Gap

A thorough assessment of the need for supportive housing in Chatham-Kent has not been conducted, but Chatham-Kent's Housing Study Update (2012) and recent (2018) Homelessness Enumeration, provide some insights into unmet demands for supportive housing.

Service provider waiting list data collected for the last Housing Study Update suggested the need for 75 units of supportive housing for persons with an intellectual disability, and 14 units for persons with a physical disability. Data on the need for supportive housing for persons with mental health issues is not clear (CMHA reported being at capacity), but based on provincial estimates¹⁰, additional units may also be needed for persons with mental health issues. Data has not been collected and analyzed on the demand for supportive housing for seniors in Chatham-Kent.

The Homelessness Enumeration identified 70 people experiencing homelessness during a six day period in April of 2018. Of these, 44% had high acuity (32 people), suggesting a need for permanent supportive housing. Given that this number reflects people identified during a short time period, it is safe to assume that the total number of people experiencing homelessness with high acuity over the course of a year is greater than this, suggesting a need for at least 32 supportive housing units to address homelessness for the municipality's population of individuals experiencing homelessness with high acuity.

Combined, these numbers suggest a gap in the supply of supportive housing of at least 120 units.

¹⁰ See ONPHA, An Affordable Housing Plan for Ontario, 2018 available at: http://onpha.on.ca/Content/Advocacy_and_research/Advocacy/Affordable_Housing_Plan_for_Ontario.aspx

Existing Tools

Official Plan

In recognition of the need for supportive housing, the Municipality of Chatham-Kent has established a target of 2% of housing development to be supportive housing (this housing would also be affordable).

The Official Plan specifies that the Municipality will improve access to housing for people with special needs, including assisted housing for low-income people and seniors and various forms of supportive housing, including group homes. It also specifies that the Municipality will work with and support community agencies and other local groups to monitor the extent of special housing needs and to pursue additional funding from the senior levels of government to address the identified needs.

The Official Plan policies are relatively restrictive of group homes, although many the specific policies are left to the Zoning by-law. The Official Plan specifies that:

- Group homes are not to be concentrated in on specific area
- Group homes will be located in Primary and Secondary Urban Centres
- The Zoning By-law will address the separation distances, spatial location, number, type and size of group homes to prevent an undue concentration of group homes
- Existing facilities that do not comply will not be permitted to expand without a minor variance or zoning by-law amendment
- Group homes with any correctional purpose will be treated as an institutional use and not a residential use and require an Official Plan and Zoning by-law amendment.

Additional requirements are placed on new special needs housing compared to other housing of a similar form. The Official Plan specifies that for new special needs housing proposals, the Municipality must be satisfied that traffic generated from the facility can be adequately accommodated by the local road network and will not have a significant impact on adjacent land uses, and that the facility maintains the scale, density, and character of land uses in the surrounding area.

Zoning By-law

The Zoning by-law doesn't include the term supportive housing, but does define senior citizen dwelling (which may include common facilities for the consumption of food and medical care facilities) and group homes (which can accommodate 5-10 residents). Chatham-Kent Planning

Staff indicated that forms of supportive housing would be treated as nursing homes, which are restrictive of where they may be located. The Zoning By-law policies are permissive of group homes and senior citizen dwellings. Group homes are permitted in low, medium and high density residential zones and senior citizen dwellings are permitted in medium and high density residential zones and institutional zones. The Zoning By-law does not include minimum separation distances for group homes. The absence of municipal licensing requirements for group homes also reduces barriers to the creation of group homes.

Proposed Policy Alternatives

Zoning for Supportive Housing

Zoning by-laws outline permissions for a wide variety of housing types, and supportive housing can be one of the housing types that is defined and has specific provisions within the zoning by-law. Supportive housing should be considered a residential use and be subject to only those restrictions that apply to other residential dwellings of the same type in the same zone. In other words, they should be treated like any other type of housing. To avoid opposition to supportive housing projects, municipalities can establish provisions within their zoning by-laws for supportive housing to be approved as-of-right in zones where multi-unit and mixed uses are permitted, without the requirement for a re-zoning application, as long as certain criteria are met. Not having minimum separation distances or requiring the licensing of group homes also helps reduce barriers to the provision of supportive housing¹¹.

Definitions for supportive housing or housing for people with special needs can be confusing and there is often negative stigma associated with labels. It is important that zoning allow for housing for people with special needs within residential zones to ensure that barriers to such forms of housing are removed.

Advantages

- Reduces barriers to the development of supportive housing

Disadvantages

- May limit opportunities for public engagement, as as-of-right development is not subject to the statutory public consultation process that is required for a rezoning application
- As-of-right zoning may result in unforeseen community impacts
- As-of-right zoning may result in concentration of supportive housing in certain area of the municipality

Examples

- City of London, Zoning By-Law - The City's Zoning By-Law permits group homes in all residential zones and does not differentiate between the numbers of people permitted to live in a group home depending on the zoning district.

¹¹ A landlord still must make sure that the rental property meets health, safety, housing and maintenance standards. These standards can be set out in municipal bylaws, or if there isn't a municipal bylaw, then provincial maintenance standards as set out in the *Residential Tenancies Act* regulations.

Recommendation

It is recommended that the Municipality remove specific policies with respect to Group Homes from the Official Plan [2.3.4.2.15], including:

- Group homes are not to be concentrated in a specific area
- Group homes will be located in Primary and Secondary Urban Centres
- The Zoning By-law will address the separation distances, spatial location, number, type and size of group homes to prevent an undue concentration of group homes
- Existing facilities that do not comply will not be permitted to expand without a minor variance or zoning by-law amendment
- Group homes with any correctional purpose will be treated as an institutional use and not a residential use and require an Official Plan and Zoning by-law amendment.

It is recommended that the following provisions be added to the Official Plan:

- It shall be the policy of Chatham-Kent to:
 - a. To cooperate with housing proponents (private and public), and all levels of government to facilitate the development of special needs housing in the Municipality of Chatham-Kent
 - b. To work with housing partners to encourage special needs housing units within new affordable housing developments (as well as any other type of housing developments)
 - c. To permit housing for persons with special needs, through a range of housing types, in all residential land use designations in accordance with Zoning By-law.

In order to further reduce barriers to the development and availability of housing options for people with special needs across the Municipality, it is recommended that Chatham-Kent remove reference to 'Group Homes', 'Senior Citizen Dwelling', 'Nursing Home' and 'Residential Care Facilities' from the by-law and leave the permissions of housing for people with special needs to existing land-use regulations (i.e. based on housing type and size). A definition and reference to long-term care homes should be added to differentiate this type of facility from other housing. The recommended definition for long-term care home is:

- Long-term care homes are home-based health care facilities designed for adults who need access to on-site 24-hour nursing care, frequent assistance with activities of daily living and monitoring for safety or well being and are licensed or approved and are governed by the *Long-Term Care Homes Act, 2007*.

It is recommended that the following provision be included within the Zoning By-law in Section 4 – General Provisions for All Zones:

- Housing with or without supports
 - Housing with or without supports are permitted in any dwelling unit or mixed use commercial/residential building allowed in the Zone category and will be subject to provisions of the specific dwelling unit type.

Relevant Policy Options Identified in the Affordable Housing Section

Supportive housing typically requires senior government funding for both the capital contributions and ongoing operating subsidies. They also often require multiple partners to bring significant contributions to the table. Partner contributions tend to be financial, such as capital grants or land. Supportive housing typically requires ongoing operating funding. Rent subsidies are typically not sufficient to offset the costs of housing and cover the costs of ongoing supports. There may be some exceptions where the full capital costs are covered through government contributions, avoiding mortgage costs and allowing below-market rents to subsidize limited onsite services.

Although they may not be able to result in the creation of supportive housing on their own, a number of the policy options identified above are also relevant to encouraging the development of supportive housing:

Policy Type	Policy Option
Planning Policy	Alternative Planning and Engineering Standards for Affordable Housing
	Reduced Parking Standards
	Reduce Parkland Dedication
	Pre-zoning
Financial	Exemptions, Waivers or Grants-in-Lieu of Application Fees and Development Charges
	Tax Rate Reduction or Exemptions from Property Taxes
	Affordable Housing Reserve Fund
	Grants and Loans
	Housing First Policies for Surplus Land and Selling or Leasing Land at Reduced Cost

Accessible Housing

Fully accessible housing refers to units/dwellings that are fully modified as per Chatham-Kent Facility Accessibility Design Standards. Barrier-free units have some accessibility features, namely a bedroom and washroom on same floor as the entrance and a barrier-free path of travel from the entrance to the bedroom and bathroom.

Summary of the Accessible Housing Gap

The proportion of Chatham-Kent's population looking for accessible housing is somewhat uncertain. Local evidence that there is a gap in the supply of accessible housing is anecdotal and comes from community organizations dealing with people with disabilities and people with housing issues. Chatham-Kent's Housing Study Update (2012) reported that a number of stakeholders identified a lack of affordable and accessible housing a key challenge facing persons with special needs in Chatham-Kent. Evidence that there is a problem with the supply of accessible housing can also be drawn from national and provincial data as well as other jurisdictions.

One in seven people in Ontario, or 15.5% of the population, have disabilities; a number that will grow over the next 20 years with an aging population. The continued shift of the health care system from institutional care towards home and community care will also generate additional need for accessible housing. The required accessibility features and overall level of accessibility requirements vary widely depending on the disability and the individual's preferences. Some 8.9% of the Canadian population with disabilities report that they use accessibility features and 5.1% report that they need accessibility features that they don't currently have¹². Based on the latter figure, and assuming only one individual with a disability per household, it is estimated that the current gap between the supply and demand for housing with accessibility features in Chatham-Kent is approximately 800 units.

A study from Great Britain found that 20% of the population reported that they will need some accessible housing features in the next five years. To address these needs, half reported that they would most prefer remaining in their current property with some adaptations being made

¹² Source: Statistics Canada, Participation and Activity Limitation Survey, 2006

to allow independent living; 19% said they would prefer to move to a different property specifically designed or adapted to enable independent living; and 6% would prefer moving to accessible accommodation offering specialist care and support. Applying the latter two figures to Chatham-Kent, approximately 200 fully accessible units would be required, in addition to adaptations of existing homes.

Existing Tools

The Ontario Building Code requires that 10% of all new apartment units (exceeding 3 storeys) be barrier-free (bedroom and washroom on same floor as entrance, barrier-free path of travel from entrance to bedroom and bathroom).

At the municipal level, Chatham-Kent has developed Facility Accessibility Design Standards that are applied to all newly constructed and/or renovated Municipality of Chatham-Kent owned, leased or operated public facilities. In addition, the Chatham-Kent requires that a portion of units developed through the Federal-Provincial Affordable Housing Program be fully modified as per these standards, and encourages the use of the standards throughout the community.

Within its Official Plan, Chatham-Kent has established a target of 5% of affordable housing units to be accessible, meaning that they are fully modified as per Chatham-Kent's Facility Accessibility Design Standards.

Proposed Policy Alternatives

Revise Accessible Housing Target & Require Barrier Free Housing as Part of Agreements Entered Into for Other Policies

As discussed above, within its Official Plan, Chatham-Kent has established a target of 5% of affordable housing units to be accessible, meaning that they are fully modified as per Chatham-Kent’s Facility Accessibility Design Standards (FADS).

However, the FADS may be most appropriate for municipally owned, leased or operated public facilities. It may be more appropriate to establish an accessibility target that related to a barrier-free level of accessibility rather than full modifications.

Municipalities can also dictate accessibility requirements when a development enters into an agreement with the municipality for financial assistance or participation in a planning policy initiative (e.g. grants or loans, etc.). A number of policies identified in the Affordable Housing Section can be used to negotiate agreements related to design elements for accessibility, or require that specific accessibility features be incorporated into the development, when the developer enters into an agreement with the municipality related to participation in the policy. These policies include:

Policy Type	Policy Option
Regulatory	Alternative Planning and Engineering Standards for Affordable Housing
	Reduced Parking Standards
	Reduce Parkland Dedication or Cash-in-Lieu
Financial	Exemptions, Waivers or Grants-in-Lieu of Application Fees and Development Charges
	Tax Rate Reduction or Exemptions from Property Taxes
	Tax Increment Equivalent Grants
	Affordable Housing Reserve Fund
	Grants and Loans
	Community Improvement Plans
	Housing First Policies for Surplus Land and Selling or Leasing Land at Reduced Cost
Direct Provision	Affordable Housing Development Corporation

Recommendation

It is recommended that Chatham-Kent revise the Accessible Housing target in its Official Plan to: 10% of affordable housing units to be barrier free as per the definition in the Ontario

Building Code.

It is also recommended that it be a policy of Chatham-Kent that 10% of all new affordable units that are subject to an agreement with the municipality for financial assistance or participation in a planning policy initiative be required to be barrier-free as per the definition in the Ontario Building Code.

Note that this recommendation includes all affordable units rather than just units that are part of developments that exceed three storeys.

Summary of Policy Recommendations

The recommendations outlined in the report have been listed below for ease of reference.

Policy	Recommendations
<p>Alternative Planning and Engineering Standards for Affordable Housing</p>	<p>The Municipality of Chatham-Kent has chosen to consider alternative development standards for the development of affordable housing through Official Plan Policy 2.3.4.2.8 e). This policy states that <i>the Municipality shall encourage the provision of affordable housing through considering innovative and alternative residential development standards that facilitate affordable housing and a more compact development form.</i></p> <p>It is recommended that Chatham-Kent maintain its current Official Plan policy direction related to alternative development standards for the development of affordable housing.</p>
<p>Reduced Parking Standards</p>	<p>It is recommended that Chatham-Kent review its Zoning By-law in order to reduce the current requirement of 1.5 spaces per dwelling unit for buildings with more than three dwelling units.</p>
<p>Reduce Parkland Dedication or Cash-in-Lieu</p>	<p>Assuming that Chatham-Kent continues to levy development charges under the <i>Planning Act</i>, and does not enact a community benefits charges by-law, it is recommended that Chatham-Kent add the following provision to Section 2.3.4.2 of the Official Plan:</p> <ul style="list-style-type: none"> • Affordable housing development, or redevelopment, shall be exempt from parkland dedication requirements of the <i>Planning Act</i>. <p>Should Chatham-Kent enact a community benefits charges by-law (which would include a charge for parkland), it is recommended that Chatham-Kent pursue opportunities to waive the portion of the community benefits charge that is related to parkland.</p>

Policy	Recommendations
<p>Zoning/Standards for Second Units</p>	<p>It is recommended that the Municipality update its zoning by-law to clearly comply with the second unit provision in Bill 108, More Homes, More Choices Act, 2019, which requires municipalities to include a provision to allow a second dwelling in both the main dwelling and a dwelling in an ancillary building.</p> <p>It is recommended that the Municipality adhere to the Ontario Building Code (OBC) by revoking the following zoning provisions where they exceed the OBC:</p> <ul style="list-style-type: none"> • 4.7 (2) c) Dwelling Units - Location within Basement or Cellar - No habitable room shall be located within a cellar • 4.7 (3) Dwelling Unit Area (Minimum) <p>It is recommended the following zoning provision be modified to the following:</p> <ul style="list-style-type: none"> • 4.2 Accessory Uses (2) Lot Coverage: The total lot coverage of all accessory buildings or structures on a lot shall not exceed 10% of the lot area of the said lot, except when the accessory building contains a secondary dwelling <p>It is recommended that the following zoning provision be added:</p> <ul style="list-style-type: none"> • Every lot containing an accessory building that contains a secondary dwelling shall provide a minimum of 35% landscaped open space
<p>Pre-zoning</p>	<p>It is recommended that the following additions be made to the Official Plan:</p> <ul style="list-style-type: none"> • It shall be the objective of Chatham-Kent to: <ul style="list-style-type: none"> ○ Support and promote affordable housing on underutilized properties that are no longer being used for the permitted use that are within the Residential or Public Facility designations.

Policy	Recommendations
Condominium Conversion Control	<p>It is recommended that the following provision be added to the Official Plan (in Section 2.3.4):</p> <ul style="list-style-type: none"> • The conversion of rental housing comprised of six or more units to condominium units will not be permitted unless the rental vacancy rate, as reported through CMHC Rental Market Survey, has been at or above 3% for the proceeding three-year reporting period
Demolition Control	<p>It is recommended that the following provision be added to the Official Plan (in Section 2.3.4)</p> <ul style="list-style-type: none"> • The demolition of rental housing comprised of six or more units will not be permitted within the Municipality of Chatham-Kent unless: <ul style="list-style-type: none"> ○ Replacement units are provided if the rents of the units proposed for demolition are at or below the average market rents at the time of the application. ○ Demolition of affordable rental housing units may be permitted in cases where the building is not habitable as deemed by the Municipality’s Chief Building Official.
Waivers of Application Fees and Levies and Deferrals of Development Charges	<p>It is recommended that Chatham-Kent establish a Deferral and Waivers of Application Fees and Development Charges By-Law that states that the Municipality and its agencies, boards, and commissions waive development charges, land use application fees, parks levies, hook-up fees and other charges for non-profit housing developments, not receiving capital funding from the Municipality that exceeds 90% of capital costs, that meet the definition of affordable. It would also state that private housing developments, not receiving capital funding from the Municipality that exceeds 80% of capital costs, that meet the definition of affordable (pro-rated to the proportion of units that meet the affordable definition) would receive a deferral of land use application fees, parks levies, hook-up fees and other charges. The charges would be paid in equal annual installments over a six-year period following the earlier of an occupancy permit or first occupancy, similar to the deferral that is provided for development</p>

Policy	Recommendations
	<p data-bbox="506 237 1357 310">charges for all rental and non-profit housing under Bill 108, More Homes, More Choice Act, 2019.</p> <p data-bbox="506 352 1369 579">Security for Municipal Investments in Affordable Housing: For affordable rental, it is recommended that the contributions be secured by agreement between the development proponent and the Municipality that outlines governing affordability levels and term, tenant income, reporting requirements and repayment in case of non-compliance defaults.</p> <p data-bbox="506 625 1380 737">For affordable ownership, it is recommended that the contributions be secured by a second mortgage to the Municipality so funding returns to the Municipality on re-sale.</p> <p data-bbox="506 783 1385 894">The budget impact on those on the divisions and organizations collecting application fees and development charges would need to be reviewed and analyzed.</p>
<p data-bbox="204 936 435 1010">Grants-In-Lieu of Property Taxes</p>	<p data-bbox="506 936 1219 972">It is recommended that it be a policy of Chatham-Kent:</p> <ul data-bbox="555 1014 1385 1820" style="list-style-type: none"> <li data-bbox="555 1014 1357 1241">• That the Municipality provide a grant-in-lieu of property taxes to new non-profit affordable rental housing developments equivalent to the taxes for municipal and school purposes for up to 25 years, consistent with the term of the associated Municipal Contribution Agreement to be registered on title. <li data-bbox="555 1287 1385 1556">• That the Municipality provide a grant-in-lieu of property taxes to new private affordable rental housing developments of three or more units from taxation for municipal and school purposes for a term of 25 years if not receiving capital funding from the municipality that exceeds 80% of capital costs; and provided that the units remain affordable to the satisfaction of the Municipality. <li data-bbox="555 1602 1349 1713">• The grant would be based on the proportion of units that are affordable and the tax reduction would only be for residential uses (ie. not for commercial uses). <li data-bbox="555 1759 1325 1820">• The grant-in-lieu would be administered by the Finance department.

Policy	Recommendations
<p>Affordable Housing Reserve Fund</p>	<p>It is recommended that it be a policy of Chatham-Kent:</p> <ul style="list-style-type: none"> • To increase the annual Affordable Housing Reserve Fund funding to a minimum of \$1million plus the increase in the average annual Building Construction Price Index of Toronto and Ottawa CMAs as a way of further supporting affordable and supportive housing projects • The level of funding to be provided to any affordable or supportive housing project would be at the discretion of Service Manager/Director, Housing Services
<p>Housing First Policies for Surplus Land and Selling or Leasing Land at Reduced Cost</p>	<p>It is recommended that the Municipality adopt a Housing First Policy and amend its Disposition of Land By-law to apply a “housing first” approach to land disposition that supports affordable housing development.</p> <p>The following amendments are recommended to the Disposition of Land By-Law, under the “Decision to Dispose of Land” section:</p> <ul style="list-style-type: none"> • Staff shall review the Municipality’s land inventory on an annual basis to ensure that unused properties are inventoried, managed effectively and, where appropriate identified as potentially surplus. This includes detailing lands and buildings suitable for housing. • The land inventory listing shall be distributed to Planning Services and Housing Services for review annually. Planning Services and Housing Services will collaboratively give consideration to potential surplus property for housing purposes in accordance with the “Housing First Policy”. • Following their recommendation, the Executive Management Team shall review potential surplus land for the following: <ul style="list-style-type: none"> ○ Whether the land should be designated as surplus ○ How the land should be designated for purposes of describing its use (suitable or not suitable for residential development)

Policy	Recommendations
	<ul style="list-style-type: none"> ○ If not suitable for residential development, whether the use of the proceeds should be in accordance with the Municipality’s “Housing First Policy”. ○ Incentives to be offered with the sale, and criteria for decision-making on the depth of affordability and term of affordability based on incentives being offered. <ul style="list-style-type: none"> ● The Chief Administrative Officer or Executive Management Team will make a recommendation to Council to dispose of the land and whether to identify the land for use under the Municipality’s “Housing First Policy”. <p>The following is recommended as a “Housing First Policy”</p> <ul style="list-style-type: none"> ● When land suitable for residential development, as guided by the Official Plan, is to be disposed it shall be made available through a competitive proposal call to non-profit and private sector developers for the development of affordable housing. Such proposal calls would be the responsibility of the Housing Services Director and/or the Planning Services Director. ● When land not suitable for residential development, as guided by the Official Plan, is disposed of, and has been identified under the Disposition of Land By-Law for use in the Municipality’s “Housing First Policy”, 25% of the net proceeds from the sale shall be placed in the “Housing Reserve” for the purposes of supporting new affordable housing development. Such sales will be the responsibility of the Financial Services Director.
<p>Securing Other Government-Owned Surplus Properties</p>	<p>To support advanced planning, it is recommended that Chatham-Kent consult with federal and provincial government agencies, boards, and commissions with land located in the municipality on an annual basis about land that such agencies may be disposing of in the future. Chatham-Kent should analyze the potential for the land to be used for affordable housing and determine if the municipality would consider purchasing the property that it would later offer for sale for affordable housing. When Chatham-Kent is formally notified of the land disposition it should confirm whether</p>

Policy	Recommendations
	<p data-bbox="505 239 1370 386">purchasing the property is in the strategic interests of Chatham-Kent. If so, staff would recommend to Council that funds from the Affordable Housing Reserve be used to purchase the property for affordable housing.</p> <p data-bbox="505 432 1349 621">This process shall be led by the General Manager of Community Development Department (or his/her designate), in consultation with the General Manager of Community Human Services Department, including both the Director of Planning Services and the Director of Housing Services, as appropriate.</p> <p data-bbox="505 667 1382 856">The Municipal Clerk and/or General Manager of Corporate Services will ensure that any notices received with respect to public lands becoming or being available for purchase or transfer for potential affordable housing use be forthwith delivered to the above noted management staff.</p>
Community Land Trust	<p data-bbox="505 900 1341 968">It is recommended that the following provisions be added to the Official Plan:</p> <ul data-bbox="553 1014 1382 1398" style="list-style-type: none"> <li data-bbox="553 1014 1305 1087">• [Policy 2.3.4.2.8] The Municipality shall encourage the provision of affordable housing through: <ul data-bbox="651 1134 1382 1398" style="list-style-type: none"> <li data-bbox="651 1134 1382 1245">○ [ADD] Supporting non-profit corporations in developing creative options to preserve and develop affordable housing. <li data-bbox="651 1291 1321 1398">○ [ADD] Supporting non-profit corporations in the development of a community land trust for the purpose of developing affordable housing.
Zoning for Supportive Housing	<p data-bbox="505 1446 1346 1556">It is recommended that the Municipality remove specific policies with respect to Group Homes from the Official Plan [2.3.4.2.15], including:</p> <ul data-bbox="553 1560 1357 1791" style="list-style-type: none"> <li data-bbox="553 1560 1357 1598">• Group homes are not to be concentrated in a specific area <li data-bbox="553 1602 1317 1675">• Group homes will be located in Primary and Secondary Urban Centres <li data-bbox="553 1680 1357 1791">• The Zoning By-law will address the separation distances, spatial location, number, type and size of group homes to prevent an undue concentration of group homes

Policy	Recommendations
	<ul style="list-style-type: none"> • Existing facilities that do not comply will not be permitted to expand without a minor variance or zoning by-law amendment • Group homes with any correctional purpose will be treated as an institutional use and not a residential use and require an Official Plan and Zoning by-law amendment. <p>It is recommended that the following provisions be added to the Official Plan:</p> <ul style="list-style-type: none"> • It shall be the policy of Chatham-Kent to: <ul style="list-style-type: none"> d. To cooperate with housing proponents (private and public), and all levels of government to facilitate the development of special needs housing in the Municipality of Chatham-Kent e. To work with housing partners to encourage special needs housing units within new affordable housing developments (as well as any other type of housing developments) f. To permit housing for persons with special needs, through a range of housing types, in all residential land use designations in accordance with Zoning By-law. <p>In order to further reduce barriers to the development and availability of housing options for people with special needs across the Municipality, it is recommended that Chatham-Kent remove reference to ‘Group Homes’, ‘Senior Citizen Dwelling’, ‘Nursing Home’ and ‘Residential Care Facilities’ from the by-law and leave the permissions of housing for people with special needs to existing land-use regulations (i.e. based on housing type and size). A definition and reference to long-term care homes should be added to differentiate this type of facility from other housing. The recommended definition for long-term care home is:</p> <ul style="list-style-type: none"> • Long-term care homes are home-based health care facilities designed for adults who need access to on-site 24-hour nursing care, frequent assistance with activities of daily living and monitoring for safety or well being and are licensed or approved and are governed by the <i>Long-Term Care Homes Act, 2007</i>.

Policy	Recommendations
	<p>It is recommended that the following provision be included within the Zoning By-law in Section 4 – General Provisions for All Zones:</p> <ul style="list-style-type: none"> • Housing with or without supports <ul style="list-style-type: none"> ○ Housing with or without supports are permitted in any dwelling unit or mixed use commercial/residential building allowed in the Zone category and will be subject to provisions of the specific dwelling unit type.
<p>Revise Accessible Housing Target & Require Accessible Housing as Part of Agreements Entered Into for Other Policies</p>	<p>It is recommended that Chatham-Kent revise the Accessible Housing target in its Official Plan to: 10% of affordable housing units to be barrier free as per the definition in the Ontario Building Code.</p> <p>It is also recommended that it be a policy of Chatham-Kent that 10% of all new affordable units that are subject to an agreement with the municipality for financial assistance or participation in a planning policy initiative be required to be barrier-free as per the definition in the Ontario Building Code.</p> <p>Note that this recommendation includes all affordable units rather than just units that are part of developments that exceed three storeys.</p>

Implementation

Performance Measurement

It is recommended that the following indicators be used to measure performance in creating affordable, supportive and accessible housing. Data sources and frequency of reporting have also been outlined. It is recommended that the building permit application form be expanded to ask developers to declare how many of the units are intended to be affordable, supportive or accessible housing.

Performance Indicator	Data Source	Frequency of Reporting
<ul style="list-style-type: none"> • Number of affordable rental housing units created 	Building Department – From Building Permit Applications	Annual
<ul style="list-style-type: none"> • Percent new units created that are affordable rental compared to affordable rental target 	Number from above and target from Housing and Homelessness Plan	Annual
<ul style="list-style-type: none"> • Number of affordable rental housing units receiving incentives or other funding jointly provided by the Municipality 	Housing Services	Annual
<ul style="list-style-type: none"> • Number of affordable ownership units created 	Building Department – From Building Permit Applications	Annual
<ul style="list-style-type: none"> • Percent new units created that are affordable ownership compared to affordable ownership target 	Number from above and target from Housing and Homelessness Plan	Annual
<ul style="list-style-type: none"> • Number of fully accessible units created 	Building Department	Annual
<ul style="list-style-type: none"> • Percent new units created that are accessible compared to accessible housing target 	Number from above and target from Housing and Homelessness Plan	Annual
<ul style="list-style-type: none"> • Number of supportive housing units created 	Building Department – From Building Permit Applications	Annual

<ul style="list-style-type: none"> • Percent new units created that are supportive housing compared to supportive housing target 	Number from above and target from Housing and Homelessness Plan	
<ul style="list-style-type: none"> • Number and percent of renter households in the bottom 60% of renter households incomes in Chatham-Kent without access to affordable housing 	Statistics Canada Census	Every Five Years
<ul style="list-style-type: none"> • Number and percent of owner households in the bottom 60% of households incomes in Chatham-Kent without access to affordable housing 	Statistics Canada Census	Every Five Years

Communication and Marketing Strategies

It is recommended that Chatham-Kent consider using the following communication and marketing strategies to encourage the development of affordable housing.

- Establish an “affordable housing section” on the Municipality’s website
 - Consider including information on various programs and tools, reference to municipal policies and targets, contact information to support affordable housing development, and success stories from the Municipality
- Prepare educational materials and engage in educational outreach to the general public and developers on the topic of affordable housing, “Not In My Back Yard” (NIMBY), and available affordable housing and renovation funding programs
- Prepare education material on topics such as ‘secondary suite-ready housing’ and ‘barrier-free design’
 - Examples include:
 - City of Victoria: <https://www.victoria.ca/assets/Departments/Planning~Development/Development~Services/Documents/secondary-suites-guidelines.pdf>
 - City of Wasaga Beach:

<https://www.wasagabeach.com/Housing%20Documents/A%20Guide%20to%20Second%20dwelling%20Units%20Final.pdf>

- Explore offering information sessions on the value of regular building maintenance
- Incorporate affordable housing, accessible housing, and housing for people with special needs as an area for discussion within the residential development application processes
 - For example, asking developers if they have considered developing affordable housing, and whether they are aware of our current incentives to develop affordable housing?