



## **Staff Report for Council Meeting**

**Date of Meeting:** November 24, 2021

**Report Number:** SRPI.21.089

**Department:** Planning and Infrastructure

**Division:** Policy Planning

**Subject:** **SRPI.21.089 Request for Endorsement –  
Affordable Housing Strategy**

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### **Purpose:**

The purpose of this report is to receive Council endorsement of the Affordable Housing Strategy.

### **Recommendation(s):**

- a) That Council receive staff report SRPI.21.089 regarding Request for Endorsement of Affordable Housing Strategy, and
- b) That Council endorse the Affordable Housing Strategy, attached as Appendix B to staff report SRPI.21.089.

### **Contact Person:**

Chun Chu, Senior Planner, phone number 905-771-5493

### **Report Approval:**

**Submitted by:** Kelvin Kwan, Commissioner of Planning and Infrastructure

**Approved by:** Mary-Anne Dempster, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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### **Background:**

This staff report is supplementary to Staff Report SRPI.21.052, which was shared at the July 7, 2021 Council Meeting. A copy of the Staff Report SRPI.21.052 is attached in Appendix A of this staff report and the recommended Affordable Housing Strategy is provided in Appendix B.

The Affordable Housing Strategy was brought to Council at the July 7<sup>th</sup> Council Meeting. While Council expressed general support for the facilitation of affordable housing, some councillors requested clarification on certain terminologies related to affordable housing. The motion to receive the staff report and to endorse the Strategy failed to carry on a tie-vote. Subsequent to this, there was considerable discussion on the need for affordable housing in Richmond Hill at the September 21, 2021 Official Plan Update Committee. Consequently, staff is returning this matter to Council for receipt of the staff report and endorsement of the Affordable Housing Strategy.

To further assist Council, this staff report provides additional information to respond to questions and comments raised by Council at the July 7<sup>th</sup> Council Meeting, in the sections below sub-titled:

- What is the Purpose of the Affordable Housing Strategy and How Will It Be Implemented?
- Common Housing Terms, and
- Why an Affordable Housing Strategy Now?

### **What is the Purpose of the Affordable Housing Strategy and How Will It Be Implemented?**

As a brief reminder, the Richmond Hill Affordable Housing Strategy outlines Richmond Hill's goals, targets and list of possible actions and tools the City can put into place to address housing gaps and needs in Richmond Hill.

#### **Goals of the Affordable Housing Strategy**

1. Create a range of housing options for seniors to age in place and for younger households to settle or remain in the community;
2. Increase the number of rental and specifically purpose-built rental housing options that are in a good state of repair and affordable to moderate- and- low-income households;
3. Attract new accessible and supportive housing options to Richmond Hill that are suitable for seniors and households with a member with a disability or mental health issue, and
4. Increase the number of ownership options in Richmond Hill that are affordable to moderate-income households.

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### Key Focal Points

#### Moderate Income Households:

Many households in the moderate income percentile are spending more than 30% of their income on shelter costs (20.9% of renter households and 36.1% of owner households). This indicates that there is a need to work with market housing providers to facilitate the development of housing that is affordable to this moderate-income household group.

#### Provision of Adequate and Suitable Housing:

Suitable housing is not only affordable in cost, but also sufficient in size to accommodate the household. Adequate housing is housing that is in a good state of repair. The [Background Report](#) for the Affordable Housing Strategy notes that presently, the vast majority of affordable housing units are in the form of bachelor and one bedroom apartment units. While these units may accommodate 1- and 2-person households, these units are not suitable for households of 3 persons or more. The background report also notes that 3.3% of Richmond Hill housing stock is in need of major repair according to the 2016 Census. This suggests that some of the housing stock is also not meeting the threshold for “adequate.”

### Affordable Housing Tools and Actions

Based upon the research conducted by the City’s consultants along with considerable stakeholder consultation, the Affordable Housing Strategy has identified 7 categories containing a total of 44 actions that can assist in the facilitation of affordable housing. These are noted in Figure 1 below with further details provided in Appendix B.

**Figure 1 – Tools and Actions**

<p><b>1. Implementation Oversight</b> (2 actions)</p> <ul style="list-style-type: none"> <li>Affordable Housing Strategy Implementation Committee</li> <li>Work with York Region to update/develop measuring and reporting tools to monitor progress.</li> </ul>	<p><b>3. Standards Tools</b> (3 actions)</p> <ul style="list-style-type: none"> <li>Parking Requirements</li> <li>Stratification of Parks and Public Spaces</li> <li>Alternative Development Standards</li> </ul>	<p><b>6. Land Inventory</b> (1 action)</p> <ul style="list-style-type: none"> <li>Create an inventory of existing City real estate to be contributed towards affordable housing projects</li> </ul>
<p><b>2. Policy &amp; 4. Regulatory Tools</b> (18 actions)</p> <ul style="list-style-type: none"> <li>Update Official Plan, Corporate Policy, and Zoning and other By-laws to enable:                             <ul style="list-style-type: none"> <li>Designation of Protected Major Transit Station Areas</li> <li>Inclusionary Zoning</li> <li>Community Planning Permit System</li> <li>Rental Demolition and Conversion Control</li> <li>Gentle Density and Multi-tach Zoning</li> <li>Shared Housing / Co-housing</li> <li>Disposition of Public Surplus Lands for Housing</li> <li>Transit Oriented mixed-use Development</li> </ul> </li> </ul>	<p><b>5. Financial Tools</b> (6 actions)</p> <ul style="list-style-type: none"> <li>Loans / Grants in accordance with a Community Improvement Plan</li> <li>Reduced / Defer / Grant-in-lieu of Fees and/or Development Charges (DC) for Affordable Housing Development</li> <li>Community Benefits Charge</li> <li>Levy on Property Tax to Fund Affordable Housing Development</li> <li>Vacant Homes Tax</li> </ul>	<p><b>7. Capacity Building</b> (14 actions)</p> <ul style="list-style-type: none"> <li>Handbook for Developing Affordable Housing</li> <li>Additional Residential Units Guidance Material</li> <li>Reducing Approval Time</li> <li>Education and Training</li> <li>Measurements and Monitoring</li> <li>Build Partnerships</li> </ul>

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### Implementing the Affordable Housing Strategy

Implementation of the Strategy is based upon on a three-step process.

The first **step** involves staff bringing forward to Council specific tools/actions for its consideration and approval for use. Each tool/action when brought forward will be accompanied by an analysis that could include one or more of the following:

- degree of effectiveness;
- cost/benefit analysis;
- timing;
- budget considerations;
- partnership opportunities;
- available grants and funding from other levels of government; and
- other considerations identified by Council.

The introduction of individual tools/actions for Council's consideration will occur in relation to the timing of various related initiatives. As an example, Official Plan policies that can assist in the facilitation of affordable housing will be brought forward through the OP Update.

The second **step** in the Strategy will be the implementation of the Council approved tools/actions. This step will involve putting into effect and administering the various policies, by-laws, standards and programs.

The **third step** will involve a review of the performance of the Strategy's implementation with an eye toward continuous improvement.

Consequently, endorsement of the Strategy will not commit the City to the use of any specific tools at this time, rather, it will identify the range of tools and actions that Council can expect staff to present in greater detail over the next three years. To that end, endorsement of the Strategy provides staff with the necessary direction to pursue the research/consultation that is necessary to present the individual actions/tools to Council for its consideration. Once established, the Affordable Housing Strategy Implementation Committee will play an important role in determining timing of actions, consultation process for each, and their readiness to be brought to Council for approval of specific tools.

### Common Housing Terms

Following from the discussion at the July 7, 2021 Council meeting there was a desire to understand a variety of common housing terms. The following terminology and concepts augment information provided in the Staff Report SRPI.21.052.

#### Household:

"Household" refers to a person or group of persons who occupy the same dwelling. The household may consist of a family group such as a census family, of two or more

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families sharing a dwelling, of a group of unrelated persons, or of a person living alone. ([Statistics Canada](#))

### Low-, Moderate- and High-Income Households

To ensure that affordable housing is provided for all households, the Provincial Policy Statement recommends that municipalities consider all household incomes and group them by percentiles. Households in the 0-30<sup>th</sup> percentile are considered “low-income”, households in the 31-60<sup>th</sup> percentile are considered “moderate income”, and households in the 61-100<sup>th</sup> percentile are considered “high income”. (Figure 1 in Appendix A provides a graph, which groups Richmond Hill households by income percentile using 2019 data.)

### Affordable Housing:

“Affordable housing generally means a housing unit that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are less than 30 per cent of its gross income.” ([CMHC](#))

In addition to “affordable”, CMHC acknowledges that housing should also be suitable (i.e., the size of unit can accommodate the household) and be adequate (i.e., is in good state of repair).

### Affordability:

“Affordability means that the household has the financial ability or means to effectively enter or compete in the housing market.” ([National Housing Strategy Glossary of Terms, CMHC](#)). In other words, can a household compete in a particular market based on the income of the household and the type of unit they wish to rent or purchase.

### Subsidized Housing

Subsidized housing is housing which is usually owned and/or operated by the Region of York or other non-profit housing providers and include housing co-operatives. These organizations typically charge rent at a rate that is equivalent to 30% of the household’s gross income<sup>1</sup>. The majority of these units are apartments and townhouses.

### Supportive Housing

Supportive housing units are administered by various non-profit housing providers who receive financial aid from the Province of Ontario.<sup>2</sup> Supportive housing is provided to households that need **both** financial and personal support in order to be able to live as independently as possible in their community. These households require financial assistance such as rent geared-to-income, rent supplements, and housing allowances. They also need supports that take a variety of forms that vary in intensity, based on people’s unique needs. A few examples of supports include: counselling, personal

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<sup>1</sup> This reduced rent is referred to as rent geared-to-income (RGI), which is typically calculated at 30% of a household’s total gross income. Gross income is income before taxes and deductions are removed.

<sup>2</sup> Source: [Government of Ontario](#)

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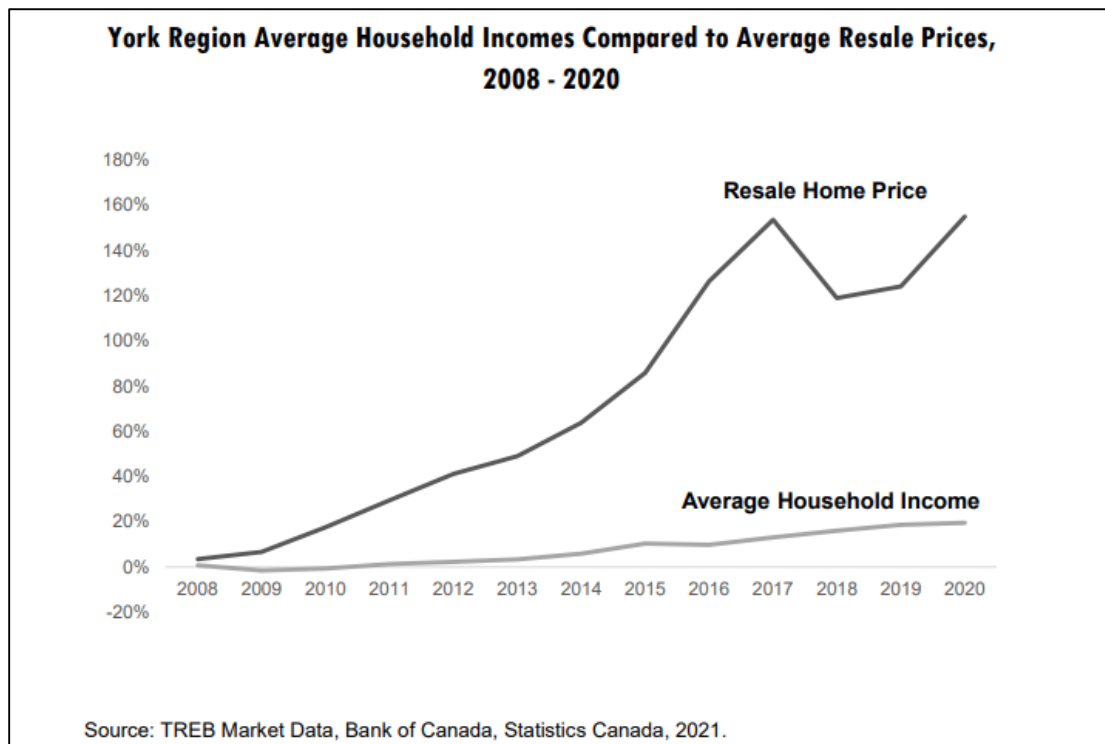
support, case management, income support and assistance, assistance with medication, and life skills training.

It is noted that subsidized and supportive housing are outside the purview of Richmond Hill, however, the [Background Report](#) for the Affordable Housing Strategy notes that there is immense demand for these housing options by those with the deepest needs in our community. In York Region there are more than 12,500 households on the wait list for subsidized housing and more than 500 people on the wait list for supportive housing. Therefore, the City has a role to play in attracting and facilitating the development of these housing types, alongside with other market housing in Richmond Hill.

### Why an Affordable Housing Strategy Now?

Statistics show that, uncurbed, the gap between growth in income and growth in housing cost continues to widen. This is exemplified in Figure 2 below, which compares York Region resale home price growth to household income growth from 2008 to 2020.

**Figure 2: Average Household Income versus Average Housing Prices<sup>3</sup>**



As the gap between housing prices and household income increases, the ability for households to own or rent a home declines. The erosion of affordability<sup>4</sup> has put the

<sup>3</sup> Source: Region of York June 10, 2021, Report of the Commissioner of Corporate Services and Chief Planner, Affordable Housing in York Region 2020 Measuring and Monitoring

<sup>4</sup> As noted above, “affordability” is the financial ability of a household to effectively enter or compete in the housing market, and this ability varies for each household depending on their income. Households with

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City in a great need for affordable housing, both in terms of rental and ownership housing. The Staff Report SRPI.21.052 provides more detail on the state of unaffordability in Richmond Hill.

Affordable housing is also necessary for supporting population growth. According to York Region, the lack of affordable housing contributed to the slower growth in the Region over the past decade. A slower than anticipated growth can adversely affect the recuperation of development charges and the timing of planned infrastructure.<sup>5</sup> As the City embarks on its Official Plan Update, it is vital that we plan for affordable housing in order to attract and retain people and jobs to our City. An Affordable Housing Strategy will help bolster the local economy and propel future growth.

### Next Steps:

After Council endorses the Affordable Housing Strategy, City Staff will begin to implement the Strategy. Some of the immediate steps are to promote the Strategy and to establish the Affordable Housing Strategy Implementation Committee. The Handbook for Affordable Housing Development will also be made publicly available in December. In the near term, the Official Plan Update and the Comprehensive Zoning By-law Review will consider actions in the Strategy and update relevant policies and provisions to support affordable housing. Many of the other actions in the Strategy will require further exploration and their implementation may occur over a longer term.

### Financial/Staffing/Other Implications:

This staff report will not result in any immediate financial impacts, but, the Affordable Housing Strategy contains a number of tools and incentives that may involve the City's resources. However, it should be noted that many of the actions in the Strategy are already a part of current City initiatives that are underway. These include: the Official Plan Update, the Comprehensive Zoning Review, the Parking and Transportation Demand Management Study, Stratification and Public Easement Study, the Community Benefits Charge Strategy, the Parks Plan and related update to the Parkland Dedication By-law, and the Development Charges (DC) Background Study and related update to the DC charges. Consequently, the actions considered in each of the City initiatives to support affordable housing will be absorbed into each respective project budget.

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high-income have a much higher ability to enter and compete in the market, than do households with low or moderate income, because the supply of housing that is affordable to the low and moderate income households is much less. The supply of units (based on assessed value of housing) in comparison to affordability within each decile of household incomes is depicted in Figure 77 on page 137 of the Background Report.

<sup>5</sup> Region of York (2021), Regional Official Plan Update – Housing Challenges and Opportunities, January 14, 2021.

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### **Relationship to Council’s Strategic Priorities 2020-2022:**

The Affordable Housing Strategy supports Council’s Strategic Priority for “A Strong Sense of Belonging” by providing more housing options and creating diverse and inclusive communities.

### **Climate Change Considerations:**

The Affordable Housing Strategy has tools and programs that may impact built form and the natural environment. Some of these tools will also support climate change mitigation. Specifically, the Strategy promotes complete communities by encouraging mixed use and transit-oriented development. These types of development will create compact built forms and reduce automobile dependency while lowering greenhouse gas emissions. Furthermore, the Strategy also recognizes that development that applies sustainable design measures may also have a positive impact on housing affordability as well as provide climate change mitigation over the long term.

### **Conclusion:**

The City is fulfilling its 2019 commitment to developing an Affordable Housing Strategy that if implemented will assist our present and future residents with choice in housing form and tenure. The implementation of the Strategy will put into effect the tools and actions needed to provide housing to accommodate the millennials, the seniors, recent immigrants, and workers in Richmond Hill. Moreover, it will support the City’s growth aspirations and bolster the local economy by attracting and retaining talent and labour.

The Affordable Housing Strategy is a multi-phased and multi-pronged Strategy involving a range of partners. Council’s endorsement of this Strategy will enable City staff to further explore and implement the proposed tools and incentives in order to address the housing gaps in Richmond Hill.

### **Attachments:**

The following attached documents may include scanned images of appendices, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A Staff Report SRPI.21.052 Request for Endorsement – Affordable Housing Strategy (July 7, 2021)
- Appendix B Affordable Housing Strategy



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### Report Approval Details

Document Title:	SRPI.21.089 Request for Endorsement – Affordable Housing Strategy.docx
Attachments:	- SRPI.21.089-Appendix A-Staff Report SRPI.21.052 (July 7, 2021).pdf - SRPI.21.089-Appendix B-Affordable Housing Strategy.pdf
Final Approval Date:	Nov 9, 2021

This report and all of its attachments were approved and signed as outlined below:

**Patrick Lee - Nov 8, 2021 - 4:23 PM**

**Kelvin Kwan - Nov 8, 2021 - 4:59 PM**

**MaryAnne Dempster - Nov 9, 2021 - 3:09 PM**