

# **City of Markham**

## **Affordable and Rental Housing Study**

### **Phase 2: Policy Framework and Recommendations**

---

**Presentation to the Development Services Committee**

February 24, 2020

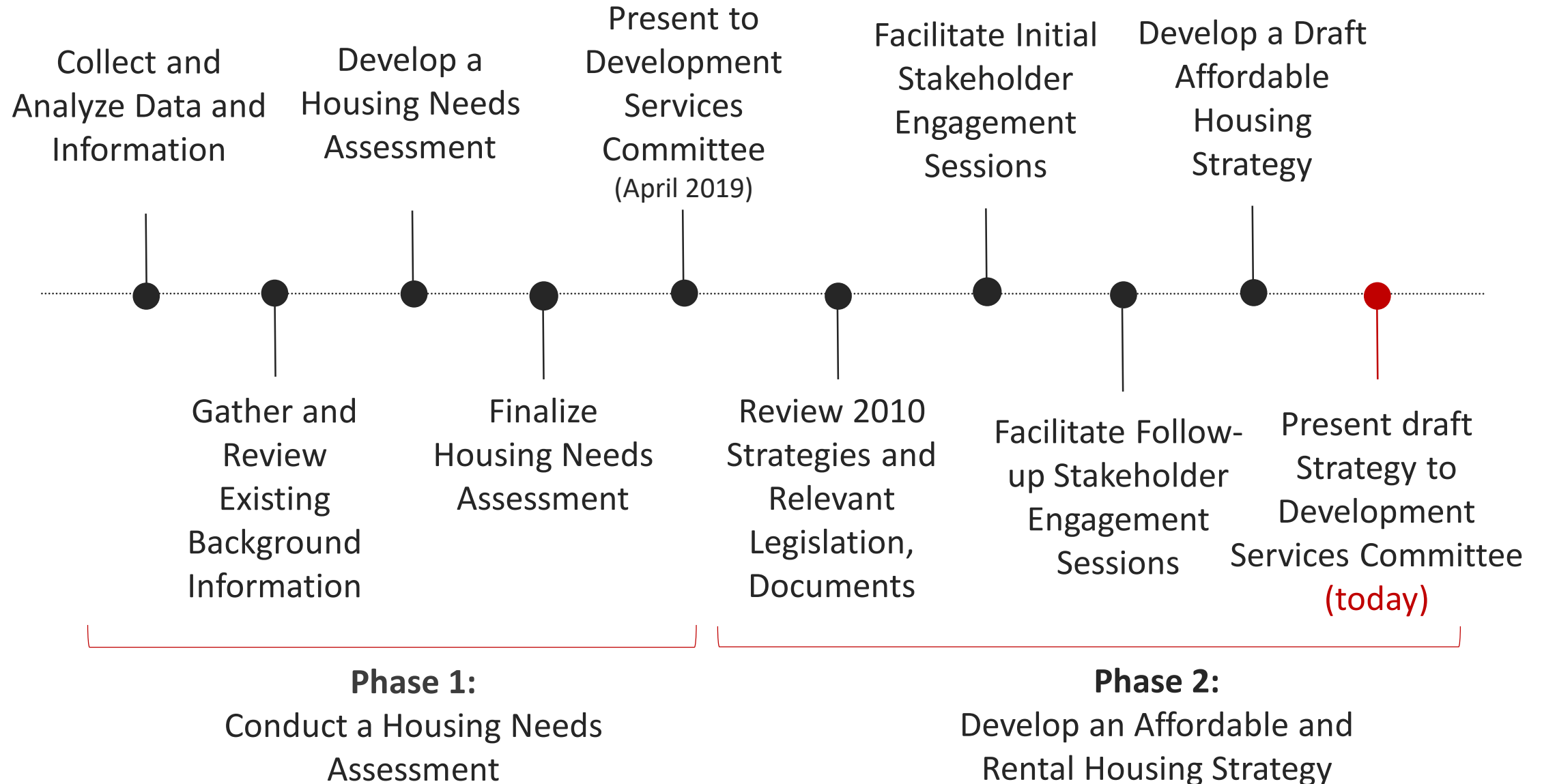


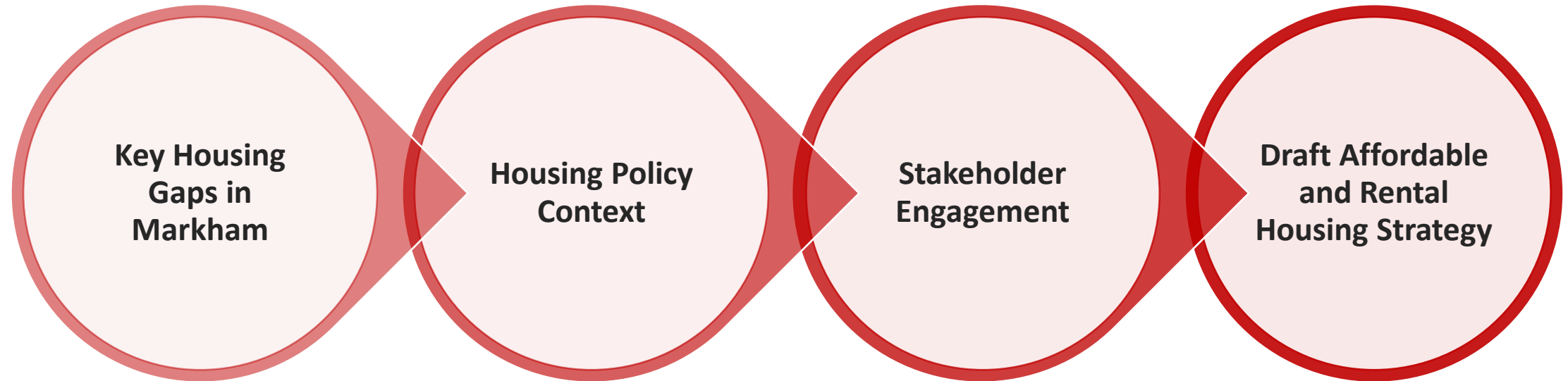
## PURPOSE

- Provide an update on the development of the Markham Affordable and Rental Housing strategy
- Present the findings of the Phase 2: Policy Framework and Recommendations Report
- Present the recommended actions in the draft Affordable and Rental Housing Strategy
- Discuss next steps

**PROCESS**

**Developing the Markham Affordable and Rental Housing Strategy**





- What is 'Affordable' in Markham
- Key housing gaps in Markham from the Phase 1 Needs Assessment

- Federal, Provincial, Regional and City Policies and Initiatives
- Roles of housing partners

- Stakeholder engagement June to December 2019
- Representatives from the development industry, non-profit housing providers, and staff from Regional, Provincial, and Federal levels of government

- Vision
- Goals
- 36 recommended actions in 5 theme areas
- Recommended inclusionary zoning framework

# Markham's Housing Needs

# Defining Affordable Housing in Markham

## Affordable Price Thresholds; 2018

	Rental 80% AMR	Rental 100% AMR	Ownership
100 <sup>th</sup>			
90 <sup>th</sup>			
80 <sup>th</sup>			
70 <sup>th</sup>			
60 <sup>th</sup>	<b>\$1,070</b>	<b>\$1,337</b>	<b>\$471,008</b>
50 <sup>th</sup>			
40 <sup>th</sup>			
30 <sup>th</sup>			
20 <sup>th</sup>			
10 <sup>th</sup>			

housing that costs **less than 30% of household income** for the lowest 60% of household income levels

80% AMR – used for provincial programs  
100% AMR – meets PPS and Markham OP definitions

### Purpose-Built

Rental  
125% AMR  
**\$1,671**

### Housing Gap 1

There is a need for more **housing options that are affordable to households with low incomes and persons needing supports** to live independently and these options should include smaller dwelling units, family-sized units, and housing to facilitate aging in place.

### Housing Gap 2

There is a need to encourage the development of **ownership options that are affordable to households with moderate incomes** and that are appropriate for larger households.

### Housing Gap 3

There is a need to increase the number of **purpose-built rental housing units** in Markham.

# HOUSING GAPS

## Summary

	Low Income Households (1 <sup>st</sup> – 3 <sup>rd</sup> Income Deciles)	Moderate Income Households (4 <sup>th</sup> – 6 <sup>th</sup> Income Deciles)	High Income Households (7 <sup>th</sup> – 10 <sup>th</sup> Deciles)				
Number of Households	35,690 households (32.7%)	33,315 households (30.5%)	40,070 households (36.7%)				
Household Income	\$63,494 or less	\$63,495 - \$122,290	\$122,291+				
What they can Afford	max. rent = \$1,587    max. house price = \$244,551	max. rent = \$3,057 max. house price = \$471,008	rent = \$3,058+ price = \$471,009+				
Housing Supply	Emergency and Transitional Housing	Supportive Housing	Community Housing	Affordable Rental Housing	Affordable Ownership Housing	Market Rental Housing	Market Ownership Housing
What Housing is Currently Available	1,090 subsidized and market-rate units in subsidized buildings, 120 subsidized and market-rate units in AHP/IAH buildings, 80 rent supplement units, 1,008 ownership units, 1,627 primary rental units (+/- 3,900 total)			17,400 ownership units, 9,800+ secondary rental market units (+/- 27,200 units)		81,670 ownership units, 2,750+ secondary rental market units (+/- 84,420 units)	
Markham's Need							
Who is in Need							
Spending 30%+	26,460+ households (74.1%)			9,600+ households (28.9%)		1,320+ households (3.3%)	
Spending 50%+	17,720+ households (49.6%)			1,640+ households (4.9%)			
Core Need	16,000+ households (45.1%)			530+ households (1.6%)			
Household Types	couples with children, lone parents, non-family 2+ persons, Indigenous, youth, other family households, persons with disabilities			couples with children, immigrants, youth, other family households		persons living alone, non-family 2+ persons, persons with physical and/or cognitive disabilities, youth	
What Housing is Required	community housing, affordable rental (including family-sized and smaller units), accessible units and units with supports			affordable and market-rate rental (including family-sized and smaller units), family-sized affordable ownership (including medium and high-density units)		market rental and ownership (including family-sized and smaller units), accessible units with supports	



# What We Heard

## Who We Engaged With

- Private residential developers in Markham
- Non-profit housing providers/developers and support service providers in York Region
- Ratepayers Associations Representatives
- CMHC staff
- Province of Ontario staff
- York Region staff
- City of Markham staff

## Key Messages from Stakeholders

- Ensure policies support the development of complete communities, including housing for families, people with disabilities, small households, the aging population, and households with low incomes
- Educate and raise awareness of the need for a broad range of housing, including affordable housing, in Markham
- Make the inclusionary zoning policy flexible and monitor it on a regular basis to evaluate its effectiveness
- Provide incentives to encourage the development of affordable and purpose-built rental housing
- Use land and resources more efficiently through land sharing and repurposing vacant or underutilized sites and buildings

# **Recommended Draft Affordable and Rental Housing Strategy**

To support the social and economic vitality of the City of Markham through the facilitation and provision of a range of housing options (by type, tenure and affordability) for Markham residents and workers throughout their lifetime, in order to sustain a more complete community.

**Goal 1**

Increase the supply of **affordable rental housing options**, particularly for small and larger households with low incomes\* and that meet their needs in terms of size, accessibility and support services.

**Goal 2**

Stimulate the development of **ownership housing options**, particularly larger options for families, which are **affordable to households with moderate incomes\*\*** as well as households with low incomes where feasible.

**Goal 3**

Expand the supply of **purpose-built rental market units** throughout Markham.

\*Households with low incomes earn \$63,494 or less in 2018 and can afford monthly rent of up to \$1,587

\*\* Households with moderate incomes earn between \$63,495 and \$122,290 and can afford a house price of up to \$471,008

Policy	Financial Incentives	Advocacy	Partnerships	Education
14	3	13	3	3
Total Actions <b>36</b>				

**Policy**

- Setting **annual housing targets** by type, tenure and affordability (based on unit size) (action #1)
- **Refining the definition** of affordable ownership (action #2)
- Developing and implementing an **inclusionary zoning policy** (action #3 and #4)
- Ensuring that there are no barriers to **home sharing and innovative housing forms** (action #5, 6, 7 and 13)
- Reducing **parking requirements** where appropriate (action #8 and #9)



**Policy**

- Licensing **short term rental housing** (action #11)
- Using **surplus land** for affordable and supportive housing (action #12)
- Continuing to **support projects receiving government funding** (action #14)

## Financial Incentives

- Considering an **incentive package** for affordable housing and/or supportive housing outside of inclusionary zoning areas (action #15)
- Consider supporting projects with **energy efficiency and sustainability features** beyond OBC requirements (action #16)
- Consider identifying a **program to fund incentives** (action #17)

## Advocacy

- Advocating to the federal government to expand the **National Housing Co-Investment Fund and First-Time Home Buyer Incentive** (actions #18 – 20)
- Advocating to the federal and provincial governments on **HST, Canada Housing Benefit, and aligning application processes** (actions #21 – 23)

## Advocacy

- Advocating to the CMHC to create a **fixed-interest mortgage** (action #24)
- Advocating to the provincial government to increase **capital funding for affordable housing, share the non-resident tax revenue, provide land, streamline approval processes, and monitor inclusionary zoning** (actions #25 – 29)
- Advocating to the Region to develop a **home sharing pilot program** (action #30)

## Partnerships

- Managing and/or redeveloping **vacant or underused property** owned by faith groups, governments, and others for affordable and supportive housing (action #31 and 32)
- Supporting social enterprises which provide **employment opportunities** for residents of affordable housing projects (action #33)

## Education

- Increasing awareness of the **need for affordable housing and purpose-built rental housing** (action #34)
- **Increasing capacity** to build affordable and supportive housing (action #35)
- Promoting alternative forms of **affordable home ownership** (action #36)

# **Recommended Inclusionary Zoning Framework**

### Recommended Action

**Recommended action #3:** Develop and incorporate an **inclusionary zoning policy** in the Official Plan as well as an **inclusionary zoning by-law** for major transit station areas (MTSAs) in Markham.

**Inclusionary zoning** is a tool that has been used by municipalities to increase the supply of affordable housing. Developers are typically required to dedicate a proportion of new residential developments to affordable housing.



### Recommended Framework

- Location
  - Major transit station areas (MTSAs)** and areas where the Minister orders a **community planning permit system (CPPS)**
- Size of developments inclusionary zoning will be applied to
  - 100+ units**
- Required affordable housing contribution
  - Ownership = 10%**
  - Rented Condominium units = 5%**
  - Not applicable to purpose-built rental units**
  - Preference for units to be provided on-site, proposed **off-site units** would require **higher contributions**

### Recommended Framework

- Unit sizes: **minimum 40% 2- and 3-bedroom units**
- Affordability period: **perpetuity or minimum 25 years + phase out**
- Eligible Incomes and Unit Prices: **3rd to the 6th income deciles (\$45,988 to \$122,290 in 2018)**

Unit Size	Maximum Rent	Maximum House Price	Affordable to decile
Bachelor	\$1,029	\$244,551	3 <sup>rd</sup>
1-Bedroom	\$1,373	\$315,057	4 <sup>th</sup>
2-Bedroom	\$1,544	\$389,576	5 <sup>th</sup>
3-Bedroom+	\$1,639	\$471,008	6 <sup>th</sup>

### Recommended Framework

- The inclusionary zoning policy and/or by-law should include provisions for monitoring the impact of the policy at least every 5 years
- The recommended timing coincides with the Planning Act requirement to prepare an updated needs assessment at least every 5 years
- The inclusionary zoning regulation requires a status report be provided to Council every 2 years to track performance
- An inclusionary zoning policy based on this framework will be brought to Council in the coming months

# Next Steps

## NEXT STEPS

- Public consultations (Spring 2020)
- Housing Summit (March 2020)
- Report back to the Development Services Committee with the Final Affordable and Rental Housing Strategy
- Preparation of the inclusionary zoning Official Plan policy and by-law

# THANK YOU!

Please let us know if you have any questions or comments.

**Darryl Lyons**  
[dlyons@markham.ca](mailto:dlyons@markham.ca)

**Christine Pacini**  
[cpacini@shs-inc.ca](mailto:cpacini@shs-inc.ca)