

City of Markham
**Affordable and Rental
Housing Study**
Phase 2: Policy Framework and
Recommendations

February 2020

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Project Team

The Markham Affordable and Rental Housing Study was undertaken by SHS Consulting. The project team for this study was:

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Introduction

Background

The City of Markham is one of nine local municipalities in York Region and it is the largest of these municipalities. It is also one of the most diverse communities in Canada.

While the City is a lower tier municipality without a dedicated housing department or program funding, it has been actively working to identify and address the housing needs of its residents for the last twenty years. Markham has been doing this through the development of an extremely supportive policy framework as well as the provision of financial and in-kind incentives.

In 2003, based on the work of the Markham Task Force on Affordable Housing, Markham Council adopted an Affordable and Rental Housing Strategy which supported the provision of affordable and rental housing and defined an advocacy, partnership, policy and financial role for the City.

Markham subsequently undertook a detailed housing stock analysis, and in 2010 developed a draft Affordable and Special Needs Housing Strategy which assessed the City's existing role in the provision of affordable and shared housing. The draft Strategy provided a new policy framework for housing for the new Official Plan being developed at the time, and also

provided a recommendation for a further review of City policies related to special needs housing and shared housing. This led to the work on the Shared and Supportive Housing Policy Review in 2011 which examined existing policies and put forth recommendations related to shared housing forms and the demolition and conversion of rental housing.

Markham's new Official Plan 2014 includes housing objectives and policies to increase the diversity of housing type and tenure and affordable housing options throughout the City.

Since the completion of Markham's draft Affordable and Special Needs Housing Strategy in 2011, there have been several policy changes and funding programs introduced by the Federal and Provincial governments. As such, Markham City Council, in September 2018, directed staff to report back on an updated Affordable and Rental Housing Strategy for the City of Markham, including options for inclusionary zoning and additional financial incentives, in response to new senior government initiatives. The Region has also recently updated its 10-year Housing Plan and introduced additional actions and incentives to support the development of affordable housing and market-rate rental housing.

Purpose of the Study

The purpose of this study is to build on previous work and identify current and emerging housing needs in Markham, particularly as it relates to affordable housing and purpose-built rental housing. This study will also inform the development of the draft Affordable and Rental Housing Strategy for Council's consideration.

Approach to the Study

The update to Markham's Affordable and Rental Housing strategy has been undertaken in two phases. The first phase consisted of a housing needs assessment report that identified housing gaps in the City. Phase 2 of the study looks at recommended tools and incentives, including inclusionary zoning, which the City can use to help address the identified housing gaps. This report summarizes the key housing gaps identified in the housing needs assessment undertaken in Phase 1, reviews housing initiatives at other levels of government, and provides recommendations on actions the City can take to address affordable and rental housing, including a proposed approach to inclusionary zoning. The recommendations in this report are intended to form the basis of an updated Affordable and Rental Housing Strategy.

Engagement Activities

In addition to a scan of promising practices and a review of the policy framework, the second phase of this study involved a number of engagement activities with a broad range of housing stakeholders.

- Meetings with City and York Region staff – Meetings were undertaken with City and Region staff from the Planning and Finance departments to discuss the approach to developing the recommended policies, including the proposed inclusionary zoning policy, as well as potential incentives to encourage the development of purpose-built market and affordable rental housing.
- Development Industry Meetings – A workshop with a small group of active private residential developers in Markham was undertaken on June 7th, 2019 to present the key findings from the needs assessment and discuss ideas for the draft inclusionary zoning policy and other actions. In addition, one-on-one meetings were undertaken with each developer to allow for a more in-depth discussion on the potential inclusionary zoning policy as well as other actions which would encourage the development of purpose-built market rental and affordable housing in Markham. City staff, the Mayor, and consultants met with a total of 7 residential developers. Developers were also provided the opportunity to submit further input after the meetings. A second workshop was held on September

20th, 2019 to present the draft recommendations of the Phase 2 work, including the inclusionary zoning policy approach and to offer developers another opportunity to provide feedback.

- Non-Profit Agencies Session – A workshop with non-profit housing providers, community agencies, faith groups, and residents' associations was held on June 7th, 2019 to present the key findings from the needs assessment and discuss ideas for encouraging the development of affordable housing as well as building capacity in the non-profit sector.
- Additional Meetings – City Staff undertook additional meetings with municipal staff from other jurisdictions to better understand the different approaches to implementing inclusionary zoning as well as encouraging the development of affordable housing. These meetings were undertaken with municipal staff from the Cities of Toronto, Victoria, Montreal, and New York.
- Regional, Provincial and Federal Staff Session – A workshop was undertaken on October 8, 2019 to discuss and receive feedback on draft recommendations, including inclusionary zoning, as well as to learn more about initiatives of senior levels of government and explore opportunities for collaborations.

Key Housing Gaps in Markham

What is ‘Affordable’ in Markham

The 2014 Markham Official Plan defines **affordable housing** as:

In the case of **ownership housing**, the least expensive of:

- Housing for which the purchase price results in annual accommodation costs not exceeding 30% of gross annual household income for low and moderate income households; or
- Housing for which the purchase price is at least 10% below the average purchase price for a resale unit in the regional market area;

In the case of **rental housing**, the least expensive of:

- A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income households; or
- A unit for which the rent is at or below the average market rent of a unit in the regional market area.

This definition is consistent with the definition in the Provincial Policy Statement, 2014 (PPS). For the purposes of this definition, “low and moderate income households” means in the case of ownership housing, households with incomes in the lowest 60% of the income distribution for Markham with

particular attention to households in the lowest 30% of the income distribution or, in the case of rental housing, households with incomes in the lowest 60% of the income distribution for rental households in Markham with particular attention to the households in the lowest 30% of the income distribution.

In 2018, this means ownership housing which is priced at a maximum of **\$471,008** for the lowest 60% of the income distribution (also referred to in this report as households with moderate incomes) and a maximum house price of **\$244,551** for the lowest 30% of the income distribution (households with low incomes).

For rental housing, this means rents of no more than **\$1,337** which is the average market rent in Markham.

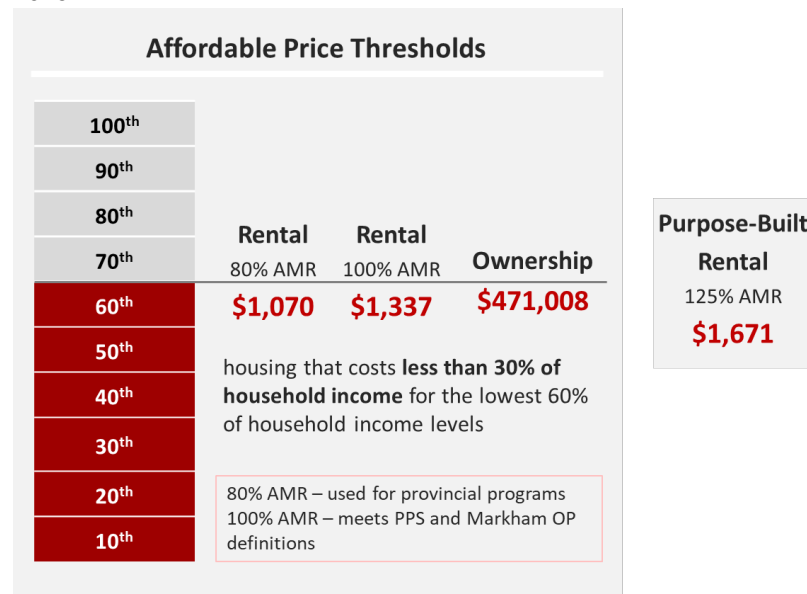
Table 1: Affordable Price Thresholds in Markham; 2018

Ownership	Rental
Moderate Income Households = \$471,008	\$1,337
Low Income Households = \$244,551	

It should be noted that some federal and provincial programs use 80% of average market rent, based on bedroom size, as the definition of affordable. In addition, the Region uses 125%

of average market rent (\$1,671) to determine the average rents for purpose-built rental housing. As such, these definitions should also be considered to ensure that any Markham policies would be supportive of funding programs of senior levels of government.

Figure 1: Affordable Price Thresholds by Household Income Percentiles; 2018



Source: 2014 Markham Official Plan, CMHC Rental Market Report, and affordable house price based on Statistics Canada custom tabulation data.

In addition, this study also uses core housing need as an indicator of housing affordability. According to CMHC and

Statistics Canada, a household is in 'core housing need' if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable, i.e. that meets all three housing standards¹.

¹ Adequate housing is housing that does not need any major repairs; affordable housing has shelter costs equal to less than 30% of total before-tax household income; and, suitable housing has enough bedrooms for the

size and composition of resident households according to National Occupancy Standard (NOC) requirements.

Housing Gaps from the Needs Assessment

A housing needs assessment was undertaken as part of the Phase 1 work of this study. This needs assessment identified a number of housing gaps in Markham. These gaps and findings are summarized below.

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.

The significant number of households with low incomes who are facing housing affordability issues and are in core housing need demonstrate the need for more options which are affordable to households with low incomes. In 2016, 34.3% of all Markham households were spending 30% or more of their gross household income on housing costs and 17.8% of all Markham households were spending 50% or more of their income on housing costs. Furthermore, 15.3% were in core housing need. In addition, 74.1% of households with low incomes were spending 30% or more of their household income on housing costs, 52.4% of households with low incomes were spending 50% or more, and 45.1% were in core housing need.

The need for more housing options which are affordable to households with low income is further supported by the large number of households on the centralized wait list for subsidized housing (16,058 in early 2019) as well as the long wait times. While recent changes in the Region's income and asset limits are expected to decrease the number of households on the wait list, there is still a need for affordable units.

Furthermore, households with three or more persons currently make up the majority of households in Markham, although smaller households and senior-led households are increasing at a much faster rate. Larger households require larger units which are also less affordable. For example, a two-bedroom unit in the primary rental market would only be affordable to renter households with

Who is in need in Markham



Maria - Single Senior with a disability

Maria has been a Markham resident for many years. She owned her home but had to sell it as her pension wasn't enough to cover the costs of maintaining it. She also needs some help but has limited savings so needs to find a rental apartment with supports that she can afford.

Income – Low (1st Decile)
\$22,914 per year

Max Rent*
\$573

Housing Need
1-bedroom unit in a seniors
apartment building with supports

Market Rent
\$1,213

incomes in the 7th income decile (i.e. the 7th income category of all renter households) and a two-bedroom rented condominium unit would only be affordable to renter households with incomes in the 8th income decile. As such, any new affordable rental units should include units for families.

Additionally, while the total number of households in Markham increased by 33.0% from 2006 to 2016, senior-led households increased by 89.0% from 2006 to 2016. Households led by older adults (aged 45 to 64 years) also made up the largest share of households in 2016 at 47.6% of all Markham households. This means the need for seniors housing options and options to facilitate aging in place is increasing and will continue to increase in the next ten years.

Smaller households, those with one and two people, increased by 57.4% from 2006 to 2016. In comparison, households with three or more people increased by 21.1% during the same time period.

There are also many households in Markham with a member who has a disability or experiences limitations to their daily activities. In 2016, 17.5% of all Markham households had a member with a physical disability; 4.4% had a member with a cognitive disability; 4.3% had a member with a mental health issue; and 13.8% had a member with other health conditions.

This means that any new units added to the supply of affordable housing for households with low incomes should include larger units for families, units for smaller households, units with accessibility features to facilitate aging in place and for persons with physical disabilities, and units with supports to allow people with disabilities to live independently.

Who is in need in Markham



Sharon - Single Mother with 2 Children

Sharon is a single mother with two children, Jen and Thomas. Sharon has been struggling to find work that allows her to combine her duties as a mother and a single income earner and has been trying to find a rental apartment that suits the family's needs.

Income – Low (2nd Decile)
\$38,726 per year

Max. Rent
\$968

Housing Need
3-bedroom rental apartment

Market Rent
\$1,538

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.

Tax assessment data for 2018 from the City shows that some housing options which are affordable to households with moderate incomes are available in Markham. However, most of these options are smaller condominium apartments, which would only be appropriate for one- and two-person households. In addition, the Region's 2018 monitoring report shows that new ownership units built in Markham are only affordable to households with moderate incomes. These units made up 24% (358 units) of all new units built in Markham in 2018; which is below the Regional targets of 35% of all new units built in the Regional centres and corridors and 25% in other areas. Furthermore, these units were only affordable to households with incomes in the 6th income decile. There were no ownership units built in Markham in 2018 which were affordable to households with incomes in the 5th or 4th income deciles. Additionally, of the 358 affordable units built in Markham, most (351 units) were one-bedroom units in high-density developments. Only 3 units had two bedrooms and there were only two ground-related units.

This suggests that families and larger households who need more than one bedroom will likely have to spend a greater share of their household income on housing costs. As such, the City and Region may want to focus efforts on encouraging the development of ownership options that are affordable to larger households, including families with children. While smaller households are increasing at a much faster rate, the majority of households in Markham are still larger households. It should be noted that the need for ownership housing options for households with moderate incomes was also consistent with the findings from the 2010 housing needs assessment.

Who is in need in Markham



Ruby and Dennis – Couple with 2 Children

Ruby and Dennis are a young couple with two children. Dennis is full-time employed as a bank teller and Ruby works as a customer service representative. They would like to move out of their 2-bedroom condo to make room for their growing family.

Income – Moderate (6th Decile)
\$114,875 per year

Max Price
\$442,446

Housing Need
3-bedroom ownership townhouse

Avg. Price
\$752,586

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

The rental vacancy rate (1.2% in 2019) and the very limited supply of units in the primary rental market demonstrate a need for increasing the supply of these units. A vacancy rate of 3% is considered a 'healthy' vacancy rate where there is a balance between demand and supply. However, Markham's rental vacancy rate has been below 3% for the last ten years. While home ownership may be the ideal for some households, rental housing provides more flexibility, requires less maintenance, and is generally more affordable for households with low and moderate incomes. As such, it may be the better option for young adults just starting their careers, people who move to Markham for work especially in lower paying occupations, people living alone or with roommates, and seniors who wish to downsize. It is particularly important to encourage the development of primary market rental units as these are much more stable compared to rental units in the secondary rental market. Furthermore, adding to the supply in the primary rental market may encourage some households to move to newer rental units which would then free up some of the more affordable units that currently exist. However, the Region's monitoring report found that only 25 new purpose-built rental units were added in York Region in 2018 and none of these units were in Markham. Only three units were added to Markham's rental housing supply in 2018 and these were all second suites².

Summary of Housing Gaps

Figure 2 (below) summarizes the key housing gaps in Markham. It shows the estimated number of households in Markham in 2018, the proportion of households with low, moderate and high incomes who are facing housing affordability issues, and the household types who are more likely to be in need.

The figure also shows what households in each income category (based on York Region household incomes) can afford in terms of monthly rents and house prices and what is currently available to them in terms of housing options in Markham. As the figure demonstrates, the affordable rental threshold (i.e. \$1,337) falls within the low-income category while the affordable ownership housing threshold (i.e. \$471,008) is the maximum price affordable to households with moderate incomes.

² York Region (June 2019). Measuring and Monitoring 2018 Housing Affordability in York Region.

Figure 2: Summary of Housing Gaps within the Housing System in Markham; 2018

	Low Income Households (1 st – 3 rd Income Deciles)				Moderate Income Households (4 th – 6 th Income Deciles)		High Income Households (7 th – 10 th 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%)		persons living alone, non-family 2+ persons, persons with physical and/or cognitive disabilities, youth
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		
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

Source: Statistics 2016 Canada Custom Tabulation data, household projections from the Regional Municipality of York, CMHC Rental Market Report: Greater Toronto Area 2018, City of Markham tax assessment data

Notes: Household counts have been estimated for 2018 based on the household projections provided by the Regional Municipality of York but proportions in housing need are based on 2015 Statistics Canada data. The number of units in the secondary rental market affordable to households with moderate incomes has been assumed based on the proportion of rented dwellings other than single and semi-detached rented dwellings. The number of units in the secondary rental market affordable to households with high incomes has been assumed based on the proportion of rented single detached and semi-detached dwellings.

Housing Policy Context

Housing in Canada operates within a framework of legislation, policies and programs. This section provides an overview of the planning and housing policies which influence the development of affordable and market-rate rental housing in Markham.

Federal Policies and Initiatives

National Housing Strategy

The [National Housing Strategy](#) is a federal strategy introduced in 2017. It sets out a vision for housing in Canada which is “Canadians have housing that meets their needs and they can afford. Affordable housing is a cornerstone of sustainable, inclusive communities and a Canadian economy where we can prosper and thrive.”

The National Housing Strategy also identified the following housing targets.

- 530,000 households removed from housing need
- 385,000 households protected from losing an affordable home and another 50,000 benefitting from an expansion of community housing
- 300,000 existing housing units repaired and renewed
- 50% reduction in estimated number of chronically homeless shelter users
- 100,000 new housing units created

- 300,000 households provided with affordability through the Canada Housing Benefit.

These targets are intended to be met through a \$40 billion joint investment provided through the following programs and initiatives.

- Federal Community Housing Initiative
- Canada Community Housing Initiative
- Homelessness programming
- Improving homeownership options for Canadians
- National Housing Co-Investment Fund
- Federal lands for affordable housing
- Rental Construction Financing
- Federal-Provincial/Territorial Housing Partnership
- Distinctions-based Indigenous Strategies
- Canada Housing Benefit
- Evidence-based housing: research, data and demonstrations.

This funding is administered by CMHC and provided through several initiatives such as:

- the National Housing Co-Investment Fund, which provides low-cost loans and/or financial contributions to support and develop new mixed-income, mixed-tenure, mixed-use affordable housing;
- the Rental Housing Construction Financing Program, which provides low cost loans to encourage the development of new purpose-built rental housing;

- the Affordable Housing Innovation Fund, which provides funding for unique and innovative building techniques that revolutionize the affordable housing sector; and
- the Federal Lands Initiative, which provides surplus federal lands and buildings for the creation of affordable housing.

In addition, CMHC has increased the maximum amount available through the Seed Funding Program, which provides interest-free loans and grants to help with the costs related to pre-development activities for new affordable and rental housing construction projects.

The National Housing Strategy takes a human rights-based approach to housing as part of Canada’s commitment to realize the right to adequate housing as part of an adequate standard of living for all its citizens. As part of this approach, the Strategy prioritizes those in need while covering the whole spectrum of housing needs.

2019 Federal Budget

The [2019 federal budget](#) focuses on increasing the supply of housing as well as helping middle class families find affordable housing. Housing-related funding in the budget include the following.

- First-Time Home Buyer Incentive – this incentive aims to help make home ownership more affordable for first-time home buyers who have the minimum down payment for an insured mortgage by providing them with the ability to apply to finance a portion of their home purchase through

a shared equity mortgage with CMHC. Qualified first-time home buyers would be offered a 10% shared equity mortgage for a newly constructed home or 5% for an existing home. Since no ongoing payments would be required with the incentive, households would have lower monthly mortgage payments.

- Increasing the Home Buyer’s Plan withdrawal limit from \$25,000 to \$35,000.
- Rental Construction Financing Initiative – additional \$10 billion in funding over nine years, extending the program until 2027 – 2028.
- Housing Supply Challenge – funding of \$300 million for groups who propose initiatives which break down barriers limiting new housing.

Provincial Policies and Initiatives

Provincial Policy Statement

The [Provincial Policy Statement](#) (PPS) outlines the Province’s policies on land use planning and is issued under Section 3 of the Planning Act. It provides policy direction on land use planning to promote strong, healthy communities and all local decisions affecting land use planning matters “shall be consistent with” the PPS.

A review of the PPS was included as part of the Housing Supply Action Plan. The Province released its proposed changes to the PPS for public comment in July 2019. To date, an updated PPS has not yet been released.

[Proposed policies](#) related to increasing the housing supply and mix include the following. More details are available on the Environmental Registry website.

- Increase land supply requirements for municipalities
 - Increase the planning horizon from 20 to 25 years
 - Increase residential land supply from a minimum of 10 years to 12 years
 - Allow for higher minimum requirements for serviced residential land of 5 years for upper- and single-tier municipalities
- Update provincial guidance to support land budgeting
- Increase flexibility for municipalities related to the phasing of development and compact form
- Add flexibility to the process for settlement area boundary expansions
- Require transit-supportive development and prioritizing intensification in proximity to transit
- Support the development of housing to meet current and future housing needs and adding reference to housing options
- Support municipalities in achieving affordable housing targets by requiring alignment with Housing and Homelessness Plans
- Broaden PPS policies to enhance support for development of long-term care homes.
- Require municipalities to take action to fast track development applications for certain proposals, including housing

A Place to Grow: Growth Plan for the Greater Golden Horseshoe

In January 2019, the Province released [A Place to Grow](#), which replaced the Growth Plan for the Greater Golden Horseshoe, 2017. This 2019 Growth Plan came into effect on May 16, 2019. A Place to Grow will help manage growth so communities in the Greater Golden Horseshoe develop in ways that expand economic opportunity, increase housing supply and protect jobs while maintaining the protections for the Greenbelt, agricultural lands, and cultural and natural heritage systems. The time horizon for A Place to Grow is 2041.

The 2006 Growth Plan identified 25 urban growth centres and this Plan continues to recognize those urban growth centres as regional focal points for accommodating population and employment growth.

The Plan (2.2.1) states that the majority of growth will be directed to settlement areas. Within these settlement areas, growth will be focused in delineated built-up areas; strategic growth areas; locations with existing or planned transit with a priority on higher order transit; and areas with existing or planned public service facilities. The Plan also states that applying the policies will support the achievement of complete communities which feature a diverse mix of land uses and provide a diverse range and mix of housing options, including second units and affordable housing.

Intensification

The Plan identifies a minimum intensification target for the delineated built-up areas (2.2.2), including areas within York Region. A minimum of 50% of all residential development occurring annually will be within the delineated built-up areas. In addition, the Plan identifies minimum density targets for urban growth centres (2.2.3) and transit corridors and station areas (2.2.4). The Plan requires that the urban growth centres, including Markham Centre and Richmond Hill Centre/Langstaff Gateway be planned to achieve a minimum density of 200 residents and jobs combined per hectare by 2031. Major transit station areas served by subways are also required to achieve a minimum density target of 200 residents and jobs combined per hectare. Areas served by light rail transit or bus rapid transit are required to achieve densities of at least 160 residents and jobs while areas served by the GO transit rail network are required to achieve minimum densities of 150 residents and jobs combined. Minimum density targets have also been identified for designated greenfield areas (2.2.7). A minimum of 50 residents and jobs combined per hectare is required for designated greenfield areas in York Region.

The Plan also states that within all major transit station areas, development will be supported by planning for a diverse mix of uses, including second units and affordable housing, to support existing and planned transit levels; fostering collaboration between public and private sectors; providing alternative development standards, such as reduced parking standards; and, prohibiting land uses and built form that would

adversely affect the achievement of transit-supportive densities (2.2.4.9).

Housing

With regard to housing (2.2.6), the Plan requires upper- and single-tier municipalities, in consultation with lower-tier municipalities, to support housing choice by identifying a diverse range and mix of housing options and densities, including second units and affordable housing to meet the projected needs of current and future residents and by establishing targets for affordable ownership housing and rental housing. To support implementation of this policy, the Plan requires upper- and single-tier municipalities to identify mechanisms, including the use of land use planning and financial tools; align land use planning with applicable housing and homelessness plans; and through official plan policies and designations and zoning by-laws.

The Plan also requires municipalities to support the achievement of complete communities by planning to achieve the minimum intensification and density targets in this Plan and planning to diversify their overall housing stock across the municipality. The Plan also requires municipalities to support the achievement of complete communities by considering the use of available tools to require that multi-unit residential developments incorporate a mix of unit sizes. Municipalities are also required to maintain at all times where development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units.

Inclusionary Zoning

In 2016 the Provincial government amended the Planning Act through the [Promoting Affordable Housing Act, 2016](#) and provided municipalities with an inclusionary zoning tool that can require affordable housing units to be included in residential developments. On June 6, 2019 the [More Homes, More Choice Act](#) (former Bill 108) received Royal Assent and directed that inclusionary zoning could only be applied within protected major transit station areas or where a Development Permit System (also called a Community Planning Permit System) has been ordered by the Minister of Municipal Affairs and Housing. This change came into force and effect on September 3, 2019. For the purposes of this report, references to protected major transit station areas and major transit station areas are considered the same. To implement inclusionary zoning, municipalities are required to complete an assessment report analyzing housing need and demand and the financial impact of inclusionary zoning in accordance with provincial regulation. The adoption of by-laws to implement inclusionary zoning cannot be appealed to the Local Planning Appeal Tribunal, except by the Minister of Municipal Affairs and Housing. The needs assessment report is required to be updated every five years to determine whether the official plan policies require amending. A report detailing the performance of the inclusionary zoning by-law is required to be prepared every 2 years and address prescribed matters. In addition, provincial regulation prohibits the application of Section 37 Density Bonusing on developments where inclusionary zoning is applied.

Housing Supply Action Plan

The Provincial government released [More Homes, More Choice: Ontario's Housing Supply Action Plan](#) on May 2, 2019 and which can be found on the Province's website. At the same time, the Minister of Municipal Affairs and Housing introduced legislation which is central to the action plan and which makes changes to several provincial legislation, including the Planning Act, Development Charges Act, Conversation Authorities Act, Environmental Assessment Act, and Environmental Protection Act. The [More Homes, More Choice Act](#) (former Bill 108) received Royal Assent on June 6, 2019 and most of the Act has come into effect. Regulations have also been introduced to provide further direction on changes resulting from the More Homes, More Choice Act and most of these regulations have been adopted.

Changes to the Planning Act

The changes to the Planning Act include shorter timelines for making planning decisions; requiring inclusionary zoning to be focused on areas known as Protected Major Transit Station Areas (PMTSA) that are generally high-growth and are near higher order transit; allowing a total of three residential units on one property (which would include a primary dwelling and two additional residential units); introducing the community benefits charge which replaces the density bonusing provision (Section 37), development charges for soft costs, and parkland dedication requirements; limiting third party appeals of plans of subdivisions; and allowing the Minister to require that a

municipality implement a community planning permit system in a specified area. It should be noted that the regulations for implementing the community benefits charge have not been released yet and it would be important for the City to better understand the impact of this charge once the regulations have been released.

Changes to the Development Charges Act

The changes to the Development Charges Act includes a change to when development charges are paid for five types of developments: rental housing, institutional developments, industrial developments, and commercial developments. Instead of paying the development charge upon the issuance of a building permit, these developments will be allowed to pay the development charges over six installments, beginning at the issuance of an occupancy permit or when the building is first occupied (whichever is earlier) and every year for the next five years. In addition, non-profit housing developments will be allowed to pay development charges over 21 installments, beginning at the issuance of an occupancy permit or when the building is first occupied and every year for the next 20 years.

Furthermore, development charges will now be determined on the day an application for an approval of development in a site plan control area was made or the day an application for an amendment to a by-law was made.

The More Homes, More Choice Act also exempts second dwelling units in new or existing dwellings or structures from

development charges. However, this exemption is not yet in effect.

Changes to the Local Planning Appeal Tribunal Act

The More Homes, More Choice Act also includes changes to the way the Local Planning Appeal Tribunal (LPAT) functions and its authority over planning decisions. Most of the changes are related to the practices and procedures of the Tribunal, including requirements for participation in alternative dispute resolution and limiting submissions by non-parties to written submissions.

Community Housing Renewal Strategy

The Provincial government recently announced a new [Community Housing Renewal Strategy](#) with \$1 billion in 2019 – 2020 to help sustain, repair and build community housing and end homelessness. The Strategy, which is on the Province's website, includes the following elements.

- Removing existing penalties for tenants who work more hours or who are going to college or university;
- Simplifying rent calculations;
- Freeing up the waitlist by having tenants prioritize their first choice and accept the first unit they are offered;
- Ensuring rent calculations do not include child support payments;
- Requiring an asset test; and,

- Making housing safer by empowering housing providers to turn away tenants who have been evicted for criminal activity.

The Province has also launched two new programs in 2019 – 2020. These are:

- Canada-Ontario Community Housing Initiative (COCHI) – provides funding to Service Managers to replace the federal Social Housing Agreement funding which expires each year beginning in April 2019.
- Ontario Priorities Housing Initiative (OPHI) – provides flexible funding to all Service Managers and the two Indigenous Program Administrators to address local priorities in the areas of housing supply and affordability, including new affordable rental construction, community housing repair, rental assistance, tenant supports, and affordable ownership. Housing providers can dedicate a percentage of spending for supports that will keep people housed and prevent homelessness.

In addition, the Province has begun negotiations with CMHC to finalize the program design and amend the bilateral agreement for the Canada-Ontario Housing Benefit. This will allow housing benefits to start flowing to Ontario households in April 2020.

³ Regional Municipality of York (June 13, 2019). 10-Year Housing and Homelessness Plan 2018 Progress Report and Development of Phase 2 Action Plan. Report of the Commissioner of Community and Health Services.

York Region was allocated \$50,000 for 2019-2020 from COCHI and \$7.5 million from OPHI³.

Regional Policies and Initiatives

Regional Municipality of York Official Plan

The following review is based on the York Region Official Plan (April 2016 office consolidation) currently in effect. The Region is currently undertaking a municipal comprehensive review process to update its [Official Plan](#) to reflect provincial policy direction.

Chapter 3 of the York Region Official Plan includes policies related to healthy communities, including housing policies in section 3.5. The Official Plan has the objective of promoting an appropriate mix and range of acceptable housing⁴ to meet the needs of residents and workers.

The York Region Official Plan includes average annual housing targets until 2016-2021. The Plan also states that a minimum of 25% of new housing units across the Region be affordable and that a portion of these units should be accessible for people with disabilities (3.5.6). In addition, the Plan states that

⁴ Acceptable housing refers to housing that is affordable (dwellings that cost less than 30% of before tax household income), adequate (dwellings that do not require major repairs), and suitable (dwellings that have enough bedrooms for residents according to National Occupancy Standard requirements).

a minimum 35% of new housing units in Regional Centres and key development areas be affordable (3.5.7).

Section 3.5.5 requires that all new secondary plans include a strategy to implement the affordable housing policies in the Plan and should include how the affordable housing targets will be met; policies to achieve a mix and range of housing types within each level of affordability; policies to ensure affordable larger sized family units; and, consideration for locations for social housing developments.

The Plan speaks to working with local municipalities, the private sector and other stakeholders to consider innovative financial arrangements to encourage and support the development and maintenance of non-profit and affordable housing, such as height and density incentives; community improvement plans, grants in lieu of development charges, and reduced municipal fees and charges (3.5.10). The Plan also states that affordable housing will be given priority on publicly owned lands with a focus on locations on or near transit corridors (3.5.11).

The York Region Official Plan requires local municipalities to adopt official policies that protect rental housing from demolition and conversion (3.5.21).

Housing Solutions: A Place for Everyone

In 2014, York Region developed its [10-year Housing Plan](#) – Housing Solutions to guide efforts related to increasing the

supply of rental housing and affordable housing as well as to address homelessness. The Plan identifies four goals and associated actions and outcomes. These goals are as follows.

1. Increase the rental housing supply
2. Sustain the existing rental housing supply
3. Support home ownership affordability
4. Strengthen the homelessness and housing stability system

The Region has implemented most of the actions and achieved most of the outcomes identified in the 10-year Housing Plan from 2014 to 2018. Some highlights include the following.

- Established a permanent policy for development charge deferrals to support construction of purpose-built rental housing (Goal 1).
- Completed 327 new units of affordable housing and began construction of another 162 (Goal 1).
- Launched a comprehensive review to study the needs of applicants on the subsidized housing wait list (Goal 2).
- Completed a long-term asset and reserve analysis of the Housing York Inc. portfolio and approved a new fiscal plan (Goal 2).
- Adopted Affordable Housing Measuring and Monitoring Guidelines in 2014 and updated in 2018 (Goal 3).
- Assisted a total of 290 households between 2014 and 2018 through the Home Repair Program which provides assistance with critical safety repairs and accessibility modifications (Goal 3).

- Implemented a new service delivery model focused on wraparound supports in all emergency housing facilities and opened two new emergency and transitional housing facilities (Goal 4).
- Launched new programs to prevent and reduce homelessness, including the Housing Stability Program, Short-term Assistance for Renters (STAR) Program, and Home Now Program (Goal 4).
- Conducted the first York Region-led homelessness count (Goal 4).
- Invested approximately \$10 million in community-driven projects to support residents who are homeless or at risk of homelessness through the Community Investment Fund (Goal 4)⁵.

Regional Council approved phase two of the Region's 10-year Plan in October 2019. The Plan builds on accomplishments from phase one and responds to current needs and challenges. It also includes new goals for 2019-2023 as well as corresponding objectives, actions, and performance measures. The new goals and objectives are as follows.

1. Increase the supply of affordable and rental housing
 - a. Plan for a full mix and range of housing options to support achievement of complete communities and promote economic development.
 - b. Implement tools and policies to increase the affordable housing supply.

- c. Build community housing and encourage affordable rental housing to meet the housing needs of low and moderate income households.
2. Help people find and keep housing
 - a. Deliver programs that help residents with low and moderate income living in private market housing keep their homes.
 - b. Support long-term housing stability by strengthening individuals and communities.
 - c. Advance prevention programs through continuous improvements to help people at risk of homelessness remain stably housed.
 - d. Strengthen homelessness and housing stability services to help people experiencing homelessness to find and keep housing.
 3. Strengthen the housing and homelessness system
 - a. Sustain the existing stock of community housing.
 - b. Build an integrated system to plan and deliver homelessness and housing stability services.
 - c. Conduct research, engagement and knowledge sharing to identify service system gaps and build community capacity in the homelessness and housing stability service system.
 - d. Encourage and facilitate expansion of long-term care to help residents age in their communities.

⁵ Regional Municipality of York (June 13, 2019). 10-Year Housing and Homelessness Plan 2018 Progress Report and Development of Phase 2

Action Plan. Report of the Commissioner of Community and Health Services.

Make Rental Happen Collaborative Advocacy Plan

In coordination with the 10-year Housing Plan, the [Make Rental Happen Collaborative Advocacy Plan](#) was developed and implemented by the York Region Human Services Planning Board. The purpose of this Plan was to raise awareness of the need for rental housing and engage partners to create rental housing in York Region.

As part of this initiative, a 36-month development charge deferral for a 225-unit private market rental development was provided in 2013 and in May 2017, Regional Council approved a permanent policy for a 36-month deferral of Regional development charges for purpose-built rental buildings with four or more storeys.

Support for Rental Housing

In October 2019, York Region Council approved new interest-free development charge deferrals for up to 1,500 affordable purpose built rental housing units over the next three years. The length of the deferrals available is based on the location, size and affordability of the development as outlined below.

⁶ Includes Keswick Secondary Plan Urban Centres, applicable portions of the Woodbine corridor in Keswick, King City Core and Go Station Areas, Nobleton Core Area, Stouffville Community Core Area and Western Approach Area

⁷ Units that achieve one-hundred and twenty-five (125) per cent (%) AMR or less, by bedroom type, do not have to satisfy the unit split requirement and may be excluded from the total number of units used to calculate the unit

For additional detail, please see the [36 month](#) and [5-20 year](#) development charge deferral policies on the York Region website.

- 36-month deferral for purpose-built rental of four or more storeys, with no affordability criteria, applicable anywhere in York Region;
- 5-year deferral for purpose-built rental of 4 or more storeys and which meet the affordability criterion of 175% AMR;
- 10-year deferral for purpose-built rental of 4 or more storeys which is located in Regional Centres and Corridors or specific local centres⁶ and which meet the affordability criterion of 175% AMR;
- 10-year deferral for purpose-built rental of 4 or more storeys with a minimum of 100 dwelling units and a minimum of 50% of the total number of dwelling units in the purpose-built rental building must have two or more bedrooms⁷;
- 20-year deferral for purpose-built rental which is located in Regional Centres and Corridors or specific local centres⁸ with a minimum of 200 dwelling units, and a minimum of 50% of the total number of dwelling units in the purpose-built rental building must have two or more bedrooms⁹.

split calculation. See the Development Charge Deferral for Affordable, Purpose-Built Rental Buildings policy for more detail.

⁸ Includes Keswick Secondary Plan Urban Centres, applicable portions of the Woodbine corridor in Keswick, King City Core and Go Station Areas, Nobleton Core Area, Stouffville Community Core Area and Western Approach Area

⁹ Units that achieve one-hundred and twenty-five (125) per cent (%) AMR or less, by bedroom type, do not have to satisfy the unit split requirement and

These incentives only apply to:

- Purpose-built rental tenure only and must remain rental for a minimum of 20 years
- Buildings with a minimum of 4 storeys in height

In addition, it is assumed that the local municipality where the development is located will provide similar or better incentives, relative to the Regional incentive.

The deferrals align with The [More Homes, More Choice Act](#) in that applications submitted after proclamation would have development charge rates determined at site plan or zoning application submission and the deferral would begin at occupancy.

At the end of the 3-year term, the Region will evaluate the deferral programs and recommend updates, if any, as deemed necessary.

Additionally, Regional Council approved a [Draft Community Improvement Plan \(CIP\) for Affordable Rental Housing Incentives](#) that would enable York Region to provide application fee waivers and allow local municipalities to issue grants and waivers under the provisions of the CIP. The CIP is expected to be completed in late 2020.

may be excluded from the total number of units used to calculate the unit split calculation. See the Development Charge Deferral for Affordable, Purpose-Built Rental Buildings policy for more detail.

Support for Affordable Housing

Section 110 of the Municipal Act gives municipalities the authority to enter into agreements with private and non-profit agencies for the provision of municipal facilities and services, including affordable housing¹⁰. As such, the Regional Municipality of York enacted By-Law 2010-28 which is a by-law for the provision of municipal housing facilities. The Municipal Housing Facilities By-law allows the Region to provide for financial or other assistance at less than fair market value or at no cost to the housing provider. This assistance may include giving or lending money and charging interest; giving, lending, leasing or selling property; guaranteeing borrowing; exemption from taxation for municipal and school purposes on a full or partial basis; and, exemption from the payment of all or part of development charges. The By-law also allows the Region to enter into a rent supplement agreement with the housing provider.

The Region has been using this By-law to provide capital grants and loans to Regional community housing providers as well as rent supplements. As of early 2019, there were 80 rent supplement agreements in Markham.

In addition, the Region is currently examining opportunities to better align affordable housing funding programs which are

¹⁰ The by-law defines affordable rental housing as housing units for which the monthly rent is less than or equal to the average monthly rent for that unit type.

funded and/or administered by the Region with programs administered by senior levels of government, such as the Rental Construction Financing Initiative. This will result in a more streamlined and simplified process but may also allow eligible applicants to layer on and/or combine funding from these different programs.

City Policies and Initiatives

City of Markham Official Plan

The current [Markham Official Plan 2014](#), which is available on the City's website, was adopted by City Council in December 2013 and approved by York Region in June 2014 and is substantially in effect.

Section 4.1 of the Official Plan contains housing policies related to both existing and future housing, including affordable, shared and rental housing. The Official Plan states that it is the policy of Council to promote an appropriate and adequate range of housing choices by type, tenure and affordability to accommodate the needs of all Markham residents. It is also the policy of Council to diversify Markham's housing stock to provide for a broader variety of housing forms and sizes to respond to changes in household composition and increase opportunities for more affordable housing choices and options for shared housing and special needs housing.

The Official Plan states that a further diversification of the housing stock will be supported by encouraging a greater share of apartment and multiple units; a mix of unit sizes to accommodate both family households and an increasing number of non-family households; and a mix of family housing types in Markham Centre, the Langstaff Gateway, and key development areas (4.1.2.4).

The Official Plan includes a policy to protect existing rental and shared housing consisting of six or more units by prohibiting the conversion of the rental and shared housing units to condominium units unless the rental vacancy rate has been at or above 3% for the last three years. The Official Plan also includes a policy which prohibits the demolition of the rental and shared housing units unless replacement units are provided if the rents of the units which are proposed for demolition are at or below the average market rents at the time of application (4.1.2.5).

The Official Plan also supports further diversification of the housing stock tenure by encouraging the construction of rental and shared housing as well as the establishment of secondary suites within existing and new permitted dwelling types (4.1.2.6).

In addition, the Official Plan speaks to working with the development industry to promote flexibility and adaptability in the design and function of the housing stock to accommodate the changing needs of households (4.1.2.7).

Section 4.1.3 of the Official Plan speaks to the affordable and shared housing strategy. It states that it is the policy of Council to work in partnership with the Region and other community partners to develop a strategy for affordable and shared housing and coordinate efforts to increase the supply of affordable, shared and accessible housing. The Official Plan also speaks to identifying targets for new housing by unit type; unit tenure; and unit affordability. The targets for affordable housing are for 25% of all new housing units across Markham and 35% of all new housing units in Markham Centre, the Langstaff Gateway, and key development areas to be affordable to households with low and moderate incomes (4.1.3.2). In addition, the Official Plan encourages that a portion of the targeted affordable housing units be designed as shared housing units with supports for people with special needs (4.1.3.3).

The Official Plan also states that the City will work with the Region and other key stakeholders to develop an affordable housing implementation framework (4.1.3.6). This will include identifying opportunities for family housing types in Markham Centre, Langstaff Gateway and key development areas as well as requiring policies within all new secondary plans and comprehensive block plans to demonstrate how the affordable and shared housing targets will be met.

In addition, the Official Plan requires housing impact statements to monitor the progress toward achieving the targets. Other actions include:

- Facilitating the timely processing of development applications for affordable and shared housing projects;
- Developing new approaches to the delivery of affordable and shared housing to achieve the targets outlined in the strategy;
- Supporting affordable and shared housing projects that receive funding under senior government programs; and,
- Considering financial incentives for qualifying affordable and shared housing projects.

Markham Affordable and Special Needs Housing Strategy, 2011

The City of Markham released its [draft Affordable and Special Needs Housing Strategy](#) in April 2011. The draft Strategy included actions to address the housing issues facing Markham, which were identified through a housing needs assessment. These actions fall under five categories: policy development, financial incentives, advocacy, partnerships, and education.

Since 2011, significant work has been undertaken by the City and its housing partners to address housing need in Markham and many of the recommendations in the draft Strategy have been implemented.

Policy Development

A total of ten policy-related actions were recommended as part of the 2011 Housing Strategy and most of these actions have been implemented. These include Official Plan policies to

identify affordable housing targets and protect the existing rental housing supply. While the targets for housing tenure and type have not yet been incorporated into the Official Plan, the Plan does state that these targets will be developed in cooperation with the Region.

Financial Incentives

A total of three financial incentives were recommended as part of the 2011 Housing Strategy. These actions speak to deferring or providing conditional grants for development charges and reducing parkland dedication requirements for affordable and special needs housing projects; lowering development charges for multi-residential dwellings suitable for families; and, continuing to support projects that receive funding under senior government programs.

While a specific policy has not been developed, Markham has been very supportive of affordable and supportive housing developments over the last ten years, providing even more incentives than what was recommended in the 2011 Strategy. The City has been providing, on a case-by-case basis, grants for development charges, reductions and grants for parkland dedication requirements, fast-tracking of development applications, and deferrals of certain development application fees.

Advocacy

Three advocacy-related actions were recommended and all three have been implemented. These actions are related to sustainable provincial and national housing strategies,

coordinated and long-term funding for homelessness and special needs programs, and capital funding to assist landlords and developers to make rental units more accessible.

Partnerships

A total of 14 actions which speak to partnerships with the Regional Municipality of York, Central Local Health Integrated Network (LHIN), community agencies, housing providers, and the private sector were recommended as part of the 2011 Housing Strategy. All these actions have either been implemented or are currently being implemented, such as those related to encouraging a range of affordable housing options and identifying opportunities to locate new affordable and special needs housing in close proximity to transit and other amenities.

Education

A total of seven actions related to an education campaign were recommended as part of the 2011 Housing Strategy. While a formal education campaign was not initiated, these actions have been implemented on an informal basis by the City in collaboration with the Region. Examples of such initiatives include supporting workshops and symposiums organized by the Markham Inter-church Committee for Affordable Housing (MICAH) and Unionville Residents' Association.

Roles of Housing Partners

Successfully implementing the Affordable and Rental Housing Strategy and addressing the housing needs and gaps in Markham is a shared responsibility and depends on a collaborative relationship among all housing partners.

Federal Government

As previously mentioned, the federal government released the first National Housing Strategy in 2017. This Strategy offers direction on Canada's approach to ensuring all citizens have the housing they need. The Strategy is also tied to funding for specific programs, including a housing benefit, repairs and retrofits of social housing units, funding for supportive housing, and supports to make homeownership more affordable. In addition, the federal government, through CMHC, provides mortgage insurance to homeowners as well as funding and implementing various programs for the construction of affordable housing.

Provincial Government

The Ontario government has a broad role in housing through legislation, regulation and funding programs. The provincial government helps set the housing agenda for the province and assists communities in meeting housing needs through the provision of transfer payments to the municipalities and the funding of programs for housing and homelessness. In addition, the Province provides municipalities with legislative tools to meet housing need in communities. The provincial government recently released its Housing Supply Action Plan and the corresponding More Homes, More Choice Act which

aims to make it easier to develop housing in Ontario. In addition, the province's Community Housing Renewal Strategy includes two programs to support community housing.

Regional Municipality of York

The Region, as Service Manager, is primarily responsible for the provision of subsidized housing and the administration of funding from senior levels of government. The Region is also responsible for administering homelessness programs. In addition, the Region establishes the policy and regulatory framework which guides the development of housing throughout York Region, including Markham.

City of Markham

While the City is a lower tier municipality without a dedicated housing department or program funding, it has been actively working to identify and address the housing needs of its residents for the last twenty years. Markham has been doing this through the development of an extremely supportive policy framework as well as the provision of financial and in-kind incentives. For example, the City has, in the past, supported the development of affordable housing through grants and deferrals of development charges and parkland dedication requirements.

Non-Profit Sector

The non-profit sector plays a major role in affordable housing and/or support services to residents. This sector also raises awareness of housing need and advocates for housing and homelessness programs. Moving forward, there is an opportunity for the non-profit sector to enhance their

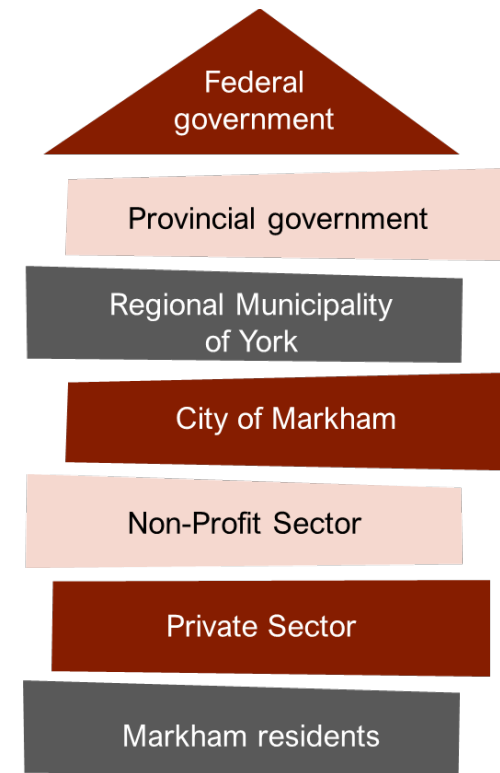
partnerships and collaborations to avoid duplication of services and ensure the most effective use of scarce resources.

Private Sector

The private sector provides the majority of housing in a community, including ownership and rental housing. Investors and funders also contribute to the construction and operation of affordable housing projects. Moving forward, the City should continue to engage with the private sector and facilitate the expansion of this sector's role in the housing system, including a role in the provision of affordable rental and ownership housing.

Markham Residents

Markham residents can advocate for safe, appropriate, affordable and attainable housing in their community. In addition, residents can choose to create rental units within their dwellings, where appropriate, or provide land or buildings for the purpose of affordable housing.



What We Heard

The following are the key ideas we heard from housing stakeholders during the engagement activities undertaken as part of this study. These stakeholders included representatives of the development industry, non-profit housing providers, and staff from regional, provincial and federal levels of government.

General Comments

- Ensure policies support the development of complete communities, including housing for families, people with disabilities, small households, and the aging population.
- Involve the entire Markham community in the development of the housing strategy.
- Educate and raise awareness of the need for a broad range of housing, including affordable housing, in Markham.

Potential Tools and Incentives

- Reduce parking requirements and allow residential and non-residential developments to share parking
- Reduce or waive parkland dedication requirements.
- Provide property tax exemptions for affordable rental and ownership housing for the length of the affordability period.
- Long-term deferrals (i.e. 20 years) of fees and charges generally do not help as the costs remain the same.
- Allow the conversion of some employment lands to residential where appropriate.

- Defer or waive the City's portion of development charges for purpose-built market rental and affordable housing projects for the long-term or length of affordability period.
- Ensure zoning by-laws do not act as barriers to the development of some new housing forms, such as shared housing, cohousing and tiny homes.
- Minimizing the cost of land is key to ensuring affordability.
- Ensure affordable housing projects built on government-owned land are purpose-built rental which is affordable in perpetuity to maximize public investment.
- Provide subsidies for affordable units.
- Consider allowing the provision of affordable units in phases and/or multiple buildings.

Inclusionary Zoning

- Make the policy flexible to account for different markets, tenures and levels of affordability
- Make the policy as simple as possible for developers, condominium corporations and non-profit organizations.
- Monitor the policy on a regular basis to evaluate its effectiveness in providing affordable housing and revise as necessary.
- Apply to both purpose-built rental and ownership units.
- Apply to medium and high-density developments with 100 units or more.
- Refine the definition of affordable housing based on unit sizes.
- Identify a unit mix, including larger units.
- Consider a longer affordability period (i.e. longer than 25 years) given that there is no financial impact between an

affordability period of 25 years and 99 years for investors in purpose-built rental housing.

- Consider identifying an annual budget or a cap for incentives.
- Develop policies and an incentive package for developments which are outside the identified inclusionary zoning areas to ensure affordable housing is provided throughout Markham.

Other Ideas

- Identify opportunities to share land for affordable housing, such as GO transit parking lots, land owned by faith groups, and community centres.
- Reuse vacant or underutilized heritage homes for affordable housing.
- Assist with increasing capacity within the non-profit housing sector to build affordable housing by facilitating the sharing of knowledge and information on partnerships with private developers, funding programs, relevant local and Regional policies, and how to ensure financial feasibility and sustainability.
- Simplify funding application processes for Regional, provincial and federal programs.
- Support social enterprises which create career opportunities for people living in affordable housing.
- Advocate to the province to allow non-profit housing providers to leverage existing assets to build more units.
- Advocate to the province to streamline review and approval timelines of agencies, such as the Toronto and Region Conservation Authority and the Ministry of the

Environment, Conservation and Parks which impact overall development timelines.

- Advocate to the federal government to reduce or eliminate HST for purpose-built rental and affordable housing units.
- Advocate to Canada Mortgage and Housing Corporation (CMHC) to create a mortgage product that would freeze interest rates for 25 years.
- Advocate to the federal government to increase access to the First-Time Home Buyer Incentive Program to allow purchase of larger, family-sized units.

Draft Affordable and Rental Housing Strategy

This section includes the vision for housing in Markham, the goals and anticipated outcomes, as well as the recommended actions to meet the goals.

Housing Vision

In May 2010, as part of the development of the draft Affordable and Special Needs Housing Strategy, stakeholders gathered to collectively set a direction and vision for housing in Markham. This vision is still relevant today.

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.

Housing Goals

The housing needs assessment undertaken as part of Phase 1 of this study identified three key housing gaps in Markham. The following housing goals have been developed to address each of these housing gaps.

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.

Anticipated outcomes:

- Increased supply of options which are affordable to households with low incomes, including options for smaller and larger households.
- Increased supply of accessible and supportive housing.

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.

Anticipated outcome:

- Increased supply of ownership options, particularly larger units.

Goal 3: Expand the supply of purpose-built rental market units throughout Markham.

Anticipated outcomes:

- Increased supply of purpose-built rental housing units.
- Increased supply of secondary dwelling units which are being rented out, including coach houses, laneway houses, and other innovative rental housing forms

Recommended Affordable and Rental Housing Actions

Recommended actions have been developed to support the Housing Vision and help achieve the Housing Goals. These actions are based on the housing gaps identified in the housing needs assessment, a review of the current policy framework, a brainstorming exercise with key housing stakeholders from the private and non-profit sectors, as well as a scan of promising practices in other jurisdictions. Some actions are also based on recommended actions from the 2011 Draft Affordable and Special Needs Housing Strategy which are still relevant. These recommended actions build on, and are supportive of, the actions identified in the Region's recently updated Housing Solutions: A Place for Everyone – Phase 2 Plan.

The recommended actions are categorized as: policy, financial incentives, advocacy, partnerships, and education. Timelines for implementation have also been recommended and these are as follows.

- Short term – Actions to be implemented in the next one to three years.
- Medium term – Actions to be implemented in the next three to five years.
- Ongoing – Actions to be implemented on an ongoing basis over the life of this Strategy.

Recommended Action	Timelines for Implementation	Goal Addressed
Policy		
<p>1. Building on policy 4.1.3.2 in the City's Official Plan, work with the Region to develop annual housing targets and incorporate these into the City's Official Plan as part of the next Official plan update:</p> <ul style="list-style-type: none"> • by type and tenure for all residential developments; and • by affordability level and unit size. 	Short term	Goals 1, 2 and 3
<p>2. Refine the definition of affordable ownership housing in the City's Official Plan, based on unit size and affordable house prices for households with low and moderate incomes as follows.</p> <ul style="list-style-type: none"> • Bachelor units must be affordable to households with incomes no higher than the 3rd household income decile¹¹; • One-bedroom units must be affordable to households with incomes no higher than the 4th household income decile; • Two-bedroom units must be affordable to households with incomes no higher than the 5th household income decile; and, • Three-bedroom units or larger must be affordable to households with incomes no higher than the 6th household income decile. 	Short term	Goal 2
<p>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 in Markham. The policy and/or by-law should include provisions for monitoring the impact of the policy at least every 5 years. This recommended timing coincides with the Planning Act requirement to prepare</p>	Short term	Goals 1 and 2

¹¹ Household income deciles should be based on York Region household income deciles which are updated on an annual basis.

Recommended Action	Timelines for Implementation	Goal Addressed
<p>an updated needs assessment at least every 5 years. In addition, the inclusionary zoning regulation requires a status report be provided to Council every two years to track performance.</p> <p>The recommended policy would be applicable to all developments with 100 units or more in MTSA's.</p> <p>The affordable housing requirements are:</p> <ul style="list-style-type: none"> • 5% of the residential gross floor area for condominium developments where the contribution is in the form of units rented out, or • 10% of the gross floor area for ownership developments. <p>Please see the Recommended Inclusionary Zoning Policy section for additional detail. Please see Appendix C: Selected Case Studies for case studies of inclusionary zoning.</p>		
<p>4. Consider implementing inclusionary zoning outside of MTSA's through a community planning permit system¹² to further increase the supply of affordable housing.</p>	Short – Medium term	Goals 1 and 2
<p>5. As part of the comprehensive zoning by-law review currently underway, ensure there are no barriers to co-housing and co-living arrangements in appropriate areas as-of-right in Markham.</p> <p>Please see Appendix C: Selected Case Studies for case studies of co-living and co-housing.</p>	Short term	Goals 1, 2 and 3
<p>6. As part of the comprehensive zoning by-law review currently underway and building on Official Plan policy 4.1.2.6 as well as recent Planning Act amendments, permit two secondary residential units in all areas, including ancillary structures, where secondary suites are currently permitted.</p>	Short term	Goals 1 and 3

¹² The implementation of inclusionary zoning outside of protected major transit station areas requires an order from the Minister to implement a community planning permit system.

Recommended Action	Timelines for Implementation	Goal Addressed
<p>7. As part of the comprehensive zoning by-law review, ensure smaller homes are permitted in appropriate areas throughout Markham and consider developing design guidelines for these smaller units.</p> <p>Please see Appendix C: Selected Case Studies for case studies of micro living and tiny homes.</p>	Short term	Goal 3
<p>8. Building on the comprehensive parking study currently underway, consider reducing parking requirements for residential developments in major transit station areas and other areas which are well-served by public transit.</p> <p>Please see Appendix C: Selected Case Studies for a review of parking policies in other Ontario municipalities.</p>	Short term	Goals 1, 2 and 3
<p>9. Consider approving further reductions of parking requirements for affordable, supportive and purpose-built rental housing projects where the proponent can demonstrate that the demand for parking will be less than what is currently required in the Zoning by-law.</p> <p>Consideration should also be given to proponents who can demonstrate alternative approaches, such as sharing parking with non-residential buildings in the same area.</p>	Short term	Goals 1, 2 and 3
<p>10. Consider opportunities to realize the development of affordable housing and/or purpose-built rental housing in the first phase of development on former employment lands that have been approved for conversion to other uses.</p>	Short – Medium term	Goals 1, 2 and 3
<p>11. Should the City ever allow short term rental in the future, consider developing and implementing a licensing process for short-term (i.e. less than six months) rental housing to protect the supply of long-term rental housing.</p> <p>Please see Appendix C: Selected Case Studies for a case study of short-term rental licensing.</p>	Short – Medium term	Goals 1 and 3

Recommended Action	Timelines for Implementation	Goal Addressed
<p>12. Identify opportunities to use surplus or underutilized City-owned land or buildings for the purpose of developing affordable and/or supportive housing.</p> <p>Please see Appendix C: Selected Case Studies for a case study on using surplus municipal land for affordable housing.</p>	Short term	Goals 1 and 2
<p>13. Consider allowing innovative construction methods, such as modular construction, in appropriate areas throughout Markham.</p> <p>Please see Appendix C: Selected Case Studies for case studies of modular housing.</p>	Short term	Goals 1, 2 and 3
<p>14. Continue to support projects that receive funding under senior government programs.</p>	Ongoing	Goals 1 and 2
Financial Incentives		
<p>15. Consider developing an incentive package for the provision of affordable and/or supportive housing in new residential developments outside of identified inclusionary zoning areas. Incentives should be tied directly to the affordable housing units created and may include the following.</p> <ul style="list-style-type: none"> • Consider waiving or providing a grant equivalent to certain development application fees, development charges, property taxes, parkland dedication requirements, and/or reductions in letters of credit. • Consider fast tracking approvals for projects which provide affordable rental, affordable ownership, supportive housing, and purpose-built rental housing units. • Consider removing or reducing the minimum requirement for parking spaces and allowing the developer to propose alternative options. <p>In developing the incentive package, consider aligning the program/incentives with the Region's programs and incentives.</p>	Short – Medium term	Goals 1, 2 and 3

Recommended Action	Timelines for Implementation	Goal Addressed
16. Building on Markham's Community Sustainability Plan and Environmental Sustainability Fund, consider the feasibility of waiving or providing a grant in lieu of certain development application fees and reductions in letters of credit for affordable rental, affordable ownership, and/or supportive housing developments which meet Passive House ¹³ , LEED or similar standards.	Short – Medium term	Goals 1, 2 and 3
<p>17. Consider developing an ongoing program to fund incentives and other initiatives related to affordable housing and purpose-built market rental housing projects in the City.</p> <p>The plan may involve setting an annual budget for incentives as part of the City's annual operating budget. Another option may be to establish a Housing Reserve Fund to finance incentives and other initiatives. This reserve fund may be financed through revenue from the sale of inclusionary zoning units, funding from senior levels of government, revenue from the sale or lease of surplus land or buildings which are not appropriate for affordable housing, and/or an annual budget allocation from City Council.</p> <p>Please see Appendix C: Selected Case Studies for case studies of housing reserve funds.</p>	Short – Medium term	Goals 1, 2 and 3
Advocacy		
18. Advocate to the federal government to expand the National Housing Co-Investment Fund to provide increased capital funding for affordable housing projects, including increased funding to allow for deeper levels of affordability.	Short term and Ongoing	Goals 1 and 2
19. Advocate to the federal government to improve timelines for approvals and execution of federal funding agreements, including the release of funds for the National Housing Co-Investment Fund.	Short term and Ongoing	Goals 1 and 2

¹³ The Passive house high-performance building **standard** is the only internationally recognized, proven, science-backed energy standard in construction. Passive House buildings consume up to 90% less heating and cooling energy than conventional buildings.

Recommended Action	Timelines for Implementation	Goal Addressed
20. Advocate to the federal government to increase access to the First-Time Home Buyer Incentive by increasing the maximum combined income allowable for families with children in housing markets, such as Markham, where much higher incomes are required to afford larger units.	Short term and Ongoing	Goal 2
21. Advocate to the federal and provincial governments to fully exempt charitable non-profit organizations from HST for new affordable housing projects and purpose-built rental projects.	Short term and Ongoing	Goals 1 and 2
22. Advocate to the federal and provincial governments to increase funding for the Canada Housing Benefit.	Short term and Ongoing	Goal 2
23. Advocate to the federal and provincial to align requirements and application processes of funding programs.	Short term and Ongoing	Goals 1 and 2
24. Advocate to Canada Mortgage and Housing Corporation to create a mortgage product that would fix interest rates for 25 years.	Short term and Ongoing	Goals 1, 2 and 3
25. Advocate to the provincial government to increase capital funding for new affordable housing projects.	Short term and Ongoing	Goal 1
26. Advocate to the provincial government to provide municipalities with a portion of the revenue collected from the non-resident speculation tax to be allocated for affordable housing.	Short term and Ongoing	Goals 1 and 2
27. Advocate to the provincial government to identify and provide provincially-owned lands which would be appropriate for affordable housing. Lands can be provided outright or be shared with other agencies, such as GO Transit parking lots.	Short term and Ongoing	Goals 1 and 2

Recommended Action	Timelines for Implementation	Goal Addressed
28. Advocate to the provincial government to streamline review and approval timelines of provincial agencies involved in reviewing affordable housing and purpose-built rental housing development applications.	Short term and Ongoing	Goals 1, 2 and 3
29. Advocate to the provincial government to monitor and evaluate the implementation of inclusionary zoning and to consider expanding the areas where this tool can be used if appropriate.	Short term and Ongoing	Goals 1 and 2
30. Advocate to the Region to develop and fund a home sharing pilot program where seniors with extra bedrooms share their homes with students or single individuals.	Short – Medium term	Goal 1
Partnerships		
31. Facilitate partnerships for infill and sharing of land among faith groups, non-profit and for-profit residential developers, and community agencies to manage affordable units and/or redevelop vacant or underutilized property, including church-owned property, to increase the supply of affordable and supportive housing. Please see Appendix C: Selected Case Studies for case studies of infill/sharing land.	Short term and Ongoing	Goal 1
32. Continue to facilitate partnerships among property owners, non-profit and for-profit residential developers, and community agencies to manage affordable units and/or redevelop vacant or underutilized homes and non-residential buildings, including heritage buildings, to increase the supply of affordable and supportive housing. Please see Appendix C: Selected Case Studies for case studies of adaptive reuse.	Short term and Ongoing	Goal 1
33. Support social enterprises which provide employment opportunities and/or training to youth, persons with disabilities, and people with low incomes who are living in Markham, particularly residents of affordable housing and community housing projects. Support can be funding or in-kind, such as office space in a community centre or library.	Short – Medium term	Goal 1

Recommended Action	Timelines for Implementation	Goal Addressed
Education		
34. Continue to work with the Region and other housing partners to increase the awareness of housing needs in Markham and the benefits of including affordable and rental housing in all communities.	Ongoing	Goals 1 and 2
<p>35. Building on action 3.3 (Goal 1) of the Region's updated Housing Solutions Plan and as part of an education campaign, work with the Region to develop educational material and facilitate workshops to increase the capacity and knowledge of housing developers and community agencies on how to build affordable housing in Markham, including available funding programs, incentives , and partnership opportunities.</p> <p>This should also include presentations of successful partnerships among community agencies and private developers as well as the successful management of the Region and community agencies of affordable units located within private market rate rental and condominium buildings.</p>	Short term	Goal 1 and 2
<p>36. Building on actions 2.1 and 2.3 (Goal 1) of the Region's updated Housing Solutions Plan, continue to work with the Region to promote alternative forms of affordable home ownership models, such as rent-to-own, shared equity, unbundling, and life lease, within the development community.</p> <p>Please see Appendix C: Selected Case Studies for case studies of shared equity and home unbundling.</p>	Short term and Ongoing	Goal 2

Recommended Inclusionary Zoning Framework

The recommended inclusionary zoning framework is based on an environmental scan of promising practices in other jurisdictions, the phase one needs assessment, analysis of selected major transit station areas, the financial impact analysis undertaken by N. Barry Lyon Consultants Limited (NBLC) as well as consultation sessions with key stakeholders. Through this work it is believed that the provincial needs assessment requirements to implement inclusionary zoning as outlined in O.Reg. 232/18 (as amended by 300/19) have been satisfied.

Why Inclusionary Zoning

Inclusionary zoning is a tool that has been used by municipalities to increase the supply of affordable housing. Typically, developers are required or encouraged to dedicate a proportion of new residential developments to affordable housing. Inclusionary zoning has enabled the development of affordable housing in markets where such housing would not normally be developed.

Most of the experience with inclusionary zoning has been in jurisdictions in the United States although some Canadian municipalities have used it to some extent, such as Victoria in British Columbia and Montreal in Quebec (refer to Appendix C:

Selected Case Studies for detail on the use of inclusionary zoning in other jurisdictions).

Inclusionary zoning is being considered in Markham to help address the significant need for rental and ownership housing options which are affordable to households with low and moderate incomes as demonstrated in the needs assessment. As such, the goals of inclusionary zoning are as follows.

- To create more inclusive and complete communities.
- To increase the supply of rental and ownership housing options which are affordable to households with low and moderate incomes.
- To direct the new supply of affordable units to identified growth areas and in close proximity to existing or planned higher order transit.
- To build on current opportunities from senior levels of government.

These goals support the three overarching goals of the Affordable and Rental Housing Study.

The following subsections address provincial requirements that are outlined in the inclusionary zoning regulation (O.Reg. 232/18, as amended by 300/19).

Minimum Size of Development

The Inclusionary Zoning [regulation](#) sets a minimum threshold of 10 units before inclusionary zoning can be applied to development or redevelopment. Since inclusionary zoning would be applied to high growth areas in Markham, a threshold of **100 units** is recommended and would include medium density and high density developments as well as mixed use developments.

Geography

Provincial legislation permits municipalities to implement inclusionary zoning in protected major transit station areas (PMTSAs) or areas subject to a Community Planning Permit System (or Development Permit System) as ordered by the Minister of Municipal Affairs and Housing. In the Greater Golden Horseshoe, the 2019 Growth Plan includes policy direction regarding MTSAAs, which are considered the same as PMTSAs for the purposes of this report. The Phase 1 Housing Needs Assessment report provided a detailed assessment of the housing need and supply in Markham as a whole. Additional detailed analysis was undertaken for three of the proposed major transit station areas which represent high growth areas in Markham. Markham Centre, Langstaff and Cornell were selected as proxies for all major transit station areas in Markham given that they respectively represent three different types of housing markets – strong, moderate and

emerging markets. The assessment of these three areas shows that they present a good opportunity to implement inclusionary zoning to increase the supply of affordable housing units. Refer to Appendix A for more detail regarding the assessment of the three major transit station areas.

As such, it is recommended that the City consider implementing inclusionary zoning for all MTSAAs in Markham once they are delineated in the York Region Official Plan¹⁴. Under the Provincial Growth Plan only upper and single-tier municipalities can delineate MTSAAs.

Target Households

Households with incomes in the 3rd to the 6th income categories (\$45,988 to \$122,290 in 2018) should be targeted

The inclusionary zoning regulation requires identification of the range of incomes for which affordable housing units would be provided. Inclusionary zoning will not address the deepest housing affordability needs in Markham, that is, the housing and support needs of households with incomes in the 1st and 2nd income deciles. However, it is a tool to increase the supply of housing which is affordable to households with moderate incomes. Additional incentives and programs, such as the Region's rent supplement program, would be needed to address deeper needs when applied to affordable units

¹⁴ See Appendix A: Draft MTSAAs in Markham for a map of these areas: <https://pub-markham.escribemeetings.com/filestream.ashx?DocumentId=14550>

obtained through inclusionary zoning. As such, the goal of inclusionary zoning in Markham should be to address the needs of households with incomes in the 3rd to 6th income decile, specifically:

- Bachelor units which are affordable to households with incomes no higher than the 3rd household income decile (\$45,988 - \$63,494 in 2018)¹⁵;
- One-bedroom units which are affordable to households with incomes no higher than the 4th household income decile (\$63,495 - \$81,800 in 2018);
- Two-bedroom units which are affordable to households with incomes no higher than the 5th household income decile (\$81,801 - \$101,148 in 2018); and,
- Three-bedroom units or larger which are affordable to households with incomes no higher than the 6th household income decile (\$101,149 - \$122,290 in 2018).

Housing Types and Sizes of Units

In general, affordable units obtained through inclusionary zoning are required to be comparable in size and type to the market units in the development.

The needs assessment found that smaller households with one and two persons are growing at a much faster rate compared to households with three or more people. However, the

majority of all households in Markham are made up of three or more people. In addition, the Region's monitoring initiative shows that units which are affordable to households in the 6th income decile are actually being built without any specific policy or incentive. However, the majority of these units (98% in 2018) are one-bedroom units.

The inclusionary zoning regulation requires identification of the range of housing types and sizes that would be authorized as affordable units. As such, the recommended inclusionary zoning policy should **require a minimum of 40% of affordable units provided be two- and three-bedroom units** to meet the needs of larger households. In addition, increasing this requirement for two- and three-bedroom units in Markham Centre should be considered to ensure a more inclusive and complete community given that the majority (more than 70%) of all households who are currently living in the City are one- and two-person households.

It is assumed that these affordable units will be provided as part of high density, multi-residential developments as well as medium-density developments such as stacked townhouses.

Required Amount of Affordable Housing

The financial analysis by NBLC demonstrates that the impact of the inclusionary zoning requirement would be largely absorbed by reducing land values¹⁶ and no additional

¹⁵ Household income deciles should be based on York Region household income deciles which are updated on an annual basis.

¹⁶ A CMHC report which reviews inclusionary zoning case studies in the U.S. and Canada notes that IZ does not rely upon conventional financial subsidies

incentives are required for condominium and ownership housing developments. As such, it is recommended that the proposed inclusionary zoning policy require a proportion of the gross floor area (GFA) of the residential development to be affordable. The affordable housing requirements are as follows.

- Condominium units which are rented out at affordable rents during the affordability period: **5% of the GFA**
- Ownership units: **10% of the GFA**

Affordable Rental Requirement in Condominiums

The affordable housing requirement for condominium units which would be rented out is based on the stress test NBLC undertook to identify the maximum levels of inclusion which would be sustainable within each location. The findings of this sensitivity analysis shows that a requirement for affordable housing would be viable from 3% of a project's gross floor area for emerging markets to 8% for strong markets. While this requirement is lower than what strong markets can bear, it is recommended that the City start with a 5% requirement and re-evaluate after two to five years. Having a single requirement would make the implementation process simpler for both developers and City staff and would allow the market to adjust to this new policy.

to provide affordable housing nor does it need regulatory concessions. It further notes that if subsidies or concessions are offered, they should be used only to achieve more units or units at greater affordability than the

Affordable Ownership Requirement

Similarly, NBLC ran a stress test to identify the maximum rate of inclusion for affordable ownership units. This analysis is based on a mix of 60% one-bedroom units and 40% two-bedroom units. The findings show that a rate ranging from 5% for emerging markets to 13% for strong markets would be viable. This shows that the recommended requirement of 10% for affordable ownership units is actually lower than what a project in a strong market could bear. Similar to the requirement for affordable rental units, having a single requirement would make implementation simpler and allow the market to adjust to this new policy. This requirement can then be adjusted in three to five years when the policy is evaluated and updated.

Affordable Rental Requirement in Purpose-Built Rental Projects

NBLC's analysis shows that inclusionary zoning would not be feasible for purpose-built rental units without incentives based on current market conditions. However, monitoring and future updates may result in a need for them to be added.

Affordability Period

Ideally, all affordable units provided through inclusionary zoning should be **affordable in perpetuity**. If this is not

baseline obligation. Source: Richard Drdla Associates for CMHC (2017). Inclusionary Zoning: Domestic and International Practices.

possible a minimum 25-year affordability period (not inclusive of any phase-out period) be required for new affordable rental housing units provided as part of a condominium development. Requirements related to a phase-out to market rents would be addressed as part of the implementation guidelines.

Affordable ownership units should be required to be affordable in perpetuity.

How Measures and Incentives are Determined

As previously mentioned, the financial analysis by NBLC demonstrates that the impact of the inclusionary zoning requirement would be largely absorbed by reducing land values¹⁷. As such, no additional financial incentives would be provided for developments which contribute only the minimum required affordable housing units as outlined in this proposed policy. However, additional incentives may be provided on a case-by-case basis based on the following.

- The development contributes more than the required proportion of affordable housing units
- Rents or house prices for the affordable housing units are below the identified affordability levels, for example, rents are at 80% of average market rents¹⁸ (AMR)
- More than 40% of the affordable units contributed are two- and three-bedroom units.

¹⁷ A CMHC report which reviews inclusionary zoning case studies in the U.S. and Canada notes that IZ does not rely upon conventional financial subsidies to provide affordable housing nor does it need regulatory concessions. It further notes that if subsidies or concessions are offered, they should be

It is recommended that the City consider providing the following incentives on a sliding scale based on the degree to which the proposed development exceeds the basic inclusionary zoning requirements.

- Consider waiving or providing a grant equivalent to certain development application fees, development charges, property taxes, parkland dedication requirements, and/or reductions in letters of credit.
- Consider fast tracking approvals for projects which provide affordable rental, affordable ownership, supportive housing, and purpose-built rental housing units.
- Consider removing or reducing the minimum requirement for parking spaces and allowing the developer to propose alternative options.

Furthermore, the policy should also allow proposed developments within identified inclusionary zoning areas to apply for additional City and Regional incentives as well as funding from senior levels of government if eligible.

Price or Rent of Units

The proposed policy is based on meeting the definition of affordable rental and ownership housing in the Markham Official Plan as well as the Provincial Policy Statement. As

used only to achieve more units or units at greater affordability than the baseline obligation. Source: Richard Drdla Associates for CMHC (2017). Inclusionary Zoning: Domestic and International Practices.

¹⁸ As identified by CMHC in the annual Rental Market Reports.

such, the rents for the affordable units will be based on 100% AMR based on unit size as reported by CMHC. As of October 2019, these rents are as follows.

- 1-bedroom unit = \$1,373
- 2-bedroom unit = \$1,544
- 3-bedroom or larger unit = \$1,639

The house prices for the affordable ownership units will be based on the maximum affordable house price for households with incomes in the 4th to 6th income deciles based on unit size as follows.

- 1-bedroom unit = \$315,057 – maximum affordable price for households in the 4th income decile
- 2-bedroom unit = \$389,576 – maximum affordable price for households in the 5th income decile
- 3-bedroom unit or larger = \$471,008 – maximum affordable price for households in the 6th income decile

Approach to Determine Sharing of Net Proceeds

Provincial regulation requires that the Official Plan policies include an approach for how proceeds from the sale of an affordable unit will be determined and allows municipalities to receive up to 50% of the net proceeds of the sale. If an affordability period for ownership units is identified and these

units are not affordable in perpetuity, these affordable ownership units should be sold at the current market price.

In addition, it is proposed that any affordable ownership units that the City obtains through inclusionary zoning be conveyed to a non-profit housing provider or to the Regional Municipality of York who would assume responsibility for the administration of these units and ensuring the ongoing affordability of the units. The Region or non-profit housing provider which is overseeing the units could receive 50% of the net proceeds of this sale. Furthermore, if the units are conveyed to a non-profit housing provider, the City would enter into an agreement with the non-profit housing provider to ensure that any proceeds from the sale of the units would be reinvested in other affordable housing projects.

If rental units are provided in a condominium building, the rents for these units would revert back to market rents after the affordability period and an agreed-upon phase-out period. These units may also be sold as condominium units after the affordability period and phase-out period if the agreement does not provide for affordability in perpetuity. If the building or the rental units are sold to a new rental owner after the affordability period, no equity sharing is proposed.

Conditions for Offsite Units

The intent of the proposed policy is for affordable housing to be provided on-site. This will help ensure that inclusive and complete communities are created and that new affordable

units are within easy access to transit and other services and amenities. However, where the developer can demonstrate that providing affordable housing units off-site would still meet the stated goals of the policy, the City may allow off-site units to be provided as long as they are within an inclusionary zoning area and preferably within the same MTSA. If offsite affordable housing is proposed, the City should consider increasing the requirement for affordable housing units by at least 1% from the base requirements.

In addition, these units would have to be provided at the same time that the first phase of the development is completed unless the City agrees to an alternative schedule.

Exemption

An inclusionary zoning by-law would not apply to developments proposed by a non-profit housing provider or a partnership with a non-profit housing provider where at least 51% of the units will be provided as affordable housing and the non-profit housing provider will maintain a majority interest in the project.

Approach to Implementation

Given that inclusionary zoning is a new tool for the City, it is recommended that the City identify an implementation strategy which would include regular monitoring and evaluation of the effectiveness of the policy in increasing the supply of affordable housing in Markham. The Planning Act requires preparation of an updated needs assessment at least every

five years and the inclusionary zoning regulation requires a status report be provided to Council every two years to track performance. As such, it is recommended that the policy be evaluated at least every five years to coincide with the updated assessment of need. The City should also re-examine the feasibility of requiring an affordable housing contribution from purpose-built rental housing projects built within MTSA's in the future. Furthermore, the City should re-examine the affordable housing requirements based on current economic conditions as the market adjusts to the impact of the policy.

Summary of the Recommended Inclusionary Zoning Policy

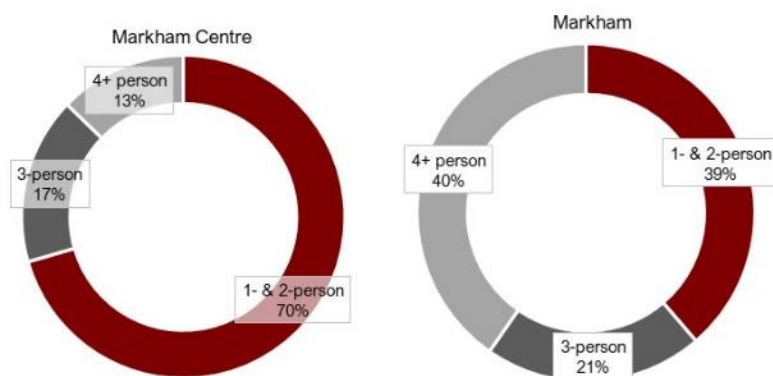
The key points of the recommended inclusionary zoning policy are:

- The policy should apply to residential developments within all MTSA's in Markham.
- The policy applies to developments with at least 100 units.
- Condominium developments where the contribution is in the form of units rented out are required to contribute 5% of the residential gross floor area while ownership developments are required to contribute 10% of the gross floor area.
- Affordable units should be affordable to households with incomes in the 3rd to the 6th income deciles (\$45,988 to \$122,290 in 2018).
- A minimum of 40% of affordable housing units contributed should be 2- and 3-bedroom units.

- Affordable rents must meet the definitions in the Markham Official Plan and Provincial Policy Statement. As of July 2019, there rents are:
 - 1-bedroom unit = \$1,373
 - 2-bedroom unit = \$1,544
 - 3-bedroom or larger unit = \$1,639
- Affordable house prices must meet the definitions in the Markham Official Plan and Provincial Policy Statement and are as follows based household incomes in the 4th to 6th income deciles (in 2018):
 - 1-bedroom unit = \$315,057 – maximum affordable price for households in the 4th income decile
 - 2-bedroom unit = \$389,576 – maximum affordable price for households in the 5th income decile
 - 3-bedroom unit or larger = \$471,008 – maximum affordable price for households in the 6th income decile.
- Any units provided offsite have to be provided within an inclusionary zoning area and the City may increase the affordable housing requirements by at least 1% from the base requirements.
- Any developments proposed by a non-profit housing provider or a partnership with a non-profit housing provider where at least 51% of the units will be provided as affordable housing and the non-profit housing provider will

maintain a majority interest in the project is exempted from inclusionary zoning.

Figure 4: Households by Size in Markham Centre and the City of Markham; 2016



Source: Statistics Canada Custom Tabulation data and Community Profiles data, 2016

The estimated median household income in Markham Centre in 2018 was \$55,275. In comparison, the estimated median household income for Markham as a whole was \$93,884 in 2018.

House Prices in Markham Centre

Most renters in Markham Centre live in condominium apartments which are rented out as part of the secondary rental market. The following table shows the results of a point-in-time scan²¹ undertaken to determine average asking rents in Markham Centre. The analysis shows that asking rents in Markham Centre are much higher than the average market

rents for purpose-built rental units in the City as a whole. In addition, the affordable rent²² in 2018 was \$1,337 which represents 100% of the average market rent as reported by CMHC. While the higher rents in Markham Centre may be partly due to the fact that condominium apartment rents tend to be higher in general, this does show a significant need for more affordable rental options in Markham Centre.

Table 2: Asking Rents in Markham Centre compared to Average Market Rents in the City of Markham; 2019

	Markham Centre	Markham
1-bedroom	\$1,788	\$1,213
2-bedroom	\$2,146	\$1,408
3-bedroom	\$2,787	\$1,538

Source: CMHC Housing Information Portal and point-in-time scan of realtor.ca (May 2019)

A similar point-in-time scan was undertaken to determine the average asking prices for ownership units. It was found that the average asking price for a condominium apartment was \$612,024 and the average asking price for a townhouse was \$1,094,708 in May 2019. These asking prices are significantly higher than the average resale prices in the City as a whole. In addition, given that the maximum affordable house price²³ for households with moderate incomes is \$471,008, this suggests a considerable need for lower-priced ownership options in Markham Centre.

²¹ A point-in-time scan was undertaken in May 2019 of rental ads on realtor.ca for units located in Markham Centre.

²² This is based on the definition of affordable rental housing in the PPS and in the Markham Official Plan.

²³ This is based on the definition of affordable ownership housing in the PPS and in the Markham Official Plan.

Table 3: Asking Prices in Markham Centre compared to Resale Prices in the City of Markham; 2019

	Markham Centre	Markham
Condo Apt	\$612,024	\$494,767
Townhouse	\$1,094,708	\$752,586

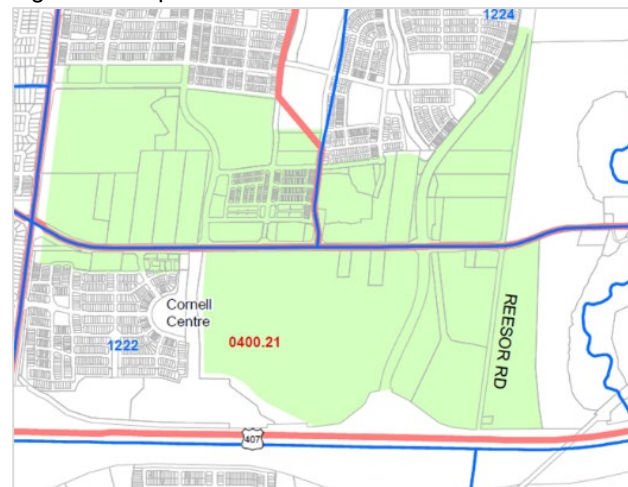
Source: TREB Market Watch data provided by the Regional Municipality of York and point-in-time scan of realtor.ca (May 2019)

Cornell Centre

As of 2018, there were 1,070 existing dwelling units in Cornell Centre. Of these units, almost half (49.2% or 526 units) were stacked townhouses, 28.7% (307 units) were townhouses, and 21.3% (228 units) were condominium apartments²⁴.

Cornell Centre is identified as an Intensification Area and contains a Regional Corridor/Key Development Area in the Markham Official Plan, 2014 and is a focus of growth.

Figure 5: Map of Cornell Centre



Who is currently living in Cornell Centre?

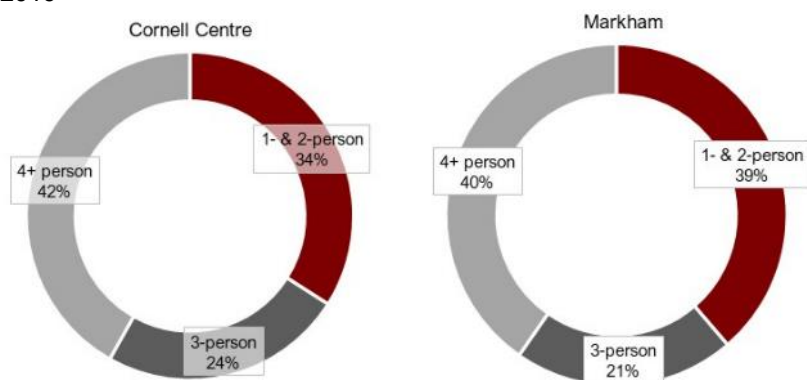
Statistics Canada data²⁵ shows that 12.0% of households who were living in Cornell Centre in 2016 were renters while 87.9% were owners. In addition, 34.2% were smaller households with one or two persons; 24.2% were three-person households; and, 42.0% were households with four or more persons. The make-up of households in Cornell Centre more closely resembles the City as a whole compared to Markham Centre. This may be partly due to the more diverse housing supply currently available in Cornell Centre.

²⁴ City of Markham data.

²⁵ This data is based on the data for the following dissemination areas: 191292 and 191294. Cornell Centre is slightly smaller than the combined

area of these dissemination areas. However, Statistics Canada data was not available for Cornell Centre specifically so the combined area has been used as a proxy for Cornell Centre.

Figure 6: Households by Size in Cornell Centre and the City of Markham; 2016



Source: Statistics Canada Custom Tabulation data and Community Profiles data, 2016

The estimated median household income in Cornell Centre in 2018 was \$107,755. In comparison, the estimated median household income for Markham as a whole was \$93,884 in 2018.

House Prices in Cornell Centre

A point-in-time scan²⁶ found that, similar to Markham Centre, the asking rents for units in Cornell Centre are higher than the average market rents for purpose-built rental units in Markham as a whole although the asking rents in Cornell Centre are slightly lower than those in Markham Centre. However, this still suggests a need for affordable rental options in Cornell Centre.

²⁶ A point-in-time scan was undertaken in May 2019 of rental ads on realtor.ca for units located in Cornell Centre.

Table 4: Asking Rents in Cornell Centre compared to Average Market Rents in the City of Markham; 2019

	Cornell Centre	Markham
1-bedroom	\$1,678	\$1,213
2-bedroom	\$1,956	\$1,408
3-bedroom	\$2,621	\$1,538

Source: CMHC Housing Information Portal and point-in-time scan of realtor.ca (May 2019)

Similarly, asking prices for ownership options in Cornell Centre are higher than the average resale prices for Markham as a whole but slightly lower than the asking prices in Markham Centre. However, the asking prices in Cornell Centre are still higher than the affordable house price for Markham (\$471,008), particularly for the ground-related options. This suggests a need for affordable ownership options in Cornell Centre.

Table 5: Asking Prices in Cornell Centre compared to Resale Prices in the City of Markham; 2019

	Cornell Centre	Markham
Condo Apt	\$557,854	\$494,767
Single Detached	\$1,300,177	\$1,198,854
Townhouse	\$740,782	\$752,586

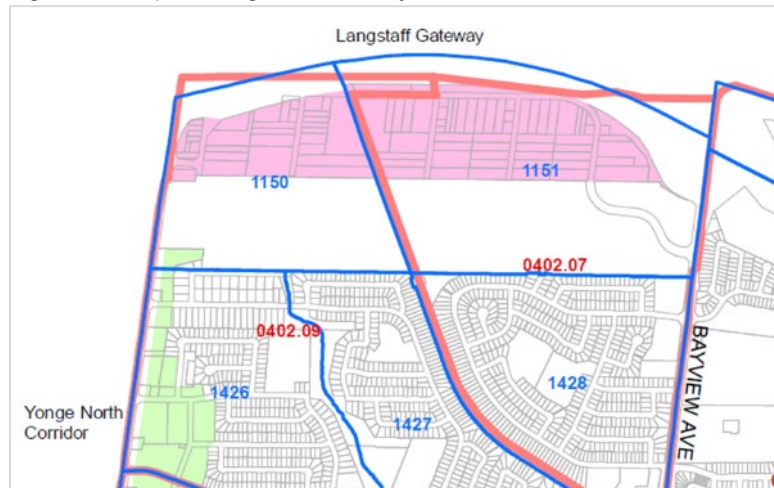
Source: TREB Market Watch data provided by the Regional Municipality of York and point-in-time scan of realtor.ca (May 2019)

Langstaff Gateway

The majority of land uses in the Langstaff Gateway area are currently non-residential. However, the City plans to redevelop this area into an intensive, high density, mixed use urban growth centre. As such, an analysis of what dwelling types and who is currently living there was not possible.

Langstaff Gateway is identified as a Regional Centre and Intensification Area in the Markham Official Plan, 2014 and is a focus of growth. This presents an opportunity to encourage a more diverse range of housing options in terms of type, tenure and affordability are built in the Langstaff Gateway area to ensure a more inclusive and complete community.

Figure 7: Map of Langstaff Gateway



Appendix B: Financial Viability Analysis of Inclusionary Zoning

As previously mentioned, NBLC undertook a financial analysis to test the viability of applying inclusionary zoning on a variety of markets in Markham. This analysis is based on a residual land value (RLV) model, which estimates the base land value and the land value after inclusionary zoning has been applied. This section presents the assumptions used in the analysis, the key findings and recommendations of NBLC as written in NBLC's background report²⁷.

This analysis used the following assumptions.

- The policy framework is forward looking. It considers implications for development if a developer were to pursue a land acquisition and development under current market conditions.
- A range of affordable unit requirements were tested, starting with a requirement of 5% of all residential GFA in a building, then testing the maximum amount of inclusion for each test area.
- To start, affordable housing units are assumed to be provided as rental tenure, with rents set at 100% of CMHC's City-wide average market rent (AMR), for 25-

years. This was to ensure a conservative valuation of impacts, and to test the approach which would have a more enduring impact on housing affordability (versus affordable ownership). Further sensitivity testing also considered the impact of affordable ownership units.

- No offsets through financial incentives or bonus development density were considered in this testing.

The following summarizes the methodology.

- Submarket areas were selected around existing higher order transit, or emerging market areas with existing and/ or planned higher order transit infrastructure investments.
- In each of the three submarkets, NBLC developed prototypical development concepts based on emerging development trends in consultation with City staff. These concepts envision a scale of development that might be achievable through a future rezoning application.
- NBLC tested a purpose built rental and condominium project in each submarket.

²⁷ NBLC (2019). Evaluation of Potential Impacts of an Inclusionary Zoning Policy in the City of Markham.

- For each submarket NBLC undertook research to assess local pricing which is used to develop a financial proforma or residual land value model (RLV). The RLV model assesses all the project revenues. From these revenues NBLC subtracted the costs of development including the developer's profit. What remains is the land value.
- NBLC estimated the base value of the property given the current land use and as-of-right zoning.
- NBLC then evaluated the land value based on the prototypical development scenarios (as informed by emerging development trends through consultation with City staff) and the Inclusionary Zoning (IZ) policy discussed earlier.
- If the land value of the added density, with the IZ requirements, falls below or is not 10% greater than the base value of the property, NBLC assumed the policy would not be feasible. (Under this circumstance NBLC assumed that the owner of the land would not be motivated to sell for high density purposes).

Key Findings of the Financial Viability Analysis

The key findings of the analysis are as follows.

- In stronger market locations (Markham Centre and Langstaff Gateway), the IZ policy scenarios tested were found to be feasible under condominium tenure at a 5%

rate of inclusion. That is, the downward adjustment to land values as a result of IZ policies remained greater than the value attributed to the current property value. However, in Cornell Centre, a 5% IZ rate put the project on the edge of viability without any offsets.

- On average the impact of a 5% of GFA affordable housing requirement reduced the land value by an average of \$4 per square foot (psf) in the scenarios tested. On a percentage basis, the impacts to land value were shown to be in the order of an 18% decrease in land value for condominium projects, or a 36% decrease in land values for purpose-built rental projects.
- In Markham's strongest market locations, these reductions would still result in higher land values than the current as-of-right value of the property. Of note, if pricing continues to increase in these areas, it is possible that some of the costs associated with an IZ policy might be absorbed with upward market momentum over time.
- In weaker market areas (such as the Cornell Centre test site) and in all purpose-built rental housing scenarios, an IZ policy at 5% of residential GFA would negatively impact the viability of development.
- NBLC also conducted a stress test to determine the maximum levels of inclusion which might be sustainable within each location. With regard to condominium units which are rented out, the findings show that a range of 3% to 8% inclusion would be

sustainable. With regard to ownership units, a range of 5% to 13% inclusion would be sustainable.

- The creation of affordable housing through IZ policies can have negative impacts on affordability in two inter-related ways:
 - by eroding the overall feasibility of projects in weaker market areas, thus reducing the supply of housing, which can put upward pressure on pricing of available units; and,
 - by increasing the minimum cost of delivering an entry-level apartment unit. In weaker market areas, where pricing is not as strong, it will perpetuate affordability issues for entry level housing by increasing the price point of the most affordable entry level units.

NBLC Recommendations

Markham has a range of implementation opportunities that have the potential to yield a steady supply of affordable housing through the use of inclusionary zoning. The financial testing in this analysis demonstrates that this may be especially true in Markham Centre and Langstaff Gateway. As the City considers an IZ policy, NBLC offered the following recommendations:

- Consideration of existing zoning by-law permissions should be included in the development of the City's potential approach to implementing IZ. This notion is important given proposed changes resulting from the

More Homes More Choice Act (2019) which would require that zoning be updated prior to IZ applying in those locations. This would have a positive effect on speculative land purchases over time as there would be increased certainty on what is achievable for a site.

- Apply an IZ policy in strong market areas such as Markham Centre, Langstaff and at strategic Major Transit Station Areas (MTSAs). A key issue to consider are the near-term impacts of an IZ policy. As with development charges or any new cost to development, a phase-in policy is recommended to help the market adjust – especially for projects that have already been initiated. Consideration should be given to the following:
 - A phase in period, potentially starting with a low rate of inclusion, then increasing the rate with annual increases; and/or,
 - Announce to the market that the IZ policy will come into force in a certain period of time, e.g. in three to five years with the implementation of Secondary Plans / MTSAs and zoning in key transit-oriented locations. Either approach would allow markets to adjust or for sites which are currently in pre-development stages to proceed.
 - Of note, Provincial review of both IZ policies and the lead up to establishing protected MTSA and other DPS areas might effectively act as a phase-in period. Markham should also consider this as it develops transition policies.

- Financial incentives could be offered as a measure to ‘top-up’ on affordability. While the provision of additional density as an approach to offset IZ costs is likely preferable from a City finance perspective, it is currently unclear whether the provision of density as an incentive is feasible from a planning perspective. However, this could be explored through future MTSA work, where reasonable.
- Throughout much of the undeveloped lands in Markham Centre, Langstaff Gateway and Cornell Centre, as-of-right zoning is out of date and not reflective of the development scale that has been signalled through draft master planning and Secondary Plan processes. Due to this, when developers acquire land in these locations, they often do not acquire land based on the value of existing permissions. Rather, land is valued on a speculative basis, reflective of what might be achievable through a planning process. The City should consider this nuance in the development of a potential IZ policy, both from the perspective of potential offset approaches (via bonus density) as well as for the phase-in process of the policy. This is important so that the policy can achieve its desired outcome: creating a new supply of affordable housing. Likewise, the City must clearly signal emerging policy in order to ensure that future speculative land market activity can adjust to new cost considerations.
- Avoid implementing high levels of inclusion in market areas where investment is being encouraged and the market for new residential investment is currently weak.

And likewise, in asset classes (i.e. purpose-built rental apartment development) where new investment is also encouraged. There is little evidence to support the implementation of inclusionary zoning policies within Markham which are applied to new purpose-built rental housing.

- For the program to have an enduring impact on affordability in the City, the City should seek affordability for units created through IZ in perpetuity, where possible. The use of municipal/ regional financial tools could also be considered to ‘buy’ an extended period of affordability.
- Update the IZ policy at regular intervals to ensure that the policy is nimble and able to adjust to the economic realities of the day.

This analysis cannot assume the wide variations of market factors and the interests of developers and landowners. For example, the analysis does not consider landowners of shopping centres who have marginal or no land costs, or developers that have made a speculative land acquisition based on density assumptions that exceed current permissions. The results therefore should be considered at a high level and used to provide general direction in developing an IZ policy.

Appendix C: Selected Case Studies

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Inclusionary Zoning

Inclusionary zoning or inclusionary housing refers to programs or policies which require or incentivize the creation of affordable housing when new residential development occurs. The following table shows a summary of how inclusionary zoning has been implemented in different jurisdictions in Canada and the United States.

Municipality	Affordable Housing Requirement	Threshold for Implementation
Montreal, QC	20%	450 m ² (about 5 units)
Vancouver, BC	20% - 30% of residential floor space	Developments larger than 8,000 m ² or having more than 45,000 m ² of new floor area
Toronto, ON	10% - 20% for condominium projects	100 units in the downtown areas and 140 units in other areas

Municipality	Affordable Housing Requirement	Threshold for Implementation
	2.5% - 5% for purpose-built rental	
Richmond, BC	10% of total residential floor space	60 units
Langford, BC	1 unit per 15 dwellings	15 single-family dwellings
Edmonton, AB	5% of units	12 units which receive a density increase

Municipality	Affordable Housing Requirement	Threshold for Implementation
Washington, DC	8% - 10% of total area	10 units
New York, NY	20% - 30%	10 units or 12,500 sq. ft.
San Francisco, CA	12% for small projects 18% for large projects	small projects = 10 – 24 units large projects 25+ units
Portland, OR	15% - 20%	20 units
Chicago, IL	10% or 20% if the project receives financial assistance from the City	10 units
Boston, MA	13% of units	10 units with rezoning or receive assistance from the City

The following are additional details on some selected case studies.

By-law for a Diverse Metropolis – Montreal, Quebec

The City of Montreal has [introduced](#) a [by-law](#) to increase the supply of social, affordable and family housing in the city. Adoption of this By-law is expected in early 2020 and it will take effect on January 1, 2021. Once adopted, this by-law will replace the Strategy for the Inclusion of Affordable Housing in New Residential Projects which was adopted in 2005. While the Strategy was an incentive measure, this By-law makes the

contributions mandatory. In addition, the 2005 Strategy applied to projects of 100 units or more with a 15% requirement each for social and affordable housing. In comparison, the requirements of this [new By-law](#) have been increased to 20% with family housing added.

The By-law will apply to all housing projects of 450 m² or more (about five units) and will require builders to sign an agreement with the City to improve the supply of social, affordable and family housing as a condition for obtaining a construction permit.

The By-law requires three categories of housing: social housing (which is defined as government-subsidized housing), affordable housing (where the price or rent is below the limits set out in the by-law which is equal to or slightly lower than market prices for modestly designed housing units), and family housing (which are units with at least three bedrooms with a gross floor area of 86 m² in the downtown or 96 m² in the periphery; prices may be social, affordable or market; may be rental or ownership).

The By-law also outlines different requirements for the downtown, central neighbourhoods and periphery, and outskirts of the city with an average contribution of 20% each for social, affordable and family housing. In addition, the By-law allows offsite contributions for social housing outside of the downtown with a greater percentage requirement (22%) if the units are provided offsite. Furthermore, the By-law allows financial contributions for social and affordable housing units.

Inclusionary Zoning – Vancouver, BC

Vancouver first introduced this [policy](#) in 1988 and required that developments with more than 200 units provide a parcel of land large enough to accommodate a minimum of 20% of the units as family-oriented social housing. [Recent changes](#) to the policy include extending the requirement to other large developments, those larger than 8,000 m² (2 acres) or having more than 45,000 m² of new floor area. Other changes include taking 20% as low-end-of-market rental housing and affordable ownership options if funding was not available to secure the 20% as social housing for low income households.

Inclusionary zoning is one of the City's primary delivery streams for social and supportive housing. It requires affordable housing contributions ranging from 20% to 30% of residential floor space in exchange for additional density in new residential developments. This tool has been used as part of recent Community Plans, such as the ones for the West End and Cambie Corridor. Inclusionary housing units are required to be built to the City's specifications and transferred to the City in Air Space Parcels²⁸.

Vancouver typically leases the units delivered through this program to non-profit housing operators on a 60 year lease, with a pre-paid lease payment determined by the rent revenue at the targeted level of affordability. Moving forward, rent

levels will be focused on households with incomes in the \$30,000 to \$80,000 range with deeper levels of affordability if funding from other partners is available. The revenue from these pre-paid leases will be used to fund land acquisition in the Affordable Housing Endowment Fund or to deepen affordability on other sites.

As of December 2017, 21 inclusionary housing projects have been approved with a total of approximately 1,500 social housing units for low- and moderate-income households. In addition, [in 2018](#), the City approved a total of 1,938 units of social and supportive housing and 29% (562 units) of these units were created through inclusionary zoning requirements.

Additional information:

Richard Drdla Associates for Canada Mortgage and Housing Corporation (2017). Inclusionary Zoning – Domestic and International Practices.

Inclusionary Zoning – Toronto, Ontario

Section 3.2.1.p of Toronto's Official Plan includes a policy which requires that developments in large sites greater than five hectares where an increase in height and/or density is sought be required to provide 20% of the additional residential units as affordable housing. This contribution can be in the form of affordable units constructed on-site or the conveyance of land in the development or elsewhere to the City for the

²⁸ Air space parcels are volumetric parcels, whether or not occupied in whole or in part by a building or other structure (as defined by the British Columbia Land Title Act).

purpose of affordable housing. Most recently, this policy has resulted in approximately 420 affordable rental and affordable ownership units in three different sites throughout Toronto. Toronto has also used Section 37 of the Planning Act extensively to secure affordable housing as well as capital improvements to existing social housing units. From 2013 to 2017, over \$31.5 million and 500 new affordable housing units have been secured through this policy.

As previously discussed, recent changes in the Planning Act now only allow Ontario municipalities to adopt inclusionary zoning policies and by-laws in areas around protected major transit station areas. As such, Toronto has developed a [draft inclusionary zoning policy](#) and is aiming to bring forward a recommended Official Plan Amendment in early 2020.

If adopted, the draft inclusionary zoning policy will apply to projects with over 100 units in the downtown areas and with over 140 units in all other identified inclusionary zoning areas. It proposes different requirements for strong and moderate markets; requiring a 20% contribution in strong markets for condominium projects and 10% in moderate markets. In addition, the draft policy requires a 5% contribution in strong markets for purpose-built rental projects and 2.5% in moderate markets. Affordable rents are based on 100% of average market rents (AMR) for the City while affordable ownership price will be based on household incomes from the 3rd to the

6th income deciles, depending on unit type. At least 10% of the units will be provided at 80% of AMR while the rest will be rented at no more than 100% AMR. These units will remain affordable for 25 years with a phase-out period.

Low-End Market Rental (LEMR) Program – Richmond, BC

As part of [Richmond's Affordable Housing Strategy](#), new residential developments that have more than 60 units are required to dedicate a minimum of 10% of their total residential floor space as LEMR units in exchange for a density bonus. All multi-family or mixed-use developments with less than 60 units are required to make a cash contribution at specified rates to be adjusted on a bi-annual basis²⁹. Units secured through this program are meant to provide rental housing for low and moderate income households earning between \$34,000 and \$58,000 annually.

This program was also part of the 2007 Strategy and required a 5% contribution and was applicable to projects with 80 units or more. From 2007 to 2017, the City secured 620 LEMR units through this program. City Council approved updates to the program in [July 2017](#), which includes increasing the required affordable housing contribution from 5% to 10%. The impact of this change is seen in the fact that in 2018, the City secured 168 units compared to an annual average of 45 units from 2007 to 2017.

²⁹ In 2017, the rates were as follows: \$4 per sq. ft. for single family rezonings; \$8.50 per sq. ft. for townhouse developments; \$10 per sq. ft. for wood-frame apartments and mixed use developments with 60 units or less; and, \$14 per

sq. ft. for concrete apartments and mixed use developments with 60 units or less.

The program also requires the inclusion of family-friendly housing units as part of the LEMR contributions. In 2018, a total of 100 family-friendly two- and three-bedroom units were secured through this program, which represents almost 60% of the total LEMR units secured in 2018.

The City also accepts secondary suites in single family developments as part of an applicant's affordable housing contribution. All single family and townhouse developments are to provide a secondary suite in up to 50% of the units and contribute cash for the remainder at a rate set on a bi-annual basis. In 2018, 24 secondary suites were secured through this process.

In 2018, the City secured \$1.8 million through developer cash-in-lieu contributions, exceeding the target in the Affordable Housing Strategy of \$1.5 million annually. These contributions resulted in the City being able to support the development of 575 non-market housing units between 2007 and 2018.

Additional information:

Richard Drdla Associates for Canada Mortgage and Housing Corporation (2017). Inclusionary Zoning – Domestic and International Practices.

Inclusionary Zoning – United States

A [recent study](#)³⁰ undertaken in the United States found 886 jurisdictions with inclusionary housing programs located in 25

states at the end of 2016, with the majority located in New Jersey, Massachusetts, and California. While data on the impact of the policy was not available for all jurisdictions, the study found that 373 jurisdictions raised a total of \$1.7 billion in impact or in-lieu fees. In addition, jurisdictions with this policy reported creating a total of 173,707 units of affordable housing, which excludes the additional units created through the \$1.7 billion in fees.

Of the 273 inclusionary housing programs analyzed, 71% of programs applied to the entire jurisdiction. The most common type was mandatory, and policies applied to both rental and ownership developments in 61% of programs. In addition, about 90% of programs had an affordability period of at least 30 years. The most common approaches for providing affordable units was through on-site development (90% of programs analyzed) or through paying in-lieu fees or providing off-site affordable units (about 50% of programs). The most common incentives offered to developers were density bonuses (78%), other zoning variances (44%), or fee reductions or waivers (37%).

Inclusionary Zoning – Washington, D.C.

[Inclusionary zoning](#) was enacted in 2006 and regulations came into effect in 2009. The [program](#) applies to new residential projects with ten units or more. Developers are required to set aside 8% to 10% of the square footage as affordable and, in exchange, will get up to 20% additional density. House prices

³⁰ E. Thaden and R. Wang (2017). Inclusionary Housing in the United States. Lincoln Institute of Land Policy.

and rents are set based on 80% of the Median Family Income (MFI) for ownership units and 60% of the MFI for rental units. Qualifying households are selected by random lottery after attending an orientation and registering online. There is no income limit for households purchasing a unit except at the time of purchase and as long as the unit remains their principal residence. Renters are required to sign a one-year lease and must recertify on an annual basis to show that the unit is their primary residence and that their household income is still within the eligibility criteria.

While the program was initially criticized as ineffective, likely due to developer lawsuits, it has become more effective in recent years. The [2016 Annual Report](#) shows that out of 22 developments that year, a total of 191 affordable units were created, most of which (73%) were rental units. This is an increase from 124 affordable units created in 2015 and 34 units created in 2014. Of the 191 inclusionary zoning units created in 2016, about 25% (47 units) were set aside for 50% MFI/Area Median Income (AMI) and about 75% (144 units) were produced for 80% MFI households. As of the end of 2016, a total of 402 affordable units were created since the program inception. Of these units, 18% were designated for 50% MFI households and 82% were for 80% MFI households.

Furthermore, applications for new housing permits have risen steadily in the years since the inclusionary zoning program was implemented. This suggests that the program has not had an adverse effect on the overall housing supply.

Inclusionary Housing Program – New York City

New York has several [inclusionary housing programs](#), the first of which was created in 1987 and is applicable to specific districts (R10 and R10-equivalent commercial districts). New developments in these districts are permitted to increase maximum floor area ratio (FAR) from 10 to a maximum of 12 by providing affordable housing for low-income families (which is defined as 80% of Area Median Income and below). Each square foot of affordable housing receives between 1.25 and 3.5 square feet of bonus floor area, depending on whether the affordable housing is provided on-site or off-site; through new construction, rehabilitation, or preservation; and whether it receives public funding. As most of these districts are in Manhattan that is where the greater proportion of units are being created. As of February 2017, the program has created about 4,000 units of affordable housing.

Another program in New York is the Inclusionary Housing Designated Areas program, which was created in 2005 for medium- and high-density areas rezoned for new housing opportunities. Within these districts, the base FAR allowed is lower than the standard FAR for the district if the development does not participate in the Inclusionary Housing Program whereas the maximum FAR available with the bonus is higher than the standard FAR. In general, the increase in the FAR is about 33% if 20% of the floor area, excluding ground floor non-residential floor area, is provided for affordable housing. Affordable housing created through this program is required to remain affordable in perpetuity for households at or below 80% of Area Median Income (AMI). As of February 2017, the

program has created or preserved over 7,000 units of affordable housing.

Both the R10 and Designated Area programs are voluntary. However, in 2016, the City created a Mandatory Inclusionary Housing (MIH) program that applies to neighbourhood rezonings and private applications that significantly increase residential capacity. This program applies to developments, enlargements and conversions in designated areas which are over 10 units or 12,500 square feet. The program includes four options which City Council and the Commission will apply when creating new MIH areas. These options are as follows.

- Option 1 – a 25% contribution at an average of 60% AMI with a minimum of 10% at 40% AMI
- Option 2 – a 30% contribution at an average of 80% AMI
- Deep Affordability Option – a 20% contribution at an average of 40% AMI
- Workforce Option – a 30% contribution at an average of 115% AMI with a minimum of 5% at 70% AMI and 5% at 90% AMI.

In addition, the program increases the requirements by 5% for developments that provide the required affordable units off-site. Projects adding less than 25 units and 25,000 sq. ft. are eligible to pay a fee in lieu. These funds are reserved for affordable housing purposes within the area where the development is located.

Inclusionary Housing Program – San Francisco

San Francisco's [program](#), which has been in effect since 2002, requires new residential projects of 10 or more units to pay an Affordable Housing Fee or provide a percentage of the units as below market rate (BMR) units at a price that is affordable to low or middle income households. These units can be provided on- or off-site. Households have to meet specific requirements, including income requirements to be eligible for units. [Key requirements](#) of the program were significantly revised in 2017 and these changes include different requirements for small projects (i.e. 10-24 units) and large projects (25+ units).

For small projects, the program requires 12% of units at 55% of AMI (for rental) or 80% of AMI (for ownership) or an off-site contribution or in-lieu fee equivalent to 20% of project units.

For large projects, the program requires a total of 18% for rental projects with 10% of units at 55% of AMI, 4% of units at 80% AMI and 4% of units at 110% AMI or an off-site contribution of fee equivalent to 30% of project units. For ownership projects, a total of 20% of units is required. Of these units, 10% should be at 80% of AMI, 5% at 105% AMI and 5% at 130% AMI or an off-site contribution of fee payment equivalent to 33% of project units.

Financing Affordable Housing

Guelph Affordable Housing Reserve Fund

The City's [Affordable Housing Reserve Fund](#) was established in 2002 to encourage the development of affordable housing.

Incentives provided through this fund have focused on property tax exemptions, property tax reclassifications, late Development Charge payments and grants to offset Development Charges, and capital funding to match funding from senior levels of government.

Victoria Housing Reserve Fund

The [Housing Reserve Fund](#) was established for the purpose of providing grants to assist in the development and retention of affordable housing for households with very low, low, or median incomes to support community diversity and infrastructure and to facilitate the development of affordable rental housing and affordable ownership housing projects. Successful applicants are required to enter into a Housing Agreement with the City to ensure the units receiving funding remain affordable in perpetuity or for a time approved by Council.

Applications can be submitted twice a year (in March and September). Maximum funding for eligible projects are allocated on a per unit basis and range from \$10,000 for a one-bedroom very low income or low income rental unit to \$30,000 for a three-bedroom unit. Projects can only receive funding once and the grant is non-renewable. In addition, if construction does not start within two years of the Development Permit approval, the approved grant is rescinded.

Recent updates to the Housing Reserve Fund include an increased funding from City Council from \$250,000 to \$1 million for 2019. Other updates include the following.

- Updated housing affordability targets
- Prioritizing projects for very low, low and median incomes
- A funding cap that grant contributions cannot exceed non-refundable contributions from other levels of government for the same project
- Prioritizing projects within the City of Victoria proper
- Prioritizing projects that provide housing for persons with disabilities, individuals and families who are either experiencing homelessness or are at risk
- Prioritizing projects which will remain affordable in perpetuity.

Surplus Government Land for Affordable Housing

Toronto Housing Now Initiative

[Housing Now](#) is an initiative to activate 11 City-owned sites for the development of affordable housing with mixed-income, mixed-use, and transit-oriented communities. City Council approved the first phase of this initiative in December 2018. This [first phase](#) is expected to result in over 10,000 new residential units, including market ownership, market rental, and approximately 3,700 new affordable rental units.

The affordable rental units will, on average, be rented at 80% of Toronto's average market rent (AMR). However, affordable rents are expected to range from 40% to 80% of AMR and will be affordable to households earning between \$21,000 and \$52,000 per year.

In addition, City Council approved a \$1 million Non-Profit Housing Capacity Fund to support the participation of non-profit organizations in the Housing Now Initiative and to encourage their involvement in the market offering process for the 11 sites, including the opportunity for long-term operation of the affordable rental units.

Co-living

Co-living is a form of shared living or intentional community where residents live in a house or building and share common spaces and amenities. While the terms “co-housing” and “co-living” are usually interchangeable, co-housing generally refers to smaller-scale intentional communities built around private homes while co-living usually refers to dorm-style apartment buildings.

Starcity – San Jose, California

[Starcity](#) is one of the developers of co-living projects in the United States. It recently received approval to start work on its biggest project to date – an 18-storey building with 803 units in downtown San Jose. Construction will start in the fall of 2019 and is expected to be completed in late 2021. Rents will start in the low \$2,000's and will include furnishings, utilities, wifi, and rapport-building events. In addition to offering a more

affordable option, co-living offers the advantage of living in a community of like-minded people.

While previous Starcity projects in San Francisco were scaled down to fit into the local zoning category of group housing, the larger-scale San Jose project is possible due to a rezoning which allows almost triple the original zoning for a 300-unit multi-family complex. Other incentives from the City include alternative parking requirements for the project as well as an exemption from an inclusionary housing ordinance which requires 15% affordable units or paying a per-unit fee.

Ramona Apartments – Portland, Oregon

The [Ramona Apartments](#) is a rental apartment complex specifically designed to meet the needs of families. It was completed in 2011 and is made up of 138 apartments (from studios to three-bedroom units) over six storeys. While individual units are more modest in size (366 to 941 square feet), the building offers shared amenities such as a laundry space on each floor, outdoor courtyard, children's play area, fitness room, furnished lounges, a large community room, and bicycle parking. The building also includes several green features, including energy-efficient equipment and features, a solar panels which produce almost 50% of the hot water, photovoltaic (PV) panels which produce electricity to run the elevators and most of the hallway lights, an eco-roof, courtyard filtration, and infiltration swale.

Rents for all the units are below market. For example, the monthly rent for a 355 sq. ft. studio is \$430-\$732 per month.

In comparison, the average market rent for a studio in the same district is \$1,304. Residents must meet eligibility requirements, including earning up to 60% of Portland's Median Family Income, occupancy requirements (i.e. minimum number of people for each unit type), and full-time students without families are not eligible.

The building was partly financed by the City of Portland and receives funding from state and federal programs to ensure affordability.

Additional information:

Ryerson City Building Institute. Rethinking the Tower: Innovations for Housing Affordability in Toronto.

Solterra Co-Housing – Ontario

[Solterra](#) is a developer-led network of [co-housing projects](#) in purpose-built or renovated homes. Each property has four to six residents who purchase a percentage interest in the shared home and who register as a Tenant in Common on the title/deed. This allows residents to retain equity in the property and have the option to sell their share when they leave or pass away. Co-owners are jointly responsible for ongoing expenses such as utilities, taxes and maintenance and household decisions. Each resident has private space in the form of a bedroom, sitting area and bathroom and have access to shared space, including a kitchen, dining, sitting and outdoor areas. Support for housekeeping, shopping and household administration is provided by Solterra In-Home Support Services. The estimated monthly mortgage and service fees at

Solterra's homes are slightly higher than average rents in local semi-private seniors housing facilities. However, this model allows seniors to build equity and have a say in the management of their home.

Micro Living and Tiny Homes

Micro Dwelling Policies and Guidelines – Vancouver, BC

Micro dwelling units are new self-contained units with a private bathroom and kitchen, which are smaller than 320 square feet and may be relaxed down to 250 sq.ft. and are intended for single occupancy. Vancouver has developed policies and [guidelines](#) to encourage the creation of these affordable micro dwelling rental units in certain parts of the City. The preference is that they be located in buildings with a variety of unit sizes and located in close proximity to open green space, commercial, and community and recreational facilities. As part of the development permit process, the intention is that the City will enter into an agreement with the developer which will be registered against the title of the property to ensure that these micro units are secured either as non-market or market rental units for 60 years or for the life of the building, whichever is greater.

Your Choice Homes and Piikani Nation Tiny Homes – Alberta

[Your Choice Homes](#) is an organization that teaches high school students construction skills for high school class credit, apprenticeship hours and a pay cheque while also developing life skills and promoting empowerment. The organization partnered with the Piikani Nation on a [pilot project](#) funded by a \$250,000 grant from Indigenous Services Canada to build tiny homes to help address the severe housing shortage experienced by this southern Alberta First Nation. Each tiny home will have one bedroom and will be allocated to a local elder. This is the first project of its kind in Alberta although the concept has already been tested in Saskatchewan.

Pocket Living – London, UK

[Pocket Living](#) is a developer with the goal of providing affordable ownership. The company uses off-site factory construction which is assembled at the development site. This results in a house price which is between 20% and 40% below market rate. Other benefits of this approach include shorter construction times (building one floor per day), less machinery and less disruption to the neighbourhood, and the capacity to build in small and difficult to access sites.

Pocket Living's buildings are accessible by transit and have no parking except for bicycles, which further decreases the cost of the structure. To be eligible, buyers have to be local, be a first time buyer, earn a modest salary which is under the Mayor of London's income threshold for affordable housing (currently set at £90,000), and not own any other property. Owners

cannot sell until after owning the property for at least one year. The average unit size is 775 sq. ft. and the average unit price is £599,999 (or £774 per sq. ft.). In comparison, the average cost of units in the area is £898 per sq. ft.

Additional information: Ryerson City Building Institute.
Rethinking the Tower: Innovations for Housing Affordability in Toronto

Modular Construction

Factory manufacturing of the components of a housing project can reduce construction costs and time and be applicable to both temporary and permanent dwellings. It can also improve worker safety, reduce transportation costs, and mitigate site congestion and disruption. As-of-right zoning appropriate sites for modular construction could encourage the use of this innovative approach by improving the feasibility and cost-effectiveness of development on small lots and difficult sites.

Additional information: Ryerson City Building Institute.
Rethinking the Tower: Innovations for Housing Affordability in Toronto

Temporary Modular Supportive Housing – Vancouver, BC

In September 2017, the government of British Columbia announced a funding commitment of \$66 million to build 600 units of [temporary modular housing](#) in Vancouver. The housing can be constructed more quickly than permanent housing and provides immediate relief to hundreds of people who are currently homeless. As part of the program, people

living in these housing units are given supports such as life skills training as well as health and social services. They are also provided with two meals a day and opportunities to connect with community groups, volunteer work, and social events. A total of 606 single units were built or under construction as of October 9, 2018.

In addition to these units, [40 social housing units](#) were created on City-owned land with funding from the federal government and Vancity at 220 Terminal Avenue. While this development does not offer support services, it offers affordable units for low-income residents. All the homes are self-contained with a private bathroom and kitchen. Four suites were designed to accommodate persons with accessibility requirements and feature customized layouts and a user-friendly adaptive design, such as lower light switches and fully accessible bathrooms. Each is about 250 sq.ft and designed for a single person. The advantage of using modular housing is that these units can be picked up and transferred to another site if necessary.

There were initially some concerns about these units, particularly related to increased crime rates but an [examination](#) undertaken a year later shows that these concerns have been unfounded and that the project was a success.

Presentation Manor – Scarborough, ON

In 2017, PCL Construction fabricated 413 exterior wall panels for Presentation Manor, a non-profit seniors' residence. This resulted in a reduction of the number of building trades on the construction site and increased worker safety overall. This

modular approach was 25% more cost effective than conventional construction and resulted in a 50% reduction in the construction timeline.

Additional information: Ryerson City Building Institute.
Rethinking the Tower: Innovations for Housing Affordability in Toronto

Home “Unbundling”

Home “unbundling” is an approach which provides home buyers the option to choose unit-specific features, finishes and appliances to decrease the cost of the unit by decreasing the cost of construction to just the bare bones. Unbundling may be applied to the cost of parking spaces, storage lockers, walls, fixtures, etc.

Additional information: Ryerson City Building Institute.
Rethinking the Tower: Innovations for Housing Affordability in Toronto

Naked House – London, UK

[Naked House](#) is a non-profit developer that offers minimalist units that home buyers can upgrade over time. The baseline unit is habitable and comes with energy efficient elements and a basic bathroom but without finishes or room partitions. Owners can add their own walls, fixtures, faucets, countertops, and other fixtures. By keeping the construction to the bare bones, Naked Houses are between 20% to 40% cheaper than the average house price.

Naked Houses are aimed at buyers who cannot afford the average house price but who do not qualify for subsidized housing, those earning between £25,000 to £90,000. Local buyers are given priority and buyers must show that they are willing to customize their home and have the means to do so. Successful applicants are eligible for a mortgage and homes cost no more than a third of the buyer's gross income. All homes are sold through First Steps, the Mayor of London's official intermediate housing program.

To ensure that the homes remain affordable, the discount received by the initial purchaser is written into an agreement. For example, if the home is bought at 70% of market value, it will also be sold at 70% of market value. This captures any improvements made on the home and any increase in the housing market while still remaining below market.

Shared Equity

Under a shared equity arrangement, a partner (who may be a non-profit organization or a private entity) assists by paying for a share of the home in the form of a loan or second mortgage. Unlike a typical mortgage, the home buyer does not have to make payments on the portion owned by the partner until they sell the unit. To remain affordable, some non-profit organizations have included an affordability covenant in the second mortgage.

Additional information:

Ryerson City Building Institute. Rethinking the Tower:
Innovations for Housing Affordability in Toronto

Artscape Triangle Lofts – Toronto, ON

This [project](#) was launched in 2011 and includes 48 affordable ownership units and 20 affordable rental units within a larger condominium development. The units were secured as part of a Section 37 negotiation where the developer received an additional three floors of height/density in exchange for the units. All the [Artscape units](#) are reserved for artists and employees of arts-based organizations. The rental units are rented at 80% of AMR while the ownership units are offered with an interest-free and no-payment shared appreciation second mortgage for 25% of the market value. Buyers are required to have a 5% down payment and secure a mortgage for the balance of the purchase price.

The terms of the second mortgage require that resale of the units be done through Artscape. In addition, the second mortgage includes an affordability covenant where the seller is entitled to a maximum of 5% market appreciation for their share of the unit (75%). Any market appreciation above 5% is split 50/50 between the seller and Artscape and Artscape is entitled to the full appreciation of their share (25%) of the unit. This ensures the affordability of the units in perpetuity and limits speculative investments.

Artscape was able to fund the affordable rental units from the proceeds of the sale of the ownership units.

Adaptive Reuse

Adaptive reuse takes old and underutilized or vacant buildings and converts these into housing.

Reside Initiative – Greater Toronto Area

Raising the Roof's [Reside](#) initiative renovates vacant or underutilized spaces such as heritage homes into new affordable housing options for people who are homeless or at risk of homelessness. The organization works with several partners, including Building Up, a non-profit construction contractor who trains and creates employment opportunities for individuals facing barriers to employment. Once the home is renovated, it is leased to a community non-profit housing provider who operates the home.

373 Princeton Avenue – Cornerstone Housing for Women – Ottawa, ON

The Sisters of Jeanne d'Arc in Ottawa sold their former "Mother House" or convent to [Cornerstone Housing for Women](#) in 2016. This property was [converted into supportive housing](#) for 42 women who need moderate support. [Cornerstone](#) received \$3.97 million from the federal government and \$1.3 million from the Canada-Ontario Investment in Affordable Housing Program. Additional funds were raised through a fundraising campaign.

Infill/Sharing Land/Reusing Land

Land in Markham is not only becoming extremely expensive, it is also becoming a limited resource as the City becomes more

built up. As such, innovative options that would increase the supply of land for affordable housing should be considered. These would include redeveloping current social housing sites, including affordable housing as part of community centres or libraries, reusing publicly-owned land, such as parking lots within transit hubs, and sharing land, such as parking lots of churches.

20 Water Street – Markham, ON

The [Markham Inter-church Committee for Affordable Housing](#) (MICAH) is currently developing a four-storey apartment building with 32 units for seniors on underutilized land owned by Water Street Non-Profit Homes Inc. This land was part of the parking lot for Cedarcrest Manor, a 150-unit affordable housing building for seniors which opened in 1991.

United Church – British Columbia

Some faith groups in Canada are seeing a decline in their congregation. As a result, some dioceses have started to consider identifying church properties that can be [redeveloped for affordable housing projects](#). In early 2018, the British Columbia Conference of the United Church [announced](#) a partnership with the provincial government which will result in a total of 414 units of below-market rental housing on current church sites. This partnership is being facilitated by [HousingHub](#), a new division of BC Housing.

The first 75 units are being built by the Como Lake United Church in Coquitlam as part of a redevelopment plan for the church. This project will serve low- and moderate-income

households and is scheduled to be completed in Fall 2019. While this project will not provide subsidized housing, it is aimed at renters with household incomes of \$48,520 to \$72,000 with monthly rents for one- and two-bedroom units projected to be between \$1,200 to \$2,000.

Short-Term Rental Licensing

Vancouver Short-Term Rental Licensing

The City of Vancouver implemented a short-term rental [licensing by-law](#) in April 2018 and as of September 1, 2018, all short-term rental operators are required to have a business license and include their licence number in all online listings and advertising. Failure to obtain a license and include the number in listings would be subject to a fine of up to \$1,000 per offence.

Short-term rentals include homes and rooms within homes which are rented for less than thirty consecutive days at a time. They are only permitted in secondary homes or basement suites if the operator lives there full-time.

As of early September 2018, more than 2,400 Vancouver listings were [deactivated](#) by Airbnb as they did not have a posted business number and 660 listings were removed by operators or converted to long-term rental units in response to the new regulations. The City has also [enforced](#) these regulations, resulting in more than 200 violation tickets issued and legal action taken against 142 properties as of March 2019.

Parking Standards

As part of the comprehensive parking study, City of Markham staff undertook a scan of parking requirements for different dwelling types in various Ontario municipalities, including Kitchener, Hamilton, London, Ottawa, Mississauga, Brampton, Vaughan, Oshawa, Oakville, Burlington, and Toronto. The results of this scan show that these municipalities do not have specific parking requirements for affordable housing as this may be considered “people zoning”. However, most of these municipalities allow for reduced parking on a case by case basis. In addition, some municipalities also reduce parking requirements for seniors housing, supportive housing, and residential developments along transit corridors. For example, Toronto allows for near zero parking requirements in the downtown area, urban growth centres, along subway lines, and along high volume transit corridors. Similarly, Mississauga considers reductions in parking requirements for affordable and purpose-built rental projects on a case-by-case basis.

