



SUBJECT: Affordable and Special Needs Housing Strategy:
Recommended Policy Framework

PREPARED BY: Murray Boyce, Senior Policy Coordinator
Planning and Urban Design Department

RECOMMENDATION:

THAT the report entitled “Affordable and Special Needs Housing Strategy: Recommended Policy Framework”, dated February 22, 2011, including the attached SHS Consulting technical reports, be received, and be posted on the Town website and circulated to those members of the public who have requested further notification and information on the item;

THAT Staff review the consultant’s recommended policy framework and report back to Development Services Committee on a draft Affordable and Special Needs Housing Strategy and Official Plan policies, and include recommendations to address public input and participation in the review of the draft Strategy, and a work program to develop a plan, in collaboration with the Region of York and other key stakeholders, to implement the actions outlined in the draft Strategy;

AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

1. Purpose	2. Background	3. Discussion	4. Financial
5. Others (Environmental, Accessibility, Engage 21st, Affected Units)			6. Attachment(s)

EXECUTIVE SUMMARY:

Planning for growth in more compact and complete communities must include planning for affordable and special needs housing. In order to create healthy, sustainable and complete communities, an appropriate and adequate range of housing by type, tenure and affordability level must be provided to accommodate the needs of all Markham households.

The Town currently has limited housing options for low and moderate income households with almost half of all households spending more than 30% of their income on housing, exceeding their affordability level as conventionally defined. High land values and rising housing construction costs make it increasingly difficult to achieve housing options to accommodate all Markham households across the range of incomes.

The need for affordable housing impacts many of Markham’s residents and workers, whether they are a first time homebuyer, a student looking for affordable rent, a single parent needing to find adequate housing, a senior citizen on a fixed income, a person no longer able to work due to a disability or unforeseen circumstance, or simply those with modest incomes. For this reason, it is difficult to generally characterize those in need of affordable housing, as many households may experience the need given their various circumstances and various stages of life.

While the Town must rely, to a significant extent, on senior levels of government and community based sponsorship to fund new affordable housing units, it can play an effective role in creating opportunities for affordable housing through financial incentives, advocacy and partnerships and policy initiatives.

As part of the work supporting the preparation of a new Official Plan, SHS Consulting was retained to identify key issues related to the planning and provision of affordable and special needs housing and assess the Town's role regarding the provision of such housing through to 2031. In addition to completing a housing needs analysis, SHS also completed a comprehensive review of current policies and effective practices and solicited input from a wide range of stakeholders on housing issues through surveys and a community workshop.

Following the community workshop, stakeholders were invited to review and comment on a discussion paper posted on the Town website. The discussion paper outlined a draft community vision statement, goals to support the vision, and recommended actions to guide the development of the Town's Affordable and Special Needs Housing Strategy. Staff and SHS Consulting also had follow up discussions with some of the stakeholders who provided comments on the discussion paper.

The consultant's recommended policy framework for a Town of Markham Affordable and Special Needs Housing Strategy is a culmination of extensive data analysis, a comprehensive review of relevant legislation and background research, and broad stakeholder consultation. The recommended actions outline opportunities for the Town through its role in policy development, provision of financial incentives, advocacy, partnerships and education, to meet the diverse housing needs of Markham residents and workers over time.

Having regard for Markham's role in the context of the roles played by senior levels of government and the authority and resources available to the Town, it is recommended that Staff review the consultant's recommended policy framework and report back to Development Services Committee on a draft Affordable and Special Needs Housing Strategy and Official Plan policies.

It is also recommended that the staff report include recommendations to address public input and participation in the review of the draft Strategy, and a work program to develop a plan, in collaboration with the Region of York and other key stakeholders, to implement the actions outlined in the draft Strategy.

PURPOSE:

The purpose of this report is to provide Development Services Committee with an overview of the findings and recommendations of the Affordable and Special Needs Housing Strategy Study undertaken by the Town's consultant SHS Consulting, and to have the Committee receive the consultant's report as input into the development of a draft Affordable and Special Needs Housing Strategy and implementation plan.

BACKGROUND:

Although Markham has taken a supportive position on achieving affordable housing objectives, the Region of York is designated by the Province as Service Manager for housing responsible for policy, planning, financial management and service delivery.

In 2003, Council adopted a strategy for affordable housing that defined an advocacy/partnership, policy and financial role for the Town in support of the provision of affordable and rental housing. In adopting the strategy, Council established a cooperative role for the Town regarding affordable housing relative to senior government, private sector and community interests, and determined how the Town will respond to affordable and rental housing initiatives of other stakeholders.

In 2009, SHS Consulting were retained to review the Town's current role in the provision of affordable and rental housing, assess its current relevance, and to put forth recommendations for a new policy framework which responds to current senior government policy, initiatives and targets. In particular, the consultants were asked to review current Provincial and Regional housing strategies and the requirements of the Provincial Policy Statement (PPS) and the York Region Official Plan as they apply to the Town of Markham to determine what policies and targets the Town will need to include in a new Affordable and Special Needs Housing Strategy and a new Official Plan.

Provincial Policy Statement, 2005

The PPS requires planning authorities to provide for an appropriate range of housing types and densities, by establishing minimum targets for the provision of *affordable* housing and permitting all forms of housing required to meet the social, health and wealth-being requirement of current and future residents, including *special needs* requirements.

According to the PPS, *affordable* in Markham means:

- a) in the case of ownership housing, housing for which the purchase price of the dwelling unit results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households (ie. households in the lowest 60 percent of the income distribution); and
- b) in the case of rental housing, a unit for which the rent is at or below the average market rent of a unit in the regional market area.

In both instances, Markham households should not be exceeding 30 percent of their gross annual income on ownership or rental housing.

The Province further defines *special needs* housing as housing, including dedicated facilities, in whole or in part, that is used by people who have specific needs beyond economic needs, including, but not limited to, needs such as mobility requirements or support functions required for daily living.

Examples of *special needs* housing may include, but are not limited to, housing for persons with disabilities such as physical, sensory or mental health disabilities and housing for the elderly.

York Region Official Plan, 2010

Pursuant to the PPS, the Region's new Official Plan establishes a minimum target that 25% of new housing units across the Region, be *affordable*, and distributed within each municipality. *Affordable* housing units should include a mix and range of types, lot sizes, unit sizes, functions and tenures to provide opportunity for all household types, including larger families, seniors, and residents with special needs.

In addition, the Region establishes a target that a minimum of 35% of new housing units in Regional Centres (ie. Markham Centre, Langstaff Gateway) and key development areas along Regional Corridors (ie. Cornell Centre, Yonge Steeles Corridor, Markville, etc.), be *affordable*, offering a range of affordability for low and moderate income households.

The Regional Official Plan also includes policies to encourage the equitable distribution of *special needs* housing, particularly in proximity to rapid transit and other human services.

Markham Greenprint and Recommended Markham Growth Alternative to 2031

The Town is in the process of developing its Greenprint Community Sustainability Plan and a new Official Plan responding to the Council endorsed growth alternative to 2031.

The draft Greenprint includes a component for shelter and emphasizes the need for a range of housing choices which accommodate the needs of all income groups and ages in Markham.

The Greenprint plan emphasizes that greater housing diversity may accommodate greater ethnic and income diversity, increased live/work opportunities, and allow for aging in place. It also identifies potential variations in the cost of living associated with differences in community design (ie. looking beyond the affordability of shelter to other components of community design that can result in more affordable living, such as reduced transportation and energy costs.)

The Council endorsed growth alternative to 2031 supports the development of intensified compact communities offering a wide variety of choices for living where residents and workers have easy access to shelter, food, education and health care facilities, arts, recreation and transit to meet the needs of Markham's population.

Among other things, it is intended that the new Official Plan policies, will provide for further diversification of the housing stock in the design of new communities and target more affordable housing options in terms of types, unit sizes, and functions to address the range of Markham's housing needs by age and lifestyle.

DISCUSSION:

Consultant Study Findings and Recommended Framework

In 2010, SHS Consulting completed a housing needs analysis and an assessment of the Town's role regarding the provision of affordable and special needs within the context of senior government policy and the planning tools.

The consultant's study emphasized the role of partners in addressing housing issues and the importance of involving stakeholders in the early stages of policy development. In particular, input was solicited from the Region of York, the Provincial and Federal governments, members of the not-for-profit housing sector, the private sector and Markham residents, workers and businesses through surveys, web postings and a stakeholder workshop.

The product of the study is a recommended policy framework for a Town of Markham Affordable and Special Needs Housing Strategy (See Appendix A) and a background technical report containing all the data and research analysis (See Appendix C). A summary of the key findings of the technical study and the recommended policy approach for developing a new strategy is provided below.

Housing Issues Facing Markham

The SHS study identified key issues related to the planning and provision of affordable and special needs housing:

- Household composition is changing and diversifying and there is an increasing number of smaller (one and two person households), senior led households, immigrant households and lone parent households looking for more choices in housing types and tenures. At the same time, almost 70% of Markham households have children (including multiple households, lone-parent households, and couples with children) requiring housing choices of sufficient size to accommodate their family;
- Affordability remains an issue in both rental and ownership markets and there are several population groups, including lone parent families, recent immigrant households, single person households, youth led households, and the elderly, who are experiencing higher than average affordability challenges; and
- Limited supportive housing choices are available for residents requiring additional supports and/or home design features that enable them to live independently and there are no emergency housing options within the Town for residents who find themselves in crisis due to family break up, loss of employment, illness, eviction, etc.

Defining Affordable and Special Needs Housing in Markham

Based on the provincial definition, *affordable* ownership housing in Markham is housing which is affordable to households earning less than about \$103,000 combined yearly income. In Markham this represents about 46,150 households or 60% of all households.

Based on the provincial definition, *affordable* rental housing in Markham is housing which is affordable to households earning less than about \$40,000 combined yearly income. In Markham, this represents about 15,375 households or 20% of all households.

Based on the provincial definition, *special needs* housing is defined as housing that is used by people who have specific needs beyond economic needs, including, but not limited to, needs such as mobility requirements or supports services needed for daily living.

Markham's Housing Continuum

Markham's housing market is faced with a demand for a broader variety of housing types and sizes to meet the diverse range of needs of Markham's residents and workers. The housing demand is shaped by a number of variables including population and household growth, population and household characteristics, economic conditions, and income distribution. Markham's housing demand, shown on the continuum below, identifies the current income distribution of Markham households in comparison with current costs for new rental and ownership housing.

The provision of a full mix and range of housing is not always met in the private market especially for lower income households or households with special housing needs. As a result the public and not-for-profit sectors play a key role in responding to the housing requirements of persons whose needs are not being met in the private market. The housing supply provided by all sectors consists of emergency and transitional housing, special needs housing, social housing (housing with subsidies), private rental housing and ownership housing. Markham's housing supply, shown on the continuum below, identifies the type of housing available under each housing category. The total number of households is approximately 76,895.

In general, as household income increases, and households move along the continuum from left to right, an increased number of housing opportunities become available within the market. However, affordable rental and affordable ownership thresholds (based on the PPS definition of affordable) limit those housing opportunities for many Markham households to subsidized and rental apartment housing or smaller market affordable condo ownership housing.

For example, if Markham households do not pay more than 30% of their combined household incomes for shelter, the options for new housing for:

- approximately 15,375 households (or 20% of total households) earning less than \$40,000 annual income (1st and 2nd income deciles), are limited to smaller private rental units and social housing as well as emergency, transitional and supportive housing; and
- approximately 30,775 households (or 40% of total households) earning between \$40,000 and \$103,000 annual income (3rd to 6th income deciles), are primarily within the private rental market with ownership options limited to small market affordable condos.

Town of Markham Housing Continuum



Who Needs Affordable Housing in Markham

The need for affordable housing impacts many of Markham's residents and workers, whether they are a first time homebuyer, a student looking for affordable rent, a single parent needing to find adequate housing, a senior citizen on a fixed income, a person no longer able to work due to a disability or unforeseen circumstance, or simply those with modest incomes. For this reason, it is difficult to generally characterize those in need of affordable housing, as many households may experience the need given their various circumstances and various stages of life.

A Direction for Housing in Markham

At a stakeholder workshop in May 2010, Markham's housing partners collectively set a direction for housing in Markham by identifying a community vision statement along with seven identified goals to support the vision and guide the development of the Town's Affordable and Special Needs Housing Strategy.

Recommended Vision Statement:

To support the social and economic vitality of the Town 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.

Recommended Goals:

- Ensure a diverse range of housing choices
- Increase the supply of affordable home ownership housing
- Increase the supply of affordable rental housing
- Increasing the housing options for seniors, youth, new immigrants, and single person households
- Provide a range of housing options for families

- *Examine further emergency and supportive housing needs*
- *Increase supply of accessible housing*

Based on the housing needs identified in Markham, a comprehensive review of current policy and effective practices, and feedback from a wide range of stakeholders, a series of actions are proposed by the Town's consultant. These actions are presented below and are aimed at facilitating and supporting the development of increased affordable and special needs housing opportunities within the Town. These recommended actions are organized in five broad policy directions: Policy Development, Financial Incentives, Advocacy, Partnerships and Education.

SHS Consulting Recommended Actions:

1. Policy Development

Local municipal planning policies and regulations need to be evaluated in support of the development of a more complete community, including providing a range of housing choices for residents and workers.

The consultant's recommended actions include:

- *Adopt housing targets for housing type, tenure and affordability and evaluate options for developing special needs housing targets*
- *Develop alternative design standards to support the development of affordable housing*
- *Adopt definitions of affordable housing and special needs housing in Markham Official Plan*
- *Develop rental housing demolition and conversion guidelines*
- *Consider a new Strategy for Second Suites*
- *Monitor changes to inclusionary zoning regulations*
- *Develop a Seniors' Plan to identify further the housing and other needs of an aging population*
- *Encourage mix of family housing types in Urban Growth Centres and key development areas*
- *Review zoning by-laws relative to group home provisions*
- *Develop policy to encourage accessibility features in new housing*

2. Financial Incentives

In order to achieve the goal of increasing the supply of affordable housing and improving the housing choices available to Markham residents and workers, it is critical to expand the current level of financial support for affordable and special needs housing. It is anticipated that financial considerations for the development of affordable and special needs housing would be addressed through the completion of the financial incentives policy framework for affordable and special needs housing currently under development by the Town's Finance Department.

The consultant's recommended actions include:

- *Defer, lower, or provide conditional grants for development charges and parkland dedication fees in exchange for affordable housing and special needs housing*
- *Consider adding social/affordable housing as a charge under the Town's development charges by-law*
- *Continue to support projects that receive funding under senior government programs*

3. Advocacy

Given the various partners involved in housing policy and development, and the complexity in meeting the housing needs across the continuum of housing, advocacy is an important tool. Programs related to social assistance, emergency services, affordable and social housing, and various forms of supportive housing all rely on funding and policy direction from senior levels of government. It is therefore important for the Town of Markham to work with such partners in achieving its housing goals.

It is also important to align advocacy efforts with other housing stakeholders, in particular regional government, local housing and support service providers, and the private sector.

The consultant's recommended actions include:

- *Advocate to senior levels of government to commit to sustainable provincial and national housing strategies*
- *Advocate for more coordinated and long-term funding for homelessness, affordable housing and special needs programs*
- *Advocate for capital funding to assist landlords and developers to make rental units more accessible*

4. Partnerships

The Town of Markham can play an important role in ensuring there is an adequate supply of affordable housing in its community. However, Markham cannot achieve this alone. Achieving successes in the development of affordable and special needs housing will depend on the cultivation of strong, lasting partnerships that work together towards innovative and sustainable solutions.

The consultant's recommended actions include:

With the Provincial Central Local Health Integrated Network (LHIN)

- *Ensure funding for seniors housing and support services is allocated to Markham*
- *Identify opportunities to increase number of supportive housing units in Markham*

With the Region of York

- *Develop an annual report system to monitor the housing targets*
- *Support any new home ownership incentive programs*

- *Work with new Welcome Centres to ensure housing information is available and accessible*
- *Develop feasibility study for creation of family crisis beds in Markham*
- *Examine potential for housing help centre*
- *Adopt accessibility guidelines for affordable and special needs housing*

With the Region, Housing Providers and Private Sector

- *Identify lands suitable for affordable housing*
- *Work on application of new Section 37 Official Plan policies*
- *Identify opportunities to locate new affordable and special needs housing in close proximity to transit and other amenities*
- *Encourage range of affordable housing options*

With Community Agencies

- *Support agencies in provision of emergency and special needs housing (i.e. in accessing funding, bringing stakeholders together etc.)*

With Habitat for Humanity

- *Identify opportunities to support Habitat initiatives in Markham*

5. Education

An education campaign is needed to engage partners including various levels of government, housing providers, the private sector and community agencies. An education campaign will help “put a face” on affordable and special needs housing. This is important in responding to a diverse range of perceptions and attitudes within the community. It also provides an opportunity to emphasize the benefits of affordable housing and the need to provide housing choices for all as an essential component of a complete and sustainable community.

The consultant’s recommended actions include:

As part of a comprehensive education campaign

- *Identify opportunities to incorporate a range of housing forms and designs*
- *Develop educational material on various energy efficiency and housing rehabilitation programs and funding opportunities*
- *Increase awareness of economic and social advantages of affordable and special needs housing*
- *Increase awareness of issues related to homelessness*
- *Promote use and awareness of ‘211’ information line*
- *Provide information on new and existing standards developed under the Accessibility for Ontarians with Disabilities Act (AODA)*

Stakeholder Consultation

Stakeholder consultation was an integral component of the consultant's study. A range of community stakeholders were identified and contacted to gain input into the identification of housing needs in Markham, as well as obtain feedback and ideas on strategies and actions to address the housing gaps/challenges. A list of Key Stakeholders is attached as Appendix 'B'. Consultation activities included compiling a comprehensive inventory of stakeholders, conducting surveys and interviews, and a community stakeholder workshop held on May 19, 2010.

Stakeholders were identified from a broad range of community agencies and organizations, such as emergency/transitional and special needs housing providers, support service agencies, the development community, not-for-profit housing providers, ratepayer groups and representatives from the Provincial Ministry of Housing and Central Local Health Integrated Network, the Regional Housing and Planning Departments, various Town Departments (ie. planning, sustainability office, finance and economic development), and local committees such as the York Region Alliance to End Homelessness and the Town of Markham Seniors' Advisory Committee.

In July 2010, community stakeholders were invited to review and comment on a draft discussion paper posted on the Town website. The draft discussion paper provided a summary of the consultant's statistical analysis, policy review, and community stakeholder workshop findings, and recommended proposed directions for the Town of Markham to consider in developing an affordable and special needs housing strategy.

Comments received on the draft discussion paper are included in Appendix 'C' of this report. The consultant's recommended policy framework responds to these comments by providing a more clear and concise summary of the recommended policy directions and incorporating further refinements to the wording of the recommended actions. Staff and the consultants also met individually with representatives of the Central LHIN, the Region of York Housing and Planning Departments, the Unionville Ratepayers Association, the Markham Centre Landowners Group, the Town of Markham Sustainability Office and the Seniors' Advisory Committee to provide an opportunity for direct dialogue in response to the comments received.

In general, there was support from key stakeholders for the overall direction of the discussion paper and a willingness to collaborate and work in partnership with the Town in regard to specific recommended actions and the delivery of an implementation plan responding to the actions identified in the discussion paper.

CONCLUSION:

The consultant's recommended policy framework for a Town of Markham Affordable and Special Needs Housing Strategy is a culmination of extensive data analysis, a comprehensive review of relevant legislation and background research, and broad stakeholder consultation. The recommended actions outline opportunities for the Town, through its role in policy development, provision of financial incentives, advocacy, partnerships and education, to meet the diverse housing needs of Markham's residents and workers over time.

Having regard for Markham's role in the context of the roles played by other senior levels of government and the authority and resources available to the Town, it is recommended that Staff review the consultant's recommended policy framework and report back to Development Services Committee on a draft Affordable and Special Needs Housing Strategy.

It is also recommended that the staff report include recommendations to address public input and participation in the review of the draft Strategy, and a work program to develop a plan, in collaboration with the Region of York and other key stakeholders, to implement the actions outlined in the draft Strategy.

The recommended policy framework for a Town of Markham Affordable and Special Needs Housing Strategy is included as Appendix 'A'. The full background report for the Town of Markham Affordable and Special Needs Housing Strategy study will be available by electronic link and will be posted on the Town website as Appendix 'D'.

FINANCIAL CONSIDERATIONS:

There are no financial implications at this time. Future financial considerations will be reported on separately upon the completion of a financial incentives policy framework for affordable and special needs housing by the Finance Department.

BUSINESS UNITS CONSULTED AND AFFECTED:

The Sustainability Office, the Economic Development Department and the Finance Department were consulted on the draft discussion paper findings and recommendations and were invited to participate directly in the community stakeholder workshop.

RECOMMENDED BY:

Jim Baird, M.C.I.P., R.P.P.
Commissioner of Development Services

T.J. Lambe, M.C.I.P., R.P.P.
Manager of Policy and Research

ATTACHMENTS:

Appendix 'A' - Town Of Markham Affordable and Special Needs Housing Strategy:
Recommended Policy Framework, SHS Consulting November 2010

Appendix 'B' – Key Stakeholders

Appendix 'C' - Stakeholder Comments

Appendix 'D' - *Background Report for Town of Markham Affordable and Special Needs Housing Strategy Study, SHS Consulting November 2010*
(*electronic link to agenda*)

Appendix "E" – Summary of Markham Affordable Housing Initiatives