

Official Plan Review – Affordable Home Ownership Opportunities

Date:	May 29, 2012
To:	Planning and Growth Management Committee
From:	Chief Planner and Executive Director, City Planning
Wards:	All
Reference Number:	Pg 12033

SUMMARY

At its meeting of April 19, 2012 the Planning and Growth Management Committee requested staff to report on a number of opportunities to encourage non-profit affordable ownership housing development, in advance of completion of the Official Plan Review.

This report reviews the work underway on the City's affordable ownership housing policies under the Official Plan Review, financial assistance available from the City for non-profit affordable home ownership development, and the City's policies regarding affordable home ownership for surplus property.

RECOMMENDATIONS

The City Planning Division recommends that:

1. The Chief Planner and Executive Director, City Planning prepare a report for the September 13, 2012 meeting of Planning and Growth Management Committee outlining proposed policy amendments to the Official Plan pertaining to the affordable ownership housing policies.

Financial Impact

This report has no financial impact.

DECISION HISTORY

At the April 19, 2012 meeting of Planning and Growth Management Committee, Michel Labbé, President, Options for Homes, gave a presentation on affordable home ownership opportunities in the City of Toronto. Mr. Labbé provided recommendations on how the City can support such opportunities. Committee subsequently requested staff to report on the recommendations, along with an implementation strategy. Committee also requested that staff consult with BILD, Build Toronto and Councillor Bailão's Affordable Housing Task Force as part of any implementation strategy.

A copy of Michel Labbé's presentation can be found through the following link:
<http://www.toronto.ca/legdocs/mmis/2012/pg/bgrd/backgroundfile-46540.pdf>.

In summary, Mr. Labbé recommended the following:

- Make changes to Official Plan affordable ownership policies and permit affordable ownership housing as an eligible Section 37 contribution;
- Provide a 10-year deferral of City fees and charges in order to reduce the up-front cost of delivering new homes at affordable prices;
- Explore making land available for affordable ownership purposes on surplus sites provided by Build Toronto, sites under redevelopment by Toronto Community Housing, large private sites and on lands converted from employment to residential uses.

ISSUE BACKGROUND

Official Plan Review

The City's review of its Official Plan will consider what policies of the existing Official Plan are working, what policies need to be updated, revised or deleted, and what new policies are required to be added.

As part of the review, City Planning staff, in partnership with staff from the Affordable Housing Office, organized consultation meetings with housing stakeholders. Two consultation meetings have taken place to date:

- Housing Stakeholder Consultation: October 12, 2011
- Affordable Ownership Roundtable : November 9, 2011

Financial Assistance for Affordable Ownership Providers

Recent federal - provincial affordable housing programs have enabled the City to support non-profit affordable home ownership opportunities for Torontonians. These programs have provided over \$14.5 million in funding and enabled the City to deliver over 650 forgivable down-payment assistance loans to low and moderate income home buyers. Through the new federal - provincial *Investment in Affordable Housing* program, the

City and its non-profit community partners will deliver approximately another 200 loans to help eligible Torontonians become homeowners.

In 2010, the City also created the *Home Ownership Assistance Program* (HOAP), through an investment of development charge levies collected on new residential construction. Funded by \$2 million annually in development charges, HOAP has supported almost 400 homes built by non-profit community developers such as Habitat for Humanity and Options for Homes with an average of \$10,000 provided per home.

At its meeting of May 28, 2012, the Affordable Housing Committee recommended that, working within the program's approved annual funding amount, the average funding per home be increased to better help off-set the cost of City Planning fees and development charges.

Surplus Land and Build Toronto

The City and Build Toronto have an affordable housing memorandum of understanding that sets a goal of delivering 1,250 affordable ownership and rental homes on surplus lands provided to Build Toronto by the City. The Affordable Housing Office and Build Toronto are working together to facilitate affordable housing development on Build Toronto's sites.

At its meeting of May 28, 2012, the Affordable Housing Committee received the report *Housing Makes Economic Sense* from Councillor Ana Bailão's Private Sector Housing Roundtable. The report includes a number of recommendations on the need to amend the Official Plan affordable ownership policies. The Committee requested the Director of the Affordable Housing Office to report on comments from other City Divisions and early implementation opportunities at the Executive Committee on June 12, 2012.

COMMENTS

Official Plan Review

As part of the Official Plan Review, the following affordable ownership housing policies are being reviewed:

- Official Plan affordable ownership definition contained in section 3.2.1
- Policy 3.2.1.9(b) – affordable housing large site policy
- Affordable ownership housing as an eligible Section 37 benefit

The Review will seek to address challenges with the current affordable ownership policies. The affordable ownership house price limits, as based on the OP definition, are not achievable by most affordable ownership providers and, as such, providers do not qualify for financial incentives under the Official Plan that are currently available for affordable housing developments. In addition, the City's Section 37 policies do not explicitly include affordable ownership housing as a community benefit in any instance

except on a large site (greater than 5 hectares). However, staff are of the opinion that affordable ownership housing could currently qualify as an eligible Section 37 benefit, as the list of benefits in 5.1.1.6 is generally not considered to be an exhaustive list. The Review will seek to clarify and simplify these policies and make affordable ownership housing more achievable.

Staff are also exploring different opportunities to secure new affordable housing as part of the Official Plan and Municipal Comprehensive Reviews.

The key principles under consideration as part of the housing policy review include: ensuring that the affordable housing policies can be implemented equitably across the City; ensuring the affordable ownership definition realistically reflects ownership market values; and that the Official Plan policies encourage new affordable housing.

Consultations

The Building Industry and Land Development Association (BILD) is a key stakeholder that is regularly consulted as part of the Official Plan Review. BILD is also a member of Councillor Ana Bailão's Private Sector Housing Roundtable, and contributed to the recent report *Housing Makes Economic Sense*, which includes a number of recommendations encouraging additional policy support for affordable home ownership.

The Affordable Housing Committee's Special Working Group reviewing the proposed sale of Toronto Community Housing's 619 occupied single-family homes is planning to consider affordable home ownership options and consult with non-profit groups such as Options for Homes and Habitat for Humanity as part of its work plan. A report on their findings and recommendations is expected in August 2012.

As part of the Official Plan Review, a first round of consultation on the housing policies occurred in fall, 2011. A second round of consultation on potential changes to housing policy matters is anticipated to occur in late fall, 2012.

This report was written in consultation with the Affordable Housing Office.

Next Steps

Amendments to the Official Plan affordable ownership policies will help to make the policies more consistent with current housing market and income conditions. City Planning staff is recommending that a report be forwarded to the September 13, 2012 meeting of Planning and Growth Management Committee to outline the proposed amendments regarding the affordable ownership policies of the Official Plan. Once proposed policy direction on the affordable ownership policies is confirmed, staff will conduct further consultations with stakeholders and bring forward Official Plan Amendments to Planning and Growth Management Committee for a statutory public meeting.

CONTACT

Kerri A. Voumvakis, Acting Director
Policy and Research, City Planning Division
Tel. No. 416-392-8148
E-mail: kvoumva@toronto.ca

SIGNATURE

Gregg Lintern, MCIP, RPP
Acting Chief Planner and Executive Director
City Planning

[P\2012\Cluster B\PLN/Pg12033]