

# Official Plan Review

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Affordable Ownership Definition  
Planning & Growth Management Committee  
February 24, 2016

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## Background and Purpose of the Report

- As part of the OP Review, City initiated a comprehensive study of the Official Plan's definition for affordable ownership housing
- In June 2015, staff reported to PGMC on the findings of the study and were directed to consult with the public on proposed revisions to the definition
- This report presents the results of the consultation and recommends a proposed OP amendment be considered at a statutory meeting to be held on May 11, 2016.

- **The study** was conducted in consultation with the Affordable Housing Office and included:
  - A comprehensive analysis of housing prices in Toronto
  - Assessment of existing housing need based on household incomes in Toronto
  - Review of the Provincial definition relative to the Official Plan policy objectives
  - Consultation with a broad range of stakeholders from the public, non-profit and private sectors

## How is the Official Plan definition used?

- The definition applies if affordable ownership housing is being secured as a community benefit under Section 37 of the *Planning Act*
- The definition provides for a place-based approach to implement affordable ownership housing under s37 in a clear and consistent manner
- The definition targets price points not being adequately provided by the market and is intended to serve households experiencing affordability issues (30<sup>th</sup> to 60<sup>th</sup> income percentiles)

## Study Findings

- Existing definition is based on average market rents to determine a household's ability to own a house
- Consultant study analyzed prices for >10,000 ownership units to understand the type of housing being produced and at what price, and household incomes served
- Study highlights:
  - A significant difference between the price points of the existing definition and available ownership units on the market
  - Household incomes have not kept pace with ownership prices
  - Concerns relating to the Provincial definition provides a single price point that does not differentiate by unit type

## Key Aspects of the Proposed Definition

- Uses a combination of market and income indicators to identify price thresholds below what the market is producing by unit type and relative to what household incomes can reasonably afford
- Recognizes that the cost of a bachelor and one or two-bedroom unit differ and serve different households
- Increases the price thresholds to be closer to prices observed in the market and reduces the s37 contribution required on a per unit basis
- Targets slightly higher household incomes that have greater capacity to transition to ownership
- Relates prices to unit types to ensure s37 contributions are relative to the actual benefit provided

## What we heard

- Below-market limits for the price thresholds are important
- Use of median household income benchmark is an appropriate approach
- Breaking down the definition by unit type and relating it to the housing market is a strength
- Some non-profit housing providers can meet the proposed targets for certain unit types and all unit types would be achievable if section 37 contributions and other forms of municipal assistance were made available
- Concerns about available data sources and implementation

## Next Steps - Implementation

### Principles for Implementation:

- Provide a range of unit types to meet current and future housing needs
- Contribute to a mix of affordable housing options
- Maintain affordability of the units for as long as possible
- Ensure units are provided to households in need through appropriate size, occupancy and income criteria