



Proposed Affordable Housing Incentives Pilot Program & Municipal Housing Facilities By-law

July 9, 2020
Region of Peel Council

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10.1- 9

Background

- Regional staff, working with the local municipalities and NBLC, developed the Region of Peel Affordable Housing Incentives Pilot Program (“Pilot Program”)
- Advanced as part of Strategy 3 of the Council endorsed Peel Housing and Homelessness Plan, 2018-2028 (PHHP), “Provide Incentives to Build Affordable Housing”
- Immediate action under Strategy 3: Bring forward a framework for an incentives based program



Program Overview

Objective: Increase supply of affordable middle income rental housing (for households with annual earnings between \$61,600 and \$110,500); with a focus on larger, family-sized units

- Supplements existing Regional housing programs and services that target deeper affordability needs
- As a Pilot, the conditions of the program can be tested, evaluated and revised over time
- Pilot Program allows for “stacking” of incentives to enable additional incentives from other levels of government, including local municipal participation and contributions from Federal and Provincial governments

Supporting Analysis: Financial Assessment & Business Case

- Reviewed sites throughout Peel to identify “subsidy gap” for ownership and rental housing
- Depending on location and other variables, between \$31,000 and \$142,000 per unit is required to incentivize middle income affordable rental units
- Addressing ownership housing and lower income households needs is more costly to incentivize
- Analysis included review of other forms of incentives and funding available for local municipalities and senior levels of government
- **Analysis supports the focus on middle income affordable rental**

Supporting Analysis: Best Practices

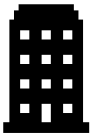
- Reviewed the use of Community Improvement Plans (“CIPs”) and municipal capital facilities by-laws/agreements to provide incentives for housing development
- Reviewed incentives programs from Ontario municipalities including City of Toronto, York Region, City of Peterborough, Region of Waterloo, City of Cambridge
- Insights provided for program design considerations and requirements
- **Analysis supports use of municipal capital facilities by-law to implement the Pilot Program**

Program Design: Eligibility

Requirements must be met:



- May be mix of affordable and market units, however only affordable rental units are eligible for incentives
- Affordable rents must be 170% of MMR or lower (middle income affordable; up to \$2050/month for a 1 bedroom, up to \$2700 for a 3 bedroom)
- Rents must remain affordable for a minimum of 25 years



- Building must be entirely operated as rental for the duration of the agreement
- Affordable units must be primarily 2 and 3+ bedroom units



- Private or non-profit developers may apply, or apply in partnership
- Successful organizations must conduct income verification at occupancy and unit turnover

Program Design: Preferred Criteria & Committee

Preferred criteria:



- Deeper affordability (below 170% of MMR)
- Longer duration of affordability (beyond 25 years)



- Proximity to transit, amenities, growth areas, areas of housing need
- Amenities on site; accessible features; sustainable features



- Value for money analysis

Committee:



- Committee of Regional and local municipal staff review all applications and scoring and make recommendations
- **Staff seeking delegated authority to approve applications, with annual report to Regional Council**

10.1- 15

Consultation and engagement

- Local municipal collaboration throughout the process
- Stakeholder engagements involving private and non-profit developers:
 - September 2019
 - May 2020
- Revised program based on feedback

Program Funding

- Prepared to implement with current \$2.5 million in funding approved through the 2019 Regional budget process, however additional funding would support a more feasible and comprehensive evaluation of the Pilot Program
- Continue working towards stacking of Federal, Provincial and local municipal incentives



Municipal Housing Facilities By-law

- Best practices review supported the use of a municipal capital facilities by-law under the *Municipal Act, 2001*
- Existing Regional Municipal Housing Facilities By-law (41-2003) must be replaced to:
 - Update definition of affordable housing
 - Ensure local municipal participation in the Pilot Program is referenced
 - Align with updates to the *Municipal Act, 2001* and regulations

Next Steps

- Pending Regional Council endorsement, the Housing Development Office will prepare for a 2021 Pilot Program launch
 - Evaluation framework
 - Program materials
 - Staffing
 - Administration
- Staff will continue working with the local municipalities to support additional incentives and greater municipal collaboration in program implementation

Questions?

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10.1- 20