

## Report

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<b>Report to:</b>	Mayor and Council
<b>Date:</b>	March 22, 2022
<b>Title:</b>	<b>City of Niagara Falls Housing Directions Study Phase 2: Housing Strategy</b>

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### Recommendation(s)

1. That Council receive the presentation regarding the City of Niagara Falls Housing Strategy attached as Appendix I.
2. That Council endorse the Strategy and direct staff to begin its implementation through an Official Plan Amendment including consultation with the community.

### Executive Summary

The purpose of this report is to provide Council with the second phase of the City of Niagara Falls Housing Directions Study, the City's Housing Strategy. The Housing Strategy which builds upon findings of the Housing Needs and Supply Report (Phase 1) recommends 21 actions that can be grouped under the following 6 themes:

- Establish affordable housing targets.
- Promote a greater diversity of housing types.
- Ensure a healthy supply of rental units.
- Increase public education and provide advocacy for partnerships.
- Provide a variety of financial incentives to promote and facilitate the development of affordable and rental housing.
- Monitor and report.

The 21 actions set out in the Housing Strategy are a collection of policy directions, programs and tools that will work together in the short, medium and long term to help achieve the 40% affordability target recommended by Housing Needs and Supply Report and endorsed by Council in June 2021. Further, the Strategy will encourage, support and permit the development of a more diverse mix and range of housing options to meet the City's current and future demand.

### Background

The City of Niagara Falls has been undertaking a Housing Directions Study that provides a comprehensive understanding of the housing market and key housing issues to provide

policy and strategic guidance on future ownership, rental and affordable housing initiatives in the City. More specifically, the Study has been assessing the City's present and future unmet housing demand, with an emphasis regarding the housing continuum, to deliver a housing strategy that provides a broad range of affordable housing options to meet the full spectrum of community needs. The Housing Strategy was sorely needed as the recent dramatic rise in home ownership prices, combined with increasing rents has put affordable housing increasingly beyond the reach of Niagara Falls' service and hospitality sector workforce.

Through PBD-2021-20, Council was presented with the results of the Housing Needs and Supply Report, which was the first phase of the Housing Directions Study. The Housing Needs and Supply Report recommended that the City set a 40% affordability target for all new housing. A 40% affordability target was chosen due to the large percentage of Niagara Falls' households in core housing need along with the City's large service and hospitality sector workforce whose incomes are modest. A 40% affordability target would mean that 40% of all new built housing would be affordable to households annually earning \$84,300 or less (\$95,900 or less in 2021 dollars) and would translate into the construction of approximately 270 affordable housing units per year.

Council endorsed the 40% affordability target and directed staff to proceed forward with the second phase of the Housing Directions Study, the Housing Strategy. The Housing Strategy offers short, medium and long term policy directions to help achieve the 40% affordable housing target. The Strategy also provides policies, programs and tools to encourage, support and permit the development of a more broad mix and range of housing options to meet current and future demand.

## **Analysis**

### Policy Context

Housing is a Provincial interest and the Province provides strategic policy direction on housing to municipalities through both the 2020 Provincial Policy Statement and the 2019 Provincial Growth Plan. Both policy documents require that municipalities provide for an appropriate range and mix of housing options and densities to meet projected requirements of current and future residents.

The provision of safe, affordable and adequate housing is a key component to ensuring the safety and quality of life for Niagara residents and the creation of complete communities. The new draft Regional Official Plan provides housing policies that encourage diversity in housing type, size and tenure, in alignment with the Region's Housing and Homelessness Action Plan as well as the Plan's growth management objectives, targets and policies.

Within a two-tier system, local municipalities have the responsibility to ensure that all available planning tools are in place to support affordable housing opportunities. The City's Housing Strategy will need to align with Provincial and Regional priorities.

### Housing Affordability and Core Housing Need

Through its new draft Official Plan, Niagara Region has allocated a population forecast of 141,650 people to the City. This population allocation will require 20,220 new units of housing to be built, an average of 674 housing units constructed annually from 2021 to 2051.

Niagara Region also through its new Plan is requiring that a minimum of 20% of all housing built annually within the Region be considered affordable. Affordable is defined as shelter costs such as mortgage, rent payments, property taxes and utility costs that amount to less than 30% of the annual household income for low (i.e. households with total annual earnings of less than \$45,300) and moderate income households (i.e. households with total annual earnings of \$45,300 to \$95,900). Please note that the household income ranges reported in PDS 2021-30 of low income (\$39,800 or less) and medium income (\$39,800 to \$84,300) have been updated for inflation to a 2021 income range of low income (\$45,300 or less) and medium income (\$45,300 to \$95,900).

A household is considered to be in core housing need if the dwelling is too expensive given the household budget (more than 30% of total household income), if the dwelling does not meet the household's need or is in a major state of disrepair and there is no alternative housing that could be found within its budget.

Analysis performed in the Housing Needs and Supply Report indicates that there are 5,770 rental households (57% of all rental households) and 5,935 owned households (23% of all owned households) in core housing need. Of the three housing need indicators, for both owned and rented dwellings, the "affordability" indicator is the one that is more prevalent (47.4% of all rented households and 23.1% of all owned households).

### 40% Affordable Housing Target and the Housing Strategy

Taking into consideration the large percentage of households in core housing need along with the City's large service and hospitality sector workforce whose incomes are modest, the Housing Needs and Supply Report recommended that the City set a 40% affordability target for all new housing. A 40% affordability target would mean that 40% of all new built housing would be affordable to households annually earning \$95,900 or less and would translate into the construction of approximately 270 affordable housing units per year.

Building on the findings of the Housing Needs and Supply Report, the Strategy in the form of 21 recommended actions grouped into 6 themes and outlined below is the blueprint that the City must follow to help address its housing needs and gaps.

#### Theme 1: Establish affordable housing targets

- Update the City's Official Plan to include affordable housing target(s).
- Update the City's Official Plan to include a framework for achieving the housing target(s).

#### Theme 2: Promote a greater diversity of housing types

- Support and permit higher density types of housing.
- Support and permit alternate forms of housing.
- Provide opportunities for the creation and ongoing monitoring of second units.

#### Theme 3: Ensure a healthy supply of rental units

- Preserve existing purpose built rental housing stock through the introduction of demolition and conversion control policies.
- Undertake a formal assessment of the potential to introduce Inclusionary Zoning.
- Explore the formalization of the use of motels as long term stay accommodation.

#### Theme 4: Increase public education and provide advocacy for partnerships.

- Develop an understanding of upper level government housing programs (federal and provincial)
- Clearly define the City's role and responsibility in supporting housing affordability.
- Develop a policy to review all surplus municipal land for housing suitability.
- Create a database of non-profits and other community groups with land suitable for housing.
- Explore private workforce housing for hospitality and tourism employees.
- Create an affordable housing information online portal.
- Reduce potential for NIMBYism associated with affordable housing projects.

#### Theme 5: Provide a variety of financial incentives to promote and facilitate the development of affordable and rental housing.

- Review possible exemption to City fees and property taxes to support new long term affordable housing.
- Develop a City wide Community Improvement Plan for affordable rental housing.
- Allocate appropriate staff resources to administer the Strategy and associated actions.

#### Theme 6: Monitor and Report

- Develop a monitoring program for the construction of second units.
- Develop an annual housing and affordable housing monitoring report.
- Review and update the Housing Strategy every 5 years.

The 21 actions set out in the Housing Strategy are a collection of policy directions, programs and tools that will work together in the short, medium and long term to help achieve the 40% affordability target recommended by Housing Needs and Supply Report

endorsed by Council in June 2021. Further, the Strategy's actions will encourage, support and permit the development of a more diverse mix and range of housing options to meet current and future demand.

## **Public and Stakeholder Engagement**

To date, consultation has followed three different avenues. Sixteen interviews with a variety of key stakeholders were conducted to better understand the current state of housing in the City. Key stakeholders interviewed included Region and City staff, nonprofit housing providers, local developers and members of the Niagara Falls Chamber of Commerce and Niagara Association of Realtors.

Second, a community survey was conducted to obtain a broad community perspective on housing issues in Niagara Falls and to supplement key stakeholder interviews. The survey was available to the public between April 6 to April 27, 2021 on the City's Let's Talk Platform and a total of 385 complete responses were received. Finally, the Housing Directions Study has been guided by a Technical Advisory Committee composed of Councilors, City and Regional staff, other technical experts, and key community representatives who have reviewed all research material and have provided guidance and feedback on results to date.

The development of the implementing OPA Phase 2 will necessitate, broad consultation with the public through open houses and a statutory public meeting.

## **Relationship to Ontario Housing Affordability Task Force (OHATF)**

In February 2022, the Ontario Housing Affordability Task Force released a report detailing a number of action items to assist in addressing housing affordability and getting more homes built, including a target of 1.5 million homes constructed in the next ten years. The OHATF places a significant focus on building new ownership housing, but does not include many actions oriented toward addressing gaps in the rental market through the creation of new purpose built rental dwellings as the City's Housing Strategy does. In the end, the City's Housing Strategy has a number of actions and recommendations that are in alignment with the OHATF report, though there are some areas where the OHATH report has remained silent, where the City's Strategy has taken a stronger focus in terms of actions based on the technical research completed namely the urgency to focus on meeting specific rental housing needs to address Niagara Falls' unique issues.

## **Next Steps**

Upon Council's endorsement of this report, the Strategy will enter the implementation phase which entails the drafting of an amendment to the City's Official Plan to include the 40% housing affordability target and framework on how to achieve it.(i.e. Theme 1) The proposed amendment will also include requirements for development applications

to demonstrate how proposals would contribute to achieving the target as well as additional policies that would be geared towards incentives and monitoring. This next step will necessitate broad consultation with the public and stakeholders through open houses and a statutory public meeting.

### **Financial Implications/Budget Impact**

The Housing Directions Study is being funded through the 2022 Council approved Planning operating budget. There are no direct financial implications arising from this report.

### **Strategic/Departmental Alignment**

A Housing Directions Study and the development of a Housing Strategy are consistent with the City's strategic priority of Diverse and Affordable Housing.

### **List of Attachments**

[Appendix 1 - City of Niagara Falls Housing Strategy - Feb 2022](#)

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# THE CITY OF NIAGARA FALLS HOUSING STRATEGY

**DILLON**  
CONSULTING

IN ASSOCIATION WITH  
TIM WELCH CONSULTING

## HOUSING STRATEGY

JANUARY 2022



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# 1 INTRODUCTION

## 1.1 Background

While each community throughout North America is unique, having their own distinct identity, the provision of housing that meets residents' lifestyle and budget needs is becoming increasingly difficult. The Federal Government and Province of Ontario have both, in recent years, acknowledged that the cost of owning and renting a home is becoming out of reach for many in what has been commonly referred to as the 'housing crisis'. While housing has historically been acknowledged as a basic human right, there is now an increased knowledge of and emphasis on ensuring there is an appropriate supply of housing available within a community that is both adequate and affordable to citizens of all ages and income levels.

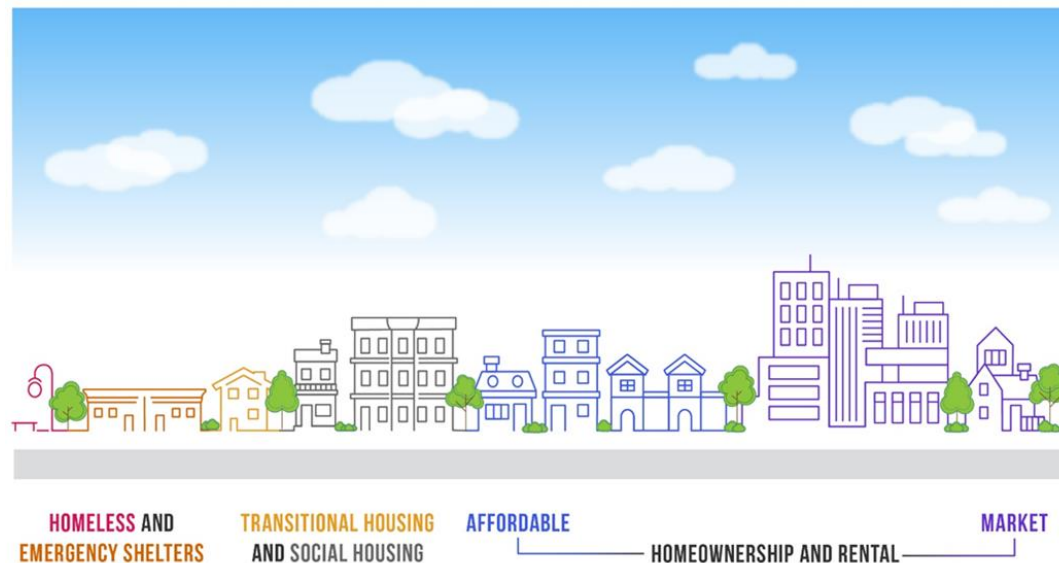
Actions at the global, national, provincial and local levels are all required in order to ensure there is a balance and variety of interventions to address the housing crisis and ensure the appropriate supply is available. As the City of Niagara Falls looks forward to emerging from the impact of the COVID 19 global pandemic, housing affordability will continue to be a major issue facing the community. The recent dramatic increase in home ownership prices, combined with increasing rents beyond the reach of many of its large service and hospitality sector workforce poses a significant challenge that different levels of government, community organizations and the private sector must collectively work together to overcome.

Housing, generally, can be thought of as existing along a continuum, where supply responds to the demands of a community and the market provides a broad variety of options for residents within a particular community. The housing continuum provides a way to understand housing affordability in Canada and is described as the full range of housing options an individual may need over a lifetime and includes emergency housing, social housing, affordable rental housing, affordable ownership housing, market rental housing and market homeownership. Municipalities have opportunities to provide tools and incentives to address issues along the continuum.



Within a two-tier system, lower-tier municipalities have the responsibility to ensure that all available planning tools are in place to support affordable housing opportunities and that policy is consistent with the Provincial Policy Statement, Provincial Growth Plan and the Regional Official Plan. As the pressure for action on meeting affordable housing needs has increased, many lower tier municipalities have recently begun to take a wider array of actions and initiatives to help with the creation of new affordable housing.

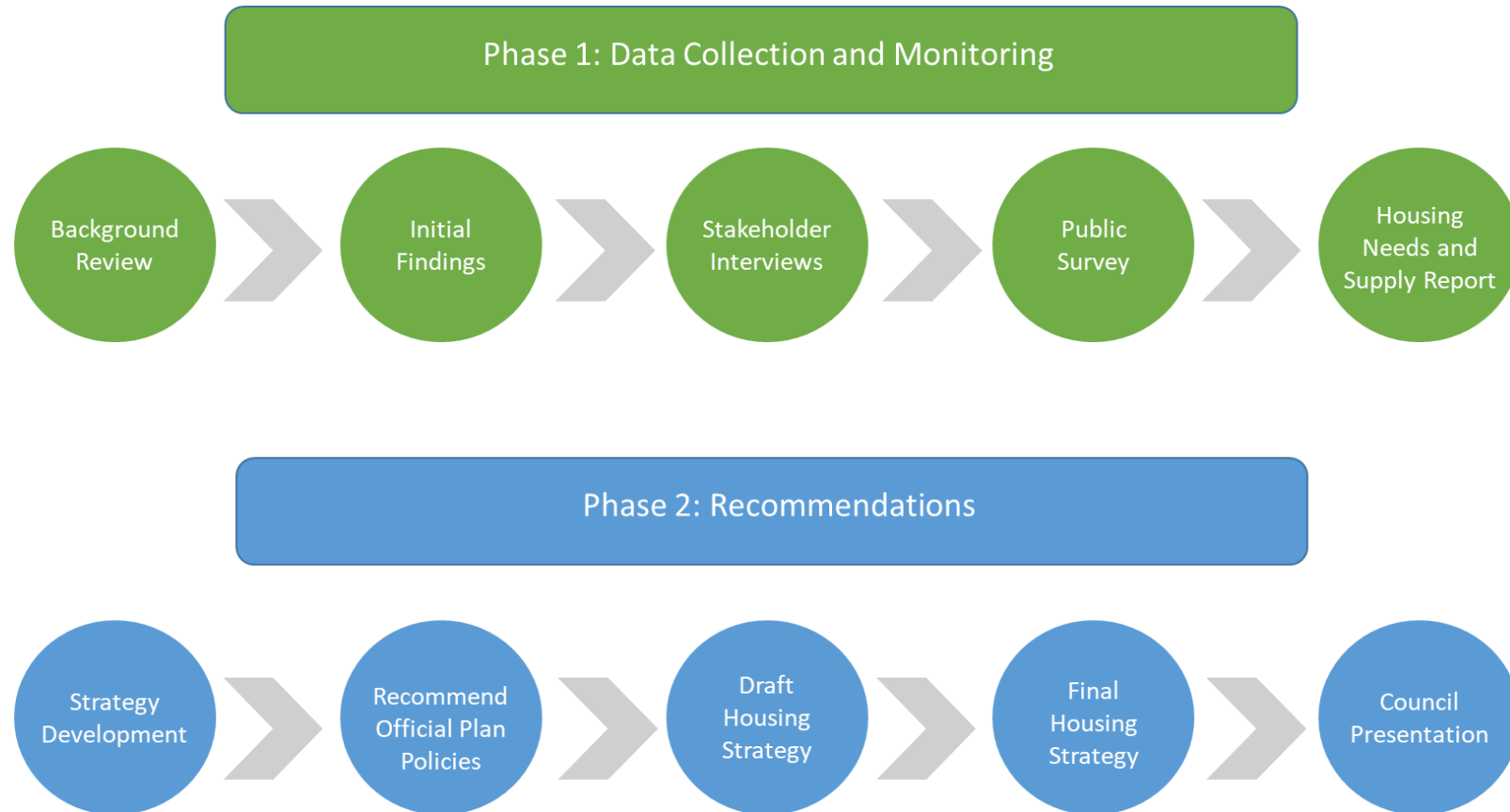
Municipalities have opportunities to provide tools and incentives to address issues along the continuum. In recognition of the growing issues respecting housing availability and affordability in the City of Niagara Falls and the need to address the issues through the consideration of future development, the consulting team of Dillon Consulting Limited (Dillon) and Tim Welch Consulting Inc. (TWC) were retained by the City in order to provide a strategy to address the City's issues around housing. The Housing Strategy presented herein is intended to provide a range of actions intended to address the City's housing needs along the housing continuum.





## 1.2 Project Process

The project is organized into two phases of work, as illustrated below:





Since initiation of the Project in November of 2020, the project team has conducted the following:

- Initiation of a Technical Advisory Committee (TAC), comprised of representatives from City Planning and Economic Development; Regional Planning; Regional Housing; the Chamber of Commerce; the real estate industry; the homebuilding and development industry; and, the not-for-profit housing sector. The intent of the TAC, and its selected membership, was to serve as technical experts and as a sounding board for the findings of the technical background work and recommendations for the Housing Strategy. The TAC has met three (3) times throughout the duration of the project;
- Completion of stakeholder interviews (virtual) and an online survey to better understand local housing perspectives, needs, gaps and opportunities to be addressed through the development of a Housing Strategy;
- Technical analysis of housing-related data to understand the current state of housing supply and need in the City, which was incorporated into the Housing Needs and Supply Report; and,
- Presentation of the Housing Needs and Supply Report to Council for preliminary feedback and endorsement of the recommendations to proceed forward with developing the Housing Strategy.





## 1.3 Purpose of this Report

The purpose of this Report is to build upon the Key Findings and Recommendations identified through Phase 1 of the Project by providing a Housing Strategy with specific actions and timelines for implementation in order to address identified housing issues in the City.

## 1.4 Report Organization

This Strategy is organized in the following sections:

- **Section 1** provides an overview of the Housing Strategy and its purpose
- **Section 2** provides a summary recap of the Phase 1 findings for background context and to frame the Strategy;
- **Section 3** outlines the Vision, Principles and Goals of the Strategy;
- **Section 4** outlines the objectives of each of the six (6) themes and their associated actions; and,
- **Section 5** contains the Action Plan which includes a summary of the actions by theme areas; links to the goals of the strategy; responsibility; and, timeframe for implementation.





## 2 Summary of Key Findings

### 2.1 What We Heard – Engagement Summary

Stakeholder interviews and an online public survey were conducted as part of Phase 1 of the Housing Directions Strategy to obtain on-the-ground insight on housing issues specific to the Niagara Falls context from local experts and the public. Key takeaways from each are presented below. A more detailed description of findings can be found in Section 6 of the Housing Needs and Supply Report.

#### 2.1.1 Stakeholder Interviews

Sixteen (16) semi-structured interviews were conducted with 21 local and regional stakeholders representing public, private, and non-profit sectors. The following key takeaways were derived from those discussions:

- Housing affordability should be defined as housing that costs 30% or less of income, though this may still be too high for low-income households;
- It is important to tie affordability to income and wages in the hospitality, tourism, and service sectors;
- Demand for single-detached homes is predominant, though there is increasing demand for higher-density housing
- Singles, single-parent households, and those working in tourism, hospitality, and agriculture are in greatest need of housing
- Barriers to providing more affordable housing include:
  - Expensive land;
  - Stringent environmental regulations;
  - Restrictive zoning;
  - Limited transit network;





- Opportunities to provide more housing that is affordable to residents at various stages of life and incomes include:
  - Availability of significant supply of serviced greenfield areas in the City;
  - Introducing more flexible zoning for higher-density and mixed-use housing;
  - Implementing an Inclusionary Zoning by-law;
  - Leveraging surplus municipal land for affordable housing sites;
  - Partnerships between public, private, and non-profit groups;
  - Improved intra- and inter-City transit; and,
- Incentives to reduce capital costs will likely be necessary to encourage the creation of affordable housing; these include waiving or deferral of planning fees and/or development charges, property tax exemptions/rebates/deferrals, reducing or waiving parking requirements, receiving serviced municipal land and low/no cost, and expediting the approvals process.







### 2.1.2 Public Survey

Four hundred and forty-eight (448) respondents answered at least one survey question. Of these, 385 responses were deemed complete (86%). The following key takeaways were derived from the survey results:

- Many respondents live in precarious housing situations; survey responses reflected fear, frustration, and hopelessness regarding affordable housing in Niagara Falls
- Seventy percent (70%) of respondents reported paying more than 30% of their pre-tax income for housing. This includes 26% that pay more than 50% of their pre-tax income for housing<sup>1</sup>.
- The definition of affordability should be income based; 30% or less of income is generally considered affordable
- Affordability should be considered based on type of income, for example, minimum wage earners or those on fixed incomes (OW, ODSP, pensions)
- The unhoused, those requiring mental health support, seniors, and single-parent families are in greatest housing need
- Residents think there is a greater role for the municipality in providing affordable housing, either by building it directly,



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<sup>1</sup> It is unclear from the data if renters who responded to the survey are more significantly burdened than owners.



providing land or grants for affordable housing developments, and reducing municipal fees for affordable housing developments

- Other opportunities for affordable housing include amending zoning by-laws to allow higher-density housing and/or smaller minimum lot sizes, introducing an inclusionary zoning by-law, and/or lowering property taxes.

## 2.2 Key Recommendations of the Housing Needs and Supply Report

The key findings of the technical analysis formed the basis of the following recommendations for the Housing Strategy:

- Establish Goals and objectives for housing with associated short, medium and long term actions to achieve the goals and objectives and, ultimately, address the City's housing needs along the continuum; and,
- Develop actions to ensure the City is able to respond to the housing needs of residents at all stages of the housing continuum including:
  - Supporting and permitting higher-density types of housing;
  - Supporting and permitting alternate forms of housing;
  - Strengthening the City's secondary suite policy framework;
  - Strengthening conversion and demolition control policies;
  - Establishing affordability thresholds and targets; and,
  - Aligning local Official Plan housing policies with the Region's housing policies to be introduced through the New Regional Official Plan.

Additional details associated with the above noted recommendations is provided in the following section.



## 2.3 Themes for the Housing Strategy

Building on the findings of the Housing Needs and Supply report, this Strategy provides the blueprint for the actions the City will need to implement to address the City's housing needs and gaps.

The Strategy includes a total of **21 recommended actions** to be taken by the Municipality which are grouped into the following 6 themes:



**Theme # 1** ***Establish Affordable Housing Targets** to set the City up for success to meet their affordable housing goals*



**Theme # 2** ***Promote a Greater Diversity of Housing Types** to ensure there is a diversity of housing options available to meet the needs of the City's diverse residents*



**Theme # 3** ***Ensure a Healthy Supply of Rental Units** to provide a range and mix of rental options for Niagara Falls residents now and into the future*



**Theme # 4** ***Increase Public Education and Provide Advocacy for Partnerships** to make sure everyone – from residents, to developers, to City staff - understands the role they can play in addressing housing issues*



**Theme # 5** ***Provide a Variety of Financial Incentives to promote and facilitate the development of affordable and rental housing***



**Theme # 6** ***Monitor and Report** on an ongoing basis to measure the efficacy of implementation of the Housing Strategy, address emerging housing needs and ensure actions are met within the stated timeframes*





## 3 VISION AND GOALS

This section provides a summary of the vision and goals for the Housing Strategy. These are intended to be general, guiding principles to inform the various themes and actions. The vision and goals were informed by Provincial, Regional and local policies and directions respecting housing; the findings from the Housing Needs and Supply Report; and, the results of the engagement completed in Phase 1.

### 3.1 Vision Statement

The vision statement is intended to capture the backbone of the Strategy and be a succinct reminder of the vision for the actions and their ultimate implementation throughout the City. The vision the Strategy aims to achieve is:

***All residents in the City have safe, stable and appropriate housing to meet both their physical and financial needs throughout the various stages of life.***

### 3.2 Goals

The five (5) goals of the Strategy are as follows:

<b>Goal #1</b>	<i>Ensure housing is available throughout the City to meet the varying financial needs of existing and future residents.</i>
<b>Goal #2</b>	<i>Diversify the City's housing supply to include a wider range of price points; mix of housing types and densities; and, a range of options for housing tenure (rental and ownership).</i>
<b>Goal #3</b>	<i>Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing throughout the City.</i>
<b>Goal #4</b>	<i>Develop an understanding of the City's housing system moving forward through continuous and ongoing comprehensive data collection, monitoring and reporting.</i>
<b>Goal #5</b>	<i>Cultivate and maintain strong relationships with regional and municipal partners, other levels of government, the private sector, and not-for-profit sectors to advance the various actions set out in the Housing Strategy</i>



## 4 THEMED STRATEGY

As noted in Section 1.4, through the background research conducted as part of this Study, a number of key theme areas of focus to address the City's Housing Needs emerged. Within these themes, a range of opportunities and actions for the City to implement have been identified. This section outlines the theme-based strategic actions for the City's Housing Strategy.

### 4.1 Establish Affordable Housing Targets

#### 4.1.1 Overview

There are many different ways of defining affordable housing. Definitions that exist in provincial laws may differ from definitions used in federal housing programs. For many people, there is a very personal definition of affordability based on their own incomes.

The Niagara Falls Official Plan (OP, 2019 office consolidation) provides the following definition for "affordable housing":

- a) in the case of ownership housing, the least expensive of:
  - i. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households (as defined in the Provincial Policy Statement); or
  - ii. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area (as defined in the Provincial Policy Statement);







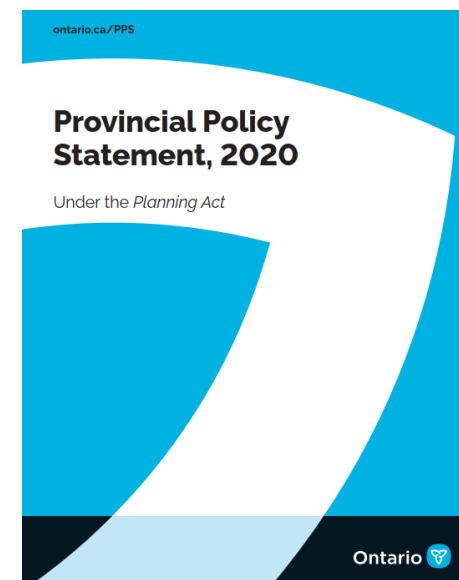
- b) in the case of rental housing, the least expensive of:
  - i. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households (as defined in the Provincial Policy Statement); or
  - ii. a unit for which the rent is at or below the average market rent of a unit in the regional market area (as defined in the Provincial Policy Statement).

The Provincial Policy Statement (PPS, 2020) provides the following definition of “low and moderate income households”:

- a) in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the regional market area; or
- b) in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market area.

The PPS also provides the following definition of “regional market area”:

- a) An area that has a high degree of social and economic interaction. The upper or single- tier municipality, or planning area, will normally serve as the regional market area. However, where a regional market area extends significantly beyond these boundaries, then the regional market area may be based on the larger market area. Where regional market areas are very large and sparsely populated, a smaller area, if defined in an official plan, may be utilized.





The 60<sup>th</sup> percentile for household incomes in Niagara Falls was \$68,000 to \$84,300 in 2015. Taking inflation into account, the 60<sup>th</sup> percentile in 2021 is approximately between \$77,800 and \$95,900<sup>2</sup>.

The Niagara Region Housing and Homelessness Action Plan (HHAP) identifies an affordable housing need for low- and moderate-income households based on 2016 data, defined as follows:

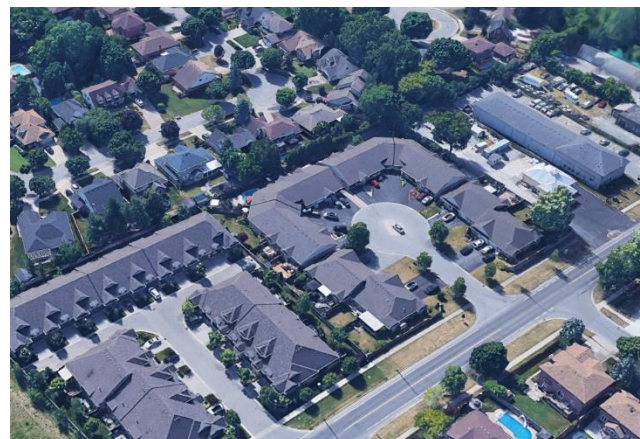
### **Low Income Household**

- A household in the 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> income decile. The Niagara Housing Statement identifies low-income households in Niagara as those with total annual earnings of less than \$39,800.

### **Moderate Income Household**

- A household in the 4<sup>th</sup>, 5<sup>th</sup>, or 6<sup>th</sup> income decile. The Niagara Housing Statement identifies moderate income households in Niagara as those with total annual earnings of \$39,800 to \$84,300.

Updated these numbers to reflect 2021 incomes, a low-income household would have total annual earnings of \$45,300 or less and moderate-income households would have total annual earnings of \$95,900 or less. Affordability targets presented in Section 3.1.3 and recommended to be implemented as part of Action # 1 are based on these updated 2021 income levels.



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<sup>2</sup> 2021 numbers were calculated by multiplying the 2016 data by the change in the Consumer Price Index (CPI) from 2016 to 2021: 13.75%





## 4.1.2 Affordability in Niagara Falls

### Rental Affordability

**Table 3-1** presents the average market rent for one- and two-bedroom units in the St. Catharines-Niagara regional market area in October 2020. These rents are considered affordable based on the definition of affordable rental in the Niagara Falls Official Plan.

**Table 3-1: Affordable Rental Prices (Source: CMHC)**

Unit Type	100% Average Market Rent	80% Average Market Rent
1 Bedroom	\$958	\$766
2 Bedrooms	\$1,141	\$913

**Table 3-2** presents affordable rents at 30% of annual household income for the bottom 60<sup>th</sup> income percentiles. Based on the above, an average one-bedroom unit would be affordable to a household earning \$38,300 per year and above at 100% AMR and \$30,640 per year at 80% AMR. An average two-bedroom unit is affordable to households earning \$45,640 and above at 100% AMR and \$36,520 and above at 80% AMR. Average rents are therefore not affordable to low-income households with annual incomes of \$30,640 or less.

**Table 3-2: Affordable Rental Prices based on Annual Income**

Annual Household Income (2021)	Affordable Monthly Rent
\$95,900 and above	\$2,400
\$77,900 and above	\$1,950
\$60,000 and above	\$1,500
\$45,700 and above	\$1,141 (2-bdrm, 100% AMR)
\$45,300 and above	\$1,140
\$38,300 and above	\$958 (1-bdrm, 100% AMR)
\$36,600 and above	\$913 (2-bdrm, 80% AMR)
\$30,700 and above	\$766 (1-bdrm, 80% AMR)





### Ownership Affordability

**Table 3-3** presents the annual household income required for the average price of a house to be considered affordable by the definition in the Official Plan. The household incomes are significantly above the definition of low- to moderate-income households.

**Table 3-3: Affordable Ownership Prices based on Annual Income**

Price Indicator	Market Price	Annual Household Income Required	Affordable Price (90% of Market Price)	Annual Household Income Required
Average MLS HPI- Niagara Region (2021)	\$648,967	\$124,606	\$584,070	\$112,145
Average MLS HPI- City of Niagara Falls (2021)	\$595,100	\$114,263	\$535,590	\$102,837
Average Cost of New Build- bottom 20 <sup>th</sup> percentile (2020)	\$560,000	\$107,524	\$504,000	\$96,771
Average Cost of New Builds- All (2020)	\$650,619	\$124,923	\$585,557	\$112,435

**Table 3-4** presents what would be considered affordable ownership prices for income levels up to \$95,900. It should be noted that a household earning under \$30,000 annually is very unlikely to qualify for a mortgage without a wealthier guarantor. It is also important to note that, in relation to the price indicators set out in Table 3-3, homeownership options are limited for households earning \$95,900 or less given the average selling price for both the City and the Region and the average cost of new builds far exceeds the upset limits for homeownership within these deciles. Further, given that the median household income in the City of Niagara Falls is \$69,077 (2021 estimate<sup>3</sup>), a significant proportion of the City's residents would not be able to afford to purchase the average home.

<sup>3</sup> Median household income (2016 Census): \$60,727 multiplied by CPI of 13.75%



**Table 3-4: Affordable Ownership Prices for Income Levels up to \$95,900**

Annual Household Income	Affordable Ownership
\$95,900 and above	\$499,500
\$77,900 and above	\$405,300
\$60,000 and above	\$312,300
\$45,300 and above	\$235,800

In order to provide greater context to bridge the gap between the 2016 Census data with 2021 values, as well as understand affordability by specific built form type and potential challenges in meeting targets, the consulting team conducted an additional analysis of affordability by type. **Table 3-5** provides this comparison of affordable ownership prices based on Niagara Region income deciles to HPI prices in Niagara Region. The green check marks indicate when a specific built form type would be affordable to a specific income bracket, while the red “x” symbols indicate that that built form type is not affordable to a specific income bracket.





**Table 3-5: Affordable House Prices According to Niagara Region Income Deciles and Compared to Niagara Falls House Prices**

NIAGARA REGION INCOME DECILES	2016 INCOME	2016 TO 2021 CPI	2021 INCOME	MAX AFFORDABLE HOUSE PRICE	COMPOSITE BENCHMARK	SINGLE- FAMILY BENCHMARK	ONE-STOREY BENCHMARK	TWO-STOREY BENCHMARK	TOWNHOUSE BENCHMARK	APARTMENT BENCHMARK
Price	n/a	n/a	n/a	n/a	\$595,100	\$609,500	\$604,500	\$606,900	\$450,800	\$401,600
Low Income	\$19,400	13.75%	\$22,100	\$115,000	✗	✗	✗	✗	✗	✗
Low Income	\$29,500	13.75%	\$33,600	\$174,800	✗	✗	✗	✗	✗	✗
Low Income	\$39,800	13.75%	\$45,300	\$235,800	✗	✗	✗	✗	✗	✗
Moderate Income	\$52,700	13.75%	\$60,000	\$312,300	✗	✗	✗	✗	✗	✗
Moderate Income	\$68,400	13.75%	\$77,900	\$405,300	✗	✗	✗	✗	✗	✓
Moderate Income	\$84,300	13.75%	\$95,900	\$499,500	✗	✗	✗	✗	✓	✓
High Income	\$101,200	13.75%	\$115,200	\$599,600	✓	✗	✗	✗	✓	✓
High Income	\$122,200	13.75%	\$139,100	\$724,000	✓	✓	✓	✓	✓	✓
High Income	\$155,900	13.75%	\$177,400	\$923,700	✓	✓	✓	✓	✓	✓

Data Source: CANCEA, CREA, Bank of Canada, Niagara Association of REALTORS



#### Assumptions:

- 25-year mortgage
- 20% down payment
- 4.79% interest rate

#### Definitions:

- Composite: Benchmarks and indices within the “Composite” category represents all homes used in models, including One- and Two-storey single family homes, Townhouses and Apartments. Accordingly, the Composite index includes both attached and detached homes within One- and Two-storey single family homes.
- Single-Family: Benchmarks and indices for “Single family homes” are generated as a composite of One- and Two-storey single family homes
- One-Storey: A property with one floor above ground. This type of property does not differentiate between attached and detached homes
- Two-Storey: A property with two, or more, above ground floors. This type of property does not differentiate between attached and detached homes.
- Townhouses: Townhouses have configurations which lay between apartment units and freehold non strata buildings, such as bungalows and two-storey houses.
- Apartment: Apartment units are characterized by being part of a multi-unit building. This category includes single level apartment, multi-level apartment, loft, penthouse, duplex, triplex, and studio suite.

Based on the more detailed analysis, this means that within the context of the City of Niagara Falls, ownership options only become affordable to residents with household incomes of \$95,900 or more on an annual basis (this is considered a moderate income decile). In this instance, the apartment built form would be an affordable ownership option. A broader range of options in terms of built form becomes more attainable for high income earners; however, the price of a single-family home is out of reach except for high-income households earning \$139,100 or more per year unless they had a down payment greater than 20% or spent more than 30% of their income on housing costs.



### 4.1.3 Affordability Target

Affordability targets are important goals and a key measure to track in terms of progress towards meeting housing needs in Niagara Falls. Achieving those goals can be very challenging, but targets are put in place as a recognition that significant actions need to be taken by all levels of government, private builders, and the not-for-profit sector in order to meet the real needs in the City.

270 housing units per year  
should be built to be  
affordable to households  
earning \$95,891 or less

Based on projections, it is expected that 20,220 new residential units will be built in the City between 2021 and 2051, an average of 674 units per year. It is recommended that the City of Niagara Falls set a target of **40% of the new housing (270 units per year) to be built be affordable to households earning \$95,891 per year**, meaning that the sale price would need to be at or below \$499,440 for ownership options and \$2,400 per month for rental options. As noted in the Housing Needs and Supply Report as well as in other sections of this Housing Strategy, the City will be faced with significant challenges in meeting the needs of residents into the future if the majority of housing built continues to be in a low-rise, single-detached built form as this is not affordable to the average resident/ household.

Further, given the definitions of affordability for the rental population, and the significant backlog of core housing need for existing rental households, it is important to set a sub-target for the percentage of new housing created that will be affordable to mostly rental households in core housing need (households spending more than 30% of their income on housing). Given the majority of households in core housing need are single persons and seniors, the City should set as an affordability target to have **20% of all new housing (135 units per year) be affordable rental** of \$968 per month or less (one-bedroom average rent or less).

135 of the 270 units should  
be built as affordable rental,  
priced at rents at or below  
\$968/ month

While it would be complex to have a further sub-goal, it would be important to have a significant portion of these units at an even lower rate or subsidized on a rent-geared-to-income basis or through a housing benefit in order to make the apartments affordable





to minimum wage earners, seniors receiving a basic pension or persons receiving social assistance. The City and housing providers should work with the Region of Niagara and other levels of government in order to access the needed rent subsidies for very low income households. As noted in the Housing Needs and Supply Report, it is important to acknowledge the positive relationship that currently exists between the Region and the City, with partnerships on the new Bridge Street Housing and Supportive Housing facilities; and, ongoing work on the Park Street Affordable housing project. It will be particularly important for the City and the Region to continue this level of information sharing and collaboration as the City implements the various recommendations and actions set out in this Strategy in order to maximize alignment of targets, processes, incentives and future initiatives at both the local and regional levels.



While these targets are more aggressive than those proposed by the Region in their Draft New Official Plan, this is justified at the local level as the provision of these affordable rental units is important for economic development and employee retention given the prevalence of minimum-wage hospitality and tourist jobs in the City. The actions set out in Section 3.1.4 have been identified with the intent to establish in policy the appropriate targets and tools to assist the City in addressing housing affordability moving forward.

#### 4.1.4 Actions

##### **Action #1: Update the City's Official Plan to include the following Affordable Housing Target(s)**

- 270 units per year to be built as affordable, with the following breakdown:
  - 135 units per year to be built with a price at or below \$499,440 in the case of ownership options; and, \$2,400 for rental options
  - 135 units per year to be built as rental units, with a rental price at or below \$968 per month







## **Action #2: Update the City's Official Plan to include a framework for achieving the Affordable Housing Target(s)**

*Action # 1 and Action # 2 will need to be implemented through a housekeeping amendment to the Official Plan, which should be brought forward by staff in the immediate term, and approved by Council within the next year. It should include requirements for development applications to demonstrate how proposals would contribute to achieving the target as well as additional policies that would be geared toward incentives and monitoring. Further discussions between the City project team and Consultant team will be required to determine the preferred approach to operationalizing the targets in policy as part of the OPA.*

## **4.2 Promote a Greater Diversity of Dwelling Types**

### **4.2.1 Overview**

Niagara Falls has a housing supply that offers a mix of low-, medium-, and high-density housing typologies, however, single-detached dwellings form the largest portion of housing, making up approximately two thirds of the housing stock. Apartments fewer than five storeys account for 13.1% of the housing stock, and apartments greater than five storeys account for only 4.0% of the housing stock. The trend toward low-density housing being the predominant form is likely to continue, given the anticipated Regional allocation of growth and housing mix assigned to Niagara Falls is 59% for singles/semis, 25% for row housing and 16% for apartment housing. In Niagara Falls, the average household size has been slowly but steadily decreasing, and one- and two-person households account for more than half (63.1%) of all households. With an aging housing stock that is two thirds comprised of single-detached dwellings, and an identified need to provide a wider mix of dwelling types to accommodate housing needs across the continuum, Niagara Falls will benefit from a planning framework that would diversify the housing supply and ultimately result in an increased proportion of medium- and high-density housing typologies.



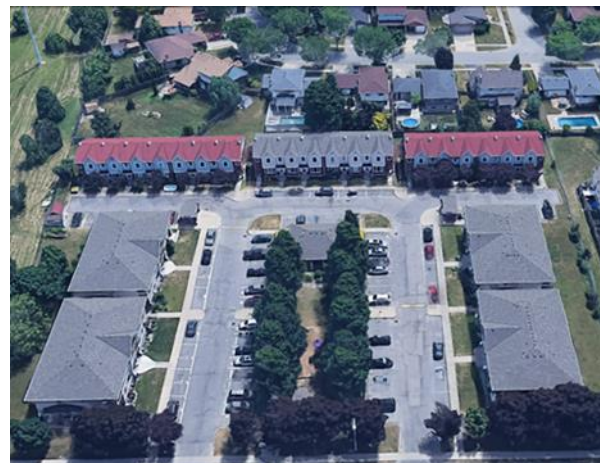


In relation to the affordability targets set out in Section 3.1.3 (and Action # 1), it will be numerically impossible to achieve the target if the majority of new homes to come to market within the 2021-2051 period are single-detached and semi-detached, given that these built forms typically have a high purchase price that would not be considered “affordable” to those households earning \$84,000 or less and in fact are only affordable to households earning \$177,366 or more as shown in **Table 3-5**. This could ultimately lead to difficulties in providing an appropriate mix of housing across the continuum, especially given that the median household income for residents in the City is estimated to be \$69,077. As a result, there is a need to ensure that the City is well-positioned to provide a greater variety of dwelling types, including medium density (e.g. townhouse, back-to-back townhouse) and high density (mid-rise and tall apartment, mixed use buildings with residential above ground-oriented retail/commercial) built forms that could be priced around the \$280,000 to \$395,000 range for ownership tenure and \$968 to \$2,108 range for rental tenure in order to provide options that would be more attainable and affordable to the average resident.

Policies that only permit single detached dwellings in large portions of a community limit the availability of a mix of housing types and create homogenous neighbourhoods. A city that provides opportunities for a variety of dwelling types is best positioned to address the needs of the “missing middle”<sup>4</sup> over the long term.

The actions set out in Section 3.2.2 have been identified with the intent to address this.

It is not possible to achieve the targets if the majority of new homes to be developed are single and semi-detached.



<sup>4</sup> The “missing middle” refers to households who earn too much to qualify for subsidized affordable housing, but also do not earn enough to afford the high cost of housing in Niagara Falls. The “missing middle” also refers to housing forms that are in-between high-density and low-density housing types (e.g. townhouses, stacked townhouses, back-to-back townhouses).



#### 4.2.2 Actions

##### **Action #3: Support and permit higher-density types of housing**

The Housing Needs and Supply Report found that low-density, single-detached housing made up a large portion of the housing supply in Niagara Falls, while overall, households are decreasing in size and there is an increasing need for more affordable housing units. High density housing is important to providing smaller and more affordable units in the form of mid-rise and tall apartment, and mixed use buildings with residential above ground-oriented retail/commercial. The Report also found that there was significant capacity in the City's intensification areas, nodes, and corridors to accommodate medium and high density built forms. An appropriate intensification framework and phasing strategy between the Built Up Area and Designated Greenfield Area that unlocks intensification opportunities will assist the City in addressing housing need across the continuum and assist in the realization of a more diverse housing mix, while increasing opportunities broadly and addressing affordability, specifically. This action was also identified by survey respondents who noted that amending the zoning by-laws to support higher-density housing types of housing is an important action to address affordable housing needs.

*This Action should be implemented as part of the City's Official Plan Review/ Regional conformity exercise, over the medium term, within the next 3-5 years.*





#### **Action #4: Support and Permit Alternate Forms of Housing**

The Housing Needs and Supply Report found that alternate forms of housing such as second suites, tiny homes, laneway housing, and shared housing/congregate living provide efficient opportunities for increasing the diversity of dwelling types and for increasing affordable housing options.

Stakeholders engaged noted that high land prices in the City make development expensive and there is an opportunity to use land more efficiently, through the introduction of housing typologies that would be developed on smaller lots or with less traditional building materials, which would reduce costs so long as there were no onerous process associated with receiving approvals (e.g. these could develop as-of-right vs. having to go through a zoning by-law amendment process).

The opportunity for alternate forms of housing can be limited by zoning regulations and/or policy. In order to support and permit alternate forms of housing, the City will need to ensure there is a policy framework in place to allow this type of housing.

*This action should be implemented as part of the City's Official Plan Review/ regional conformity exercise by applying a flexible policy framework that would allow for the creation of alternative forms of housing; and, through implementing zoning regulations as part of a Comprehensive Zoning By-law (CZBL) process that would facilitate the creation of these units. The Official Plan Review/ Regional conformity exercise should be completed over the medium term, within the next 2-4 years, while the CZBL should commence immediately following the conclusion of the Official Plan Review/ Regional conformity exercise.*



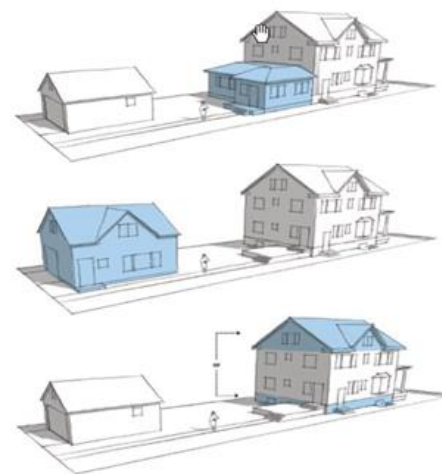


### **Action #5: Provide Opportunities for the Creation and Ongoing Monitoring of Second Units<sup>5</sup>**

Secondary units provide efficient opportunities for affordable housing options within existing dwellings and within already developed areas and areas where new developments will take place. They also increase the supply of market and affordable rental housing by providing more diverse housing options. Because of this, they are one way to ensure the provision of “missing middle” housing.

The *Planning Act*<sup>6</sup> requires Official Plan policies to authorize secondary suites, and zoning by-laws to permit and set standards for secondary suites. Permissions and standards for secondary suites are therefore required more broadly for conformity purposes with the Planning Act.

The Housing Needs and Supply Report found that there is significant potential for the introduction of second units among the City’s existing housing stock, with potential ranging between 476 and 4,764 units in the BUA depending on the assumption factor applied. Stakeholder feedback and input noted that policies that clearly establish the permissions for second suites, accompanied with the appropriate regulatory framework is a key action to address affordable housing need in Niagara Falls. The background research also found that the City currently does not track or monitor the number of existing second units, and there is a gap in the planning framework for second units, therefore, estimating both the current secondary suites within the BUA as well as the potential for future second suites throughout the BUA and DGA is difficult. Moving forward, tracking and monitoring secondary suites is an important action the City can take to understand the current and future potential for secondary suites (see Action # 19 of this Strategy).



<sup>5</sup> Second units is the general term used throughout this document to refer to secondary suites and additional dwelling units

<sup>6</sup> The *Planning Act* refers to these units as “additional residential units” and requires municipalities to contain policies authorizing the use of two residential units in a detached house, semi-detached house or rowhouse; and, the use of a residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse





The Region of Niagara encourages second units and provides up to \$25,000 of funding for the creation of secondary suites through the Niagara Renovates Program. As part of a more comprehensive Community Improvement Plan (CIP), the City could introduce incentives for the creation of second suites.

*In the near-term, policies to permit second units in accordance with the Planning Act should be implemented as part of a housekeeping amendment to the Official Plan which should ultimately be approved by Council within the next year. The appropriate regulatory framework<sup>7</sup> should be implemented in the short-term, as part of a housekeeping Zoning By-law Amendment, following approval of the housekeeping amendment. In the medium-term, the City should develop a formal program for encouraging, incentivizing, monitoring and tracking second suites, and explore opportunities to provide incentives for the creation of new second suites. This will require additional staff resources in both planning and by-law enforcement to ensure there is appropriate ongoing tracking, monitoring and enforcement.*



## 4.3 Ensure a Healthy Supply of Rental Units

### 4.3.1 Overview

Rents in Niagara Falls have been steadily increasing in recent years. Rising rents in excess of inflation may in part be due to low supply of rental housing in Niagara Falls. A vacancy rate of 3% is generally considered to be an acceptable balance between the supply and demand for rental accommodation by housing analysts. Vacancy rates below this can drive up rents as tenants compete for fewer units. Based on the most recent rental market survey conducted by CMHC in October of 2020, the City's overall vacancy rate is 2.4%. Vacancy rates in Niagara Falls have consistently been below this 3% threshold and, in the case of one-bedroom units, sometimes dramatically so.



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<sup>7</sup> This could include regulations that provide flexibility in order to maximize the number of units of safe, legal second units



Ultimately, the findings of the Housing Needs and Supply Report indicate there will be an increasing need to provide a range and mix of rental options for Niagara Falls residents now and into the future. With a limited supply of rental units, increasing rents, and a low vacancy rate, the City of Niagara Falls will benefit from an increased supply of rental housing stock.

The actions set out in Section 3.3.2 have been identified with the intent to support this.

#### 4.3.2 Actions

##### **Action #6: Preserve existing purpose-built rental housing stock through the introduction of demolition and conversion control policies as well as a rental replacement by-law**

Rental housing is an important part of the housing continuum, and it helps meet the diverse needs of residents throughout Niagara Falls. In Niagara Falls, about 28% of households rent their homes, and this number is continuing to grow. The issue of household affordability among rental households is apparent in the City, with 47.4% of all rental households indicating that they are spending 30% or more of their income on household costs. In contrast, 17.6% of all owned households indicated they were spending 30% or more of their income on household costs. The Housing Needs and Supply Report identified that the overall rental vacancy rate in the City is below the 3% threshold<sup>8</sup> and has been below this level for at least five years. The local and Regional planning policy currently does not permit conversion of existing rental units to condominium tenure where the vacancy rate is below 3%, which is a positive step and provides a good foundation to retain existing rental units. The Region has taken this a step further in their draft New Official Plan, which includes a new policy respecting conversions that would require demonstration that a vacancy rate above 3% for the three preceding years prior to allowing a conversion to occur. The current framework in the City does not provide direction to protect the demolition of rental buildings and replacement of rental units. The City will have to incorporate the appropriate conversion policy through a conformity amendment following the completion of the Region's MCR.

Protecting existing rentals from being demolished or converted into condos; and, providing for the replacement of rental units is a critical action to ensure that the existing rental stock does not erode over time.

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<sup>8</sup> According to the Canada Mortgage and Housing Corporation (CMHC), a vacancy rate of 3% or higher is considered to be healthy.



As the City intensifies through infill redevelopment within the Built-up Area, there is a possibility that existing rental buildings may be purchased by developers as part of land consolidation for site redevelopment; and, should this occur it could result in the loss of existing rental units without guarantee of their replacement. Protecting existing rentals from being demolished or converted into condos; and, providing for the replacement of rental units is a critical action to ensure that the existing rental stock does not erode over time. This is important to provide residents with diverse housing options that meet their household size and income.

*This Action will need to be supplemented by additional best practice research respecting how other jurisdictions have implemented rental demolition and conversion control regulations, and introduced as part of the City's Official Plan Review/ Regional conformity exercise, over the medium term, within the next 3-5 years. It will also require additional staff resources in planning and or the retention of outside consultants to support the background research and development of the implementation tools.*

#### **Action #7: Undertake a formal assessment of the potential to introduce Inclusionary Zoning**

Inclusionary zoning (IZ) is a municipal policy tool that mandates or incentivizes developers to provide affordable housing within new market-rate developments. In most cases, the number of affordable units are provided as a percentage of the total number of units in the development. Municipalities sometimes provide incentives to developers to assist in offsetting the cost of providing affordable units. Potential incentives include (but are not limited to) density bonuses, expedited application, processing, parking reductions, and fee waivers.

IZ has a long history of use in American municipalities but is in its infancy in Canada. The Province of Ontario recently passed enabling legislation allowing municipalities to develop IZ programs. At the time of writing, within the Ontario context, only the City of Toronto has implemented IZ, though several are in the process of drafting by-laws. **Appendix A** of this report includes the more detailed regulations for IZ as set out in the Planning Act and Ontario Regulation 232/18 for further reference.







Components of IZ programs are consistent even if implementation varies by jurisdiction. IZ programs should be highly tailored to their locality based on housing market conditions, housing needs, and housing goals. **Table 3-6** sets out the considerations jurisdictions may need to consider in designing an IZ program.

**Table 3-6: Considerations for Various Components of an Inclusionary Zoning Program**

Component	Consideration
Program type	Whether the program is mandatory or voluntary
Geography	Where in a municipality the IZ by-law would apply
Affordability	How affordability is defined/calculated The household income level(s) it should target How long units will be kept affordable
Set-aside rates	The percentage of affordable units required in new development How the number of units are calculated Whether rates should differ based on neighbourhood or level of affordability
Threshold size (minimum development size)	The size of the development that will trigger an IZ requirement
Alternative delivery of affordable housing units	Whether to accept cash-in-lieu of on-site affordable units Whether affordable units can be provided off site
Incentives	Whether incentives should be offered to developers to make providing affordable housing economically feasible
Monitoring and stewardship	Who is responsible for operating and monitoring the affordable units

There are two primary benefits to Inclusionary Zoning. First, as a market-based solution, no direct government funding is required to procure affordable housing units. Second, IZ can also, theoretically, contribute to social mixing and economically diverse neighbourhoods with people of different incomes living in close proximity.

However, even though municipalities do not directly fund IZ units, IZ can still represent a cost to municipalities in terms of foregone revenues depending on the incentives provided (waiving development charges, property tax exemptions, etc.). There are also risks to relying on the private market to provide affordable housing. The economics of IZ are such that it is most effectively used in



jurisdictions with significant and sustained market-rate development. As a result, affordable units will only be provided when markets are strong and less likely to be provided when markets are weak. Additionally, a poorly designed IZ program that makes development financially unviable means zero units of both market *and* affordable housing will be produced, which may make affordability worse overall.

Generally speaking, IZ programs that are mandatory produce more units of affordable housing than programs that are voluntary and benefit from being predictable and transparent for both developers and communities. However, there is some debate as to whether IZ programs produce meaningful amounts of affordable housing, especially when there are other tools available to procure affordable units. In summary, IZ is not a silver bullet for unaffordability, but one of many tools that should be considered.

Current legislation only permits IZ in developments of 10 units or more that are within Protected Major Transit Station Areas (PMTSA) or a Development Permit System (DPS) area<sup>9</sup>.

PMTSAs are subsets of Major Transit Station Areas (MTSA). The Growth Plan (2020) defines an MTSA as:

- The area including and around any existing or planned higher order transit station or stop within a settlement area; or the area including and around a major bus depot in an urban core. Major transit station areas generally are defined as the area within an approximate 500 to 800 metre radius of a transit station, representing about a 10-minute walk.

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<sup>9</sup> The Development Permit System (DPS) was recently renamed to the Community Planning Permit System (CPPS), however IZ legislation has not been updated to reflect this change.



Further, the Growth Plan defines higher order transit as:

- Transit that generally operates in partially or completely dedicated rights-of-way, outside of mixed traffic, and therefore can achieve levels of speed and reliability greater than mixed-traffic transit. Higher order transit can include heavy rail (such as subways and inter-city rail), light rail, and buses in dedicated rights-of-way.

The City of Niagara Falls, in collaboration with the Region of Niagara, completed a study and secondary plan for the Downtown Niagara Falls GO Transit Station Area which includes a policy framework to provide additional opportunities for the City to provide opportunities for a diversified housing mix, including medium and high density built forms. While this area is currently delineated in the local Official Plan, the Region's Official Plan currently does not delineate the MTSA and therefore IZ cannot be explored at present. However, through the Draft Regional Structure Schedule appended to the Region's MCR documentation, the Downtown GO Station is delineated as an MTSA. Accordingly, following the completion of the Region's MCR process, there may be an opportunity to further explore how the IZ tool may be applied within the local context. Once the Region's New Official Plan is in place inclusive of enabling policies for IZ and the delineation of the MTSA, the City could complete

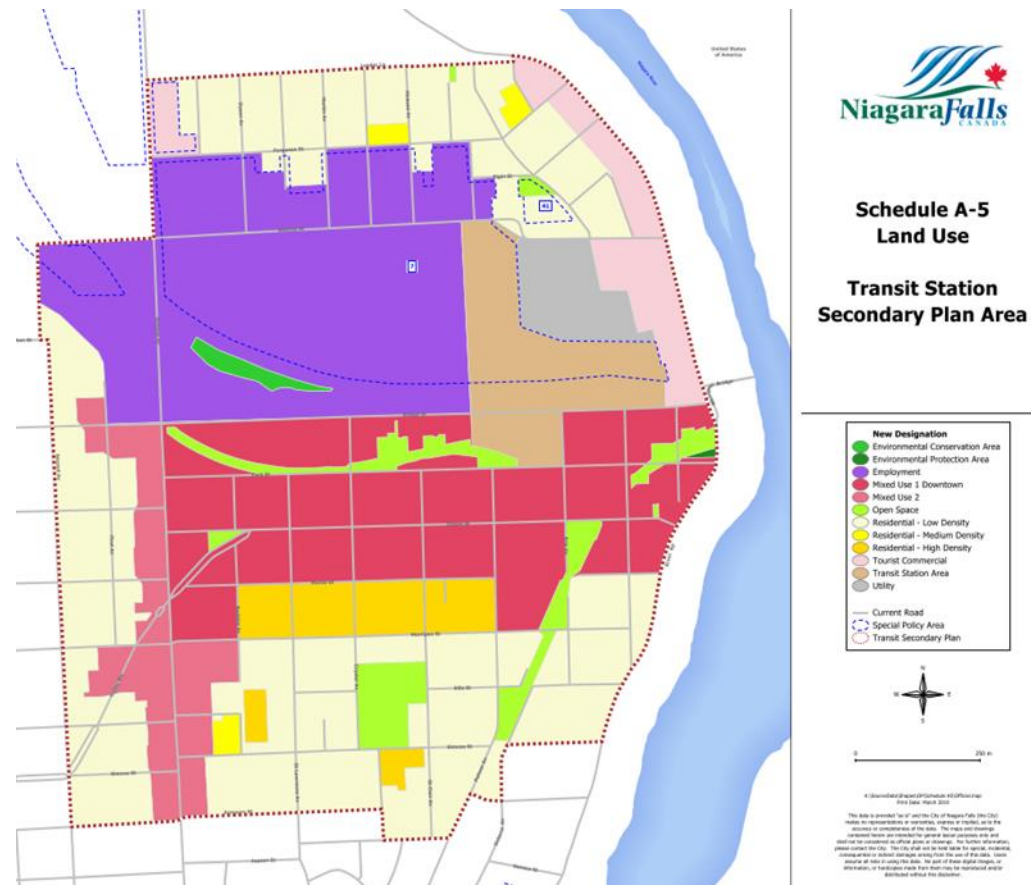




the required Inclusionary Zoning Municipal Assessment Report. This report must include an analysis of demographics, household incomes, housing supply, current housing rents and prices, and the potential impact of IZ on the local housing market. Given the existing land economics in this area of the City, the results of the assessment may identify challenges related to implementing a viable IZ framework and may require phasing of the tool over a longer period of time in order to account for and address market viability. The IZ Municipal Assessment is also required to be peer reviewed. Following the conclusion of the IZ Municipal Assessment and Peer Review, the Official Plan would need to be updated to include any recommended IZ policies.

Following the delineation of a MTSA, implementation of an IZ policy is dependent on the time it takes to complete the Municipal Assessment report, the public engagement/ consultation process, as well as the Council meeting schedule.

Assuming the Municipal Assessment report finds IZ to be viable, staff will need to draft an Official Plan Amendment for consideration and adoption by Council.





**Table 3-7** estimates a timeline based on a “best-case” scenario in which Council receives the findings of the Municipal Assessment Report without revisions, adopts the Official Plan Amendment without revisions, and the IZ policy is not appealed. In this instance, it is estimated it would take between 17 and 25 months to implement an IZ policy.

**Table 3-7: Steps and Estimated Timeline for Implementation of Inclusionary Zoning**

Step	Duration
Background Review	n/a
Delineation of MTSA	n/a
Staff direction to explore Inclusionary Zoning	n/a
Inclusionary Zoning Policy	
Inclusionary Zoning Municipal Assessment Report (analysis, stakeholder interviews, peer review)	6-12 months
Potential public engagement/consultation	1-2 months
Revisions to Municipal Assessment Report	3 months
Presentation of Inclusionary Zoning Municipal Assessment Report to Council	1 month
Staff draft Official Plan Amendment	3 months
Potential public engagement/consultation on draft Official Plan Amendment (including statutory public meeting)	1-2 months
Council adopts Official Plan Amendment	1 month
Appeal period	20 days
Inclusionary Zoning policy adopted	TBD
Total	17-25 months

Costs associated with implementation include engaging a third-party consultant to complete the peer review. Many municipalities also hire consultants to complete the bulk of the Municipal Assessment Report.

*This Action will need to be supplemented by additional studies, which should be streamlined as part of the City's Official Plan Review/ Regional conformity exercise, over the medium term, within the next 3-5 years. Additional staff resources in the planning department will also be required to oversee the work of consultants, depending on capacity of existing staff to undertake this role.*





#### **Action # 8: Revisit and finalize the approach to the use of Motels as Long-term Stay Accommodation (SROs)**

It has been recognized that many of the older motel establishments have shifted from functioning as short-term tourist accommodations to a more long-term residential accommodation for people who may not otherwise be able to afford or find rental housing options, essentially acting as an informal “stop gap” housing residents where other options are not available. While the use of motels in this way is not intended to be a permanent solution to address housing gaps, they are currently the only means of providing shelter to residents without exacerbating the shelter system and, as a result, are a critical component of the City’s housing continuum. In their absence, the amount of visible homelessness in the City would likely increase.

Work conducted as part of the Housing Needs and Supply Report indicated that there are potentially 101 hotels and motels that could providing up to 11,512 rooms for permanent long-term rental accommodation to residents who cannot find other rental housing options.

A prior study on the use of motels as long-term stay accommodations was completed in 2018. The results of the study recommended introducing a new “Single Room Occupancy (SRO)” use to the Official Plan and Zoning By-law and establishing a licensing framework for the SRO use, which would allow for individual motel owners/ operators to operate and establish as a legal use providing long-term residential accommodation; however, Council at that time did not make a recommendation to approve the recommended amendments and Licensing By-law brought forward. In order to increase the affordability of rental units in Niagara Falls, the City should explore formalizing the use of Motels as long-term stay residential accommodation through introducing Single Room Occupancy to the Official Plan and Zoning By-law.

*This Action should be reviewed comprehensively in conjunction with Action #6: Rental Replacement By-law as part of the new Official Plan Review process and should be completed over the medium term within the next 3-5 years. It will require additional staff resources in both planning and by-law enforcement to ensure there is appropriate ongoing tracking, monitoring and enforcement.*







## 4.4 Increase Public Education and Provide Advocacy for Partnerships

### 4.4.1 Overview

Lower tier municipalities like the City of Niagara Falls are typically constrained in their ability to provide affordable housing directly to residents due to jurisdictional, funding, and capacity limitations. Housing and homelessness programs are initiated and overseen by Service Managers at the Region of Niagara using Provincial and Federal funding, and the City lacks the capacity and/or expertise to oversee development and management of affordable housing units. However, City partnerships with other levels of government as well as private and non-profit developers can contribute to an increased supply of affordable housing in support of affordable housing targets.

Partnerships must also be created and supported by education and outreach efforts, both about the need for affordable housing in Niagara Falls as well as opportunities for funding, collaboration, and process for the development of affordable housing projects.

The actions set out in Section 3.4.2 have been identified with the intent to support this.





#### 4.4.2 Actions

##### **Action #9: Develop an Understanding of Upper-Level Government Housing Programs**

Upper-level government housing programs typically provide capital and/or operating support for affordable housing and can contribute to overall project viability. A list of affordable housing programs that the City can promote to housing proponents are identified in the bulleted list below. It is important to note these programs are often evolving and requirements may change in the future.

- CMHC: Seed funding, Co-investment Funding, Rental Construction Financing, Mortgage Insurance
- Federation of Canadian Municipalities, Green Municipal Fund, Sustainable Affordable Housing (SAH) funding
- Federal-Provincial housing program (currently Ontario Priorities Housing Initiative - OPHI)
- Rapid Housing Initiative
- Social enterprise financing such as Community Forward Fund, Canadian Co-operative Investment Fund, HPC Housing Investment Corporation and New Market funds; and,
- Infrastructure Ontario.

*City staff should begin to understand these programs and be able to communicate the benefits and opportunities that they may have to developers at pre-consultation meetings in order to further advocate and promote the development of housing at a range of affordability levels. This action should be implemented in the short term (within one year). Ongoing research and continuous learning will be required to ensure an up-to-date understanding of programs as they evolve over time. This may be challenging with existing staffing resources and constraints and would require assigning a dedicated staff resource to focus on housing initiatives and delivery of the housing strategy*

##### **Action #10: Clearly Define the City's Role and Responsibility in Supporting Housing Affordability**

The City should understand and formalize its role and responsibilities in supporting housing affordability through municipal channels. This may include:

- Partnering with other levels of government, private/non-profit developers to provide municipal land at low or no cost for the purposes of housing affordability



- Working with private developers to ensure new development meets housing affordability goals, including offering financial incentives where appropriate
- Facilitating connections between private developers and non-profit groups for affordable housing developments
- Educating residents and the development community on the need for affordable housing in Niagara Falls, and educating the development community and residents on funding opportunities for affordable housing (see Action #12)

*City staff should begin to understand this role and the responsibilities planning staff have in supporting and facilitating the delivery of affordable housing in the short-term. Specific roles and responsibilities of Council and planning staff should also be included within the Official Plan. This Action will also need to be supplemented by additional goals and objectives to be included in the Official Plan, which should be implemented as part of the housekeeping amendment associated with Actions #1 and #2 and should ultimately be approved by Council within the next year. This may be challenging with existing staffing resources and constraints and would require assigning a dedicated staff resource to focus on housing initiatives and delivery of the housing strategy.*

#### **Action #11:    Develop a Policy and Program to Review all Surplus Municipal Land for Housing Suitability**

Municipal land is often a key component of municipal partnerships with private and/or non-profit developers. A formal process should be established for evaluating surplus City land for suitability for housing before being released to the private market for development. In the event the land is deemed suitable for housing, it will be important to establish a policy around whether the land is leased or sold outright with affordability conditions on title. The City can also do important predevelopment work by ensuring the site is properly serviced as well as clean to help reduce development costs and increase project viability.

*The City should also advocate for surplus federal, provincial, and regional land in the City limits to be used for affordable housing where appropriate. This action should be informed by a jurisdictional scan of similar policies and implemented as part of the housekeeping amendment associated with Actions #1, #2 and #10 and should ultimately be approved by Council within the next year. The review of municipal land can begin immediately following the adoption of the amendment. This may be challenging with existing staffing resources and constraints and would require assigning a dedicated staff resource to focus on housing initiatives and delivery of the housing strategy.*





**Action #12: Create a database of non-profits and other community groups with land suitable for housing**

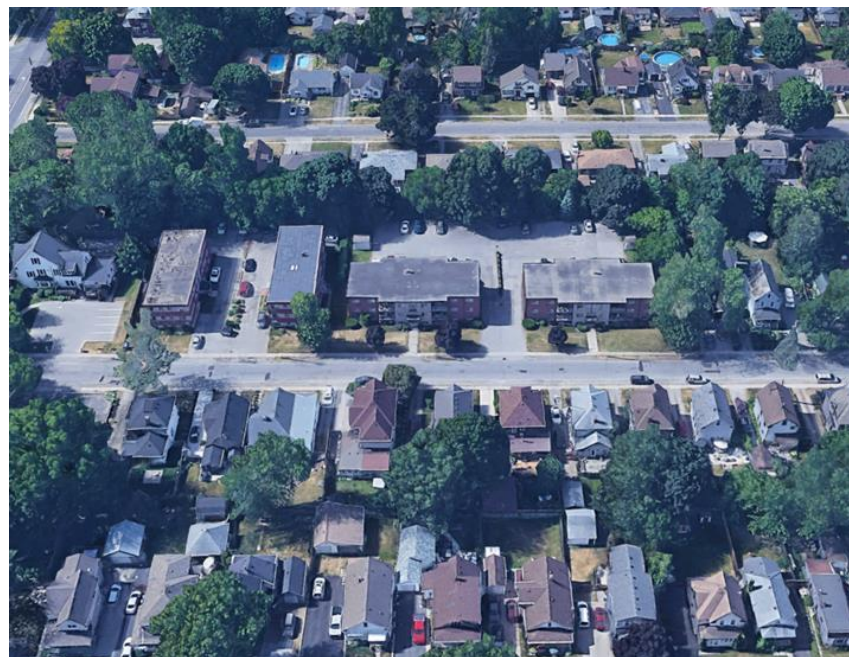
Many non-profits and community groups own land that may be suitable for housing development, but either lack the capital or expertise for development. A database of suitable land can assist in facilitating partnerships between non-profits and private developers as well as between non-profits and the City/Region to respond to funding proposals for affordable housing.

*This action can be undertaken by staff immediately and completed in the short-term, within 1 to 3 years. Ongoing maintenance of the database will be necessary to ensure information is up to date as sites become available/ unavailable. This may be challenging with existing staffing resources and constraints and would require assigning a dedicated staff resource to focus on housing initiatives and delivery of the housing strategy and may also require additional support from the IT department.*

**Action #13: Explore private workforce housing for hospitality and tourism employees**

Given the prevalence of hospitality and tourism employment, the City should explore the potential for large hospitality/tourism employers to develop workforce housing for their employees in collaboration with the Niagara Falls Chamber of Commerce and other local business associations. Findings in the Housing Needs and Supply Report indicated the importance of housing that is affordable to hospitality and tourism employees as well as difficult finding affordable housing near major employment centres.

*This action will need to be supplemented with a review of jurisdictional best practices of workforce housing development in the medium-term and should be completed by staff within 3-5 years. Additional staff resources in the planning department may be required to advance this initiative.*







#### **Action #14: Create an affordable housing information online portal**

An online portal detailing affordable housing goals, housing programs and incentives, and the development process can help encourage affordable housing by highlighting funding opportunities for private/non-profit developers, demystifying the development process, and building public support for affordable housing initiatives.

*As much of the information in the portal will be related to outcomes of the Official Plan Review/Regional Conformity Exercise, this action should proceed following completion of the OPR, over the next 1 to 3 years. In the short-term, the municipality can begin to gather other housing information that is independent of the OPR, such as information on upper-level government programs and the development process. This action will also require municipal IT staff to be engaged to design and populate the portal. In the long-term, ongoing maintenance of the portal will be necessary to ensure information is up to date and reflective of changes to housing policy and programs.*

#### **Action #15: Reduce potential for NIMBYism Associated with Housing Developments**

There is the common ground established that housing is a basic human right and there is a collective civic responsibility to ensure that the supply of housing available within a community can accommodate the varying needs of residents throughout their lifetime, including financial needs. The Housing Needs and Supply Report points to an affordability issue in the City in terms of the median household income, given that a significant portion of the population is excluded from either ownership or rental housing options unless they are willing to spend significantly more than 30% of their income.

A wider range of housing options/ built form types, such as townhouse dwellings, stacked townhouse dwellings, low-rise walk ups, mid-rise buildings, tall buildings, and second suites would provide variety in a neighbourhood and increase options to address affordability along the continuum; however, those that are already housed in low-rise single detached dwellings are often opposed to housing developments/ proposals in their neighbourhoods where a built form other than single-detached is proposed based on a misconception that these are not compatible with the existing character. This local opposition, often referred to as NIMBY-ism, is based on misinformation or prejudices directed toward those who may live dwelling types that are not 'typical' of that specific neighbourhood and is often a major barrier to the development of compatible housing forms that would be more affordable. Compatibility in form does not mean "the same as" and can be achieved in a neighbourhood in a variety of ways.



The City should make an effort to combat NIMBY-ism through education initiatives with an emphasis to reduce opposition to alternative built form types. This should include a primer on housing and human rights, education pamphlets that would dispel the common myths associated with infill housing (e.g. impacts on property values). There should be a Council information session to educate members of Council on this matter.

*Efforts to reduce NIMBYism cannot always be tied to a specific timeframe and should generally be ongoing. The Council information session should be done in the immediate term. Further, a broader public information session on an annual basis should be hosted to educate the public and could be done in the medium term. Additionally, City communication concerning new development (staff reports, public meetings) should also include sections that explicitly address how the new development contributes to the City's housing affordability goals and this could commence immediately. This may be challenging with existing staff resources and constraints and would require assigning a dedicated staff resource to focus on housing initiatives and delivery of the housing strategy. It may also require additional support from communications staff.*







## 4.5 Provide a Variety of Financial Incentives to Promote and Facilitate the Development of Affordable and Rental Housing

### 4.5.1 Overview

The Housing Needs and Supply Report findings note support from both stakeholders and the public for financial incentives to increase development viability for affordable housing. While it may be possible for some non-profit and private organizations to build affordable housing without capital funding and/or incentives from local or senior governments, these situations are the exception rather than the rule. This is largely due to the relatively high cost of constructing affordable housing (land, soft and hard costs) and the relatively modest cash flow generated by affordable rents. As a result, a considerable number of affordable projects, even with funding through Canada/Ontario capital programs, require some form of assistance from local municipalities to be financially viable.

The actions set out in Section 3.5.2 have been identified with the intent to support this.

### 4.5.2 Action

**Action #16: Review possible exemptions to City fees and property taxes to support the provision of new long-term affordable housing.**

The following fees are typically associated with residential rental housing in the City of Niagara Falls:

- Development charges;
- Property taxes;
- Site Plan Application; and,
- Building permits.

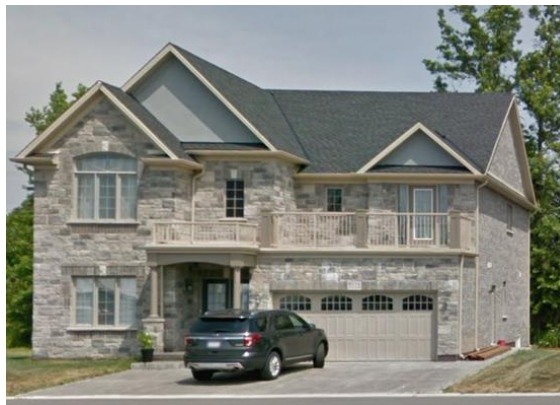
The City may also charge fees for an Official Plan (OP) amendment or Zoning By-law (ZBL) amendment where the proposed development does not conform to the OP or ZBL.





Reducing, deferring, or waiving these fees for affordable housing developments can reduce development costs and increase project viability. However, doing so also decreases municipal revenues. The City is encouraged to undertake an analysis of the potential impact of changing fees on municipal revenues as a means of achieving affordable housing targets.

*This Action will need to be supplemented with additional studies to assess the impact of exemptions on municipal budgets, as well as a review of jurisdictional best practices of financial incentives for affordable housing developments. This work should proceed concurrently with the Official Plan Review/Regional Conformity Exercise over the medium term in the next 3 to 5 years<sup>10</sup>. It may require retaining outside consultants to conduct some of the financial analysis and would require staff resources in the planning department to oversee the work of consultants, as well as carry out any additional work as recommended.*



<sup>10</sup> There may be instances where the City may need to consider municipal incentive requests for residential proposals in advance of the completion of any exemption studies. These may need to be assessed on a case by case basis in the interim.



**Action #17: Develop a City-wide Community Improvement Plan for Affordable Rental Housing.**

Affordable and rental housing CIPs are found in other Ontario municipalities and are used to provide relief from municipal fees and property taxes for new affordable housing. The Housing Needs and Supply Report found the existing Niagara Falls CIPs promote the creation of new housing, but not affordable housing specifically. The City should explore introducing a specific affordable housing program in each of the existing CIPs or create a new CIP dedicated to affordable housing. The Region of Niagara is currently undertaking an incentive review and has identified housing as one of the four 'pillars' of that review. Any work done at the City-level should include incentives tailored to match regional incentives in order to maximize potential for benefits.

*This action should be supplemented with additional studies to assess the impact of the CIP on municipal budgets and should proceed concurrently with the Official Plan Review/Regional Conformity Exercise over the medium term in the next 3 to 5 years. This will require retaining outside consultants to conduct the work necessary to prepare the CIP, as well as additional staff resources in the planning department to oversee the work of consultants, depending on capacity of existing staff to undertake this role.*

**Action #18: Allocate Appropriate Staff Resources to Implement and Administer the Housing Strategy and Associated Actions**

The success of the Strategy is dependent on a commitment made by the City to have an appropriate staffing complement to carry out the actions in each theme. As noted in a number of the actions set out in this report, there will be a need for the City to strengthen their staffing complement in the Planning department, as well as potentially in other departments. The recommended actions would not be able to move forward unless there are dedicated staff resources to oversee the implementation of the Housing Strategy. There will be a financial commitment associated with completing the actions recommended in the short, medium and long term. Staff commitment could be enacted through the creation of a new staff role. It is unlikely that broadening an existing job description would be able to satisfactorily address implementation of the Housing Strategy.

*This action should be a short term in nature and achieved within one year of adoption of the Strategy.*



## 4.6 Monitor and Report on an Ongoing Basis to Measure the Efficacy of Implementation of the Housing Strategy, Address Emerging Housing Needs and Ensure Actions are met Within the Stated Timeframes



### 4.6.1 Overview

Lower-tier municipalities play a critical role in the provision of housing through Official Plan policies and strategic goals. In implementing the Housing Strategy, the City will need to apply an enhanced focus on monitoring and policy support, specifically through the Official Plan as well as with City led initiatives for tracking.

The findings of the Housing Needs and Supply Report note that there is a greater need for affordable housing in the City than other parts of the Region. Within the other themes, there are actions aimed at introducing targets and policies to improve housing choice and affordability. Without monitoring and tracking at the City level on housing and affordability, in various forms, such as second suites, there are challenges in understanding progress and target achievement. In order to better track the achievement of the targets to be established and implemented through the housekeeping amendment mentioned previously in this Housing Strategy, there is a need for a comprehensive monitoring program to complement the policy pieces implemented in other actions.

The actions set out in Section 3.6.2 have been identified with the intent to support this.

### 4.6.2 Actions

#### **Action #19: Develop a Monitoring Program for Second Suites**

As noted previously, the Housing Needs and Supply Report found that Secondary suites provide efficient opportunities for affordable housing options within existing dwellings and within already developed areas and areas where new developments will take place; however, there is currently no information related to the actual quantum of these units on the ground as the City does not track this information. The City should establish strategic criteria to monitor and review on an annual basis to be presented in a staff report to Council for consideration.



*This monitoring program should be developed in short-term, with the actual monitoring and tracking to be an ongoing action and responsibility of staff. This may be challenging with existing staff resources and would require assigning a dedicated staff resource to focus on implementing housing initiatives. Uptake on any second unit incentives and the development of second suites should be reported to Council on an annual basis and could form part of the monitoring report identified in Action # 20.*

**Action #20: Develop an Annual Housing and Affordable Housing Monitoring and Reporting System to Council.**

The City currently reports to Council on the following growth-related items on an annual basis. In implementing the housing strategy, a number of new targets have been identified which will require reporting and monitoring. These should be rolled into the City's annual report to Council.

A housing and affordable housing monitoring and reporting system would include an annual report (written by Staff) that would be presented to the Committee of the Whole / Council and made available for download in the Planning and Development section of the municipal website. The purpose of the report would be to identify various factors of the previous year's new residential development, such as:

- Annual number secondary dwelling units;
- Annual number and average affordable rental dwelling units and by type of dwelling
- Municipal, Region, Provincial and Federal housing and affordable incentives utilized (how, what, where and why);
- Location of affordable housing and rental housing;
- Identifiable trends, emerging issues, and possible new options and alternative strategies to assist with enhancing affordable housing opportunities; and
- Updates on affordable housing and related funding opportunities that are provided through CMHC (e.g., via CMHC's Affordable Housing E-Newsletter).

In order to provide a more robust picture of the state of housing in the City, it is recommended that the City make request for the routine release of rental-related data by Municipal Property Assessment Corporation (MPAC) and Canadian Mortgage Housing Corporation (CMHC) rental reports to the City. If achieved, the City could more easily calculate accurate market rents to develop stronger affordable housing policies that are more reflective of the local context over the longer-term.





*This monitoring program should be developed in short-term, with the actual monitoring and tracking to be an ongoing action and responsibility of staff. An annual report to Council should also be brought forward. This may be challenging with existing staff resources and would require assigning a dedicated staff resource to focus on implementing housing initiatives.*

**Action #21: Review and Update the Housing Strategy Every 5 years.**

This Housing Strategy is not intended to be a static document. Information on the success of the Strategy to date and areas required to be revised or implemented through other policy tools should be comprehensively reviewed and assessed as the housing needs of the City's residents may change over time. Given that the 2021 federal census collection of data is currently underway, once new data is released, it will be important to re-examine and potentially update the housing affordability targets over the longer-term, as part of a broader review and update of the Housing Strategy to ensure it is responsive to any changes.

*This action should be executed in the long term, and then on a 5-year cycle thereafter.*






























## 5 ACTION PLAN


















The Action Plan presented on the following page(s) provides a summary of all the actions set out in this Housing Strategy for easy reference. It can be used to track progress, monitor achievements and ensure accountability in implementing the Housing Strategy. The top six (6) priority recommended actions are highlighted below:

- Allocate Appropriate Staff Resources to Implement and Administer the Housing Strategy and Associated Actions;
- Preserve existing purpose-built rental housing stock through the introduction of demolition and conversion control policies as well as a rental replacement by-law;
- Develop a City-wide Community Improvement Plan for Affordable Rental Housing;
- Provide opportunities for the creation and ongoing monitoring of second units;
- Review possible exemptions to City fees and property taxes to support the provision of new long-term affordable housing; and,
- Explore private workforce housing for hospitality and tourism employees



THEME AREA	Recommended Action	Link to Goal	Scope of Work	Responsibility	Timeframe
 <b>ESTABLISH AFFORDABLE HOUSING TARGETS</b>	<b>Action #1:</b> Update the City's Official Plan to include Affordable Housing Target(s)	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 4: Develop an understanding of the City's housing system</li> </ul>	Housekeeping OPA	Housing Strategy Consultants	  
	<b>Action #2:</b> Update the City's Official Plan to include a framework for achieving the Affordable Housing Target(s)	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 4: Develop an understanding of the City's housing system</li> </ul>	Housekeeping OPA	Housing Strategy Consultants	  
 <b>PROMOTE A GREATER VARIETY OF DWELLING TYPES</b>	<b>Action #3:</b> Support and permit higher-density types of housing	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> </ul>	City's Official Plan Review/ Regional conformity exercise	City	  
	<b>Action #4:</b> Support and permit alternate forms of housing	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> <li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li> </ul>	City's Official Plan Review/ Regional conformity exercise  Implementing zoning regulations as part of a Comprehensive Zoning-bylaw process	City	   Immediately following the Official Plan Review / Regional conformity exercise
	<b>Action #5:</b> Provide opportunities for the creation and ongoing monitoring of second units	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> <li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li> </ul>	Housekeeping OPA  Develop a monitoring and tracking plan for secondary suites	Housing Strategy Consultants  City	     
	<b>Action #6:</b> Preserve existing purpose-built rental housing stock through the introduction of demolition and conversion control	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> </ul>	City's Official Plan Review/ Regional conformity exercise	City	  



THEME AREA	Recommended Action	Link to Goal	Scope of Work	Responsibility	Timeframe
 ENSURE A HEALTHY SUPPLY OF RENTAL UNITS	policies as well as a rental replacement by-law	<ul style="list-style-type: none"><li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li></ul>			
	<b>Action #7:</b> Undertake a formal assessment of the potential to introduce Inclusionary Zoning	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 2: Diversify the City's Housing Supply</li><li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li></ul>	Assessment report on Inclusionary Zoning as part of the City's Official Plan Review/ Regional conformity exercise	City (would likely need to obtain a qualified consultant to complete an assessment report)	  
	<b>Action #8:</b> Explore the Formalization of the use of Motels as Long-term Stay Accommodation	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 2: Diversify the City's Housing Supply</li></ul>	Introducing Single Room Occupancy to the Official Plan and Zoning By-law	City	  
 INCREASE PUBLIC EDUCATION AND PROVIDE ADVOCACY FOR PARTNERSHIPS	<b>Action #9:</b> Develop an understanding of upper level government housing programs (Regional, provincial, federal)	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 2: Diversify the City's Housing Supply</li><li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li><li>Goal 4: Develop an understanding of the City's housing system</li></ul>	Research and analysis	City	  
	<b>Action #10:</b> Clearly Define the City's Role and Responsibility in Supporting Housing Affordability	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 2: Diversify the City's Housing Supply</li><li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li><li>Goal 4: Develop an understanding of the City's housing system</li></ul>	Housekeeping OPA	Housing Strategy Consultants	  
	<b>Action #11:</b> Develop a policy to review all surplus municipal land for housing suitability	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 4: Develop an understanding of the City's housing system</li></ul>	Research and Analysis; Policy Development	City	  

Notes: Timeframe



Short 0-2 years




Medium 3-5 years













Long 5-10 years



THEME AREA	Recommended Action	Link to Goal	Scope of Work	Responsibility	Timeframe
	<b>Action #12:</b> Create a database of non-profits and other community groups with land suitable for housing	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> <li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li> </ul>	Research and Analysis; Technical Development	City	<div><div></div><div></div><div></div></div>
	<b>Action #13:</b> Explore private workforce housing for hospitality and tourism employees	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> <li>Goal 4: Develop an understanding of the City's housing system</li> </ul>	Research and Analysis; Policy Development	City (may need to obtain assistance from a qualified consultant with experience on this matter)	<div><div></div><div></div><div></div></div>
	<b>Action #14:</b> Create an affordable housing information online portal	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 4: Develop an understanding of the City's housing system</li> </ul>	Research and Analysis; Technical Development	City	<div><div></div><div></div><div></div></div>
	<b>Action #15:</b> Reduce potential for NIMBYism associated with affordable housing developments	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> <li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li> <li>Goal 4: Develop an understanding of the City's housing system</li> </ul>	Research and Analysis; Technical Development	City	<div><div></div><div></div><div></div></div>
 <p>PROVIDE A VARIETY OF FINANCIAL INCENTIVES TO PROMOTE AND FACILITATE THE DEVELOPMENT OF</p>	<b>Action #16:</b> Review possible exemptions to City fees and property taxes to support the provision of new long-term affordable housing.	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li> <li>Goal 4: Develop an understanding of the City's housing system</li> </ul>	Research and Analysis; Policy Development	City (may need to obtain assistance from a qualified consultant with experience on this matter)	<div><div></div><div></div><div></div></div>
	<b>Action #17:</b> Develop a City-wide Community Improvement Plan for Affordable Rental Housing.	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> <li>Goal 2: Diversify the City's Housing Supply</li> <li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li> </ul>	Research and Analysis; Policy Development	City (may need to obtain assistance from a qualified consultant with experience on this matter)	<div><div></div><div></div><div></div></div>
	<b>Action #18:</b> Allocate Appropriate Staff Resources to Implement and Administer the	<ul style="list-style-type: none"> <li>Goal 1: Housing for all</li> </ul>	N/A	City	<div><div></div><div></div><div></div></div>





THEME AREA	Recommended Action	Link to Goal	Scope of Work	Responsibility	Timeframe
AFFORDABLE AND RENTAL HOUSING	Housing Strategy and Associated Actions	<ul style="list-style-type: none"><li>Goal 4: Develop an understanding of the City's housing system</li></ul>			
 MONITOR AND REPORT	<b>Action #19:</b> Develop a monitoring program in the medium to long term for Second Units	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 2: Diversify the City's Housing Supply</li><li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li><li>Goal 4: Develop an understanding of the City's housing system</li></ul>	Research and Analysis; Technical Development; Reporting	City	  
	<b>Action #20:</b> Develop an annual housing and affordable housing monitoring and reporting system to Council.	<ul style="list-style-type: none"><li>Goal 4: Develop an understanding of the City's housing system</li></ul>	Research and Analysis; Technical Development; Reporting	City	  
	<b>Action #21:</b> Review and update the Housing Strategy every 5 years.	<ul style="list-style-type: none"><li>Goal 1: Housing for all</li><li>Goal 2: Diversify the City's Housing Supply</li><li>Goal 3: Remove Barriers to the creation of a range and mix of housing types, including alternative forms of housing</li><li>Goal 4: Develop an understanding of the City's housing system</li></ul>	Research and Analysis; Reporting	City (may require obtaining a consultant to assist with the review)	  

Notes: Timeframe



Short 0-2 years



Medium 3-5 years



Long 5-10 years



# APPENDIX A: INCLUSIONARY ZONING REGULATIONS IN ONTARIO





Ontario regulation 232/18  
made under the Planning Act

Made: April 11, 2018  
Filed: April 11, 2018  
Published on e-Laws: April 11, 2018  
Printed in The Ontario Gazette: April 28, 2018

Inclusionary Zoning

**Definitions**

1. In this Regulation,

“inclusionary zoning by-law” means a by-law passed under section 34 of the Act to give effect to the policies described in subsection 16 (4) of the Act; (“règlement municipal relatif au zonage d’inclusion”)

“non-profit housing provider” means,

- (a) a corporation without share capital to which the Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing,
- (b) a corporation without share capital to which the Canada Business Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing,
- (c) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act, or
- (d) an organization that is a registered charity within the meaning of the Income Tax Act (Canada) or a non-profit organization exempt from tax under paragraph 149 (1) (l) of that Act, and whose land is owned by the organization, all or part of which is to be used as affordable housing; (“fournisseur de logements sans but lucratif”)

“offsite unit” means an affordable housing unit that is required in an inclusionary zoning by-law and that is erected or located in or on lands, buildings or structures other than those that are the subject of the development or redevelopment giving rise to the by-law requirement for affordable housing units. (“logement hors site”)

**Assessment report**

2. (1) An assessment report required by subsection 16 (9) of the Act shall include information to be considered in the development of official plan policies described in subsection 16 (4) of the Act, including the following:

- 1. An analysis of demographics and population in the municipality.
- 2. An analysis of household incomes in the municipality.
- 3. An analysis of housing supply by housing type currently in the municipality and planned for in the official plan.
- 4. An analysis of housing types and sizes of units that may be needed to meet anticipated demand for affordable housing.
- 5. An analysis of the current average market price and the current average market rent for each housing type, taking into account location in the municipality.
- 6. An analysis of potential impacts on the housing market and on the financial viability of development or redevelopment in the municipality from inclusionary zoning by-laws, including requirements in the by-laws related to the matters mentioned in clauses 35.2 (2) (a), (b), (e) and (g) of the Act, taking into account:
  - i. value of land,
  - ii. cost of construction,
  - iii. market price,



- iv. market rent, and
- v. housing demand and supply.

7. A written opinion on the analysis described in paragraph 6 from a person independent of the municipality and who, in the opinion of the council of the municipality, is qualified to review the analysis.

(2) The analysis described in paragraph 6 of subsection (1) shall take into account the following related to growth and development in the municipality:

- 1. Provincial policies and plans.
- 2. Official plan policies.

(3) An updated assessment report required by subsection 16 (10) or (11) of the Act shall contain the information specified in subsection (1).

#### **Official plan policies**

**3.** (1) Official plan policies described in subsection 16 (4) of the Act shall set out the approach to authorizing inclusionary zoning, including the following:

- 1. The minimum size, not to be less than 10 residential units, of development or redevelopment to which an inclusionary zoning by-law would apply.
- 2. The locations and areas where inclusionary zoning by-laws would apply.
- 3. The range of household incomes for which affordable housing units would be provided.
- 4. The range of housing types and sizes of units that would be authorized as affordable housing units.
- 5. For the purposes of clause 35.2 (2) (a) of the Act, the number of affordable housing units, or the gross floor area to be occupied by the affordable housing units, that would be required.
- 6. For the purposes of clause 35.2 (2) (b) of the Act, the period of time for which affordable housing units would be maintained as affordable.
- 7. For the purposes of clause 35.2 (2) (e) of the Act, how measures and incentives would be determined.
- 8. For the purposes of clause 35.2 (2) (g) of the Act, how the price or rent of affordable housing units would be determined.
- 9. For the purposes of section 4, the approach to determine the percentage of the net proceeds to be distributed to the municipality from the sale of an affordable housing unit, including how net proceeds would be determined.
- 10. The circumstances in and conditions under which offsite units would be permitted, consistent with paragraphs 2, 3 and 4 of section 5.
- 11. For the purposes of paragraph 2 of section 5, the circumstances in which an offsite unit would be considered to be in proximity to the development or redevelopment giving rise to the by-law requirement for affordable housing units.

(2) Official plan policies described in subsection 16 (4) of the Act shall set out the approach for the procedure required under subsection 35.2 (3) of the Act to monitor and ensure that the required affordable housing units are maintained for the required period of time.



**Net proceeds from sale of affordable housing unit**

4. (1) An inclusionary zoning by-law may require a portion of the net proceeds from the sale of an affordable housing unit to be distributed to the municipality.
- (2) A by-law referred to in subsection (1) shall set out the percentage of the net proceeds to be distributed to the municipality, which shall not exceed 50 per cent.
- (3) If a by-law referred to in subsection (1) is in force, an agreement referred to in clause 35.2 (2) (i) of the Act shall provide that, where an affordable housing unit is sold, a percentage of the net proceeds from the sale shall be distributed to the municipality in accordance with the by-law.

**Restrictions on offsite units**

5. The authority of a council of a municipality under clause 35.2 (5) (a) of the Act is subject to the following restrictions:
- i. Offsite units shall not be permitted unless there is an official plan in effect in the municipality that sets out the circumstances in and conditions under which offsite units would be permitted.
  - ii. Offsite units shall be located in proximity to the development or redevelopment giving rise to the by-law requirement for affordable housing units.
  - iii. The land on which the offsite units are situated shall be subject to an inclusionary zoning by-law.
  - iv. Offsite units shall not be used to satisfy the by-law requirement to include a number of affordable housing units, or gross floor area to be occupied by affordable housing units, that applies to the development or redevelopment in which the offsite units are permitted.

**Restrictions on the use of s. 37 of the Act**

6. The authority of a council of a municipality under section 37 of the Act is subject to the following restrictions and prohibitions:
1. Any increase in the height and density of a development or redevelopment permitted in return for facilities, services or matters under section 37 of the Act is deemed not to include:
- i. the height and density associated with the affordable housing units required in an inclusionary zoning by-law,
  - ii. any increase in height and density permitted in an inclusionary zoning by-law as an incentive described in clause 35.2 (2) (e) of the Act.
2. For greater certainty, the council shall not use its authority under section 37 of the Act with respect to a development or redevelopment giving rise to a by-law requirement for affordable housing units in an area in which a community planning permit system is established.

**Reports of municipal council**

7. (1) For the purposes of subsection 35.2 (9) of the Act, if a council of a municipality passes an inclusionary zoning by-law, the council shall ensure that a report is prepared and made publicly available at least every two years.
- (2) The council shall ensure that each report describes the status of the affordable housing units required in the by-law, including the following information for each year that is the subject of the report:
- 1. The number of affordable housing units.
  - 2. The types of affordable housing units.
  - 3. The location of the affordable housing units.
  - 4. The range of household incomes for which the affordable housing units were provided.
  - 5. The number of affordable housing units that were converted to units at market value.
  - 6. The proceeds that were received by the municipality from the sale of affordable housing units.

**Exemptions from inclusionary zoning by-law**



8. (1) An inclusionary zoning by-law does not apply to a development or redevelopment where,
- (a) the development or redevelopment contains fewer than 10 residential units;
  - (b) the development or redevelopment is proposed by a non-profit housing provider or is proposed by a partnership in which,
    - (i) a non-profit housing provider has an interest that is greater than 51 per cent, and
    - (ii) a minimum of 51 per cent of the units are intended as affordable housing, excluding any offsite units that would be located in the development or redevelopment;
  - (c) on or before the day an official plan authorizing inclusionary zoning was adopted by the council of the municipality, a request for an amendment to an official plan, if required, and an application to amend a zoning by-law were made in respect of the development or redevelopment along with an application for either of the following:
    - (i) approval of a plan of subdivision under section 51 of the Act, or
    - (ii) approval of a description or an amendment to a description under section 9 of the Condominium Act, 1998; or
  - (d) on or before the day the inclusionary zoning by-law is passed, an application is made in respect of the development or redevelopment for a building permit, a development permit, a community planning permit, or approval of a site plan under subsection 41 (4) of the Act.
- (2) Despite clause (1) (b), an inclusionary zoning by-law applies to any offsite units that would be permitted in a development or redevelopment.
9. Clause (a) of the definition of “non-profit housing provider” in section 1 is revoked and the following substituted:
- (a) a corporation to which the Not-for-Profit Corporations Act, 2010 applies that is in good standing under that Act and whose primary object is to provide housing,

#### **Commencement**

10. (1) Subject to subsection (2), this Regulation comes into force on the later of the day subsection 10 (1) of Schedule 4 to the Promoting Affordable Housing Act, 2016 comes into force and the day this Regulation is filed.
- (2) Section 9 comes into force on the later of the day subsection 211 (1) of the Not-for-Profit Corporations Act, 2010 comes into force and the day this Regulation is filed.

Made by:

Pris par :

Le ministre des Affaires municipales,

Bill Mauro

Minister of Municipal Affairs

Date made: April 11, 2018

Pris le : 11 avril 2018