



Staff Report

Planning and Development Services - Planning

Report To: Committee of The Whole
Meeting Date: April 24, 2017
Report Number: PDS.17.39
Subject: Bill 7, Promoting Affordable Housing Act
Prepared by: Michael Benner, Director of Planning and Development Services

A. Recommendations

THAT Council receive Staff Report PDS.17.39, entitled "Bill 7, Promoting Affordable Housing Act" for information.

B. Overview

This report provides information relating to Bill 7, the Promoting Affordable Housing Act, 2016 and its potential impact on residential development within the municipality.

C. Background

For some time now the Ontario government has been working on a system of legislative changes aimed at creating inclusive, complete communities with a broad mix and range of housing types as an important step in supporting Ontario's health and prosperity. The government's updated Long-Term Affordable Housing Strategy furthers the Complete Communities initiative by focusing on increasing the supply of affordable housing, supporting people and ending chronic homelessness.

The government consulted with municipalities, developers, housing advocates and other interested parties during the spring and summer 2016 on a framework for Inclusionary Zoning in Ontario that would assist in increasing the supply of affordable housing. Following consideration of the broad range of comments and suggestions received during the consultation, the government introduced amendments to Bill 7 to respond to what it heard.

As a result, On December 8, 2016, Bill 7, the Promoting Affordable Housing Act, 2016 was given Royal Assent. The Bill repeals the Elderly Persons' Housing Aid Act and provides amendments to the Development Charges Act, Housing Services Act; Planning Act, Residential Tenancies Act and the Smart Growth for Our Communities Act. The resulting changes to these Acts are intended to help address affordable housing issues in Ontario by allowing municipalities the option of requiring affordable housing units as part of residential developments. The largest changes will be made within the Planning Act and the Residential Tenancies Act.

D. Analysis

Of the Acts to be amended, changes to the Development Charges Act and the Planning Act will have the most bearing on the municipality.

Subsection 2 (3) of the Development Charges Act will be amended by striking out “or” at the end of clause (a), by adding “or” at the end of clause (b) and by adding the following clause:

(c) permit the creation of a second dwelling unit, subject to the prescribed restrictions, in prescribed classes of proposed new residential buildings.

Subsection 60 (1) of the Act will also be amended by adding the following clause:

(b.1) for the purposes of clause 2 (3) (c), prescribing classes of residential buildings, prescribing restrictions and governing what constitutes a separate building;

These amendments will have the effect of exempting Secondary Suites from the Act.

The Planning Act will be amended by introducing the ability for municipalities to implement an Inclusionary Zoning framework within the municipality’s Zoning By-law. Inclusionary Zoning will help to achieve several outcomes:

- Serving more people by increasing the supply of affordable housing available for low to moderate income families and individuals.
- Creating inclusive and integrated communities.
- Meeting local needs: municipalities can tailor inclusionary zoning to help them meet affordable housing objectives and targets set out in their own housing and homelessness plans and official plans.

Inclusionary zoning has been extensively and successfully implemented by communities around the world, including England, and in over 500 municipalities in the United States.

When proclaimed, Bill 7 will enact changes to the Planning Act for inclusionary zoning that will include:

- A municipal assessment reporting requirement prior to adopting official plan policies for inclusionary zoning. This report will be subject to criteria set out in regulation and reviewed every five (5) years.
- Municipal inclusionary zoning requirements must be outlined in municipal official plan policies.
- While inclusionary zoning by-laws cannot be appealed to the Ontario Municipal Board (except by the minister), appeals of typical zoning matters, such as building height and density, are permitted even when used as measures and incentives to meet inclusionary zoning needs.

- Municipalities may permit affordable housing units to be located on another site, subject to criteria set out in regulation.
- Municipalities cannot accept cash in lieu of affordable units.
- Municipalities may use Section 37 of the Planning Act (bonusing provisions) in combination with inclusionary zoning, subject to criteria set out in regulation.
- Landowners must enter into agreements with the municipality that may be registered on title and enforceable against subsequent owners, to ensure that the units remain affordable over time.
- The minister is provided with regulatory authority to exempt certain developments from inclusionary zoning.
- Municipalities must establish procedures for the administration of affordable housing units so that they remain affordable over the long term and meet reporting requirements.

The implications and effectiveness of these amendments will not be fully understood until the regulations are released by the Province. Additionally, the effectiveness of this tool will vary from municipality to municipality. Given the Town's rather unique development market, implementing inclusionary zoning to promote affordable housing may prove to be a bit challenging.

Staff will continue to monitor the progress of Bill 7 as it moves towards enactment and the necessary regulations are prepared. It is anticipated that the Ministry of Municipal Affairs and housing may be releasing educational materials for municipalities on this matter in the near future.

E. The Blue Mountains Strategic Plan

Goal #3: Support Healthy Lifestyles

Objective #2: Increase the Range of Housing Choices and Promote Housing Affordability

F. Environmental Impacts

N/A

G. Financial Impact

The impacts of this legislation on the municipality's financial position are unknown at this time.

H. In consultation with

PDS Staff

I. Attached

N/A

Respectfully Submitted,

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