

**Affordable Housing
Directions Report**

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1.0 INTRODUCTION

The City of Orillia is committed to the long-term health and well-being of all its residents. Part of that commitment is ensuring that the local housing supply meets the needs of current and future residents. Housing is an integral component of a municipality's long-range planning efforts. Certainly one of the key considerations in a municipality's overall housing strategy is the provision of affordable housing.

Section 1.4 of the Provincial Policy Statement (2005) is quite explicit in this regard; directing municipal planning authorities to provide for a diversity of housing types and densities to meet both the immediate and projected housing needs of residents, including municipal requirements to establish and implement minimum targets for the provision of affordable housing for low and moderate income households.

The City of Orillia has been particularly responsive to this policy direction and, in turn, taken a proactive approach to addressing local affordable housing needs.

As part of the City's efforts to bring its planning documents into conformity with Provincial policy, the City's new Official Plan (adopted by City Council in March 2010; approved by the Ministry of Municipal Affairs and Housing on March 17, 2011; and portions of the Plan are currently under appeal to the Ontario Municipal Board) establishes new policy directions pertaining to the provision of affordable housing in general, including associated targets requiring that a minimum of 25% of new residential development within the City's 'Central Core Intensification Area' and 'Intensification Area' designations meet the definition of affordable housing.

Concurrent with its Official Plan Review process, the City also began work on developing an Affordable Housing Action Plan (received by Council in April 2010), which recommended a range of actions/strategies to address Orillia's long-term affordable housing needs. A summary of all 34 recommendations in the Affordable Housing Action Plan is provided in Appendix A. In response to one of the key recommendations of the Affordable Housing Action Plan, the City created an Affordable Housing Coordinator, an 18-month contract position to begin to implement the Action Plan (Recommendation # 30 of the Action Plan).

Over and above these policy and administrative initiatives, the City of Orillia has also been extremely active and successful in attaining funds through the Canada-Ontario Affordable Housing Program (AHP), administered locally by Simcoe County. To date, Orillia has received funding in the amount of \$13,623,000 for the development of 39% of the County's affordable rental units under the Affordable Housing Program. Since 2003, 173 new affordable housing units have been built in Orillia under this program.

With the City's attention now turned to implementing the recommendations articulated in the Affordable Housing Action Plan, the City has retained The Planning Partnership and housing consultant Erik Hunter to work with the City's Affordable Housing Coordinator to implement the Action Plan's land use-related recommendations through various strategic policy approaches and administrative mechanisms.

1.1 Purpose

With considerable reliance on input from key stakeholders, the purpose of this Directions Report is effectively twofold:

- to define what constitutes affordable housing in the Orillia context and articulate how/where the City's efforts are best prioritized based on a profile of the City's affordable housing needs; and,
- to provide preliminary recommendations and analysis on the most appropriate and effective policy and administrative tools, as well as associated eligibility criteria, for a 'made-in-Orillia' affordable housing strategy.

What does the new Official Plan say about Affordable Housing?

1. The new Official Plan was prepared, having regard for affordable housing policy as prescribed by the Provincial government.
2. Section 1.2 VISION identifies the desire for Orillia to be a complete community. Subsection iii) further articulates the promotion of *housing choices that meet the needs of all people throughout all stages of life*. This statement includes the need to provide housing that is more affordable to the population.
3. Section 2.0 PRINCIPLES, in PRINCIPLE 2: Promote a Complete Community that Supports a Healthy, Safe and Diverse Population, subsection b) states: *This Plan provides for an appropriate range of housing types and densities for the current and future residents of Orillia.*

The Downtown Area Designations of the New Official Plan

4. In Section 3.2.2 OBJECTIVES, subsection f) it is an objective of the City, within the Downtown Area to *encourage the City to work with other government agencies and the private sector to promote innovative housing forms and development techniques in the "Downtown Area" that will facilitate the production of housing that is affordable to the residents of Orillia.*
5. In Section 3.2.3 GENERAL DOWNTOWN AREA POLICIES, Section 3.2.3.2 provides the details for the Affordable Housing strategy as it affects redevelopment in Downtown Orillia over time. Section 3.2.3.2 states:

3.2.3.2 Affordable Housing

- a) *The City will encourage the development of housing that is affordable for low and moderate income households. In order to provide opportunities for affordable housing units, Council may consider relief from municipal permit fees, taxes and/or development fees.*
- b) *It is the requirement of this Plan that a minimum of 25 percent of all new residential development within the 'Central Core Intensification Area' designation meet the definition of affordable housing. Affordable housing may be achieved within the 'Downtown Area', and specifically within the 'Central Core Intensification Area' designation by:*
 - i) *promoting higher density housing forms, where housing is more affordable due to reduced per unit land costs;*
 - ii) *building smaller units, where housing is more affordable due to lower development costs;*
 - iii) *applying government grants and/or subsidies, including land dedication, that will reduce overall development costs; and,*
 - iv) *encouraging the development of secondary dwelling units.*
- c) *The City will work with other government agencies and the private sector, to promote innovative housing forms and development techniques and incentives that will facilitate the provision of affordable housing.*
- d) *Affordable housing will be encouraged to locate in proximity to local community facilities and existing or potential public transit routes and active transportation facilities.*

It is important to note that affordable housing is only required within the 'Central Core Intensification Area' designation, and is not required in the 'Historic Main Street' designation or the 'Downtown Shoulder' designation or the 'Hospital District' designation.

Notwithstanding that affordable housing is not a requirement within the 'Downtown Shoulder' designation or the 'Hospital District' designation, like the 'Central Core Intensification Area', both secondary dwelling units and communal housing are permitted uses, and it is anticipated that units produced in those forms would tend to meet the definitions of affordable housing throughout the City.

6. Also, within the 'Hospital District' and 'Central Core Intensification Area' designations of the Downtown Area, the new Official Plan empowers the City to utilize Section 37 (Height and Density Bonus) of the *Planning Act* to achieve identified community benefits. Community benefits are defined in the glossary of the Official Plan. Affordable housing is clearly identified as a community benefit.
7. The Downtown Area of the City is expected to evolve with the highest density forms of development, and to be the area with the highest potential to achieve a full spectrum of affordable dwelling units in an array of built forms. The Downtown Area, and particularly within the 'Central Core Intensification Area' designation, is considered to have the highest potential to accommodate affordable housing.

The Living Area Designations of the New Official Plan

8. In Section 3.3.2 OBJECTIVES, subsection c) it is an objective of the City, within the Living Area to *encourage and facilitate the production of an appropriate range of housing forms and tenures in all neighbourhoods.*
9. In Section 3.3.3 GENERAL LIVING AREA POLICIES, Section 3.3.3.2 provides the details for the Affordable Housing strategy as it affects redevelopment in Orillia's Living Area over time. Section 3.3.3.2 states:

3.3.3.2 Affordable Housing

- a) *The City will encourage the development of housing that is affordable for low and moderate income households. In order to provide opportunities for affordable housing units, Council may consider relief from municipal permit fees, taxes and/or development fees.*
- b) *It is the requirement of this Plan that a minimum of 25 percent of all new residential development within the 'Intensification Area' designation meet the definition of affordable housing. Affordable housing may be achieved by*
 - i) *promoting higher density housing forms, where housing is more affordable due to reduced per unit land costs;*
 - ii) *building smaller units, where housing is more affordable due to lower development costs;*
 - iii) *applying government grants and/or subsidies, including land dedication, that will reduce overall development costs; and,*
 - iv) *encouraging the development of secondary dwelling units.*
- c) *The City will work with other government agencies and the private sector, to promote innovative housing forms and development techniques and incentives that will facilitate the provision of affordable housing.*

- d) *Affordable housing will be encouraged to locate in proximity to local community facilities and existing or potential public transit routes and active transportation facilities.*

It is important to note that affordable housing is only required within the 'Intensification Area' designation, and is not required in the 'Stable Neighbourhood' or 'Neighbourhood Greenfield' sub-designations of the Living Area.

Notwithstanding that affordable housing is not a requirement within the 'Stable Neighbourhood' and 'Neighbourhood Greenfield' designations, like the 'Intensification Area', both secondary dwelling units and communal housing are permitted uses, and it is anticipated that units produced in those forms would tend to meet the definitions of affordable housing throughout the City.

10. The new Official Plan does not empower the City to utilize Section 37 (Height and Density Bonus) of the *Planning Act* to achieve identified community benefits within any of the Living Area designations.
11. The Living Area of the City is expected to evolve very slowly. With the exception of the 'Intensification Area' designation, which includes substantially higher density forms of development and the potential development of secondary dwelling units within the existing housing stock, the Living Area designation does not facilitate tremendous redevelopment potential.

2.0 WHAT WE HEARD

The following is a brief thematic summary of what we heard through the stakeholder interview process. Over a two-week period in January 2011, the project consultants, together with the City's Affordable Housing Coordinator, conducted a series of interviews with about 30 stakeholders representing the local development industry, non-profit housing providers, social service providers, City staff and Council. Interview questions focused on the nature and extent of Orillia's local affordable housing needs, stakeholders' experiences developing and operating affordable housing in Orillia, as well as on the potential policy and programming mechanisms that the City could utilize to support local affordable housing development. A list of interviewees and interview questions is provided in Appendix B.

Broad-based support for affordable housing – While respondents' opinions vary somewhat on how the City should support affordable housing efforts, there was general agreement that the City does have an important role to play in the provision of affordable housing. Furthermore, broad support was expressed, amongst both affordable housing developers and City officials, for the establishment of a City-administered Affordable Housing Fund and corresponding policy and programming mechanisms tailored to facilitate the development of affordable housing and address housing affordability needs more broadly.

Focus on the ability of housing to transition households out of poverty – A number of Council members in particular emphasized the desire to focus efforts on transitional housing – assisting people on an interim basis until they are financially stable enough to move into market housing. Overall, most members of Council were in favour of facilitating affordable housing development, so long as it is done on a transitional basis and not by providing indefinite subsidies to households.

Certainty versus flexibility – These were two contrasting themes that came up consistently throughout the interview process. On one hand, developers (both non-profit and for-profit) expressed desire for greater certainty around development permissions/approvals and associated incentives. On the other hand, particularly on the non-profit side, affordable housing developers emphasized the importance of programming/funding flexibility (in terms of program eligibility and forms of funding). Those promoting program flexibility, generally felt that such flexibility would allow the City to be responsive to all types of projects and variable economic circumstances.

Deficiencies with current affordable housing approaches – While stakeholders generally agreed that the City has been supportive of new affordable housing development, specific concerns were raised with respect to some of the City's current tools to facilitate affordable housing, namely tax holidays and development charge deferrals. Among those who currently benefit from development charge deferrals and/or property tax holidays, there is significant concern that when those agreements expire, the subsequent increase in costs could jeopardize the financial viability of their housing projects, particularly given already narrow cost/revenue margins and relatively static rent levels. Stakeholders also expressed interest in the City offering more incentives for affordable housing such as waiving Development Charges and planning and development fees.

Streamline approvals process – Related to an expressed desire for additional certainty around development approvals, there was also considerable discussion amongst all stakeholders on the need to streamline the current approvals process, particularly with respect to Site Plan approvals. Expedited planning and development approvals were seen as an important way to reduce development costs and risks associated with affordable housing development specifically, and all forms of development more generally.

Reduced/permissive zoning standards – As part of a package of tools to support affordable housing, stakeholders noted the importance of enhanced zoning standards to encourage and facilitate affordable housing development, with particular focus on two key aspects: parking standards and permissions for secondary dwellings. With respect to parking, it was an issue that was mentioned in nearly every interview. Stakeholders expressed overwhelming support for reduced parking standards as a way to reduce development costs and also as a way to increase residential unit densities on a site.

In terms of secondary dwellings, stakeholders generally agreed that an increase in the number of secondary dwellings had the potential to alleviate some pressure within the local rental market. Overall stakeholders expressed support for greater permissions around secondary dwelling development, so long as building code and safety standards are adhered to and enforced.

Accessible housing design – The limited availability and associated challenge/cost of building affordable housing that is accessible for persons with disabilities and limited mobility was raised as a concern by a number of stakeholders. Some stakeholders suggested that eligibility criteria for a City-administered Affordable Housing Fund could include basic accessibility standards or that the City's Affordable Housing Fund could give priority to affordable housing developments designed for persons with disabilities and/or limited mobility.

Non-profit versus for-profit eligibility – Stakeholders had divergent, yet strong, opinions about whether the City should only support non-profit affordable housing projects or offer incentives to any affordable housing project, irrespective of their status as non-profit or for-profit. There was general agreement among the stakeholders that affordable housing developers with a proven track record and history of construction and management competency should receive municipal support.

Availability of programming/funding information – A number of interviewees expressed some frustration with their limited awareness of program/funding availability and suggested that the City could play a greater role in disseminating information on available affordable housing programs.

3.0 WHAT IS AFFORDABLE HOUSING?

In simple terms, affordable housing refers to housing that is affordable to lower income households.

In the Ontario context, the definition of affordable housing relies on defined terminology articulated by the Provincial Policy Statement, 2005, with consideration of household income levels relative to housing price as well as housing price relative to average housing prices within a regional market area.

As a result, determining what constitutes affordable housing in the Orillia context relies on the Provincial Policy Statement's definitions for three key terms: Regional Market Area, Affordable, and Low and Moderate Income Households. All three definitions are included in Orillia's new Official Plan.

Regional Market Area

As per the Provincial Policy Statement, Regional Market Area is defined as:

An area, generally broader than a lower-tier municipality, that has a high degree of social and economic interaction. In southern Ontario, the upper or single-tier municipality will normally serve as the regional market area. Where a regional market area extends significantly beyond upper or single-tier boundaries, it may include a combination of upper, single and/or lower-tier municipalities.

For the purposes of defining affordable housing in the Orillia context, given that the City of Orillia is a single-tier municipality, it is appropriate to consider the City as its own Regional Market Area.

Affordable

With respect to the term Affordable, the Provincial Policy Statement makes a clear distinction between tenure (i.e. ownership vs. rental), defining affordable housing as follows:

- a) *in the case of ownership housing, the least expensive of:*
 - 1. *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; or*
 - 2. *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;*
- b) *in the case of rental housing, the least expensive of:*
 - 1. *a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or*
 - 2. *a unit for which the rent is at or below the average market rent of a unit in the regional market area.*

Low and Moderate Income Households

The definition of Affordable in turn relies on the definition of Low and Moderate Income Households, which the Provincial Policy Statement articulates as follows:

- 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.*

3.1 What is affordable housing in the Orillia?

Using the Provincial Policy Statement definitions – which have been implemented in the City's new adopted Official Plan – as the basis, the following is an analysis of current income and accommodation cost data to determine what constitutes affordable housing in the Orillia context.

Home Ownership Affordability

As per the Provincial Policy Statement definitions, affordable ownership is defined as the least expensive between the following two purchase price metrics:

1. purchase price resulting in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households (at the 60% percentile); and,
2. purchase price that is 10% below average resale price for the regional market area.

The calculation of affordable home ownership is dynamic and subject to change with fluctuations in housing price, interest rates and household income profiles.

The following table compares the two purchase price metrics based on 2010 City of Orillia household income and housing price data. Using formulas provided by the Ministry of Municipal Affairs and Housing, the affordable housing price/accommodation cost for ownership is calculated at the 60th, 50th and 40th income percentiles. At the 60th income percentile, the benchmark affordable housing price is approximately \$233,200.00 (factoring in sale price, mortgage costs and taxes), or about 7% below average resale price. Therefore, the second affordability measure, based on a 10% reduction of the average resale price, is applied. Using this measure, a housing price at or below approximately \$225,100.00 is considered affordable based on the Provincial definition.

Income Percentile	2005 Income ²	2010 Income ³	Affordable Housing Price / Accommodation Cost ⁴	Average Resale Price (Q2 2010) ⁵	10% Below Average Resale Price
10%	\$15,549.17	\$18,340.80		\$250,115.00	\$225,103.50
20%	\$24,313.14	\$28,678.21			
30%	\$32,723.31	\$38,598.31			
40%	\$40,882.37	\$48,222.21	\$160,300.00		
50%	\$48,969.22	\$57,760.94	\$192,000.00		
60%	\$59,479.00	\$70,157.59	\$233,200.00		
70%	\$71,967.89	\$84,888.68			
80%	\$87,805.45	\$103,569.65			

Rental Housing Affordability

As per the Provincial Policy Statement definitions, affordable rental housing is defined as the least expensive between the following two rental price metrics:

1. rents which do not exceed 30 percent of gross annual household income for low and moderate income renter households (at the 60% percentile); and,
2. rents that are at or below average rents for the regional market area.

Like ownership, the calculation of affordable rent is also dynamic and is subject to change with fluctuations in rent levels and household income profiles.

The following table compares the two affordable rent measures based on 2010 City of Orillia renter household income and annual rent data. The first measure, which is based on renter household incomes, calculates affordable rent at the 60th, 50th and 40th income percentile. At the 60th income

¹ All data is based on the Orillia Census Agglomeration

² Source data: Statistics Canada, 2006 Census

³ 2005 income data was adjusted to 2010 using Bank of Canada's Labour Force – average hourly earnings (Q2) data (calculations performed by TPP)

⁴ Affordable Housing Price was calculated using formulae provided by MAH (calculations performed by TPP)

⁵ Source data: CMHC

percentile, the benchmark affordable rent, calculated as 30% of annual household income, is approximately \$11,300.00 (which translates into a monthly rent of \$942). This is well above the average rent level in Orillia. Therefore, affordable rent is equal to or less than the current average rent or approximately \$9,792.00 (which translates into a monthly rent of \$816.00).

Orillia (CA) Affordability Analysis – Renter Households				
Income Percentile	2005 Income	2010 Income	30% of Annual Gross Household Income	Average Yearly Rent (October 2010) ⁶
10%	\$8,358.27	\$9,858.87	\$2,957.66	\$9,792.00 (\$816/mth)
20%	\$13,069.23	\$15,415.62	\$4,624.69	
30%	\$17,590.02	\$20,748.05	\$6,224.42	
40%	\$21,975.82	\$25,921.26	\$7,776.38 (\$648/mth)	
50%	\$26,322.81	\$31,048.69	\$9,314.61 (\$776/mth)	
60%	\$31,972.21	\$37,712.36	\$11,313.71 (\$943/mth)	
70%	\$38,685.46	\$45,630.88	\$13,689.26	
80%	\$47,198.75	\$55,672.61	\$16,701.78	

It is important to remember, that given the variable nature of income inflation and housing costs, the calculation of Orillia’s affordability metrics will need to occur on an annual basis to ensure that policy and programming responses are adjusted accordingly.

Furthermore, while the Provincial Policy Statement’s definitions for Affordable and Low and Moderate Income Households have been implemented in the City’s new Official Plan, this does not preclude the City from focusing policy/programming responses to lower-income households by basing program eligibility on reduced affordability thresholds (i.e. targeting assistance to households in lower income percentiles). However, overly stringent program requirements run the risk of precluding otherwise viable affordable housing development proposals from accessing City programs and funds. Ultimately the City’s affordable housing strategy must find the balance with programming parameters that encourage affordable housing development, while at the same time, providing support where it is most needed.

⁶ Source data: CMHC

4.0 AFFORDABLE HOUSING NEEDS IN ORILLIA – TARGET MARKETS

It is well established that many Orillians have trouble affording the cost of housing in the local market. The stakeholder interviews and research undertaken as part of this project support the findings of the 2010 City of Orillia Affordable Housing Action Plan and the 2007 County of Simcoe Housing Needs Assessment and Recommended Housing Policies and Programs: the needs of lower-income Orillians – especially seniors, youth, lone-parent families, persons with disabilities, single persons and others in need of support services – are not being adequately addressed by the housing options currently available in the City. The following section discusses the types of local households facing housing affordability challenges and the kinds of housing that would help meet their needs.

Seniors and persons with disabilities

Orillia has a large number of lower-income seniors. Along with persons with mental or physical disabilities, seniors typically need affordable housing with some support services or a continuum of care model that allows for aging in place. Typically these are one or two person households. As such, smaller or single-person apartments are the most appropriate form of housing. Seniors and persons with physical disabilities also often need accessible housing options that incorporate universal or barrier-free design. Fortunately Orillia has a non-profit housing sector and a support services sector both eager to address the particular and often complex needs of these residents.

Lower-income and working poor households

A great many lower-income Orillians spend a large portion of their limited incomes on housing. Many share crowded accommodations to reduce costs. Some receive social assistance, while others are earning a modest income just beyond the limits of income support programs. For too many with small budgets, unaffordable housing costs divert much-needed income from other essentials. This limits spending power, stifles the ability to save and the potential for economic advancement, and reduces overall quality of life.

Government-supported affordable rental housing, in a variety of unit sizes and with a mix of affordable rent levels – or ideally, rents fixed to tenant incomes – is a time-proven asset to any community. Orillia has a valuable stock of both social housing, built and managed by non-profit groups under earlier government programs, and affordable housing, developed by the non-profit or private sectors under the current Affordable Housing Program. These homes can provide a solid foundation for lower-income and working poor households where they can establish and stabilize their families and transition out of economic vulnerability. For those with some modest savings and stable employment income, affordable home ownership housing may also be an option.

Emergency shelter and transitional housing

Emergency shelters and transitional housing for those leaving shelters and homelessness address housing needs at the bottom end of the housing continuum and are a critical safety net for some of the most vulnerable in our society. Local stakeholders stressed the need for both a youth shelter and a family shelter. Also needed are transitional housing opportunities that provide support services for those leaving the street and shelters and re-establishing their lives in the community.

5.0 PLANNING AND OTHER CITY POLICIES TO SUPPORT AFFORDABLE HOUSING

There are many policy changes the City of Orillia could pursue to contribute to housing affordability through modifying administrative structures and City policies. The following section is divided into six sub-sections covering:

1. Official Plan;
2. Utilization of Section 37 provisions articulated in the *Planning Act*;
3. Zoning by-law;
4. Rental housing demolition and conversions control policies;
5. Distributing program and funding information; and,
6. Streamlined development approvals.

5.1 Official Plan

As discussed at the beginning of this report, the new Official Plan establishes general policy support for affordable housing, including location-specific affordable housing targets as prescribed by Provincial Policy. In addition, the new Official Plan enables the use of Section 37 (height and density bonusing) in key locations that may be used to support affordable housing development as a community benefit in exchange for certain height and density increases (see Section 5.2 below).

The new Official Plan provides sufficient policy support for the provision of affordable housing. Therefore, no amendments to the new Official Plan are required to implement the land use-related recommendations within the City's Affordable Housing Action Plan.

5.2 Section 37 Contributions

The City's new Official Plan, implements, for the first time, the City's ability to utilize the provisions established under Section 37 of the *Planning Act*. Simply explained, Section 37 allows municipalities to permit additional height and residential density in exchange for the provision of community benefits or, in negotiated circumstances, cash-in-lieu of those benefits. As explained earlier, it is important to note that affordable housing is clearly identified as a community benefit in the glossary of the Official Plan.

With the necessary policy framework in place, the City could utilize its new authority to support its affordable housing efforts, by entertaining development proposals that exceed existing height and density permissions, where appropriate/applicable, in exchange for either the development of new affordable units and/or cash-in-lieu of those units to be put into an Affordable Housing Fund (see Section 6.2).

Where Section 37 policies apply and are triggered by development applications proposing increased height and density permissions, affordable housing should be considered as a first priority community benefit.

Options:

Option 1.A): Status Quo – No City policy for Section 37 provisions. Deal with each application as it is received by the City.

Option 1.B): Develop policies that establish affordable housing as a priority community benefit and permit the collection of cash-in-lieu of affordable housing units where Section 37 provisions are enabled for Council's consideration.

Recommendation 1:

Option 1.B - Develop policies that establish affordable housing as a priority community benefit and permit the collection of cash-in-lieu of affordable housing units where Section 37 provisions are enabled for Council's consideration.

5.3 Zoning By-law

Recommended Actions #13 and #16 of the Affordable Housing Action Plan, received by City Council in April 2010, recommended that guidelines for the provision of secondary suites be developed, and utilize alternative development standards to encourage the development of affordable housing.

The following is a summary of strategic Zoning By-law Amendments that should be considered to make the Zoning By-law more 'affordable housing friendly'.

1. There is no definition of Affordable Housing. This needs to be added, with additional regulations added to each residential zone that would facilitate the development of Affordable Housing i.e. greater density permissions, reduced parking standards.

The new Official Plan provides a reasonable definition of Affordable Housing, based on Provincial policy, which should be carried forward into the Zoning By-law.

2. There is no definition of Secondary Dwelling Unit/Accessory Apartment. This needs to be added and Secondary Dwelling Units/Accessory Apartments need to be included as a permitted use in the appropriate zone categories. Permitting a second unit in an accessory unit (such as above a garage) should also be considered. Restricting the size of the Secondary Dwelling Unit (i.e. maximum of two bedrooms) and only permitting Secondary Dwelling Units in Single Detached Dwellings should be considered to minimize the impact on stable neighbourhoods.
3. The Zoning By-law includes a multiplicity of definitions for dwelling unit types that could be substantially refined and simplified. For example, all housing types could be captured in definitions by the following:
 - Single-Detached Dwellings;
 - Semi-Detached;
 - Multiple Unit Dwellings;
 - Townhouses;
 - Apartments;
 - Secondary Dwelling Units; and,
 - Communal Housing.
4. With the intent of making the Zoning By-law more 'affordable housing friendly', the By-law needs to consider a broader distribution of more affordable housing types within the existing zoning categories and/or the introduction of zoning regulations that are specific to affordable housing.

5. For example, parking standards could be refined as follows:

Use	Suggested Parking Standard
Secondary Dwelling Unit	In addition to the requirement for the primary dwelling, 1 per dwelling unit, together with a maximum driveway width and prohibit parking on the front lawn.
Affordable Housing	The City may reduce the parking standard of any affordable dwelling unit, except secondary dwelling units and in the Downtown where the By-law already offers a 50% reduction, by 25% - 50% (depending on the degree of affordability), provided the development project, or component thereof, is qualified as meeting the definition of affordable.

Other modifications to reduce parking standards could include:

- Permit tandem parking for Secondary Dwelling Units.
 - Adjust parking standards with respect to minimum driveway widths and paving requirements for small-scale residential developments.
6. All zoning categories should be reviewed with the intent to broaden the list of permitted residential dwelling types, to include permission for Secondary Dwellings and to include special provisions for development that meets the definition of affordable housing.

In addition, where appropriate, the City could consider adjusted zone standards for affordable housing with respect to lot size, lot frontage, lot coverage, building height, landscaped open space, setbacks and any other applicable requirements that may assist in reducing the cost of development.

7. Review zone categories to permit existing small-scale residential uses to assist with the process of legalizing existing dwelling units that have never received a building permit to encourage the creation of safe, legal dwelling units.

Options:

Option 2.A: Status Quo – Address secondary dwelling units and affordable housing in the Comprehensive Zoning By-law review, as required under the *Planning Act* to ensure the City’s Zoning By-law conforms with the City’s new Official Plan.

Option 2.B: Prepare strategic amendments to the Zoning By-law for the Public and Council’s consideration to make the By-law more ‘affordable housing friendly’.

Recommendation 2:

Option 2.B - Prepare strategic amendments to the Zoning By-law for the Public and Council’s consideration to make the By-law more ‘affordable housing friendly’.

5.4 Rental Housing Demolition and Conversions Control

Recognizing the importance of rental housing to the well-being of communities across Ontario, the 2007 Municipal Act provided municipalities with new authorities to regulate the demolition of rental homes, or their conversion to condominium where 6 or more rental dwelling units will be impacted. In other municipalities permission is often granted if the medium-term vacancy rate has been healthy, if the homes have relatively high rents to begin with (i.e. are not affordable), or if replacement units will be provided, typically in the case of redevelopment projects where many more homes will be built on site. Such a by-law could also include provisions for payments of cash-in-lieu of actual replacement rental units. This money could contribute to the development of new affordable housing through the proposed Affordable Housing Fund.

If a by-law were enacted, redevelopment proposals involving the demolition or conversion of 6 or more residential rental units would require Council's approval prior to the demolition or conversion. This will result in increased costs incurred by the developer and may lengthen the approvals time. It will also add to staff and Council's workload.

However, the by-law may assist the City with preventing the displacement of existing residents, it may limit the net loss of residential units, and/or it may provide a revenue source for an Affordable Housing Fund depending on how the by-law is structured.

Concerns about the demolition or conversion of existing residential units were not raised during the stakeholder consultations. The demolition/conversion of existing residential rental units of 6 or more

dwelling units has been a rare occurrence in the City of Orillia. In the last five years, only one redevelopment project resulted in the loss of 6 dwelling units – the new Shoppers Drug Mart at 55 Front Street North. However, three additional redevelopment projects propose to demolish 6 or more dwelling units:

- 1) The proposed redevelopment and expansion of Thor Motors (Ford Dealership) on Gill Street will result in the loss of 6 dwelling units;
- 2) The proposed townhouse development at 114 Davey Drive will result in the demolition of a motel building containing 15 dwelling units (currently known as the Silver Swan), 7 cabins, and 1 single detached dwelling; and,
- 3) The proposed townhouse development at 385 and 387 West Street North will result in the demolition of two existing residential buildings which may contain up to 10 rental dwelling units.

Options:

Option 3.A) Status Quo – No policy or by-law to control the demolition or conversion of existing residential rental units.

Option 3.B) Continue to monitor development activity and re-evaluate the need for a demolition/conversion control by-law at a future date.

Option 3.C) Draft a by-law to control demolition and conversion of existing residential rental units and establish provisions for payment of cash-in-lieu of actual replacement units for Council's consideration.

Recommendation 3:

Option 3.B - At this time, do not undertake the preparation of a demolition/conversion by-law. However, continue to monitor development activity and re-evaluate the need for a demolition/conversion by-law at a future date.

5.5 Distributing Program and Funding Information

Recommended Action #19 of the Affordable Housing Action Plan, received by City Council in April 2010, recommends that the City host a forum on CMHC funding programs.

With the myriad of ever-changing Federal and Provincial affordable housing programs, there is a degree of confusion, or lack of awareness, amongst affordable housing development interests as to program availability and requirements to access funds.

As part of its potential suite of affordable housing tools, the City can also play an important role as an information resource on current affordable housing programs. While a relatively low cost initiative, disseminating program information and assisting development interests in identifying potential affordable housing funding sources would not only serve as an important support mechanism, but could also enhance the efficacy of the City's own affordable housing funding efforts.

Recommendation 4: Assist affordable housing developers in identifying currently available affordable housing funding sources.

5.6 Streamlined Development Approvals

As indicated in the What We Heard section of this Report, most, if not all stakeholders expressed considerable support for greater expediency in the development approvals process, predominantly with respect to the City's current Site Plan process.

Undoubtedly, faster planning and development approvals effectively reduce the costs and risks associated with all forms of development, not just affordable housing. Accordingly, the City should find ways to streamline its approval processes to encourage and facilitate development activity, including affordable housing.

Recommendation 5: Streamline the City's Site Plan approvals process to facilitate development, including affordable housing.

6.0 DIRECT AND INDIRECT FINANCIAL INCENTIVES TO SUPPORT AFFORDABLE HOUSING

The City of Orillia has a number of avenues open to it through which it can incentivize, contribute to, and support new affordable housing development. This section focuses on the most practical things the City can do to encourage and facilitate new affordable housing opportunities for the households discussed above. The recommendations represent prudent municipal fiscal practices, aim to limit staffing implications for the City, and are intended to support strong development proponents with viable, successful proposals. The section is divided into three sub-sections covering:

1. Municipal Incentives Package via relief from standard municipal charges (indirect);
2. contributing surplus City property and funding from a new Affordable Housing Fund (direct), and;
3. procurement strategy considerations.

6.1 Municipal Incentives Package via Relief from Standard Municipal Charges (Indirect)

Recommended Actions #6 and #8 of the Affordable Housing Action Plan, received by City Council in April 2010, recommend deferral of development charges and other fees as long as the development remains affordable and recommends the City continue to offer its tax exemption policy for affordable rental housing.

Development charges, planning/development fees and municipal taxes are costs common to all housing development. Waiving development charges and planning/development fees can significantly reduce the up-front capital cost of development, which for affordable housing means reduced costs for the end user. Providing a tax waiver for affordable rental housing results in reduced operating costs which represent savings to the landlord that can be passed on to tenants through reduced rents.

Under Section 110 of the *Municipal Act* municipalities may offer relief from these standard municipal charges to developers of affordable housing in lieu of the City having to involve itself in the construction, management, and ownership of affordable housing. The Act identifies affordable housing as a municipal capital facility. Municipal projects do not pay development charges, planning/development fees, and municipal taxes. Municipalities wishing to invest in affordable housing, without having to own and manage it, can utilize Section 110 of the *Municipal Act* to provide indirect financial support for affordable housing without directly drawing from the tax levy.

In the case of affordable rental housing, it is recommended that these three municipal benefits – waived development charges, planning/development fees, and taxes – form a basic incentives package that be made available to developers of affordable housing. These City contributions could be provided through an as-of-right or application process or competitive proposal calls (more discussion of this in section 6.3), and secured through legal agreements with the City.

Similarly, in the case of affordable ownership housing, waiving development charges and planning/development fees will reduce the price of the home for buyers. The value of the municipal contribution can be secured by a second mortgage to the City, or a third party mortgage administrator. In this way the City's investment is returned when the home is sold, protecting against windfall capital gains for the sellers. (Waiving taxes for individual homeowners is not recommended due to complexity and fairness concerns.)

Options:

Option 6.A) No Municipal Incentives Package – No relief from Development Charges, planning/development fees, and taxes.

Option 6.B) Status Quo – Continue with the City's current policy which provides a tax exemption up to \$20,000 per affordable housing unit for eligible projects.

Option 6.C) Develop a new Municipal Incentives policy to provide relief from Development Charges, planning/development fees and taxes for eligible affordable housing projects for Council's consideration.

Recommendation 6:

Option 6.C - Develop a new Municipal Incentives policy to provide waivers of Development Charges, planning/development fees and taxes for eligible affordable housing projects for Council's consideration.

6.2 City Funds and Lands (Direct)

Recommended Actions #9 and #10 of the Affordable Housing Action Plan, received by City Council in April 2010, recommended that an Affordable Housing Reserve Fund be established to ensure ongoing funds are available, and that an inventory of surplus lands be established to support the development of affordable housing.

In addition to the basic incentives above, it is also recommended that Orillia establish a new municipal Affordable Housing Fund to support local affordable housing initiatives, and a Surplus Land policy whereby surplus City lands are made available for affordable housing development.

An Affordable Housing Fund, sustained by a limited amount of City funding, could support a variety of modest affordable housing initiatives. Examples might include matching funds or small renovation grants to assist with conversion of existing units to accessible units, proposal development funding (with which proponents can advance their development proposals through the financial feasibility, planning, and design phases) or short-term emergency rental assistance, paid directly to households in need. Potential funding sources include an annual budget allocation from Council, an affordable housing development charges levy, or cash in-lieu payments arising through the planning approvals process (as discussed in Section 5.2).

Options:

Option 7.A) Status Quo – No Affordable Housing Fund.

Option 7.B) Consider the establishment of an Affordable Housing Fund and define key sources of revenue (taxation, grants, land sales, Section 37 cash contributions, DC levy), program criteria and eligibility, and staffing resources required to operate this Fund for Council's consideration.

Recommendation 7:

Option 7.B - Consider the establishment an Affordable Housing Fund and define key sources of revenue (taxation, grants, land sales, Section 37 cash contributions, DC levy), program criteria and eligibility, and staffing resources required to operate this Fund for Council's consideration.

A Surplus Land policy to dedicate appropriate surplus City lands for affordable housing development can be a very valuable tool in a municipality's affordable housing toolkit. This policy would make lands available for affordable housing only after other municipal facility needs have been discounted. Despite the relatively reasonable cost of land in Orillia, a parcel of free or reduced cost land would represent a significant contribution to any affordable housing development. City lands can be secured by long-term lease in the case of rental housing, and in the case of affordable ownership housing, the land value can be returned to the City on resale through a second mortgage to the City. Alternatively, the City could implement a less conventional hybrid approach and establish a land trust. Under this model, lands would remain under City ownership through long-term land lease arrangements, but the actual units would be owner occupied.

Options:

Option 8.A) Status Quo – No Surplus Land policy.

Option 8.B) Develop a Surplus Land policy to dedicate surplus City lands for affordable housing development and consider an effective review process to identify appropriate City lands for Council's consideration.

Recommendation 8:

Option 8.B - Develop a Surplus Land policy to dedicate surplus City lands for affordable housing development and consider an effective review process to identify appropriate City lands for Council's consideration.

6.3 Procurement Considerations and Eligibility Criteria

There are a variety of possible approaches to delivering the above incentives and contributions. These form a spectrum in terms of ease of access for developers and conversely, the amount of municipal oversight and control involved, including how much staff time would be required. The range spans from a simple as-of-right structure, to a more rigorous application and approval system, to a fully competitive procurement process, such as a request for proposals.

In determining how to make available or deliver its affordable housing contributions, the City must be mindful to protect itself against undue risk and allocate its scarce resources fairly and for maximum public benefit. This can be reflected in the delivery mechanisms chosen and their design. Orillia should seek to support the best possible affordable housing proposals available, and avoid the risks associated with supporting poor quality proposals from weak proponents.

Municipal Incentives Package

For relief from development charges, planning/development fees and municipal taxes, a carefully designed as-of-right or application process would be most appropriate. Securing these benefits from the City would represent a solid foundation or strong start for an affordable housing development. Rather than initiating a full-fledged proposal call process, the City could establish an as-of-right or application system with clear policies and rules outlining what would be expected of a developer in exchange for these incentives.

The scoping of the policies governing an as-of-right system or application process can reflect City priorities, as to be determined, regarding the depth of affordability, target incomes, preferred developers or development types. It is recommended that these eligibility policies strike a balance between ensuring the City supports high quality proposals from strong proponents, and relative flexibility so as to be responsive to proposals as they might arise from different segments of the development sector (affordable rental, ownership, non-profit or private, supportive housing). Overly restrictive policies and requirements run the risk of rendering the incentive program inactive and denying support to good, if not exceptional, proposals. The best way to avoid these pitfalls is by developing an application process, rather than an as-of-right system. However, if an application process were to be established additional staff resources will be required.

It is worth noting that these benefits represent foregone revenues for the City – not direct capital expenditures. Among other things, this means that should a proposal take longer than expected to reach the development stage or not proceed to development at all, the City will not have lost any actual money.

Options:

Option 9.A) Status Quo – No Municipal Incentives Package.

Option 9.B) Develop an as-of-right system and/or application process to evaluate development proposals seeking access to the municipal affordable housing incentives package and quantify additional staffing resources required to offer additional municipal incentives for Council's consideration.

Recommendation 9:

Option 9.B - Develop an as-of-right system and/or application process to evaluate development proposals seeking access to the municipal affordable housing incentives package and quantify additional staffing resources required to offer additional municipal incentives for Council's consideration.

City Land and Affordable Housing Fund

Capital contributions like City land or direct funding from an Affordable Housing Fund are truly scarce resources. Access to these City benefits should be very carefully controlled so that they are put into action in a timely way and with clear results. In their case, competitive proposal call processes are recommended. However, the administration of a Request For Proposal (RFP) process will require additional staff resources.

As noted, an Affordable Housing Fund can be structured to support a great variety of proposals, and through a carefully designed proposal call, the City can decide from a potentially wide variety of competing initiatives. How often the City releases a proposal call could be determined by the funding source(s) for the fund, as to be determined. If there is a dedicated Council budget allocation the City could put out a regular annual call. If the fund is fed through a variety of less predictable sources, a call could go out whenever the fund accumulated a predetermined sum.

City lands are perhaps the most sought after resource the City has to offer and a competitive proposal call would reward the best of all available proposals with the lands. Proposal calls provide greater assurance of the overall competency of the proponent, and lands should clearly be provided to only the most viable proposals with the highest chance of success.

As discussed with regard to application processes, proposal calls can be quite flexible, so as to attract the widest variety of proposals, or narrowly scoped to address specific City objectives. Maintaining a degree of flexibility again allows the City to be responsive and support whichever local community initiative is strongest at the time. For example, one year the best proposal for a City parcel of land may be an affordable rental building for seniors, while the next it may be an affordable home ownership initiative for young families.

Options:

Option 10.A) Status Quo – No Affordable Housing Fund and No Surplus Land Policy.

Option 10.B) Establish competitive RFP process to distribute Affordable Housing Fund monies and surplus City lands and quantify additional staffing resources required to administer this Fund for Council's consideration.

Recommendation 10:

Option 10.B - Establish competitive RFP process to distribute Affordable Housing Fund monies and surplus City lands and quantify additional staffing resources required to administer this Fund for Council's consideration.

Developer Eligibility

In terms of developer eligibility for the types of benefits outlined in Sections 6.1 and 6.2 of this report, there remains considerable debate as to who should be eligible for such benefits. Based on input received through the stakeholder interview process, there are clearly some that feel City incentives for affordable housing should be directed exclusively to non-profit developers, while others feel that for-profit developers should also be eligible. Undoubtedly there are strengths and weaknesses associated with both non-profit and for-profit affordable housing development approaches.

Driven primarily by social/moral objectives, the non-profit sector strives to provide perpetual affordability to tenants, i.e. to maintain affordable rents over the entire life of the building, as opposed to providing affordability for only a limited contractual term. Further, in the case of both affordable rental and ownership housing, the non-profit sector has proven itself to be much more concerned with the wellbeing of tenants and lower-income homeowners, making them a more compassionate landlord and developer.

Conversely, while driven more by fiscal objectives than ensuring long-term affordability, the for-profit sector, in most circumstances, is able to build and deliver affordable housing units more cost efficiently, due in large part to greater development expertise and familiarity with the development process.

One of the key decision points that needs to be considered as the City articulates eligibility requirements around its Municipal Incentives Package, Affordable Housing Fund and related programming is whether non-profit and for-profit developers will have equal access to the City's affordable housing incentives.

Other Procurement Strategy Considerations

It should also be noted that the City's incentives can be harmonized with the County of Simcoe's delivery of senior government affordable housing program funding. In recent years, Simcoe has issued requests for proposals for Affordable Housing Program funding. Securing incentives from the City of Orillia prior to applying for funding from Simcoe would bolster a local proponent's chances of securing program support.

Options:

Option 11.A) Status Quo – No eligibility criteria required to be developed because no additional Municipal Incentives Package, Affordable Housing Fund, and Surplus Land policy.

Option 11.B) Define eligibility criteria (developer qualifications, project types and target households) for access to the City's affordable housing incentives package in consultation with Council, stakeholders, and City staff for Council's consideration.

Recommendation 11:

Option 11.B - Define eligibility criteria (developer qualifications, project types and target households) for access to the City's affordable housing incentives package in consultation with Council, stakeholders and City staff for Council's consideration.

Accessible Housing Design

Recommended Actions #12 and #15 of the Affordable Housing Action Plan, received by City Council on April 2010, recommends that accessible design be promoted for existing and new developments and that guidelines for accessibility in affordable housing developments be established.

Certainly, the provision of affordable units that are accessible to persons with disabilities and/or limited mobility is a major challenge and should be encouraged. As heard through the stakeholder interview process, even the provision of “visit-able” units – those with accessible main entrances and ground floor, accessibly designed, washrooms – would alleviate considerable need.

The City could, through its funding eligibility criteria, effectively mandate the achievement of minimum accessibility standards. However, the establishment of mandatory standards as a qualifying prerequisite for City affordable housing funds could serve to limit program uptake, particularly if the cost of achieving the standards outweighs, or nearly outweighs, the potential value of those funds.

Alternatively, the City should encourage the achievement of minimum accessibility standards and may explore prioritizing the distribution of funds to projects that demonstrate accessible design elements.

Options:

Option 12.A) Status Quo – No incentive program to encourage accessible design.

Option 12.B) Encourage accessible design measures through procurement processes; consider establishing mandatory accessible design standards for new affordable housing developments; and consider funding accessible design through the Affordable Housing Fund.

Recommendation 12:

Option 12.B - Encourage accessible design measures through procurement processes; consider establishing mandatory accessible design standards for new affordable housing developments; and consider funding accessible design through the Affordable Housing Fund.

The following chart summarizes the above City contributions and related considerations.

Summary of Potential Incentive Tools for New Affordable Rental and Ownership Housing

Type of Incentive or Contribution		Comments	Implementation and other Considerations	
Municipal Incentives Package	Development Charges waiver	<ul style="list-style-type: none"> ○ Access to these municipal contributions provides a significant contribution to developers while not putting the municipality at risk. ○ For <i>Affordable/ transitional rental</i>: Secured by agreement between the development proponent and the City of Orillia, governing affordability levels and term, tenant income, reporting requirements and repayment in case of non-compliance defaults. ○ For <i>Affordable ownership</i>: Secured by a second mortgage to the City of Orillia or a designated program delivery agency so funding returns to City on re-sale. (Only new rental developments should be eligible for tax waivers.) 	<ul style="list-style-type: none"> ○ An as-of-right system or application process is the recommended procurement or delivery option. ○ An application process, compared to an as-of-right system, can provide greater assurance of the overall competency of the proponent as developer and landlord in the case of rental housing, and as a developer and mortgage administrator overseeing affordability in the case of ownership housing. However, the as-of-right system places less demand on staff resources. ○ Alternately, a Request For Proposal approach could prioritize deeper affordability or other municipal objectives through the competitive process. 	<ul style="list-style-type: none"> ○ Both application and proposal call processes have staffing implications in terms of expertise and time commitment. ○ Legal agreements securing contributions, leases for lands, and affordability mortgages for ownership housing will require legal staff involvement
	Planning/ Development Fees waiver			
	Tax waiver			
Surplus City lands		<ul style="list-style-type: none"> ○ Providing City land for affordable housing development is a valuable capital contribution and commits or engages the City in a more significant way than the incentives above which are all foregone revenues. ○ City lands should be secured by long-term lease and contribution agreement in the case of rental housing or land trust model, and by translating the land value into a second mortgage to the City in the case of ownership housing. ○ It is assumed that any proponent receiving City lands is also receiving the benefit of the above incentives package. 	<ul style="list-style-type: none"> ○ Competitive Request For Proposal process is recommended. ○ Proposal calls can be flexible so as to attract the greatest variety of projects, or scoped to address specific municipal objectives. 	
Affordable Housing Fund		<ul style="list-style-type: none"> ○ Access to a modest grant or loan source would be very helpful for a variety of purposes but especially for development proponents who are trying to advance a project through the planning and design stages. ○ Potential funding sources include: budget allocations, a DCs levy, or housing-related planning policies. 		

7.0 NEXT STEPS

If all of the recommendations contained in this Directions Report are supported by Council, then the Consultants, together with the Affordable Housing Coordinator, will proceed with detailed policy development, including:

- Develop a policy that establishes affordable housing as a priority community benefit, where Section 37 provisions are enabled (Recommendation 1);
- Prepare strategic amendments to the City's Zoning By-law for the Public and Council's consideration to make the By-law more 'affordable housing friendly' (Recommendation 2);
- Host a "Funders Forum" to educate the Public about currently available affordable housing funding sources (Recommendation 4);
- Modify City policy to streamline the City's Site Plan Approval process to facilitate development, including affordable housing, for Council's consideration (Recommendation 5);
- Explore establishment of a Municipal Incentives Package (including Development Charges, planning/development fees, and property tax waivers) together with procurement guidelines for Council's consideration (Recommendation 6 & 9);
- Define revenue sources and develop policies/administrative guidelines to establish an Affordable Housing Fund for Council's consideration (Recommendation 7 & 10);
- Prepare a Surplus Land policy for the City's surplus lands, together with a call for proposals process and procurement guidelines for Council's consideration (Recommendation 8 & 10);
- Review eligibility requirements, including developer qualifications, household income targets and accessible design requirements (Recommendation 11 & 12).

The process of crafting the above identified recommended policy/regulation adjustments and affordable housing tools will include further consultation with Council, City staff (in particular the City Treasurer and City Solicitor), key stakeholders, and the Public prior to consideration by Council for adoption.

If Council wishes to only pursue a few of the recommendations contained in the Directions Report, then staff will prepare a report to Council outlining the remaining work program and staffing implications.

APPENDIX A: RECOMMENDATIONS – AFFORDABLE HOUSING ACTION PLAN

RECOMMENDATION #1: Work with the County to advocate to the provincial government for funding to support a long-term rent supplement program.

RECOMMENDATION #2: Investigate initiating a municipally funded rent supplement program to provide long-term affordability solutions for residents.

RECOMMENDATION #3: Promote the development of alternative forms of affordable home ownership models such as rent-to-own, and home ownership co-operatives.

RECOMMENDATION #4: Consider creating inclusionary zoning regulations to help meet affordable housing needs, and which support the policies within the City of Orillia Official Plan.

RECOMMENDATION #5: Continue to support the City's previously adopted provision of municipal incentives in the development of 100 affordable housing units over the next 3 years (2010-2013)

RECOMMENDATION #6: Consider deferring development charges and building fees in exchange for the development of affordable rental and homeownership housing. Deferral of fees would be indefinite as long as property remained affordable (as defined in the City of Orillia Official Plan.)

RECOMMENDATION #7: Work with post-secondary institutions to evaluate the potential for a post-secondary co-operative housing development in Orillia.

RECOMMENDATION #8: Continue the tax increment financing program to encourage the creation of affordable housing.

RECOMMENDATION #9: Consider establishing an affordable housing reserve fund to ensure ongoing funds are available to support the development of affordable housing.

RECOMMENDATION #10: Work with the County of Simcoe and senior levels of government to create an inventory of surplus government lands, and, where deemed appropriate, consider for the development of affordable housing.

RECOMMENDATION #11: Work with developers on the feasibility of incorporating principles of Flex Housing in new housing units, in particular affordable housing developments (ownership and rental).

RECOMMENDATION #12: In collaboration with the Accessibility Advisory committee, investigate opportunities to provide support and education on new and existing developments under the Accessibility for Ontarians with Disabilities Act (AODA).

RECOMMENDATION #13: Establish guidelines for the provision of accessory suites to ensure building, health and safety standards are adhered to.

RECOMMENDATION #14: Consider developing affordable housing targets (by type) to ensure an appropriate range and mix of housing.

RECOMMENDATION #15: Establish accessibility guidelines for affordable housing, in keeping with the Ontarians with Disabilities Act and the Accessibility for Ontarians with Disabilities Act's standards.

RECOMMENDATION #16: Consider utilizing alternative development standards to encourage the development of affordable housing.

RECOMMENDATION #17: Work with local municipalities to encourage developers to build a range of housing options for seniors/older adults (i.e. Abbeyfield, life leases).

RECOMMENDATION #18: Advocate to the North Simcoe Muskoka Local Health Integrated Network to ensure funding through the Aging in Place is allocated to Orillia.

RECOMMENDATION #19: Consider hosting a forum, possibly in partnership with Canada Mortgage and Housing Corporation (CMHC), on the various renovation and energy efficiency programs to help educate residents, housing providers, and private landlords on funding programs currently available.

RECOMMENDATION #20: Explore opportunities to work with landlords to establish guidelines in responding to maintenance concerns of residents.

RECOMMENDATION # 21: Investigate the feasibility of establishing a Rental Registry Program.

RECOMMENDATION #22: Work with the County of Simcoe to use allocated funds under the Social Housing Renovations and Retrofit program to improve energy efficiency and overall quality of social housing stock in Orillia.

RECOMMENDATION #23: Work with community agencies to develop a feasibility study for creating transitional housing for youth in the City of Orillia.

RECOMMENDATION #24: Work with the County to continue to advocate to senior levels of government for increased funding under homelessness and support programs (i.e. Homelessness Partnering Strategy, Consolidated Homelessness Prevention Program, Rent Bank).

RECOMMENDATION #25: Work with community agencies to enhance resources available to youth including crisis counseling.

RECOMMENDATION #26: Consider initiating innovative partnerships between post-secondary institutions and housing providers to enhance the provision of support services (i.e. meal programs, life skills, housekeeping etc.).

RECOMMENDATION #27: Work with community agencies and the County to secure funding through the LHIN to address housing and support needs of persons with addictions.

RECOMMENDATION #28: Encourage community agencies and the County to increase life skill programs to help ensure residents have the ability to maintain their housing.

RECOMMENDATION #29: Establish an Affordable Housing Task Force or expand the membership of the Housing Committee to include a newly appointed Housing Coordinator and representatives from the private sector (landlords, developers, and builders), the non-profit housing sector, community support agencies, the County and City Staff.

RECOMMENDATION #30: Create a Housing Coordinator position at the City of Orillia to 1) assist in the coordination of housing programs, 2) facilitate the development of housing policy and incentives, 3) manage the proposed Orillia Municipal Non-Profit Housing Corporation and 4) monitor the implementation of the City of Orillia Affordable Housing Action Plan.

RECOMMENDATION #31: Establish an implementation plan to ensure the successful execution of the City of Orillia Affordable Housing Action Plan.

RECOMMENDATION #32: Through the Affordable Housing Task Force, identify opportunities to increase community awareness of issues related to housing and homelessness.

RECOMMENDATION #33: Through the Housing Task Force, consider establishing working groups on youth housing and seniors housing to help further identify these unique housing needs.

RECOMMENDATION #34: Incorporate the Orillia Municipal Non-Profit Housing Corporation, with a board of directors, comprised of a mix of Council members and community volunteers. Appoint the proposed Housing Coordinator as manager of the corporation.

These **RECOMMENDATIONS** have been identified as the focus of the Affordable Housing Coordinator's work during the 18-month contract.

APPENDIX B: LIST OF INTERVIEWEES & INTERVIEW QUESTIONS

The following people were consulted with in January 2011:

Mayor Angelo Orsi
Councillor Don Jenkins, Ward 1
Councillor Patrick Kehoe, Ward 1
Councillor Pete Bowen, Ward 2
Councillor Linda Murray, Ward 2
Councillor Michael Fogarty, Ward 3
Councillor Paul Spears, Ward 3
Councillor Andrew Hill, Ward 4
Councillor Tony Madden, Ward 4
Joyce Ward, Simcoe County Alliance to End Homelessness (Orillia chapter)
Carolyn Holmes, Soldiers' Memorial Hospital, Case Manager – Homelessness
John Connell, Program Supervisor, County of Simcoe
Susan Fitzsimmons, Program Supervisor, County of Simcoe
Wendy Timpano, General Manager, Community Development Corporation
Nadine Ritchie, Orillia Housing Resource Centre
Cam Davidson and Jim Saunders, Hillcrest Lodge
Christine Hoggart, Chair of Couchiching Jubilee House Board of Directors
Trevor Lester, Chair of Simcoe County Alliance to End Homelessness
Kathy Aitken, Orillia Family Services, Salvation Army
Ken McMullen, President of 2nd Mariposa Place Board of Directors
Dennis Bottero & Harry Berholz, Landen Homes Coldwater Inc.
Derek Watson, Watson Group Custom Homes
Doug Nicolls, Marlene Mattson, Andrew McIntyre - Habitat For Humanity
Julia Montgomery, Secretary of the Accessibility Advisory Committee
Dave Hewitt, Soldiers' Memorial Hospital, KEY Program
Allan Millard, President of Foxfell Friends Board of Directors
Meagan Hawkins, Representative for St. James Court - Non-Profit Affordable Housing, Phase 2
Gloria Tozek and Rod Young, Options For Homes
Kevin Gangloff and Stephanie Gynizio, Orillia Youth Centre
Shauna Booth
Wayne Scanlon, Simcoe Rental Property Association
Phil Hammell, Charter Construction Ltd.
Lawrence Saltzman, Titan Homes

The following is a list of the general questions posed to the above listed stakeholders during the consultations held in January 2011:

1. How would you describe Orillia's affordable housing needs?
 - Who has the highest need/who should be targeted?
 - What types of housing are needed (i.e. ownership vs. rental)
 - Where – are there key locations where affordable housing is particularly needed?
2. What do you think would be the most effective tools/actions to address housing affordability needs in Orillia?
- 3a. Do you feel an Affordable Housing Fund should be established by the City of Orillia?
- 3b. If the City were to establish an Affordable Housing Fund, how do you think the City should use/allocate those Funds (i.e. buy land, offer seed grants, waive/reduce/defer development charges, planning, engineering and building fees, etc.)?
- 4a. Should the City identify City-owned lands for the development of affordable housing?

- 4b. If the City were to provide City-owned land for the development of new affordable housing, what should the City's priority be in terms of the types of development it facilitates?
- 4c. If the City were to provide City-owned land for the development of new affordable housing, should the land be offered "as-is" or 'cleaned-up' (if contaminated) and/or with EIS completed (if required)?
- 4d. If the City were to identify locations for potential affordable housing developments in the City's planning documents:
 - Do any key locations come to mind?
 - What forms of housing should be provided?
- 5a. Section 37 of the Ontario Planning Act and the City's new OP allows the City to grant increases in height and density, beyond those permitted in the Zoning By-law, in exchange for community benefits, such as affordable housing. Should the City prioritize affordable housing as its primary community benefit in all situations?
- 5b. Should the City collect funds for affordable housing through Section 37, or should they pursue the development of units?
6. The City is exploring the establishment of policies that would regulate the demolition of multi-unit rental buildings and require the replacement of all units demolished with new affordable residential units either on or off-site, or cash-in-lieu of replacement housing, what are your thoughts?
7. The City is exploring new policies related to Secondary Suites that would expand permissions for Secondary Suites, but would also better define and regulate their development, what are your thoughts?
8. Are there other modifications to the Zoning By-law do you think should be made to be more supportive of affordable housing developments (i.e. reduced parking standards, etc)?

QUESTIONS SPECIFIC TO AFFORDABLE HOUSING DEVELOPERS:

9. What has been your experience working with the City to date?
10. With respect to the Site Plan Approval process, what works well with the City's process and improvements could be made?
11. From your perspective, what can the City do to better facilitate affordable housing development?
12. What are your short/mid/long-term plans for affordable housing development in Orillia?