



OAKVILLE

REPORT

Planning and Development Council

Meeting Date: May 16, 2022

FROM: Planning Services Department

DATE: May 3, 2022

SUBJECT: **Housing Information Report and Preliminary Policy Analysis
(File No. 42.02.49) – May 16, 2022**

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That the report titled “Housing Information Report and Preliminary Policy Analysis (File No. 42.02.49) – May 16, 2022”, be received.
2. That the Town Clerk forward this staff report and Council’s comments to the town’s Affordable Housing Panel, upon its assembly, for information and consideration.

KEY FACTS:

The following are key points for consideration with respect to this report:

- This report provides an overview of legislation, plans and policies at the federal, provincial, regional, and town levels regarding housing. It also provides commentary on various emerging matters, trends and themes in regard to housing, and concludes with a preliminary assessment of the town’s policies in the Livable Oakville Plan, identifying issues and matters to be addressed in regard to housing.
- The report highlights the interconnected framework that all levels of government have in order to achieve a range and mix of housing and housing affordability.
- Halton Region is the Service Manager responsible for housing, including the delivery and administration of assisted housing. Through the Regional Official Plan and the Region’s Comprehensive Housing Strategy, a policy structure

and plan is established that supports the provision of affordable housing in meeting the housing needs of the region's residents.

- The town has a role to play in providing solutions toward housing and housing affordability. In its capacity, the town's opportunity rests largely in its ability to enable housing supply, provide greater housing options within its communities, and ensure existing affordable and rental housing stock is protected. Recent changes to the *Planning Act* also provide opportunities to increase affordable housing units through the use of inclusionary zoning.
- The strategies to support and encourage a range of housing options, including affordable housing, are wide-ranging. Many approaches and programs, however, cannot be accomplished through the town's Official Plan polices or Zoning By-law regulations. Many programs exist outside of the authority of the *Planning Act*. Official Plans and Zoning By-laws can, however, create conditions which encourage and promote a range of housing options and give permissions for these options to be implemented.

BACKGROUND:

This report is intended to provide an overview of relevant federal, provincial regional and local programs, legislation, plans and policies with respect to housing. The report highlights the interconnected framework that all levels of government have in order to work in partnership to achieve a range of housing options and housing affordability. It is important to highlight these documents to provide the full picture within which the town must operate, and how funding for housing is generated.

Under the *Housing Services Act*, Halton Region is designated as the Service Manager responsible for housing, including developing a Comprehensive Housing Strategy (i.e. a housing and homelessness plan), and carrying out measures to meet the objectives and targets relating to housing needs.

Halton Region provides a number of services and programs to help support a mix of housing types and affordability levels. The Region also prepares a number of documents that help direct and inform housing policies and programs. Through the Regional Official Plan, the Region has established a policy structure that supports and encourages the provision of assisted and affordable housing in meeting the housing needs of the region's residents.

The town must ensure that its local Official Plans are consistent with and conform to the applicable legislation and policies put forward by the Province and the Region. To support Provincial interests, the implementation of the Regional and local Official Plans create a full partnership in providing a framework to enable a variety of housing options. However, many of the programs which help with housing

affordability are dealt with by Halton Region as the Service Manager, and are outside the authority of the *Planning Act*.

The town's current policy framework within both the Livable Oakville Plan and the North Oakville Secondary Plans enable a full range and mix of housing options and tenures including assisted, affordable and special needs housing. However, improvements to housing policies in the town's Official Plan's are possible and in some cases, required.

HOUSING AND PLANNING FRAMEWORK:

This section provides an overview of the housing framework, including legislation, plans and policies at the federal, provincial, regional, and town levels that are discussed in this report. **Appendix A** to this report provides various policy excerpts of key plans as they relate to planning for housing.

Government of Canada

- National Housing Strategy
- Federal Budget

Province of Ontario

- *Planning Act*
- *Housing Services Act*
- Provincial Policy Statement
- Policy Statement: Service Manager Housing and Homelessness Plan
- A Place to Grow: Growth Plan for the Greater Golden Horseshoe
- Ontario's Action Plan Under the National Housing Strategy
 - Community Housing Renewal Strategy
 - More Homes, More Choice: Ontario's Housing Supply Action Plan
 - More Homes for Everyone Plan

Halton Region

- Halton Comprehensive Housing Strategy
- State of Housing Report
- Regional Official Plan

Town of Oakville

- Livable Oakville Plan (Official Plan)
- North Oakville Secondary Plans (Official Plan)

Government of Canada

The Canadian Mortgage and Housing Corporation (CMHC) is Canada’s national housing agency. The mandate of CMHC, as defined in the *National Housing Act*, is to: “promote housing affordability and choice, to facilitate access to, and competition and efficiency in the provision of, housing finance, to protect the availability of adequate funding for housing at low cost, and generally contribute to the well-being of the housing sector in the national economy.”

CMHC is governed by a Board of Directors and is responsible to Canadian Parliament through a Minister. The Board of Directors is comprised of the Chairperson, the President and Chief Executive Officer; the Deputy Minister of the Minister for CMHC; the Deputy Minister of Finance; and, eight other directors.

There are a number of committees that assist the Board of Directors, including an Affordable Housing Committee. The mandate of the Affordable Housing Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to CMHC’s housing activities, including the National Housing Strategy.

National Housing Strategy

In 2017, the Government of Canada released Canada’s first National Housing Strategy (NHS). The NHS provides a toolkit of programs and initiatives, supported by financial commitments totalling over \$70 billion over 10 years.

The programs and initiatives of the NHS are generally categorized under the following themes:

- funding/financing new affordable and assisted housing;
- modernizing existing community housing;
- building capacity in the community housing sector; and
- investing in housing innovation.

The NHS promotes partnerships and the alignment of efforts in order to achieve ambitious outcomes including:

- cutting chronic homelessness by 50%;
- removing 530,000 families from housing need;
- renovating and modernizing 300,000 homes; and,
- building 160,000 new homes.

CMHC is leading and delivering the NHS federal initiatives. Throughout the 10-years of the NHS, CMHC will score and prioritize applications, administer funding, and manage borrowing.

The Province of Ontario and Halton Region play a critical role in supporting several of the initiatives in the NHS, including delivering funding.

Federal Budget 2022

On April 7, 2022 the Government of Canada tabled the federal budget 2022. A key focus in the federal budget is housing and housing affordability, making clear that housing and housing affordability has become a critical nation-wide issue.

The Government of Canada recognizes that housing is a basic human need, and an economic imperative for the people of Canada. It also recognizes that Canada does not have enough homes for people to live and that owning a home is becoming increasingly challenging for many Canadians.

The budget responds with a plan to begin addressing housing and housing affordability, but indicates that this national effort will demand collaboration with all levels of government, non-government organizations, and the private sector. Many of the housing measures proposed build on Canada's National Housing Strategy.

The Government of Canada cautions that there is no "silver bullet" to address housing and housing affordability, however some of the measures proposed in the Budget 2022 include:

- Introducing a Tax-Free First Home Savings Account;
- Doubling the First-Time Home Buyers' Tax Credit to \$10,000;
- Extending the First-Time Home Buyer Incentive;
- Helping Canadians save for and buy their first home by scaling up rent-to-own projects;
- Curbing practices that drive up the price of housing, including measures to address foreign capital coming into Canada to buy residential real estate, addressing housing-flipping, and a national plan to end blind bidding; and,
- Putting Canada on the path to double housing construction over the next 10 years.

Should these programs be realized, change to the housing and housing affordability landscape may shift nation-wide, and could place downward pressure on municipalities to act.

Province of Ontario

The Ministry of Municipal Affairs and Housing (MMAH) is in charge of land use planning and housing across Ontario. It is the objective of the ministry to work with local governments and partners across Ontario to build safe and strong communities

with a high quality of life that includes affordable and suitable homes for everyone. Among other matters, the MMAH:

- sets the rules for Ontario’s land use planning and oversee how municipalities implement them;
- develops rules that protect tenants and encourage maintenance and investment in rental housing;
- works with municipalities, social housing providers and other external stakeholders to help them meet their housing responsibilities;
- works to measure and address homelessness in Ontario;
- supports municipalities so individuals and families can access suitable housing;
- funds construction and repair of social housing and affordable rental housing;
- sets the annual rent-increase guideline and other rules related to rental housing; and,
- administers the *Planning Act*, and *Housing Services Act*, among many others.

Below is an overview of provincial legislation, plans and strategies in regard to land use planning and housing.

Planning Act

The *Planning Act*, R.S.O. 1990, c.P.13, as amended, sets out the legislation for how land use planning is conducted in Ontario. It sets out matters of provincial interest that municipalities must have regard for when making planning decisions. The adequate provision of a full range of housing, including affordable housing, is a matter of provincial interest that municipalities (e.g. Halton Region and the Town of Oakville) must have regard for.

In April 2018, the *Planning Act* was amended to include additional tools for municipalities to enable the development of affordable housing through the use of inclusionary zoning. Inclusionary zoning is a tool that allows municipalities to require the inclusion of affordable housing units within buildings or projects, containing other residential units, which are to be maintained as affordable housing units over time. Inclusionary zoning is implemented through zoning by-laws, subject to policies provided in an Official Plan.

Official Plan policies to enable inclusionary zoning are required to be based on the completion of an Assessment Report; and the *Planning Act* permits inclusionary zoning to be implemented within identified protected major transit station areas, or areas within a Community Planning Permit System.

Inclusionary Zoning in the Oakville context, as well as the required Assessment Report and related regulations, are discussed in more detail in the comment section of this report.

Most recently on April 14, 2022, the *Planning Act* was amended through Bill 109 – *More Homes for Everyone Act, 2022*. Comments on Bill 109 were provided in a staff report received by Oakville Council on April 25, 2022, titled “*The More Homes for Everyone Act, 2022 and Implications for Oakville*”.

Housing Services Act

The *Housing Services Act, 2011* provides for community based planning and delivery of housing and homelessness services with general provincial oversight and policy direction. It is intended to provide flexibility for service managers (i.e. Halton Region) to implement programs.

Section 4 of the Act states that it is a matter of provincial interest that there be a system of housing and homelessness services that:

- is focused on achieving positive outcomes for individuals and families;
- addresses the housing needs of individuals and families in order to help address other challenges they face;
- has a role for non-profit corporations and non-profit housing cooperatives;
- has a role for the private market in meeting housing needs;
- provides for partnerships among governments and others in the community;
- treats individuals and families with respect and dignity;
- is co-ordinated with other community services;
- is relevant to local circumstances;
- allows for a range of housing options to meet a broad range of needs;
- ensures appropriate accountability for public funding;
- supports economic prosperity; and
- is delivered in a manner that promotes environmental sustainability and energy conservation.

The Act requires that all service managers responsible for housing (i.e. Halton Region) develop and implement a 10-year Housing and Homelessness Plan that address matters of provincial interest and that are consistent with policy statements issued under the Act. Local housing and homelessness plans are to include:

- an assessment of current and future housing needs;
- objectives and targets related to housing needs;
- a description of the measures proposed to meet the objectives and targets;
- a description of how progress will be measured; and,

- other matters as prescribed.

Halton Region's Comprehensive Housing Strategy, discussed later in this report, was updated to meet this legislative requirement.

Provincial Policy Statement

The Provincial Policy Statement, 2020 (PPS) provides policy direction on matters of provincial interest related to land use planning and development. It sets the policy foundation for regulating the development and use of land in Ontario. Issued under the authority of Section 3 of the *Planning Act*, all decisions affecting planning matters are required to be “consistent with” the PPS.

The PPS recognizes that municipal official plans are the most important vehicle for implementing the PPS and achieving comprehensive, integrated and long-term planning. Official plans are to identify provincial interests, such as housing and housing affordability, and set out appropriate land use designations and policies.

As part of the vision for Ontario's land use planning system, the PPS encourages planning authorities to permit and facilitate a range of housing options, including new development and residential intensification, to respond to current and future needs. The PPS recognizes that healthy, liveable and safe communities are sustained by accommodating an appropriate affordable and market-based range and mix of residential types including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons.

The PPS seeks a coordinated, integrated and comprehensive approach when dealing with planning matters within municipalities, across lower and upper-tier municipalities, including in regard to housing projections and addressing housing needs in accordance with provincial policy statements such as the Policy Statement: Service Manager Housing and Homelessness Plans.

The PPS requires upper-tier municipalities to identify and allocate population and housing projections for lower-tier municipalities, reflecting provincial plans and informed by provincial guidelines.

The PPS also requires municipalities (upper and/or lower-tier) to, among other matters:

- maintain at all times the ability to accommodate residential growth for a minimum of 15 years through residential intensification and redevelopment;
- provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs;

- establish and implement minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans (i.e. Halton Region's Comprehensive Housing Strategy);
- permit and facilitate all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements, as well as all types of residential intensification including additional residential units and redevelopment
- encourage transit-supportive development and intensification which support housing options.

Policy Statement: Service Manager Housing and Homelessness Plan

The Policy Statement, 2016, provides guidance to Service Managers (i.e. Halton Region) to support the development of local housing and homelessness plans (i.e. Halton Region's Comprehensive Housing Strategy). The Policy Statement is based on the vision that every person in Ontario has an affordable, suitable and adequate home to provide the foundation to secure employment, raise a family, and build strong communities. The Region's Comprehensive Housing Strategy must be consistent with the Policy Statement.

Ontario's Action Plan under the National Housing Strategy

Ontario and the federal government signed a Bilateral Agreement in April 2018 that requires the Province to develop and submit an action plan for each three-year funding period (2019/20 to 2021/22, 2022/23 to 2024/25, and 2025/26 to 2027/28) under the National Housing Strategy.

In response, Ontario has released three plans to respond to the diverse housing needs of all Ontarians:

- **Community Housing Renewal Strategy** was released in April 2019, announcing a nine-year commitment to affordable housing. The strategy reinforces the federal government's direction to grow, stabilize and modernize the community housing sector and includes cost-shared funding programs between the Province and Halton Region (Housing Service Manager). The strategy is intended to help people with low and moderate incomes who can't afford today's high rents to find affordable housing, and create a more streamlined system that is ready to help people who need it most.

- **More Homes, More Choice: Ontario's Housing Supply Action Plan** was released in May 2019 and is about unlocking the development of all kinds of housing, including owned, rental, private or non-profit housing. Ontario's Housing Supply Action Plan is intended to help give people more choice and help bring costs down. The Action Plan brought about many legislative changes to the land use planning and appeal process through Bill 108, *More Homes More Choices Act*, 2019, which have been discussed in previous reports to Oakville Council.
- **More Homes for Everyone Plan** outlines the next suite of actions the province is taking to address Ontario's housing crisis, such as protecting homebuyers from unethical development practices and accelerating development timelines to get more homes built faster. The plan is built on recommendations from the Housing Affordability Task Force, discussed in the comment section of this report, and the first ever Ontario-Municipal Housing Summit, as well as input from municipalities and the public. On March 30, 2022, under the banner of the More Homes for Everyone Plan (ERO No. 019-5283), the Province issued a number of proposals aimed at addressing the housing supply crisis.

A Place to Grow: Growth Plan for the Greater Golden Horseshoe

On May 16, 2019, A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan) came into effect. It was later amended by Growth Plan Amendment 1, which came into effect on August 28, 2020 (Office Consolidation 2020). All decisions that affect a planning matter must conform with the Growth Plan.

The Growth Plan is a long-term plan to manage growth and build complete communities. It provides a horizon year for land use planning to 2051. The Growth Plan builds upon the policy foundation provided by the PPS and provides additional and more specific land use planning policies to address issues facing the Greater Golden Horseshoe, which includes Oakville. Its policies are grouped into three thematic areas: where and how to grow, infrastructure to support growth and protecting what is valuable.

In regard to managing growth, the plan contemplates the achievement of complete communities that provide a diverse range and mix of housing options, including additional residential units and affordable housing, to accommodate people at all stages of life, and to accommodate the needs of all household sizes and incomes.

The responsibility of housing is to be addressed by upper-tier municipalities (i.e. Halton Region), in consultation with lower-tier municipalities, the Province and other appropriate stakeholders. In undertaking planning at Halton Region, they are to align land use planning with applicable housing and homelessness plans required under

the *Housing Services Act* and address housing needs in accordance with the provincial policy statements such as the Policy Statement: Service Manager Housing and Homelessness Plan.

To support the achievement of complete communities, municipalities are to consider the use of available tools to require that multi-unit residential developments incorporate a mix of unit sizes to accommodate a diverse range of household sizes and incomes.

Region of Halton

The Region of Halton is responsible for delivering and administering assisted housing and through its Official Plan has established a policy structure that supports and encourages the provision of affordable housing in meeting the housing needs of the Region's residents. The Region provides a number of services and programs to help create a mix of housing types and affordability levels within Halton including the emergency shelter program, subsidized housing program, housing for those with special needs, the Halton Community Housing Corporation (providing housing in various forms typically on a rent-geared to-income basis), and housing for seniors through various programs.

The Region prepares a number of documents that direct and inform housing policies and programs. These documents often provide recommendations for policies to be included as part of the Regional Official Plan. Where policies are included within the Regional Official Plan, the town must ensure that these policies are implemented through the local Livable Oakville Plan and North Oakville East and West Secondary Plans respectively. Together, the implementation of the Regional and local Official Plans create a full partnership in providing a framework which supports a variety of housing options, including affordable housing.

Below is an overview of the various housing documents prepared by Halton Region that inform, direct or contain housing policies which the town, in its capacity, must address through the town's Official Plan and by other means, as applicable.

Comprehensive Housing Strategy

In 2004, Halton Regional Council identified the creation of a housing strategy as a goal in its Strategic Plan. That goal was to develop a comprehensive housing strategy that incorporates a continuum of housing types for all incomes and all stages of life from emergency shelters and government assisted housing to private sector affordable housing. The Comprehensive Housing Strategy (CHS), and updates thereto, is the response to this goal.

The CHS serves as Halton Region’s 10 year housing and homelessness plan that strives to encourage and protect affordable housing in Halton. In 2019, Regional Council endorsed its most recent update to the CHS through its 2014-2024 five-year review.

The CHS recognizes that access to safe and stable housing is a basic human right that impacts all aspects of an individual’s life. Where you live and the supports available to you can influence your health, happiness, employment and sense of belonging in a community.

The CHS provides strategic directions, actions and targets that are designed with the goal of:

- creating a range and mix of new housing opportunities to meet the needs of the Halton community;
- protecting existing rental housing so that it continues to be available to residents; and,
- providing coordinated services to residents who need support to obtain or maintain their housing.

The CHS includes five strategic directions that respond to the diverse housing needs of Halton residents. Each strategic direction, listed below, has associated action items that are measureable:

1. Promote complete and healthy communities
2. Encourage and protect affordable housing
3. Encourage and protect community housing
4. Support independent living
5. Assist Halton residents to maintain their housing and prevent homelessness

The CHS establishes an approach to housing across a “continuum” from homelessness to market housing. The strategy demonstrates the responsibilities that the government, non-profit and for-profit sectors have in providing housing and support services across the continuum. The concept of the housing continuum is a foundational approach to the CHS. This concept highlighted, highlighted in the diagram below, shows the role of Halton Region is different across the housing continuum, from direct funding (on the left) to policy and planning tool uses (on the right).

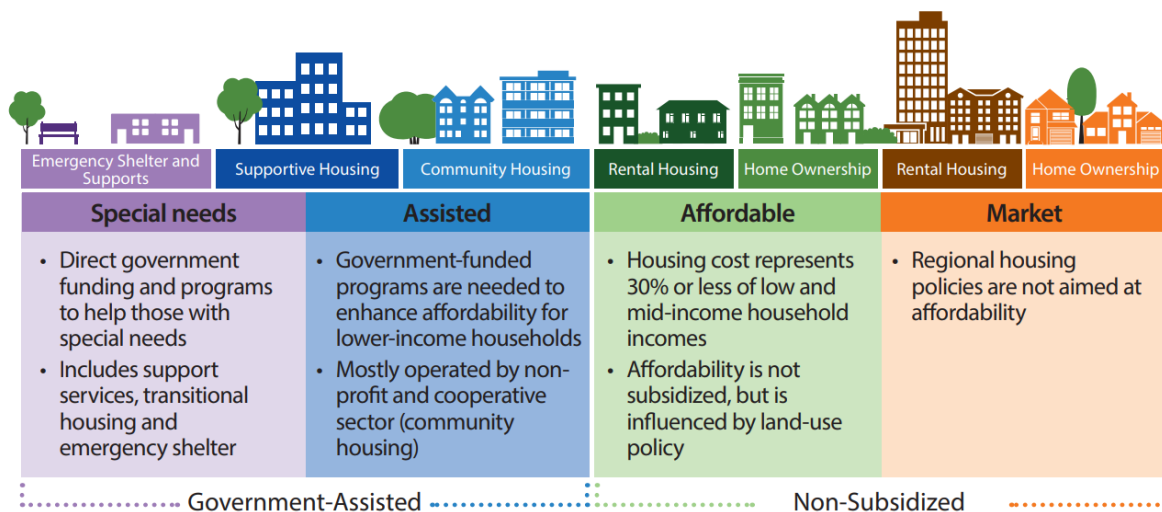


Image: Housing Continuum

Source: Halton Region Comprehensive Housing Strategy

Through the CHS, the Region developed its Housing Model to identify “assisted” and “affordable” income thresholds and housing “gaps” along the Region’s housing continuum. The Housing Model is run annually to identify the current threshold and “gaps” and the results are reported in the Region’s annual State of Housing Report (discussed later in this report).

These include creating a range and mix of new housing across the housing continuum to meet the needs of the Halton community; protecting existing rental housing so that it continues to be available to residents; and, providing coordinated services to Halton residents who need support to obtain or maintain their housing.

State of Housing Report (2020)

The State of Housing Report provides key information on housing supply and demand. The report is produced annually, with the most recent available report providing data for the year 2020.

The report is used to monitor how well the Region is implementing its vision for managed and sustainable growth, as set out in the Regional Official Plan and the Provincial Growth Plan. Halton’s vision includes advancing the supply of an adequate mix and variety of housing to meet differing physical, social and economic needs.

Using Halton’s Housing Model, the report assesses the Region’s success in achieving its Regional Official Plan housing targets, which call for:

- at least 50 per cent of new housing units produced annually in Halton to be in the form of townhouses or multi-storey buildings; and
- at least 30 per cent of new housing units produced annually in Halton to be affordable or assisted housing.

The State of Housing Report also provides summary and highlights on:

- housing supply and demand in Halton for the various housing segments of the housing continuum;
- income and housing cost thresholds for assisted and affordable housing;
- achievement of the Regional Official Plan targets related to housing density and affordability;
- new housing developments (starts, under construction, and completions);
- highlights of housing sales (new and resale) in Halton by housing type and affordability;
- highlights of rental housing market in Halton (average rents, vacancy rates, and number of units by type); and,
- assisted housing activities and initiatives by Halton Region.

As defined in the Regional Official Plan, the State of Housing Report reiterates the difference between assisted and affordable housing:

Assisted housing is housing that is affordable for low and moderate income households for rent or purchase where part of the housing cost is subsidized through a government program.

Affordable housing is housing with a market price (for purchase) or rent that is affordable to households of low and moderate income, spending no more than 30 per cent of their gross household income on housing, without government assistance. Affordable rental housing should meet the demand of renter households where they would be able to afford at least three out of ten rental units on the market. Affordable ownership housing should meet the demand of households at the high end and have sufficient income left, after housing expenses, to sustain a basic standard of living.

The State of Housing 2020 report identifies:

- a shortfall of 16.9 percent of assisted housing and 6.9 percent affordable housing in the Region as a percentage of total supply;
- Regional Housing Mix Target was achieved; 50 percent of housing completions are to be townhouses and apartments (high density), whereas 70.3 percent of housing completions in Halton were townhouses and apartment units.

- Regional Housing Affordability Target was not achieved; 30 percent of new housing units produced annually in Halton are to be at or below the affordable threshold, whereas only 25.9 percent of new housing units sales were under the affordable maximum purchase Price of \$409,500.

Regional Official Plan

The Regional Official Plan contains goals, objectives and policies that manage growth and direct physical change and its effects on the social, economic and natural environment of Halton Region. The town's official plan is required to conform to the Regional Official Plan.

Sections 84 to 86 of the Regional Official Plan contain the goal, objectives and policies for housing within the Region. The Regional Official Plan states that “the goal for housing is to supply the people of Halton with an adequate mix and variety of housing to satisfy differing physical, social and economic needs”.

Town of Oakville

The town is responsible for developing local Official Plans and Zoning By-laws which are consistent with and/or conform to the policies and direction of the Provincial and Regional planning frameworks.

Livable Oakville Plan

Council adopted the Livable Oakville Plan on June 22, 2009. Halton Region approved the Plan, with modifications, on November 30, 2009, as it was deemed to conform to the 2006 Growth Plan, and the Regional Official Plan, as amended, including the proposed ROPA 38 to the Regional Official Plan. The Livable Oakville Plan was also deemed to be consistent with the 2005 Provincial Policy Statement.

The Region's approval decision was appealed by a number of parties. Following the resolution of a majority of the appeals, the Ontario Municipal Board approved the Plan with further modifications on May 10, 2011. Currently, all but one outstanding site-specific appeal have been adjudicated by the Board (OMB Case No. PL100058). Since 2012, Council has passed a number of by-laws to adopt amendments to the Livable Oakville Plan.

The Livable Oakville Plan is the Official Plan for the lands south of Dundas Street and North of Hwy 407. One of the guiding principles of the Livable Oakville Plan is to “enable the availability and accessibility of a wide range of housing... to meet the diverse needs of the community through all stages of life”. To achieve this guiding principle, the Plan contains several policies which promote and encourage both affordable and accessible housing including accessory apartments.

Section 11 of the Livable Oakville Plan outlines the objectives and policies for the town’s residential areas.

The Livable Oakville Plan provides a flexible framework to accommodate and encourage all forms of housing types and tenures throughout the town, including the direction to permit accessory apartments through regulation in the Zoning By-law. The Plan’s policies also require that any development must be compatible and maintain and protect the character of existing residential neighbourhoods. The Plan commits the town to continued collaboration with the Region of Halton in the development of housing strategies, Municipal Housing Statements, and affordable housing targets.

Currently, however, there is no policy section in the Livable Oakville Plan specifically related to “housing”. There are, however, general policies pertaining to the Residential Land Use Designations. In this instance, these policies would not apply to mixed use development, even though they also contain housing.

North Oakville East Secondary Plans

The North Oakville East Secondary Plan (NOESP) vision is to, among other matters, develop a “compact, pedestrian oriented, urban community containing a broad range of housing opportunities ranging from executive housing on large lots to high rise apartment units” (Section 7.2.2). The general development objectives for residential uses include, but are not limited to:

- establishing overall development densities which are commensurate with the type and frequency of transit service planned for the area;
- minimizing travel time, traffic, greenhouse gases, servicing costs and energy costs by providing an efficient land use arrangement and a mix of housing forms and tenures; and,
- to provide a variety of residential densities and unit types throughout the planning area, responding to the varied needs of the future population, while directing the highest densities and intensity of use to the Trafalgar Road Corridor.

A housing mix target for the NOESP is also provided, which is to be achieved through prescribed density ranges. The density ranges are outlined as follows (Section 7.3.6.2 a):

	LOW	HIGH
Low Density	55%	45%
Medium Density	25%	20%
High Density	20%	35%

The NOESP indicates that the “town will also seek to encourage a balance between rental and ownership housing” and that the “town will support the development of assisted, affordable and special needs housing”.

As part of the land use strategy, other housing uses are also permitted in most land use designations including:

- one accessory apartment in a single detached, semi-detached or duplex dwelling in accordance with the regulations of the zoning by-law; and,
- emergency housing.

As part of the town’s ongoing Official Plan Review, the NOESP is being reviewed, with the intent that the NOESP be brought under the parent policies of the Livable Oakville Official Plan. As part of the review, staff will be required to update the plan to be consistent with the Provincial Policy Statement, conform to the Growth Plan for the Greater Golden Horseshoe, and the Regional Official Plan. It is expected that the housing policies, as well as the policies regarding affordable, assisted and special needs housing will need to be reviewed and updated, as applicable.

North Oakville West Secondary Plan

As part of the town’s ongoing Official Plan Review, the North Oakville West Secondary Plan (NOWSP) was amended as part of OPA 34 and OPA 38 (North West Area including Palermo Village) and OPA 35 (Hospital District). Through these amendments, the NOWSP planning area will be brought under the parent policies of the Livable Oakville Plan. The policies for Palermo Village and the Hospital District provide an expanded supply of housing options, including medium and high density housing, supportive housing, seniors housing and long term care facilities. OPA 34, OPA 35, and OPA 38 are currently with Halton Region for final approval.

COMMENTS:

The following section provides commentary on various emerging matters, trends and themes in regard to housing.

External Factors Affecting Housing and Housing Affordability

Housing and housing affordability is a national, provincial, and local concern that has become the subject of great debate over the past several years. Naturally, many articles and reports have been produced which highlight the numerous factors that are influencing housing and housing affordability. External factors affecting housing and housing affordability include, but may not be limited to:

- foreign investment

- commercial investment (housing as a commodity / financialization of housing)
- housing supply and demand
- population increases and immigration
- supply chain impacts resulting from the Covid-19 pandemic
- construction material costs
- development charges and fees
- mortgage lending and interest rates
- mortgage insurance rules (CMHC)
- housing price to income ratio
- locational preference and availability of housing stock
- demographic change and preferences
- remote work opportunities
- infrastructure capacity constraints

Many factors listed above rest outside the control and purview of the town and its departments. However, understanding the external factors that influence housing and housing affordability will help to inform local policy development.

Statistics Canada and Census Data

At the time of writing this report, the following Census data sets are scheduled to be released for the 2021 Census:

- “Canada’s shifting demographic profile” – April 27, 2022
- “Portrait of Canada’s families and households” – July 13, 2022
- “Income profile of Canadians” – July 13, 2022
- “Canada’s housing portrait” – September 21, 2022

These data sets will offer key insights into housing and housing affordability. Additional analysis should be conducted following the release of this data to better understand the housing and housing affordability picture in the Oakville context. The release of this data is timely, prior to the finalization of any housing policy recommendations.

In 2017, Statistics Canada was mandated to create a residential property database: a comprehensive repository of data that covers numerous aspects of the housing sector. The database, under the responsibility of the Canadian Housing Statistics Program (CHSP), will include all residential properties in Canada and their owners.

The database was developed by combining data from multiple sources (e.g., property assessment rolls, land titles, Census of Population, etc.) and provides detailed information at the property and owner levels. This information should also be useful in assessing the housing landscape in Oakville.

Housing Affordability Task Force Report

The Province declared a housing crisis based on the lack of housing options that meet the needs and budgets of most Ontarians. Further to its *More Homes, More Choice: Ontario's Housing Supply Action Plan* (2019), the Province continues to seek ways to increase the supply of market rate rental and ownership housing as quickly as possible. These efforts to address market housing affordability are largely separate from provincial supports for affordable housing for the most vulnerable Ontarians.

On December 6, 2021, the Province appointed a nine-member Housing Affordability Task Force (HATF) to recommend measures to address market housing supply and affordability. And on February 8, 2022, the Province released the HATF Report with the intent of generating feedback from municipalities and the public. The HATF Report included 55 recommendations that touch all aspects of market housing, from supply, to the development approvals system, to financial matters, to setting a goal of adding 1.5 million homes over the next 10 years.

The recommendations of the HATF report focus on changes to planning policies and zoning, approval and appeals processes, and government supports. An appendix to the HATF report included additional recommendations specific to affordable housing.

On March 31, 2022, the Deputy Minister of Municipal Affairs and Housing provided a memorandum that stated the provincial government is committed to prioritizing the implementation of all of the HATF's recommendations over the next four years, and that there will be a housing supply action plan every year starting in 2022/2023. A Housing Supply Working Group is also being formed.

On April 4, 2022, Oakville Council received the "Report of the Ontario Housing Affordability Task Force and Implications for Oakville" which provided commentary on the HATF Report recommendations.

Work to implement some of the recommendations from the HATF Report is already underway by the Province, including the development of the *More Homes for Everyone Plan*. Under this Plan, numerous ERO postings have been opened with the Province seeking input. As recently as April 14, 2022, legislation resulting from the HATF Report has already received Royal Assent, even though the consultation period was still open (Bill 109 – *More Homes for Everyone Act*, 2022).

Comments on the HATF Report implementation and Bill 109 were provided in a staff report received by Oakville Council on April 25, 2022, titled "*The More Homes for Everyone Act*, 2022 and Implications for Oakville". As outlined in that staff report, the

Province is seeking input, through on ERO No. 019-5286, on how to diversify housing choices in existing neighbourhoods, which focuses on finding ways to support “gentle density” and increase “missing middle” housing, including encouraging multigenerational housing solutions within established neighbourhoods. Town staff will continue to monitor and report as necessary on progress of the implementation of HATF Report recommendations.

Missing Middle Housing

‘Missing middle housing’ describes a range of housing types between detached houses and apartment buildings that have gone ‘missing’ from many cities in the last several decades. As cities look to find ways to broaden housing options, create walkable communities, and remain economically competitive, introducing ‘missing middle’ housing options into existing communities is becoming a more prominent part of the conversation about where and how to grow.

Missing middle housing includes a range of multi-unit housing types compatible in scale with detached houses. Housing types generally include semi-detached, duplexes, triplexes, fourplexes, townhouses and other multi-unit configurations, and in some contexts may also include low-rise apartments.



Image: Opticos Design Inc.

Source: www.missingmiddlehousing.com

Although missing middle housing provides additional housing options and may assist in addressing housing supply, in many instances, as is the case for Oakville, it does not generate affordable housing options. For missing middle housing to be affordable, housing must be delivered in conjunction with other policies and programs to address affordability. Housing programs to address housing affordability are provided by Halton Region.

A range of missing middle housing exists throughout most of the town’s existing residential areas and is planned as a key component of the housing mix in the

emerging communities in North Oakville. Limited opportunities for missing middle housing may be explored as part of the Residential Area Policy Review, within the context of the Council approved town-wide urban structure. Staff are also monitoring direction stemming from the recommendations of the Province's Housing Affordability Task Force.

Staff note that the town-wide urban structure appropriately addresses required population growth in A Place to Grow: Growth Plan for the Greater Golden Horseshoe, as allocated to the town by the Regional Official Plan Review / Municipal Comprehensive Review and the Integrated Growth Management Strategy (IGMS). As such, increasing housing supply through missing middle housing opportunities is beyond what is planned in the urban structure. Increasing missing middle housing would be additive to housing supply, and would not be considered a trade-off with planned growth in the town's growth nodes and corridors. This is the same for "gentle density" opportunities, discussed in the next section.

Gentle Density (Accessory Dwelling Units)

'Gentle Density' is generally considered as additional density added to a residential area that has a minimal impact on a neighbourhood while providing for additional housing options such as accessory dwelling units (e.g. secondary suites) and backyard suites.

Accessory dwelling units are private, self-contained residential units with their own kitchen and bathroom, either located in a house or within an accessory building on a lot, such as above laneway garages.

The *Planning Act* requires municipalities to permit accessory dwelling units. The requirements have been introduced over time, including through:

- Bill 140 – *Strong Community through Affordable Housing Act*, 2011
- Bill 108 – *More Homes, More Choice Act*, 2019

A review of the changes resulting from Bill 108 will be examined as part of the town's upcoming Residential Areas Policy Review, taking place as part of the Official Plan Review. Updates to the town's official plan policies and implementing zoning regulations will be required to reflect the updates made to the *Planning Act*, which now require permissions for up to three units on a lot.

Accessory dwelling units can benefit the wider community by:

- increasing the stock of rental units;
- increasing affordable rental opportunities;

- providing homeowners additional income opportunities to help meet the costs of homeownership;
- supporting demographic changes by providing housing options for extended family, elderly parents (aging-in-place), or a live-in caregiver;
- providing more affordable housing options for young people;
- increasing densities and helping create income-integrated communities, which can support and enhance public transit, local businesses and the local labour market, as well as make more efficient use of infrastructure; and,
- creating jobs in the construction/renovation industry.

Seniors Housing

As an outstanding item of Council, on April 30, 2018, Council asked that staff report back to Council on best practice for locating senior's residential developments in the town, and that staff also define the uses occurring within these developments and what additional infrastructure may be required to accommodate the needs of residents.

Given seniors housing is most often provided in an apartment built form, this built form is typically directed to the town's growth nodes and corridors where taller buildings with higher densities and a mix of uses are planned and permitted. Recent development applications for market-based seniors housing in Bronte Village and Kerr Village are examples of this. There are limited opportunities for seniors housing within an apartment built-form within the town's established residential areas, as directed by the town-wide urban structure and policies pertaining to intensification. Given this, seniors housing in Oakville will continue to be directed to the town's Growth Areas, unless they can be provided in a low density and low rise form to address the character of established Residential Areas.

Uses typically occurring with seniors residential developments include a cafeteria, gathering spaces (indoor and outdoor), flexible space for programming, salons, and other uses directed to the daily care and needs of the building's residents. Less typically, publicly accessible uses are also integrated into the ground floor of seniors residential buildings, such as cafes and restaurants, where they are required by the broader planning framework of the area (e.g. on a primary street).

Seniors are also choosing to age-in-place, with many services now available directly to an individual's home (e.g. meal, medical, social and cleaning services, among others). This allows seniors to stay in their home longer, without moving into a dedicated senior's housing development. This trend is sometimes considered to be a contributing factor into housing supply, as homes are not being put up for resale as quickly as may have been previously anticipated, and leaving many seniors "overhoused" (i.e. many bedrooms are empty).

Inclusionary Zoning and Assessment Report

Inclusionary zoning is a tool in the *Planning Act* that allows municipalities to require the inclusion of affordable housing units within buildings or projects, containing other residential units, which are to be maintained as affordable housing units over time.

Inclusionary zoning is implemented through zoning by-laws, subject to policies provided in an Official Plan. Within Oakville, the use of inclusionary zoning is only available within identified protected major transit station areas, as identified within the Official Plan. This includes the Bronte GO Major Transit Station Area, and Midtown Oakville.

Municipalities are required to prepare an Assessment Report under section 16(9) of the *Planning Act*, as prescribed in Ontario Regulation 232/18, to inform the development of Official Plan policies, which are required to enable inclusionary zoning.

As Assessment Report must include 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,

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 council of the municipality, is qualified to review the analysis.

Provincial legislation requires the Assessment Report to be updated every five years.

Should the Assessment Report identify that Inclusionary Zoning is feasible in Oakville's protected major transit station areas (i.e. Bronte GO and/or Midtown Oakville), Official Plan policies that set out the approach to authorize inclusionary zoning are required, including:

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. The number of affordable housing units, or the gross floor area to be occupied by the affordable housing units, which would be required.
6. The period of time for which affordable housing units would be maintained as affordable.
7. How measures and incentives would be determined.
8. How the price or rent of affordable housing units would be determined.
9. 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.

11. 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.
12. The procedure for monitoring and ensuring that the required affordable housing units are maintained for the required period of time.

Most recently, Town Council adopted Official Plan Amendment 41 (OPA 41) to the Livable Oakville Plan for the Bronte GO Major Transit Station Area, which is a protected major transit station area. Although OPA 41 still requires Regional approval, OPA 41:

- provides a definition of inclusionary zoning; and
- identifies the Bronte GO MTSA as a potential location for inclusionary zoning subject to the completion of the required Assessment Report, to be prepared in coordination with Halton Region.

OPA 41 defines inclusionary zoning as:

Inclusionary zoning means a by-law passed under section 34 of the *Planning Act* that authorizes the inclusion of *affordable housing* units within buildings or projects, containing other residential units, which are maintained as *affordable housing* units over time.”

Halton’s Official Plan Review / Municipal Comprehensive Review

The Halton Region Municipal Comprehensive Review (MCR) is ongoing. The MCR is Halton Region’s program for conforming with the Provincial Growth Plan.

As part of a Policy Directions Report which went to Regional Council in draft in February 2022, a number of policy direction related to housing were identified including, for example:

- IGMS-5 – Update Housing Mix Targets in the Regional Official Plan to establish a broad range and mix of housing in the Region to 2051.

The Regional Official Plan is being updated to reflect the establishment of a new range and mix of housing to the year 2051 that both maintains an adequate supply of ground-related housing, while significantly shifting the mix towards higher density apartment housing types.

- IGMS -14 – Strengthen inclusionary zoning policies introduced through Area - Specific Plan requirements under Regional Official Plan Amendment 48 by establishing complementary housing objectives and policies.

- IGMS-15 – Broaden policies permitting the creation of additional residential units within and ancillary to detached houses, semi-detached houses, and townhouses.
- IGMS -16 – Strengthen policies to prevent the loss of rental housing and to mitigate the impacts of rental conversion or replacement on tenants and the rental market.

When rental housing stock is demolished for replacement or conversion, the local rental market may be strained by a temporary loss of units. Enhanced local Official Plan policies would enable municipalities to require fulsome tenant relocation and assistance beyond the minimum standards required by the *Residential Tenancies Act* to mitigate the effects of the demolition on both tenants and the local rental market. It is recommended that rental conversion policies be updated to direct and/or encourage the local municipalities related to:

- when demolition/replacement is permitted, regulate the demolition of existing residential rental units such that replacement rental units must include the same or higher number of units of comparable sizes, types and affordability; and,
 - when demolition/replacement is permitted, require the development proponent to facilitate tenant relocation and assistance programs.
- IGMS-17 – Provide additional direction to Local Municipalities to support the achievement of Halton Region’s 30% affordable unit mix target through Area-Specific Plans.

The Regional Official Plan may be updated to clarify Area-Specific Plan requirements related to affordable housing in order to ensure that the Region can achieve an affordable housing mix across all local municipalities. This allows the Region to balance planning to achieve Regional targets with considering local municipalities’ needs. While local municipalities cannot mandate the creation of affordable housing outside of major transit station areas and development permit system areas subject to inclusionary zoning, Area-Specific Plan policies may be used to create conditions supporting the creation of affordable housing (e.g. higher density housing).

Many of these housing directions have been addressed as part of the Integrated Growth Management Strategy and included in ROPA 48: Regional Urban Structure, and ROPA 49: Integrated Growth Management Strategy.

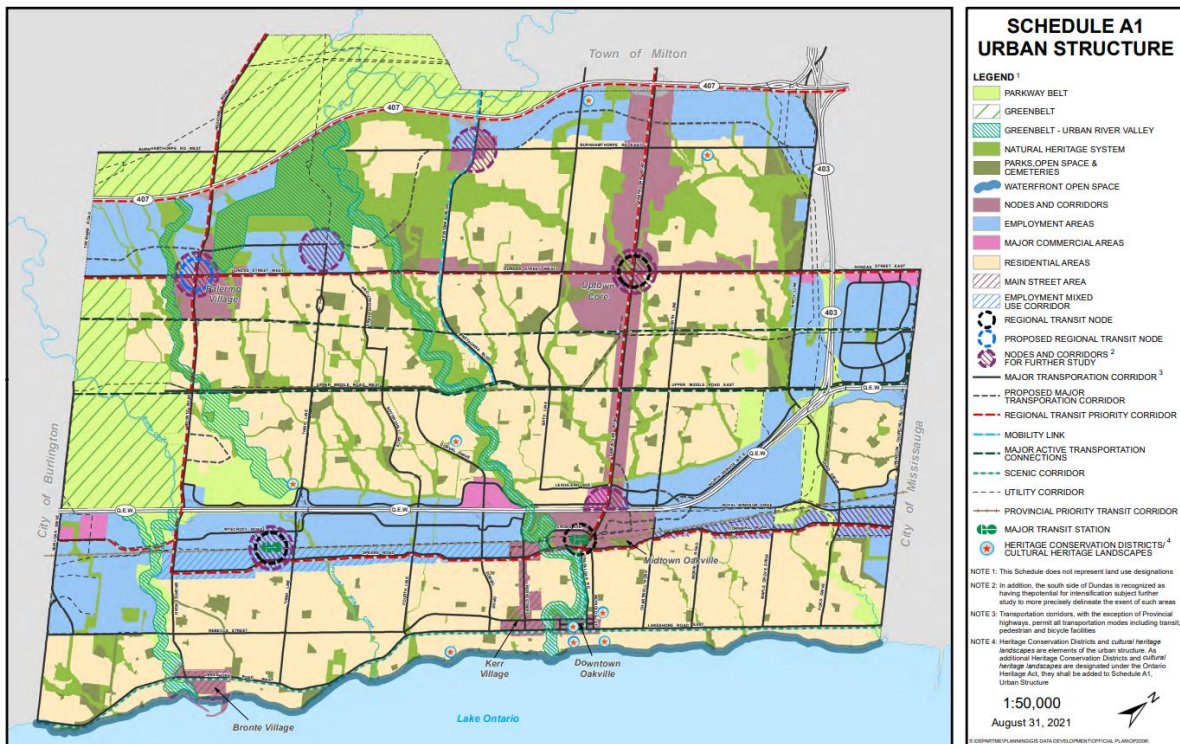
However, some specific policy directions in regard to housing, such as rental conversion, or providing additional direction on supporting the achievement of affordable housing in the context of an area specific plan, has not yet been addressed. These directions, including other updates to the Region’s housing policies, may be implemented in a subsequent amended to the Regional Official Plan as part of the ongoing MCR. These policies would not be advanced until 2022/2023.

Given that the town’s Official Plan must conform to the Regional Official Plan, town staff will need to continue to monitor the ongoing MCR process, any make any policy amendments, as necessary, to ensure plan conformity.

Livable Oakville Official Plan Review

Town-wide Urban Structure

As part of the Official Plan Review, Council adopted Official Plan Amendment 15 (OPA 15) for a town-wide urban structure on September 27, 2017, which was approved by Halton Region on April 26, 2018. The urban structure provides for the long-term protection of natural heritage, public open space and cultural heritage resources, maintains the character of residential areas and is the foundation to direct growth (e.g. housing) to identified nodes and corridors. OPA 15 is in full force and effect. The urban structure is Schedule A1 of the Livable Oakville Plan, as shown below:



Residential Area Policy Review

As part of the town's ongoing Official Plan Review, staff will be advancing the Residential Areas Policy Review focused on the Residential Areas of the town's urban structure, as shown in the mapping above. The review will examine the land use designations and policies within the Residential Areas, and propose updates to address growth, change and housing options in the context of the framework for growth established by Council through the urban structure.

The consideration of housing, which encompasses to the town's Residential Areas as well as areas outside of the town's identified Residential Areas such as growth nodes and corridors, is a related but separate review focusing on the broader issues of housing and housing affordability. There is likely to be some overlapping themes and considerations as these reviews proceed.

PRELIMINARY ASSESSMENT:

Housing and housing affordability is a critical issue not only in the town, but across the province and nation-wide. Solutions which address housing and housing affordability will need to be multi-pronged and delivered in a coordinated fashion among all levels of government, non-government organizations and the private sector. Many actions that need to be taken will extend beyond the scope of the town, and more specifically the Planning Services Department.

This report is primarily focussed on the in-effect policy framework, programs and areas of influence among federal, provincial, regional and local responsibilities. It highlights some of the challenges the town has, from a land use planning perspective, to address housing affordability given the tools at its disposal.

In its capacity, the town can contribute to the suite of actions to assist in addressing housing and housing affordability, including land use policy to enable more housing options and introducing new programs such as inclusionary zoning to assist with housing affordability. Other opportunities such as financial programs which assist with affordability and co-ordinating advocacy for housing affordability with partner agencies like Halton Region are also actions the town may take.

Given staff's experience working directly with the town's Official Plan policies, processing development applications, and in staff's preliminary review of legislation, plans, and emerging issue related to housing, potential policy gaps in the Livable Oakville Plan have been identified as they relate to housing and housing affordability. This scope will be considered comprehensively in a future report to Council. These matters may also be subject to review by the Affordable Housing Panel as part of its review.

Issues Under Review / Matters to be Considered

1. Providing an overarching policy section on Housing in Part C of the Livable Oakville Plan, includes any goals and objectives for housing town-wide. This will ensure housing policies apply to all land use designations where housing is permitted.
2. Providing policy direction which supports innovative housing solutions, including housing options, in both form and tenure (e.g. rental, ownership, rent-to-own, co-operative housing, affordable, assisted, etc.).
3. Establishing policy that requires multi-unit residential developments incorporate a mix of unit sizes to accommodate a diverse range of household sizes and incomes.
4. Providing policy direction for high density housing that is designed for all stages of life, including families.
5. Providing policy which considers the demolition of rental housing stock, replacement of demolished rental housing stock, including maintaining affordability for replaced units.
6. Undertake a required Assessment Report to review the potential for inclusionary zoning and to enable the establishment of an inclusionary zoning policy framework.
7. Work with Halton Region to establish the roles and responsibilities between the Region and local municipalities in regard to the administration and implementation of inclusionary zoning programs.
8. Updating policy regarding accessory dwelling unit permissions in accordance with updated legislation.
9. Reviewing conformity with Provincial Plans and Regional Official Plan including the ongoing Regional MCR.
10. Reviewing Statistics Canada data, when released, to inform future housing policies and the housing snapshot for Oakville, as applicable.
11. Exploring opportunities to address housing and housing affordability beyond the policy solutions that may be provided by the town's official plan, including, among other matters: financial tools available through Community Improvement Planning, and the creation of affordable housing on town-owned lands.

CONSIDERATIONS:

(A) PUBLIC

This is an information report. No public notification was required.

(B) FINANCIAL

There are no financial impacts resulting from this report.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

There are no impacts on other departments and users resulting from this report.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal to foster a community environment and an engaged community, and promote public confidence ensuring open and accountable government services.

(E) CLIMATE CHANGE/ACTION

Council may mitigate the impact of new housing on our changing climate by directing intensification to existing urban areas, including toward the town's high-density growth nodes and corridors, in accordance with the town-wide urban structure. In today's market, this generally aligns with the provision of providing more affordable housing options, as affordable housing options are primarily found as high density dwelling units within apartment building or other higher density built forms.

CONCLUSION:

Addressing housing and housing affordability is complex, and will require intervention from all levels of government, non-government organizations, and the private sector.

The town has a role to play in providing solutions toward housing and housing affordability. In its capacity, the town's opportunity rests largely in its ability to enable housing supply, provide greater housing options within its communities, and ensure existing affordable and rental housing stock is protected. This is done as part of the town's planning framework and Official Plan. New policy tools through the *Planning Act*, such as inclusionary zoning, offer additional programs which can be leveraged to further enable and require the provision of affordable housing units.

Next Steps

A Housing Report will be prepared as part of the Official Plan Review, with the intention of providing draft policies in regard to housing. The report will be developed in coordination with the ongoing Residential Area Policy Review to ensure these initiatives are coordinated to the extent possible. A final Housing Report will not be available until early 2023.

APPENDICES:

Appendix A – Housing Policy Excerpts and Definitions

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