



REPORT

Planning and Development Council

Meeting Date: March 18, 2024

FROM: Community Development Commission

DATE: March 5, 2024

SUBJECT: **White Paper: Planning Act Tools to Facilitate Development of Affordable Housing**

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION:

1. That the report entitled “White Paper: *Planning Act* Tools to Facilitate Development of Affordable Housing” be received for information.
2. That staff initiate and undertake work programs in an efficient, and where possible, concurrent manner to investigate, and if deemed appropriate, implement the following *Planning Act* tools:
 - a. Inclusionary Zoning within Protected Major Transit Station Areas
 - b. Community Planning Permit System within Midtown Oakville and with opportunity to do so in other parts of the Town
 - c. Community Improvement Plan to incentivize affordable housing across the Town.
3. That a new capital project be added to the 2024 budget in the amount of \$500,000 to be financed from the Capital Reserve to prepare a housing needs assessment and community improvement plan, and to oversee the concurrent undertaking of the initiatives listed in item 2.

KEY FACTS:

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

- This report introduces the White Paper: *Planning Act* Tools to Facilitate the Development of Affordable Housing.
- This White Paper is supplementary to the Town’s draft Housing Strategy and Action Plan, and provides details regarding *Planning Act* tools that the Town may employ to support the provision of housing that is more affordable to residents of Oakville.

- This White Paper also responds to matters identified in Phase 6 of the Midtown Oakville program, wherein the use of either a zoning or community planning permit system by-law are contemplated for the implementation of the updated Midtown Oakville official plan policies.
- A second presentation focused specifically on the Community Planning Permit System will be presented at the Planning and Development Council on April 8, 2024.

BACKGROUND:

Over the last year Council has made housing pledges to the Ontario and Federal governments to increase the supply of housing. In July 2023, Council received a draft Housing Strategy and Action Plan identifying over 60 actions it could undertake to support an increase in the supply of housing, including affordable housing. Council has also received numerous presentations and reports regarding the Midtown Oakville program, which includes updating of official plan policies, updating the regulatory by-laws to implement those policies, undertaking environmental assessments to determine infrastructure needs and improvements, and among other matters investigating *Planning Act* tools to facilitate affordable housing within Midtown.

In support of these initiatives, staff have prepared the attached White Paper: *Planning Act* Tools to Facilitate Development of Affordable Housing to inform Council and the public of various options that can be implemented on an area-specific basis or, in some cases, on a townwide basis.

Specifically, the report provides information regarding five *Planning Act* tools:

- Inclusionary Zoning,
- Community Planning Permit System,
- Community Improvement Plan,
- Community Benefits Strategy, and
- Community Infrastructure and Housing Accelerator.

The report begins with an explanation of its purpose and provides some context for it in relation to Federal, Provincial, Regional and Local initiatives to support the provision of affordable housing. It then provides an overview of each of the five tools along with an explanation of how they support the provision of affordable housing, as well as identifying potential strengths and weaknesses of each tool. Furthermore, the report identifies opportunities and challenges that the Town presently faces in relation to facilitation of affordable housing and how these tools individually or collectively can be leveraged. Finally, the report provides options regarding implementation of these tools, along with a recommendation regarding tools to implement over the next two years.

COMMENT/OPTIONS:

The Town of Oakville has made commitments to both the Federal and Provincial governments to increase the supply of housing over the next ten years at a pace that is faster than historic growth rates. Reports from Halton Region are indicating that current house price and rents in Oakville are becoming unaffordable to a larger proportion of Town residents. Accordingly, the Town's draft Housing Strategy and Action Plan provides a comprehensive list of actions that Town can undertake to increase the supply and improve the affordability of housing in Oakville. The finalization of the Strategy will occur at a future date when staff have completed required consultation and analysis, and report back with any revisions to the strategy and/or action plan. Accordingly, the supplementary information provided in the attached White Paper and recommendations that flow from it, may be incorporated in an updated Housing Strategy and Action Plan for Council endorsement / approval. While the Town does not build housing nor manage the provision of affordable housing, the Town is able to better facilitate the development of affordable housing by way of planning policy, regulation, approvals, and incentive programs. Given the growing concern regarding housing affordability, it is appropriate for the Town to utilize all tools available to it and to implement programs that help to address the need for housing affordability.

Based on the analysis provided in the White Paper, further investigation and consultation needs to be given to:

- developing a Community Improvement Plan (CIP) that can leverage funds and/or land to support the provision of long-term affordable housing, (this CIP could be complementary to the Town's current Brownfield Community Improvement Plan, which presently authorizes the Town to incentivize the provision of affordable, special needs and supportive housing within development that occurs on lands that require environmental remediation and/or risk assessment / management);
- implementing Inclusionary Zoning within Protected Major Transit Station Areas to require the provision of affordable housing that remains affordable over the long term; and
- implementing Community Planning Permit System (CPPS) that facilitates the development of affordable housing through a more streamlined approvals process and by enabling the Town to negotiate the provision of affordable housing over the long term through bonussing provisions within the CPPS By-law.

In order to meet commitments made to the Federal and Provincial governments, these initiatives need to be undertaken over the next two years, starting with the approval (in Q2-2024) of the Midtown Oakville official plan policy update that includes mandatory enabling policy to develop a CPPS by-law, and undertaking a housing needs assessment (starting in Q2-2024 and subject to procurement timelines). This two-year time frame allows for a robust research, analysis and consultation process for these initiatives, as noted in figure 1.

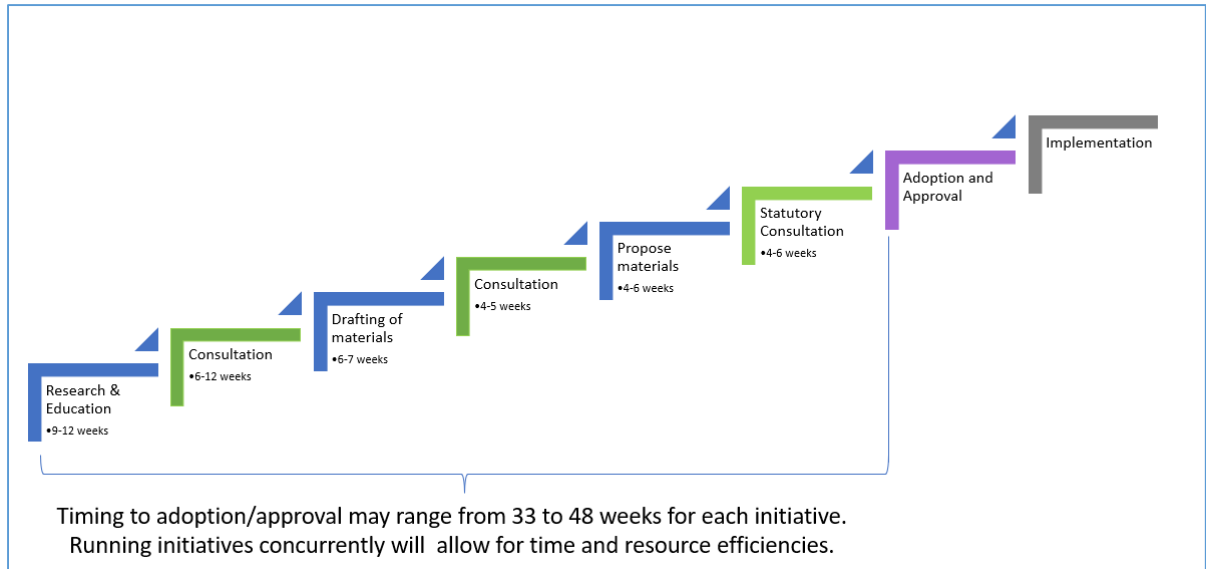


Figure 1 Research and Consultation prior to adoption of tools

Figure 2 provides a high-level preliminary three phase workflow to investigate, consult on, and if deemed appropriate, adopt the recommended tools.

As noted in the figure, undertaking these initiatives concurrently allows for multi-initiative consultation and an efficient process for completing them within an estimated two-year timeframe. This multi-program initiative is recommended in order to maximize the Town’s ability to facilitate the development of affordable housing and to meet commitments made within funding applications to both the Provincial and the Federal governments.

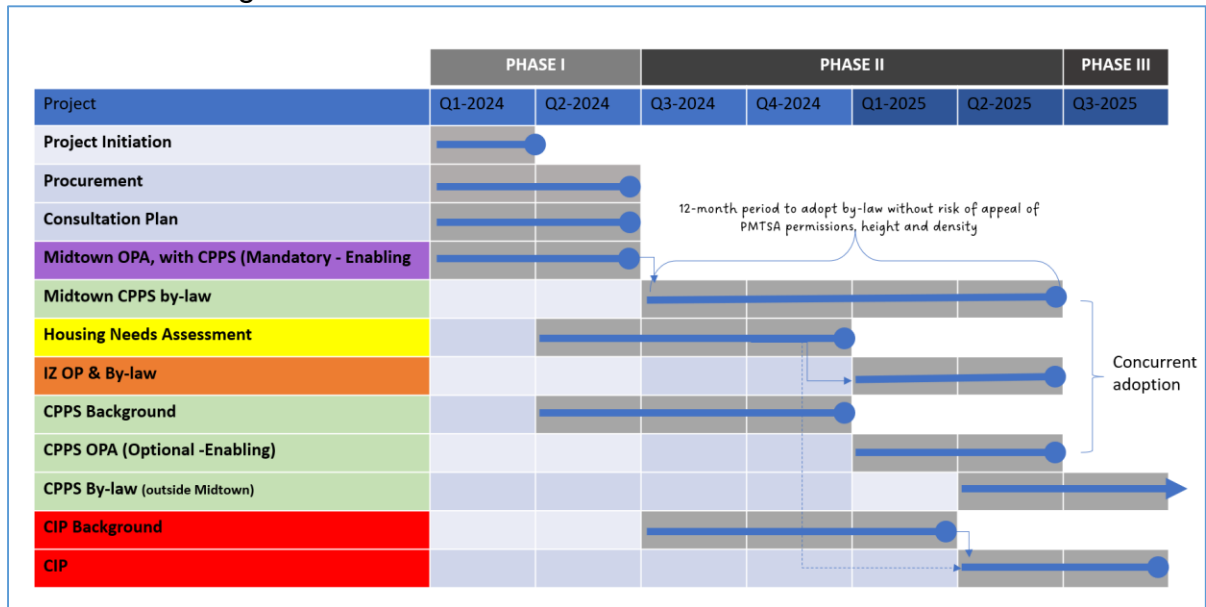


Figure 2 Recommended Project Coordination

As noted in the recommendations of the White Paper, all of these initiatives would be supported by a townwide housing needs assessment, and help implement the town's Housing Strategy and Action Plan. Together these initiatives could result in:

- a comprehensive work and consultation plan,
- the development of three official plan amendments:
 - Midtown Oakville official plan update that includes the mandatory CPPS By-law enabling policies (out for public review in April 2024),
 - Inclusionary Zoning enabling policies, and
 - CPPS enabling optional policies (which require public and stakeholder consultation not yet undertaken),
- a CPPS by-law for Midtown Oakville (which would include Inclusionary Zoning provisions),
- the opportunity to apply Inclusionary Zoning and CPPS by-laws in other parts of the Town, and
- the development and implementation of a Community Improvement Plan that incentivizes affordable housing on a townwide basis.

Based on preliminary analysis and consideration of budgets associated with Midtown Oakville, the Official Plan Review and the Comprehensive Zoning By-law update, staff have determined that to implement the above noted draft workplan additional budget is required. These additional funds would allow the Town to procure consultants who have expertise in preparing the housing needs assessment and the CIP background information and plan. Furthermore, these funds would allow the Town to retain management level staff to provide oversight in executing this complex multi-initiative program over the two-year period contemplated in the recommendations of this staff report. Accordingly, it is estimated that an additional \$500,000 is required to undertake this work, wherein thirty percent would be allocated to consultants.

CONSIDERATIONS:

(A) PUBLIC

Housing Information Report

On [May 16, 2022](#), Planning and Development Council received a Housing Information Report providing an overview of legislation, plans, policies, and initiatives at the federal, provincial, regional, and town levels regarding housing. The report included commentary on various emerging matters, trends and themes and a preliminary assessment of the town's policies in the Livable Oakville and North Oakville Plans. Accordingly, it identified issues and matters to be addressed in regard to housing policy within those plans. The report recommended several official plan policy gaps to consider as part of the Town's Official Plan update process. This report was made available to Council and the public on May 3, 2022.

Housing Pledge (Ontario)

In [March 2023](#), Council received a presentation from Dr. Mike Moffat regarding the housing situation in Ontario, and a staff report about the Ministry of Municipal Affairs and Housing's housing target for the Town of Oakville. During the meeting on March 20, 2023, Council pledged to facilitate the delivery of 33,000 new housing units by 2031/2032, as per the target provided by the Province. This report was made available to Council and the public on February 21, 2023.

Housing Accelerator Fund (CMHC)

Council received a staff report regarding the Town's application for the Federal Housing Accelerator Fund that is administered by CMHC at its [July 10, 2023](#) Planning and Development Council Meeting. At that meeting, Council approved action items of the Housing Strategy (see below) that supported the Town's HAF application. Initiatives specific to the HAF application include preparation of a housing needs assessment and completion of the Midtown Oakville program. The staff report and its appendices were made available on June 27, 2023.

Housing Strategy

Council received a staff report and draft Housing Strategy and Action Plan at its July 10, 2023 Planning and Development Council Meeting. The staff report and its appendices were made available on June 27, 2023. Per Council direction, staff initiated public engagement regarding the draft strategy and proposed actions via a public open house that took place in the afternoon and evening of October 18, 2023 and an online survey that was available to the public from October 3 – November 1, 2023. The results of this consultation will be shared with Council and the public through a subsequent staff report. The housing strategy identifies the use of tools such as inclusionary zoning and community improvement plan.

Midtown Oakville

The town has hosted three statutory public meetings, and several workshops, public information centres, and technical advisory committee meetings on the Midtown Official Plan update. Committee of the Whole meetings – of which there have been six, are open to public delegations. During these meetings, Council and the public have made enquiries and submissions regarding planning tools identified in the attached White Paper.

(B) FINANCIAL

The Oakville Capital Budget includes funding for the Midtown Oakville Program, Official Plan Update and Zoning By-law Update. Funding from these programs can be leveraged to support the above noted initiatives. However, a new capital project is required to be added to the 2024 budget in the amount of

\$500,000 to fund the preparation of the Community Improvement Plan, housing needs assessment, and the overall project management of these programs.

The funds for this project will be provided from the town's capital reserve. In light of the ongoing Housing Accelerator Fund program, staff will evaluate whether any of the costs would be eligible for this program and will re-finance accordingly. Should this happen, staff will update Council via a quarterly report and/or the budget process.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The undertaking of these initiatives will require the involvement of numerous departments over the next two years.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses Council's strategic priorities with respect to accountable government and community belonging by providing Council and the public with detailed information on *Planning Act* Tools that can facilitate the provision of affordable housing, and recommending that certain tools be implemented within the Midtown Oakville and other areas within the Town.

(E) CLIMATE CHANGE/ACTION

The White Paper notes that where a Community Planning Permit System is implemented, certain measures identified in the Town's Community Energy Plan could be facilitated through the issuance of development permits.

APPENDICES:

Appendix A – White Paper: *Planning Act* Tools to Facilitate Development of Affordable Housing

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Recommended by:

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Submitted by:

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