



ROBINS APPLEBY
BARRISTERS + SOLICITORS

Meeting Needs: Inclusionary Zoning and Hubs A Look Ahead

By: John Fox
Partner at Robins Appleby LLP

May 10, 2016

Robins Appleby LLP | 2600-120 Adelaide St. W., Toronto, ON M5H 1T1 | T. 416.868.1080 | F. 416.868.0306

www.robapp.com

 @robinsappleby



ROBINS APPLEBY
BARRISTERS + SOLICITORS



ROBINS APPLEBY
BARRISTERS + SOLICITORS



Daily Bread
Food Bank



Toronto
Community
Housing

John Fox



Inclusionary Zoning – Why this Discussion Now?

1. Governments are aligned.

- The Province's Long Term Affordable Housing Strategy -March 2016

"Proposed Enabling Legislation would, if passed, give all municipalities the right to require private developers to include affordable housing in their development proposals"
– *Ontario Long Term Affordable Housing Strategy, March 2016, p. 16.*

- The Federal Budget - The Feds are back in housing

All Canadians need and deserve housing that is safe, adequate and affordable. Without it, Canadians feel less secure and that makes it harder to accomplish every other goal-from raising healthy children to pursuing education, jobs and opportunity.

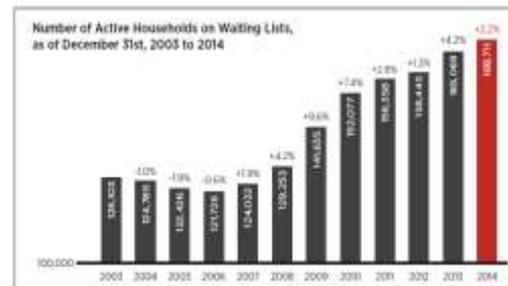
- Increases funds for affordable housing
- The City of Toronto – Open Door Policy – November 2015

The city is eager to seize proposed provincial powers to require builders to include affordable housing units in all new residential projects, Mayor John Tory said Monday. (March 14, 2016)

Inclusionary Zoning – Why this Discussion Now?

2. There is a need for more Affordable Housing

- 168,000 Ontario Families on waiting list
- Significant affordability gap across mid range housing



3. The Opportunity to influence the outcome is now. According to MMAH:

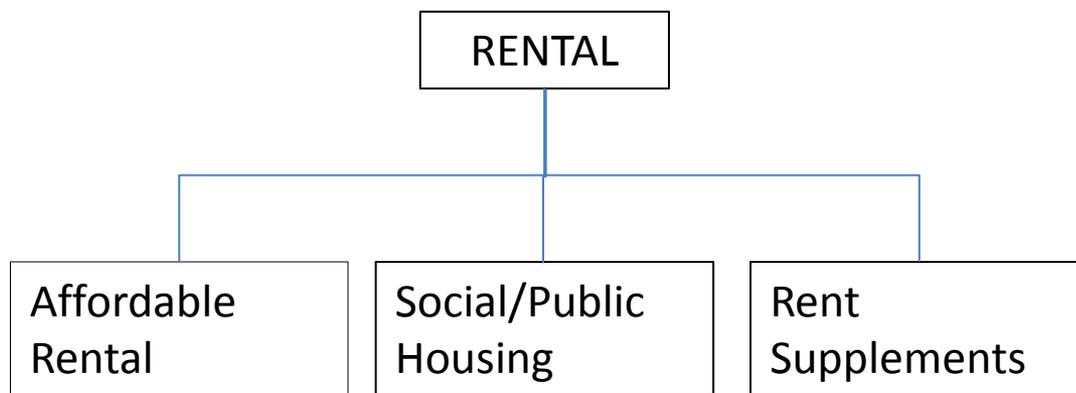
Developing a Framework for Inclusionary Zoning

In the coming months, municipalities, developers, and other interested parties and organizations will be consulted to provide input to help the province develop a framework for inclusionary zoning. They will also have the opportunity to provide feedback on other planning and financial tools that could facilitate the creation of affordable housing units.

Inclusionary Zoning – Overview

- There are several models of Inclusionary Zoning today in North America.
 - **Mandatory:** Developers must deliver affordable units, usually in exchange for regulatory concessions
 - **Voluntary:** Developers can choose to build without receiving regulatory concessions.
- Occupancy Controls
 - Income testing for purchasers/renters
 - Controls on re-sale of the units

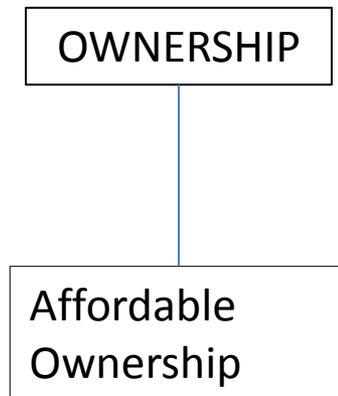
HOUSING 101 – Overview



- Rent Function of CMHC Average Market Rent.
- Usually a capital grant program

- Usually older housing stock
- Rent Geared to Income
- Often owned and operating by Local Housing Corporations (ie. TCHC)

- Rent subsidies to bridge between RGI and market
- Used with Private and Not for Profit providers



- Usually a Second mortgage program
- Public and Private providers

Affordable Housing – Overview

Affordable Rental Housing:

- Under the current Invest in Affordable Housing for Ontario (IAH) (formerly Canada/Ontario Affordable Housing Program), "Affordable" means that projects must achieve average market rents for their areas. (ONPHA)
- Average Market Rents are established by CMHC annually. (CMHC Rental Market Survey)
- Under the existing IAH program, Affordable Rental is created through a capital grant program up to \$150,000 per door. In exchange, developers agree to keep rents in the subsidized units at a given percentage of Average Market Rent for an agreed period of time (Under the current IAH – a minimum of 20 years). (IAH 2014 Program Guidelines)

Affordable Ownership Housing:

- Affordable Ownership Housing is ownership housing usually created through a shared appreciation second mortgage, which bears no payments until the unit is sold. Eligibility for the current program is households having median incomes at or below the 60th percentile in the area. (IAH 2014 Program Guidelines)
- There are several different models – some restricting resale, some not.

Affordable Housing – Overview

Rent-Geared-to-Income (RGI) or Rent Subsidy: The subsidy paid to a social housing provider named under the Housing Services Act to allow a defined number of units to be rented to low-income tenants on a rent-geared-to-income basis. The RGI or Rent Subsidy equals the difference between the actual rent paid by the qualifying tenant (paying approximately 30% of their income), and the government-approved market rent of a unit. (ONPHA)

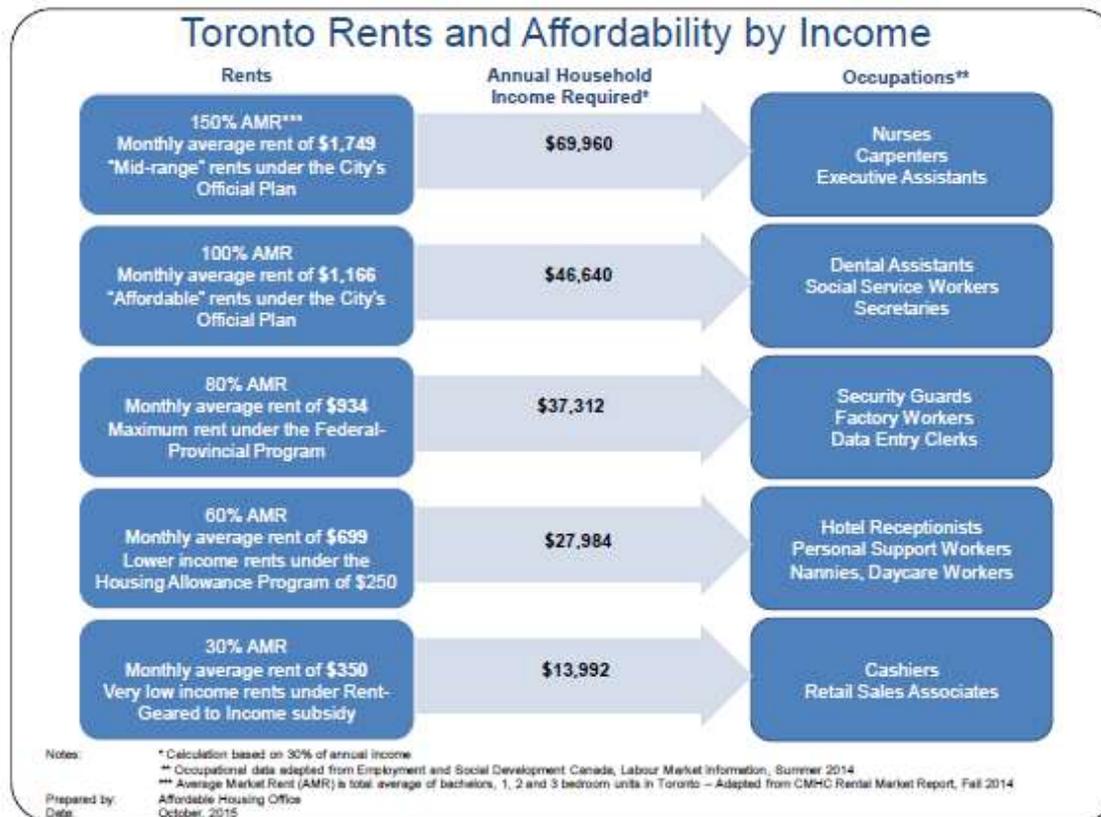
Rent Supplements: Paid to a landlord to bridge the gap between a tenant's rent-geared-to-income and the market rent ceiling set by the municipality, for units rented to applicants from the social housing waiting list. The newer housing programs have no RGI Rent Subsidy funding built into them, which means non-profit housing providers need rent supplements. (ONPHA)



Affordable Housing – Who Provides it Now?

Type	Example	Housing Typically Provided
Municipal Housing Corporations	Toronto Community Housing, Ottawa Community Housing	Rent Geared to Income, some Affordable Rental
Non-Profit Housing Providers	Ecuhome, Kahilla, Artscape many others	Rent Geared to Income, some Affordable Rental Supportive Housing
Private Landlords		Rent Supplements and Affordable Rental
Private Developers	Daniels Boost Program	Affordable Ownership
Non-Profit Developers	Trillium Housing, Artscape	Affordable Ownership, sometimes controlled re-sales

Affordable Housing 101 – Who Benefits?



Source: City of Toronto, Open Door Policy Staff Report

Hubs – Real Estate with a Social Purpose

Government of Ontario – Community Hubs: A Strategic Framework

- Community Hubs are a central access point for a range of needed health and social services, along with cultural, recreational, and green spaces.
- Ontario indicates its desire to promote Community Hubs in both new and emerging neighborhoods in its 2016 budget.
- Ontario sets up a dedicated group to recommend ways to make the development of this kind of asset easier.
- The use of decommissioned public land, particularly old school sites, to support community use may be impacted by this initiative.

Conclusion

- Big need for Housing and Community Supports
- Governments active in both Housing and Hubs.
- We need to tell them how to do it.



John Fox

Partner

T: 416.360.3795

E: jfox@robapp.com

 [@johnfox67](https://twitter.com/johnfox67)



ROBINS APPLEBY
BARRISTERS + SOLICITORS