



SUBJECT: City of Burlington Housing Strategy – proposed Terms of Reference

TO: Community Planning, Regulation & Mobility Cttee.

FROM: Community Planning Department

Report Number: PL-02-21

Wards Affected: All

File Numbers: 502-02-73

Date to Committee: January 14, 2021

Date to Council: January 19, 2021

Recommendation:

Endorse the proposed Terms of Reference for Phase 1 of the City's Housing Strategy attached as Appendix A to community planning department report PL-02-21; and

Authorize the Director of Community Planning to engage consultants through a Request for Proposal process to carry out the Phase 1 work, in accordance with the above noted proposed Terms of Reference; and

Direct the Director of Community Planning to develop and implement an Engagement Plan informed by feedback from the project steering committee, project working group and identified stakeholders; and

Direct the City Clerk to run an expression of interest with members of Council regarding serving on the Housing Strategy working group and report back at the appropriate time.

PURPOSE:

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth.

Increasing options for housing across the city was identified as a top priority and goal in the From Vision to Focus Plan. A key action item associated with this priority was 'to complete the City's Housing Strategy and implement the plan to address the needs related to young families, senior's housing, affordable housing, special needs housing

and newcomers by Q2-2022'. The work identified in the terms of reference for phase 1 of the housing strategy project will position the City to address this direction.

Background and Discussion:

1.0 Project Background

The Housing Strategy is an implementation measure arising from the City's Strategic Plan, Burlington's Plan (2018 to 2022) From Vision to Focus, as well as the City's new Official Plan.

Through engagement with the community on the development of the City's Strategic Plan, housing affordability in the city was a concern raised by many. As a result, the Strategic Plan which was approved in 2016, highlighted opportunities to diversify housing choice through the development of policies within the new Official Plan, and alongside that work, identified the need to prepare a Housing Strategy. Burlington's From Vision to Focus Plan (2019) identifies, as a key action item, the completion of the City Housing Strategy and its implementation to address the housing needs of young families, seniors, newcomers, and residents with special needs.

The City's new Official Plan includes a framework for the development of a city-wide housing strategy. The policies set out that the housing strategy will:

- support the Region of Halton's Housing Strategy;
- describe the current range and mix of housing in the city;
- establish city wide housing objectives, including, among other objectives special reference to a seniors housing strategy and long-term care facilities;
- consider housing policies and strategies from the Official Plan and area specific plans;
- examine opportunities for partnerships to increase the supply of affordable housing;
- develop minimum targets:
 - in support of achieving the Region of Halton's housing mix and affordable and assisted housing targets;
 - within mid-rise and tall buildings for affordable, assisted and special needs housing;
 - for two and three bedroom units for residential development applications, including minimum targets for three bedroom units.
- consider financial and other incentives including grants, property tax reductions, infrastructure and community improvement plans to facilitate the provision of affordable and/or special needs housing;

- research the development of an inclusionary zoning by-law, as part of a Region or City program;
- recommend any required amendments to the Official Plan to implement the findings of the housing strategy.

In December 2019 Council passed the following motion:

Direct the Executive Director of Community Planning, Regulation and Mobility to report back in Q2 of 2020 with terms of reference and a communication plan for the proposed housing strategy contained in the Vision to Focus Plan, including the estimated cost and funding source.

This report and proposed terms of reference have been prepared in response to the staff direction received.

2.0 Who Does What?

There are many stakeholders involved in providing housing and related support services. All levels of government, as well as non-profit organizations and cooperatives, the private sector and individuals play an essential role in the delivery of housing and in addressing local housing challenges.

The **Federal Government**, that is the Canadian Mortgage and Housing Corporation (CMHC) provides mortgage insurance to homeowners and funds and implements various housing programs, including programs to support and deliver Canada's National Housing Strategy.

The **Provincial Government** has legislated responsibility for housing and offers both legislative tools and financial support. The Provincial Government is responsible for land-use planning legislation and associated strategies and plans that provide direction on growth management and the development of complete communities that provide for a range and mix of housing options. The Provincial Government also provides a framework for housing and homelessness services in Ontario, through the Housing Services Act. Funding support from the Provincial Government is provided to Service Managers to manage local housing needs.

The **Region of Halton** as the upper tier municipality is the designated Service Manager and is responsible for the funding, planning, delivery and administering of government assisted housing programs and services for Halton residents. Through the Comprehensive Housing Strategy, the Region articulates its strategic directions and actions to carry out its role under the *Housing Services Act*. Halton Region, through its Official Plan establishes Region-wide housing policies and targets to which the local municipal official plan must conform.

The **City of Burlington** as a lower tier municipality does not have any direct responsibility for housing. However, Official Plan policies, zoning, the development application review process and municipal strategies can be used to create a supportive environment for the delivery of a range and mix of housing options.

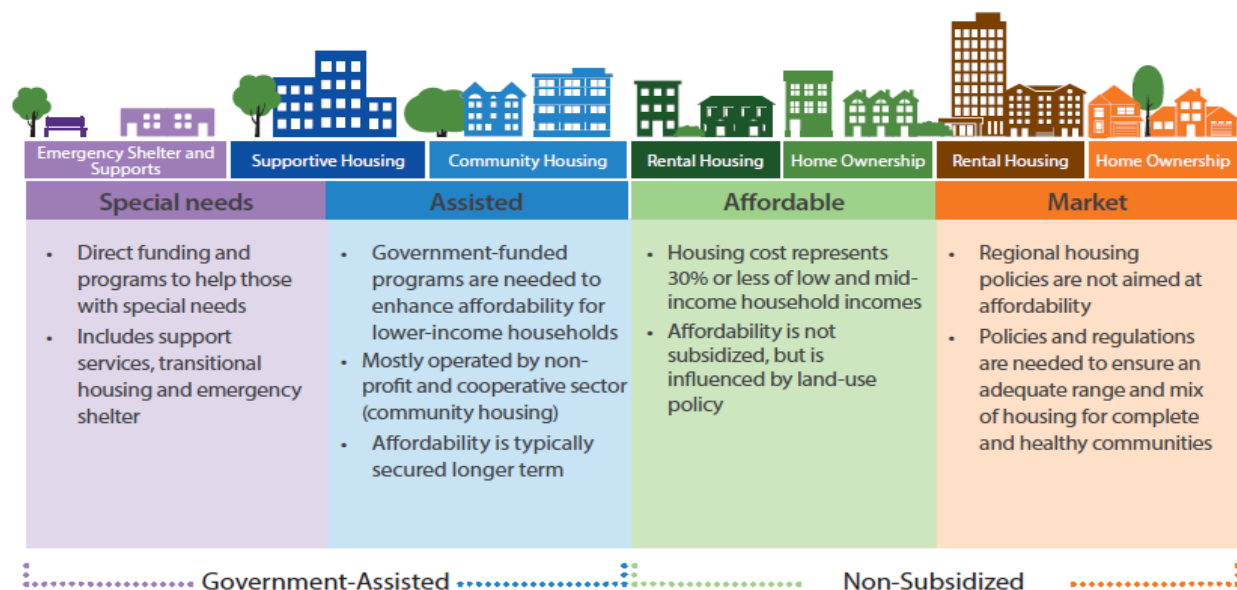
Non-Profit Organizations and Cooperatives provide subsidized housing as well as emergency shelters and transition housing. It often supports social justice causes and may target particular groups such as seniors or those with physical or developmental challenges.

The **Private Sector** which is comprised of landowners, developers, builders, investors and landlords respond to market demands and deliver ownership and for profit rental housing.

Individuals may purchase investment properties that provide rental accommodation at market rates. Some homeowners create additional residential units within their homes or on their property which can be a source of affordable rental housing.

Housing Continuum

Housing plays an important role in lives of Burlington's residents. Individuals and families move back and forth along the housing continuum, depending on changes that affect their personal circumstances.



Source: Halton Region 2019 State of Housing Report

Affordable housing is one element of the housing continuum and is a term used broadly when discussing housing. As such, it is important to define affordable housing in relation to the housing continuum and in the context of the City's housing strategy project. Affordable housing, as defined in the Halton Region Official Plan and the new City of Burlington Official Plan

Means housing with a market price or rent that is affordable to households of low and moderate income, spending no more than 30% of their gross household income.

Affordable rental housing should meet the demand of households at the low end, as described in Halton's annual State of Housing Report. Such households would be able to afford at least three out of ten rental units on the market.

Affordable ownership housing should meet the demands of households at the high end, as described in Halton's annual State of Housing Report. Such households would have sufficient income left, after housing expenses to sustain a basic standard of living.

Household income thresholds for assisted and affordable housing in Halton are generated annually through Halton's Housing model which gathers various information including household income, household spending, housing costs, and average rents from a variety of data sources. Using this data, an analysis is conducted which generates thresholds based on household incomes and costs, representative of a moment in time.

Halton Region's 2019 State of Housing Report identified an Assisted Income Threshold of \$57,800. Households with an income below this threshold typically require some form of government assistance to meet their daily needs. The Affordable Income Threshold identified in the Report was \$107,100. Households with an income between the Assisted and Affordable Thresholds (\$57,800 - \$107,100) have option to purchase a house priced below the affordable housing cost threshold of \$393,400.

3.0 Housing Policies

As previously indicated, the Province is responsible for land-use planning legislation to manage development to meet the full range of current and future needs, including housing.

The *Planning Act* identifies the adequate provision of a full range of housing, including affordable housing, as a matter of provincial interest. The *Planning Act* requires that municipal official plans contain policies and measures as are practicable to ensure the adequate provision of affordable housing, including authorizing the use of additional residential units. The Act also provides a framework for inclusionary zoning policies and bylaws.

The Provincial Policy Statement (PPS) 2020 requires planning authorities to provide for an appropriate range and mix of housing options including new development as well as residential intensification, to respond to current and future needs. This includes promoting densities for new housing which efficiently use land, resources and infrastructure; requiring transit supportive development; establishing residential development standards which minimize the cost of housing and establish minimum targets for affordable housing.

The policies in A Place to Grow, 2019 support the achievement of complete communities that:

- feature a diverse mix of land uses, and convenient access to local stores, services and facilities;
- improve social equity and overall quality of life;
- provide a diverse range and mix of housing options, including second units and affordable housing, to accommodate people at all stages of life and to accommodate the needs of all households and incomes;
- expand access to transportation options, public service facilities, open space, parks and trails, and healthy local, affordable food options;
- provide for a more compact built form and vibrant public realm;
- mitigate and adapt to climate change impacts, improve resilience and reduce greenhouse gas emissions, and contribute to environmental sustainability;
- integrate green infrastructure and appropriate low impact development.

Housing policies within A Place to Grow build on the policies in the PPS by providing direction to single tier and upper tier municipalities in consultation with lower-tier municipalities. These policies support housing choice through the achievement of minimum density and intensification targets, establishing targets for affordable housing and identifying mechanisms including the use of land use planning and financial tools to support planning for a range and mix of housing options, and aligning land use planning with applicable housing and homelessness plans.

The Halton Region Official Plan (ROP) contains housing policies with the goal of supplying the people of Halton with an adequate mix and variety of housing to satisfy differing physical, social and economic needs. This includes policies relating to affordable, assisted and special needs housing, second residential units (now additional residential units), conversion of rental housing, innovative building design and universal physical access features for all new buildings. The ROP policies also identify annual housing targets for housing mix and affordability, which Halton Region reports on annually through their State of Housing Report.

The City of Burlington new Official Plan recognizes that housing is fundamental to the social, economic and physical well-being of the city's residents, and promotes a land use pattern that supports a full range and mix of housing options across the city. The identification of an urban structure and the establishment of a growth framework in the new Official Plan identifies areas in the city where growth and transition is expected. These areas identified as the most appropriate locations for intensification will support the provision of a wider range of housing options in addition to jobs and more mobility choices. Other housing policies within the new Official Plan relate to housing supply, including the use of surplus lands; housing tenure including rental conversion policies, as well as policies to support the development of affordable, assisted and special needs housing. The new Official Plan also contains an updated policy framework for additional residential units and provides direction for the development of a city-wide housing strategy that will consider a number of elements, including strategies, financial incentives and tools such as an inclusionary zoning by-law program.

4.0 City of Burlington Housing Strategy Project

The principal objective of this project is to develop an innovative Housing Strategy for the City of Burlington that sets out policies, tools and actions to address residents' housing needs now and in the future. The Housing Strategy will build on and support the Region's Housing Strategy through the development of local solutions to housing issues in the City of Burlington.

The key outcomes of the City's Housing Strategy include:

- Understanding the key players and their respective roles in housing;
- Understanding the current state of housing in Burlington and identifying current and future housing needs;
- Establishing a toolbox of best practices in housing, focusing on innovative practices and new, pioneering ideas;
- Developing of a set of action-oriented housing objectives and an associated implementation plan;
- Establishing where the City wants to focus or prioritize efforts to address housing issues in the City.

The Housing Strategy will provide an opportunity to look for creative and innovative solutions to address local housing issues through the consideration of a variety of planning policy and financial tools, partnership, collaboration and advocacy opportunities, strategies and initiatives.

The City's Housing Strategy project has been divided into two phases.

Phase 1

Phase 1 of the project will be consultant led and will deliver the necessary background information, data, analysis of needs and trends, and insight on best practices and more broadly new ideas to address local housing issues.

The Phase 1 deliverable will be the development of a made in Burlington innovative Housing Strategy which will include a set of city-wide housing objectives supported by recommended action items, each with an associated implementation and monitoring plan.

The project consultant will also provide a recommended approach for phased implementation of the action items (short, medium and long term) for Council's consideration.

Phase 2

Phase 2 of the project involves the implementation of the recommended actions contained within the Housing Strategy developed through the Phase 1 work and approved by Council.

The proposed terms of reference, identified in Appendix A to the report, is intended to solely complete Phase 1 of the project and provides an overview of the scope of work to be completed. A proposed project timeline for Phase 1 is outlined in Appendix B to the report. Additional elements, including more detailed timelines, will be included in the Request for Proposal.

Strategy/process

The framework established for the housing strategy project and the scope of work outlined in the proposed terms of reference for Phase 1 has been developed to target the Q2 2022 delivery of the City's Housing Strategy Project, as identified in the City's 2018 – 2022 From Vision to Focus Plan.

Options Considered

A wide range of housing matters were considered in the development of the proposed terms of reference. However, to ensure that the objectives of the housing strategy are met, the proposed terms of reference acknowledge City's staff's best efforts to identify project components while allowing for potential proponents to identify any additional project components, deemed necessary.

Financial Matters:

The estimated budget for the Phase 1 work is \$300,000 maximum, inclusive of the staff led engagement component. The Phase 1 work will be funded by the Policy initiatives reserve fund.

Other Resource Impacts

In addition to the consultant costs, staff time will be allocated to the project in managing the contract, preparation of background data and undertaking engagement.

Connections:

Burlington Lands Partnership

In October 2020, Council considered report (CM-29-20) from the City Manager's Office on advancing a Municipal Development Corporation. Through that report, direction was received to establish in principle, a new corporate structure for a Burlington Lands Partnership (BLP) to enable the City to focus on strategic lands related to key priorities, one of which is to deliver an increased supply of affordable housing through proactive long-term strategies and innovative partnerships.

Staff have identified the need for the Housing Strategy and the Burlington Lands Partnership to work together to achieve multiple objectives.

The proposed terms of reference for the City's Housing Strategy assists in aligning with the Burlington Lands Partnership by identifying the following key deliverables:

- Identify strategic opportunities for the Burlington Lands Partnership to focus on the delivery of affordable housing;
- Identify the city resources required to support this work; and
- Recommend 5-year goals and/or targets for the Burlington Lands Partnership related to affordable housing.

The Burlington Lands Partnership is a new concept and represents an 'integrating structure' within the City of Burlington that will continue to evolve and develop over the next few years. The City will be looking for recommendations on how the Burlington Lands Partnership can potentially assist in the implementation of the City's Housing Strategy.

Climate Implications

On April 23, 2019, Burlington's City Council unanimously passed a motion to declare a climate emergency. The City's Housing Strategy will look for innovative solutions to address local housing issues while making better use of existing infrastructure and services through the provision of additional residential units and directing new housing

options in locations for intensification to support the provision of a wider range of housing options and minimize impacts on the environment.

Engagement Matters:

The Engagement Plan is a key deliverable to support the development of the Housing Strategy. The Engagement Plan is a strategic public document that will be developed and led by City staff and informed by feedback from Council, ChAT, the project Steering Committee, the Housing Strategy working group and other key stakeholders as outlined in the recommendation above. Additional resources may be required to deliver the Engagement Plan. Those additional resources will be identified at the time of the preparation of the Engagement Plan.

A Housing Strategy working group will be established with a maximum membership of 20 people with volunteers from a variety of sectors including government, not for profit, co-op, the business community as well as residents working together to support the development of the Housing Strategy. Additionally, the working group will include the Mayor and at least one additional member of Council designated through an expression of interest brought forward by the City Clerk.

The working group will advise on local issues, be champions for the project, provide key insights given their diverse backgrounds, and will contribute to the refinement and implementation of the engagement plan. The Housing Strategy working group's mandate will be described in a Terms of Reference to be developed at the time of the preparation of the Engagement Plan.

An internal Housing Strategy Steering Committee comprised of city Staff will be established to give strategic advice on matters related to this project. The work of the Steering Committee will be guided by a Committee Terms of Reference to be developed at the time of the preparation of the Engagement Plan.

The Engagement Plan will identify opportunities for all interested parties to engage throughout the entirety of the process.

Although the details of the Engagement Plan will emerge in 2021, Staff have prepared a draft decision statement that guides engagement and communication strategies and tactics:

In 2022, Burlington City Council will vote to endorse a City of Burlington Housing Strategy to increase options for housing across the city.

A set of preliminary objectives for engagement have also been prepared and include the following:

- Provide relevant information about the project, decision-making process, and how the public can provide input and feedback;
- Work with consultants to provide a coordinated approach to engagement, communication and evaluation of the housing strategy.
- Provide multiple channels for people to provide meaningful input virtually at appropriate decision points;
- Create an ongoing record of what is said during engagement opportunities and make it available to the public throughout the process, so they can track the progress of the project, including reports back to the community that highlight how feedback was or was not incorporated into the final recommendations to Council;
- Gather meaningful input from members of the community whose voices are historically underrepresented in conversations about city issues;
- Establish a project page on getinvolvedburlington.ca as the main online platform for up-to-date information about the project and upcoming engagement opportunities;
- Use clear, plain language in the delivery of the Engagement Plan to inform the public about what can and cannot be influenced through the Housing Strategy.

Staff will develop the Engagement Plan based on the draft decision statement and the preliminary objectives above and will be informed by feedback from the project steering committee, project working group and identified stakeholders.

Conclusion:

The attached proposed Terms of Reference outlines the scope of work related to Phase 1 of the Housing Strategy project. This report and attachments will guide the formal Request for Proposal process and the work to be undertaken by staff and the successful proponent.

Respectfully submitted,

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Appendices:

- A. City of Burlington Housing Strategy: Proposed Terms of Reference
- B. City of Burlington Housing Strategy: Proposed Project Timeline

Notifications:

Curt Benson, Region of Halton

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council.