

# The Municipal Role in Meeting Ontario's Affordable Housing Needs

A Handbook for Preparing a Community Strategy For Affordable Housing



*A Report Prepared for*

***The Ontario Professional Planners Institute***

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### **OPPI Policy Development Committee:**

Dave Hardy (Chair) Marni Cappe (Past Chair), Andrea Gabor, Tony Usher, Ann Tremblay, Jeff Celentano, Meric Gertler, John Henricks, and Kevin Eby.

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## EXECUTIVE SUMMARY

*Established in 1986, the Ontario Professional Planners Institute (OPPI) is the recognized voice of the Province's planning profession and provides vision and leadership on key planning issues. The Institute's 2,400 practicing planners are employed by government, private industry, agencies, and academic institutions. Members work in a wide variety of fields including urban and rural community development, urban design, environment, transportation, health and social services, housing, and economic development.*

### Why OPPI Commissioned This Research

As part of its new strategic plan initiative to advance creative solutions for emerging issues in planning policy, the Ontario Professional Planners Institute (OPPI) has sponsored the development of a *Handbook* and companion *Environmental Scan* providing guidance for municipal planners and other community partners on the development of a community strategy for affordable housing. Based on a survey of OPPI members and secondary research, these publications set out the process for successfully developing a comprehensive community affordable housing strategy and provide numerous examples of municipal practices currently employed in Ontario and elsewhere.

### Why An Affordable Housing Strategy?

OPPI sponsored this research because it has province-wide relevance, it could have a substantial impact on planning and there is a potential for best practice applications at the

community level. It is also considered a highly relevant initiative because:

- 1) Ontario is currently facing a growing affordable housing problem.
- 2) The landscape of housing responsibilities is changing, with municipalities now thrust into a leadership role.
- 3) There are social and economic benefits of a pro-active community strategy for affordable housing.
- 4) There is a strong planning rationale for a pro-active strategy.
- 5) Planners have a pivotal role to play in the process.

### HOW TO TACKLE THE PROBLEM: A COMMUNITY PLANNING APPROACH

Principles for successfully developing and implementing a community affordable housing strategy include:

#### Holistic Approach is Crucial

Meeting affordable housing needs is a complex problem that cannot be solved with one simple solution. It must be addressed from a variety of directions, using a wide range of ideas, tools, and resources.

#### Community-Based Solution is Needed

With the decline in funding from senior levels of government, service managers and communities will need to seek creative solutions for the provision of affordable housing. This does not mean the municipality must take on the burden of 'paying the entire cost' of meeting the affordable housing needs of the community --- senior levels of

government, the private sector and others have a role to play too.

## **Planners Should be Front and Centre in the Process**

By the nature of their role, planners possess the community-based perspective critical to the successful development of a strategy reflecting the perspectives and inputs of all members of the local community.

## **A Strategic Planning Framework Works Well**

A strategic plan can change how we think, act and communicate. It is a highly suitable vehicle for addressing community affordable housing needs.

## **'Tools' Fall into Nine Fundamental Categories**

The range of tools that municipalities and planners can use to address local affordable housing needs fall into nine fundamental categories, specifically:

- research activity
- policy initiatives
- regulatory change
- financial incentives
- administrative measures
- advocacy
- direct provision
- community education
- public/private partnerships

Within each category are various concepts and practices that can be adopted to help meet affordable housing needs. The practices most suitable for a given community must be identified and integrated

into a comprehensive and consistent strategy.

## **WHAT'S CREATIVE ABOUT THIS APPROACH?**

Everyone is searching for innovative ways to meet the affordable housing needs of the community. The variety of tools available to municipalities and planners may not be new; however the way in which a community determines the most appropriate practices and integrates them into a comprehensive strategy can be both innovative and effective. The approach suggested in this paper is comprehensive, consistent and community-based.

## **CRAFTING A COMMUNITY AFFORDABLE HOUSING STRATEGY**

### **The Process and the Success Factors**

This *Handbook* identifies the steps involved in crafting a successful community affordable housing strategy and highlights factors important to achieving success.

### **Deciding Where to Concentrate Your Efforts**

Communities have scarce resources to meet the range of local affordable housing needs. Accordingly, the effective allocation of these resources is a key challenge facing the community overall and the municipality in particular. Approaches and practices must be used that are best suited to the local community. The *Environmental Scan* highlights some of the practices that may be of interest to many communities and the *Handbook* points out the general cost/benefit

of each to the municipality. Communities must make careful choices to ensure the greatest benefit can be achieved with locally available resources.

## **A ROLE FOR OPPI**

OPPI has numerous reasons why it may want to take on a leadership role in working with municipalities to meet Ontario's affordable housing needs. In particular, there is a strong planning rationale for a proactive affordable housing strategy and professional planners have a pivotal role to play in developing local strategies. Keeping this in mind, the following are recommendations which OPPI may consider endorsing.

## **Support Community Affordable Housing Strategies**

Some specific actions that OPPI could undertake to support community affordable housing strategies include:

- communicating OPPI's framework and actions of affordable housing to local municipalities;
- encouraging OPPI districts to support the strategic planning process; and
- helping communities identify potential sources of funding for the development of a community strategy for affordable housing.

## **Support Changes to Provincial Legislation**

A number of municipalities that have initiatives in place to stimulate the creation of affordable housing in their communities, have identified impediments to involving the private sector in affordable housing development. OPPI could support proposed

changes to the *Municipal Act* that would allow interested municipalities to offer incentives to the private sector in return for the provision of affordable housing.

## **Approach the Province to Provide Assistance to Prepare Community Affordable Housing Strategies**

Developing a community strategy for affordable housing is a labour intensive process. While the Province has transferred the responsibility for social housing to the municipal level, there is still a Provincial interest in ensuring the housing needs of all Ontario residents are met. Accordingly, OPPI could advocate for a Provincial role to help with the preparation of community affordable housing strategies.

## **Press Senior Levels of Government to Increase Funding for the Creation of New Affordable Housing**

Although the *Environmental Scan* identifies a wide range of tools available to municipalities, current experiences of Ontario municipalities have shown that these tools are insufficient to create enough new affordable housing to meet the needs in most communities. OPPI could work with municipalities to identify funding programs that could be sponsored by senior levels of government to increase the supply of affordable housing.

## I INTRODUCTION

### A) Why OPPI Commissioned This Research

Established in 1986, the Ontario Professional Planners Institute (OPPI) is the recognized voice of the Province's planning profession and provides vision and leadership on key planning issues. The Institute's 2,400 practicing planners are employed by government, private industry, agencies, and academic institutions. Members work in a wide variety of fields including urban and rural community development, urban design, environment, transportation, health and social services, housing, and economic development.

As part of its new Strategic Plan initiative to advance creative solutions for emerging issues in planning policy, the Ontario Professional Planners Institute (OPPI) has sponsored the development of this *Handbook* and its companion document, *The Municipal Role in Meeting Ontario's Affordable Housing Needs: An Environmental Scan of Municipal Initiatives and Practices*.

### B) How We Approached The Task

The *Environmental Scan* is based on primary research gathered from an OPPI survey of members conducted in August 2000, as well as secondary research of available information on the topic of affordable housing initiatives. The companion *Environmental Scan* includes information on:

- history of municipal involvement in affordable housing;
- changing policy framework;
- tools available to municipalities;
- legislative framework; and
- current practices.

This *Handbook* was developed using information from the *Environmental Scan* and additional research on the topic of strategic planning. OPPI's Policy Development Committee provided important guidance throughout the development of both documents.

### C) Why An Affordable Housing Strategy

A policy paper on the municipal role in meeting Ontario's affordable housing needs meets the principal objective of OPPI's new initiative for a number of reasons.

Specifically, this topic has province-wide relevance; it could have a substantial impact on planning; and there is a potential for best practice applications at the community level.

There are other reasons why this paper advances creative local solutions for emerging issues in planning policy:

1) Affordable Housing is a Growing Problem

The lack of affordable housing is a growing challenge experienced by many communities, and the problem is continuing to escalate. Evidence of this is found in:

- growing waiting lists for subsidized rental housing;
- record low vacancy rates in many communities;
- increases in homelessness as shown by drastic increases in hostel use and the number of people living on the streets in a number of urban centres; and
- rapidly escalating costs in ownership housing.

This problem is fuelled by a number of factors, including: dramatic cuts in funding for social housing by senior levels of government; the inactivity of the private sector in constructing new rental housing; and the significant decline in traditional affordable housing alternatives (e.g. rooming houses). High growth areas in Ontario are experiencing particular difficulty meeting the demands for affordable housing in their community.

2) The Landscape of Housing Responsibilities is Changing

In the last few years, there has been a significant shift in the focus of responsibility for ensuring the availability of affordable housing to meet the needs of Ontario residents. In the past, most municipalities simply reacted to the policies and funding programs initiated by senior levels of government to create affordable housing. However, the landscape of responsibilities for ensuring the availability of affordable housing has changed.



Both the Federal and Provincial Governments have virtually withdrawn from providing funding for social housing. Despite widespread calls by national organizations, such as the Federation of Canadian Municipalities (FCM), for a return to former levels of involvement by senior government, insufficient response has been received to date. The recent introduction of a limited number of Federal and Ontario Government initiatives dealing with homelessness and special needs housing, while welcome, fail to address the significant and growing need for permanent, affordable housing in many communities in Ontario.

Municipalities have always had a responsibility under the *Planning Act* (Section 2J) and the *Provincial Policy Statement* to ensure the adequate provision of a full range of housing. Faced with the withdrawal of senior government, municipalities face a much more challenging task---they must take a much more proactive leadership role in addressing the housing needs of their local community.

✚ This **Handbook** should not be viewed as an endorsement by OPPI of the withdrawal of funding for social housing by senior levels of government. It is based on the premise that significant change in housing responsibilities has occurred and registered professional planners (RPP) could provide a leadership role in assisting municipalities to meet their local affordable housing needs.

The current environment presents difficult challenges to municipalities. However, it also presents a unique opportunity to take on a leadership role in meeting the affordable housing needs of their communities. Upon the passing of legislation in the fall of 2000, municipalities took over the responsibility for the funding and administration of social housing in Ontario. With that responsibility comes the opportunity to identify other associated roles that municipalities can take on to meet affordable housing needs. Municipal restructuring in many areas (especially in larger municipalities such as Hamilton and Ottawa) provides a timely opportunity to carefully examine the municipal role in the provision of affordable housing and to set in place a well-developed, comprehensive strategy. Changing financial relationships between different levels of government may provide further opportunity for positive action.

In view of the above situation, the need and opportunity for municipalities to develop coherent, pro-active approaches to the provision of affordable housing have never been greater.

3) There are Social, Economic and Environmental Benefits of a Pro-Active Community Strategy for Affordable Housing

The most fundamental benefit of a pro-active community affordable housing strategy is the expansion of the community's capacity to meet the needs of individuals experiencing difficulty competing in the housing market. With the decline in Federal and Provincial funding support, this has become a necessity in communities across Ontario.

There are also a number of other important social and economic benefits to be realized, including:

- helping to ensure the availability of a local labour force for all types of commercial activity, particularly the growing range of service sector activities that depend on workers from all backgrounds;
- establishing closer ties amongst all segments of the community and reducing disparity among various sectors;
- bringing stability to the lives of families and individuals, thereby enhancing the social environment of the entire community and providing a greater opportunity for these individuals and families to become productive members of the community;
- lowering the cost of the local social support system, such as reduced need for emergency shelters and social assistance programs; and
- realizing the savings to the entire community from greater live/work ratios (e.g. an increased percentage of the labour force working within the community rather than commuting outside).

4) There is a Strong Planning Rationale for a Pro-Active Strategy

Strategies aimed at providing affordable housing not only help meet important social and economic needs; they also represent good planning.

An effective community affordable housing strategy will support important community planning goals by:

- meeting the housing needs of all segments of the population;
- reducing local dependence on outside funding and building a sustainable community-based on local resources;
- promoting initiatives which curb urban sprawl --- e.g. affordable housing generally promotes more intensive use of land and space; and
- promoting energy conservation both in urban settlement patterns and housing development itself (e.g. using less materials because units are smaller).

#### 5) Planners Have a Pivotal Role to Play in the Process

Increased problems meeting affordable housing needs, coupled with the shift in the responsibility for affordable housing to the local level, presents an important opportunity for a leadership role for planners across Ontario.

The planner is the ideal candidate to act as the catalyst and co-ordinator for the development of a local affordable housing strategy:

- planners understand the community and its needs;
- planners understand tools and practices available at the local level to address affordability;
- many of the tools for change rest in the *Planning Act*, Official Plans and other planning legislation;
- planners have a tradition of developing housing policies and strategies, often as part of the Official Plan process;
- planners work in many different disciplines (e.g. municipal housing, land use planning, policy and research, planning law, private development) and can contribute a wide range of ideas from a variety of perspectives; and

- planners are in the best position to pull the community together towards a common goal.

## **D) What is OPPI's Definition of Affordable Housing**

Affordable housing means many things to many people. The successful development and implementation of a community strategy for affordable housing depends on a clear definition. Defining affordable housing at the onset will help ensure that action plans identified in the strategy meet the affordable housing needs of *all* segments of the population.

In defining affordable housing, there are some key principles that should be addressed. The definition:

- needs to be easily understood and easily implemented;
- should be aimed at households with low-to-moderate incomes; and
- needs to take into account local income distribution and demographic characteristics.

To this end, OPPI's Policy Development Committee suggests the following definition for affordable housing. It is based on the commonly used guideline that housing costs should not exceed 30 percent of household income.

*For housing to be affordable, a household should not spend more than 30 percent of their income on shelter costs. Generally, an affordable housing strategy should target those households whose income falls below the median household income in their community (e.g. municipality, Census Metropolitan Area or other statistical area), with a view to identifying and proposing solutions for those households in greatest need.*

Communities preparing affordable housing strategies may consider this definition and refine it to ensure it suits local conditions and needs.

## II HOW TO TACKLE THE PROBLEM: A COMMUNITY PLANNING APPROACH

### A) A Holistic Approach is Crucial


Meeting affordable housing needs is a complex problem that cannot be solved with one simple solution. It must be addressed from a variety of directions, using a wide range of ideas, tools and resources. To be fully effective, these must be brought together in a comprehensive, coherent and consistent manner. The most meaningful solutions must involve all community partners and integrate mutually supportive concepts, strategies and initiatives.

Meeting affordable housing needs cannot be accomplished overnight. It is a long-term process. It requires continuous attention, adjustment and action.

### B) A Community-Based Solution is Needed

With the decline in funding support from senior levels of government for the provision of affordable housing, the responsibility has been thrust squarely upon the shoulders of every local community in Ontario. Rather than depending on an array of Federal and Provincial programs and initiatives, solutions must now come from the local level.

This places the municipality at the centre of the process. As the representative of the local community, the municipality must take on a leadership role. Municipalities are now faced with both the responsibility and the opportunity of bringing together all segments of the community and all available local resources (both public and private) to derive meaningful solutions to local affordable housing needs.

 *The legislative framework which enables municipalities to take on a leadership role in meeting the need for affordable housing includes the Municipal Act, Planning Act, Development Charges Act, Assessment Act, Services Improvement Act, Social Assistance Reform Act, Social Housing Reform Act, Business Corporations Act, F/P Social Housing Agreement, Ontario Building Code and National Housing Act.*

As shown in the accompanying *Environmental Scan*, this leadership role is nothing new for municipalities. As far back as the earliest days of the 20th century, municipalities were instrumental in a host of initiatives to meet local needs.

A special opportunity has arisen to move ahead strongly in this regard. Two types of organizations have been recently established to administer human services such as social housing on behalf of municipalities. In southern Ontario, Consolidated Municipal Service Managers (CMSMs) have been created. In northern Ontario, District Social Service Administration Boards (DSSABs) have been put in place.

These organizations may be the appropriate level at which to commence the development of local affordable housing strategies. The role of these organizations as service managers could be leveraged to develop an affordable housing strategy for a broader community. It will also be important, of course, to bring local municipalities and community partners on stream in two-tier systems.

Municipalities possess not only the legislative authority and range of tools to take on this role, they also represent all elements of the community and by their nature are charged with protecting the community interest.

### **C) Planners Should be Front and Centre in the Process**

Within the local community, the planner is central to the development of an effective local strategy for meeting affordable housing needs. By the nature of their role, planners possess the community-based perspective critical to the successful development of a strategy reflecting the perspectives and inputs of all members of the local community. They also possess an understanding of the full range of affordable housing needs and the tools available for addressing these needs. Planners are in a good position to take a comprehensive approach ensuring a coherent and

consistent strategy is developed and implemented. Accordingly, they should be the catalysts and co-ordinators of such initiatives.

While planners working for municipalities have perhaps the best opportunity to take on a co-ordinating role in the process, planners from all segments of the community are in a position to make important contributions. Planners can do this by lending perspectives, ideas and energies to the development of meaningful solutions, both from a public interest point of view and on behalf of clients/employers, and advocating affordable housing solutions.

## **D) A Strategic Planning Framework Works Well**

A strategic plan can change how we think, act and communicate --- it addresses the *future* impacts of *present* decisions. A strategic plan is a highly suitable vehicle for addressing community affordable housing needs because it:

**Provides a long-term perspective** – Although short-term progress is crucial, solutions must be sustainable;

**Gives direction** - All community partners must understand where to focus efforts;

**Is complex and iterative** - Affordable housing solutions require multiple approaches and ongoing feedback and adjustment;

**Is driven from the outside** - Everyone in the community should contribute;

**Requires courage and risk taking** - Meaningful solutions require innovative thinking and difficult decisions;

**Improves service** - Successful plans yield clear results;

**Establishes priorities** – The most urgent needs require the most immediate attention; and

**Integrates efforts** - Effective affordable housing solutions require comprehensive, consistent approaches involving local planners, all municipal departments and community partners.

## **E) 'Tools' Fall into Nine Fundamental Categories**

The tools that municipalities and planners can use to address local affordable housing needs fall into nine fundamental categories. Within each category, there are concepts and practices that can assist municipalities in meeting affordable housing needs. The practices most suitable for a given community should be identified, analyzed within a local context and integrated into a comprehensive and consistent strategy.

Some of the tools identified in this paper do not lead to the direct creation of affordable housing (e.g. research, advocacy, education). Nevertheless, they can be important building blocks leading to the production of affordable housing.

The accompanying *Environmental Scan* provides more detail on various concepts and practices that have been identified in the course of preparing this paper. While this provides a good range of examples, it is not meant to be a fully exhaustive list.

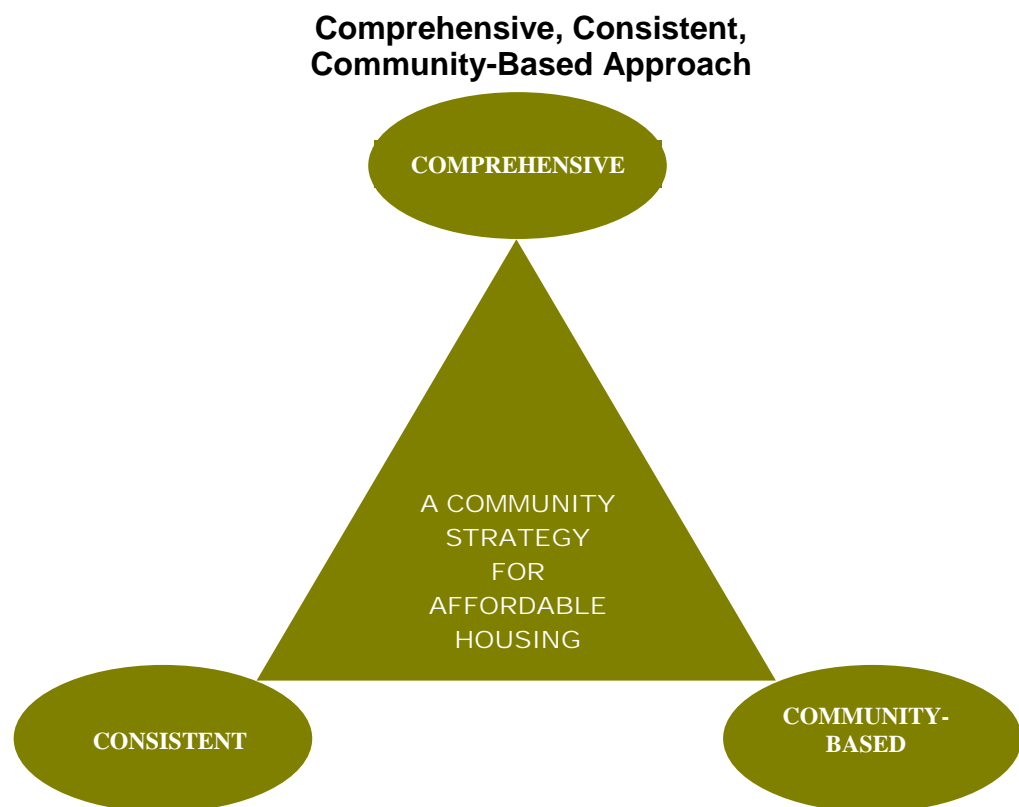
These examples are summarized in the chart on the next page.



<b>APPROACHES</b>	<b>CONCEPTS &amp; PRACTICES</b>
<b>RESEARCH ACTIVITY</b>	<ul style="list-style-type: none"> <li>• Special Purpose Task Force/Body</li> <li>• Housing Forums</li> <li>• Design Charettes/Ideas Competition</li> <li>• Housing Statements &amp; Studies</li> <li>• Information &amp; Monitoring</li> </ul>
<b>POLICY INITIATIVES</b>	<ul style="list-style-type: none"> <li>• Housing First Policy</li> <li>• Housing Levy</li> </ul>
<b>REGULATORY CHANGE</b>	<ul style="list-style-type: none"> <li>• Second Suites</li> <li>• Density Bonusing</li> <li>• Inclusionary Zoning</li> <li>• Exaction Programs or Housing Linkages</li> <li>• Demolition Control Bylaw</li> <li>• Infill Development</li> <li>• Alternate Development Standards</li> <li>• Performance Based Planning</li> <li>• Streamlining Approval Process</li> </ul>
<b>FINANCIAL INCENTIVES</b>	<ul style="list-style-type: none"> <li>• Exemption of Fees (e.g. Dev.Charges)</li> <li>• Special Tax Rates</li> <li>• Redevelopment Incentive Programs</li> <li>• Housing Grants and Loans</li> <li>• Housing Trust Funds &amp; Land Trusts</li> </ul>
<b>ADMINISTRATIVE MEASURES</b>	<ul style="list-style-type: none"> <li>• Direct Administration &amp; Funding of various housing programs</li> </ul>
<b>ADVOCACY</b>	<ul style="list-style-type: none"> <li>• Housing Task Force</li> <li>• Community Action Plans</li> <li>• Municipal/Housing Sector Activities</li> <li>• Political Leadership</li> </ul>
<b>DIRECT PROVISION</b>	<ul style="list-style-type: none"> <li>• Shareholder of Municipal Not-for-profit Housing Corporations</li> <li>• Direct Financing</li> </ul>
<b>COMMUNITY EDUCATION</b>	<ul style="list-style-type: none"> <li>• Community Forums</li> <li>• Information Videos</li> </ul>
<b>PUBLIC/PRIVATE PARTNERSHIPS</b>	<ul style="list-style-type: none"> <li>• Demonstration Projects</li> <li>• Proposal Calls</li> <li>• Municipal Not-for-profit/Private Sector Initiatives</li> </ul>

### III WHAT'S CREATIVE ABOUT THIS APPROACH?

Everyone is searching for innovative ways to meet the affordable housing needs of the community. The variety of tools available to municipalities and planners may not be new; however the way in which a community determines the most appropriate practices and integrates them into a comprehensive strategy can be both innovative and effective. The approach suggested in this paper is comprehensive, consistent and community-based.



#### ✓ **Comprehensive**

We've identified many tools at the planner's disposal --- more than 45 specific practices have been described in the *Environmental Scan*. Consider the applicability of each of these (or others you may identify) to your local situation and how they can be combined to form a comprehensive, consistent and fully integrated strategy.

Remember the importance of establishing an ongoing monitoring and performance measurement process.

✓ **Consistent**

A holistic approach is needed to develop an effective affordable housing strategy. Consider what others in your community and local municipality may be doing that will complement your strategy. Identify policies or other actions that may be contradicting your strategy and make changes.

✓ **Community-Based**

With the municipality as the leader, planners as the catalysts and all sectors of the community as partners, more meaningful local solutions will emerge. This does not mean the municipality must take on the burden of 'paying the entire cost' of meeting the affordable housing needs of the community --- senior levels of government, the private sector and others have a role to play too.

It is an opportune time for professional planners to challenge their local municipalities to take the lead role in developing a community strategy for affordable housing. Together, planners across Ontario can play an important role in helping communities meet their affordable housing needs.

## **IV CRAFTING A COMMUNITY AFFORDABLE HOUSING STRATEGY**

Assuming that a municipality has decided to develop and implement a community affordable housing strategy and the funding is in place to proceed, there are a number of elements that are important to crafting a successful plan. These are described below.


### **A) Achieving Success**

Crafting a successful community affordable housing strategy requires more than words on a page. It must be

pro-active (e.g. commits resources, initiates programs, creates partnerships). It must bring together the entire community to work towards a common goal. It is a living, breathing, ongoing process.

Before embarking on the development of the strategy, everyone involved must understand the underlying factors critical to the success of such an initiative. The planner managing the process, in particular, must appreciate “what it takes” to achieve meaningful results.

Achieving success in developing an effective community affordable housing strategy requires:

 Consider using the definition for affordable housing suggested by OPPI's Policy Development Committee as a starting point. Fine-tune this definition to meet local circumstances.

✓ **Defining affordable housing in your community up front**

“Affordable housing” can mean different things in different communities, depending on their size, location and socio-economic characteristics. Success at meeting affordable housing needs means providing a clear definition upon which to focus efforts.

✓ **Setting fundamental community goals and objectives**

The community must agree at the outset on the overall vision toward which the plan is aimed and the fundamental goals and objectives to be met in order to achieve this vision.

✓ **Knowing the facts and where to find them**

Effective solutions require a strong understanding of current and future affordable housing needs and gaps and the reasons for them. Early on in the process, the planner must define the range of data and information required to develop this understanding, identify and access the sources for this material and develop appropriate frameworks for analysis.

✓ **Creating strategic alliances with other planners**

Planners from all sectors bring valuable perspectives and experience to such issues. Alliances should be created among the local planning community to apply these important resources in the development of meaningful local solutions.

✓ **Knowing and involving your partners**

Successfully involving community partners means understanding the interests of all local stakeholders and bringing them into the process in a meaningful way.

✓ **Bringing service managers and local municipalities together.**

Given the important roles played by both service managers (e.g. CMSMs, DSSABs) and local municipalities, they must be brought together for the plan to succeed. This is particularly important in northern Ontario where DSSABs are the service managers across many municipalities.

✓ **Bringing Council on board**

All members of the municipal council must have a full understanding at the outset of the purpose and nature of the plan and the types of decisions they will be challenged to make. They should be actively involved and informed on a regular basis throughout the process.

✓ **Ensuring municipal departments pull together**

Successfully meeting affordable housing needs means ensuring consistency and “buy-in” amongst all municipal departments. Having the finance department raising development charges or the building department raising construction standards while the affordable housing strategy is being prepared can undermine the process. Different departments bring a variety of perspectives, experience and approaches. All municipal

departments need to be actively involved throughout and need to support the recommended directions, strategies and plans.

### ✓ **Understanding tools and legislation**

The *Environmental Scan* outlines nine fundamental tools at the disposal of municipalities to address community affordable housing needs—research activity, policy initiatives, regulatory change, financial incentives, administrative measures, advocacy, direct provision, education and public/private partnerships. The authority to use these tools flows from a variety of enabling legislation. All participants need to understand the full range of tools and legislation and how they can be applied within a comprehensive and consistent framework to achieve meaningful results.

### ✓ **Choosing practices suited to your community**

The *Environmental Scan* highlights dozens of local community practices at work in Ontario and elsewhere to help meet affordable housing needs. Not all such practices are appropriate or suitable for all communities. These and other practices that may be identified during the planning process need to be considered from a local perspective and the most suitable approaches incorporated into the Community Affordable Housing Strategy.

■ Consider some of the innovative practices local municipalities have recently used: Seattle's Housing Levy, Waterloo Region's Affordable Housing Partnerships Initiative, Edmonton's Rooming Housing Initiative and Toronto's As-of-Right Second Suite Bylaw.

### ✓ **Incorporating more than one approach**

Affordable housing needs are complex and varied. So are the solutions. Success means tackling affordable housing needs on many fronts with a variety of approaches and initiatives.

### ✓ **Integrating measures and initiatives**

Those measures that are adopted must be well integrated into a comprehensive and consistent plan giving rise to a coherent set of actions and initiatives. The planner must ensure this integration is achieved in order for the plan to achieve meaningful results.

✓ **Developing long term and self-sustaining solutions**

Meeting affordable housing needs takes time. Plans must be aimed at developing self-sustaining solutions that will continue to meet needs over time rather than “quick fixes”.

✓ **Testing your plan against your definition**

All elements of the plan must be aimed at affordable housing as defined at the outset of the process. Participants must continually test the plan against this definition to ensure it stays focused and on-track.

✓ **Initiating immediate action plans**

The community needs to be motivated and committed in order to achieve local “buy-in” vital to success. The plan needs to include some immediate actions that will show results, excite interest and bring support.

✓ **Committing resources**

“All talk and no action” will not bring success. The plan must clearly identify dollars, staff, time commitments and other contributions required from the municipality and local community partners to implement recommended action plans. These resources must be committed by all parties upon adoption of the plan. There must be a mechanism set in place to ensure commitments are met by all participants.

✓ **“Selling” the plan**

To achieve buy-in and commitment from the whole community requires designing a communications strategy and then actively getting out into the community to “sell” the plan. The community must be made aware that the plan is a “homegrown” solution that depends entirely on local efforts. The message must be delivered to the community that its fate is in its own hands, given the absence of Federal and Provincial support. The community must be

convinced to support difficult and sometimes unpopular local decisions in order to achieve meaningful results.

✓ **Giving the Plan a Life**

A successful strategic plan has no ending. Performance must be monitored and results assessed on an ongoing basis. Those measures that are ineffective must be modified or eliminated. Newly emerging ideas and concepts must be considered and applied where appropriate. Changing affordable housing needs must continue to be identified and plans adjusted accordingly. A process of regular review and revision is crucial to sustainability.

## **B) The Strategic Planning Process**

The strategic planning process for developing a meaningful Community Affordable Housing Strategy involves a host of important steps and activities. Some municipalities may have already taken some of these steps and are further ahead. Therefore, some may be in a position to move more quickly than others. Below we outline the entire process:

1) Select a Project Manager and Project Team

✚ *Consider appointing a registered professional planner (RPP) as the project manager. A planner employed by or closely affiliated with the municipality is the logical choice to be the project manager for the development of the strategic plan.*

The project manager for the development of the strategic plan should be an individual who is knowledgeable about housing policy, socio-economic analysis, municipal structure and the community planning process. The individual should also be enthusiastic, creative, a great motivator and a good project manager. A supporting project team to assist in fact finding, producing materials and handling day-to-day administrative aspects of the process should also be assembled and ready.

2) Establish Reference Committee

This is one of the most critical steps in the process. The Reference Committee must contain a blend of:

- community representation (including local politicians)



- technical expertise (in as many of the nine categories of 'tools' as possible);
- differing sectors (e.g. public, private, not-for-profit)
- a wide range of municipal departments (e.g. planning, housing, real estate/property, finance, legal, community services)
- communications ability

Members of the Reference Committee must see themselves as not only the drivers of the process, but a team with the courage to challenge the community and the commitment to stand behind their ideas.


The project manager must consult with individuals across the community to identify those persons capable of bringing the above elements to the Reference Committee and prepared to make the necessary commitment to the process.

3) Develop Terms of Reference for Reference Committee and Project Team

All participants need a clear understanding of their roles and responsibilities. The project manager must carefully define these at the outset to ensure all participants will know what is expected of them. The terms of reference must also set out clear guidelines on process—e.g. flow of information, reporting channels, decision-making, communications protocol and so on. Terms of Reference should be reviewed and finalized by the members of the Reference Committee and Project Team.

4) Conduct a Visioning Session

The community must see a vision of what this plan is trying to achieve. At the outset of the process, the Reference Committee must articulate this vision, including determining a clear definition of affordable housing as the underlying basis for the plan. The Reference Committee must set out broad goals and objectives crucial to achieving the vision. These should be immediately communicated across the community, so that all efforts can be pointed in this direction.

 Consider holding your visioning session in a location other than the local municipal offices. It is important that participants are not distracted by other work so that they can concentrate on developing a well thought out vision for the strategic plan.


5) Undertake Fact Finding

A key success factor in developing a strategic plan is knowing the facts—identifying needs, understanding gaps, and projecting future trends. The project manager, reference committee and project team should all be actively involved in this step to develop a first-hand understanding of the facts and to be better able to communicate them to the community.

Data sources should be identified early on and pursued aggressively. Emphasis should be placed on local sources and observations wherever possible, rather than relying strictly on broad-based measures and statistics. Information must be as up-to-date as possible. Get out and talk to people, visit problem areas, conduct discussion sessions, organize focus groups.

6) Hold a Public Information Sharing Session

When the vision has been defined and fact finding completed, hold a widely advertised public information sharing session. This will help establish linkages with the community, spread awareness about the facts, test reaction to the vision developed by the reference committee and identify potential community partners and resources.

 *A personal invitation from the Mayor to key community partners may also help to ensure good attendance at the public information session.*

7) Crystallize the Issues

The vision has been defined, facts have been gathered, needs identified and community viewpoints expressed. From this process, a set of issues will emerge around the range of affordable housing needs facing the community. These issues need to be clearly defined and understood by all participants and by the community as a whole. They will ultimately form the framework around which strategies will be developed.

8) Identify Community Partners and Strategies to Communicate with Partners

Identify specific community partners who can make a difference—private developers, not-for-profit housing providers, social agencies, corporate supporters, media representatives, architects and planners, service clubs,

religious organizations, ratepayer groups, prominent individuals. Develop strategies for communicating with them and convincing them of their potential role in addressing various issues and achieving the vision.

9) Establish Subcommittees to Develop Action Plans For Each Issue


The most effective approach to strategic plan development is one which focuses on key issues and sets in place a series of directions and initiatives for each issue. These are then pulled together into a comprehensive and consistent strategy.

Depending on the size of the Reference Committee, it could be organized into subcommittees responsible for addressing each issue. Each subcommittee should also contain a member of the project team. The project manager should actively contribute to as many subcommittees as possible. Additional community partners should be recruited to participate in subcommittees where appropriate in order to enhance the potential for achieving meaningful solutions.

10) Develop Action Plans

Each subcommittee should examine their issue in depth, determine what directions are most appropriate for resolving the issue, identify which tools and practices will be most effective in achieving the desired directions and set out specific action plans to be implemented.

11) Integrate Action Plans into a Comprehensive Affordable Housing Strategy

 Consider using a professional facilitator to help the Reference Committee and project team to integrate the individual action plans in a consistent way.


The project manager, assisted by the Reference Committee and project team, must then pull together the individual action plans into a comprehensive affordable housing strategy. All action plans must be reviewed for consistency to ensure no conflicting approaches are being recommended.

12) Identify Specific Responsibilities, Partners, Resources, Timelines and Expected Results

These action plans must identify specific responsibilities, community partners to be involved, required resources, timelines, and expected results. Again, the project manager is primarily responsible for ensuring these plans are well integrated, consistent and mutually supportive.

13) Hold a Public Forum

When the draft comprehensive affordable housing strategy has been developed and resources identified, hold a widely advertised public forum. Local councillors should be invited to this public forum and, if appropriate, requested to speak in support of the strategy. This will help establish further linkages with the community, spread awareness about the facts, communicate an understanding of the issues, test reaction to the action plan and confirm community partners and resources. The local councillors and the community as a whole should be invited to provide comments on the proposed strategy.

 *Consider inviting a keynote speaker to launch the public forum.*

14) Finalize Community Affordable Housing Strategy

Comments received from local councillors and the community must be incorporated into the final affordable housing strategy to be implemented by the local community.

15) Develop and Implement a Communication Strategy to Sell the Plan

“Selling” the plan is as important as creating the plan. The entire community must see the plan as a positive and necessary step in meeting important local needs. Those being asked to contribute resources must be motivated and committed to come forward. Those being challenged to make difficult decisions must be convinced to make them.

The Reference Committee should determine the best approaches for communicating the contents of the plan to the community and actively seek buy-in. Typical approaches might include press releases, local radio and

television sessions, printing and distributing easy-to-read materials, speaking engagements by members of the Reference Committee, Council presentations, and so on.

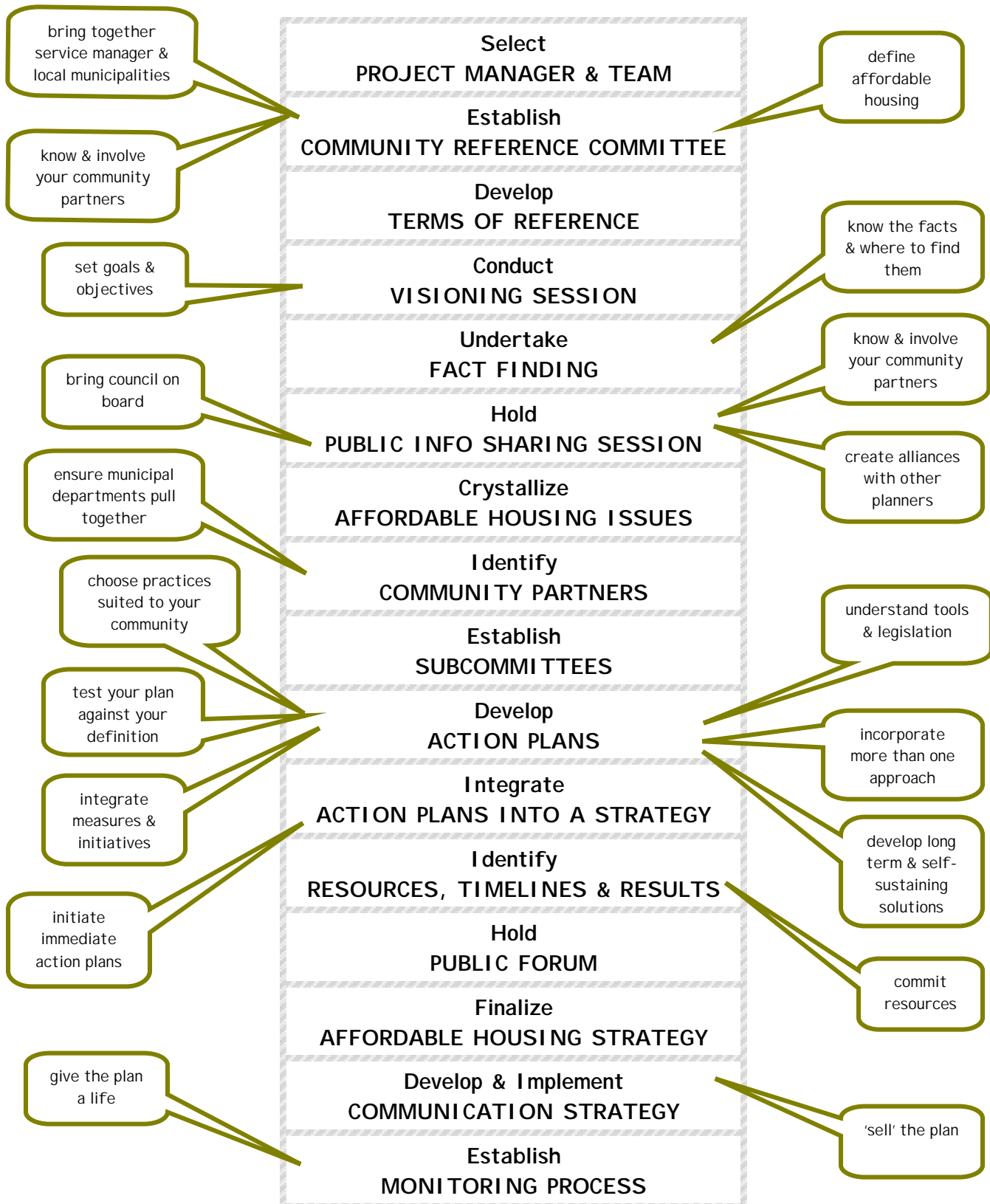
16) Establish Monitoring Process

A strategic plan is not static. The effectiveness of strategies and action plans must be measured and approaches revised as appropriate. Changing needs and issues must be identified. Further resources must be found. New concepts and practices must be identified and applied. The plan must contain a monitoring process which will be undertaken on an ongoing basis

■ Consider developing an annual report card on affordable housing, similar to ones developed by some municipalities to track their progress in addressing homelessness.

The illustration on the next page brings together the identified process and key elements of a community affordable housing strategy.

## Process & Elements of a Community Affordable Housing Strategy



## **C) Deciding Where to Concentrate Your Efforts**

Local communities have scarce resources to meet the range of local needs. Accordingly, the effective allocation of these resources is a key challenge facing the community overall and the municipality in particular.

Not all practices will have a similar impact on every community. For example, the practice of density bonusing to raise funds for affordable housing, while of low cost, will not be very effective in a community where there is little new commercial or industrial development.

The chart on the next page highlights some of the practices that may be of interest to many communities and points out the general cost/benefit of each. Communities must make careful choices to ensure the greatest benefit can be achieved with locally available resources.

The practices and approaches identified below are the 'tools' available to local municipalities; however, there may be limitations to the extent that a municipality may employ these tools. For example, provisions in the *Municipal Act* prohibit municipalities from providing grants or any other form of benefit to private developers to encourage them to build affordable housing. In addition, the cost of some tools may be too expensive for a given community's property tax base to finance (e.g. direct provision or financing of affordable housing). In these cases, local municipalities may want to use the advocacy approach. This approach can be used to encourage senior levels of government to consider changing legislation or providing some form of capital or ongoing funding to meet the affordable housing needs of communities in Ontario.

### Municipal Cost/Benefit of Selected Practices

PRACTICES	DIRECT COST			BENEFIT		
	LOW	MED	HIGH	RURAL	URBAN	GROWING URBAN
Housing First Policy		X		MED	MED	MED
Second Suites	X			LOW	MED	MED-HIGH
Housing Levy			X	MED	HIGH	HIGH
Inclusionary Zoning	X			LOW	HIGH	HIGH
Density Bonusing	X			LOW	HIGH	HIGH
Demolition Control	X			LOW	MED	LOW
Exaction Programs	X			LOW	HIGH	HIGH
Infill	X			LOW	HIGH	MED
Alternate Development Standards	X			LOW	MED	HIGH
Streamlining Approval Process		X		LOW	MED	HIGH
Performance Based Planning	X			LOW	MED	MED
Exemption of DC & Other Fees		X		LOW	MED	HIGH
Tax Credits		X		LOW	HIGH	HIGH
Grants & Loans			X	MED	HIGH	HIGH
Trust Funds		X		MED	MED	MED
Advocacy	X			MED	MED	MED
Direct Provision			X	HIGH	HIGH	HIGH
Public/Private Partnerships		X		HIGH	HIGH	HIGH



## V A ROLE FOR OPPI

As mentioned in the introduction, OPPI has numerous reasons why it may want to take on a leadership role in working with municipalities to meet Ontario's affordable housing needs. In particular, there is a strong planning rationale for a proactive affordable housing strategy and professional planners have a pivotal role to play in developing local strategies. Keeping this in mind, the following are recommendations which OPPI may consider endorsing:

### **A) Support Community Affordable Housing Strategies**

There are a number of ways that OPPI can encourage and support community strategies for affordable housing. In particular, OPPI can play an important role in moving communities along the strategic planning process, so that local communities can focus their efforts on action plans. Some specific actions that OPPI could undertake to support community affordable housing strategies include:

- communicating OPPI's framework and actions of affordable housing to service managers and local municipalities
- encouraging OPPI districts to initiate the strategic planning process by, for example, organizing workshops across the province to inform local decision-makers on how to craft a comprehensive, consistent, community-based strategies
- helping communities identify potential sources of funding for the development of a community strategy for affordable housing

## **B) Support Changes to Provincial Legislation**

A number of municipalities that have initiatives in place to stimulate the creation of affordable housing in their communities, have identified impediments to involving the private sector in affordable housing development. The current *Municipal Act* (section 111) specifically prohibits a municipal body from offering incentives to any for-profit entity (this is often called bonusing). This means that municipalities are unable to partner with developers in the creation of affordable housing through the offering of reductions in fees, lot levies and other development charges. OPPI could support proposed changes to the *Municipal Act* that would allow interested municipalities to offer incentives to the private sector in return for the provision of affordable housing.

## **C) Approach the Province to Provide Assistance to Prepare Community Affordable Housing Strategies**

Developing a community strategy for affordable housing is a labour intensive process. It requires dedicated community resources (e.g. staff or consultants) to co-ordinate the work of the reference committee, undertake the background research, and present the action plans in a comprehensive report. While the Provincial Government has transferred the responsibility for social housing to the municipal level, there is still a Provincial interest in ensuring the housing needs of all Ontario residents are met. Accordingly, OPPI could advocate for a Provincial role to help with the preparation of community affordable housing strategies.

## **D) Press Senior Levels of Government to Increase Funding for the Creation of New Affordable Housing**

Although the paper identifies a wide range of tools available to municipalities, current experiences of Ontario municipalities have shown that these tools are insufficient to create enough new affordable housing required in

most communities. In addition, few new affordable housing units are being developed that meet the requirements of the neediest households in Ontario. Capital or ongoing funding is required from senior levels of government to create new affordable housing to meet the needs of low-income households. OPPI could work with municipalities to identify funding programs that could be sponsored by senior levels of government to increase the supply of affordable housing in Ontario. One approach could be to advocate for the expansion of existing programs, such as the province's rent supplement program or CMHC's residential rehabilitation assistance programs (e.g. create a residential construction assistance program).

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