

Appendix B to SRPI.21.089
Affordable Housing Strategy

The City of Richmond Hill | Affordable Housing Strategy

Strategy Report



May 2021

Acknowledgement

The Richmond Hill Affordable Housing Strategy was undertaken on behalf of the City of Richmond Hill. This report is the result of a collaborative process and would not have been possible without the active involvement of City of Richmond Hill staff and members from the Regional and Provincial government, as well as CMHC, as well as a number of key housing stakeholders and residents. We would like to especially thank the Technical Advisory Committee for their continued support and feedback during the process of creating this Strategy report.

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1.0 Introduction

Purpose of this Project

The purpose of this project is to:

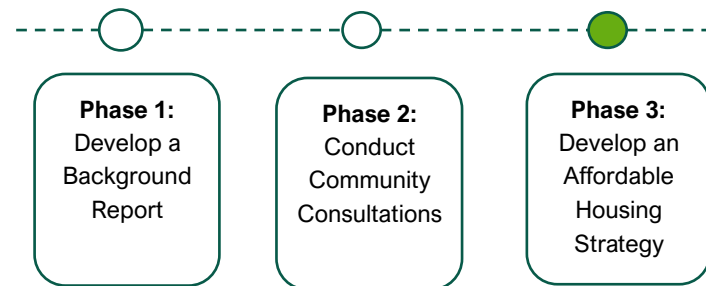
1. Develop a “Made in Richmond Hill Housing Strategy” to identify what the City can do to provide housing that is affordable to moderate-income households in the City
2. Provide a framework for the City to deliver affordable housing through partnerships with other levels of government, developers, landowners and residents

Approach and Report Format

This study is being undertaken in three phases. The first phase of work included the development of a Background Report. The second phase of the project included a number of stakeholder consultations to validate the findings in the background report. The third phase of

work involved developing an Affordable Housing Strategy to address the identified housing needs and gaps.

Figure 1: Project Phases



This Strategy Report is part of phase three, and builds on the findings from phase one and two, to develop a long-term strategic action plan that will help the City ensure more affordable housing is developed in the community. In parallel to this report, a Handbook for Developing Affordable Housing has been developed to help the development sector in Richmond Hill navigate the housing system, identify potential partners, learn about design considerations and find instructions on how to structure a planning report.

2.0 Defining Housing Affordability

The Official Plan¹ for the City of Richmond Hill defines affordable housing for rental and ownership housing. These definitions are in line with the definitions used in the Region of York’s Affordable Housing Measuring and Monitoring Guidelines Update (2018).

The definitions are based on household income deciles² as well as corresponding affordable prices and rents for ownership and renter households accordingly. The thresholds of the definitions change annually based on updated household income deciles, house prices and rents, and based on the most appropriate approach for calculating the affordability thresholds (see Background Report for more information on the methodology for determining affordability thresholds.) This section defines affordable rental and ownership thresholds for the City of Richmond Hill.

For the purposes of this definition, “low- and- moderate-income households” means in the case of ownership housing, households with incomes in the lowest 60% of the income distribution or, in the case of rental housing, households with incomes in the lowest 60% of the income distribution for renter households for the regional market area.

While the Provincial Policy Statement mentions affordability is based on the **regional market area** (i.e. Region of York), research found that using Regional information would lead to affordable house prices and rents being higher than what would be considered affordable if Richmond Hill information were to be used. This is because incomes in the Region of York as a whole are, on average, higher than those in Richmond Hill. This

¹ [The City of Richmond Hill 2010 Official Plan, Chapter 7 – Definitions.](#)

² Household income deciles divide the total universe of households into ten equally portioned income groups. This means that there is one tenth (or 10%) of all households in each income decile.

is because incomes in the Region of York vary depending on the location, and as a result, the average incomes are higher than those reflected in Richmond Hill. The PPS sets out minimum standards and local municipalities can create higher standards by defining deeper affordability thresholds. Therefore, it is recommended to use the household income deciles for Richmond Hill to define housing affordability in the city as these would lead to a more accurate representation of affordability in Richmond Hill.

It is important to note that should the City’s affordability threshold yield more expensive housing prices or rents compared to the Regional affordability threshold, then the Regional affordability threshold will apply.

The following information is provided to demonstrate what this affordable threshold looks like for Richmond Hill based on 2019 data. Each year, these figures need to be updated as new information is released.

In 2019, this means that affordable **ownership** housing should be priced at a maximum of **\$466,888**. This amount was calculated based on what is affordable to the lowest 60% of the Richmond Hill household income distribution.

Figure 2: Affordable Ownership Thresholds by Richmond Hill Household Income Deciles; 2019

Percentile	Income	Affordable Ownership
100 th		
90 th		
80 th		
70 th	Richmond Hill	\$118,317
60 th		\$466,888
50 th		
40 th		
30 th		
20 th	Housing that costs less than 30% of household income for the lowest 60% of household income levels	
10 th		

Source: Statistics Canada Custom Tabulations; 2016, SHS Calculations for Ownership Affordability

For **rental** housing, while low- to moderate-income renter households are identified by the income distribution, the affordable rent threshold is based on the market approach instead of the income approach. Hence, affordable rents should not exceed **\$1,650**, which was 125% of the average market rent according to CMHC for Richmond Hill in 2019³.

Figure 3: Affordability Thresholds for Rental Housing by Richmond Hill Household Income Deciles; 2019

Renter Households				Affordable
	Percentile	Income		Rental
100 th				
90 th				
80 th				125% AMR
70 th	Richmond Hill	\$56,045		\$1,650
60 th				
50 th				
40 th				
30 th				
20 th				
10 th				

125% AMR – meets York Region and Richmond Hill OP definitions

Source: Statistics Canada Custom Tabulations; 2016, SHS Calculations for Rental Affordability; CMHC Housing Information Portal 2020

³ This rental threshold is based on the average market rent for all bedroom types as reported by CMHC, however CMHC also reports on the average market rent by bedroom type.

3.0 Goals and Outcomes of the Strategy

This section of the report includes a summary of the key housing gaps in Richmond Hill identified in the Background Report, a vision for housing in Richmond Hill, and the goals and anticipated outcomes of the Strategy. In the Appendix of this report, the goals achieved by the recommended actions in the Action Plan in Section 4 are identified.

Summary of Gaps

The figure below summarizes the key housing gaps in Richmond Hill identified in the Background Report. The findings are based on the estimated number of households in Richmond Hill in 2019, the proportion of households with low, moderate and high incomes who are facing housing affordability issues, and the household types who are experiencing the highest need.

The figure also shows what households in each income category (based on Richmond Hill household incomes) can afford in terms of monthly rents and house prices, and what is currently available to them in terms of housing options in the city.

Finally, the figure shows what the housing targets are along the continuum for this Strategy. These housing targets will be used to measure the success of the Strategy. The current target for new affordable housing development defined by the City's Official Plan is that in the city overall, 25% of all new residential development should be affordable. Of all those affordable housing units (25% of all new residential units), 10% should be affordable to households with low incomes (serving households with special needs as well). The remaining 15% of affordable units should be affordable to households with moderate incomes. In addition, the City has incorporated actions in this Plan to achieve a 3% vacancy rate for rental housing, which is widely accepted as a "healthy" vacancy rate.

Figure 4: Summary of Housing Gaps and Affordable Housing Targets within the Housing System in the City of Richmond Hill; 2019

	Households with Low Incomes (\$56,244 or less)	Households with Moderate Incomes (\$56,245 - \$118,317)	Households with High Income (\$118,318 or more)	
Housing Demand	HOUSEHOLDS	25,525 households (34.9% of all households)	20,457 households (28.0% of all households)	27,082 households (37.1% of all households)
	WHAT IS AFFORDABLE?	rent of up to \$1,406 house price of up to \$221,941	rent of up to \$2,958 house price of up to \$466,888	rent at \$2,959 + price at \$466,889 +
	THE NEED			
	Spending 30%+ on housing	19,510 households (76.4%)	6,899 households (33.7%)	1,147 households (4.2%)
	Spending 50%+ on housing	13,438 households (52.6%)	1,495 households (7.3%)	86 households (0.3%)
	In core housing need	11,082+ households (43.4%)	183+ households (0.9%)	0+ households (0%)
	Small Households (1-2 persons)	15,889 households (62.2%)	8,551 households (41.8%)	5,552 households (20.5%)
	Large Households (3+ persons)	9,619 households (37.7%)	11,906 households (58.2%)	21,524 households (79.5%)
	Household Types	Youth, recent immigrant households, couples with children, lone parent households, households with two- or more unrelated persons and immigrant households	Recent immigrant households, couples with children and immigrant households	N/A
Housing Supply	SYSTEM CAPACITY	<ul style="list-style-type: none"> 302 shelter beds including 66 seasonal beds, 4 crisis beds and 72 beds for women who experienced domestic violence 42 transitional housing beds/apartments 83 supportive housing units 1,419 subsidized housing units including 56 rent supplements 1,069 affordable units including 250 AHP/IAH units 73 Bachelor units in the primary rental market 645 1-bedroom units in the primary rental sector 	<ul style="list-style-type: none"> 884 2-bedroom apartments in the primary rental sector 108 3-bedroom apartments in the primary rental sector 8,566 units in the secondary rental market 60,210 owner occupied units 	
	THE GAP	<ul style="list-style-type: none"> 6,286 non-senior & 6,261 senior households on the wait list for subsidized housing (2018) 514 people waiting for supportive housing 11,082 households in core need 	<ul style="list-style-type: none"> 1.2% vacancy rate in the primary rental market (2019) 	<ul style="list-style-type: none"> average of 30 days on the market
The Gap	What Housing Is Required?	affordable rental, family sized units, smaller units, units with accessibility features, and housing with supports	purpose-built rental, affordable ownership, and family sized units.	housing affordable to households with incomes in the 7 th to 9 th income decile, housing affordable to first-time home buyers
AFFORDABLE HOUSING TARGETS as a % of all new residential development		A minimum of 10% of all new residential development units should be affordable to households with low incomes	A minimum of 15% of all new residential development units should be affordable to households with moderate incomes	Continue to provide a diversity of housing forms
Overall target of 3% rental housing vacancy rate				

Source: Statistics 2016 Canada Custom Tabulation data, household projections from the Regional Municipality of York, CMHC Rental Market Report: Greater Toronto Area 2019, Notes: Household counts have been estimated for 2019 based on the household projections provided by the Regional Municipality of York but proportions in housing need are based on 2016 Statistics Canada data.

Housing Vision

As part of the Strategic Plan developed in 2009, directions for a vision on affordable housing were created. These are still relevant today.

“Create better options for where to live by planning for a range of housing that provides options for people at all stages of life.”

Source: Richmond Hill Strategic Plan 2009

Housing Goals

The housing needs assessment undertaken as part of phase one of this project identified five housing gaps in Richmond Hill. Based on these gaps, a number of goals and outcomes for the Strategy have been developed.

Goal 1: Support further diversification of the housing stock by creating a range of housing options for seniors to age in place and for younger households to settle in the community.

- **Outcomes:**

- An increased proportion of the overall housing stock as medium- and- high-density dwellings like apartment buildings, triplexes or fourplexes, and townhouses
- An increased diversity in the size of apartment dwellings including family-sized apartments with two or three bedrooms
- An increase in the number of younger households aged 25 to 44 settling in Richmond Hill, through an increased supply of housing units affordable to these households and which meet their needs

Goal 2: Increase the number of rental and specifically purpose-built rental housing options that are in a good state of repair and affordable to moderate- and- low-income households.

- **Outcomes:**

- An increase in the number of market and affordable purpose-built rental housing starts and completions

- An increase in the average vacancy rate for purpose-built rental apartment buildings to a healthier level
- An increase in the number of secondary suites throughout the existing and anticipated supply of housing
- A decrease in the proportion of rental units that need major and minor repairs
- A decrease in the proportion of moderate-income households that spend 30% or more of their income on shelter and low-income households that are in core housing need⁴

Goal 3: Attract new accessible and supportive housing options to Richmond Hill that are suitable for seniors and households with a member with a disability or mental health issue by establishing partnerships and collaborating with stakeholders.

⁴ A household is considered to be in core housing need if the dwelling they occupy falls below the adequacy, suitability, or affordability standard and if the household would be required to spend more than 30% of its before-tax household income to pay the median rent for alternative housing which meets all three standards in the area. According to CMHC, **adequate**

- **Outcomes:**

- An increase in the number of supportive housing options located in Richmond Hill
- A decrease in the number of individuals waiting for supportive housing in Richmond Hill
- Increase the number of housing units with accessibility options and enable seniors to age in their communities

Goal 4: Increase the number of ownership options in Richmond Hill that are affordable to moderate-income households.

- **Outcomes:**

- An increase in the number of starts and completions of owned dwellings with more than one bedroom that are affordable to households in the 6th income decile or below

housing is housing that does not require any major repairs. **Suitable housing** is housing with enough bedrooms for the size and make-up of the household. **Affordable housing** is housing which costs no more than 30% of a household's income.

- An increase in the number of younger households aged 25 to 44 settling in Richmond Hill

4.0 A Housing Action Plan for Richmond Hill

A Housing Action Plan has been developed, in collaboration with key housing stakeholders and residents of Richmond Hill to support the Housing Vision and help achieve the housing goals and outcomes identified above.

The recommended actions were formulated based on the key housing gaps, the identified barriers to housing, the current housing system and roles of key stakeholders, engagement sessions with residents and key housing stakeholders, as well as a review of the tools and incentives available to municipalities such as Richmond Hill.

The recommended actions below are also in line with the actions identified in the Region of York's updated Housing and Homelessness Plan: Housing Solutions: A Place for Everyone – Phase 2⁵.

Timelines for implementation have been established in collaboration with the City of Richmond Hill and key stakeholders. The implementation of all actions should occur from 2021-2023. This timeline takes into consideration the timing of work that is currently underway such as: Official Plan Update, the updating of the Transportation Master Plan, Parks Plan, and preparation of a Comprehensive Zoning By-law Review.

It is important to acknowledge that the Background Report identified a number of housing gaps in Richmond Hill related to the housing needs of households with the lowest incomes (households in the bottom 30% of the income continuum and earning \$65,017 or less in 2019). While there are a number of tools the City of Richmond Hill can implement to help the creation of affordable housing to support these low-income households, generally, the Region of York, as the Service Manager for

⁵ Regional Municipality of York 2019. Housing and Homelessness Plan: Solutions: A Place for Everyone – Phase 2. Accessed from: [https://www.york.ca/wps/wcm/connect/yorkpublic/f5710944-144c-402c-ba60-64bd520dc359/Housing+Solutions+Phase+2+Plan%2C+2019+to+2023.pdf?](https://www.york.ca/wps/wcm/connect/yorkpublic/f5710944-144c-402c-ba60-64bd520dc359/Housing+Solutions+Phase+2+Plan%2C+2019+to+2023.pdf?MOD=AJPERES&CVID=mTLI.du#:~:text=In%202014%2C%20The%20Regional%20Municipality,and%20Homelessness%20Plan%2C%20Housing%20Solutions.&text=Phase%20of%20the%20plan,prevention%20and%20related%20support%20services.)

[MOD=AJPERES&CVID=mTLI.du#:~:text=In%202014%2C%20The%20Regional%20Municipality,and%20Homelessness%20Plan%2C%20Housing%20Solutions.&text=Phase%20of%20the%20plan,prevention%20and%20related%20support%20services.](https://www.york.ca/wps/wcm/connect/yorkpublic/f5710944-144c-402c-ba60-64bd520dc359/Housing+Solutions+Phase+2+Plan%2C+2019+to+2023.pdf?MOD=AJPERES&CVID=mTLI.du#:~:text=In%202014%2C%20The%20Regional%20Municipality,and%20Homelessness%20Plan%2C%20Housing%20Solutions.&text=Phase%20of%20the%20plan,prevention%20and%20related%20support%20services.)

housing, is primarily responsible for addressing the housing needs of these households.

In general, the tools and funding sources from higher levels of government available to cities such as Richmond Hill are not sufficient to completely achieve the depths of affordability required to meet the needs of these households. Accordingly, the actions below focus on the City of Richmond Hill’s abilities to attract affordable housing options for low-income households through partnerships with the Region of York and local housing providers, while supporting the development of market housing options which are more suitable for moderate-income households.

Action Plan

The recommended actions fall within seven categories. The implementation of these actions, in most cases, will require additional public and stakeholder consultation in accordance with the applicable legislation and City protocols.

- 1 Implementation Oversight
- 2 Policy
- 3 Guidelines and Standards
- 4 Regulatory Tools
- 5 Financial Tools
- 6 Land Inventory
- 7 Capacity Building

1

Implementation Oversight

Create an Affordable Housing Strategy Implementation Committee

The purpose of this Affordable Housing Strategy Implementation Committee is to meet on a regular basis to help coordinate and oversee implementation of the Strategy as approved by City Council. It would also include identifying opportunities and making recommendations about how to better align the roles and resources of partner organizations to meet the goals and implement the actions of the Plan. It is proposed that the Committee be comprised of decision makers from different community agencies, housing providers from both the not-for-profit and for-profit sectors, Regional Staff from Long Range Planning and Housing Services Branch and Municipal staff, City councillors and at least one Regional councillor. Consideration should also be given to including individuals with lived experience and members from the supportive housing sector as Committee members. The governance and members of the committee will be finalized upon careful consideration of reporting structure, representation, and other matters. A Terms of Reference, which includes the composition of the committee, should be established, and approved by Council.

The Committee would be responsible for monitoring implementation of the Strategy and determining whether the desired outcomes are being achieved. In addition, the Committee would be responsible for advocating to higher levels of government on the need for affordable housing in Richmond Hill. The Committee would identify where and when advocacy should take place and bring affordable housing issues to the attention of Council where appropriate.

The Committee would play a role in facilitating the development of new affordable housing in Richmond Hill by guiding the implementation of all recommended actions within the Plan by 2023.

1.1 Recommended Action: Create an Affordable Housing Strategy Implementation Committee to guide the implementation of the Strategy.

a) Monitoring

It is recommended that, in accordance with policy 3.1.5.7, the Affordable Housing Implementation Committee work with the City and the Region of York to update common measuring and reporting tools to monitor progress towards implementing this Plan.

The Region of York Affordable Housing Measuring and Monitoring Guidelines provide a standard approach to implementing the Regional Official Plan affordable housing targets. The number and percent of ownership and rental housing units achieving the affordability thresholds in Richmond Hill should be reported on annually and compared with the Region's requirements that 35% of new housing in the Region's Centres and key development areas be affordable and that 25% of new housing overall in the city be affordable. Achieving the affordable housing targets helps to ensure communities are healthy, economically stable and environmentally sustainable.

The provision of a full mix and range of housing options is a legislated requirement and a key component of building complete communities. The standardized approach put into effect by the Region in 2015 allows for a consistent identification and measurement framework of the supply of new affordable units, which support evidence-based policy responses to housing needs. Monitoring the implementation of the Plan will help to identify cases where policies are not working as they should, and then policies can be updated where applicable.

The Committee should also work with the Region to monitor the addition of new supportive housing units, including mental health, developmental disabilities, physical disabilities, etc.

1.2 Recommended Action: In accordance with policy 3.1.5.7, the Committee should work with the City and the Region of York to update common measuring and reporting tools to monitor progress towards implementing this Plan and achieving its targets.

2

Policy

Update the City of Richmond Hill's Official Plan

The City of Richmond Hill is updating the current Official Plan to guide land use and development to 2041 and this update is targeted to be complete by the end of 2022. The following are elements of the Official Plan related to housing that need to be considered and updated.

a) Inclusionary zoning policy

It is recommended that the Official Plan be updated to include an inclusionary zoning policy for Protected Major Transit Station Areas (PMTSAs) that sets out the approach to authorizing inclusionary zoning in Richmond Hill. The policy design should be informed by the findings from the inclusionary zoning impact analysis conducted as part of this study (see Background Report for more detailed information) and consultations with for-profit developers, not-for-profit housing providers, and other housing stakeholders and government officials.

The policy should include provisions for monitoring the impacts of the policy every five years (at minimum). This recommended timing coincides with the Planning Act's requirement to prepare an updated needs assessment at least every five years. The policy should also set out the approach for the procedure required to monitor and ensure that the required affordable housing units are maintained for the required period of time. In addition, the inclusionary zoning regulation requires a status report be provided to Council every two years to track performance.

Prior to implementing the inclusionary zoning policy, the impact analysis must be reviewed by a third party.

If an inclusionary zoning policy is enabled, an inclusionary zoning by-law can then be passed to give effect to the policy. **See Regulatory Tools for more details on the outcomes for affordable housing that can be achieved when the inclusionary zoning policy is implemented by the corresponding by-law.**

Details regarding the implementation of inclusionary zoning should be addressed when preparing the Official Plan policies as well as the inclusionary zoning by-law.

2.1 Recommended Action: Develop and incorporate an inclusionary zoning policy for Protected Major Transit Station Areas in Richmond Hill.

b) Community Planning Permit System (CPPS) policies

It is recommended that the City updates CPPS policies to enable the use of this tool. The implementation of this system creates faster and more predictable approvals processes and may assist with getting housing to market quicker. It is recognized that the implementation of this permit system requires considerable upfront work, as such if it is determined that there are competitive advantages to using CPPS over traditional zoning, these policies and the subsequent regulations should be pursued.

Lengthy and cumbersome application and approval processes for permits could be reduced through the implementation of CPPS policies and result in the creation of an environment where more affordable housing can be built in less time. If CPPS policies are able to expedite the development review, evaluation and approval timelines, unnecessary costs can be reduced and regulatory barriers to new residential construction will be curtailed. By streamlining the approvals process, there will also be increased transparency and efficiency between regulatory departments at the City and the development community.

The community planning permit system can be applied to the whole city or certain neighbourhoods or areas. The community planning permit by-law can be developed at the same time as, or after, the official plan amendment.

2.2 Recommended Action: Update Official Plan policies to enable the City to implement CPPS policies. Working through the Comprehensive Zoning By-law development process, determine whether or not to implement Community Planning Permit System (CPPS) by-law(s) in appropriate areas of the city.

c) Permit gentle density in Neighbourhood designation

It is recommended that the Official Plan be updated to optimize the development potential in existing Neighbourhoods. To support more gentle density of the housing stock in Neighbourhoods, the City should amend its Official Plan to introduce policies to enable a multi-tach zoning category to allow, as of right, multi-unit buildings that fit within the existing envelope in low density zones. Multi-tach is a multi-family, detached building containing three to five condominium/rental units that complies to all existing height and setback limits. This policy would enable multi-tach zoning to be established in these typically low-density areas of the city and provide more housing supply within the same land area.

In advance of finalizing this Strategy, the City has taken action to expand its policy for permitting additional residential units within ground related (i.e. single detached, semi-detached and townhouse) units, and in a structure accessory to the primary unit in most areas within the City where ground related units are permitted. The introduction of an additional residential units policy allows homeowners to earn income by renting out a second unit in their home, making mortgage payments more affordable; creates new rental supply for households who cannot afford or do not want to own a home; and is an efficient use of the existing housing stock.

As part of the Official Plan Update, there is also the opportunity to accommodate some limited intensification through infill and redevelopment in Neighbourhoods. Furthermore, the City should ensure there are no barriers to building innovative housing forms such as laneway homes, garden homes and micro/tiny homes, etc. in appropriate areas provided they meet health and safety standards.

2.3 Recommended Action: Introduce policies to enable a multi-tach zoning category to allow, as of right, multi-unit buildings that fit within the existing envelope in low density zones, as a way to introduce gentle density in established residential areas.

2.4 Recommended Action: Ensure there are no barriers in the Official Plan to building innovative housing forms, such as smaller units, laneway homes or garden homes as well as micro/tiny homes etc. in appropriate areas, provided they meet health and safety standards.

d) Revise definition of affordable housing

It is recommended that, as part of the Official Plan Update, the threshold⁶ of affordable housing in the Official Plan is updated to reflect the definition and methodology described in the Background Report. It is also recommended that thresholds of affordable rent and house price be shared with the public annually. It is recommended that these updates be done through communications published on the City's Affordable Housing Strategy webpage.

2.5 Recommended Action: Update the definition of affordable housing in the Official Plan and update the affordable threshold for prices and rents on an annual basis based on the methodology identified in the Background Report.

e) Demolition and rental conversion control policy

It is recommended that, as part of the Official Plan Update, policy 3.1.5.4 be strengthened to implement a demolition and conversion control policy that prohibits the demolition and conversion of rental properties into another tenure. This policy should apply city-wide. It is recommended that the Official Plan be updated to include the following policy criteria under policy 3.1.5.4:

- Conversion of rental housing to condominium tenure must be prohibited unless the vacancy rate of market rate purpose-built rental housing, as reported by CMHC, is above 3% for the preceding three-year reporting period.
- Demolition of rental units must be prevented unless replacement units are provided. If the rents of the units proposed for demolition are considered affordable at the time of application, these must be replaced by units that have affordable rents enforced through an agreement on title. If rents of the units proposed for demolition are at

⁶ The methodology for determining the threshold of affordable housing is presented in the Background Report.

market rates at the time of the application, these units may be replaced with rental units with no restrictions to the price of the rents.

The key housing gaps analysis conducted as part of this Strategy (see Background Report) identified that there is a need to increase the number of rental housing options that are in a good state of repair and affordable to households with moderate and low incomes in Richmond Hill. The demolition and conversion policy in the Official Plan should therefore be strengthened to preserve the existing supply and increase the supply of rental housing in the city.

2.6 Recommended Action: Strengthen policy 3.1.5.4 in the Official Plan to implement a demolition and conversion control policy that prevents the demolition and conversion of rental properties into another tenure.

f) Policy requiring larger sized units in all multi-residential buildings with 20 units or more

It is recommended that policy 3.1.5.6 in the Official Plan be updated and refined to require 5% of units in all new multi-residential buildings with 20 or more units be built to include 3 or more bedrooms (except for developments providing supportive housing and/or affordable housing).

It is important that families and larger households have the opportunity to rent or buy housing that is suitable throughout the city. While it is important to protect and replenish the existing supply of larger sized housing units, a policy requiring larger sized units in all new multi-residential buildings would ensure the availability of housing suitable for families and larger households into the future.

The recent housing completions data demonstrate that higher-density apartments are increasing in number in Richmond Hill as apartment completions made up the largest share in Richmond Hill in 2019 at 39.0%. However, very few housing units with three-bedrooms or more, that may be considered appropriate for families, are being provided in these buildings, based on building permit data. The building permit applications from 2016 to 2019 suggest that 3.6% of the apartment dwellings will be three-bedroom units.

2.7 Recommended Action: Update policy 3.1.5.6 in the Official Plan to require 5% of units in all new multi-residential buildings with 20 or more units be built to include 3 or more bedrooms (except for supportive housing and/or affordable housing).

g) Policy to prioritize surplus land for affordable housing

It is recommended that the City adopt a policy that encourages public agencies to develop a hierarchy of priority when considering the sale or lease of land or buildings (where housing is permitted), which identifies developers who commit to creating affordable purpose-built rental housing second in priority to other public agencies.

To reduce the burden of high land costs on developers of affordable housing, the City of Richmond Hill could identify surplus City land where housing is permitted within the city and make it available for the development of affordable rental housing and especially supportive housing. Priority should be given to not-for-profits or to private developers who have partnered with not-for-profits in the bidding process for these sites. These lands could be provided through long-term leases for nominal costs. While the land sales dollar value may not result in immediate profits, the City will incur long term financial gains through increased property tax, as well as multiple economic spinoff benefits that result from increased jobs and consumers within the area.

Implementation of this policy might involve identifying an appropriate period of time for this site to be bid on. If this timeline expires with no buyer from a public agency or buyer who has purchased the property for affordable housing, the property can then be opened for sale or lease for other purposes.

2.8 Recommended Action: Adopt a policy in the Official Plan that encourages public agencies to make surplus or underutilized public land or buildings where housing is permitted, where other public agencies have not expressed an interest in them, available to developers who commit to creating affordable, purpose-built rental, and especially supportive housing at no cost or a nominal cost.

2.9 Recommended Action: The City should update its land disposition policies, pursuant to the Municipal Act, to prioritize the sale or lease of land first to other public authorities, and then to providers of affordable rental or supportive housing.

h) Policy to promote more complete community building

It is recommended that the City update its Official Plan to further promote the creation of complete communities to address the wealth creation initiatives provided in the Background Report. The intent of this recommendation is to help households create wealth by providing residents with options that reduce the cost of living for them (e.g., strategies that reduce reliance on automobiles and their associated costs) and/or creating opportunities to gain income (e.g., renting out a portion of their home) or having access to better paying jobs near where they live (e.g., more mixed-use developments).

The City's Official Plan contains "A Complete Community" as one of its five core policy directions. Through the update of the Official Plan, more policy permissions may be warranted to ensure that home, work and mobility options are expanded within the City.

2.10 Recommended Action: Update the Official Plan to further promote the creation of complete communities by addressing the wealth creation initiatives related to mobility, mix of uses, access to jobs, and housing options among others that are provided in the Background Report.

3

Guidelines and Standards

Update Parking Standards

It is recommended that current in force parking requirements be reduced for residential developments in Major Transit Station Areas and other appropriate areas (e.g. areas that are well-served by public transit) based on the findings from the Transportation Masterplan Update.

The City should consider approving further reductions of parking requirements for affordable, supportive and purpose-built rental housing projects where the proponent can demonstrate that the demand for parking will be less than what is otherwise required. Consideration should also be given to how the project will prevent social isolation that might occur due to a lack of transportation options to residents (e.g. by providing car-sharing services in the building or providing parking options in non-residential buildings in the same area). In cases where parking requirements are reduced, ensure that “rent-a-car” or other car sharing facilities are incorporated into the operations of the development.

Demand for parking should be monitored on an ongoing basis to determine whether parking standards are defined appropriately.

The City should also consider permitting above ground structured parking in mid-rise and high-rise buildings across the city where these developments are zoned.

Decreasing parking requirements in new buildings and/or permitting above ground structured parking can result in decreased construction costs and could facilitate the development of new housing units. Parking standards for Major Transit Station Areas vary by location (key development areas) and they vary by unit type. Developments that occur within Major Transit Station Areas could likely sustain lower ratios of parking spots to units, as residents can access public transit easily. By reducing costs associated with constructing underground parking spaces, through lowering parking requirements, developers can offset the decreased revenue stream incurred by providing affordable housing units in their developments while still maintaining financial viability overall.

3.1 Recommended Action: Assign parking requirements for residential developments in Major Transit Station Areas and other appropriate areas (e.g. areas that are well-served by public transit) that are commiserate with the walkability and existing and planned transit for that area. Based on the findings from the Parking Strategy Update, consider permitting further reductions of parking requirements for affordable, supportive and purpose-built rental housing projects where appropriate and where the proponent can demonstrate that the demand for parking will be less than what is otherwise required.

3.2 Recommended Action: Consider permitting above ground structured parking in mid-rise and high-rise buildings across the city where these developments are zoned.

Update Standards for Alternative Design and Development

It is recommended that the City consider revising non-regulatory standards that may have the effect of reducing capital and/or operating costs of housing and enable more flexible and innovative residential development throughout the city. Alternative development standards could replace many traditional standards. For example, right-of-way and road pavement widths can be reduced without compromising safety, resulting in land cost savings; and lots can be smaller or configured differently to increase densities, resulting in more development at a lesser land value per capita cost.

The City may also change urban design requirements for particular tenures (e.g. purpose-built rental buildings) to allow for concrete slabs and simple designs or permit stratification of infrastructure by allowing parking for private use under or

above City or other public infrastructure. Furthermore, municipalities could use this tool to facilitate the construction of modular homes, pre-fabricated homes, shipping container housing, and/or tiny homes.

Alternative design and development standards can encourage developers to use the available land and building materials more efficiently. This is especially powerful when combined with a requirement to apply cost savings to rents/house prices or other community benefits. This could provide incentives for private developers to create units that include purpose-built rental housing or affordable ownership housing. In addition, it could attract non-profit, as well as supportive housing providers to the City of Richmond Hill as these alternate standards can make them more competitive with the private sector.

3.3 Recommended Action: Consider revising non-regulatory standards that may have the effect of reducing capital and/or operating costs of housing and enable more flexible and innovative residential development.

4

Regulatory Tools

Update the Comprehensive Zoning By-law (CZBL)

The City is in the process of conducting a comprehensive Zoning By-law review (to be completed by 2023). It is the intent that the comprehensive Zoning By-law review will create one document that will establish "as-of-right" permissions for all properties in the City and enable residents and landowners to develop their lands in a predictable and consistent manner.

As part of this process, the CZBL should be updated to conform with all relevant updates to the Official Plan. It would be important to ensure that the review includes an analysis of all land-use policies to identify if there are policies that might prevent the diversification of the housing stock, as well as the creation of affordable and supportive housing. It would also be important to identify any policies that might be discriminatory (e.g., distancing requirements for supportive housing and group-homes).

The following are elements of the CZBL that need to be considered and updated.

a) As-of-right zoning for mid- and high-rise developments

It is recommended that the City provide as-of-right zoning for multi-residential developments in areas identified for mid- and high-rise developments to ensure zoning provisions conform with Official Plan policies. This would allow for intensification in these areas to occur more easily and it creates transparency and certainty for developers.

4.1 Recommended Action: Ensure the Comprehensive Zoning By-Law conforms with the Official Plan policies to provide as-of-right zoning for multi-residential developments in areas identified in the Official Plan for mid- and- high-rise developments.

b) Shared housing/co-housing

It is recommended that as part of the Comprehensive Zoning By-Law review, ensure there are no barriers to shared housing/co-housing and co-living arrangements in appropriate areas, as-of-right, in Richmond Hill. By-laws that refer to “single-family” units should be revised to be more inclusive of unrelated people living within the same dwelling.

The City is presently preparing a technical paper on short term and shared residential accommodations. Shared accommodations offer affordable housing and needed services, where residents live within a building comprised of units or suites, which have either a kitchen or bathroom, but not both. Some of these facilities, or common areas, are shared by the residents. Examples include rooming houses, boarding houses, lodging houses, and institutional housing. The technical paper will explore this form of accommodation and determine how it fits in with the character of surrounding neighbourhoods and whether regulations are required.

Shared housing can help support the creation of more affordable housing units for certain demographic groups, such as young adults, seniors and persons with disabilities. As the housing gaps analysis in the Background Report shows, Richmond Hill’s population is aging and while some seniors would prefer their own housing unit, others may wish to share housing with friends or other seniors, whether or not they are receiving services. Having the option to share housing would not only address the issue of having more housing options for seniors, but it would also allow seniors to share other costs, such as housekeeping, outdoor maintenance, meals, and vehicle maintenance. It also helps ensure seniors are not isolated and have the option to stay socially connected as they age. In addition, the key housing gaps analysis demonstrated that younger households (aged 25 to 44 years) have been leaving Richmond Hill. This exodus might be caused by challenges to obtain suitable and affordable housing in the city. Shared housing may be a means of retaining and attracting younger households in the city. Furthermore, shared housing would also help address the need for supportive housing in the city by having a group of persons with similar needs living together and receiving services.

4.2 Recommended Action: As part of the Comprehensive Zoning By-law review, ensure there are no barriers to shared housing/co-housing and co-living arrangements where dwellings are permitted or currently exist, as-of-right, in Richmond Hill.

c) Innovative housing forms

If the Official Plan is updated to ensure there are no barriers to building innovative housing forms in appropriate areas of the city, it is recommended that the zoning by-law also be updated to remove barriers to building innovative housing forms such as smaller units, laneway homes or garden homes as well as micro/tiny homes etc., provided these units meet health and safety standards.

Household trends show that smaller households are increasing in Richmond Hill. This demonstrates a need for smaller housing options as well. This need is further reinforced by the aging population and a need for housing options that are suitable for aging in place. Building these innovative smaller units, can enhance affordability due to lower development costs. Promoting innovative housing forms will contribute to facilitating the production of housing that is affordable and suitable to these residents.

The outcome of this recommendation would be to support the diversification of the housing stock.

4.3 Recommended Action: As part of the Comprehensive Zoning By-Law review, ensure there are no barriers to building innovative housing forms, such as modular units, smaller units, laneway homes or garden homes as well as micro/tiny homes etc. in appropriate areas, provided they meet health and safety standards.

d) Multi-tach zoning

If policies to enable a multi-tach zoning category are introduced in the Official Plan Update, it is recommended that zoning in areas throughout the city where new housing development is restricted to low-density, single-family detached homes be modified to allow for multi-tach zoning. Multi-tach is a multi-family, detached building containing three to five condominium units that complies to all existing height and setback limits. Introducing multi-tach zoning therefore contributes to modest

densification in these typically low-density areas without affecting the character of the neighbourhood.

4.4 Recommended Action: As part of the Comprehensive Zoning By-law review, introduce a multi-tach zoning category to allow, as of right, multi-unit buildings that fit within the existing envelope in low density zones, as a way to introduce gentle density in established residential areas.

e) Additional residential units

In advance of finalizing this Strategy, the City has taken action to update its zoning by-law to permit an additional residential unit within a ground related (i.e. single detached, semi-detached and townhouse) unit, and in a structure accessory to the primary unit in most areas within the city where ground related units are permitted. This by-law amendment enables homeowners to create an additional residential unit without having to request a site-specific amendment to the zoning by-law. This amendment also generally legalizes any additional residential units that may have been created prior to the by-law having been enacted. In this way, improvements to existing units can be done and any new units can be created in compliance with building and fire code requirements when building permits are issued for these units.

Inclusionary Zoning By-Law

If an inclusionary zoning policy is put in place, it is recommended that the City determine where an inclusionary zoning by-law should come into effect and with what provisions.

Some additional information is needed in the inclusionary zoning by-law that is distinct from the inclusionary zoning policies in the Official Plan. These include:

- Development standards for the affordable units
- Whether measures and incentives may be provided, and what these are
- Requirement that prices/rents be affordable when they are sold/leased
- Requirement for any agreements to be entered into with the City

- Procedure for monitoring and maintaining units to be affordable over the affordable period

The analysis conducted as part of this study (see Background Report) reviewed the expected impact of a potential inclusionary zoning policy and by-law through a pro forma model that evaluates the impact on land values. This type of zoning provides developers and the public with certainty regarding development permissions within these areas. It is noted that inclusionary zoning by-laws and the height and densities of buildings set in the PMTSAs are not subject to appeal to the Local Planning Appeal Tribunal (except by the Minister of Municipal Affairs and Housing.)

Once implemented, the inclusionary zoning units of the building will remain affordable over the predetermined period of time stipulated in the by-law, this ensures long-term affordability of units. The inclusionary zoning pro forma analysis shows that there is a strong correlation between the viable rate of inclusion of affordable housing and the increased density. As such, the maximum permitted density of each PMTSA considered for implementation of the inclusionary zoning policy must be reviewed and the maximum density increased by a sufficient amount to create viable development projects.

As mentioned in the Policy section of this Plan, the needs assessment report is required to be updated every five years to determine whether the official plan policies require amending. A report detailing the performance of the inclusionary zoning by-law is required to be prepared every two years and address prescribed matters.

If it is determined that an inclusionary zoning by-law will be implemented, the inclusionary zoning regulation requires a status report be provided to Council every two years to track performance.

4.5 Recommended Action: Once an inclusionary zoning policy for Protected Major Transit Station Areas has been adopted, develop and incorporate an implementing inclusionary zoning by-law.

Community Planning Permit System (CPPS) By-law

If Community Planning Permit System policies have been put in place, it is recommended that the City determine where a CPPS by-law should come into effect and with what provisions.

Like a traditional zoning by-law, the community planning permit by-law would contain a list of permitted uses and development standards, such as height and density specifications (for example, how tall a building can be or how many units it can have). It could also contain other elements not found in a traditional zoning by-law, such as:

- land uses that are allowed, subject to certain conditions including conditions that require the provision of affordable units over the long term
- classes of development or uses of land exempt from requiring a permit (for example, garages, pools, sheds)

Once a community planning permit by-law is in effect, municipalities can issue permits to allow development to occur if an application meets the standards set out in the community planning permit by-law.

The expected outcomes of implementing a CPPS are to:

- make the provision of affordable housing a condition of development approval
- make development approval processes more streamlined and efficient
- get housing to market quicker
- create certainty and transparency for the community, landowners, and developers

4.6 Recommended Action: If CPPS policies have been adopted, develop a CPPS by-law.

Community Benefits Charge (CBC) By-law

It is recommended that the City consider preparing a strategy for implementing a CBC, which will include the estimated charges as well as the annual reports on the amounts in the CBC special account.

The More Homes, More Choice Act provides municipalities with the authority to charge for community benefits with respect to land to be developed or redeveloped. Community Benefits Charges (CBC) are intended to fund municipal

infrastructure for community services, such as land for parks, affordable housing, and childcare facilities, that are needed to support new residents and businesses associated with new development. The CBC is meant to complement development charges and parkland dedication requirements. A CBC may not exceed 4% of the land value on the day before a building permit is submitted. The CBC can be paid "in kind", as such, a development that provides affordable units would not have to pay the charge.

Municipalities are required to pass a CBC By-law by September 18, 2022. Non-profit and affordable developments are excluded from a potential CBC.

To implement a Community Benefits Charge by-law, a municipality must prepare a Community Benefits Charge Strategy which identifies the items such a by-law intends to support through the collected funds. Such a strategy must contain:

- The anticipated type, amount and location of development or redevelopment that would be subject to a community benefits charge
- The anticipated increase in the need for a specific community service (for example, **affordable housing**) resulting from new development or redevelopment
- The capital costs associated with the increased need for a specific community service resulting from new development or redevelopment
- The excess capacity that exists in those specific services (for example, the extra capacity that exists in a service that is not currently being used)
- Whether the increased provision of those specific services would also serve existing residents (for example, existing residents may also benefit from new childcare facilities that are needed as a result of new development or redevelopment)
- Any capital grants, subsidies, or contributions from other levels of government or other sources like donations that are anticipated to be made to support those specific services

As part of the Community Benefits Charge Strategy, the City may want to examine opportunities for using some revenue from the CBC to fund potential financial incentives to support affordable housing including the Community Improvement Plan or to acquire land to be provided to developers of affordable housing.

4.7 Recommended Action: Undertake a Community Benefits Charge Strategy and adopt a Community Benefits Charge By-law in accordance with the Community Benefits Charge Strategy.

Demolition and Rental Conversion Control By-law

It is recommended that the demolition and rental conversion control by-law be updated to conform with the updated demolition and rental conversion control policy (policy 3.1.5.4) in the Official Plan. In the Policy section of this Plan, it is recommended that policy 3.1.5.4 be strengthened to implement a demolition and conversion control policy that prohibits the demolition and conversion of rental properties into another tenure. It is further recommended that the policy be amended to include the following specifications:

- Conversion of rental housing to condominium tenure must be prohibited unless the vacancy rate of market rate purpose-built rental housing, as reported by CMHC, is above 3% for the preceding three-year reporting period.
- Demolition of rental units must be prevented unless replacement units are provided. If the rents of the units proposed for demolition are considered affordable at the time of application, these must be replaced by units that have affordable rents enforced through an agreement on title. If rents of the units proposed for demolition are at market rates of the time of the application, these units may be replaced with rental units with no restrictions to the price of the rents.

With the implementation of such a by-law, the City would be able to protect a greater number of rental housing properties subject to demolition or conversion activities.

4.8 Recommended Action: If policy 3.1.5.4 in the Official Plan is updated, strengthen the demolition and rental conversion control by-law in accordance.

5

Financial Tools and Incentives

Community Improvement Plan (CIP)

It is recommended that the City explore the use of a Community Improvement Plan (CIP) to incentivize purpose-built rental and affordable housing in areas where inclusionary zoning is applied, or city-wide. The outcome of this recommendation would be to assist in the development of rental housing in the city by providing an incentive to encourage the creation of these housing units.

The resulting CIP could include one or more programs which may be in the form of a grant, loan, or provision of land. A loan program may be suitable for the creation of additional residential units (also known as secondary suites). The outcome of such an incentive would be to encourage homeowners to develop new supply of affordable rental housing on their currently existing lot. Alternatively, a capital grant would be effective for building renovations to existing rental buildings, or the development of new rental buildings. The provision of a Tax Increment Equivalent Grant (TIEG) may be suitable to offset operating costs associated with rental buildings. The granting of lands may be suitable for supportive not-for profit housing; but this too needs to be recognized in a CIP.

The CIP may also include energy efficient programs and incentives, which may reduce operating costs of the development and also support City priorities related to the reduction of greenhouse gas emissions.

A key barrier for developers to provide affordable housing is the cost associated with planning approvals, building permits, development charges, and increased tax rates, all of which contribute to higher rents and ownership costs. These CIPs

would contribute to decreases in these costs, which in turn could result in greater supply of affordable housing and significantly lower average rents and prices.

The possible outcomes of implementing these CIPs are an investment in affordable housing by the City, an incentive that encourages the private sector to invest in the provision of affordable housing, and an increased the supply of rental and affordable housing in Richmond Hill.

5.1 Recommended Action: It is recommended that the City explore the use of a Community Improvement Plan (CIP) to incentivize purpose-built rental, additional residential units, and affordable housing, in areas where inclusionary zoning is applied, or city-wide.

Purpose Built Rental Housing - Building Renovation Program (CIP)

It is recommended that the City implement a repair program for purpose-built rental housing (6+ units) to offer grants or forgivable loans to rental properties where modifications are needed to make their buildings accessible or to address critical repairs to improve the safety and/or energy efficiency of their buildings. This program could compliment other programs which help with critical repairs or accessible modifications. This program could address matters, such as:

- Ramp and/or elevator installations
- Urgent repairs to roofs, windows, balconies, or other areas that jeopardize safety
- Critical furnace repairs or replacements that jeopardize the ability for a tenant to continue to live safely
- Improvements to the building's electrical and mechanical systems as well as insulation that improves energy conservation to reduce GHG emissions and reduce operating costs to sustain current rent rates within the building

An important requirement of this program is that the proponent commit to not increasing rent rates to cover the costs of the building renovation that are otherwise addressed by this program.

5.2 Recommended Action: The City should implement a Purpose-Built Rental Housing - Building Renovation Program (CIP) to offer grants or forgivable loans to rental properties that require improvements to improve accessibility or require critical repairs to improve the safety.

Reduce, Defer, or Grant-in-lieu of Fees for Affordable Housing Development

It is recommended that municipal fee by-law(s) be reviewed and amended, where practicable, to reduce or provide grant-in-lieu of fees associated with the provision of new affordable, purpose-built rental, rental, and/or supportive housing. Municipal fees such as development charges, parkland dedication fees, and property taxes which contribute to the soft costs of a development can be onerous. High soft costs associated with construction can contribute to limitations on the level of housing affordability that is possible. Incentives applicable to affordable and purpose-built rental buildings such as the reduction or deferral of or exemptions from development charges and other municipal fees, deferrals of municipal tax payments, etc. could reduce the costs of construction and increase affordability of new units. The purpose of this recommendation is to incentivize the development of these housing types.

The Region of York has its own Development Charges Deferral for Affordable, Purpose-Built Rental Buildings policy. It should be noted that the Region will only enter into a Development Charges Deferral agreement if the local municipality has provided a similar, if not better, deferral, exemption, or other incentive, for the proposed development. It is, therefore, recommended that the City develop its own similar, if not better, program. It should be noted that local matching incentive(s) do not need to be monetary.

The policy could include eligibility requirements based on building height, distribution of bedroom sizes, level of affordability, etc. to meet the needs of the community. The incentives should be tied directly to the affordable housing units created and should be aligned with the Region's programs and incentives. The City could consider introducing this as a pilot program prior to introducing the full program to evaluate its impacts.

If a community benefits charges by-law is passed, this policy should be expanded to include the deferral of the community benefits charges applicable to purpose-built rental, and/or supportive housing units in new developments if the CBC does not include contributions for affordable housing.

In addition, it is recommended that the City consider allowing developers to provide parkland offsite in lieu of in situ or cash in lieu. This may benefit developers who are able to offer up the amount of parkland elsewhere, in appropriate locations, where there are lower land values. This also results in the City receiving the amount of parkland it needs, while the developer pays less than the land value of the land on which they are developing. If the offsite parkland area is relatively close by to the residential development, this would still meet the needs of new residents, while enhancing park areas and housing generally.

To consider parkland offsite in lieu of in situ or cash-in-lieu, there should be clear parameters regarding when this could be applied, including providing alternate sites proximate to the development site. Further, there should be clear thresholds for determining affordable housing and how many affordable units would be required.

5.3 Recommended Action: Review and, where practicable, amend fee by-law(s) to reduce, defer or provide grant-in-lieu of fees associated with the provision of affordable housing, purpose-built rental housing, and/or supportive housing in new residential developments.

5.4 Recommended Action: Consider allowing developers to provide parkland offsite, in appropriate locations, in lieu of in situ or cash in lieu.

Vacant Homes Tax

It is recommended that the City conduct consultations on the potential implementation and design of a tax on vacant homes with key housing stakeholders who would be impacted by such a tax, including property owners and the general public. The Province of Ontario recently introduced legislation that would empower the City to implement a tax on vacant residential units, encourage property owners to sell unoccupied units or rent them out, and address concerns about

residential units potentially being left vacant. The objective of such a tax is to encourage homeowners to rent out these empty units, increasing the supply of rental housing immediately available with no additional development required.

The revenues collected through a Vacant Homes Tax could be used to finance incentives (such as the CIP) and/or other initiatives related to the development of affordable and rental housing in the City. Although revenues will be collected through the Vacant Homes Tax, the main objective of the tool is to incentive the occupancy of vacant housing.

If the City proceeds with implementing a Vacant Homes Tax, it may consider using the City of Vancouver's administrative approach for identifying vacant units used in its Empty Homes Tax program. The City of Vancouver requires all residential property owners to make a mandatory Status Declaration of their property on an annual basis. Owners are required to declare their property's occupancy status for the preceding year. Failure to declare status after a notice period would deem the property vacant and trigger tax liability ("negative billing"). Substantial penalties act as deterrence from making false declarations.

5.5 Recommended Action: Investigate whether a Vacant Homes Tax for residential properties that are empty for several months during the year should be implemented.

Property Tax Levy

It is recommended that the City investigate whether a property tax levy should be imposed on residential and non-residential properties to develop an ongoing fund to be used towards affordable housing and purpose-built rental housing projects. Such a property tax levy could be introduced on all tax classes or certain non-residential tax classes which benefit from the presence of affordable housing in the city.

The outcome of this financial tool is to provide an ongoing source of funds to be dedicated to affordable housing. The revenues generated from the property tax levy could be used by the City to fund some of the financial incentives described throughout this Plan, such as the CIP. In addition, the City could use these funds to acquire private lands following certain considerations such as existing City real estate, planning and zoning considerations, condition of the site,

access to public transit, local amenities and services, etc. The design of the property tax levy should clearly identify where and how the funds collected will be used as well as measure how quickly funds are being used.

Before introducing a property tax levy, it is imperative that the City pursue a community consultation process to gain acceptance and buy-in from residents on the design and implementation of the levy.

5.6 Recommended Action: Investigate whether a property tax levy should be imposed on residential and non-residential properties to develop an ongoing fund to be used towards affordable housing and purpose-built rental housing projects.

6

Land Inventory

Identify Surplus or Underutilized Land or Buildings for Affordable Housing

It is recommended that the City identify all surplus municipally owned properties that are appropriate for the development of housing and consider selling or leasing some or all of these properties at a discounted price to be developed as affordable housing. This action would reduce the cost of acquiring land for developers of affordable housing and ultimately increase the supply of affordable units throughout Richmond Hill.

During consultations with key stakeholders, it was suggested that the City should also identify land currently occupied for a municipal function such as a library, community centre, municipal parking lots, etc. that could accommodate affordable housing on additional top floors. An example of this could be a multi-purpose development with a library on the ground floor and several levels of affordable housing on the higher levels. Not only will land costs be reduced for the developer and for affordability to be promoted, but mixed-use developments also increase density and create diverse and complete neighborhoods. Creating affordable housing at these sites will help address the need for affordable housing while also providing housing that is affordable to future area employees close to places of work.

To implement this recommendation, the City may consider designating a department to lead the process of identifying and allocating these surplus properties. In developing such a program, the City should explore options and opportunities to maximize the participation of non-profit housing providers, in these offerings for City-owned sites, and provide greater consideration to submissions from non-profits that are financially viable, meet all other program requirements under the program and provide greater levels of affordability.

6.1 Recommended Action: Identify surplus or underutilized City-owned land or buildings for the purpose of developing affordable housing. In addition, consider options to re-develop/use City land to include affordable housing on these sites where appropriate (e.g., above or next to libraries and/or other City owned properties or land such as municipal parking sites).

7

Capacity Building

Handbook for Developing Affordable Housing

Building on action 3.3 (Goal 1) of the Region’s updated Housing Solutions Plan and as part of an education campaign, it is recommended that the City work with the Region to promote the Handbook for Developing Affordable Housing, develop educational material and facilitate workshops to increase the capacity and knowledge of housing developers and community agencies on how to build affordable housing in Richmond Hill, including available funding programs, incentives, and partnership opportunities. This should also include presentations of successful partnerships among community agencies and private developers as well as the successful management of the Region and community agencies of affordable units located within private market rate rental and condominium buildings.

The Handbook for Developing Affordable Housing should be updated on a regular basis to include the most recent information on available funding programs that help reduce the cost of affordable residential development, promising innovations in residential development, potential partnership opportunities between the private and not-for-profit sectors, and any other information that could encourage the provision of affordable housing.

In addition, the City should continue to work with the Region to explore and promote alternative forms of affordable home ownership models, such as rent-to-own, shared equity, unbundling, and life lease, within the development community.

7.1 Recommended Action: Work with the Region to promote the Handbook for Developing Affordable Housing.

7.2 Recommended Action: Update the Handbook for Developing Affordable Housing on a regular basis.

7.3 Recommended Action: Building on the Region’s updated Housing Solutions Plan, continue to work with the Region to explore and promote alternative forms of affordable home ownership models, such as rent-to-own, shared equity, unbundling, and life lease, within the development community. This could be an additional section incorporated within the Handbook for Developing Affordable Housing.

Additional Residential Units’ Guidance

It is recommended that the City develop guidance material to help homeowners plan and build additional residential units on their lot that has a ground related house. This material could supplement and reference similar guides published by the Province of Ontario⁷ to provide homeowners with a user-friendly guide and checklist to help build legal additional residential units.

The guidance material should include information related to:

- Municipal zoning requirements and standards for second units, including parking requirements, exits and entrances, servicing and minimum or maximum unit size, etc.
- Instructions for getting a building permit
- References to guides on landlord and tenant rights and responsibilities
- References to City’s Fire Retrofit Program for making existing dwelling units fire-safe

If any incentives are to be provided to households that develop an additional residential unit these should be highlighted.

⁷ Province of Ontario, Adding a Second Unit in an Existing House. Accessed from: https://files.ontario.ca/mmah-adding-a-second-unit-in-an-existing-house-en_0.pdf

The desired outcome of this guidance material is to facilitate and encourage homeowners to incorporate an additional residential unit within their home, which helps to meet the need for affordable rental housing throughout the city.

7.4 Recommended Action: Once the City has brought into effect its Official Plan Amendment and Zoning By-law Amendment to permit additional residential units, update the relevant sections of the City's website to help homeowners plan and build additional residential units on their lot.

Update Affordable Housing Website

It is recommended that the City's Affordable Housing website be updated on an ongoing basis to increase the awareness of housing needs in Richmond Hill and of programs available to support the development of affordable and rental housing. The Affordable Housing Strategy provides a framework for action focused on meeting the housing needs of residents of Richmond Hill into the future. The Affordable Housing website should be updated regularly to inform the public and key housing stakeholders of the progress towards delivering on the actions identified in the Affordable Housing Strategy. The outcome of this action is to increase accountability and clarity between the City and the public when it comes to the City's role in improving housing outcomes for residents.

It is on the Affordable Housing website where the thresholds of affordable housing are to be updated and published on an annual basis. The Affordable Housing website should also be updated to include information on upcoming consultation sessions/activities related to the implementation of the actions outlined in this Plan.

7.5 Recommended Action: Continue to update the City's Affordable Housing website on an ongoing basis to increase the awareness of housing needs in Richmond Hill and the benefits of including affordable and rental housing in all communities.

7.6 Recommended Action: Share updated affordable housing price and rent thresholds with the public annually through communications published on the City's Affordable Housing Strategy webpage.

Prioritize Processing of Affordable Housing Applications

It is recommended that the City expand its concierge program, RH Concierge, to not-for-profit housing providers and supportive housing providers to prioritize these types of residential development. This recommendation involves a non-financial incentive the City could pursue to encourage the development of affordable housing. Currently RH Concierge is only eligible to office and industrial developments, however by expanding the program to these affordable housing providers it would help to facilitate the development application process and encourage developing more of these specialized forms of affordable housing.

By expediting the development review, evaluation and approval timelines, costs associated with long approval timelines can be reduced and regulatory barriers to new residential construction will be curtailed. Furthermore, by streamlining the approvals process, transparency and efficiency will be enhanced between regulatory departments at the City and the development community. According to stakeholders, faster approvals will have a great impact on the ability to expand the supply of new housing that is affordable to households in Richmond Hill.

To implement the expansion of the RH Concierge program would involve a coordinated inter-departmental effort led by Economic Development staff in partnership with Development Planning staff in the Planning and Infrastructure Department.

7.7 Recommended Action: Expand the City's concierge program, RH Concierge, to not-for-profit housing providers and supportive housing providers to prioritize these types of residential development. This service should have as its goal to fast-track affordable housing developments as well as make City Planning staff available to help developers of these projects navigate the approvals' process.

Educate Staff and Industry on Alternative Design and Development Standards

It is recommended that the City educate staff and development and construction industry on alternative design and development standards which can promote the development of new affordable residential units. Factory manufacturing of the components of a housing project can reduce construction costs and time and be applicable to both temporary and

permanent dwellings. It can also improve worker safety, reduce transportation costs, and mitigate site congestion and disruption. Modular construction is also a requirement for some funding programs, such as CMHC's Rapid Housing Initiative as the shorter construction timelines support the program's goal of housing people in need in as short a time as possible. Educating City staff on the alternative design and development standards would lead to an adaptation of the approval processes to account for these different standards, including how alternative design standards are translated in site plan agreements and other contracts between the City and the applicant.

As part of this recommendation, the City could consider fostering a partnership with an organization such as the University of Toronto's Mass Timber Institute to provide City staff and the industry with leading edge research and education on sustainable mass timber products and technologies.

7.8 Recommended Action: Work with the development and construction industry to promote the use of alternative construction materials and methods (e.g. mass timber, 3D concrete printing etc.) to reduce the cost of construction for new projects in Richmond Hill. This could potentially be achieved through partnerships with organizations like the University of Toronto's Mass Timber Institute.

7.9 Recommended Action: Train City staff on alternative design and development standards to ensure these are recognized in the approvals process.

Monitoring the Inclusionary Zoning Policy and By-law

As mentioned in the Policy and Regulatory Tools sections of this Plan, it is required that the needs assessment report be updated every five years to determine whether the inclusionary zoning Official Plan policies require amending. A report detailing the performance of the inclusionary zoning by-law is also required to be prepared every two years and address prescribed matters.

7.10 Recommended Action: If it is determined that an inclusionary zoning policy and by-law will be implemented, the inclusionary zoning regulation requires a status report be provided to Council every two years to track performance.

Foster Partnerships

There are several opportunities for the City to foster partnerships between different players in the housing system to encourage the development of more affordable housing and create more complete and diverse communities. These partnerships could include, but are not limited to:

a) Partnerships between the non-profit sector and other players in the housing system

It is recommended that the City initiate efforts to support non-profit housing providers in Richmond Hill in their quest to expand their affordable housing portfolio by facilitating collaboration with private sector developers, advocating on their behalf to high orders of government, as appropriate, and involving them in education and networking initiatives sponsored by the City or Region. The 12,547 households on the centralized wait list for subsidized housing who indicated they would prefer to live in Richmond Hill demonstrate that the existing stock of affordable and subsidized rental housing in Richmond Hill is not sufficient to meet the need in the community.

To encourage the development of more affordable housing throughout Richmond Hill, the City should update the partners list in the Handbook for Developing Affordable Housing to facilitate collaboration between the non-profit providers and private sector developers. While some not-for-profits have the financial resources and capacity to develop affordable housing on their own, others can seek out partnerships with private developers to do so. As competitiveness for government housing funds increases, partnerships are a potential strategy for improving a project's ability to compete for these limited funds. As such, socially motivated private developers can also benefit from partnerships with the not-for-profit sector. In addition, not-for-profits and for-profit housing developers may consider forming partnerships to share capital, lands, real estate, and expertise in the operations and management of housing portfolio.

Along with the above, the City might consider conducting an annual housing forum where private developers and not-for-profits can come together to discuss with City staff the partnership opportunities and challenges they face.

The Affordable Housing Strategy Implementation Committee may also advocate on behalf of the non-profits to high orders of government, as appropriate, and involve the non-profits in education initiatives sponsored by the City or Region.

7.11 Recommended Action: Support non-profits in their quest to expand their affordable housing portfolio by facilitating collaboration with private sector developers, advocating on their behalf to high orders of government, as appropriate, and involving them in education initiatives sponsored by the City or Region.

b) Partnerships between the City and owners of property appropriate for residential development in Richmond Hill

It is recommended that the Affordable Housing Strategy Implementation Committee consider advocating to its partners to identify and dedicate surplus lands in Richmond Hill for the development of affordable housing. These potential partners include the federal and provincial governments, charities and faith groups, non-profit and cooperative housing organizations and private sector organizations.

The City should consider setting a target for the amount of land to be made available for the development of affordable housing and report on the achievements of such a program.

7.12 Recommended Action: Continue to facilitate partnerships among property owners, non-profit and for-profit residential developers, and community agencies to redevelop vacant or underutilized lands, homes, and non-residential buildings, including heritage buildings, to increase the supply of affordable and supportive housing.

7.13 Recommended Action: Facilitate partnerships among faith groups, non-profit and for-profit residential developers, and community agencies to redevelop vacant or underutilized property, including church-owned property, to increase the supply of affordable and supportive housing, as well as market rate rental.

Support a Land Trust

It is recommended that the City support investigations by the Region of York, other local municipalities, and community-based organizations in the exploration of establishing a land trust for the purposes of affordable and supportive housing development in the Region of York.

A land trust can take on several forms including where a non-profit corporation or where the City or Region itself obtains and holds land and housing for the benefit of the community. The goal of the land trust is to remove land and housing from the real estate market through either purchase or donation, and perpetually hold it in a trust to preserve the affordability of that land and housing asset. There is evidence that a land trust can be an effective model to obtain and secure land for housing and provides greater opportunity for households with low and moderate incomes to access housing that is affordable.

A key feature that allows land trusts to maintain affordability is dual ownership, the separation of land ownership (owned by the land trust) from ownership of the housing or buildings on the land itself, which is leased out to individuals or non-profit organizations over a long-term period. Long-term land leases to non-profit housing partners helps to ensure that public investment and affordable housing is preserved over the long term.

7.14 Recommended Action: Support investigations by the Region of York, other local municipalities, and community-based organizations in the exploration of establishing a land trust for the purposes of affordable and supportive housing development.

5.0 Appendix: Recommended Actions & Goals

Each recommended action within this Plan addresses one or many of the goals and outcomes for the Strategy. In the table below, the goals addressed by the actions are identified. The goals of this Strategy are:

- **Goal 1:** Support further **diversification of the housing stock** by creating a range of housing options for seniors to age in place and for younger households to settle in the community.
- **Goal 2:** **Increase** the number of **rental** and specifically purpose-built rental housing options that are in a good state of repair and affordable to low- and moderate-income households.
- **Goal 3:** **Attract** new accessible and **supportive housing options** to Richmond Hill that are suitable for seniors and households with a member with a disability or mental health issue by establishing partnerships and collaborating with stakeholders.
- **Goal 4:** Increase the number of **ownership options** in Richmond Hill that are **affordable to moderate-income households**.

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
1. Implementation Oversight				
1.1.Create an Affordable Housing Strategy Implementation Committee to guide the implementation of the Strategy.				
1.2.In accordance with policy 3.1.5.7, the Committee should work with the City and the Region of York to update common measuring and reporting tools to monitor progress towards implementing this Plan and achieving its targets.	✓	✓	✓	✓
2. Policy				
2.1.Develop and incorporate an inclusionary zoning policy for Protected Major Transit Station Areas in Richmond Hill.	✓	✓	✓	✓
2.2.Update Official Plan policies to enable the City to implement CPPS policies. Working through the Comprehensive Zoning By-law development process, determine whether or not to implement Community Planning Permit System (CPPS) by-law(s) in appropriate areas of the city.	✓	✓		✓
2.3.Introduce policies to enable a multi-tach zoning category to allow, as of right, multi-unit buildings that fit within the existing envelope in low density zones, as a way to introduce gentle density in established residential areas.	✓	✓		✓
2.4.Ensure there are no barriers in the Official Plan to building innovative housing forms, such as smaller units, laneway homes or garden homes as well as micro/tiny homes etc. in appropriate areas, provided they meet health and safety standards.	✓	✓		✓

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
2.5. Update the definition of affordable housing in the Official Plan and update the affordable threshold for prices and rents on an annual basis based on the methodology identified in the Background Report.				
2.6. Strengthen policy 3.1.5.4 in the Official Plan to implement a demolition and conversion control policy that prevents the demolition and conversion of rental properties into another tenure.	✓	✓	✓	
2.7. Update policy 3.1.5.6 in the Official Plan to require 5% of units in all new multi-residential buildings with 20 or more units be built to include 3 or more bedrooms (except for supportive housing and/or not-for-profit housing).	✓			
2.8. Adopt a policy in the Official Plan that encourages public agencies to make surplus or underutilized public land or buildings where housing is permitted, where other public agencies have not expressed an interest in them, available to developers who commit to creating affordable, purpose-built rental, and especially supportive housing at no cost or a nominal cost.	✓	✓	✓	✓
2.9. The City should update its land disposition policies, pursuant to the Municipal Act, to prioritize the sale or lease of land first to other public authorities, and then to providers of affordable rental or supportive housing.	✓	✓	✓	✓
2.10. Update the Official Plan to further promote the creation of complete communities by addressing the wealth creation initiatives related to mobility, mix of uses, access to jobs, and housing options among others that are provided in the Background Report.	✓	✓	✓	✓
3. Guidelines and Standards				

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
3.1. Assign parking requirements for residential developments in Major Transit Station Areas and other appropriate areas (e.g. areas that are well-served by public transit) that are commiserate with the walkability and existing and planned transit for that area. Based on the findings from the Parking Strategy Update, consider permitting further reductions of parking requirements for affordable, supportive and purpose-built rental housing projects where appropriate and where the proponent can demonstrate that the demand for parking will be less than what is otherwise required.	✓	✓	✓	✓
3.2. Consider permitting above ground structured parking in mid-rise and high-rise buildings across the city where these developments are zoned.	✓	✓	✓	✓
3.3. Consider revising non-regulatory standards that may have the effect of reducing capital and/or operating costs of housing and enable more flexible and innovative residential development.	✓	✓	✓	✓
4. Regulatory Tools				
4.1. Ensure the Comprehensive Zoning By-law conforms with the Official Plan policies to provide as-of-right zoning for multi-residential developments in areas identified in the Official Plan for mid- and- high-rise developments.	✓	✓		✓
4.2. As part of the Comprehensive Zoning By-Law review, ensure there are no barriers to shared housing/co-housing and co-living arrangements where dwellings are permitted or currently exist, as-of-right, in Richmond Hill.		✓	✓	✓
4.3. As part of the Comprehensive Zoning By-Law review, ensure there are no barriers to building innovative housing forms, such as modular units, smaller units, laneway homes or garden homes as well as micro/tiny homes etc. in appropriate areas, provided they meet health and safety standards.	✓	✓		✓

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
4.4.As part of the Comprehensive Zoning By-Law review, introduce a multi-tach zoning category to allow, as of right, multi-unit buildings that fit within the existing envelope in low density zones, as a way to introduce gentle density in established residential areas.	✓	✓		✓
4.5.Once an inclusionary zoning policy for Protected Major Transit Station Areas has been adopted, develop and incorporate an implementing inclusionary zoning by-law.	✓	✓	✓	✓
4.6.If CPPS policies have been adopted, develop a CPPS by-law.	✓	✓		✓
4.7.Undertake a Community Benefits Charge Strategy and adopt a Community Benefits Charge by-law in accordance with the Community Benefits Charge Strategy.	✓	✓	✓	✓
4.8.If policy 3.1.5.4 in the Official Plan is updated, strengthen the demolition and rental conversion control by-law in accordance.	✓	✓	✓	
5. Financial Tools and Incentives				
5.1.It is recommended that the City explore the use of a Community Improvement Plan (CIP) to incentivize purpose-built rental, additional residential units, and affordable housing, in areas where inclusionary zoning is applied, or city-wide.	✓	✓	✓	✓
5.2.The City should implement a Purpose-Built Rental Housing - Building Renovation Program (CIP) to offer grants or forgivable loans to rental properties that require improvements to improve accessibility or require critical repairs to improve the safety.		✓	✓	✓
5.3.Review and, where practicable, amend fee by-law(s) to reduce, defer or provide grant-in-lieu of fees associated with the provision of affordable housing, purpose-built rental housing, and/or supportive housing in new residential developments.	✓	✓	✓	✓
5.4.Consider allowing developers to provide parkland offsite, in appropriate locations, in lieu of in situ or cash in lieu.	✓	✓	✓	✓

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
5.5. Investigate whether a Vacant Homes Tax for residential properties that are empty for several months during the year should be implemented.		✓		✓
5.6. Investigate whether a property tax levy should be imposed on residential and non-residential properties to develop an ongoing fund to be used towards affordable housing and purpose-built rental housing projects.	✓	✓	✓	✓
6. Land Inventory				
6.1. Identify surplus or underutilized City-owned land or buildings for the purpose of developing affordable housing. In addition, consider options to re-develop/use City land to include affordable housing on these sites where appropriate (e.g., above or next to libraries and/or other City owned properties or land such as municipal parking sites).	✓	✓	✓	✓
7. Capacity Building				
7.1. Work with the Region to promote the Handbook for Developing Affordable Housing.	✓	✓	✓	✓
7.2. Update the Handbook for Developing Affordable Housing on a regular basis.	✓	✓	✓	✓
7.3. Building on the Region's updated Housing Solutions Plan, continue to work with the Region to explore and promote alternative forms of affordable home ownership models, such as rent-to-own, shared equity, unbundling, and life lease, within the development community. This could be an additional section incorporated within the Handbook for Developing Affordable Housing.	✓			✓
7.4. Once the City has brought into effect its Official Plan Amendment and Zoning By-law Amendment to permit additional residential units, update the relevant sections of the City's website to help homeowners plan and build additional residential units on their lot.	✓	✓	✓	

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
7.5.Continue to update the City’s Affordable Housing website on an ongoing basis to increase the awareness of housing needs in Richmond Hill and the benefits of including affordable and rental housing in all communities.	✓	✓	✓	✓
7.6.Share updated affordable housing price and rent thresholds with the public annually through communications published on the City's Affordable Housing Strategy webpage.		✓		✓
7.7.Expand the City’s concierge program, RH Concierge, to not-for-profit housing providers and supportive housing providers to prioritize these types of residential development. This service should have as its goal to fast-track affordable housing developments as well as make City Planning staff available to help developers of these projects navigate the approvals’ process.		✓		✓
7.8.Work with the development and construction industry to promote the use of alternative construction materials and methods (e.g., mass timber, 3D concrete printing etc.) to reduce the cost of construction for new projects in Richmond Hill. This could potentially be achieved through partnerships with organizations like the University of Toronto’s Mass Timber Institute.		✓		✓
7.9.Train City staff on alternative design and development standards to ensure these are recognized in the approvals process.	✓	✓	✓	✓
7.10. If it is determined that an inclusionary zoning policy and by-law will be implemented, the inclusionary zoning regulation requires a status report be provided to Council every two years to track performance.	✓	✓	✓	✓
7.11. Support non-profits in their quest to expand their affordable housing portfolio by facilitating collaboration with private sector developers, advocating on their behalf to		✓		✓

Recommended Actions	Goals Addressed			
	Goal 1	Goal 2	Goal 3	Goal 4
high orders of government, as appropriate, and involving them in education initiatives sponsored by the City or Region.				
7.12. Continue to facilitate partnerships among property owners, non-profit and for-profit residential developers, and community agencies to redevelop vacant or underutilized lands, homes, and non-residential buildings, including heritage buildings, to increase the supply of affordable and supportive housing.	✓	✓	✓	✓
7.13. Facilitate partnerships among faith groups, non-profit and for-profit residential developers, and community agencies to redevelop vacant or underutilized property, including church-owned property, to increase the supply of affordable and supportive housing, as well as market rate rental.	✓	✓	✓	✓
7.14. Support investigations by the Region of York, other local municipalities, and community-based organizations in the exploration of establishing a land trust for the purposes of affordable and supportive housing development.	✓	✓	✓	✓