Informing the City of Kingston's

Community Benefits Charges Strategy

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Prepared by:
Holly Crawford, Max Fedchyshak, Brandon Archibald,
Marina Sharobim, Andrew Pacheco, Miranda Virginillo,
Cam Smith, Drew Brennan, and Matt LeBlanc

Supervised by:
Ajay Agarwal
Queen's University

In Partnership with:
Niall Oddie
City of Kingston

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Meet the Project Team

Holly Crawford

Max Fedchyshak

Marina Sharobim

Drew Brennan

Andrew Pacheco

Miranda Virginillo

Matt LeBlanc

Cam Smith

Brandon Archibald

Executive Summary

There is an ongoing need for affordable housing in the City of Kingston. Over the past decade, the number of low-rent units has declined while the number of households seeking assistance has increased (City of Kingston, 2019). Changes introduced by Bill 108 in 2018 to the Ontario *Planning Act* section 37 allow single and lower tier municipalities to "impose community benefits charges against land to pay for capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies" (Bill 108, 2019).

According to OREG 509/20 under the *Act*, a Community Benefits Charge (CBC) may consist of a financial contribution of up to 4% of land value that can be levied by a municipality when land is developed or redeveloped. This contribution can be used to fund growth related capital costs for community services, such as affordable housing. Alternatively, under Section 37(6) of the *Act*, the municipality may allow the owner of land to provide in-kind contributions. Municipalities electing to use CBCs are required under section 37(9) of the *Planning Act* to produce a Community Benefits Charges Strategy and enact the associated by-law by September 18, 2022 in order to continue using Section 37 without interruption.

The City of Kingston has identified the provision of affordable housing as a focus for this strategy and has tasked a team of Queen's University Urban and Regional Planning students to conduct preliminary research on a series of topics that will aid in the development of Kingston's Community Benefits Charges Strategy. This report presents the team's findings.

Chapter 2 discusses how demand for affordable housing can be generated in part by development or redevelopment in a municipality. Fundamental and emerging concepts about development, affordable housing, land use regulations and development fees are outlined in this chapter to provide an understanding of the guiding principles of the case studies explored in the following chapters. Through opposing arguments to filtering, the relationship between housing supply and demand and affordability is discussed. Next, this chapter explores the relationship between development, affordable housing, land use regulations and municipal development fees (exactions) in North America and ends with a discussion of the barriers to affordable housing development.

Chapter 3 explores how Canadian cities and select American municipalities are projecting affordable housing demand for the coming years and decades.

The methods, models, sources, and assumptions used by municipalities are noted, as well as specific examples of how cities are defining and quantifying affordable housing demand projections. Most Canadian sources rely on census data for their projections, often using low-income and core housing need statistics to delineate affordable housing demand. While each municipality's methods are somewhat unique, results are most often presented as the number of additional low-income households that will join the city between the base year and projection year. Comparable municipalities to Kingston in the United States (Ithaca, NY and Burlington, VT) use several methods and metrics to predict housing need that consider notable subgroups of the population, such as the effect of post-secondary institutions and students on their respective housing markets.

Chapter 4 investigates how other municipalities are attempting to create more affordable housing within their regions. These municipalities include Toronto, Ottawa, Brant/Brantford, York, Guelph, and Vancouver. These municipalities were selected to find Ontario tools which can be applied to Kingston, as well as creative means from outside of the province. To research these municipalities, policy, council, planning, and news documents were analyzed. Additionally, emails were sent to planners within these regions for further information.

In these six case studies, several financial tools to support affordable housing were found. In Toronto and Ottawa, land banking was the primary municipal tool used, whereas, in York and Guelph, financial incentive programs are being used to develop more affordable housing tools. The last two, Brant/Brantford and Vancouver, used intensification along with selling surplus municipal lands and a vacant homes tax, to address housing need. Each of these programs provide opportunity for Kingston to address its own housing needs.

The ten case studies in **Chapter 5** demonstrate creative ways in which municipalities have approached affordable housing through the use of community benefits. Each case study was chosen for its unique context, definition, and approach to obtain community contributions. Municipalities from across North America were selected as case studies with primary focus given to Canadian cities. Each case discusses how development or redevelopment applications have been used to assist in the provision of affordable housing through the contribution of cash, land, or other in-kind contribution.

The community benefits analyzed can inform future plans and policies involving Community Benefits Charges that assist with the provision of affordable housing. Overall, the case studies demonstrated a shift from density bonusing toward an inclusionary zoning approach. Many Canadian cities attempted to streamline these processes to ensure a steady and stable stream of development. Similarly, American cities identified a range of contributions involving both mandatory and voluntary approaches for affordable housing. Based on the variation, the City of Kingston can assess each approach and identify which is most suitable.

Chapter 6 examines the feedback provided by municipalities regarding their progress of drafting their Community Benefit Charge (CBC) strategy. Municipal planning departments were contacted via email and asked the following questions:

1. What is the current status and progress (if any) of drafting your Community Benefits charges Strategy?

2. What Facilities, Services or Matters are currently being contemplated/included in your CBC Strategy?

3. Are there any challenges that the city is encountering at the moment with drafting their CBC strategy? / Are there any barriers that it will foresee in the near future?

Of the 14 municipalities contacted, 2 responded with feedback. The chapter provides a progress report update for the City of Newmarket with additional information on the methods taken to proceed with the CBC strategy. Some common themes on progress include hiring a CBC consultant, conducting assessment reports, determining CBC viability and what will be contemplated for inclusion. Chapter 6 concludes with a table summarizing the municipalities contacted and the feedback provided.

Chapter 7 presents three different methodologies for providing estimates regarding the type, location, and quantity of future development that is expected to qualify for CBCs. Twelve CBC eligible zones in Kingston's new draft Zoning By-law permit 10 or more residential units and have a maximum permitted height of 5 storeys or more, or 15 metres or more. These zones are dispersed among the following zone types: Urban Multi-Residential, Commercial, Institutional and Open Space.

Historical permit activity for examples of development and redevelopment meeting the CBC criteria indicate trends that can be applied to forecast future CBC eligible permit activity in the short-, medium-, and long-term. In the first projection scenario, the projected growth rates for dwelling units as indicated by the Watson report are applied to the 36 potentially qualifying projects undertaken in 2020. In the second projection scenario, the number of units forecasted by the Watson report are divided by the average number of units per building as calculated from historical permit activity to estimate the number of potentially qualifying deliveries.

The results of these projection scenarios are given in Table E1.

It was found that despite the large number of parcels within zones that could trigger CBC-eligible applications in Kingston, very few developments are expected to qualify for CBCs in the next 25 years.

Table E1: Forecasted development applications and deliveries that could potentially qualify for Community Benefits Charges under two growth scenarios

Five Year Increments	Growth Scenario #1	Growth Scenario #2
2021 - 2026	45 Applications	6 – 7 Deliveries
2026 – 2031	45 Applications	6 – 7 Deliveries
2031 - 2036	34 Applications	4 – 5 Deliveries
2036 – 2041	30 Applications	4 – 5 Deliveries
2041 - 2046	11 Applications	1 – 2 Deliveries

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1 Introduction

1.1 **Purpose**

The purpose of this report is to provide preliminary research that will aid in the development of the City of Kingston's Community Benefits Charges Strategy (CBCS). The report focuses specifically on affordable housing as a community benefit, as the City of Kingston has identified the provision of affordable housing as a goal for this Strategy. The research speaks to the requirements of the Strategy outlined on page 14, which include estimates of the increase in need for community benefits attributable to development or redevelopment, as well as the amount, type, and location of development or redevelopment that will be eligible for community benefits charges.

1.2 **Context**

Kingston Context

The City of Kingston is located on the northeastern shore of Lake Ontario, on the traditional homeland of the Anishinaabe, Haudenosaunee, and Huron-Wendat (City of Kingston, 2015). It is a single tier municipality covering an area of 451 km^2 adjacent to the Counties of Lennox & Addington, Frontenac, and Leeds & Grenville. In 2016, the population of Kingston was 123,798 with a total of 53,520 households (Statistics Canada, 2017). One- and two-person households make up approximately 68% of all households in Kingston (Statistics Canada, 2017). The total population of the Kingston CMA grew by 1% from 2011 to 2016 and the largest growth was seen between the ages of 65-74 (City of Kingston, 2020b). This trend is expected to continue as the baby boomer generation ages.

Figure 1.1: Kingston's Springer Market Square and City Hall (2020)

Policy Context

There is an ongoing need for affordable housing in the City of Kingston. Over the past decade, the number of low-rent units has declined while the number of households seeking assistance has increased (City of Kingston, 2019). To be affordable, a household should spend no more than 30 percent of their gross household income on shelter costs (CMHC, 2019). As of 2019, there were more lower income households than there were rental units in the corresponding affordable rent ranges (City of Kingston, 2019).

The adequate provision of a full range of housing, including affordable housing, is identified as a provincial interest under section 2 of the *Planning Act* and is supported by the *Provincial Policy Statement*. To this end, the Housing Services Act, 2011 provides a framework for the municipal provision of affordable housing. As the Service Manager for Kingston and the County of Frontenac, The City of Kingston's Housing and Social Services department has several programs to facilitate the delivery of affordable housing. These programs provide a variety of housing options to low-and-moderate-income households for both rental housing and home ownership. Funded by federal and provincial governments, these programs include:

- new affordable rental construction,
- second residential unit grants,
- home ownership down payment assistance, and
- low-income home ownership repair funding (City of Kingston, 2020a).

In 2019, Bill 108 amended Section 37 of the Planning Act to introduce Community Benefits Charges (CBCs). These changes allow single and lower tier municipalities to "impose community benefits charges against land to pay for capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies" (Bill 108, 2019). Under Section 37(2) of the Act, "the council of a local municipality may by by-law impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies." According to OREG 509/20 under the Act, the charge may consist of a financial contribution of up to 4% of land value that can be levied by a municipality when land is developed or redeveloped. This contribution can be used to fund growth related capital costs for community services, such as affordable housing. Alternatively, under Section 37(6) of the Act, the municipality may allow the owner of land to provide in-kind contributions. Municipalities electing to use CBCs are required under section 37(9) of the Planning Act to produce a Community Benefits Charges Strategy (CBCS) and enact the associated by-law by September 18, 2022 in order to continue using Section 37 without interruption. The requirements for the CBCS are listed on the following page.

The City of Kingston has identified the provision of affordable housing as a focus for this strategy and has tasked a team of Queen's University Urban and Regional Planning students to conduct preliminary research that will aid in the development of Kingston's CBCS. This report presents the team's findings.

Community Benefits Charges Strategy (CBCS) Requirements

Section 37 of the *Planning Act* dictates that a CBCS must **identify the "facilities, services, or matters"** that will be funded through the charges. In addition, OREG 509/20 s.2 dictates that a CBCS shall,

a) include estimates of the anticipated **amount, type and location of development** and redevelopment with respect to which community benefits charges will be imposed

b) include estimates of the **increase in the need for facilities, services and matters** attributable to the anticipated development and redevelopment

c) identify the **excess capacity** that exists in relation to the facilities, services and matters referred to in clause (b)

d) include estimates of the extent to which an increase in a facility, service or matter referred to in clause (b) would **benefit existing development**;

e) include estimates of the **capital costs** necessary to provide the facilities, services and matters referred to in clause (b)

f) identify any capital grants, subsidies and other **contributions made to the municipality** or that the council of the municipality anticipates will be made in respect of the capital costs referred to in clause (e)

1.3 Report Overview

This report consists of seven chapters. Following the introduction, Chapter Two uses current literature to provide an overview of how development or redevelopment can contribute to the need for affordable housing within a municipality. Chapter Three uses a selection of case studies to communicate the ways in which other municipalities similar to Kingston are forecasting the demand for future affordable housing.

Chapters Four to Six continue with a series of case studies. Chapter Four explores best practices in municipal delivery of affordable housing across Ontario and includes a summary of available tools and programs. Chapter Five presents creative ways in which municipalities have defined "community benefits" and used development or redevelopment applications to assist in the provision of affordable housing through the contribution of cash, land, or other in-kind contributions. Chapter Six provides a progress report on other municipal Community Benefit Charges Strategies, including a summary of the facilities, services or matters that are contemplated for inclusion.

Chapter Seven focuses more directly on the City of Kingston's future Community Benefits Charges Strategy. It presents an analysis of the City of Kingston's Draft New Zoning Bylaw and Official Plan to identify the type and location of development that would qualify for Community Benefits Charges. Using recent development trends, this section presents an estimate of the amount of qualifying development for the short-, medium- and long-terms.

1.4 **Methods**

The research for this report involved a range of methods to gain a comprehensive understanding of affordable housing in Ontario and other factors contributing to the development of Kingston's Community Benefits Charges Strategy. The primary research methods used in this report were a literature review, case study analysis, policy and document reviews, and email correspondence.

In Chapter Two, a literature review was conducted to examine the relationship between development and affordable housing. North American sources were prioritized to maintain relevance to the Kingston context. Research involved a review of the most frequently cited sources and a thorough search of the journal Housing Policy Debate as the largest repository directing the discussion on the relationship between development and affordable housing. Chapter Three involved the review of municipal reports, websites, and documents to understand the ways that other municipalities forecast affordable housing demand.

Chapter Four used case studies to illustrate the diversity of municipal affordable housing practices and tools across Ontario. Case studies were also used to broaden the understanding of "community benefits" in Chapter Five, introducing various ways they have been defined across North America. These case studies also discuss the creative ways cities are using development to assist in the provision of housing. Chapter Six made use of email correspondence and policy and document review to reveal the progress of other municipal Community Benefits Charges Strategies in preparation for the September 2022 deadline.

Finally, Chapter Seven used policy analysis to understand how the new Section 37 Community Benefits Charges will be implemented specifically in the City of Kingston.

Detailed methods are discussed further in each chapter.

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2 Development and Demand for Affordable Housing

2.1 **Introduction**

This chapter will discuss how development or redevelopment can contribute to the need for affordable housing within a municipality. Concepts of development, affordable housing, land use regulations and development fees are outlined in this chapter to provide an understanding of the guiding principles of the Case Studies explored in the chapters that follow.

This chapter will first discuss how supply and demand for housing broadly relate to affordability, through opposing arguments related to the concept of filtering. Next, this chapter will explore the relationship between development, affordable housing, land use regulations and municipal development fees (exactions) in North America and will end with a discussion of the barriers to affordable housing development.

Information in this chapter has been collected from 30 sources, consisting of recent analyses of the relationship between development, redevelopment, affordable housing, municipal land use regulation(s), and municipal development fees. Sources include working papers and policy studies as well as a review of articles in the Housing Policy Debate journal which had the greatest quantity and most recent articles discussing these topics in a North American context. A table summarizing key findings and subjects of all sources is available in Appendix A.

2.2 **Supply, Demand and Housing Affordability in Theory**

In theory, when new market-rate housing units are built for any section of the market, **filtering** should provide for enough affordable market-rate housing, as higher-income households move from lower- to higher-priced units, making lower-priced units available (Asquith, Mast & Reed 2019; Been 2005; Been, Ellen & O'Regan 2019; Glaeser & Gyourko 2018; Litman 2021; Mast 2019; Rosenthal 2014).

Filtering

An economics-based theory that housing affordability can be increased by increasing the housing supply. Higher-income households will move from lower- to higher-priced units, making available lower-priced units as a result.

(Asquith et al. 2019; Litman 2021)

In metropolitan areas, market-rate units have been shown to filter from higher-income households to lower-income households over time. However, recent North American research on the relationship between development and affordable housing need demonstrates that, while supplying new market-rate units can allow older, more affordable units to filter from higher-income households to lower-income households, the rate at which new supply is being added does not effectively reduce demand enough to ensure affordable rental and purchase prices long-term through filtering alone (Anenberg & Kung 2018).

Optimal conditions for filtering to be considered "an effective long-term source of lower-income housing" are described by Rosenthal (2014), though rates of filtering are shown to vary by regional differences in house price inflation (p. 688). There is no standardized measurement across studies to enable direct comparison, however Mast (2019) "found that for every 100 new market-rate units built, approximately 65 units are freed up in existing buildings, accommodating up to 48 moderate- and low-income families" (Mast 2019, paraphrased in Litman 2021, p. 34). The scale of filtering and reduction in rents and sales prices in the studies cited in Litman (2021) for much larger US metropolitan areas are best-case scenarios for the City of Kingston. According to Rosenthal (2014), the actual rate of filtering in Kingston is likely to be much lower and ineffective for ensuring affordable housing supply long-term; purpose-built affordable and/or rental housing is more appropriate "in cities and regions where house price appreciation tends to be high and filtering is less viable" (p. 689). While filtering should not be seen as a long-term solution to provide affordable housing, increasing housing supply to better meet demand may improve housing affordability generally over the short- and medium term as research conducted on metropolitan areas in the United States shows (Mast 2019; Asquith et al. 2019; Cole-Smith and Muhammad 2020). Finally, Rosenthal (2014) makes a case for using funds from strategic initiatives, such as the Community Benefits Charges Strategy, to subsidize market rate units in Kingston which may be a part of a more effective long-term strategy to provide affordable housing..

A disbelief in the efficacy of filtering or that additional market-rate housing helps make housing more affordable is known as **supply skepticism**. Been et al. (2019) note that residents and policy makers may oppose new construction in some cases because of these beliefs. There are four main arguments used by supply skeptics against filtering; several sources have addressed the claims of Supply Skepticism as the basis for their research; further discussion of the following arguments can be found in Asquith, Mast & Reed (2019) and Been et al. (2019).

Arguments of Supply Skeptics

1. New market-rate units are built at the expense of affordable units
2. The timeframe for filtering is unreasonable
3. New supply can cause Induced Demand and In-Migration
4. New supply can cause Displacement and Gentrification

(Been et al. 2019)

First, since land is a constrained good, any market-rate units are built at the direct expense of purpose-built affordable units. Therefore, any units built should be for dedicated affordable housing. This particularly applies in municipalities and regions where there is little land that is vacant or eligible for redevelopment.

Second, that if filtering does occur, the time frame for filtering of lower-priced units to lower-income households is difficult to predict and considered unreasonable. Further, the delays that commonly occur in the construction of new market-rate units are considered to contribute to housing unaffordability as well, meaning that any new supply added happens at a higher price and the process of filtering is slower (Litman 2021).

The third argument, that new supply can create induced demand and in-migration, is a particular concern when the in-migration consists of higher-income households. The Asquith et al. (2019) study on the local effects generated by isolated mid-size development projects revealed that overall, "new buildings slow local rent increases rather than initiate or accelerate them," contradicting the argument that **endogenous amenity** effects and **signaling** created by new market-rate housing units can cause rents to increase locally (p. 1). This study also found that any in-migration was of additional lower-income households.

Endogenous Amenity or **Signaling Effects**

Amenities provided within new developments that could make the area more appealing and raise demand.

(Asquith et al. 2019)

The fourth and final argument, that new market-rate housing may increase rents and trigger displacement, is countered by Asquith et al. (2019) who found that increased rents and resulting displacement was more often attributed to increasing the availability and type of in-demand amenities locally. In larger US metropolitan cities, the construction of market-rate units was found to decrease nearby rents by 5 to 7 percent. New market-rate housing units were found to locate in areas that were already exhibiting signs of neighbourhood change, or gentrification; therefore, the study found that "new construction does not catalyze change in previously stable neighbourhoods" (p. 3). Cole-Smith & Muhammad (2020), likewise, found that in Washington DC, additional rental units reduced average city apartment rents an estimated 5.8%, concluding that despite growing demand for rental units, increases in supply are "helping to mitigate the annual appreciation rates of apartment rents" and will support "lower average levels of rent in the medium and longer terms" (p. 2).

Where there are already signs of neighbourhood change, additional policies are needed to ensure that affordable housing is provided as well as new market-rate units. Ellen & Torrats-Espinosa (2019), in their study of gentrification and integration in American cities, conclude that in order to create inclusive and diverse neighbourhoods, existing subsidized housing should be preserved and new units for subsidized housing should be acquired or purpose built by local governments. Further, where there is great demand for affordable housing, policy mandates or incentives for "owners to include low rent units in their buildings" should be utilized; in Kingston, this is already addressed through the promotion of secondary dwelling units as affordable housing and through minimum proportions of affordable housing units in neighbourhoods such as Cataraqui West (p. 488; City of Kingston, 2021).

2.3 **Supply, Demand and Housing Affordability in North America**

Almost all research on the relationship between new development and housing affordability comes from the US; this research typically focuses on market-rate unit purchase price rather than market-rate rental price. Filtering, though ineffective long-term, may improve housing affordability in the short- and medium-term. Mast (2019) was frequently cited by other articles and suggests that, since other studies have shown that new market-rate construction can result in improved housing affordability through filtering, "policies that increase market-rate construction are [...] likely to improve affordability" (p. 23). Mast notes benefits and drawbacks to inclusionary zoning policies and requirements for developers to fund "income-restricted units" (p. 24). For instance, imposing Community Benefits Charges may reduce the number of market rate units available and thereby restrict the ability for more naturally occurring filtering to take place; the same policy may also allow for affordable housing to be rented at "arbitrarily low prices" and added to the housing supply immediately after the building is constructed (p. 24).

Many of the studies concluded that new market-rate housing units are not enough to ensure affordability through filtering. Concerted efforts by governments are required as well, to ensure that affordable housing supply is added and accessible to a variety of income levels.

One of these efforts to increase affordable housing and additional market-rate supply is to ease land use restrictions that "limit or significantly discourage the production of a broad range of housing, including multifamily dwellings and lower-cost single-family homes, in upper-income areas" (Bratt & Vladeck 2014, p. 595). In a study of two Los Angeles neighbourhoods (Koreatown and Vermont/Western), Gabbe (2018) found that developers, who were "commonly constrained by density limits and parking requirements," would build more housing if "baseline density restrictions were loosened" (p. 24). Since the changes to the Ontario Planning Act section 37 do not place a limit on density or height, there may be an opportunity to provide more units at a range of prices. In a typical development, a developer will include a range of units are available at low, intermediary and high price ranges; however, developers may choose to "eliminate the less profitable, lower priced units" in favour of more profitable, higher-priced units as a result of the changes to section 37 that outline the characteristics of the development - the height and number of units, specifically - for which a Community Benefits Charge applies, in order to absorb the cost of the charge (Litman 2021, p. 48).

Interventions that fund affordable housing similar to Ontario's Community Benefits Charge in the United States can be an effective tool to provide subsidized affordable housing units, however these fees are also linked to concerns about increased market-rate housing prices to account for the cost of the fee (Litman 2021; Raetz et. al 2019; Mathur 2007; Been 2005). Impact fees, exactions and community benefit charges may transfer to the residents through higher rents and sale prices of market rate units. Mathur's (2007) study focused on impact fees and sale prices of single- and multi-family homes in King County, Washington. The study found that impact fees related to infrastructure provision raised existing home prices by about 83 percent of the amount of the fee; for high-quality homes this increase was 103 percent (p. 635). For low-quality homes, the author found that "such fees do not raise the price" (p. 635). Reviews of this study also noted that the original price of the impact fee was not adjusted for inflation nor adjusted for interest paid; Crowe (2007), found that a fee paid early in the construction process can "increase [...in] cost by 22 percent or more" by the time a project is completed (p. 669). This issue can be mitigated by promoting greater density, allowing the cost of any municipal development fees to be dispersed over a greater number of units.

2.4 **Conclusion**

The literature reviewed in this section has several key limitations. First, there is a distinct lack of academic research on the relationship of housing affordability and development in the Canadian context. Canadian research on the relationship of housing affordability and development appears to focus on Transit-Oriented Development or on the impacts in large metropolitan centres, which would limit the applicability of the research's findings to the Kingston context (see Revington & Townsend 2016). Further, as explained in greater detail below, a dearth of local data collected in Canada overall inhibits the publication of research on the relationship between housing affordability and development in Canadian municipalities. The literature review used articles from the Housing Policy Debate journal which, although it has a North American focus, nearly every article on this topic used data from the United States. Differences in planning legislation, the scale of metropolitan areas and regional housing demand significantly impair the applicability and adaptability of the findings related to housing policy coming from research in the United States to the Canadian and Kingston context.

Second, there is very little research overall that assesses the effects of regulations such as Community Benefits Charges. Assessing the effects of land use regulations and development charges is complicated by the unavailability of data at the parcel- or project-level from local governments. Marantz (2021) noted that more data needs to be collected at a local level to better evaluate land use regulations and housing policy; this evaluation can be done by local governments, provincial governments, individuals, and non-governmental organizations if data is made available. This data is particularly important since land use regulations "can affect both the stock of below-market-rate (BMR) housing and the affordability of market-rate housing" (p. 175). Recent studies in the United States have begun using data from Zillow to research patterns in sale prices and rental prices at a localized scale; otherwise, studies look at municipal, county, regional or metropolitan scale trends, making it difficult to assess the effect of land use regulations on development and affordable housing.

> *… lack of data impairs local governments' ability to evaluate their own performance, limits the potential for state review of local practices, and hampers the effort of individuals and non-governmental organizations to learn about crucial local government practices.*
>
> (Marantz, 2021, p. 175)

Despite these limitations, much can be learned broadly about the relationship between development and housing affordability from research using regional or metropolitan scale trend data on municipalities in the United States. Filtering should be a viable form of providing affordable market-rate housing but should not be considered a viable long-term strategy for providing affordable housing units. In particular, filtering is not viable long-term when inflation and demand are high, as they are in Ontario. If filtering is not a viable long-term option to supply affordable housing, what else can be done to ensure its availability in Ontario? Forecasting affordable housing demand is necessary in order to better tailor additional mechanisms and interventions for providing affordable housing to the needs of the City of Kingston.

3 Case Studies: **Forecasting Affordable Housing Demand**

3.1 **Introduction**

Housing need is dynamic; it is affected by a multitude of factors including changes in the economy, population, and public policy at all levels (Charter et al., 2020). To be responsive to the most urgent needs as they emerge, municipalities need to actively monitor housing supply, demand, affordability, and the effect of its policies and programs.

This section of the report will present research on how several other municipalities are forecasting the demand for future affordable housing need. The findings reveal several unique ways that both Canadian and American municipalities are forecasting affordable housing need with the modelling and factors being considered in their respective analyses.

A summary table of the municipalities studied in this chapter can be seen in Table 3.2 in Section 3.10 which presents the documents, methods, and data sources of each finding. Each municipal strategy outlined in the table is then expanded upon in the coming pages, noting the significant information on methods, sources, and metrics being used to forecast affordable housing need.

Findings from the Canadian municipalities look primarily at how cities are projecting affordable housing need in municipalities with larger budgets and resources for such analyses. Findings from American municipalities (Burlington, VT and Ithaca, NY) focus more so on describing techniques used by cities of similar size, demographic, and economic conditions as Kingston. Additionally, these cities have a notable presence of post-secondary institutions whose populations effect the housing market.

Defining Affordable Housing

All municipalities studied in this report accept a similar definition for affordable housing. As defined by Watson & Associates Economists Ltd. (Watson) in their Rental Housing Market Analysis for the City of Kingston (2020), in the Canadian context, housing affordability is generally measured using a shelter cost-to-income ratio of 30%.

In terms of Affordable Rental Housing, the Province of Ontario (2014) defines it in the Provincial Policy Statement as the least expensive of:

1. A unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or

2. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

3.2 **Kingston, ON**

In 2020, As part of the Mayor's Housing Task Force, Watson & Associates Economists Ltd. was hired to prepare a Rental Housing Market Analysis for the City of Kingston. Data sources for the report's projections included historical and forecast population and housing data prepared for the 2019 Growth Study, Statistics Canada Census data, CMHC rental housing market data, rental housing supply data, and staff reports from the City of Kingston Planning & Development division.

The model followed 2016 household headship rates and propensity analyses developed by age as well as anticipated housing preferences, anticipated growth by age cohort, household formation patterns, anticipated income group trends, and anticipated post-secondary student population growth (Watson, 2020).

Over the 2020 to 2026 projection period, the report estimates that the total number of renter households in Kingston will grow by 5,165, and further delineates how that growth will be subdivided by income group in Figure 3.1. Importantly, this analysis excludes non-census households, such as post-secondary students. The report further delineates the rental population that may be in need of rental assistance in Figure 3.2, summarizing the respective housing that each income group can afford. This projection of affordable rental housing need into the future transparently explains the sources, methods, and conclusions of how the need for affordable rental housing is expected to grow to 2046.

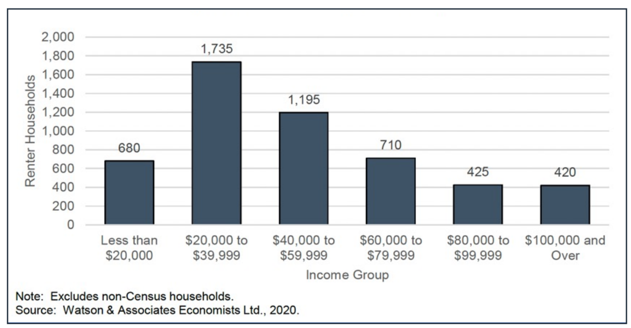

Figure 3.1: City of Kingston forecast renter housing growth 2020-2046 by household income. Source: Watson, 2020.

Figure 37 – City of Kingston Forecast Renter Housing Growth 2020 to 2046 and Rental Housing Need by Type

Household Income	Maximum Affordable Housing Cost[1] Rent (month)	% of Total New Households	Housing Growth, 2020-2046	Rental Type
Less than $20,000	Less than $500	13%	680	Rental Assistance
$20,000 to $39,999	$500-$1,000	34%	1,735	Potential Need for Rental Assistance
$40,000 to $59,999	$1,000-$1,500	23%	1,195	Free Market
$60,000 to $79,999	$1,500-$2,000	14%	710	
$80,000 to $99,999	$2,000-$2,500	8%	425	
$100,000 and Over	$2,500 and higher	8%	420	
Total		**100%**	**5,165**	

Source: Watson & Associates Economists Ltd., 2020.
[1] Housing affordability based on 30% income to shelter ratio. Excludes non-Census households.
[2] Based on 2018 October CMHC Market Rents.
Note: Figures may not add to totals due to rounding.

Figure 3.2: City of Kingston forecast renter housing growth 2020-2046 and rental housing need by type. Source: Watson, 2020.

3.3 **Toronto, ON**

Toronto's Affordable Housing Office employed the Canadian Centre of Economic Analysis (CANCEA) and the Canadian Urban Institute (CUI) to prepare the Toronto Housing Market Analysis in 2019. The report analyzes how reduced growth in Toronto's social and affordable housing stock from previous decades is continuing to grow affordable housing need and projects growth of low-income households, core housing need, and social housing waitlists to 2041 based on current supply and demand projections (CANCEA & CUI, 2019).

The initial conditions for both scenarios are based upon Statistics Canada 2016 Census Division population estimates, which are derived from the 2016 Census (CANCEA & CUI, 2019). These scenarios account for under and over counts as well as ensuring the population estimate is consistent with the birth, death, immigration, emigration, and inter-region migration data (CANCEA & CUI, 2019). The report considers two different growth scenarios based on (1) Ontario's Places to Grow Act and (2) a natural growth scenario based on recent and historical trends for the city. The Places to Grow Scenario is a supply scenario where residential dwellings and population growth is assumed to increase in line with Ontario's Places to Grow Act. The natural growth scenario considers interprovincial and interregional migration rates that follow historical trends to understand the evolving demand of the population regardless of the growth policies in place. A notable assumption in the model is that federal immigration policy could significantly affect the population projections and therefore change the demand projections for this region (CANCEA & CUI, 2019).

The report delineates unique affordable housing need forecasts based on different levels of the housing continuum, demonstrating the variety of ways in which affordable housing need can be forecasted. Low income household projections set the foundation for their future projections of affordable housing as they project the number of people living in low income from 2016 to 2041, as seen in Figure 3.3. The Low Income Cut-Offs -After Tax (LICO-AT) are used to delineate this population and is defined here:

> "Low Income Cut-Offs – After Tax (LICO-AT) refers to income thresholds below which economic families or persons not in economic families will likely devote a larger share of their after-tax income than average to the necessities of food, shelter, and clothing. In particular, the thresholds represent income thresholds at which economic families or persons not in economic families are expected to spend 20% or more of their after-tax income than average on food, shelter, and clothing. LICO-AT has 35 cut-offs that vary by

family size (to account for economies of scale) and size of area of residence (to account for potential differences in cost of living in communities of different sizes)." (CANCEA & CUI, 2019, P.52).

Projections of individuals and households

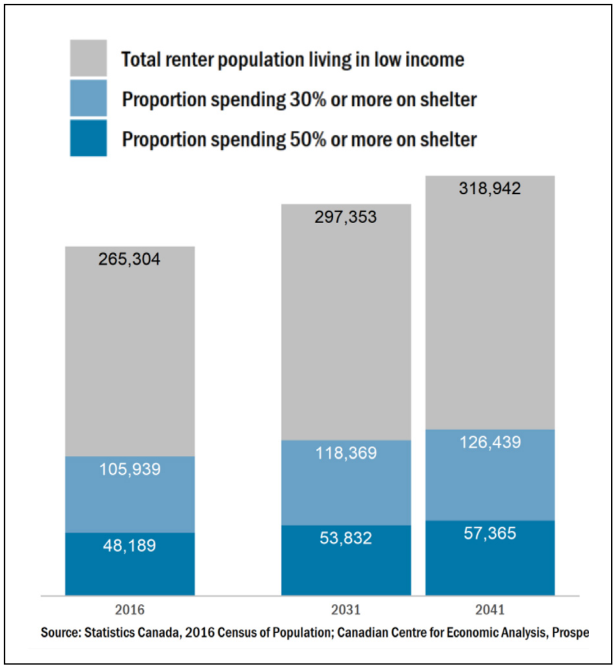

Figure 3.3: Projected number of rental households living in Low Income (LICO-AT) in Toronto and proportion spending 30% and 50% on income on shelter, 2016-2041. Source: CANCEA & CUI, 2019

in core housing need to 2041 are also used and while affordability is only one aspect of core housing need (the others being adequacy and suitability), affordability is certainly tied to all three aspects and a households ability to remove themselves from core housing need. Forecasting this metric as a proportion of total household growth, as shown in Figure 3.4, is another way that this report uniquely forecasts affordable housing need. Lastly, the report also projects demand for social housing in relation to how they see their approximately 13,000 units of social housing units in its rental sector growing to 2041 compared to the anticipated demand.

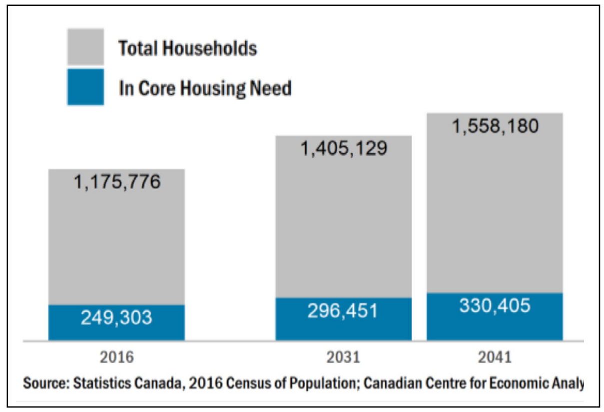

Figure 3.4: Projected number of households (renters and owners) in Core Housing Need, 2016-2041. Source: CANCEA & CUI, 2019

3.4 **Vancouver, BC**

Vancouver's 10 Year Affordable Housing Delivery and Financial Strategy (2017) sets out targets for achieving the 'right supply' of housing encompassing building type, tenure, and level of affordability for the entire housing continuum. Population, housing, and employment projections are based on Metro Vancouver's Regional Growth Strategy Projections (2011) and their models are based on Province of British Columbia BC Stats PEOPLE model. Aligning with BC Stats provincial and regional projections makes use of the provinces significant modeling and information resources and helps achieve the goal of maintaining regional consistency with provincial projections and policy (City of Vancouver, 2017).

Projections employ a household maintainer rate method to estimate the number of dwelling units corresponding to the projection at each income level (Metro Vancouver, 2011). Housing projections are calculated by multiplying the projected population in each age cohort by the household maintainer rate for the corresponding age cohort and dwelling type. Household and housing types are aggregated into ground-oriented housing (single detached, semi-detached, row housing) and apartments (Metro Vancouver, 2011).

Population and housing estimates for Vancouver are based on 4 factors (Metro Vancouver, 2011, P. 26):

1. Net change in total housing stock by dwelling type.
2. Census estimates of average household size by dwelling type for each municipality.
3. Census trends in the municipal distribution of recent immigrants living in Metro Vancouver.
4. Review and verification by municipal planners.

Vancouver's projections for affordable housing need highlight the growing need for affordable options for seniors, as proportion of households led by persons over 65 will increase from about 19% in 2006 to about 32% in 2031 in Vancouver (City of Vancouver, 2017). The plan notes several action items to address how they will plan and seek to create accessible and attainable housing for the aging population.

In terms of actual affordable housing demand projections, the report projects that 54,800 additional low- and moderate-income households will be in need of housing in 2031. Further, the report also forecasts that 72,000 additional affordable units will be need across the entire housing continuum by 2031, with the continuum encompassing below-market rental and co-operative housing, secondary rental, purpose built rental and ownership options (City of Vancouver, 2017). The report also estimates these demand values by income group compared to the expected affordable housing pipeline to 2031, as shown in Figure 3.5 below.

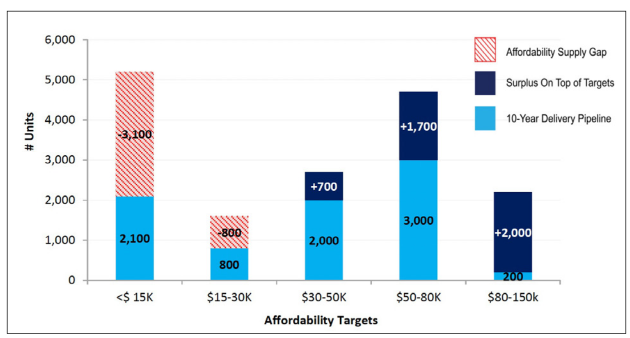

Figure 3.5: Estimated 10 year affordable housing pipeline forecast by income band under current affordability requirements. Source: City of Vancouver, 2017.

3.5 **Calgary, AB**

Calgary's affordable housing strategy projects housing need to 2025, emphasizing the role of the private market and adding more supply of housing units to meet the demand of affordable housing. As shown in Figure 3.6, Calgary's private housing market meets the needs of 78% of the city's households. Of the remaining households, 3% are supported by government and non-profit interventions, while 19% struggle with their housing costs (City of Calgary, 2016).

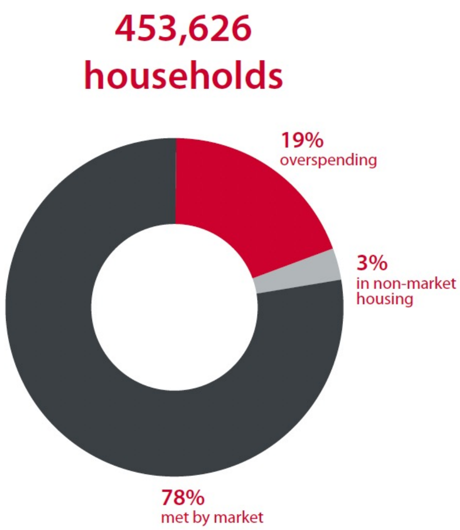

Figure 3.6: Percentage of households with needs met by Calgary's private housing market. Source: City of Calgary, 2016.

The City of Calgary applied household demand propensities from census data to population forecasts, by age and sex cohort, to produce a forecast of the number of dwellings demanded in Calgary, by dwelling type (City of Calgary, 2016). Notably, the forecast is strictly based upon historical demographic trends and is not responsive to economic changes.

The report defines the need for affordable housing when a household earns less than 65% of the Calgary Area Median Income and spends more than 30% of its gross income on shelter costs (City of Calgary, 2016). Based on this definition, "88,000 Calgary households earning less than $60,000 annually are currently in need of affordable housing" (City of Calgary, 2016, pg. 5). With their population estimated to climb to 135,000 households based on their projections to, the report notes that "up to 26,000 additional households are forecasted to need affordable housing by 2024" (City of Calgary, 2016, pg. 5). In this case, Calgary has multiplied its current affordable housing need (19% of the households in 2016) by the estimated population growth to 2024 to forecast the number of households who could need affordable housing in 2024.

3.6 **Ottawa, ON**

The City of Ottawa (2020) estimates the current and forecast gap for affordable housing as part of their 10-Year Housing and Homelessness Plan. Using the estimated number of households in Ottawa in 2019 (414,182), the percentage of households spending more than 30% on housing at the time of the 2016 census (23.8%) was applied the population of 2019 to estimate how many households were spending 30% or more on their income on housing (98,575) in 2019. Similar calculations were also made to those spending 50% or more on housing and between renter and owner households. The report notes that 40% of renter households are living in housing that is not affordable to them (i.e. paying over 30% of their income on rent) (City of Ottawa & SHS Consulting, 2020).

The report's housing forecasts to 2030 consider the following sources to create annual affordable housing targets for the City (City of Ottawa, 2020):

- Statistics Canada Census profiles
- Environics Analytics' DemoStats database, aggregating Environics Analytics, Statistics Canada, Oxford Economic, Canada Mortgage and Housing Corporation (CMHC), Equifax, and Canada Post data
- Data from the City of Ottawa, including the Rental Market Analysis and housing projections

The annual housing targets are created based on Ottawa's estimated annual increase in households, which equates to 5,675 households per year for a total need for 56,750 new affordable units by 2029, excluding the current development pipeline (City of Ottawa, 2020). The strategy recommends that between 10% to 15% of new housing units be new affordable housing for an approximate total number of new affordable units between 5,750 and 8,500 by 2029 (City of Ottawa, 2020). The report also contains a graphic summary of Ottawa's housing supply, demand, and needs across the entire continuum, and its figures are used to inform the affordable housing targets for the plan.

3.7 **Winnipeg, MB**

Winnipeg's Housing Needs Assessment considers two forecast models in its projections for housing need. The City of Winnipeg's Population, Housing and Economic Forecast (2016) based on CMHC and census data, and a mid-2019 forecast that created to inform their 2020 municipal budget (Charter et al., 2020). These two different projections are mostly similar. The 2019 projection is optimistic on growth for the city at over 11,000 people per year over the short-term (1.4% growth rate), likely requiring 4400 units of housing per year. The 2016 projection specifies a more conservative long-term estimate of growth at 10,000 people per year (1.2% growth rate) that would require 4000 units of housing, which is used as the basis for direction for the report's recommendations (Charter et al., 2020).

The Report uses the shelter-cost-to-income ratio (STIR), a tool measured by Statistics Canada, to define affordability. STIR is defined as the proportion of average total income of households spent on shelter costs (Charter et al., 2020). Results for Winnipeg are presented in

Table 3.1. The report further breaks down the STIR by neighborhood and CMHC Zone to define those areas of the municipality facing the largest challenges of affordable housing.

Table 3.1: Shelter-Cost-to-Income Ratio for the Winnipeg CSD. Source: Charter et al., 2020.

Shelter-cost-to-income Ratio	Total Households	Percent of Households
Total Households	281,050	100%
Spending less than 30%	219,010	77.9%
Spending more than 30%	61,215	21.8%
Spending more than 50%	24,485	8.7%
Spending more than 70%	14,375	5.1%

The analysis further breaks down SCTIR by CHMC Zone against income deciles, household tenure, age of primary household maintainer, household type, and status as an Immigrant or Indigenous identifying individual. Within this analysis, the report also delineates affordability by ownership and renting, as shown in Figure 3.7.

Figure 3.8 provides a city-wide overview of the affordability gaps along housing continuum in Winnipeg (Charter et al., 2020, p.169). Breaking households into income deciles delineates the types of housing considered to be affordable on the continuum for each income group. Households spending 30% or more of its total income on shelter costs are considered unaffordable and inaccessible in this case. Comparing the supply of accessible options with the proportion of households depending on them, this figure and the report discuss the specific areas of need, while also providing a profile of the households falling within each group.

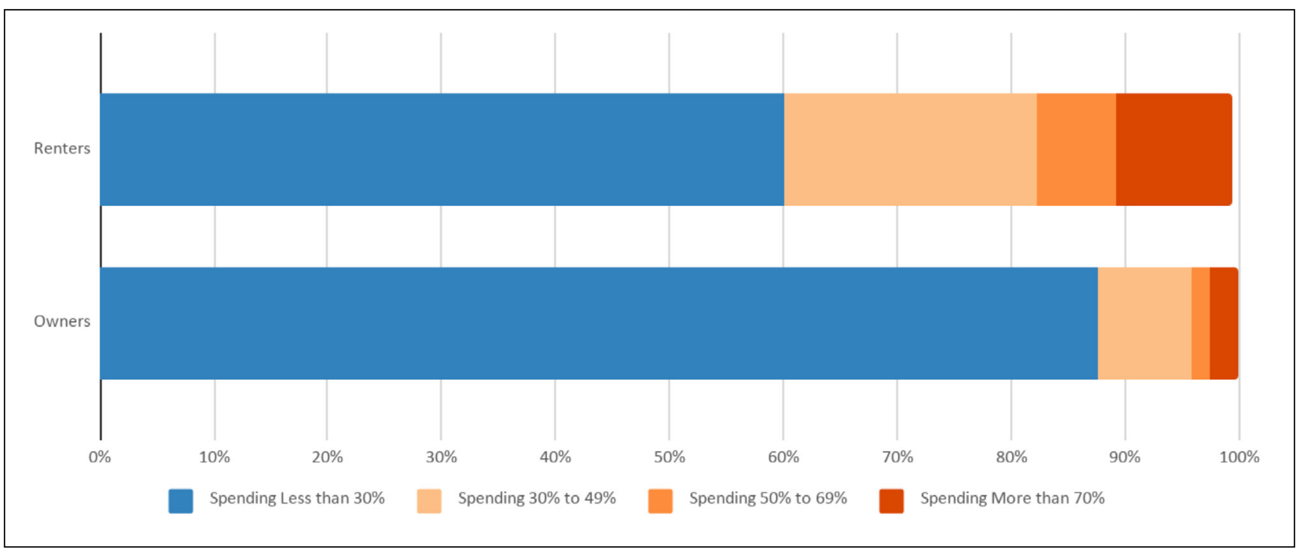

Figure 3.7: Shelter-Cost-to-Income Ratio by Tenure for the Winnipeg CSD. Source: Charter et al., 2020.

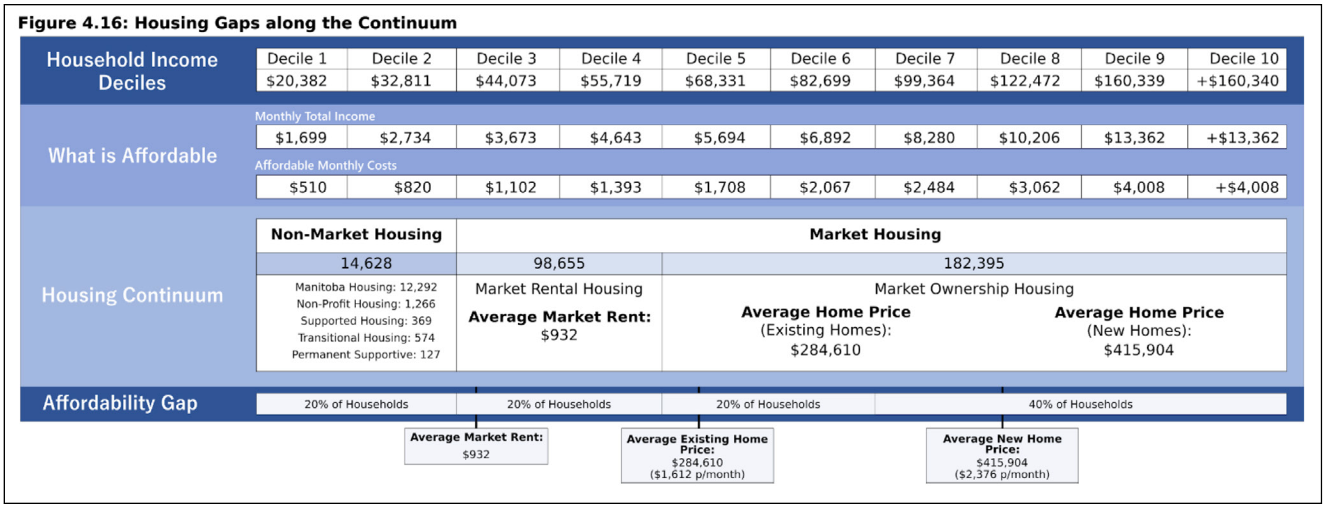

Figure 3.8: Housing gaps along the continuum. Source: Charter et al., 2020.

3.8 Burlington, VT

The Burlington-South Burlington Housing Market Area (hereafter, Burlington) in northwestern Vermont is bordered by Quebec, Canada to the north and Lake Champlain to the west. It is of particular interest for this report because if its similarities to Kingston, ON. Burlington is home to three large post-secondary institutions: the University of Vermont, Champlain College, and in Colchester, St. Michael's College. These three institutions have a combined enrollment of approximately 17,000 students and 4,850 faculty and staff (HUD, 2019). Further, Burlington has identified tight rental market conditions as an effect of student renters. With a population estimated at 223,100, Burlington and Kingston share several economic and demographic similarities.

Burlington's comprehensive housing market analysis from 2019 projects housing supply and demand to 2022 and delineates how the post-secondary population effect both the ownership and rental markets. An estimated 40% of the student population live in the communities of Burlington and South Burlington, mostly in market-rate rental housing, and constitute approximately 6% of all renter households in the city (HUD, 2019). All 3 post-secondary institutions continue to build dormitory beds for their respective campuses, as the city continues to push institutions to maximize on campus dormitories as a means to combat affordability and the continually increasing demand for housing (HUD, 2019).

In terms of measuring the affordability of homeownership in Burlington, the NAHB/ Wells Fargo Housing Opportunity Index represents the share of homes sold that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria (HUD, 2019). The lower the metric, the lower the affordability. This metric revealed that 111 out of the 237 metropolitan areas measured, or 47% of metropolitan areas in the USA, had greater housing affordability than Burlington. Figure 3.9 reveals how homeownership affordability has decreased since 2012.

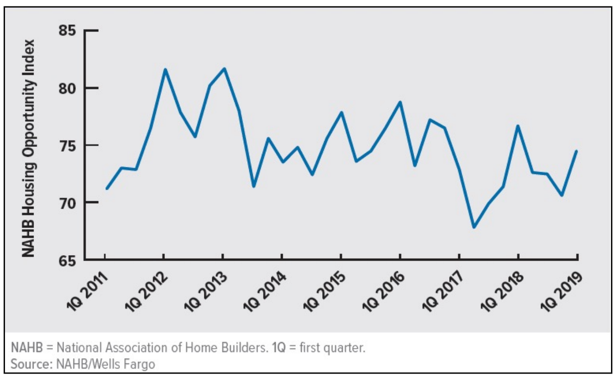

Figure 3.9: Burlington HMA Housing Opportunity Index. Source: HUD, 2019.

On the rental side of affordability projections, the Renter Affordability Index (RAI) is used to measure median renter household income relative to the qualifying income needed to rent a median-priced rental unit, as shown in Figure 3.10 (HUD, 2019). The higher the index level, the more affordable rental housing is in the area.s The RAI is used to measure rental conditions along with cost burden and severe cost burden.

Cost Burdened is defined as those spending more than 30 percent of household income on housing, while Severely Cost Burdened include those spending more than 50 percent of household income on housing costs (HUD, 2019).

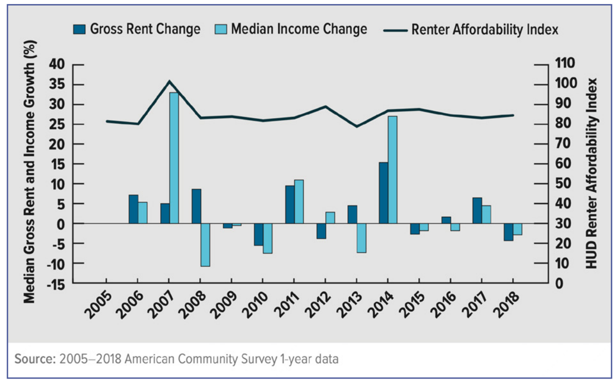

Figure 3.10: Burlington HMA Rental Affordablility. Source: HUD, 2019.

3.9 **Ithaca, NY**

The City of Ithaca, New York is also relevant given its comparability to Kingston in terms of population and presence of higher education institutions that play a significant role in its housing market. Located in Tompkins County, Ithaca is facing large shortages of affordable housing, with recent data showing that 56% of Ithaca's renters are cost burdened (paying over 30% of income on housing), and 41% are severely cost burdened (paying over 50% of income on housing) (Tompkins County, 2017). The limited supply of housing, a limited number of developable areas, and high overall demand dictate the housing market as market forces are not anticipated to be able to effectively control the affordability gap alone (Tompkins County, 2017). Student enrollment in higher education institutions increased by over 2,700 students between 2005 and 2015 in Ithaca and is projected to increase to by an additional 3,300 more students between 2015 and 2025. Only 6% of students live in dormitories supplied by these institutions (US average of 20-35%), placing even more pressure on the Ithaca's rental market (Tompkins County, 2017).

A county level approach is taken to housing affordability, as the most recent housing strategy was prepared by Danter Company for Tompkins County in 2017. The housing market analysis assesses current and forecasted housing demand to 2025 and is presented in a quantitative model that is intended to be adjusted and updated as new data becomes available over the projected timeframe (Tompkins County, 2017). A holistic approach was taken that goes beyond demographic and economic projections, as several key indicators were built into the model (Tompkins County, 2017):

- Employment trends and projections
- Labor force trends and projections
- Population and household trends and projections
- College and university enrollment
- Student employment
- On-campus student housing
- Off-campus student housing
- In-commuters

Further, Danter Company developed the quantitative model by conducting the following research (Tompkins County, 2017):

- Field survey of apartment units in properties with 24 or more units
- Field survey of apartment communities with less than 24 units
- Field survey of independent living, assisted living and skilled care facilities
- Analysis of single family and condominium demand in Tompkins County
- Analysis of market rate, Tax Credit, and student apartment demand in Tompkins County
- Interviews with nearly 300 real estate professionals, owners, managers, and developers
- A survey of 15 organizations housing special needs populations
- An internet survey of 4,509 Tompkins County residents, in-commuters, and students

The report is broken up into several reports and analyses, including demand reports and forecasts on ownership housing, rental housing, student housing, senior housing, supportive housing, and more.

3.10 **Summary Table**

Table 3.2: Summary of Forecasting Affordable Housing Demand case studies

City	Year	Document Name	Author	Projection Year	Data Source	Methods / Models	Affordable Housing Projection Outcome
Kingston, ON	2020	A Foundation for the Public Good: Recommendations to Increase Kingston's Housing Supply for All	Mayor's Task Force on Housing, Watson & Associates Economists Ltd.	2020 - 2046	2019 Growth Study, Statistics Canada Census data, CMHC rental housing market data, rental housing supply data and staff reports from the City of Kingston Planning & Development division.	Model is informed by historical local housing propensity rates/housing preferences and anticipated growth by age cohort, household formation patterns, future growth in the City's post-secondary student population, and anticipated trends in household income group.	1. Forecast additional renter low-income households that will need some sort of rental assistance.
Toronto, ON	2019	Toronto Housing Market Analysis From Insight to Action	Canadian Centre of Economic Analysis (CANCEA) and the Canadian Urban Institute (CUI)	2016 - 2031, 2041	Statistics Canada 2016 Census Division population estimates (2016 Census)	Report considers two different growth scenarios: 1. Places to Grow Scenario (based on Ontario's Places to Grow Act). 2. Natural Growth Scenario (based on historical trends).	1. Low-income household projections. 2. Core housing need projection. 3. Social housing waitlist projection.
Vancouver, BC	2017	10 Year Affordable Housing Delivery and Financial Strategy	City of Vancouver	2017 - 2027	Metro Vancouver's Regional Growth Strategy Projections: Population, Housing Employment (2011)	Aligned with Province of BC's population, housing, and employment projections. Projections employ a household maintainer rate method to estimate the number of dwelling units corresponding to the projection at each income level.	1. Forecast number of low- and moderate-income households in need of housing. 2. Forecast number of additional affordable units needed.
Calgary, AB	2016	Foundations for Home: Calgary's Corporate Affordable Housing Strategy	Centre for Spatial Economics (City of Calgary)	2016 -2025	Household demand propensities From City of Calgary Civic Census data.	Applied household demand propensities to population forecast, by age and sex cohort, to produce a forecast of the number of dwellings demanded in Calgary, by dwelling type. Multiplied current affordable housing need by additional projected households over next 8 years.	1. Forecast additional households in need of affordable housing by 2025.

City	Year	Document Name	Author	Projection Year	Data Source	Methods / Models	Affordable Housing Projection Outcome
Ottawa, ON	2020	City of Ottawa: 10-Year Housing and Homelessness Plan 2020-2030	City of Ottawa (Housing Services), SHS Consulting	2016 - 2019, 2020 - 2030	Statistics Canada Census profiles, Environics Analytics' DemoStats database, City of Ottawa Rental Market Analysis and Housing Projections	To establish the current gap, the proportion of households in core housing need as reported in the 2016 Statistics Canada Census was used as well as the proportion of households spending 30% or more on housing costs.	1. Estimate of the current affordable housing gap. 2. Affordable housing percentage of total annual increase in households.
Winnipeg, MB	2020	City of Winnipeg Comprehensive Housing Needs Assessment	University of Winnipeg, Scatliff + Miller + Murray, BW Ferguson & Associates LTD., City of Winnipeg	2016 - 2040	2016 Census Data, CMHC data, Municipal budget economic forecasts	Two forecast models are considered: 1. The City of Winnipeg's Population, Housing and Economic Forecast (2016) based on CMHC and census data. 2. A mid-2019 forecast that created to inform their 2020 municipal budget.	1. Affordability projections by neighbourhood zone, age group, one person households, renters vs owners, immigrants, core housing need.
Burlington, VT	2019	Comprehensive Housing Market Analysis: Burlington-South Burlington, Vermont	U.S. Department of Housing and Urban Development, Office of Policy Development and Research	2019 - 2022	Guidelines and methods developed by the Economic and Market Analysis Division within the U.S. Department of Housing and Urban Development.	Demand estimates reflect the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.	1. The NAHB/ Wells Fargo Housing Opportunity Index. 2. HUD Renter Affordability Index. 3. Cost Burden, Severe Cost Burden.
Ithaca, NY	2017	Tompkins County Housing Strategy	Tompkins County, Danter Company	2016 - 2025	Community engagement, field surveys, Internet surveys, regional data, census results, national data	Model intended to be adjusted annually. Indicators include employment, labour force, population and household, college enrollment, student employment, on campus housing, off campus housing, and in-commuters.	1. Current Affordable housing gap. 2. Projected housing demand for individual groups (students, seniors, supportive housing, In-commuters, workforce).

4 Case Studies: **Affordable Housing in Ontario**

4.1 **Introduction**

As Kingston looks towards the future, it is integral to prepare and expand on the current affordable housing stock in the municipality. Providing sufficient affordable housing has become a challenge for many municipalities in Ontario. Fortunately, there have been numerous creative methods municipalities have used to deliver affordable housing to low- and moderate- income households. This chapter provides a thorough analysis of the delivery of affordable housing in several municipalities. The municipalities analyzed in this chapter range in size and tier (single-tier and two-tier) and are as follows:

- Toronto, ON
- Ottawa, ON
- Brant/Brantford, ON
- York, ON
- Guelph, ON
- Vancouver, BC

The municipalities selected were predominantly limited in geographic scope to Ontario, with the exception of Vancouver which was selected to investigate best practices outside of Ontario. This is because the policies and tools available to these municipalities will be most applicable to the City of Kingston. Tables 4 and 5 in section 4.8 analyze all policy tools investigated within this Chapter. We begin our analysis with the provincial capital and most populated municipality, the City of Toronto.

4.2 **Toronto, ON**

The City of Toronto has recognized the growing need for affordable housing within the municipality and has attempted to act proactively to respond to this need. The booming Toronto housing market has led to an increase in wait times for social housing (Canadian Centre for Economic Analysis, et. al, 2019). There are currently over 100,000 households waiting to access 94,000 social housing units (Canadian Centre for Economic Analysis, et. al, 2019). Simultaneously, there has been a significant shortage of purpose-built rental housing with rental demand being met through the secondary market which has experienced immense growth in the past decade with rent and ownership costs rising by 25% and 131% respectfully (Canadian Centre for Economic Analysis, et. al, 2019). The City's market analysis findings demonstrated that the current affordable housing stock will not be sufficient for the population growth and demographic change that the City will experience within the next decade. The social housing waitlist is expected to grow to approximately 120,000 households by 2031, far exceeding the current social housing stock in Toronto and subsequently reaffirming the need for the municipality to invest in new affordable housing methods.

Housing Now

One of the most proactive policy tools enacted by the City of Toronto is the

Housing Now initiative which is a part of the HousingTO 2020-2030 Action Plan. The City of Toronto sought to establish a Land Banking Initiative to help with the development of affordable housing, which took the form of the Housing Now initiative (Toronto, 2019). In 2018 the City of Toronto set aside 11 properties, shown in Figure 4.1, that were deemed surplus with the intent of developing them as communities with affordable housing options. These properties were selected based on an identification process which evaluated municipal surplus lands and their suitability for affordable housing with proximity to public transit being the most important element for site suitability. The City of Toronto also wanted these affordable housing sites to be within mixed use areas to ensure easy access to services and employment opportunities. Built form and access to community services were also considered by the City when determining the suitability of a site.

Figure 4.1: Map of 11 Housing Now properties. Source: CreateTO, 2021.

The Housing Now initiative activated these 11 City-owned sites for the development of 3,700 market rental and 3,700 affordable rental housing units in mixed-income and mixed-use communities. The new affordable rental homes that will be created through the Housing Now initiative will remain affordable for 99 years to provide adequate housing opportunities for future generations. Currently, the “affordable” units will be affordable for households earning a maximum of $68,000 annually as the City has defined “affordable” as 30% of a household’s income (CreateTO, 2021).

The HousingTO Action Plan recognizes that the City of Toronto has policy requirements within its Official Plan which require the provision of affordable housing on large development sites to fulfil the first requirement of Section 37 of the Planning Act. The City has also been securing affordable housing as a voluntary Section 37 contribution on sites where it is not required to provide affordable housing as a condition of development to increase the total number of affordable housing units within the municipality (CreateTO, 2021).

One of the most important elements of the Housing Now initiative is that it takes a transit-oriented approach to development (Toronto, 2019). This approach seeks to concentrate development near transit stations which will enable residents to have access to an expanded range of services and employment opportunities.

An important first step for the Housing Now initiative was for the municipality to secure lands which can be used for the development of affordable housing. A variety of stakeholders including non-profit, charitable and private sector organizations were included in discussions to identify suitable properties that will contribute to the affordable housing stock, demonstrating the collaborative approach the municipality underwent to determine successful sites. To expand on this initial effort, the City has called on the provincial and federal governments, cooperative housing organizations, and multi-faith groups to identify additional sites and provide them to the City on a discounted basis to help achieve the municipality's affordable housing unit goal (Toronto, 2019). The City is also investigating acquiring private lands to see if there is adequate funding to support the purchase of those lands. Since the Housing Now initiative has been introduced, six new sites have been approved by council, for a total of 17 sites, adding approximately 620 affordable rental units, raising the total number of affordable rental homes in the City to 4,520 (Toronto, 2020).

Financial Tools

The Housing Now initiative does come at a significant cost, however the City of Toronto has used several financial tools to help finance these projects. The Housing Now initiative is estimated to cost the City of Toronto approximately $2.1 billion in incentives and land value (Toronto, 2019). These funds will be generated through a variety of methods shown in Table 4.1. Much of the financial support for these projects will come from exemptions including development charge exemptions and property tax exemptions (for 99 years).

Table 4.1: Housing Now Initiative: 10-year investment plan to create 10,000 new affordable homes on city-owned sites. Source: Toronto, 2019.

Type of Municipal Financial Support	**Investments Already Approved (3,700 homes)**	**New Recommended Investments from 2020 - 2030 (6,300 homes)**	**Total Over 10 Years (10,000 homes)**
Development Charges Exemptions	$150,000,000	$254,772,000	$404,772,000
Property Tax Exemption (99 year NPV)	$104,164,803	$171,574,697	$275,739,500
Fees and Charges Exemption	$26,162,394	$44,541,000	$70,703,394
Sub-total City Incentives	*$280,327,197*	*$470,887,697*	*$751,214,894*
City Land Value Leveraged	$481,000,000	$819,000,000	$1,300,000,000
Total City Contributions	**$761,327,197**	***$1,289,887,697***	**$2,051,214,894**

The City of Toronto is also dependent on financial support from the provincial and federal governments. The federal government's financial support is essential to the Housing Now initiative as the Rental Construction Financing Initiative (RCFI) provides up to approximately $13.75 billion in loans for the construction of 42,500 rental units (Toronto, 2019). Unfortunately, the funding will end in December of 2027, so it is imperative to the success of Housing Now and HousingTO that the funding be continued past that date. The City has also applied to receive funding from the National Co-Investment Fund, a federal fund launched in 2018 which provides $4.52 billion in bunding and $8.65 billion in low interest loans (Toronto, 2019). These funds would be used to help the Housing Now initiative deliver 20,000 affordable rental homes. The City has already secured provincial funding from both the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative which will provide $160 million over three years, and the Reaching Home Program which will provide $123.5 million over 5 years to help reach the HousingTO and Housing Now goals (Toronto, 2019).

Conclusion

Toronto, being the most populated city in Canada, has struggled with housing affordability for decades. Pairing this issue with the rapid rise in housing costs, the city and its citizens have experienced significant challenges securing affordable housing options within the city. The Housing Now initiative as a part of the HousingTO Action Plan seeks to greatly expand on the affordable housing options within the City. This is primarily done through a Land Banking Initiative on public lands where the municipality facilitates the development and operation of affordable housing units alongside a series of stakeholders. To achieve these development goals a variety of funding tools were explored including several federal and provincial grants/funding programs to help mitigate the costs the municipality will incur. Furthermore, affordable units will be developed alongside market rate units to further help provide mixed-income developments and mitigate the funding risks.

4.3 **Ottawa, ON**

The City of Ottawa is one of Ontario's largest cities with a population of nearly 1,000,000 and is located within a two-hour drive of the City of Kingston making it an excellent case study for affordable housing (Statistics Canada, 2021). The municipality has traditionally been proactive in its responses to social issues, and this is evident in the City's response to its growing affordability issue. As discussed in Chapter 6, The City of Ottawa was one of the first municipalities to announce that they are preparing a community benefits charges by-law and is committed to using this new revenue stream to supplement its commitment to affordable housing including an additional $47 million investment in 359 new affordable units in 2021 (Ottawa Construction News, 2021).

10-Year Housing and Homelessness Plan

The primary policy document concerned with affordable housing in the City of Ottawa is the 10-Year Housing and Homelessness Plan 2020-2030 (Figure 4.2). This plan is Ottawa's newest policy document aimed at combatting the homelessness and housing issues the city has been experiencing. Prior to this plan, Ottawa's work in addressing the housing needs of residents was guided by several housing and homelessness plans such as Action Ottawa (2003), the City Housing Strategy (2007- 2012), and the Community Action Plan to End Homelessness (2009-2014). However, despite the efforts of the City and community partners in implementing these plans, access to affordable housing was not improving, people were struggling to pay their rent, and homelessness was increasing. The City of Ottawa defines affordable housing as "a housing unit that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are less than 30 per cent of its gross income."

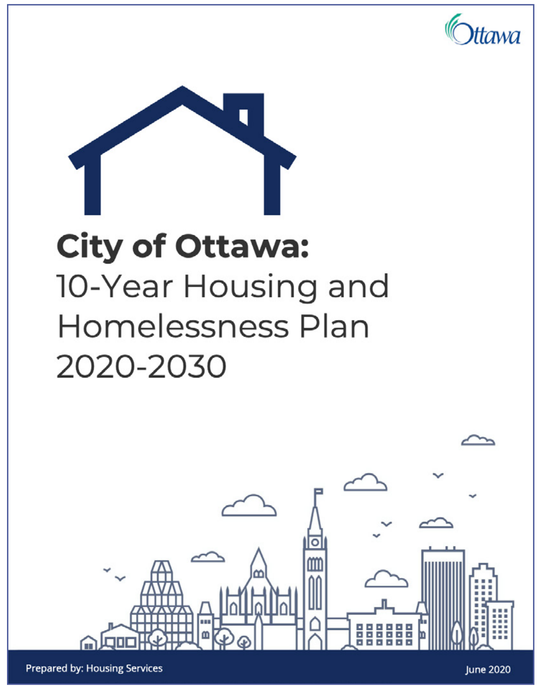

Figure 4.2: City of Ottawa 10-Year Housing and Homelessness Plan. Source: Ottawa, 2020.

The 10-Year Housing and Homelessness Plan 2020-2030 aims to ensure everyone has a home. To achieve this goal the existing housing stock will be preserved and expanded. Additionally, there is an emphasis on expanded access to housing affordability. The City has clearly outlined the steps it will take to achieve these goals. Regarding the expansion of affordable housing, the City will begin by creating a new affordable housing incentive framework (Ottawa, 2020). To develop this framework the City is standardizing its definition of affordability and is creating affordability thresholds for the incentives which are financially viable for both the private and not-for-profit sectors. The city will also create a land strategy for affordable housing, similar to the land banking initiative employed by the City of Toronto. Ottawa has already identified sites for affordable housing through the Interdepartmental Taskforce on Affordable Housing, with the sites being located near transit stations. This initiative is reliant on the city working with numerous stakeholders including the Ottawa Community Housing Corporation (OCHC) which is a non-profit that provides affordable housing within Ottawa.

Ottawa Community Housing Corporation is the largest social housing provider in Ottawa and is also the second largest in Ontario housing with over 32,000 tenants (Ottawa Community Housing Corporation, 2019). The OCHC offers a variety of housing options for residents in Ottawa including subsidized rentals and market rentals. The units offered are comprised of 56% high-rise units and 36% townhomes (Ottawa Community Housing Corporation, 2020). The OCHC's land banking strategy is heavily focused on concentrating developments near public transit stations and leveraging green technologies while also ensuring that there is enough capacity to house larger families (Ottawa Community Housing Corporation, 2020). The Ottawa Community Housing Corporation will work closely with the City of Ottawa to establish a shared vision and guiding principles of the redevelopment of social housing lands. The OCHC will be responsible for the maintenance and administration of new affordable housing initiatives within the city and has seen great financial and social success within recent years with over 90% of tenants paying their rent on time (Ottawa Community Housing Corporation, 2020). This success has been attributed to the OCHC's partnership with the private sector, the City of Ottawa and the Canada Mortgage and Housing Corporation (CHMC) who has partnered with the OCHC to assist in the construction of 700 affordable homes across three Ottawa sites (Ottawa Community Housing Corporation, 2020).

Funding

The City of Ottawa has received funding from a variety of sources, primarily from the federal and provincial governments. Through the Reaching Home Strategy, which broadly supports homelessness programs, the federal government has allocated an additional $5.6 million over the next five years to assist with the funding of the 10-year Housing and Homelessness Strategy (Ottawa, 2020). This funding strategy has since closed (Employment and Social Development Canada, 2020).

The City has also secured property valued at $6.7 million under the Federal Lands Initiative operated by the CMHC which has partnered with the OCHC to create up to 271 social units (Ottawa, 2020). The Federal Lands Initiative is an initiative which supports the transfer of surplus federal lands and buildings at no cost to be developed or renovated for use as affordable housing (CMHC, 2020). There is a strict process where the federal government and Crown corporations identify eligible properties and conduct a property assessment, if the property is deemed suitable it is listed through the Federal Lands Initiative and housing providers may provide proposals which will then be evaluated and the lands subsequently awarded (CMHC, 2020). The initiative is open to all community housing organizations, non-profit organizations, co-operative housing organizations, and municipal/provincial governments and more.

The City has received funding from numerous provincial initiatives, many of which have only recently been introduced. The City has secured funding from the Ontario Priorities Housing Initiative which was created to support the development of new affordable rental housing options, preserve and regenerate existing social housing, increase affordable home ownership and support residents to foster self-reliance and social inclusion. This three-year funding plan includes $7,609,600 for 2019 to 2020, $3,942,300 for 2020 to 2021, and $6,137,400 for 2021 to 2022 (total $17.6 million) with a review at the end of the third year (Ottawa, 2020) The province is also committed to funding through the Canada-Ontario Community Housing Initiative which seeks to strengthen the social housing stock across the province and will provide $22.4 million over three years. The Canada Ontario Housing Benefit will also provide the city over $4 million of funding over two years to support households living on low incomes who are residing in rental housing and who has suffered from domestic violence, human trafficking and homelessness (Ottawa, 2020).

Conclusion

As the second largest population center in Ontario, the City of Ottawa has long suffered with homelessness and a lack of affordable housing. The rapid urbanization of the municipality has seen many individuals struggle with paying rent or buying homes which has only served to increase the homelessness crisis. Similarly, to the HousingTO Action Plan, the 10 Year Housing and Homelessness Plan seeks to use a land banking initiative to develop affordable housing units. The City of Ottawa has secured valuable partnerships with non-profits and governmental organizations to help with the implementation and delivery of new affordable housing developments in the coming decade.

4.4 **Brant/Brantford, ON**

Brant County and Brantford were selected as case studies for affordable housing due to their similarities to the City of Kingston. With a combined population of approximately 134,000, the population of the Brantford Census Metropolitan

Area (CMA) is comparable to the Kingston CMA's approximate population of 123,000 (Statistics Canada, 2021). The two municipalities also reflect urban areas which are relatively isolated from other large urban centers as they are surrounded by rural lands. It is important to acknowledge within this case study that the City of Brantford and County of Brant are two separate municipalities which share numerous services, including affordable housing (Brantford & Brant, 2020). The City of Kingston is responsible for its own affordable housing initiatives as in other case studies in this chapter. Brant/Brantford has developed into a desirable community for families and has experienced significant growth in recent years and is expected to accommodate nearly 18,000 new households by 2030, representing growth of 26.8% (Brantford & Brant, 2020).

Affordable Housing

As of 2020, the Affordable Housing waitlist in Brantford/Brant remained at an all-time high of over 1,700 applicant households (Brantford, 2020). Both the Brant County Official Plan and City of Brantford Official Plan include Community Benefits/Bonusing provisions which allow for increases to height and/or density in return for certain facilities and services, consistent with the previous Section 37 of the Planning Act. However, these provisions within the Official Plans do not explicitly concern themselves with affordable housing. The Housing Master Plan, which was developed to establish strategies to encourage the growth of affordable housing, projects 5,498 total households in core housing need with only 3,881 existing units of affordable housing representing 1,617-unit deficit which is projected to grow to 3,266 by 2031 (Brantford & Brant, 2020). Brant/Brantford consider households which spend more than 30% of their gross income on housing costs to be in "core housing needs" and are unaffordable.

Brant/Brantford calculated the additional need of 506 units through the year 2031 to maintain the overall service level standard of 45 affordable units per every 1,000 households. This will be achieved through the creation of six new affordable housing sites across the municipalities. Most of the lands used for these developments are surplus lands owned by the municipality or affordable housing stakeholders such as the Brantford-Brant Local Housing Corporation or the Brantford Municipal Non-Profit Housing Corporation. The Housing Master Plan estimates a cost of $160-200 thousand per unit for a total cost of the 506-unit housing development estimated at $108,535,000 (Brantford & Brant, 2020). This cost can be expected to rise greatly over time as the two sites which are expected to host 407 of the 506 affordable units are proposed on lands which have yet to be secured by the

Table 4.2: Breakdown of affordable and social housing units in Brant/Brantford. Source: Brantford & Brant, 2020.

City of Brantford Housing Department	Owned and/or directly delivered housing assistance	1,476
Non-profit/Co-operative Housing Providers	Legislated providers under the *Housing Services Act, 2011*	961
Non-legislated Affordable Housing	Affordable Housing constructed and delivered under time limited affordable housing programs	455
Primary and Secondary Rental Market	The primary and secondary private rental market (e.g. duplexes, private landlords, condo rentals), although largely unregulated, is estimated to provide about 18% of the affordability needs.[2]	989
Total		3,881
Total Households in Core Housing Need		5,498
Current Surplus (Deficit)		(1,617)
The estimated ten year deficit of affordable rental units increases to 3,266 by 2031 as the projected number of households in need increases to 7,508.		

municipality and this estimate is based on the assumption that the municipality (or other stakeholder) will be able to secure the land at a reasonable cost.

Fortunately, the Brantford/Brant Housing Master Plan has established a clear development criterion which outlines the steps the municipalities will undertake regarding affordable housing development (Brantford & Brant, 2020). This criterion acknowledges the significant financial impact that purchasing new land on a municipality. This impact can greatly affect the potential success of a social housing development. Brant/Brantford's housing strategy states that any opportunity to intensify current municipal sites or take advantage of surplus lands should be prioritized over the purchase of new lands. The purchase of any additional land for affordable housing can be recommended if there are no current lands that are suitable for development. Furthermore, the criteria outlines that projects with the greatest net increase in housing would be prioritized and that if there was an opportunity to engage in a partnership opportunity with a non-profit or private sector organization, that project would also be prioritized. This criterion established by the municipality clearly outlines the goals and methods that the municipalities wish to achieve when expanding its affordable housing stock.

Financial Tools

Similar to other municipalities, Brant/Brantford have reached out to the provincial and federal governments in search of additional funding to help achieve the development. One of the provincial funding options that was available to the municipalities was the Social Services Relief Fund. The Social Services Relief Fund provided $1.25 million to assist in the development of 25 affordable housing units for individuals over the age of 55 who are homeless or at risk of homelessness in Brantford.' This fund was established to help municipalities create long term housing solutions for Ontarians who were affected by COVID-19 and homelessness (Ontario Newsroom, 2021).

The City of Brantford was able to begin development of 70 affordable units at 346 Shellard Lane due to the sale of surplus lands. Surplus lands are effective places to construct affordable housing development, but are also an excellent tool to raise funds that can be used for affordable housing. The funds for the Shellard Lane project will be gained from the sale of the former Arrowdale Golf Course, shown in Figure 4.3. The sale of these surplus lands not only provide a one-time cash injection to the municipality but also provides a new property tax revenue stream from the future development which will occur on the golf course lands (Brantford, 2021).

There has been significant opposition to the sale of the Arrowdale Golf Course within Brant/Brantford, specifically with Know Your City Inc. Know Your City has opposed the sale of the golf course and filed an application for a judicial review which was dismissed. However, the Ontario Court of Appeal granted a stay, which prevents the city from completing the sale of the course until the leave to appeal is finished and the outcome has been decided. (Rankin, 2021). Residents who protested the sale of the golf course are concerned about losing valuable greenspace and a course which was enjoyed by generations. The City has stated that it will honour the stay and remains optimistic that the sale will be processed and the funds will be used to create new affordable housing units.

Figure 4.3: Arrowdale Golf Course in Brantford, ON. Source: Mitchell, 2021.

The Housing Master Plan also provides three funding/financing options that can be used regarding affordable housing in addition to housing reserves, provincial grants, land sale, and development charges reserves. The first option is to fund the plan through debt/capital contribution ($45m loan and $26m capital contribution) which assumes that each housing project can achieve a mixed level of affordability and financial stability which would allow the debt to be serviced without having to impact local taxes with the rest of the capital funds being generated through the sale of surplus assets. This method would require council to remove the self-imposed debt borrowing restriction for housing. The second option is to fund the plan through capital contribution with no debt ($74m capital contribution). This capital contribution would also be achieved through the sale of surplus assets and could be reduced if more provincial/federal grants are secured. Finally, the third and most cost-effective option merely suggests reducing the scope of the project which will have significant effects on the municipalities' most at risk citizens.

Conclusion

Representing a similar population and size to the City of Kingston, the Brant/Brantford affordable housing case study is extremely valuable when investigating the tools and strategies being used to procure affordable housing units. The sale of surplus municipal lands is an effective tool which can provide a municipality with sufficient funds to develop affordable housing. However, the sale of municipal lands has proven to be a contentious issue with locals providing significant opposition to the sale.

4.5 York, ON

The Regional Municipality of York (York Region) is located in Southern Ontario, less than 300km from Kingston. Although boasting a much larger population size than Kingston, York Region faces many similar problems regarding housing affordability. Through the use of their two main tools of purpose-built rental housing incentives and a purpose-built rental buildings development charge deferral, York is attempting to create more affordable housing options for residents.

Housing Solutions: A Place for Everyone – Phase One and Two

York Region has acknowledged the need to address homelessness and housing issues within its region. The plan to guide these intentions is known as the Housing Solutions plan. Currently, phase two of the plan is in action with three main goals: increasing supply of affordable housing, helping residents find and keep housing, and strengthening the housing and homelessness system. In the first stage of this plan, from 2014-2018, several goals were met within the region (York Region, 2014).

York's 10-year Housing and Homelessness plan first phase began in 2014, focusing on identifying housing issues and subsequent solutions. Within this plan, several glaring statistics about the state of housing in the county are presented. The wait list for social housing has almost doubled within York, leaving more than 10,000 households waiting to get into programs. Moreover, the vacancy rate within the municipality is at a lowly 1.6%, well off an ideal minimum of 3%. Perhaps the most problematic housing issue within York was that from 2003 to 2013, the average price of a house rose by 85% while the median hourly wage increased by 21% (York Region, 2014).

The second phase of York's housing plan is taking place from 2019 to 2023. This portion outlines the progress made in the first phase, as well as the intentions for the current period. Since the start of the first phase, provincial and capital funding had been leveraged to create 327 new community rental housing units. Additionally, 427 units are still in the construction phase at the time the second phase was being designed (York Region, 2019). York is also looking into other social housing initiatives such as emergency and transitional housing facilities for women and youth. Within York, those earning in the bottom 40% of the population are eligible for community housing. Regarding affordability, York uses the provincial definition of "affordable," where housing must be affordable for the lowest earning 60% of households (York Region, 2019).

Financial Tools

The Regional Municipality of York has employed Purpose-Built Rental Housing Incentives to increase affordable housing in the area. This increased supply is intended to address housing gaps in the region, specifically for mid-range incomes. The 2019 Purpose-Built Rental Housing Incentives Report acknowledges there are severe housing gaps in the county. Specifically, that York Region has the lowest supply of rental housing within the Greater Toronto and Hamilton Area. Notably, in 2018, there lacked new ownership housing units that were affordable to the lowest earning 50% of existing households (York Region, 2019). York Region suffers from a unique spatial distribution where large, family-sized units are predominately located on the outskirts of communities and smaller condominium units are found near community hubs.

The Purpose-Built Rental Buildings Development Charge Deferral is applicable to affordable purpose-built rental buildings within York Region. For eligibility, developments may be registered as a condominium but must be operated for at least 20 years as a rental property (York Region, 2019). The building must be a minimum of four storeys and be affordable for households that fall between the fourth and sixth deciles of York Region income distributions. Lastly, average market rents need to be less than or equal to 175 per cent of the average market rent for private apartments.

To fund these initiatives, York looks towards provincial and regional funding opportunities that their programs are eligible for. The CMHC, specifically, provides funding for affordable housing as it does with many municipalities. Additionally, regional funding is used to support housing and affordable development projects.

Conclusion

Using rental housing incentives and development charge deferrals, York Region is doing its part to combat housing unaffordability. Both programs are new for the region, so unfortunately there is little data available on the success of such programs. As these tools become modified and critiqued within the region, a conclusion on their efficiency can be reached.

4.6 **Guelph, ON**

Guelph was chosen as a case study for several reasons. First, their population is almost identical to that of Kingston. Additionally, like other case studies in this report, it is an Ontario municipality therefore making the practices more applicable to the city of Kingston. Guelph addresses affordable housing through their Affordable Housing Strategy. The main tool used to combat housing unaffordability and homelessness is a housing incentives program.

Affordable Housing Strategy

The city of Guelph developed their 10-year Affordable Housing Strategy based off the findings from research when developing the city's Official Plan. Housing issues such as affordable units for smaller households, lack of primary rental supply, and secondary market supply being insecure compared to the primary rental market (City of Guelph 2021).

Within Guelph, affordable housing is defined as housing that costs less than 30% of gross household income. Additionally, affordable ownership housing is at least 10 per cent below the average market purchase price of a resale unit in the regional market area (City of Guelph 2017). On the other hand, affordable rental housing includes housing that is less than 30% of gross household income as well as a unit where the rent is below or equal to the average market rent for a unit in the regional market area.

The City of Guelph also employs an Affordable Housing Reserve fund that began in 2002. This fund has provided $1.3 million in funding for numerous housing types such as emergency, non-profit social, and as ownership housing by non-profit groups. In total, the fund has aided in the development of 16 emergency shelter units, nine transitional housing units, 84 rental units, and 196 ownership units (City of Guelph 2017). To improve on these numbers using financial tools, the Guelph Affordable Housing Strategy identifies the need for financial incentives to encourage development at more affordable prices.

Financial Tools

The Affordable Housing Financial Incentives Program (AHFIP) is based off four key principles:

1. Creation of new, permanent housing.
2. Create an impactful influence on the creation of affordable housing.
3. Incentives to encourage new affordable housing in the city.
4. Healthy financial balance to make funds available to developers, housing providers, and others.

The AHFIP Framework can be seen in Table 4.3. The program proposes that the annual operating budget should be increased from $170,000 to $230,000 for 2018-2022. Doing so would provide six units per year at minimum, at an upset value of $70,000. After five years, the program is intended to support at least 30 permanent affordable housing units (City of Guelph, 2017). The six units annually represent half of the primary rental units required per year as outlined by the AHS housing targets. The County of Wellington

Table 4.3: Affordable Housing Financial Incentives Program Framework.
Source: City of Guelph, 2017.

Condition	Recommendations
Applicant Eligibility	Incorporated not-for-profit and for profit businesses.
Stage of Development	Land must be appropriately zoned.
Structure Type and Tenure (See Housing Type Eligibility Chart below)	All structure types excluding single detached and semi-detached units. Primary and purpose built secondary rental units. Ownership units that are developed in connection with a program that protects the City's investment to create affordable housing by ensuring the units house low to moderate income households.
Form and Size	Projects that contain small units (i.e. bachelor and 1-bedroom units) are prioritized. Primary rental units are prioritized since their tenure is protected through Official Plan policy.
Amount of Incentive	Based on affordable benchmark rents, with consideration given to unit size. Maximum amount of $70,000 per unit applied on a project basis in consideration of other funding sources (e.g. other government funding).
Amount and Form of Incentive	Grants for primary rental and purpose built secondary rental units. Loans for rental and home ownership programs (e.g. Options for Homes second mortgages).
Type of Eligible Costs (See Incentive Forms and Eligible Cost Chart below)	Capital cost. City fee reductions, exemptions and deferrals.

contributes $500,000 per year to fund the AHFIP and other projects within the county.

In 2016, the program was confirmed in addition to funding provided by the City and County for social housing (City of Guelph, 2017). The program is intended to create permanent housing using non-market housing options. As pointed out in the Affordable Housing Strategy, financial incentives were seen as a required tool to support the development of both primary rental housing units, as well as purpose built secondary rental housing units.

Conclusion

The City of Guelph has decided to address local housing affordability using a financial incentives program. From the research provided in the Affordable Housing Strategy and the Affordable Housing Financial Incentive Program documents, it appears as though this tool is an effective method. However, there was little documentation or periodical articles reporting on the progress of the program. Guelph's Affordable Housing Financial Incentive Program will be funded until 2024.

4.7 Vancouver, BC

Vancouver was chosen as a case study to provide perspective on what municipalities are doing to create more affordable housing outside of Ontario. Although much larger in both population and size compared to Kingston, the tools being used in Vancouver could potentially be adapted to respond to local affordable housing needs. Through an Empty Homes Tax, the Vancouver Affordable Housing Agency, as well as an Affordable Housing Utilities Development Cost Levy, the city has implemented multiple means to address its housing problems.

Housing Vancouver Strategy

In 2018, the City of Vancouver released their 10-year Housing Vancouver Strategy. This plan is directed at creating affordable housing as Vancouver has some of the highest housing prices and lowest median incomes among Canadian cities (City of Vancouver 2017). The plan outlines several broad goals such as shifting towards rental, social, and supportive housing, as well as increasing protections for renters and individuals experiencing homelessness. Additionally, many targets for new housing developments are elaborated on in the 2012-2021 plan, Housing and Homelessness Strategy, which will be discussed later.

Between 2001 and 2017, east Vancouver housing costs rose 365% for single-detached homes and 220% for condos. Across the city, average rent prices in purpose-built rental housing rose by 75% over the same period. Vancouver also faces an increasing number of homes that are being held empty as investment properties. From 2011 to 2016, the number of homes that were empty or occupied by a temporary resident rose by 15%, adding another aspect to the housing issue in the city (City of Vancouver 2017).

Financial Tools

The City of Vancouver is implementing several tools to address its significant housing needs. One of these is the Empty Homes or Vacancy Tax, introduced in 2017 (City of Vancouver 2017). This is intended to take those empty and under-utilized properties back to the market. If a property is deemed empty, they will be subjected to a tax of 3 per cent of the property's assessed taxable value. From 2017 to 2019, a reduction of 25% in vacant properties was recorded while the tax was in place. Additionally, in the same period, $61 million in revenues from the tax were allocated to supporting affordable housing initiatives. The Empty Homes Tax applies to "properties that are not being used as principal residences or rented for at least six months of the year, and do not qualify for one of the eight exemptions outlined in the EHT by-law." (City of Vancouver, 2020).

The Vancouver Affordable Housing Agency (VAHA) works with the city to create affordable housing on city land (Vancouver Affordable Housing Agency 2021). The VAHA works with communities and partners to fund, design, and build rental homes. These homes are designed for low- to moderate- income households as well as those on government assistant income. This is done through securing funding sources and partnerships with other levels of government to produce affordable housing. The VAHA intends to develop housing types that are often forgotten about in the private market. Essentially, this city-developed organization acts as a bridge between private and community partners developing affordable housing. As recent as November 4, 2021, the Vancity Community Foundation in partnership with the VAHA, CMHC, and other organizations was able to open a 145-unit affordable housing project at 188 East 6th Ave in Vancouver, seen in Figure 4.4 (Cision, 2021).

Figure 4.4: New affordable housing project at 188 East 6th Ave in Vancouver. Source: RH Architects, 2021.

Vancouver also employs an Affordable Housing Utilities Development Cost Levy (AHUDCL) program which helps to fund off-site utilities upgrades that are needed for new affordable housing projects (City of Vancouver, 2021). Funding is gathered through the 8% utilities allocation of the City-wide Development Cost Levy which is then put towards the program. It became active in 2019, with funding being collected until September 2021. Eligibility-wise, the AHUDCL funding program is directed at affordable housing project rezoning applications. These must be social housing projects where the entire residential floor area is social housing. The other eligible projects are those which fall under the Moderate-Income Rental Housing Pilot Program (MIRHPP).

The MIRHPP is a program which allows up to 20 rezonings for new buildings which provide 100% of the residential floor area as secured market rental housing (City of Vancouver, 2019). Additionally, at least 20% of the building must be secured for moderate-income housing. The second part of the program is that:

"The MIRHPP addresses a critical gap in the local rental housing market by encouraging the development of new rental units that are permanently secured at rates that match the affordability needs of local moderate-income households earning between $30,000 and $80,000 per year." (City of Vancouver, 2019)

Conclusion

The City of Vancouver has developed several programs to address housing affordability in the city. From the Vacant Homes Tax to the Vancouver Affordable Housing Agency, significant results have been achieved in combatting housing issues. Through mitigating the number of empty units and putting a greater focus on building affordable housing, a positive shift has been recorded. These tools can be modified to fit the needs of a smaller city such as Kingston to deal with current and future housing crises.

4.8 **Financial Tool Comparison**

The case study research in this chapter allowed for a thorough analysis of the policy and financial tools used by municipalities across Canada for the delivery of affordable housing. Although the municipalities vary in size and scope, there are a variety of creative tools used with noticiable overlap between cities. While areas like Toronto and Ottawa focus their programming on land banking, places such as York and Guelph employ financial incentive tools. Each of these programs have their strengths and weaknesses when addressing affordable housing. More research is needed to fully assess their efficacy and appropriateness to be applied in Kingston. In conclusion, these tools offer potential pathways to address affordable housing in Canadian municipalities. Tables 4.4 and 4.5 provide a summary of the tools analyzed through the case studies on this chapter.

The creation of affordable housing has become increasingly challenging for municipalities throughout the housing crisis of the 2010s and onward. The housing crisis and rising real estate prices have made it more challenging for individuals to secure housing that is affordable. The immense cost of housing has also pushed some individuals further into poverty as they struggle to make ends meet. To remedy these issues the federal, provincial, and municipal governments have collaborated to create tools to assist with the creation of new affordable housing units to help the city's most at risk citizens.

One of the newest and most prominent tools used in affordable housing creation is land banking. Land banking in an affordable housing context is defined as the direct intervention in the land market by public agencies such as a land development corporation. It may simply participate in the land market buying up available land or use surplus lands in order to meet 'public interest' goals. It may also be used to promote interests of the wider community and prevent undesirable uses, kick start development and reduce land hoarding and speculation by private owners. (Lawson & Ruonavaara, 2019). Securing land for the initiative is the most challenging aspect of the tool. This is due to land costs being extremely high (therefore creating the need for affordable housing).

The cost of affordable housing presents an immense barrier to its implementation. Raising funds to offset these costs can often come at a significant social cost, including the sale of public lands or greenspaces as seen in the Brant/Brantford example. The sale of these lands presents a significant challenge for municipalities in determining if the benefits of the greenspace outweigh the benefits of affordable housing. Additionally, like vacant home taxes used by Vancouver to return unused housing back to the market, many complaints from residents have been received. Regardless of the decisions, municipalities will face backlash and must be prepared to justify their decision.

Fortunately, municipalities and other levels of government have been able to create unique tools to aide in the delivery of affordable housing. Upon analysis of these tools, it is clear that affordable housing is an issue that can only be remedied through consistent collaboration between various stakeholders. Moving forward, the case studies analyzed can provide the City of Kingston with best practices regarding the creation of affordable housing units ensuring a more equitable future for all.

Table 4.4: Comparison of affordable housing definitions and tools across municipalities

Municipality	Affordable Housing Definition	Primary Tool	Predominant Housing Type
Toronto	Currently, affordable is defined as 80% of average market rent for the City of Toronto. The municipality is redefining affordability and is adopting a new income-based approach based on 30% of a household's income.	Land Banking	Condo/apartment units. Predominantly high density.
Ottawa	Affordable housing generally means a housing unit that can be owned or rented by a household with shelter costs (rent or mortgage, utilities, etc.) that are less than 30 per cent of its gross income.	Land Banking	Condo/apartment units. Predominantly high density.
Brant/Brantford	A household spending more than 30% of its gross income on housing costs is considered to be in "core housing need".	Intensification and/or sale of surplus municipal lands	Condo/apartment units. Predominantly medium density.
York	Affordable housing in York is defined as being available to the lowest earning 60% of households.	Purpose-Built Rental Housing Incentives	Larger condo/apartment units that are designed for family-sized households.
Guelph	Within Guelph, affordable housing is defined as a unit that costs less than 30% of gross household income.	Financial Incentives Program	Condo/Apartment/Townhouses. Predominantly high density.
Vancouver	Housing in Vancouver is considered affordable when it comprises 30% or less of a household's total income before taxes.	Vacant Homes Tax and Affordable Housing Utilities Development Cost Levy.	Return empty and under-utilized properties to the market as long-term rental homes. Social housing projects where the entire residential floor is social housing.

Table 4.5: Affordable housing policy tool analysis

Tool	Key Actors	Strengths	Weaknesses
Land Banking	Municipality Non-profits/Community Organizations	• Provides sites for affordable housing projects at little or no cost • Creates a partnership opportunity between municipal governments and non-profit housing providers • Variety of funding options including the "Federal Lands Initiative"	• Acquiring funds to purchase parcels for affordable housing can be very challenging • Finding and securing suitable sites for affordable housing (close to transit stations) is very difficult
Sale of Surplus Lands	Municipality Private Investors	• Effective method of securing funds for affordable housing • Creates new property tax revenue stream	• High potential for public opposition and backlash • One-time lump sum payment
Financial Incentives	Municipality Private Developers	• Creates permanent affordable housing units. • Encourages affordable housing development through monetary incentives.	• Requires willing developers to undertake affordable housing projects. • Less oversight in development by the municipality.
Vacant Home Tax	Municipality Secondary Homeowners	• Encourages people with secondary homes to sell back to the market. • Produces funding for other affordable housing initiatives.	• Large number of complaints and backlash from secondary homeowners. • Complaint process is lengthy and homeowners often succeed.

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5 Case Studies: **Community Benefits**

5.1 **Introduction**

This chapter will present case studies of creative ways municipalities have defined "community benefits" and used development or redevelopment applications to assist in the provision of affordable housing through the contribution of cash, land, or other in-kind contributions. Some of the selected case studies are within the Ontario context, while others are outside of the Province and Canada. Case studies within Ontario have been centralized to findings in Toronto and the Greater Golden Horseshoe, as these examples were most appropriate given the focus on affordable housing provisions and the new upcoming requirements for a CBC strategy and By-law.

In total this chapter will detail 10 case studies that are broken down into 3 components with subheadings. The first is a brief introduction of the case study examined, followed by a definition section that will emphasize how a municipality or local agency defines the term 'community benefits'. The last section will explain how each case study uses development in a creative way to produce affordable housing provisions that can be applied in the context of the new CBC Strategy/By-law for the City of Kingston.

5.2 **Parkdale Community Benefit Framework, Toronto**

Context and Definition

The Parkdale Neighbourhood is located in the core of Downtown Toronto. It can be divided into northern and southern regions in which the southern neighbourhood, shown in Figure 5.1, is experiencing rapid gentrification due to mid- to high-rise developments. It is considered one of the least affordable neighbourhoods to reside in downtown Toronto. In 2018, the neighbourhood consisted of over 36,000 residents in which a large income disparity

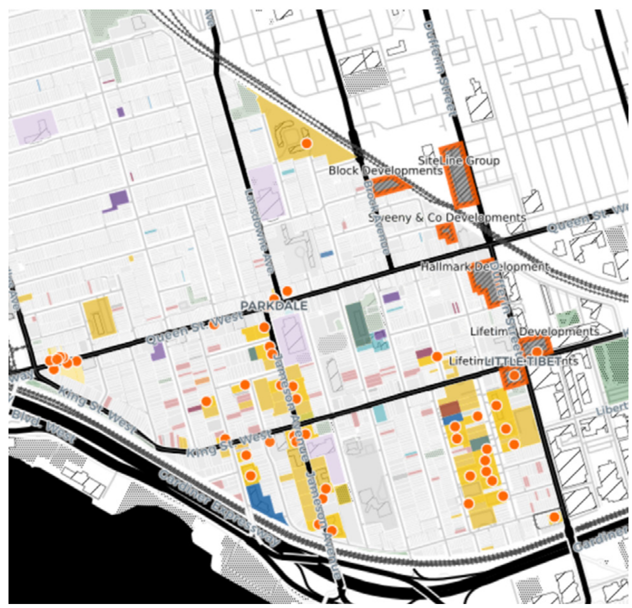


Figure 5.1: Current housing types and land uses in the Parkdale neighbourhood. Source: Parkdale Neighbourhood Land Trust, 2021.

was found between the northern and southern regions. Specifically, 30% of residents in South Parkdale live in poverty with an average income of $34,752 compared to northern Parkdale residents' income of $52,062. The poverty rate in the southern region is almost doubled compared to the Toronto average (Parkdale People's Economy, 2018).

Likewise, 88% of residents of South Parkdale are renting units with 21% in need of social assistance. Over half of residents spend more than 30% of their income on housing, as 30% of units are owned and operated by three corporate landlords. However, the most concerning statistic was during this data snapshot of 2018, more than 3900 unaffordable units were being proposed between five developments with no affordable units being proposed at the time (Parkdale People's Economy, 2018). This called into action for a Community Benefit Framework for the neighbourhood which emphasized the need for affordable housing and mitigation of displacement.

As Parkdale is a neighbourhood within downtown Toronto, the ideas around the term community benefits stem from the municipality's definition. According to Toronto's city-wide Community Benefits Framework. Community benefits:

> "… refers to a range of outcomes that may be included as conditions when the city buys, builds, provides financial incentives, or other unique opportunities where community benefits can be explored. To date, city community benefit initiatives have focussed on outcomes like employment and training opportunities and local and social procurement for local businesses in diverse suppliers" (City of Toronto, 2021a).

The Parkdale Neighbourhood Framework defines the term Community Benefit as a leveraging tool to promote:

> "… public and private investments in communities to create decent work, affordable housing, and social infrastructure that improve the quality of life for all community members" (Parkdale People's Economy, 2018, pg. 8).

It continues to define community benefits as a method to leverage public subsidies, build coalitions and campaigns with community members, as well as to ensure communal benefits before the approval of developments. It is important to note that this definition also applies to any redevelopment applications (Parkdale People's Economy, 2018). As a result, there is similar language used between the two definitions as the Parkdale term emphasizes affordable housing provisions as a significant communal need.

Implementation Process and Results

It is important to note that this framework does use inclusionary zoning tools and hard targets in anticipation of the City's new IZ By-law, which requires all projects to dedicate 20% of its units to affordable housing provisions (Parkdale People's

Economy, 2018). However, the Parkdale Framework (2018) indicates that local non-profit agencies such as the Parkdale Activity Recreation Centre (PARC) and the Parkdale Neighbourhood Land Trust (PNLT) are abled bodies that can ensure community needs are recognized. Therefore, a creative way this case study exemplifies using future development to produce affordable housing is to utilize community benefits frameworks that have been drafted by local agencies, with set targets that can be used as negotiation tools in the Community Benefit Agreement process. These goals are not set percentages or requirements laid out by the municipality as that would indicate Inclusionary zoning practices; rather, targets can be insisted upon by the municipality as conditions upon approval of a project.

American Lawyer and author of the Community Benefit Agreement handbook, Julian Gross (2005) explains this idea further by stating:

> "Even where there is no existing inclusionary zoning requirement governing a project, local governments can insist on inclusion of a certain percentage of affordable units as a condition of approval of a project" (Gross, 2005, pg. 59).

In this case, a municipality can thus insist on a developer fulfilling a certain percentage or number of units set by non-profit organizations as a condition within a community benefits agreement. Gross et al. (2005) further go on to explain that if inclusionary zoning is not permitted, community groups can attempt to obtain percentages set in a community benefits agreement to ensure affordable housing units are secured for local residents. Additionally, this method could branch out into negotiations regarding the definition of 'affordability' as well as commitments involving the number of beds per room, and the length in which those units will remain affordable (Gross, 2005, pg. 63).

As stated in the framework, since 2018, PARC operates 56 supportive housing units, and set a 100-unit target goal by 2020. According to the Framework (2018) PARC became the first non-profit community agency to set affordable housing goals in the Parkdale neighbourhood. Furthermore, the framework states that if more organizations and agencies set clear targets, they will then focus on long-term affordable housing insecurity. This indicates that more objectives and targets set by local agencies and institutions will strengthen the need for affordable housing units and bolster its ability to achieve such goals (Parkdale People's Economy, 2018). Therefore, it is interpreted in this report that the framework is encouraging non-profits to set these standards on developers as stated by Julian Gross (2005). PARC

(2021) also handles other off-branching communal issues such as food insecurity, homelessness, drug addiction and mental health issues. Nonetheless, measures of a deeper housing crisis issue can also be assisted through the use of CBC's and goals within a local CBC framework.

What this also indicates is that local agencies can develop targets specifically designed for their respective neighbourhoods. These targets blanket the jurisdictional boundaries of the Parkdale neighbourhood and do not cover or indicate targets for affordable housing city-wide. As the City of Toronto's (2021a) CBC strategy is under development, this exemplifies that a CBC framework is viable and can be broken down to a neighbourhood context to reflect the affordable housing needs in areas with different land values. With that, the set targets indicated in a neighbourhood CBC framework would be a creative way to identify the specific regions and properties that are increasing in land value because of developments or zoning by-law amendments. Similar to a Secondary Plan, a neighbourhood CBC framework would act in conformity to a city-wide/ broader CBC strategy to ensure that community benefits are being maximized. Therefore, moving forward to the new CBCs, if the developer follows and assists in achieving the objectives and targets that are laid out by local agencies, it could result in a deduction in the 4% land value charge applied for the development as the neighbourhood CBC framework would benefit in the provisions for affordable housing.

Another creative way in ensuring affordable housing provisions is through strata-title purchasing where a non-profit agency purchases units from a developer and transitions them into long-term affordable rental housing. While the Parkdale Community Benefit Framework uses inclusionary zoning to set percentages of how many units must be sold to social housing providers, the concept of strata-title purchasing can be in an alternative way to produce affordable units (Parkdale People's Economy, 2018). Through the funds generated by CBCs this approach of municipalities providing community benefits in procurement would allow NPO's to have control over increasing rent prices and claim ownership to units that will remain below market rate. Likewise, it would also allow developers who own more than one property to redirect and sell affordable housing units within an existing building in the community through the Community Benefits Agreement (CBA) process. As a result, developers would be able to maintain the revenue collected from the proposed development.

At the city-wide scope, strata-title purchasing can be beneficial in providing affordable housing throughout the municipality. However, from a neighbourhood framework such as Parkdale, this should be used sparingly. Units must be purchased within the same communal boundaries to avoid and mitigate the risk of displacement. Residents would not directly benefit from an increase in the affordable housing stock if units were purchased from an existing building located outside the neighbourhood's jurisdiction. As such, units must be accessible to local residents to allow this method to have a direct community benefit. Furthermore, it also levies the risk of creating an inequitable distribution of affordable housing units throughout the city. As such, units must be accessible to local residents to allow this method to have a direct community benefit.

In the case of Parkdale being a relatively low-income and a poverty-stricken neighbourhood, approximately 90% of residents rent their homes. The strata-title purchasing method and the preservation of affordable housing units has been shown to be effective and useful for community members. The Framework illustrates an example between a developer and the Naismith Housing Co-operative, where seven two-bedroom units were obtained through strata-title purchasing (Parkdale People's Economy, 2018). The units purchased were then put through a lottery system for applicants of a before-tax household income of $51,500. The City of Toronto also exempted the Naismith Housing Co-operative from any property taxes; an initiative made to ensure affordable housing units are kept and maintained. (Parkdale People's Economy, 2018).

Additionally, from a 2020 report by the Parkdale Neighbourhood Land Trust, a heritage building of 38-39 units, shown in Figure 5.2, was purchased by PARC for $7.2 million as part of a 2019 initiative known as the Rooming House Acquisition Pilot Project (Draaisma, 2020; Goldstein, 2020). The same non-profit organizations also purchased and renovated a 15-unit building in 2019 for $2.4 million, with a 99-year, on-title agreement that solidifies permanent affordable housing units. The overall capital cost per each unit was approximately $198,000 in which the city funded $100,000 per unit and $40,000 for renovations costs per unit. The remaining costs were then financed through a mortgage with one of PNLT's partners, Van City Community Investment Bank (Goldstien, 2020; Draaisma, 2020; Pelley, 2019).

Figure 5.2: Heritage building purchsed by PARC in 2020. Source: Draaisma, 2020.

As transferring existing market-rate and affordable housing units into non-profit ownership is uncommon and was a more prominent approach in Toronto from the 1970's-1990's, the Community Benefit Charges can help spike this approach back into action to secure permanent affordable units that do not impose the risk of rising rents (Goldstein, 2020). CBC funds can be allocated to not only purchase a percentage of units in new builds through strata-title purchasing but can also unlock the potential to assist in acquiring existing buildings for local agencies. The overall impact of CBC's and project revenue will need to be determined to illustrate the viability of this approach. However, this is nonetheless a creative way in which development has been used to create affordable units in Parkdale.

5.3 26 Grenville & 27 Grosvenor, Toronto

Context and Definition

Staying within Toronto's jurisdiction, the development project for 26 Grenville and 27 Grosvenor is another case study that exemplifies how developments can be used in a creative way to produce affordable housing. The properties, shown in Figure 5.3, are both zoned as mixed-use and are found within the Bay Street Corridor. It is publicly owned as an above ground parking lot (Greenwin & Choice Properties, 2021a; 2021b).

This site was subject to an initiative made by the Government of Ontario as part of the Provincial Affordable Housing Lands Program (PAHLP). This program was one measure of the Ontario Fair Housing Plan which initially began in 2017. The main objective of this program is to leverage the value of any excess provincial land assets for affordable housing provisions (Government of Ontario, 2017;Infrastructure Ontario, n.d). As part of a pilot program, the Provincial government along with Infrastructure Ontario, and CRBE began selecting Toronto sites in phases, which in 2018 determined a positive response from the market. As such three sites were selected: one of them being 26 Grenville and 27 Grosvenor. (Infrastructure Ontario, n.d; Government of Ontario, 2017).

The Government of Ontario sold the site to the highest bidder for $36 million dollars in which Greenwin Corp and Choice Properties REIT (2021a) became the owners of the land (Draaisma, 2019). This sparked the initiation for community benefits to be implemented in the project by not only the municipality, but also by the Government of Ontario. The proposal was first presented to council in 2019 consisted of two residential complexes of 35 and 50 stories, shown in Figure 5.4. These buildings were originally proposed to have 844 units with 257 (30.5%) of those units dedicated to affordable housing (City of Toronto, 2019). However, an amendment to the proposal in 2021

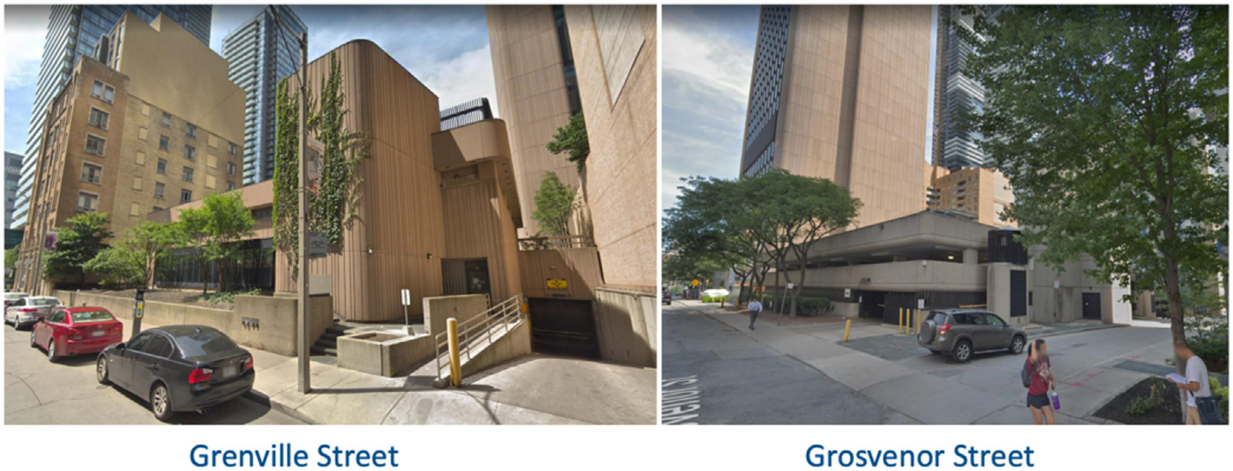


Figure 5.3: 26 Grenville Street & 27 Grosvenor Street. Source: Bailey, 2019.

saw a reduction in overall dwelling units down to 770, with 231 (30%) being identified as affordable rental units. This was due to a potential shadowing issue of Opera Place Park given the initial heights proposed. The proposal also contains plans for an 11-Story podium connecting both building with a childcare facility, fitness club and ground-floor commercial retail spaces. (Jowett,2021; City of Toronto, 2021b).

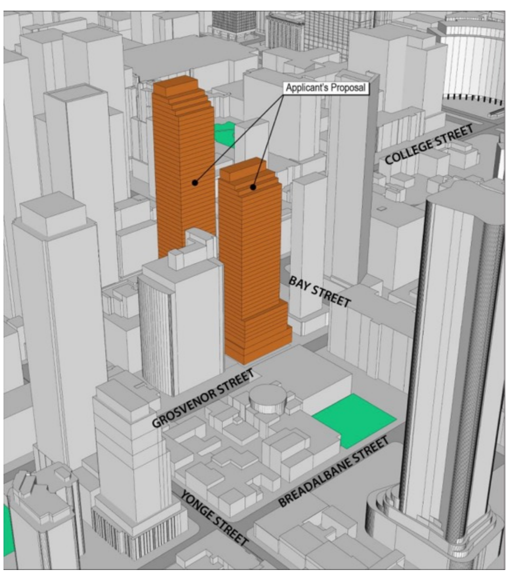


Figure 5.4: Applicant's official proposal for the development of 26 Grenville Street & 27 Grosvenor Street. Source: Bailey, 2019.

Implementation Process and Results

As the project's proposal is currently being reviewed by the City of Toronto, this example illustrates the creative way of looking internally to sell public lands to influence incoming RFPs to include voluntary affordable housing provisions. As this case study was subject to a larger provincial initiative, the base concept can be applied to the form of the new, upcoming CBC strategy. If the provincial government wants to leverage the value of the surplus of land assets as part of the broader Fair Housing Plan (2017) that aims to generate affordable housing development; municipalities could use a similar strategy.

Municipalities can look internally to any public land and attempt to sell off selected parcels to developers in efforts to provide affordable housing. The drafted CBC strategy would then be utilized similar to the way PAHLP attempts to leverage the value of land to develop affordable housing provisions. In other words, a city would attempt to sell public lands and use their CBC strategy to influence incoming RFP's/RFO's that bid against each other which aim to provide the highest amount of affordable housing units via in-kind contributions. The Strategy does not have to state hard targets to achieve in-kind contributions but rather an approach that can be used against developers as a condition for them to be the successful bidder. This can be applied to both public lands that are vacant or have a current land use such as a low-rise garage complex in this example.

Additionally, this case study illustrates how CBC charges would also be applied to the conveyance of land from one party to another. Any private development on public land would result in that parcel to be purchased by the developer in which CBCs would be applied as per Bill 197 and O. REG 509/20 (DeSereville, 2020). This could also be used by municipalities as a negotiation tool to leverage against developers to produce more affordable units in a development proposal that would trigger such a charge. As a result, it can influence developers to produce in-kind contributions to affordable housing in exchange for a deduction of the charge or for it to be waived entirely. The same strategy can also be said for any zoning by-law amendments that would permit increases in heights and densities. While this is not identified as inclusionary zoning that deals with hard targets required for development, this process of procurement secures affordable housing for a municipality while also maximizing the extent of CBC funds generated. In this scenario, the more instances where CBCs are triggered, from either a zoning by-law amendment , conveyance or development, the higher the cost it will be to construct the project for the developer. Resultingly, the more likely the municipality will secure in-kind contributions of affordable housing units to protect their bottom line.

The City of Kingston already has online resources set in place for the purchasing of properties for industrial public lands. Out of the five business parks located in its jurisdiction; the city of Kingston has created maps that indicate which parcels are currently sold as well as land that is available for purchase. For example, as shown in Figure 5.5, Alcan Business Park has a lot for sale highlighted in blue making it relatively easy for developer to gather information on the property. The parcel highlighted in red, is land that is currently sold. This method is suggesting that this should be expanded further to all public land assets that the City of Kingston desires to sell in efforts of creating in-kind affordable units as per its CBC strategy.

In conclusion, this case study demonstrates the need to continue collaborating with the Province of Ontario to develop affordable housing provisions. Toronto Councilor Kristyn Wong-Tam

Figure 5.5: Alcan Business Park. Source: City of Kingston, 2021.

stated her overall approval of the project, saying:

> "I think this is a great example of both the city and the province working together to unlock the broad community benefits that can come with building on public land" (Jowett, 2021).

She also mentions how pleased she is that the developers collaborated with local agencies, residents, and other stakeholders, as the project generated $1.1 million in community benefits as a result of Section 37 (Jowett, 2021). While the Ontario Fair Housing Plan and the PAHLP focused on sites located in the Greater Golden Horseshoe, such collaborations between municipal and provincial government should be maintained with the new upcoming CBC strategy. In 2020, the Government of Ontario and the Federal Government of Canada invested $625,000 into affordable housing provisions in the City of Kingston (2020) as an initiative to help aid residents during the COVID-19 pandemic. This has resulted in a 40-unit project on Wright Crescent with 5-units contributed from the Affordable Housing Program in Ontario (City of Kingston, 2020). Therefore, it is essential to maintiain collaborations with different bodies of government to ensure a proper affordable housing plan by a new CBC strategy.

5.4 **City of Hamilton LRT System**

Context and Definition

In recent years, the City of Hamilton has been attempting to secure an Light Rail Transit (LRT) system along Main Street as an effort to revitalize its downtown core. Hamilton's inner city has undergone several retrofitting projects and high-rise residential developments to not only make the region more attractive but to alter the land use that once prioritized automobile transportation into a mixed-use area. As the 14km LRT system is proposed to run from EastGate Mall in the East end, to McMaster University in the west end of Hamilton, a significant portion of the proposal runs through Ward 3 of Hamilton, shown in Figure 5.6 and 5.7 (Olatoye et al, 2019; City of Hamilton, n.d).

This ward has been identified as low-income region which extends as far as to the Waterfront in the North End of Hamilton. As of 2016, there are over 41,000 people who live in the area with

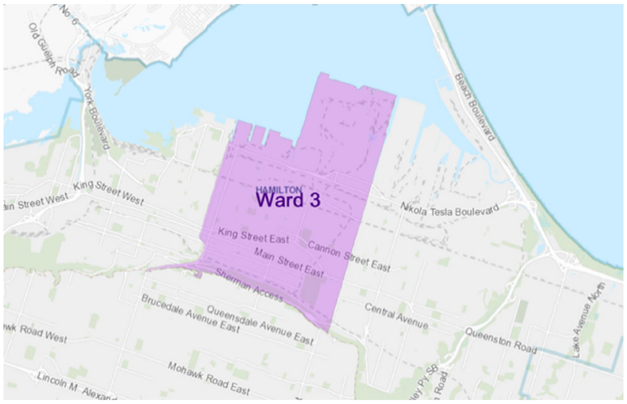


Figure 5.6: Ward 3 Hamilton. Source: City of Hamilton, 2018.

Figure 5.7: Designed Route for LRT. Source: City of Hamilton, n.d.

an average total household income of $54,269; which is $33,506 dollars less than the Hamilton average. Additionally, 39% of total households in Ward 3 are spending more than 30% of their income on housing as 11.2% of the population in this area are also on Ontario Work Assistance Beneficiaries (City of Hamilton, 2018). Conversely, this proposal can initiate immense opportunity to help provide affordable housing units to an impoverished area through CBA's and the CBC's that would be charged on the project.

The City of Hamilton does not explicitly define 'community benefits'. However, a non-profit organization that was formed originally for the city's LRT proposal, known as the Hamilton Community Benefits Network (2019) describes that Community Benefit Agreements "… are a strategic tool that is used when discussing the development of community wealth, specifically with the purpose of mitigating the impacts of gentrification on a community" (Olatoye et al, 2019).

Additionally, the Hamilton Community Benefits Network (n.d) states that CBAs are legally binding, between the government, contractor and community to "…build and complete public infrastructure projects through an effective, efficient, transparent, fair and inclusive process that supports good jobs and prevailing industry standards".

Implementation Process and Results

Unlike Parkdale, which is concerned with private corporate developers of residential projects, the City of Hamilton is emphasizing the need to improve its transportation infrastructure in the downtown core. This is being done to incorporate the need for procurement and benefits dedicated to affordable housing provisions. As a result, this case study shows that a creative way is to use major public infrastructure projects to develop in-kind contributions or funding through community benefit charges that are attributed to affordable housing provisions. As the project negotiations between the city, Metrolinx, and Hamiltion Community Benefits Network had stalled due to controversy over government funding and through the changing of the provincial Liberal-to-Conservative government, talks of the proposed LRT system have been reignited in which a community benefit agreement has yet to finalized. Thus, the 'Made in Hamilton' CBA is currently undergoing the negotiation process to ensure the LRT development will maximize benefits for all stakeholders (Olatoye, et al, 2019).

While there is no CBA agreement at this time, Hamilton's Chamber of Commerce (2021) issued a statement that the $3.4 billion in funding provided by federal and provincial governments will be also be directed towards affordable housing provisions as a key priority to the project. It has also been recognized by the Chamber of Commerce that there is a demand set by local residents to provide new affordable housing and to replace those lost units that are located along the city's main corridor (Loomis, 2021). Likewise, Environment Hamilton; a non-profit organization further addresses the clear need for affordable housing as a priority and result that the CBA agreement will provide for this project (Lukasik, 2021).

Metrolinx has purchased around 400 properties for the new LRT system. Approximately 300 of those properties are proposed to be partial acquisitions, while 90 properties, such as the King Street property shown in Figure 5.8, are fully purchased and are planned to be demolished (Olatoye et al, 2019; King Street Tenants United, 2020). Out of those 90 fully purchased properties that are planned for demolition, 60 of those properties are considered residential, where 30 properties are currently occupied. In a 2019 update, only 15 residential properties have been purchased where 55 units were acquired and 66 tenants will be displaced (City of Hamilton, 2019; King Street Tenants United, 2020). Out of the 66 tenants, only 43 residents have been 'successfully accommodated' through financial assistance associated with the termination of the lease. As a result, this LRT project has immense opportunity for affordable housing provisions to be developed (King Street Tenants United, 2020).

Therefore, in this example, the creative way to provide affordable housing is to focus on sustainable public transportation

Figure 5.8: Twenty-seven unit 832 King St, subject to displacement from Hamilton LRT. Source: King Street Tenant United, 2020.

projects and to use development as the driver to address the needs of low-income populations that will inherently result in cash-in-lieu or in-kind contributions through a community benefit agreement. As evident in this case study, public transportation can be leveraged to create units and address housing affordability concerns. This can come through the revitalization of current land or to utilize land surplus that is dedicated to affordable housing (King Street Tenants United, 2020). While there has yet to be any finalization of a CBA, the intentions of the City of Hamilton point in the direction that this approach will be utilized to take advantage of this opportunity and initiate more affordable housing units. The ongoing negotiation process between the City of Hamilton, Metrolinx, and the Hamilton Community Benefit Network indicate at this stage of the project that this approach is being considered and can be applied to the context of other municipalities such as the City of Kingston. Similarly, it can also be applied to cities that have inadequate public transportation infrastructure that can be redeveloped to not only produce large contributions through CBC charges, but also allow that municipality to inclusionary zone in the long term along Major Transit Station Areas.

5.5 **Kamloops, BC**

Context and Definition

Expanding our scope outside of Ontario, the City of Kamloops, British Columbia is another example that utilizes development to produce affordable housing provisions. Based on current trends as indicated in a 2020 Housing Assessment Report, the City of Kamloops have identified an increasing need for affordable housing. Key trends that emphasize the housing demand in the city include the city's annual 1.2% growth rate with 72% of households owning their home. Additionally, there is a large disparity between owner and renter median household incomes with owners generating $89,968 and renters making $40,231 (City of Kamloops, 2020).

Moreover, it was found that housing prices have increased 117.9% between 2006-2019 with many housing units having three or more bedrooms. Vacancy rates in 2019 were below 3% as 252 households have been waiting for social housing assistance with 153 applicants also on hold for supportive housing units. It was also identified that the majority of the recorded homeless individuals (53.5%) waiting for social housing assistance are Indigenous (City of Kamloops, 2020).

While there are several ongoing issues with its housing supply, some positive aspects include that the City of Kamloops has been experiencing a steady increase in building permit applications that involve residential apartment units and secondary suites. Likewise, the city also produced 1,079 housing units in 2019 alone (City of Kamloops, 2020). These trends indicate a great opportunity for community benefits to take place.

While the term 'community benefits' is not defined in the City of Kamloops Official Community Plan (2018), there is a nod to what the city's perspective of what community benefits consist of in the Community Climate Action Plan (2021). As such, community benefits include but are not limited to "active transportation infrastructure, parks, community gardens, daycares, or affordable housing" (City of Kamloops, 2021).

Implementation Process and Results

The City of Kamloops utilizes community benefits to produce affordable housing provisions by streamlining approvals for development (BC Housing, 2017). There are a few ways that the City of Kamloops (2016) conducts this approach. One of the simplest ways is by prioritizing any applications that include affordable housing units in the building permit process. That way, developers do not have to deal with long wait times during the review process to approve the project and receive their permit. This would be ideal for developers in cities that are experiencing a mass influx of building permit applications and thus growth, as it would incentivize them to produce these units in order to meet deadlines and begin development. Additionally, the City of Kamloops (2016) also reduces their parking requirements for projects contingent on development that produce affordable housing provisions.

More complex strategies to streamline development for the communal benefit of affordable housing is an exemption from a Development Cost Charge (DCC) placed on the project. This initiative is in collaboration and conformity with Provincial legislation of the Local Government Act, where development may qualify for a DCC exemption of up to 100%. This exemption is based and only applied to the amount of affordable housing units produced in the development. For example, if all units in a development are considered non-profit rental housing as identified through the city's DCC by-law, then a 100% DCC exemption will be placed on the application (City of Kamloops, 2016). Similarly, if 15 units out of a 100-unit proposed building are considered affordable housing, then the DCC exemption would only be applied those units. These exemptions are requested during the building permit approval stage where a housing agreement will take place between the city and the developer (City of Kamloops, 2016).

Furthermore, the City of Kamloops also provides tax exemptions for projects located in its downtown core, which is outlined in Figure 5.9. This tax exemption is applied to both new builds and renovation projects that last for a 10-year term (City of Kamloops, 2016; BC Housing, 2017). In accordance with the City of Kamloops (2009) By-law, a tax exemption for a new build must be either a commercial or a residential building dedicated to multi-family residential units. Any alterations to an existing building qualify for a tax exemption if the renovation cost is over $100,000 or if it is 30% of the assessed value of improvements to the units. The developer must also provide a public realm improvement to a structure or land that is visible to abutting streets (City of Kamloops, 2009). This tax break on development would play a supplementary role to the Development Charges exemption to produce affordable housing units. As a result, both exemptions are useful nonetheless in developing a new CBC strategy where CBC exemptions may be included to projects city wide

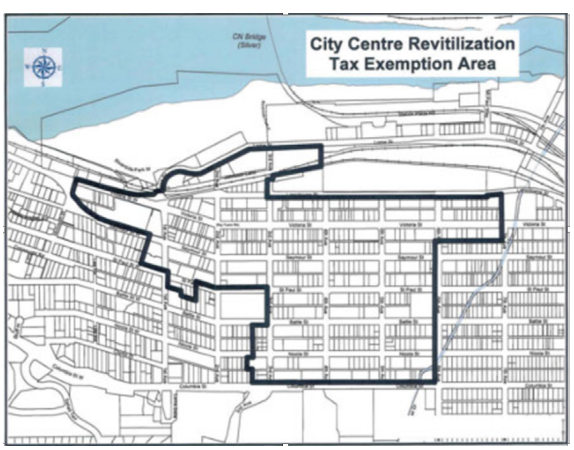


Figure 5.9: City Centre Revitalization Tax Exemption Area. Source: City of Kamloops, 2009.

that produce affordable units as well as tax incentives to centralize and increase affordable housing stock in Kingston's downtown core. The City of Kamloops (2016) also has an Affordable Housing Reserve Fund where a project may receive up to $150,000 in capital investments. The amount of incentive provide is once again, dependent on the amount of affordable housing units the developer wishes to build or purchase. Capital assistance for affordable housing provisions is also predicated on the city's Affordable Housing Reserve and there is fixed amount of subsidies offered per unit (City of Kamloops, 2003). The first 15 affordable housing units will receive $5,000 of funding per unit. From there, 16-25 units will receive $3,500 per unit and 25-35 units will receive $2,000 in funding as capital investments cap off after 36 units or greater. Additionally, the reserve fund provides a $2,000 incentive if the units pass their accessibility standards (City of Kamloops, 2003).

An example of these initiatives coming to fruition is the Colours on Spirit Square, located in downtown Kamloops. This residential development, shown in Figure 5.10, is divided into two phases that occupy the corner of Mackenzie Avenue and Yew Street (City of Kamloops, 2019). The first phase, known as 'The Stollery Suites', is a residential development consisting of 43 affordable housing units dedicated to seniors and those with physical and mental disabilities. The second phase, known as 'The Food Hall' is proposed to have 38 market-rate units with ground floor commercial spaces for food vendors. Phase one officially opened for residency in June of 2021 as the project qualified for the Downtown tax exemption when applying for their development permit in 2019 (Lorraine, 2021; City of Kamloops, 2019; ARPA Investments, 2021). These exemptions and conditions can nonetheless be implemented with the CBC charge of 4% and be useful in a CBC strategy and by-law. Therefore, this strategy of streamlining projects through incentives has been shown to be successful in using development to provide affordable housing provisions.

Figure 5.10: Grand opening of the Colours on Spirit Square. Source: Source: Lorraine, 2021.

5.6 **Vancouver, BC**

Context and Definition

The City of Vancouver, British Columbia has an extensive network of public benefits that provide the community with facilities and amenities. There are three types of development contributions including Community Amenity Contributions, Density Bonusing, and Development Cost Levies which deliver recreational, cultural, and social opportunities within the city (City of Vancouver, 2020).

Each of these tools are used to provide growth related amenities through development, applying to a range of various developments (City of Vancouver, 2020). Of these development tools, Community Amenity Contributions (CACs) will be discussed as it clearly defines community benefits and focuses on affordable housing in a way that could be adapted for other cities.

The City of Vancouver identifies that a key challenge is providing affordable housing and community facilities with the arrival of new residents. Using the *Community Benefits Development and Improving Neighbourhoods & Enabling Affordable Housing* report, the city highlights the importance of Community Benefit contributions. The goal is to use these policies to effectively manage, change, and ensure new developments contribute in a positive way (City of Vancouver, 2019).

In contrast to other communities, the City of Vancouver exclusively refers to community benefits as Community Amenity Contributions, which they define as "any in-kind or cash contributions provided by property developers when City Council grants development rights through rezoning" (City of Vancouver, 2021). Based on the constantly growing economy, the city is using CACs to lessen the impact of the increased demand by adding and expanding facilities (City of Vancouver, 2021). Contributions such as affordable housing, parks and open space, childcare facilities, community facilities, arts and cultural spaces help accommodate current and future growth within the City of Vancouver.

As a means of simplification and clarity, the City of Vancouver has moved to establish areas of the city with fixed rate target CACs areas (discussed below) thus reducing the need for negotiation at the time of rezoning (City of Vancouver, 2021). The CACs apply to only developments that are being rezoned and are usually permitted before the rezoning enactment. Projects and developments can either be delivered as in-kind facilities or as payments in-lieu (City of Vancouver, 2021).

Implementation Process and Results

Public Benefit Strategies outline measures needed for a sustainable healthy community, thus using various financial strategies as a funding source.

CACs are a funding source where the City of Vancouver considers rezoning policies as part of their community (City of Vancouver, 2021). These rezoned applications generate additional land value and/or development rights allowing the city to seek these contributions from applicants (City of Vancouver, 2021).

Each application yields various development outcomes, thus, must be processed in different forms as a result (City of Vancouver, 2020). Generic outcomes are secured as cash CACs, while more variable outcomes require a site-specific analysis of the appropriate CAC at the time (City of Vancouver, 2020). CACs are based on feedback during community planning and consultation process. The City of Vancouver will continue to use CACs to encourage development of necessary community facilities. Negotiation for CACs can result in an in-kind amenity, cash payment or both (City of Vancouver, 2020).

There are two types of Community Amenity Contribution policy areas in Vancouver (City of Vancouver, 2021).

1. CAC Targets: Under policy documents, the City uses a predetermined target value in select areas of the city that meet specific criteria (can be viewed in the CAC Policy).

2. Negotiated CACs: The city negotiates with applicants to determine appropriate CAC offers in terms of value and type of contribution (cash and/or in-kind) which would best align with the proposed rezoning and the community plan or policy reports as applicable (City of Vancouver, 2020).

Using a process called "land lift", an applicant can make a CAC offer through the increase in land value created by rezoning (City of Vancouver, 2020). It is noted that the "Increase in land value is determined by calculating the rezoned value of the land and deducting the value of the land under existing zoning" (City of Vancouver, 2020). The city usually targets 75% of the increase in land value as CAC.

Between 40 to 60 rezoning applications result in CAC contributions each year (City of Vancouver, 2020). This is likely a comparable proportion to the number of qualifying developments for CBCs calculated in Chapter 7 of this report. The city council received detailed annual reports outlining contributions of all development contributions toward new and expanded public facilities in the city (City of Vancouver, 2020). Between 2010-2017, 43% of CACs have been put towards affordable housing including an additional 6,586 market rental units (City of Vancouver, 2020). Affordable housing services are a major priority within the city of Vancouver and the use of CACs has yielded positive outcomes (City of Vancouver, 2020). In comparison, Development Cost levies had no dedication to affordable housing in the same time period.

An example of the use of CACs is 955 E Hastings St., Strathcona (City of Vancouver, 2020). This development was completed in 2018 with 70 units of non-market housing incorporated in a mixed-use redevelopment. This was provided by the developer as an in-kind CAC offering.

Among the other CAC allocation, 27% goes towards community facilities (includes childcare), 14% is put towards city heritage opportunities, 13% is dedicated to parks, open space, and public area, and the remaining 3% is allocated towards public transportation (Figure 5.11).

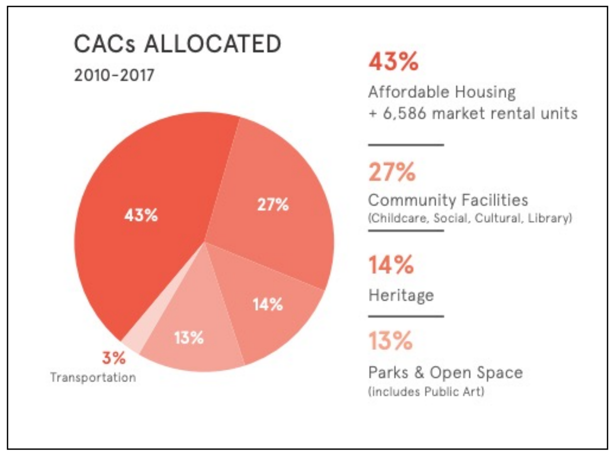


Figure 5.11: Allocation of Community Amenity Contributions 2010-2017. Source: City of Vanvouver, 2020.

5.7 Victoria, BC

Context and Definition

The City of Victoria sets policy outlining City expectations regarding Inclusionary Housing and Community Amenity Contributions. These policies outline the need to mitigate the affordable housing crisis through inclusionary zoning units, also defined as on-site secured rental or homeownership units that meet the City's housing affordability targets (City of Victoria, 2019). These units become challenging for small or moderately sized developments; thus, the goal was to include community amenity contributions when inclusionary zoning may not be considered as effective or feasible. As a result, this policy establishes a balance of the need for inclusionary housing units or in-lieu payments and the development's ability to provide for Community Amenity Contributions.

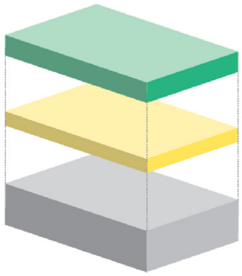
In Victoria's Housing Strategy, a document released in 2019, it was highlighted that inclusionary housing and community amenity policy was an attempt to replace the density bonus policy (City of Victoria, 2019). The City of Victoria defines community benefits as a tool to help local communities organize and leverage public infrastructure investments to encourage better employment opportunities, social development, affordable housing and to have a range of benefits from large capital projects (City of Victoria, 2019).

The City of Victoria highlights the affordable housing crisis, where there is an increased pressure on community amenities (City of Victoria, 2019). The city aims to target the majority of affordable housing through inclusionary housing units (City of Victoria, 2019). The City of Victoria adopted their own definition for affordable housing, where housing does not exceed 30% of the gross annual household income (City of Victoria, 2019). As a means of supporting the need for affordable housing, the inclusionary housing and community amenity policy was adopted in an attempt to encourage new developments (City of Victoria, 2019).

Implementation Process and Results

Within the City of Victoria, inclusionary zoning is a municipal tool where developers are offered additional density for new market housing projects. This was included as the Victoria Housing Strategy, to prioritize the need for affordable housing. The City of Victoria addresses the Inclusionary Housing and Community Amenity Contributions through a targeted approach.

The community amenity contributions are determined by the amount of CAC an approval project can support (City of Victoria, 2019). The city often considers 75% of the increase in land value from existing zoning to be a reasonable balance between the need for CACs and projects' economic viability (City of Victoria, 2019). It established two levels of residential bonus density, as described in Figure 5.12. One or both of the bonus density levels A or B may apply to specific developments and the amount and amenity contribution is outlined in Figure 5.13.



Level 'B' : OCP Base Density to Proposed Density
An increase in residential density from the OCP base density to the proposed density if CAC or affordable housing is provided.

Level 'A': Existing Zoning to OCP Base Density
An increase in residential density from the Zoning Regulation Bylaw to the OCP base density if CAC or affordable housing is provided.

As of Right Zoning: Amount of residential density permitted on an outright basis in the Zoning Regulation Bylaw. No CAC or affordable housing provided.

Figure 5.12: Levels of residential bonus density. Source: City of Victoria, 2019.

APPROACH 1: FOR TYPICAL REZONING APPLICATIONS

This table describes the City's affordable housing and amenity contribution targets that are appropriate for typical rezoning scenarios:

Levels of Bonus Density (One or both may apply)	**Areas**	**Project Size**	**Affordable Housing & Amenity Contribution Targets**	
Level 'A' Bonus: Existing Zoning to OCP Base Density	Urban Core*, Town Centre, Large and Small Urban Villages, Urban Residential	N/A	Cash-in-lieu contribution	$5/ ft² of bonus floor space
Level 'B' Bonus: OCP Base Density (or zoning whichever is higher) to Proposed Density	Urban Core* Town Centres Large Urban Villages	Large Projects (≥ 60 units)	Inclusionary Housing Units (Rental)	20%** of the project's total FSR or total units
			Inclusionary Housing Units (Ownership)	Determined by economic analysis
		Small and Moderate (≤ 59 units)	Cash-in-lieu contribution	$35/ft² of bonus floor space
	Urban Residential	N/A		$20/ ft² of bonus floor space
	Small Urban Villages	N/A		$5/ ft² of bonus floor space

*Urban Core includes the following OCP urban place designations: Core Business, Core Historic, Core Employment, Core Songhees, Core Residential, and Core Inner Harbour/Legislative

** 10 to 20% may be considered if:

(a) applicant demonstrates that provision of 20% of units or FSR as inclusionary housing units would make the project not financially viable;
(b) the project is primarily comprised of family size (2 or 3 bedrooms) units; or
(c) the project is built and operated to energy efficiency above the step code requirements.

Figure 5.13: CAC approach for typical rezoning applications . Source: City of Victoria, 2019.

For atypical rezoning applications, the guidelines state that an economic analysis is requested and the fixed rates will not apply (as did for the typical applications). The economic analysis will calculate the land value created by the rezoning proposal beyond the land value under existing zoning to identify CAC levels that can be provided as the project is still economically viable (City of Victoria, 2019).

The amenity contributions can be secured in one of two ways:

1. Rezoning to a zone which specifies the base density, the additional density and the number, extent or kind of amenities
2. Legal agreement that will secure amenity contribution to be delivered (City of Victoria, 2019).

The implications of CACs on affordable housing have been assessed and analyzed extensively throughout the City of Victoria. The goal was to identify affordable housing contributions and identify how many opportunities to obtain contributions arise. For each case study discussed, there was an estimated amount of affordable housing that could be funded by calculated total value of the CAC.

As identified and highlighted by the province of British Columbia, the CACs are considered as both a risk and an opportunity. As discussed extensively, the opportunities involve accommodating current and future growth within the community. Although CACs generate a positive outcome, their impact on housing affordability is carefully considered. If not managed closely, the CACs have the potential to decrease the supply of new housing and increase housing prices (City of Vancouver, 2020). Housing developers with significant CACs cannot simply increase the selling price of the units, since they are set by the market (City of Vancouver, 2020). In addition, the City of Victoria (and other cities that have CACs) do not have legal authority to require CACs through rezoning (City of Vancouver, 2020). The process must be a negotiation where both parties agree. Local governments can not commit to pass a rezoning bylaw conditionally based on CACs promised (City of Vancouver, 2019).

5.8 **Edmonton, AB**

Context and Definition

The City of Edmonton has made great efforts to implement CACs. They have released plans and guides that highlight how CACs are considered, where they apply, how developers contribute, and how they are chosen.

The City of Edmonton defines community amenity contributions as "public benefits or amenities provided by private developers through certain forms of redevelopment" (City of Edmonton, 2020). It is further explained that a community amenity is a capital improvement either built or paid by the developer (City of Edmonton, 2020). These contributions must be incorporated "close enough to the development for local residents to enjoy" (City of Edmonton, 2020). Community amenities and facilities include park space, public art, family-oriented housing and heritage preservation (City of Edmonton, 2020).

The city is committed to promoting sustainable built form and complete communities with the help of community amenities. The City of Edmonton uses zones to target specific areas that may prioritize community investments and developments (City of Edmonton, 2020). Contributions are required in the direct control zones designated by the city (City of Edmonton, 2020). The goal is to use CACs to benefit local residents and make new developments more attractive and desirable (City of Edmonton, 2020). 70% of the developable land in the City of Edmonton is covered under a standard zone (City of Edmonton, 2020). Most rezoning can transition between one zone to another in these designated areas. The remaining 30% is designated under direct control rezoning, where applicants can request a change in the zoning by-laws (City of Edmonton, 2020). Most applications request larger buildings than allowed within the area. Thus, up-zoning allows the municipality to establish specific regulations with each application. When it is a significant direct control up-zoning, the City asks to follow the policy set out. The goal is to use the community amenity contributions as a means of offsetting impacts of development and provide ongoing benefit to local residents (City of Edmonton, 2020).

Implementation Process and Results

Policy C599 was established in 2020 to set requirements and processes for CACs in direct control provisions.

CAC requirements are applied to rezonings that follow the criteria below:

- use direct development control provision (DC1) or site-specific development control provision (DC2),
- increase the total floor area from the Base Floor Area by five percent or more,
- provide 13 or more units, and
- occur on land that has previously been Developed or lies within downtown, a mature neighborhood or an established neighborhood as described in The Way We Grow, Edmonton's Municipal Development Plan.

Once criteria have been met under policy C599, to trigger a contribution the rezoning must be a:

1. Direct control rezoning

2. Proposal for a building at least 5% larger than currently allowed in the existing zone or area plan

3. Redevelopment site (can be only located in an older neighborhood or any land that has been built on already)

Figure 5.14 displays the areas that can be considered for CACs, highlighted in yellow (City of Edmonton, 2020). This policy also applies in areas that land has been previously developed for something other than agriculture (City of Edmonton, 2020). The amount of development that can occur on the site is measured by the Floor Area Ratio (FAR). This policy applies where a change in FAR increases the building size by more than 5% (City of Edmonton, 2020). Change in height, number of apartments or setbacks are not affected by the policy and are not required to contribute to this policy (City of Edmonton, 2020).

The CAC amount is based on many factors. The value is often set by the city and is outlined on the city website each year (City of Edmonton, 2020). It is subject to adjustment every year to ensure it is keeping up with changes in the market (City of Edmonton, 2020). The land development application should include the following:

- a calculation for the contribution requirement,
- a list of proposed amenities,
- an account of how the proposed amenities satisfy the contribution requirement, and
- a summary of comments relative to community amenity contributions obtained from any pre-application process required in Zoning Bylaw 12800.

An applicant has the option of making a cash contribution towards one or more community amenities (City of Edmonton, 2020). The community amenity can be funded via cash contribution, if agreed upon, along with the amount of the contribution (City of Edmonton, 2020). Cash contributions can be chosen to be paid in full or be combined with any

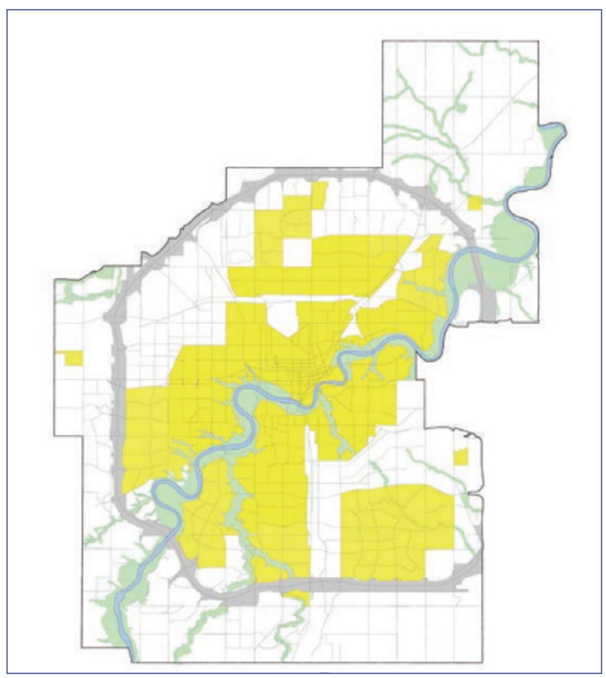


Figure 5.14: Areas which are considered redeveopment and can be subject to CACs, highlighted in yellow. Source: City of Edmonton, 2020a.

approved funding for other community facilities or contributions (City of Edmonton, 2020).

Contribution amount is based on the increase in floor area proposed through the rezoning (City of Edmonton, 2020). It is updated every two years by the city of Edmonton. For 2018-2019, each additional square foot was equal to a contribution of 37.50 (City of Edmonton, 2020). Current rates are found on the website (City of Edmonton, 2020). To calculate a contribution requirement, the floor area under the existing zoning must be calculated and then subtracted from the floor area permitted under the proposed zoning (City of Edmonton, 2020). When developing multiple sites with different base zones, an aggregate FAR will be calculated based on each site's based FAR and the proportion it contributes to the total site areas (City of Edmonton, 2020).

Community amenities are chosen based on discussion with several stakeholders. This includes the applicants, community members, city staff and city council (City of Edmonton, 2020). Applicants can choose which amenities to propose when submitting a rezoning application and community members share their priorities within the community during the rezoning process (City of Edmonton, 2020). City staff encourage applicants and ensure benefits align the city's priorities (City of Edmonton, 2020).

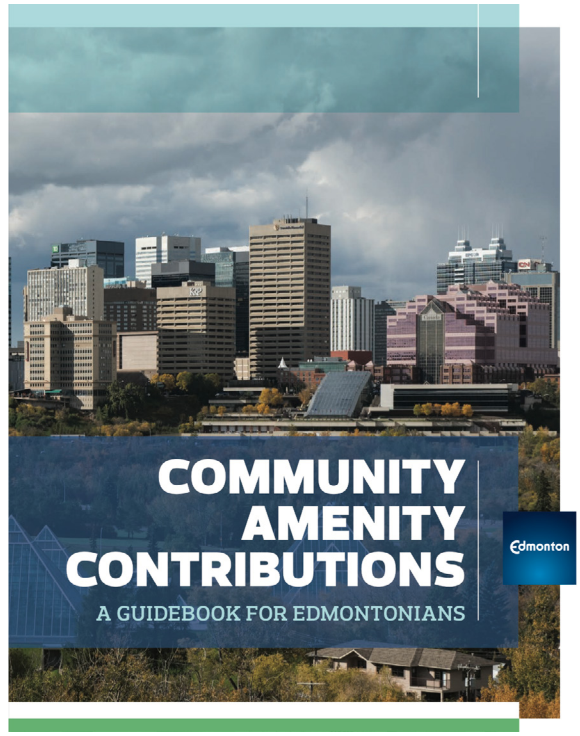


Figure 5.15: The City of Edmonton's Community Amenity Contributions Guidebook for Edmontonians. Source: City of Edmonton, 2020a.

Figure 5.16: Sidewalk upgrades and better benches are examples of Community Amenities in Edmonton. Source: City of Edmonton, 2020a.

Review of North American Cities

Thw sections that follow show how other cities in North America such as Seattle, Chicago, and Santa Monica develop sustainable communities that maintain current and future growth through the use of community benefits. These cities were chosen as they have structured their infrastructure and development projects around the use of Community Benefit Agreements to provide opportunities for affordable housing. The municipal tools among these cities include inclusionary zoning, density bonusing, and other forms of policies that target community facilities and amenities that are necessary. All yielded developments via community contributions are assets that support the additional growth all while supporting the local community. Examples of contributions include sustainable infrastructure, redevelopments, community amenities and facilities, childcare services, and any other priority the city may face. The following cities are highlighted for their emphasis on securing affordable housing using community benefits policies. The research discusses each unique definition of community benefits or contributions, and if associated, affordable housing. The implementation process is discussed along with if the results were beneficial. Unfortunately, some of the researched cities did not have any outcomes, results, or feedback on the programs that were implemented. As a result, the research is based on what each municipality has made available.

5.9 **Seattle, WA**

Context and Definition

The City of Seattle, Washington has become increasingly unaffordable. The municipality expresses their efforts in attempting to mitigate the effects of housing unaffordability and hope to reverse the current housing market. As a result, the city targets the need for affordable housing using municipal tools such as community benefits. The Seattle Incentive Mandatory Zoning program is intended to provide a voluntary process for which developers provide specific amenities in exchange for community contributions.

To establish clear and overarching goals, the City of Seattle has set out specific definitions for incentive zoning, community benefits, and mandatory affordable housing. Incentive zoning is defined by an exchange for providing affordable housing units or making a payment to fund affordable housing in Seattle (City of Seattle, 2021). These units are represented in the current market and must be affordable for 50 years (City of Seattle 2021).

Based on the emerging unaffordability, the City of Seattle emphasizes the importance of including affordable housing units and believes that the city intervention would be beneficial. Thus, mandatory affordable housing is defined as an incentive to encourage new developments to include affordable homes or contribute to a city fund for preservation and production of affordable housing (City of Seattle 2021).

Community services and facilities involve any social, economic, or physical facilities that aid and benefit the community. The goal is to create sustainable infrastructure and provide additional amenities, contributions, or affordable housing options for the community. In doing so, the city is relieved from the continued stress created by developments.

Implementation Process and Results

In an attempt to encourage sustainable infrastructure, the City of Seattle supports LEED design principles and works toward implementing them throughout their policies and programs for community benefits. The LEED certification is a rating scale based on high performance building standards to promote healthy, livable, and sustainable spaces (City of Seattle, 2021). Thus, to hit these LEED targets, the criteria for new infrastructure would need to be met, in exchange for additional zoning. The Seattle Incentive Mandatory Zoning Program highlights that community services involve targeting green building standards and provision of affordable housing units (City of Seattle 2021). The overarching target of this program allows bonus building height for commercial and residential buildings in exchange for LEED Certification or Affordable Housing (City of Seattle 2021).

Incentive Zoning can be applied to various developments involving residential and commercial applications. These applications have very similar processes, where residential and commercial floor area above the base height and floor area ratio (FAR) may be achieved as an incentive to provide for affordable housing. Generally, residential developers opting to seek additional floor area in specific zones with maximum height limits 85 feet or less must dedicate a percentage of extra/bonus residential affordable housing (City of Seattle, 2021). Developers may make a cash contribution to the City to help fund affordable housing for workers (City of Seattle, 2021). This incentive is available in midrise and high-rise zones in several neighborhoods (City of Seattle, 2021). For commercial development, the additional density can be achieved through affordable housing or the provision of childcare facilities (City of Seattle 2021). Developers can either include the affordable housing and/or childcare facility as part of their project or make a cash contribution to the City to fund affordable housing and construction of new childcare centers (City of Seattle 2021). These benefits primarily serve Seattle's lower-wage workers with household incomes no higher than 80% of area median income (City of Seattle 2021). An example of an affordable housing development funded by Incentive Zoning payments is shown in Figure 5.17.

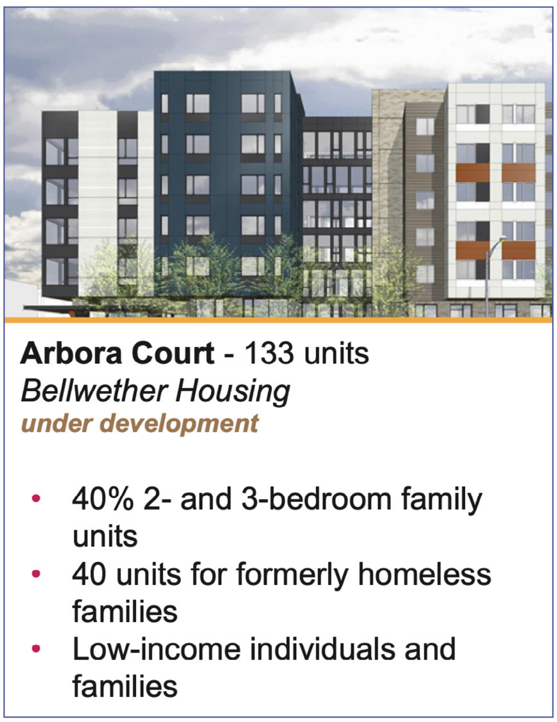


Figure 5.17: An affordable housing development supported by incentive Zoning payments. Source: City of Seattle, 2021.

In addition, the City of Seattle wanted to encourage sustainable development within the community. As a result, in 2017, the Seattle bonus program allowed a bonus building intensity and height for both commercial and residential buildings in exchange for LEED certification or affordable housing (City of Seattle, 2021). For those that choose the certification, they must follow the criteria in which to achieve the LEED designation (City of Seattle, 2021). To receive the first bonus increment above the base, they must achieve LEED silver certification (which they hope to create as a base requirement). For the second bonus increment for a commercial development, applicants must participate in a combination bonus of affordable housing where 75% of additional floor area must be earned through affordable housing (City of Seattle, 2021). Based on specific case studies, applicants have only achieved bonuses through the payment of in-lieu fees (City of Seattle, 2021).

5.10 **Chicago, IL**

Context and Definition

The City of Chicago, llinois uses inclusionary zoning as the municipal tool to target affordable housing and other community amenities (Brunick, 2007). Chicago had a unique approach, as they chose to implement a package of inclusionary housing policies that use zoning selectively in different parts of the city (Brunick, 2007). This is in replacement of the usual citywide inclusionary housing policy (Brunick, 2007). The city has three main policy targets aiming at developers, residents, and planning authority (Brunick, 2007). The goal is to target developers who receive the assistance ensuring that they are benefiting while providing the city with the facilities and amenities needed. Moreover, the policy targets the residents and if they are prioritized through a development process, and planning authority that deals with the negotiation processes.

Within the policy, the City of Chicago aims to mitigate the increasing housing and land prices by providing incentives for affordable housing. The policy targets downtown Chicago, with an attempt to encourage redevelopment in the high-density areas. The Downtown Affordable Housing Zoning Bonus program was initiated to provide several density bonus provisions that apply to the downtown district. Within their new code, the downtown district was expanded to allow provisions developers can obtain additional density in return for providing community amenities (Brunick, 2007).

As the city initiated this program, a definition of community benefits was identified to help provide clarity on the direction of the program. The City of Chicago defines community benefits as any programs and services that are designed to improve health and well-being related to specific needs in the community (City of Chicago, 2020). Within the various public documents, the City of Chicago highlights the increasing need for affordable housing (Brunick, 2007).

Implementation Process and Results

The Downtown Affordable Housing Zoning Bonus program is in place to provide several density bonusing provisions that apply within the downtown district (Brunick, 2007). Under these provisions developers can obtain additional density in return for providing community amenities (Brunick, 2007). The program is slightly different for developers obtaining additional density within an existing zoning designation versus those seeking a zoning change with a higher FAR density level.

Generally, developers that wish to access additional FAR must dedicate 25% of the bonus floor area to affordable units (City of Chicago, 2020). If developers choose to pay a fee in lieu of affordable units, the fee is calculated on the basis of multiplying the additional FAR by the median prices of land in the area of downtown with the development (Brunick, 2007). This effort is a typical example of voluntary inclusionary housing program, where developers can choose to build as of right under the base-line zoning requirement. However, if they want additional density, they must include affordable units in the project or pay for the additional density.

The Downtown Affordable Housing Zoning Bonus program and contributions are clear and predictable programs that work for the development of the community (Brunick, 2007). These are ways that the city of Chicago employs voluntary, targeted approaches to secure the creation of affordable housing (Brunick, 2007). The City of Chicago has received $24 million in commitments or contributions put towards the affordable housing opportunities fund (Brunick, 2007). Additionally, 34 affordable units are in the process of being created as part of market rate developments (Brunick, 2007).

As with many municipal tools for affordable housing, there are disadvantages involving the processes to obtain these benefits. The voluntary nature of the program creates unpredictability for developers as some do not have to participate. Developers will most likely choose the option that is in their favour. Thus, having specific zones creates unfairness for particular neighbourhoods and communities. With the program applying to the downtown district, it creates missed opportunities for the other areas within the city. Although there is a great priority to establish these incentives throughout the downtown district, sustainable development is based on an overall city policy.

5.11 **Santa Monica, CA**

Context and Definitions

The City of Santa Monica, California has implemented various mechanisms to accommodate and support growth throughout the city. Santa Monica is hoping to shift their current approach to land use and development to a comprehensive planning approach in ways that help realize community benefits (City of Santa Monica, 2012). Cities hope to achieve this by setting community benefits frameworks around development early in the process. With the support of public participation, the goal is to negotiate community amenities and use feedback for facilities that the city believes are a priority. As a result, the Land Use and Circulation Element (LUCE) was released in 2010 to establish the City's vision in each physical, social, and economic realm (City of Santa Monica, 2012).

This program proposed a comprehensive and structured approach based on the concept that incremental increases can be provided in exchange for community benefits, including preferred uses, beneficial design features, and other development requirements (City of Santa Monica, 2012). The goal is to identify the community’s core needs and intense development will encourage greater community contribution (City of Santa Monica, 2012). The city has defined community benefits as improvements to the community to support and mitigate any current economic, social, or physical burden. In contrast to previous attempts at community benefits, the LUCE consists of five main areas that target areas of improvement identified within the community (City of Santa Monica, 2012).

The program establishes a maximum requirements for height and FAR, and in order to exceed the base standard, contributions among the five categories will be included throughout the project (City of Santa Monica, 2012). The five target community benefits are: trip reduction and traffic management, affordable and workforce housing, community physical improvements, social and cultural facilities, and historic preservation (City of Santa Monica, 2012).

Implementation Process and Results

The LUCE uses a three-tier approval process to regulate development tied to the type, its location, and level of development (City of Santa Monica, 2012). Any project or development that falls within the first tier without exceeding the base standards receive automatic ministerial approval. Other applications that fall within the remaining two discretionary tiers require a developer's application to provide for community benefits in exchange for an increase in height or floor area ratio (City of Santa Monica, 2012).

The LUCE sets out a maximum base height of 32 feet, and a maximum density or floor area ratio (City of Santa Monica, 2012). Any development that aims to exceed these base standard is required to incorporate contributions to Santa Monica's overall social, cultural, physical, or environmental goals (City of Santa Monica, 2012).

The majority of projects fall under discretionary tier three, where the city and applicant must enter a negotiation process where an agreement based on including additional on-site affordable housing has been met. Using the land value capture tool, the city requires developers to demonstrate the enhanced value of the land resulting from the change in land use requirements (City of Santa Monica, 2012). The land value capture data provides the city with additional leverage when negotiating the inclusion of community benefits in the development agreements (City of Santa Monica, 2012).

6 Case Studies: **Other Municipal Community Benefits Charges Strategies**

6.1 **Introduction**

This chapter will present the current progress of other municipal Community Benefits Charges Strategies. As there is little online documentation available to the public at this time, the method behind this objective was to gather information from planners and municipal planning departments across Ontario via email. Fourteen municipalities across Ontario were contacted, but only two municipalities responded with viable information: City of Ottawa and the City of Brampton. Appendix B provides a summary of responses and municipalities contacted. Responses contained within this chapter remain anonymous to maintain confidentiality.

Each municipality was asked the following three questions about the current state of their CBC Strategy:

1. What is the current status and progress (if any) of drafting your Community Benefits Charges Strategy?
2. What Facilities, Services or Matters are currently being contemplated/included in your CBC Strategy?
3. Are there any challenges that the city is encountering at the moment with drafting their CBC strategy? Are there any barriers that it will foresee in the near future?

Responses to these questions from the Cities of Ottawa and Brampton are presented in the following pages, along with information on the Town of Newmarket's CBC Strategy that was gathered via online documents. Some common themes were the process of hiring consultants, determining CBC viability through assessment reports and the process of establishing what will be included in the CBC Strategy.

6.2 **City of Ottawa**

Current Status

The research team touched base with the Planning Department within the City of Ottawa to gain feedback on their progress with their CBC strategy. The Nation's Capital served as a good starting point for our research due to the proximity to Kingston and that it is a larger municipality which could result in more progress as being a much higher priority than for a rural township. In regards to current progress, the City of Ottawa has done the following:

1. Created a 3-headed Councilor Sponsor Group as well as a Steering Committee comprised of Department directors to help guide the creation of the strategy
2. Hired a consultant to conduct an assessment report and background study of CBCs that will include both qualitative and quantitative analyses
3. Established an online 'Engage-Ottawa' platform for residents to voice their opinions on the drafting of the CBC framework

4. Developing an online explanation video of how Community Benefit Charges will operate in the City of Ottawa to eventually be online for public viewing
5. Creating an internal CBC work plan which includes:
    - Hiring a consultant for a final report on CBC implementation options in Q1
    - A public council hearing regarding such implementation options in Q1/Q2
    - Finalizing a CBC strategy/ by-law for committee and council be the end of Q2, 2022 (Personal Communication, November, 5th, 2021).

Facilities, Services and Matters Contemplated for Inclusion

Regarding the second question on what facilities, services and matters will be included in its CBC framework, the City of Ottawa is undecided on what to incorporate at this time. However, it was noted in their feedback that the decision on what will be included will be made by council as staff will recommend a few options to maximize the use of community benefits charges within the municipality. Staff also indicated a few options that may or may not be incorporated in their CBC framework which include, but are not limited to, public art, maintenance of recreational activities, parks, traffic calming measures, cycling infrastructure, childcare facilities, and affordable housing provisions (Personal Communication, November, 5th, 2021; Singh, 2021).

Barriers and Challenges

In terms of barriers and challenges with the development of the CBC Strategy, The City of Ottawa is finding that the Community Benefit Charges process leaves little room for negotiations between the developer, local council, and residents. While the CBC Strategy can contemplate several facilities and matters for inclusion of its funds, the 4% cap is presenting an issue where in-kind contributions are viewed as the only viable option for a reduced cap amount. While this may not be viewed as a barrier for affordable housing provisions and would rather be encouraged, it could result in issues with other matters to be included in a CBC strategy that take up valuable space such as parkland and other communal facilities. If space is unavailable, then it becomes difficult to reduce the 4% charge for developers.

On the same note, the City is also finding it difficult to determine whether to implement its CBC by-law city-wide or through a ward-by-ward approach. They noted that two methods are being contemplated for their strategy. If the municipality chooses to blanket its authority with a city-wide approach, then it will contemplate creating a prioritized list of projects where CBC's will be collected. On the other hand, if they opt for a ward-by-ward approach, then the planning department will seek to establish an engagement strategy to address local communities within its framework. The scope of implementation is yet to be determined by the City, but they will be able to provide more clarity as to which option is more viable once they have their final CBC assessment.

It was noted in their feedback that Section 37 agreements tend to be controversial and faced with resistance by local communities, particularly surrounding intensification that is occurring in urban and suburban areas. These regions are often subject to intensification efforts and residents may become opposed to a CBC charge, where the only way a community gains a direct benefit is through more development. This issue can also branch into an unequal distribution of CBC funds dedicated between urban and rural regions of a city which can also divide residents further from a city-wide agreement to a CBC Strategy.

Additionally, there are some general concerns with any cumulative effects that the CBC framework will have on the development industry. The potential for outright rejection of the CBC strategy was identified by the City of Ottawa in the context of other fees and policies such as an increase in development charges costs and the future implementation for Inclusionary Zoning tools. With that, Ottawa has also not yet determined what the CBCs will generate for the city's future growth needs. Project revenues from CBCs have yet to be evaluated and could pose an issue if faced with rejection from the development industry. The city has also not determined the overall impact of CBCs as to how many projects will be included in the framework, which is currently imposing a challenge in implementation strategies at this time. (Personal Communication, November, 5th, 2021).

6.3 City of Brampton

Current Status

The project team also reached out to a Principal Planner and Supervisor for City Planning and Design Planning for the City of Brampton. As per the city's current status on drafting its CBC Strategy, The City of Brampton indicated that they are planning to hire a consultant to conduct a Community Benefit Charges Assessment to determine the viability of CBC's within their jurisdiction. Once that assessment has been completed, it will then be determined whether the city will move forward with drafting a CBC by-law. This indicate that the City of Brampton has not yet determined what facilities, services and matters will be included in their CBC Strategy. However, the City indicated they would like their CBC Strategy to focus on affordable housing as a key benefit. Given the fast approaching deadline of September 18, 2022, it is understood that the city is actively searching to procure a consultant who would complete the assessment in the first quarter of 2022 (Personal Communication, November, 5th, 2021).

Challenges and Barriers

The City of Brampton noted that they have not utilized Section 37 of the Planning Act in previous years which could present a later issue when drafting their CBC Strategy. This once again is predicated on the assessment made by the hired consultant. If the assessment determines that it is not viable for the City of Brampton to utilize Community Benefits Charges moving forward, they will forgo their ability to use CBCs in the future. Based on the feedback provided, it is assumed that the City of Brampton will research other municipalities' progress and strategies and adopt similar objectives if they choose to draft their Strategy in 2022 (Personal Communication, November 5th, 2021).

This also may be indicative of a larger issue amongst lower-tier municipalities as the City of Brampton has relied on upper-tier initiatives such as the Affordable Housing Incentives Pilot Program from the Region of Peel (2021). The City of Brampton (2021a) plans to influence the provision of affordable housing primarily through planning policy, zoning, financial and non-financial incentives to housing developers and non-profits, and by advocacy and partnerships within its Housing Brampton initiative. The main objective within Brampton's policy options report the latter initiative is to increase the affordable housing supply through actions that include implementing a 'housing first' policy for developers, pre-determined zoning, exploring purchasing federal and provincial land for development and to incorporate Official Plan targets for affordable housing with ongoing projects (City of Brampton, 2021b). More research and feedback on this matter would indicate whether other lower-tier municipalities in Ontario have a similar predicament and are akin to facing issues with CBC viability.

6.4 Town of Newmarket

As only two municipalities provided feedback, updates from additional municipalities were sought out through online research of city documents. The Town of Newmarket was found to have sufficient documentation to warrant inclusion in this chapter.

The Town of Newmarket released two reports that focus on the current community benefit approaches and responses that are associated with Bill 197, a bill that further modified section 37 of the Planning Act. The Height and Density Bonusing Implementation Guidelines Update is a staff report highlighting the current approach for quantitative calculations for community contributions. The second report identifies Fiscal Strategies that the Town of Newmarket will address in the new year. This report was released in November of 2020, thus outlining the responses within the next fiscal year. Information regarding Bill 197 was extracted from both reports and is summarized below.

Report 1: Town of Newmarket Current Guidelines and Future Strategies

In 2021, The Town of Newmarket released a Height and Density Bonusing Implementation Guidelines Update, a staff report to council. The goal of this report was to release an update on the transition policies and bonusing contributions applicable to development applications in urban centres.

In 2017, the Town of Newmarket introduced the Height and Density Bonusing Implementation Guidelines which authorized a formula that determined the monetary value of public benefits that can be contributed through the Urban Centres Secondary Plan (UCSP). The Town of Newmarket recognized that Bill 197 will have huge repercussions for section 37. The new authority involves the ability to authorize additional height and density for development in exchange for community benefits.

Newmarket's current guidelines for determining a quantitative value for the public benefit set under Section 37 are presented In Figure 6.1.

The lift value is the percentage of the rise in land value that arose from granting the additional height and/or density. The lift value fluctuates across various municipalities.

The town of Newmarket has conducted a jurisdictional scan comparing the lift value or range of lift values used in other municipalities. Most municipalities share a similar quantitative approach to the Town of Newmarket. The town compared Newmarket's' 25% lift value among other municipal lift values as displayed in Table 6.1.

Step 1: Determine the increase in land value

Total Land Value under the Proposed Density – Total Land Value under the Base (permitted) Density = Increase in Land Value

Step 2: Determine Section 37 Contribution or Cash-In-Lieu Value

Increase in Land Value X Percentage of Increase in Land Value (25%) = Section 37 Contribution or Cash-In-Lieu Value

Figure 6.1. The Town of Newmarket's current guidelines for determining quantitative public benefits. Source: Town of Newmarket, 2021.

Table 6.1. Lift values across the six Ontario municipalities. Source: Town of Newmarket, 2021.

	Percentage of Increased Land Value (Lift Value)
Town of Aurora	25%-35%
Town of Grimsby	Approximately 30%
Town of Innisfil	25%
City of Mississauga	20%-40%
City of Pickering	20%-40%
City of Vaughan	20%-30%

Methodology for calculation varies across municipalities, however the City of Toronto and Ottawa were discussed for their unique approach. The City of Toronto relies heavily on negotiation when determining the amount of community benefits contribution, thus there is no streamlined calculation.

The City of Ottawa adopted an approach that transitions from a percentage to a city established life rate updated on an annual basis. The lift rates are monetary values that are based on per square metre of gross floor area. Depending on the location within the city, there are two different lift rates. The City of Ottawa's section 37 bonusing only applies to proposed buildings of at least 7,000 square metre and the requested density is a 25% minimum increase from the permitted zone. The contribution is determined by multiplying the lift rate by the increase of gross floor area between the permitted zoning and the proposed zoning. Contributions are also based on feedback and consultation with City staff on a case-by-case basis.

Staff recommended to continue with the current methodology until a CBC Strategy and By-law are established.

It was noted in the report that the growing number of applications suggest that it is justifiable to increase the Town of Newmarket's lift value. Staff have recommended increasing the lift value from 25% to 35%, which is within the similar ranges of surrounding municipalities. Staff note that creating a range for a lift value will increase flexibility but will decrease predictability of contribution amount as each case will have negotiating factors. The Town of Newmarket believes that this adjustment should be adopted until the future CBC Strategy is completed.

Report 2: Fiscal Strategy - Next Steps

In November 2020, The Town of Newmarket released a staff report to council highlighting the Town of Newmarket's financial stance in comparison to surrounding municipalities. There are some areas of improvement that hope to be addressed in the next three years. Among the initiatives, the preparation of a community benefit charge strategy and framework was addressed.

The current Development Charges released in 2019 are not set to expire for another 4 years, however with the implementation of Bill 197, they are subject to reconsideration. As a result, the Development Charges (DC) and Community Benefit Charge (CBC) studies were identified as initiative that need to be addressed within the upcoming fiscal year.

Based on the changes, the CBC is a new land value-based charge that can be used to pay for capital costs such as facilities, services and matters because of a development or redevelopment. The town recognizes that there will be parallels between both studies (DC and CBC), thus it is recommended to be completed simultaneously. This will prevent gaps and overlapping resources and information (Town of Newmarket, 2020).

Within the report, the implementation timeline highlights that these studies be completed in 2021. The goal is to use resources from the Strategic Initiatives Department. It is recommended that the city consider using external consulting for these specific studies.

7 Qualifying Development Projections

7.1 **Introduction**

The aim of this chapter is to provide an analysis of the City of Kingston's draft *New Zoning By-law* that identifies the type and location of development that would qualify for Community Benefit Charges (CBCs) under Section 37 of the *Planning Act*. Using recent development trends, provide an estimate of the amount of qualifying development over the short-, medium-, and long-terms.

7.2 **The Planning Act**

As previously discussed, a municipality's ability to extract CBCs is regulated by Section 37 of the Planning Act. Section 37(3) of the Act stipulates that a CBC may only be applied to examples of development and/or redevelopment that require specific permissions from the applicable approval authority. These permissions include:

> (a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34;
>
> (b) the approval of a minor variance under section 45;
>
> (c) a conveyance of land to which a by-law passed under subsection 50 (7) applies;
>
> (d) the approval of a plan of subdivision under section 51;
>
> (e) a consent under section 53;
>
> (f) the approval of a description under section 9 of the *Condominium Act*, 1998; or
>
> (g) the issuing of a permit under the *Building Code Act*, 1992 in relation to a building or structure. 2020, c. 18, Sched. 17, s. 1.

Section 37(4) of the *Act* provides further stipulation regarding the types of development and redevelopment that qualify for CBCs based on their built form and use. Specifically, it states that a CBC may not be imposed with regards to:

> (a) development of a proposed building or structure with fewer than five storeys at or above ground;

(b) development of a proposed building or structure with fewer than 10 residential units;

(c) redevelopment of an existing building or structure that will have fewer than five storeys at or above ground after the redevelopment;

(d) redevelopment that proposes to add fewer than 10 residential units to an existing building or structure; or

(e) such types of development or redevelopment as are prescribed. 2020, c. 18, Sched. 17, s. 1.

As per Section 37(4)(e) of the ***Act***, specific types of development and redevelopment are exempt from the application of CBCs. These exemptions are set out in Section 1 of ***O.Reg 509/20*** which regulates CBCs and Parkland. These exemptions include:

1. Development or redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2 (1) of the *Long-Term Care Homes Act, 2007*.
2. Development or redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*.
3. Development or redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
    i. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
    ii. a college or university federated or affiliated with a university described in subparagraph i,
    iii. an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*.
4. Development or redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.
5. Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.

6. Development or redevelopment of a building or structure intended for use as residential premises by any of the following entities:
   i. a corporation without share capital to which the *Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing,
   ii. a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing,
   iii. a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*.

7.3 New Zoning By-law Analysis

Based on the qualifying criteria set out by the Section 37 of the *Planning Act*, analysis of the City of Kingston's new draft Zoning By-law was undertaken. The purpose of this analysis is to identify zones with associated provisions that accommodate for the types of development that are eligible for CBCs to be applied.

7.3.1 Definitions

Section 3 of Kingston's new draft *Zoning By-law* describes terminology used throughout the document. These definitions serve as an important tool in determining where qualifying development and redevelopment for CBCs may be imposed, as the definitions of permitted uses within the *Zoning By-law* associate a number of permitted residential dwelling units within each building type. As previously stated, Section 37(3)(b) and Section 37(3)(d) of the *Planning Act* respectively identify 10 residential units as the minimum number of residential units to be included in development and redevelopment eligible for CBCs to be imposed.

The following subsections of Section 3 of the *Zoning By-law* provide all relevant definitions relating to dwelling units and permitted residential uses.

s.3.1.15. **Apartment Building** means a building that is used for the purpose of **four or more dwelling units or four or more co-living units**, or a combination thereof, and configured in such a manner that the dwelling units and/or co-living units share a common external access to the outside through a common vestibule and corridor system. An apartment building does not include any other building thereof.

s.3.4.13. **Dwelling Unit** means the use of a building, comprised of one or more habitable rooms designed to provide at least one washroom and kitchen for residential accommodation. This definition excludes recreational vehicles, travel trailers, tent trailers, motor homes or trailers otherwise designed.

s.3.13.8. **Mixed Use Building** means a building that is used for the purpose of **one or more dwelling units** and one or more permitted non-residential uses.

s.3.18.10 **Residential Building** means a single detached house, semi-detached house, duplex, triplex, townhouse, stacked townhouse, apartment or a mixed-use building containing a dwelling unit.

s.3.19.5 **Semi-Detached House** means a building that is used for the purpose **of two dwelling units** and configured in such a manner that the dwelling units are divided vertically beside each other, with no portion of a dwelling unit entirely above another, with each dwelling unit having its own independent external access outside. The addition of an additional residential unit to a semi-detached house does not change a semi-detached house into any other type of building.

s.3.19.13 **Single Detached House** means a building that is used for the purpose of **one dwelling unit** and configured in a manner that is freestanding and separate, with independent exterior walls, and does not include a mobile home. The addition of an additional residential unit to a single detached house does not change a single detached house into any other type of residential building.

s.3.19.17 **Stacked Townhouse** means a building that is used for the purpose of **four or more dwelling units** and configured in a manner that a portion of the dwelling units are located entirely or partially above the other portion of the dwelling units, and where each dwelling unit has its own independent external access outside.

s.3.20.8	**Townhouse** means a building that is used for the purpose of **three or more dwelling units** and configured in such a manner that no dwelling unit is entirely or partially above another, with each dwelling unit having its own independent external access outside. The addition of an additional residential unit to a townhouse does not change a townhouse into any other type of residential building.
s.3.20.14	**Triplex** means a residential building that is used for the purpose of **three dwelling units** and configured in such a manner that the dwelling units are divided horizontally from one another, each of which has an independent entrance, either directly from the outside, or through a common vestibule, with each dwelling unit entirely or partially above another. A semi-detached house with an additional residential unit is not a triplex.

While certain uses are associated with a definition that explicitly states the number of permitted dwelling units, others are given an open-ended number of permitted dwelling units. The permitted uses which can accommodate the 10 or more units needed for CBCs to be imposed include **Apartment Buildings, Mixed-Use Buildings, Townhouses and Stacked Townhouses**.

7.3.2 Eligible Zones Based on Height

As previously stated, Section 37(3)(a) and Section 37(3)(d) of the Planning Act respectively identify 5 storeys to be the minimum height of development and redevelopment eligible for CBCs to be applied. While a number of zones indicate permitted height in a matter of storeys and metres, there are those that only provide this provision in a matter of metres. For the purposes of this analysis, the height of 5 storeys given in metres was estimated to be 15m, with each storey measuring 3m. Examination of Urban Multi-Residential and Commercial zones was used in order to calculate this estimate as maximum permitted height in these zones was given in both storeys and metres. In many cases, the average height of 1 storey in these zones ranged between 3m and 3.34m. Ultimately, an estimate of 3m per storey was selected to be inclusive of more zones. Tables 7.1 to 7.4 detail zones within each zone type and their associated provisions that meet or exceed the estimated qualifying height of 15m or 5 storeys.

Table 7.1: Urban Multi-Residential Zones

Zones	Max. Permitted Height
URM4	Nil
URM6	Not Indicated
URM8	Lesser of 20.0 metres or 6 storeys
URM12	(a) **Podium**: Lesser of 20.0 metres or 6 storeys, excluding a basement storey (b) **Podium and Tower Combined**: Lesser of 38.0 metres or 12 storeys, excluding a basement storey
URM13	Lesser of 20.0 metres or 6 storeys excluding a basement storey

Table 7.2: Institutional Zones

Zones	Max. Permitted Height
IN1	23.0 metres
IN2	Nil

Table 7.3: Commercial Zones

Zones	Max. Permitted Height
CM1	Lesser of 20.0 metres or 6 storeys
CM2	Lesser of 61.5 metres or 20 storeys
CR	Nil
DT1	(a) **Height at Build-To-Plane:** 4 storeys, not to exceed 17.0 metres (b) **Height Under Angular Plane:** 6 storeys, not to exceed 25.5 metres

Table 7.4: Open Space Zones

Zones	Max. Permitted Height
OS1	Nil
OS2	23.0 metres
DR	Lesser of 61.5 metres or 20 storeys

7.3.3 Eligible Zones Based on Height and Units

Examining the permitted uses of zones with a maximum permitted height at or above the qualifying height of 15m or 5 storeys, we are able to determine what zones meet the criteria of permitting development and redevelopment of 10 or more residential units at a height of 5 or more storeys. Tables 7.5 to 7.9 display CBC eligible zones with the applicable permitted uses highlighted in blue.

Table 7.5: Urban Multi-Residential Zones

Zones	Apartment Buildings	Dwelling Unit in a Mixed-Use Building*	Townhouses	Stacked Townhouses
URM4	•	-	•	-
URM6	•	-	-	-
URM8	•	-	-	•
URM12	•	-	-	•
URM13	•	-	-	•

***Is permitted only as an accessory use to a principle use on the lot**

Table 7.6: Institutional Zones

Zones	Apartment Buildings	Dwelling Unit in a Mixed-Use Building*	Townhouses	Stacked Townhouses
IN1	-	•	-	-
IN2	-	•	-	-
G2	-	•	-	-

**Is permitted only as an accessory use to a principle use on the lot*

Table 7.7: Institutional Zones

Zones	Apartment Buildings	Dwelling Unit in a Mixed-Use Building*	Townhouses	Stacked Townhouses
CM1, CM2	•	•	•	•
DT1	•	•	-	-

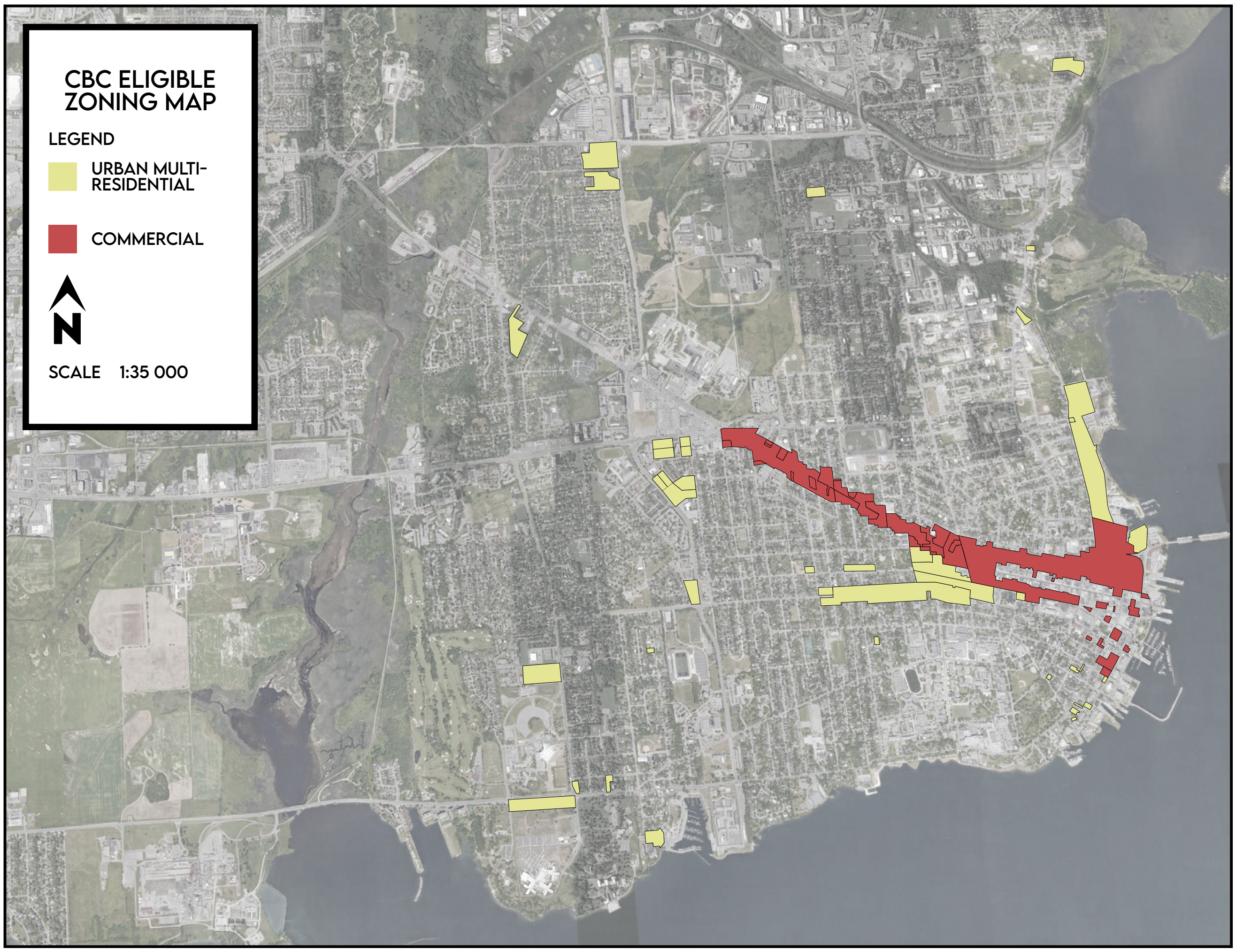
**Is permitted only as an accessory use to a principle use on the lot*

Table 7.8: Institutional Zones

Zones	Apartment Buildings	Dwelling Unit in a Mixed-Use Building*	Townhouses	Stacked Townhouses
OS2	-	•	-	-
DR	-	•	-	-

**Is permitted only as an accessory use to a principle use on the lot*

Eligible zones are graphically displayed by Map 7.1. As a means to display maximum development potential, Institutional and Open Space zones have been omitted from this Map. As noted from the preceding tables, these zones are only CBC eligible based on their permitting of dwelling units in mixed-use buildings so long as they are accessory to a principal use. Furthermore, an inventory of parcels within the represented Urban Multi-Residential and Commercial zones has been provided in Appendix C.



Map 7.1: Zones Eligible for Community Benefits Charges

7.4 **Forecasting Qualifying Development**

As a part of their Community Benefit Charge Strategy, municipalities across Ontario are required to provide estimates of both the type and quantity of future development expected to qualify for CBCs. This deliverable will introduce a methodology that combines a comprehensive review of recent data and forecasted demographic trends to develop such projections.

7.4.1 Establishing a Baseline Scenario

Timeline

As this analysis heavily draws from the population and household projection data presented in Watson & Associates' 2016 study: ***Population, Housing and Employment Growth Forecast,*** a similar timeline was adopted to quantify the short; medium; and long-term. The short-term will consist of all years between 2021 and 2026, while the medium and long-term will consist of the following two decades.

Short-term: 2021 – 2026
Medium-term: 2026 – 2036
Long-term: 2036 – 2046

Review of Archived Planning Applications and Permits

In order to establish a baseline scenario for which to base future projections off of, a comprehensive review of archived Planning and Building Permit applications submitted between 2015 and 2020 was conducted using multiple data sources, including the City's DASH Portal, Open Data Kingston, as well as directly from City Planners. This consisted of reviewing file descriptions associated with each application to determine whether such was proposing either the development or redevelopment of a building exceeding 5 storeys in height, the addition of 10 or more residential units (as per Section 37[4] of the *Planning Act*), and a use not excluded under O. Reg 509/20. In addition to the seven application types listed under Section 37(3) of the *Planning Act*, applications for Site Plan Control were also reviewed, as the majority were found to be associated with projects requiring a subsequent building permit(s) at a later stage.

Once a full review was completed, applications of interest were compiled into a Microsoft Excel spreadsheet alongside pertinent information such as file number, address, application status, year, application type, proposed number of storeys and units, as well as a brief description of the proposal. An example of this process (for Building Permits) is outlined in Figure 7.1. Next, the total number of applications reviewed for each year between 2015 and 2020 was tallied and measured against the number of those associated with developments potentially qualifying for Community Benefits Charges. This yielded a percentage value for each year which was then totalled to reflect the same measure over the baseline 5-year horizon (2015 – 2020) (Figure 7.1).

Tracking Qualifying Planning and Development Applications (Building Permits - PRBD & D30)

File Number	Status	Address	Year	Application Type	Description
PRBD20142546	Permit Closed	745 HWY 15	2015	Building Permit	INDOOR POOL - Foundation only
PRBD20150592	Permit Closed	1580 Bath Road	2015	Building Permit	BUILD A NEW APARTMENT BUILDING - 115 units - looks to be 11 storey condo unde
PRBD20162626	Permit Closed	1000 Old Mill Road	2017	Building Permit	NEW CONSTRUCTION 14 STOREY 184 UNIT MULTI-RESIDENTIAL DWELLING 22,665
PRBD20172334	Permit Closed	845 Gardiners Road	2017	Building Permit	underground parking
PRBD20170021	Permit Closed	630 Princess Street	2017	Building Permit	NEW CONSTRUCTION 31 UNIT RESIDENTIAL BUILDING 1190M2
PRBD20170004	Permit Closed	720 Princess Street	2017	Building Permit	ADDITION OF 6 STORIES TO BUILDING OF EXISTING HOTEL *** 46 one bedroom u
PRBD20180195	Permit Closed	28 Cliff Crescent	2018	Building Permit	Addition of 12 units to existing residential townhouses, 8 units to be low income ho
PRBD20181134	Permit Closed	1005 Terra Verde Way	2018	Building Permit	NEW 12 UNIT STACKED TOWNHOUSES
PRBD20181135	Permit Closed	1015 Terra Verde Way	2018	Building Permit	NEW 10 UNIT STACKED TOWNHOUSES
PRBD20181661	Permit Closed	1030 Old Mill Road	2018	Building Permit	14 storey, 184 unit apartment complex with underground storage garage
PRBD20132294	Permit Closed	28 Albert Street	2018	Building Permit	NEW 9 STOREY STUDENT RESIDENCE 272 bed
PRBD20182625	Permit Closed	1 Curtis Crescent	2019	Building Permit	Buildings B, C, D & E Additions to existing apartment building
PRBD20190033	Permit Issued	652 Princess Street	2019	Building Permit	10 storey mixed-use residential building with commercial use on ground floor and 1
PRBD20180130	Permit Issued	501 Frontenac Street	2019	Building Permit	New 71 unit apartment building 495 - 513 Frontenac St ***
PRBD20182133	Permit Issued	333 University Avenue	2019	Building Permit	Construction of 11 storey residential condominium with ground floor retail and one
PRBD20180130	Permit Issued	501 Frontenac Street	2019	Building Permit	New 71 unit apartment building 495 - 513 Frontenac St ***
PRBD20190504	Permit Issued	495 Princess Street	2020	Building Permit	Construction of 11 storey condominium with ground floor retail and one level of unc
D30-1435-2019	Permit Issued	847 Development Drive	2020	Building Permit	Construction of a 169 unit multi residential dwelling
D30-1430-2019	Permit Issued	168 Division Street	2020	Building Permit	Construction of a 6 storey residential building with ground floor commercial space
D30-0731-2020	Permit Issued	501 Frontenac Street	2020	Building Permit	Convert 71 unit building to 99 units
D30-0328-2020	Permit Closed	233 Colborne Street	2020	Building Permit	UNITS
D30-2208-2020	Permit Issued	1060 Old Mill Road	2021	Building Permit	"FULL" BUILDING PERMIT for the 14 Storey Apartment Building (containing 172 uni
D30-1664-2020	Permit Issued	575 Princess Street	2021	Building Permit	New construction of 10 storey, 344 unit residential building with commercial main f

Tracking potentially qualifying developments associated with

Total Applications	Total Qualifying	Percentage Total
14,073	23	0.16%

Year	Total Applications	Total Qualifying	Percentage
2015	1,810	2	0.11%
2016	2,072	0	0.00%
2017	2,254	4	0.18%
2018	2,008	5	0.25%
2019	2,103	5	0.24%
2020	2,064	5	0.24%
2021	1,762	2	0.11%
TOTAL	14073	23	0.16%

Calculating the percentage of potentially qualifying applications

Figure 7.1: Example calculation of percentage of qualifying building permit applications

Once this step was completed for all types of applications listed under Section 37(3) of the *Planning Act*, potentially qualifying applications were consolidated into a master list and sorted by address to account for individual projects associated with multiple submissions. This list consisted of 59 applications (of a total 16,040 submitted over the same period) associated with 34 different projects (Appendix D). Once finalized, this comprehensive list was forwarded to City staff for verification.

Once a baseline of 34 potentially qualifying projects over a 5-year period had been established, this value was paired with an analysis of both population and household growth projection data from the Watson & Associates 2016 Report to advise future projections.

Permanent Population Growth Projections

Referring to the Report's base case scenario, Kingston's total permanent population is expected to increase by 3.34% in the short-term (2021 – 2026), 5.36% in the medium term (2026 – 2036), and 2.02% in the long-term (2036 – 2046). When adjusted to reflect equal 5-year increments, it becomes evident that in all scenarios except for high, the city's population growth is expected to intensify between 2021 and 2036 and either plateau or decline slightly over the following decade, as shown in Table 7.9 and graphically in Figure 7.2.

Table 7.9: Long term forecast population growth scenarios. Source: Watson & Associates, 2016.

Short **Medium** **Long**

2021		2026		2031		2036		2041		2046	
High	133,300	High	139,500	High	145,700	High	151,900	High	157,400	High	160,500
Base	131,700	Base	136,100	Base	140,100	Base	143,400	Base	145,900	Base	146,300
Low	130,100	Low	132,700	Low	134,600	Low	135,100	Low	134,700	Low	133,200

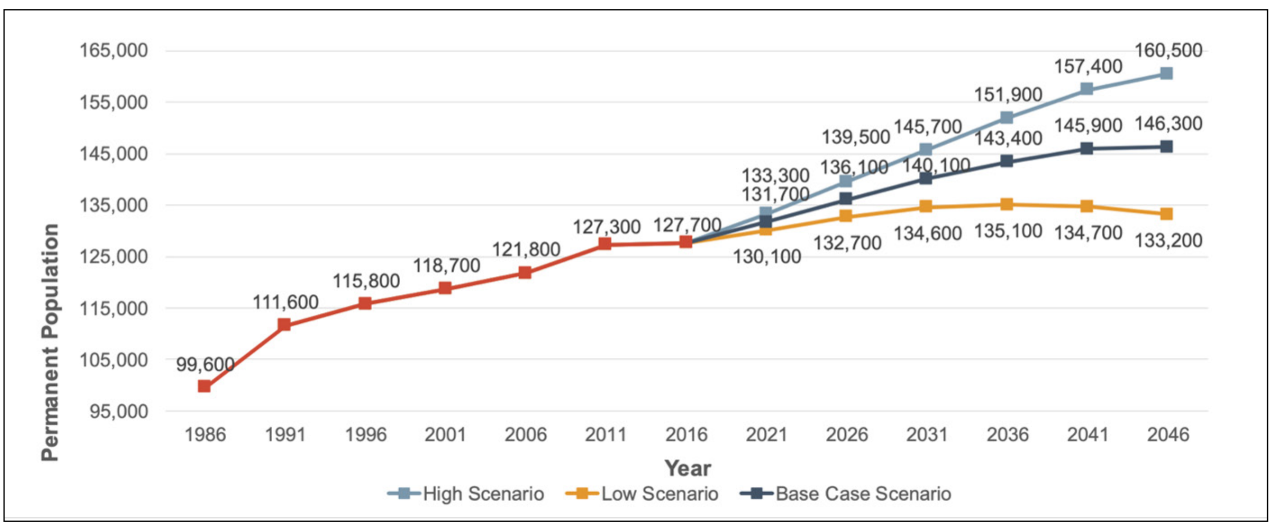


Figure 7.2: Long term forecast population growth scenarios. Source: Watson & Associates, 2016.

To better understand how these population growth projections translate into demand for potentially qualifying developments, instances of the Land Needs Assessment methodology (of which was used by the Provincial government to forecast housing need as a part of their ***Places to Grow Plan*** for the Greater Golden Horseshoe) was adopted. This consisted of gathering population growth projection data by age group, as well as each group's propensity to occupy a particular dwelling type (i.e., high, medium, or low density). Given that the Section 37 requirements for Community Benefit Charges require a qualifying project to add 5 or more storeys and 10 or more units, the remainder of this report will focus on projections involving high-density forms of housing.

Key Population & Housing Type Propensity Trends by Age Group

The following table and corresponding graph illustrate key population growth projection data from the Watson & Associates report, categorized by age group in Table 7.10.

Table 7.10: Population growth projections by age group (Watson & Associates, 2016)

Age Group	Forecasted Trend
0-19	Gradually decline from 20% of the city's population to 16% by 2046
20-34	Slightly decline from 23% of the city's population in 2016 to 22% in 2046
35-44	Slightly increase from 12% in of the population in 2016 to 14% by 2046
45-64	Slightly decrease from 27% of the population in 2016 to 23% by 2046
65-74	Slightly decrease from 10% of total population in 2016 to 9% by 2046
75+	Nearly double from 9% in 2016 to 16% by 2046

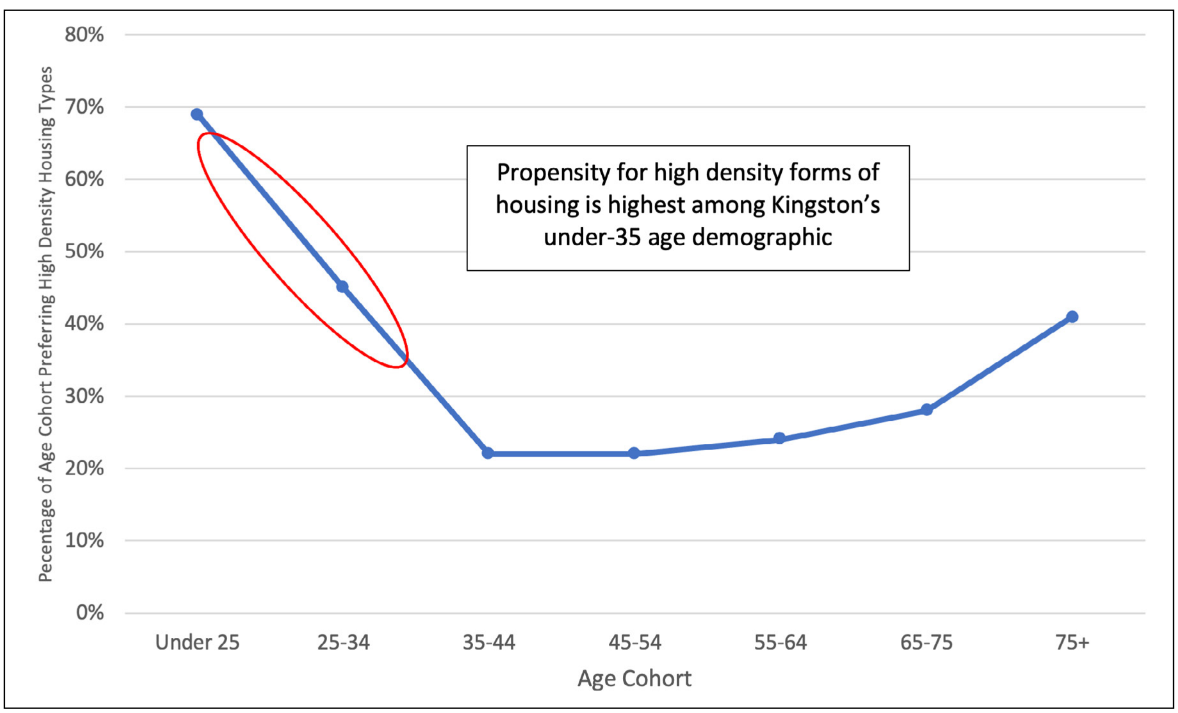


Figure 7.3: Propensity to occupy high-density housing types by age group. Data source: Watson & Associates, 2016.

As illustrated in both Figure 7.3 and Table 7.10 on the previous page, propensities for high density housing types (i.e., those potentially qualifying for Community Benefits Charges) is highest among the below-35 age demographic (as indicated by the circled portion of Figure 7.3). Over the next decade, this cohort is projected to increase marginally from 41% of the city's total population to 43% by 2031, then decline over following 15 years, as shown in Figure 7.4.

Given this, the report predicts that demand pressures for high density forms of housing will follow a similar trend. It should, however, be acknowledged that recent policy shifts towards the promotion of intensification and higher-density forms of development (in line with the intensification targets outlined in Section 2.4.5 of the City's Official Plan) will likely work in the opposite direction by encouraging the development of CBC eligible projects.

Further, while the report's projections do indicate a gradual increase in propensity to occupy high density housing types beyond the 45 to 54 age range (as well as a sharp increase among the 75+ demographic), it should be noted that O. Reg. 509/20 excludes the "development or redevelopment of a building or structure intended for use as a retirement home" from receiving Community Benefits Charges. This analysis therefore assumes that while the gradual aging of the city's population will likely drive-up demand for high density forms of housing, this trend will fail to generate equal demand for potentially qualifying projects, as a portion of this demographic will reside within ineligible buildings (retirement homes).

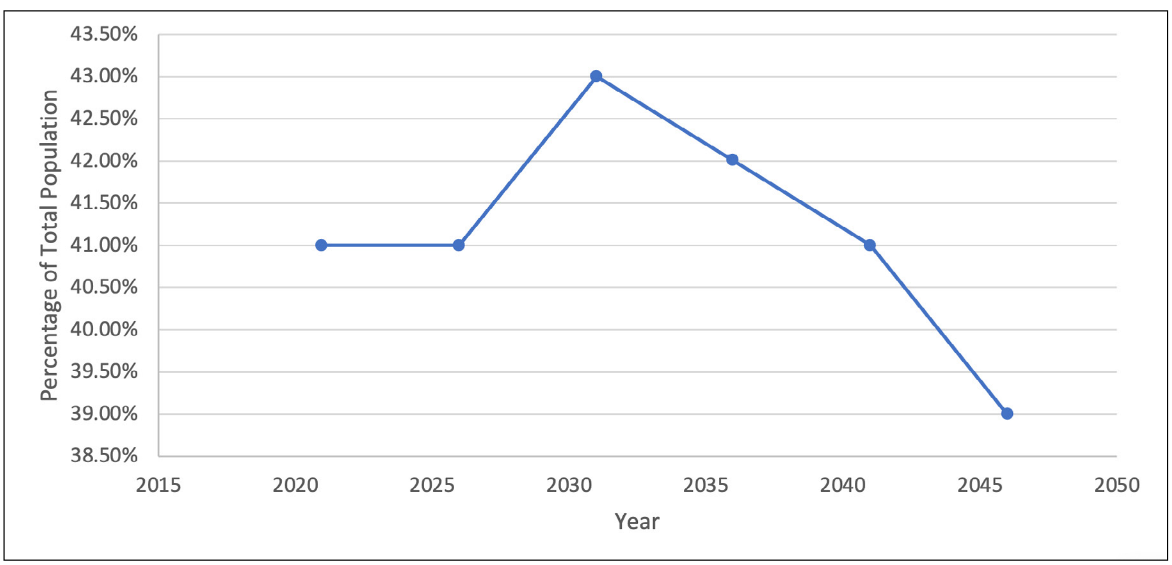


Figure 7.4: Population forecast for below-35 age cohort (i.e., that with the highest propensity to occupy high-density units). Data source: Watson & Associates, 2016.

Household Growth Forecast

Taking into consideration numerous factors such as Kingston's competitive position relative to surrounding municipalities; the supply of available urban serviced land; the availability of future lands for urban expansion; local real estate market conditions; and forecasted trends in housing affordability, Chapter 5 of the Watson & Associates report develops long-term household growth forecasts that detail both the quantity and type (high, medium, or low density) of new units set to be delivered over equal 5-year increments between 2016 and 2046 (Figure 7.5). Most notably, it is estimated that while the total number of new households added to the market is forecasted to decline below the historical 5-year average between 1991 and 2016 (from 2,300 to 1,700), the proportion of new unit deliveries within high-density housing types will more than double from 24% to 51%. In line with this trend, high density forms of housing are expected to account for 35% of the City's total household inventory by 2046, up 3% from its current proportion.

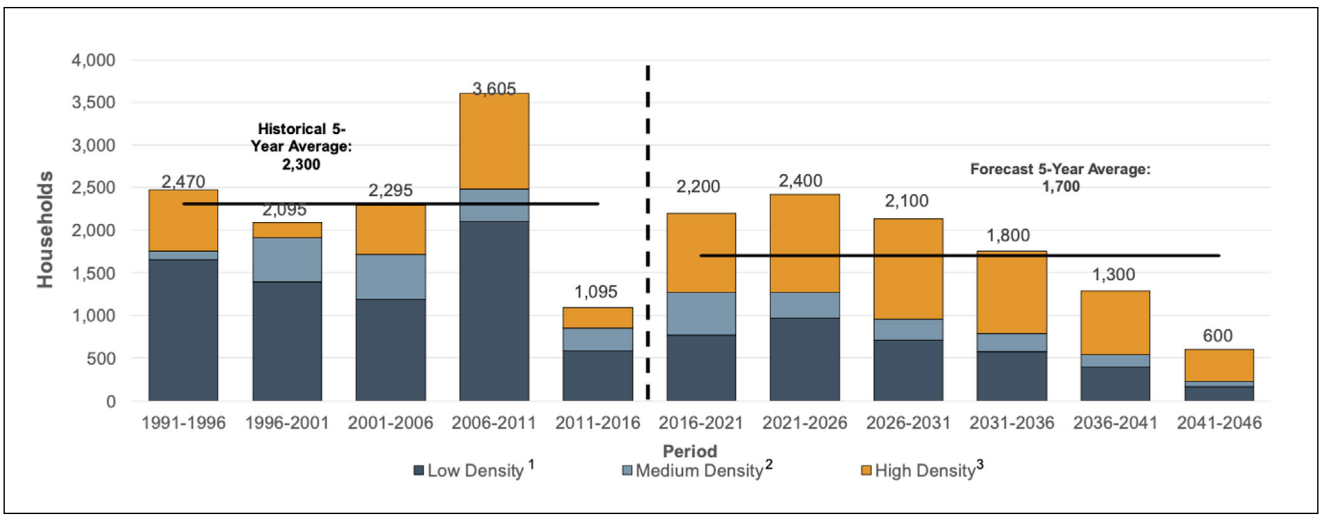


Figure 7.5: Forecasted housing demand by dwelling type. Source: Watson & Associates, 2016.

The aggregate number of high-density units expected to be delivered over equal 5-year increments between now and 2046 was calculated, the results of which are summarized in Table 7.11 and Figure 7.6. Between mid-2016 and mid-2021, the number of new apartment units added to the City's housing inventory was projected to reach 900. Over the next decade, growth is expected to average 1,200 new units over equal 5-year increments between mid-2021 and mid-2031 before gradually declining throughout the remainder of the 30-year reference period.

Table 7.11: Projected number of apartment housing units delivered (2016-2046)

5-Year Increment	Number of High Density Units Added	Number of Units Added Since Base Year	Total Number of Units Added Since Base Year (Low, Medium & High Density)
Mid 2016 – Mid 2021	900	900	2,200
Mid 2021 – Mid 2026	1,200	2,100	4,600
Mid 2026 – Mid 2031	1,200	3,300	6,800
Mid 2031 – Mid 2036	900	4,200	8,500
Mid 2036 – Mid 2041	800	5,000	9,800
Mid 2041 – Mid 2046	300	5,300	10,400

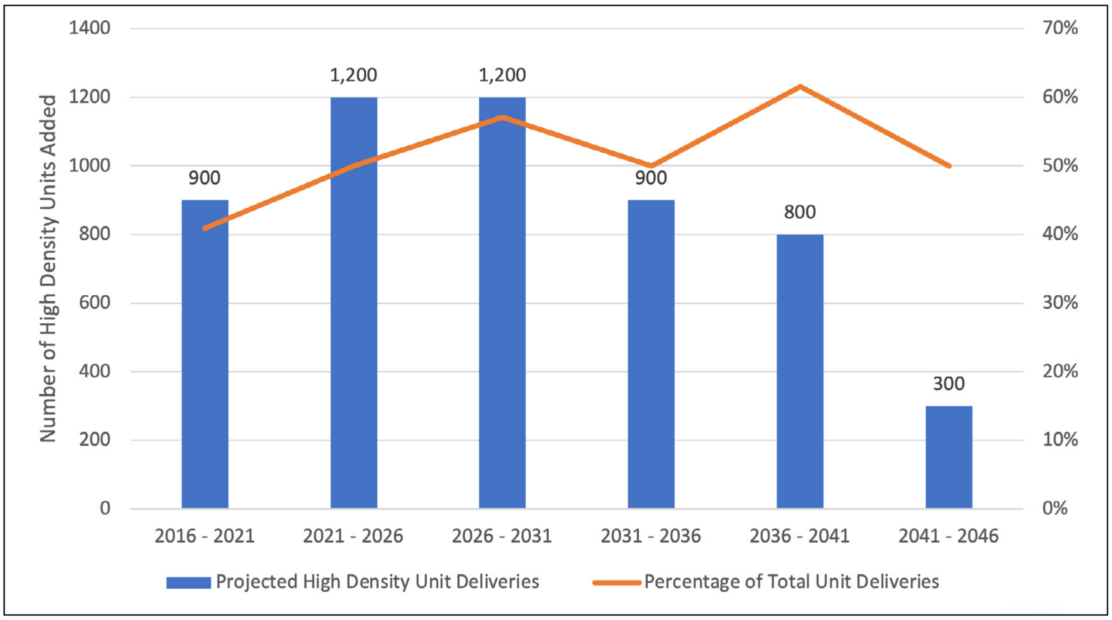


Figure 7.6: Number of New High Density Housing Units Delivered Over 5-Year Increments (2021 – 2046)

7.4.2 Future Projections

In order to utilize this data to produce estimates regarding the number of potentially qualifying projects that can be expected over the next 30-years, some assumptions were warranted. First, it needed to be assumed that the number of new apartment units added between 2016 and 2021 (900) was equal to those added between 2015 and 2020 (i.e., the 5-year base period used to measure the amount of planning applications and building permits associated with potentially qualifying developments). This assumption was required as 2021 data has not yet been published by the city. The next assumption involves the Watson & Associate's report's classification of "apartment units" in their table on Appendix page F-6. In this table, the report projects household growth by number of new units for three different dwelling-type classifications in increasing order of density;

the first being “singles and semi-detached”, the second being “multiple dwellings” (which includes townhouses and apartments in duplexes), and the third being “apartments” (which is comprised of bachelor, 1-bedroom, and 2-bedroom+ apartments). Given that the third classification is the only one of the three comprised of housing types that are compatible with potentially qualifying developments under the requirements of Section 37, it was assumed that the term “apartments” was synonymous with “new unit within a potentially qualifying development.”

Method One: Forecasting Potentially Qualifying Applications

Once these two assumptions were established, we were able to use projections involving the number of new apartment units to predict the number of potentially qualifying proposals (development applications) that can be expected over the same time increments. As outlined in the first section of this chapter, a review of archived Planning and Building Permit applications submitted between 2015 and 2020 revealed 34 potentially qualifying projects. By applying the same percentage increase value (multiple) forecasted for new apartment units over equal 5-year increments to this baseline value (34), future projections were computed (Figure 7.7).

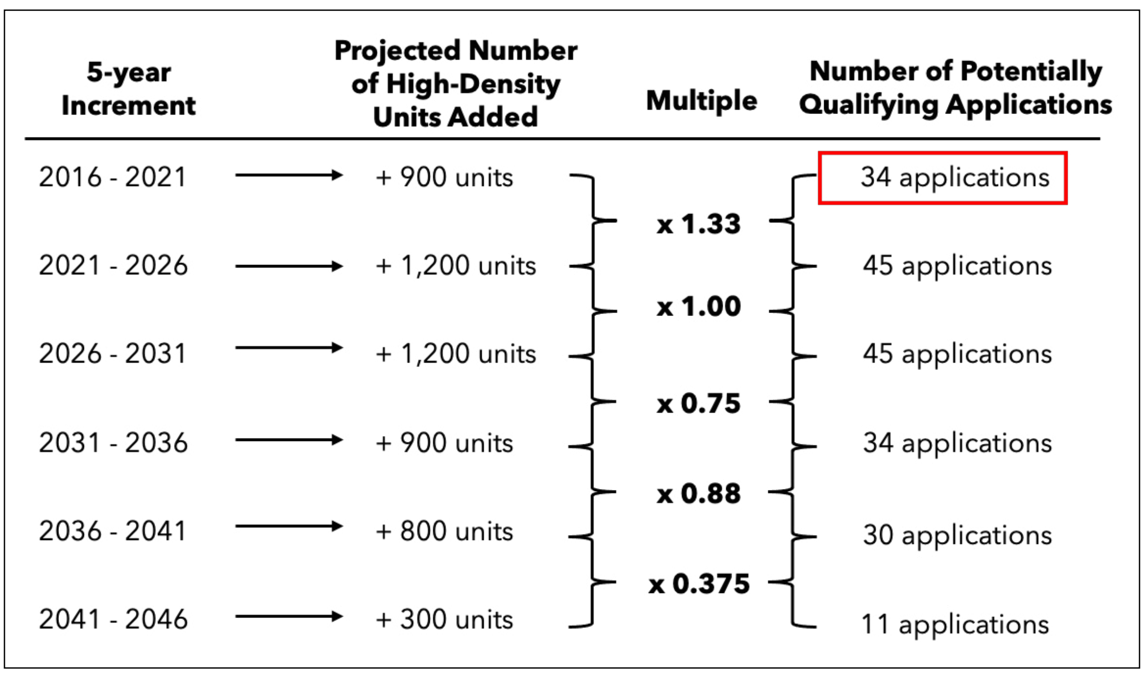


Figure 7.7: Projected number of potentially CBC-qualifying applications to be expected (2016 – 2046)

Once the estimated number of potentially qualifying applications over each 5-year time increment between now and 2046 was established, the same calculations could be made for the short, medium, and long-term time frames:

Short-Term (2021 – 2026):	45 potentially qualifying applications
Medium-Term (2026 – 2036):	79 potentially qualifying applications
Long-Term (2036 – 2046):	41 potentially qualifying applications

After projecting certain demographic trends discussed throughout this chapter onto similar graphs, the interrelation between each becomes increasingly evident (Figures 7.8, 7.9, and 7.10).

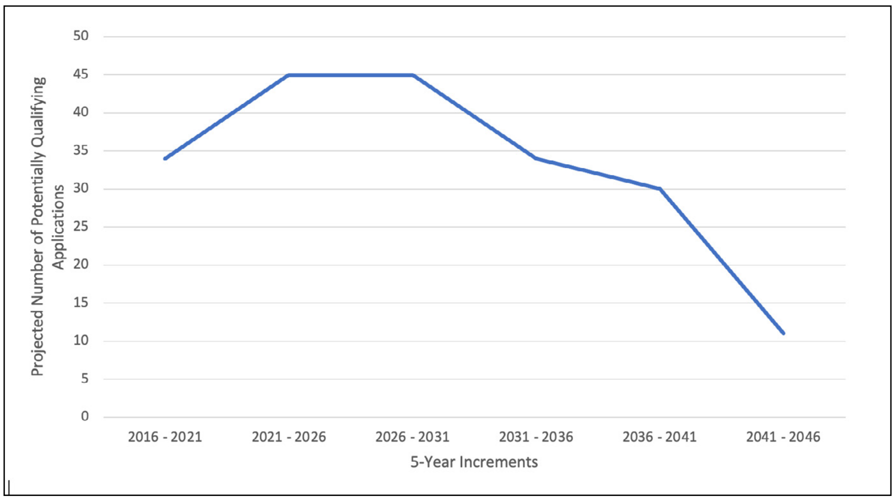


Figure 7.8: Estimated number of potentially CBC-qualifying development proposals (2016 – 2046)

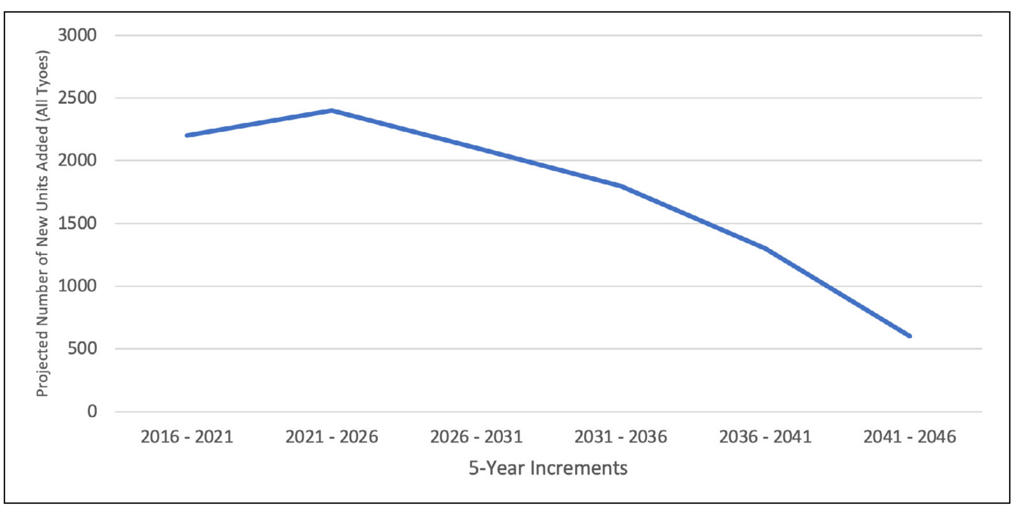


Figure 7.9: Projected total household growth by number of units (all housing types)

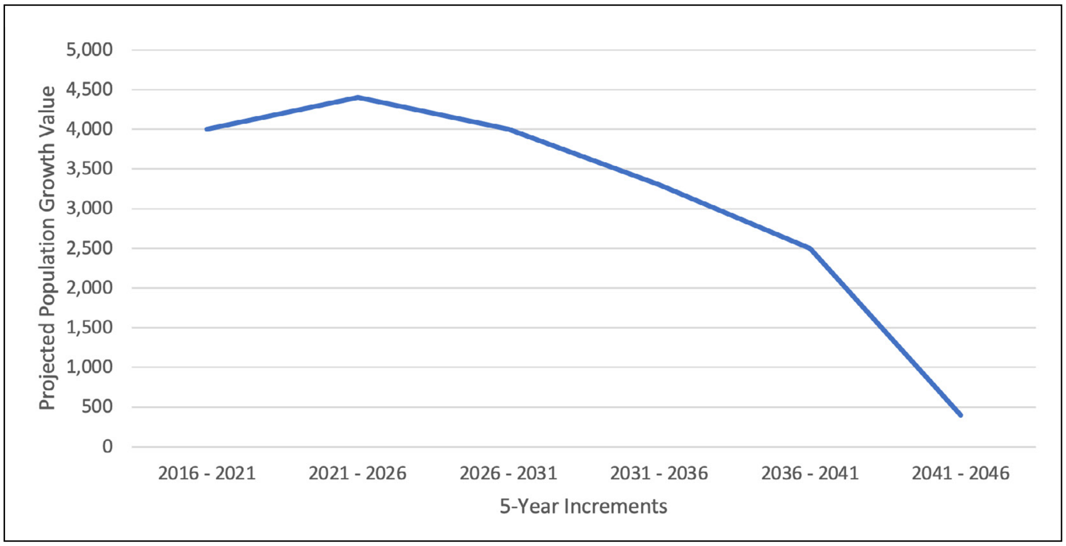


Figure 7.10: Projected total population growth in Kingston according to base scenario (2016 – 2046)

Method Two: Forecasting Potentially Qualifying Project Deliveries

Another method that was explored involved estimating the number of potentially qualifying development deliveries over the short, medium, and long-term using apartment unit growth projections from the Watson report. The first step in this process involved calculating the number of units associated with the average (median) potentially qualifying applications submitted between 2015-2020, which yielded a value of 178 units spread over 11 storeys. This warranted the assumption that all potentially qualifying projects moving forward would take on this form. From here, the Watson report's projected number of apartment units between 2016-2046 (as outlined in Figure 7.11) was divided by this value to provide an estimate of how many potentially qualifying developments on average were required to accommodate this growth.

Sticking with the timeline established in section 7.4.1, this method forecasts the following amount of potentially qualifying project deliveries over the short, medium, and long-term:

Short-Term (2021 – 2026):	6-7 potentially qualifying deliveries
Medium-Term (2026 – 2036):	11-12 potentially qualifying applications
Long-Term (2036 – 2046):	6-7 potentially qualifying applications

For reference, it should be noted that City records indicate that based on the current Community Benefit Charge eligibility requirements, 8 projects have received charges between 2015 and 2020.

5-year Increment		Projected Number of High-Density Units Added	Median Number of Units from Review	Number of Potentially Qualifying Deliveries
2021 - 2026	→	+ 1,200 units	**/178 units**	6.74 deliveries
2026 - 2031	→	+ 1,200 units	**/178 units**	6.74 deliveries
2031 - 2036	→	+ 900 units	**/178 units**	5.06 deliveries
2036 - 2041	→	+ 800 units	**/178 units**	4.49 deliveries
2041 - 2046	→	+ 300 units	**/178 units**	1.69 deliveries

Figure 7.11: Projected number of potentially CBC-qualifying deliveries to be expected (2016 – 2046)

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9 Appendices

Appendix A	Literature Review Table
Appendix B	Table of CBCS Feedback from Municipalities Contacted
Appendix C	Potentially Qualifying Land Parcels by Zone
Appendix D	Potentially Qualifying Applications and Projects (2015-2020)

Appendix A: Literature Review Table

Author(s)	Year	Study Title	Results / Summary
Litman, T.	2021	Affordable-Accessible Housing in a Dynamic City: Why and How to Increase Affordable Housing in Accessible Neighborhoods.	Describes the results of several studies on filtering in metropolitan areas of the US.
Asquith, B. J., Mast, E., & Reed, D.	2019	Supply Shock Versus Demand Shock: The Local Effects of New Housing in Low-Income Areas.	Reveals local effects of isolated mid-size development projects. New construction of market rate units will decrease nearby rents by 5 to 7 percent. New buildings slow local rent increases rather than initate or accelerate them.
Mast, E.	2019	The effect of new market-rate housing construction on the low-income housing market.	Affordability is likely to be improved by policies that increase market-rate construction; "new-market rate construction reduces demand loosens the housing market in low- and middle-income areas" with most of the effects occuring within 5 years (p. 1). A Community Benefits Charge strategy may reduce the number of market rate units available and thereby restrict the ability for more organic filtering to occur; the same policy may also allow for affordable housing to be rented at "arbitrarily low prices" and add units to the housing supply immdiately after the building is constructed. (p. 24)
Rosenthal, S. S.	2014	Are Private Markets and Filtering a Viable Source of Low-Income Housing? Estimates from a "Repeat Income" Model.	Filtering rates were found to be faster for rental housing (2.5%) than owner-occupied housing (0.5%) (p. 688). Purpose-built affordable and/or rental housing is more appropriate "in cities and regions where house price appreciation tends to be high and filtering is less viable" (p. 689). Suggests using funds fom the Community Benefit Charge strategy to subsidize market rate units for municipalities like Kingston.
Wyly, E. K. & Hammel, D. J.	1999	Islands of decay in seas of renewal: Housing policy and the resurgence of gentrification	"Contemporary gentrification [...] has become mutually constituted with housing policy: It has been reshaped by housing finance, while its cumulative imprint now helps mediate the tensions between dispersal, demolition, and redevelopment of distressed public housing projects. Ultimately, housing policy and market forces have created a turbulent landscape of decay and renewal that demands careful scrutiny of the implications for residents and neighborhoods in the inner city."
Ellen, I. G. & Torrats-Espinosa, G.	2019	Gentrification and Fair Housing: Does Gentrification Further Integration?	Policies should preserve pre-existing subsidized housing in gentrifying areas in order to ensure diversity over the long term and further fair housing (p. 848). "Existing stock of place-based subsidized housing in gentrifying areas" should be supported through acquisition and new construction by local governments (p. 848). In markets with high demand, policies should also mandate or incentivize owners to include affordable housing units in their buildings (p. 848).

Marantz, N. J.	2021	Promoting Housing Affordability by Making Cities Smarter About Land-Use Regulation	More data needs to be collected at a local level to better evaluate land use regulations and housing policy; this evaluation can be done by local governments, provincial governents, and individuals and non-governmental organizations if data is made available. This data is particularly important since land use regulations "can affect both the stock of below-market-rate (BMR) housing and the affordability of market-rate housing." (p. 175)
Raetz, H., Garcia, D., Decker, N., Kneebone, E., Reid, C. & Galante, C.	2019	Residential Impact Fees in California: Current practices and Policy Considerations to Improve Implementation of Fees Governed by the Mitigation Fee Act	Greater exaction and development fee transparency can lower risk for developers while informing policymakers decisions on infrastructure funding. "Rethinking the structure of fee rates and schedules may provide opportunities to lower costs and incentivize the types of units that will help California reach its housing and environmental goals" (p. 75).
Been, V., Gould Ellen, I., & O'Regan, K.	2019	Supply Skepticism: Housing Supply and Affordability	"We ultimately conclude, from both theory and empirical evidence that adding new homes moderates price increases and therefore makes housing more affordable to low- and moderate-income families. We argue further that there are additional reasons to be concerned about inadequate supply, including preventing workers from moving to areas with growing job opportunities. Finally, we conclude by emphasizing that **new market-rate housing is necessary but not sufficient. Government intervention is critical to ensure that supply is added at prices affordable to a range of incomes**" (p. 25). "In short, new construction is crucial for keeping housing affordable, even in markets where much of the new construction is itself high-end housing that most people can't afford. A lack of supply to meet demand at the high end affects prices across submarkets and makes housing less affordable to residents in lower-cost submarkets" (p. 29).
Myers, D., Painter, G., Yu, Z., Ryu, S. H., & Wei, L.	2005	Regional Disparities in Howneownership Trajectories: Impacts of affordability, new construciton and immigration	"Evidence shows greater homeownership gains in areas with greater rent increases, indicating lower relative costs of owning, and with greater price increases, indicating greater investment incentives. Our findings also underscore the importance of keeping housing construction consistent with employment growth" (p. 53). "Zoning, comprehensive planning, growth management, and other smart growth tools can all be used to stimulate a level of housing construction that is balanced with the rate of employment growth in the region" (p. 81).
Bratt, R. G. & Vladeck, A.	2014	Addressing Restrictive Zoning for Affordable Housing: Experiences in Four States	"This study examines four exemplary state- and county-level efforts to overcome local land-use restrictions that limit or significantly discourage the production of a broad range of housing, including multifamily dwellings and lower-cost single-family homes, in upper-income areas" (p. 595).

Greenberg, M., Craighill, P., Mayer, H., Zukin, C., & Wells, J.	2001	Brownfield Redevelopment and Affordable Housing: A Case Study of New Jersey	Discusses developer and resident incentives to live on remediated brownfield sites. Interesting developers may include incentives such as faster approval process, increasing height and density, and clustering housing on an uncontaminated portion of the site. More data about what would encourage developers to choose these sites over others is needed.
Gabbe, C. J.	2018	How do Developers Respond to Land Use Regulations? An Analysis of New Housing in Los Angeles.	Density limits and parking requirements constrain developers; specifically, the flexibility (or lack thereof) for the implementation of these zoning regulations. "Cities and state governments should closely scrutinize these regulatory provisions" as many developers "would prefer to build more housing than is currently allowed" (p. 424). Land use regulations therefore reduce the amount of new housing supply that is added to the market.
Anthony, J.	2018	Economic Prosperity and Housing Affordability in the United States: Lessons from the Booming 1990s.	Economic status, economic growth rate, poverty levels, population growth rates and net rate of supply of housing in Metropilitan Statistical Areas as indicators of economic prosperity were hypothesised to correlate with housing affordability. Of particular interest is that housing becomes more affordable when the rate of housing supply is greater than population growth. Overall, "economic prosperity did not alleviate the problem of lack of reasonably priced housing in the past, and is not likely to do so in the near future. Planners and policy-makers need to enact new policies at local, regional, state and federal levels to effectively address America's chronic affordable housing shortage" (p. 325). Policies recommended include increasing state and local responsibility for affordable housing, as well as using zoning codes to create density minimums encouraging higher density development. Existing policies like housing trust funds that are raised from local sources (like the Community Benefit Charge does) provide "considerable freedom to use [funds] for the most appropriate local housing programs" (p. 337).
Mathur, S.	2007	Do Impact Fees Raise the Price of Existing Housing?	"Impact fees raise existing home prices by about 83 percent of the amount of the fee. The increase is 103 percent for high-quality homes and is not statistically significant for low-quality homes. [...] However, such fees do not raise the price of low-quality homes"(p. 635). Impact fees may lead to a worsening of the affordable housing situation for above average income households.
Crowe, D.	2007	Comment on Shishir Mathur's "do impact fees raise the price of existing housing?"	"An impact fee is typically incurred at the time a building permit is granted. That means that a developer or builder must pay interest on the borrowed amount of the impact fee for the duration of the construction. In addition, some home building costs, such as commissions and design fees, are usually calculated as a percentage of the sale price. Consequently, a fee paid early in the production process, such as an impact fee, is further compounded in the final price and can increase the cost by 22 percent or more" (p. 669).

Revington, N. & Townsend, C.	2016	Market Rental Housing Affordability and Rapid Transit Catchments: Application of a New Measure in Canada.	Spatial distribution of affordable rental housing is crucial for targeted delivery of policy. "The availability of affordable housing differs by household type, in both quantity and geographic distribution; certain households face greater challenges than others in accessing affordable housing. [...] Policymakers seeking to address housing affordability concerns should also bear in mind the importance of household composition. [...] Geographically speaking, policy interventions that are able to establish affordable housing in the downtown core and surrounding neighborhoods may offer substantial benefits, especially in Vancouver where it is particularly lacking, as these areas are well served by rapid transit." (p. 881) "This research has implications for policy makers. It provides a method by which the existing supply of affordable market rental housing can be identified, so that policy interventions can be targeted effectively. It also suggests that policy makers need to consider how affordability varies by household type and direct policy accordingly." (p. 882)
Adamo, A.	2016	Policy Scan: Planning for Affordable Housing.	Discusses For the City of Ottawa, the Ontario Development Permit System which uses neighborhood scaled by-laws to streamline the review process for individual sites, provides an opportunity to increase market-rate and affordable housing supply (p. 10). This report also recommends reducing or waiving development charges, application and permit fees to facilitate the creation of new affordable and market-rate housing; one example from Kamloops, BC waives the portion of the development fee for any affordable housing units provided within a market-rate residential development (p. 17).
Anenberg, E. & Kung, E.	2020	Can more housing supply solve the affordability crisis? Evidence from a neighborhood choice model.	Rent elasticity to small changes in housing supply in metropolitan areas is low, meaning that easing supply constraints to increase housing stock will not lead to "a meaningful reduction in rental burdens" (p. 1). This report suggests increasing amenities, such as public transit access, is a more cost effective way to reduce prices in high-priced neighborhoods than increasing housing supply (p. 10).
Been, V.	2005	Impact Fees and Housing Affordability.	This article explains the purpose, benefits and drawbacks to exactions, such as Community Benefits Charges, as tools to regulate land-use and manage growth. Additional opportunities for research on housing affordability and impact fees is required as there are concerns that the cost of the fee may make new market-rate housing units unaffordable and unattainable for vulnerable groups. However "some evidence indicates that the introduction of impact fees may result in the provision of more high-density and multifamily housing [...] and an increase in supply may help to offset any price effects of an impact fee" (p. 166). Finally, additional research on the efficacy of programs that reduce or waive exactions for affordable housing units is needed.

Codo, P. & Fauvel, Y.	2009	Research Highlight: Impact of Economic Cycles on the Incidence of Core Housing Need in Canada.	This study noted that there is a lack of research "available on the impact of economic cycles on the nature and scope of core housing need" (p. 1). The economic cycle is a main determining factor in the real estate cycle: "an increasing in housing demand supported by economic growth leads to a tightening of the housing market, which results in a decrease in the vacancy rate. Consequently, home rents and prices rise, which brings about an increase in supply on account of the higher profitability. Then the rise in home prices and more rents gradually slows housing demand" (p. 2).
Cole-Smith, B. & Muhammad, D.	2020	The Impact of an Increasing Housing Supply on Housing Prices: The Case of the District of Columbia: 2000-2018.	Without the significant increase in new apartment units in Washington, DC, "average city apartment rents may have been 5.84 percent higher in 2018" (p. 2).Despite growing demand for rental units in the city, increases in supply are "helping to mitigate the annual appreciation rates of apartment rents" (p. 2). Long-term land-use, zoning, regulatory, housing and tax policies that are "aggressively increasing the city's supply of rental units" are avoiding sharp price increases in the medium- and short-term (p. 14).
Evidence Matters (EM).	2018	Regulatory Barriers and Affordable Housing: Problems and Solutions."	This report highlights the primary constraints to housing supply and housing affordability: "local zoning and regulations, lengthy permitting processes, and "not in my backyard" opposition (p. 2). Examples of local strategies and policy responses include speeding up approvals processes by allowing "by-right" or "as-of-right" development to proceed with fewer or without any public hearings or local legislative approvals (p. 6).
Fingleton, B., Fuerst, F., & Szumilo, N.	2019	Housing affordability: Is new local supply the key?	Within a larger regional housing market, "local house prices and affordability are determined by the underlying supply and demand conditions in the [local] market and neighbouring housing markets" (p. 25). Further, "increasing housing supply in the most critical areas has little impact on (both local and regional) affordability" (p. 25). New housing policies should carefully consider housing supply and demand interactions (p. 45).
Favilukis, J., Mabille, P., & Van Nieuwerburgh, S.	2021	Affordable Housing and City Welfare	Increasing housing supply by easing land-use regulations improves welfare in the urban core (p. 55). The framework in this study is "well-suited for studying the impact of place-based policies" on the "spatial distribution of people, labor supply, house prices, output, and inequality (p. 7).
Glaeser, E. & Gyourko, J.	2018	The Economic Implications fo Housing Supply	This study found that "more expensive housing markets tend to be both more regulated and have more inelastic supply sides" (p. 18). An example of incentives to increase affordable housing from Massachusetts allows developers to bypass local approvals processes when a certain proportion of affordable units are built in unaffordable areas (p. 27); it is still uncertain how effective these incentives are at increasing affordable and market-rate housing supply.

Guthrie, G.	2020	Incentivizing residential land development	Development can be accelerated in more desirable areas by increasing the amenity value of land in less desirable areas (p. 820). Enhancing competition between developers can accelerate land development; "housing supply will increase if policymakers can reduce the differences in the amenity values of blocks of land owned by different developers" (p. 834)
Monkkonen, P. & Manville, M.	2019	Opposition to development or opposition to developers? Experimental evidence on attitudes toward new housing.	Slow housing starts are "a political more than a practical problem"; "the biggest obstacle to new housing is localized opposition, which manifests itself as strict zoning, cumbersome approval processes, and/or local activism against new development" (p. 1125). This study found that when people were "reminded of a developer's profit or told that a developer had received special permission to build, [the people] become far more hostile to new housing" (p. 1137). With changes in the Ontario *Planning Act* moving away from density and height bonusing in exchange for Community Benefits Charges, opposition to development may be reduced.

Appendix B: Table of CBCS Feedback from Municipalities Contacted

City	Current Progress	Facilities, Services & Matters	Any Challenges Barriers
Ottawa	Created Councilor Sponsor Group & Steering Committee to drive project Hire a consultant for background study Online platform for residents' opinions on CBC strategy Online CBC explanation video Established a CBC internal plan	Nothing determined but public art, rec. Activities, parks, cycling/traffic calming measures, childcare services and affordable housing are all options.	Difficulty in negotiating the 4% CBC charge
Brampton	Hiring a consultant for Assessment Report/Background Study	No initiatives were made to determine what is to be included.	City has not utilized S. 37 in previous years Figuring out Density Bonusing with CBC strategy
County of Simcoe *contacted to know more information on their lower-tier progress*	No current progress at this time (Personal Communication, November, 5th, 2021).	/	/
Belleville	/	/	/
Markham	/	/	/
Brantford	/	/	/
Mississauga	/	/	/
Waterloo	No current progress at this time (Personal Communication, November, 5th, 2021).	/	/
Hamilton	/	/	/
Burlington	/	/	/

Toronto	/	/	/
Barrie	No progress since 2020 (Personal Communication, November 18th, 2021).	/	/
Township of Rideau Lakes	No current progress due to CBC viability (Personal Communication, November, 8th, 2021)	/	/
London	/	/	/

/ No Response

Appendix C: Potentially Qualifying Land Parcels by Zone

Applicable Parcels in Urban Multi-Residential Zones

URM4

Street Name	Street Number(s)
Rideau Street	85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 175, 205, 257, 269, 271, 273, 275, 277, 281, 283, 285, 535 & 541
Montreal Street	771
Cataraqui Street	12, 14, 70 & 72
North Street	9
Bay Street	23, 25, 27, 29, 31, 33, 35 & 37
Place D'Armes	1
Lower Union St	30, 32, 34, 36, 38, 40, 42, 102, 104, 106 & 113
King Street East	131, 133 & 155
West Street	23 & 25
Earl St	50
Wellington St	47
Johnson Street	309, 311, 315, 319, 321, 323, 325, 327 & 329
Division Street	121, 127, 129 & 131
Brock Street	286, 288, 290, 292, 294, 296, 298, 300, 304, 306, 322, 332, 334, 336, 338, 340, 346, 354, 356, 358, 360, 362, 364, 368, 370, 372, 374, 376, 380, 382, 384, 394, 396, 398, 400, 404, 406, 408, 410, 428, 430, 432, 434, 438, 440 & 442
University Ave	269, 270, 272, 274, 276, 278, 280, 282, 312, 314, 318, 320, 326, 328 & 330
Alfred Street	239, 241, 243, 245, 275, 277, 279, 281, 285, 287, 293, 295 & 301
Cliff Crescent	36 & 40
Curtis Crescent	1 – 221
Couper Street	5

URM6

Street Name	Street Number(s)
Wright Crescent	16, 30 & 40
McDonald Avenue	15, 21 & 27
Baiden Street	60 & 62
King Street West	889
Mowat Avenue	33, 35, 37, 39, 41, 43, 45 & 47
Logan Street	104 & 116
Yonge Street	21, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 36, 37, 38 & 39
Portsmouth Avenue	9 & 15
Private Drive	1338
St. Paul Place	2, 4, 6, 8, 10, 12, 14, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 38, 40, 41, 42, 43, 44, 45 & 46
Coventry Crescent	3, 5, 6, 7, 9, 11, 13, 15, 17, 20, 21, 22, 23, 25, 27, 29, 31, 39, 41, 43, 45, 47, 51, 52, 53, 54, 55, 56, 57, 58, 59 & 61
Prince Henry Drive	1 – 40
Rosemund Crescent	2 – 182
Rosemund Place	3 – 31
Toronto Street	60
Johnson Street	637
McDonnell Street	185
Montreal Street	1130
Brock Street	645
Elliot Avenue	480

URM8

Street Name	Street Number(s)
University Avenue	243, 245, 248 – 268, 294 – 311, 313, 317, 319, 321 & 323
Garrett Street	18, 20, 22, 24, 26, 28, 30, 31 & 32
Division Street	100, 118, 120, 124, 128, 146, 148 & 152
Brock Street	347, 349, 355, 357, 359, 361, 365, 367, 369, 371, 373, 375, 377, 381, 391, 393, 395, 397 399, 421, 425, 429, 431, 433, 435, 437, 439, 519, 521, 523, 525, 547, 551, 553, 555, 557, 559
Alfred Street	211, 214 – 237, 271 & 273
Nelson Street	10, 11, 55, 58, 60 & 61
Victoria Street	327 – 352, 399 & 401
Aberdeen Street	39, 40 & 45
Frontenac Street	309 – 340
Albert Street	313 – 340, 368, 374 & 376
Johnson Street	350 – 427, 431, 437, 440 – 629, 642, 644, 646, 652, 654, 656 & 660
Toronto Street	52
Collingwood Street	323 – 332

URM12

Street Name	Street Number(s)
Wright Crescent	66
Bath Road	100 & 114
Palace Road	540

URM13

Street Name	Street Number(s)
Wright Crescent	66
Bath Road	100 & 114
Palace Road	540

Applicable Parcels in Commerical Zones

CM1

Street Name	Street Number(s)
Princess Street	471, 473, 477, 479, 481, 490, 499 – 920
Regent Street	315 & 321
Drayton Avenue	9 & 11
MacDonnell Street	401, 403, 407, 420, 426, 430, 442, 471 & 474
Victoria Street	542 & 544
Albert Street	465, 505, 508, 510, 512, 513, 514 & 516
Frontenac Street	464, 491 & 493
Albert Street	303, 305, 307, 309, 311, 331, 347 & 349
Chatham Street	19, 21 & 23
University Avenue	325, 332, 333, 334 & 346
Colborne St	170, 192, 196, 198 & 210

CM2

Street Name	Street Number(s)
Princess Street	424 – 461
Colborne Street	170
Division Street	170, 174 & 210
Garrett Street	17

DT1

Street Name	Street Number(s)
Queen Street	11 – 337
Princess Street	65, 213, 215, 217, 221, 255, 265 & 371 – 427
Brock Street	149, 153, 155, 161, 163, 197, 277 – 249, 251, 260, 271, 273, 283, 289, 295, 310, 331, 333, 335 & 337
Sydenham Street	122, 184 – 210, 213, 215, 217, 219 & 221
Division Street	147, 159, 163, 177, 179, 181, 183, 185, 209, 211, 213, 215, 217, 219 & 221
The Tragically Hip Way	1
Barrack Street	33 - 119
Place D'Armes	27 & 49
Ordnance Street	5
Rideau Terr	2 – 8
Bay Street	2 & 18
Wellington Street	109, 111, 168, 171, 207, 209, 211 - 308
Clarence Street	67, 115
Johnson Street	70,
William Street	20, 22, 30
Earl Street	15
Colborne Street	30, 34, 132, 134, 136, 138, 140, 142 & 154
Barrie Street	295 & 331 – 359
Clergy Street	96 – 110, 151, 153 & 157
Montreal Street	7, 11, 13, 30, 32, 41 – 72
Bagot Street	256, 266, 304 – 350
King Street East	225, 258, 285, 366, 368, 375, 382, 388 & 390
Ontario Street	128, 132, 134, 136, 181, 261, 263, 265, 267
Chapman Street	5 & 10
Rideau Street	3 – 27, 29, 31, 33, 35, 55, 61, 63, 69, 71, 73, 75 & 77

Appendix D: Potentially Qualifying Applications and Projects (2015-2020)

List of 59 Potentially Qualifying Applications (2015-2020)

Address	File Number(s)	Year	Application Type	Number of Storeys	Number of Units
1580 Bath Road	PRBD20150592	2015	Building Permit	11	115
223 Princess Street	D14-122-2015	2015	Zoning By-Law Amendment	9	182
282 Ontario Street	D14-146-2015	2015	Zoning By-Law Amendment	20	N/A
51-57 Queen Street, 18 Queer	D14-146-2015	2015	Zoning By-Law Amendment	20	N/A
700 Gardiners Road	D14-120-2015	2015	Zoning By-Law Amendment	12	158
745 15 Hwy	PRBD20142546	2015	Building Permit	14 (x2)	178 (x2)
1000 Old Mill Road	D11-039-2016	2016	Site Plan Control	14	184
575 Princess Street	D11-034-2016	2016	Site Plan Control	10	344
575 Princess Street	D35-005-2016	2016	OPA, ZBA, DPC, DPS	10	344
575 Princess Street	D11-034-2016	2016	Site Plan Control	10	344
1000 Old Mill Road	PRBD20162626	2017	Building Permit	14	184
2274 Princess Street	D35-007-2020	2017	OPA, ZBA, DPC, DPS	3 to 5	230
630 Princess Street	PRBD20170021	2017	Building Permit	5	31
652 Princess Street	D11-014-2017	2017	Site Plan Control	10	325
652 Princess Street	D35-002-2017	2017	OPA, ZBA, DPC, DPS	10	325
652 Princess Street	D11-014-2017	2017	Site Plan Control	10	325
845 Gardiners Road	PRBD20172334	2017	Building Permit	14	N/A
1030 Old Mill Road	D11-021-2018	2018	Site Plan Control	14	184
1030 Old Mill Road	PRBD20181661	2018	Building Permit	14	184
1102 W King Street West	D11-011-2018	2018	Site Plan Control	22 & 19	343
168 Division Street	D14-031-2018	2018	Zoning By-Law Amendment	6	35
168 Division Street	D14-031-2018	2018	Zoning By-Law Amendment	6	35
2880 Princess Street	D14-013-2018	2018	Zoning By-Law Amendment	12	1,180
501 Frontenac Street	D14-025-2018	2018	Zoning By-Law Amendment	5	99
11 Wright Crescent	D14-012-2019	2019	Zoning By-Law Amendment	6	140
11 Wright Crescent	D11-023-2019	2019	Site Plan Control	6	140
11 Wright Crescent	D11-024-2019	2019	Site Plan Control	6	140
1400 Bath Road	D14-022-2019	2019	Zoning By-Law Amendment	N/A	280
168 Division Street	D11-032-2019	2019	Site Plan Control	6	35
168 Division Street	D11-032-2019	2019	Site Plan Control	6	35
212 Colborne Street	D11-020-2019	2019	Site Plan Control	N/A	N/A
223 Princess Street	D11-049-2019	2019	Site Plan Control	9	182
223 Princess Street	D14-027-2019	2019	Zoning By-Law Amendment	9	182
223 Princess Street	D14-027-2019	2019	Zoning By-Law Amendment	9	182
333 University Avenue	PRBD20182133	2019	Building Permit	11	N/A
449 Princess Street	D13-048-2019	2019	Minor Variance	6	35
449 Princess Street	D11-040-2019	2019	Site Plan Control	6	35
501 Frontenac Street	PRBD20180130	2019	Building Permit	5	99
501 Frontenac Street	PRBD20180130	2019	Building Permit	5	99
525 Princess Street	D35-001-2019	2019	OPA, ZBA, DPC, DPS	10 (x2)	347
652 Princess Street	PRBD20190033	2019	Building Permit	10	325
1060 Old Mill Road	D11-020-2020	2020	Site Plan Control	14	172
1274 15 Highway	D35-006-2020	2020	OPA, ZBA, DPC, DPS	5	64
168 Division Street	D30-1430-2019	2020	Building Permit	6	35
2 River Street	D35-009-2017	2020	OPA, ZBA, DPC, DPS	6 (x4)	1,509
495 Princess Street	PRBD20190504	2020	Building Permit	11	195
501 Frontenac Street	D11-016-2020	2020	Site Plan Control	5	99
501 Frontenac Street	D30-0731-2020	2020	Building Permit	5	99
700 Gardiners Road	D11-032-2020	2020	Site Plan Control	12	158
841 Princess Street	D14-016-2020	2020	Zoning By-Law Amendment	73	> 6
847 Development Drive	D30-1435-2019	2020	Building Permit	N/A	169
999 Purdy Mill's Road	D35-002-2020	2020	OPA, ZBA, DPC, DPS	18 (x3)	N/A
1060 Old Mill Road	D30-2208-2020	2021	Building Permit	14	172
1233 Midland Avenue	D35-005-2021	2021	OPA, ZBA, DPC, DPS	NA	NA
1291 Midland Avenue	D14-007-2021	2021	Zoning By-Law Amendment	4	49
275 Queen Street	D14-012-2021	2021	Zoning By-Law Amendment	16	227
5 Lower Union Street	D35-003-2021	2021	OPA, ZBA, DPC, DPS	14	68
575 Princess Street	D30-1664-2020	2021	Building Permit	10	344
600 Princess Street	D14-006-2021	2021	Zoning By-Law Amendment	6	186

List of 34 Potentially Qualifying Projects (2015-2020)

Address	File Number(s)	Year	Application Type	Storeys	Units
1000 Old Mill Road	D11-039-2016, PRBD20162626	2016	SPC, Permit	14	184
1030 Old Mill Road	D11-021-2018, PRBD20181661	2018	SPC, Permit	14	184
1060 Old Mill Road	D11-020-2020, D30-2208-2020	2020	SPC, Permit	14	172
11 Wright Crescent	D14-012-2019, D11-023-2019, D11-024-2019	2019	ZBA, SPC, SPC	6	140
1102 W King Street West	D11-011-2018	2018	SPC	22 & 19	343
1233 Midland Avenue	D35-005-2021	2021	OPA, ZBA, DPC, DPS	NA	NA
1274 15 Highway	D35-006-2020	2020	OPA, ZBA, DPC, DPS	5	64
1291 Midland Avenue	D14-007-2021	2021	ZBA	4	49
1400 Bath Road	D14-022-2019	2019	ZBA	N/A	280
1580 Bath Road	PRBD20150592	2015	Permit	11	115
168 Division Street	D14-031-2018, D11-032-2019, D30-1430-2019	2018	ZBA, SPC, Permit	6	35
2 River Street	D35-009-2017	2020	OPA, ZBA, DPC, DPS	6 (x4)	1,509
212 Colborne Street	D11-020-2019	2019	SPC	N/A	N/A
223 Princess Street	D11-049-2019, D14-027-2019, D14-027-2019, D14-122-2015	2019	SPC, ZBA, ZBA, ZBA	9	182
2274 Princess Street	D35-007-2020	2017	OPA, ZBA, DPC, DPS	3 to 5	230
275 Queen Street	D14-012-2021	2021	ZBA	16	227
2880 Princess Street	D14-013-2018	2018	ZBA	12	1,180
333 University Avenue	PRBD20182133	2019	Permit	11	N/A
449 Princess Street	D13-048-2019, D11-040-2019	2019	Minor Variance, SPC	6	35
495 Princess Street	PRBD20190504	2020	Permit	11	195
5 Lower Union Street	D35-003-2021	2021	OPA, ZBA, DPC, DPS	14	68
501 Frontenac Street	D11-016-2020, D30-0731-2020, PRBD20180130, D14-025-2018	2020	SPC, Permit, Permit, ZBA	5	99
51-57 Queen Street, 18 Queen	D14-146-2015	2015	ZBA	20	N/A
525 Princess Street	D35-001-2019	2019	OPA, ZBA, DPC, DPS	10 (x2)	347
575 Princess Street	D11-034-2016, D35-005-2016, D11-034-2016, D30-1664-2020	2016	SPC; OPA, ZBA, DPC, DPS, Permit	10	344
600 Princess Street	D14-006-2021	2021	ZBA	6	186
630 Princess Street	PRBD20170021	2017	Permit	5	31
652 Princess Street	D11-014-2017, D35-002-2017, D11-014-2017, PRBD20190033	2017	SPC; OPA, ZBA, DPC, DPS; Permit	10	325
700 Gardiners Road	D14-120-2015, D11-032-2020	2015	ZBA, SPC	12	158
745 15 Hwy	PRBD20142546	2015	Permit	14 (x2)	178 (x2)
841 Princess Street	D14-016-2020	2020	ZBA	73	> 6
845 Gardiners Road	PRBD20172334	2017	Permit	14	N/A
847 Development Drive	D30-1435-2019	2020	Permit	N/A	169
999 Purdy Mill's Road	D35-002-2020	2020	OPA, ZBA, DPC, DPS	18 (x3)	N/A