

# London Housing Advisory Committee

## Report

2nd Meeting of the London Housing Advisory Committee  
January 9, 2019  
Committee Room #4

Attendance                   PRESENT: J. Coley Phillips, A. Galloway, J. Malkin, D. Nemeth,  
B. Odegaard, D. Peckham, J. Stickling; and P. Shack  
(Secretary)

ALSO PRESENT: J. Binder, D. Calderwood-Smith, S. Giustizia,  
G. Matthews, and B. Turcotte

REGRETS: M. Inthavong, J. Peaire, and N. Reeves

The meeting was called to order at 12:25 PM.

### 1. Call to Order

#### 1.1 Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

### 2. Organizational Matters

#### 2.1 Election of Chair and Vice Chair for term ending June 1, 2019

That consideration of the London Housing Advisory Committee election of chair and vice chair for term ending June 1, 2019 BE DEFERRED until next meeting.

### 3. Scheduled Items

None.

### 4. Consent

#### 4.1 1st Report of the London Housing Advisory Committee

That it BE NOTED that the 1st Report of the London Housing Advisory Committee, from its meeting held on December 12, 2018, was received.

### 5. Sub-Committees and Working Groups

None.

### 6. Items for Discussion

#### 6.1 ReThink Zoning Draft Terms of Reference

That it BE NOTED that the London Housing Advisory Committee held a general discussion with respect to the ReThink Zoning Draft Terms of Reference.

### 7. Deferred Matters/Additional Business

#### 7.1 (ADDED) Provincial Consultation on "Increasing Housing Supply in Ontario"

That it BE NOTED the London Housing Advisory Committee held a general discussion with respect to the Provincial Consultation on "Increasing Housing Supply in Ontario";

it being noted that members of the committee are encouraged to complete the on-line survey at [www.ontario.ca/housingsupply](http://www.ontario.ca/housingsupply) before January 25, 2019, with respect to the Provincial Consultation on "Increasing Housing Supply in Ontario".

**8. Adjournment**

The meeting adjourned at 1:05 PM.

# London Housing Advisory Committee

## Report

1st Meeting of the London Housing Advisory Committee  
December 12, 2018  
Committee Room #4

Attendance                   PRESENT:: B. Odegaard (Vice Chair), A. Galloway, M. Inthavong, K. Kaill, J. Malkin, J. Peaire, D. Peckham, N. Reeves, J. Stickling: and P. Shack (Secretary)

ALSO PRESENT: J. Binder, J. Browne, S. Giustizia, G. Matthews, A. Scott and B. Turcotte

REGRETS: J. Coley Phillips and D. Nemeth

The meeting was called to order at 12:20 PM.

### 1. Call to Order

#### 1.1 Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

### 2. Scheduled Items

#### 2.1 Rental Market Survey Update

That it BE NOTED that the attached presentation from A. Scott, Canada Mortgage and Housing Corporation, with respect to Rental Market Survey Update, was received; it being noted that the London Housing Advisory Committee held a general discussion, with respect to this matter.

### 3. Consent

#### 3.1 9th and 10th Reports of the London Housing Advisory Committee

That it BE NOTED that the 9th and 10th Reports of the London Housing Advisory Committee, from its meetings held on October 10, 2018 and November 5, 2018, respectively, were received.

#### 3.2 Municipal Council resolution adopted at its meeting held on November 20, 2018, with respect to the recruitment and appointment of Advisory Committee members for the up coming term

That it BE NOTED that the Municipal Council resolution from its meeting held on November 20, 2018, with respect to the recruitment and appointment of Advisory Committee members for the up coming term, was received.

#### 3.3 ReThink Zoning Draft Terms of Reference

That discussion of the ReThink Zoning Draft Terms of Reference BE DEFERRED to the next London Housing Advisory Committee meeting.

### 4. Sub-Committees and Working Groups

None.

**5. Items for Discussion**

5.1 Western Off-Campus Survey - G. Matthews

That it BE NOTED that the attached presentation from G. Matthews with respect to the Western Off-Campus Survey, was received.

**6. Deferred Matters/Additional Business**

None

**7. Adjournment**

The meeting adjourned at 2:05 PM.



# MEMO

**To:** City of London Advisory Committees

**From:** Justin Adema

**Department:** Planning Services

**Date:** October 31, 2018

**Re:** **ReThink Zoning Draft Terms of Reference**

---

The City is in the beginning stages of a new project called ReThink Zoning, which includes preparing a new Zoning tool that will replace the current Zoning By-law. The new by-law is needed to be consistent with the London Plan and implement its vision and policy direction.

Draft Terms of Reference were prepared and sent to the Planning and Environment Committee on August 13, 2018, following this Council gave direction to circulate the draft Terms of Reference to stakeholders, agencies, and the public for comments.

City Advisory Committees are now asked to review the Draft Terms of Reference before a finalized version is brought to Council for approval. Opportunities will be provided for Advisory Committees to comment throughout the ReThink Zoning process, and these Terms of Reference will frame what that process will include and establishes the goals, objectives, and desired outcomes for the new by-law.

### 1.0 ReThinking Zoning in London

In 2011, the City of London – including Council, staff, and all of its citizens – began a conversation about the future of our city. It started with a launch event where Peter Mansbridge spoke about the importance of civic engagement in a successful local government, and ended in June, 2016 when City Council adopted the London Plan – a new plan for growth and development in our city.

The London Plan is the culmination of a community conversation, it represents the shared vision, values, and goals for all Londoners. The Plan's key directions are a summary of this vision for the City, and the rest of plan provides a framework to achieve that vision. The next step in the process of planning our city is to examine tools that help us realize the vision we have set.

One important tool to achieving the planning framework articulated in The London Plan is the zoning by-law. London's current zoning by-law is dated, having been prepared following the approval of the 1989 Official Plan to help implement that Plan. With The London Plan we have a new, more strategic approach to City Building that requires a new by-law for its implementation.

ReThink Zoning is a continuation of the original conversation about how Londoners want to see their City grow – only the focus has now shifted from broader policy matters to more technical questions about how we should realize the vision. Instead of asking Londoners what kind of city do you want to live in, we will be working with Londoners to determine how we should get there and how each development across the city should be considered.

#### 1.1 Implementing the London Plan

The London Plan provides a strategic approach to development in London that is based on City Building policies, a City Structure Plan, and a variety of place types. The City Building Policies provide the over-arching direction for how we will grow as a city over the life of the Plan and define the shape, character and form of the City. The City Structure Plan identifies five key foundations that inform the other policies of the Plan: The Growth Framework, The Green Framework, The Mobility Framework, The Economic Framework, and The Community Framework. Each place type is planned to play a unique role within the City Structure and has its own identity and character. The place types work together to create a complete city. All aspects of the place type must contribute to the achieving the Plan's objectives, including the use, intensity, and form of every building and parcel of land.

Zoning is the tool that we currently use to regulate the land use, intensity, and form of development. Therefore, zoning should be viewed as an extension of the Plan and a mechanism to meet its City Building goals. A zoning tool that is linked intrinsically to the policy direction of the London Plan is necessary for the implementation of the Plan.

#### 1.2 Legislated requirements

In addition to requiring our regulatory tools to align with The London Plan, there are also legal issues to consider. The *Planning Act* is the applicable legislation for planning matters in Ontario. It is what requires the City of London to have an Official Plan and permits the City to regulate development as a way of implementing the Plan. The *Act* says that no by-law shall be passed that does not conform with the Official Plan (Section 24(1)). The *Act* also requires that when an Official Plan is updated after a comprehensive review, a municipality shall update the zoning by-law within three years of coming into effect (Section 26(9)). Because The London Plan completely replaces the 1989 Official Plan, it is appropriate to replace the Zoning By-law with a new by-law that conforms to its policies within three years.

## **2.0 Overarching Goal, Objectives, and Desired Outcomes**

This is a major project that will have a lasting impact on how London will be shaped to meet the vision established in The London Plan. This section describes the guiding principles for the project.

### **2.1 Overarching Goal**

To continue the momentum of ReThink London, implement the new London Plan, and foster the growth and development of a great city.

### **1.2 Objectives**

- To create the best implementation tool to fit London's current and future needs
- To implement The London Plan's vision, values, and key directions
- To implement The London Plan place types in terms of use, intensity, and form
- To create a user-friendly and plain language document while recognizing the regulatory nature of the by-law
- To make use of new technologies available for the application and administration of zoning
- To allow for flexible application of the by-law while maintaining a level of certainty and predictability
- To create a tool that allows for efficient planning processes

### **2.3 Desired Outcomes**

- Quality developments across the City that contribute to our city-building goals
- Efficient planning processes that result in great neighbourhoods
- A by-law that can be understood by all users involved in the planning process – including developers, professionals, community groups, and the general public
- A by-law that meets all legislative requirements, is defensible on its planning merits, and includes clear, enforceable regulations.
- A by-law that is intrinsically linked to The London Plan with obvious connections to the use, intensity, and form requirements of the place types as well as the City Building and Our Tools parts of the Plan.

## **3.0 Work Plan**

ReThink Zoning is not just about updating the Zoning By-law Z.-1 to match the London Plan place types. It will consider the full range of possibilities that are available under the *Planning Act* and will look carefully at approaches being taken in other cities to see whether there are opportunities to improve on how we regulate development in our city. The work plan will include time for the research to be completed and analyzed, and needs to be flexible to allow later stages to fit with whatever direction or approach is identified as the best fit in London. To achieve this, a two-phase work plan is proposed. Details are provided for Phase One, however Phase Two will be refined after the details of the types of tools and approaches will be utilized has been confirmed through Phase One. Detailed Terms of Reference for Phase Two are included as a deliverable in Phase One.

### **3.1 Phase One**

Phase One will provide an opportunity to investigate alternate approaches to development regulation and determine what tools should be used to implement the London Plan to achieve its goals.

Tasks to be completed in Phase One include:

- Prepare an RFP and work plan for the completion of Phase One
- Retain a consultant to work collaboratively with staff to complete Phase One
- Complete background research with regards to:
  - Ontario legislated requirements for zoning, including options available to municipalities for the implementation of Official Plans
  - The London Plan policies and directions, in regards to compatibility with different development regulation options available in Ontario

- Best practices from North America and other comparable parts of the world
- Review existing Zoning By-law No. Z.-1 to identify areas of strength or concern, determine what is working and what needs improvement to achieve the overall goals
- Engagement with key stakeholders to assess strengths and weaknesses of our current by-law and the desired outcomes of a new by-law
- Public engagement program to listen to ideas, concerns, and suggestions from Londoners
- Identify key elements/components/areas to be addressed through the new zoning by-law
- Recommend the best zoning approach to implement the policy directions of The London Plan
- Prepare Terms of Reference for Phase 2 – the preparation of the by-law, based on the direction provided by Council

Deliverables to be submitted in Phase One include:

<b>Deliverable</b>	<b>Assignment</b>
● Terms of Reference (Phase 1) – to include Community Engagement Strategy for Phase 1	Prepared by staff
● Request for Proposal (RFP) for consultant to undertake Phase 1	Prepared by staff
● Background Paper – overview of research and engagement findings and linkages to The London Plan	Prepared by consultants
● Recommendation Report – Analysis of issues, recommended tool, draft terms of reference for Phase 2	Prepared by staff, based on recommendations from the consultants
● Terms of Reference (Phase 2) – to include Community Engagement Strategy for Phase 2	Prepared by staff

### **3.2 Phase Two**

Phase Two is when the new by-law will be prepared, based on the approach confirmed through Phase One. The information in this section is general in nature and will be clarified in the detailed Terms of Reference to be prepared in Phase One.

Tasks that will be completed in Phase Two include:

- Prepare a detailed inventory of existing development
  - Review land use
  - Review intensity – may include height, gross floor area, coverage, floor plate area, density in units per hectare, number of bedrooms, parking, floor area ratio
  - Review form – may include site layout (parking, landscaping, orientation, setbacks, and building location on a site), and buildings (massing, step-backs, materials, architecture)
  - Identify and analyze patterns of development to assist in property-appropriate zoning tools
  - Where appropriate, use new technologies to obtain this information (may include LiDAR, remote sensing, or other technologies)
- Analyze and recommend technologies for the administration and presentation of zoning information
  - Explore opportunities of GIS based applications
- Prepare outline of by-law, consideration to be given to:
  - Organization – chapters, types of zones, etc
  - Layout – use of tables, figures, illustrations, document design, etc
- Prepare and test sample zones against existing conditions and potential development opportunities

- Prepare first draft of by-law, provide opportunity for stakeholder and public comments
- Prepare second draft of by-law, circulate for stakeholder and public comments
- Review required amendments to other city by-laws/documents resulting from the replacement of the current zoning by-law
- Prepare final by-law for approval

Deliverables to be prepared in Phase Two include:

- Inventory and analysis of existing development
- Mapping/zoning data overview and recommendation
- First Draft By-law
- Second Draft By-law
- Results of public and stakeholder feedback
- Amendments to other City by-laws and documents
- Final By-law for approval

Note that the deliverables will be prepared by a combination of City staff and consultants. The specific breakdown of responsibilities will be defined through the detailed Phase Two terms of reference.

### 3.3 Project Scope

The nature of large projects such as ReThink Zoning often includes “scope creep” resulting from the encroachment of additional tasks than was originally planned. It is important to ensure that the scope of this project remains focused in order to achieve the milestones identified in the Project Schedule.

### 3.4 Project Schedule

Work to be completed	Target completion date
Terms of Reference and RFP for Consultant(s)	Q4, 2018
Retain consultants	Q2, 2019
Background Paper	Q3, 2019
Recommendation Report	Q4, 2019
Terms of Reference – Phase 2	Q4, 2019
Phase 2	TBD – based on TOR

## 4.0 Project Team

Staff from various departments within the Corporation as well as a consulting team will contribute to the success of ReThink Zoning. This section describes the roles of staff and the consultant to be retained on the project.

### 4.1 City Staff

This project is part of the Planning Services work plan and will be completed at the direction of the Managing Director, Planning and City Planner. The project lead will be the Manager, Current Planning and the project manager will be a Planner from Planning Services. However, given the scope of this project, significant participation from across all Service Areas of the City of London will be required. Of particular importance will be the contributions of Development & Compliance Services staff, who play a critical role in the implementation of the Zoning By-law. This important role will be reflected in the makeup of the various teams working on the project.

At the outset, three groups of staff will be established to contribute to the completion of this important project. The Project Team will be the main group working on the project on a daily basis, a Steering Committee will be established to provide guidance to the Project Team and contribute at key decision points, and a Technical Resource Group will include staff from virtually every Service Area in the City. This group will review materials and provide input as needed at various points in the process. Some members will play large roles while others will only be required to contribute at certain points.

#### **4.1.1 Project Team**

The project team will be responsible to complete the work plan of ReThink Zoning and will be the main contact for consultants retained on this project. The Project Manager will provide leadership to this team by delegating tasks, chairing meetings, and being the main source of information/communication on behalf of the project team. The makeup of the project team will include:

- Manager, Current Planning – Planning Services (Project Lead)
- Planner, Long Range Planning & Research – Planning Services (Project Manager)
- Planner, Current Planning – Planning Services
- Urban Designer – Planning Services
- Manager, Development Planning – Development Services
- Business and Zoning Coordinator, Zoning – Development & Compliance Services

#### **4.1.2 Steering Committee**

The Steering Committee will be made up of senior leaders at the City and managers with portfolios that interface with the Zoning By-law. The Role of the Steering Committee will be to provide input, advice, and guidance to the Project Team and will be particularly involved at any key decision point during the project. The Steering Committee will include:

- Managing Director, Planning and City Planner – Planning Services (Steering Committee Chair)
- Managing Director, Development and Compliance Services and Chief Building Official – Development & Compliance Services
- Managing Director, Environmental and Engineering Services and City Engineer
- Director, Development Services – Development & Compliance Services
- Manager, Current Planning – Planning Services
- Manager, Long Range Planning and Research – Planning Services
- Manager, Urban Regeneration – Planning Services
- Manager, Development Services (Site Plan) – Development & Compliance Services
- Manager, Zoning and Public Property Compliance – Development & Compliance Services
- Solicitor II, Legal and Corporate Services

#### **4.1.3 Technical Resource Group**

Most internal Service Areas and divisions will contribute at some point during this project. They will not be required to play a major role for all phases of the project but will provide input as needed. Individuals from the divisions/Service Areas listed below will contribute, and other groups may be added depending on the nature of input required.

The Technical Group will comprise staff from Planning Services, Development and Compliance Services, Environmental and Engineering Services, the City Clerk's Office, Corporate Communications, and Neighbourhood, Children and Fire Services.

#### **4.2 Hiring Consultants**

Given the scope and complexity of this project, consultants will be retained to support staff in completing the work plan and providing specialized expertise throughout the process. A request for proposals for the Phase One consultant will be prepared and issued following the approval of these terms of reference. Contracts for this project will be divided into the project phases, recognizing that the best zoning approach is identified at the end of Phase One and may require specific knowledge and experience that is beyond the Phase One consulting team.

The selected consultant(s) will have a strong background in planning implementation, and should include experience with various approaches to zoning. The consultant team will need to be able to understand the approach taken through The London Plan and identify ways to achieve its objectives through development regulation. The consultant team will demonstrate the values that guide all planning decisions in London – these are

to be accountable, be collaborative, demonstrate leadership, be inclusive, be innovative, and think sustainably.

It is anticipated that there will be a team of consultants retained as multiple areas of expertise will be required. Some of the specialized areas include:

- Land use planning – ReThink Zoning is a planning review first and foremost. It is required that the lead consultant will include professional planners.
- Urban design – The London Plan integrates urban design into the planning process and approaches to regulation that consider how to ensure an engaging and attractive public realm will be important.
- Mapping/GIS – new and innovative approaches to the mapping components of the zoning by-law are encouraged, and it is expected that the consulting team will bring expertise on this issue.
- Community engagement – public input is important to the success of this project. Effective engagement with the community must be integrated into all parts of the project.
- Application review processes – implementation of the new by-law must work for those who are applying and interpreting the by-law, therefore consideration of this and other administrative matters must be included. The consulting team should have experience and insight into how the new by-law would be “operationalized”.

#### **4.2.1 Expectations and responsibilities**

The consulting team will work closely with the Project Manager and Project Team to complete the work plan for this project. Deliverables will be submitted to the Project Team who will coordinate with the Steering Committee and make recommendations, based on the information provided by the consultants, to City Council. The Work Program section of this report identifies what tasks will be led by the consultant team.

## **5.0 Community Engagement and Information Sharing**

This project requires input from a variety of stakeholders, agencies, and the public if it is to be successful. This project will give direction to the way we grow as a city and will shape our neighbourhoods, urban centres, and other places within London. While the intent is not to engage in a discussion about first principles – issues like the city structure and the vision for each place type have been established through The London Plan – there is plenty of opportunity for stakeholders and the public to help shape our approach to how we implement the Plan.

Equally important during this project is the availability of information. People will want to know where this project stands, what opportunities they will have for participation, and how changes to the zoning by-law could affect their properties and communities. Through the various tools available, including the city website, social media, open houses, traditional advertising, and other approaches, we will strive to provide up-to-date and useful information to the public regarding the project.

All members of the public are invited to participate throughout the ReThink Zoning process. Some key stakeholders have been identified and will be invited to meet with staff and discuss the options to replace our zoning by-law. These stakeholders include:

- All City Service Areas
- Advisory Committees to Council
- Public agencies – eg: London Economic Development Corporation, Upper Thames River Conservation Authority, London Hydro, London Housing Development Corporation, Ministry of Municipal Affairs.
- Community organizations – eg: business improvement areas, the Urban league of London, neighbourhood associations, ratepayer groups.
- The Development Industry – eg: London Development Institute, London Home Builders Association, London Association of Planning Consultants, and other members of the Building and Development Liaison Forum.

## Report to Planning and Environment Committee

**To:** Chair and Members  
Planning & Environment Committee

**From:** John M. Fleming  
Managing Director, City Planning and City Planner

**Subject:** Provincial Consultation on “Increasing Housing Supply in Ontario”

**Meeting on:** January 7, 2019

## Recommendation

That, on the recommendation of the Managing Director, City Planning and City Planner, with the concurrence of the Managing Director, Housing, Social Services, and Dearness Home, and the Managing Director, Development and Compliance Services and Chief Building Official, the following actions be taken:

- a) That this report **BE RECEIVED** for information;
- b) That the consultation guide entitled “Increasing Housing Supply in Ontario” **BE CIRCULATED** to community and stakeholder organizations (the Housing Development Corporation, London Development Institute, London Home Builders Association, and Urban League) for information; and
- c) That Civic Administration **BE DIRECTED** to submit a response to the Ontario Ministry of Municipal Affairs and Housing before January 25, 2019, it being noted that Civic Administration will provide a subsequent information report to Council with the submission provided to the Province.

## Executive Summary

- The Province has identified that rising housing costs and limited supply over the last few years has resulted in rising prices and rents which makes it difficult for many Ontarians to afford the housing they need.
- In response, the Province is developing a “Housing Supply Action Plan”. In support of that Plan, the Province has released a consultation guide entitled “Increasing Housing Supply in Ontario”.
- The consultation guide identifies five themes of consultation and asks for public feedback by January 25, 2019.
- Through this report, the City has identified its approach to respond to the housing cost and supply questions posed in the consultation guide.
- Administration will identify recent and upcoming municipal initiatives that also seek to address these same issues of housing cost, affordability, and supply.
- The information in the report may also serve to inform other organizations or members of the public who wish to respond to the consultation guide.
- Staff will provide comments to the Province regarding actions and initiatives that the Province could undertake to increase housing supply in Ontario.
- Staff will provide a subsequent information report to Council with the submission provided to the Ontario Ministry of Municipal Affairs and Housing.
- Staff have identified that housing affordability is also an important factor in increasing housing supply within Ontario.

## 1.0 Consultation Document: Increasing Housing Supply in Ontario

### 1.1 Background

On November 28, 2018, the Ontario Government announced a public consultation process to inform the province's development of a broad-based action plan to help increase the supply of housing in Ontario. To inform the Province's development of a "Housing Supply Action Plan", a consultation guide has been released through the Environmental Registry of Ontario (formerly the Environmental Bill of Rights)

The period to submit comments is **up until January 25, 2019**.

Attached as Appendix "A" to this report is the Province's consultation discussion paper, "Increasing Housing Supply in Ontario". The consultation guide and associated website (see: [www.ontario.ca/housingsupply](http://www.ontario.ca/housingsupply)) reflect that this initiative is being driven in recognition that "housing is one of the largest cost burdens for households in Ontario" and notes that "high prices and rents have made it hard for people to afford the housing they need".

Communications from the Ministry of Municipal Affairs and Housing reflect that this is a cross-government initiative that seeks broad participation from any and all interested parties and individuals.

The consultation guide identifies five (5) broad themes related to barriers to housing supply and housing cost. Many of the statements and related public consultation questions are similar to those that have been recently posed by Council related to addressing gaps in housing stock. The categories of questions in the consultation guide are:

- Time taken for development projects to be approved;
- The appropriate mix of housing forms, including the so-called "missing middle" forms of housing (i.e. medium intensity forms of housing that are not single detached dwellings or high rises);
- Costs of development, including land prices and the fees and charges associated with providing services;
- Rent, including improvements for landlords and protection of tenants; and
- Innovation, including any opportunities for innovative forms of homeownership, or improvements to construction and design approaches.

### 1.2 "Increasing Housing Supply in Ontario" Consultation Guide Questions:

The following is the list of consultation questions by theme:

#### **Theme 1: Speed: It takes too long for development projects to get approved.**

- How can we streamline development approval processes, while balancing competing interests and the broader public interest?

#### **Theme 2: Mix: There are too many restrictions on what can be built to get the right mix of housing where it is needed.**

- How can we make the planning and development system more effective to build the kind of housing people want, and can afford, in the right places with the right supports (e.g., schools, transit and other amenities)?

- How can we bring new types of housing to existing neighbourhoods while maintaining the qualities that make these communities desirable places to live?
- How can we balance the need for more housing with the need for employment and industrial lands?

**Theme 3: Cost: Development costs are too high because of high land prices and government-imposed fees and charges.**

- How can we lower the cost of developing new housing while ensuring that funds are available for growth-related infrastructure (e.g., water and sewer systems, fire and police services, schools, roads and transit)?
- How can we make sure that serviced land is available in the right places for housing?

**Theme 4: Rent: It is too hard to be a landlord in Ontario, and tenants need to be protected.**

- How can we make the current system work better for landlords?
- What additional protections should be provided for tenants?
- How do we encourage homeowners to create legal second units and new rental supply?

**Theme 5: Innovation: Other concerns, opportunities and innovations to increase housing supply.**

- How do we encourage innovation in the building industry while maintaining high standards of safety and efficiency?
- Are there any innovative forms of homeownership (e.g., shared ownership or rent-to-own models) that you feel could help make housing more attainable?
- Do you have any creative ideas to make better use of existing homes, buildings and neighbourhoods to increase the supply of housing?
- What other creative solutions could help increase the supply of housing?
- What type of protections would help new home buyers?

### **1.3 Approach to Response**

Given the short time for responses, Staff have begun identifying to various stakeholder and network organizations that the Province is seeking comments on this “Increasing Housing Supply” consultation. Although there is not time to provide for a Council endorsed response, information is provided to ensure an understanding of local needs, strategies, and actions to address housing stock and affordability. In addition to information that forms the basis for the City’s response, such information may help to inform other stakeholders and the public in their responses to the “Increasing Housing Supply in Ontario” consultation guide.

Staff will respond with a submission by the January 25, 2019 deadline. The response will identify a number of recent municipal initiatives that address the themes of the consultation guide, including initiatives to address housing supply, affordability, housing forms, as well as timing and cost. Examples of such recent initiatives include:

- *The London Plan* (the new Official Plan for the City of London);
- The Closed Schools Strategy;
- Development Charges (DC) By-law Update;
- The Growth Management Implementation System (GMIS);
- Taxation rates for purpose-built rental buildings;
- Development Services’ Continuous Improvement Strategy;
- CMHC Rental Market Survey;
- CMHC London Housing Market Report.

The summary of what the City is currently doing under each of the five consultation themes will provide the Province with an understanding of what the City of London is currently doing to increase housing supply. These current initiatives are included as Appendix C.

The response will also identify additional municipal initiatives related to housing affordability that are currently underway or scheduled within various service areas' work plans. Examples of upcoming initiatives include:

- Revision and Update to the Homeless Prevention and Housing Plan;
- Council's direction to create an Affordable Housing Strategy (to coordinate various Housing initiatives with related Planning tools);
- Review of Inclusionary Zoning;
- Review of Bonus Zoning (Section 37) and its evaluation criteria regarding housing affordability;

The City's response will build on what the City is currently doing to increase the supply of housing as the basis for identifying what the Province could do to both build on these current initiatives, but also provide tools, incentives or funding to address any gaps between what the City currently does, and what more could be done under the five themes. For example, The London Plan contains many policies to support and encourage residential intensification, however, applications for these types of development often encounter strong resistance from neighbours. The Province could consider limitations on appeals to the Local Planning Approvals Tribunal (LPAT) where residential intensification projects are located in areas identified as appropriate in the Official Plan for these types of projects.

## **2.0 Housing Affordability**

*The London Plan* identifies a series of key planning challenges facing the community, including: 77,000 new people; a growing senior's population; growing diversity and affordability challenges.

*The London Plan*, in part, responds to these economic and demographic changes and the gap in housing affordability in London. Housing and rental prices have risen sharply over the past decade and there remains a pressing need to develop affordable housing for those Londoners who need it the most. Average market rent is out of reach for people earning minimum wage or receiving social assistance and the cost of homeownership is increasing faster than household incomes.

A recent study undertaken by the Canada Mortgage and Housing Corporation (CMHC), which provides housing and rental market intelligence for London, further identifies the affordability challenge. CMHC's findings, as well as reports from the MMAH and City of London have recently identified the following affordability issues:

- Required income to purchase an average home is increasing faster than actual household income;
- Mortgage payments on average priced homes are rising;
- Historically low vacancy rates are resulting in rising rents;
- Penalties to move are resulting in lower turnover;
- Strong migration is pushing population growth;
- The number of units under construction is lower in 2018 but remains elevated (with affordability remaining an issue);
- The share of households in core housing need is significant.

It is important to recognize that housing affordability is an important component of any strategy to increase housing supply. Additional information and statistics regarding housing affordability are attached to this report as Appendix "B", and will also be provided as part of the City's submission to the Province.

### 3.0 Conclusion

Staff will provide a submission to the Province’s consultation on “Increasing Housing Supply” by January 25, 2019. The submission will identify actions that the Province could undertake to increase housing supply in Ontario that would help to address matters that the City is currently unable to address, or fill in the gaps of any current initiatives that would require Provincial support. Staff will provide a subsequent information report to Council that includes the submission to the Province.

The Staff report will also be provided to other community stakeholders (HDC, LDI, LHBA, and Urban League) for their information.

Acknowledgements: Douglas Calderwood-Smith, Manager, Strategic Program and Partnerships (Housing); Stephen Giustizia, CEO, HDC London; Brian Turcotte, Development Manager, HDC London; Kevin Edwards, Manager, Development Finance; Matt Feldberg, Manager, Development Services (Subdivisions).

<b>Prepared by:</b>	<b>Travis Macbeth, MCIP, RPP Planner II, Long Range Planning and Sustainability</b>
<b>Submitted by:</b>	<b>Gregg Barrett, AICP Manager, Long Range Planning and Sustainability</b>
<b>Concurred by:</b>	<b>George Kotsifas, P. Eng. Managing Director, Development and Compliance Services and Chief Building Official</b>
<b>Concurred by:</b>	<b>Sandra Datars Bere Managing Director, Housing, Social Services and Dearness Home</b>
<b>Recommended by:</b>	<b>John M. Fleming, MCIP, RPP Managing Director, City Planning and City Planner</b>
Note: The opinions contained herein are offered by a person or persons qualified to provide expert opinion. Further detail with respect to qualifications can be obtained from Planning Services	

December 13, 2018  
TM/tm

## Appendix A – “Increasing Housing Supply in Ontario”

Copy of the Consultation Document: “Increasing Housing Supply in Ontario”

### Increasing Housing Supply In Ontario

#### Introduction

Housing is one of the largest cost burdens for households in Ontario, and an imbalance between strong demand for housing and limited supply means these costs have risen dramatically over the last few years. Across Ontario – in both urban and rural communities – high prices and rents have made it hard for people to afford the housing they need.

Creating more housing, of the types and sizes people need, will help make home ownership and renting more affordable and give people more choice.

The government is developing a Housing Supply Action Plan to address the barriers to creating more housing. It will include measures that the Province can take to increase the supply of new ownership and rental housing in Ontario.

The Housing Supply Action Plan will support the government’s commitment to reduce red tape and make it easier to live and do business in Ontario.

This consultation does not cover initiatives specifically related to community housing (e.g., social and supportive housing). However, the barriers and potential solutions being explored may have a positive impact on community housing providers, such as by either making it easier to develop new housing, or by easing some of the pressure on waitlists.

#### Barriers to new housing supply

The government has heard from many individuals and groups that it has become too complicated and expensive to build new housing in Ontario. There are five broad themes:

##### 1. Speed : It takes too long for development projects to get approved.

To get a new home from the drawing board to the market, a number of different planning, building and site-specific approvals and permits are needed. These may be required by municipalities, provincial ministries, agencies, utilities, and occasionally federal authorities.

A single housing project may require approvals from many of these entities. Duplication, lack of coordination and delays add burden to the development process and increase costs for builders and home buyers. Potential appeals of these decisions can add further delays and uncertainty.

The various regulatory requirements and approvals were established to serve specific public interests, policy objectives or government goals. For example, rules and processes exist to ensure the health and safety of residents, protect environmentally and culturally sensitive areas, and support economic development and a vibrant agricultural sector. Efforts to streamline these requirements need to balance these multiple goals.

## What do you think?

- How can we streamline development approval processes, while balancing competing interests and the broader public interest

## 2. Mix: There are too many restrictions on what can be built to get the right mix of housing where it is needed.

Many people have pointed out that the mix of housing types being built does not fully reflect what people are looking for, and certain types of housing are not being built where demand is greatest. For example, the government has heard that not enough housing appropriate for families and seniors wishing to downsize is being built near transit, schools, workplaces and amenities.

Market conditions, provincial policies and plans, local planning priorities, and municipal zoning by-laws can all affect the type and location of housing.

Promoting “gentle” density and a mix of housing, and creative re-use of heritage properties and building design ideas can result in more housing, as well as economic and environmental benefits.

The character of some existing neighbourhoods will begin to change as new types of housing are built. The government has heard that plans to make more room for housing also need to respect the existing qualities of these neighbourhoods.

## The 'Missing Middle' in New Homes

In recent years, there has been increasing public discussion about the lack of “missing middle” housing. This typically includes low-to-mid-rises, as well as ground-related housing types such as row/townhouses and semi-detached homes, located close to the services and amenities required for daily living (e.g., workplaces, schools, and transit). “Missing middle” housing has also been used to refer to family-sized condo and apartment units and housing that is affordable to middle-income households, including non-luxury rental housing.

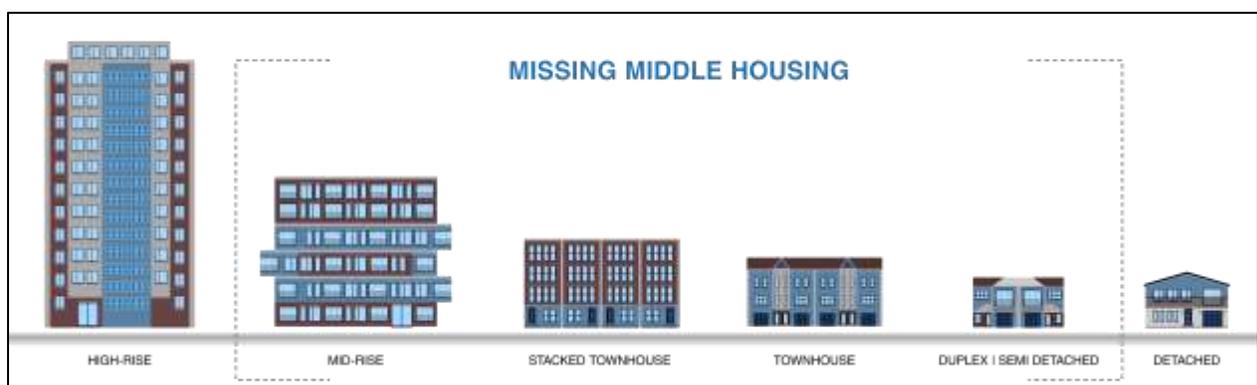


Figure 1 - Examples of different types of homes. 'Missing Middle' housing can come in the form of mid-rise buildings, stacked townhouses, townhouses, and semi-detached houses, and can be for sale or for rent.

## What do you think?

- How can we make the planning and development system more effective to build the kind of housing people want, and can afford, in the right places with the right supports (e.g., schools, transit and other amenities)?
- How can we bring new types of housing to existing neighbourhoods while maintaining the qualities that make these communities desirable places to live?
- How can we balance the need for more housing with the need for employment and industrial lands?

### 3. Cost: Development costs are too high because of high land prices and government-imposed fees and charges.

New housing development requires access to serviced land (land that has critical infrastructure like water and sewer lines in place). Some people have raised concerns that land prices are driven up because there is a lack of serviced land available for development in locations where people want to live. There have also been debates about how best to pay for that servicing and how to ensure it is done in the most cost-effective manner.

Government-imposed costs also make it more difficult and expensive to develop new housing. Examples include municipal and education development charges, planning and building approval fees and federal and provincial taxes.

Rental housing developers have noted that the challenges created by high land prices and government-imposed costs make some of their projects financially unfeasible due to the inability to attract investment capital.

Many of the investments in public infrastructure (e.g., sewer and water services, roads, etc.) needed to support housing development are funded by these fees and charges. There is a need to balance efforts to lower the costs of development with building and maintaining vital public infrastructure.

## Development Charges

Under the *Development Charges Act, 1997*, municipalities are permitted to levy certain charges on new developments, including housing and commercial developments. These funds are designed to assist municipalities in paying a portion of the costs for growth related services, such as roads, water services, and police and fire services.

Under the *Education Act*, school boards may also levy education development charges. Education development charges are primarily levied by school boards that cannot accommodate new students in their existing schools and may only be used to purchase and prepare land for future school sites.

## What do you think?

- How can we lower the cost of developing new housing while ensuring that funds are available for growth-related infrastructure

(e.g., water and sewer systems, fire and police services, schools, roads, and transit)?

- How can we make sure that serviced land is available in the right places for housing?

#### **4. Rent: It is too hard to be a landlord in Ontario, and tenants need to be protected.**

It is hard for Ontarians to find rental housing that is affordable and meets their needs. In many urban areas, vacancy rates have fallen to historic lows. In northern and rural communities, a long-term shortage of suitable rental units has made it difficult for renters to find a home in their communities.

A rental unit can be an apartment, a house, a condominium unit, a unit in a retirement or care home, or a home in a mobile home park or land lease community.

In Ontario, rental housing is regulated by the *Residential Tenancies Act, 2006*. This Act establishes rules for landlords and tenants, including rent increase rules. It also establishes the Landlord and Tenant Board, which helps landlords and tenants resolve disputes.

Many small landlords say the Act makes it difficult to be a landlord. On the other hand, tenants have said they need stronger protections against unlawful evictions, and poorly maintained rental housing.

Second units, such as basement apartments, are an important part of the rental market and can make better use of existing homes. Yet creating new legal second units is difficult because of government requirements, such as the Building Code and local bylaws/restrictions.

#### **Landlord and Tenant Board**

The Landlord and Tenant Board (LTB) is an adjudicative tribunal that is accountable to Ontario's Ministry of the Attorney General, and makes decisions independent of government.

The LTB adjudicates disputes and also provides information to landlords and tenants about their rights and responsibilities under the *Residential Tenancies Act, 2006*.

Over the past few years, wait times for hearings and orders have increased at the LTB.

#### **What do you think?**

- How can we make the current system work better for landlords?
- What additional protections should be provided for tenants?
- How do we encourage homeowners to create legal second units and new rental supply?

## 5. Innovation: Other concerns, opportunities and innovations to increase housing supply.

The government is interested in other creative ideas to help increase the supply of housing. Some examples include:

- Innovative forms of homeownership
- State-of-the-art building designs and materials
- Creative building design ideas to improve the quality of the community.

The government is also interested in hearing your input about other issues that people face when trying to find or afford a home, including issues that new home buyers face.

### **What do you think?**

- How do we encourage innovation in the building industry while maintaining high standards of safety and efficiency?
- Are there any innovative forms of homeownership (e.g., shared ownership or rent-to-own models) that you feel could help make housing more attainable?
- Do you have any creative ideas to make better use of existing homes, buildings and neighbourhoods to increase the supply of housing?
- What other creative solutions could help increase the supply of housing?
- What type of protections would help new home buyers?

## Appendix B – Additional Housing Affordability Information

### Recent Report and Survey findings regarding Housing Affordability

The Canada Mortgage and Housing Corporation (CMHC), which provides housing and rental market intelligence for London, has recently conducted a survey and housing report. This research has identified the magnitude of the affordability challenge in London.

The most recent CMHC Rental Market Survey and CMHC London Housing Market Report are available online at the following addresses:

<https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/rental-market-reports-major-centres>

<https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/housing-market-outlook-canada-and-major-centres>

Recent findings from these CMHC reports, as well as City of London and MMAH reports, have identified the following affordability issues:

- **Required income to purchase an average home is increasing faster than actual household income.**
  - The average value of a dwelling in London has increased 16% between 2013- 2017,<sup>a</sup> which exceeds the 11% increase in household incomes within the City over a similar time period.<sup>b</sup>
  - Similar to individuals in the rental market, existing homeowners in London are increasingly occupying unaffordable homes and unsuitable accommodations. The average shelter-to-income ratio for a homeowner in London before taxes is 54% of income, which is higher than CMHC's affordability target of 30.
- **Historically low vacancy rates are resulting in rising rents.**
  - The vacancy rate for available units has decreased in recent years, from 5% in 2009 to 2.1% in 2018.
  - With fewer units on the market, prices are increasing. From 2017 to 2018, the rental market in London experienced a 4.4% increase (\$952 – \$995) in the average rent paid to a landlord. This is the largest year over year increase since the CMHC started recording this data in 1993.<sup>c</sup>
  - For individuals who are already within rental market, the units they occupy are increasingly unaffordable. In 2018, the average shelter-to-income ratio was 49% of annual gross income, which is much higher than CMHC's affordability target of 30%.
- **Strong migration pushing up population growth.**
  - London has also experienced an unprecedented inter-provincial migration of individuals and families migrating to London from the GTA. In 2016, London experienced a 39% increase in the number of

---

<sup>a</sup> 2018 Housing Data Profile for Service Managers, Ministry of Municipal Affairs and Housing, Table 8.1 Average and Median Value of Dwelling

<sup>b</sup> City of London, City of London Profile, <https://www.london.ca/About-London/community-statistics/city-profiles/Pages/City-Profile.aspx>

<sup>c</sup> Statistics Canada, Core Housing Need, 2016 Census <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/chn-biml/index-eng.cfm>

individuals and families moving to London within a 12 month window compared to the same question asked in 2011.<sup>d</sup>

- **The number of units under construction lower in 2018 but remain elevated (but housing affordability remains an issue);**
  - The supply of net-new purpose built rental units has decreased from 1,059 units in 2016 to 681 units in 2018. According to CMHC, in 2017, condo and detached homes accounted for 77% of all new construction development in London.
  
- **Share of households in core housing need;**
  - In 2016, 13.9% of all households in London were identified as being in core housing need, which means the dwelling type did not suit their family's needs.<sup>e</sup> This places London in the top ten nationally for all census metropolitan areas<sup>f</sup>.

---

<sup>d</sup> City of London, City of London Profile, <https://www.london.ca/About-London/community-statistics/city-profiles/Pages/City-Profile.aspx>

<sup>e</sup> CMHC, Housing Market Information Portal, <https://www.cmhc-schl.gc.ca/hmiportal>, Ontario — Household Type (% of Households in Core Housing Need),

<sup>f</sup> Statistics Canada, Figure 1, core housing need prevalence rates for all census metropolitan areas. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/chn-biml/index-eng.cfm>

## Appendix C – Current Municipal Initiatives to Increase Housing Supply

The following are examples of City initiatives that will be used to inform the response to the five themes of questions in the Consultation Guide.

- **Theme 1: “Speed” and time for development projects to be approved:**
- Local Policies and Initiatives Informing Response to Theme 1:
  - City of London’s commitment to improved response and review times through review and action using the principles of Lean Six Sigma as outlined in the Corporate Continuous Improvement program.
  - Stakeholder working groups with the City of London addressing issues related to lot supply, subdivision approval process enhancements, streamlining the review of similar applications and coordination of public input process.
  - Municipal Benchmarking Network Canada (MBNC) and its annual benchmark reporting for the City’s processing costs and timeline relative to other major cities/regions across Ontario and Canada.
    - Building Permits;
    - Planning and Development Services Applications.
  - City of London’s recent re-organization of Development Services and City Planning’s service area work portfolios.
  - Following extensive public consultation, 2016 Ministry approval of *The London Plan* (new Official Plan for City) with policy framework allowing greater flexibility for range of housing types within neighbourhoods (including “missing middle” forms), and ranges of affordability.
- **Theme 2: “Mix”: How to create the right mix of housing where needed:**
- Local Policies and City Initiatives Informing Response to Theme 2:
  - *The London Plan* policy framework: all decisions of Council are to be in conformity with the community’s official plan (*The London Plan*).
  - Providing more flexible framework for range of housing forms.
  - Providing for ranges of affordability to match needs (including affordability targets).
  - Permitting intensification opportunities within the existing built and serviced urban area.
  - Permitting mixed-use developments and transit-supportive development so amenities and housing combine for complete communities.
  - Permitting small to large scales of intensification (Secondary Suites to regeneration of larger sites, such as Closed School sites and former hospital lands).
  - Providing incentives strategically to encourage urban regeneration (including public housing stock) within existing neighbourhoods.
  - Urban employment and farmland employment areas protected for planned employment uses (managing growth).
  - Closed Schools Strategy (approved 2018).
  - Regional issues (e.g. transportation, economic development) identified as priority area under re-organized City Planning department structure.
  - Upcoming work program (City initiatives): Affordable Housing Strategy, Review of Inclusionary Zoning, and Review of Section 37 (Bonus Zoning) criteria.
- **Theme 3: “Cost”: Development costs are too high because of land prices and government-imposed fees and charges:**
- Local Policies and City Initiatives Informing Response to Theme 3:

- Brief summary of *Development Charges Act/DC* By-law.
  - Paying for growth-related services based on DC By-law update.
  - Development Charges are a capital cost recovery tool to extend/expand public services to accommodate new urban growth (roads, sewers, fire department, library, etc.).
  - Making sure serviced lands are available in the right locations based on the City's annual GMIS review to align growth patterns with DC infrastructure timing and affordability.
  - First phase of Planning and Development fees review completed in Fall 2018 to streamline and coordinate fees, with a commitment to undertake a full review in 2020.
  - Municipal fees are cost recovery – such costs would otherwise be added to property tax.
- **Theme 4: “Rent”: It is too hard to be a landlord in Ontario, and tenants need to be protected:**
- Local Policies and City Initiatives Informing Response to Theme 4:
    - ***London For All, A Road Map to End Poverty*** policy framework: The City has committed to working with landlords to reduce the number of evictions from low income from rental properties. Those discussions are ongoing.
    - **Revision and a five-year Update to the Homeless Prevention and Housing Plan:** The public consultations process that will inform this Plan will seek input from both landlords and tenants to ensure a renewed strategic direction addresses their respective needs.
    - **Vulnerable Occupancy Protocol:** Supporting those living in more challenging accommodations.
    - **Landlord Licencing Team:** Ongoing compliance to ensure residential locations are licensed.
- **Theme 5: “Innovation”: Other concerns, opportunities and innovations to increase housing supply:**
- Local Policies and City Initiatives Informing Response to Theme 5:
    - Opportunity for City to identify other issues with housing cost and supply, emerging trends, gaps in housing supply.
    - Labour market and demographic trends – housing supply to match community's growth.
    - Emerging issues and best practices to be identified: Demographics (Inter-generational homes, aging populations, household sizes); Building Code for Secondary Suites in older neighbourhoods; Tenant protections.
    - A review of best practices from other jurisdictions regarding affordable housing (Affordable Housing Strategy).
    - Creation of the Housing Development Corporation (HDC) London as a subject matter expert and consulting partner to the City on affordable housing matters.