

# CITY OF LONDON

## Community Improvement Plan Review for Increasing Affordable Housing Supply

Planning & Environment Committee – June 11<sup>th</sup>, 2024

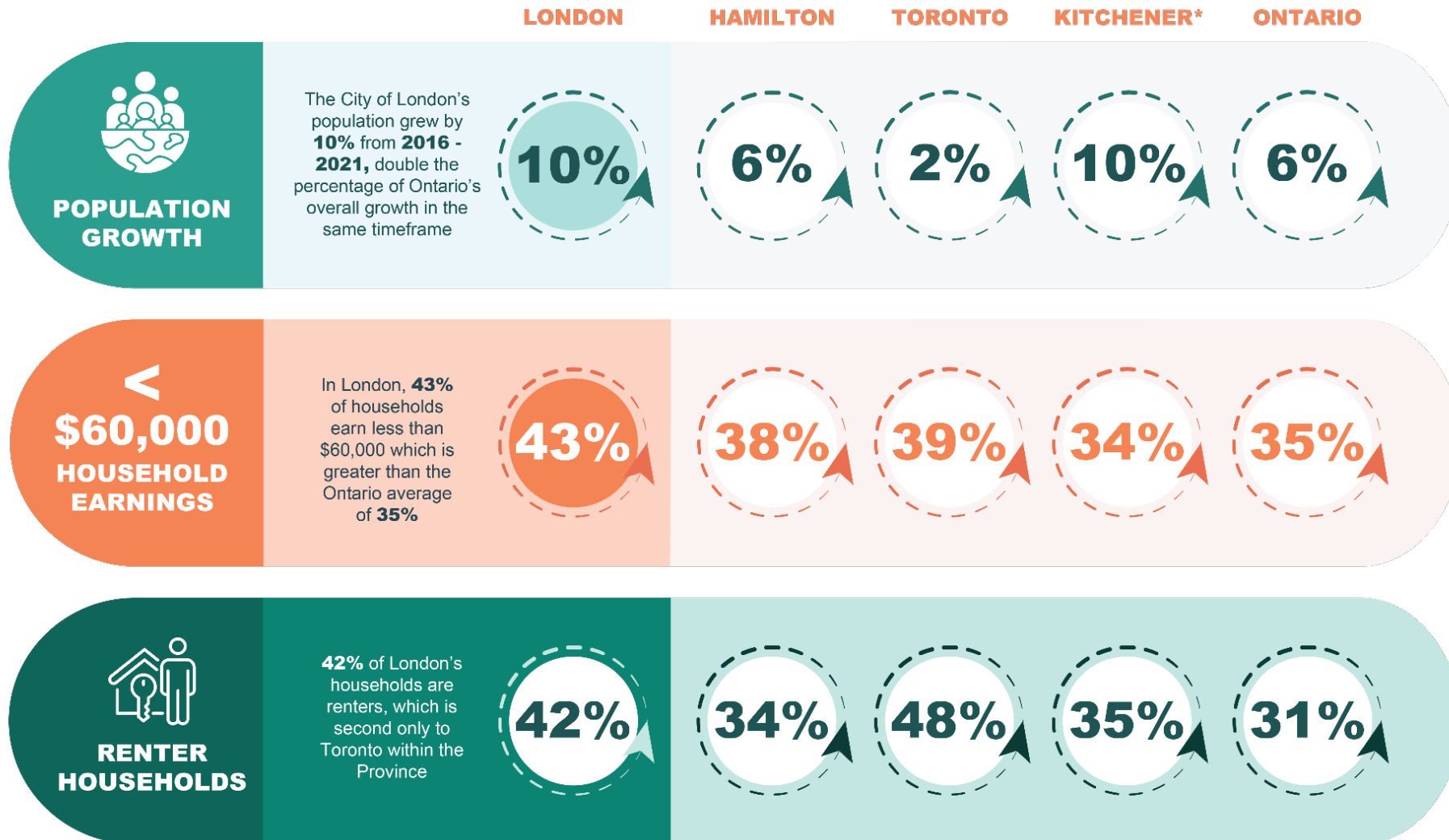


# Existing Affordable Housing CIP

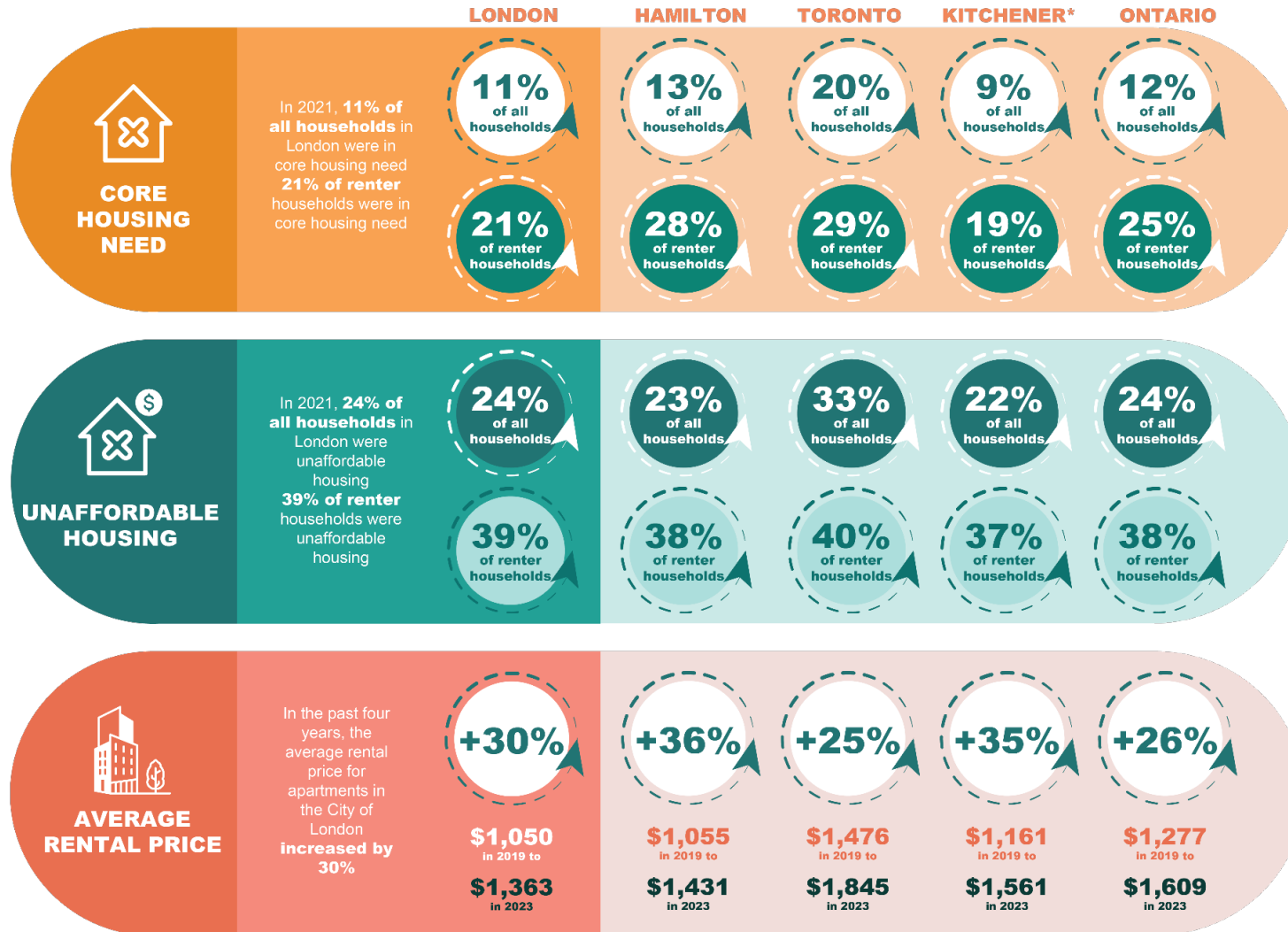


- Isn't working
- Low awareness, very modest short term loan assistance
- No take up by affordable multi-residential development

# City of London Demographic Statistics

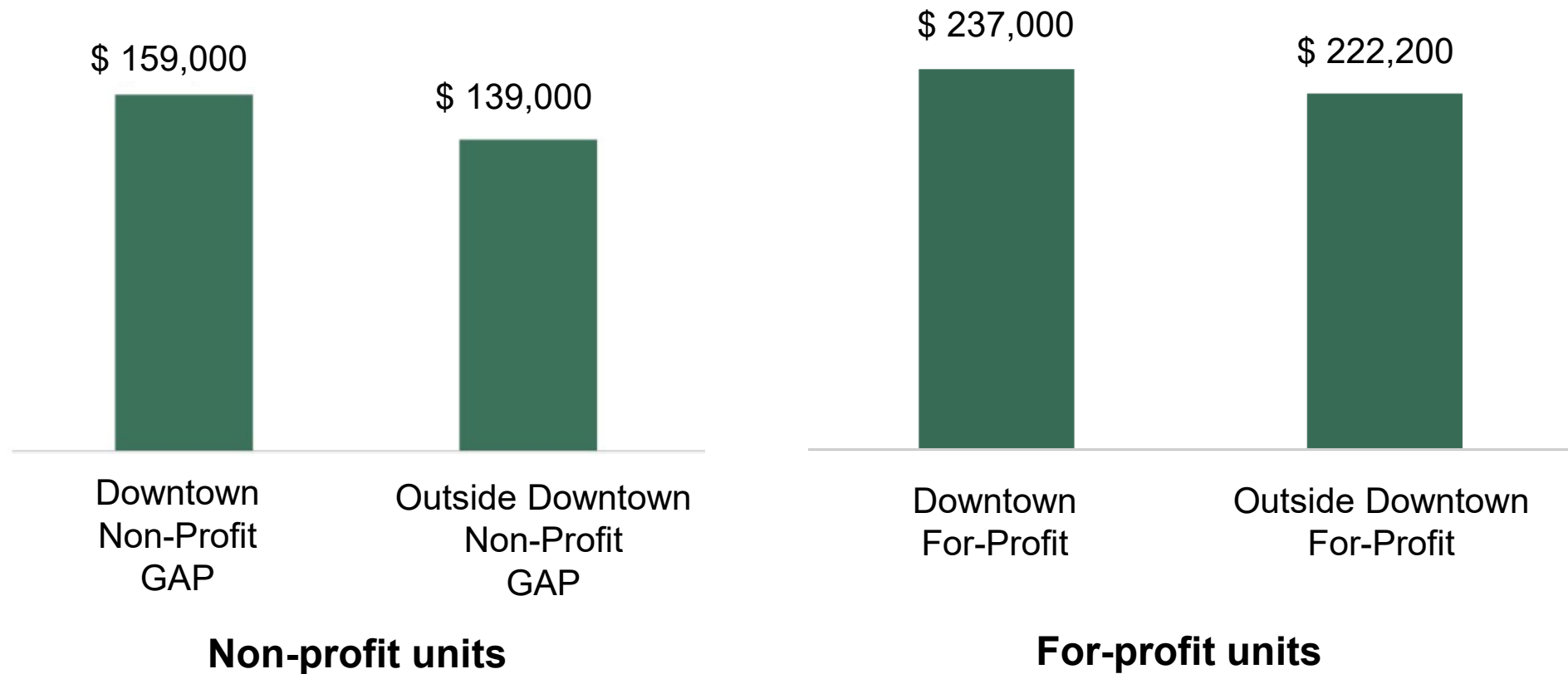


# City of London Housing Cost Statistics



\*Census Metropolitan Area (CMA)

# Current Funding Gap for Affordable Units



# Recommended Affordability Definitions

1. 100% of Average Market Rate Affordable Housing – as defined by CMHC, by unit type, with income testing at occupancy.
2. 80% of Average Market Rate Affordable Housing – as defined by CMHC, by unit type, with income testing at occupancy.
3. Rent Supplement – 20% of Affordable housing units provided within an Affordable Development should be earmarked for supplemented rents, should subsidies be available when the building develops, with tenants selected from the City's centralized waiting list.
4. All affordable housing developed in the City should be eligible for CIP incentives, regardless of whether the provider is municipal, non-profit or private sector.

# Recommended Affordability Levels

Rental Tiers	Bachelor/Studio	1-Bedroom	2-Bedroom	3+ Bedroom
Market Rents	\$1,570	\$1,870	\$2,340	\$2,660
100% of Average Market Rent	\$961	\$1,192	\$1,469	\$1,533
80% of Average Market Rent	\$769	\$954	\$1,175	\$1,218

Source: Market Rents - Parcel Economics, see Section 2.3

Average market rents - Canada Mortgage and Housing Corporation (CMHC), October 2023

# Recommended CIP Incentives – New Construction

CIP Programs	80% of Average Market Rate Affordable Housing	100% of Average Market Rate Affordable Housing
<b>Tax Increment Equivalent Grant Program</b>	100% for 20 years, phased up to full at 25 years	75% for 20 years, phased up to full at 25 years
<b>Capital Grant Program</b>	\$30,000 per affordable unit (in addition to \$45,000 Roadmap grant)*	\$50,000 per affordable unit
<b>Municipal Fee Exemption Program</b>	Eligible affordable projects fully exempted	Eligible affordable projects 75% exempted
<b>Pre-Construction Grant Program</b>	\$2000/unit up to \$50,000 for the project for up to 50% of eligible costs	N/A

*\*This amount assumes projects will already be receiving the \$45,000 grant for an affordable unit through the Roadmap to 3,000 Affordable Units program, so the CIP Capital Grant Program will act as a top up. Recommended Program requirements should be aligned with the Roadmap and applicants should only be required to sign one Contribution Agreement.*



# Additional Recommended CIP Incentives

- Additional Residential Unit (ARU) Grant Program
  - including Pilot Program of Grant Program at both market rate (\$25,000 grant) and 100% of Average Market Rate affordable units (\$50,000 grant)
- Municipal Land Banking and Sale Program

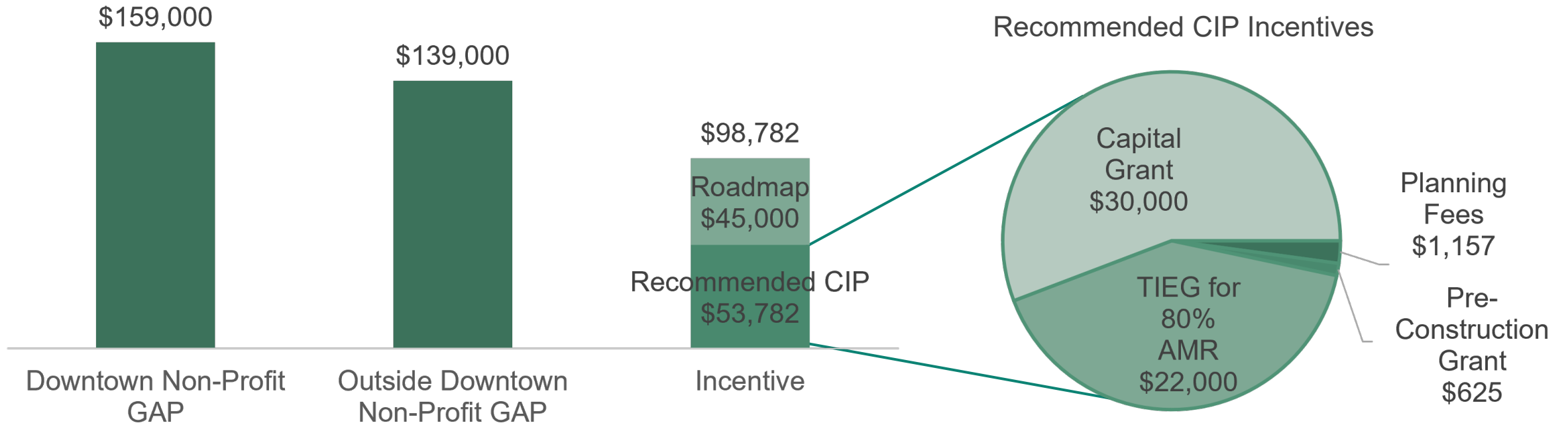
# Additional CIP Recommendations

- Only **one** agreement with City (combine CIP funds with Roadmap or other city funds)
- One window staff approach for housing funding assistance
- Important to reach out to proponents directly as new housing CIP launched – and continue to outreach

# Housing Related CIPs

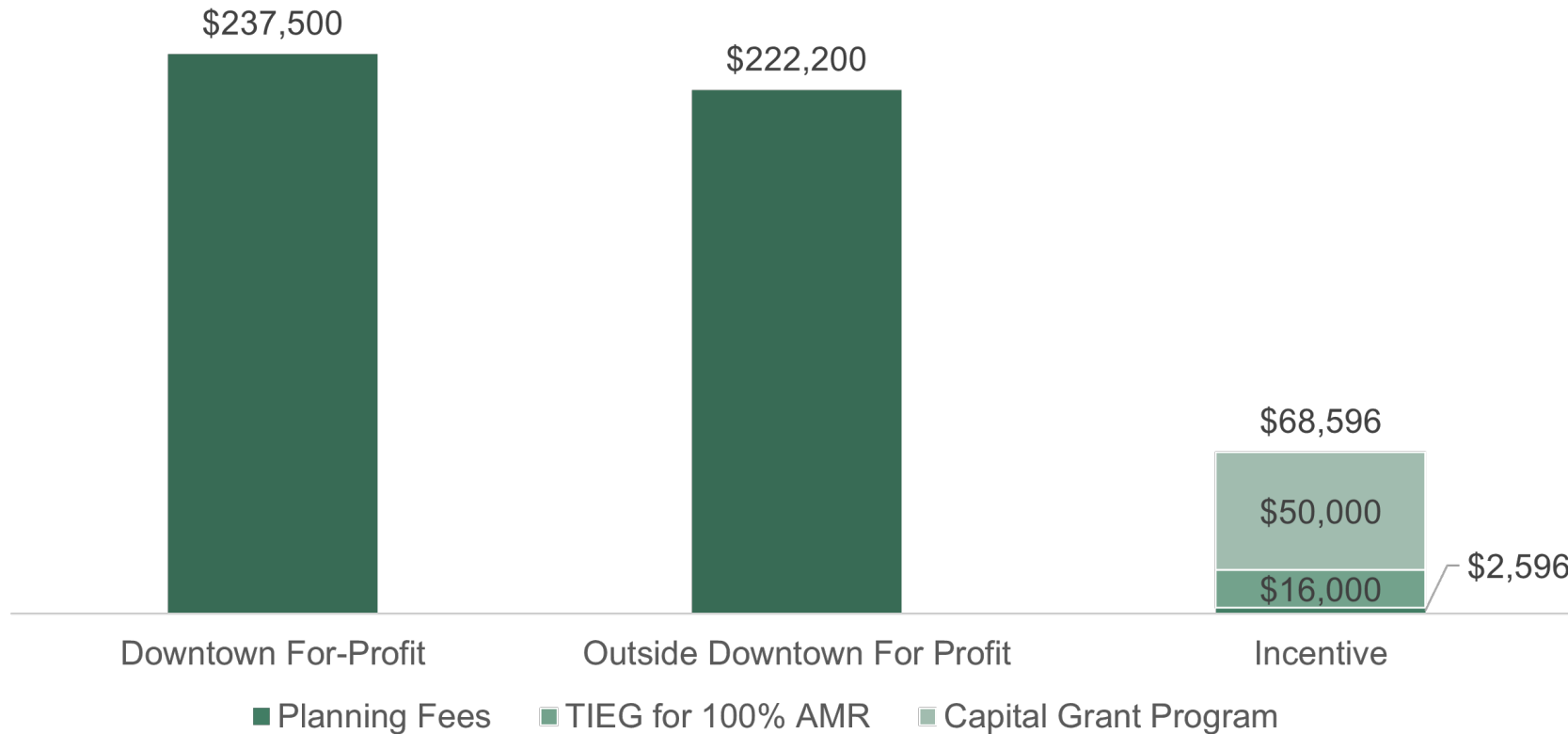
- Following an analysis of housing related CIPs, it is recommended to maintain other CIP programs as they exist currently, without an additional requirement of affordability.
- Given the differing goals in the existing CIPs, in addition to the large funding gap required to provide affordable housing units, a requirement for affordability would negatively affect uptake.

# Recommended CIP Incentives – 80% AMR



80% of Average Market Rent units

# Recommended CIP Incentives – 100% AMR



100% of Average Market Rent units