



Report to: Development Services Committee

Meeting Date: April 29, 2019

SUBJECT: Affordable and Rental Housing Strategy – Housing Needs Assessment

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Senior Policy Coordinator

RECOMMENDATION:

That the report entitled “Affordable and Rental Housing Strategy – Housing Needs Assessment” dated April 29, 2019 be received.

PURPOSE:

This report provides an update on the current and emerging housing needs in Markham in support of updating the City’s Affordable and Rental Housing Strategy. It identifies key housing gaps in Markham and outlines next steps in the development of options for inclusionary zoning and additional financial incentives to encourage a housing supply to address these gaps.

BACKGROUND:

At its meeting of September 12, 2018, Council requested staff to report back on an updated Affordable and Rental Housing Strategy for the City of Markham, including options for inclusionary zoning and additional financial incentives. In February 2019, Council provided further direction to City staff regarding recent affordable and rental housing programs and initiatives.

SHS Consulting has been retained by the City to undertake a study in support of updating the City’s Affordable and Rental Housing Strategy. Phase 1 of the study is a housing needs assessment to determine housing demand, supply and affordability in Markham. The housing needs assessment, attached as Appendix ‘A’ to this report, examines current and emerging housing needs and gaps in Markham. Phase 2 of the study will identify and examine tools and incentives which the City can use to help address the identified housing gaps.

DISCUSSION:

Markham has been actively working to identify and address the housing needs of its residents and workers. A housing needs assessment has been completed in support of Council’s request for an updated Affordable and Rental Housing Strategy. Among other things, the housing needs assessment identifies the current and emerging housing needs in Markham and determines who is in greatest housing need and how these needs can be addressed.

While the majority of Markham households have three or more members, the City is continuing to see a shift to smaller households and an aging and more diverse population. However, the current housing stock is not fully addressing the needs of City residents. There is a very limited supply of affordable housing, particularly for households with low incomes, and a very limited supply of market-rate rental units, particularly family sized and smaller units.

While there are some affordable housing units being added to the supply, most of these units are only affordable to moderate income households, and most of these units are one bedroom units, which are not suitable for families with children. The aging population and the proportion of households with disabilities also suggest a need for more barrier-free housing and an increase in support services.

The housing needs assessment identifies key housing gaps in Markham as follows:

- There is a need for more housing options which are affordable to households with low incomes and these options should include smaller dwelling units, family-sized units, and housing to facilitate aging in place;
- There is a need to increase the number of rental units in the primary housing market; and
- There is a need to encourage the development of ownership options which are affordable to households with moderate incomes and which are appropriate for larger households.

The housing needs assessment also identifies housing gaps within Markham's housing system or household income deciles as follows:

- 50 percent of low income households (\$63,494 or less) are having to spend 50 percent or more of their household income on housing costs and those who are in greatest need are couples with children, lone parents, non-family 2+ persons households, youth households, persons with disabilities and other family households;
- Low income households are in need of more community housing, affordable rental (including family-sized and smaller units) and accessible units and units with supports;
- Moderate income households (\$63,495-\$122,290) who are in greatest need are couples with children, immigrant households, youth households and other family households; and
- Moderate income households are in need of more family sized affordable ownership units (including medium and high density units) and affordable market-rate rental units (including family-sized and smaller units).

NEXT STEPS:

The next phase of work to be completed by SHS Consulting will examine the tools and incentives that the City can use to encourage and support the development of a housing supply including:

- Affordable rental and ownership housing;
- Market-rate rental housing;
- Accessible and age friendly housing; and
- Housing which is suitable for smaller and larger households.

Some of the tools and incentives which will be examined include:

- Municipal property tax grants;
- Deferral of development charges;
- Relief from all or part of parkland dedication requirements;
- Deferral of development application fees;
- Alternative parking standards for development along Centres and Corridors;
- Policies on conversion and demolition of rental housing;
- Policies on community hubs and surplus school land for seniors and affordable housing; and
- Inclusionary zoning.

The following options for Inclusionary Zoning (IZ) will be considered:

- Applying IZ to Gross Floor Area OR to the total number of units;
- Applying IZ only to increased density vs. the entire development;
- Applying IZ to only certain parts of the City OR to the entire City of Markham;
- Ensuring that the required units are built in the first phase of the development;
- Ensuring that the units remain affordable for a set period of time, such as 15, 20, 25 years or longer;
- Rental and ownership units vs. rental only;
- Allowing offsite units or not;
- Setting the threshold size of the development for when IZ takes effect; and
- Providing other financial or in-kind incentives if the developer provides more than the minimum requirements.

Stakeholder engagement sessions, including private residential developers, non-profit housing developers/providers, Ratepayers' Association representatives, Councillors, and staff from the City, Region, Province and CMHC, are proposed to discuss and evaluate potential tools and incentives.

Staff will target a report back to Development Services Committee on a Draft Affordable and Rental Housing Strategy in the fall of 2019.

FINANCIAL CONSIDERATIONS:

Not applicable.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The update of the City's Affordable and Rental Housing Strategy relates to the Growth Management strategic priority.

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

RECOMMENDED BY:

Arvin Prasad M.C.I.P., R.P.P
Commissioner of Development Services

ATTACHMENTS:

Appendix A - City of Markham Affordable and Rental Housing Study – Phase 1: Housing
Needs Assessment, April 2019