

**AFFORDABLE HOUSING
COMMUNITY IMPROVEMENT PLAN**

DRAFT

PART A: PREAMBLE

BACKGROUND

Council's Corporate Strategic Plan (2015-2018) identified the development of an affordable housing strategy, targeted to seniors and those who have low incomes, including policy review, removal of barriers and consideration of incentives as a key priority. One of the key action items identified through this process is to facilitate the provision of affordable housing through incentives which can be provided through a community improvement plan.

Community Improvement Plans are widely used across Ontario to focus and initiate change and redevelopment. The Affordable Housing Community Improvement Plan (CIP) is a tool intended to facilitate the development of affordable housing in the City of Greater Sudbury by both public and private sectors. In accordance with Section 28 of the *Planning Act*, the Affordable Housing Community Improvement Plan encourages investment by providing financial incentives that may be applied to eligible properties for purposes that conform to the goals, objectives and policies of the CIP. Eligible properties must be located within the Community Improvement Project Area as designated by Council by-law following the adoption of the Plan.

The purpose of this Community Improvement Plan (CIP) is to facilitate the development of more affordable housing units and direct those units to locations where they will benefit from proximity to public and private facilities and services as well as maximize the use of existing infrastructure.

The 2018 Affordable Housing CIP has been prepared in accordance with the statutory requirements of Section 17(15) of the *Planning Act* and has had the benefit of a full public consultation process.

BASIS

The City of Greater Sudbury Official Plan contains provisions regarding Community Improvement Planning which provides that the entire City of Greater Sudbury is designated as a Community Improvement Project Area under Section 28(2) of the Planning Act.

The Plan further sets out initiatives that may be used to effectively implement the principles and policies set out in Community Improvement Plans, including:

- a) The utilization of programs available through senior levels of government to undertake community improvement projects;

- b) The establishment of partnership ventures between public and private sectors for the achievement of certain community improvement programs;
- c) Encouraging the establishment or continuation of Business Improvement Areas for the conservation and improvement of commercial locations;
- d) The enforcement of the City's Property Standards By-law;
- e) The municipal acquisition of land;
- f) The enactment of Zoning By-law adjustments which support community improvement objectives;
- g) The application of the *Ontario Heritage Act*;
- h) The coordination of capital works;
- i) The implementation of capital works;
- j) Encouraging the private sector to utilize available government programs and subsidies which implement the objectives of this Plan; and
- k) The use of financial incentives to achieve objectives of the CIP including the Tax Increment Financing Program.

AUTHORITY

Authority for the provision of financial incentives is provided by Section 106 of the Municipal Act R.S.O. 2001 and Sections 28(6) and (7) of the Planning Act.

Section 28(1) of the Planning Act defines a "community improvement project area" as "an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason".

For the purposes of developing and implementing a CIP, a municipality may engage in the following activities within the Community Improvement Project area:

- a) Acquire, hold, clear, grade or otherwise prepare land for community improvement;
- b) Construct, repair, rehabilitate or improve buildings on land acquired or held by it in conformity with the CIP;
- c) Sell, lease, or otherwise dispose of any land and buildings acquired or held by it in conformity with the CIP; and
- d) Make grants or loans to the registered owners, assessed owners, and tenants of lands and buildings to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the CIP.

GUIDING POLICIES

OFFICIAL PLAN

Adequate and affordable housing for all residents is a fundamental component of Greater Sudbury's Health Community approach to growth and development. Housing is also a key contributor to individual success at school, in the workplace, and in the community.

The Plan contains housing policies with respect to: diversity in housing type and form; housing and economic development; accessibility; innovation in housing design and development; maintenance of housing stock; supportive housing; and homelessness. The policies encourage a mix of housing types and tenure, including policies that address conversions of rental units to condominium tenure.

Further, the Official Plan sets general guidelines for annual housing targets. A suggested mix of housing types could be comprised of 50-60% single detached dwellings, 15% semi-detached and row housing, and 25-35% apartment dwellings. In order to maintain a balance of ownership and rental housing, a tenure mix of 70% ownership and 30% rental is also proposed. Ideally, 25% of all new dwellings should meet the definition of affordable housing.

PROVINCIAL POLICY STATEMENT, 2014

The 2014 Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. This CIP is consistent with the applicable provisions of the PPS, and implements the following policies:

3.1.1 Healthy, liveable and safe communities are sustained by:

Accommodating an appropriate range and mix of residential (including second units, affordable housing and housing for older persons), employment (including industrial and commercial), institutional (including places of worship, cemeteries and long-term care homes), recreation, park and open space, and other uses to meet long-term needs.

1.4.3. Planning authorities shall provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents of the regional market area by:

Establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households. However, where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities.

The definition for affordable means:

- a) In the case of ownership housing, the least expensive of:
 1. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households or
 2. Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;
- b) In the case of rental housing, 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.

PART B: THE COMMUNITY

IMPROVEMENT PLAN

PURPOSE

The purpose of this CIP is to assist in the development of affordable housing in the City of Greater Sudbury by providing incentive-based programs which encourage the creation of affordable housing units.

The provision of affordable housing is a priority in the City. The Federal and Provincial governments have taken steps to address the issue of affordable housing, but ultimately the responsibility of addressing affordable housing is that of municipal governments. The City of Greater Sudbury is the Service Manager and therefore responsible for providing a range of programs and services that address the local housing needs. This Community Improvement Plan is meant to work in conjunction with or complement programs offered through the Federal and Provincial governments.

One of the key priorities of the City of Greater Sudbury's Corporate Strategic Plan (2015-2018) is to "develop an affordable housing strategy, targeted to seniors and those who have low incomes, including policy review, removal of barriers and consideration of incentives". There is no single planning tool, municipal investment project or Council decision that alone will result in the elimination of the waitlist for affordable housing in Greater Sudbury. A suite of tools and programs will be required that together provide enough incentive to developers of affordable housing. All programs and policies provided in this CIP will complement the City of Greater Sudbury as Service Manager.

GOALS AND COMMUNITY BENEFIT

Several barriers currently prevent the development of affordable housing in the City of Greater Sudbury. The City can reduce some of these barriers by using financial mechanisms (grants) to lower the cost of development and redevelopment in appropriate areas. The overall goal of these efforts would be to create a mix of affordable housing options and reduce the waitlist for existing affordable housing units in the City.

The goals of this plan are as follows:

1. Increase the number of affordable housing units in the City.
2. Create a mix of unit types, including those suitable for seniors.
3. Grow the municipal assessment base.
4. Grow the municipal property tax revenue.
5. Repair and intensify the existing urban fabric with compatible projects.
6. Take advantage of existing infrastructure.

LOCATIONAL CRITERIA/PROJECT AREA DESCRIPTION

The Community Improvement Plan applies to projects which meet the locational criteria defined below under the primary criteria heading and are also in proximity to those items listed under secondary locational criteria. The locational criteria were selected to serve the needs of the tenants and reduce other costs of living such as transportation costs. These areas are ideal for affordable housing development because of the access to a broad range of services including: employment; retail; schools; places of worship; social services; and recreational opportunities.

Primary Criteria	Description
Transit Oriented	Must be within 200m of a transit route or bus stop – along an arterial or within a Town Centre. Priority will be given to developments proposed on Frequent and Core transit routes.
Servicing Feasibility	Must have adequate and available municipal services and utilities. Existing sanitary sewers, water services with appropriate capacity for the proposed development.
Development Constraints	Site must be suitable for development and not be subject to constraints that would greatly increase the cost of construction.
Built Boundary	Must be located within the Built Boundary as shown on Schedule A.
Secondary Criteria	Description
High Demand Areas	Areas with multi-year social housing waitlists should be prioritized.
Active Transportation	Proximity to pedestrian trails, bikeways and bicycle lanes.
Educational Facilities	Includes daycares, primary schools, secondary schools, and post secondary institutions.
Health care Facilities	Includes clinics, doctor's offices, pharmacies, hospitals. May also include outpatient centres, and specialized care centres.
Retail	Includes grocery stores and other shopping needs.

DESIGN CRITERIA

The design criteria is intended to ensure high quality of development and ensure that affordable housing development is indistinguishable from adjacent market developments.

Site Development Standards	Description
Accessibility	Provide a universally accessible environment that supports tenants and visitors with disabilities that are AODA compliant. Provision of additional units above the minimum prescribed in the Ontario Building Code is encouraged.
Energy Efficiency	Having an energy efficient building decreases the long term energy cost to operate the building. Water efficient fixtures should be used (shower heads, water closets). Passive energy design considered climatic factors when designing and orienting the building such that there are maximum benefits from natural lighting, energy efficiency (solar heat gain) and protection from weather elements.
Crime Prevention Through Environmental Design (CPTED)/Landscaping	Good landscaping is critical to the quality of any project. The design of the exterior space of the project must comply with CPTED principles.
Space for Health/Social Support Provision	Space for support and service provision shall generally be required for developments of greater than 20 units. This space should be centrally located, provide access to bathrooms and kitchens and be designed to be flexible for various uses, including non-profit organizations. The City of Greater Sudbury may require service provision space as part of an agreement.
Central Facilities and Common Rooms	Central facilities such as community rooms and laundry rooms should be located in a central part of the development. Common rooms should be linked to common outdoor space and be accessible, durable and flexible spaces. They should have access to bathrooms, a kitchenette and should have good storage. They should provide access to daylight and natural ventilation in all common rooms.
Building Placement	No parking is located between the principal street and any street-facing building elevation.
Connectivity	Provide for sidewalk/pathway connections to adjacent residential

	and commercial areas.
Low Impact Development (LID)	Limit extent of impervious surfaces. Limit the amount of stormwater runoff by encouraging on-site filtration and by designing swales and permeable surfaces.
Building Design Standards	Description
Façade Treatment	Material used for the façade must be brick, or utilize façade articulation which produces a high quality effect. The development must be designed to be indistinguishable from market housing in the area.
Primary Entrance Design	Shall consist of design elements so that the primary entrance is architecturally prominent and clearly visible from the abutting street.
Sound	Design and construction adjoining units, party walls and utility rooms with appropriate sound transmission ratings.
Durability	Use products with projected high performance, long life cycles, high efficiencies and potential for recycling. If carpet used, consider use of carpet tiles which can be individually replaced when necessary. I.e. concrete floors to reduce replacement/repair costs – in floor heating (S.S. not affordable, loose heat downward, weight of foundation), but can use composite materials for roofing (aluminum/steel), recycled cement board, lighting fixtures, LED), water faucets/shower (efficiency), composite materials for tiles, bathroom/cupboards, net zero complex.
Adaptable Housing	Flexibility in use, the design will accommodate a wide range of individual preferences and abilities.
Mixed Income	The provision of a mix of affordable units and market rent units is encouraged.

COMMUNITY IMPROVEMENT PLAN INCENTIVES

GENERAL REQUIREMENTS APPLYING TO ALL PROGRAMS

The financial incentives described herein may be used in combination with any other program offered by the City or other level of government, subject to the following requirements:

1. **AFFORDABILITY:** For eligibility under the CIP incentive programs, rental housing that is rented at or below average market rents will be considered affordable. Affordability is defined as per the Provincial Policy Statement, 2014, Definition on page 4 of this document.
2. **AFFORDABILITY PERIOD:** Properties must remain affordable for a period of time consistent with any timelines established through any associated Provincial or Federal Funding agreement (generally in the order of 20 years). An agreement between the City and the owner will be required. If a rental building that is receiving financial incentives under the Affordable Housing CIP program is sold, the new owner of the rental building must enter into an agreement with the City ensuring that the rental units stay affordable for the remaining duration of the affordability period.
3. **NUMBER OF UNITS:** The development or redevelopment must include a minimum of 4 units which qualify as 'affordable'. The four (4) unit minimum does not apply to Second Unit, or non-profit developments of fewer units.
4. **LOCATION:** The property must be located in accordance with the locational criteria outlined in this document. Outside the CIP boundaries, Council will consider the incentives to be provided to Second Units or non-profit developments of four (4) or less units provided the location is within the Built Boundary.
5. **DESIGN:** The development or redevelopment must conform to the design criteria established in this document. Any development of four (4) or more units will be subject to Site Plan Control.
6. **APPLY FIRST:** An application can only be received prior to the commencement of the improvement, rehabilitation or development.
7. **APPLICATION:** Applications for programs will be submitted to staff and reviewed. If eligible, applications will be recommended to Council for approval.

8. **APPROVAL:** All applications to programs under this CIP are subject to Council approval. As a condition of approval, the applicant and/or owner of the property may be required to enter into agreements with the City. Depending on the nature of the program applied for, these agreements may be registered on the title of the applicable property. The agreement may be made with respect to terms, duration, default, penalty and termination provisions of the grant.
9. **REGISTERED OWNER:** Approved grants/loans are applicable to the registered owner or assessed owner or tenants of land and buildings within the Community Improvement Plan areas identified on Schedules 'B' and are assignable to any third party to whom such an owner or tenant has assigned the right to receive the grant.
10. **IF PROPERTY SOLD:** If the property is sold in whole or in part, the registered owner is entitled to the program benefits. In addition, any outstanding payments owed to the City will be the responsibility of the current land owner regardless of who has made the original application.
11. **TAXES:** The subject property shall not be in a position of tax arrears at the time of application or get into a position of tax arrears post application or at any time receiving financial incentives under this program.
12. **ORDERS:** Any outstanding Order from the City Building Services Department or the City By-law Enforcement Department must be complied with prior to the consideration of any application or must be rectified through the proposed improvements.
13. **DEVELOPMENT TYPE:** Certain grant programs are geared towards the development of second units, while others target multiple unit development. The following table summarizes the incentives available for each project type:

PROGRAM	SECOND UNIT DEVELOPMENT	MULTIPLE RESIDENTIAL DEVELOPMENT
Tax Increment Equivalent Grant		X
Planning and Building Fee Rebate Program	X	X
Feasibility Grant Program		X
Residential Incentive Program		X
Second Unit Incentive Programs	X	

TAX INCREMENT EQUIVALENT GRANT

Purpose: To encourage the development and redevelopment of eligible properties by providing grants equivalent to the incremental increase in municipal property tax assessment and revenue resulting from property improvements such as, but not limited to, new construction.

Description: Council may provide grants to the owner or tenant of an eligible property to help offset costs associated with its rehabilitation, reuse, development and redevelopment of the property, provided that the improvements to the property result in an increase in assessment and taxation.

The value of the grant provided is equal to the incremental increase in property assessment and municipal property tax resulting from the improvements. The grant is provided to the owner (registered or assessed), tenant or assigned third party, after the taxes have been paid in full.

The grants will only be provided after the improvements to the property are complete and after the reassessment of the property by the Municipal Property Assessment Corporation has demonstrated an increase in the assessed value of the property.

The pre and post improvement assessment and tax values will be used to calculate the incremental increase in municipal property tax revenue and the total value of the grant.

The maximum number of years that any individual application can benefit from is five (5) years. In years one (1) through three (3) of the program, the grant to the property owner/tenant is equal to 100% of the tax increment. In years four (4) and five (5), the grant decreases to 50% of the tax increment. The grant ceases thereafter.

Requirements:

1. Tax Increment Equivalent Grant Program applications must be accompanied by:
 - Photos in the required format depicting the current condition of the eligible property;
 - A Site Plan or Conceptual Plan;
 - Plans, reports, estimates, contracts and other information in the required format necessary to understand the proposed development concept for the eligible property, and to ensure conformity with the Official Plan and the objectives of the CIP.
2. In years one (1) through three (3), the approved grant will be equal to 100 percent of the incremental increase in municipal property tax revenue associated with improvement to the eligible property. The grant decreases for years four (4) and five (5) to 50 percent. The grant will be provided every year for up to five years, after taxes have been paid in full each year.
3. Should the owner or tenant of the approved eligible property default on any condition in the by-law or agreement, the grants, plus interest, will become payable to the City in full.

PLANNING AND BUILDING FEE REBATE PROGRAMS

Purpose: To encourage the development and redevelopment of eligible properties by rebating fees associated with *Planning Act* and Ontario Building Code applications.

Description: This program provides financial relief to property owners who undertake development or redevelopment projects within eligible areas. The rebate applies to most municipal fees related to development or redevelopment, including:

- 1) Official Plan Amendments
- 2) Zoning Amendments
- 3) Minor Variances
- 4) Consents to Sever Land
- 5) Site Plan Control Agreements
- 6) Building and Demolition Permits
- 7) Sign Applications

Requirements:

1. It should be noted that although these fees are rebated within the project area, this does not mean that they are not required. Applicants are expected to adhere to the requirement of the respective application processes and will receive the grant where applicable. Fees are to be paid in advance and are to be reimbursed upon successful completion, approval of an application and issuance of occupancy.
2. Fees associated with any outside agencies will be required to be paid and are not subject to rebate, including, but not limited to the Sudbury and District Health Units, Greater Sudbury Hydro, etc..
3. The total amount of incentive provided under the planning fee component of this program will not exceed \$25,000 annually. The maximum amount of incentive provided under the planning fee component of this program to any approved eligible property will not exceed \$5,000.
4. The total amount of incentive provided under the building fee component of this program will not exceed \$100,000 annually. The maximum amount of incentive provided under the building fee component of this program to any approved eligible property will not exceed \$30,000.

FEASIBILITY GRANT PROGRAM

Purpose: The intent of this program is to stimulate private sector investigation of the potential adaptive re-use or redevelopment of buildings or vacant land within the project area.

Description: Financial assistance for feasibility studies, building renovation design, or business plans will be provided through this program. Feasibility studies shall be for the purpose of a business plan for matters such as but not limited to, structural analysis, soil studies, evaluation of mechanical systems, concept or design plans and market analysis.

Requirements:

1. A grant up to a maximum of \$5,000 can be applied for.
2. Fifty (50%) of the grant approved under this program will be provided to the applicant following submission of the final completed study with the original invoice indicating that the study consultants have been paid in full. The remaining 50% will be paid to the applicant upon the building being available for occupancy.
3. One copy of the study will be provided to the City for its retention. The applicants agree to provide the City with permission to share the findings with any other subsequent project proponents and/or related government agencies.

RESIDENTIAL INCENTIVE PROGRAM (PER-DOOR GRANT)

Purpose: The purpose of this program is to jump-start affordable housing in locations that best serve the needs of tenants. The program will be limited in value and in duration, and will be carefully monitored to allow for its retirement once a market is established.

Description: A grant of \$10 per square foot or newly created affordable habitable residential space, or \$20,000 per affordable dwelling unit, whichever is lesser.

Requirements:

1. Payment will be made only upon the occupancy permit being issued.
2. The total amount of incentive provided under this program will not exceed \$800,000 annually. The maximum amount of incentive provided under the program to any approved eligible property will not exceed \$200,000.

SECOND UNIT INCENTIVE PROGRAM

Purpose: The purpose of this program is to encourage the creation of second units by individual homeowners.

Description: The program will provide a maximum funding amount of 50% of the approved project costs to a maximum of \$50,000.

Requirements:

1. The sum of the mortgages/encumbrances (e.g. other charges on the property) registered on the title and program funding cannot exceed the market value of the home.
2. The funding is provided in the form of a grant.
3. The project address must be the homeowners' sole and principal residence.
4. This program will be limited in value and duration, and will be carefully monitored to allow for its retirement once a market is established.

IMPLEMENTATION

STEP 1 - APPLICATION

Application Forms are available through the City's Planning Services Division. Applications and supporting documentation are reviewed by staff to ensure that they meet all of the eligibility requirements. If an application does not meet the eligibility requirements, the applicant will be notified in writing.

STEP 2 – APPLICATION REVIEW AND EVALUATION

Staff may request clarification or additional supporting documentation and perform an initial site visit and inspection of the property as necessary.

STEP 3 – APPLICATION APPROVAL

A recommendation on the application is made by Staff and forwarded to City Council (Planning Committee). If the application is approved by Council, an incentive agreement will be required.

Construction of the approved works may now commence, subject to issuance of a building permit(s). Work must commence within six (6) months of incentive approval and be completed within one (1) year of incentive approval or as specified in the agreement.

STEP 4 -PAYMENT

Upon construction completion, "after" photos of the project and paid invoices will be submitted to the City and staff will conduct a final site visit and inspection (as necessary) to ensure compliance with the approval and Agreement and any building permits are completed and occupancy has been issued.

The owner is to contact the Planning Services Division in advance of any deviations from the approved design and agreement. Additional Council approval may be required to maintain program eligibility if there are any changes.

MONITORING, REVIEW AND AMENDMENTS

The Plan will be monitored on an ongoing basis to track progress relative to its goals and objectives. The monitoring program would be structured around a number of indicators, as outlined below. Information on these indicators would be collected at the individual project level and aggregated. This aggregated information would be used as the basis for an annual report to Council. To the extent possible, these annual reports would also address the environmental and social effectiveness of the Plan. It is envisaged that the annual reports would also be used to inform decisions related to adjustments to this Plan, as well as any budget decisions related to any of the financial incentive programs described herein.

Minor and technical amendments (e.g. correcting typographical errors) may be made without Council approval. Major and substantive amendments may be made by amendment, subject to the statutory process under the *Planning Act*, which includes public consultation and Council approval. Notwithstanding this, the City may discontinue any of the programs contained in this plan without amendment. The addition of new programs not expressly referenced herein will require an amendment.

PROGRAM	INDICATOR
TIEG Program	Number of applications received Increase in assessment value of participating properties Estimate and actual amount of municipal assistance/grants provided Number of residential units/sq.ft. rehabilitated or reconstructed Value of private sector investment leveraged
Planning and Building Fees Refund Program	Number, type and value of planning application fees refunded Number and value of demolition and building permit fees refunded Residential units/sq.ft. rehabilitated or constructed Value of building permit fees paid Value of building permits issued
Residential Incentive Program	Number of applications received Number of new residential units created Value of total grants Value of private sector investment leveraged
Feasibility Study Grant Program	Number of applications received Value of total grants Value of private sector investment leveraged
Second Unit Incentive Program	Number of applications received Number of second units created