



STAFF REPORT
Planning

Title: Affordable Housing Strategy: Discussion Paper and Recommendations
Report Number: IPPW2022-009
Author: Michelle Lee
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File: PF2020-05
Attachments: Appendix A. Affordable Housing Strategy Discussion Paper and Recommendations
Appendix B. Definition of Affordable Housing (PPS 2020)
Appendix C. Public and Stakeholder Engagement
Appendix D. Prioritization of Actions

Ward No.: City-Wide

Recommendations:

1. That staff report IPPW2022-009 be approved.
2. That staff be directed to prepare a final Affordable Housing Strategy for Council's consideration.
3. That the principles, goals, targets and recommendations set out in Appendix A of IPPW2022-009 form the initial framework for the Affordable Housing Strategy.

A. Executive Summary

In December 2020, Council directed staff to develop an Affordable Housing Strategy. The Strategy will be a 10-year plan that guides the City of Waterloo's actions to support the creation and retention of affordable housing in the community to meet the needs of current and future residents.

Staff has prepared a Discussion Paper (Appendix A) to help guide the Strategy. The Discussion Paper proposes a set of principles, goals, targets and recommendations that could form the basis of the Affordable Housing Strategy. A total of 30 actions are identified in the Discussion Paper as worthy of further evaluation, in consultation with relevant City's departments, the Region of Waterloo, stakeholders and the public. Staff seek Council's direction to use the Discussion Paper as the launching point for

consultation and evaluation and to return before Fall 2022 with a final Affordable Housing Strategy for Council's consideration.

B. Financial Implications

There are no direct financial implications of this staff report. Staff will include a detailed financial analysis of the recommendations contained within the draft Affordable Housing Strategy as part of a subsequent report.

C. Technology Implications

None

D. Link to Strategic Plan

(Strategic Objectives: Equity, Inclusion and a Sense of Belonging; Sustainability and the Environment; Safe, Sustainable Transportation; Healthy Community & Resilient Neighbourhoods; Infrastructure Renewal; Economic Growth & Development)

(Guiding Principles: Equity and Inclusion; Sustainability; Fiscal Responsibility; Healthy and Safe Workplace; Effective Engagement; Personal Leadership; Service Excellence)

Development of an Affordable Housing Strategy aligns with the following strategic goals and objectives:

- Goal: Equity Inclusion and Sense of Belonging,
 - Objective: Focus on the economic disparity in our community by ensuring our work considers the impacts of this gap
- Goal: Healthy Community and Resilient Neighbourhoods
 - Objective: Increase the amount of affordable housing in the City

E. Previous Reports on this Topic

IPPW2020-071 - Inclusionary Zoning and Other Approaches to Address Affordable Housing



Affordable Housing Strategy: Discussion Paper and Recommendations IPPW2022-009

1. Background and Project Scope

Similar to many other municipalities throughout Canada, the supply of affordable housing in Waterloo has not kept pace with demand. Over the past few decades, housing prices and rents have increased substantially faster than incomes, creating affordability challenges for low and moderate income households. Populations most affected by the gap between income and housing costs include older adults, Indigenous peoples, new Canadians, single parent households, and individuals experiencing mental health challenges and/or addictions. Increasingly, young adults and moderate income earners are also finding it challenging to secure housing that they can afford.

To address the growing problem of housing affordability, Council directed staff to develop an Affordable Housing Strategy. The Strategy is one of a number of City initiatives underway with respect to housing affordability. Other initiatives include the exploration of Inclusionary Zoning to increase affordable housing within transit station areas, and an Affordable Housing Grant Program to help fund not-for-profit affordable housing developments.

The Affordable Housing Strategy will provide a strategic framework for the City's actions and resource allocation related to affordable housing. It will align with and support the initiatives already underway as well as identify new initiatives that the City could undertake within the next 10 years (2022-2032). The Strategy will also align with broader Provincial and Regional planning and funding frameworks and focus on the areas that fall within the City's scope of influence. As part of the work to promote alignment with broader planning frameworks, staff is following the work of the Province's Affordable Housing Task Force and will incorporate any relevant changes to Provincial policy or legislation into the final Strategy.

2. Process

Staff has prepared a Discussion Paper in Appendix A to help guide the Strategy's development. The Discussion Paper proposes a set of principles, goals, targets and recommendations that could form the basis of the Affordable Housing Strategy if Council agrees.

The Discussion Paper represents the fourth step in a five step process to develop the Affordable Housing strategy. These steps involved research and information gathering

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(Phase 1), identifying goals and targets (Phase 2), identifying actions (Phase 3), and preparing an Affordable Housing Strategy Discussion Paper and recommendations (Phase 4). The next and final step is to gather feedback on the Discussion Paper and to develop a final Affordable Housing Strategy for Council's consideration. The phases are summarized as follows:

Completed Steps:	Phase 1. Research and Information Gathering Identify specific local housing needs, drawing from data in the Housing Need and Demand Analysis and in consultation with stakeholders and the public
	Phase 2. Identify Goals and Targets Develop goals and targets that address housing needs for public/stakeholder review and feedback
	Phase 3. Identify Actions Research innovative practices, policy tools and partnerships and identify gaps and opportunities in existing policies and practices. Consult with private, non-profit and government housing and service providers to understand barriers to providing affordable housing. Identify possible actions to address goals and targets.
	Phase 4. Prepare Draft Affordable Housing Strategy Discussion Paper and Recommendations Develop discussion paper and draft recommendations for Council, public and stakeholder review and feedback
Next Steps:	Phase 5. Approval Develop final Affordable Housing Strategy for Council's consideration

3. Consultation

Between January 2021 and March 2022, staff gathered feedback on the challenges and opportunities related to affordable housing. Staff consulted with relevant City departments, Region of Waterloo staff, for profit and non-profit housing providers, academic researchers, student associations, not-for-profit service organizations and affordable housing advocates, Committees of Council, tenant support workers, people with lived experience and members of the public. A list of the groups and individuals consulted and summaries of the consultation process are presented in Appendix C.

4. Findings and Recommendations

The Discussion Paper identifies some of the key drivers of declining affordability, and proposes six goals and 30 actions that the City could take to address those drivers. The actions are summarized in Table 1 and Table 2 (see Appendix A for a detailed description). Staff is now seeking Council's direction to solicit public and stakeholder feedback on the Discussion Paper, including feedback on the proposed principles, goals, targets and strategic actions.

Staff note that the actions identified in the Discussion Paper could have considerable individual or collective financial or staffing implications. Staff will continue to work with the City's internal divisions, including Finance and Legal Services, to: further evaluate the feasibility of the proposed actions, identify a suite of preferred and complementary actions, identify the budget and staffing needed to implement the actions, and set out a potential timeframe for implementation. The financial and practical feasibility and cost-effectiveness of each action, in the context of all of the proposed actions, will form the basis of the final Affordable Housing Strategy and staff report to be presented to Council before Fall 2022.

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Table 1. Goals, Actions and Potential Impact

Goal	Actions	Potential Impact on Housing Affordability			
		Increase market housing supply	Optimize /increase non-market housing supply	Retain affordable housing supply	Increase housing diversity
Goal 1: Continue to align policies and processes to support the efficient delivery of new housing	G1A1. Re-evaluate how residential density is assigned and calculated	✓			
	G1A2. Explore opportunities to permit more housing in more places	✓			✓
	G1A3. Reconsider parking requirements	✓			✓
	G1A4. Consider adopting a Community Planning Permit System	✓	✓		✓
	G1A5. Consider providing builders additional options to ensure performance	✓			
	G1A6. Align housing objectives with climate change and community energy objectives to enhance resilience and reduce energy poverty	✓		✓	✓
Goal 2: Plan for and prioritize the provision of non-market housing	G2A1. Continue to develop an Inclusionary Zoning policy and program		✓		
	G2A2. Proactively plan for all non-market housing types		✓		✓
	G2A3. Consider developing an affordable housing concierge program		✓		
Goal 3: Protect and Maintain Existing Housing Stock and Affordable Housing Supply	G3A1. Review and strengthen condo conversion policies and processes			✓	
	G3A2. Strengthen regulations to manage demolition of rental housing			✓	
	G3A3. Encourage the Region to consider a vacant housing tax			✓	
	G3A4. Establish tracking system for short term rental accommodations			✓	
Goal 4: Plan for and support a diversity of housing needs throughout the City	G4A1. Enable more missing middle housing	✓			✓
	G4A2. Make it easier for home owners to build second residential units	✓			✓
	G4A3. Re-evaluate regulatory framework and supports for multi-tenant houses	✓		✓	✓
	G4A4. Consider establishing a local home sharing program	✓			✓

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Goal	Actions	Potential Impact on Housing Affordability			
		Increase market housing supply	Optimize /increase non-market housing supply	Retain affordable housing supply	Increase housing diversity
Goal 5: Optimize City resources and financial tools	G5A1. Proceed with the implementation of an Affordable Housing Grant Program		✓		
	G5A2. Explore options to sustainably grow the Affordable Housing Program Fund		✓		
	G5A3. Consider feasibility of a structured program to waive fees and charges		✓		
	G5A4. Consider approaches to provide short term loans for affordable housing providers		✓	✓	
	G5A5. Advocate the Region to reconsider harmonizing tax ratios for older multi-unit rental properties			✓	
	G5A6. Continue to explore options to strategically use City-owned lands to achieve affordable housing objectives	✓	✓	✓	✓
	G5A7. Consider including Affordable Housing in the CBC by-law		✓		
Goal 6: Build City and community capacity, awareness and supports	G6A1. Set and monitor housing targets		✓		
	G6A2. Enhance tracking and monitoring capacity	✓	✓	✓	✓
	G6A3. Continue to implement and monitor protocols for addressing encampments		✓		
	G6A4. Consider supports to prevent tenant evictions			✓	
	G6A5. Develop an online repository for affordable housing incentive programs		✓		
	G6A6. Continue and enhance engagement with private, public and not-for profit housing partners	✓	✓	✓	✓

Table 2. Preliminary Assessment of Priorities for Action based on Effort and Impact.

Priority	Actions
1. ACTIONS ALREADY UNDERWAY Continue as planned	<ul style="list-style-type: none"> • G2A1. Continue to develop an Inclusionary Zoning policy and program • G5A1. Proceed with the implementation of an Affordable Housing Grant Program
2. BIG WINS Implement as a priority	<ul style="list-style-type: none"> • G1A2. Explore opportunities to permit more housing in more places • G1A3. Reconsider parking requirements • G1A6. Align housing objectives with climate change and community energy objectives to enhance resilience and reduce energy poverty • G2A2. Proactively plan for all non-market housing types • G4A1. Enable more missing middle housing • G5A6. Continue to explore options to strategically use City-owned lands to achieve affordable housing objectives • G5A7. Consider including Affordable Housing in the CBC by-law
3. INCREMENTAL WINS Implement in short-medium term	<ul style="list-style-type: none"> • G1A1. Re-evaluate how residential density is assigned and calculated • G3A1. Review and strengthen condo conversion policies and processes • G3A2. Strengthen regulations to manage demolition of rental housing • G3A4. Establish tracking system for short term rental accommodations • G4A2. Make it easier for home owners to build second residential units • G4A4. Consider establishing a local home sharing program • G6A1. Set and monitor housing targets • G6A2. Enhance tracking and monitoring capacity • G6A3. Continue to implement and monitor protocols for addressing encampments • G6A5. Develop an online repository for affordable housing incentive programs • G6A6. Continue and enhance engagement with private, public and not-for profit housing partners
4. STRATEGIC BIG MOVES Implement in medium-long term	<ul style="list-style-type: none"> • G1A4. Consider adopting a Community Planning Permit System • G2A3. Consider developing an affordable housing concierge program

Priority	Actions
	<ul style="list-style-type: none"> • G4A3. Re-evaluate regulatory framework and supports for multi-tenant houses • G5A4. Consider approaches to provide short term loans for affordable housing providers
<p>5. FURTHER EVALUATE Gather more information and feedback</p>	<ul style="list-style-type: none"> • G1A5. Consider providing builders additional options to ensure performance • G3A3. Encourage the Region to consider a vacant housing tax • G5A2. Explore options to sustainably grow the Affordable Housing Program Fund • G5A3. Consider feasibility of a structured program to waive or reduce fees and charges • G5A5. Advocate the Region to reconsider harmonizing tax ratios for older multi-unit rental properties • G6A4. Consider supports to prevent tenant evictions

Appendix A. AFFORDABLE HOUSING STRATEGY Discussion Paper and Recommendations

Introduction

The City of Waterloo is developing an Affordable Housing Strategy that will identify actions to be undertaken by the City to protect the existing affordable housing stock and to increase the supply of new affordable housing in the City. The strategy will focus on actions that complement the mandates and actions of other government agencies, the private sector and the not-for-profit sector that each have an important role to play in the planning, development, maintenance, and operation of affordable housing.

This discussion paper presents background information and recommendations to help inform the Strategy's development. It builds on the findings of the City's [Housing Need and Demand Analysis](#) by providing broader contextual information about the underlying factors that impact housing availability, suitability and affordability, and identifies municipal best practices and solutions that could be adopted to address those challenges. The information and recommendations contained within this discussion paper draw from government, academic and private sector research, as well as feedback from local housing providers, people with lived experience and the broader community. The discussion paper is presented in six sections:

- Section 1. Defining Affordable Housing
- Section 2. Strategy Purpose and Scope
- Section 3. Causes of Declining Housing Affordability
- Section 4. Principles, Goals and Targets
- Section 5. Tools and Approaches
- Section 6. Conclusions and Recommendations

1. Defining Affordable Housing

Housing is affordable when a household can still pay for their basic needs after their housing expenses are paid. The Province defines affordable housing as being the lower of: a) housing that costs no more than 30% of a low or moderate income household's gross annual income; or, b) housing that is at or below the average market rent or price. Low income households are defined as those whose incomes are in the bottom 30% of the regional income range, while moderate income households are those whose incomes are between 30%-60% of the regional income range. Municipalities are required to consider and plan for affordable housing as defined by the Province. The full Provincial definition of affordable housing can be found in Appendix B.

Based on 2020 incomes, an affordable purchase price for a house in the City of Waterloo would not exceed \$196,000 for a low income household, or \$368,000 for a moderate income householdⁱ. An affordable rental unit would be one that costs no more than \$770 per month for a low income household and \$1,420 per month for a moderate income household¹. Because these thresholds represent maximums for particular income groups, an affordable price or rent would be lower for households making the lowest incomes within their income group (e.g. in the 10th and 20th percentile of the regional income range).

While affordable housing is a term that is commonly used to refer to subsidized rental housing, it can include a much broader range of housing types and tenures, including housing provided by the private, public and non-profit sectors, housing that is rented or owned, co-operative housing, and housing that is temporary or permanent. A range of affordable housing types, sizes and tenures can help support the various and changing needs of low and moderate income households.

The housing system is a highly complex and interconnected system in which deficiencies in one housing type can have ripple effects across the housing continuum. Given the interdependent nature of housing, this discussion paper considers all housing types along the housing continuum that may contribute to a city's broader objectives of ensuring that all households can find the housing they need in the short, medium and long term (Figure 1). It includes:

- Temporary housing types such as emergency shelters and transitional housing since these interim housing options are necessary to support those experiencing homelessness or who cannot find permanent housing;
- Subsidized rental and ownership housing to support low income households and cooperative housing that can include both market and subsidized units for a range of low and moderate incomes;
- Supportive housing that may or may not be subsidized and includes necessary health and physical care, such as nursing care, independent living care, or mental health and addiction supports; and
- What is commonly described as “attainable housing”, which is rental or ownership market housing that is affordable (in accordance with the definition in Section 1.1) to moderate income households.

1.1. Clarification on Definitions and Proportions

Various definitions and targets identified throughout this report refer to a proportion of 30%. The frequent occurrence of 30% as a proportion is coincidental and refers to different aspects of the housing system, such as the proportion of income spent on housing, the proportion of total affordable housing stock owned by Waterloo Region Housing, and as a target for the

creation of new affordable housing. For clarity and reference, the definitions and targets that refer to a proportion of 30% are identified below:

Definition of affordable housing: Defined as being the lower of: a) housing that costs no more than 30% of a low or moderate income household's gross annual income; or, b) housing that is at or below the average market rent or price.

Region of Waterloo's share (through Waterloo Region Housing (WRH)) of the total affordable housing stock in the region: WRH owns and operates 30% of the affordable housing stock in the region. The Waterloo Region Housing Master Plan, 2020-2040 sets out a plan for WRH to continue to maintain a 30% share of the overall affordable housing supply.

Region of Waterloo's affordable housing target: The Region of Waterloo has set an affordable housing target of 30%. The target stipulates that 30% of all new residential development in the region should be affordable for low and moderate-income households. The target may include non-market and market units. The target will be implemented as part of the Region of Waterloo's 10-Year Housing and Homelessness Plan and through area municipal planning and development approval processes.

Figure 1. Housing/Shelter Types and their Role in the Housing System (CMHC, 2021)



(MARKET) RENTAL HOUSING

Housing that is rented at a cost that the market is willing to pay. Rental housing can vary widely in type and cost, ranging from lower cost lodging houses and bachelor apartments, to higher cost “luxury” rental units. Although not subsidized, rental housing that is available at low end of market rents can be affordable to many low and moderate income households.

(MARKET) OWNERSHIP HOUSING

Housing that is priced at what the market will bear and is occupied by the owner(s). Ownership housing includes both freehold and condominium ownership and can include a wide range of building types from single detached housing to a unit in a multi-unit building. While low-end of market ownership housing was once considered affordable to many moderate income households, prices are now higher than most of these households can afford.

CO-OPERATIVE HOUSING (NOT SHOWN)

A type of housing that is owned collectively by shareholders of a co-operative rather than by an individual. Co-op housing typically provides housing for people with low and moderate incomes. Residents contribute their time towards the upkeep of the building(s) and the governance of the co-op. Rents may be partially subsidized, with some tenants paying rent that is geared to income and the rest paying market rent.

EMERGENCY SHELTER

Provides shelter and accommodation for short periods of time and serves people who are homeless, displaced, or who are feeling violence or abuse.

SHORT-TERM SUPPORTIVE HOUSING

Also referred to as transitional housing, this housing offers a bridge between emergency and permanent housing, often for a specified time period. Transitional housing may serve people leaving homelessness, people leaving the corrections system, or families and individuals receiving specialized supports.

LONG-TERM SUPPORTIVE HOUSING

Permanent housing for people who need assistance (personal support services, medical assistance, counselling) to live independently. Supportive housing is often subsidized by government and may house people who are elderly or who have disabilities, addictions, or mental illness.

SUBSIDIZED RENTAL/OWNERSHIP HOUSING

Housing for low and moderate income individuals and families that may be built by government, a not-for-profit organization or a private developer. Tenants pay rent that is geared to their income or below market rates. Owners may be provided mortgage assistance

2. Strategy Purpose and Scope

2.1. Purpose

Cities across Canada are experiencing a housing affordability crisis. Rising housing prices have significantly outpaced local incomes, which has negatively affected the physical, economic and social well-being of households across a spectrum of incomes. The adverse effects of declining housing affordability have been felt most acutely by low income households, but is increasingly having an impact on moderate income households as well.

Waterloo's Affordable Housing Strategy will identify actions that the City can take to support a healthy housing system that provides safe, adequate and affordable housing for households with low and moderate incomes. The Strategy will consider the housing needs of both current and future residents and will guide the City's involvement in affordable housing for the next 10 years (2022-2032).

2.2. Scope: Aligning with existing government programs, policies and funding

Federal and Provincial governments play a significant role in setting broad policies and legislation around housing and provide most of the financial assistance needed to construct non-market housing. The Region of Waterloo sets out region-wide housing policies, and is a designated service manager that receives Federal and Provincial funds to administer housing and homelessness programs and services, including temporary shelters, transitional housing, and permanent affordable housing. The City of Waterloo operates within this broader framework, by enabling and regulating development, including the type, form, and location of housing that can be built throughout the City. The City also administers services and programs, such as issuing building permits and rental licenses, to ensure housing is safe and meets minimum building and safety standards. Other key actors in the provision of safe, affordable housing include: private sector builders, who primarily build market housing, but also some non-market housing; not-for-profit builders who build non-market housing; not-for-profit housing service providers who operate shelters, transitional housing and supportive housing and administer a range of other housing-related programs and services; and, the Provincial Landlord and Tenant Tribunal that manages disputes around evictions, rent increases and housing standards (Figure 2).

Development, maintenance and operation of non-market housing and associated programs and services is costly and requires specific skills and considerable resources to administer.

Designated service managers, such as the Region of Waterloo, hold certain powers to carry out this work under the Social Housing Reform Act, 2000 and they receive significant financial support for housing from higher orders of government that is not available to local area municipalities. Rather than duplicating the work and services provided by the Region, including a municipal housing authority, the City should more effectively use its limited resources to

focus on ways to support and augment the work of the Region of Waterloo, affordable housing providers, and the private sector.

Figure 2. Roles in Planning and Provision of Housing

CITY OF WATERLOO
 Enables and regulates the type, form, density and location of residential development, through Official Plan policies and zoning regulations. Administers permits and enforces property standards.

REGION OF WATERLOO
 Sets out region-wide direction for growth and development and also is the region’s Designated Service Manager responsible for planning, coordinating, and administering a range of housing and homelessness programs and services. Receives and distributes Federal/Provincial funding.

GOVERNMENT OF ONTARIO
 Sets the rental housing framework through the Housing Services Act, Residential Tenancies Act and the Landlord and Tenant Tribunal as well as broader planning policy and legislation, such as the Planning Act and Provincial Policy Statement, More Homes, More Choice Act, and the Community Housing Renewal Strategy.



PRIVATE SECTOR
 Builds private market rental and ownership housing and/or owns and operates market rental housing. May also build and/or operate some subsidized housing.

NOT-FOR-PROFIT ORGANIZATIONS
 Provide housing services and supports to households in need, can build and operate subsidized housing and supportive housing. Operates temporary shelters with Regional funding support and oversight.

FEDERAL GOVERNMENT
 Establishes broad financial and legal “rules of the game” including taxation laws, mortgage insurance etc. to support owners, renters, buyers and sellers. Supports housing innovation and research as well as grants and loans for housing through National Housing Strategy and Canada Mortgage and Housing Corporation.

Waterloo's Affordable Housing Strategy can support other government and non-government housing programs, expertise and investment by focusing on actions that fall within the City's primary area of expertise and responsibility. These areas are:

- a) Adopting and implementing housing development policies and regulations
- b) Developing and delivering supporting programs and services
- c) Adopting financial incentives or removing financial disincentives
- d) Enhancing education and capacity to support affordable housing
- e) Researching and monitoring population dynamics and housing needs
- f) Strategically using City-owned lands to achieve affordable housing, where feasible¹

By working within the existing planning, policy and funding framework, the Strategy can direct limited City resources to the issues and conditions that it has the capacity to change. The Strategy can also focus on approaches that leverage and support the work of other key actors in the housing system, such as the Region of Waterloo, while avoiding duplication.

2.3. Scope: Addressing system-wide housing challenges and prioritizing specific housing gaps

While the cost of housing impacts all households, it has a disproportionate impact on those who are in the bottom 30% of the income range. When housing is in short supply and prices escalate, low income households are the first to be pushed out of the market because they can't compete with households with higher incomes. With limited discretionary spending power and fewer options when housing prices rise, households with the lowest incomes facing rising housing costs can also be forced to reduce spending on other basic needs such as health, education and nutritious food in exchange for housing. In extreme cases, unaffordable housing can push low income households into inadequate or unsuitable housing and increases their risk of homelessness.

Recognizing the independencies within the housing market and the magnified effect that housing affordability challenges have on low income households, staff believe the Affordable Housing Strategy should consider broad actions that address system-wide housing challenges as well as targeted initiatives to support households with the greatest need. Broad scale actions could include those that will increase the availability, diversity and affordability of housing across the housing continuum, while targeted actions could include those that support permanent and temporary housing for the City's lowest income households and most vulnerable populations. The households for which affordability can be a significant challenge, as identified in the City's Housing Need and Demand Analysis², include:

¹ Flood plains and other constraints limit the development potential of many City-owned lands. Recognizing this, strategic use of City-owned lands could include identifying opportunities where a portion of the proceeds from land sales can be allocated to further affordable housing goals elsewhere in the City.

- Youth (under 25) households
- Recent immigrant households
- Racialized households
- Single parent households
- Indigenous households
- Households with a member who has a disability
- Renting senior households

Vulnerable populations include those living on fixed incomes, those experiencing homelessness, women and children experiencing family violence, as well as individuals with mental health and addictions issues.

3. Causes of Declining Housing Affordability

Waterloo's housing challenges are the product of a complex array of factors, some of which are the result of global trends, and others that are regional or local in origin. The factors summarized in this section focus on the most commonly cited economic, policy, planning and social causes of rising housing prices and declining affordability. The summary is not an exhaustive list – rather it focuses on elements of the problem that fall generally within the municipal area of influence, such as land economics and housing supply. These factors are organized into four main categories:

1. Inadequate market housing supply
2. Inadequate non-market housing supply
3. Loss of existing affordable housing supply
4. Inadequate housing diversity

3.1. Inadequate Market Housing Supply

Growing Demand: Market housing, where the rent or sale price is set in the open market, serves the majority of households in Waterloo. When demand for housing exceeds supply, housing prices and rents are pushed upward, causing market housing to become unaffordable to low and moderate income households. Throughout Canada, there are more people seeking homes (of all types, including rental and ownership) than there are dwellings available to them³. In Ontario, as with other parts of the country, the rising demand for housing is largely due to a significant rise in population. Since 2016, Ontario's population has grown by over a 750,000 (6%) residents, many of whom immigrated to Canada as skilled workers or students⁴. The rate of population growth between 2016 and 2021 was highest in the Kitchener-Waterloo-Barrie Economic Region (9.9%), leading to increased demand for both ownership and rental housing. Waterloo Region grew by approximately 52,011 residents (10%) and Waterloo grew by 16,450 residents (16%) during that same time³.

Increased demand for housing is also influenced by substantial migration to Waterloo Region by home-seekers leaving more expensive markets in the Greater Toronto Area⁵. Recent analyses of Ontario’s housing supply and demand dynamics suggest that a significant housing shortfall in the Greater Toronto Area is having spill over effects on surrounding areas such as Waterloo Region and driving up demand in these neighbouring housing markets^{4,6}. Combined with work-from-home trends due to COVID-19 and low mortgage rates, the pressure to “drive until you qualify” has pulled housing seekers from the GTA to the Waterloo Region to find more affordable or larger dwellings.

The housing market is disproportionately influenced by the buying power of higher income households, speculators and investors who can capitalize on the growing equity of their existing properties and low mortgage rates to purchase second homes or investment properties. These pressures, which have heightened during the pandemic, have helped to drive up demand and increase the competition for ownership housing^{7,8}. Real estate investment companies have greater access to capital and financing and can readily outbid low and moderate income households, making it more challenging for first time home buyers to enter the housing market. High levels of speculation in markets outside of the Waterloo Region can also have impact on the local housing market, as more investors look to affordable housing markets like Waterloo Region. Significant speculation in an area can lead to a “decoupling” of housing prices from the local labour market, resulting in prices that are higher than local residents can afford (Figure 3).

HOUSING AFFORDABILITY IN CANADA

House prices to disposable income have soared

REAL HOUSE PRICE VS. REAL DISPOSABLE INCOME (Q1 '75 = 100)

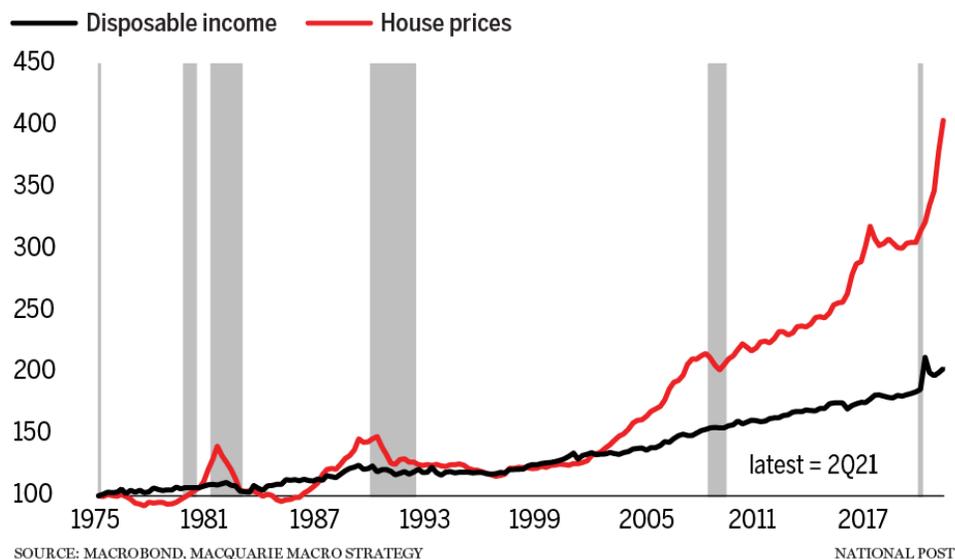


Figure 3. Housing Affordability in Canada

Moreover, while investment properties often remain in the market as rental housing, they are typically more expensive than purpose built rental housing and provide a less stable supply of rental housing because they can be easily removed from the market through conversion back to ownership or through landlord's use provisions⁹.

Lagging Supply and Rising Costs: Despite significant growth in the demand for housing, the supply of housing in Ontario has grown at a much slower pace^{3,10}. The mismatch between the number of new housing units created and the number of new households needing housing has resulted in a national housing-to-population ratio that is well below historical averages³. Localized supply challenges can be created or exacerbated by spillover demand from nearby large centres or a mismatch between the types of housing available and the types of housing needed in a community (see Section 3.4). An inadequate supply of housing in the GTA to support its growing population has been identified as a key driver in the movement of home seekers outside of the GTA to less expensive markets such as Waterloo. Homebuyers already invested in the GTA market can leverage the higher values of their existing properties to outcompete first time homebuyers and those from smaller less expensive markets. Despite growing demand, Waterloo's new housing supply fell below demand between 2016 and 2019 (5,003 new housing units and 5189 new households formed), resulting in a shortfall of 186 units during that time period.

There are a variety of perspectives on why housing supply has not kept pace with demand. A fundamental characteristic of the housing market is that, unlike other goods and services, housing takes a long time to plan and build, which means that there can be a lag time between population growth and the provision of more housing supply. In an idealized housing market, housing supply eventually catches up to population and household growth, competition for housing decreases and prices drop. Development industry position papers and feedback from local home builders point to a number of factors that have increased the cost and complexity of bringing new housing to market and which have slowed the market's responsiveness to rising demand. These factors include: limited land availability and the high cost and challenges of assembling land; rising capital and labour costs; development fees and charges; and, lengthy municipal approval processes¹¹.

Municipal planning policies and regulations have a significant influence on land availability and prices. Planning policies in the Official Plans of both the Region of Waterloo and the City of Waterloo direct where, when and how much housing can be built throughout the City. Ensuring that there is a sufficient amount of land designated for residential uses at the densities necessary to accommodate the forecasted population growth is critical to support an adequate housing supply. Accordingly, the City's land use framework enables a significant amount of intensification and redevelopment – far in excess of what is needed to meet housing needs of the current and forecasts population¹. Despite this, only a small fraction of the lands designated

for growth are redeveloped for residential units in any given year, suggesting that other factors may also influence land availability. These factors include the preferences and motivation of sellers to sell lands and a possible mismatch between the type of land available (high density) and the types of housing that many local builders have the expertise or desire to build.

Waterloo's limited supply of greenfield lands means that most residential development is focused in built up areas that requires a more complex and expensive process of land assembly. High land costs add to the overall project cost, making it challenging to develop new, moderately priced ownership or rental housing. Some stakeholders noted that Waterloo has limited availability of lands zoned for smaller scale infill developments such as low and mid-rise apartments (3-6 storeys), which require less expensive building materials and construction methods (e.g. wood frame rather than concrete construction) and may not require as much assembly of land compared with higher density developments. Ontario's Affordable Housing Task Force¹² as well as other stakeholders interviewed for this report identified restrictive zoning provisions in certain neighbourhoods that limit moderate or "gentle intensification" as another barrier that limits growth of housing supply.

Planning approval processes that become lengthy or drawn out have the dual impact of both constraining supply and increasing the overall project cost, which is then passed on to the consumer (estimated to be \$1.46 per square foot/month for a low rise development and \$2.21 per square foot/month for a high rise development⁵). These costs, which include additional taxes payable on vacant land, increases in municipal charges and fees, carrying costs of loans, and inflation of construction costs and wages, can comprise a significant proportion of the total project cost. Lengthy approval processes can occur for many different reasons including insufficient staff capacity, high project complexity, incomplete applications, deviation from zoning by-laws, addressing site constraints, public opposition, timing and requirements for external reviews and approvals, and provincial processes and Ontario Land Tribunal hearings that fall outside of municipal control. Approvals that require multiple applications reportedly take 20-30% longer than approvals that require a single application¹³.

Planning policies and regulations can also increase the cost of construction, which in turn can be passed on to the consumer in the form of higher housing prices. While these regulations are necessary to ensure orderly, safe and liveable developments, certain policies can result in have unintended negative consequences on housing supply and/or affordability. Both market and not-for-profit builders identified minimum parking rates as one such factor, as they can increase construction costs and reduce unit yield. Construction costs for a single above ground structured parking stall are estimated to be \$20,000 or more, while the cost of an underground stall can range from \$40,000-\$47,000¹⁴. A review of parking performance standards revealed that a single stall and associated drive aisle consumed approximately 24 square metres of space; if constructed within the podium of a building, three such spaces could comprise a reasonably sized single bedroom unit. While some parking is necessary, parking requirements

that are too high can make it difficult for households who do not own a car to find housing without overhead parking costs. Individuals that rely on transit as their primary means of transportation (e.g. people with low income, the elderly, youth, and people with physical or mental health issues that prevent them from driving), reported finding it difficult to find housing that did not include unneeded parking as an overhead cost.

3.2. Inadequate Non-Market Housing Supply

Growing Demand: Non-market housing and shelters serve a range of housing needs including 1) immediate shelter for those without housing until a longer term option can be found, 2) medium-term housing for those who need temporary supports or who are waiting for full time housing, and 3) long-term, permanent affordable housing. There is an increasing need for all three of these housing types to support the growing number of individuals in the Waterloo Region experiencing homelessness, housing instability and core housing need. Point in Time (PIT) counts in the fall of 2021 reveal that approximately 1,085 individuals across the region are experiencing homelessness. Households experiencing core housing need, estimated to be 3,480 in the 2016 census, are anticipated to grow both in absolute terms and proportion once government income subsidies due to Covid-19 come to an end¹⁵. Since 2015, the Region of Waterloo has seen a surge in the number of new applications for Community Housing (non-market units owned or subsidized through Regional programs)¹⁶. Approximately 6,919 households have applied for Community Housing units, 3,267 of which have identified the City of Waterloo as their preferred location. Other affordable housing providers that administer their own application process have also reported long waitlists.

Demand for non-market housing and shelters is impacted by population growth as well as the availability and prices of market housing. A limited supply of low-end-of-market rental housing, for example, can result in more low income households requiring non-market housing to meet their housing needs. Low vacancy rates in market units can also put upward pressure on rents, making available market rental units less affordable to low income households.

Lagging Supply: The current deficiency of non-market housing relates in part to Canada's changing housing policy and funding framework. Housing construction, whether for market or non-market units, is expensive due to high and escalating land, labour and material costs. Since non-market housing generates limited revenues through rents or sales, its construction and maintenance typically require deep financial subsidy. Funding and housing policy to support affordable non-market housing were historically provided by the Federal government, which had greater fiscal (taxation) capacity to cover the high capital costs of construction compared with lower levels of government. From the 1960s to the 1990s, Federal funding and administration led to the construction of the majority of the region's non-market rental housing supply. By 1993, however, the Federal government withdrew from the funding and construction of community housing, and the responsibility was devolved to the provinces and then to municipalities. The absence of significant Federal support resulted in very limited non-

market housing construction since 1993 and a greater reliance on not-for-profit organizations and private sector builders to fill the gap. The number of new units created over the past 30 years has not been sufficient to keep up with demand, which has contributed to the current and growing backlog of households in need of non-market housing.

Renewed Federal interest in housing policy and funding since 2017 has supported the planning and construction of a number of new non-market housing units in the region. The Region of Waterloo has committed to the creation of more non-market housing to maintain its share (about 30%) of the overall affordable housing supply. The remaining 70% of new affordable housing units will need to be provided by not-for-profit organizations, co-operative housing corporations and private developers. To meet the current and forecasted demand for deeply affordable units¹⁷, many of these affordable units will likely need to be non-market units.

Not-for-profit providers of non-market housing have reported a number of barriers that impede their efforts to construct and operate new non-market housing. Even with additional Federal capital funding now available through CMHC, the quantity and timing of that funding presents significant challenges that limit the ability of not-for-profit housing providers to compete for available land in the open market. Acquisition of land was cited as one of the most significant barriers to creating new non-market housing, and is one of the reasons why most new non-market housing developments rely on partnerships with land-holding church groups and other mission-based organizations who are willing to work directly with not-for-profits to sell, donate or lease their lands. Multiple or “stacked” funding from multiple sources are usually required to ensure the financial feasibility of any non-market housing development given rising land, labour and material costs. Providers of deeply affordable housing and supportive housing have further noted that there is insufficient funding available for ongoing operational and maintenance costs.

Housing providers also pointed to a shortage of suitably zoned lands as a significant cost and planning barrier that hindered their efforts to create new non-market housing. Developable land in Waterloo is costly and difficult to assemble, and land in the City’s nodes, corridors and Major Transit Station Areas is particularly costly and outside of the financial reach of non-market housing providers. Many non-market housing builders seek lands zoned for medium density housing (e.g. 6 storeys or less) since these sites are more affordable, can be developed using less expensive construction methods and materials, and enable a smaller scale of construction that matches their project and construction management skills and expertise. Sites that require amendments to the Official Plan or Zoning By-law can introduce unacceptable levels of risk and uncertainty for not-for-profits who have limited expertise, financial capacity, and time to engage in additional planning processes. Public opposition to new affordable housing developments can also impact non-market housing providers by lengthening planning processes and increasing costs (e.g. dispute resolution, carrying costs).

Emergency shelters and transitional housing have proven to be particularly challenging to establish within the City. Official Plan policies and zoning regulations are needed to proactively plan for these housing types, to avoid, where possible, additional planning process and review (e.g. a zoning by-law amendment) before they are permitted. The requirement for planning approvals creates extra planning costs, lengthens processing time and opens such developments up to potentially costly and time-consuming appeals that they have limited capacity to manage.

3.3. Loss of Existing Affordable Housing Supply

Rising rents: Loss of low-end-of-market housing or “naturally occurring affordable housing” is considered by many housing experts to be one of the biggest affordable housing challenges facing communities across Canada¹⁸. Rental housing, which supplies housing for about one third of Waterloo’s households, plays an important role in providing low-end-of-market housing, which is particularly important for low and moderate income households in high value housing markets. Rental units also provide low maintenance options for those who prefer not to or can’t easily maintain a home (e.g. seniors), and short term options for those in immediate need of housing or who need to move frequently for work or school (e.g. young professionals and students).

Waterloo’s primary and secondary rental housing markets have been impacted by supply and demand dynamics described in Section 3.1, causing rents to rise significantly across the rental housing market and reducing the overall supply of affordable rental housing in the region. Increases in average rents for a sample of purpose built rental apartments was 4% between 2019 and 2020, and exceeded provincial guidelines of 2.2% for eight consecutive years¹⁵. The gap between occupied unit rents vs. asking rents was most significant for 3-bedroom units, with asking rents 43% higher than the rents of occupied units¹⁵. In 2020, average rent for rented condominium units (secondary rental) in the Kitchener-Waterloo Cambridge-CMA was 20% higher than the rent of purpose built rental units¹⁹. Feedback from renters surveyed for this discussion paper suggest that rents have continued to increase dramatically since the last CMHC rental market update in 2020, and staff are aware of reports of bidding wars for rental units and landlords requiring multiple months of advance rent as down payment to secure a unit.

Conversion and demolition: Canadian housing researchers point to the growing impact of Real Estate Investment Trusts (REITs) as another reason for the decline in affordable rental market housing stock²⁰. REITs are private corporations that acquire purpose-built rental apartment buildings and other properties as investment products. To create returns on their investment, REITs apply a variety of strategies to increase revenues, such as rehabilitating or redeveloping buildings to permit the charging of higher rents. Actions to rehabilitate buildings can have a positive impact on the quality of the rental housing stock, but it also can displace low and moderate income households, including long term tenants of rent controlled units, through

eviction and above guideline rent increases. Since 1996, the number and influence of REITs in the Canadian housing market has grown significantly and they now own an estimated 20% of the country's rental housing stock²¹.

Affordable market ownership and rental housing stock can also be lost through smaller scale speculative activity and development processes that don't specifically involve REITs. In 2021, purchases by multi-property owners (i.e. investors and second owners) comprised almost 24% of all real estate transactions in Waterloo compared to under 16% in 2011²². Feedback from people with lived experience and housing service providers suggest that the problem is significant and growing. Tenant evictions to enable renovations ("renovictions"), condominium conversion, and outright demolition of older housing stock to make way for new developments often reduces supply of lower cost rental housing stock and displaces existing tenants. Because of high land acquisition and construction costs, the new rental units created through redevelopment are rarely priced at levels that are affordable for low income households. For example, since 2019, about 2,500 purpose built rental units were added to the Kitchener-Waterloo-Cambridge CMA housing stock but less than 6% of these new units were affordable to those at the lowest end of the income range (those making less \$25,000) who make up 10% of the population. Replacement of rental housing with ownership housing (e.g. condominiums) also increases the cost of housing beyond the range that is affordable to low and many moderate income households.

City planning policies and processes have been limited in their effectiveness in preventing the premature loss of housing or the loss of affordable housing. For example, while the City's demolition control by-law restricts the premature demolition of existing residential units, it does not require owners to make the existing units available to tenants. As a result, property owners may choose to evict the tenants from the existing units and leave the units vacant for many years in anticipation of a future development. A review of the City's condominium conversions over the past 10 years revealed that the existing policies and criteria were not effective in preventing the conversion of low-end-of-market units, purpose-built student housing and family-sized rental units (units with three or more bedrooms). Between 2011 and 2021, a total of 517 units were converted to condominium, most of which were three or more bedroom units.

Aging non-market housing stock: Much of the region's non-market housing stock was constructed 30-40 years ago and requires significant capital repair and re-investment. A Housing Master Plan adopted in 2019 by Region of Waterloo council outlines how it plans to repair and renew its Community Housing stock, however, some of the privately-owned non-market housing stock in Waterloo is vulnerable to end of term agreements, and operational or funding changes that could result in the housing being sold and/or converted to market housing. Community organizations that own and operate non-market housing can experience declining membership, financial challenges or shifting priorities that require them to sell their

assets. These sites are at risk of being removed from the affordable housing supply without government financial assistance (e.g. Civitan Building on Erb Street East for which the City provided \$200,000 to Supportive Housing of Waterloo, as per CAO2020-007).

3.4. Inadequate Housing Diversity

In a healthy housing system, households have the ability to transition to more appropriate or desirable housing as their economic situation, household size or housing needs change. When certain housing types are in short supply, housing turnover can become constrained and more households may find themselves living in unsuitable (e.g. too few bedrooms, inaccessible) or unaffordable housing. Inadequate diversity in housing affects owners and renters across the income spectrum, but has the greatest impact on households at the lowest end of the income range. An insufficient supply of low-end-of-market rental units, for example, increases demand for non-market rental units and reduces turnover rates of renters already living in non-market housing. Region of Waterloo staff reported that fewer households are leaving non-market housing because of high market rents, which means non-market units are not freed up for other households who require it.

A shortage of smaller, accessible ownership and rental units within neighbourhoods can make it challenging for older adults to find appropriate options to age within their community. Housing models that could better support age-friendly options include co-housing (private housing with shared facilities or spaces), co-operative housing (a housing complex that is jointly owned), second residential units, and long term care homes that are physically integrated into neighbourhoods. These options can also encourage generational turnover of ownership housing and can make available more supply of ground oriented low-and-medium density housing desired by larger households such as families. When older member households can not find suitable and affordable alternative housing types in the locations they wish to live, they may choose not to downsize, which in turn reduces the availability of larger housing units for larger families.

Mid-rise (e.g. 3-6 storeys), multi-unit housing can provide households with more affordable alternatives to single-detached dwellings while still providing some of the features desired by many households such as multiple bedrooms and private or semi private outdoor amenity space. Construction of mid-rise, multi-unit buildings can be less costly than the construction of taller buildings because smaller buildings can use less expensive materials (e.g. wood vs. concrete) and require less complex mechanical systems. These housing types are often referred to as the “missing middle” because they make up a very small proportion of Canada’s overall housing stock²³. In Waterloo, over half of the land area designated for residential uses is zoned to permit only single detached houses. In contrast, only 7% of residential lands are zoned to permit (as a maximum) small scale multi-unit buildings such as stacked townhouses and three or four storey apartment buildings. A further 6% of the City’s residential lands enable the

construction of mid-rise apartment buildings of 6 storeys in height or less. A greater diversity in housing forms and tenures throughout the City was identified through public feedback as a desirable way to provide right-sized options for households seeking affordable alternatives to single detached houses. A better distribution and supply of family-sized (3+ bedroom) housing within medium and high density built forms can also help reduce the incidence of families living in unaffordable or unsuitable (too few bedrooms) since denser housing tends to be more affordable.

A lack of housing diversity within neighbourhoods can make it more challenging for households with very low incomes to find safe, suitable housing they can afford. Interviews with low income individuals with young children revealed a desire for more non-market and low-end-of-market family-sized rental housing within mixed-income buildings and neighbourhoods in close proximity to schools and with access to safe private or public greenspaces. These individuals described living in buildings with a high incidence of socially disruptive behaviours (e.g. littering, public drug and alcohol usage, drug trafficking, harassment and racial intolerance) that made their living situation feel unsafe for themselves and their children. Feedback from low income individuals who didn't own a car, including seniors and individuals with physical disabilities, revealed a need for more non-market and low-end-of-market housing in close proximity to high frequency transit such as a frequent bus line or the LRT. Lack of affordable housing in areas with reliable transit placed additional pressure on these individuals to meet their daily needs. Still others confirmed a need for continued availability of multi-tenant houses (lodging houses) as a short term option while unemployed or until more secure and desirable housing could be found. The City's Zoning By-law does not permit the creation of new lodging houses. Zoning regulations that prohibit a diversity of housing can inadvertently limit the availability of affordable housing in close proximity to transit and can concentrate social problems into a few neighbourhoods.

A balance of tenure types to meet the needs of both renters and owners is also important to ensure healthy vacancy rates and affordable rents. Demand for low-end-of-market rental housing is particularly high in Waterloo because of the City's three post secondary institutions. In 2020, approximately 22,430 post-secondary students lived off campus in Waterloo, and the vast majority of these students rented their accommodations. A shortage of rental housing can drive up rents for both student and non-student renters, resulting in conversion of common living spaces to bedrooms, couch surfing and costly commuting. Feedback from students and student unions point to a diversity of incomes within the student population and a need for more affordable rental housing to support both domestic and international students with very low incomes who have limited financial supports. Also identified was the need for affordable, family-sized rental housing for graduate students.

3.5. Summary

The reasons for declining housing affordability stem from a complex array of global, national, regional and local issues, many of which are outside of the scope of municipal control or influence. Key factors contributing to affordability challenges in the local housing market and that fall, in part, within the municipal sphere of influence include: 1) inadequate market housing supply, 2) inadequate non-market housing supply, 3) loss of existing affordable housing supply; and, 4) inadequate housing diversity. Staff recommend that these causal factors form the focus of an Affordable Housing Strategy that identifies actions the City can take to address the housing needs of current and future residents.

4. Principles, Goals and Targets

4.1. Principles

The following principles are recommended to inform the identification, evaluation and implementation of actions to address housing affordability in the City:

Housing as a Human Right

Safe, adequate housing is recognized by both the Government of Canada and the Ontario Human Rights Commission as a human right. As well as being a basic human need, a secure place to live is essential for human dignity, physical and mental health and overall quality of life²⁴. Housing policy and regulation should consider the principles of inclusion, participation and non-discrimination.

Diverse and Inclusive Communities

A diversity of housing options should be made available across the City, in a variety of markets and types of neighbourhoods, not just in the Uptown Growth Centre. Greater housing diversity that enables a range of unit sizes, tenures, prices and accessibility within neighbourhoods and across the City can ensure all residents have equitable access to economic and social opportunities and amenities that help enhance quality of life, such as schools, parks and trails, shopping and services, and public transportation. Housing diversity can also support inclusive neighbourhoods by helping to reduce isolation and stigma.

Data-Driven Decision Making

While the housing market is currently moving at an unprecedented rate of change, as much as possible, housing policies should be based on an up to date understanding of the housing market, gaps in supply that the market is not well suited to address, as well as population and demographic trends in the regional market area to ensure that the City's approaches are targeted toward the issues and challenges that will have the greatest positive impact. Program

and policy monitoring will enable the City to evaluate the success of programs, address unanticipated policy outcomes and course-correct if necessary.

Coordinated

The Affordable Housing Strategy will reinforce the City's [strategic goals and objectives](#) while also supporting and complementing other local and regional plans and programs. Key plans include the City's Affordable Housing Grant Program, Station Area Plans, Economic Development Strategy, Regional Labour Market Strategy, Transportation Management Plan and the Region's Housing and Homelessness Plan 10-year Review.

Future-focused

Housing is designed to be long lasting and is costly to retrofit. Once built, individual buildings and neighbourhoods can be socially and politically challenging to intensify in response to a changing household dynamics or a growing population. Housing policy and actions should consider the longevity of the built environment and its ability to adapt and change to meet the needs of both current and future residents.

Sustainable

Policies and approaches to address housing affordability challenges will have important implications for the City's protection of natural areas and farmland and the achievement of climate change actions as set out in the City's corporate and community-focused climate change plans and the Community Energy Investment Strategy. Trying to solve this issue by only creating more housing supply risks increasing car dependency and associated greenhouse gas emissions compared with planning for a mix of unit types to increase supply while also examining other systemic contributors to the housing crisis. Conversely, climate mitigation and adaptation approaches can also impact housing affordability by raising costs (e.g. construction costs) that will be passed down to the consumer. The Strategy should consider interrelationships between housing and climate change and emphasize actions of mutual benefit to ensure that both strategic objectives are met.

4.2. Setting Goals

The Affordable Housing Strategy will need to identify goals and set targets to guide the actions and decisions of Council and staff over the next 10 years. Goals are broad, long-term directions to inform priority setting, resource allocation, and budgeting, while targets will provide benchmarks for comparing planned and actual results. Table 1 identifies some of the key goals, objectives and policies that are already in place in the 2019-2022 Strategic Plan and the Official Plan that relate directly or indirectly to housing affordability.

Table 3. Current City of Waterloo Housing Goals, Objectives and Policies

Strategic Plan	
Goal: Strengthen Waterloo as a diverse and inclusive community	Objectives: <ul style="list-style-type: none"> • Address the needs of an aging population through responsive development, programming and communication strategies • Focus on the economic disparity in our community by ensuring our work considers the impacts of this gap
Goal: Position Waterloo as a strong and resilient community	Objectives: <ul style="list-style-type: none"> • Increase the amount of affordable housing in the City
Official Plan	
Policy 3.9.2 (3): The City will plan for the provision of an appropriate range and mix of housing types, sizes, costs and tenure within neighbourhoods by:	<ul style="list-style-type: none"> (a) Encouraging intensification and infill within designated Nodes and Corridors, and Major Transit Station Areas (b) Generally maintaining the land use intensity of existing low density residential neighbourhoods located outside of designated Nodes and Corridors, while permitting context-sensitive intensification in low density residential areas where it is appropriate (c) Supporting the Regional Municipality of Waterloo in Regional Community Action Plan for Housing (d) Promoting the provision of accessible and affordable housing to be meet the needs of lower income residents (e) Encouraging accessible and visitable housing in order to facilitate ease of living and aging in place

The following goals could form the basis of the City's Affordable Housing Strategy. The goals build on the City's existing strategic goals, objectives and Official Plan policies by providing more detailed outcome oriented directions. They draw from the key findings of the City's Housing Need and Demand Analysis, the primary causes of declining affordability identified in Section 3, and public and stakeholder feedback:

Goal 1: Continue to align policies and processes to support the efficient delivery of new housing
City policies, processes, and regulations should work together to support and enable cost-effective and timely delivery of housing for all current and future Waterloo residents.

Goal 2: Plan for and prioritize the provision of non-market housing

Strengthen policies, programs and partnerships to support the construction of new non-market housing with an emphasis on housing and shelter types that meets the needs of the City's most vulnerable populations.

- Goal 3: Protect and maintain existing housing stock and affordable housing supply
Balance the need for intensification and reinvestment and renewal of the existing rental and non-market housing supply while retaining affordability. Ensure optimal use of underutilized sites and reduce the occurrence of vacant housing.
- Goal 4: Plan for and support a diversity of housing needs throughout the City
Encourage and require, where appropriate and feasible, a greater diversity of housing types in more places throughout the City, focusing specifically on the housing types, sizes and tenures that are in short supply.
- Goal 5: Optimize City resources and financial tools
Continue to leverage available resources and financial tools in a strategic and coordinated way to support affordable housing goals.
- Goal 6: Build City and community capacity and awareness
Enhance staff capacity and awareness of affordable housing needs to enable the City to better support the construction and retention of affordable market and non-market housing. Build community understanding and support for a wide range of housing types and needs.

4.3. Defining Targets

The City operates within a broader Provincial and Regional planning and housing framework that sets out projects and targets that relate to housing in general and the provision of affordable housing more specifically. These broader targets, which are described below, provide a basis for setting Waterloo-specific targets for measuring achievement of the proposed Affordable Housing Strategy Goals in Section 4.2.

4.3.1. Housing Supply

Municipalities are required to plan for an adequate supply of housing to meet the needs of the current and forecasted population. The Province, through the Growth Plan for the Greater Golden Horseshoe (GGH), assigns population forecasts to each upper tier municipality in the GGH Area, along with minimum intensification and density targets to guide where and how municipalities must plan for this growth. The Region of Waterloo, in turn, assigns a portion of the Regional population forecast to the City of Waterloo. The City then sets Official Plan policies and adopts zoning by-law regulations to enable the residential development and growth needed to support the assigned, forecasted population. The Region may also set out higher

intensification and/or density targets, which can influence the locations, densities and heights of residential development in Waterloo and throughout the region. Updated population allocations and density/intensification targets are anticipated in 2022, following the Region of Waterloo's Municipal Comprehensive Review of the Regional Official Plan. The City will need to align its Official Plan with these new housing targets to ensure that housing developers and builders have access to sufficient supply of land for the construction of needed housing. Preliminary growth estimates based on Growth Plan forecasts, suggest that Waterloo will grow by approximately 8,167 households between 2022 and 2032²⁵, however these values will need to be updated in accordance with the Region's Official Plan later in 2022 (

Table 4).

4.3.2. Affordable Housing Supply

In addition to planning for an adequate supply of housing, municipalities are also required to plan specifically for affordable housing. Under the Provincial Policy Statement (PPS 2020), municipalities are required to establish and implement minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans. In areas with two tier governments such as Waterloo Region, the upper tier municipality may identify, in consultation with the lower tier municipalities, a minimum target for those lower tier municipalities. In accordance with the PPS (2020), the Region of Waterloo has adopted a region-wide affordable housing target of 30% for 2019 to 2041. The target is proposed for inclusion in the Regional Official Plan along with policies that state that the Region will work with area municipalities to develop guidelines for monitoring to measure achievement. The target stipulates that 30% of all new residential development is to be affordable for low and moderate income households²⁶. The methodology used to establish the target is based on a weighted average of the proportion of low and moderate income renter and ownership households in the regional market area spending more than 30% of their household incomes on housing.

Based on preliminary population projections, Waterloo will require 8,167 new dwelling units by 2032 (

Table 4). If 30% of these are to be affordable to low and moderate income households, about 2,450 new affordable units will need to be constructed by 2032, or approximately 215-235 units per year. Broken down by tenure, approximately 14% of new ownership housing and 40% of new rental housing will need to be affordable to low or moderate income households to meet the needs of the region's growing population over the next 20 years²⁴. These units may include a wide range of market and non-market housing types, including lower end of market rental and ownership units and community housing constructed by the Region of Waterloo.

A portion of the total affordable housing supply will need to be deeply affordable to meet the needs of households at the lowest end of the income range. Non-market housing is best suited to meet this demand, since deeply affordable units are rarely offered in the market. Non-market rental units currently comprise only about 3% of Waterloo's overall housing stock, but an additional 9% of households are in core housing need and are unable to improve their housing situation. Recognizing the deeper needs of these households, plus the existing households already in non-market housing, as many as 12% of Waterloo households may require deeply affordable housing and could benefit from non-market housing. The Region has set a target of creating 2,500 new Community Housing (non-market) units by 2026 either through direct provision or through capital grants or the contribution of land. Some of these units will be located in Waterloo and can be considered toward the overall 30% target.

4.3.3. Housing Tenure

A third target relates to the tenure types required to meet the needs of the City's current and future residents. Findings from the City's 2020 Housing Needs and Demand Analysis revealed that 31% of Waterloo's permanent households rented their housing in 2016 and that the proportion of renters is likely to continue to increase over the next decade. In higher priced markets, such as Toronto, this percentage is over 50%. These data, based on the 2016 Statistics Canada census, excluded non-permanent residents, most of whom are post-secondary students. Recent student housing surveys for undergraduate and graduate University of Waterloo students (both permanent and non-permanent residents) reveal that about 80-85% of students rent their accommodations. If permanent students living in permanent households are removed from the survey results (these students are already accounted for in the 31%), it could be estimated that upwards of 90% of non-permanent students rent their homes. Combined, these data forecast a need for at least 33% of all new units to be rental units, or approximately 2,695 new rental units by 2032.

4.3.4. Waterloo's 10-year Target

The annual and 10-year targets in

Table 4 summarize the proposed housing targets for Waterloo's Affordable Housing Strategy. These targets are based on existing Provincial and Regional requirements described in previous sections. Achieving the 30% affordability target will be challenging in light of the current housing market. Given the City's limited resources, strategic actions will need to balance cost and magnitude of impact. Successful achievement of targets will also require concerted and coordinated effort by all partners within the housing system, including Regional, Provincial and Federal governments, adjacent municipalities, private and not-for-profit housing developers, housing service providers and local residents.

Table 4. Forecasted Population and Household Growth and Potential Housing Targets for City of Waterloo, 2022-2032

Year	Population Growth	Household Growth			Housing Targets*		
		Off campus students	Regular households	Total	Min Affordable Dwelling Units**	Min Rental Dwelling Units ***	Min Total Dwelling Units
2022	1,153	25	691	716	215	237	716
2023	1,162	25	691	716	215	237	716
2024	1,172	25	691	716	215	237	716
2025	1,182	25	691	716	215	237	716
2026	1,193	25	691	716	215	237	716
2027	1,096	25	755	780	234	257	780
2028	1,105	25	755	780	234	257	780
2029	1,113	25	755	780	234	257	780
2030	1,121	25	755	780	234	257	780
2031	1,130	25	755	780	234	257	780
2032	1,133	25	662	687	206	228	687
Total	12,560	275	7,892	8,167	2,451	2,694	8,167

Source: Population and household growth values are based on Hemson (2019). Development Charges Background Study. URL:

<https://www.waterloo.ca/en/government/resources/Documents/Development-charges-and-guidelines/Development-charge-background-study-2020.pdf>

* Housing Targets are recommended minimum unit counts based on forecasted number of student and regular households, and the number of total units and estimated proportion of affordable and rental units needed to support those households. Housing targets do not sum to equal total units since they are not mutually exclusive (i.e. units can be either affordable or rental or both).

** Minimum Affordable Dwelling Units = 30% of total dwelling units

*** Minimum Rental Dwelling Units = 90% off campus student households + 31% all other households

5. Tools and Approaches

Federal, Provincial, municipal governments, not-for-profit organizations, private developers and individuals all play a role in the creation of housing. As enablers of housing development, municipalities can support the creation and retention of affordable housing by ensuring City planning policies, regulations and incentive programs are aligned with affordable housing targets and objectives.

In recent years, the City of Waterloo has used a number of tools and approaches to support the creation of housing and specifically affordable housing. These include:

- Planning policy and zoning regulations that:
 - encourage private market housing providers to build a mix of housing forms (e.g. single detached, townhouses and apartments)
 - enable and encourage increased housing supply through intensification in strategic growth areas, including areas close to transit
 - enable second residential units within an existing building or as an accessory structure (e.g. coach house)
- Uptown Community Improvement Plan Tax Incentive Grant for developments containing affordable housing
- Grants to not-for-profits for affordable housing (as approved by Council)
- Development charge deferrals or reduction (as approved by Council)
- Property tax exemptions for not-for-profit affordable housing
- Height and density bonusing in exchange for financial contributions to the Affordable Housing Grant Program (as approved by Council)
- Expedited review and approval of developments proposing affordable housing, where possible
- Annual operating budget contributions of \$100,000 per year to an Affordable Housing Program within Council's Community Priority and Contingency Reserve established in 2021

In addition to the above measures, the City is currently developing:

- An Inclusionary Zoning program for Council's consideration (projected time frame late 2022 / early 2023)
- An Affordable Housing Grant Program for not-for-profit builders of affordable housing

In 2014, the City adopted a Northdale Community Improvement Plan (CIP) containing a Residential Intensification and Affordability Loan/Grant Program that, for a variety of reasons, was not activated by Council. Activation of this program is not recommended and is not included in the list of potential tools and approaches since the program:

- Relies on the activation of other incentive programs that do not specifically support affordable housing,
- Was not designed to ensure affordability over the longer term, and
- Can only be applied to the Northdale neighbourhood, but there is a need for affordable housing incentives City-wide.

This discussion paper identifies 30 potential tools and approaches that could be adopted to address the goals and targets proposed in Section 4.

Goal 1: Continue to align policies and processes to support the efficient delivery of new housing

Action 1. Re-evaluate how residential density is assigned and calculated

The Official Plan and Zoning By-law identify maximum residential densities for development across the City. Residential density caps have been used, in part, as a tool to ensure that new housing developments are appropriately supported by infrastructure, services and amenities, and to manage localized transportation impacts. Preliminary modeling of planned heights and densities suggests that density maximums may be restricting housing supply in some strategic growth areas where the City would like to encourage growth and intensification. These sites may be able to support more housing units within the planned height limits than is currently permitted due to density caps in the Official Plan and Zoning By-law.

Minimum residential densities are also set out in the Official Plan for areas in the City designated for medium-high and high density. These minimums should be reviewed to ensure they are sufficient to promote the efficient use of land. Application of minimum densities to lands designated for medium density and transit supportive densities in greenfield areas should also be considered, where appropriate, to encourage optimal use of limited land. Finally, the City should re-examine its approach for measuring density within the context of its affordable housing goals and objectives and consider options that might support achievement of those objectives (e.g. measuring density in a way that supports or encourages a diversity of unit sizes).

Recommendation:

G1A1(1) Review residential density maximums and minimums and the means by which density is measured as part of the Official Plan Review and Update to ensure that these policies continue to serve their intended purpose and are not placing unnecessary restrictions on housing supply.

Action 2. Explore opportunities to permit more housing in more places

Waterloo's Official Plan directs most residential growth to nodes, corridors and Major Transit Station Areas (MTSAs) within the City's built up area and to remaining greenfield (undeveloped suburban) areas. The boundaries delimiting nodes and corridors were identified in the early 2000s as part of a City-wide height and density study and were incorporated into the 2012 Official Plan. Since those earlier policy studies, the City has experienced significant growth and development and has very little remaining greenfield land. The City is now home to a larger and more diverse permanent resident and student population and offers more transportation choices through improved transit and active transportation infrastructure.

The residential areas located outside of nodes, corridors and MTSA's are planned for low density development and have limited opportunities for modest growth and intensification. Areas that permit only single detached housing comprise more than half (52%) of the City's residential lands, as contemplated in the Height and Density Policy Study that was brought into the City's 2012 Official Plan. These areas have developed with a limited diversity of housing types, tenures and sizes.

Recommendations:

- G1A2(1) Evaluate the development capacity of existing nodes and corridors, MTSA's and greenfield areas as part of the Official Plan Review to examine whether the areas identified for growth are sufficient in size and dimension to accommodate the type and amount of growth needed to meet the housing needs of the existing and forecasted population. The review should consider and incorporate revised minimum density and intensification targets adopted by the Region of Waterloo through their Official Plan update, and opportunities for new minor corridor areas to provide additional housing options at transit supportive densities along designated transit corridors.
- G1A2(2) Consider opportunities to support a broader mix of ground-oriented, context sensitive housing options in low density neighbourhoods such as coach houses, converted houses, semi-detached houses, duplexes, triplexes, and low-rise apartments. Considerations could include: broadening zoning permissions to allow for semi-detached houses and townhouses in certain areas where they are currently prohibited; providing more flexibility for the construction of coach houses in existing neighbourhoods; encouraging the design of new plans of subdivision to include or support second units; and permitting the conversion of existing houses to multi-unit residences, where appropriate.

Action 3. Reconsider parking requirements

Approximately 27% of the Uptown Urban Growth Centre is dedicated exclusively to private and public parking. While parking is necessary to support the transportation needs of residents and workers, there is an opportunity cost of providing too much parking when it occupies space that could otherwise be used for more housing. The City can support a greater diversity of housing types and remove some of the barriers to housing experienced by households seeking to reduce their costs by living or working near transit stations by re-examining the parking requirements for non-market and market housing, and housing within nodes, corridors and Major Transit Station Areas. The review would need to consider and balance various objectives, including existing

and planned active transportation infrastructure, emerging transportation technologies, accessibility, visitor parking and loading needs.

Recommendations:

- G1A3(1) Consider emerging practices to reduce parking for residential developments, including reducing or eliminating parking minimums, setting parking maximums, and/or establishing lower parking ratios for housing within 400m and 800m of an ION stop.
- G1A3(2) Consider lower parking requirements for heritage buildings used or adaptively reused for housing in nodes, corridors and Major Transit Station Areas.
- G1A3(3) Consider adopting a Community Improvement Plan or other tools, in coordination with the Region of Waterloo, to enable reduced parking for developments that have an affordable housing agreement in place with the Region.

Action 4. Consider adopting a Community Planning Permit System

The Province enables municipalities to bundle applications together for concurrent review (rather than requiring them to be submitted and approved sequentially), through a process called a Community Planning Permit System (CPPS). A CPPS is purported to make approvals faster and more efficient (45 days vs 90 for a zoning by-law amendment) and enables housing to reach the market more quickly. Other advantages of a CPPS include added certainty and transparency around the approval process for the community, landowners and developers, additional flexibility in decision making to meet local objectives, and the ability to apply Inclusionary Zoning in areas located outside of Major Transit Station Areas.

Recommendation:

- G1A4(1) Explore the feasibility and potential benefits of adopting a Community Planning Permit System for one or more defined areas in the City where significant residential intensification is planned.

Action 5. Consider providing builders additional options to ensure performance

Letters of credit or cash-in-lieu are used widely by municipalities to ensure builders uphold the terms of a development agreement, such as the installation of services or landscaping. The Ontario Home Builders Association and the Province's Affordable Housing Task Force have both pointed out that letters of credit often require developers to collateralize the letter of credit dollar-for-dollar against the value of the works they are performing. Allowing for "pay on demand surety bonds" as an alternative to letters

of credit financial security, they argue, can potentially free up capital for the construction of more housing. According to a report by Affordable Housing Task Force, pay on demand surety bonds are permitted in a number of municipalities including Hamilton, Pickering and Innisfil. Traditionally, City staff have been cautious about the use of such financial instruments for engineering projects and other forms of construction due to the difficulty that can be encountered when attempting to make a draw on the security and the shifting of risk to the municipality.

Recommendation:

G1A5(1) Consider the feasibility and potential risks and benefits associated with allowing developers to pay securities using “pay on demand surety bonds” as an alternative to letters of credit.

Action 6. Align housing objectives with climate change and community energy objectives to enhance resilience and reduce energy poverty.

Energy efficient, climate resilient housing can lower home energy costs and reduce risk of costly property damage due to extreme weather events such as storms and flooding. The City is undertaking a number of initiatives that will help increase resilience of housing to climate change and reduce residents’ home energy costs (and overall greenhouse gas emissions), including: implementing the updated Storm Water Management Masterplan; planning for a sufficient supply and range of housing options, including affordable housing, in close proximity to transit, stores and workplaces, and; working to complete the City’s active transportation network. The City is also exploring additional actions through the Official Plan Review and update, the Community Energy Investment Strategy and the community and corporate Climate Action Plans, which could both help increase housing affordability and achieve climate change mitigation and adaptation objectives. These actions include: encouraging adaptive reuse of existing buildings for residential purposes, encouraging and/or supporting energy retrofits in existing residential buildings, adopting green building standards or guidelines for new construction, and encouraging onsite sustainable energy production and storage for large developments.

Consideration of the potential costs and benefits of these and other actions on both housing affordability and climate change adaptation/mitigation objectives will help reduce unintended consequences and increase the likelihood of longer term, positive outcomes. For example, careful design of a green building standard could help ensure that the additional, up front costs of energy efficient construction are outweighed by operating cost savings and increased asset value in medium or long term²⁷.

Recommendation:

G1A6(1) Incorporate a climate change and energy lens when considering the development and implementation of affordable housing initiatives and an affordability lens in the design and implementation of actions to address climate change mitigation and adaptation. The Affordable Housing Grant Program and Affordable Housing Strategy should generally align with or leverage, wherever possible, climate change objectives, and advance actions to implement Council endorsed plans such as the Community Energy Investment Strategy and the community and corporate Climate Action Plans.

Goal 2: Plan for and prioritize the provision of non-market housing

Action 1. Continue to develop an Inclusionary Zoning policy and program

Inclusionary Zoning is a zoning tool that allows municipalities to require private developers to include a certain percentage of affordable units within new, multi-unit housing developments. The tool, which can only be used in Major Transit Station Areas and in areas for which a Community Planning Permit System has been adopted (see Goal 1, Action 4), can be used to ensure that areas within close proximity to transit stations continue to support housing for low or moderate income households. These households are most at risk of being excluded from the housing market near transit stations due to rising housing prices and rents. While Inclusionary Zoning is best suited for the provision of moderately affordable housing, it can also be paired with additional planning or financial incentives to create the conditions needed to secure a more sizable number of affordable housing units or more deeply affordable housing.

The City of Waterloo, in partnership with the Cities of Kitchener and Cambridge and the Region of Waterloo completed a financial impact analysis to examine the feasibility of Inclusionary Zoning. Council has directed staff to proceed with the research and development of an Inclusionary Zoning policy and program in consultation with the community and industry stakeholders. Staff aim to develop a draft policy and implementation plan for Council's consideration in 2022/2023.

Recommendations:

G2A1(1) Proceed with the development of a draft Inclusionary Zoning policy, for Council's consideration in 2022/2023, in collaboration with area municipalities and the Region of Waterloo.

G2A1(2) Explore incentive and implementation options in partnership with area municipalities and the Region of Waterloo to limit impacts of Inclusionary Zoning on the pro forma of new development and to ensure efficient program delivery.

Action 2. Proactively plan for all non-market housing types

Housing service providers, with support from the Region of Waterloo, have been actively looking for sites throughout the region to expand existing shelter and transitional housing operations. The identification of a permanent location for an emergency shelter facility in Waterloo has been challenging given the City's current planning framework and limited land availability. The Official Plan does not identify or define a number of non-market housing and shelter building types or land uses. Proactive planning for all temporary and permanent types of housing and shelter could help to facilitate the selection of appropriate sites, and reduce planning approval timelines, costs and contentious zone change applications. This work could also consider provisions to support, where appropriate, unconventional or innovative housing options and living arrangements, such as A Better Tent City, which have emerged as temporary solutions to address the shortage of permanent affordable housing.

Recommendations:

- G2A2(1) Review and update the residential land use policies and regulations in the City's Official Plan and Zoning By-law to support and enable in appropriate locations, all housing types along the housing continuum, including emergency shelters and transitional housing and non-market housing.
- G2A2(2) Work with the Region of Waterloo and area municipal staff to explore opportunities to create consistent definitions for non-market housing types across the region

Action 3. Consider developing an affordable housing concierge program

The development planning and approval process are challenging for not-for-profit and co-operative housing providers who often lack the expertise necessary to successfully navigate the process. These barriers can include finding and securing appropriately zoned properties, navigating the various municipal grants and incentive programs, identifying project partners, and working through the planning approvals process.

Recommendation:

- G2A3(1) Consider adopting a concierge program to provide eligible developers/builders of affordable housing with planning and project assistance in a range of areas that could have a significant positive impact on a project, including: site selection and pre-purchase review, identification of key site issues and planning studies that will affect pro forma, identification and coordination of City grants and incentives, consideration of innovative approaches to support an application, and prioritizing the review process.

Goal 3: Protect and Maintain Existing Housing Stock and Affordable Housing Supply

Action 1. Review and strengthen condo conversion policies and processes

Over the past 10 years the City has approved the conversion of 517 rental units and over 2,220 bedrooms to condominium. These applications were found to be generally consistent with the condo conversion policies set out in both the Region of Waterloo and City of Waterloo Official Plans. These policies are intended to maintain a certain supply of rental housing in the community and to consider affordability before authorizing conversions. In practice, however, implementation of the policy can be challenging and requires access to up to date vacancy and rental housing market data. The current policies may not be sufficient to protect certain types of affordable rental units from conversion, such as units with more than three bedrooms and purpose-built student housing. Moreover, the policy and criteria are not designed to prevent the loss of primary rental units (which offer more secure tenure compared to secondary rental units), significant cost increases to tenants, or options for tenants displaced because of conversion.

Recommendations:

- G3A1(1) Work with the Region of Waterloo to review legislative tools and the Regional and City Official Plans and explore options to strengthen the condominium conversion policies to prevent the conversion of affordable rental housing and discourage the loss of primary rental housing when supply of these unit types is below a certain threshold. The review would need to balance the objective of preventing the loss of affordable and primary rental housing supply against the risk of creating a disincentive in the construction of new primary rental housing.
- G3A1(2) Establish a data sharing and evaluation protocol in partnership with the Region of Waterloo to ensure access to up to date housing market data and consistent implementation.

Action 2. Strengthen regulations to manage demolition of rental housing

The Planning Act authorizes municipalities to manage the demolition of residential property through demolition control by-laws and a permit process. In approving a permit for demolition, a municipality may impose conditions requiring that the new building be constructed within a specified time. The intent of the City's Demolition Control By-law is to prevent the premature loss of housing stock, retain existing housing units until new uses are approved, and prohibit the use of demolition as a means to reduce housing maintenance costs. Feedback from public and internal stakeholders, including the City's Municipal Enforcement Services, suggest that while the by-law may

be effective at delaying demolition, the retained housing units often remain vacant as they await redevelopment, and therefore are effectively removed from the overall housing stock. Empty housing units are often the focus of complaints regarding property standards, illegal entry and vandalism and create enforcement and public safety challenges for the City. Furthermore, while the Demolition Control By-law may delay the removal of housing from the market, it places no restrictions or control on the type or cost of replacement units. Displacement of low income households can occur when existing low-end-of-market housing is demolished and replaced with much higher rent units.

In addition to the tools under the Planning Act, municipalities are enabled under the Municipal Act to enact by-laws regulating the demolition of multi-unit residential rental properties. By-laws commonly include conditions for approval that are intended to minimize the impact of demolition or conversion on the rental housing market, such as a requirement that the new building include sufficient rental units to replace the residential units being demolished, or the requirement to contribute to a municipal fund that has been established to fund the development of new affordable housing. Other municipalities, including the Cities of Toronto and Mississauga, have adopted rental housing demolition and conversion by-laws and Official Plan policies that require the replacement of rental units below a certain rent threshold lost to redevelopment, with units with similar rents secured for a certain period of time.

Recommendations:

- G3A2(1) Consider legislative tools and approaches to reduce the loss of primary rental housing and particularly affordable rental housing, due to redevelopment. Approaches could include encouraging retained units to remain available for rent until a demolition permit is issued (See Goal 3, Action 3), requiring that rental units lost to redevelopment be replaced by units with similar rents for a period of time, and imposing financial penalties for applicants who fail to meet rental replacement conditions (to be contributed to the Affordable Housing Reserve fund)
- G3A2(2) Explore options to reinforce or support the requirements under the Rental Tenancies Act, including reminding developers of their obligations to inform tenants of their right to return to a replacement unit, and requiring a tenant relocation and assistance plan.

Action 3. Encourage the Region to consider a vacant housing tax

Housing vacancies can occur because of speculation, use of a home for occasional personal or family use, holding a property for future personal or family use, or the

absence or revocation of a rental licence. Like other types of vacancies, these units do not contribute to the City's overall housing stock, may attract nuisance or criminal behaviour and can use considerable staff time and resources with respect to municipal enforcement. Encouraging the return of these units to the market would make better use of the existing housing supply. Municipalities are permitted under the Municipal Act and through regulation by the Minister of Finance, to tax the assessed value of vacant residential units by way of a by-law. A vacant housing tax can create the financial motivation for property owners to either occupy, sell or rent their vacant units, thereby returning units back into the housing market. Subject to further review by Finance, taxes paid for unoccupied units could be used to sustain the program, and any excess funds could be directed to the Affordable Housing Reserve. Both Toronto and Ottawa have adopted a vacant housing tax, and Hamilton is considering it. In December 2021, Kitchener asked the Region to look into the feasibility of implementing something similar. The Region has committed to conducting an assessment of a vacant unit tax and other tax measures to support affordable housing for Regional Council's consideration in 2022.

Recommendations:

- G3A3(1) Encourage the Region of Waterloo to explore, in collaboration with area municipalities, the feasibility and potential benefits/drawbacks of implementing a vacant housing tax and implementation program.
- G3A3(2) Consider opportunities to strengthen the City's Vacant Building by-law to discourage vacancies and support municipal enforcement, including: establishing a vacant building registry (for staff use), and administering a fee for vacant buildings.

Action 4. Establish tracking system for short term rental accommodations

Short term rentals provided through companies such as Airbnb or Booking.com can provide homeowners with supplemental income to help offset housing costs and serve a useful role in providing temporary accommodations for people visiting the City. In some circumstances, however, short term rentals that serve as accommodations for visitors rather than as housing can negatively impact the quantity and quality of a City's overall housing stock by removing too much housing from the market or reducing security of tenure for longer term tenants. A number of municipalities in the Greater Toronto Area have adopted by-laws to manage the scale and impact of short term rentals on the rental housing stock. These by-laws enable owners to rent out rooms in their principal residence on a short term basis, but prohibit large scale, short term rental operations, such as the conversion of entire buildings or multiple buildings to short term rental.

Hotels, which are purpose built buildings located in areas zoned for hoteling uses, are not affected by these by-laws.

Short term rentals are permitted in Waterloo. Like other types of rental units, those that are located within low-rise residential buildings are regulated through the rental licensing by-law, while those located in a mid-rise or high-rise building are exempt from the rental licensing by-law. The City's rental licensing process does not distinguish between rental units used for housing and those used for shorter stays. The number of short term rental units and their impact on the local housing supply is not well understood. Licensing of all short term rentals could help the City track the prevalence and impact of short term rentals on the rental housing supply, and would enable the City to set minimum standards or requirements, as deemed appropriate, including limits on number of occupants or days to be used as a short term rental.

Recommendations:

- G3A4(1) Consider expanding the rental licensing program to include all short term rental units regardless of building type.
- G3A4(2) Consult with Regional and City Finance staff on the feasibility and potential impact of including short term rentals in the region-wide Municipal Accommodation Tax that currently extends only to hotels and motels.
- G3A4(3) Consider establishing a system to track the conversion of rental units to short term rental to inform future short term rental housing assessments.

Goal 4: Plan for and support a diversity of housing needs throughout the City

Action 1. Enable more missing middle housing

Waterloo's planning framework supports the development of a range of housing types primarily by designating lands for low density, medium density, medium-high density, and high density housing throughout the City. Under the current framework, there are limited opportunities to increase the supply of moderate scale, multi-unit housing types such as stacked townhouses and small apartment buildings. Enabling more of these "missing middle" housing types within and/or on the periphery of new and existing neighbourhoods could help to increase the supply of more affordable housing types, provide greater diversity of unit sizes to meet a range of household needs and preferences and enable older households to downsize within their community.

Recommendations:

- G4A1(1) Explore opportunities to enable more multi-unit housing types within and/or on the periphery of new and existing neighbourhoods as part of the Official Plan Review and update. Housing types could include: context sensitive

missing middle building types within neighbourhoods (e.g. townhouses and small 3-4 storey apartments, converted single detached units to duplexes or triplexes), and mid-rise buildings (5-6 storey apartments) on the edges of neighbourhoods (see Goal 1, Action 2).

- G4A1(2) Explore the feasibility, including impacts on development pro forma and unit costs, of requiring through zoning that new developments contain a certain percentage of units with two or more bedrooms.

Action 2. Make it easier for home owners to build second residential units

The City of Waterloo revised its Official Planning policies and zoning by-law regulations in recent years to enable second residential units within dwelling units and as self-enclosed accessory units (“coach houses”) in conformity with changes to Provincial planning legislation. Second units provide new rental housing opportunities within low density neighbourhoods and can help increase the diversity of housing sizes, types and tenures in these areas in a context sensitive way. As many as 164 building permits have been issued for second residential units within existing dwelling units since the Zoning By-law was updated in 2018. The creation of additional residential units may be possible with enhanced City supports (e.g. clear, online information and guidance, accessibility considerations, links to Committee of Adjustment and building permit information and links to Region of Waterloo funding for affordable second units) to help property owners navigate the planning/design, development and permitting processes.

While there has been growing interest in the community regarding “tiny homes” (referred to as coach houses in the City’s Zoning By-law), no such units have been created since the 2018 updates to Zoning By-law. Community members participating in a moderated session on second residential units in Waterloo Region, hosted by Kitchener-Waterloo Community Foundation, identified a number of barriers that discouraged the construction of new coach houses. These included: lack of awareness that these unit types are permitted, high construction costs, challenges navigating the planning and permitting process, and regulations in Waterloo’s Zoning By-law that restrict coach houses to properties backing on to lanes, requiring a minor variance to permit in non-lane locations. The Region of Waterloo’s financial assistance for eligible coach house projects was considered by many members of the public as insufficient to incentivize such units.

Recommendations:

- G4A2(1) Develop online information and guidance to help property owners navigate the planning approval process for second units within or ancillary to an existing dwelling. Information provided could include zoning, site design and accessibility considerations, service connection information, links to

Committee of Adjustment and building permit information and links to Region of Waterloo funding for affordable second units.

- G4A2(2) Explore opportunities to encourage and support the creation of second residential units in new plans of subdivision and low rise redevelopments through a review of the rental housing by-law, Zoning By-law and the Official Plan.
- G4A3(3) Consider opportunities to enable the construction of second residential units in more places throughout the City, including: updating the Official Plan to allow for (subject to other provisions in the Zoning By-law) the construction of both a coach house and second residential unit within an existing building on the same lot; enabling coach houses on lots that don't back on to a lane while still considering appropriate regulations to ensure good planning and engineering; removing parking requirements for second units located in close proximity to an ION transit station (e.g. within 800m of a stop); and considering additional ways to relax performance standards, where appropriate.

Action 3. Re-evaluate regulatory framework and supports for multi-tenant houses

Multi-tenant houses, also referred to as lodging houses or rooming houses, are residential buildings that offer private rooms for rent and shared use of common elements such as kitchens, bathrooms and general living spaces. They offer deeply affordable housing for a wide variety of residents, including students, seniors, refugees and new Canadians, individuals leaving the shelter system, and individuals who are temporarily unemployed, on social assistance or who have poor credit. Restricting multi-tenant housing negatively and disproportionately affects low income households. Interviews with low income individuals and housing service providers confirmed that lodging houses help many individuals avoid homelessness.

The City enables and regulates multi-tenant units with up to four bedrooms through the Zoning By-law and Rental Licensing By-law. With some exceptions, multi-tenant units containing more than four bedrooms are permitted only if they existed prior to 2012 and new multi-tenant units containing more than four bedrooms are not permitted in the City. Restrictions on the number of bedrooms in multi-tenant units are used by some municipalities to manage the impact of poorly managed or maintained units, which can create unsafe living conditions for the tenants. Bedroom caps that are arbitrary or aimed at reducing the number of lodging house tenants in an area, however, can reduce the availability and range of affordable rental housing and have been identified by the Ontario Human Rights Commission as having the potential to contravene the Code. A review of the bedroom limits for multi-tenant houses is encouraged to ensure that the limits continue to be appropriate and effective at

addressing or preventing unsafe or unhealthy living conditions. The review could include an exploration of the benefits, drawbacks and costs of shifting from a regulatory approach that restricts multi-tenant houses to one that recognizes and better supports these housing types.

Recommendations:

- G4A3(1) Explore with the Region of Waterloo opportunities to gather data on existing multi-tenant housing, such as size (bedroom count), location and vacancy rates within the regional market area.
- G4A3(2) Identify challenges, opportunities and options for expanding permissions for multi-tenant housing, in consultation with Council, the public and stakeholders (e.g. landlords and tenants, Region of Waterloo, Waterloo Regional Police, Municipal Enforcement Services staff, qualified non-profit housing operators and tenant support workers).
- G4A3(3) Explore, in consultation with the Region of Waterloo, possible supports for both tenants and landlords to improve the quality, safety and management of multi-tenant housing (See Goal 6 Action 4).

Action 4. Consider establishing a local home sharing program

Home sharing programs are programs that match homeowners – typically older adults who need help in the home and/or financial assistance to remain in their home - with tenants who are willing to provide agreed upon services and rent in exchange for the accommodation. Home sharing can achieve multiple housing objectives, including maximizing the use of existing housing stock, supporting homeowners who would benefit from a small amount of rental income and/or support with household maintenance, enabling seniors to age in their community and providing tenants with safe and affordable housing options. A home sharing program called [Canada HomeShare](#) offered by the National Initiative for the Care of the Elderly (NICE) has established a home sharing program in Toronto, Kingston, Region of Peel and Vancouver that matches post-secondary students seeking affordable housing with seniors who have an extra room to rent. Canada HomeShare staff provides screening and matching services to ensure safe and mutually beneficial living solutions for both seniors and students. Rental units created through a home sharing arrangement would be subject to the City's rental licensing by-law.

Recommendation:

- G4A4(1) Work with Canada HomeShare, the Region of Waterloo and local area municipalities to explore opportunities and interest in establishing a local cohousing chapter to serve the post-secondary students and seniors in Waterloo Region and the City of Waterloo specifically. Consideration of the

HomeShare program should also include a review of how homeshare units should be managed, regulated and charged within the City's rental licencing framework.

Goal 5: Optimize City resources and financial tools

Action 1. Proceed with the implementation of an Affordable Housing Grant Program

Work is underway to develop an affordable housing grant program for not-for-profit organizations. The program will provide capital grants to support the creation and/or retention of new affordable rental housing units. Given the high cost of housing construction and depth of funding required to provide a meaningful incentive, the program will use the full, current balance of the Affordable Housing Program within Council's Community Priority and Contingency Reserve fund (further details below in Goal 5, Action 2). The program focuses on not-for-profits in part because the rules and constraints around municipalities providing grants to for-profit entities would require the City to follow a more lengthy public planning process and adopt a Community Improvement Plan (CIP). Recognizing that affordable housing providers can also include for-profit and social-profit (e.g. "B corporations"²⁸) entities, the City should commit to ongoing evaluation of the program, with the possibility of expanding it through a CIP to include a broader range of organization types.

Recommendations:

- G5A1(1) Proceed with the development and implementation of the Affordable Housing Grant Program for not-for-profit organizations, with the goal of finalizing and launching the program (subject to Council approval) in 2022.
- G5A1(2) Monitor grant program uptake, interest and impact, and consider expanding the program (through a Community Improvement Plan or "CIP") to include for-profit affordable housing providers, if appropriate.

Action 2. Explore options to sustainably grow the Affordable Housing Program Fund

The City's new Affordable Housing Grant Program currently has a total of \$500,000 comprised of two funding sources: i) \$200,000 allocated to date approved through the 2020-2022 Operating Budget starting in 2021, as a \$100,000 annual contribution to an Affordable Housing Program within Council's Community Priority and Contingency Reserve fund, and, ii) \$300,000 remaining from a legacy Section 37 Planning Act agreement which included an affordable housing grant contribution.

An additional \$1.3M (approx.) of potential funding for the Affordable Housing Grant program is anticipated through not yet exercised Section 37 (height and density

bonusing) agreements. As of September 2022, funding through Section 37 agreements will no longer be a planning tool available to municipalities.

Additional, sustained, increased contributions to the Affordable Housing Program Fund would better support the long term operation and impact of the Affordable Grant Program. A larger fund could also help support other proposed affordable housing initiatives, including continued approval of development charge waivers (Goal 5, Action 3), short term loans for housing providers (Goal 5, Action 4) and programs to reduce tenant evictions (Goal 6, Action 3). One option for growing the Affordable Housing Grant fund is to increase the annual contribution to the fund through the City's future budgeting cycles. Council could consider, at that time, the appropriateness and potential trade offs of allocating additional City revenue to the fund.

Recommendation:

G5A2(1) Consider increasing the annual contribution to the Affordable Housing Program fund through future budget cycles.

Action 3. Consider feasibility of a structured program to waive fees and charges

The City's Official Plan enables the City to waive or defer development charges (DCs) for affordable housing projects. Recent changes to the Development Charges Act require municipalities to offer a payment deferral of development charges for rental housing developments, long term care homes, retirement homes, and non-profit housing developments until a building permit is issued or building occupancy (whichever is earliest). The City's 2020 Development Charges Interest Policy (FC-023) enables non-profit housing developers to pay the deferred development charges over 21 annual instalments with 0% interest charged. For rental housing that is not non-profit housing or institutional development, DCs can be paid in six annual instalments with interest. Feedback from affordable housing providers confirmed that DC waivers and deferrals were an important source of financial support for affordable housing projects to alleviate cash flow challenges that they face.

The City addresses requests for DC waivers on an ad hoc basis and relies on Council's discretion to approve or deny such requests. Requests for other fee waivers, such as planning application fees, are also addressed on a case by case basis. While this approach provides the City with flexibility, it also creates challenges for affordable housing providers who would benefit from knowing early in the planning process about the types of financial support that the City may consider and the criteria against which requests for support will be evaluated. Further clarity is needed to determine whether the City will continue to consider requests to waive DCs or other fees and charges when the Affordable Housing Grant Program is operational. A structured financial assistance program and criteria would improve consistency in review and approval processes,

provide greater certainty for affordable housing providers and provide transparency for the broader community. Since fees and charges represent a significant revenue source for the City, the feasibility of such a program would need to be evaluated in conjunction within the context of the City's budget and other incentive programs.

Recommendations:

- G5A3(1) Consider the financial feasibility and appropriate tools that could support a Fees and Charges Waiver or Reduction Program for affordable housing developments in consultation with the City's Finance division. Tools might include a DC By-Law, Parkland Dedication By-law and or a Community Improvement Program.
- G5A3(2) If deemed to be financially feasible, develop a standardized approach for considering fee waiver requests, including eligibility criteria, waiver/payment amounts, application processes and materials, and criteria and timelines for review and approval.

Action 4. Consider approaches to provide short term loans for affordable housing providers

One of the most significant barriers to housing providers seeking to build affordable housing is their ability to purchase land for development. Organizations interviewed for this research reported that the timing to secure financing through CMHC (the primary financier of affordable housing) took as long as nine months, by which time properties on the market were typically sold to other buyers. This problem is a particular challenge for affordable housing providers who can not leverage existing capital assets to secure bridge financing at reasonable rates to secure new properties. These financing challenges can prevent new organizations from entering the affordable housing arena, including those seeking to address a particular housing need or niche. Affordable housing providers would benefit from access to bridge financing to cover the up front down payment and due diligence costs of a property purchase until a CMHC loan can be secured. The loan would need to be available in the short term (around 60-75 days) to appropriately bridge the financing gap reported by affordable housing providers. Such a loan could be structured using the same criteria used by CMHC, to align both programs and ensure that the proposed project meets a standard set of affordable housing objectives. The Municipal Act restricts the types of entities that the City could provide a loan to and the potential risk of non-collection would need to be thoroughly evaluated. The cost of such a program would be the lost interest revenue on the City's financial investment (opportunity cost to the City) in addition to staff time to process and approve applications.

Recommendations:

- G5A4(1) Explore the feasibility of establishing a Community Improvement Plan or a municipal capital facility by-law to support bridge financing for affordable housing providers in consultation with Legal Services and the City's Finance division.
- G5A4(2) Advocate to senior levels of government (Region of Waterloo, Provincial and Federal Governments) the need for well-timed funding to support the financing needs of private and not-for-profit affordable housing developers and builders

Action 5. Advocate the Region to consider lower tax ratios for certain types of affordable housing

Property taxes represent a significant expense for owners of multi-residential buildings. Municipalities can provide financial relief through property tax exemptions and lower property tax rates to encourage certain types of housing such as rental housing and affordable housing. The Province sets out non-profit housing as a special tax class that is exempt from paying property tax, which can encourage the construction of new affordable housing and ensure that existing affordable housing remains financially viable. Waterloo Region has lowered its property tax ratio for new multi-residential housing developments that have six or more units to align with the tax ratio of other residential property types (e.g. lower density residential properties), which can help encourage the construction of new rental housing. The equalized ratios, however, do not apply to multi-residential buildings built prior to 2001, which are charged at almost twice the rate of all other residential housing types. While multi-residential properties do not necessarily pay twice the property tax of other property types because of the way property values are calculated, there is a potential for the higher tax ratio to result in higher tax burden for older multi-residential properties, which in turn could create a financial disincentive for the renewal and retention of older rental properties. In addition, new properties only remain in this new multi-residential tax class for 35 years. These properties will revert to the other multi-residential tax class with the higher ratio at that time and potential significantly increased taxes will result.

While renters do not pay property taxes directly, the higher tax rates for multi-residential properties can put pressure on landlords to seek ways to offset these costs by increasing rents as much as regulations will allow and deferring needed building maintenance. A community land trust interviewed for this research noted that the high property tax rate for older multi-residential properties presented a significant financial barrier that prevented them from purchasing existing affordable rental housing for conversion to affordable housing.

Further evaluation of the impact of the different property tax ratios on the rental housing renewal and affordability is recommended. Aligning the multi-residential property tax rate for older buildings with the tax rates of other residential property types could greatly reduce the operating costs for multi-unit residential buildings and enhance long term affordability for renters. Lower rates could help reduce landlord requests for above provincial guideline rent increases, renovictions, and condominium conversions as a means to cover the cost of significant building renovations and retrofits. Furthermore, a uniform tax rate could treat all forms of housing more equitably and would bring multi-residential properties into the “range of fairness” as prescribed by the Province²⁹.

Other taxation options to encourage affordable or low-end-of-market housing could also be explored. While not-for-profit housing providers are exempt from paying property taxes, many other providers of affordable housing are not. Those that aren’t exempt from paying property taxes include for-profit affordable housing providers as well as for-profit providers of low-end of market housing. The Region could consider a lower property tax ratio specifically for properties that provide housing that meets a particular affordability threshold, or for properties subject to an affordable housing agreement with the Region of Waterloo or CMHC, such as the Region’s rent supplement program.

Recommendations:

- G5A5(1) Encourage the Region of Waterloo to re-examine, in collaboration with area municipalities, the approach to and impact of property taxation on housing supply and affordability, including the retention and renewal of multi-residential housing, and the financial feasibility and appropriate timing of harmonizing the residential and multi-residential property tax rates.
- G5A5(2) Encourage the Region to examine, in collaboration with area municipalities and the Province, options for creating a special tax class for providers of affordable and/or low-end-of-market housing who do not meet the current criteria for property tax exemptions.

Action 6. Continue to explore options to strategically use City-owned lands to achieve affordable housing objectives

The City can make strategic use of its lands to achieve community goals and objectives, including the goal of expanding affordable housing in Uptown and providing a diversity of housing types. Options for maximizing the value of these lands to increase the amount of affordable housing include: retaining and developing the lands for affordable housing in partnership with a builder; entering into long-term land leases with affordable housing providers; or selling properties with conditions that the new owner

build affordable housing as part of their overall development. The City can also purchase new lands that have the potential to be suitable for the construction of affordable housing. Strategic use of City-owned lands for affordable housing could help address land cost and assembly challenges identified by many affordable housing providers as significant barriers to the construction of new affordable housing. Staff are currently exploring the strategic use of City-owned lands in Uptown to support a range of City priorities, including affordable housing.

Recommendation:

G5A6(1) Continue to explore options for mixed use and affordable housing on appropriate current or future City-owned sites, including in the Uptown, having regard for constraints such as agreement encumbrances, forecasted parking needs, GRCA flood plain restrictions and ground water protection, with a goal of initiating a project that supports affordable housing objectives within five years.

Action 7. Consider including Affordable Housing in the CBC by-law

Municipalities are permitted to collect community benefit charges (CBC) from developers at the time a building permit is issued to help pay for the capital costs of any public service associated with new growth (provided these costs are not already recovered from development charges and parkland provisions). Prior to collecting CBCs, the City must undertake a CBC study and adopt a by-law. There is a possibility that affordable housing could be considered a capital cost of new development under the provisions for CBCs set out by the Province. If this is the case, the City would be able to recover some of these capital costs to support the provision of affordable housing in the community.

Recommendation:

G5A7(1) Consider affordable housing as a potential chargeable cost in the City's first CBC study and by-law to be approved September 2022.

Goal 6: Build City and community capacity, awareness and supports

Action 1. Set and monitor housing targets

Establishing and tracking the achievement of targets is important in order to measure the Strategy's success. In accordance with the PPS 2020, the City will need to incorporate into its Official Plan the target set by the Region of Waterloo that requires that 30% of all new residential development will be affordable for low and moderate-income households. Setting and tracking annual and long term housing supply and tenure targets would contribute to a better understanding of how well the City is

achieving its Affordable Housing Strategy goals, can inform budgeting and resource allocation to support the Strategy and other initiatives, and can be used to determine whether revisions to the strategy are needed to achieve objectives. Tracking and reporting the achievement of targets on an annual basis can also help raise awareness around housing needs in the community.

Recommendations:

- G6A1(1) Update the Official Plan to include a 30% affordable housing target
- G6A1(2) Establish and track annual and 10-year housing unit and tenure targets, as outlined in Table 2 and in alignment with population growth allocations from the Region of Waterloo Municipal Comprehensive Review process.

Action 2. Enhance tracking and monitoring capacity

City planning and decision making on housing issues is most effective when it is based on up to date information about the housing system. The City should consider opportunities to enhance its data tracking capabilities to support data-driven decision making, through the enhancement of in house staff expertise and capacity, the consolidation and organization of existing data, and improved coordination of data gathering and sharing with the Region of Waterloo, other municipalities in the regional market area, the City's three post-secondary institutions and CMHC. A centralized database for tracking and reporting housing data could include:

- Targets identified in Goal 6, Action 1
- Rental and ownership housing market data
- Rental housing market data geared to students
- Population and household forecasts
- Number and proportion of new low, mid and high density housing units
- Number of converted and/or demolished rental units
- Number and type of short term rental units (Goal 3, Action 5)
- Number of new coach houses and second units
- Number of long term vacant units

Recommendation:

- G6A2(1) Consider staff resources required to support the gathering, consolidation and reporting of housing market data in partnership with the Region of Waterloo and other stakeholders.

Action 3. Continue to implement and monitor protocols for addressing encampments

Front line staff in the City's Municipal Enforcement Services, Facilities Operations, and Parks divisions periodically encounter situations involving individuals or groups of people experiencing homelessness. The City supports individuals experiencing homelessness by providing access to washrooms and cooling/warming spaces in a number of its facilities. Procedures for responding to encampments focus on sensitively connecting individuals to the existing shelter system (e.g. the new House of Friendship Shelter Care site on Weber Street) which provides safe, temporary housing and wrap around services such as mental and physical health services and supports to access permanent housing. Protocols for addressing encampments include, but are not limited to: a site visit by City staff and notification to street outreach workers; providing ample notice of a site's clean up; and, providing individuals with alternative housing options and connections to other services and supports. The protocols continue to be refined, in consultation with the Region of Waterloo, City and Township by-law divisions, and local poverty reduction and shelter service providers, using a lens of compassion, flexibility and harm reduction.

Recommendation:

G6A3(1) Continue to evaluate and refine or update encampment protocols, in consultation with the Region of Waterloo, to ensure the protocols continue to consider the health and safety needs of unsheltered individuals and the community in an effective, fair and compassionate way.

Action 4. Consider supports to prevent tenant evictions

Feedback from tenant eviction support workers, Region of Waterloo staff and housing service providers identified a need for a coordinated system of supports to ensure tenants have access to safe and stable housing. The City contributes to this system of supports by setting and enforcing minimum property and unit maintenance standards and ensuring compliance with the rental licencing by-law, which helps to ensure that rental housing meets basic electrical, fire and structural safety standards. Most other landlord and tenant issues, including: landlord access to units, rents, breaking leases, and evictions are regulated under the Province's Residential Tenancies Act and managed through the Landlord and Tenant Board (LTB). Tenants may also submit a complaint to the LTB if a landlord has been informed about a maintenance problem but doesn't fix it, doesn't fix it properly or doesn't fix it quickly enough. The processes for managing landlord-tenant disputes through the LTB are technical, complicated, and challenging for many tenants to navigate. The complicated tribunal system combined with a tight housing market increases the vulnerability of tenants to eviction, reeviction, and above guideline rent increases.

Landlord and Tenant Board Dispute Resolution Officers provide landlords and tenants with mediation options to resolve applications without a hearing. These services, however, are not well designed to address the needs of very low income households who are at the greatest risk of homelessness but who may be unaware or unable to navigate the system. The Social Development Centre currently offers peer outreach supports for tenants in Waterloo, Kitchener and Cambridge. The program provides low income tenants with information about their rights and responsibilities under the Residential Tenancies Act and offers assistance and language interpretation to help them navigate the landlord and tenant tribunal process. Tenants who take advantage of these services can dispute evictions, take appropriate action to address property maintenance concerns through either the City or the LTB, and become informed about tenant actions that could lead to eviction (e.g. withholding rent).

Recommendations:

- G6A4(1) Advocate to the Province the need for direct (e.g. caseworkers) or indirect (e.g. funding to a third party) supports for low income tenants to help navigate the Landlord and Tenant Board application process and prevent avoidable evictions.
- G6A4(2) Explore partnership options with the organizations that offer tenant support (e.g. Social Development Centre), in consultation with the City's Municipal Enforcement Services division, to provide in-kind or direct funding in support of their tenant eviction prevention peer outreach program for a period of 3 years, with the possibility of renewal.

Action 5. Develop an online repository for affordable housing incentive programs

The City administers a number of financial incentive programs to support the construction of new affordable housing, including an Uptown Community Improvement Plan, development charge and planning fee reductions or waivers, and tax incentives for not-for-profit housing providers. A new Affordable Housing Grant Program is under development to provide further financial support for not-for-profit housing providers. Information about some of these programs is not readily available online or easily found, and as a result, many affordable housing providers are not aware of them. A webpage containing information and links to all City affordable housing incentives would help housing providers access the information they need to make property acquisition and project planning decisions.

Recommendation:

- G6A5(1) Develop a central, online repository for all affordable housing incentive programs that includes information about total funds available, eligibility criteria, application forms and how the programs can be layered with other City and external agency incentives (e.g. Region of Waterloo, CMHC).

Action 6. Continue and enhance engagement with private, public and not-for profit housing partners

The City of Waterloo relies on the private sector, not-for-profit organizations, co-operatives and the Region of Waterloo to create and maintain needed market and non-market housing. The City can support the efforts of these local housing partners by establishing regular opportunities for open dialogue about existing and future housing needs, identifying and discussing barriers and opportunities to the creation of new housing, sharing information about market trends, and communicating council priorities and objectives. Strengthening dialogue with the full range of affordable housing providers, including indigenous housing providers, builders and operators of supportive housing, and organizations that work to support refugee settlement, could help ensure that the City's financial supports and planning work are designed to support the unique social, cultural, and/or economic needs of different housing providers. To leverage the efforts and investment of private and public housing providers, the City could also provide regular opportunities for discussion about creative solutions and collaborative projects, including pilot projects.

Recommendations:

- G6A6(1) Continue to engage with private housing development stakeholders and industry groups on a regular basis to explore challenges and opportunities to increase the housing supply.
- G6A6(2) Consider establishing a local housing task force comprised of public, private and non-for-profit sector representatives to explore opportunities for collaboration around affordable housing initiatives.
- G6A6(3) Continue working with the Region of Waterloo and area municipalities to explore opportunities for alignment of planning policies and incentives for affordable housing.

6. Conclusions and Recommendations

The six goals and 30 actions identified in Section 5 (summarized in **Error! Reference source not found.**) represent a set of potential approaches that the City of Waterloo could, in principle, adopt to help increase market housing supply, optimize or increase non-market housing supply, retain existing affordable housing supply, and increase the diversity of housing. The approaches specifically target housing issues that are within the realm of municipal influence and that will support local private, non-profit and public sector efforts and complement broader National, Provincial and Regional initiatives.

Table 3. Goals, Actions and Potential Impact

Goal	Actions	Potential Impact on Housing Affordability			
		Increase market housing supply	Optimize /increase non-market housing supply	Retain affordable housing supply	Increase housing diversity
Goal 1: Continue to align policies and processes to support the efficient delivery of new housing	G1A1. Re-evaluate how residential density is assigned and calculated	✓			
	G1A2. Explore opportunities to permit more housing in more places	✓			✓
	G1A3. Reconsider parking requirements	✓			✓
	G1A4. Consider adopting a Community Planning Permit System	✓	✓		✓
	G1A5. Consider providing builders additional options to ensure performance	✓			
	G1A6. Align housing objectives with climate change and community energy objectives to enhance resilience and reduce energy poverty	✓		✓	✓
Goal 2: Plan for and prioritize the provision of non-market housing	G2A1. Continue to develop an Inclusionary Zoning policy and program		✓		
	G2A2. Proactively plan for all non-market housing types		✓		✓
	G2A3. Consider developing an affordable housing concierge program		✓		
Goal 3: Protect and Maintain Existing Housing Stock and Affordable Housing Supply	G3A1. Review and strengthen condo conversion policies and processes			✓	
	G3A2. Strengthen regulations to manage demolition of rental housing			✓	
	G3A3. Encourage the Region to consider a vacant housing tax			✓	
	G3A4. Establish tracking system for short term rental accommodations			✓	
Goal 4: Plan for and support a diversity of housing needs throughout the City	G4A1. Enable more missing middle housing	✓			✓
	G4A2. Make it easier for home owners to build second residential units	✓			✓
	G4A3. Re-evaluate regulatory framework and supports for multi-tenant houses	✓		✓	✓
	G4A4. Consider establishing a local home sharing program	✓			✓
Goal 5: Optimize City resources and financial tools	G5A1. Proceed with the implementation of an Affordable Housing Grant Program		✓		
	G5A2. Explore options to sustainably grow the Affordable Housing Program Fund		✓		

Goal	Actions	Potential Impact on Housing Affordability			
		Increase market housing supply	Optimize /increase non-market housing supply	Retain affordable housing supply	Increase housing diversity
	G5A3. Consider feasibility of a structured program to waive fees and charges		✓		
	G5A4. Consider approaches to provide short term loans for affordable housing providers		✓	✓	
	G5A5. Advocate the Region to reconsider harmonizing tax ratios for older multi-unit rental properties			✓	
	G5A6. Continue to explore options to strategically use City-owned lands to achieve affordable housing objectives	✓	✓	✓	✓
	G5A7. Consider including Affordable Housing in the CBC by-law		✓		
Goal 6: Build City and community capacity, awareness and supports	G6A1. Set and monitor housing targets		✓		
	G6A2. Enhance tracking and monitoring capacity	✓	✓	✓	✓
	G6A3. Continue to implement and monitor protocols for addressing encampments		✓		
	G6A4. Consider supports to prevent tenant evictions			✓	
	G6A5. Develop an online repository for affordable housing incentive programs		✓		
	G6A6. Continue and enhance engagement with private, public and not-for profit housing partners	✓	✓	✓	✓

Each of the 30 recommended actions requires a different degree of effort on the part of the City to initiate and operate, and will have different outcomes and degree of impact on the six identified housing goals. Table 5 identifies potential priorities for the identified actions based on an estimate of the anticipated effort required and outcomes (, Appendix D).

Table 5. Preliminary Assessment of Priorities for Action Based on Effort and Impact.

Priority	Actions
6. ACTIONS ALREADY UNDERWAY Continue as planned	<ul style="list-style-type: none"> • G2A1. Continue to develop an Inclusionary Zoning policy and program • G5A1. Proceed with the implementation of an Affordable Housing Grant Program
7. BIG WINS Implement as a priority	<ul style="list-style-type: none"> • G1A2. Explore opportunities to permit more housing in more places • G1A3. Reconsider parking requirements • G1A6. Align housing objectives with climate change and community energy objectives to enhance resilience and reduce energy poverty • G2A2. Proactively plan for all non-market housing types • G4A1. Enable more missing middle housing • G5A6. Continue to explore options to strategically use City-owned lands to achieve affordable housing objectives • G5A7. Consider including Affordable Housing in the CBC by-law
8. INCREMENTAL WINS Implement in short-medium term	<ul style="list-style-type: none"> • G1A1. Re-evaluate how residential density is assigned and calculated • G3A1. Review and strengthen condo conversion policies and processes • G3A2. Strengthen regulations to manage demolition of rental housing • G3A4. Establish tracking system for short term rental accommodations • G4A2. Make it easier for home owners to build second residential units • G4A4. Consider establishing a local home sharing program • G6A1. Set and monitor housing targets • G6A2. Enhance tracking and monitoring capacity • G6A3. Continue to implement and monitor protocols for addressing encampments

Priority	Actions
	<ul style="list-style-type: none"> • G6A5. Develop an online repository for affordable housing incentive programs • G6A6. Continue and enhance engagement with private, public and not-for profit housing partners
<p>9. STRATEGIC BIG MOVES Implement in medium-long term</p>	<ul style="list-style-type: none"> • G1A4. Consider adopting a Community Planning Permit System • G2A3. Consider developing an affordable housing concierge program • G4A3. Re-evaluate regulatory framework and supports for multi-tenant houses • G5A4. Consider approaches to provide short term loans for affordable housing providers
<p>10. FURTHER EVALUATE Gather more information and feedback</p>	<ul style="list-style-type: none"> • G1A5. Consider providing builders additional options to ensure performance • G3A3. Encourage the Region to consider a vacant housing tax • G5A2. Explore options to sustainably grow the Affordable Housing Program Fund • G5A3. Consider feasibility of a structured program to waive fees and charges • G5A5. Advocate the Region to reconsider harmonizing tax ratios for older multi-unit rental properties • G6A4. Consider supports to prevent tenant evictions

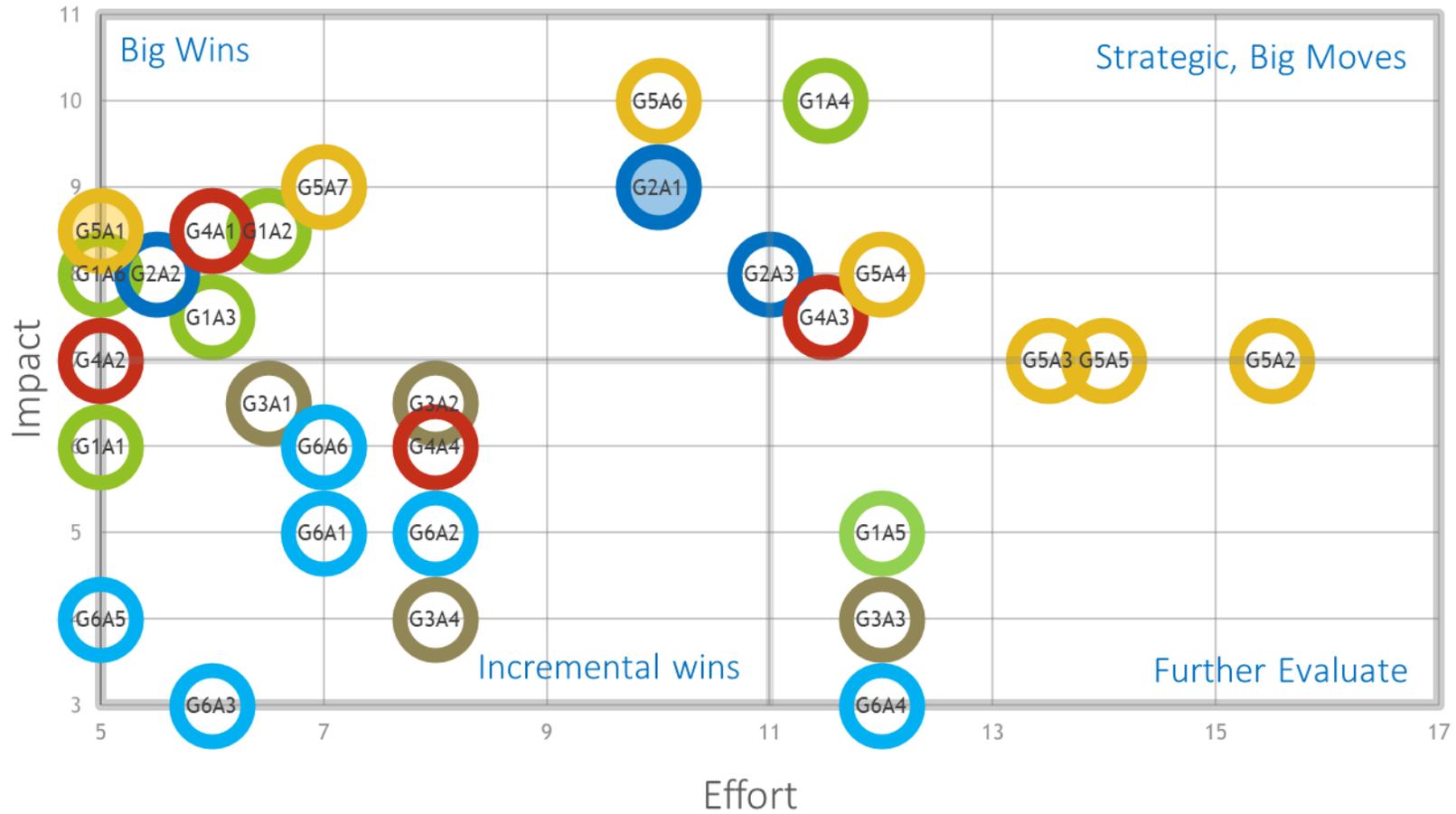


Figure 4. Impact and Effort Matrix for Potential Affordable Housing, Preliminary Evaluation

- Goal 1: Continue to align policies and processes to support the efficient delivery of new housing
- Goal 2: Plan for and prioritize the provision of non-market housing
- Goal 3: Protect and Maintain Existing Housing Stock and Affordable Housing Supply
- Goal 4: Plan for and support a diversity of housing needs throughout the City
- Goal 5: Optimize City resources and financial tools
- Goal 6: Build City and community capacity, awareness and supports

Appendix B. Definition of Affordable Housing (Provincial Policy Statement, 2020)

The Region of Waterloo and the City of Waterloo use the definition of “affordable” housing that is set out in the PPS (2020) and have incorporated this definition in their respective Official Plans.

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.

For the purposes of this definition, low and moderate income means,

- (i) in the case of ownership housing, households with incomes in the lowest 60% of the income distribution for the regional market area;
- (ii) in the case of rental housing, households with incomes in the lowest 60% of the income distribution for renter households for the regional market area.

Appendix C. Public and Stakeholder Engagement

Public and stakeholder feedback was obtained between January and December 2021 through an online public open house, EngageWR, email, individual zoom meetings and interviews. In addition to collecting public feedback, staff held information sessions and solicited feedback from government staff, academic researchers, interest groups and development industry stakeholders. Public and stakeholder sessions included:

- Public Open house (1 meeting)
- Housing Research Forum with UW Planning/Housing research academics (1 forum)
- Kitchener Waterloo Community Foundation (KWCF) Townhall on Affordable Housing (1 moderated panel session “Options for Homeowners”)
- Region of Waterloo housing services staff (multiple meetings)
- KWCF Housing Innovation Roundtable (HIRT – a consortium of academics, government reps, non-profit organizations, developers and affordable housing providers) (1 meeting)
- Not-for-profit organization meetings (minimum 1 meeting per organization):
 - Supportive Housing of Waterloo (SHOW)
 - Monica Place
 - Indwell
 - MennoHomes
 - Union Co-op
 - House of Friendship
 - Social Development Centre
 - KW Urban Native Wigwam Project
- CityHousing Hamilton staff member (1 meeting)
- Waterloo Region Home Builders Association (2 meetings)
- KW Association of Realtors (1 meeting)
- Post Secondary Student Undergraduate and Graduate Associations (1 meeting)
- Low income individuals (14 individual interviews)
- Tenant Eviction Support Workers (2 individual interviews)
- Town and Gown Committee (1 meeting)
- Age Friendly Committee (1 meeting)
- Waterloo Economic Development Advisory Committee (1 meeting)
- Waterloo Park Advisory Committee (1 meeting)
- Sustainability Advisory Committee (1 meeting)
- Yes In My Backyard (YIMBY) (2 meetings)

Internal divisions/individuals consulted include:

- Economic Development

- Municipal Enforcement Services
- Community Services
- Finance
- Executive Officer to the CAO
- Indigenous Initiatives, Anti-Racism, Accessibility and Equity

Summary of Online and Email Feedback

Over 100 individuals provided feedback through the City's Engage website or directly via email. Feedback through these avenues is summarized below.

Q1. Have you personally experienced a difficult time finding housing that you can afford? (total responses: 95)

55% Yes, 45% No

Please explain your experience (Sample of the 42 responses):

"Rental costs and housing costs in transit friendly/non-car dependent areas have seen a large increase. It is unreasonably expensive to live somewhere without a roommate, which is often not possible for a one bedroom without a partner. Spaces are small and expensive."

"I am the trustee for an adult child living on ODSP. The ODSP allowance for rent is \$465.00/month of the \$1169.00 total amount of ODSP. My child had been living in a rental unit in an old house in downtown Kitchener. His rent over the past 5 years went from \$965.00 to \$999.00. I compensate for the difference. However, I am aging and will not be able to keep this up. The original rental house, and the other 4 houses next to it, contained many low-income apartment units. These people are poor. They received a notice that the houses were all to be demolished so new condos could be built. The tenants were very distressed and unable to find adequate rent at the same cost. I was also totally able to find adequate housing even for \$1000.00/month. I did finally rent an apartment for my son, but the rent is \$1300.00 a month. There was nothing else. Even a room in a "shared " situation is \$800+ per month. People with disabilities cannot easily find others who will share space with them irrespective of cost. The "new" apartment that costs \$1300.00 / month was vacated by a tenant who was paying \$725.00 . The property management company tore out the old smelly carpets and put in vinyl flooring, and then boosted the rent to \$1300.00. The situation is untenable. Many, many disabled people are ending up on the street because the city has embraced "housing density at any cost" policies. There need to be some quid pro quo caveats attached to building permits. Some ideas are to embed a percentage of units to be designated for rental at a fixed price for the building to be approved. This would allow the number of affordable units to stabilize, as well as prevent ghettos for poor people. They should be able to find a home in a respectable area, even if that home is small. People receiving

ODSP are not on welfare. Many people with disabilities are fine upstanding citizens who have fallen victim to a circumstance that prevents them from earning a decent wage. We punish them further by marginalizing them through inadequate housing. I would love to see an effort made to correct this. It would be nice to know all the Human Rights virtue signalling around physical and mental disability equity doesn't just continue to be mouthing of platitudes. Another idea, in other areas (Kingston) people on ODSP receive a funding supplement to the amount of \$1300.00 maximum rent cost to compensate for skyrocketing rent. Surely the community that brags about being "the smartest people in Canada" could think of a way to make this happen. There is nothing equivalent in Waterloo region. We should be ashamed."

"I'm on ODSP. That's \$1,169 a month. That doesn't cover rent anywhere and forces folks with disabilities to live with people they don't want to or stay in toxic/dangerous situations."

"Single (sole) parent to disabled kiddo. Cannot work full time due to my child's needs (& not working at all during pandemic). Cannot get approved for a mortgage unless I have someone co-sign. Can't access regional down payment support/loan with a co-signer as they already own. My current landlord is looking to sell - I have no income so will not be accepted for alternate housing (landlords will go with others) given the market right now, and I can't afford anything as rental prices are completely out of reach, especially those which meet the access needs of my kiddo. Longer term, rentals don't exist at the rate provided by ODSP, waitlists for supportive housing options are 20+ years so my kiddo will have no housing options. Ideally, I would purchase a house with an in-law suite which would affordably & safely house my kiddo (and perhaps other disabled adults) into adulthood/for the rest of her life. But our current systems prevent that from happening. I am worried about losing our housing altogether; shelters are full and can't accommodate my kiddos needs. It's a terrifying time to need affordable housing."

"Home ownership is impossible for our combined full-time public sector incomes. We would be paying into our 100s. Rental rates are only going higher, and due to transportation limitations, our options for locations are limited, too. Right now, we have to hope that our tenant rights are protected"

extremely well, because if the landlord decides to "renovict", we'll be relying on friends and neighbours to have us sleep on their floors if we are to hope to remain in the community."

"Very challenging to find a 3 bedroom rental within our price range, let alone purchase one."

"I'd like to put down roots here, but even the cost of a condo is out of reach, let alone anything freehold. I've been shopping for the past five years, but the housing market is always a step ahead of me. In the pandemic, I felt really unsafe in a large building, but housing costs of gone up so much that the only way I'll ever get a home is to marry someone who already owns one. I really don't feel like this city wants people like me. KW only seems to want people who are making over six figures. I am a university student in the city, and so most of the housing in Waterloo is far above what I could ever hope to afford without going into massive debt. While I understand that income based calculations are meaningless for my situation, I would have expected some level of housing to be available (for example one room in a shared apartment) for close to \$500-\$600 a month, which I could reasonably afford. However, in my search, I have found that most places are near the \$1000/month mark for only one room in a multi bedroom apartment. That is quite unaffordable, especially for someone with next to no income, and even more so for a shared room with multiple roommates."

"Finding a two bedroom apartment, that was accessible, close to an affordable grocery store, and on a major bus route, all under \$1400 (in 2020), was a huge challenge."

"I'm on the community housing waiting list for 4 years now and I'm still waiting"

"I was reno-victed and was forced to look for housing at a time when I was not prepared to. If I could choose the timing of my move I would have had more

*options for housing, but I forced out and only had a month to find something.
And there are not a lot of options right now."*

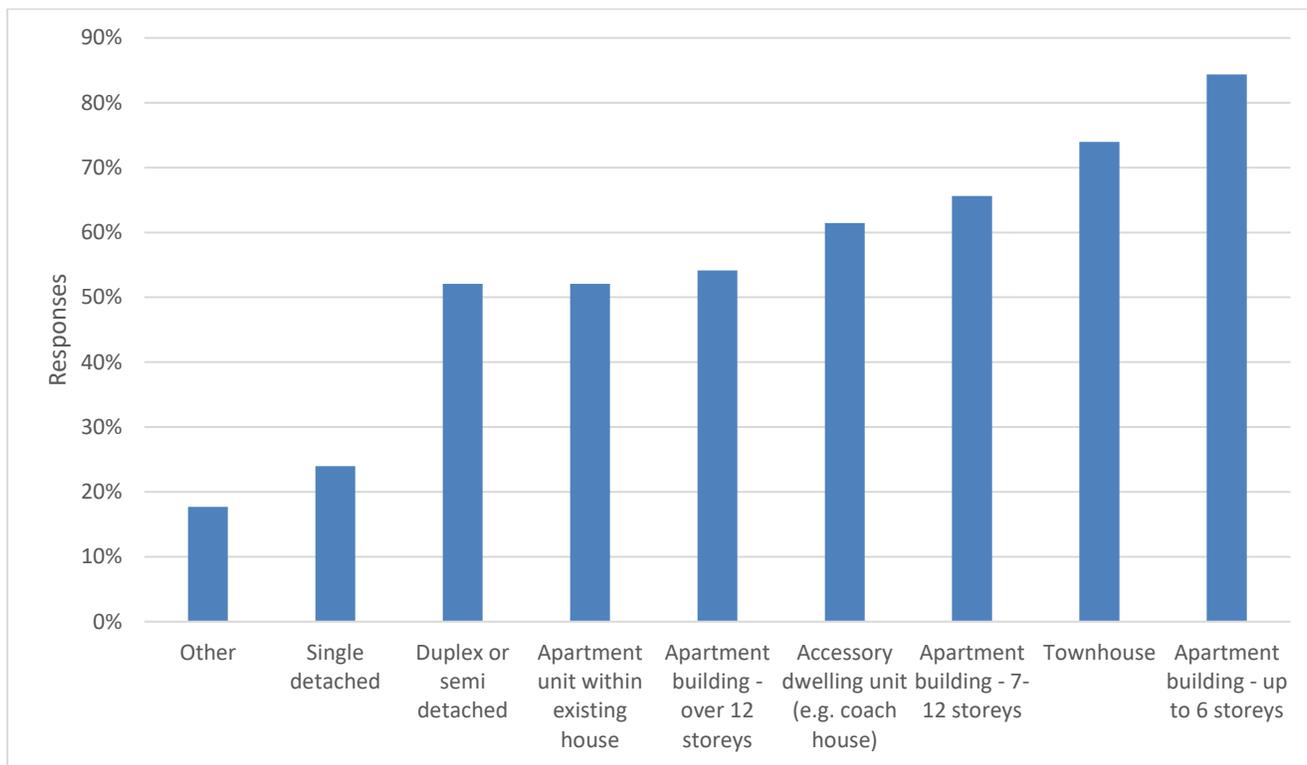
*"As a single mom of 2, I work in Waterloo & lived in WR my whole life. Until 3
years ago when I was forced out by housing costs. WR needs blue collar
workers, but we can not afford to live where we work."*

*"Removed from 2 rentals in under 2 years (one was sold @ 6 months, the
other owner reclaimed in just under a year). I waited for years on a subsidized
housing list - no availability. Inflation that soars & wages that stay stagnant
means cuts to other comforts to provide the roof over head: no longer can we
afford pets. Dining out or even take out. Every excess that can be trimmed, is -
to pay housing costs."*

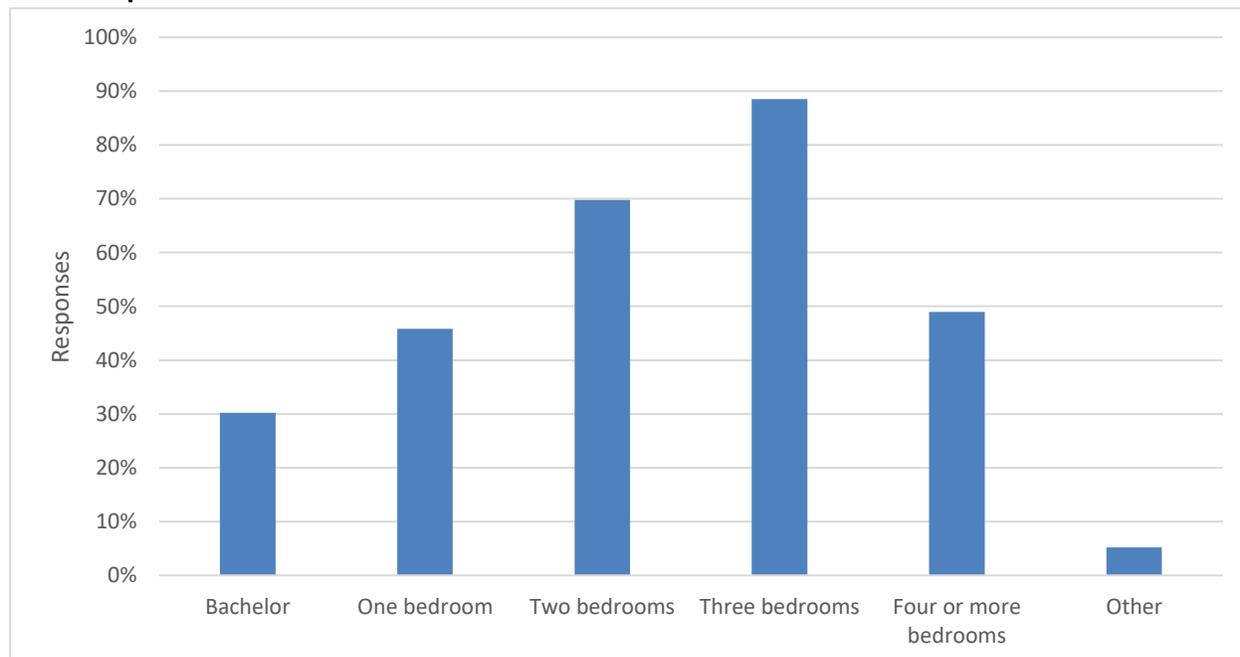
*"I have a computer science engineering degree. I make a good amount of
money a year. I can't afford to buy a house that I see myself living on the next
10 years + If having a house is a human right, then I do not have that right,
and have to be at a mercy of a landlord and go through all the rules imposed
to me. This affect both physical and mental health, since I do not have a place
I can call Home (it's not really mine)"*

*As some one privileged enough to so far be able to afford my home, I'm very
conscious of the fact that I cannot DOWNSize should that become needed, or
move someplace more accessible as I age or become more disabled, without a
large increase in my cost of living. I don't think I could buy my current home,
or even a smaller one in the same neighbourhood, today.*

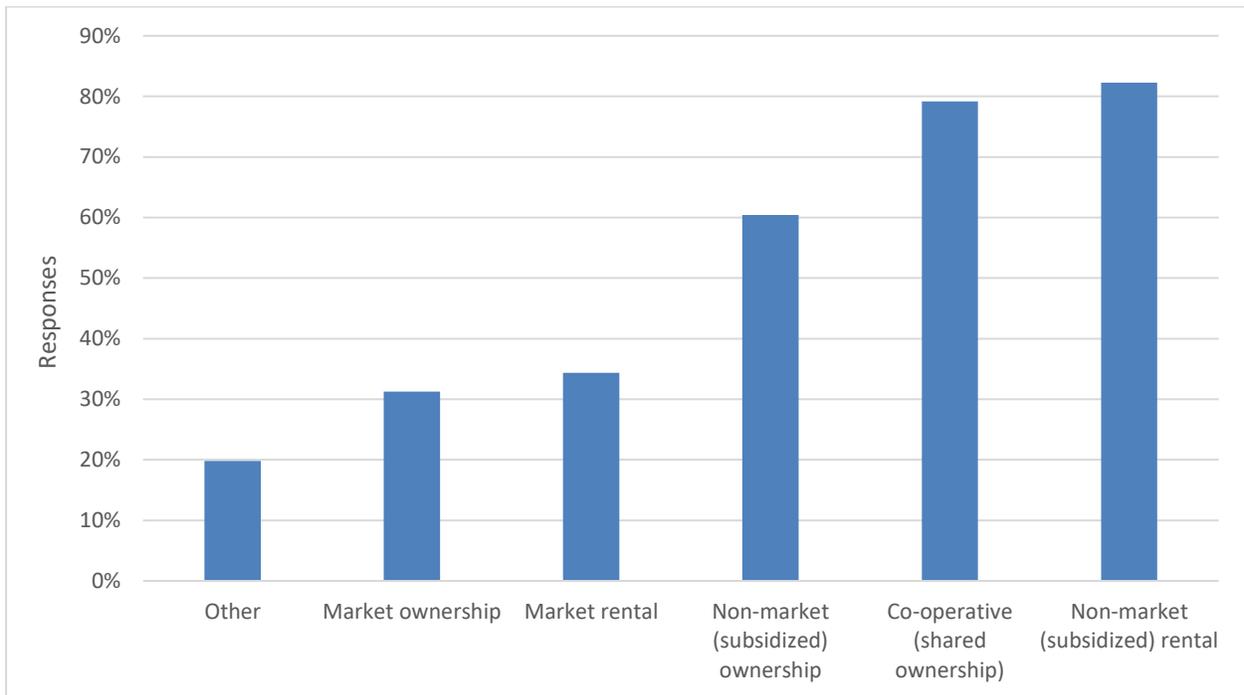
Q2. What types of housing does the City need more of?



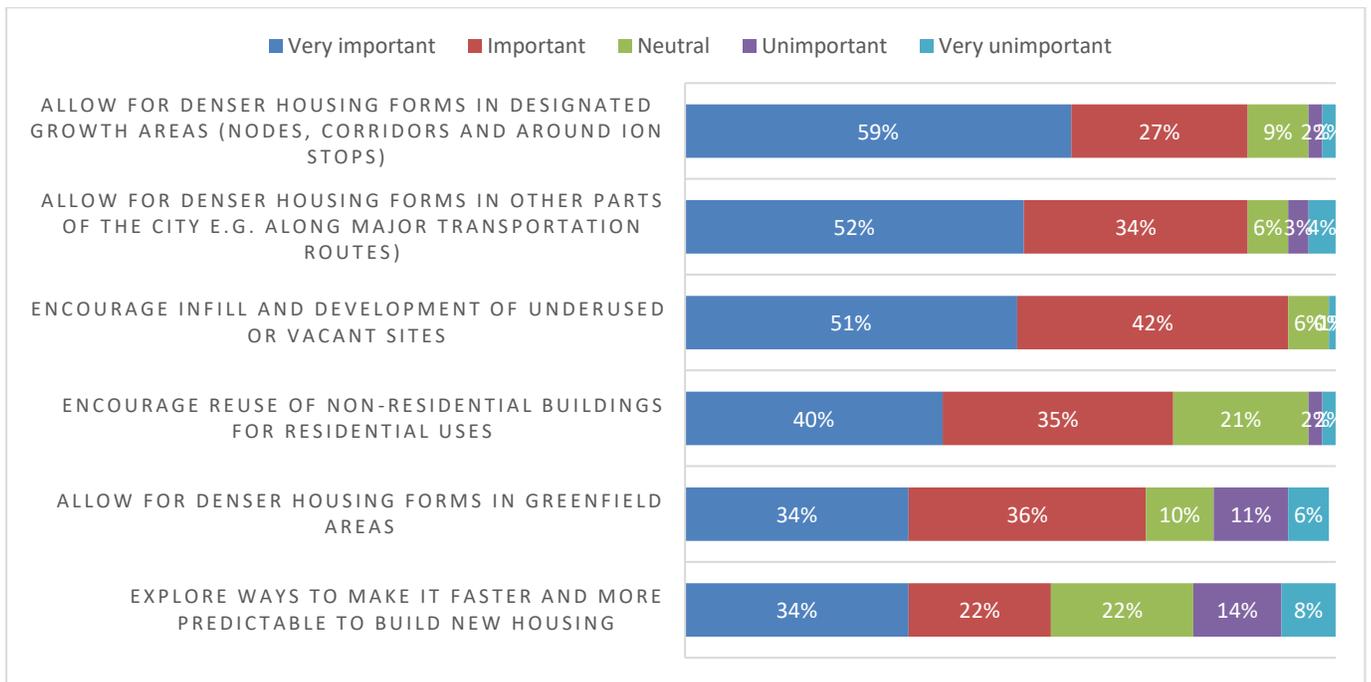
Q3. What unit sizes (# bedrooms) should the City encourage in new developments or redevelopments?



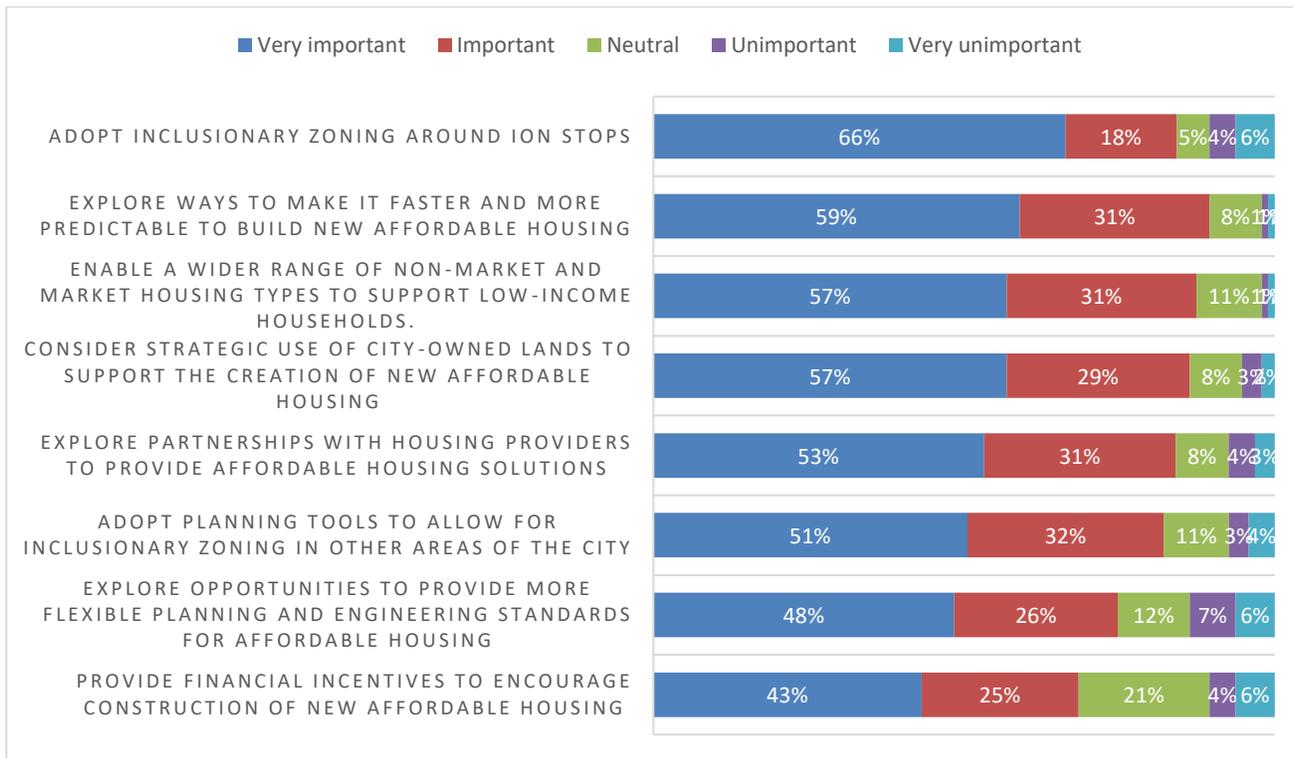
Q4. What tenure types would you like to see more of in Waterloo?



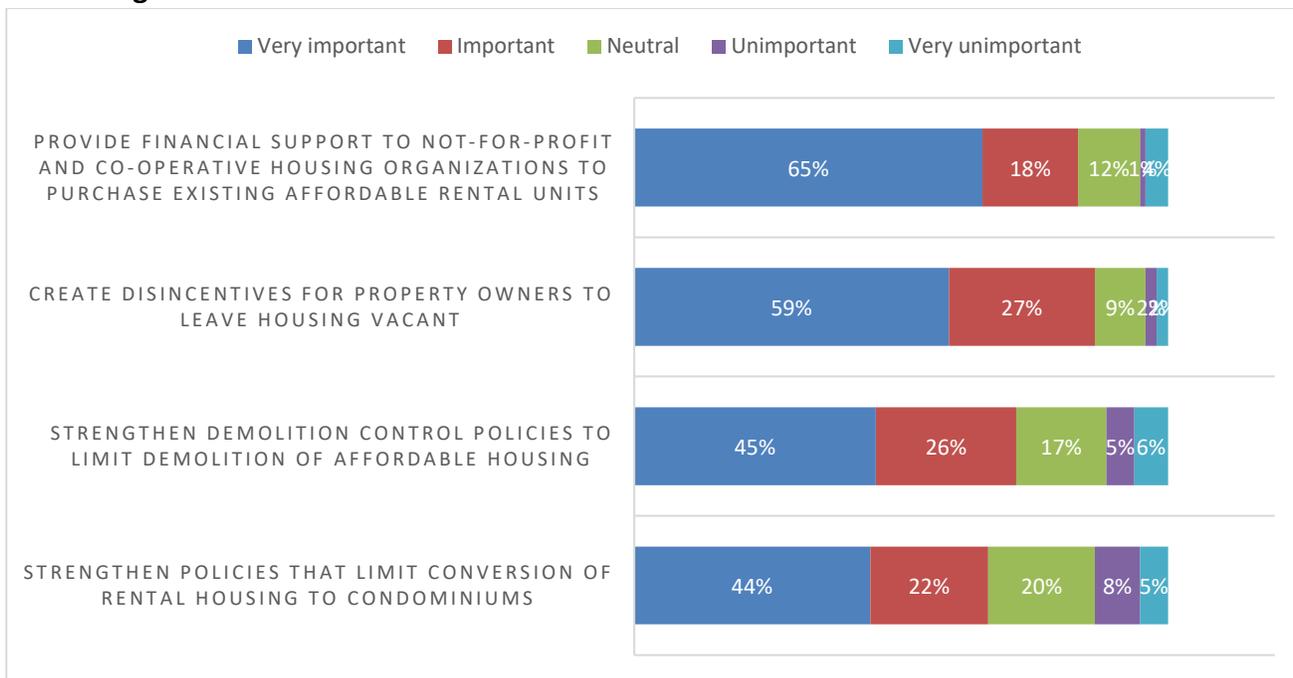
Q5. What should the City do to increase the supply of market housing?



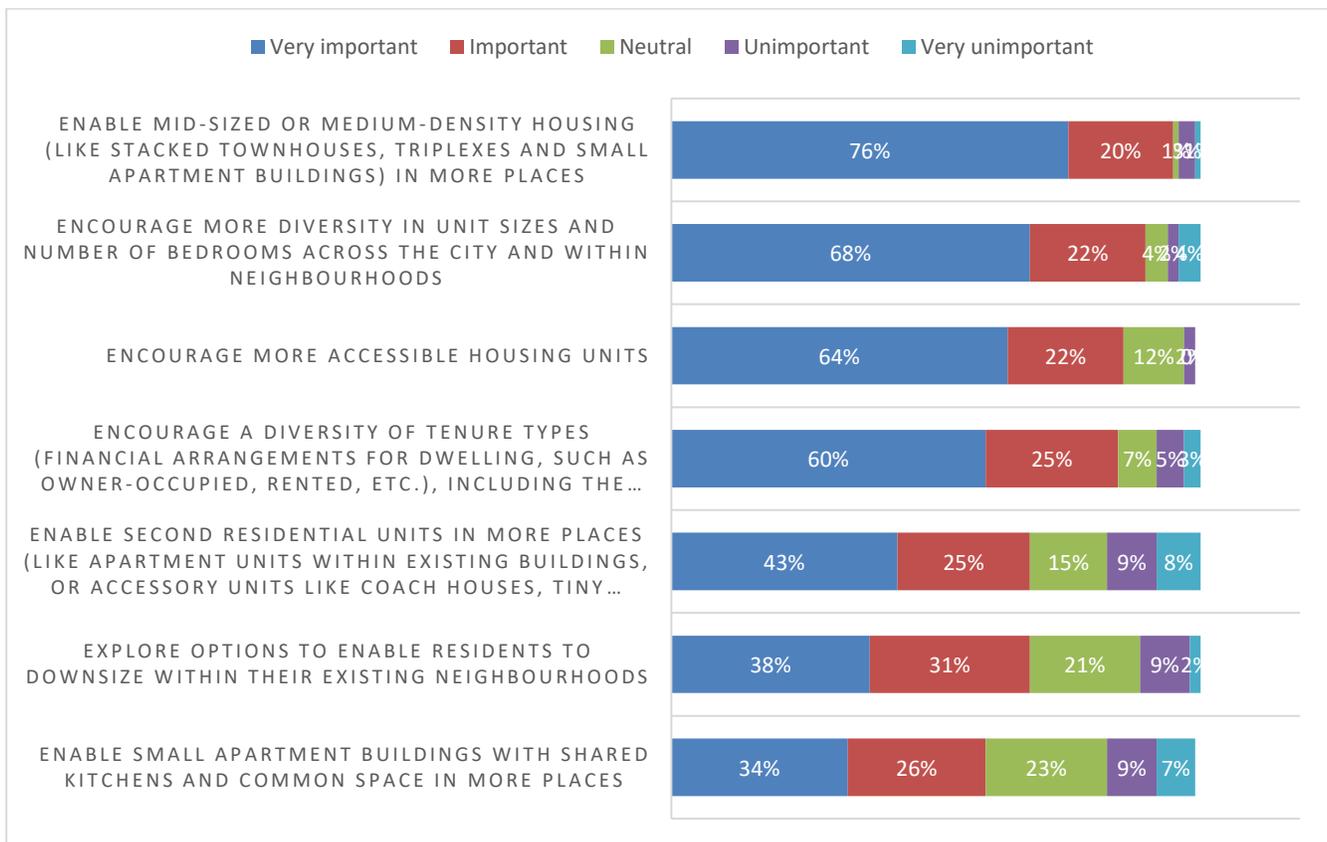
Q6. What should the City do to increase the supply of non-market housing?



Q7. What should the City do to reduce the loss of existing, below-average-market-rent rental housing?



Q8. What should the City do to increase the diversity of housing options?



Specific strategies suggested by respondents and frequency suggested:

Approach	Frequency
1. Allow missing middle housing (of various sizes) in more or all parts of the City	26
2. Reduce parking requirements/remove parking minimums	15
3. Increase property taxes for vacant buildings and land	13
4. Discourage/ignore NIMBY opposition to new housing	12
5. Support non-profit housing providers to build new, expand or purchase existing units	11
6. Require/encourage new developments to have a diversity of units sizes (incl more family-sized units in condos/apartments)	11
7. Modify zoning regulations and engineering standards to enable more housing and/or less expensive housing (e.g. reduce setbacks, reduce lot sizes)	9
8. Adopt Inclusionary Zoning to require some affordable units in new developments	10
9. Increase permitted densities in greenfield areas and in existing suburbs/remove single detached zoning	8
10. Support new housing models/cooperative housing/rent to own	8
11. Use City-owned land for housing	7
12. Build (or purchase existing) and operate City-owned affordable housing	7
13. Enable/encourage more coach houses/second residential units; enable coach house and second unit within main house on same lot	6
14. Enable more growth / housing diversity in strategic growth areas/built-up areas	5
15. Make all neighbourhoods more complete communities to reduce need for owning a car (and associated costs)	5
16. Disincentivize speculation/house flipping	5
17. Increase density City-wide	4
18. Discourage redevelopment that doesn't increase number of units (e.g. replacement of a small house with a big house on the same lot)	4
19. Encourage use/reuse of existing building stock (e.g. heritage buildings, vacant residential or commercial buildings) for housing	4
20. Support/subsidize landlords of affordable rental housing	4
21. Support/encourage for-profit builders to build or maintain non-market housing	4
22. Monitor and track housing supply, demand, demolition, vacancies, ownership/rental prices etc to inform planning for housing affordability	4
23. Increase active transportation/transit options for subdivisions and greenfield areas	3
24. Increase height limits City-wide	3
25. Remove design review and guidelines to reduce building costs	3
26. Better regulate/enforce rental unit and property standards	3
27. Increase property taxes for owners of multiple properties	3
28. Advocate for more financial support and regulatory tools from Provincial/Federal Governments	3
29. Strengthen rules to prevent renovations	3
30. Discourage development of "luxury" units	2
31. Ensure zoning by-law amendments are only approved if they support affordable housing goals	3
32. Prohibit short term rentals	2
33. Reduce property taxes for multi-residential properties	2

Approach	Frequency
34. Ensure new affordable housing created is long term/permanent	2
35. Advocate Provincial government for improved rent control regulations	2
36. Require replacement units of same size and price when existing units are demolished	2
37. Prevent or restrict demolition of below average market rent housing	2
38. Support energy efficient construction/retrofits to reduce energy poverty	2
39. Expropriate property from landlords and corporations	1
40. Enable subdivision of existing lots	1
41. Open green space to more suburban development	1
42. Let builders build more single detached housing	1
43. Increase property taxes for lands used as parking lots	1
44. Increase property taxes for very large houses	1
45. Reduce property taxes for condos	1
46. Tax above-market rental incomes or put a cap on rent profits per unit	1
47. Adopt a land transfer tax/property sale tax to fund non-market housing	1
48. Provide bridge-financing to not-for-profits and co-ops to help them develop new units	1
49. Support/encourage the Region of Waterloo to build more community housing	1
50. Partner with co-operatives and non-profit housing organizations to build more housing	1
51. Advocate Provincial/ Federal governments for improved property taxation rules	1
52. Defund the police and use funds to support affordable housing	1
53. Facilitate conversation with communities to identify housing opportunities in neighbourhoods	1
54. Ensure affordable housing reaches those most in need	1
55. Ensure affordable housing is included in mix-income buildings	1
56. Use density bonusing to help pay for affordable housing	1
57. Apply an “affordability fee” to new developments to be put towards the creation of new affordable housing	1
58. Reconsider/eliminate rental licencing	1
59. Do nothing (the City should not be involved in Affordable Housing)	1

Feedback from Interviews with Individuals with Very Low Incomes

City staff sought feedback from low income individuals to gather more detailed information about the challenges of finding affordable low-end-of-market and non-market housing. Interviews were sought broadly using social media channels and more specifically through targeted advertising in the Sunnydale neighbourhood and through the KW Urban Native Wigwam Project. A total of 14 households with low incomes were interviewed about their experiences and challenges finding suitable, affordable housing. From these interviews, three key themes emerged:

Theme 1: Shortage of deeply affordable market and non-market rental housing has most pronounced impact on very low income households

Most respondents interviewed for this survey had a household income of \$25,000 or less per year. These individuals reported having a difficult time securing deeply affordable housing in the market and felt that past rental applications were declined due to their lower incomes, poor credit ratings, inability to pay more than first and last month rent, and discrimination (e.g. discrimination against recipients of social supports such as ODSP, ethnic/cultural backgrounds and sexual/gender identity). One individual reported living in the Waterloo shelter system for over two years because of an inability to rent due to poor credit. Another three individuals lived in multi-tenant (lodging) houses and described it as the only type of housing they could afford.

Theme 2: Shortage of affordable family-sized (3+ bedrooms) rental housing

Interviewees with young families reported that the current shortage of low-end-of-market and non-market rental housing units (3+ bedrooms) made their living situation particularly difficult. A number of individuals reported living in overcrowded housing due to their inability to find units they could afford with a sufficient number of bedrooms. Examples of overcrowding included: parents having to share their bed with children, parents sleeping on couches, and converting common areas (e.g. living rooms) into bedrooms.

Theme 3: Desire for mixed income neighbourhoods

Almost all respondents expressed a desire for more non-market and low-end-of-market rental housing to be located within mixed-income buildings and neighbourhoods close to amenities such as schools, shopping and parks. There was also a concern expressed about the segregation and concentration of housing for lower incomes within specific buildings or areas. Many respondents reported their current buildings or neighbourhoods as having a high incidence of socially disruptive behaviours (e.g. public drug use and drinking, drug trafficking, harassment or racial intolerance) and poor property maintenance (e.g. litter, drug paraphernalia), that made them feel unsafe. One interviewee indicated that she felt that she did not feel it was safe for her kids to leave the apartment alone to use the common amenity space outside. Another respondent reported concern about the vulnerability of her senior parent living in lower income

housing that had a high incidence of anti-social behaviour. Still another reported guns and drug activity by another resident of their shared multi-tenant housing unit that had spillover impacts on his sense of safety and comfort.

Feedback from Tenant Eviction Prevention Support Workers

Staff interviewed two tenant eviction prevention support workers to identify housing challenges and barriers facing low income and precariously housed individuals. The support workers provide eviction prevention support to tenants across the region, including Waterloo's Sunnydale neighbourhood where a number of tenant-landlord disputes have recently been reported. The workers noted the following challenges in this area that impacted tenants' health and safety and put many tenants at risk of eviction and potential homelessness:

- Tenants with very low incomes and who had few alternative housing options
- Ongoing building or rental unit maintenance issues that were not being addressed by the landlord
- Pest control challenges
- Tenants concerns about enforcement of property standards
- Ongoing tenant-landlord disputes about rent payments
- A general lack of understanding of landlord and tenant rights and obligations (e.g. asking for or providing receipts for rent payments, requiring or providing notice prior to entry or eviction, taking appropriate action to address maintenance concerns and avoiding unsanctioned actions that can lead to eviction such as withholding rent)
- Challenges experience by tenants in navigating tenant/landlord board and tribunal processes (e.g. fluency in English, taking time off work for hearings, childcare, filling out the appropriate paper work, record keeping)
- Tenant lack of trust in authority
- Tenant mental health issues that lead to problematic behaviours (hoarding)
- Tenants feeling discriminated against and/or harassed by their landlord

Feedback from Affordable Housing Providers and Related Organizations

Consolidated Summary of Feedback from:

- Union Co-op
- Maxwell Building Consultants
- Supportive Housing of Waterloo (SHOW)
- House of Friendship
- Kitchener Waterloo Community Foundation – Housing Innovation Roundtable (HIRT)
- Social Development Centre Waterloo Region
- Indwell
- Monica Place
- MennoHomes
- KW Urban Native Wigwam Project

Costs and Barriers

- Soft and hard costs for housing construction are extremely high. Government subsidy is needed to make most affordable housing projects financially viable. Deeper subsidies needed for deeper levels of affordability.
- Affordable housing providers often need to obtain different grants from multiple sources to make a project financially viable. Areas of subsidy could include: land, capital costs, reduced parking, brownfield cleanup, planning application fees (ZBA/OPA), planning studies, parkland cash-in-lieu, building permit fees, and property taxes
- Timing of funding is also important. Affordable housing providers that have not built up equity through previous projects can not easily obtain needed financing in the time frame that they need it to purchase land. This can limit the success of new, innovative or specialized affordable housing organizations who are unable to leverage the equity from past projects
- Assembling and purchasing land is a significant barrier to the initiation of new affordable housing projects due to very high land prices and competition with market housing providers
- Finding lands with appropriate zoning (particularly mid-rise zoning) is a challenge. Most affordable housing is provided in mid-rise buildings because the high cost of high rise construction makes such projects financially unviable.
- Limited funding is available to cover the ongoing operational costs for supportive affordable housing. These costs can be significant because of the range of mental/physical health services needed to support residents.
- Obtaining lending is a challenge for small scale housing providers. Bigger developers can access lower rate mortgages. Need to find ways to reduce interest costs

- More integrated, continuous care and housing is needed to support specific groups including pregnant and parenting youth, people with mental health challenges and people with addictions. Housing options without the need for roommates is important for many of these individuals to provide the appropriate and safe conditions for vulnerable tenants.
- More affordable housing for indigenous people needed, in tandem with an indigenous community centre and/or other services. Waterloo currently has no affordable housing that specifically addresses the needs of indigenous people. Some capital funding is available, but access to land is a challenge for indigenous housing providers.

Recommendations of what could be done to address housing affordability:

- Partner with affordable housing providers when properties are available for which the City has first right of refusal
- Ensure minimum # affordable units on city owned surplus lands, including units specifically identified for particular needs (accessible units, indigenous housing)
- Support co-operatives by including them in RFPs for surplus lands
- Provide long term leases to affordable housing providers of city-owned lands
- Convert city-owned parking lots to underground parking and construct affordable housing above
- Integrate affordable housing with other capital infrastructure projects e.g. Library, Community Centre
- Provide well-timed grants and loans to affordable housing providers that can be coupled with other funding from other levels of government (e.g. up front seed funding, low due diligence short term loans etc.)
- Consider innovative financial strategies to support affordable housing providers (e.g. Housing bonds)
- Integrate affordable units into existing communities and ensure they have access to services and transit (better for tenants)
- Enable and support the establishment of health services and daily living amenities to support all residents, include those with low incomes, those with disabilities and those with mental health challenges (e.g. community spaces, groceries, day to day errands, medical facilities other higher level supports)
- Connect sellers of developable land to affordable housing providers
- Enable/encourage the conversion of utilized student housing for affordable housing
- Adopt a separate tax class for properties that offer affordable housing.
- Enable more development in residential neighbourhoods. Encourage second units in subdivisions, duplexing/triplexing of existing buildings.
- Partner with Universities to build affordable housing that serves specific indigenous students' needs, tied with indigenous student services.

Feedback from Waterloo Home Builders Association Affordable Housing Subcommittee

Summary of Feb and May 2021 Meetings and Written Inclusionary Zoning Submission

- Resale housing prices are tied to new housing prices, so if there is lack of supply, resale values can increase
- Inclusionary Zoning:
 - Need cautious approach to ensure IZ doesn't increase overall housing costs or reduce supply
 - Concern about impact of IZ on the economics of construction, in the context of all of the other municipal and other costs of construction, including costs due to COVID, such as: planning fees and charges, financing, increased labour costs, increased materials costs and materials scarcity, increased costs due to Provincial permit/inspection timing delays.
 - Concern about the possibility that the City may downzone properties to make inclusionary zoning work
 - Cost of inclusionary zoning should be borne by society as a whole rather than just by new homeowners and renters.
 - Consistent, regional IZ policy approach essential. Implementation of IZ should also be regionally-coordinated and ideally would involve a single administrative entity.
 - Consider a workable definition of affordability that the home building industry is realistically able to provide
 - Any IZ policy should be implemented gradually. A transition or phase in period should be considered to ensure market can adjust and to allow industry to learn and adapt
 - Different builders may be willing to pay different prices for land based on how soon they intend to build. This might impact the IZ modeling work.
- Consider whether City planning approaches align with best practice planning principles, such as intensification and “highest and best use” of a property, specifically around Major Transit Station Areas (MTSAs). If approaches reduce housing supply, is that the desired outcome? Concerned that government intervention in market can have unforeseen and/or negative impacts.
- Increase housing supply through publicly owned lands – identify and “un-lock” surplus municipal lands for affordable housing.
- Provide DC reductions for any affordable unit created
- Streamline the approval process for existing and new projects
- Consider other municipal incentives:
 - Provide financial incentives to encourage the voluntary provision of secondary suites in new housing

- Reduced parkland dedication requirements to help offset affordable housing subsidies
- Prioritizing the review of projects that meet specific criteria
- No parking requirement for affordable housing units

Feedback from the Age Friendly Waterloo Multi-Agency Committee

**Age Friendly Waterloo Multi-Agency Committee
Comments on Affordable Housing Strategy for the City of Waterloo
January 13, 2022**

Introduction

The Age Friendly Waterloo committee has identified housing as a key element for an age friendly city since its inception in 2009. The World Health Organization (WHO) identified housing as one of its key 8 domains or factors that describe the characteristics of an Age Friendly community. In 2011 the City of Waterloo received its designation as a member of the WHO Global Network of Age Friendly Cities, and has maintained that designation to date. For many older adults, a fundamental requirement of an Age Friendly community is the availability of a housing stock that is affordable, accessible and close to health, commercial and social services.

Link to City of Waterloo Strategic Plan

One of the goals of the Strategic Plan is “Equity, inclusion and a sense of belonging – strengthen Waterloo as a diverse and inclusive community.” Objective 3 under this goal states “Address the needs of an aging population through responsive development, programming and communications strategies.” A further objective is to “Increase the amount of affordable housing in the City.”

The need to provide affordable housing for older adults and the associated support programs is clearly identified as a strategic directive for the City of Waterloo.

Demographics

It is clear that one of the fastest growing segments of our community are those aged 55+. In 2016 there were approximately 25,600* older adults in Waterloo. By 2026 that number is expected to grow to almost 40,000 and will continue to rise. To put this in perspective this cohort is growing faster than any other group such as children (0-14), youth (15-24) and adults (25-54) and by approximately 2030 older adults will be the dominant cohort. These demographics illustrate the need to plan for and provide adequate housing and support services for older adults now and in the future. (*Source: Statistics Canada)

Barriers and Challenges

Older adults can have similar housing needs to that of the general population, but as they age more unique and specialized needs can become apparent. Below is a list of some of the challenges that we believe are encountered by seniors in their search for housing.

1. Affordability – this has been identified as the major housing concern every time we have connected with our community. Be it “market rate” or some form of “subsidized”

housing the cost of housing or rent is beyond the reach of many and growing worse quickly.

2. Support Services – to help seniors stay in their home a wide variety of support networks are needed. Most often these fall on the shoulders of family and friends but not all have that opportunity. Examples can include: dependable contractors who can renovate their home to make it more senior friendly; health checks; meal providers; transportation to appointments and shopping; educational opportunities (eg. ride a bus program); social connection networks.
3. Home modification programs are essential for ageing residents who wish to remain in their home, but find that the use and maintenance of their dwelling has become challenging or hazardous.
4. Locational Criteria – close proximity or easy access to transit, shopping, medical and social services.
5. Aging in Place – most seniors would prefer to stay in their home as long as they are able to safely do so.
6. Range of Housing Choices – as people age their housing needs may also change so it is important that there is a wide range of housing choices. This includes both type (single, townhouse, apartment, retirement and nursing) and tenure (ownership, rental, condominium).
7. Supply – one of the biggest causes to the lack of affordable housing is the lack of supply. As the supply dwindles, the competition increases, which drives up the cost. Supply can take many forms such as gross overall amount of housing, supply by type or tenure, supply by preferred location (eg. in Uptown or along major transit routes), and supply by unit size (eg one bedroom unit vs 5 bedroom student housing unit).
8. Loss of Housing – smaller, older, more affordable units are being lost as they are demolished and replaced with newer more expensive housing. Also rental units are being converted to condominiums which puts a strain on an already tight rental market.

Five Approaches to Housing and Care for Older Adults

On April 14, 2020 the University of Waterloo planning students from the PLAN 720 class submitted a report entitled “Alternatives to Long-Term Care & Housing: Environmental Scan”. This report was done at the request of the Age Friendly Waterloo committee. Its purpose was to conduct an environmental scan to support the development of approaches to housing and care that facilitates comfort, dignity and autonomy for older adults. I suggest the report be read in its entirety however five approaches were identified.

1. Aging in Care

It provides age segregated housing where care can be administered as older adults experience declining physical and/or mental capabilities. These typically take the form of retirement homes, continuing care retirement communities and long-term care homes.

2. Aging in Place

This approach is centred on keeping older adults with the ordinary housing market (eg. their own home) where their personal world has been created. The success of this requires an environment that is responsive to the changing needs of those individuals.

3. Aging in Place-Based Care

This is beneficial for keeping individuals in place longer as support becomes integrated into their living environment and their emotional ties to a place remain. An example could be home care where care such as bathing and meal preparation are provided within their home.

4. Aging in Community

Aging in community provides pathways for sustainable social networks that are responsive to individual needs, while also empowering individuals to be directly involved in meeting their own and other's needs. A key aspect of this is community integration, where older adults are integrated into the broader community instead of being segregated into specific environments.

5. Aging in Embedded Care

This occurs when age-segregated care facilities are embedded within a broader community. This could look like a retirement village where some level of care is provided to residents, yet the village is part of a broader community.

Potential Solutions and Tools

Affordable housing is a big issue and nothing new to the City of Waterloo. To help improve the situation, especially for older adults, it will require some bold and creative initiatives, as well as a multi prong approach. The more tools in the tool box, the greater the opportunity that it may help one individual or an entire group.

Bold and Creative

1. The City gets into the housing business
 - a. Set up a housing authority where the City acts like a developer to provide affordable housing.
 - b. Use City owned land to provide affordable housing, either as a condition of sale or in partnership with a housing provider.
 - c. Partner with groups like Kitchener Waterloo Community Foundation to access alternative local funding solutions.
2. Establish an Affordable Housing Reserve Fund
 - a. Provide grants or loans to support projects.
 - b. Direct funding to Not-For-Profit projects.
 - c. Used to waive fees or pay charges.
3. Community Benefit Charges (CBC)
 - a. Fees applied to new developments that are directed to the Affordable Housing Reserve Fund.
4. Naturally Occurring Retirement Communities (NORCs)
 - a. Identify existing NORCs and provide them with support services, programs and funding to enable older adults to age in place and thrive. (refer to August 2021

addendum by Natalie Barcellos “A Focus on Naturally Occurring Retirement Communities”).

5. Cohousing
 - a. Investigate this form of housing to ensure that it does not conflict with Rental Housing By-laws.

Traditional yet Effective

1. Provide the softer support services that allows an older adult to safely stay at home.
 - a. Home Support Services (lunches, grocery shopping, home maintenance, homemaking, telephone reassurance, rides).
 - b. Senior Day Program.
 - c. Older Adult Housing Directory.
 - d. Active Living Programs.
 - e. You Are Not Alone.
 - f. WOW Waterloo.
2. Increase Overall Housing Supply.
 - a. Open up more land for development.
 - b. More intensification resulting in more units per hectare.
 - c. Increase diversity in the housing supply by type and tenure.
 - d. Prevent the loss of existing affordable housing.
3. Inclusionary Zoning to require a percentage of affordable units.
4. More restrictive condominium conversion policies.
5. Allow secondary units or “Granny Flats”.
6. Density Bonusing that requires developers to provide affordable housing or financially contribute to the Affordable Housing Reserve Fund.
7. Fast-track priority of affordable housing projects.

Conclusion

The Age Friendly Waterloo Multi-Agency Committee strongly supports the Affordable Housing Strategy – Waterloo, project as it tries to address an ongoing and growing problem of the lack of appropriate and affordable housing. This issue affects most citizens of Waterloo, however those that are disadvantaged are disproportionately impacted. Many older adults are impacted by a multitude of challenges (physical, mental, financial and social) which can make finding appropriate affordable housing very difficult.

Thank you for attending our recent meeting and for the opportunity to provide our thoughts and comments on this topic. We look forward to continuing our participation in this project and look forward to your next report.

Age Friendly Waterloo Multi-Agency Committee

Feedback from Waterloo Economic Development Advisory Committee

Committee feels there must be a greater focus on affordability to address growth, attract and retain young people, and provide safe and appropriate housing for all.

Economic Development Considerations

- Much of our economy depends on low-income earners, yet we haven't continued to address where they are going to live
- Affordable housing is critical for the attraction and retention of people in the community who make up the workforce, from students to young professionals to experienced professionals.
- Affordable/attainable housing is key to sustainability, availability of human resources for employers and economic growth
- There is a substantial need for more affordable 3-bedroom housing for families as younger people consider starting families and trends in multi-generational homes responding to elder-care needs within families.

Additional Commentary

- Need to acknowledge and address the stigma around affordable housing. It isn't fair, but it exists and we must act to counter this stigma through communication as it often meets strong opposition and stalls development
- Communication is key to better understanding why affordable units are needed and who they are tailored for.
- Issue: cost to build 3 bedroom units prohibitive – land values, admin and city/regional costs, shortages of materials and labour due to COVID; staff need to counterbalance this somehow
- Issue affects "talent" – can't afford to live here/buy a house here unless coming from other larger cities like TO

Key questions

- How can we develop policy that encourages the building of affordable units and more supply, while not depressing the current housing market?
- Can there be a policy mandate for a certain percentage of new housing to be 2-3 bedroom condo or homes? For affordable units?
- How can we track existing affordable housing stock more effectively?
- How can we address issues such as renovictions and demovictions? Is there a department or person at the City office currently tasked with monitoring and addressing these concerns? Is there a process for filing a complaint regarding these matters to the City?

- Can we explore vacancy or speculator taxation models, residency requirements, or rent controls?
- Instead of selling-off City-owned lands, how can we better leverage City-owned land to develop housing options the market is unwilling or unable to build?

Appendix D. Prioritization of Actions

Table 1. Measure of Effort and Impact

Action	Effort						Impact			
	Capacity		Funding		Public Acceptance	Total Effort	Impact		Ancillary Benefits	Total Impact
	Short term	Long term	Short term	Long term			Depth	Breadth		
Goal 1: Align policies and processes to support the efficient delivery of new housing										
Action 1. Re-evaluate how residential density is assigned and calculated	1	1	1	1	1	5	3	1	2	6
Action 2. Explore opportunities to permit more housing in more places	1	1	1	1	2.5	6.5	3.5	3	2	8.5
Action 3. Reconsider parking requirements	1	1	1	1	2	6	3	2.5	2	7.5
Action 4. Consider adopting a Community Planning Permit System	3	2.5	2	1	3	11.5	3	3	4	10.0
Action 5. Consider providing builders additional options to ensure performance	3	2	3	3	1	12	2	2	1	5.0
Action 6. Align housing objectives with climate change and community energy objectives to enhance resilience and reduce energy poverty.	1	1	1	1	1	5	2	2	4	8.0
Goal 2: Plan for and prioritize the provision of non-market housing										
Action 1. Continue to develop an Inclusionary Zoning policy and program	1	3	1	3	2	10	3	3	3	9.0
Action 2. Proactively plan for all non-market housing types	1	1	1	1	1.5	5.5	3	3	2	8.0
Action 3. Consider developing an affordable housing concierge program	4	4	1	1	1	11	3	2	3	8.0
Goal 3: Protect and Maintain Existing Housing Stock and Affordable Housing Supply										
Action 1. Review and strengthen condo conversion policies and processes	1.5	1	1	1	2	6.5	2.5	2	2	6.5

Action	Effort						Impact			
	Capacity		Funding		Public Acceptance	Total Effort	Impact		Ancillary Benefits	Total Impact
	Short term	Long term	Short term	Long term			Depth	Breadth		
Action 2. Strengthen regulations to manage demolition of rental housing	1	2	1	2	2	8	2.5	2	2	6.5
Action 3. Explore feasibility of a vacant housing tax	3	3	2	2	2	12	1	2	1	4.0
Action 4. Establish tracking system for short term rental accommodations	2	2	1	1	2	8	1	2	1	4.0
Goal 4: Plan for and support a diversity of housing needs throughout the City										
Action 1. Enable more missing middle housing	1	1	1	1	2	6	3.5	3	2	8.5
Action 2. Make it easier for home owners to build second residential units	1	1	1	1	1	5	2	3	2	7.0
Action 3. Re-evaluate regulatory framework and supports for multi-tenant houses	2	3	1	3	2.5	11.5	2.5	3	2	7.5
Action 4. Consider establishing a local home sharing program	2	1	3	1	1	8	2	2	2	6.0
Goal 5: Maximize use of City resources and financial tools										
Action 1. Proceed with the implementation of an Affordable Housing Grant Program	1	1	1	1	1	5	3	3	2.5	8.5
Action 2. Explore an affordable housing tax levy to sustainably grow the Affordable Housing Reserve	2	2.5	4	4	3	15.5	3	3	1	7.0
Action 3. Consider feasibility of a structured program to waive development charges	2	2.5	4	4	1	13.5	3	3	1	7.0
Action 4. Consider approaches to provide short term loans for affordable housing providers	3	2.5	2.5	3	1	12	3	3	2	8.0
Action 5. Consider establishing a special tax class for older multi-unit rental development	2	2	4	3	3	14	2	2	3	7.0
Action 6. Use City-owned lands strategically to achieve affordable housing objectives	1	1	3.5	3.5	1	10	3	3	4	10.0
Action 7. Consider including Affordable Housing in the CBC by-law	1	2	1	1	2	7	3	3	3	9.0
Goal 6: Build City and community capacity, awareness and supports										
Action 1. Set and monitor housing targets	2	2	1	1	1	7	2	2	1	5.0

Action	Effort						Impact			
	Capacity		Funding		Public Acceptance	Total Effort	Impact		Ancillary Benefits	Total Impact
	Short term	Long term	Short term	Long term			Depth	Breadth		
Action 2. Enhance tracking and monitoring capacity	3	2	1	1	1	8	2	2	1	5.0
Action 3. Continue to implement and monitor protocols for addressing encampments	1	1	1	2	1	6	1	1	1	3.0
Action 4. Consider supports to prevent tenant evictions	3	2	4	2	1	12	1	1	1	3.0
Action 5. Develop an online repository for affordable housing incentive programs	1	1	1	1	1	5	1	1	2	4.0
Action 6. Continue and enhance engagement with private, public and not-for profit housing partners	2	2	1	1	1	7	2	2	2	6.0

Table 2. Scoring Description and Methodology

Measure	Description	Score
Effort		
Capacity – Short term (initial information, technical, staff, resources needed to start or initiate action)	Current capacity is insufficient and gaps cannot be easily addressed without significant increase to capacity	4
	Current capacity is insufficient and gaps cannot be easily addressed without modest increase to capacity	3
	Gaps exist in one or more areas but can likely be addressed	2
	Current capacity is sufficient to implement the action	1
Capacity – Long term (ongoing information, technical, staff, resources needed to carry our action)	Current capacity is insufficient and gaps cannot be easily addressed without significant increase to capacity	4
	Current capacity is insufficient and gaps cannot be easily addressed without modest increase to capacity	3
	Gaps exist in one or more areas but can likely be addressed	2
	Current capacity is sufficient to implement the action	1
Funding (short term) (initial funded required to take action)	Significant additional funding sources are required but have not been identified	4
	Moderate additional funding sources are required but have not been identified	3
	A small amount of additional funding sources is required	2
	Funding is available or not required	1
Funding (long term) (ongoing funding required to carry out action)	Significant additional funding sources are required but have not been identified	4
	Moderate additional funding sources are required but have not been identified	3
	A small amount of additional funding sources is required	2
	Funding is available or not required	1
Public (or political) acceptability	Could face some public or political opposition	3
	Not likely to receive much public or political attention	2
	Likely to receive public/political support	1
Impact		
Outcome (Magnitude) (Depth of impact an action will have of the identified AHS goal)	Could have modest effect on goal	1
	Could have medium effect on goal	2
	Could have significant effect on goal	3
Outcome (Breadth) (Total number of AHS goals action will address)	Contributes to achieving a single goal	1
	Contributes to achievement of a two goals	2
	Contributes to achievement of 3 or more goals	3
Ancillary Benefits (Overlap with relevant goals identified in Strategy Plan: Equity and inclusion, Sustainability, Fiscal Responsibility, Effective Engagement, Service Excellence)	Will contribute to 1 other City goal	1
	Will contribute to 2 other City goals	2
	Will contribute to 3 other City goals	3
	Will contribute to 4 other City goals	4
	Will contribute to 5 other City goals	5

Endnotes

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