

CITY OF CHARLOTTETOWN

AFFORDABLE HOUSING INCENTIVE PROGRAM

Policy Number: P-Admin-2018 (01)
Approved By: City Council

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Background

Municipalities not only across Canada, but around the world as well, are struggling to meet the demand for safe social and affordable housing units; and have begun to explore and implement strategies that they believe will assist in promoting development of additional and diverse housing stock. These proposed strategies have been varied and contain an assortment of incentives to try to entice multilevel partnerships through Canadian Mortgage and Housing (CMHC), private developers and/or non-profit agencies.

According to the Canadian Mortgage and Housing Corporation (CMHC), housing affordability is directly correlated to a household's level of income. The CMHC defines affordable housing as suitably-sized ownership housing that costs no more than 32% of a household's gross annual income, and no more than 30% of gross annual income for rental accommodations.

Charlottetown is no stranger to these housing demands and is readily aware that it too must do its part to assist and encourage the creation of community based partnerships through economic incentives to fulfill these growing voids within the community.

Objective

To both encourage and assist the private and non-profit sectors to come forward with various housing projects that will assist the City in meeting its residents housing demands thereby creating a larger inventory of affordable and accessible housing stock for all demographics within the City.

Strategic Direction

- 1) To encourage renovation of existing building stock, including the upper levels (2nd floor and above) commercial buildings within the existing downtown core.
- 2) To ensure the City has taxation policies that will encourage further development of affordable housing stock throughout the City.
- 3) To encourage new development that will provide affordable housing opportunities for the City's most vulnerable citizens.
- 4) To ensure the City's Zoning & Development Bylaw reflect the challenging housing needs within the various population segments.

Community Vision

As the City moves forward in building its community partnerships and provide housing options and opportunities throughout the City, it is important that it incorporates for the following fundamentals:

- Assist in supplying housing for vulnerable populations so to provide a range of housing options for the homeless, persons with disabilities, seniors, students, low income individuals and those who require ongoing supports.
- Affordable housing options should be blended and available throughout the City so not to stigmatize and/or overly concentrate any particular population.
- Develop strategic partnerships/relationships with all potential community stakeholders to ensure less NIMBYism (Not In My Backyard), stigma, and community opposition to affordable housing within the City.
- Look at creating financial incentives and strategies to advance affordable housing units throughout the City.
- Increase the population density in the downtown by allowing the upper floors of the City's Commercial Sector to be used for residential housing.

Eligibility

- 1) Within the City of Charlottetown this strategy applies to:
 - a) Any developer, Provincial Body or Crown Corporation, non-profit agency(s), rental co-operatives and/or other person or organization that provide new affordable housing opportunities.
 - b) Applicants that are eligible and are receiving financial assistance from the Province of PEI and/or the Government of Canada through a program designed for affordable housing needs.
- 2) In order to qualify for assistance the housing development must comply with all City of Charlottetown Bylaws, Zoning and Development requirements, and that the project has received all the approvals, certificates and licenses that may be required at any time and for any reason by the City of Charlottetown.
- 3) The City of Charlottetown reserves the right to amend and/or alter existing criteria or to impose additional or alternative criteria, as it may deem appropriate.
- 4) These incentives only apply to the property or part-there-of while the property or segment(s) of the property are being occupied as an affordable housing project or unit.

Recommendations:

- 1) In an effort to recognize that property owners are converting residential housing stock and dwellings units to Short Term Rentals (i.e. Airbnb) at an increasing rate and therefore eliminating housing stock and/or rental options for many of the City's residents. That the City of Charlottetown collaborate with the Assessment Division of the Province of PEI to establish the commercial assessment value of the property for that portion of the year the property/unit is used for commercial rental. The assessment value is to be determined by professional property assessors employed by the Province taking into account the commercial activity and revenue generation. Thereby resulting in a fairer property assessment of the property, acknowledging the commercial activity and subsequent commercial property valuation for taxation purposes (if the property is being used for commercial purpose for let's say 5 / 12th of the year, then the property should have a commercial valuation for that particular duration (5months/7months tax ratio)).
- 2) That the City support and encourage the construction of Accessory/Axillary Suites within existing residential dwellings (i.e. Single family) by amending its Zoning and Development By-laws to allow for additional residential Accessory/Auxiliary units. This may include basement, garden and carriage suites throughout the City.
- 3) That the City support and encourage the revitalization/rejuvenation of the upper levels of the Commercial Sector within the Downtown Core allowing for multi-residential units to be built in the upper floors.
- 4) The City's Zoning & Development Bylaw reduce its requirements for parking spaces for new multi-unit residential construction. The requirement should be lessened by up to 50% for affordable housing units (location and # of units' dependent) so to allow for more competitive market conditions.
- 5) That the City's Zoning & Development Bylaw presently allows for Bonus Density for affordable housing. These sections of the Zoning Bylaws be reviewed to strengthen density bonus development opportunities within all areas of the City. Such bonus considerations could allow for higher height and/or variance considerations. The percentage bonus density increase is dependent upon the derived benefits to the City and its' residents but should allow for up to 20% density increases.
- 6) In an effort to recognize innovative affordable housing trends the City should amend its Zoning & Development Bylaw to recognize and allow for the development of tiny homes. The City's Zoning and Development bylaw would need to be amended to allow for smaller lot sizes and living units.
- 7) In an effort to recognize the importance of ongoing energy efficiency and emerging Green Technology that applications under this program undergo a green lens review of the proposed technology so to ensure long term energy efficiency and sustainability.

Recommendations Continued:

- 8) That the City review its current application process and find ways to streamline and fast-track affordable housing applications; offering guidance to try to remove any barriers or restrictive zoning requirements.
- 9) That the City offer up to a 100% Property Tax Exemption Incentive on all new affordable housing units meeting and maintaining the City's strategic housing needs for a period up to 20 years.
- 10) That the City collaborate with the Provincial Government to match the City's property tax exemption initiative on properties and/or development projects approved by the City.
- 11) That the City would encourage integrated housing that would allow for seniors, youth, family housing and subsidized rental units be housed within the same building/complex. If for example 50% of the units were subsidized rentals, then the tax forgiveness would be 50%.
- 12) That the City forego the building permit and development fee(s) for affordable housing projects or percentage thereof for blended units within an overall project.
- 13) That the City expand its beatification program and explore the possibility of providing grass cutting services to these properties.
- 14) That the City collaborate with the Provincial Government to allow Municipalities to require in their Zoning Bylaws a percentage of affordable housing.
- 15) That the City give consideration to make any property under its ownership that is deemed to be surplus to the City's needs be made available through an RFP for social housing needs.
- 16) The City create an Affordable Housing Advisory Committee (AHAC) that meets at least quarterly to provide guidance and advice in regards to the City's changing housing trends, supply and demographics and subsequent affordable housing needs. The AHAC should consist of and be representative of developers, senior citizens, individuals involved with nonprofit housing groups/organizations, social agencies, the City's Youth Retention Committee, the Province, CMHC, City Staff and members at large. (Working in concert with the Community Advisory Board on Homelessness (John Howard Society) and/or Provincial Committee).
- 17) That the City encourage affordable housing projects be built in all wards within the City and that the City review and adjust its transit routing to compliment such developments.
- 18) Notwithstanding #15 above affordable housing development should follow sound planning principles, and as a rule, should be developed in residential areas only.

Recommendations Continued:

- 19) Collaborate with the Province to implement a Housing Action Plan which would in part support both the Province and the City in benchmarking/assessing community need and Capacity with the City.

Timely Application Required

An applicant shall make application for the program at the same time that the application for a building permit has been applied for. The onus to make a timely application is upon the developer.

Agreement

The applicant and the City shall enter into an agreement upon completion of the project. The agreement shall include but not be limited to:

- a) An approved City of Charlottetown building permit
- b) An approved City of Charlottetown Occupancy permit
- c) To continue to receive the annual benefits the applicant must submit annually information to the satisfaction of the City demonstrating that the property continues to operate as an affordable housing complex/unit(s).

Interpretation, Application & Appeal

The proper interpretation or application of this program shall be determined by the City's CAO or his/her designate. Where in doubt the matter shall be referred to City Council and Council's determination shall be final and binding.

Administration

The City of Charlottetown's Affordable Housing Incentive Program shall be administered by the CAO or his or her designate.

Amendment

This program shall be evaluated on an annual basis to determine whether or not the goals and objectives of the program are effectively and efficiently being met. Council may amend, alter, or terminate the program. Each ward will be evaluated to determine how each area is meeting the City's affordable housing objectives.