

Five Affordable Housing Platform Proposals

Prepared by Trillium Housing

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These proposals add ZERO new costs to the city.

Unlike most affordable housing proposals that provide modest new housing affordability support (how many laneway units do you think we could actually build and maintain fire safety code) these 5 proposals would have far-reaching impacts across the development sector – either by providing targeted financing support for specific home buyers or providing economic signals to industry to build more entry-level housing.

1. Inclusionary Zoning through Investment

Use Inclusionary (“IZ”) authority to require Developers to invest in a housing affordability fund that will be used exclusively to support income eligible families to buy developers’ entry level housing.

Use a payment-free, shared appreciation mortgage (could use our Trillium Mortgage) to deliver housing affordability. (note – non-profit Trillium Housing could run this Fund on behalf of the city – No city overhead, full reporting, city sets criteria).

IZ investments are repaid with a financial return when 2nd mortgages are discharged.

IZ Investment cash flows AFTER development completion – so NO new cost to developers. IZ Fund is a deferral of the developers’ profit.

Result: Expanded access to entry level housing, Industry fully repaid. No new bureaucracies. Minimal overhead.

2. End REGRESSIVE Housing Charges at the City

Eliminate regressive charges and fees at the city and shift to a graduated Rate system. Revenue neutral.

Eg – instead of every new home buyer paying a fixed \$40,000 Development Charge, change the regressive charge to progressive rates (% of the price of the unit)

Could apply to all fees and charges and land transfer tax (there is a long list).

Result: Lower priced units will pay less to city and expensive units will pay more (but same %). Same total funds raised overall.

A signal to industry to produce more entry level product (because their costs are reduced)

Result: Lower costs to develop entry level housing – more supply.

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3. Simply Sell the Surplus Land and Get out of the Way!

Direct staff to sell land sufficient for xxx units a year. City should not be the developer. Only criteria for sale tender is max # of families housed with household incomes below a set threshold. (DO NOT predetermine tenure, design, etc... get the City out of the way!) City provides support by offering to postpone receipt of land payment (25 years?) including a compounded return (most city Reserve accounts earn about 2%)

Result: Additional housing supply. Outcomes focused. Tenure neutral process/support.

4. Housing Affordability Fund

Either independently or linked to an IZ Fund the City could “invest” in a fund which will finance 2nd mortgages as above.

Low risk, secured investment, full repayment with financial return.

City’s own reserve funds could be used to invest – there are many Millions (Billions?) in reserves.

PLUS:

Leverage #1: City will request CAN and ON to use the new National Housing Strategy Funds (\$40 Billion federal commitment) to MATCH city investments.

Investments fully repaid and earn shared appreciation.

Leverage #2: Attract Impact Investment into this social finance Fund by offering to put the City’s investment in 2nd priority to third party investor funds. Reduce investor risk exposure to get more investment.

Leverage #3: City uses the Fund to entice new & existing businesses to support employee housing affordability – Fund will match any City based employer who wishes to invest in 2nd mortgages for employees to purchase price-eligible home IN the CITY.

Result: Housing affordability. Talent recruitment/retention. Shorter commutes. Less absenteeism....

5. Planning approvals

Put developments that deliver a substantial amount of entry level housing at the front of the queue for Planning and other approvals.

E.g. Developments which provide 50% or more of units below the median house price for the City get 50% shorter approval times.

Developments that do NOT meet the threshold can plan on longer approval times.

Result: Entry level product comes to market faster and has another tangible advantage over high-priced housing when making development decisions.

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