



# COMMUNICATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	August 11, 2022
<b>SUBJECT:</b>	Definition of Affordable Housing (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Steve Robichaud Director of Planning and Chief Planner Planning and Economic Development Department
<b>SIGNATURE:</b>	

This communications update is being provided to respond to questions that were asked at the General Issues Committee meeting of August 8, 2022 seeking additional clarification on Item 10.9 (Definition of Affordable Housing (HSC22051/PED22183), in particular how “affordable” is defined and implemented in the City of Hamilton.

The purpose of this Communications Update is to provide additional information to City Council on the definition of affordable housing in the Urban Hamilton Official Plan and Rural Hamilton Official Plan. Item 10.9 - Information Report HSC22051/PED22183 – Definition of Affordable Housing was provided to General Issues Committee on August 8, 2022 and identified the different definitions used in city initiatives, by-laws and policies. Within the City’s Official Plans, the term “affordable” (defined to indicate housing affordability) is defined as follows:

“**Affordable**” means:

- a) In the case of ownership housing, the least expensive of:
  - i) Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or,
  - ii) housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the City of Hamilton; and,

- b) In the case of rental housing, the least expensive of:
- i) A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income households; or,
  - iii) A unit for which the rent is at or below the average market rent of a unit in the City of Hamilton (PPS, 2005 amended); and,
- c) In the case of housing developments, at least 25% of either affordable ownership or affordable rental housing. For the purposes of the policies of this Plan, affordable housing developments may include a mix of affordable and market rate units, both ownership and rental”.

The term “affordable” is defined in the Provincial Policy Statement (2020) (PPS) and the Growth Plan for the Greater Golden Horseshoe (2019, as amended). Altering the definition of “affordable” would place the Official Plan’s out of compliance with the Provincial policies.

Low and moderate income is calculated as being at or below the 60% percentile income distribution for renter or ownership households (the Province does a separate analysis).

Based on the 2020 Housing Affordability tables provided by the Ministry of Municipal Affairs, then for the City of Hamilton “affordable” is defined to be:

- A monthly rent of \$1,210; or,
- A maximum purchase price of \$336,400 for a residential property.

The PPS (and also in Hamilton’s Official Plans) require the establishment of targets in terms of the number of new units required to meet the affordable housing needs of the community to ensure that there is an appropriate range and mix of housing options to meet the full continuum of needs.

The Planning Act and related legislation require that municipal planning decision be consistent with the Provincial Policy Statement and conform to the Growth Plan. As such, the City of Hamilton Rural Official Plan and Urban Official Plan are required to have definitions that align with the provincial definition of “affordable” and “affordable housing”.

However, neither provincial legislation and policies, nor the policies in the City’s official plans, preclude the City from developing programs and/or policies to address the needs of households with incomes that are at or above the 60<sup>th</sup> percentile.

## **APPENDICES AND SCHEDULES ATTACHED**

N/A