

Town of Aylmer

Report CAO 46-21



Report Title:	Community Improvement Plan – Update
Submitted for:	Council – September 20, 2021
Report Author:	Andy Grozelle, CAO
<input type="checkbox"/> Receive for Information	<input checked="" type="checkbox"/> Recommendation

Recommendation

That Report CAO 46-21 respecting, Community Improvement Plan Update, be received as information; and

That Council direct staff to present the Community Improvement Plan Update amendment to By-Laws 34-12 and 35-12 to adopt the changes proposed by staff.

Executive Summary

This report seeks to amend the Community Improvement Plan ('CIP') by introducing the ability to provide grants to support the development of affordable housing projects outside of the downtown area. The new Community Improvement Project Area will apply to all lands within the Town of Aylmer and is intended to incentivize housing and residential development initiatives targeted to increasing general affordability and rental supply.

Background

Notice of this statutory meeting to amend the Community Improvement Plan was provided in accordance with the requirements of the *Planning Act, R.S.O. 1990, c. P.13*. This report and proposed policy change were posted on the Town's webpage on September 9th to encourage additional public input.

Sections 106(1) and (2) of the *Municipal Act 2001 S.O. 2001 c.25*, prohibits municipalities from directly or indirectly assisting businesses, manufacturing or other commercial enterprises. This is commonly referred to as the 'bonusing rule'. Limited exceptions to this are provided though Section 28 of the *Planning Act*.

Section 28 of the *Planning Act* provides for the establishment of Community Improvement Project Areas where the municipality's Official Plan contains

provisions relating to community improvement and the Community Improvement Project Area is designated by a By-Law pursuant to the Act.

Section 28(1) of the Planning Act, allows Councils to designate all lands or a portion of lands as a Community Improvement Project Area. There are a variety of reasons that areas can be designated as an area in need of community improvement. Criteria for designation includes physical deterioration, faulty arrangement, unsuitability of buildings, and other social or community economic development reasons, including affordable housing.

Analysis

New Affordable Housing Developments/Redevelopments

The proposed amendments to the Town's existing CIP are focused upon greater investment in affordable housing. Currently, affordable housing projects are only eligible for tax exemption, Development Charges and permit grants if they are located in the Downtown Community Improvement Area. The proposed amendments will allow for residential projects to be eligible throughout Aylmer, subject to evaluation criteria.

Eligible grants for new affordable housing will be tied to percentage of affordable units proposed within the development. This approach provides an incentive for developers to include more affordable units.

In terms of determining what constitutes market rate rents or below market rates the 30% of income approach is often a preferred approach. As a lower-tier municipality, the Town of Aylmer is not likely to be involved with tenants to a degree where their income is known. The Town would propose to start by utilizing the average market rates as listed in the St. Thomas-Elgin Long Term Affordable Housing Strategy, 2018.

	Average Market Rate
Bachelor	\$485
One Bed	\$690
Two Bed	\$855
Three Bed	\$1,490
Four Bed	\$1,975

This methodology will likely be refined after further discussions with the St. Thomas-Elgin Social Housing to ensure that the Town's practices integrate well with the Consolidated Municipal Service Manager. This is permitted within the wording of the proposed CIP amendment which allows the Town to update program guidelines. Staff would recommend Council provide additional preference to any development striving to provide rents at 80% or less of average market rate.

Given the pressing need for housing affordability in Aylmer and across Ontario, staff are recommending that support of Affordable Housing development be ranked first in our CIP priorities. The Town of Aylmer currently does not have

sufficient annual budgeting for our CIP and as a result, staff supported DC reductions or tax exemptions will need to be paid out of the projected 2021 surplus or the Council Initiatives Reserve fund.

Planning Comments

As noted, the Planning Act provides legislative direction on Community Improvement Project Areas and the Town's Official Plan provides policy guidance in Section 5.3, including specific criteria for selecting Community Improvement Areas in Section 5.3.4. Included within this criteria, the following items are applicable to the proposed Town-wide Community Improvement Project Area for affordable housing developments:

- The area contains land use conflicts between non-compatible uses or contains underutilized land which may detract from the viability of the area, but which if redeveloped, renovated or developed to another use could enhance or revitalize the area;
- That the improvement shall have a significant impact on strengthening the economic base of the community; and,
- For any other environmental, social or community economic development reasons, in conformity with the policies of the County of Elgin Official Plan and the Town's Official Plan (being the provision of housing supply).

In addition to a supportive policy framework, it is imperative to acknowledge that the provision of a full range of housing, including affordable housing, is a matter of provincial interest, as is the orderly development of safe and healthy communities. Incentivizing more affordable housing developments within the Town is intended to increase the range of housing types available, as well as supplement the current inventory of rental properties while considering and supporting the variable housing needs existing within the community.

The proposed Community Improvement Project Area includes the full extent of the Town of Aylmer; however each submission would be evaluated from a comprehensive planning lens, including but not limited to conformity with the Official Plan, compatibility with surrounding land uses and net benefits of re-development for affordable housing purposes. Staff would endeavour to work with prospective applicants throughout the process and offer administrative support on both the CIP submission, as well as any required Planning Act approvals.

Conclusion

Staff are recommending that Council adopt the proposed amendments to the Town's CIP program. Although there is a pressing need for affordable housing across Ontario we are aware that the issue is more acute in Aylmer.

These changes will allow the Town to better support Affordable Housing developments outside of the core Downtown core.

Staff feel that this is a progressive approach that will attract more investment for Affordable Housing in the Community.

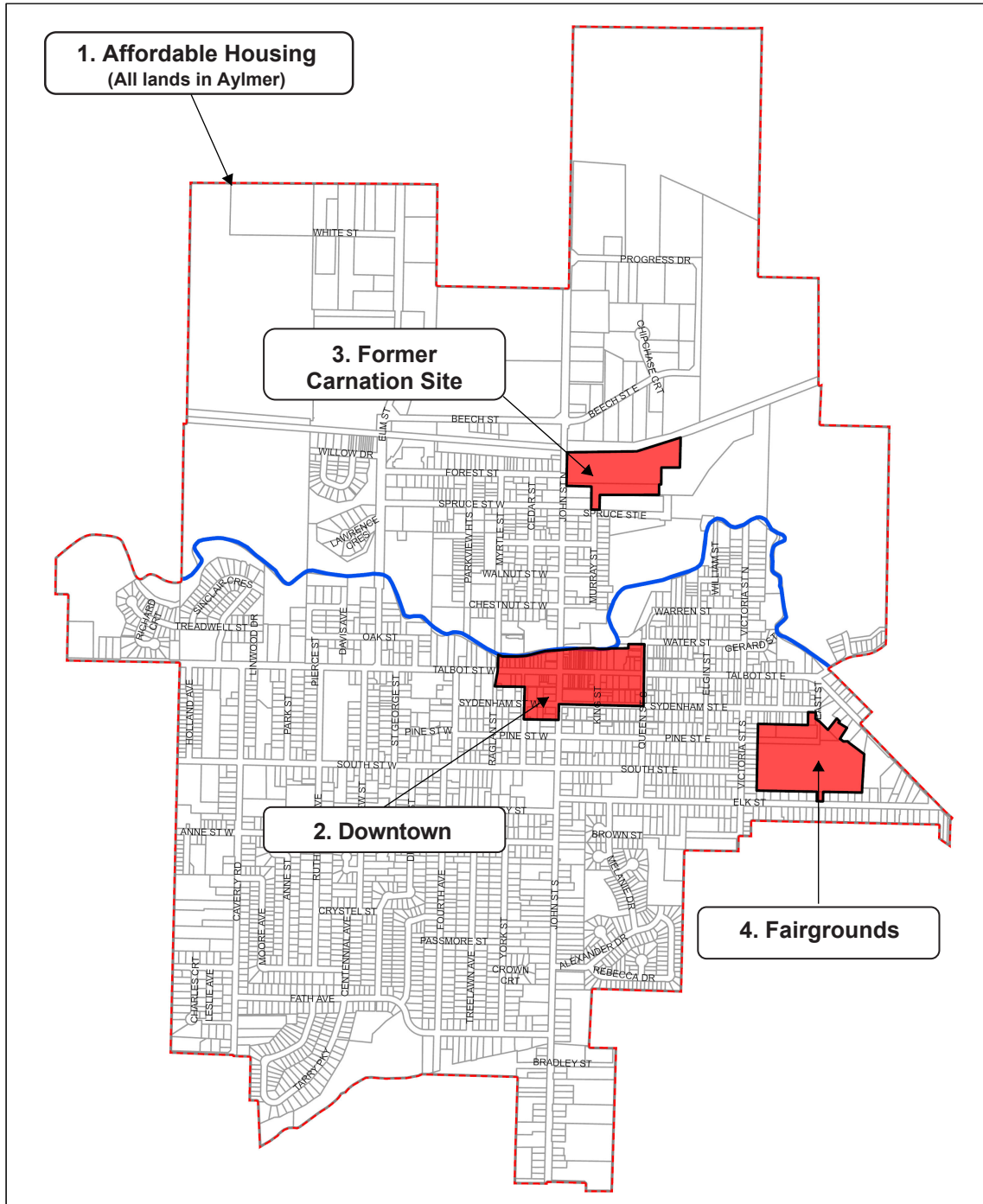
Attachments:






Attachment A – Annotated Amendments to CIP

Respectfully submitted by:

Andy Grozelle
Chief Administrative Officer
Town of Aylmer
519-773-3164 Ext. 4901

Appendix – Map of Community Improvement Project Areas



	COMMUNITY IMPROVEMENT PROJECT AREAS		
	SCALE: 1:17,000 	LEGEND  Town-wide Community Improvement Area  Community Improvement Project Areas	