

2023-2033

AFFORDABLE HOUSING STRATEGY

THE CITY OF 
Waterloo

Land Acknowledgement

The City of Waterloo acknowledges that the lands located within its municipal boundaries are the lands traditionally cared for by the Haudenosaunee, Anishnaabe and Neutral People. We also acknowledge the enduring presence and deep traditional knowledge and philosophies of the Indigenous People with whom we share this land today.

Acknowledgment of the traditional lands of Indigenous Peoples is only a starting point in the City's journey toward reconciliation. Through its Reconciliation Action Plan, the City has identified opportunities to engage in further learning, conversation and action in order to develop mutually respectfully relationships between Indigenous and non-Indigenous peoples. Building on the Action Plan, the Affordable Housing Strategy recommends, as a short term action, that the City work with Indigenous community partners to explore opportunities for affordable Indigenous housing in the City of Waterloo.

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Executive Summary

Individuals and households across Ontario are facing challenges finding the housing they need at the prices and rents they can afford. In Waterloo Region, rising housing costs have significantly outpaced incomes, which has negatively affected the physical, economic and social well-being of households across a spectrum of incomes. While the adverse effects of declining housing affordability have been felt most acutely by low income households, moderate income households are increasingly affected as well. Populations most affected by the gap between income and housing costs include older adults, Indigenous Peoples, new Canadians and immigrants, single parent households, individuals with physical disabilities, and individuals experiencing mental health challenges and/or addictions. Post-secondary students and young adults also find it increasingly challenging to secure affordable housing.

Over the past decade, governments at all levels have taken action to address declining housing affordability. These actions include the Federal government's 2017 National Housing Strategy and associated funding commitments, the Province of Ontario's 2019 Community Housing Renewal Strategy, and 2019 Housing Supply Action Plan and associated legislation, and the Region of Waterloo's Building Better Futures initiative that seeks to build 2,500 affordable units by 2026. The City of Waterloo has adopted a variety of planning and financial tools to support growth, intensification, and a diversity of housing types, including policies and regulations in the City's Official Plan and Zoning By-law to permit a range of housing types and densities, and offering financial relief for non-market (subsidized) housing developments. Taken together, these initiatives have helped spur investment by the public, private and not-for-profit sectors in the creation of new market and non-market (subsidized) housing.

Rapidly rising housing costs, growing community housing waitlists and wait times, and rising homelessness have made it clear that more action is needed. To have a meaningful impact on local housing affordability, the City of Waterloo will need to build on its existing initiatives, adopt bold new actions, and advocate that the Federal, Provincial and Regional governments do the same. Enhanced co-operation and coordination within and among the various government and non-government agencies will be essential to ensure that housing solutions are timely and cost-effective.

To guide its actions, the City of Waterloo has developed an Affordable Housing Strategy (the "AHS" or "Strategy"). The Strategy is a 10-year plan that sets out goals, targets and actions intended to improve housing outcomes for Waterloo residents. Consistent with the National Housing Strategy, the City of Waterloo's Strategy recognizes that adequate housing is a basic human right and is essential to a person's dignity and well-being. Drawing from current academic and government research, municipal case studies, and public and industry feedback, the Strategy identifies key drivers of declining affordability and sets out goals and strategic actions. Areas of focus include increasing the supply and diversity of new market and non-market (subsidized) housing and reducing the loss of existing affordable housing.

The Strategy focuses the City's efforts and resources on the issues that it has the capacity to change in its supporting role to upper levels of government who are primarily responsible for providing and funding community housing services and related supports (not local area municipalities), and identifies ways that the City can leverage and support the work of other entities in the housing system.

Strategic actions align with the objectives of other City plans and strategies, including

the City's 2019-2022 Strategic Plan, Transit Station Area Plans, Economic Development Strategy, Transportation Management Plan, and Affordable Housing Grant Program. **Recognizing the important role of the Region of Waterloo as the designated housing service provider for our region, the Strategy contains actions designed to complement and support the Waterloo Region Housing Master Plan, the Region's 10-year Housing and Homelessness Plan and the Building Better Futures framework.**

Strategic actions include estimates of the financial investment and resources needed for success. Many actions can be implemented with current resources and capacity, but some will require additional funding and staff. Actions that require additional resources/staff will be reviewed through future strategic planning and budgeting processes. A plan for regular monitoring and performance evaluation is included in the Strategy, to track the City's progress and achievement of affordable housing goals and targets.

Affordable Housing Strategy Goals:

1. Plan for and enable a greater supply and mix of housing
2. Plan for and prioritize non-market (subsidized) and temporary housing
3. Optimize the use of existing housing and protect the affordable housing supply
4. Provide incentives to build affordable housing
5. Build City and community capacity, awareness and supports for affordable housing

Overview

Over the next 10 years, the City of Waterloo is estimated to grow by about 12,500 people. Many new residents will be single adults and families from diverse backgrounds drawn to Waterloo because of employment opportunities and amenities. Other new residents will be domestic and international students attending one of the City's post-secondary institutions. Simultaneously, the City's large Baby Boomer generation will move into their more senior years, which will increase the average age of the population. To accommodate these and other growth and demographic changes, Waterloo will need a larger and more diverse housing stock.

As the City plans for a growing and more diverse population, it does so within the context of a volatile housing market and declining housing affordability. Rising housing prices and rents have left an increasing proportion of households in Waterloo, and more broadly across Ontario and Canada, unable to secure housing that they can afford. Declining affordability is felt most acutely by low income households, who have limited financial means to absorb rising costs and are the most vulnerable to housing loss and homelessness. Demand for non-market (subsidized) rental housing units in Waterloo Region has grown steadily since 2015 and far exceeds the supply. Approximately 10% of the Region's population is in core housing need (i.e., a household is said to be in 'core housing need' if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable), with renters living in social and affordable housing the most likely to face core housing need (27%, up from 23% in 2018). Homelessness across the Region more than tripled between 2018 and 2021 (333 to 1,085 individuals)¹. As the gap between housing costs and income grows, first time home ownership has become unaffordable for low income households and the majority of moderate income households.

The City of Waterloo has prepared an Affordable Housing Strategy intended to respond to current housing challenges and to prepare for future housing needs. The AHS is founded on the principle that housing is a basic human right. People need access to safe, adequate and affordable housing to support their individual health, safety, sense of dignity and inclusion in the community. As the gap between incomes and housing costs grows, an increasing proportion of Waterloo residents are unable to find suitable and stable housing that they can afford, which can have spillover effects on their physical and mental health, educational attainment, and participation in society. A balanced mix of home ownership and rental options across a range of housing types and prices is also necessary to accommodate Waterloo's diverse workforce and economic prosperity as a whole.

Waterloo's Affordable Housing Strategy sets out a blueprint for actions that the City can take to help improve housing outcome for Waterloo residents. It represents the culmination of feedback and ideas from the community, including low income individuals facing severe housing challenges, as well as upper levels of government, local development industry professionals and not-for-profit organizations involved with poverty reduction and housing. It also draws on academic research, a

review of municipal best practices, and builds on recent City studies including: a [Housing Need and Demand Analysis](#) (2020), an [Inclusionary Zoning Financial Impact Study](#) (2020) and an [Affordable Housing Strategy Discussion Paper](#) (2022).

What is Affordable Housing?

Housing is affordable when people can still pay for their basic needs after their housing expenses are paid. In alignment with the 2020 Provincial Policy Statement (PPS) and the Region of Waterloo Official Plan, Waterloo’s Official Plan defines affordable housing as 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 price². Low income households have annual incomes in the lowest 30% of the income range for the regional market area, while moderate income households have incomes between 30%-60% of the income range. For illustrative purposes, Table 1 shows the 2021 household income levels and maximum affordable housing rents and prices used to calculate affordable housing thresholds for 2022. Maximum housing rents and prices that would be affordable to low and moderate income households are demarked in grey.

Table 1. Income Levels and Affordability Thresholds for the Waterloo Regional Market Area, 2022

Income Range Percentile	Income Category	Renter Households		Owner Households	
		Income	Maximum Monthly Rent	Owner Households	Maximum Housing Price
10	Low	<\$15,700	\$390	<26,200	\$96,400
20		\$15,701 to \$23,800	\$600	\$26,201 to \$41,900	\$154,100
30		\$23,801 to \$32,000	\$800	\$41,901 to \$56,100	\$206,400
40	Moderate	\$32,001 to \$40,400	\$1,010	\$56,101 to \$71,100	\$261,600
50		\$40,401 to \$49,200	\$1,230	\$71,101 to \$87,200	\$320,800
60		\$49,201 to \$58,900	\$1,307	\$87,201 to \$104,800	\$385,500
70	High	\$58,901 to \$70,700	\$1,770	\$104,801 to \$125,600	\$462,100
80		\$70,701 to \$86,200	\$2,160	\$125,601 to \$153,600	\$565,100
90		\$86,201 to \$109,900	\$2,750	\$153,601 to \$199,000	\$732,100
100		>\$109,901	>\$2,750	>199,001	>\$732,100

Source: Government of Ontario, Housing Division, Provincial Policy Statement (2021) Annual Tables

In 2022, an affordable purchase price for a house in the City of Waterloo would not exceed \$206,400 for a low income household, or \$385,500 for a moderate income household³. An affordable rental unit would cost no more than \$800 per month for a low income household and \$1,307 per month for a moderate income household. Affordability thresholds change from year to year because of annual variability in household incomes and housing costs. The thresholds described in Table 1 and throughout this Strategy represent maximum prices or rents for low and moderate income

households. An affordable price or rent would be lower for households making less than the maximum income within their income group (e.g. households in the 10th or 20th percentile of the low income category).

AFFORDABILITY THRESHOLDS, 2022



Affordable housing is defined only based on its cost to a household, which means it is not restricted to a particular building type, form or tenure. Such housing can be provided by the private, public or not-for-profit sectors, non-market (subsidized) or market housing, and can include housing that is rented or owned, co-operative housing, and housing that is temporary or permanent. Importantly, affordable housing is not limited to subsidized housing (referred to herein as non-market housing) or housing that is owned and operated by the Region of Waterloo or a not-for-profit housing provider. The majority of affordable housing is provided in the private market. Examples of affordable private market housing include: low end of market rental units such as a secondary suite within a house that costs \$900 per month in rent; a room within a lodging house that costs \$600 per month in rent; and an apartment unit that costs \$1,300 per month in rent. While difficult to find under current market conditions, a condominium unit that had a purchase price of less than \$385,500 in 2022 could be considered affordable ownership housing to a moderate income household.

Four Key Challenges

Academic and government research points to a wide range of economic, policy, planning, and social factors that are contributing to rising housing costs and declining affordability⁴. These factors have combined in recent years to drive housing costs upwards for both rental and ownership housing. Of those factors, four fall partially within the municipal sphere of influence. These factors, which are described in more detail in the Affordable Housing Strategy Discussion Paper, are:

1. Inadequate Market Housing Supply

Economists point to inadequate housing supply to meet demand as a key driver of declining affordability both across Canada and within particular market areas such as Toronto. In Waterloo,

demand for housing has increased in recent years, in part due to rapid population growth (16% between 2016 and 2021), very low interest rates (until recent Bank of Canada policy interest rate hikes), responses to the COVID-19 pandemic that stimulated demand, an influx of households leaving more expensive markets in search of lower cost housing and housing as investments. The higher demand and constrained supply of housing both within the City and more broadly across Southern Ontario has increased competition in the housing market, contributing to higher rents and prices. A tight housing market and expectations of a continued rise in housing prices heightened speculation and investment activity over the past decade, further increased competition for ownership units and contributed to rising rents in the rental market.

2. Inadequate Non-Market Housing Supply

Decades of disinvestment in housing by the Federal and Provincial governments has contributed to a significant supply shortage of non-market, subsidized housing across Ontario and within Waterloo Region specifically. Meanwhile, demand for non-market housing has grown, as the gap between incomes and cost of housing increases and more households find themselves unable to afford market rents and prices. More temporary shelter spaces and transitional housing are needed to support the growing number of individuals and families facing urgent housing challenges. Despite recent renewed Federal and Provincial financial support for non-market housing, the construction of new units is slow and challenged by limited availability of suitable lands, rising land and construction costs, material and labour shortages, and uncertainties in the municipal approvals processes.

3. Loss of Existing Affordable Housing Supply

Redevelopment, conversion of rental units to condominium, “renovictions”, and above guideline rent increases can have the effect of removing lower cost rental housing from the market. Such activities often occur in areas of significant public investment in transit and rising land prices, such as along Waterloo Region’s ION transit corridor. An overheated real estate market in Waterloo Region and across much of Southern Ontario has caused housing purchase prices to increase beyond what low and moderate income households can afford, including housing types that were once considered fairly affordable, such as smaller units or units within multi-unit buildings. Finally, there is an elevated risk to the supply of some non-market housing in the Region, including temporary housing arrangements that are nearing the end of their lease agreements, and subsidized housing that is in need of significant repair and renewal and/or reaching the end of their mortgage agreements.

4. Inadequate Housing Diversity

Housing diversity is important to ensure that different households can access suitable housing at prices or rents they can afford. A diverse supply of housing provides households with opportunities to transition to more appropriate or desirable housing as their economic situation, household size or housing needs change, thereby freeing up the vacated units for those who need it. A greater variety in the sizes, forms, and prices of housing is needed across the City to support Waterloo’s increasingly diverse population. Different unit sizes and building forms within neighbourhoods are needed to

support a mix of incomes, smaller households and seniors seeking to downsize. Larger rental units (e.g. with 3-5 bedrooms) are needed in all residential areas of the City to accommodate cohabiting individuals and large families, including multi-generational families. More rental housing, and specifically primary rental housing, is needed to provide greater housing stability and affordable options for the City's high proportion of renters, including individuals with lower incomes, post-secondary students, and young professionals. Finally, more housing that is accessible and VisitAble is needed to support residents with differing physical abilities and levels of mobility, including Waterloo's growing older adult population.

The City's Role

All levels of government, as well as the private, not-for-profit and co-operative housing sectors, each have a role to play in the creation of a healthy housing system that meets everyone's needs. **Federal and Provincial governments set out planning and housing policies and legislation and have the financial resources needed to support the construction of most non-market housing. The Region of Waterloo is a designated housing service manager that receives Federal and Provincial funds to administer a range of housing and homelessness programs and services in the local context, including temporary shelters, transitional housing, and the construction of permanent affordable housing. Private, not-for-profit and co-operative housing providers plan, design, build and in some cases operate the balance of the housing that serves the majority of Waterloo residents. Local municipalities, like the City of Waterloo, play an important supporting and enabling role within this broader system.** City Official Plan policies and Zoning By-law regulations, for example, can influence the location, density, type and size of residential developments. Local planning policies and regulations can introduce costs and review timeframes that impact a residential development's pro forma and timing.

Municipalities can remove barriers and reduce costs for new residential development and in particular, affordable residential development, by creating a supportive policy framework, streamlining review processes and, where possible, reducing fees and charges. Municipal grants can be combined with larger grants from upper levels of government to help housing providers overcome the financial barriers to building or maintaining affordable units. In the past five years, the City of Waterloo has supported a number of affordable housing projects, including a grant towards the purchase of an existing affordable housing building on Erb Street East, and the waiver of development charges to support the construction of 97 new affordable housing units throughout the City.

The City has an opportunity to take a more intentional and proactive role in addressing housing affordability within its limited authority and role as a lower tier municipality. A jurisdictional scan of successful municipal tools and approaches for affordable housing reveals that these tools are most effective when they are developed and implemented in coordination with Provincial and Federal funding programs, Regional housing plans and programs, and initiatives by private, not-for-profit, and co-operative housing providers. **By focusing on aspects of the housing system that fall within the municipal realm of influence, the City can leverage and amplify the actions of others and make best**

use of its efforts and limited resources. Actions that have been demonstrated to be effective include adopting tools and approaches that create a more supportive planning environment for the creation of new market and non-market affordable housing, and offering financial incentives that are coordinated with Regional, Provincial and Federal initiatives to maximize impact and return on investment. A municipal strategy can provide a framework for action to ensure that efforts are coordinated with broader plans and strategies, and are realistic based on estimates of financial and staff resources available/needed for success.

The Strategy

Purpose

Waterloo’s Affordable Housing Strategy (“AHS”) identifies actions that the City can take over the next 10 years to support a healthier housing system that fosters safe, adequate and affordable housing for local residents, with particular emphasis on housing options for low and moderate income households, and housing supports for those experiencing homelessness.

Scope

A healthy housing system includes a diverse range of housing types, size and costs across the full spectrum of the housing continuum. While the private market supplies housing that meets the needs of most households, it is increasingly challenged to provide a sufficient supply and range of housing options that are affordable to low and moderate income households. The Affordable Housing Strategy concentrates on bridging this gap (Figure 1). The main focus of the AHS is on permanent housing options that support low and moderate income households of different sizes, physical abilities, and life stages, such as subsidized and market rental housing, and entry level market ownership housing. The Strategy also recognizes the importance of emergency and temporary housing options and includes actions to support and leverage the work of lead agencies and service providers responsible for delivering these essential housing supports.

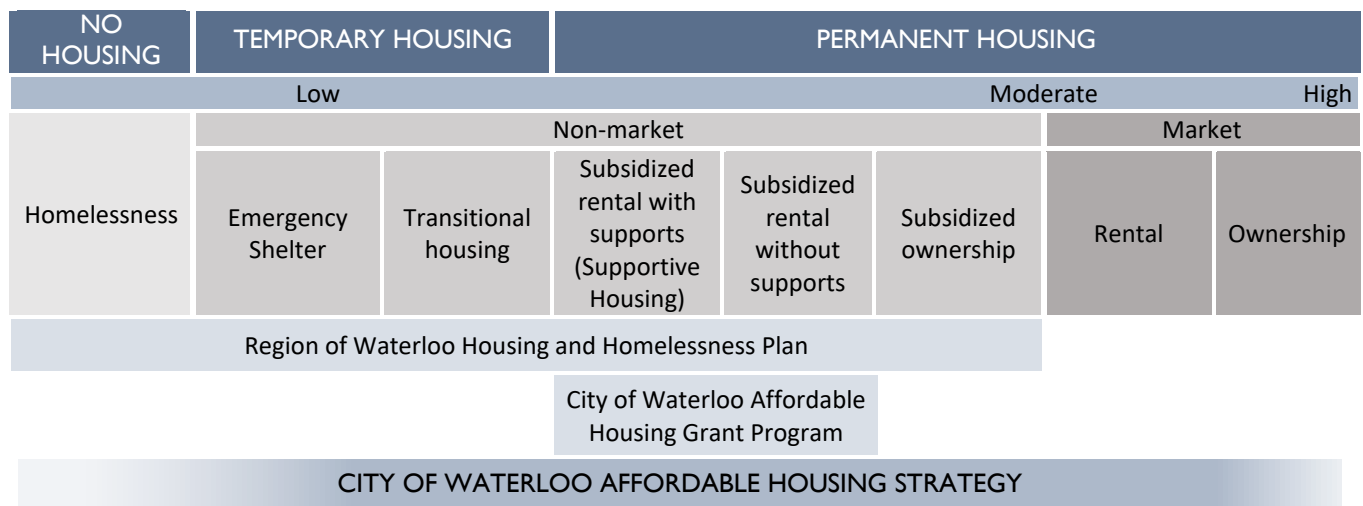


Figure 1. Affordable Housing Strategy Area of Focus within the Housing Continuum (darker blue represents topic of greater focus)

The scope of the Affordable Housing Strategy is broader than the City’s Affordable Housing Grant Program, since the latter is focused on financial relief to not-for profit providers of subsidized rental housing. The AHS differs from but complements the Region of Waterloo’s Housing and Homelessness

Plan by focussing on local municipal planning policy, regulatory and financial tools across a broader spectrum of housing types, including market housing, to support a healthier housing system.

Principles

Waterloo's Affordable Housing Strategy is founded on six key principles.

1. Housing as a Human Right

Safe, adequate housing is a basic human right and essential for dignity, physical and mental health and overall quality of life.

2. Diverse and Inclusive Communities

Housing diversity that includes a range of unit sizes, tenures, prices and accessibility is essential to create equitable access to economic and social opportunities, services and amenities that help enhance quality of life, and reduce isolation and stigma.

3. Data-driven Decision Making

Decision making should be based on current data relating to existing and forecasted local housing supply and demand. Program and policy monitoring will enable the City to evaluate the success of programs, address unanticipated policy outcomes and course-correct if necessary.

4. Coordinated

Actions in the Affordable Housing Strategy reinforce the City's strategic goals and objectives while supporting and complementing other local and upper level of government plans and programs.

5. 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 changing demographics and a growing population. Strategy actions should consider the longevity of the built environment and the ability to adapt and change existing neighbourhoods to meet the needs of both current and future residents.

6. Sustainable

Policies and approaches to addressing housing affordability could have implications for the City's protection of natural areas and farmland and climate change actions. The AHS considers the interrelationship between housing, the environment and climate change, facilitating areas of mutual benefit.

Housing Targets

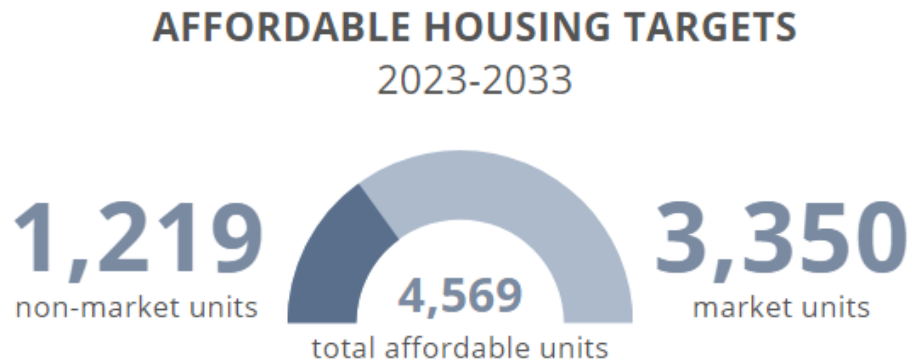
Waterloo is expected to grow by an estimated 8,191 households between 2023 and 2033⁵. New housing units will need to be constructed over the next 10 years to accommodate this growth. Citing a need to “catch up and keep up with population growth projections”, the Province has set a more ambitious target for Waterloo of 16,000 new housing units by 2031⁶. This target supports the Province’s goal of 1.5 million homes built in Ontario over the next 10 years. Taking into account the forecasted population, the accelerated Provincial housing target, and the number of housing units already constructed that count toward those targets, the Affordable Housing Strategy sets an overall housing target of 15,232 new housing units by 2033⁷. Through its Official Plan and other long range plans, the City will continue to plan to achieve the density and intensification rates needed to accommodate the forecasted population and housing target. The Affordable Housing Strategy supports these efforts by providing additional direction on the type and distribution of housing needed to fill gaps in the City’s existing housing supply and to address the housing needs of future residents.

The AHS assists the City in planning for an adequate supply of housing that is affordable to low and moderate income households². Based on forecasted need and in alignment with the Region of Waterloo’s affordable housing target, a minimum of 30% of new housing units should be affordable to low or moderate income households. Achievement of this target would yield 4,569 affordable units over the next decade, or about 457 affordable units per year. Affordable units should include both market and non-market units and a mix of rental and ownership units.

A portion of the affordable housing units in the city will need to be deeply affordable, non-market (subsidized) units to support households at the lowest end of the income range. Approximately 8% of the City’s existing and forecasted population require non-market, affordable units. The AHS establishes a non-market housing target of 8%, or 1,219 units, by 2033⁸. The affordable housing and non-market housing targets are ambitious and their achievement will require political will and additional financial resources, which should be primarily secured from upper-levels of government.



A balanced mix of ownership and rental housing is needed to support households with different incomes, preferences and ages, including post-secondary students, young professionals and downsizing older adults. Based on the existing and projected post-secondary institution enrollment, population and incomes, a minimum of 39% of all new housing units created between 2023 and 2033 (5,940 units) should be rental units⁹. These units would include as a priority, purpose-build rental units, but could also include secondary rental units (e.g. condominium units that are rented out by the owner). Rental units could also include both market and non-market housing, including lower end of market rental housing and non-market rental units constructed by the Region of Waterloo.



Achieving the Targets

The housing supply, tenure, and affordability targets within the Affordable Housing Strategy are not quotas that will be enforced through regulation. Rather, they represent aspirational goals for the City to work towards through the actions set out in the Strategy. Achievement of the targets will require the co-operation and support of all key players in the housing system, including Waterloo residents, private and not-for-profit housing providers, developers/home builders, post-secondary institutions, the Region of Waterloo, and the Provincial and Federal governments. The targets (and associated actions) provide direction to market and affordable housing providers regarding the types of housing the City will encourage, prioritize and support through development approval processes and various incentive programs. Key challenges that are likely to impact target achievement are addressed in the Strategy, which encourages the City to adopt innovative approaches to housing affordability and diversity, support housing service providers, and advocate to upper levels of government for needed support / investment in our community. Monitoring and evaluation of progress towards each target will assist in ongoing policy refinements and revisions to actions / priorities as necessary.

The City is working to ensure that its planning framework supports the achievement of the growth target over the next decade, but also recognizes that housing construction is affected by a range of factors that fall outside of municipal control, such as market dynamics, supply chain and labour challenges, and developer motivations. Waterloo has averaged about 1,200 new units per year over the past five years, which, combined with a number of significant development proposals on the horizon, make attainment of 15,232 by 2033 within reach if appropriate supports (including staff resources) are in place. Achievement of the affordable housing target, however, will require focused

action and a commitment of resources, particularly in the current context of a volatile housing market, low vacancy rates, labour shortages, increasing material costs and supply chain challenges. Concerted effort will also be required to achieve the rental housing target given the current economic realities that favour condominium development over primary rental development.

Goals, Strategies and Actions

The Affordable Housing Strategy identifies five broad goals that provide a focus for action to help the City diversify and expand the existing market and non-market housing stock, retain existing affordable housing, and realize the 10-year housing targets. The strategies listed under each goal describe generally how the City will foster achievement the AHS goals, while the actions describe more specifically what tasks the City should undertake, who would carry them out, and the general timeframe of preferred implementation.

Five Goals of the Affordable Housing Strategy

- Goal 1.** Plan for and enable a greater supply and mix of housing
- Goal 2.** Plan for and prioritize non-market (subsidized) and temporary housing
- Goal 3.** Optimize use of existing housing and protect the affordable housing supply
- Goal 4.** Provide incentives to build affordable housing
- Goal 5.** Build City and community capacity, awareness and supports for affordable housing

Goal 1. Plan for and enable a greater supply and mix of housing

To create a healthy housing system that provides affordable housing options for all residents, the City should focus on enabling the “Right Supply” of housing. This means not just planning for a sufficient supply of housing to support the growing population, but also ensuring that the housing that is built meets the varied needs of residents in terms of location, size, building type, tenure and cost.

The actions identified in Goal 1 of the Affordable Housing Strategy identify ways the City can support the private, public and not-for-profit sectors in building more housing that provides a greater range of options for residents. The actions focus on housing gaps that were identified through recent census data and community feedback¹⁰. These gaps include:

- Affordable ownership and rental units city-wide, and particularly in Uptown;
- Affordable, family sized rental units;
- Rental and ownership units within medium density, “missing middle”¹¹ built forms along transit routes and near amenities;
- Low density, “missing middle” rental and ownership units within neighbourhoods;
- Accessible units for individuals with disabilities, particularly near transit;
- Accessible and VisitAble¹² units for seniors, particularly within neighbourhoods; and
- Rental units that are affordable to post-secondary students, in proximity to the three post-secondary institutions.

Strategies:

- 1.1. *Evaluate opportunities to create more housing and housing options in areas supported by transit, while balancing other municipal planning objectives*
- 1.2. *Continue to facilitate the redevelopment of vacant, underutilized and transitioning lands to mixed-use, complete communities*
- 1.3. *Permit a greater diversity of housing options within existing neighbourhoods, as appropriate*
- 1.4. *Consider reduced residential parking requirements in areas that are well-supported by transit*
- 1.5. *Plan for a greater supply and diversity of housing options in remaining greenfield areas*
- 1.6. *Encourage and, where possible, require more accessible and VisitAble housing*
- 1.7. *Consider opportunities to enable deeply affordable housing types*
- 1.8. *Explore and pilot innovative housing solutions and development review processes*
- 1.9. *Continue to encourage the creation of housing that is resilient to rising energy costs and adaptable to a changing climate*
- 1.10. *Evaluate the implications of using surety bonds as a form of financial security for new development*

“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.” – EngageWR respondent

Waterloo’s limited supply of vacant land for development means that most new housing will be located within the built up area of the city. Expanding the supply and mix of housing options along transit routes and within neighbourhoods (where appropriate) will make more efficient use of the City’s land supply, provide more opportunities for people to live near transit and amenities, revitalize neighbourhoods with declining populations, and provide more affordable housing options for people across all life stages and abilities.

The private sector constructs the vast majority of housing. The City can enable and support market housing providers and property owners in delivering the “right supply” of housing by establishing land use planning policies and regulations that enable the creation of needed housing types in the right locations, encourage more efficient use of land, support innovative housing solutions, and create a more streamlined and predictable approvals process.

1.1. Evaluate opportunities to create more housing and housing options in areas supported by transit, while balancing other municipal planning objectives

It is recommended that the City evaluate opportunities to create more housing and a greater diversity of housing options along existing and future transit routes, within Major Transit Station Areas and near shopping and other amenities, while balancing other municipal planning objectives. As part of the Official Plan Review and the subsequent update to the Zoning By-law, the following actions should be undertaken:

Actions	Leads and (Supporting Partners)	Timeline
A. Review and potentially refine the boundaries of existing designated nodes and corridors to ensure they are sufficient in size and dimension to achieve the contemplated medium, medium-high and high residential densities and built forms set out in the Official Plan and Zoning By-law.	Planning	Short (1-3 years)
B. Consider identifying and designating new corridors in the Official Plan and Zoning By-law that will provide low and medium density “missing middle” housing options along key transit and transportation supportive corridors.	Planning	Short (1-3 years)
C. Consider further delineating boundaries and refining land use designations for the future node on University Avenue East to support an appropriate mix and density of residential and commercial uses.	Planning	Short (1-3 years)
D. Consider establishing minimum density targets along designated transit corridors and within	Planning	Short (1-3 years)

strategic areas to ensure redevelopment at transit supportive densities.		
E. Update the Zoning By-law to permit a broader range of housing options within new and existing nodes and corridors and Major Transit Station Areas.	Planning	Short (1-3 years)

1.2. Continue to facilitate the redevelopment of vacant, underutilized and transitioning lands to mixed-use, complete communities

In planned locations, facilitate the transition of low-density and car-oriented commercial or industrial sites to higher density, mixed use, 15-minute neighbourhoods. As part of the Official Plan Review and the subsequent update to the Zoning By-law, the following actions should be undertaken:

Actions	Leads and (Supporting Partners)	Timeline
A. Ensure lands identified for transition in the Official Plan, including the commercial corridor along King Street between Columbia Street and Northfield Drive, and agricultural and industrial transition areas, are comprehensively planned for sufficient residential and non-residential densities to encourage the efficient use of land, and intensification where appropriate.	Planning	Short (1-3 years)
B. Identify and plan for additional sites in the City to transition toward mixed-use, complete areas/neighbourhoods.	Planning	Short (1-3 years)
C. In addition to employment uses, establish a planning framework for complementary residential uses in locally significant employment areas within Major Transit Station Areas, where appropriate.	Planning	Short (1-3 years)

1.3. Permit a greater diversity of housing options within existing neighbourhoods, as appropriate

In appropriate locations, plan for the creation of more housing options within existing neighbourhoods, to support housing for households of various income levels, sizes and life stages. In particular, evaluate opportunities to permit multi-unit housing and accessory dwellings in these areas. As part of the Official Plan Review and the subsequent update to the Zoning By-law, the following actions should be undertaken:

Actions	Leads and (Supporting Partners)	Timeline
A. Permit as of right second and third residential units on all parcels of urban residential land, in accordance with the recently enacted More Homes Built Faster Act, 2002, subject to appropriate performance standards.	Planning	Short (1-3 years)
B. Explore options to modify performance standards in the Zoning By-law to permit more coach houses throughout the City.	Planning	Short (1-3 years)
C. Permit semis, duplexes and triplexes in more neighbourhoods, subject to provisions set out in the Zoning by-law.	Planning	Short (1-3 years)
D. Permit stacked townhouses and low rise (3-4 storey) multi-unit residential buildings in strategic areas as determined by the City, such as along certain segments of arterial and major collector roads, and in close proximity to schools and mixed-use nodes where appropriate.	Planning	Short (1-3 years)

1.4. Consider reduced residential parking requirements in areas that are well served by transit

Evaluate opportunities to reduce parking requirements in areas that are well served by transit. Consider emerging best practices that seek to reduce reliance on the automobile. Consider the findings and recommendations of pertinent studies, such as the Region of Waterloo’s Affordable Housing Parking Study and the City of Waterloo’s Parking Standards Study (both underway), and recognize:

- the high cost of parking
- the space requirements of parking
- climate change
- societal changes, and
- varied parking needs, including those of non-market (subsidized) housing.

Actions	Leads and (Supporting Partners)	Timeline
A. Evaluate parking standards to identify opportunities to more efficiently use land, increase affordability, and support transit and active transportation infrastructure, including consideration of the following: <ul style="list-style-type: none"> ○ reduced residential parking rates in all MTSAs, including Uptown, where appropriate; 	Planning	Short (1-3 years)

<ul style="list-style-type: none"> ○ eliminate parking requirements for second units within 400m of a ION stop; ○ consider establishing maximum parking rates for certain built forms within the Uptown Transit Station Area; and ○ identify mechanisms to support lower parking rates for residential uses that have demonstrated low car ownership such as transitional housing and supportive housing. 		
B. Enable existing parking spaces to fulfill the parking requirements for designated heritage buildings that are used, or adaptively reused, for housing within the existing building.	Planning	Short (1-3 years)

1.5. Plan for a greater supply and diversity of housing options in remaining greenfield areas

Optimize the use of remaining greenfield areas and ensure that new neighbourhoods support a mix of housing types and household incomes / needs, and support the provision of transit services post-construction.

Actions	Leads and (Supporting Partners)	Timeline
A. Consider, through the City Official Plan Review and future district planning work, policies to encourage affordable missing middle, transit supportive housing types in greenfield areas where appropriate, such as small apartment buildings, stacked townhouses and mixed-use buildings.	Planning	Short (1-3 years)
B. Encourage the creation of second residential units in all new residential plans of subdivision, where appropriate.	Planning	Short (1-3 years)

1.6. Encourage and, where possible, require more accessible and VisitAble housing

In consultation with the Grand River Accessibility Advisory Committee (GRAAC) and residents with disabilities, establish policies and practices that increase the availability of accessible and VisitAble housing. Work towards a consistent, higher standard for accessibility region-wide.

Actions	Leads and (Supporting Partners)	Timeline
A. Develop policies in the Official Plan to encourage a greater percentage of accessible and VisitAble	Planning (Indigenous Initiatives, Anti-	Short (1-3 years)

units in new construction than is currently required in the Building Code, with particular emphasis on transit corridors.	Racism, Accessibility and Equity, GRAAC and residents with disabilities)	
B. Establish minimum residential accessibility requirements for: affordable housing grant programs; and, purchase and sale agreements involving surplus City-owned lands.	Planning (Indigenous Initiatives, Anti-Racism, Accessibility and Equity, GRAAC and residents with disabilities)	Short (1-3 years)
C. Incorporate accessibility considerations as part of the City's Inclusionary Zoning policy and program development.	Planning (Indigenous Initiatives, Anti-Racism, Accessibility and Equity, GRAAC and residents with disabilities)	Short (1-3 years)
D. Advocate to the Province to update the Building Code to require a higher proportion of accessible units in new buildings.	Planning (Indigenous Initiatives, Anti-Racism, Accessibility and Equity)	Short (1-3 years)
E. Update the City's accessibility standards and guidelines for interior and exterior spaces to reflect best practices, new technologies and the needs and input of people with disabilities, with a view to establishing a higher standard for accessibility and consistent approach within the City and the broader Region. Standards and guidelines to be updated include, but are not limited to, Waterloo's Urban Design Manual and Accessibility Standards.	Planning (Indigenous Initiatives, Anti-Racism, Accessibility and Equity, GRAAC and residents with disabilities)	Medium (4-6 years)

1.7. Consider opportunities to enable deeply affordable housing types

Evaluate opportunities and implications of enabling new multi-tenant housing (e.g. lodging houses), recognizing the potential for this housing form to provide very low cost and low barrier housing in the community. Participate in the Region of Waterloo's pending lodging house review starting 2023.

Actions	Leads and (Supporting Partners)	Timeline
A. Evaluate supply and demand for multi-tenant housing in the City, including existing, legal non-conforming units, demand for new units, and advances in multi-tenant building typologies (e.g. modular construction).	Planning, Municipal Enforcement Services, Building Standards	Short (1-3 years)

B. Evaluate opportunities and implications of new multi-tenant housing within residential neighbourhoods, including zoning and licensing, in consultation with Council, the public and key interest groups (including both landlords and tenants).	Planning, Communications, Municipal Enforcement Services	Medium (4-6 years)
C. Explore options to provide supports for both tenants and landlords of multi-tenant housing, to improve the quality, safety and management of such housing, including providing online information about tenant and landlord rights and obligations (3.1.D).	Planning, Communications, Municipal Enforcement Services	Medium (4-6 years)

1.8. Explore and pilot innovative housing solutions and development review processes

Explore and pilot innovative solutions to create more affordable market housing options, such as homesharing and co-ownership models, by recognizing these affordable housing forms and removing financial and policy barriers that inhibit their establishment.

Actions	Leads and (Supporting Partners)	Timeline (Initiation)
A. Undertake a one-year pilot program that reimburses the rental licensing fee and associated costs for up to 10 Waterloo Region HomeShare ¹³ rental licenses, with a maximum program cost of \$10,000.	Municipal Enforcement Services, Planning	Short (1-3 years)
B. Proceed with a Feasibility Study for a Community Planning Permit System, as a tool to increase the supply of affordable housing and streamline planning approvals, with an objective to pilot the system in an emerging growth area.	Planning	Short (1-3 years)
C. Explore opportunities to encourage and support the establishment of co-ownership and shared equity programs ¹⁴ in new construction and conversions of rental units to condominium.	Planning	Short (1-3 years)

1.9. Continue to encourage the creation of housing that is resilient to rising energy costs and adaptable to a changing climate

Encourage, and where possible enabled / require, private, public and not-for-profit housing providers to plan for and achieve energy efficient, sustainable and resilient housing and building designs that lower greenhouse gas emissions, improved operational efficiencies, reduced energy costs, and increased resiliency to climate change and energy uncertainty.

Actions	Leads and (Supporting Partners)	Timeline
A. Identify opportunities to broaden the current nodes and corridors policy framework in the Official Plan to support the creation of more compact and complete communities, and 15 minute neighbourhoods, where housing, goods, services, and employment can be reached conveniently through low/no emission means, such as walking, cycling, or rolling.	Planning	Short (1-3 years)
B. Proceed with the preparation of Green Development Standards in partnership with area municipalities, local utility companies and Waterloo Region Community Energy (WRCE), that will encourage or require new housing developments to be more energy efficient, adaptable to severe climate events and minimize embodied carbon.	Planning, Waterloo Region Community Energy	Short (1-3 years)
C. Consider and reward climate change mitigation/adaptation measures (e.g. district energy, net zero operational carbon and minimizing embodied carbon and building energy needs) as part of any new affordable housing incentive programs.	Planning	Short (1-3 years)

1.10. Evaluate the implications of using surety bonds as a form of financial security for new development

The City typically requires financial securities, primarily in the form of letters of credit, to ensure developers uphold the conditions and obligations applied to development approvals. Surety bonds are an alternate form of financial security that allows developers to free up capital to put toward other housing projects. The City should evaluate the implications of using surety bonds as a form of financial security, in anticipation of a Province directive to municipalities in relation to surety bonds (re: More Homes for Everyone Act, 2022).

Actions	Leads and (Supporting Partners)	Timeline
A. Consider and prepare for the potential requirement to allow surety bonds as financial securities to uphold the terms of a development agreement, including consideration of terms, conditions and options to reduce potential risk to the City and taxpayers.	Finance (Planning)	Short (1-3 years)

Goal 2. Plan for and prioritize non-market (subsidized) and temporary housing

Non-market (subsidized) and temporary housing are important components of the broader housing system. Permanent, non-market housing supports low and moderate income earners who are unable to afford housing at market prices or rents. Emergency shelters and transitional housing, while providing only temporary accommodations for residents, are critical housing supports for people who are homeless or at risk of being homeless.

Demand for non-market housing, transitional housing, and temporary shelter spaces in the region exceeds supply. Approximately 3,267 applicants on the Region of Waterloo's Community Housing waitlist are seeking non-market housing in Waterloo, with average wait times for a unit ranging from 3-8 years¹⁵. Not-for-profit affordable housing providers that administer their own application process also report long waitlists. Demand for temporary shelter spaces has grown significantly since the beginning of the COVID-19 pandemic, and securing permanent or transitional housing for individuals experiencing homelessness is a significant challenge. Additional non-market housing units, transitional housing units and shelter facilities are needed to address current backlogs and meet anticipated future demand.

Strategies:

- 2.1. *Advocate for more support from senior levels of government*
- 2.2. *Set clear housing targets*
- 2.3. *Promote a sustainable supply of affordable housing near transit*
- 2.4. *Evaluate opportunities to reduce planning barriers that limit the construction of new non-market (subsidized) housing units*
- 2.5. *Facilitate the creation/expansion of temporary housing options*

"We need to make it easier to finding adequate, safe, low income housing for older residents. My 61 year old mother has mental health issues. She will soon need a unit that is accessible. She's on the Regional housing wait list, but the waitlist is too long. Mom went to shelter for a few weeks because she was told she might get quicker access to housing, but that didn't work. The whole experience was traumatic."

- Low income survey respondent

Goal 2 of the Affordable Housing Strategy identifies actions that the City can take to facilitate a full range of needed non-market and temporary housing. Actions within this goal focus on creating a supportive planning framework to assist the Region of Waterloo and other housing providers create more permanent non-market and interim housing more quickly. Updates to the Official Plan will set an affordable housing target for the City and establish policies that prioritize affordable housing to assist the City in reaching its target. The Zoning By-law should be updated to proactively identify permitted locations for transitional housing and shelters, which will help streamline the development approval process and significantly reduce project costs and time. It is anticipated that the City will establish Inclusionary Zoning policies and regulations that require private housing providers to

include non-market housing in new developments within Major Transit Station Areas to ensure that those areas, which are the focus of the most significant investment in public transit infrastructure, continue to offer a range of housing options including affordable housing.

“There is no place for people to go once they leave [transitional housing for young mothers]...We sometimes have had to discharge moms to homeless shelters because there was no affordable housing for them to go to.”

- Transitional housing provider

2.1. Advocate for more support from senior levels of government

Significant, ongoing Federal and Provincial funding and more flexible municipal planning tools are needed to support efforts to address a 30-year backlog of non-market, affordable housing units. The City should continue to advocate for needed financial, research and policy supports from upper levels of government for the construction of additional non-market housing in our community, including more deeply affordable units.

Actions	Leads and (Supporting Partners)	Timeline
A. Advocate to the Federal (including CMHC) and Provincial governments the need for ongoing and well-timed funding to support the financing, construction and operation of affordable housing.	Planning	Short (1-3 years)
B. Advocate to the Federal (including CMHC) and Provincial governments the need for research and action to manage the financialization ¹⁶ of housing.	Planning	Short (1-3 years)
C. Continue to advocate for regulations that permit municipalities to adopt Inclusionary Zoning in areas outside of Major Transit Station Areas, and expanded municipal powers related to affordable housing.	Planning	Short (1-3 years)

2.2. Set clear housing targets

Establish clear housing targets based on forecasted housing needs and in alignment with the affordable housing target set by the Region of Waterloo, to inform planning policy, incentive programs and decision making.

Actions	Leads and (Supporting Partners)	Timeline
A. Establish policy objectives to achieve a minimum of 30% of new ownership and rental housing in	Planning	Long (7-10 years)

the City to be affordable to low and moderate income households. Incorporate this target into the City's Official Plan in accordance with the direction set out in the Regional Official Plan pursuant to subsection 27(1) of the Planning Act.		
B. Establish policy objectives to achieve by 2033, a target of a minimum of 8% of new housing units in the city to be non-market (subsidized) units.	Planning	Long (7-10 years)
C. Establish policy objectives to achieve by 2033, a target of a minimum of 39% of new housing units in the city to be rental units.	Planning	Long (7-10 years)

2.3. Promote a sustainable supply of affordable housing near transit

Use available planning tools to incentivize and where possible require, the creation of affordable housing units in private developments within close proximity to ION stations and other high frequency transit routes.

Actions	Leads and (Supporting Partners)	Timeline
A. Continue to develop, in coordination with municipal partners and in consultation with key interest groups, draft Inclusionary Zoning policies and regulations for MTSAs and other areas where permitted by law, and an administration plan, for Council's consideration in 2023.	Planning, City of Kitchener, City of Cambridge, Region of Waterloo (Development Industry, Affordable Housing Providers)	Short (1-3 years)

2.4. Evaluate opportunities to reduce planning barriers that limit the construction of new non-market (subsidized) housing units

Evaluate opportunities to update Official Plan policies and zoning regulations, and streamline planning approvals processes, to reduce the cost, risk and time required to construct new non-market (subsidized) housing units, and to encourage reinvestment in and intensification of affordable housing sites.

Actions	Leads and (Supporting Partners)	Timeline
A. Review and update the residential land use policies and regulations in the City's Official Plan and Zoning By-law to clarify definitions for non-market (subsidized) housing. Ensure that the Official Plan clearly communicates that permanent, non-market housing is a residential	Planning	Short (1-3 years)

use that is permitted where residential land uses are permitted in the Zoning By-law.		
B. Identify and plan for, through the Official Plan Review, appropriate residential densities on publically owned lands that could accommodate affordable housing to encourage intensification and renewal.	Planning (Regional, Provincial and Federal Governments)	Short (1-3 years)

2.5. Facilitate the creation/expansion of temporary housing options

Support a planning framework that assists the Region of Waterloo in its efforts to create interim housing solutions for those experiencing or at risk of homelessness, including zoning solutions in support of a broad range of temporary housing options, as appropriate.

Actions	Leads and (Supporting Partners)	Timeline
A. Review and update the residential land use policies and regulations in the Official Plan and Zoning By-law to recognize and enable, in appropriate locations, emergency shelters and transitional housing	Planning	Short (1-3 years)
B. Continue to provide planning and related supports to the Region of Waterloo to assist in their identification of potential / appropriate sites for emergency shelters, transitional housing and a managed hybrid shelter/outdoor model.	Planning	Short (1-3 years)
C. In collaboration with Region of Waterloo, proceed with the necessary approvals to permit a Regionally-managed hybrid shelter/outdoor model, for a maximum period of up to three years, with extensions possible, in accordance with the provisions in the Planning Act.	Planning	Short (1-3 years)
D. Encourage the Region of Waterloo to provide service enhancements to support residents living in temporary accommodations and to improve acceptance by and connection to the surrounding community. Enhancements could include: offering additional temporary options for women (incl. cis, trans, two-spirit and non-binary), establishing smaller trauma-informed facilities, increasing staffing ratios, ensuring daytime hours and programming, and hiring a community liaison staff person to help manage and address community issues as they arise.	Planning	Short (1-3 years)

E. Encourage and support the Region of Waterloo in advocating for needed Provincial and Federal funding to support additional temporary housing facilities and service enhancements	Planning	Short (1-3 years)
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Goal 3. Optimize the use of existing housing and protect the affordable housing supply

Waterloo's housing supply is comprised of existing and newly constructed housing. It is important to recognize the high cost of new construction and the role that existing housing plays in the overall housing supply. Goal 3 of Affordable Housing Strategy focuses on encouraging the optimal use of existing housing, including measures to monitor and discourage vacant housing, and to limit the conversion of rental housing to condominium tenure or short term (hotel-style) accommodations. These actions are intended

to compliment - not prevent - the Strategy's other goals of facilitating the creation of needed additional market and non-market housing supply mainly through redevelopment and intensification.

Older housing can be more affordable than newly built housing. Primary rental buildings that are 30 years old or older have the lowest average rents in the regional market area, and are often affordable to lower income households¹⁷. Demolition or conversion of these older, primary rental units to condominium can result in the displacement of low income households and the loss of low-end-of-market units. While older buildings do require ongoing investment and rehabilitation to ensure that they continue to offer adequate and well-maintained living spaces, certain measures can help reduce or discourage reinvestment activities that result in the displacement of low income and moderate income households or remove affordable units from the existing housing stock. The City should refine its existing demolition and condominium conversion policies and by-laws to prevent conversion of primary rental buildings to condominium during times of very low rental vacancy, and require replacement units of similar rents and sizes for units proposed for demolition. To encourage greater security of tenure and long term affordability for tenants, the City should explore opportunities to support Community Land Trusts¹⁸, not-for-profits and the Region of Waterloo in acquiring existing buildings and to maintain them in public or community ownership as affordable units. It is recommended that the City encourage the Region of Waterloo to consider refining existing taxation policies to harmonize the residential and multi-residential property tax rates to make long term ownership, operation and rehabilitation of moderately priced primary rental apartments more financially viable. Finally, the City could use a variety of means within its authority to reinforce protections offered to tenants through the Residential Tenancies Act, such as the right to return to a unit in certain circumstances.

Strategies:

- 3.1. *Reduce the loss or conversion of rental housing*
- 3.2. *Support the transition of primary rental housing to community ownership, where appropriate*
- 3.3. *Discourage long term vacancies*
- 3.4. *Review and manage short term rental accommodations*

3.1. Reduce the loss or conversion of rental housing

Update and strengthen policies and practices to reduce the conversion or demolition of rental units, identify and remove potential financial disincentives that discourage the preservation and maintenance of older multi-unit residential buildings, and foster education and awareness of the requirements of the Residential Tenancies Act, 2006.

Actions	Leads and (Supporting Partners)	Timeline
<p>A. Update Official Plan policies, in accordance with the revised Region of Waterloo Official Plan, to only allow for applications to convert rental housing to condominium ownership for buildings with six or more units, where:</p> <ul style="list-style-type: none"> i. The rental vacancy rate for comparable units for the area municipality, or the Census Metropolitan Area, if not available for the area municipality, has been at or above three percent for the preceding two years; ii. The applicant notifies all tenants about the intention to convert the building(s) to condominium ownership and offers first right of refusal to purchase a unit in the buildings(s) as appropriate, in accordance with the regulations of the Residential Tenancies Act, 2006. 	<p>Planning (Legal)</p>	<p>Short (1-3 years)</p>
<p>B. Develop Official Plan policies and an implementing by-law, consistent with the revised Regional Official Plan, that enables the City to regulate and establish conditions of approval related to the demolition of rental buildings containing six or more units. Conditions would include a requirement to provide replacement rental units to the same (or higher) number of units and a comparable bedroom mix and affordability; notification and compensation in accordance with the regulations of the Residential Tenancies Act, 2006; and other provisions as may be permitted under section 99.1 of the Municipal Act and forthcoming Provincial regulations.</p>	<p>Planning (Legal, Municipal Enforcement Services)</p>	<p>Short (1-3 years)</p>
<p>C. Review and update, as necessary, the City's Demolition Control By-law to support and integrate Action 3.1.B, and to ensure that the by-law is meeting its intended purpose, including preventing the premature loss of housing stock.</p>	<p>Planning, Building (Legal, Municipal Enforcement Services)</p>	<p>Short (1-3 years)</p>

D. Update the City of Waterloo Rental Housing Support webpage to provide basic information about landlord and tenant obligations and rights as set out in the Rental Tenancies Act, and point to external resources and supports.	Planning, Communications, Municipal Enforcement Services	Short (1-3 years)
E. Encourage the Region of Waterloo to re-examine, in collaboration with area municipalities, the financial feasibility and timing of harmonizing the residential and multi-residential property tax rates.	Planning, Region of Waterloo (Finance)	Medium (4-6 years)

3.2. Support transition of affordable primary rental housing to community ownership, where appropriate

Develop a program to support and encourage the Region of Waterloo, not-for-profits and/or Community Land Trusts to purchase rental buildings for the purpose of maintaining the buildings for affordable housing. The program would consist of financial and planning supports that are proposed in this Strategy, such as planning and grant coordination support (5.1.A), revised multi-residential taxation policies (pending review and update, 3.1.E), and a set of coordinated local and regional incentives (4.1.A and 4.1.D).

Actions	Leads and (Supporting Partners)	Timeline
A. Consider developing and funding a rental housing acquisition program that provides for a coordinated set of financial and planning supports to encourage the purchase and use of rental buildings for affordable housing by public entities (e.g. Region of Waterloo) and not-for-profit organizations (e.g. Community Land Trusts).	Planning	Medium (4-6 years)

3.3. Discourage long term vacancies

Monitor the impact of vacant housing on the existing housing stock and strengthen approaches to discourage prolonged vacancy.

Actions	Leads and (Supporting Partners)	Timeline
A. Strengthen the City’s Securing Vacant Building By-law to discourage vacancies and assist Municipal Enforcement Services in their work to respond to complaints, including: establishing a vacant building registry (for staff use), and administering	Planning, Municipal Enforcement Services	Short (1-3 years)

a fee for the regular inspection of vacant buildings.		
B. Encourage the Region to continue to monitor vacancy rates at the Regional level, in collaboration with area municipalities, and to reconsider, on a periodic basis, the costs/benefits of establishing a vacant housing tax.	Planning, Region of Waterloo (Finance)	Medium (4-6 years)

3.4. Review and manage short term rental accommodations

Review the impact of short term rental accommodations on the availability and affordability of the housing in Waterloo and consider options to manage impacts, if warranted.

Actions	Leads and (Supporting Partners)	Timeline
A. Work with the Waterloo Regional Tourism Marketing Corporation and the Region of Waterloo to ensure continued collection of the Municipal Accommodation Tax for short term accommodations in alignment with previous Council direction.	Planning	Short (1-3 years)
B. Evaluate the prevalence and impact of short term rental accommodations on the City's overall rental housing supply and security of tenure and consider, if warranted, options to restrict or discourage short term rental units.	Planning	Long (7-10 years)

Goal 4. Provide incentives to build affordable housing

The Affordable Housing Strategy sets a 10-year target of 4,569 affordable housing units, of which 1,219 would be non-market units. The 10-year target is ambitious, being approximately four times greater than the total number of non-market units created and approved in the city over the previous decade (2012-2022). Achieving this ambitious target will require significant commitment and investment by all levels of government, developers/builders, and not-for-profit, co-operative and private housing providers.

Strategies:

- 4.1. *Subject to further Council review, consider adopting a coordinated incentive program for affordable housing*
- 4.2. *Strategically use City-owned lands and investments to achieve affordable housing objectives*

Goal 4 of the AHS focuses the City's resources on two priority issues that were cited by affordable housing providers through the engagement process as the primary barriers to the creation of new affordable housing. The first barrier is the high cost of construction, which limits the financial viability of new affordable housing developments. Not-for-profit affordable housing providers must secure grants from multiple sources, including CMHC and Regional and local municipal governments to help offset these significant costs. Other affordable housing providers, including private developers, co-operatives and the Region of Waterloo, also face significant financial barriers that can limit the number of affordable units that can be constructed, the depth of affordability, and the overall project viability.

To reduce the cost of constructing affordable housing, the Province recently enacted the More Homes Built Faster Act (Bill 23) on November 28, 2022 that among other changes to the Planning Act and Development Charges Act, exempts affordable housing and Inclusionary Zoning units from municipal Development Charges, Community Benefit Charges and Parkland dedication. These mandatory exemptions represent a significant municipal subsidy to affordable housing providers (estimated to be \$8.4 million (with 15% of all new construction being affordable) - \$16.5 million (with 30% of all new construction being affordable) over the next 5 years, contingent on the level of overall affordable construction achieved as per the Official Plan policy) and may help incentivize the construction of more affordable housing. The City is also implementing an Affordable Housing Grant Program (AHGP) that will be available to not-for-profit housing providers. The AHS proposes actions to complement these incentive programs, including consideration of new and sustained funding for the grant program through the 2023 budgeting cycle (now complete) and beyond, and exploring a coordinated Regional-local approach to development incentives.

“Regional and municipal development charges are a significant component of the cost of new housing and represent an opportunity to lower costs. A direct reduction or elimination of development charges payable at issuance of a building permit for identified affordable housing units could be funded through general tax

revenues. In this way, the government contribution is supported across the entire tax base and not passed to the remaining new housing units, increasing those units' cost"

- Waterloo Region Home Builders Association (IZ Working Group)

The second barrier that limits the development of new affordable housing is the lack of access to timely capital and available land on which to build. Not-for-profit housing providers are unable to compete with private developers for the purchase of land in the open market for a variety of reasons, including high land prices, the timing of available financing, and the commitment of time and resources needed to carry out due diligence prior to land purchases. To help address this challenge, the City is working toward an Environmental, Social and Governance (ESG) investment plan that will direct some of its available funds to an affordable housing GIC offered by Kindred Credit Union. The funds generated from this GIC will help seed loan products that will improve the availability of timely capital for local affordable housing providers. The Kindred Credit Union GIC meets the requirements of the Municipal Act 2001, O. Reg.438/97 and the City's own investment policy FC-024. The City can also explore opportunities to provide affordable housing providers with access to suitable public land, including consideration of opportunities for development and intensification of City-owned sites and co-location of housing within City-owned community facilities.

"We need housing and services to be provided in Waterloo to support Indigenous students. If provided land, our organization has the capital dollars to build."

- Indigenous housing provider

4.1. Subject to further Council review, adopt a coordinated incentive program for affordable housing

Develop an incentive program, in collaboration with Region of Waterloo, that provides a coordinated set of municipal and Regional financial and planning incentives to not-for-profit and for-profit affordable housing providers, as well as administrative support to manage and enforce new affordable units.

Actions	Leads and (Supporting Partners)	Timeline
A. Finalize and launch the Affordable Housing Grant Program for not-for-profit housing providers in 2023.	Planning	Short (1-3 years)
B. Explore opportunities to increase funding of the Affordable Housing Grant program (within the existing scope of the grant program).	Planning (Finance)	Short (1-3 years)

C. Review the Affordable Housing Grant program on a periodic basis and consider expanding the program and funding to support a broader range of affordable housing business models and provider types, where appropriate.	Planning	Medium (4-6 years)
D. Consider developing a joint Regional-Municipal Affordable Housing parking incentive framework (e.g. Community Improvement Plan or Capital Facilities By-law) for Council's consideration that provides a framework to evaluate and permit reduced parking standards for affordable housing; and a procedure and agreement with the Region of Waterloo to administer, monitor and enforce the provision of affordable units secured through the framework.	Planning (Legal, Region of Waterloo)	Medium (4-6 years)

4.2. *Strategically use City-owned lands and investments to achieve affordable housing objectives.*

Explore opportunities to make strategic use of City-owned lands and investments to support the creation of new, affordable non-market housing units.

Actions	Leads and (Supporting Partners)	Timeline
A. Evaluate the feasibility of using City-owned lands for affordable housing, including a possible land grant, lease or sale with the net proceeds allocated to support affordable housing objectives.	Economic Development, Planning (Legal, Finance)	Medium (4-6 years)
B. Evaluate and identify opportunities within the City's land holdings and any future land acquisitions for the development of affordable housing as part of existing or new community facilities (e.g. co-location).	Economic Development, Community Programs and Outreach Services, Planning (Finance)	Long (7-10 years)
C. Consider, where appropriate, additional social impact investments (e.g. Kindred Credit Union Affordable Housing GIC) that support affordable housing objectives as part of a broader Environmental, Social, Governance (ESG) investment policy.	Finance	Short (1-3 years)

Goal 5. Build City and community capacity, awareness and supports for affordable housing

Municipalities facilitate the creation of housing, including affordable housing, through their role as enablers, regulators and approvers of new housing developments. How municipalities approach these tasks affects the densities and locations of new housing developments, and the overall timing and cost of delivering that housing. Ensuring that planning and grant approval processes are coordinated and streamlined can help reduce a housing provider's costs, by minimizing carrying costs and the impacts of price inflation for labour and materials. Streamlined approvals also help bring new housing to the market more quickly. Housing providers of both private and non-market developments indicated through the engagement process that a coordinated and streamlined development approval process was a critical factor in the timeliness, cost and ultimate success of their housing projects. Citizen groups and shelter providers highlighted a need to recognize and respond to urgent housing needs in the short term while simultaneously working toward building a sufficient long term supply of permanent affordable housing.

Successful affordable housing developments across Canada often rely on municipal support and an openness of municipalities to work directly with housing providers to identify innovative solutions to challenges. Many affordable housing providers have limited experience or expertise in the planning and development approval process and specialized planning support from municipalities can help these providers overcome the many technical and logistical barriers to building affordable housing. Once constructed, new affordable housing developments are more successful when they are supported by appropriate community programs and services. These supports can greatly improve the quality of life of residents, and acceptance and integration of new housing developments within the surrounding community.

Goal 5 of the Strategy identifies actions that the City can take to strengthen its expertise and capacity to plan for and support the creation of new affordable housing. A key action is the consideration, through future budgeting cycles, of additional staff capacity to support and expedite approvals of priority affordable housing developments. It is recommended that the City also create new data tracking systems to monitor changes in the local housing market to complement region-wide housing data collected by the Region of Waterloo, to better detect emerging trends, modify policies to address gaps in the available housing supply, and proactively plan for specific housing needs. The actions also identify opportunities for the City to foster greater awareness and capacity in the

Strategies:

- 5.1. Strengthen City affordable housing expertise and planning capacity*
- 5.2. Make it easier for individuals and housing providers to find information about housing programs and initiatives*
- 5.3. Implement and monitor protocols for encampments*
- 5.4. Enhance collaboration with private, public and not-for profit affordable housing providers*
- 5.5. Consider and plan for wrap around housing supports*

broader community, including: sharing information and resources on the City’s housing programs, exploring opportunities for collaboration to get more affordable housing built, and advocating to upper levels of government for needed planning legislation and funding to support the development of new affordable housing.

“Most importantly, we need a partnership like the one that was developed to support the hospice in Waterloo, to help establish a new ShelterCare facility. The partnership would include a City team of staff/councillors to establish the project as a priority, provide ongoing planning support, identify red tape and find ways to resolve challenges.”

- Shelter provider

5.1. Strengthen City affordable housing expertise and planning capacity

Enhance City operational capacity by strategically adding additional staffing supports (subject to future budgeting cycles) to expedite affordable housing approvals, streamline development approvals, coordinate planning and grant approvals, and establish improved data collection to support planning and decision making.

Actions	Leads and (Supporting Partners)	Timeline
<p>A. Develop an Affordable Housing Planning Support Program, supported by a new staff position, to provide project assistance, coordinate planning and grant review processes and expedite approvals. The Program could include providing timely planning information regarding: 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 prioritization of applications within the planning review process.</p>	<p>Planning</p>	<p>Medium (4-6 years)</p>
<p>B. Review and update housing data sharing processes and agreements in partnership with the Region of Waterloo to ensure access to up to date housing market data. Consider additional data sharing protocols in consultation with the Region of Waterloo and area municipalities through Joint Service Agreements or other arrangements.</p>	<p>Planning</p>	<p>Short (1-3 years)</p>

<p>C. Establish tracking systems and dedicate the necessary staffing resources to monitor housing targets and housing market data to support timely and informed decision making, including but not limited to:</p> <ul style="list-style-type: none"> ○ Achievement of affordable housing and tenure targets (2.1); ○ Post-secondary student housing supply and demand, in association with the Town and Gown Committee; ○ Vacant housing; ○ Short term rental accommodations; and ○ Multi-tenant housing; in coordination with the Region of Waterloo. 	<p>Planning</p>	<p>Short (1-3 years)</p>
<p>D. Track progress on achievement of housing targets through regular reports and a housing dashboard.</p>	<p>Planning</p>	<p>Short (1-3 years)</p>

5.2. Make it easier for individuals and housing providers to find information about housing programs and initiatives.

Develop an online repository for affordable housing providers and individuals seeking information about housing programs and supports.

Actions	Leads and (Supporting Partners)	Timeline
<p>A. Develop an affordable housing incentive program webpage that includes application guidelines and forms, submission timelines, and how the programs relate to other City and external agency incentives.</p>	<p>Planning</p>	<p>Short (1-3 years)</p>
<p>B. Develop a second unit planning guide to help homeowners navigate the planning and building process to construct second units within or ancillary to an existing dwelling.</p>	<p>Planning</p>	<p>Medium (4-6 years)</p>

5.3. Implement and monitor protocols for encampments.

Continue to support the Region of Waterloo and front line, not-for-profit service providers through an encampment response protocol that recognizes roles, limitations in the existing shelter system, and balances the health and safety needs of both the individuals experiencing homelessness and the broader community in an effective, fair and compassionate way.

Actions	Leads and (Supporting Partners)	Timeline
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A. Advocate that the Region, with support from area municipalities, seek input from people with lived experience and a range of poverty reduction and healthcare service providers in the development and implementation of protocols for managing encampments.	Region of Waterloo	Short (1-3 years)
B. Advocate that the Region consider coordinating a multi-jurisdictional risk assessment review body consisting of mental and physical health care workers, poverty reduction street outreach workers, shelter and housing workers, etc, to support and respond to the needs of individuals facing chronic homelessness.	Region of Waterloo	Short (1-3 years)

5.4. Enhance collaboration with private, public and not-for profit affordable housing providers

Work with community and government service providers to identify barriers and opportunities for the provision of affordable housing and leverage collective assets and knowledge to build more affordable housing in Waterloo.

Actions	Leads and (Supporting Partners)	Timeline
A. Establish a local housing task force comprised of public, private and not-for-profit sector representatives to meet on an as-needed basis to explore opportunities for collaboration related to affordable housing initiatives.	Planning	Short (1-3 years)
B. Continue working with the Region of Waterloo and area municipalities to align taxation, planning policies and incentives with the goal of achieving more affordable housing.	Planning	Medium (4-6 years)
C. Work with immigration and refugee housing service providers and community groups to facilitate a planning policy framework that recognizes and supports the unique housing needs of newcomers (e.g. temporary units and units for large and multi-generational families).	Planning	Short (1-3 years)
D. Consider partnership opportunities with the three post-secondary institutions and affordable housing providers to support affordable student housing.	Planning	Short (1-3 years)

E. Work with Indigenous community partners to explore opportunities to secure affordable Indigenous housing in the city.	Planning	Short (1-3 years)
F. Explore partnership opportunities with faith groups and housing providers to support the development of affordable housing, including affordable housing for seniors.	Planning	Short (1-3 years)
G. Develop, in collaboration with local economic development and business organizations, an awards program to recognize landlords and developers that make a significant contribution to the creation of affordable housing.	Economic Development	Short (1-3 years)

5.5. Consider and plan for wrap around housing supports




Maintain existing, and plan for future, wrap around housing supports¹⁹ that improve housing stability, sense of belonging, and enable individuals and households to continue to live independently. Explore opportunities for joint initiatives with community groups that provide these services.

Actions	Leads and (Supporting Partners)	Timeline
A. Consider through the upcoming budget process, opportunities to provide in kind support and/or funding for tenant eviction prevention programs for a period of 3 years, with the possibility of renewal.	Planning	Short (1-3 years)
B. Advocate to the Province the need to appropriately fund and staff the Landlord and Tenant Board to resolve eviction challenges and other housing disputes in a timely fashion, and reduce financial hardship on both tenants and landlords.	Planning	Short (1-3 years)
C. 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.	Planning	Short (1-3 years)
D. Advocate to the Province the need for additional funding for programs and supports that will enable existing and future residents to live independently, encourage healthy living and enhance sense of belong.	Community Programs and Outreach Services	Short (1-3 years)

Implementation











While some actions can be carried out with existing staff resources and within current budgets, others are new, unbudgeted projects that will require additional resources. The Implementation Plan in Table 2 identifies, at a high level, the existing and additional staff effort and operating and/or capital costs that will be required to implement the actions. **Existing resources** refers to the staff effort required that can be accommodated within existing staffing levels, and costs that can be covered within existing capital budgets. **Additional resources** refers to staff effort and costs that extend beyond current operating capacity and budgets.









Cost and staff effort are ranked as follows.

Cost to Implement	Effort to Implement
\$ Low	 Low
\$\$ Medium	 Medium
\$\$\$ High	 High











Actions that can be carried out utilizing existing resources could be implemented in accordance with the timelines proposed in Table 2. **Actions that require additional resources will not be acted upon unless authorized through future budgeting processes. Timelines for such actions may be adjusted in accordance with available funding and staff capacity, having regard to municipal legislative obligations and service level objectives.**









Table 2. Affordable Housing Strategy Implementation Plan 2023-2033








Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
1.1.A	Review and potentially refine the boundaries of existing designated nodes and corridors to ensure they are sufficient in size and dimension to achieve the contemplated medium, medium-high and high residential densities and built forms set out in the Official Plan and Zoning By-law.	Planning	Short (1-3 years)				
1.1.B	Consider identifying and designating new corridors in the Official Plan and Zoning By-law that will provide low and medium density “missing middle” housing options along key transit and transportation supportive corridors.	Planning	Short (1-3 years)				
1.1.C	Consider further delineating boundaries and refining land use designations for the future node on University Avenue East to support an appropriate mix and density of residential and commercial uses.	Planning	Short (1-3 years)	\$			
1.1.D	Consider establishing minimum density targets along designated transit corridors and within strategic areas to ensure redevelopment at transit supportive densities.	Planning	Short (1-3 years)				
1.1.E	Update the Zoning By-law to permit a broader range of housing options within new and existing nodes and corridors and Major Transit Station Areas.	Planning	Short (1-3 years)				
1.2.A	Ensure lands identified for transition in the Official Plan, including the commercial corridor along King Street between Columbia Street and Northfield Drive, and agricultural and industrial transition areas, are comprehensively planned for sufficient residential and non-residential densities to encourage the efficient use of land, and intensification where appropriate.	Planning	Short (1-3 years)				
1.2.B	Identify and plan for additional sites in the City to transition toward mixed-use, complete areas/neighbourhoods.	Planning	Short (1-3 years)				
1.2.C	In addition to employment uses, establish a planning framework for complementary residential uses in locally significant employment areas within Major Transit Station Areas, where appropriate.	Planning	Short (1-3 years)	\$			
1.3.A	Permit as of right second and third residential units on all parcels of urban residential land, in accordance with the More Homes Built Faster Act, 2022, subject to appropriate performance standards.	Planning	Short (1-3 years)				
1.3.B	Explore options to modify performance standards in the Zoning By-law to permit more coach houses throughout the City.	Planning	Short (1-3 years)				

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
1.3.C	Permit semis, duplexes and triplexes in more neighbourhoods, subject to provisions set out in the Zoning by-law.	Planning	Short (1-3 years)				
1.3.D	Permit stacked townhouses and low rise (3-4 storey) multi-unit residential buildings in strategic areas as determined by the City, such as along certain segments of arterial and major collector roads, and in close proximity to schools and mixed-use nodes where appropriate.	Planning	Short (1-3 years)				
1.4.A	Evaluate parking standards to identify opportunities to more efficiently use land, increase affordability, and support transit and active transportation infrastructure, including consideration of the following: <ul style="list-style-type: none"> o reduced residential parking rates in all MTSAs, including Uptown, where appropriate; o eliminate parking requirements for second units within 400m of a ION stop; o consider establishing maximum parking rates for certain built forms within the Uptown Transit Station Area; and o identify mechanisms to support lower parking rates for residential uses that have demonstrated low car ownership such as transitional housing and supportive housing. 	Planning	Short (1-3 years)	\$			
1.4.B	Enable existing parking spaces to fulfill the parking requirements for designated heritage buildings that are used, or adaptively reused, for housing within the existing building.	Planning	Short (1-3 years)				
1.5.A	Consider, through the City Official Plan Review and future district planning work, policies to encourage affordable missing middle, transit supportive housing types in greenfield areas where appropriate, such as small apartment buildings, stacked townhouses and mixed-use buildings.	Planning	Short (1-3 years)	\$			
1.5.B	Encourage the creation of second residential units in all new residential plans of subdivision, where appropriate.	Planning	Short (1-3 years)				
1.6.A	Develop policies in the Official Plan to encourage a greater percentage of accessible and VisitAble units in new construction than is currently required in the Building Code, with particular emphasis on transit corridors.	Planning (IIARAE, GRAAC and residents with disabilities)	Short (1-3 years)				
1.6.B	Establish minimum residential accessibility requirements for: affordable housing grant programs; and, purchase and sale agreements involving surplus City-owned lands.	Planning (IIARAE, GRAAC and residents with disabilities)	Short (1-3 years)				









Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
1.6.C	Incorporate accessibility considerations as part of the City's Inclusionary Zoning policy and program development.	Planning (IIARAE, GRAAC and residents with disabilities)	Short (1-3 years)		1		
1.6.D	Advocate to the Province to update the Building Code to require a higher proportion of accessible units in new buildings.	Planning (IIARAE)	Short (1-3 years)		1		
1.6.E	Update the City's accessibility standards and guidelines for interior and exterior spaces to reflect best practices, new technologies and the needs and input of people with disabilities, with a view to establishing a higher standard for accessibility and consistent approach within the City and the broader Region. Standards and guidelines to be updated include, but are not limited to, Waterloo's Urban Design Manual and Accessibility Standards.	Planning (IIARAE, GRAAC and residents with disabilities)	Medium (4-6 years)			\$	1
1.7.A	Evaluate supply and demand for multi-tenant housing in the City, including existing, legal non-conforming units, demand for new units, and advances in multi-tenant building typologies (e.g. modular construction).	Planning, MES	Short (1-3 years)			\$	1
1.7.B	Evaluate opportunities and implications of new multi-tenant housing within residential neighbourhoods, including zoning and licensing, in consultation with Council, the public and key interest groups (including both landlords and tenants).	Planning, Communications, MES	Medium (4-6 years)			\$	2
1.7.C	Explore options to provide supports for both tenants and landlords of multi-tenant housing, to improve the quality, safety and management of such housing, including providing online information about tenant and landlord rights and obligations (3.1.D).	Planning, Communications, MES	Medium (4-6 years)				1
1.8.A	Undertake a one-year pilot program that reimburses the rental licensing fee and associated costs for up to 10 Waterloo Region HomeShare ⁹ rental licenses, with a maximum program cost of \$10,000.	MES, Planning	Short (1-3 years)	\$	1		
1.8.B	Proceed with a Feasibility Study for a Community Planning Permit System, as a tool to increase the supply of affordable housing and streamline planning approvals, with an objective to pilot the system in an emerging growth area.	Planning	Short (1-3 years)	\$	1	\$\$	2
1.8.C	Explore opportunities to encourage and support the establishment of co-ownership and shared equity programs ¹⁴ in new construction and conversions of rental units to condominium.	Planning	Short (1-3 years)		1		
1.9.A	Identify opportunities to broadening the current nodes and corridors policy framework in the Official Plan to support the creation of more compact and complete communities,	Planning	Short (1-3 years)		1		











Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
	and 15 minute neighbourhoods, where housing, goods, services, and employment can be reached conveniently through low/no emission means, such as walking, cycling, or rolling.						
1.9.B	Proceed with the preparation of Green Development Standards in partnership with area municipalities, local utility companies and Waterloo Region Community Energy (WRCE), that will encourage or require new housing developments to be more energy efficient, adaptable to severe climate events and minimize embodied carbon.	Planning, WRCE	Short (1-3 years)	\$			
1.9.C	Consider and reward climate change mitigation/adaptation measures (e.g. net zero operational carbon and minimizing embodied carbon and building energy needs) as part of the City's new affordable housing incentive programs.	Planning	Short (1-3 years)				
1.10.A	Consider and prepare for the potential requirement to allow surety bonds as financial securities to uphold the terms of a development agreement, including consideration of terms, conditions and options to reduce potential risk to the City and taxpayers.	Finance (Planning)	Short (1-3 years)	\$			
2.1.A	Advocate to the Province and CMHC the need for ongoing and well-timed funding to support the financing, construction and operation of affordable housing.	Planning	Short (1-3 years)				
2.1.B	Advocate to the Federal (including CMHC) and Provincial governments the need for research and action to manage the financialization of housing.	Planning	Short (1-3 years)				
2.1.C	Continue to advocate for regulations that permit municipalities to adopt Inclusionary Zoning in areas outside of Major Transit Station Areas, and expanded municipal powers related to affordable housing.	Planning	Short (1-3 years)				
2.2.A	Establish policy objectives to achieve a minimum of 30% of new ownership and rental housing in the City to be affordable to low and moderate income households. Incorporate this target into the City's Official Plan in accordance with the direction set out in the Regional Official Plan pursuant to subsection 27(1) of the Planning Act.	Planning	Long (7-10 years)				
2.2.B	Establish policy objectives to achieve by 2033, a target of a minimum of 8% of new housing units in the city to be non-market (subsidized) units.	Planning	Long (7-10 years)				
2.2.C	Establish policy objectives to achieve by 2033, a target of a minimum of 39% of new housing units in the city to be rental units.	Planning	Long (7-10 years)				
2.3.A	Continue to develop, in coordination with municipal partners and in consultation with key interest groups, draft Inclusionary Zoning policies and regulations for MTSA's and other areas where permitted by law, and an administration plan, for Council's consideration in 2023.	Planning, Kitchener, Cambridge, ROW (Development Industry)	Short (1-3 years)	\$		\$	

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
2.4.A	Review and update the residential land use policies and regulations in the City's Official Plan and Zoning By-law to clarify definitions for non-market (subsidized) housing. Ensure that the Official Plan clearly communicates that permanent, non-market housing is a residential use that is permitted where residential land uses are permitted in the Zoning By-law.	Planning	Short (1-3 years)				
2.4.B	Identify and plan for, through the Official Plan Review, appropriate residential densities on publically owned lands that could accommodate affordable housing to encourage intensification and renewal.	Planning (ROW, Federal and Provincial Government)	Short (1-3 years)				
2.5.A	Review and update the residential land use policies and regulations in the Official Plan and Zoning By-law to recognize and enable in appropriate locations, emergency shelters and transitional housing.	Planning	Short (1-3 years)				
2.5.B	Continue to provide planning and related supports to the Region of Waterloo to assist in their identification of potential / appropriate sites for emergency shelters, transitional housing and a managed hybrid shelter/outdoor model.	Planning	Short (1-3 years)	\$			
2.5.C	In collaboration with the Region of Waterloo, proceed with the necessary approvals to permit a Regionally-managed hybrid shelter/outdoor model, for a maximum period of up to three years, with extensions possible, in accordance with the provisions in the Planning Act.	Planning	Short (1-3 years)				
2.5.D	Encourage the Region of Waterloo to provide service enhancements to support residents living in temporary accommodations and to improve acceptance by and connection to the surrounding community. Enhancements could include: offering additional temporary options for women (incl. cis, trans, two-spirit and non-binary), increasing staffing ratios, establishing smaller trauma-informed facilities, increasing staffing ratios, ensuring daytime hours and programming, and hiring a community liaison staff person to help manage and address community issues as they arise.	Planning	Short (1-3 years)				
2.5.E	Encourage and support the Region of Waterloo in advocating for needed Provincial and Federal funding to support additional temporary housing facilities and service enhancements.	Planning	Short (1-3 years)				
3.1.A	Update Official Plan policies to only allow for applications to convert rental housing to condominium ownership for buildings with six or more units, where: <ul style="list-style-type: none"> i. The rental vacancy rate for comparable units for the area municipality (or the Census Metropolitan Area, if not available for the area municipality), has been at or above three percent for the preceding two years; 	Planning (Legal)	Short (1-3 years)				

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
	ii. The applicant notifies all tenants about the intention to convert the building(s) to condominium ownership and offers first right of refusal to purchase a unit in the building(s) as appropriate, in accordance with the regulations of the Residential Tenancies Act, 2006.						
3.1.B	Develop Official Plan policies and an implementing by-law that enables the City to regulate and establish conditions of approval related to the demolition of rental buildings containing six or more units. Conditions could include a requirement to provide replacement rental units to the same (or higher) number of units and a comparable bedroom mix and affordability; notification and compensation in accordance with the regulations of the Residential Tenancies Act, 2006; and other provisions as may be permitted under section 99.1 of the Municipal Act and forthcoming Provincial regulations.	Planning (Legal, MES)	Short (1-3 years)				
3.1.C	Review and update, as necessary, the City's Demolition Control By-law to support and integrate Action 3.1.B, and to ensure that the by-law is meeting its intended purpose, including preventing the premature loss of housing stock.	Planning, Building (Legal, MES)	Short (1-3 years)				
3.1.D	Update the City of Waterloo Rental Housing Support webpage to provide basic information about landlord and tenant obligations and rights as set out in the Rental Tenancies Act, and point to external resources and supports.	Planning, Communications, MES	Short (1-3 years)				
3.1.E	Encourage the Region of Waterloo to re-examine, in collaboration with area municipalities, the financial feasibility and timing of harmonizing the residential and multi-residential property tax rates.	Planning, ROW (Finance)	Medium (4-6 years)				
3.2.A	Consider developing and funding a rental housing acquisition program that provides for a coordinated set of financial and planning supports to encourage the purchase and use of rental buildings for affordable housing by public entities (e.g. Region of Waterloo) and not-for-profit organizations (e.g. Community Land Trusts).	Planning, MES	Medium (4-6 years)			\$\$	
3.3.A	Strengthen the City's Securing Vacant Building By-law to discourage vacancies and assist Municipal Enforcement Services in their work to respond to complaints, including: establishing a vacant building registry (for staff use), and administering a fee for the regular inspection of vacant buildings.	Planning, MES	Short (1-3 years)				
3.3.B	Encourage the Region to continue to monitor vacancy rates at the Regional level, in collaboration with area municipalities, and to reconsider, on a periodic basis, the costs/benefits of establishing of a vacant housing tax.	Planning, ROW (Finance)	Medium (4-6 years)				

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
3.4.A	Work with the Regional Tourism marketing Corporation and the Region of Waterloo to ensure continued collection of the Municipal Accommodation Tax for short term accommodations in alignment with previous Council direction.	Planning	Short (1-3 years)		1		
3.4.B	Evaluate the prevalence and impact of short term rental accommodations on the City's overall rental housing supply and security of tenure and consider, if warranted, options to restrict or discourage short term rental units.	Planning	Long (7-10 years)				1
4.1.A	Finalize and launch the Affordable Housing Grant Program for not-for-profit housing providers in 2023.	Planning	Short (1-3 years)	\$\$	2		
4.1.B	Explore opportunities to increase funding of the Affordable Housing Grant program (within existing scope of the grant program).	Planning (Finance)	Short (1-3 years)	\$\$	1		
4.1.C	Review the Affordable Housing Grant program on a periodic basis and consider expanding the program to support fee waivers and a broader range of affordable housing business models and provider types, where appropriate.	Planning	Medium (4-6 years)			\$\$	1
4.1.D	Consider developing a joint Regional-Municipal Affordable Housing parking incentive framework (e.g. Community Improvement Plan or Capital Facilities By-law) for Council's consideration that provides a framework to evaluate and permit reduced parking standards for affordable housing; and a procedure and agreement with the Region of Waterloo to administer, monitor and enforce the provision of affordable units secured through the framework.	Planning (Legal, ROW)	Medium (4-6 years)				1
4.2.A	Evaluate the feasibility of using City-owned lands for affordable housing, including a possible land grant, lease or sale with the net proceeds allocated to support affordable housing objectives.	Economic Development, Planning (Legal, Finance)	Medium (4-6 years)	\$	2		
4.2.B	Evaluate and identify opportunities within the City's land holdings and any future land acquisitions for the development of affordable housing as part of existing or new community facilities (e.g. co-location).	Economic Development, Community Services, Planning (Finance)	Long (7-10 years)		2	\$	
4.2.C	Consider social impact investments (e.g. Kindred Credit Union Affordable Housing GIC) that support affordable housing objectives as part of a broader Environmental, Social, Governance (ESG) investment policy.	Finance	Short (1-3 years)		1		

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
5.1.A	Develop an Affordable Housing Planning Support Program, supported by a new staff position, to provide project assistance, coordinate planning and grant review processes and expedite approvals. The Program could include providing timely planning information regarding: 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 application within the planning review process.	Planning	Medium (4-6 years)				
5.1.B	Review and update housing data sharing processes and agreements in partnership with the Region of Waterloo to ensure access to up to date housing market data. Consider additional data sharing protocols in consultation with the Region of Waterloo and area municipalities through Joint Service Agreements or other arrangements.	Planning	Short (1-3 years)				
5.1.C	Establish tracking systems and dedicate the necessary staffing resources to monitor housing targets and housing market data to support timely and informed decision making, including but not limited to: <ul style="list-style-type: none"> o Achievement of affordable housing and tenure targets (2.1); o Post-secondary student housing supply and demand, in association with the Town and Gown Committee; o Vacant housing; o Short term rental accommodations; and o Multi-tenant housing; in coordination with the Region of Waterloo.	Planning	Short (1-3 years)				
5.1.D	Track progress on achievement of housing targets through regular reports and a housing dashboard.	Planning	Short (1-3 years)				
5.2.A	Develop an affordable housing incentive programs webpage that includes application guidelines and forms, submission timelines, and how the programs relate to other City and external agency incentives.	Planning	Short (1-3 years)				
5.2.B	Develop a second unit planning guide to help homeowners navigate the planning and building process to construct second units within or ancillary to an existing dwelling.	Planning	Medium (4-6 years)				
5.3.A	Advocate that the Region, with support from area municipalities, seek input from people with lived experience and a range of poverty reduction and healthcare service providers in the development and implementation of protocols for managing encampments.	ROW	Short (1-3 years)				
5.3.B	Advocate that the Region consider coordinating a multi-jurisdictional risk assessment review body consisting of mental and physical health care workers, poverty reduction	ROW	Short (1-3 years)				

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
	street outreach workers, shelter and housing workers, etc, to support and respond to the needs of individuals facing chronic homelessness.						
5.4.A	Establish a local housing task force comprised of public, private and not-for-profit sector representatives to meet on an as-needed basis to explore opportunities for collaboration related to affordable housing initiatives.	Planning	Short (1-3 years)				
5.4.B	Continue working with the Region of Waterloo and area municipalities to align taxation, planning policies and incentives with the goal of achieving more affordable housing.	Planning	Medium (4-6 years)				
5.4.C	Work with immigration and refugee housing service providers and community groups to facilitate a planning policy framework that recognizes and supports the unique housing needs of newcomers (e.g. temporary units and units for large and multi-generational families).	Planning	Short (1-3 years)				
5.4.D	Consider partnership opportunities with the three post-secondary institutions and affordable housing providers to support affordable student housing.	Planning	Short (1-3 years)				
5.4.E	Work with Indigenous community partners to explore opportunities to secure affordable Indigenous housing in the city.	Planning	Short (1-3 years)				
5.4.F	Explore partnership opportunities with faith groups and housing providers to support the development of affordable housing, including affordable housing for seniors.	Planning	Short (1-3 years)				
5.4.G	Develop, in collaboration with local economic development and business organizations, an awards program to recognize landlords and developers that make a significant contribution to the creation of affordable housing.	Economic Development	Short (1-3 years)	\$			
5.5.A	Consider through the upcoming budget process, opportunities to provide in kind support and/or funding for tenant eviction prevention programs for a period of 3 years, with the possibility of renewal.	Planning	Short (1-3 years)			\$	
5.5.B	Advocate to the Province the need to appropriately fund and staff the Landlord and Tenant Board to resolve evictions and other housing disputes in a timely fashion, and reduce financial hardship of both tenants and landlords.	Planning	Short (1-3 years)				
5.5.C	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.	Planning	Short (1-3 years)				
5.5.D	Advocate to the Province the need for additional funding for programs and supports that will enable existing and future residents to live independently, encourage healthy living	Community Programs and	Short (1-3 years)			\$	

Action ID	Action	Implementation Lead (Support)	Timeline	Resources to Implement			
				Existing Cost Effort		Additional Cost Effort	
	and enhance sense of belong. (managing such programs, even if funded by the Province, can have additional cost implications for the City)	Outreach Services					

Acronyms

GRAAC – Grand River Accessibility Advisory Committee

IIARAE – City of Waterloo Department of Indigenous Initiatives, Anti-Racism and Accessibility and Equity

MES – Municipal Enforcement Services

ROW – Region of Waterloo

WRCE – Waterloo Region Community Energy

Monitoring Performance

Regular monitoring and review of the Strategy will enable the City to measure its performance, determine whether its on track to achieve targets, and refine approaches in response to new funding opportunities and changes in the housing market.

It is recommended that staff track, evaluate and report on progress towards the goals and targets of this Strategy, on a regular basis. Achievement of goals and targets could be tracked and reported on through periodic housing reports, annual work plans, and/or in real time through an online housing dashboard.

Endnotes

¹ Region of Waterloo. (2021). Point-in-time count findings. URL https://www.regionofwaterloo.ca/en/living-here/resources/Documents/Housing/CS---PIT-Count-Infographic_access.pdf.

² Provincial Policy Statement (2020). 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.

³ Government of Ontario, Housing Division. (2022). Provincial Policy Statement – Housing Table. Prices are based on data from Statistics Canada (Gross household incomes from 2016 Census of Population, Consumer Price Index (Ontario) from CANSIM Table 18-10-0005-01), Canada Mortgage and Housing Corporation (Mortgage Insurance Rates) and Bank of Canada (Mortgage Rates).

⁴ City of Waterloo. (2022). Affordable Housing Strategy: Discussion Paper and Recommendations. Report Number: IPPW2022-009. URL: <https://www.engagewr.ca/19207/widgets/76683/documents/77709>.

⁵ Region of Waterloo. (2022). Land Needs Assessment Addendum, Appendix A Recommended Approach to Growth Residential Growth Forecast Background Details, 2022 to 2051. Prepared for Region of Waterloo by Dillon Consulting Limited | Watson & Associates Economists Ltd. URL: <https://calendar.regionofwaterloo.ca/council/Detail/2022-06-29-1300-Planning-and-Works-Public-Input-Regional-Official-/191d6506-27fe-4067-94a4-aec20135e76e>

⁶ Government of Ontario. More Homes, Built Faster: Ontario’s Housing Supply Action Plan 2022–2023. URL: <https://www.ontario.ca/page/more-homes-built-faster>

⁷ The Housing Target of 15,232 housing units was calculated based on Provincial population forecasts and Region of Waterloo household allocations for Waterloo of 23,755 households between 2022 and 2051 and the Provincial housing pledge that the City work toward achieving 16,000 of the 23,755 units by 2031. The target recognizes the approval of 1,544 of the 16,000 units in 2022 (16,000 less 1,544 units equals 14,456 units to be achieved by 2031) and assumes an equal annual distribution of the remaining forecasted units after 2031.

Year Range	Units required	Explanation
2023 – 2031	14,456	Housing pledge less units already approved within pledge timeframe (16,000 units – 1,544 units = 14,456 units)
2031-2033	776	Region of Waterloo household forecast less housing pledge, equally distributed across remaining years to 2051. ((23,755 units - 16,000 units) / 20 years * 2 years = 776 units)

Total (2023-2033)	15,232	Total housing target for Affordable Housing Strategy, aligned with Provincial housing pledge and Growth Plan/Region of Waterloo Population and Housing forecasts
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⁸ The non-market housing target of 1,219 units is based on the proportion of households in Core Housing Need (8%) in the 2021 Statistics Canada census. Households in Core Housing Need experience the greatest housing challenges because they are unable to find alternative housing that they can afford and that meets their needs. The proportion of households in Core Housing Need is used in this Strategy as an estimate of the proportion of households whose housing needs are not readily met by market housing.

⁹ The rental housing target is based on the proportion of Waterloo households who rented their accommodation (39%) in the 2021 Statistics Canada census. Waterloo’s rental housing needs are higher than those of many other communities in Ontario because of the large proportion of post-secondary students and young professionals.

¹⁰ City of Waterloo. (2020). Housing Need and Demand Analysis. URL: <https://www.waterloo.ca/en/government/resources/Documents/Cityadministration/Housing-Need-and-Demand-Analysis.pdf>

¹¹ “Missing middle” refers to a variety of low and medium density, multiple-unit housing forms, such as tri-plexes, four-plexes, stacked townhouses, additional residential units and low and mid-rise apartments buildings.

¹² VisitAble housing is housing that incorporates accessibility features, with, at minimum, the following three basic features that help to foster a more livable and adaptable built environment: a zero-step entrance, wider doorways (at least a 32 inch clear opening), and a half bathroom on the main floor.

¹³ 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.

¹⁴ Shared equity programs make home ownership more affordable by enabling prospective buyers share the cost of the downpayment with an investor. Investors benefit by sharing in the appreciating equity in the home. Example programs include “Options for homes” and “Key”.

¹⁵ Region of Waterloo. (2019). Waterloo Region Housing Masterplan 2020-2040. URL: <https://www.regionofwaterloo.ca/en/living-here/waterloo-region-housing-master-plan.aspx>

¹⁶ Financialization of housing refers to the treatment of housing as a vehicle for investment and wealth generation rather than as a human right and social good. Financialization can shape housing policy and market activities that reduce housing affordability and security of tenure.

¹⁷ CMHC. (2022). Rental Market Survey - Kitchener-Cambridge-Waterloo Average Rents. URL: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/0850/3/Kitchener%20-%20Cambridge%20-%20Waterloo>

¹⁸ Community Land Trusts are local, not-for-profit or social profit organizations that acquire and hold land for the benefit of a community, such as making the lands available to affordable housing providers.

¹⁹ Wrap around services include a wide range of community programs and services such as snow shoveling, assistance with groceries, active living programs, assistance and training to enable tenants to access community services.