



Committee Report

To: Warden Chris Peabody, Chair, and
Members of the Executive Committee

From: Claire Dodds
Commissioner, Community Development Office

Date: October 19, 2023

Re: Bill 134, Affordable Homes, Good Jobs Act - Changes to the
Affordable Residential Unit Definition under the Development
Charges Act, 1997

Staff Recommendation:

Council direct staff to prepare a response to the Minister of Municipal of Affairs that are supportive of the changes to the definition of Affordable Residential Unit introduced under Bill 134, the *Affordable Homes, Good Jobs Act*; and

Council direct the Clerk to circulate this report to municipal CAOs and Clerks in Bruce County.

Background:

When [Bill 23, the *More Homes Built Faster Act*](#), was introduced in Fall of 2022, it included several changes to the to the Development Charges Act, including changing the definition of “affordable residential unit” for the purpose of exempting this category of housing from paying development charges.

When introduced in Bill 23, the definition of affordable residential unit under the Development Charges Act was identified as being 80 per cent of the average market rent or average purchase price. Prior to the introduction of the definitions in Bill 23, affordable housing, as defined by the province, had always tied affordability to household income.

Through consultation on Bill 23, the province received significant feedback from municipalities and provincial organizations (e.g. AMO), that the definition of affordable residential unit needed to include the standard measure that housing cost no more than 30 percent of household income.

The province held off implementing the changes to the Development Charges Act (Schedule 3) introduced under Bill 23 and committed to updating the definition of affordable residential unit to include an income-related component to the definition.

On September 28, 2023, the Minister of Municipal Affairs and Housing introduced [Bill 134, the *Affordable Homes, Good Jobs Act*](#) that if enacted, would incorporate an income component into the definition of affordable residential unit for the purposes of exemptions from development charges.

Bill 134 makes amendments to the definition of an affordable residential unit under the Development Charges Act. The definition now states the income based affordable rent or purchase price will be set out in an Affordable Residential Units bulletin issued by the Minister of Municipal Affairs and Housing.

For identifying the income-based affordable rent or purchase price:

- the Minister shall determine the income of a household that is at the 60th percentile in the local municipality; and
- identify the rent/purchase price that is equal to 30 percent of the income of the household.

This approach to define income-based affordable rent or purchase price is an approach that has been widely utilized by both Bruce County Human Services and Planning & Development in reviewing and supporting applications for affordable housing. It is an approach largely accepted and understood by both the public and private sectors.

The change to the definitions for affordable residential units proposed by Bill 134 provides:

- Provincial consistency on affordability;
- Clear benchmarks for developers to understand what price points are preferred in the development of affordable housing;
- Consistent stable demographic, evidence-based data thresholds;
- Reduces local administrative and policy burden in determining exemption eligibility; and
- Integrates between Housing and Homelessness Planning and Planning/Development reducing siloed approaches.

The change in the provincial definition will take effect on the latter of either when the Development Charges amendments proposed under Bill 23 (Schedule 3 of the *More Homes Built Faster Act, 2022*) comes into force or when Bill 134, the *Affordable Homes and Good Jobs Act, 2023* receives Royal Assent.

The province is [receiving comments on Bill 134 until October 28, 2023](#). Staff are seeking Council's direction to provide positive feedback to the Minister of Municipal Affairs on the proposed changes to the definition of affordable residential unit, consistent with the comments outlined in this report.

Financial/Staffing/Legal/IT Considerations:

There are no financial, staffing, legal or IT considerations associated with this report.

The change in approach to defining affordable residential units under the Development Charges Act is consistent with the approach proposed under the proposed Bruce County Development Charges By-law currently being considered by Council.

Interdepartmental Consultation:

Consultation has occurred with the following internal staff regarding the proposed change:

- Deputy CAO;

- Director of Planning & Employment Services;
- Director of Corporate Services; and
- Director of Human Services and Manager of Housing Services.

Link to Strategic Goals and Elements:

1. Build a strong and inclusive community. - Increase housing options and encourage innovative solutions.
2. Enhance and grow partnerships -Advocate for Bruce County perspective on provincial legislative changes.

Report Author & Departmental Approval:

Claire Dodds
Commissioner, Community Development Office

Approved for Submission:

Derrick Thomson
Chief Administrative Officer