

Town of Cobourg **Affordable Housing Strategy**

Draft Report

October 2019

Prepared by



Acknowledgement

The Northumberland County Affordable Housing Strategy was undertaken on behalf of Northumberland County.

We would like to thank Rebecca Carman, Lisa Horne, Angie Turpin, Marla Mahon, and Dwayne Campbell for their direction, input and assistance throughout the project.

We would also like to thank the Affordable Housing Strategy Working Group members: David Sheffield, Mary Beth McNulty, Theodhora Merepeza, Glenn McGlashon, Jim Peters, Meaghan Macdonald, and Ruth Estwick for their input and assistance throughout the project.

We would also like to thank municipal staff from all seven member municipalities for the information and input they provided.

Finally, we would like to thank all the key housing stakeholders and all the Northumberland residents who participated in our engagement activities and provided valuable information and insights into affordable housing in the county.

Project Team

The Northumberland County Affordable Housing Strategy was prepared by SHS Consulting. The consulting team for this project was:

Christine Pacini, Partner
Johanna Hashim, Senior Consultant
Jan van Deursen, Research Analyst
Gelila Solomon, Financial Analyst,

Table of Contents

1.0	Introduction	1
	Defining Affordable Housing.....	2
2.0	Key Findings and Housing Gaps in Cobourg.....	3
	Key Findings	3
	Housing Gaps	4
3.0	Cobourg Housing Strategy.....	6
	Role of the Municipality	6
	Action Plan.....	6
4.0	Conclusion.....	12
5.0	Appendix A: Recommended Northumberland Affordable and Rental Housing Pilot Program ..	13
6.0	Appendix B: Recommended Affordable Housing Targets	22
	Introduction	22
	Housing Targets for Northumberland	22
	Housing Targets for Member Municipalities	24
	Monitoring the Targets.....	25
7.0	Appendix C: Housing Policy Framework	26
	County Policy Framework.....	26
	Member Municipal Policy Framework	29

1.0 Introduction

The County of Northumberland initiated the development of an Affordable Housing Strategy in May 2018. The primary goal of this project was to develop a strategy with a focus on increasing the supply of rental housing at a variety of affordability depths through a range of tools and incentives across Northumberland. The project was undertaken in two phases. The first phase involved an assessment of the housing needs and gaps along the housing continuum in Northumberland. This phase of the work also included a range of engagement activities to gain information on housing need and supply from Northumberland residents, people with lived experience, and key housing stakeholders. A total of sixteen engagement activities were undertaken as part of this work and in addition to presentations to County and member municipal councils. The second phase of the project involved a policy review of federal, provincial and County policies and strategies which form the framework for the development of housing in Northumberland. This phase also included developing recommended housing actions to address the key housing needs and gaps throughout Northumberland.

The Town of Cobourg is one of the member municipalities in Northumberland. As part of the work on the Northumberland Affordable Housing Strategy, housing needs and gaps were identified for each member municipality, including Cobourg. Member municipal housing strategies were also developed to address the specific housing needs and gaps in each member municipality. These member municipal strategies build on the recommended housing actions in the Northumberland Affordable Housing Strategy.

This report includes the key findings for Cobourg from the housing needs assessment, the results of the policy review which includes a review of the Town's Official Plan, Zoning By-law and Strategic Plan, and a recommended action plan for addressing the key housing gaps in Cobourg.

Defining Affordable Housing

The Northumberland County Official Plan (Sec. C1.5.4) as well as the Provincial Policy Statement, 2014 define affordable housing as:

In the case of ownership housing, the least expensive of:

- a) Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or,
- b) Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

In the case of rental housing, the least expensive of:

- a) A unit for which the rent does not exceed 30% of gross annual household income for low and moderate households; or
- b) A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Based on this definition, the affordable housing thresholds for Northumberland are **\$1,019** for rental housing and **\$316,190** for ownership housing. The rental threshold is the average market rent reported by CMHC and the ownership threshold is the maximum house price which households with moderate incomes can afford. These thresholds also define what affordable housing is in Cobourg as Northumberland is the regional market area.

Figure 1: Affordable Price Thresholds: Northumberland County; 2018

AFFORDABLE PRICE THRESHOLDS		
	Rental	Ownership
100 th		
90 th		
80 th		
70 th		
60 th	\$1,019	\$316,190
50 th	housing that does not exceed 30% of household income for the lowest 60% of household income levels	
40 th		
30 th		
20 th		
10 th		

2.0 Key Findings and Housing Gaps in Cobourg

Key Findings

The following is a summary of the findings from the housing needs assessment and the key housing gaps identified specifically for Cobourg. Please refer to the Northumberland Affordable Housing Strategy for a more detailed housing needs assessment for Northumberland as a whole as well as for each of the member municipalities, including Cobourg.

Housing Need and Supply

- Cobourg is growing at a higher rate compared to Northumberland as a whole (6.8% vs. 5.7%) and most of this growth is occurring in the older age groups, with seniors aged 65 to 74 years seeing the highest rate of increase (51.9%).
- The number of Cobourg households increased at an even higher rate (18.4% vs. 13.1%) suggesting that households are getting smaller. This is supported by the fact that 72.7% of all households in Cobourg are one- and two-person households compared to 68.0% in Northumberland as a whole, with two-person households making up 40.8%. In addition, Cobourg had the highest share of persons living alone (31.9%) among all member municipalities.
- Cobourg also had the highest share of senior households (42.0%) among all member municipalities and these households made up the largest share of households in the Town. In addition, the number of senior-led (65 years and older) and older adult households (55 to 64 years) saw significant increases from 2006 to 2016 while households led by the younger age groups decreased.
- Cobourg also had the highest proportions of renters (29.8% compared to 18.9% for Northumberland as a whole), lone parent households, and immigrant households among all member municipalities.
- Cobourg had a higher share of households with low incomes (33.6%) and a lower share of households with high incomes (35.6%). This may be partly due to the fact that the Town had higher shares of household types who are more likely to have lower incomes, such as persons living alone, lone parent households, and senior-led households. Cobourg also had a higher unemployment rate (8.5% vs. 7.3%) and lower participation rate (52.7% vs. 56.7%) compared to Northumberland as a whole.
- Cobourg's housing supply is much more diverse compared to Northumberland as a whole. More than half of all dwellings (58.6%) were single detached, apartments with less than five

storeys made up almost a fifth (18.6%), row houses made up 11.7%, and semi-detached dwellings and apartments with more than five storeys each made up just under 5% (4.7% and 4.2% respectively). In addition, while single detached homes still made up the largest share of building permits in early 2018 (46.2%), this proportion has been decreasing in the last five years while the share of other dwelling types have been increasing.

- Cobourg also has a number of affordable housing options, including 285 RGI units (making up 39.5% of the total RGI supply), 23 rent supplement units, and 16 IAH units (making up 42.1% of the IAH supply). The Town also has 75% of the supply of supportive housing units (239 units) as well as the only emergency shelter in Northumberland. Despite this supply, the wait for these subsidized units is up to nine years.
- A greater share of Cobourg households are facing housing affordability issues (26.4% vs. 22.2%) and severe housing affordability issues (10.5% vs. 8.7%) compared to Northumberland as a whole. In addition, a much larger proportion of Cobourg households are in core housing need (15.6% vs. 11.9%).
- There are certain household types who are more likely to be facing housing affordability issues in Cobourg, including lone parent households, persons living alone, Indigenous households, households with a member with a disability, and renters.
- The average assessed value of a single detached dwelling in Cobourg is \$298,306 and the total average value for all dwelling types is \$255,644. This is higher than the total average for Northumberland as a whole. A household would have to be earning an income in the 5th income decile to afford the average assessed value for all dwellings or have an income in the 6th income decile to afford the average assessed value for a single detached dwelling in Cobourg. The average market rent for purpose-built rental units was \$1,020 in 2017, which is affordable to renters in the 6th renter income decile.

Housing Gaps

There is a need to increase the affordable rental housing options in Cobourg.

Despite the larger supply of subsidized housing options, Cobourg has a greater share of households in core need and households who are facing housing affordability issues compared to Northumberland as a whole. In addition, the wait for these subsidized units is up to nine years. This suggests a need for more affordable rental options in the Town. The focus should be on smaller units appropriate for one- and two-person households but family-sized units should also be provided.

There is a need for housing and support service options to facilitate aging in place.

Cobourg has a much more diverse housing supply compared to Northumberland as a whole. In addition, many seniors housing options and support services are located in the Town, which provides seniors with easier access. However, Cobourg also has the highest share of senior-led households and saw significant rates of increase in households led by older adults aged 55 years and older. This suggests that the Town will continue to age at a much faster rate and residents will require options to allow them to age in their community. As such, there is a need for accessible housing, supportive housing, and increased support services.

Summary of Housing Need

The following figure shows a summary of the housing need in Cobourg. This figure also shows where the average market rent (AMR) and average house price fall along the continuum (red lines). As this demonstrates, most households with low incomes would not be able to afford the average market rent and only households with high incomes would be able to afford the average house price.

	Low Income Households		Moderate Income Households	High Income Households
Household Income	\$48,519 or less		\$48,520 - \$88,087	\$88,088+
Housing Supply Available	Market Rental	Affordable Ownership	Market Ownership	
Number of Households	2,905 households		2,670 households	3,075 households
What they can Afford	rent = \$1,213 house price = \$174,160		rent = \$2,202 house price = \$316,190	rent = \$2,203+ price = \$316,191+
Who is in Need	1,800+ households (63.2%)		370+ households (13.9%)	65 households (2.1%)
Spending 30%+	870+ households (29.4%)		30+ households (1.1%)	
Spending 50%+	couples with children, singles, 2+ non-family households, youth, persons with mental health issues		lone parents, couples with children, singles, multiple family households, persons with cognitive disabilities	immigrants, multi-family, persons with cognitive disabilities
Household Types	affordable rental, smaller units, family-sized units, housing with supports		smaller units, family-sized rental units, accessible units, housing with supports	family-sized units, housing with supports
What Housing is Required				

AMR = \$1,019

Average House Price = \$447,992

3.0 Cobourg Housing Strategy

This section presents the recommended actions to address the identified housing needs and gaps in Cobourg.

Role of the Municipality

While the County, as the Service Manager, is primarily responsible for the provision of subsidized housing in Northumberland, The Town plays a significant role in the provision of housing. The Town is responsible for the planning and regulatory tools, such as determining land use, zoning of land, and processing planning applications, which impact the development of housing. The Town also has the authority to implement the provision of financial incentives to encourage the development of affordable housing and rental housing. In addition, the Town contributes to the County's overall budget for housing.

Action Plan

The following recommended actions will help the Town, Northumberland County, and their housing partners to address the housing gaps in Cobourg as well as the overall housing needs and gaps in Northumberland. These housing actions are focused on encouraging a more diverse housing supply including options for smaller households, options which are affordable to households with low and moderate incomes, and rental housing options.

These recommended actions build on the findings from the review of federal, provincial, County, and member municipal policies and strategies undertaken as part of this study. This review included reviewing the Town's Official Plan, Zoning By-law and Strategic Plan. Observations from this policy review have been incorporated in the recommended actions below. The recommended actions are also based on the results of the engagement sessions conducted as part of the work on the Northumberland Affordable Housing Strategy. Furthermore, these recommended actions include actions which have also been recommended in the County's Affordable Housing Strategy as the successful implementation of these actions require the Town and County working in partnership together.

Please refer to the appendix for the detailed policy review.

Timeframes for implementation have been recommended for each action. These are as follows.

- Short Term – These actions should be implemented starting in 2019 and may continue to 2021.
- Medium Term – These actions should be implemented starting in 2022 and may continue to 2024.
- Ongoing – These actions will be implemented throughout the life of this housing strategy.

While the Town should take the lead in implementing many of these recommended actions, there is an opportunity to work with the County and other member municipalities on some of the recommended actions to ensure a common approach throughout Northumberland.

It should also be noted that some of these actions are based on the provincial Housing Supply Action Plan and the More Homes, More Choice Act, 2019. As such, these should be implemented in accordance with provincial legislation and regulations. These actions are identified with an asterisk (*).

Actions	Timelines	Resources
Official Plan and Zoning Bylaw Policies and Regulations		
1. Update the Town’s Official Plan to reflect any updated housing targets in the County Official Plan.	Short term	Staff time ¹
2. Work with the County to develop an affordable housing target specifically for Cobourg and update the Official Plan to include this target.	Short term	Staff time
3. Consider adding a policy in the Official Plan which states that decisions regarding surplus Town-owned land or buildings will prioritize affordable housing, including selling or leasing these lands and/or buildings at below market value.	Short term	Staff time
4. Consider adding a policy in the Official Plan which encourages and supports the development of a range of supportive housing options in appropriate areas throughout the Town.	Short term	Staff time
5. Building on the Town’s Official Plan policy (Sec. 3.2.5.vii), work with the County to develop inclusionary zoning policies in the Official Plan and an inclusionary zoning by-law for appropriate areas in the Town in accordance with provincial legislation*.	Short - Medium term	Staff time

¹ Please note that staff time may include the need to hire additional staff and/or hire external consultants which would impact the municipality’s operational budget.

Actions	Timelines	Resources
6. Encourage all new multi-residential developments to include a mix of smaller units and units which are appropriate for families.	Ongoing	Staff time
<p>7. Work with the County and other member municipalities to develop a common definition of shared housing and update the Official Plan and Zoning By-law to include this definition and to replace the definitions of other shared housing forms such as group homes and rooming and boarding houses.</p> <p>Shared housing is a form of housing where individuals share accommodation either for economic, support, long-term care, security, or lifestyle reasons. In some cases, shared housing has no support services attached, such as seniors or other unrelated individuals sharing a home for economic reasons. In other cases, shared housing may have various levels of support and services for persons with unique needs such as assistance with daily living, housekeeping, supervision and nursing care. Forms of shared housing include small scale dwellings with no more than 10 people or large scale with more than 10 people. Other types include 24-hour supervision and/or 24-hour nursing care². Removing reference to group homes and rooming and boarding houses and replacing it with shared housing will help remove the stigma associated with these housing forms.</p>	Short term	Staff time
8. Revise the Zoning By-law to enable shared housing as of right in all areas in Cobourg where dwellings are permitted, including residential and institutional zones where group homes, rooming and boarding houses, housing for seniors and housing for persons with disabilities are currently permitted as well as other appropriate areas.	Short term	Staff time
9. As part of the current Zoning By-law review, remove the minimum separation distance requirements between a new and existing shared housing/group home.	Short term	Staff time
10. As part of the current Zoning By-law review, update the Zoning By-law to permit additional residential units in all areas where single detached, semi-detached and duplex dwellings are permitted.	Short term	Staff time

² Please see Chapter 4 and Chapter 11 of Markham’s Official Plan for a sample definition:
<https://www.markham.ca/wps/portal/home/business/planning/official-plan/01-official-plan>

Actions	Timelines	Resources
<p>A maximum of three residential units should be permitted for each lot, which would include the principal dwelling, an additional unit within the principal dwelling and a residential unit in a building or structure which is ancillary to the principal dwelling in accordance with provincial legislation*.</p>		
<p>11. As part of the current Zoning By-law review, revise the By-law if necessary to ensure minimum dwelling sizes and amenity space do not exceed the requirements of the Ontario Building Code.</p>	Short term	Staff time
<p>12. Building on the Town's Official Plan policies, reexamine the Zoning By-law and revise if necessary to ensure a mix of lot sizes and dwelling types are permitted in residential areas throughout the Town.</p>	Short term	Staff time
<p>13. As part of the current Zoning By-law review, revise the By-law if necessary to ensure height restrictions, minimum lot requirements, and minimum setbacks are not acting as barriers to the development of a more diverse housing supply throughout the Town, including smaller units.</p>	Short term	Staff time
<p>14. Consider revising the Zoning By-law to include alternative parking requirements for affordable housing, market-rate rental housing, supportive housing, and additional residential units particularly in areas served by public transit and other appropriate areas of the Town.</p> <p>These alternative parking requirements may include reduced requirements such as those in the Town's Downtown Area, i.e. only 50% of the parking requirements in other areas as of right for these dwelling types.</p>	Short term	Staff time
<p>15. Work with the County and other member municipalities to develop policies, regulations and/or a licensing process related to short-term (i.e. less than six months) rental housing to protect the long-term rental housing supply.</p> <p>Regulations may include limits on the number of times a property can be used for short-term rental.</p>	Short term	Staff time
<p>16. Evaluate the need to develop and implement a rental conversion and demolition policy and/or regulations to protect existing purpose-built rental units.</p>	Short term	Staff time

Actions	Timelines	Resources
Program and Funding		
<p>17. Consider implementing an interim approach to respond to applications related to purpose-built market-rate and affordable rental housing projects until the Northumberland Affordable and Rental Housing Pilot Program is in place.</p> <p>Consider providing incentives similar to those which will be offered through the Pilot Program.</p>	Foundational	Staff time and Funding
<p>18. Work with the County and other member municipalities to develop a common application process for affordable and rental housing developments under the Northumberland Affordable and Rental Housing Pilot Program.</p>	Short term	Staff time
<p>19. Consider expanding the current Community Improvement Plan (CIP) to allow for the provision of incentives to encourage the development of affordable and rental housing as part of the Northumberland Affordable and Rental Housing Pilot Program.</p>	Short term	Staff time
<p>20. Building on Official Plan policies, consider providing forgivable loans, deferrals or a grant in lieu for all or a part of building permit and planning fees and development charges for affordable and rental housing developments as part of the Northumberland Affordable and Rental Housing Pilot Program.</p> <p>The extent of the financial incentive provided should be tied to the Northumberland Program and provided on a sliding scale based on the level of affordability and/or the number of rental units included in the development.</p>	Short term	Funding and Staff time
<p>21. Building on the Town's CIP, consider the feasibility of providing property tax exemptions, property tax grants, or tax increment equivalent grants (TIEGs) for affordable housing projects as part of the Northumberland Affordable and Rental Housing Pilot Program.</p>	Short term	Funding and Staff time
<p>22. Consider the feasibility of providing a forgivable loan, deferral or grant in lieu for the building permit fee for the addition of an additional residential unit in any new or existing single, semi or duplex dwelling if the additional residential unit is rented out for a minimum of 20 years.</p>	Short – Medium term	Funding and Staff time
<p>23. Consider the feasibility of providing a forgivable loan, deferral,</p>	Short –	Funding and

Actions	Timelines	Resources
<p>or grant in lieu for the building permit fee for any new dwellings which exceed the accessibility and visitability requirements of the Ontario Building Code.</p>	<p>Medium term</p>	<p>Staff time</p>
<p>24. Consider the feasibility of providing a forgivable loan, deferral or grant in lieu for the building permit fee for any new affordable dwellings which exceed the sustainability and energy efficiency requirements of the Ontario Building Code.</p>	<p>Short – Medium term</p>	<p>Funding and Staff time</p>
<p>25. Building on Official Plan policies, examine how the development approval process can be streamlined to fast track applications for affordable and market rate rental housing*.</p> <p>Municipalities may want to consider developing a checklist of all information required to ensure complete applications right from the onset.</p>	<p>Short term</p>	<p>Staff time</p>
<p>Education and Awareness</p>		
<p>26. Work with the YIMBY Team on education initiatives related to the need for a diverse housing supply, including affordable housing and supportive housing, throughout all areas of the Town.</p>	<p>Ongoing</p>	<p>Staff time</p>
<p>27. Work with local developers to educate them on the need and market demand for dwelling types other than single and semi-detached homes.</p> <p>Municipalities may want to work with the County to host a housing forum with developers.</p>	<p>Ongoing</p>	<p>Staff time</p>
<p>Collaborations, Partnerships and Advocacy</p>		
<p>28. Work with the County and the private and non-profit sectors to explore opportunities to include affordable housing or rental housing units in the development or redevelopment of community facilities such as community centres, libraries, and day care centres.</p>	<p>Ongoing</p>	<p>Staff time and possible Funding</p>

4.0 **Conclusion**

The Town is an important partner in addressing the housing gaps for all current and future residents of Northumberland County. As such, the Affordable Housing Strategy for the Town of Cobourg includes policy, process and financial recommendations to help address the identified housing gaps in Northumberland in general and in Cobourg in particular. These recommendations are based on, and support, the recommendations included in the Northumberland Affordable Housing Strategy.

While timelines have been identified for the implementation of the recommended actions, it is important to continuously monitor the housing context in the Town to ensure that the actions are still appropriate for the current context.

5.0 **Appendix A: Recommended Northumberland Affordable and Rental Housing Pilot Program**

The financial analysis shows that providing financial incentives have a significant impact on lowering rent levels while maintaining the financial viability of affordable rental projects, particularly if all recommended incentives are provided in combination with capital grants. As such, it is recommended that the County and member municipalities implement an Affordable and Rental Housing Program to help address the need for housing units which are affordable to households with low incomes as well as market rental units.

As a first step, it is recommended that a three-year pilot program be implemented to encourage and support the development of affordable housing and market rate rental housing throughout Northumberland. A three-year time frame would provide the County and member municipalities the opportunity to evaluate the effectiveness of the program and address any challenges. A pilot program would also provide the County and member municipalities the opportunity to examine the impact of the program and potential for including additional incentives to a permanent program. This recommended program builds on the actions under Goal 1 and the elements of this program are the result of an environmental scan of approaches used in other jurisdictions, the financial analysis of the impact of incentives, and the evaluation of potential ideas for actions undertaken with Councillors, senior municipal and County staff, and the Working Group.

Recommended Program Elements of the Northumberland Affordable and Rental Housing Pilot Program

It is recommended that the Northumberland Affordable and Rental Housing Pilot Program include the following elements.

- Northumberland Municipal Housing Facilities By-law
- Community Improvement Plans
- Providing forgivable loans for development charges
- Providing forgivable loans for building permit and planning application fees
- Tax Increment Equivalent Grants (TIEG) for property taxes for up to ten years

- Property tax exemption for twenty years
- Capital grants for affordable rental projects
- Creating an annual monitoring and reporting process to track the effectiveness of the program

Northumberland County By-law to Provide for Municipal Housing Facilities (By-law 2017-17)

The County, as the Service Manager, is authorized to operate and manage housing as well as to establish, fund and administer programs for the provision of housing in its service area. As such, County Council enacted a Municipal Housing Facilities By-law which allows the County to enter into an agreement with housing providers to provide affordable housing for households with low and moderate incomes in exchange for providing funding or property. As such, it is recommended that the County use this By-law to provide incentives for affordable housing as part of this recommended Affordable and Rental Housing Pilot Program. These incentives would include the recommended capital grants for affordable rental projects as well as forgivable loans for County development charges if the County decides to implement these.

Community Improvement Plans

It is recommended that the County work with member municipalities to develop and implement community improvement plans (CIPs) to provide incentives for affordable and rental housing. These CIPs can build on existing ones, such as those in Cobourg, Port Hope and Trent Hills, or identify new areas and implement new CIPs specifically for affordable and rental housing. It is recommended that, for the purpose of the pilot program, the County and member municipalities build on the existing CIPs as well as using the County's Municipal Housing Facilities By-law to be able to implement the recommended Affordable and Rental Housing Pilot Program as soon as possible.

It is also recommended that a common application and evaluation process for the Northumberland Affordable and Rental Housing Pilot Program be implemented in all participating member municipalities.

Development Charges

Member municipal development charges account for about 5% of the total cost of constructing a rental unit in an urban member municipality and about 2% in a rural member municipality. As such, as part of the pilot program, it is recommended that the County and member municipalities provide forgivable loans for development charges for affordable housing or market rate rental housing projects within all Affordable Housing CIP areas in Northumberland.

The forgivable loan should cover the member municipal portion of the development charges as well as any development charges the County decides to implement.

Building Permit and Planning Application Fees

The financial analysis showed that providing incentives for planning and building permit fees and charges lower the rents by about 1% for both scenarios. As part of the Northumberland Affordable and Rental Housing Pilot Program, it is recommended that forgivable loans be provided to cover applicable building permit and planning application fees and charges related to an affordable housing or market rental housing project within all Affordable Housing CIP areas in Northumberland. The forgivable loan should cover both the County and member municipal fees and charges.

Building and Planning Fees and Development Charges: Kawartha Lakes, Ontario

The Kawartha Lakes Haliburton Housing Corporation built 29 new townhouse units and an additional 16-units as part of a regeneration project. These new units are a result of contributions from the City, including waiving of development charges, building permit fees, site plan application fees, security requirements for site plan, parkland levy, and service connection fees. The City also reduced property taxes for forty years.

Property Tax Exemption

The financial analysis showed that a property tax exemption has the most significant impact on decreasing equity requirements and achieving more affordable rent levels. Property tax exemptions result in approximately 10% reduction in the rent levels of a rental project. As such, as part of the recommended pilot program, the County and member municipalities should consider exempting new affordable rental units from property taxes for up to twenty years for all eligible rental projects.

Tax Increment Equivalent Grants

A Tax Increment Equivalent Grant (TIEG) is financial assistance equal to all or a portion of the municipal property tax increase (increment) following the completion of a project which has resulted in an increase in the assessed value of a property. A TIEG can be considered in connection with section 28 of the Planning Act which allows municipalities to provide grants or loans within a designated community improvement area. TIEGs typically offset eligible costs and are provided for a specified time period, such as ten years.

TIEG for Property Taxes

As an alternative to the 20 year property tax exemption noted above, the County and member municipalities could consider providing a grant for up to 100% of the portion of the property tax increase (increment) following the completion of a newly constructed or renovated affordable rental project within one of the Affordable Housing CIP areas in Northumberland which has resulted in an increase in the assessed value of the property. The grant should be provided for ten years beginning with a grant for 100% of the tax increment in year one and reduced by 10% per year to full taxes paid after ten years. The impact of this incentive will be less than the full exemption noted above. While this incentive may be helpful for the creation of rental housing, it will be less impactful for the creation of affordable rental housing tied to a 20 year affordability period as contemplated by the proposed program. It is unlikely that the mortgage principal will be paid down sufficiently in the 10 years of the TIEG period for the owner to be able refinancing the loan to make up the difference in the loss of the property exemption. As a result, rents may need to be increased for a financially viable project beyond year 10 and possibly as early as year 6 of the TIEG.

Tax Increment Equivalent Grants and Property Tax Exemptions: City of Peterborough, Ontario

Peterborough offers financial incentives within the City's Affordable Housing Community Improvement Project Area for affordable rental housing projects. Non-profit organizations who intend to build affordable ownership housing may also be considered for some or all of the programs on a case by case basis. In addition to waiving planning application fees, parkland dedication fees, and cash-in-lieu of parking fees, and development charges for affordable housing projects, the City offers an annual grant to property owners to reimburse a portion of the municipal property tax increase resulting from increased assessment. The tax increment grant program is implemented over a period of 9 years. For the first 5 years, the grant is equivalent to 100% of the municipal tax increase with the property owner gradually paying the full amount of taxes from years 6 to 9.

Affordable housing projects located in the City's Central Area may also qualify for additional funding under the Central Area CIP incentives programs. This includes full or partial property tax exemptions for up to 10 years for affordable housing projects that provide rents at or less than 90% of average market rents (in addition to the TIEG offered under the CIP).

Source: <http://www.peterborough.ca/Assets/City+Assets/Housing/Affordable+Housing+CIP+Brochure.pdf>

Capital Grants

While providing financial incentives for development charges, planning and building permit fees and charges, and property taxes have a significant impact on lowering rents, these are not enough to bring rent levels to 100% AMR. As such, it is recommended that the County provide

capital grants to affordable rental housing projects to ensure rents are at 100% AMR at a minimum. These grants may be in the form of a forgivable loan or grant for land and/or construction costs (e.g. hard costs and/or soft costs, such as the costs of required studies) and can be provided through the County's Municipal Housing Facilities By-law.

Monitoring and Reporting Process

As part of the recommended pilot program, it is recommended that the County work with member municipalities to implement an annual monitoring and reporting process to monitor the applications for incentives under the program as well as progress toward the targets. Monitoring and reporting will also allow the County and member municipalities to fine-tune the program as necessary.

It is recommended that the following indicators be monitored and reported on an annual basis while the Pilot Northumberland Affordable and Rental Housing Program is being implemented.

- Number, type (i.e. dwelling type) and location of applications
- Number of affordable units created
- Type and size of affordable units created
- Number, type, unit size, and location of market rental units created

The County may want to take the lead in the monitoring and reporting process to ensure a standardized approach. In addition, it is recommended that the County take the lead in updating the affordable rental and ownership thresholds on an annual basis using the annual growth rate of the Ontario consumer price index (CPI – all items) as reported by Statistics Canada. It should be noted that these activities would likely need additional staff resources.

Recommended Implementation Plan for the Northumberland Affordable and Rental Housing Pilot Program

It is recommended that the County administer the Pilot Program through a Request for Proposal (RFP) process. This will ensure a consistent process throughout Northumberland. Applicants should be given a minimum of three months to respond to the RFP and the review and approval process should be limited to no more than three months from the closing date of the Call for Proposals. Application requirements may include the following.

- Details of the proposed project
- Development qualifications of the proponent

- Management qualifications
- Corporate financial viability
- Project design and consistency with the County's and member municipality's planning principles
- How the project meets the local affordable and rental housing needs of the member municipality, particularly the affordable housing targets identified for each member municipality and/or for Northumberland as a whole.
- Development schedule
- Capital and operating financial plans
- Community consultation and communications outreach plan.

Recommended Criteria for the Northumberland Affordable and Rental Housing Pilot Program

It is recommended that the pilot program be implemented as a points-based program where points will be assigned for each of the eligibility criterion met by the applicants. The extent of the incentives provided by the County and member municipalities will be dependent on the points obtained by the applicant.

Affordable Rental Housing

The following are the recommended criteria for the pilot program for affordable rental housing.

Types of Eligible Projects

- New rental housing construction
- Acquisition and/or rehabilitation of existing residential buildings to increase or prevent the loss of affordable housing stock
- Conversion of non-residential buildings or units to purpose-built affordable residential rental buildings or units
- Addition of new affordable buildings or units to existing residential and non-residential buildings
- Social housing redevelopment which involves building new affordable units on existing social housing sites
- Secondary suites or accessory dwelling units which are being rented out

Location

The proposed project should be located within a designated Affordable Housing CIP area or in a location which meets the requirements set out in the County's Municipal Housing Facilities By-law or as highlighted in the housing needs assessment.

Minimum Affordable Housing Requirement

The affordable rental housing units should make up at least 20% of the total residential units of the development. As part of the points-based evaluation, the County and member municipalities should consider assigning a large proportion of points to this criteria, with higher points for projects with a larger share of affordable units.

Level of Affordability

Rents for the affordable units should be no more than the affordable rental threshold. As part of the points-based evaluation, it is also recommended that the County and member municipalities consider assigning the highest proportion of points to this criteria, with higher points for projects which achieve rent levels which are lower than the affordable rental threshold.

Length of Affordability

Affordability must be maintained for a minimum of 20 years.

Funding from Other Programs

While it is recommended that the pilot program be implemented independent of any other funding programs, the County and member municipalities may consider assigning additional points to projects which are also receiving capital funding from the County or other levels of government through programs such as the Investment in Affordable Housing (IAH) or the Co-Investment Fund. It should be noted, however, that a project which is receiving funding from other programs does not necessarily mean it will receive funding from this Northumberland Affordable and Rental Housing Pilot Program.

Local Housing Needs

Key findings and housing gaps have been identified for each member municipality. In addition, housing targets which are affordable for households with low and moderate incomes have been identified for Northumberland as a whole as well as for each member municipality. As such, the proposed project should also be evaluated based on how it meets the identified housing gaps and targets in the member municipality where it is to be located.

Selection of Residents

Residents of the affordable housing units should be selected through the County's centralized waiting list for subsidized housing.

As part of the contribution agreement with the County, organizations who are approved for the pilot program should be required to prepare regular reports such as occupancy reports.

Market Rental Housing

While the focus of this recommended program should be on increasing the supply of rental housing which is affordable to households with low incomes, it is also recommended that some incentives be provided to support increasing the supply of market-rate rental housing throughout Northumberland. As part of this program, the County and member municipalities should consider providing forgivable loans for development charges and building and planning application fees to project proponents of purpose-built market rental housing units. In addition, it is recommended that the member municipalities consider providing a tax increment equivalent grant for the increase in property taxes (if any) resulting from the construction or rehabilitation of market rental housing units for a period of ten years.

Types of Eligible Projects

- New rental housing construction
- Acquisition and/or rehabilitation of existing residential buildings to increase or prevent the loss of rental housing units
- Conversion of non-residential buildings or units to purpose-built residential rental buildings or units
- Addition of new rental housing units to existing residential and non-residential buildings
- Secondary suites or accessory dwelling units which are being rented out

Location

The proposed project should be located within a designed CIP area or in a location which meets the requirements set out in the County's Municipal Housing Facilities By-law or as highlighted in the housing needs assessment.

6.0 **Appendix B: Recommended Affordable Housing Targets**

Introduction

The Provincial Policy Statement requires municipalities to set minimum targets for housing which is affordable to households with low and moderate incomes. In addition, the Provincial Growth Plan requires that targets be set for affordable rental and ownership units as part of a housing strategy. The Housing Services Act also requires that a municipality's housing and homelessness plan include targets relating to housing need.

The County's Official Plan identifies a target of 25% of all new units be affordable housing units. This target has been broken down to reflect the current and emerging need identified as part of the housing needs assessment. These proposed targets are focused on addressing the housing need associated with future growth while also taking into account the current need.

Housing Targets for Northumberland

This section identifies recommended housing targets for rental housing which is affordable to households with low and moderate incomes, ownership housing which is affordable to households with moderate incomes, and supportive housing for Northumberland as a whole.

Household and housing projections developed for Northumberland³ forecast an increase of 5,451 households from 2016 to 2031. As such, it has been assumed that 360 housing units will be added each year for the lifetime of the Affordable Housing Strategy, i.e. from 2019 – 2029. The Statistics Canada Census shows that the number of households in Northumberland increased by 414 households per year from 2006 to 2016. Therefore, an estimate of 360 new housing units per year is a reasonable estimate.

Affordable Rental Housing Target

All households who were facing housing affordability issues (i.e. spending 30% or more of their household income on housing costs) made up 22% of all households in Northumberland in 2016. Households with low and moderate incomes who were facing housing affordability issues made up 21% of all households in Northumberland in 2016.

³ Watson and Associates (2014). Northumberland Housing Forecast by Area Municipality, 2011-2041

As such, it is recommended that 18% of all new units built each year be rental housing which is affordable to households with low incomes (i.e. in the 1st to 3rd income deciles). In 2018, this would mean monthly rents of \$1,213 or less. In addition, 80% of these units should be affordable to households with incomes in the 1st and 2nd income deciles, which include households receiving Ontario Works benefits. These units should have rents at \$931 or less per month. While this target is lower than the current and emerging need, meeting this target will address the most urgent need with the resources which are currently available. There is also the recognition that this target should be increased to at least 20% as additional resources become available.

A target has also been developed for rental housing which is affordable for households with moderate incomes (i.e. incomes in the 4th – 6th income deciles). It is recommended that 5% of all new units built should have monthly rents of \$2,202 or less.

The target for rental housing for households with moderate incomes is based on the fact that an estimated 1,700 households with moderate incomes were facing housing affordability issues in 2016. Of these households, 85% were owners, which suggests that many of these households might be better served by having rental housing options instead of buying homes which they could not afford. In addition, the proportion of rental dwellings in Northumberland has been steadily declining in the past twenty years whereas the need for rental housing has actually been increasing. Setting this target not only assists households with moderate incomes who are facing housing affordability issues, it also increases the diversity of the housing supply in Northumberland by increasing the supply of purpose-built rental housing, which was identified in the needs assessment as one of the key housing gaps. Similar to the target for affordable rental housing for households with low incomes, this target for affordable rental housing for households with moderate incomes does not directly reflect the current and emerging need identified in the housing needs assessment. However, meeting this target will address the most urgent need in terms of increasing the supply of purpose-built rental housing in Northumberland. As more resources become available, it is recommended that this target be increased to 10% of all new dwelling units built.

Affordable Ownership Housing Target

It is recommended that 2% of all new housing units built each year be ownership housing units which are affordable to households with moderate incomes. This would mean a house price of \$316,190 or less. As previously noted, the majority of households with moderate incomes who were facing housing affordability issues were owners. While many of these household could be better served by rental housing, some of these households may still prefer home ownership. This target should be increased to 5% as additional resources become available.

Supportive Housing Target

It is recommended that 25% of all affordable housing units (i.e. units which are affordable to households with low and moderate incomes) be supportive housing units. This is based on the fact that an average of 9% of all households in Northumberland have some form of long term activity limitation (i.e. physical disabilities, cognitive disabilities, psychological disabilities, and/or mental health issues).

It is also recommended that 15% of all new affordable housing units built should be accessible units. This is based on the need for accessible housing as demonstrated by the proportion of households with a member with a physical activity limitation (14% in 2016), the fact that 80% of respondents to the 2018 Registry Week survey required permanent accessible housing, and the requirement of the Ontario Building Code that 15% of multi-residential units should include basic accessibility features.

When combined, these affordable housing targets would equate to **90 affordable housing units** added each year. These units can be in the form of new units built or rent supplements and housing allowances provided to eligible households. It is anticipated that implementing the recommended Northumberland Affordable and Rental Housing Program outlined in the following section will assist in meeting these targets.

Table 1: Recommended Affordable Housing Targets: Northumberland

New units built each year		360
Rental housing for 1st - 3rd	18%	65
Rental housing for 1st - 2nd	80%	52
Rental housing for 4th - 6th	5%	18
Total Rental Units	23%	83
Ownership housing for 4th - 6th	2%	7
Total Affordable Units	25%	90
Supportive housing	25%	23
Accessible housing	15%	14

Housing Targets for Member Municipalities

As discussed above, it is recommended that 90 affordable housing units be added each year. These units should be provided throughout Northumberland to ensure that all member municipalities continue to develop as complete, healthy and inclusive communities. As such, a recommended breakdown by member municipality is provided based on household projections to 2031. The share of affordable housing targets is based on each municipality's anticipated

share of new households. For the more rural municipalities (Alnwick/Haldimand, Brighton, Cramahe, and Hamilton, it is recommended that these be met in the form of secondary suites or rental units above stores. It should be noted that most of these units should be accessible and/or supportive units. For Cobourg, Port Hope and Trent Hills, it is recommended that the majority of these units (at least 70%) be affordable to households with low incomes. It is further recommended that the County work with each member municipality to identify a breakdown of these targets which is appropriate to the local context.

Table 2: Recommended Affordable Housing Targets for Member Municipalities

New Affordable Units built each year		90
Member Municipalities	Affordable Units	
Alnwick/Haldimand	3%	3
Brighton	4%	4
Cobourg	42%	38
Cramahe	3%	3
Hamilton	3%	3
Port Hope	35%	32
Trent Hills	10%	9

Monitoring the Targets

Indicators have been identified in the previous section to assist in monitoring progress on the recommended housing actions. Additional indicators have been identified to monitor the success of the recommended Affordable and Rental Housing Pilot Program. These same indicators will assist in monitoring progress on these affordable housing targets.

7.0 Appendix C: Housing Policy Framework

Housing in Canada operates within a framework of legislation, policies and programs. The development of housing in the Town of Cobourg is also governed by the policies and strategies of Northumberland County, as the upper tier municipality.

County Policy Framework

Northumberland County Official Plan

The Northumberland County Official Plan was approved by the Ontario Municipal Board on November 23, 2016. The primary purpose of the County Official Plan is to provide the basis for managing growth and change within Northumberland.

The County Official Plan includes guiding principles which are intended to form the basis for making land use planning decisions in the future. There are 12 guiding principles identified and these include principles related to directing most forms of development to urban areas and ensuring that housing is available to all ages, abilities, incomes and household sizes.

The County Official Plan also sets out population, employment and housing forecasts and states that a minimum of 80% of growth is expected to occur in the six urban areas of the County. These urban areas are: Brighton, Campbellford, Cobourg, Colborne, Hastings, and Port Hope. The County Official Plan also identifies housing forecasts by member municipality for 2034. According to these forecasts, 46.9% of new units are expected to be low density and 19.7% are expected to be high density. Among the member municipalities, Cobourg is expected to see the largest share of new housing units, at 37.8% of the total number of units by 2034 while Port Hope will see the second highest share at 29.7%.

The County Official Plan also identifies minimum intensification targets for the six urban areas. The County Official Plan also notes that a minimum of 40.0% of all residential development will be built within the built boundary of the urban areas in accordance with the minimum intensification target for each area.

Section C1.1 of the County Official Plan identifies the policies related to complete communities and states that the County encourages each of the six urban areas to become complete communities. The policies related to complete communities refer to having a the majority of residents employed in the community where they live; a range of housing types for all levels of

income and ages; a range of community and social services to assist the majority of those in need in the community; and a population level and density that supports the provision of public transit.

Section C1.2.1 identifies the land use objectives for residential areas in the designated urban areas. These objectives include the following.

- Encouraging the provision of a range of housing types to accommodate persons with diverse social and economic backgrounds, needs and desires while promoting the maintenance and improvement of existing housing;
- Promoting the efficient use of existing and planned infrastructure and public service facilities by supporting opportunities for various forms of residential intensification;
- Encouraging increases in density in new development areas to maximize the use of infrastructure and minimize the amount for land required for new development;
- Promote a variety of complementary and compatible land uses in residential areas including special needs housing.

The objectives for rural settlement areas (C1.3) also include encouraging the provision of a range of housing types to accommodate persons with diverse social and economic backgrounds and needs provided appropriate servicing is available.

Section C1.5 outlines the County Official Plan's policies for housing. The goals include encouraging a range of housing types and densities, permitting the development of secondary suites, seniors housing, and housing for special needs groups. One of the goals is related to assisting in the achievement of residential intensification and affordable housing.

Section C1.5.2 identifies the general policies related to housing, including the following.

- Residential intensification and redevelopment within urban areas and rural settlement areas;
- Provision of alternative forms of housing for special needs groups and emergency shelters;
- Maintenance and improvement of the existing housing stock;
- Utilization of available programs and/or funding for assisted housing;
- Consideration of reductions in development charges payable for new affordable housing.

Section C1.5.3 identifies policies related to secondary residential units which are permitted in a detached, semi-detached or row house or as an accessory building.

Section C1.5.4 of the County Official Plan states that the County supports the provision of housing which is affordable to low and moderate-income households. The policy also identifies a minimum target for affordable housing of 25%.

Section C1.6 identifies policies related to the maintenance of a sufficient amount of land for residential development.

Section D8.3 of the County Official Plan refers to green development standards and identifies policies related to energy efficient design.

The Northumberland Affordable Housing Strategy includes Official Plan policy recommendations. These recommendations have also been included in the recommended housing actions for Cobourg where appropriate.

Northumberland County Housing and Homelessness Plan

The Northumberland Housing and Homelessness Plan was developed in 2013 and identified a total of 27 objectives under the categories of: affordable housing; emergency housing; municipal planning; service provision and coordination; and, outreach, education and evaluation.

While the County, member municipalities, and housing partners have accomplished a number of objectives since 2013, there are opportunities to build on some of these objectives for the current Affordable Housing Strategy. These include the following.

- Looking at existing housing sites for the potential for infill housing
- Working towards a long term strategy for existing social housing
- Strengthening the Official Plans of member municipalities to include clear requirements for new residential developments to include affordable housing
- Setting targets for affordable housing in the County Official Plan
- Continuing to work with community agencies and other government agencies such as the CE LHIN to meet the support service needs of residents
- Having new planning policies which support secondary suites
- Developing a strategy for ongoing communication and information-sharing.

In addition to the accomplishments of the County, member municipalities, and housing partners since 2013, the 2017 Housing and Homelessness Annual Report identifies key priorities for 2018, including the following.

- Development of an Affordable Housing Strategy
- Implementation of an eviction prevention model of social housing

- Portfolio planning for the Northumberland County Housing Corporation and non-profit housing providers
- Revision of the 10-year Housing and Homelessness Plan.

The County is currently working on revising its 10-Year Housing and Homelessness Plan.

Member Municipal Policy Framework

Cobourg Official Plan

The current Official Plan of the Town of Cobourg was adopted by Council and approved by the Province in 2010 and approved by the OMB in May 2017. The May 2018 Consolidation was used for this review. The Town's Official Plan establishes a framework for the future planning of the community and is intended to guide planning to 2031.

Section 2 of the Official Plan includes the Town's vision, principles and objectives which provide general guidelines for the planning of the Town. Section 2.2 identifies the Town's vision statement as well as ways this statement will be reinforced, including (ii) an emphasis on sustainable, accessible and compact development and that (iii) new residential development will primarily occur through a mix of intensification and greenfield development with a variety of housing types and densities.

Sections 2.3 to 2.6 identifies the principles and one of the objectives of the principles related to maintaining a healthy and economically viable community (2.5) is to provide for a choice with respect to secure, adequate and affordable housing including a full range of housing options for seniors (viii).

The design principles identified in Section 2.7 include promoting sustainable development (iv) and providing a variety of housing (v). With regard to housing, the Official Plan states that residential neighbourhoods will contain a mix of lot sizes, housing types and styles, including affordable housing to respond to the needs of the future population by allowing people to age in place in the same neighbourhood.

Section 10.6 of the Plan contains definitions, including a definition for affordable housing which matches the County Official Plan's definition as well as a definition for a garden suite.

Growth and Intensification

Section 1.5 of the Official Plan notes that the Town's allocation to 2031 in the County's Growth Management Strategy based on the Provincial allocation for the Growth Plan for the Greater Golden Horseshoe, is 3,975 additional people and 1,260 additional jobs. The Official Plan states

that the Town already has a land supply designated for development which exceeds the proposed allocations and, as such, no additional land needs to be designated for population and employment uses.

Section 3.2.2 states that no changes to the Town's Urban Settlement Area Boundary are anticipated during the planning period. Major intensification areas identified in the Plan are lands designated as "mixed use areas" within the Built Boundary, "employment area", and vacant or underutilized sites in areas designated "residential area" and not located in "stable residential areas" or in employment areas. This section also notes that intensification would be modest and incremental in lands designated as "stable residential areas", which consist of existing residential neighbourhoods.

Section 3.2.3 outlines the policies related to the County's overall growth management strategy. It notes that the population allocation for the Town is 5,220 to 2031 which means the Town's population by 2031 would be 23,430. The housing mix identified is 65% single detached housing and 35% multiples which include semi-detached, townhouses and apartments.

The Town's intensification target is 39.34% of new residential dwellings to be built within the Built Boundary after 2015 and this is expected to generate a population of 1,665 people. This target will be achieved by establishing minimum density standards for developments in Mixed Use Corridors and other intensification areas; permitting limited intensification in Stable Residential Areas; encouraging the creation of accessory apartments within residential areas; removing barriers to intensification including parking standards and setback requirements; considering community improvement plans to allow for the use of development incentives to encourage redevelopment and infill; considering reducing development charges and other Town fees for intensification projects; using the bonus provisions of the Plan and other tools such as pre-zoning to encourage intensification; and, discouraging downzoning of sites for medium and high density housing.

Section 3.4 contains the policies related to the Residential Area designation. Section 3.4.3.1 includes land use policies for stable residential areas which are physically stable low density residential areas where potential new development or redevelopment is limited. The Plan states that any intensification in these areas will be modest and incremental occurring through the development of vacant lots and accessory apartments.

Section 3.4.3.2 of the Plan contains land use policies related to new residential areas. The Plan states that applications for development in these areas must conform with the Growth Management Strategy and to a list of criteria, including having a mix of development forms and densities. The Plan also states that medium density residential uses are encouraged and shall be mixed with low density development in smaller groups. Applications for new high density residential areas also have to conform to the Growth Management Strategy and include a mix

of development forms and densities and high density residential should be mixed with medium density developments (3.5.3.2).

Section 3.4.3.3 identifies minimum and maximum residential densities for low, medium and high density areas. The maximum height for residential development in stable residential areas is three storeys and four storeys in new residential areas (3.4.3.4). Section 3.5.3.3 identifies the minimum and maximum densities permitted in the high density residential areas and 3.5.3.4 states that the maximum height for residential development in these areas is six storey while the minimum is three storeys.

Section 7.5 contain the development staging policies of the Plan. With regard to infilling and intensification (7.5.1), the Plan states that these are encouraged where lands are designated for the proposed use and full municipal services are available. With regard to undeveloped land (7.5.2), development will be considered premature if it cannot be serviced by the current infrastructure unless the proponent is willing to undertake the construction of all the new infrastructure required without any costs to the Town.

Section 8 of the Plan deals with the development application process, including identifying the required information, pre-consultation and process to evaluate applications. One of the criteria to evaluate applications deals with density reductions and states that down-zoning will be discouraged unless it can be demonstrated that the reduction in density will not significantly affect the Town's ability to achieve its intensification and density targets and/or that the downzoning is compensated for by the creation of additional medium or high density residential development elsewhere in the Town.

Permitted Uses

Section 3.3 identifies land uses which are permitted in all designations except the Environmental Constraint Area designation. These uses include group homes, accessory apartments and garden suites.

With regard to group homes, the Plan states that these are permitted subject to the regulations of the Zoning By-law including distance separation regulations, requirements related to lot size, yard and landscaping, and parking.

Accessory apartments are permitted in single and semi-detached dwellings. Garden suites are permitted on lots with a single or semi-detached dwelling but accessory apartments are not allowed in the principal dwelling where a garden suite exists on the same lot.

Section 3.4.2 identifies the permitted uses in residential areas. These are low density residential uses including single, semi, and duplex dwellings and medium density dwellings such as townhouses, low rise apartments and stacked townhouses.

Section 3.5.2 identifies the permitted uses in high density residential areas which are medium density residential including townhouses, low rise apartments and stacked townhouses; and high density residential such as high rise apartments.

Supportive housing, seniors housing, and large scale group homes are permitted within major institutional areas. Residential uses unrelated to any institutional uses are also permitted subject to the policies of the Plan (3.6.2).

Low, medium and high density residential as well as mixed uses are permitted within the main central area of the Town (3.7.2). In terms of parking in high density residential areas, Section 3.7.7 (iv) states that Council may reduce the parking requirements in the Zoning By-law for a mixed-use development if it can be demonstrated that the parking needs of all uses will be met through sharing of private parking areas or through public parking areas.

High density residential, including a mix of high density residential and office use, is permitted in the shopping node area (3.8.3.1).

Housing Policies

Section 3.2.5 includes policies related to affordable housing and the Plan states that the Town recognizes the need to protect the viability of the community by ensuring there is a healthy supply of affordable rental and ownership housing which contributes to an inclusive community. The Plan identifies the following approaches to encourage the provision of affordable housing.

- i. Streamlining the approvals process to fast track applications for affordable rental and ownership housing;
- ii. Considering reducing development charges and other fees for affordable housing projects;
- iii. Amending the Zoning By-law to permit accessory apartments without an amendment;
- iv. Working with the County and non-profit groups to raise community awareness and acceptance of housing across the housing continuum as well as programs to assist in the rehabilitation of existing units;
- v. Monitoring federal and provincial initiatives related to the provision of affordable housing and participating as appropriate;
- vi. Examining the appropriateness of placing controls on the demolition and/or conversion of existing rental units;
- vii. Establishing an affordable housing target of 10% of any project which in total is in excess of 25 units and allowing these units to be provided on- or off-site;
- viii. Encouraging the use of restrictive mechanisms for affordable housing units to ensure they remain affordable in the long term.

Community Improvement Area

Section 5.6 of the Plan includes policies related to community improvement and provides a framework for the designation of community improvement project areas and the implementation of community improvement plans to promote the maintenance, rehabilitation, redevelopment and revitalization of the physical, social and economic environment of the Town based on the provisions of the Planning Act. One of the objectives identified in adopting a community improvement plan is to encourage the development of an adequate supply of accessible and/or affordable housing which meets the needs of local residents (3.6.3.ix).

Section 5.6.4 states that the Town may designate one or more community improvement project areas which may or may not include the entire Town.

Parking Requirements

Parking requirements are outlined in section 6.6 and state that Council may, by by-law, reduce parking requirements for a mixed use or high density residential development.

Height and Density Bonusing

Section 9.2.6 outlines policies related to height and density bonusing and state that increases in the height and density of medium and high density residential or mixed use developments may be permitted in exchange for the provision of facilities, services and other matters identified in the Zoning By-law. The Town's objectives in using this tool include encouraging the creation of mixed use and/or high density residential development on sites which conform to the policies of the Plan and to encourage the provision of affordable housing. The Plan states that developments cannot be granted more than a 20% increase in height or density and/or an increase that will result in a building of four or more storeys.

Observations

The Town's Official Plan has a good range of policies which support and encourage the development of a range of housing types. However, there are opportunities to further support the development of a more diverse housing stock, including affordable housing. The Town may want to consider the following.

- Encouraging and supporting supportive housing, including housing for frail seniors and for persons with disabilities and mental health issues and supportive housing and group homes as of right in more areas throughout the Town, including residential zones;
- Adding a policy regarding the use of surplus Town-owned land or buildings for affordable housing;
- Adding a policy related to supporting universal physical access in new residential developments; and,

- Adding policies related to the sustainability and energy efficiency of new residential developments.

Cobourg Zoning By-law

The current Zoning By-law for the Town of Cobourg was adopted in October 2003 and revised in March 2004. Section 3 of the By-law includes definitions, including definitions for boarding or rooming houses, dwellings, an emergency care establishment, garden suite, granny suite, group homes, mobile homes, modular homes, nursing homes, retirement homes, and senior citizen’s complex.

Permitted Uses

The permitted uses within each zone are identified in of the Zoning By-law and these are outlined in the following table.

Zone	Permitted Uses
Residential 1 (R1)	<ul style="list-style-type: none"> • Group home • Single detached dwelling
Residential 2 (R2)	<ul style="list-style-type: none"> • Group home • Single detached dwelling
Residential 3 (R3)	<ul style="list-style-type: none"> • Group home • Single detached; semi-detached; duplex dwelling; converted dwelling with a maximum of 2 dwelling units on one lot
Multiple Residential 4 (R4)	<ul style="list-style-type: none"> • One semi-detached; duplex; triplex; converted dwelling; four-plex; townhouse, including a townhouse for seniors and/or persons with disabilities; multiple dwelling, including one for seniors and/or persons with disabilities; rooming or boarding house with no more than 10 guest rooms on one lot; apartment dwelling, including apartments for seniors and/or persons with disabilities.
High Rise Residential (R5)	<ul style="list-style-type: none"> • Apartment dwellings, including apartments for senior citizens and/or persons with disabilities; apartment hotel/dwelling; townhouses
Neighbourhood Commercial (NC)	<ul style="list-style-type: none"> • Residential use as a secondary use in a commercial building (dwelling units above the commercial component)

Zone	Permitted Uses
District Commercial (DC)	<ul style="list-style-type: none"> Residential use as a secondary use in a commercial building (dwelling units above the commercial component)
Main Central Commercial (MC)	<ul style="list-style-type: none"> Group home, residential use in a commercial or institutional building (apartments for senior citizens and persons with disabilities; single detached dwelling as a group home)
Institutional (I)	<ul style="list-style-type: none"> Group home, nursing home, residential use for seniors or persons with disabilities operated by a government organization or place of workshop; retirement home (includes a single detached dwelling for group homes)
Rural (RU)	<ul style="list-style-type: none"> Group home (single detached for a group home, one single detached on a lot for agricultural purposes)
Neighbourhood Residential One (NR1)	<ul style="list-style-type: none"> Residential use; accessory use excluding a garden suite; group home (single detached, semi-detached, duplex, converted dwelling with a maximum of two dwelling units, linked dwelling)
Neighbourhood Residential Two (NR2)	<ul style="list-style-type: none"> Accessory use including a garden suite; group home; residential use (single detached, semi-detached, duplex, converted dwelling with a maximum of two dwelling units, linked dwelling, triplex, fourplex, townhouse)
Neighbourhood Mixed Use (NMU)	<ul style="list-style-type: none"> Apartment, retirement home, residential as a secondary use in a commercial building

Minimum Size/Area

All the zones identified in the Zoning By-law have regulations related to minimum dwelling sizes, minimum amenity spaces, maximum number of storeys, and maximum number of dwellings allowed on each lot.

Granny Flat

A granny flat/suite is a suite of rooms contained within a single, detached dwelling intended for occupancy by a senior member of the household. The suite may contain full sanitary facilities but does not contain a kitchen or cooking facilities.

Section 5.26 states that a granny flat or suite is permitted within a residential dwelling if the floor area of the suite does not exceed 30% of the gross floor area of the residence or is 75 m² (whichever is less); it does not contain a kitchen; is only used by a senior family member and cannot be rented out to the general public; and a building permit is obtained for the temporary

use of the suite for no more than ten years. In addition, Council may require the owner to enter into a written agreement with the municipality.

Garden Suites

A garden suite is defined as a one-unit detached residential structure with bathroom and kitchen facilities that is ancillary to an existing residential structure and that is designed to be portable.

Section 5.25 states that a garden suite is permitted if it is to be used by a senior member of the owner of the primary residence and that no portion of the garden suite can be rented out to the general public. The By-law also requires a temporary use by-law to be approved by Council and Council may require the owner of the garden suite to enter into an agreement with the municipality.

Accessory Dwelling Units and Coach Houses

By-law number 013-2017 amends the Zoning By-law by including definitions and regulations for accessory dwelling units/ second units. An accessory dwelling is defined as one additional dwelling unit that is located within a single detached, semi-detached, or townhouse dwelling or in a non-residential building. A coach house is defined as one additional dwelling unit on a lot that is located within an accessory building or structure.

The By-law (013-2017) states that the maximum density provisions for residential zones do not apply to accessory dwellings or coach houses. The By-law identifies requirements for these dwelling types, including a maximum floor area of 100 m². Accessory dwellings cannot exceed 45% of the total floor area of the building whereas a coach house cannot exceed 40% of the total floor area of the main building. A maximum of two bedrooms is permitted and one non-tandem parking space is required. These dwelling types cannot be located on property where there is a converted dwelling, duplex, garden suite or coach house.

Group Homes

The By-law identifies two types of group homes. Group Home – Type 1 refers to a residential care facility in a single housekeeping unit in a dwelling where no more than 6 residents and must have a valid license or funding approval from the Province. A group home – type 1 may also locate in a two-unit dwelling (duplex or semi-detached) if the group home is the sole occupant of both dwellings and there are no more than six residents in the entire building.

Group Home – Type 2 is a residential care facility in a single housekeeping unit in a dwelling with no more than ten residents and which has a valid license or funding approval from the Province.

Section 5.23 contains regulations related to group homes and states that Group Homes – Type 1 are permitted in any residential, institutional, main central commercial or rural zone while Group Homes – Type 2 are permitted in any institutional, main central commercial, or rural zone. The By-law also states that no new group home in any zone can be located within 120 metres (390 ft.) of any established group home.

A Group Home – Type 2 has to be located in a single detached dwelling. A Group Home – Type 1 has to be located in either a single detached dwelling or a two-unit dwelling if the group home occupies both units and the total number of residents does not exceed six.

Rooming and Boarding Homes

An amendment to the Zoning By-law (By-Law 030-2014) defines boarding or rooming houses as a building or portion thereof in which lodging is provided in more than two guest rooms or for more than four persons in return for remuneration or the provision of services or for both and in which the guest rooms do not have both bathrooms and kitchen facilities for the exclusive use of the occupants of the guest rooms.

Supportive Housing

The By-law defines an emergency care establishment as an institutional use that provides a means of immediate, temporary accommodation and assistance for generally less than a week. These are different from group homes as they have a shorter length of stay and their capacity usually exceeds ten residents.

The By-law also defines a nursing home which is a building for residents who require nursing, medical care and treatment, and meals.

A retirement home is a building where the majority of residents are 65 years or older and who each have a private or semi-private residence room⁴ and which has common eating, sanitary and recreation facilities. Residents are ambulatory and do not require ongoing bed care but may receive some minor nursing, medical or similar care.

A senior citizen's complex is an apartment or other multiple dwelling complex designed for and occupied by residents 65 years and older and/or some who have physical disabilities.

The Zoning By-law also refers to apartments for seniors and persons with disabilities and permits this use in several zones.

⁴ A residence room is defined as a dwelling unit which does not contain full kitchen facilities but may have a kitchenette and has access to a common eating facility.

Parking Standards

Section 6.1.1 identifies the parking requirements of all land uses throughout the Town. Apartment dwellings require 1.25 to 1.5 spaces per dwelling depending on where they are located in the Town. Senior citizen's dwellings, retirement homes, rest homes and group homes each require 0.5 spaces per dwelling unit or bed. Townhouses or multiple unit dwellings require 1.5 spaces per dwelling unit. A rooming or boarding house required 2 spaces per dwelling plus one additional space for each guest room. Dwelling units in a mixed use development requires one space per unit. Detached and semi-detached dwellings require two spaces per unit while converted dwellings require one space per unit. All other residential uses require two spaces per unit. In addition, residential uses in the NR1, NR2 and NMU zones require 0.25 spaces per unit of on-street visitor parking although no on-site parking spaces are required. A nursing home requires one space for every four patient beds.

The By-law also states that residential uses in the Downtown Area require only 50% of the parking requirements outlined above.

Mixed Use Developments

Several zones permitted a mix of commercial and residential uses.

Observations

The Town is currently undertaking a review of its Zoning By-law with a timeline for approval by Council anticipated in 2020. This presents the perfect opportunity for the Town to consider incorporating the recommended actions in this Strategy, including ensuring the Zoning By-law is in line with current provincial legislation, including the More Homes More Choice Act, as well as the policies of the Town's and County's Official Plans. The Town may want to consider the following updates and revisions.

- Updating the regulations to allow for a mix of lot sizes and dwelling types based on the design principles in the Town's Official Plan.
- Revise regulations related to a minimum distance between an existing and new group home as minimum distance by-laws and restrictions create barriers to meeting the needs of population groups who require this type of dwelling.
- Rooming houses are a good form of affordable housing, particularly for single individuals with low incomes. As such, the Town may want to look into expanding areas where boarding or rooming houses are permitted.
- Alternatively, the Town may want to remove all references to group homes and rooming and boarding houses and, instead, include a definition and policies related to shared housing forms to remove the stigma attached to these dwelling types. Similarly, the Town may want to investigate opportunities to expand the areas where these housing forms are permitted.

- Revise regulations related to accessory dwelling units and coach houses to permit a maximum of two accessory dwellings (i.e. one accessory/secondary unit and one coach house or garden suite) for each property in appropriate locations throughout the Town and monitor regulations to ensure that if these dwellings are being rented out, they are rented on a long-term basis. This builds on the housing policies in the Town's Official Plan as well as current provincial legislation.
- Revisit minimum dwelling sizes to ensure these do not go beyond requirements of the Ontario Building Code. Minimum dwelling sizes which go beyond the requirements of the Building Code act as barriers to the development of more affordable units.
- Revisit parking requirements to explore options to reduce the requirements for units with access to public transit, units for seniors and persons with disabilities, and for affordable housing units.

Cobourg Strategic Plan (2019-2022)

The Town's Strategic Plan for 2019 – 2022 was adopted by Council in April 2019. The Strategic Plan includes a vision for the Town, which is:

Cobourg...a vibrant, inclusive community where everyone has access to meaningful opportunities and experiences.

The Plan also includes a mission statement which is:

The Town of Cobourg is committed to open and accountable governance and the provision of quality, accessible programs and services in a sustainable manner.

This mission will be achieved through the following pillars/objectives.

- People – The Town supports and cares for the social and physical wellbeing of its citizens.
- Places – The Town protects, preserves and promotes its natural assets, heritage, arts, culture and tourism.
- Programs – The Town provides efficient and effective corporation, community, business and recreational services for its residents, businesses and visitors.
- Partnerships – The Town engages in strong, sustainable public-private partnerships to improve the quality of life for everyone.
- Prosperity – The Town plans for, markets and develops assets for economic resiliency and financial security.

The Plan also identifies strategic actions and desired outcomes for each of these objectives. Some actions which are relevant to this housing strategy include the following.

- Create a housing strategy that is in alignment with Northumberland County’s housing strategy
- Invest in programs, services and infrastructure to make Cobourg more accessible.
- Continue to explore communications priorities including social media and public engagement tools.
- Explore feasibility of partnerships to develop a social services community hub for community health priorities such as food security, mental health, drug addiction, and homelessness.
- Work with transit authorities in the area to integrate transit services, including accessible and active transportation services.
- Facilitate meaningful collaboration with Cobourg citizens.
- Develop a policy for establishing shovel-ready development lands.
- Coordinate funding opportunities to optimize community development capital and special projects funding.

The desired outcomes which are relevant for this housing strategy include the following.

- People are able to find attainable housing in Cobourg.
- There is a broad variety of housing types available for ownership and rental.
- A barrier-free Cobourg that is accessible to citizens of all abilities, including those with disabilities.
- A community that prioritizes biking, walking and public transportation as a means to mitigate the effects of climate change.
- People will be well informed, know what is going on in the Town and how to get information.
- Information will be easier and faster to access through a variety of means.
- People will be informed with the facts.
- Public trust and confidence in the Town’s processes and procedures will be enhanced.
- Partnerships will be a key component of how the Town works and does business.
- Resources will be maximized.
- More jobs are located in Cobourg.
- Cobourg is recognized for its strong and healthy downtown.

Observation

The Town’s Strategic Plan includes actions and outcomes which are highly supportive of the recommendations in this housing strategy and ensuring that Cobourg is a healthy, complete and inclusive community.

Downtown Vitalization Community Improvement Plan (CIP)

The Town currently has a Downtown Vitalization CIP which aims to address the community improvement needs in Downtown Cobourg and help to achieve the vision for the Downtown. The Plan includes eight funding opportunities which are meant to encourage private sector investment, rehabilitation and adaptive reuse redevelopment and construction activity in Downtown Cobourg. The following are the funding opportunities outlined in the Plan and these can be used individually or stacked together for a particular project.

- Study Grant Program
- Façade Improvement Grant/Loan Program
- Building Improvement Grant/Loan Program
- Residential Grant/Loan Program
- Vitalization Tax Increment Grant Program
- Brownfields Tax Assistance Program
- Vitalization Development Charge Grant Program
- Fees Grant Program

The Residential Grant/Loan Program provides a grant equal to \$15 per sq.ft. of residential space rehabilitated or created to a maximum grant of \$15,000 per unit and a maximum of 4 units per property/project (maximum grant is \$60,000 per project).

One of the goals of the Vitalization Tax Increment Grant Program as well as the Vitalization Development Charge Grant Program is to support larger scale projects that incorporate exemplary urban design, environmental sustainability, and affordable housing. Under the Tax Increment Grant Program, an annual grant between 50% and 100% of the increase in municipal property taxes for up to ten years after project completion is available. Under the Development Charge Grant Program, a grant equal to between 50% and 100% of the Town's Development Charges which are generally payable for "catalytic projects⁵" is available.

Observation

There is an opportunity to build on the Town's CIP to provide incentives for the development of housing units which are affordable to households with low and moderate incomes.

⁵ Catalytic projects refer to larger scale projects that would help to transform Downtown Cobourg and can include currently underserved uses, higher density housing, and affordable housing.