



As a community association, we have a lot of influence to wield for the better of our community and neighbours.

It would be a good consideration to ensure that our neighbourhood grows with us and continues to serve the needs of current and future residents, which is possible with a gradual long-term plan to increase density (e.g. over the next 20 years), as our president has shared.

When it comes to our dysfunctional housing market and solutions to restore balance between prices and incomes, we need to think long term. Short term fluctuations in the housing market are not indicative of long-term affordability and opportunity for our children.

- How to break the cycle of shortsighted housing policies

Before we begin, please be mindful that housing solutions cannot be tailored to each of our individual personal preferences. We own our homes, but we share the neighbourhood. Living in the city is a trade-off between our personal wants and what is best for the entire community now and for the long term; that is the mindset we should have throughout this presentation and any discussion on this matter.



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We begin with a short overview of the previous presentation we had in May 2022 on the causes of the housing crisis and its impacts on existing and new residents in our community.

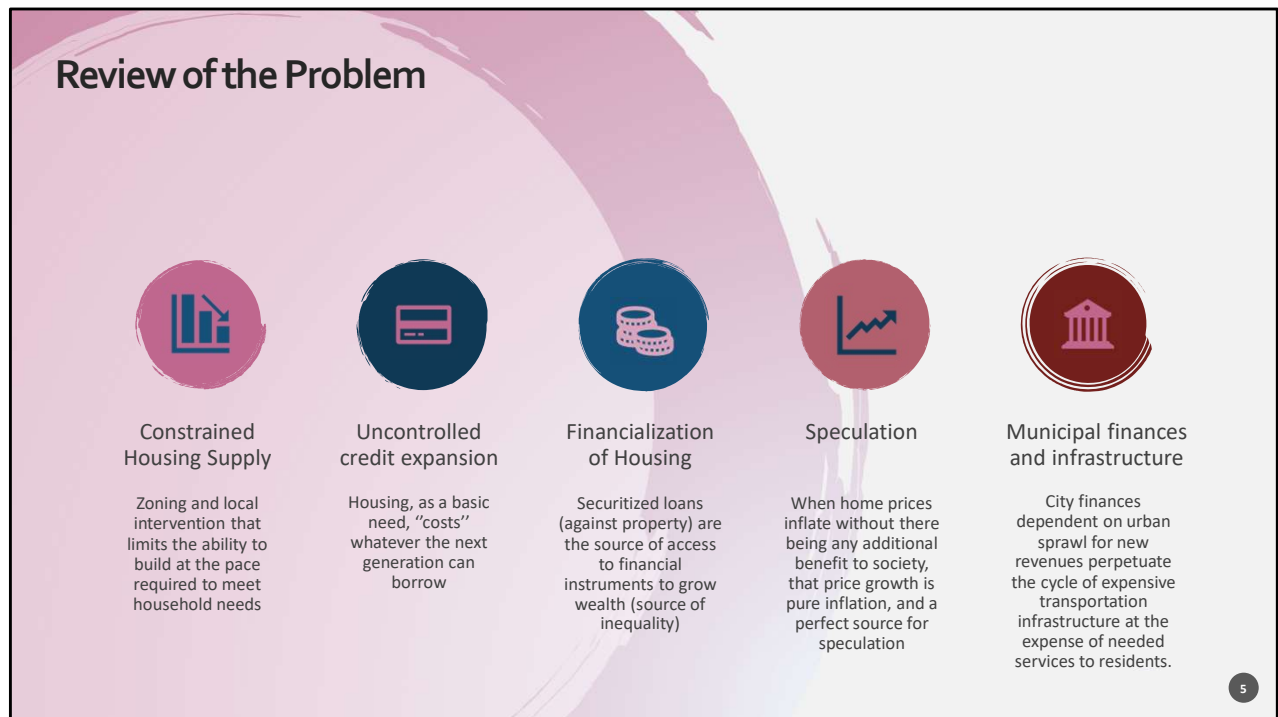
THE HOUSING CRISIS

THE CAUSES AND ONGOING IMPACTS



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We begin with a short overview of the previous presentation we had in May 2022 on the causes of the housing crisis and its impacts on existing and new residents in our community.



On 2 May 2022, we discussed as part of the presentation *The Housing Crisis in Hunt Club* five factors which have contributed to the abnormal growth in home prices over the past decades (and especially the last two years).

First, we discussed *constrained housing supply*, which is a consequence of zoning and local intervention that limits the ability to build at the pace required to meet household needs. We discussed that Hunt Club would have needed to build approximately one home per child of existing residents starting 40-50 years ago to ensure that everyone could be housed today (parents in the family home and each child in its own dwelling), and that is the same for all other neighbourhoods in Ottawa as well (and we are not yet accounting for national and international migration*). Unfortunately, most neighbourhoods have been relying on *other neighbourhoods* to grow and provide housing, and when all neighbourhoods have the same strategy, an inadequate amount of housing gets built.

* Please note that immigration has been intentionally left out as a cause of the housing crisis because it is not a cause of the housing crisis. It is true that an increase in residents beyond the rate of housing construction will exacerbate the outcomes related to the fundamental issues with low housing supply, but it is not a cause for low supply and therefore the housing crisis (although we feel the its impacts more). Lowering immigration immediately would not restore affordability

and balance to the housing market anytime soon because it is not a fundamental cause of the crisis (even if it exacerbates the impacts we feel today from low supply). Without significant immigration, current pensioners would likely not be receiving their promised pension. Lowering immigration does not solve Canada's housing crisis (which has been decades in the making regardless of recent immigration levels), but lowering immigration would create new problems, very difficult to resolve in a fiscally responsible manner (unless pensions were reduced or canceled while we have an aging population....). The CPP has \$539B of assets under management (2021), but unfunded liabilities are estimated at over \$800B (2018). The federal government is responsible for immigration policy and decisions on migration inflow into Canada are based on many factors. One of the important considerations for the increase in immigration is low local birth rates which are problematic for continued economic growth and our pension funds solvency. Currently, the Canada Pension Plan (CPP) is not sustainable without a growth in the labour force making CPP contributions (i.e. immigration). Local decisions cannot ignore these facts. Doing so simply exacerbates the housing crisis and puts everyone's financial security and well-being at risk.

Sources: 1. <https://cdn4.cppinvestments.com/wp-content/uploads/2021/08/F2022-Results-Presentation-Deck-May-19-2022-ENG.pdf>

2. <https://www.osfi-bsif.gc.ca/Eng/oqa-bac/ar-ra/cpp-rpc/Pages/cpp30.aspx>

3. https://en.wikipedia.org/wiki/Canada_Pension_Plan#Unfunded_liability

Then, we discussed *uncontrolled credit expansion* and how housing prices follow closely credit availability and not incomes. This is because housing is a basic need for which, especially when there is scarcity, it is feasible to demand from the new buyer the maximum they can give up of their future income in order to not be homeless and hopefully be adequately housed. Strong equity gains for one generation are the crushing housing costs of the next. There needs to be a balance.

The *financialization of housing* stems from our financial system that affords securitized loans (lowest interest rates available) to individuals who own property and the possibility to leverage unrealized gains to purchase more properties, which creates a self-sustaining cycle of exponential equity growth (for some time). This is an important source of social, financial, and economic inequality between individuals in a society as those born without access to funds (or incapable to save hundreds of thousands of dollars for a down payment) cannot access financial services that help one create a business, borrow at affordable rates, and grow their wealth without additional work.

The first three factors discussed set up the stage for *speculation* as domestic and foreign parties purchased homes with the sole intent of reselling them (with minimal or no improvement made) in the near future. Speculation is different from investment. Speculation is founded in the purchase of something (e.g. a property) for the sole purpose of lowering its availability to others in order to resale the exact same object (e.g. the same property) for a higher price without having created value. Investments create additional value which is the source of the increase in value after a certain period of time. Investment in real estate can

take multiple forms, such as renovating a home, building a new structure (home) of higher quality, densifying a plot of land such that more people can have a home, etc. It is not uncommon for real estate actors to participate both in speculation and investment, but it is possible to penalize speculation (through taxes or other mechanisms) while encouraging investments (through tax breaks or other mechanisms) that improve the quality and quantity of our housing stock.

Finally, *municipal finances and infrastructure* are set up in a way that disincentivizes beneficial home supply and subsidizes inefficient, costly, and environmentally problematic developments. This has led to low supply and increased costs on housing production and maintenance, poor services to many outer urban neighbourhoods, expensive road maintenance (the most expensive transport infrastructure per capita) that diverts funds from library and park services, and a city that is always on the edge of bankruptcy with high numbers of transportation injuries because of poor design.



- The Bank of Canada has been increasing the overnight interest rate, leading to higher mortgage rates offered by lenders.
- Rental prices continue to increase.
- The average monthly payment on a new home have increased slightly, though the cost of a down payment has decreased.
- Though rising interests may cool demand by reducing available credit, it remains to be seen whether this trend continues as the other fundamental factors remain.

Ottawa home prices are down 4% since their peak in March 2022 (as of May)

But the housing crisis still isn't over...



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While it remains to be seen whether this trend continues, **this doesn't represent a sudden reversal in many of the long-term causes of price increases.**

This means while it may be easier to save for a down payment (for some, we are experiencing high inflation after all...), it is relatively harder to qualify for a mortgage, and mortgage payments are relatively higher.

Other underlying factors are still unaffected.

Home prices are not declining at the same rate they increased with an equal change in interest rates (because home price inflation wasn't only due to declining interest rates). The last time we had mortgage rates near or above 5% was in the 2000s decade and homes are not selling at pre-2010 price levels.

Sources:

Ottawa House prices: <https://www.agentinottawa.com/stats/>

[Historical 5-Year Fixed Mortgage Rates in Canada \(ratehub.ca/5-year-fixed-mortgage-rate-history\)](https://ratehub.ca/5-year-fixed-mortgage-rate-history)

Changes in prices local examples

- This home sold in April for \$661 000
 - With the average price decreases, that would be \$634 000 in May
 - With the average interest increasing 0.86% the monthly mortgage payment would go from \$3,194 to \$3,357
- This home sold in April for \$500 000
 - With the average price decreases, that would be \$480 000 in May
 - With the average interest increasing 0.86% the monthly mortgage payment would go from \$2,447 to \$2,568



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For the home on the left, an income of approximately \$160K would be required to afford the home, whereas an income of at least \$124K would be required for the home on the right. These figures are computed using the 30% of gross income affordability rule.

Compared to the incomes of existing residents in our neighbourhood, this means that only families making above average incomes (75th percentile or higher) than those living here can move to our neighbourhood. The increase in interest rates has not yet materialized in increased affordability.

Sources:

Interest Rates Source:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410014501>

House sales data: Housesigma.com

Ottawa House prices: <https://www.agentinottawa.com/stats/>



There are a lot of debates on how to solve the housing crisis but knowing this is a multifaceted and complex issue that has been decades in the making (as we know), we can't expect any one solution to fix the problem. We need a host of solutions that work together to improve housing options and affordability for everyone.

Most demand-size solutions must be implemented by higher levels of government (federal, provincial, but also municipal in some cases), while supply-side solutions can mostly be implemented at the more local level (municipal and provincial levels). We will explore all types of solutions that the HCCA can advocate to implement with various levels of government, and also a new framework that can be implemented at the neighbourhood level that could help restore affordability and protect what we love about our neighbourhood over the next decades.

THE GOVERNMENT RESPONSE

WHERE WE CURRENTLY STAND



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The next few slides will present each level of government's responses to the housing crisis.

Government Response – Federal

Little has been implemented, but here are promises made by the federal government:

The 2022 Federal Budget Focused Heavily on Housing

- Tax-Free First Home Savings Account
 - Like an RRSP for housing with a \$40,000 limit, \$8,000/year starting in 2023
- Extension of the First-Time Home Buyer Incentive
 - Lowers borrowing costs for first-time buyers by sharing it with the government
 - Extension to March 31, 2025
- Two-year ban on foreign purchase of property
- Introduction of new regulations regarding “house flipping”

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This slide lists all the federal policies that have been promised to address the housing crisis.

In the 2022 federal budget, the national government introduced new regulations and initiatives centred on home buying. These include a Tax-Free First Home Savings Account (like an RRSP, but for houses), an extension of the First-Time Home Buyer Incentive until March 2025, a 2-year ban on foreign purchase of property, as well as new regulations regarding house flipping.

While promised during the election, the federal government has not yet acted on a “Bill of Rights” for homebuyers.

Source:

1. Government of Canada’s Housing Affordability Plan:

<https://www.canada.ca/en/departement-finance/news/2022/04/making-housing-more-affordable.html>

Government Response – Provincial

Report of the Ontario Housing Affordability Task Force

- Focuses on solutions to increase the supply of market-rate housing across the province, like:
 - Increasing the cost of appeals for new developments;
 - Reducing funding to municipalities that construct not enough new housing; and
 - Limiting excess public meetings for new developments.

Bill 109 (More Homes for Everyone Act, 2022)

- Adopts recommendations made in the task force's report;
- Passed by Provincial Legislature and received Royal Assent;
- Contains policies concerning:
 - Streamlining the development approval process;
 - Changes to municipal finances regarding development; and
 - Public consultations.

In sum, the province is taking drastic action concerning housing, and with the current government's re-election, it may force its will upon Ontario's municipalities whether they like it or not. It would be prudent to expect big changes in the next few years.

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Of all 3 levels of government, the provincial level is probably taking/considering the most direct and drastic action regarding the housing crisis (although little has been implemented so far). Recently, it released the Housing Affordability Task Force's Report, which calls for initiatives to increase the supply of market-rate housing across the province through the cutting of red tape and through financial incentives to cities.

The province is also moving forward with Bill 109 (More Homes for Everyone Act, 2022), which adopts some recommendations made in the task force's report, and contains policies concerning: streamlining the development approval process, changes to municipal finances regarding development, and public consultations.

In sum, the province is taking some action concerning housing, and with the current government's re-election, it may force its will upon Ontario's municipalities whether they like it or not. **Getting ahead of this could provide communities agency in its development to enhance the character of the neighbourhood and grow amenities to serve established and new residents.**

Sources:

1. Report of the Ontario Housing Affordability Task Force: <https://files.ontario.ca/mmah-housing-affordability-task-force-report-en-2022-02-07-v2.pdf>

2. Bill 109: <https://www.ola.org/en/legislative-business/bills/parliament-42/session-2/bill-109>

Government Response – Municipal

New Official Plan

- Much of the City of Ottawa's response to the housing crisis lies in its efforts to implement a new official plan that will guide how the city grows and develops.
- One of the main aspects of the new official plan is encouraging more growth through densification and the construction of more affordable housing.
- *"The new Official Plan is designed to help Ottawa become a city of connected, green, inclusive and walkable communities, with greater density of housing, employment and services around rapid-transit hubs and along transit corridors."*

Comprehensive Zoning Review

Inclusionary Zoning



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New Official Plan

Much of the City of Ottawa's plan to address the housing crisis lies in its efforts to implement a new official plan. The new official plan will emphasize encouraging more growth through densification, as well as the addition of more affordable housing. The Official Plan is to grow housing in Ottawa 60% through infill and 40% through sprawl, while Ottawa is already as large as five of Canada's cities in area (Calgary, Edmonton, Montreal, Vancouver, and Toronto). The Official Plan is a step in the right direction, although critics would consider it to be a little small.

As we can see on the graph, the number of active listings on Ottawa's housing market has been decreasing since 2018, with COVID having a noticeable impact. Ottawa is a growing city with lots of jobs and attracts many new residents from abroad and across Canada. Additional housing units to serve families is a necessity and we need them sooner rather than later.

Comprehensive Zoning Review

The zoning review is mostly to standardize codes from pre-amalgamation, to implement the City's official plan, and to make use of newer zoning tools (such as decreased parking minimums). This is an important area where the association can speak in favour of best practices in urban planning to make our streets safer and

more family friendly, and to build better, more affordable, and quality housing within our neighbourhoods.

Inclusionary Zoning

The inclusionary zoning report approved by planning committee was widely criticized- its definition of affordability is fairly weak (30% of the income of the 60th decile of rental households), it is only for condos, only 10% in affected areas, and has no funding or other provisions to ensure building isn't decreased, or costs just passed on to people left out.

Inclusionary zoning is also criticized for maintaining the status quo, as new market rate housing subsidizes the affordable housing being built leading to higher market housing prices for middle income families. A more inclusive approach would be for the cost of affordable housing to be publicly funded.

Sources:

City of Ottawa Official Plan: <https://engage.ottawa.ca/the-new-official-plan>

Zoning Review: <https://engage.ottawa.ca/new-zoning-by-law>

Inclusionary Zoning: [https://pub-](https://pub-ottawa.escribemeetings.com/Meeting.aspx?Id=bf009d5e-8048-452b-aa6c-a908d0b6409b&Agenda=Agenda&lang=English&Item=19&Tab=attachments)

[ottawa.escribemeetings.com/Meeting.aspx?Id=bf009d5e-8048-452b-aa6c-a908d0b6409b&Agenda=Agenda&lang=English&Item=19&Tab=attachments](https://pub-ottawa.escribemeetings.com/Meeting.aspx?Id=bf009d5e-8048-452b-aa6c-a908d0b6409b&Agenda=Agenda&lang=English&Item=19&Tab=attachments)

Critical Article on IZ: <https://ottawa.citynews.ca/local-news/ottawas-new-inclusionary-zoning-policy-only-benefitting-property-developers-community-groups-5495259>

Graph Source:

1. Shrinking Inventories Graph: <https://ottawacitizen.com/news/local-news/ottawas-housing-market-keeps-rolling-despite-higher-interest-rates>

Ottawa's Comprehensive Zoning Bylaw Review

Implementation Plan



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Planning Committee will be approving the implementation report Thursday June 23, 2022. After that there will be multiple opportunities for the HCCA to give feedback, as early as this summer.

Timeline Source: <https://engage.ottawa.ca/new-zoning-by-law>

UNCONTROLLED CREDIT EXPANSION, FINANCIALIZATION, AND SPECULATION

WHAT CAN WE DO AND ADVOCATE FOR AT
THE FEDERAL AND PROVINCIAL LEVELS?



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Now that we know what our governments intend to do (and recognizing that we are in a crisis and the propositions do not meet the magnitude of the problem we face) we will explore additional actions that can be taken or advocated for concerning uncontrolled credit expansion, financialization, and speculation.

Please review the 2 May 2022 presentation on the Housing Crisis to refresh your memory on these issues on the HCCA's website.

Regulatory and legal barriers to abuse



Financial instruments and incentives that make homes a vehicle for investments and speculation at the expense of their primary function (shelter) which is a basic human can only be addressed through regulatory and legal barriers to abuse.

These include a *homebuyer's Bill of Rights* (the largest expense Canadians make and one through which they have the fewest recourse if anything ever goes wrong); *Higher down payments* on non-essential properties to help ensure that home purchases are primarily made to live in; *Enforcement* to ensure that existing rules and regulations are respected so our real estate market cannot be abused; and *Restrict Equity Access* to prevent excess borrowing and the use of equity to unsustainably prop up the real estate market.

Limiting Speculation

In response to a 9% increase in home prices, Singapore recently adopted a new 17% tax on second properties and a 25% tax on third properties.

This lowers speculative demand on the resale market, as purchasing existing second or third homes doesn't add more housing.

The minimum down payment required to purchase an investment property can be increased, to drive down speculative demand in the resale market (something also implemented by Singapore)

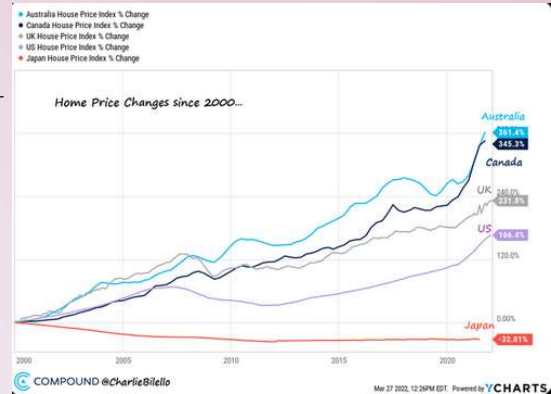
Some moderate changes to home buying regulations could favour prospective buyers instead of speculators, while still encouraging investment into purpose built rentals.

Article on Singapore: <https://vancouver.sun.com/opinion/columnists/douglas-todd-as-canada-dithers-about-a-flood-of-house-investors-singapore-pushes-back>

Restrict Access to Home Equities

This is a sub-component of our mortgage market structure.

	Equity Withdrawal	Avg. LTV ratio on new loans	Mortgage debt-to-GDP	Mortgage-backed securitization	Owner-Occupation ratio
Canada	Yes	75% (2013) 88% (2021)	43% (2013) 65.4% (2019) 22.4ppt	Yes	66% (2013)
Australia	Yes	80% (2013)	74% (2013) 94.6% (2019) 20.6ppt	Yes	70% (2013)
UK	Yes	80-90% (2013)	74% (2013) 125% (2019) 56ppt	Yes	70% (2013)
USA	Yes	80% (2013)	69% (2013) 48.9% (2019) 21.1ppt	Yes	69% (2013)
Japan	No	70-80% (2013)	36% (2013) 38.3% (2019) Stable	No	61% (2013)
Spain	Limited	70% (2013)	40% (2013) 41.6% (2019) Stable	Yes	85% (2013)



Restricting access to home equities

Low interest rates and quantitative easing tend to lead to more borrowing via multiple avenues such as credit cards, homes, and the stock market. In Canada, uncontrolled credit expansion is correlated with deregulated financial markets which lead to the increased inefficient allocation of capital (credit) to a mostly fixed housing stock (hence home price inflation as more credit chases a fixed stock of housing) instead of towards productive businesses. This cycle is partly perpetuated by access to home equities for consumption (of additional properties or anything else).

This leads to multiple problems including masking declining living standards as households borrow against their homes when their incomes are no longer enough. This provides the illusion of growing living standards through high consumption spending by households using home equity lines of credit, and as such, stagnant wages and deteriorating pensions are not considered important issues by governments since consumption spending is strong. This leads to government inaction and growing reliance on the housing market to prop up current growth at the expense of the next decades and future generations who will pay for this consumption through higher home prices.

Most countries in the same position as Canada in terms of widespread unaffordable housing have similar mortgage market structures which allow for equity withdrawal, high

loan to value ratios, and high mortgage-debt to GDP, leading to a self-sustaining cycle where home values are seen as needing protection because borrowing to spend based on equity gains masks other issues such as declining wages, and not protecting high home values would uncover these social issues that affect everyone (homeowners and renters).

Limitations on the use and amount allowed under equity withdrawals would reduce the excess exuberance that has plagued the housing market over the past few years. For example, equity withdrawals could be limited at principal paid down by the homeowner thus reinforcing the link between incomes, home prices, and consumption, while maintaining homeowners' ability to access their savings.

The advocacy here is for financial reform which aligns incentives for all players (buyers, banks, mortgage brokers, CMHC, and financial markets) with public policy objectives: financial stability and the financial well-being of all Canadians.

NOTE: It is not a one-size fits all solution. As you can see, the United States allows for equity withdrawals but has had its mortgage debt-to-GDP ratio decline nonetheless, this is due to the fact that the US does not extend mortgages to individuals with a credit score below 680 and because in the US, unlike other countries listed here, an individual can walk away from their home and abandon their mortgage responsibilities. In Canada, that is simply not the case, if you take on a mortgage you can't pay anymore, you will lose the house and have to pay any amount not recovered by the Bank through the sale (the only province that does not function this way is Alberta and home prices are much lower there compared to other provinces).

Japan has undergone significant financial reforms in the 1990s in response to unsustainable home prices. In Japan, homes are regulated to depreciate to \$0 after 25 years preventing speculation in their housing market, which makes homes and rentals affordable in the long-run for everyone in the country. Banks will simply not provide a mortgage for a property of 25 years (since the official value of the home is \$0), which is why most properties are redeveloped in Japan after 25 years. Please note that while Japan is a country very closed to immigration, these policies were implemented in response to an exuberant house price bubble and these financial reforms and policies are what stabilized home prices in the country. The exuberant house price bubble took place despite Japan's low immigration and declining population (further supporting that immigration is not a fundamental factor affecting home prices although it can make the effects of under-supply and poor financial regulations worse).

Sources:

1. 2013 data from *Rethinking the Economics of Land and Housing* by Josh Ryan-Collins, Toby Lloyd, and Laurie Macfarlane (2017)
2. 2021 Canadian Avg. LTV ratio on new loans from the National Association of Realtors. For buyers under the age of 30, the avg. down payment drops from 12% to 6%.
3. 2019 Mortgage debt-to-GDP ratio from the Helgi Library.

Sources for additional readings/research:

1. *Rethinking the Economics of Land and Housing* by Josh Ryan-Collins, Toby Lloyd, and Laurie Macfarlane (2017)
2. Bezemer, Dirk, and Lu Zhang. 2014. *From Boom to Bust in the Credit Cycle: The Role of Mortgage Credit*, Research Institute SOM Working Papers Series, No. 14025-GEM.
3. Bezemer, Dirk, Lu Zhang, and Maria Grydaki. 2016. *More Mortgages, Lower Growth?* *Economic Inquiry* 54(I):652-74. doi: 10-1111/ecin.12254.



When it comes to constrained housing supply, the best we can do is reverse some of the arbitrary rules that prevent us from enjoying the environment of our neighbourhood and homes to the fullest.

We all have different needs and shouldn't be forced into one type of home with micromanaged regulations that go above and beyond health and safety requirements, and also ensure housing will be unaffordable by increasing costs.

The goal is not to ban single detached homes. They are a legitimate housing type for those of us who want them and can afford them, but we shouldn't be imposed on everyone with limited housing choice because of zoning as is currently the case.

Designating areas of our neighbourhood where greater density is acceptable follows the same blueprint that have led us to the housing crisis. The best practice is to have a broad residential zoning designation in which any housing type can exist, and limitations can be implemented to ensure that it allows for what currently exists and also for any more affordable housing type than what previously existed there (e.g. single detached housing). This can be called *zoning for affordability* and it is the best zoning change we could implement to reduce the effects of the housing crisis on our community and prevent abuse in building unaffordable luxury housing.

Current zoning micromanages housing construction by housing type, but affordable zoning would expand what can be built, based on the needs of the community and future residents, while ensuring that affordable housing is prioritized over other more expensive forms of housing. Expensive housing could still be built, but it would require a variance and consultations (as is currently the case for affordable housing), while affordable housing to all income levels could be more easily built (without needing to pay large fees to request variances, which luxury homes do not have to do today). This is effectively cutting red tape for what we want (affordable homes tailored to our needs)!



Hunt Club zoning

Allowing for denser housing in the least dense area has some surprising benefits **if done right**

Homeowners would have more rights to their own land, and would be able to access their home equity

Big developers would have less sway in the community

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Hunt Club is currently constrained by zoning that micromanages residents' abilities to live in a home that fits their needs and can change based on their needs throughout their lifetime. For example, a couple in Barrhaven have extended their driveway with a brick path in anticipation of needing wheelchairs in the near future. However, bylaw has told them to need to undo the \$3,000 upgrade they did to their home to adapt to their changing needs or they must pay \$3,000 to apply for a variance (that may not be awarded) to maybe keep their wheelchair/walking path (source: www.cbc.ca/news/canada/ottawa/inconsistent-enforcement-of-driveway-bylaws-1.6505820).

We should embrace housing diversity that meets our changing needs throughout our lifetime.

The map highlights that different housing types can only exist in their own part of the neighbourhood (condo townhomes and co-op housing or purpose-built rental in orange, commercial or mixed-use developments in pink, institutional developments (schools) in blue, and single detached or other low-density housing in yellow).

Anyone who lives in the neighbourhood and owns their home should be allowed –without asking permission from others and going through a lengthy approval process- to make changes to their own home to fit their own needs. This is the entire premise of personal

property rights. We own our homes, and we share the neighbourhood.

It is currently illegal to build any type of missing middle housing in our community outside of the already built specific areas where it is contained. There is no valid reason (in our opinion) why townhomes and single detached homes can't be neighbours, or a bungalow court can't exist in our neighbourhood for senior residents looking to downsize in place. Currently, there is no option for senior residents who have lived in our neighbourhood for 20-40 years to downsize, they are forced to leave once they are no longer completely independent and that is because of our exclusive status quo housing policies.

Zoning by housing type is often used as a tool to prevent change, but this type of zoning doesn't prevent change. People don't stop existing when we don't build housing for them (e.g. our children – remember the 1 home per child proxy we discussed over a month ago), they are forced into worse housing situations and this ripples into worse housing situations for us all when our needs change. Everybody loses in the long term. Our neighbourhood might look the same it did in 1980, but it is emptier (houses fewer people), more exclusive, and radically less affordable.

Yellow – R1 to R3 Zones

Orange – R4 Zone

Pink – Mixed Use Zone

Red – Local Commercial Zone

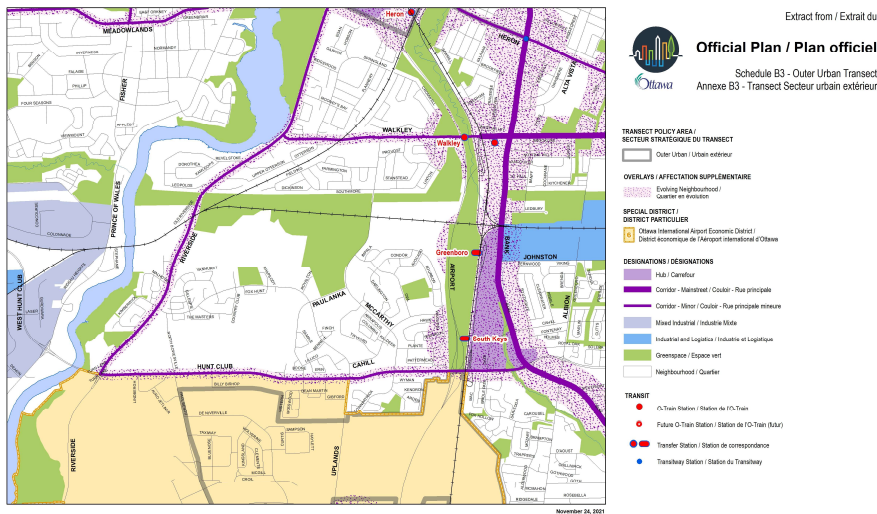
Grey – Light Industrial Zone

Blue Grey – Minor institutional Zone (schools)

Image Source: Riley Brockington's Office

Allowed uses: <https://ottawa.ca/en/living-ottawa/laws-licences-and-permits/laws/law-z/planning-development-and-construction/maps-and-zoning/zoning-law-no-2008-250/zoning-law-2008-250-consolidation/part-6-residential-zones-sections-155-168#r3-residential-third-density-zone-sections-159-and-160>

Upzoning in Hunt Club: New Official Plan



- Note the “evolving community” designations near the arterials and transit stations
- These evolving neighbourhoods are intended to promote dense “15 minute neighbourhoods” with walkable infrastructure and nearby amenities

Image Source: Riley Brockington’s Office

Official Plan: ottawa.ca/en/living-ottawa/laws-licences-and-permits/laws/law-z/planning-development-and-construction/maps-and-zoning/zoning-law-no-2008-250/zoning-law-2008-250-consolidation/part-6-residential-zones-sections-155-168#r3-residential-third-density-zone-sections-159-and-160

Zoning Implementation Report- Planning Committee Jun 23

Table 2: Existing Residential-Zoned Parcels

Zone	Downtown	Inner Urban	Outer Urban	Suburban	Total by Zone
R1	128	10,740	36,417	36,933	84,218
R2	3	5,048	9,274	12,033	26,358
R3	126	9,934	8,950	33,823	52,833
R4	5,957	7,992	2,040	589	16,578
R5	665	765	985	342	2,757
Total by Transect	6,879	34,479	57,666	83,720	182,744

Table 4: Modelled Zoning Framework

Current Zone	Allows	Modelled Conceptual Zone	Would allow
R1	1 unit*	N1	2 units**, 70 DU/ha***
R2	2 units**	N2	4 units, 135 DU/ha
R3	3 units**		
R4A-R4L	4 units		
R4UA	8 units	N3	Up to 8 units, 225 DU/ha
R4UB	12 units	N4	Up to 12 units, 275 DU/ha
R4UC-R4UD	By bldg envelope	N5	More than 12 units, up to 600 DU/ha
R5	By bldg envelope	N6	Mid-Rise, More than 600 DU/ha
R5	By bldg envelope	N7	High-Rise, By bldg envelope

* 2 including SDU's
 ** 4 including SDU's
 ***including SDU's

- Table 2 shows the distribution of lots by current zones, table 4 is a proposed new framework
- DU = Dwelling Unit
- SDU = Secondary Dwelling Unit (contained within the main home, such as a basement apartment)
- DU/ha = Dwelling Units per Hectare
- 70 DU/ha is equivalent to 28 per acre, which is roughly the same density as row houses with front and back yards
- Full report is here:
<https://app05.ottawa.ca/sirepub/cache/2/s2o3jl52hn2xe5lwp5ojdt5a/81556506212022101037533.PDF>
- Next step will be public engagement on these plans

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Despite the proposed (small) increase in density, additional units have to follow very strict guidelines that the average resident is unaware of which makes making changes to our own homes very difficult to do and hands over a monopoly on development to developers.

The current zoning code has a lot of different complex schedules (regulations) within those zones.

Source for tables- implementation report

<https://app05.ottawa.ca/sirepub/cache/2/s2o3jl52hn2xe5lwp5ojdt5a/81556806212022101039670.PDF>

- With so much of our city taken up by R1 low density housing, in order to build more housing, builders have to use some combination of 3 options:
 - build as much as possible where it happens to be allowed (big, tall projects)
 - go through an intensive regulatory and consultation process, costing time and money, to rezone an area
 - build new communities on the periphery (sprawl)
- With these options, large, corporate, well-connected developers will outcompete small builders every time
- **What if we could bring back smaller scale development?**



The Relationship between developers and zoning

The current development process is like a volcano- there are few places to build and a lot of demand pressure. So developers cram as much as they can in an explosive new build.

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Let's use a metaphor- plate tectonics. There is a lot of demand to live in a city like Ottawa (everyone wants and should be able to live in the city where they work) - pressure building up. Most of the city cannot be built on, it's R1- solid granite. Some areas do have high density zoning- fissures, weaker rock. The result is an explosive eruption in the neighbourhood at those pressure points (high density zoning)- big development project.

The most effective protection against explosive and car-dependent towers that create a lot of traffic is a more broad-based gentle increase, with strong transportation infrastructure for various modes of transportation, everywhere.

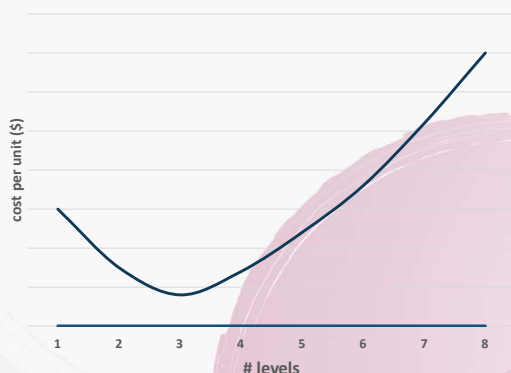
Exclusionary zoning is the driving mechanism that creates luxury towers. If we don't want towers in our neighbourhood, we should end exclusionary zoning (and adopt affordable zoning).

Affordable Zoning

Amend residential zoning based on affordability, rather than housing type.

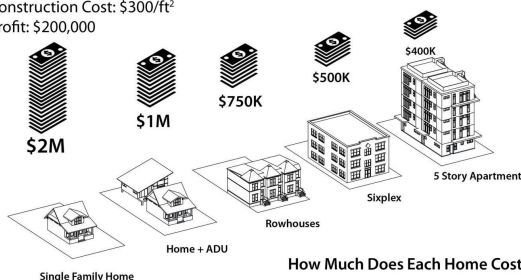
Allowing for homes of different sizes based on preferences so people aren't forced to have large lawns if that's not what works best for them

Affordability based on height



Construction Costs

Land Acquisition: \$600,000
Construction Cost: \$300/ft²
Profit: \$200,000



How Much Does Each Home Cost?

FAR FSI BCR	0.25 25%	0.5 50%	1 100%	1.5 150%	2 200%
25%					
50%	not possible				
100%	not possible	not possible			

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This slide presents one example of a regulation that is very restrictive for development: the floor area ratio (FAR), which dictates on how much of a lot a property can be built and the maximum floor space the home can have. See the bottom right corner.

If our objective is affordability and not to dictate who is welcome or not based on whether we allow homes that fit their needs or not, then we should zone for affordability instead of zoning by housing type, and therefore not impose a single lifestyle on everyone.

The cost of construction by floor/unit will change based on the value of the land (which is a fixed cost). Initially, as you increase the number of floors of a home, the cost per level or sq.ft will decrease until the construction costs to build higher grow beyond the cost savings of having additional floors. This is why a tower of 20 floors is not necessarily more affordable than a missing middle home of four levels. In the example provided, the most affordable height is 3 levels tall, and up to 5 levels and a half is just as affordable as a 1 level construction (see the graph).

The top right figure shows how construction costs per unit decrease with medium density, and while many people would love to live in a large detached house, if they can only afford a 3bdrm in a 5-storey apartment, that's what they'll opt for. It is not rational to build only what people would like to live in if money wasn't an object, because money is a very real

constraint. Right now, we don't offer options between expensive detached homes and expensive ultra-high towers.

Rather than regulating housing types and exactly what they can look like, we can regulate based on affordability such that additional levels are permissible (but not mandatory) as long as it doesn't make the homes less affordable (in this case, optimality is at three levels, but could be 5 levels and half or two levels only). To build for six levels or more (which is more expensive) would require a variance and lengthy consultations.

Neighbourhood character includes building styles and materials, as well as building height, lot coverage, and housing type (with specific measurements for each type of home). Hunt Club has a lot of parks as well, so if some people would be happy with larger apartments and balconies/terraces without a backyard because we can access parks, why shouldn't they be allowed to build on more than just half the lot? What is the health and safety concern for mandating setbacks of homes that are of at least 4 meters from the sidewalk? These are mostly to accommodate cars, but some people may choose to live without a car and they should be allowed to do that (and not waste a lot of space for a driveway they don't need). Everyone who wants a large driveway to store there are equally entitled to have it, but it shouldn't be mandated for everyone. We don't all have the same needs.

Understanding price comparisons when new developments are suggested


It is disappointing and possibly heart breaking to see a small bungalow in poor condition sell for \$700K only to have two semi-detached homes built on them and sell for \$750K each. It feels like affordability was not preserved through this slight up-zoning, but this would be a misconception. When comparing two scenarios (counter-factual analysis), we must compare apples to apples.

In this case, this means that the unlivable bungalow in need of important repairs selling for \$700K is not the full price of the home. To compare this price against the final \$750K of the semi-detached home, we would need to factor in the renovation costs and possible complete reconstruction of the bungalow, which could easily increase the cost by \$200K-\$500K, leading to a final price tag of \$900K-\$1.2M in current dollars for the same bungalow restored to good living conditions.


As such, affordability has very much been improved (even if not as much as we would like) by selling two semi-detached homes for \$750K instead of having one home for about \$1M on the same lot.

This does not resolve the issue that 40 years ago, a working-class family on one income could have afforded a home there, but it is a step in the right direction that, if replicated enough times (and complemented by other policies and reforms), will restore affordability to the neighbourhood. It would be naïve to think that a housing crisis 40-50 years in the making can be resolved overnight with one housing project. It's going to take a lot of steps in the right direction, but it is possible. Vision and good design will go a long way in restoring


affordability sooner rather than later.



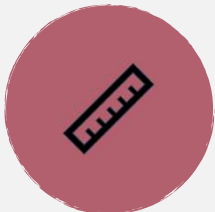
Eliminate Parking Minimums
Minimums encourage more driving, more traffic, and inefficient land use



Allow Multi-Family Homes
More varied family structures, multiple families sharing one lot




Converting Homes
Allow homeowners to add more housing with existing buildings (e.g. basement apartments)



Reduce Lot restrictions
Minimum setbacks force owners to have bigger lots than they might want

More Potential Reforms

Zoning codes place significant restrictions on what homeowners can do with their property- some with outdated assumptions



All of these aspects and more of a property are heavily regulated

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Here are some less apparent elements of the zoning code that could be reformed without making significant changes to neighbourhoods.

We can allow homeowners more options in how they use their home-- bigger or multiple families, additional internal units.

We can stop requiring setting aside so much land for cars-- allow homeowners more choice in how to use their property, and create more walkable areas, or even allow for the establishment of a small café for neighbours to meet and mingle at.

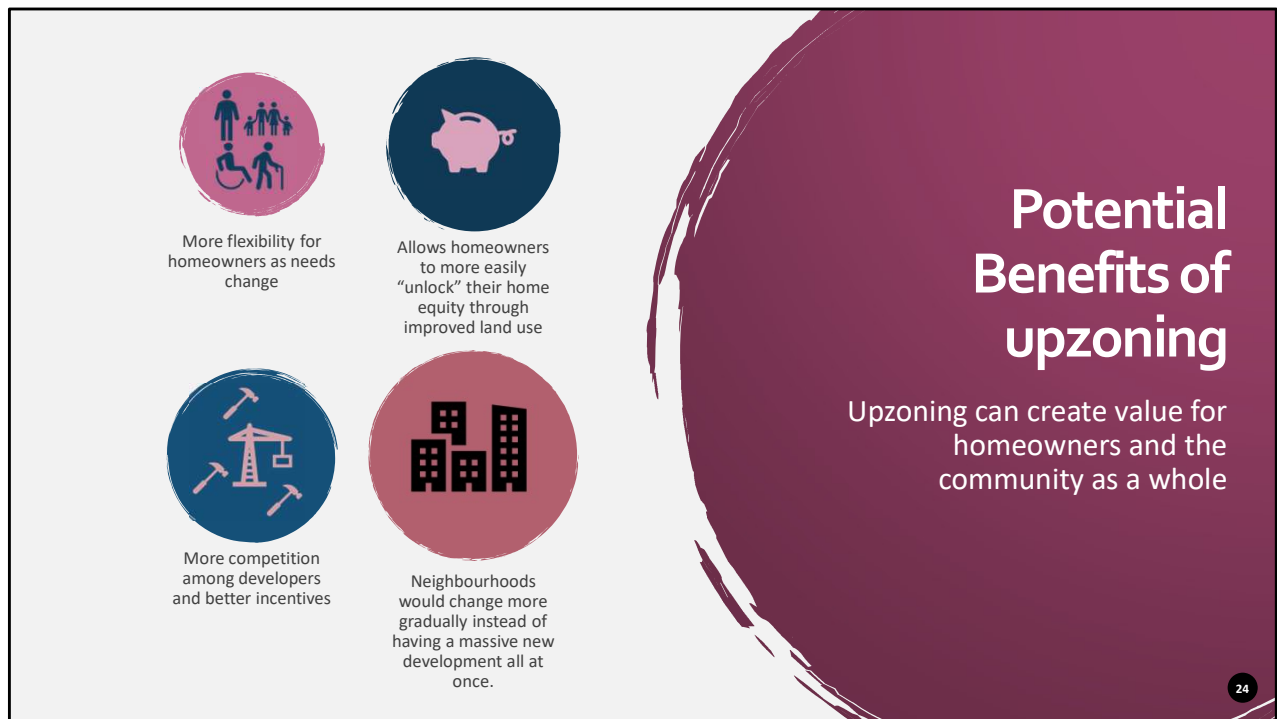
This isn't only the result of parking minimums- this is also baked into items like minimum setbacks- where roads have massive clear spaces (front lawns) to facilitate roads designed for faster driving. Cars are a tool to access our homes, they shouldn't dictate how our homes can be built.

Image: City of Markham (<https://www.markham.ca/wps/portal/home/about/city-hall/city-projects-initiatives/current/new-zoning-bylaw-project/04-about-zoning-bylaws>)

More info on setbacks: <https://www.strongtowns.org/journal/2018/3/6/a-brief-history-of-setbacks>

Parking in Edmonton: <https://nationalpost.com/opinion/colby-cosh-edmontons-radical->

step-on-parking-regulation-and-the-economist-who-made-it-possible/wcm/36f80a2c-9faf-4cc9-b1b4-9a95bf58ee01/



Up-zoning doesn't mean eliminating all zoning. There are benefits to carefully planning communities. It would just allow for more density at the minimum, where owners can build more density as of right. “More density” doesn't automatically mean 10 or 20-storey towers, but more dense forms of housing- the missing middle (human scale development).

If the city or province decides to pursue up-zoning, it could take many different forms. The HCCA will have opportunities to advocate for more beneficial policies here if needed.

We're talking right now about a version of up-zoning that is most beneficial for the entire community-- but it will take effort to steer that way and make sure it's done right.

- Up-zoning allows homeowners to more easily “unlock” their home equity through improved land-use (home upgrades). It's possible to rent a portion of the home, expand the building, add an accessory unit, convert the unit, sell part of it, etc.

- This would also increase property values through higher land values (since it's possible to put the land to more uses)
- Up-zoning removes the pent-up demand pressure on areas favoured by big developers, and spreads new housing across the neighbourhood and city, thus preserving neighbourhood character better
- Homeowners, smaller scale investors, and non-profit organizations could be the main suppliers of housing instead of large corporate developers
- Neighbourhoods would change more gradually instead of having a massive new development all at once.

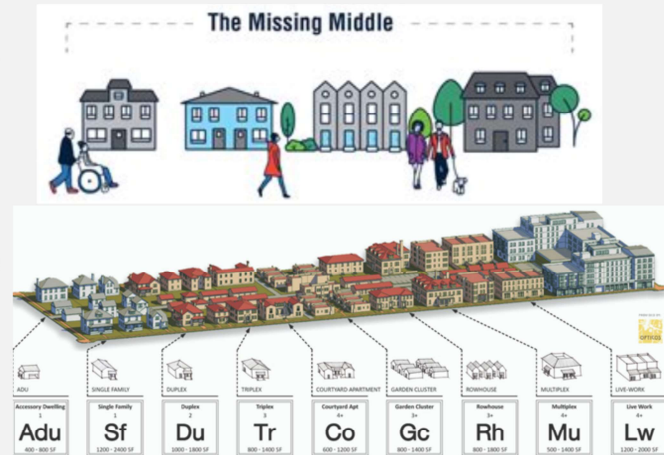
Affordable zoning legalizes Missing Middle Gentle Density

- An **anti-displacement strategy** to house our children and friends, and keep our elder neighbours adequately housed

- A **housing choice strategy** that does not impose on families only one type of housing but allows people to choose what suits them best based on their needs

- A **family and community-oriented strategy** that makes our streets safer for children and encourages inclusivity and diversity

- An **environmentally sustainable strategy** that protects our cherished green spaces and reduces home and transportation GHG emissions



Our community housing needs

Legalizing housing types that serve residents all throughout our entire lives is a feature of livable and affordable communities.

The limited housing type allowed in our neighbourhood does not allow for the flexibility needed to serve well Hunt Club residents throughout the entirety of our lives.

- Elderly residents in single detached homes will be forced to move out of the community they've lived in for 15-40 years because we do not have homes adapted to their needs;
- A greater proportion of children above the age of 25 live with the parents because there are no viable options for them either;
- Our community is gentrifying without new developments and has become a location of choice for investors – the status quo is not preserving our neighbourhood, it is commodifying it: affordability is eroding for our friends, new neighbours, and children.

Family situations change, and our residents should be able to adjust their home

according to their needs:

- Separation/divorce: semi-detached homes, duplexes, townhomes may be a better option for some families;
- Sickness/Illness: some families may need to downsize because of an accident or illness where a large apartment/condo with balconies may fit their needs better;
- Multigenerational arrangements: some families may choose to live 3-4 generations in one home, but it is currently illegal for them to adapt their home to their needs
- Death/single parent: affordable options, even if the living space is smaller than 1,000 sq ft would be a great option for families having gone through a trauma as they can keep their social network by staying in our neighbourhood even if they can no longer afford a SDH. .

Affordable zoning helps achieve all the key benefits previously discussed about gentle density. It also reduces developer influence as they no longer are the only ones sufficiently knowledgeable to navigate the complex municipal development process. This allows for more competition as small developers emerge and competition means more competitive prices too.

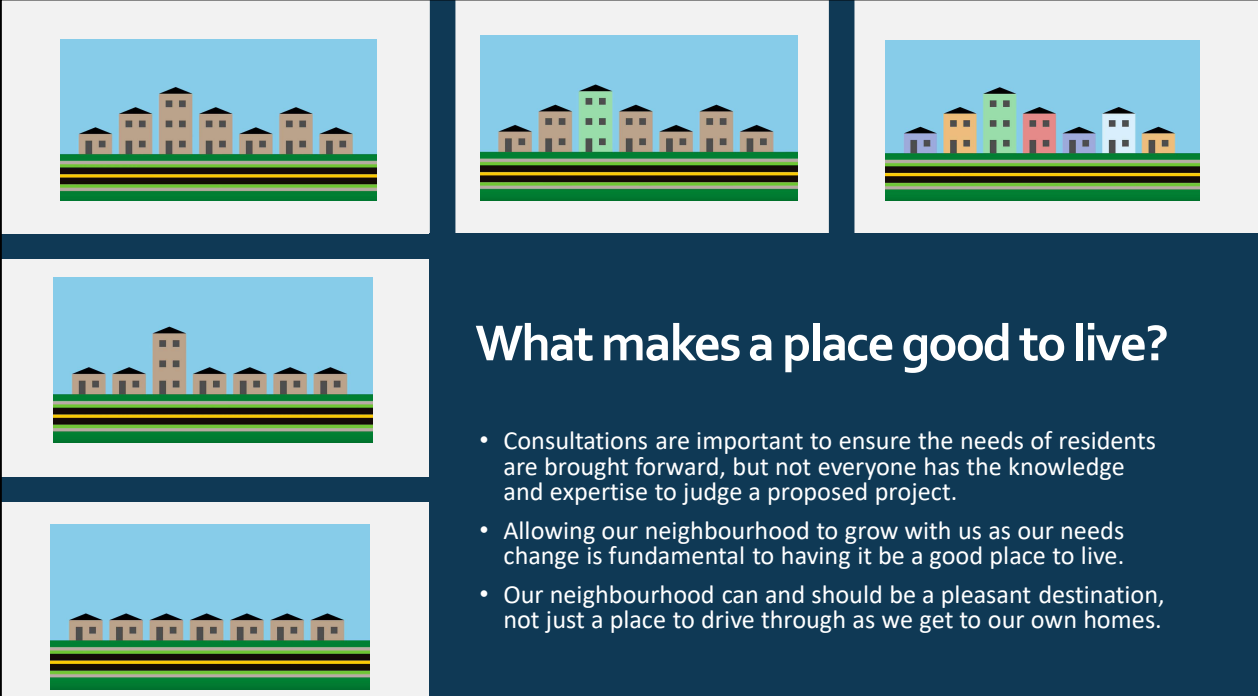
Affordable zoning helps ensure that no one who currently lives in our neighbourhood would ever be forced to leave because the housing type that would best suit their needs isn't legal: this is the **anti-displacement strategy**.

Affordable zoning helps ensure that quality housing of different kinds is built in our community allowing residents to move within the community (or renovate their own home) as their needs change over time or based on their preferences: that is the **housing choice strategy**.

Affordable zoning is family and community-oriented as it ensures that families, currently priced out of our neighbourhood, can find suitable housing, there will more options than just 1-2 bedrooms for rent and there will more affordable options with 3-4 bedrooms as well: that is the **family and community-oriented strategy**.

Affordable zoning also protects our environment because it ends the trade-off between housing a family on a 30x60 plot or having 30x60 greenspace. With affordable zoning, gentle infill is legalized which allows us to house more efficiently more people where it is good to live (existing neighbourhoods) without destroying what makes Hunt Club a good place to live, i.e. the green environment and parks that we cherish: that is the **environmentally sustainable strategy**.

Finally, affordable zoning legalizes missing middle, but **it does not legalize as-of-right very high-density towers**. This will protect an aspect that many residents of our neighbourhood love: this is not downtown Ottawa (and it shouldn't be).



What makes a place good to live?

- Consultations are important to ensure the needs of residents are brought forward, but not everyone has the knowledge and expertise to judge a proposed project.
- Allowing our neighbourhood to grow with us as our needs change is fundamental to having it be a good place to live.
- Our neighbourhood can and should be a pleasant destination, not just a place to drive through as we get to our own homes.

One of the main issues with our current consultation system is the “status quo bias”: people usually want things to remain the same. When change is proposed, they tend to focus disproportionately on the possible harms over the possible benefits, but when change does happen, people are surprisingly capable of getting used to it or liking it.

Our neighbourhood already has some tall buildings (corner of Paul Anka and Uplands) and no one (as far as I know) thinks they ruin our neighbourhood, most people, I presume, barely notice them, they are just a part of our community, and they are part of the reason why we can have so many beautiful parks: our two buildings house about 500 families using the space it would take to house less than 10 single detached housed families. The efficiency of our towers are the entire reason we have such a big community park. We all benefit from this.

But we are talking about allowing for gentle density throughout the neighbourhood, without warehousing less wealthy families to specific confined areas.

A critic could say that a three-storey home would stand out on a street of mostly one storey buildings, and they wouldn't be entirely wrong to the extent that that matters (see image at the bottom left and the one above).

But if you had other two and three storey buildings, it would stop standing out and would just be a regular part of the neighbourhood (see image at the top left). The same thing applies to other building properties like colour.

If all the homes on one street are the same colour, then one exception to that would stand out and maybe look out of place (see top middle image).

But if you have many homes of different colours, it becomes just a normal part of the neighbourhood (see top right image).

Sources for additional content on neighbourhood character:

- 1) What is neighbourhood character: <https://www.youtube.com/watch?v=RFazOACJrco>
- 2) Building Character – How “Neighbourhood Character” Threatens our Cities:
<https://www.youtube.com/watch?v=9bkC8YlBxoM>

Housing Types and Style



This slide was interactive showing on an axis between infill, multiplexes, townhomes, and courtyards various examples of missing middle housing currently illegal to build in Hunt Club and most of the city, but that would go a long way to gently increase density and make housing more affordable for our children and new residents. Examples are presented here over three slides.

So what could missing middle gentle density and housing choice look like in our neighbourhood? It could like anything we want, there are a lot of good options out there. *The best thing is that we don't have to see ourselves living in every single one of them, because they aren't all for each one of us personally. Having a mix of options for all types of people, that coherently and harmoniously fit together, is what being a community is all about.*

From left to right, starting with the top row:

- The top row: depicts beautiful Victorian 1930s-style multi-residential units. In Toronto, these homes continue to be vastly more affordable than other homes. They can be spacious with 3 bedrooms and fit right into a neighbourhood of single detached homes.
- Bottom left: Notice how the infill in this picture enhances the character of that neighbourhood, and the roof of the building fits with the roof of the existing home on the left. It's very well done.

- Bottom middle: These are some example of traditional small apartment buildings (or condos) which were commonly built in the early 1900s, and these continue to be some of the most affordable options in unaffordable cities like Toronto;.
- Bottom Right: This is a more modern look that can that could be adapted with a wood finishing to match with some of our neighbourhood designs. It offers very high-quality living spaces and is well designed to fit with the single detached homes on either side of it.

Housing Types and Style



So what could missing middle gentle density and housing choice look like in our neighbourhood? It could like anything we want, there are a lot of good options out there. *The best thing is that we don't have to see ourselves living in every single one of them, because they aren't all for each one of us personally. Having a mix of options for all types of people, that coherently and harmoniously fit together, is what being a community is all about.*

From left to right:

- Left: This beautiful court is a safe-haven for neighbours to meet in a quiet space or for children to play away from motor vehicles. A court can also be formed of small bungalows for senior residents or 3 level courts (as displayed) are extremely safe for children that have space to play ~~in front~~ outside in front of their home away from the street and cars, it's also pleasant and closed space for neighbours to meet and chat
- Top middle: Notice how you can have gentle density right next to a single detached house without it looking out of place. Beware of the optical illusion caused by the light vs dark brick of the two homes, reversing the colours is an aesthetic decision.
- Bottom middle and right: These are more examples of beautiful multi-residential buildings that fit well in a family neighbourhood.

Housing Types and Style



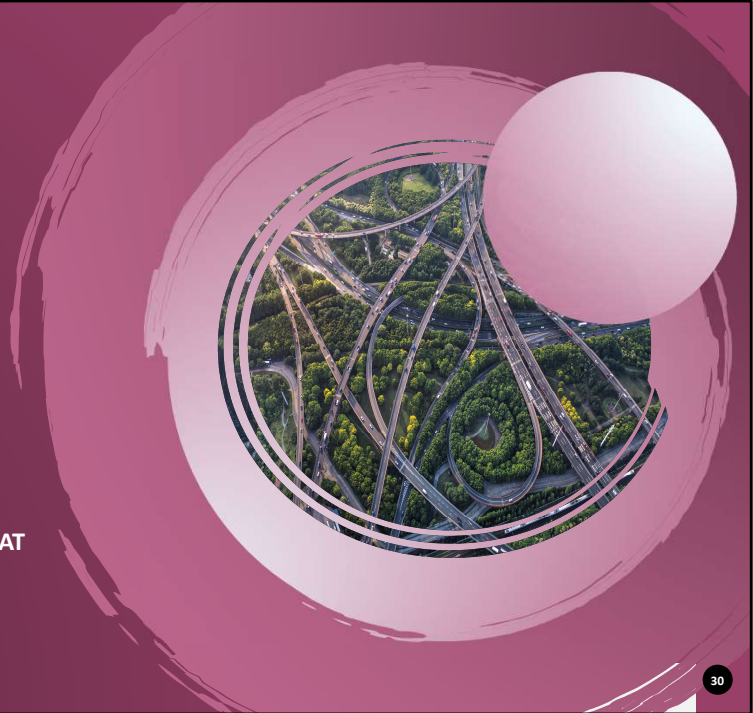
So what could missing middle gentle density and housing choice look like in our neighbourhood? It could look like anything we want, there are a lot of good options out there. *The best thing is that we don't have to see ourselves living in every single one of them, because they aren't all for each one of us personally. Having a mix of options for all types of people, that coherently and harmoniously fit together, is what being a community is all about.*

From left to right:

- Left: Two lots (single detached homes) were converted into 8 townhomes with beautiful wood exterior that could match the character of many parts of our neighbourhood.
- Top right: This redevelopment infill project with large balconies is home to many families rather than just one and is beautiful designed.
- Bottom right: This missing middle development houses six families and each unit has 3 bedrooms – perfect for families!

MUNICIPAL FINANCES AND INFRASTRUCTURE

A FINANCIALLY IRRESPONSIBLE MODEL THAT
WE CAN



Now that we have discussed financial and zoning reforms which, if implemented, would reduce the financialization of housing and speculation in our housing market, as well as afford households greater freedom and choice in the types of houses they are allowed to live in, we will now turn to practical considerations: our municipality's finances and our infrastructure.

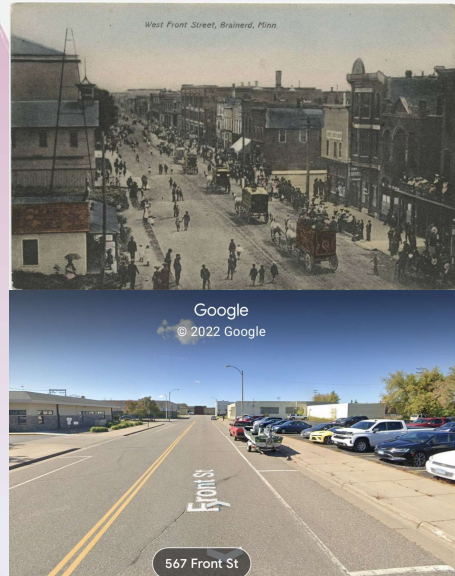
Whenever housing is built, key considerations for the city (should) include whether this development will be a net positive for the city (providing municipal tax revenue that fully pays for the services and infrastructure it requires) or a net drag on the city (municipal tax revenues below the real cost imposed on the city to service this development). We can have the best urban design ideas, but if these yield financially unsustainable outcomes, a different development pattern needs to be considered. This is not a value proposition, but an acknowledgement of financial constraints we cannot escape.

Why do our cities look the way they do?

Have we always built cities this way and it is the best style of development?

Same street 100 years apart

Post-War Urban Renewal



A little history about urban development:

Urban Renewal – “Urban renewal” took place during the post-war era. During this time, Canadian cities underwent an extreme transformation as neighbourhoods and downtown were literally bulldozed to build “superhighways” to accommodate the new suburban development style, which contrasts with the traditional urban development that took place for centuries prior to that. Traditional urban development is compact and always financially self-sufficient as growth only occurs when the city is financially solvent and the new development is funded through new financial opportunities, rather than through federally and provincially-subsidized sprawl. Unfortunately, the urban renewal phase destroyed a lot of our city wealth and created low density, high infrastructure cost areas (roads and parking lots) that are not financially sustainable and not as pleasant to be in, besides destroying a greater proportion of environmental and natural habitats than traditional urban development.

Today’s modern development pattern creates high-cost infrastructure surrounded by low density neighbourhoods which cannot (unless municipal tax rates were tripled overnight) pay the full life cycle costs of the infrastructure used, whereas traditional urban development always ensured that enough wealth and economic activity existed to support the cost of the infrastructure of the city or neighbourhood.

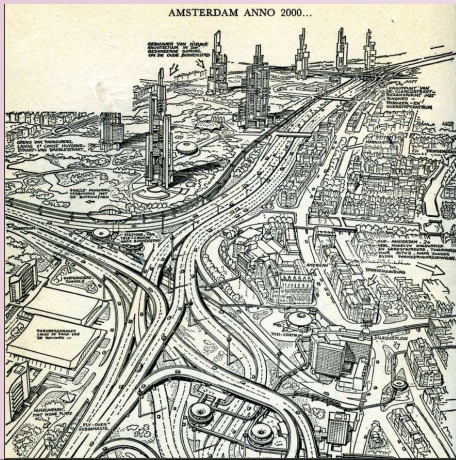
Urban renewal (1950s to 1970s) included bulldozing the downtown core and established neighbourhoods of most Canadian cities to build highways. More wealthy neighbourhoods were able to exact political pressure to save their homes, while poorer and racialized neighbourhoods were destroyed. The left image on this slide shows one compact, traditional mix-use neighbourhood that was completely leveled to make place for commercial malls and large parking lots (and which still exists today). Hundreds of families and businesses were displaced in the area portrayed in this image, and this occurred dozens of times in each Canadian city. Financially, this means that cities (including Ottawa) destroyed their wealth by levelling neighbourhoods that paid much more in municipal taxes than parking lots and corporate businesses do (and these big box businesses also put local businesses that were not destroyed out of business, on top of creating larger roads that are more expensive to maintain).

Same street – 100 years apart: Which street is most productive, services the most people, and fosters prosperity? Which street would you prefer to walk on and meet friends on? Which street is most environmentally friendly?

Why do our cities look the way they do?

Have we always built cities this way and it is the best style of development?

Amsterdam's Urban Renewal Plan (highways never completed)



Urban transition in Amsterdam (over 1910s, 1970s, 2020s)



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It is a myth that North American cities were built for cars. North American cities, as we've just seen, were literally bulldozed for the car and public transit (streetcar lines, etc.) were torn out reducing mobility options to almost exclusively motor vehicles. When Ottawa was a city of 200,000 people, streetcar public transit was more common than today (population above 1,000,000), and the change was a policy choice. It works for a lot of people to drive everywhere, but it's not feasible for **everyone** to drive (traffic) and it's not an accessible mode of transportation for everybody either (e.g. blind people, children and adolescents, individuals with certain disabilities, the elderly, etc.). The transformation of our cities to accommodate almost exclusively car travel has created a lot of inequality by destroying poorer and racialized Canadians' neighbourhoods (where highways were built) and by forcing the high cost of car ownership on low-income families.

European cities are typically less car-centric than North American ones, and that was also a policy choice. The left image depicts the US' plan to modernize Amsterdam by bulldozing its downtown core to build expensive and large highways. While the highways were never built, Amsterdam (like many European cities) did favour cars as a mode of transportation over active transportation and public transit for a few decades. This resulted in a lot of traffic and public plazas being used as parking lots. Over the past 40 years, Amsterdam and other European cities invested in alternative modes of transportation and pedestrianized many mix-use (commercial and residential) areas. These changes reduced traffic, improved

accessibility, improved business sales (because people walking and biking are more likely to linger around and spend money), and it improved residents' overall health (through lower emissions and more light physical activity) and urban environments. It is still possible to drive in Amsterdam today and many Dutch people do use their cars, but it is not a mandatory expense to participate in the economic life of the city. Children, the elderly, and individuals with disabilities have more mobility independence because they have multiple transportation options available to them (safe walking and bike paths, buses, trams, etc.), including tiny cars ((1-2 person capacity) for people with disabilities (including in a wheelchair) that are admissible on bike lanes) to get around efficiently.

The example above shows that while it is costly to undo past mistakes, it is possible to implement gradual improvements –over 40-50 years in this case- that improve everyone's quality of life. Drivers benefit from less traffic as more people opt to use other modes of transportation, and pedestrians, cyclist, and people with other mobility challenges have more safe options to get around if they cannot drive or prefer not to.

However, while transportation choice and lower emissions are good reasons to expand alternative modes of transportations, the responsible fiscal case for doing so is also extremely compelling. Car infrastructure and storage is the most expensive form of transportation infrastructure available, which means that expanding alternative transportation options is a remedy to high municipal taxes and improves municipal finances. When questioned about the cost of growing their cycling infrastructure, the mayor of Amsterdam responded "How can we afford not to?", his reasoning being that Amsterdam was almost bankrupt and had little funds to allocate to infrastructure so it divested from expensive car-centric infrastructure in favour of the most cost-efficient infrastructure available: protected cycling paths.

Why do our cities look the way they do?

Have we always built cities this way and it is the best style of development?

The Grand Bargain



Density levels



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A little history about urban development:

The Grand Bargain – The Grand Bargain was a plan, to place all individuals unable to purchase large properties into massive condo complexes, made in the 1970/80s in order to preserve R1 zoning and not disturb newly established very low-density neighbourhoods because they could not house everyone that needed or wanted to live in the city. By allowing only R1 zoning and extremely high towers, there is no in-between, no missing middle, and a less cohesive city. The protection of R1 zoning imposes the building of very high towers because when very little land is made available to shelter an increasing proportion of the population, it must be built very high.

Density can exist in many forms and does not need to be confined to unsettling tall buildings, but other forms of density (gentle and middle density) must be legalized for us to experience anything besides exclusively ultra low density or ultra high density. Our neighbourhood could almost triple its density without a significant impact on character nor traffic if reliable alternative transportation modes are available.

R1 stands for single detached homes only.

R4 allows for various residential housing type and sometimes residential-oriented commercial space (e.g. coffee shop, bakery, ice cream shop, etc.) – consistent with the

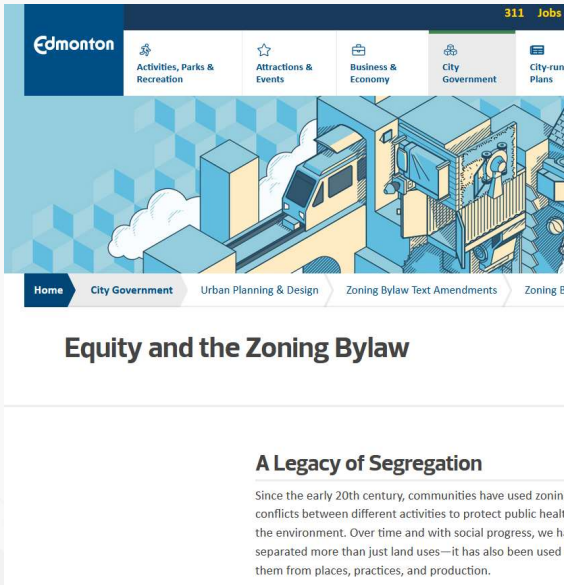
direction of the Official Plan
DT stands for downtown.

No one in our neighbourhood – as far as I know – would prefer to live downtown, and gently increasing density is the only path that affords us sustainable infill (preserving our greenbelt and nearby forests) without towers that can give the feeling of living downtown. By amending our zoning bylaw, we can increase housing choice and allow our neighbours to choose in what type of home they want to live. Overly restrictive zoning bylaws prevent natural and subtle change that maintains affordability, improves amenities, and grows our sense of community.

Zoning based on density/housing types creates scenarios like the Grand Bargain because if the majority of the land only allows for very low-density housing and there are an additional 108 households needing homes but only two lots left, there is no other choice but to build a 30-level tower to accommodate everyone, but if we do not micromanage housing types through zoning, then we could have a coherent and beautiful neighbourhood where homes vary between 1 storey and 3-storeys high with 1 to 5 households per lot without significantly changing our neighbourhood character.

Source: The Grand Bargain: <https://viewpointvancouver.ca/2019/10/17/the-grand-bargain-illustrated/>

The Discriminatory Roots of Municipal Zoning



A Canadian Example: Edmonton

- Edmonton's first zoning bylaw was introduced in 1933, and was subsequently reviewed and replaced in 1950, 1961, 1980, and 2001.
- Like in many other NA cities, zoning in Edmonton was used to separate incompatible land uses to protect public health, safety, and welfare. However, it was also used to exclude certain groups of the population from certain areas.
- With present-day regional planning initiatives focused on densification and infill, Edmonton's existing zoning bylaw can no longer meet the city's needs, and is being replaced.
- The new zoning bylaw is being developed to ensure that it will not be used as a tool for discrimination, and instead used as a tool for inclusion.

Zoning bylaws are a legitimate tool to protect the health and safety of residents, but they have been used to go much further than that and exclude (thus the name exclusionary zoning) anyone who isn't rich enough to buy a large detached home (usually racialized people, people with disabilities, single women, etc.).

Brief History of Zoning

- Zoning began in the U.S. in the 1910s and has since spread across North America.
- Originally meant to separate incompatible land uses in the days of rapid urbanization (e.g. residential and polluting industrial zones), it had then become a tool to exclude certain buildings and groups of people who live in those buildings from neighbourhoods (based on income and race).
- The increased mobility of people in lower socio-economic classes thanks to cars, as well as the expansion of civil rights for racialized groups of the population led to zoning being used as a new form of discrimination.
- For many residents, their home is their most important financial asset, and fear that lower status individuals would lower their property values led them to loud opposition to any change that they felt would reduce property values, including new developments and the right of racialized groups and single women to live near them.

Eventually, zoning in its current form (used as a discrimination tool more than a health and safety measure) spread all throughout North America as the status quo.

Canadian cities adopted this stringent zoning code, including Edmonton who implemented it in the 1930s to protect public health, safety, and welfare, while also –unofficially– to exclude racialized people of the city’s population from desirable areas. Edmonton’s present-day zoning reforms are being developed to make sure that they cannot be used as an exclusionary tool, and instead a tool for inclusion. Note the screenshot of Edmonton’s website that highlights that zoning bylaws have a legacy of segregation.

It was a deliberate choice to implement exclusionary zoning (to exclude people) in the 1900s, and we can make the deliberate decision to reverse this action because it does not represent who we are as a community and it is not something we believe in.

Sources:

1. *An Economic History of Zoning and a Cure for its Exclusionary Effects* by William A. Fischel

2. *History of Zoning in Edmonton*: <https://www.edmonton.ca/public-files/assets/document?path=PDF/HistoryofZoninginEdmonton.pdf>

3. Edmonton’s website:

https://www.edmonton.ca/city_government/urban_planning_and_design/equity-and-the-zoning-bylaw

4. Additional articles/reports/academic papers on the social and racial segregation roots of modern-day zoning:

[The Racist History of Zoning Laws - Foundation for Economic Education \(fee.org\)](#)

[Exclusionary zoning – Wikipedia](#)

[THE EFFECT OF DENSITY ZONING ON RACIAL SEGREGATION IN U.S. URBAN AREAS - PMC \(nih.gov\)](#)

[How Neighbourhoods Are Built to Keep Out Single Women | The Walrus](#)
[America’s Sordid History of](#)

[Exclusionary Zoning - Counselors of Real Estate \(cre.org\)](#)

[Understanding Exclusionary Zoning and Its Impact on Concentrated Poverty \(tcf.org\)](#)

[Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market - The White House](#)

[Full Report - Keeping them at bay FINAL.pdf \(policyalternatives.ca\)](#)

“Growing” Away from Automobile Dependency – Insolvent Municipal Finances

A major reason why residents oppose densification is because of the effect that an increased number of cars in the area will have on the existing traffic and parking situations.

While an increase in neighbourhood traffic is an issue, it doesn't have to be this way; to avoid this problem, it is vital to ensure that residents in new housing developments are not forced to drive and can instead get around using high quality walking, cycling, and transit infrastructure.

	Urban	Suburban
People	790	790
Units	494	304
Area	0.3 ha	32 ha
Linear Infrastructure	53 m	4,400 m
Lifecycle cost	\$265,000	\$22m
Annualized lifecycle cost (60 years)	\$5,300/yr	\$367,000/yr
Linear infra maintenance	\$1,900/yr	\$158,000/yr
Tax Revenue	~\$1.5m/yr	~1.2m/yr



Now that we understand a little better the urban history of our city (traditional urban development, urban renewal, exclusionary zoning, and the grand bargain), we will dive into city financials and focus on the fiscal sustainability of our cities and how to ensure that municipal taxes remain at affordable levels based on the influx of revenues to the city and expenses to service households. Fundamentally, there is a budget constraint that good urban planning and design must respect.

Traditional urban growth capped urban expansion at whatever border was fiscally responsible and for which sufficient wealth existed in the city to sustain the required infrastructure. Whereas urban sprawl, while it offers the benefit of feeling like you live in the country-side with city services, is not financially nor environmentally sustainable as it significantly expands infrastructure servicing relatively few households creating a scenario of constant financial losses for the city.

It took some time for sprawled Canadian cities that underwent urban renewal to find themselves in financial distress because the initial investments to build roads and highways were paid through federal and provincial grants, not by the municipalities. As such, sprawling cities continuously receive federal and provincial funds to pay for new roads and allowing them to use new municipal revenues (from new developments) to pay for the uptake in neighbourhoods built 15-20 years prior that need repaving or other maintenance.

This is called the Ponzi growth scheme of cities and sprawled and auto-dependent cities, like Ottawa, have engaged in it. In 1997, when low municipal tax revenues relative to the cost of the infrastructure to maintained became a serious problem, the Development Charges Act was implemented, which allowed cities to charge development fees (beyond the cost of growth) on new residents to compensate for the disconnect between municipal revenues and its infrastructure obligations.

The first figure presents the math behind the costs of servicing 790 households in an urban setting versus a suburban one. The main difference is the drastic increase in linear infrastructure and lifecycle cost of the infrastructure. When the city of Ottawa continues to approve growth through sprawl, the increase in future obligations to the city vastly outpaces the increase in revenues obtained. In these scenarios, it is more central neighbourhoods that subsidize the cost of sprawl to keep the taxes of remote households low.

When it comes to city finances, we have to pick two out of the following three:

- Low density
- Low municipal taxes
- Stable Services

A car-dependent sprawled neighbourhood costs 83 times as much as a traditional urban/suburban area, yet pays less in municipal tax revenue than traditional developments!

It doesn't take much for a neighbourhood to be cost-recovery, municipal taxes do not need to increase if we allow for gentle density (low-mid density is sufficient to achieve a cost-recovery basis, it is not necessary to build high-density). A mix-use mid-density neighbourhood provides the best of both worlds: low municipal taxes and stable services without high density.

Does this mean we need to give up our beautiful human-scale neighbourhood?

ABOSLUTELY NOT! ☺



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Does this mean we need to give up our beautiful human-scale neighbourhood? Absolutely NOT!!









We simply need to be more intentional about how we build so it is sustainable and preserves everything we love about our neighbourhood.

Here are some examples of financially sustainable new developments. They aren't high density, they have a lot of open space and car access, and adjacent streets include a greater variety of low-mid density housing types.

In the respective cities where these pictures are from, these are some of the most financially solvent neighbourhoods and none of them have towers.

What services can we get?

The cost of traditional and modern city infrastructure

	LOW DENSITY	MEDIUM DENSITY	HIGH DENSITY
RESIDENTIAL	 -\$1,381	 \$1,498	 \$3,061
MIXED-USE	 \$2,540	 \$3,515	 \$10,472
COMMERCIAL	 \$551	 \$9,614	 \$12,051

So what kind of development is a good deal for the city while giving taxpayers their money's worth? Anything except only low density commercial or only low-density residential (mix-use low density is sustainable).

As a neighbourhood, our objective isn't to maximize revenues for the city, but we should be self-sustainable financially and strive to preserve our green spaces through appropriate urban climate mitigation measures.

This doesn't mean that low-density residential neighbourhoods must disappear. We are all entitled to our preferences and to live in a home that suits our likes and needs as long as we are willing to pay the costs associated with that choice. In this example, the increase in municipal taxes to be cost-recovery of a remote sprawled low-density home would be an additional \$1,381 per year than what the owners currently pay. It is not an excessive increase (like tripling municipal tax rates!), although it can be difficult for many people to pay, in which case more affordable low-mid density housing types may be preferable (and it would be good to legalize building it). Consider that a duplex replacing the low-density residential home would suddenly make it financially viable (and reduce municipal taxes on both households), that's a small change that goes a long way.

The best quality of life we could get for our neighbourhood, in our opinion, and based on

what we know about all of you, would be somewhere in this area (see circled area): mix-use low density and medium density.

Source: Strong Towns (USA) – read their books and/or watch youtube videos based on their work (produced by @notjustbikes)

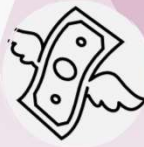
Who Should Pay How Much?

A **Split-Rate Tax** is the most fair and sustainable form of municipal taxation and follows three principles: Property taxes tax both the value of land and the value of the building. Assessors calculate these separately.



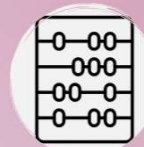
The same tax rate

Multi-residential residents shouldn't pay a higher tax rate than everyone else. Renters in purpose-built rental shouldn't pay even more.



Don't pay for your new roof twice

Decrease the property tax on buildings.



Pay at least what you cost the city to service

More sprawling homes cost more for the city to service, we shouldn't subsidize them.

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In Ottawa, multi-residential homes had a higher property tax rate than single detached homes until 2017. The City of Ottawa website states that new multi-residential units have a same property tax as single residential units but does not state anything for existing (older) multi-residential units. If older purpose-built rentals, like those we have in our neighbourhood, are required to pay a higher property tax rate than single detached homes, then that would be considered a subsidy from our more vulnerable and low-income neighbours to those of us fortunate enough to have our own home. Renters living in small apartments shouldn't pay a higher property tax per square foot than the rest of us. It's a matter of fairness and fiscal responsibility (those of us more fortunate not taking subsidies from those less fortunate).

Property taxes are based on both the value of land (size and location) and the value of the structure, i.e. our homes. Taxes are necessary to pay for services, but they should also be structured to ensure that they incentivize *good* actions and disincentivize *bad* ones. In this case, our property tax, as it stands, disincentivizes homeowners from investing in and maintaining our property as that would increase our property tax bill. This effectively means that if you built an additional room, bathroom, or simply fixed your roof, you would have to pay extra annually and forever (through higher property taxes) for the luxury of having the room or bathroom you paid for or for simply not having a leaky roof. This practice is fundamentally unfair. Buildings (our homes) shouldn't be included in the

calculation of the property tax. Homeowners living in large mansions that occupy a lot of space should pay more, and those of us living more efficiently on a more standard or small land lot should pay less. It is after all more costly to service properties that are dozens of meters apart than those that are close together through extra road lengths, and sewage and water pipes. That's only fair. Pay for what you use and cost the city to service, no subsidies.

Finally, property taxes should always be set to cover at least the full cost to service a residence, never below. This prevents more efficient land-use areas of our city from subsidizing other inefficient areas of town. In most cities, it is actually the poorer areas of the city that tend to bring in more revenue relative to their costs than expensive neighbourhoods. This is not an acceptable outcome.

Are Development Charges (DCs) Fair?

Development charges are the symptom of artificially low property taxes on the costliest residents of a city.



DCs often replace property taxes...

Municipalities have found a way to keep property taxes low by asking new residents to foot the bill for everyone else. While this benefits existing owners, it legislatively increases the costs of new housing making housing unaffordable for future generations.



DCs should be limited at the cost of growth

Using DCs to pay for new amenities is abusing the need for shelter of young and new residents looking to live close to their job.

We don't ask students to pay for a new gym at their school when they move to a new school district, why do we do this with housing?



Land charges are fairer and more affordable

Land charges come out of developer profits instead of coming out of the pockets of new and young residents

Land charges are a percentage (e.g. 60%) of the increase in land value from purchase to sell (or rent). It cannot be passed on.

Land charges make speculation and hoarding land less profitable.

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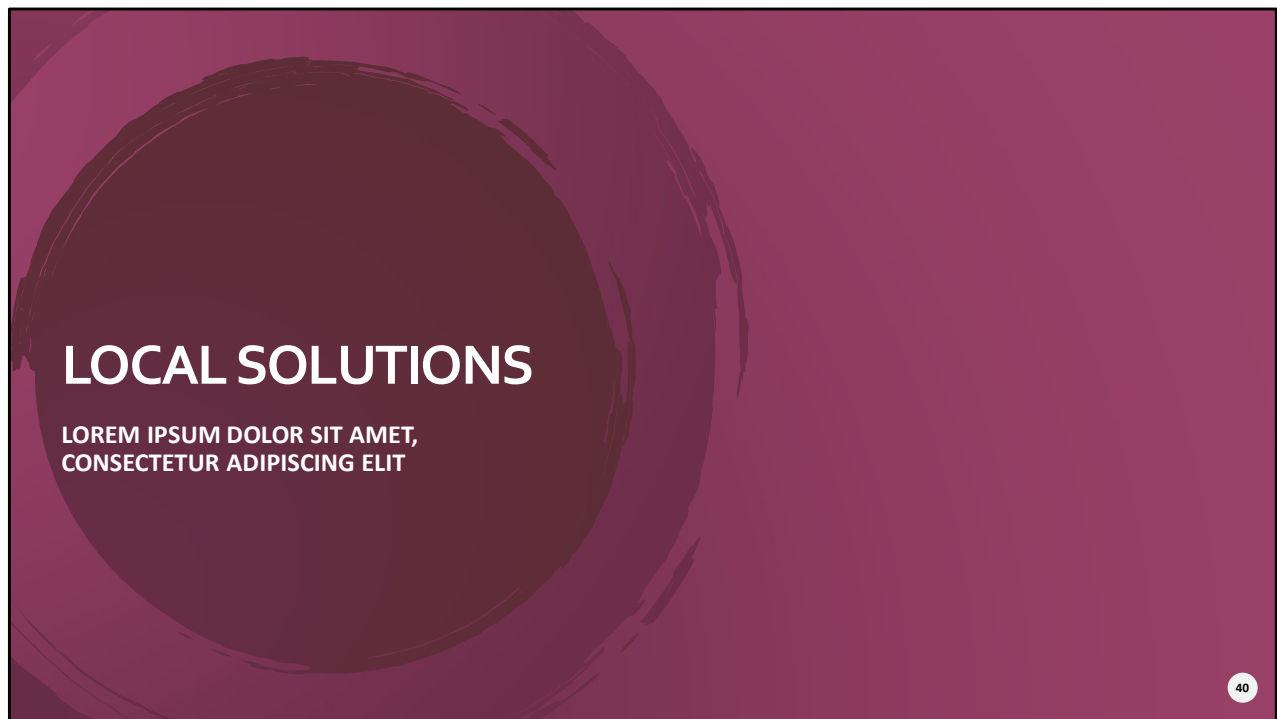
An unreasonable assumption is that we can have the feeling of living in the country-side with city services for a low cost... And while property taxes are currently set at a good level (although unfairly punish improvements to our properties), they aren't sufficient for the extensive road network we rely on for transportation, and this is a big reason why development charges are such an important tool for municipal governments. It attempts to take from developers the revenue needed that is not collected through taxation, but it is branded as "growth paying for growth", which is misleading.

It is important to recognize that growth should pay for growth, but that development charges are not restricted to only growth and often pay for a lot of everyday maintenance and services instead. This has important ethical inter-generational implications the same way that you wouldn't expect to have to buy your kid's school a new gymnasium in order to be allowed to send them to that school, but that is what development charges do to new and young residents. It places an unfair burden on new and young residents. Development charges should be restricted to pay for the actual cost of growth (additional road, extra pipes, increased capacity, etc.), not maintenance and upgrades that would have been required even if there wasn't any growth.

New amenities to the neighbourhood, instead of being paid through development charges, can then be paid through *land charges*. This follows the same principle that municipalities

tried to do by imposing development charges with a key difference: development charges can be passed on to new residents, whereas land charges necessarily come out of developer profits. The only way a developer may not pay land charges is if they sell the project at an affordable cost (i.e. with no increase in land value).

Developers deserve to be paid for building homes, but not for inflating the cost of land and hoarding it. This realigns the incentives.



Our community has a legacy of being mixed-income and houses both homeowners and renters. In this final section, we will discuss rental protections (because the cost of rent has increased at a higher pace than inflation!) and Community Land Trusts which are a localized solution that we could choose to implement and which would immediately increase affordability *forever* even if no other solution we advocate for is implemented.



As a community association, we have the tools and knowledge to support our neighbours living in rental housing. We can do this by helping them organize through the HCCA, direct them towards legal resources and advocacy groups, use our collective voice when corporate landlords when they attempt to reno-evict our neighbours, and advocate for municipal and provincial policies that protect tenants rights and increases home stability for them.

As rents increase, there are more possibilities for landlord-tenant conflict, whether a tenant has difficulty paying, the landlord wants to bring in a new, higher-paying tenant, or when either side doesn't fulfill lease requirements. The HCCA can be a helpful point of contact to direct tenants to explainers of their rights and how to navigate their tenancy disputes, directing them to advocacy groups, or even directly amplifying their voices.

Low-income tenants make up a substantial portion of our neighbourhood and can potentially be the most harmed by the housing crisis. As a *Community's* Association we should support them when and where we can.

Community Land Trusts

A Community Land Trust (CLT) is a trust which holds land on behalf of the community and provides exclusive user-rights to the owner or tenant living on the land, providing owners the same property user rights as our traditional western land ownership model.

The CLT ensures that the land price is forever affordable to residents and CLT profits are re-invested into the community.



Freezing land values

Freezing land values would be equivalent to taxing any amount a person is willing to pay for a property that is above its assessment land value. This would end speculation because a property could not be resold for a higher price without improvements having been made to it. The excess payment would be redirected towards the city and compensate for low taxes. On the downside, this would take away some of the gains made by existing homeowners and developers.



Replacing Development Charges (DCs) with Land charges for everyone

An alternative to freezing land values is to levy a charge or tax on the increase in land values for which the owner is not directly responsible, say 25% of the increase in land value (and then 50% for the next owner, and 75% for the next, and 100% for the next). This change would also stop speculation, but it would be gradual, rather than immediate.

A Community Land Trust offers more flexibility than both options because market rate and CLT housing could continue to co-exist within the neighbourhood. It would be an opt-in approach that provides the seller with the full market value, while shielding new owners from astronomical housing costs.



One generation's incredible equity gains
is another's crushing housing costs...

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To understand the role Community Land Trusts (CLTs) can play to improve affordability in the near term and forever, we need to understand a few concepts, including the different kinds of land tenure that exist, the concept of unimproved land, and land speculation.

Land tenure systems

Our Westminster land ownership model leads to the same kind of unaffordability that we all know exists in the UK. It is natural that this is the case as a model, implemented anywhere, will typically generate similar outcomes. In this case, it is pure land inflation as the same plot of land is traded over time for more and more money without the owner having done anything to improve it, unlike when an owner upgrades their home and sees its value increase because of that. This leads to unaffordability when the person seeking exclusive land-use rights (the aspiring land-owner) is required to have the capital to purchase the land up front. Other models of land tenure exist and they can offer the exact same exclusive benefits as land ownership without the up-front costs: these are exclusive land-use rights. These rights surpass those of tenants who are restricted by their landlord in what they can do to the property. In this case, the owner of exclusive land-use rights can do as they please on their property and they keep, like an owner, all the benefits and increase in value derived from their improvements to the property without having to pay a \$400K-1,000K mortgage for the exclusivity of land-use rights. The Community Land Trusts facilitates this legal agreement which offers affordability and ownership benefits without

the crushing costs of land acquisition.

The CLT functions by reducing the land costs to purchase a property: the buyer uses a conventional mortgage to buy the house, and receives exclusive land-use rights from the CLT in exchange for its annual land contribution. All improvements made to the property (and the increase value that accompanies that) belongs to the buyer, while the CLT maintains the affordability of the land for the benefit of the community.

CLTs are more common in countries like the UK where home prices have been completely unaffordable to many for a much longer than in Canada. The CLT allows homeowners to keep the gains of their investment (improvements made by the owner to the home and land), and shares with the community the gains derived from others' actions (e.g. the increase in land value derived from enhanced bus services –public investment- or new desirable businesses near by –private investments, which increase the land value without land improvement). The economic impact of our actions extend beyond the property line. Speculation is rooted in the ability to privatize the benefits of public and community investments and was a concern Adam Smith had for being unfair and how it reinforces inequality. Rather than rewarding speculators that make the housing crisis worse, CLTs take away that incentive allowing for capital to flow towards productive endeavours and allow for everyone to reap the benefits of their contributions to the community.

Sources for additional information (note these are slightly different from the land contribution CLT model presented here which is less widely adopted to date):

CLT – Building the homes we can afford: <https://www.youtube.com/watch?v=ujaSjnFSHTY>

CLT – Explained by John Davis: https://www.youtube.com/watch?v=MQ_GpdPmJ_k

CLT – Creating more sustainable communities; <https://www.youtube.com/watch?v=B-764jH8rPc>

The Affordability Math behind the Community Land Trust

Counterfactual Analysis –
Property A



Status Quo – Market Price (\$661,000)	
Land Value	442,000
Down Payment	132,200
Mortgage Principle	528,800
Mortgage Payment	2,720.35
Condo Fees + Utilities + Insurance	1,100
Property Tax	291.08
Land Contribution	0
MONTHLY COST	\$ 4,113.10

Land Contribution Model	
Land Assessment	131,000
Down Payment	43,000
Mortgage Principle	177,000
Mortgage Payment	960.28
Condo Fees + Utilities + Insurance	416.66
Property Tax	0
Land Contribution	511.62
MONTHLY COST	\$ 1,888.56

Please note these are estimates based on the market price of a recently sold home, and our CLT model which aligns with the City's assessment values.

This home that could currently only be purchased affordably by a household making at least \$160k could now be purchased affordably by a family with an income of \$75K under the CLT model.

The Affordability Math behind the Community Land Trust

Counterfactual Analysis –
Property B



Status Quo – Market Price (\$500,000)	
Land Value	360,000
Down Payment	100,000
Mortgage Principle	400,000
Mortgage Payment	2,057.78
Condo Fees + Utilities + Insurance	787.67
Property Tax	187.33
Land Contribution	0
MONTHLY COST	\$ 3,032.76

Land Contribution Model	
Land Assessment	110,000
Down Payment	28,000
Mortgage Principle	112,000
Mortgage Payment	613.88
Condo Fees + Utilities + Insurance	512.67
Property Tax	0
Land Contribution	416.70
MONTHLY COST	\$ 1,543.25

Please note these are estimates based on the market price of a recently sold home, and our CLT model which aligns with the City's assessment values.

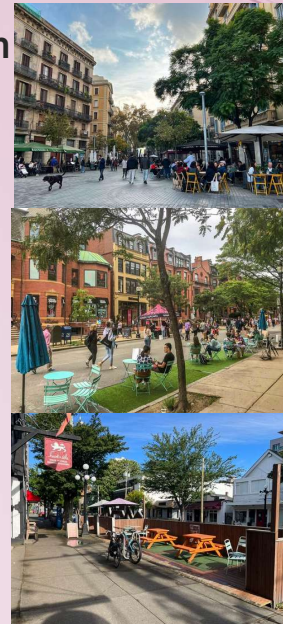
This home that could currently only be purchased affordably by a household making at least \$124k could now be purchased affordably by a family with an income of \$62K under the CLT model.

The Community Land Trust as a transition mechanism

It could be a safety net for residents of the community while fostering affordability. Any resident that lives in the CLT will be able to live their entire life in Hunt Club.

A program that can co-exist with market value residences:

- Acquire land and housing at market rate from residents that opt-in:
 - Reduce tax burden and income insecurity in old age through land discharge in exchange for a proportional pension or fixed amount;
 - Purchase at market rate for a lump-sum payment;
 - Gift to the CLT in exchange for tax credits; or
 - Any mix of these options.
- The CLT, guided by the community, can re-develop properties in poor condition:
 - Anticipates the changing needs of the community;
 - First housing offer to residents;
 - Rents or sells homes at an affordable price;
 - Re-invests into the community any profits made.



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The CLT offers a unique opportunity to restore home affordability to young homebuyers, but it can also be used by the community as a local stabilizing tool to protect our community during economic downturns or when residents age and are on reduced income. The principle is that anyone owning or renting their home with the CLT has the support of the CLT to move within the neighbourhood or where convenient based on their needs. Alternatively, the CLT can also support homeowners in renovating their home through an agreement that splits the benefits of the home improvements.

Various land acquisition mechanisms exist and they can be tailored to the needs and preferences of each homeowner looking to create a legacy of affordable housing and feel secure in their retirement (see first four bullet points).

The CLT, guided by the community, can support the development of the community according to its needs and implement local ideas to improve our amenities and quality of life. The CLT takes power away from developers for the community to shape its future and ensure everyone feels safe and secure in a home that meets their needs and that they can comfortably afford.

WHAT DO WE DO NEXT?

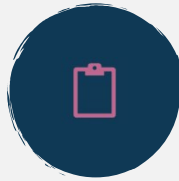
1. STAY TUNED FOR THE SURVEY
2. GET INFORMED ON PLANNING BEST PRACTICES
3. REFLECT ON YOUR FUTURE HOUSING NEEDS





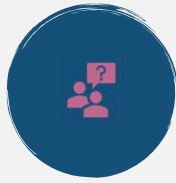
Character Voting

How do we enhance our beautiful neighbourhood?



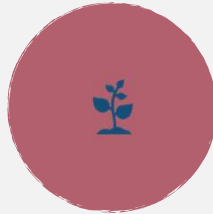
Survey of needs

What are the housing types, services, and safety features we need?



Constructive input

Sharing our values and needs to improve projects rather than shutting them down.



Growing a place we love

Knowing our neighbours and growing old together.

Consultations

The vast majority of us are not qualified to approve projects, but we are qualified to share our values to shape projects

DISCUSSION

1. HOMEBUYER BILL OF RIGHTS
2. HIGHER DOWN PAYMENTS ON INVESTMENT AND 3RD+ PROPERTIES
3. RESTRICT EQUITY ACCESS
4. ENFORCEMENT
5. BANK RISK-SHARING MODEL
6. ZONING & BYLAW COMPREHENSIVE REVIEW
7. AFFORDABLE ZONING
8. SPLIT-RATE PROPERTY TAX
9. LAND CHARGES
10. TRANSIT
11. TENANT PROTECTIONS
12. COMMUNITY LAND TRUST



Solution Summary

	Affordability	Housing Supply Constraints	Uncontrolled credit expansion	Financialization of homes	Speculation	Municipal Finances	Anti-displacement	Housing Choice	Family-oriented / Safety	Environmental protection
Homebuyer Bill of Rights	✓			✓	✓					
Higher down paym.	✓			✓			✓			
Restrict Equity Access	✓	✓		✓						
Enforcement	✓			✓	✓					
Bank Risk-sharing model	✓		✓	✓	✓					
Affordable zoning	✓	✓				✓	✓	✓	✓	✓
Zoning bylaw Review	✓	✓				✓		✓	✓	✓
Split-rate prop. tax	✓				✓	✓	✓	✓	✓	✓
Land Value Freeze	✓				✓	✓				
Land charges	✓	✓			✓	✓				
Transportation choice	✓				✓	✓	✓	✓	✓	✓
Tenant protections	✓						✓		✓	
Comm. Land Trust	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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The Homebuyer Bill of Rights

- Protect homebuyers by giving them assurance they are buying a property knowing all the potential downsides and potential costs.

Higher down payment on investment and 3rd+ properties

- Require higher down payments from speculators that decrease the housing stock (supply) available to first-time buyers and families needed to upsize or downsize.

Restrict Equity Access

- Restrict the use of home equity as a form of unsustainable consumption debt and as a source for a down payment on additional properties.

Enforcement

- Enforce existing building construction (quality) and mortgage rules and laws to prevent abuse and fraud.

Bank Risk-Sharing Model

- The Bank Risk-Sharing Model was a consultation by the Liberal Government in 2016 that sought to force banks to take on *a little bit* of risk when extending mortgages to Canadians. Under the current model, Banks take no risk when providing insured mortgages (even in the case of default, they recover all lost revenue of future interest payments), which creates a moral hazard situation, where the entity creating risk is not responsible for it. The consultation was

abandoned before it ended which demonstrates the strength of the bank lobby.

Affordable Zoning

- Affordable zoning is low to mid-density mix-used zoning that allows to build up to the height and size that yields greater affordability than what currently exists. A project that does not improve affordability relative to the status quo would have to go through the normal consultation process of city council. Projects allowed as-of-right would nonetheless receive input from the community.

Zoning bylaw Review

- Currently happening at City Hall, the zoning and comprehensive bylaw review is an opportunity to change some of the rules and schedules that infringe most on homeowners' rights and prevent (through micromanagement) the all of us from adapting our homes to our changing needs as we grow our families and age.

Land Value Freeze

- We didn't discuss this because we think it would be an incredibly difficult option to implement as there wouldn't be a transfer mechanism between the current system a land value freeze system. In essence, Land Value Freezes immediately put an end to speculation, and the excess payment would go to the city, this reduces some of the incentive to sell a home for much more than its current value, and fosters inter-generational fairness. Land values can be frozen from the moment of purchase (such that only improvements and maintenance translate in higher home prices), or it can be done starting a specific year (e.g. 2014). Another alternative to land value freezes is the implementation of progressive land charges for residents, such that 25% of land value increase would be sent back to the city after the first sell, then it would be 50% of the land value increase, then 75%, and eventually 100% which would end all speculation.

Land Charges

- Land charges as a replacement for development charges will reduce costs that developers can pass-on to new and young residents and will ensure that the growth in wealth from upzoning is returned to the city's coffers to improve resident services. This further prevents speculation as land flipping becomes less profitable. Developers deserve to be paid for their work of building high quality housing, not for hoarding land to maximize their future profits.

Transportation Choice

- Our neighbourhood is car-dependent, even if not everyone in it owns a car, and while cars are usually very convenient, it is important to recognize the safety and inequality implications of car-dependency. It is drastically less safe for children to play outside, which means our neighbourhood is not as family-friendly as it could be. Since car travel is the most convenient transportation mode, a lot of space (garages, driveways, and street parking) is dedicated to cars that are 80% of the time stationary instead of being used by residents and families to enjoy themselves and socialize. Mandatory parking also drastically increases the cost of new housing and is a contributor to housing unaffordability. Reclaiming some of the free space given to cars for resident activities and prioritizing other modes of transportation for health, safety, and accessibility reasons, helps make more

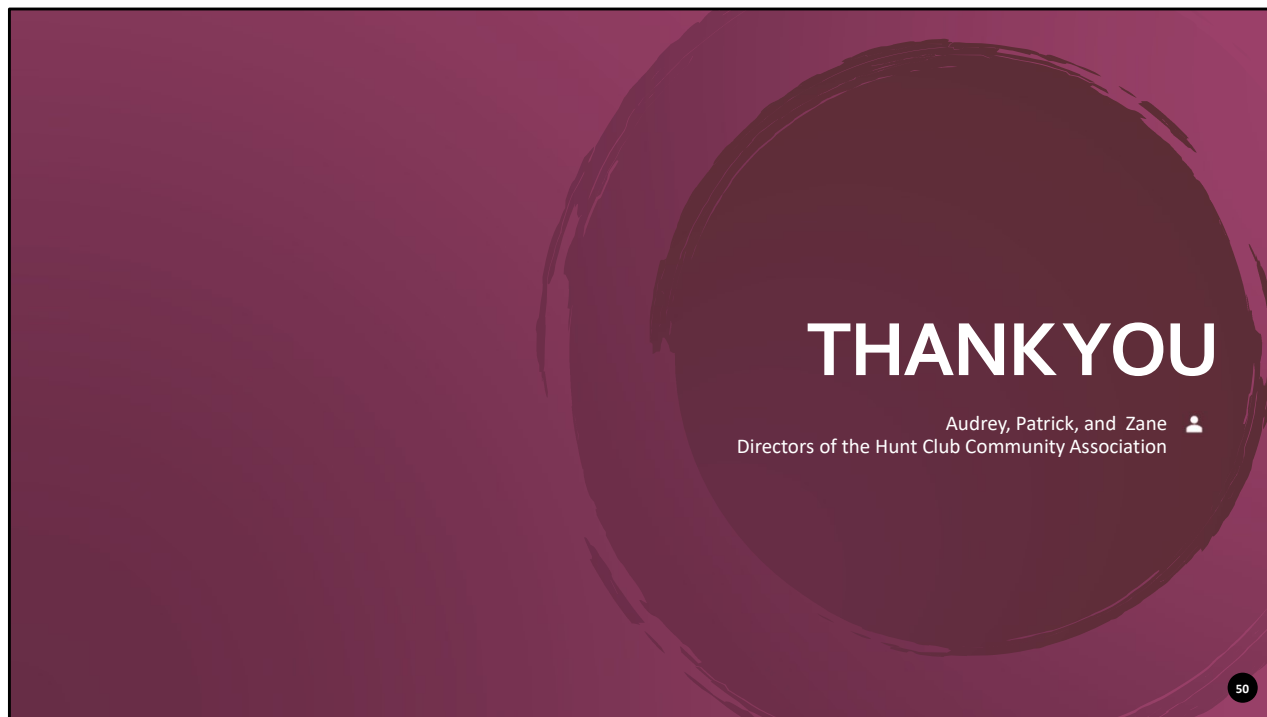
affordable housing to families viable in our community. We are very well placed to do this with South Keys station nearby and accessible protected bike lanes. The best part is that these potential changes would make driving more enjoyable for those who still need to or want to drive because by making other modes of transportation viable, there will be less traffic and everyone's quality of life will improve.

Tenant protections

- Tenant protections increase affordability (which has significantly eroded within our neighbourhood), prevent the displacement of our neighbours because they are reno-evicted or cannot afford the above guideline increases forced on them, and makes it more affordable for renting families to remain in the neighbourhood.

Community Land Trust (CLT)

- The CLT is the one solution, implementable at the very local level (e.g. Hunt Club) that hits all targets in addressing housing affordability, improving credit market conditions for homes to buy or rent within the neighbourhood, reduce speculation, improve municipal finances, and protect our neighbourhood in ways important to residents: anti-displacement, housing choice, a family-oriented community, and green space preservation.
- The CLT can be a developer within Hunt Club where/when housing diversity is needed based on the input from the community, or it can contract out the work to non-profit and small developers. This manages growth instead of letting our neighbourhood change without any plan as is currently the case (we have fewer neighbours, low level of services, and drastically less affordable homes that are often picked up by investors and flippers).



Please let us know if you have any questions. You can direct them directly to us or at info@hunt-club.ca.