

Survey of Canadian Municipalities: Regulatory Measures for Housing Affordability and Choice

INTRODUCTION

This research highlight describes the findings of a survey of Canadian municipalities, conducted during the summer of 2000. The survey explored issues and activities associated with planning and building regulations and approvals processes that affect housing affordability and choice.

OBJECTIVES AND METHODOLOGY

There is a need to better understand the experience of Canadian municipalities with regulatory reform in relation to improving affordability and choice in housing. Canada Mortgage and Housing Corporation (CMHC), in collaboration with the Federation of Canadian Municipalities (FCM), set out to improve this understanding through a broad survey of municipalities, so that all parties involved have good information about the measures that have been tried and those that are under consideration.

The aim of the survey was to elicit this information by asking questions about many aspects of regulation, approvals processes and housing affordability and choice and by securing responses from the wide variety of municipalities across Canada. One hundred and ten municipalities were surveyed, representing all sizes of cities in each region of the country. The survey was carried out in the summer of 2000 by a national team of professionals, located in or near their respective study regions.

The survey process began in each selected municipality with the surveyor contacting a senior official in the municipal planning department (usually the director or Commissioner of Planning), and sending her/him a copy of the survey questionnaire. It explored six main themes concerning local housing affordability and choice:

- key local issues;
- relationships with major regulatory instruments;
- reforms associated with land-use regulations;
- reforms associated with building regulations;
- reforms associated with the approvals process; and
- other measures.

Depending on the wishes of the respondent, the survey was either administered on the telephone (approximately 80 surveys) or completed in the municipality, by the staff the municipality deemed to be the most appropriate, and returned to the surveyor. The latter method usually entailed follow-up by telephone to clarify particular responses.

Table 1 Municipalities surveyed, by population

Under 50,000		50,000-99,999	100,000-299,999	300,000-999,999		Over 1 Million
Moose Jaw	Wetaskiwin	Shawinigan	Regina	Winnipeg	Niagara Falls	Châteauguay
Chibougamau	Fernie	Drummondville	Sydney N.S.	Morinville	Cambridge	Brossard
Thompson	Brandon	Fredericton	Chicoutimi	Sainte-Foy	London	Laval
North Battleford	Lloydminster	Cornwall	Trois-Rivières	Québec	Kitchener	Saint-Jérôme
Gaspé	Rouyn-Noranda	Sault Ste. Marie	Saskatoon	Springfield	Grimsby	Ajax
Portage	Yarmouth	Medicine Hat	Saint John	Sillery	Burlington	Verdun
Yorkton	Timmins	Lethbridge	Gatineau	StrathconaCo.	Hamilton	Oakville
Thetford Mines	Camrose	Charlottetown	Moncton	Gloucester	Ottawa	Montréal
Elliot Lake	Cowansville	Red Deer	Sherbrooke	Welland	Stoney Creek	Mississauga
New Glasgow	Yellowknife	Prince George	St. John's	Edmonton	Halifax-Dartmouth	Toronto
Fort St. John	Whitehorse	Chatham-Kent	Hull	Calgary	St. Catharines	York
Baie-Comeau	Salmon Arm	North Bay	Windsor	Nepean	Victoria	Markham
Woodstock	Sechelt	Belleville	Thunder Bay	Regional Municipality of Hamilton-Wentworth		Maple Ridge
Loyalist Township	Whistler	Nanaimo	Sudbury			Vaughan
Port Alberni	Bracebridge	Chilliwack	Barrie	Regional Municipality of Ottawa-Carleton		Surrey
Owen Sound	Orillia		Whitby			Vancouver
Cobourg	Iqaluit		Guelph			
			Kelowna			
			Abbotsford			
City-size groups are based on the 1996 population of the Census Urban Area in which the municipality is located.						

Table 2 Is housing affordability an important issue?

City-size groups (1996 population)	Responses by municipality				No. of cities surveyed
	Important	Somewhat important	Not important	No response	
Under 50,000	15	14	5	0	34
50,000-99,999	6	5	4	0	15
100,000-299,999	10	8	1	0	19
300,000-999,999	12	10	3	1	26
Over 1 million	10	4	2	0	16
Totals (as numbers)	53	41	15	1	110
Total (as % of all responses)	48%	37%	14%	1%	100%

Table 1 lists the 110 municipalities that were selected to represent all cities and regions of Canada. In the Table, they are grouped in five size categories, depending on the 1996 population of the census urban area (CMAs, CAs, and so on) in which they are located. They range from quite small places like Iqaluit, with a 1996 Census population of 4,220, to huge cities within the largest metropolitan areas, including the City of Toronto which has a population of 2,400,000.

PRIORITY ISSUES IN HOUSING AFFORDABILITY AND CHOICE

The affordability of housing is an important issue for municipalities all over Canada. When asked “Is housing affordability an important issue in your city?” 85% (94 of the 110 municipalities surveyed) responded that affordability is “important” or “somewhat

important” (see Table 2). The 16 municipalities that indicated housing affordability was “not important,” were mainly small to midsize places in central Canada where respondents explained that housing prices are relatively low and the vacancy rate is quite high, so concerns about affordability are currently reduced. On the other hand, most large cities considered housing affordability to be an important issue.

Municipalities were asked whether the following were “key issues” related to housing affordability and choice:

- Lack of, or inadequate choice of, housing affordability in general?
- Lack of, or inadequate choice of, housing affordability for specific groups (e.g. youth, singles, low-income families, single parents, special needs, seniors, others)?
- Poor quality and condition of some housing?

Table 3 What are the “Three top regulatory issues”?

Issues suggested by questionnaire prompt	No. of times selected ¹	Issues suggested by questionnaire prompt	No. of times selected ¹
“NIMBY” — opposition to low-cost housing, (e.g. secondary suites)	68	Barriers to alternative forms of tenure (e.g. co-housing)	10
Barriers to accessory apartments (secondary suites, garden suites)	32	Barriers to flexible, adaptable housing	10
All other issues reported (includes non-regulatory issues)	26	Lack of cost-effective renovation standards	9
Barriers to housing for the lowest income (e.g. rooming houses)	22	Inefficient approval processes	7
Need for regulations to encourage infill and conversion	20	Resistance to density bonusing, linkage programs	7
Barriers to redevelopment of declining downtowns, brownfield sites	17	<div>Sum of responses257</div> <div>No response73</div> <div>Total330</div>	
High development cost charges	16		
Excessive land development standards (i.e. setbacks, lot sizes, parking)	13		
¹ Note: Each of the 110 respondents could have given 1-3 responses, or the “other” response(s)			

Most municipalities (68% of those surveyed) reported a lack of housing affordability and choice for specific groups is the key issue related to housing affordability. When asked which groups needed more choice and affordability, the responses (in descending order of frequency) were low-income families, single parents, households with special needs, singles, seniors and in some cases, young families. Thirty-eight municipalities (35% of those surveyed) said the poor quality and condition of some housing was a key issue, and 31 respondents said a key issue was the lack of, or inadequate choice of, housing affordability in general.

When asked which of these three “key issues” has been most difficult, the “lack of housing affordability for specific groups” was cited by most municipalities. In particular, this problem of housing affordability for various groups provided the greatest difficulty for more than one-half of the surveyed municipalities in mid- and large-sized urban regions. This issue has persisted in most municipalities for many years and respondents report that it is not becoming any less difficult.

Municipalities were asked to name the “top three” regulatory issues that they encounter, and were prompted with 13 issues considered to be likely possibilities. The response is reported in Table 3, which contains the total number of times each issue was identified, regardless of whether the issue was ranked first, second or third. Sixty-eight municipalities said that NIMBY (Not In My Back Yard) was one of their top three issues.

NIMBY refers to the general opposition of citizens to change in their neighbourhoods. It received 55 votes as the top regulatory issue, which was more than all the other first choices put together, and was identified as the top regulatory issue by cities of all sizes.

Barriers to accessory apartments, primarily secondary suites but also garden suites, were seen as the second most important regulatory issue. Secondary suites make a vital contribution to housing affordability as they help meet low-cost rental unit demand at a time when new construction of this kind is limited. This option was selected 32 times as the first, second or third most important issue, and there was a broad distribution of these selections across city sizes and regions.

Table 4 Do regulations act as barriers to the supply and choice of affordable housing?

City-size groups (1996 population)	Responses				
	“No”	“Only somewhat”	“Yes”	No response	No. of cities surveyed
Under 50,000	22	11	1	0	34
50,000-99,999	11	3	1	0	15
100,000-299,999	11	8	0	0	19
300,000-999,999	16	7	2	1	26
Over 1 million	10	4	2	0	16
Totals (as numbers)	70	33	6	1	110
Totals (as % of all responses)	64%	30%	5%	1%	100%

The next most frequent response was to mention an “other issue” which had not been suggested in the questionnaire prompts. Among these 26 “other” responses, most were non-regulatory matters, including political and economic issues, like lack of economic growth.

“Barriers to housing for the lowest income (e.g. rooming houses)” was selected 22 times as a top-three issue, and was also broadly distributed among cities of all sizes. A need for regulations which encourage infill and conversion was selected 20 times.

Municipalities were asked “Do you think that planning and building regulations and development approval processes act as barriers to increasing the supply and choice of affordable housing?”

As seen in Table 4, there were clear views about this, since only one city didn’t answer. Nearly two-thirds said regulations are not barriers, and another 30 per cent said they are “only somewhat” a barrier. There was no particular pattern of city sizes in this response.

REFORMS ASSOCIATED WITH LAND-USE PLANNING MEASURES

Municipalities were asked about their utilization of 10 land-use planning and zoning measures which are often said, in the literature, to contribute to more housing choices and affordability. Responses are summarized in Table 5, grouped to illustrate three broad patterns in municipalities’ use of these reforms.

Widely adopted

Some measures are used by over 80% of municipalities, and might be considered standard practices. These include zoning which allows: mixing housing types and lot sizes; mixing commercial and residential uses and allowing conversions; and creating zones for innovative housing forms like co-housing. Instead of creating these latter types of zones, some places allow these uses “as of right” in all residential zones.

Table 5 Municipal use of land-use planning measures

Description of measure	Status of measure						Total
	Already adopted	Being considered	Considered but rejected	Not relevant	Not considered	No response	
Widely adopted measures							
Zoning allows mix of housing types/lot sizes in parts of the community	102	4	1	3	0	0	110
Zoning allows mixed commercial/housing, conversions	100	4	0	6	0	0	110
Zoning allows innovative housing forms such as co-housing, collaborative housing and group homes	88	5	0	15	1	1	110
Usage of measures mixed							
Land is designated/prezoned for multi-family housing	80	3	4	22	1	0	110
Reduced parking standards for affordable housing (special needs, ownership, rental)	61	8	4	34	0	3	110
Zoning allows accessory apartments (secondary suites, garden suites) in neighbourhoods that are predominantly detached housing	54	11	29	13	2	1	110
Reduced lot sizes, road widths	52	12	7	33	2	4	110
Reduced property line setbacks allowed for affordable housing (special needs, ownership, rental)	46	9	6	40	4	5	110
Less frequently used measures							
Zoning allows for convertible housing	28	9	4	57	6	6	110
Replot schemes, special development districts	22	15	6	55	4	8	110

Usage Mixed

There are mixed views about some measures, with 40-75 per cent of municipalities having adopted them, but also with significant numbers of cities rejecting them:

- 73% (80 municipalities) designate or pre-zone land to supply sites for multi-family housing, but 22 places indicated this measure is irrelevant;
- 55% (61 cities) reduce parking standards to minimize costs for affordable owner-occupied, special needs and rental housing. While eight other municipalities are considering this measure,

38 places either consider it is irrelevant or have rejected it.

Places opposing this measure are often smaller and lower density cities with relatively low land values, where a diminished parking requirement would have little impact on the total housing cost;

- 49% (54 municipalities) allow accessory apartments in predominantly detached housing neighbourhoods, and another 11 are considering this policy. On the other hand, 29 places have rejected this measure. Six places mentioned specifically that they also allow garden suites in single family zones, and while other cities may have similar measures, the accommodation of garden suites is much

less common than measures directed to encourage secondary suites. Many respondents reported strong neighbourhood opposition in public hearings when secondary suites are discussed, including at Council and formal Committee meetings. They suggest that the successful implementation of this reform requires a conjunction of willing owners, commitment in the political offices of the city government, and cooperation among all relevant municipal departments (planning, building inspection and fire);

- 47% (52 municipalities) allow reduced lot sizes and road widths, and 12 other cities are considering these reforms. They were rejected or considered irrelevant by 40 cities. Once again this negative response was usually from smaller municipalities with lower land costs;
- 42% (46 municipalities) will reduce property line setbacks to allow for affordable ownership, special needs and rental housing, and while nine others are considering this measure, it has been rejected or is considered irrelevant by 46 cities. There was no particular city size pattern observed in the divergent views about this measure.

Less frequently used measures

Two land-related measures are only used by a minority of municipalities (20–55%), while much greater proportions did not support such measures:

- 25% (28 municipalities) employ zoning which permits convertible housing, and nine others are considering it. However, four cities had rejected the idea and 57 considered it irrelevant. This measure is primarily used by larger cities;
- 20% (22 municipalities) have created special development districts or have designated areas for replot schemes, in order to facilitate low-cost housing. Fifteen other cities are considering these measures, although they had been rejected by six and were considered irrelevant by 55. Development districts were mainly in metropolitan areas, while replotting is employed in various Prairie cities.

Table 6 Municipal use of measures associated with the approvals process

Description of measure	Status of Measure						Total
	Already adopted	Being considered	Considered but rejected	Not relevant	Not considered	No response	
Coordination, standardization of applications, one-stop approvals	78	8	1	21	0	2	110
General improvements to computerization of development and building permits	73	15	2	18	0	2	110
Use of dispute resolution processes where rezoning application is contentious with neighbours and community	69	5	6	18	1	11	110
Priority processing (e.g. fast-tracking, reducing fees) for affordable housing (special needs, ownership, rental)	32	6	8	60	2	2	110
Appropriate processing for brownfield sites	26	11	4	59	5	5	110
Fast tracking for certified builders	16	7	5	70	5	7	100
Zoning allows reducing the priority for processing development proposals which result in the net reduction of affordable housing	6	2	8	85	4	5	110
Other	1	2	0	0	0	0	3

REFORMS ASSOCIATED WITH THE APPROVALS PROCESS

Table 6 summarizes responses concerning eight measures associated with streamlining development or building approval processes. As these reforms involve cutting red tape and making the process more efficient, they can help reduce costs and lead to more affordability and choice.

Measures used by 60–70% of cities:

- 71% (78 municipalities) have streamlined their approvals process with standardized applications, and co-ordinated or one-stop approvals structures. Another eight places are considering such measures. Smaller places with low growth rates often said these measures are irrelevant because they already process applications within a matter of days;

- 66% (73 municipalities) had recently improved computerization in the processing of development applications, and another 15 places were considering this type of improvement;
- 63% (69 municipalities) employ some form of dispute resolution process. Although the descriptions of these measures varied, and many were vague, most involved municipal planners (or their contractors) holding informational or problem-solving workshops in the neighbourhood where a rezoning or other development is proposed, before the application is considered by the Council.

Measures used by a minority of municipalities

- 29% (32 municipalities) assign priority to the processing of projects which will produce affordable homes, and while six others indicated they were considering this measure, 60 said it was irrelevant. Those using it were fast-growing, larger cities

where acceleration in a complex and lengthy approvals process can provide a real benefit. A few observed that special treatment of any application would be unfair;

- 24% (26 municipalities) employ special measures to process brownfield redevelopment applications, and while 11 others are considering it, 59 said the idea is irrelevant. As redevelopment of industrial and other polluted sites becomes a more common means of urban intensification, more of this complicated processing will be required. The larger cities, particularly in central Canada, are becoming familiar with this requirement now, while smaller places are just beginning to see brownfield issues as normal parts of their activities;
- 14% (16 municipalities) will fast-track development applications from certified builders, and while seven are considering it, 70 said it is irrelevant. There were different degrees of formality in the designation of “certified builders”, with some smaller places applying this term to “good” experienced builders, while most places limited the designation to builders who had undergone formal qualification (such as R-2000 builders and “green” builders);
- 5% (6 municipalities) said they lower the processing priority of

proposals that would reduce the net amount of affordable homes. Eight had rejected this concept and 85 said it is irrelevant. There was some concern that this measure would be counter-productive, and might not be allowed under most provincial legislation.

REFORMS ASSOCIATED WITH THE BUILDING CODES AND REGULATIONS

Table 7 summarizes the responses concerning three measures related to building codes and regulations:

- 50% (55 municipalities) have a by-law on property maintenance (sometimes called “standards of maintenance,” “safe housing standards,” “minimum maintenance and occupancy,” or “property standards”), and while three others are considering this, six have rejected it and 34 said it is not relevant. These by-laws are usually central to a city’s substantive policy encouraging or discouraging affordable secondary suites. No city size pattern was observed in these responses;

Table 7 Reforms associated with building codes, regulations

Description of measure	Status of measure						Total
	Already adopted	Being considered	Considered but rejected	Not relevant	Not considered	No response	
"Standard of maintenance" by-law (or equivalent)	55	3	6	34	2	10	110
Building Code equivalents that enable cost-effective renovation (e.g. for secondary suites)	39	7	9	41	4	10	110
Equivalents for enabling non-standard building materials, systems and procedures for construction	34	9	4	49	5	9	110
Other	6	0	0	0	0	0	6

- 35% (39 municipalities) have created special building code equivalents to encourage cost-effective renovation (e.g. for secondary suites and rooming houses), and this measure is under consideration in seven other places. Many respondents mentioned special efforts being undertaken in their cities to encourage these and other forms of existing low-cost housing, by being flexible in the application of codes. Several cities in the Atlantic and Quebec regions, and in southern Ontario, mentioned that they had, or needed, equivalencies to encourage improvements to heritage buildings;
- 31% (34 municipalities) have authorized equivalents for various building materials, systems and procedures to encourage housing affordability and choice, and nine others are considering such measures. Fifty-three cities have either rejected this idea or consider it irrelevant, and 14 cities either had not considered it or did not respond to this question.
- Many respondents observed that building codes can make it difficult to encourage more affordable forms of housing like secondary suites, collective housing, or small or older very basic rental units. Municipal authorities have difficulty when they try to ease regulations in favour of lower-cost housing, as they must also maintain the health and safety attributes defined by provincially-legislated building codes.

OTHER MEASURES

The survey asked about six additional measures that did not fit the foregoing categories. The responses have been totalled in Table 8, and are summarized as:

- Forty-seven municipalities perform research on housing needs and their solutions. While eight others are considering it, 47 considered it irrelevant. The places which are doing housing research are primarily the largest municipal and regional governments;

Table 8 Municipal use of other measures to improve housing affordability and choice

Description of measure	Status of measure						Total
	Already adopted	Being considered	Considered but rejected	Not relevant	Not considered	No response	
Research into housing needs and their solutions	47	8	1	47	2	5	110
Educational information (print materials, videos, websites) to assist in planning and delivering special needs, rental and affordable home ownership housing	42	7	0	53	3	5	110
Advisory committee considers and networks on issues related to housing affordability and choice	39	6	2	52	5	6	110
Demonstration projects undertaken — innovative housing, land development standards, building materials	33	11	2	52	5	7	110
Staff are assigned primarily to work on housing	32	2	2	66	4	4	110
Levying development cost charges on an area basis	18	6	3	66	8	9	110

- Forty-two municipalities mentioned that they had prepared educational materials, such as brochures, videos and television programs to help inform the public about housing issues and encourage choice and affordability. Both large and small municipalities are engaged in educational programming, and it seems particularly notable that small places are making use of community cable channels to inform people about planning and housing issues. Seven cities are considering such measures, and 53 felt it is irrelevant;
- Thirty-nine cities employ advisory committees to consider and network on housing affordability and choice matters, and six others are considering this measure. Notably, eight cities in British Columbia have such committees, where they are supported by a provincial program;
- Thirty-three municipalities have undertaken demonstration projects to explore and promote innovation in land development, housing or building materials, and 11 others are considering such activities, while 52 said it is irrelevant. No city size patterns were observed in these responses;
- Thirty-two cities assign staff to work primarily on housing, and two others are considering this. Most of these housing specialists were located in the larger cities;
- Eighteen municipalities levy development cost charges on an area basis to remove a disproportionate cost which impedes smaller houses and lots. Six others are considering this measure, which has been widely advocated by the Pacific Chapter of the Urban Development Institute and the BC Ministry of Housing.

CONCLUDING OBSERVATIONS

Affordability issues are clearly important to Canadian municipalities, particularly the affordability problems of groups like single parents, low-income families, special needs, youth, seniors and singles. According to the survey, the single largest affordability issue is NIMBY, the forces opposing neighbourhood change.

Canadian municipalities are using a wide variety of measures to encourage housing affordability and choice. The survey found that seven of them are employed by over two-thirds of municipalities: zoning that allows for housing type and lot size mix; residential/commercial mix; zoning for innovative housing; rezoning land for multiples; coordinating/standardizing the approvals process; dispute resolution processes and computerization of approvals.

Six more of the measures discussed in this highlight are already adopted or being considered by over half of the municipalities surveyed including: three alternative development standards measures (reduced parking standards, reduced property line setbacks, as well as smaller lot sizes and road widths); zoning that allows accessory apartments; standard of maintenance bylaws; and conducting research. These findings demonstrate that municipalities are committing resources and energy to address regulatory and approval process problems associated with housing affordability and choice.

However, many surveyed municipalities were not convinced about some measures. Thirteen of the measures were rejected or were deemed “not relevant” by over one-half of the municipalities that responded. Among these were: fast tracking for certified builders; building code equivalencies that enable cost-effective renovation; and equivalencies that enable non-standard materials, systems and procedures. Many respondents commented that building code-related reforms are beyond their sphere of influence. Also, many said that these measures were irrelevant to their current market situation, or to cities of their size.

The survey showed that municipalities are engaged in and knowledgeable about issues of housing affordability. Many are improving their processes and regulations concerning development. However, respondents often expressed the view that planning and building regulations had only a limited role to play in increasing the supply of affordable housing. While these measures could be facilitative, they do not expect these measures, in and of themselves, to substantially affect housing affordability and choice.

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