

# INNOVATIVE HOUSING

OPTIONS to SUPPORT  
AFFORDABLE HOUSING

JANUARY 2021

The logo for York Region, featuring a stylized white bird or wing icon above the text "York Region" in a white serif font, all set against a purple circular background.

*York Region*



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# EXECUTIVE SUMMARY

This attachment provides an overview of housing innovations and approaches to support the development of affordable housing options. Options are organized into four categories, outlined in the table below. In many instances, numerous partnerships are required to deliver these innovations.

INNOVATION CATEGORIES	INNOVATION	IMPLEMENTATION LEAD
<b>Built Form and Diversifying the Housing Stock</b>	Live/Work Units	Local Municipalities and Development Industry
	Micro Suites	Development Industry
	Tiny Houses	Local Municipalities and Development Industry
	Adaptive Reuse	Local Municipalities and Development Industry
	Family Friendly Housing Policies	Regional and Local Municipalities
	Multi-Generational Housing	Development Industry and Public
	Secondary/Accessory Dwelling Units	Regional and Local Municipalities
	Laneway Housing	Local Municipalities
	Co-Housing	Public
<b>Innovations in Design and Construction</b>	Modular Construction	Development Industry
	Container Housing	Development Industry
	3-D Printing	Development Industry
	Complete Units with Unfinished Interior	Development Industry
	Passive House	Development Industry
	Green Buildings	Development Industry
	Timber Buildings	Development Industry
<b>Municipal Programs</b>	Publicly Owned Lands	Local and Regional Municipalities
	Community Land Trusts	Local Municipality and Non-Profit Organizations
	Waiving, Deferring or Reducing Application Fees and Development Charges	Regional and Local Municipalities
	Rental Housing Protection (Demolition and Protecting from Condominium Conversion)	Regional and Local Municipalities
	Municipal Covenant Tools	Regional and Local Municipalities
	Short Term Rental Regulations	Local Municipalities

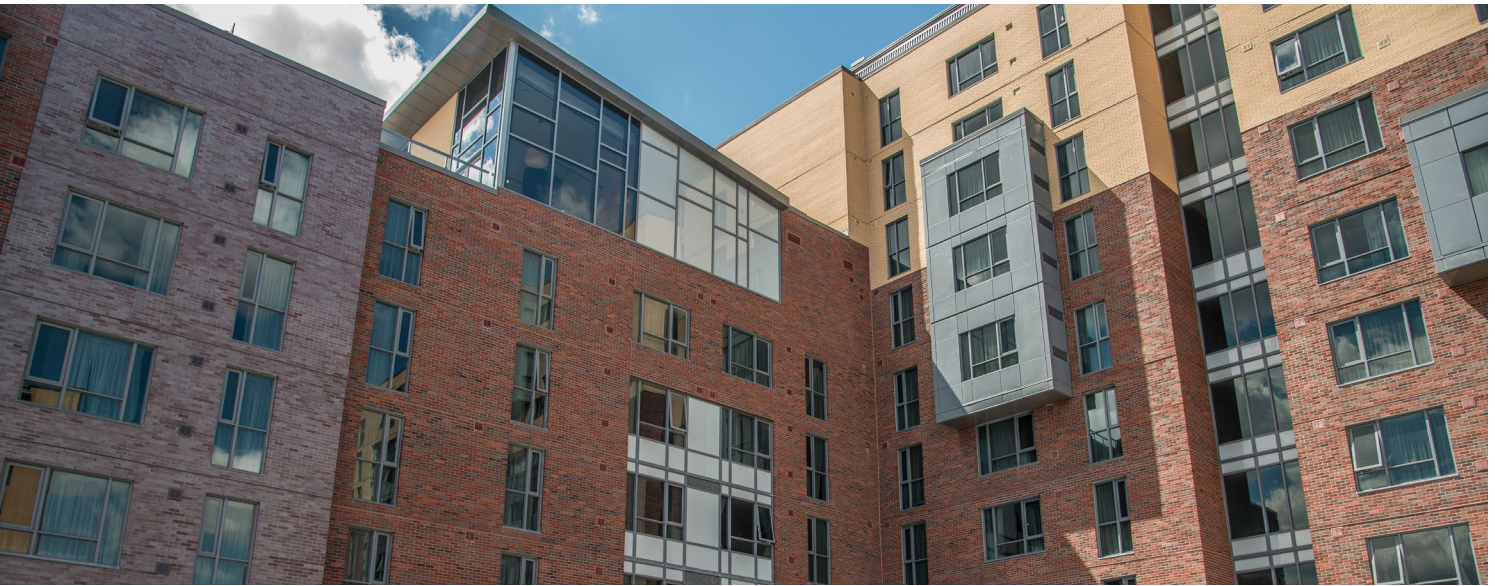
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## EXECUTIVE SUMMARY (continued)

INNOVATION CATEGORIES	INNOVATION	IMPLEMENTATION LEAD
<b>Municipal Programs</b> (continued)	Reduction or Exemption from Parking Requirements	Local Municipalities
	Vacant Unit Tax	Provincial Government, Regional and Local Municipalities
	Reduction or Exemption in Parkland Dedication or Cash-in-Lieu	Local Municipalities
	Inclusionary Zoning	Local Municipalities
	Community Improvement Plans	Regional and Local Municipalities
<b>Process Improvements and Financial Tools</b>	Expediting the Approvals Process for Affordable Housing Developments	Regional and Local Municipalities
	Phasing Affordability at Each Phase of Development	Regional and Local Municipalities
	Affordability through Financing	Federal Government
	Lease-to-Own/Rent-to-Own	Private Industry

The research outlined in this document seeks to identify potential considerations for delivering affordable housing options but have not been evaluated in a York Region context. Further consideration and analysis are required to finalize what could be adopted to support a full mix and range of housing, including affordable housing options, in York Region. This report focuses on a range of innovative approaches, but there could be quick and easy solutions not addressed in this report that use the existing planning framework to deliver affordable options (e.g., updated zoning).

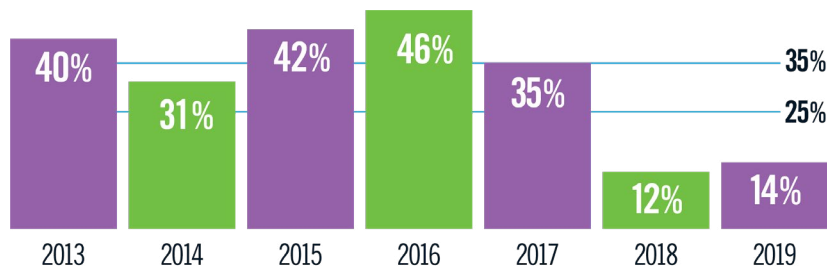
Some of the innovations explored through the research are easy or quick win solutions due to their ease of adoption in a fast and streamlined manner, such as family friendly housing policies. However, some are much more complex and require changes to legislation, additional funding opportunities or extensive commitments from numerous partners. The complexity of each innovation will be explored in subsequent analysis, identifying principles that could impact the level of complexity to implement such as cost, jurisdiction of the innovation (federal, provincial, regional or local), the level of commitment or role of private developers and interest of the public in adopting these new innovations. In the table, the implementation lead is identified. However, partnerships across government, private industry (development industry, financial institutions, etc.), non-profit organizations and the public are required for each innovation explored.



# INTRODUCTION

A full mix and range of housing options remains a key component for building complete communities, places where all people can live, work and play. A mix of housing types and tenures, including a range of affordable housing options, is essential to house a local workforce. The Annual Measuring and Monitoring Housing Affordability in York Region reporting identified the continued affordability challenges facing residents and workers in recent years in York Region (Figure 1). A lack of affordable housing options, with only 11% affordable ownership units in 2019, and a low rental supply could continue to impact Regional population and employment growth in the future.

**FIGURE 1: PERCENTAGE of NEW AFFORDABLE and RENTAL UNITS by YEAR**



\* Regional Official Plan Target: 35% applied in Regional Centres and Key Development Areas and 25% applied outside Regional Centres and Key Development Areas.

The Municipal Comprehensive Review sets the framework to support development of affordable housing options across York Region. It provides a foundation for building partnerships and collaborating with a variety of stakeholders to address housing gaps. The proposed policy updates in the Regional Official Plan will aim to streamline existing policies, embed updated policies to align with new Provincial policy direction and incorporate best practices. These updates are intended to enhance the Region’s housing related policy foundation and support future on the ground approaches to help address housing issues.

There is opportunity to continue Regional work towards addressing housing gaps. Policies alone are not expected to



address housing gaps in the Region. To help advance solutions, research has been conducted on potential innovations to support delivery of a greater mix and range of housing options, including more affordable options. The innovations and best practices captured are organized into the following categories:

- 1. Built form and diversifying the housing stock**
- 2. Innovations in Design and Construction**
- 3. Municipal Programs**
- 4. Process improvements and financial tools**

For each category captured, there are several potential approaches identified that could help address housing gaps in York Region. Each approach is explained, and case studies are provided. In some instances, York Region does not have direct jurisdiction over the approach provided. Housing solutions are multi-faceted and require participation from multiple partners. While the approaches listed are comprehensive, they are not exhaustive as solutions required to address housing needs are wide ranging and evolving. This housing scan provides an inventory of approaches with potential to address housing need. Best practices will require further research and analysis, conversation with stakeholders and potential partners and evaluations of feasibility in a York Region context. The innovations scan identifies potential options to influence the private market, targeting mid-range income housing needs. This scan took a comprehensive look at some potential innovative solutions to assist in solving the growing affordability challenges in a York Region context.





## APPLYING a YORK REGION LENS

Consideration for how to apply this research and best practices scan in a York Region context is important. It must be applicable and adaptable to the diverse needs of each local municipality. The criteria below which apply a Regional lens are for consideration in the future development of Regional programs. Each potential housing innovation outlined requires an evaluation for feasibility based on Regional priorities and are beyond the criteria identified. There are several criteria that should be considered when assessing the viability of mechanisms to address housing gaps, including:

### **PARTNERSHIPS** are ESSENTIAL to SOLVING HOUSING GAPS

No one level of government can solve the housing gaps in York Region alone. Building relationships with a variety of stakeholders, including other levels of government, non-profit housing providers, financial institutions and developers to support the development of affordable housing will be necessary in addressing housing gaps in York Region.

### **OPENNESS** to NEW INNOVATIONS

New housing innovations can mean looking beyond traditional housing designs and the status quo of single-family, semi-detached, townhouse or apartment units. It requires a willingness from both the developer and end user to adopt new and innovative forms of housing types and living styles to be adapted to the local context. In some instances, new regulatory approaches may be required, as some of the approaches identified require the implementation of a new or updated municipal bylaw to implement the approach.

### **A ONE-SIZE FITS ALL APPROACH** may NOT WORK for YORK REGION

York Region's nine local municipalities are unique and a best practice may be a better fit in one local municipality than in others. Solutions in one local municipality may not be as easily adaptable for the adjoining municipality; it will require adaptation and a review of what is plausible for adoption with local municipal staff. There is a need for more affordable family-sized units across York Region. Some innovations do not lend themselves as easily to addressing that need and changing demographics will need to be considered in assessing the viability of these housing innovations.



## FUTURE RECOMMENDATIONS to ADDRESS HOUSING GAPS may REQUIRE FINANCIAL INVESTMENT

The need for financial investment in housing programs from all levels of government and private industry, through corporate social responsibility to the communities they build for, is required. At the Regional government level, future financial commitments to housing should be balanced with other important financial investments, such as infrastructure and community services. Potential revenue sources, including ongoing advocacy to the Provincial Government that a portion of the Non-Resident Speculation Tax be shared with single and upper tier municipal governments, could help increase housing options including affordable housing options. Future work on housing and reporting of proposed programs in York Region will advise on the financial implications of housing projects when options and feasibility are further explored.



## CLASSIFICATION of INNOVATIONS

The housing innovations research looks at case examples from York Region, Ontario, Canada and beyond. It builds on existing Regional mechanisms for delivering affordability. The research scan of practices can be divided into four distinct categories to help classify the research conducted:

- 1. Built Form and Diversifying the Housing Stock**
- 2. Innovations in Design and Construction**
- 3. Municipal Programs**
- 4. Process improvements and Financial Tools**

The findings presented include the housing innovation, affordability framework and case studies.





University of British Columbia Nano Suite

## BUILT FORM and DIVERSIFYING the HOUSING STOCK

Built form refers to the shape, function and configuration of buildings, including how they connect to public spaces and streetscapes. Built form plays a role in the development of affordable housing options. It can help to diversify the type and size of units available and in some instances deliver more rental housing options (e.g., secondary suites) in areas where there may be limited rental options. A diversified housing stock supports intensification efforts and will help to revitalize existing neighbourhoods and support the best use of existing lands in York Region. Diversifying the housing stock refers more broadly to a full mix and range of housing stock beyond the traditional models of housing types. It considers new ways to develop, intensify and bridge the gap between traditional housing options and modern developments aimed at bringing more affordable housing options to the market.

### HOUSING INNOVATIONS and CASE STUDIES

**LIVE/WORK UNITS:** A live/work unit is a single unit that has both commercial or office use and a residential component occupied as a primary dwelling. This has a growing demand for professionals, including entrepreneurs and other creative industries, that want a dedicated workspace and office for clients to come to, but are unable or unwilling to pay the costs of buying or leasing office, workshop or studio space on top of their living expenses. The viability of these units must be considered on a site by site basis with appropriate zoning in the right location at the local municipal level.

CASE EXAMPLE: [Mississauga: FRAM Building Group](#)

**MICRO SUITES:** A micro suite or micro unit is a one-room, self-contained living space that has been designed to accommodate a living area, sleeping area, bathroom and contained kitchenette. The range of square footage fluctuates, with typical ranges between 150 and 450 square feet. Rents and sale prices are traditionally scaled with unit size, offering an opportunity to deliver more affordable options to both the ownership and rental market. This innovation is best suited for more urban, walkable areas close to community facilities and transit-supported, with close proximity to work opportunities. In urban areas, land prices are traditionally more expensive and micro suites or units offer more affordable homes in locations where land costs can be a significant barrier to affordability. In York Region, the feasibility of these micro units are in the preliminary stages of review through work being undertaken by Housing York Inc.

CASE EXAMPLES: [City of New York: Launch Micro-Mix](#) [University of British Columbia: Nano Suites](#)



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**TINY HOUSES:** Tiny homes are small, self-contained residential units built for year-round use with a living area that includes a kitchen, dining, bathroom and sleeping area. A tiny home is limited to the minimum standard set out in Ontario's Building Code (17.5 square metres). They offer a great alternative to save on housing costs as they are cheaper to build and maintain than a traditional ground related unit.

CASE EXAMPLE: › [Township of Leeds and the Thousand Islands](#)

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**ADAPTIVE REUSE: CONVERSION of OLD BUILDINGS into NEW AFFORDABLE HOUSING:** Many private developers and municipalities are using older hotels, offices or places of worship to convert into housing developments, and in some cases affordable housing. A municipality is able to meet its goals of heritage conversation and increased housing supply, while lowering construction costs. Adaptive reuse of historical spaces helps to use existing buildings in a way that can bring life back to a neighbourhood while preserving a unique sense of place.

CASE EXAMPLES: › [Manitoba - St. Matthews Anglican Church](#)  
› [Peterborough - The Mount and Sustainable Affordable Housing](#)

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**FAMILY FRIENDLY HOUSING POLICIES:** Family-Friendly Housing Policies help to facilitate the provision of more housing with two to three-bedrooms to maintain healthy and mixed communities, including units large enough for families. Families need affordable housing that meets their needs however the high cost of housing often means families are living in smaller than ideal spaces in order to remain in the community. For many households, larger units are often found in ground related housing stock. A vertical community considers the needs of family sized units and spaces for families in higher density buildings. There is a growing need for family friendly housing developments, with consideration for convenient access to community spaces, transit and other amenities. A family friendly policy lens considers opportunities for utilizing the unit itself, the building and the neighbourhood to function better for larger households.

In the York Region context, this lens was adopted in the creation of the Affordable, Purpose-Built Rental Housing Incentives policy. Greater incentives are granted for developments in centres and corridors where 50% or more units are family-sized (two-bedrooms or greater).

CASE EXAMPLES: › [City of Toronto - Growing Up: Planning for Children in New Vertical Communities](#)  
› [Vancouver – Family Room: Housing Mix Policy for Rezoning Projects and High Density Housing for Families with Children Guidelines](#)

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**MULTI-GENERATIONAL HOUSING:** A multi-generational home is designed to meet the needs of families consisting of more than two generations living under the same roof. Living in a multi-generational household has several benefits such as lower operating and maintenance costs, cost savings on childcare and potentially better health outcomes. Major homebuilders are now offering “multi-generational” floor plans that make space for three or more generations, or even two different nuclear families sharing one house. Typical features include separate entrances and garages that let family members come and go as they please. Multi-generational housing does not mean using the traditional accessory dwelling unit as a means to have two households in one house (identified as the next option), but that the unit is designed in a way to accommodate the specific needs of that particular multi-generational family (e.g., may have only one kitchen area with separate living spaces in the house for different family members).

CASE EXAMPLE: › [Peel Region – Official Plan Review](#)

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**SECONDARY or ACCESSORY DWELLING UNITS:** Secondary units can provide practical housing options to meet specific needs, including increasing housing choices for low and moderate income households, accommodating an aging population who wish to live independently but also benefit from the support of having their extended families nearby, and promoting more inclusive communities.

Secondary units can maximize densities and help to create income-integrated communities, which can support and enhance public transit, local businesses and the local labor market, as well as make more efficient use of infrastructure and services. This form of diversification provides housing options for renters in the market and is a form of gentle intensification using existing housing stock. The *Planning Act* also permits the use of secondary units, allowing an additional unit in the primary dwelling and one unit in an ancillary building. Policies supporting secondary or accessory dwelling units are required across York Region.

CASE EXAMPLE: › [Town of Newmarket](#)

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**LANEWAY HOUSING:** Laneway suites are secondary dwellings constructed behind traditional street-facing homes on lots abutting a public laneway. Laneway suites increase quality of affordable rental housing, intensify existing neighbourhoods, utilize existing infrastructure and help use sometimes underutilized spaces. An important consideration is the impact on parking if laneway houses were to be used in areas where they are not connected to transit, as this could use all relevant parking spots for that house if not in a transit-supported area.

CASE EXAMPLES: › [Affordable Laneway Suites Pilot Program, City of Toronto](#)  
› [Laneway Program, City of Vancouver](#)

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**CO-HOUSING (RENTAL and OWNERSHIP):** Co-housing is a shared living arrangement where two or more unrelated people own and or live in a home together through shared rental agreements or a formal shared ownership approach. Co-owners may share living spaces like kitchens and living rooms, or the home may be divided into separate units. Responsibilities for care and upkeep of the home are usually shared, as well as some amenities and services. Bill 69 or the *Golden Girls Act, 2019* was passed by the Ontario government to encourage all levels of government to recognize that Ontario has an aging population and should support innovative and affordable housing solutions for seniors. It was identified as a solution to the lack of affordable seniors housing available and high cost of maintaining a home.

Beyond seniors, co-housing expands the options available to individuals and families and provides a range of benefits, including affordability by allowing a group to pool resources to buy a house. It provides a way to build equity and brings security that comes with owning your home. The [Government of Ontario has created a guidebook](#) to support individuals looking at co-ownership options. For rental housing, co-housing offers opportunities to share the costs of a larger unit with other individuals, helping to create a sense of community and more affordable housing options due to the shared cost of expenses.

CASE EXAMPLES: › [Port Perry, Durham Region: Golden Girls Act](#)

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# INNOVATIONS in DESIGN and CONSTRUCTION

The cost of traditional construction methods can be relatively high, increasing the overall price of the unit. Innovations in housing design and construction can influence the ecological impact that these buildings have on the environment, while also creating more sustainable and affordable housing options. In some instances, unit cost is lower with more modest building materials and finishes, in other instances the savings come over time with reduced utility costs.

## HOUSING INNOVATIONS and CASE STUDIES

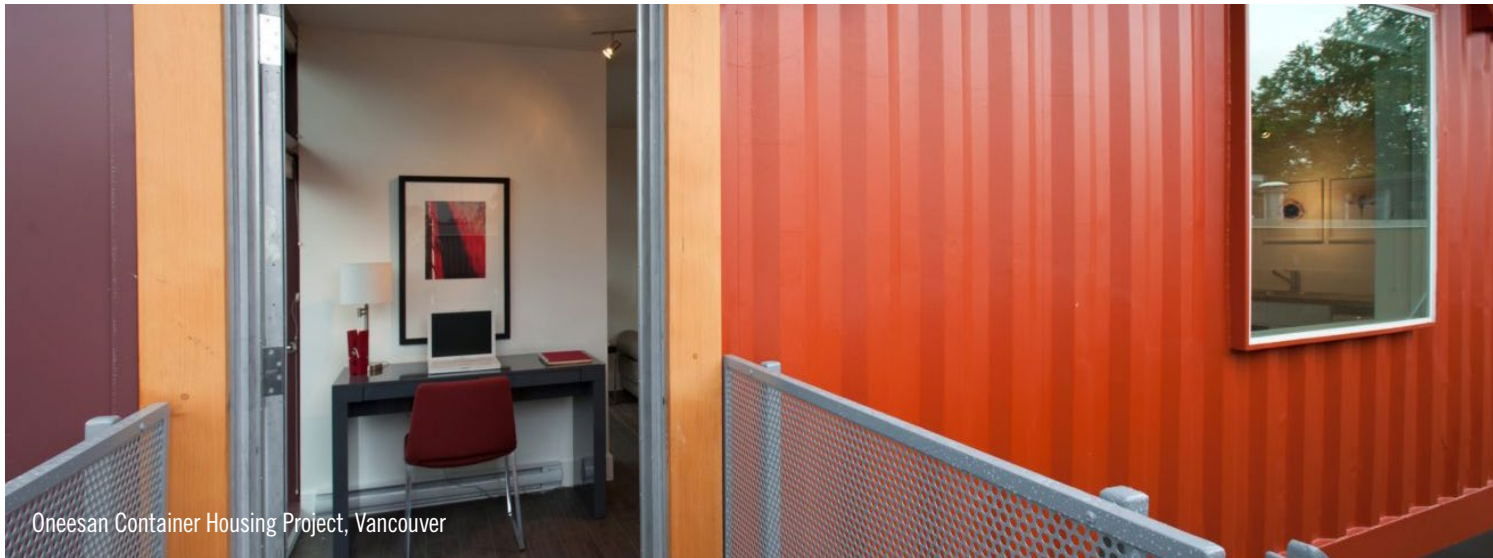
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**MODULAR CONSTRUCTION:** Modular construction is a process in which a building is constructed off-site, under controlled plant conditions. Construction of modular buildings occurs simultaneously with site work, allowing projects to be completed 30% to 50% sooner than traditional construction.

Modular buildings can be disassembled and the modules relocated or refurbished for new use, reducing the demand for raw materials and minimizing the amount of energy expended to create a building to meet the new need. The costs of physical construction—the “hard costs”—are a big determinant of selling price or rent of a new home. It also has the potential to yield significant cost savings, with the potential to realize more than 20% of construction cost savings, with additional potential gains in full-life costs (reducing costs through energy and maintenance savings).

CASE EXAMPLES: › [Modular Housing Initiative, City of Toronto](#)  
› [Margaret Mitchell Place, City of Vancouver](#)

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Oneesan Container Housing Project, Vancouver

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**CONTAINER HOUSING:** A new innovation has been to create affordable housing out of shipping containers. Shipping containers have little to no maintenance and can withstand harsh weather conditions. It is estimated that there are millions of vacant shipping containers in the world that could be repurposed for housing units, helping to bring affordable housing to the market and supporting sustainable solutions and uses for these empty containers. This is both good for the environment and offers an alternative to expensive building costs and time, providing the base structure.

CASE EXAMPLES: › [Oneesan Container Housing Project, Vancouver](#)

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**3-D PRINTING:** While in preliminary stages of development, there are some firms that have been able to develop house-scale, mobile 3-D printing technology. The 3-D printers are built to be easily transported via truck and are capable of printing a home of up to 800 square feet. This specific 3-D printer uses a mortar that can be sourced anywhere and the idea is to develop a technology that can be used in places where there might not be a lot of building resources. These 3-D printed structures not only reduce labour costs, construction time and material wastage, but they are also durable and disaster resistant. Although in early stages of development, it could be considered in the future to deliver more affordable housing options.

CASE EXAMPLE: › [ICON – Austin, Texas](#)

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**COMPLETE UNITS with UNFINISHED INTERIORS:** To save labour and material costs, a developer could leave a portion of completed units unfinished to allow users to finish at their own budget. Occupancy requirements would need to be investigated in terms of what is required to be finished and what can be left incomplete.

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## DESIGN INNOVATIONS with HIGHER UP-FRONT CAPITAL INVESTMENTS and LONGER-TERM ENERGY SAVINGS

In some instances, there are new innovations in housing design that help to impact affordability through energy savings but require higher up-front capital costs for building the unit for the developer. However, this helps to deliver more affordable rental housing options through lower utility costs for the renter. The innovations are listed below.

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**PASSIVE HOUSE:** Passive House is a standard for energy efficiency that reduces a building's ecological footprint. The approach to more affordable housing is to focus on spending money up front to create energy-efficient buildings with lower maintenance and operating costs. By implementing passive house standards, developers can significantly curtail greenhouse gas emissions while drastically reducing utility costs. Some key elements of passive design are:

- › An airtight building envelope, which minimizes heating and cooling loss by air leakage.
- › High levels of insulation, so the building doesn't lose heat through its envelope.
- › Eliminating or reducing thermal bridging through the envelope to further reduce heat loss.
- › Using high-quality windows.
- › Placing windows in such a way as to maximize daylight and occupant experience.

CASE EXAMPLE: › [Cordage Green, Welland, ON](#)

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**GREEN BUILDING:** Green building design uses renewable resources and less energy which makes them more affordable. Smaller designs and alternative and salvaged building products conserve resources and therefore can cost less than traditional approaches. Short-term, more immediate cost-saving examples include high efficiency water and energy appliances. Longer-term financial saving investments include solar panels and grey water technologies.

CASE EXAMPLE: › [York Region: Sustainable Development through LEED Incentive Program](#)

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**TIMBER BUILDINGS/CROSS LAMINATED TIMBER:** Timber framing or post-and-beam construction are traditional methods of building with heavy timbers, creating structures using squared-off and carefully fitted and joined timbers with joints secured by large wooden pegs. Although supply chain challenges currently exist with this innovation in Ontario leading to increased costs to building with timber, this could be a future innovation to consider in supporting affordable housing options in a sustainable way.

CASE EXAMPLES: › [University of British Columbia: Brock Commons](#) › [Oslo, Norway](#)

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## MUNICIPAL PROGRAMS

To help bridge the gap between market prices and feasibility and affordability, government incentives can help financial viability. This includes making publicly owned lands available for affordable housing through grants, reduced prices or long-term leases. In some cases, the delivery of incentives requires a mechanism to legally deliver them. These mechanisms are also captured in this scan. The municipal programs identified are not recommendations for use, but considerations for what is available, and their potential use in a York Region context would require additional discussion and evaluation. There may be additional easy, “quick win” solutions offered through the existing planning framework that could support affordable developments, which may include options such as infill development, pre-zoning or broadening the existing zoning framework. These options are not explored as innovations in this report but should be explored in the supplementary analysis for York Region-based solutions.





Development Charge Deferrals for Purpose-Built Rental Housing

## HOUSING INNOVATIONS and CASE STUDIES

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**PUBLICLY OWNED LANDS:** Publicly owned land is land owned by the Government that is either vacant or underutilized and no longer needed to deliver government services. There are several options for what the government could do to the land, including selling the land at market value and redirect funding for affordable housing on a more suitable location, selling the land below market value in exchange for affordable housing units, or leasing the land to a developer or non-profit organization, based on the number of affordable units to be provided. Some municipalities have adopted a housing first policy for surplus city-owned land. In some instances, municipalities work with Non-Profit and the Co-operative Housing Sector to partner on municipally owned lands to develop affordable housing.

CASE EXAMPLES: › [Region of Peel: ROPA 23](#) › [City of Vancouver: Affordable Housing Agency](#)

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**COMMUNITY LAND TRUSTS:** A Community Land Trust (CLT) is a nonprofit corporation that develops and stewards affordable housing, community gardens, commercial spaces and other community assets on behalf of a community. The trust may retain title to properties and convey homeownership through a long-term ground lease to ensure continued affordability. The CLT obtains and holds land and housing for the benefit of the community in which it exists. The CLTs maintain affordability in dual ownership, the separation of land ownership (owned by the CLT) from ownership of the housing or buildings on the land itself, which is leased out to individuals or non-profit organizations over a long-term period. CLTs are designed to be membership-based organizations that are legally governed by a board of directors, often made up of lease holders and renters, community members, public servants and non-profit organizations. There are three types of CLTs: community-based, sector-based and publicly based.

The CLT retains an option to repurchase any residential (or commercial) structures on its land if their owners ever choose to sell. The resale price is set by a formula contained in the ground lease that is designed to give present homeowners a fair return on their investment but giving future homebuyers fair access to housing at an affordable price. By design and by intent, the CLT is committed to preserving the affordability of housing (and other structures), one owner after another, and one generation after another, in perpetuity.

CASE EXAMPLES: › [Parkdale Neighborhood Land Trust \(PNLT\) – Toronto](#) › [Land Trust Project – Vancouver](#)

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## **WAIVING, DEFERRING or REDUCING APPLICATION FEES and DEVELOPMENT CHARGES:**

A reduction or waiver of fees for applications for affordable housing development would help reduce costs associated with development. A development charge bylaw can:

- › Identify the relevant jurisdiction (part or whole of the municipal jurisdiction)
- › Phase in development charges to stimulate development
- › Exempt or reduce development charges for types of development specified in the bylaw

In order to impose development charges, municipalities must have passed a development charge bylaw. A policy is required to identify the program and parameters for waiving, deferring or reducing development charges or application fees.

CASE EXAMPLE: › [York Region: Development Charge Deferrals for \(Affordable\) Purpose-Built Rental Housing](#)

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## **RENTAL HOUSING PROTECTION (DEMOLITION and PROTECTION from CONDOMINIUM CONVERSION):**

Affordable rental units are sometimes lost through demolition or the conversion of existing units from rental to ownership condominiums. Section 33 of the *Planning Act* allows municipalities to designate “demolition control areas” to help maintain existing housing stock. Demolition control areas established under the *Planning Act* can include both ownership and rental properties. Municipalities may enact policies to prohibit and regulate the demolition of residential rental properties containing six or more dwelling units and the conversion of such properties to a purpose other than residential rental.

CASE EXAMPLE: › [City of Mississauga](#)

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**MUNICIPAL COVENANT TOOLS:** Covenants can restrict what an owner can do on the lands, and/or allow or restrict an activity to the effect of benefiting local or provincial government. To protect affordable housing, covenants may be used in a housing agreement to restrict who can live on a property and how much the property can be sold or rented for, thereby keeping a home perpetually affordable for future owners. The covenant can also include a listing of fines and other tools to ensure compliance and long-term affordable housing. Development agreement covenants are used to ensure the benefit of affordable housing is provided as part of a rezoning process. This is one way to protect affordable housing in the long-run and protects development agreements to ensure a developer provides the affordable housing benefits they agreed to. Covenants can be cumbersome and requires legal expertise in order to enforce.

CASE EXAMPLE: › [British Columbia](#)

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**SHORT-TERM RENTAL REGULATIONS:** Short-term nightly rentals are part of a broader trend of residential property owners earning revenues from nightly rentals (fewer than 30 days). While short-term rentals benefit a homeowner by providing an additional source of income, they reduce the availability of units that could otherwise provide affordable housing options in the market (apartments, suites, rental homes). Regulating short-term rentals through zoning and other tools as well as through enforcement is one way to reduce the impact on the stock of long-term rentals. Leading practices to protect affordable housing supply include full bans on short-term rentals. Both approaches require municipal enforcement.

CASE EXAMPLES: › [Pemberton, British Columbia](#)

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**REDUCTION or EXEMPTION from PARKING REQUIREMENTS:** The cost of providing parking, particularly in areas of higher land costs and/or where underground parking is needed, can add significantly to development costs. Municipalities can reduce capital and maintenance costs for themselves and developers, while facilitating pedestrian-friendly and transit-supportive areas, through agreements that reduce requirements or exempt owners or occupants of a building from providing and maintaining parking facilities, particularly where public transit is available.

CASE EXAMPLE: [› City of Mississauga](#)

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**VACANT UNIT TAX:** A vacant unit tax is designed to increase a city's supply of rental homes by taxing the owners of properties that are not being fully used, thus encouraging them to make the properties available for rent. A vacant unit tax was introduced in Vancouver in 2018, with an implemented 1% property tax on homes sitting empty. The tax generated \$40 million last year and the number of vacant units has decreased by 22% from the previous year.

CASE EXAMPLE:

[› City of Vancouver Vacant Tax Bylaw](#)

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**REDUCTION or EXEMPTION in PARKLAND DEDICATION or CASH-IN-LIEU:** Section 42 of the *Planning Act* allows a municipality to require a percentage of the land proposed for residential development be conveyed to the municipality for park or other public recreational purposes and Section 42 (6) allows for cash-in-lieu of parkland. Municipalities are able to modify their parkland dedication and cash-in-lieu requirements to facilitate the development of affordable housing in their jurisdiction. Cash-in-lieu of parkland fees are waived or reduced to support either rental or an ownership affordable component of a proposed development.

CASE EXAMPLE: [› Belleville, Ontario](#) [› City of Kingston: Bylaw 2013-107](#)

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## MECHANISMS to DELIVER AFFORDABLE HOUSING

There are a number of planning tools available that once implemented, act as a mechanism to support delivering of affordable housing options. The tool itself does not deliver affordable housing options on its own.

**INCLUSIONARY ZONING:** Inclusionary Zoning (IZ) is a local municipal tool that requires or incentivizes private developers to develop a certain percentage of the units in a given project as below market rate targeted for middle-lower income households. IZ may include options and incentives such as density bonuses, reduced development standards, and financial assistance. The proportion of below market rate units a developer must build usually depends on the size of the project. The price of below market rate is based on the Area Median Income (AMI) which makes IZ effective for producing housing for middle-income residents that are not served by other programs which are usually reserved for people earning less than 30% of AMI. These units would then need to be maintained as affordable over a specified period of time.

The *Planning Act* and the associated regulations set out the framework for developing an Inclusionary Zoning program. Each program will differ as it is informed by local affordable housing needs, conditions and priorities and requires the

implementation through a zoning bylaw. The key components of Inclusionary Zoning programs include:

- › an assessment report on housing in the community
- › official plan policies in support of inclusionary zoning
- › a bylaw or bylaws passed under section 34 of the *Planning Act* implementing inclusionary zoning official plan policies
- › procedures for administration and monitoring
- › public reporting every two years
- › available option for lower or single tier municipalities

CASE EXAMPLE: › [City of Markham – Draft Inclusionary Zoning Framework](#)  
› [City of Toronto – Inclusionary Zoning](#)

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**COMMUNITY IMPROVEMENT PLANS:** Ontario’s *Planning Act* gives municipalities the power to implement Community Improvement Plans (CIPs) as a vehicle for providing financial incentives (grants or loans) to private property owners to undertake physical improvements in areas that are designated within the municipal official plan. Subsection 28(1.1) of the *Planning Act* provides that “community improvement” includes the provision of affordable housing. Municipalities can designate a Community Improvement Project Area, which is the specific area or geographic location where this CIP applies.

Municipalities can consider using CIPs to provide for grants or loans in relation to the provision of affordable housing within CIP project areas. Community improvement programs have been tailored to support municipal redevelopment and revitalization goals such as diversifying employment opportunities, improving accessibility, remediating and redeveloping brownfields, revitalizing core areas, and ensuring a range of housing types that include affordable housing.

CASE EXAMPLE: › [York Region: Affordable Housing Draft CIP](#) › [TIEG Program Guide: Oakville](#)

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Expediting the approvals process for affordable housing developments

## PROCESS IMPROVEMENTS and FINANCIAL TOOLS

Process improvements are critical to improve the ease to which applications are processed and supporting the transition of housing from inception to the development process and finally, until the units are completed and available to the public. Process improvements facilitate the development of affordable housing options in a timely manner.

### HOUSING INNOVATIONS and CASE STUDIES

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**EXPEDITING the APPROVALS PROCESS for AFFORDABLE HOUSING DEVELOPMENTS:** With a lower return on investment, affordable housing projects suffer disproportionately from the costs associated with regulatory processes and delays. As a result, fewer affordable housing units are built. Fast-tracked or expedited approvals prioritize applications for affordable housing development, allowing them to essentially “jump the queue” in the standard review process. Some techniques used for lower approval costs include: ‘one stop shop’ for builders and residents, or priority placement in permitting queues.

CASE EXAMPLES: › [State of Rhode Island: Office of Housing and Community Development](#)  
› [Kamloops, British Columbia](#)

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**PHASING AFFORDABILITY AT EACH PHASE OF DEVELOPMENT :** A formalized process for which developments are required to complete affordable housing commitments at each phase of development, rather than deferring the development of affordable housing to a later phase of development. This would ensure that the development of affordable housing is not deferred to a later date, particularly when new affordable units are needed now.

CASE EXAMPLES are not explicitly identified and hard to find, but this solution ensures that affordable housing is delivered and not deferred indefinitely.

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**AFFORDABILITY THROUGH FINANCING:** There are a number of financing options available to meet the changing realities for households in order to afford housing in their communities. Financing options developed through upper levels of government/government agencies (CMHC) and private companies can support households in finding ways to get into the ownership housing market in some capacity.

CASE EXAMPLES: › [Ontario Life Lease](#) › [Reverse Mortgage](#)  
› [Second Mortgage](#) › [First Home Buyer Incentive](#)

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**LEASE-TO-OWN/RENT-TO-OWN:** Lease-to-own is an agreement that a tenant enters into with their landlord where the landlord continues to own the property and the tenant has the option to purchase the home. There are various payment options and stipulations that can be outlined in the agreement. Essentially this is an alternative payment plan for those who cannot afford the up-front capital costs of homeownership (down payment). It allows the renter to build up equity in the home they are leasing and provides the option for long-term tenants to become the homeowner.

CASE EXAMPLE: › [Daniels Home Investment Program: Peel Region](#)

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## **PURPOSE BUILT RENTAL HOUSING OPTIONS CONTINUE to be CRITICAL for DELIVERING MORE AFFORDABLE HOUSING OPTIONS in YORK REGION.**

Many of the innovations listed above can be used to address ownership and rental housing gaps. Previous Regional analysis has indicated that due to York Region's low rental supply, Regional financial incentives should be focused on rental housing options. Given the substantial gap between affordable and average market ownership housing prices, purpose-built rental remains one of the key solutions to delivering more affordable options to residents in York Region.



York Region has the lowest percentage of rental units in the Greater Toronto and Hamilton Area. Rental housing provides an affordable alternative to ownership and supports residents to live closer to public transit and in more compact, complete communities. In addition to addressing affordability concerns, rental housing provides flexibility for those that do not want to be tied to the obligations of owning a home. To start to address the low rental supply and lack of affordable options, York Region Council approved the Development Charge Deferrals for Affordable, Rental Housing. These incentives are highlighted in the scan.

## CONCLUSIONS

The housing innovations scan provides information on a suite of options to address affordable housing challenges in York Region in the future. This research will help inform future work beyond the Municipal Comprehensive Review process. Although it is a comprehensive list, it is not exhaustive. The list provides potential options for new housing innovations focused on the private market and planning related mechanisms that contribute to more affordable housing options. Further evaluation is required to determine the feasibility and desirability of these innovations, meaning that just because it is listed in this document, does not mean it should be seen as an ideal or feasible way of delivering more affordable options in the York Region context. To solve housing gaps, a commitment from various levels of government, financial institutions, developers, non-profit housing providers and the public are necessary to deliver and support the development of affordable housing options across communities.

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