

MEMORANDUM

To: Committee of the Whole

From: Paul Freeman
Chief Planner

Date: February 21, 2019

Re: York Region Staff Comments on the “Increasing Housing Supply in Ontario” Consultation

This memo provides an overview of the Provincial “Increasing Housing Supply in Ontario” consultation and a summary of staff comments.

The Province is seeking input on ways to increase housing supply in Ontario

The Ministry of Municipal Affairs and Housing announced plans to develop a Provincial Housing Supply Action Plan (HSAP) in November 2018. A consultation document titled “Increasing Housing Supply in Ontario” was released, seeking public input to inform development of the HSAP. Consultation efforts are premised on five areas of challenges or opportunities to increasing new market ownership and rental housing supply, including:

- Speed: Time it takes to approve new housing development
- Mix: Opportunities to increase housing mix
- Cost: Development costs associated with new housing projects
- Rent: Difficulties landlords and tenants face and opportunities for better protection
- Innovation: More innovation in the housing sector

Since the launch of the HSAP consultation, the Province announced cancellation of the Development Charges Rebate Program which offered rebates to purpose-built rental developers, and reintroduced rent control exemptions for new rental housing units.

Due to a tight Provincial consultation timeframe, a staff response consolidating input from regional and local municipal partners was submitted to the Province on January 25, 2019. A summary of staff comments can be found in this memo with details in Attachment 1.

Regional input highlighted legislative, policy, financial and administrative recommendations to increase affordable ownership and rental housing supply in the Region

With a five year supply of registered and draft approved housing units and 20 to 23 year supply of designated land, York Region has a healthy housing supply to accommodate growth. There is, however, a shortage of affordable ownership and rental housing in the Region. Increasing home prices have outpaced income growth tenfold in the past decade, and there has been very limited new purpose-built rental construction in the Region.

Different levels of government, agencies and sectors play a role in further increasing affordable ownership and rental housing supply. The Regional staff response to the housing supply consultation identified a number of recommendations for the Province, including:

- Streamline Provincial approvals of infrastructure projects to provide servicing capacity required to unlock designated housing development. This includes introducing regulation to expedite water, wastewater and road infrastructure necessary to support growth.
- Work with Regional and local municipal staff to find efficiencies in the development review and approval process, including the use of digital solutions to strengthen coordination and manage workflow.
- Provide Non-Resident Speculation Tax (NRST) revenue to fund affordable and rental housing development. In York Region alone, the Province collected \$53 million in NRST revenue between April 2017 and February 2018.
- Expand Provincially-funded financial incentive programs and leverage Provincially-owned surplus lands to bring more new affordable and purpose-built rental housing to Ontario communities.
- Consider additional tax relief mechanisms to lower the cost of housing rather than constraining development charges. Reductions in development charges would transfer growth costs to taxpayers and ratepayers, and will not guarantee cost savings for new home buyers.
- Advocate to the Federal government for changes to the tax treatment of purpose-built rental housing or offer an HST rebate to developers of these developments.
- Increase Provincial investment in the GGH-wide transportation and transit network to facilitate development of new housing in intensification areas and corridors.
- Work with municipalities to leverage planning tools, incentives and education programs to promote gentle intensification and legal second suites in communities.
- Update the Ontario Building Code to include rough-in, framing and access requirements to encourage the creation of legal second suites.

- Introduce Provincially-legislated affordable and rental housing targets in new communities.
- Modify the Rent Increase Guideline calculations to better reflect landlord costs, and modernized subsidized housing legislation to allow housing providers to serve tenants and members more effectively and efficiently.
- Promote alternative housing tenure arrangements, adaptive and accessible housing designs, and innovative home construction techniques.
- Gather region/province-wide data to better understand the housing supply situation in Ontario communities, and apply an evidence-based approach to addressing issues and identifying effective solutions.

The Province is expected to release the Housing Supply Action Plan in Spring 2019. The Region will work with Provincial, municipal, agency and development industry partners to explore opportunities and implement effective and innovative solutions to increasing affordable and rental housing supply in Ontario.

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Attachment (1)
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