

January 25, 2019

BY E-MAIL ONLY (housingsupply@ontario.ca)

Rachel Simeon  
Director, Housing Division  
Market Housing Branch  
Ministry of Municipal Affairs and Housing  
777 Bay Street, 14<sup>th</sup> Floor  
Toronto, Ontario M5G 2E5

Dear Ms. Simeon,

**RE: York Region Staff Comments in Response to the Increasing Housing Supply in Ontario Consultation (ERO #013-4190)**

In response to the Provincial Government's consultation on "Increasing Housing Supply in Ontario", York Region staff are pleased to provide input to inform development of the Ontario Housing Supply Action Plan.

This letter summarizes considerations to help address challenges and eliminate barriers to increasing housing supply in Ontario. Detailed staff input related to the five consultation themes (Speed, Mix, Cost, Rent and Innovation) are provided in the attachment. Regional staff and local municipal staff within York Region contributed to the comments consolidated below and attached.

**York Region has a healthy housing supply to accommodate growth, but there is a lack of affordable ownership and rental supply**

With a five year supply of draft approved and 20 to 23 year supply of designated land for housing, York Region has a healthy housing supply to accommodate growth. The problem is that most developments are geared to the ownership market and there is a shortage of rental housing supply that has the best opportunity to help address affordability. Provincial and Federal programs and investments would make the biggest impact to increase rental supply. Municipalities also need appropriate tools and flexibility to incentivize purpose-built rental developments. All levels of government need to combine efforts to address affordability. No one level of government can do it alone.

Housing affordability is deteriorating in York Region. Between 2007 and 2017, resale home prices in York Region increased by 154 per cent while average household income grew by only 14 per cent. The demand for rental housing is increasing due to rising ownership costs, demographic shifts of an aging population, and an increasingly mobile workforce. Lack of affordable ownership and rental housing makes it difficult for the Region to attract and retain talent needed to maintain a strong economy. One suggested funding tool is to provide municipalities a share of the Non-Resident Speculation Tax (NRST) collected within their jurisdictions from property transactions to support affordable and rental housing. In York Region alone, the Province collected \$53 million in NRST revenue between April 2017 and February 2018.

The Province is also requested to continue its work on modernizing the social housing system in Ontario, including introducing flexibility to the *Housing Services Act, 2011* to deliver rent subsidies and administer housing wait lists. The Region recommends the Province continue its work with the Federal government to implement the Canada-Ontario Bilateral Agreement under the National Housing Strategy to provide much needed housing options to York Region residents.

**All parties involved in the submission and review of development proposals can contribute to a more timely review and approval process**

York Region staff acknowledge the importance of reviewing applications for approval in a timely manner and has recently invested and undertaken a number of initiatives to streamline the review process. Process improvements include the development of a new application tracking system. We recognize all parties involved in the submission and review of development proposals from the official plan, secondary plan, block plan through to zoning by-law amendment stages can improve review timelines. The Region is committed to working expeditiously with our provincial, municipal, agency, development industry, and other partners to advance development approvals that are in the public interest.

**The Province should streamline approvals of infrastructure projects to provide servicing capacity required to unlock designated housing development**

Timely Provincial approvals of critical infrastructure such as water and wastewater services are necessary to support development of new housing in some York Region communities. Without timely approvals, infrastructure project delivery such as the Upper York Sewage Solutions (UYSS) project has been stalled for four or more years, increasing project costs substantially and leaving three of York Region's growing municipalities without capacity in the next three to five years. Provincial approvals of infrastructure projects to unlock servicing capacity have become critical to bring designated housing supply to market.

**Reductions in development charges would transfer growth costs to all residents, resulting in significant water rate increases**

Funding for infrastructure is another key consideration to ensure growth pays for growth. Development charges (DCs) are a major source of funding for required infrastructure to accommodate growth, including water, wastewater, roads, transit and public health services. DCs demonstrate fairness for taxpayers/ratepayers by ensuring that growth pays for the infrastructure required to service growth, providing a direct benefit to homebuyers.

Regional development charges only represent approximately five per cent of the price of a new home in York Region, which is significantly less than the cumulative fees and taxes levied by other levels of government. Any change to the development charge eligibility of water and wastewater services which significantly shifts the burden of new growth to existing ratepayers, could slow the building of new infrastructure and growth due to funding issues. Elimination of DCs for water and wastewater also has potential to nearly double water rates for all water users in York Region.

**Consistent region-wide data can help identify key issues and generate effective solutions**

The Greater Golden Horseshoe Housing Supply Data and Evidence Working Group was established to develop a framework for collecting and reporting on region-wide housing supply data. We encourage the Province to implement the recommendations from this working group. Consistent regional data will facilitate a better understanding of the housing supply situation and help the Province apply an evidence-based approach to addressing issues and identifying solutions.

York Region staff would be happy to discuss these comments further with Provincial staff. For questions regarding the above and attached comments, please contact me at [paul.freeman@york.ca](mailto:paul.freeman@york.ca) or Sandra Malcic, Director of Long Range Planning at [sandra.malcic@york.ca](mailto:sandra.malcic@york.ca).

Yours truly,

*(Original Signed)*

Paul Freeman, MCIP, RPP  
Chief Planner  
Planning and Economic Development Branch  
The Regional Municipality of York

Attachment – York Region Staff Comments on the “Increasing Housing Supply in Ontario” Consultation

## **York Region Staff Comments on the “Increasing Housing Supply in Ontario” Consultation**

### **General Comments**

#### **Increasing housing prices in the Greater Toronto Hamilton Area are largely influenced by demand-based pressures**

Between 2007 and 2017, resale home prices in York Region increased by 154 per cent while average household income grew by 14 per cent. Both supply and demand-based pressures influence housing prices, some of which are beyond a municipality's control. Factors that contribute to increases in housing costs include:

- Demand for locating in highly desirable locations like the Greater Toronto Hamilton Area (GTHA)
- A favourable lending environment (e.g. low interest rates and accessibility of mortgages)
- Investment housing rather than for shelter
- Population growth and changes in demographic composition
- Rise in development costs, including land and construction costs
- Land supply and regulations

Staff recommend the Province consider all factors impacting housing supply and those truly causing affordability challenges when generating solutions to address challenges and barriers. It is imperative that we tackle the right factors with solutions that have the biggest impact on the problem.

#### **York Region has an adequate housing supply to accommodate short and long term growth**

York Region staff have been monitoring the Region's housing supply on a regular basis. Currently, there is a healthy supply of lands designated for both ground-related and high-rise housing to accommodate short and long term growth. Specifically, the Region has approximately five years of supply in registered and draft approved units (about 40,000 units), exceeding the minimum three year supply required by Provincial policy. The majority of these units have servicing capacity. A further 40,000 units are being reviewed at the proposal stage. Analysis reveals the 21 to 23 years of designated supply surpassing the ten year Provincial policy requirement.

#### **York Region has a shortage of rental housing**

Despite a healthy designated residential supply, York Region currently has the lowest proportion of rental households in the GTHA. Further, the share of rental supply in York Region grew by only two per cent (from 12 per cent of the total housing stock to 14 per cent) within the last decade. There has been very limited new purpose-built rental construction, placing increasing pressure on the Region's subsidized housing system. Demand for rental housing is increasing

due to demographic shifts, such as an aging population, and rapidly increasing home prices that have outpaced increases in income by a factor of ten times. Despite the need for rental options, the majority of new units built are ownership units. While the Region is working with our local municipalities to identify ways to encourage construction of rental housing, the Provincial and Federal governments are encouraged to increase investment in rental housing, including through revenues generated under the Non-Resident Speculation Tax.

## **Theme 1 - Speed**

### **Development proposals that reflect the approved planning policy framework, and contain complete and comprehensive submissions can expect more expeditious review**

Applications that seek to amend the approved planning policy framework can significantly lengthen the development approval timeframe for such proposals. Proposals that are consistent with existing up-to-date policies and zoning requirements reflects the community's vision and direction for growth and development.

The quality of the development submissions and resubmission delays can impact review timing. Information gaps and the absence of a comprehensive assessment may result in multiple submissions, adding to overall review time. Staff recognize that all parties involved in the submission and review of development proposals can make positive contributions to speed up the process. York Region acknowledges the importance of efficient application review timeline and has recently undertaken initiatives to facilitate a streamlined review process. A number of process improvements have been implemented in recent years, including development of a new application tracking system discussed below.

### **The Province and municipalities can leverage digital solutions to manage workflow and strengthen coordination as part of the development review process**

Governments are increasingly leveraging technology to improve coordination and reduce circulation timeframes in the development review process. In 2017, York Region launched a Growth and Development Tracking Software Solution (YorkTrax) to strengthen coordination among internal departments involved in development application review. The solution automates workflow and facilitates collaborative electronic document sharing across the corporation, eliminating duplication and improving transparency. YorkTrax is ultimately moving the application process to a paperless environment and provides a single source of development data used by multiple departments across the corporation.

Since delivery of this corporate-wide solution, York Region has reduced circulation time and improved commenting coordination among departments. The Region is striving to create a single, web-based, online (24/7), integrated development tracking solution shared with York Region's municipalities, with a vision to link Regional-Local tracking systems. Further efficiencies will be realized as YorkTrax expands to serve local municipalities, other review agencies, developers and the public.

### **More complex development applications may require extensive review**

Municipalities receive development applications of varying scale and complexity. Since developments have lasting impacts on the community and surrounding land uses, a reduction to development review timelines should be weighed against the need for careful and detailed impact assessments. This includes ensuring a development proposal is consistent with the approved planning framework and in the public interest. In this regard, we do not believe reductions to the current *Planning Act* approval timelines should be made. Improved coordination among review agencies and efforts to streamline the review process can facilitate more efficient review and approval of applications from official plan amendments and secondary plan through to the zoning by-law amendment stage.

### **Development review and approval timeframes are not always controlled by the approval authority**

When commenting agencies and approval authorities process a development application, time spent awaiting resubmission of supporting documentation can add unnecessary delays. Municipalities should have the ability to “stop the clock” on the legislated development review timeframe or discount re-submission wait times controlled by a development proponent. This approach would more accurately reflect the total development review and approval timeframe within the commenting agency’s and/or approval authority’s control.

### **The Province should uphold non-appealable matters under Bill 139 and further expand the list of matters sheltered from appeal**

Costly and lengthy appeals can cause significant delays to approval of new developments that conform with Council-approved policies. The Province should uphold sheltering provincially approved Official Plans, Official Plan amendments including conformity exercises, and Official Plan policies and zoning in Major Transit Station Areas from appeals. This adds more certainty to the review and approval timeline avoiding lengthy appeal processes. The Province should further expand non-appealable matters to include local municipal official plan updates that conform to a Regional Official Plan in a two-tiered system. It has been York Region’s experience that provincially-approved urban expansion lands were appealed at the Regional and local level, delaying opportunities for housing development in these areas.

## **Theme 2 – Mix**

### **Municipalities can leverage planning tools and community development models to provide more housing in appropriate locations for people of all ages**

The Province should continue to support use of planning tools such as inclusionary zoning, the Community Planning Permit System (CPPS) and density bonusing to deliver affordable housing as a community benefit in appropriate locations for individuals, families and seniors. Inclusionary zoning supported by the existing regulation (with no mandatory offsets requirements to deter municipal use) can ensure new housing stock is offered at affordable prices and rents. CPPS can support family-sized units in intensification areas. Density bonusing

provisions in the *Planning Act* should be tightened to support affordable housing. For older adults and seniors striving to age in the same community, the Province should partner with municipalities to establish Service/Community Hub models that incorporate housing. This will provide a central access point for a range of housing mix alongside needed health and social services, and cultural, recreational, and green spaces.

### **Updating zoning provisions can introduce gentle intensification to increase housing supply while maintaining compatibility**

Municipalities have traditionally prioritized the protection of low-density single detached dwelling neighbourhoods. To avoid the emergence of new oversized housing forms replacing older and smaller structures, municipalities can employ zoning tools to limit the size of new or redeveloped dwellings, or permit change on the edge of neighbourhoods in transit-supportive locations.

Zoning that focuses on built form rather than the number of units contained within a structure provides residents the ability to divide their houses to suit various life stages (i.e. adding a second unit to rent for income, to accommodate an elderly parent). This would reduce barriers for property owners to stratify an existing home into multiple units (i.e. micro-suites) to promote more flexible use of existing homes and increase housing supply. This can benefit seniors wanting to add a second rental unit for income, and new homebuyers wanting to purchase a smaller dwelling within an established neighbourhood.

### **The Province should legislate affordable and rental housing targets in new secondary and block plan areas**

Municipalities across Ontario are struggling to attract new affordable and purpose-built rental housing in their communities. The Province should legislate requirements for affordable and rental housing targets in new greenfield communities. The Province can also encourage municipalities to introduce policies where affordable and/or rental units would constitute early phases of a multi-phase development. Legal requirements can ensure these units remain as rental and/or affordable for a certain period of time.

### **More effective use of surplus public lands can contribute to housing supply**

Publicly owned properties that offer good access to transit, community services and amenities are suitable locations for housing development. The Province should offer surplus provincial properties at these locations at no or minimal cost for affordable housing development. The Province can also leverage public sector lands for redevelopment in partnership with the private sector and non-profit developers.

Some of the most valuable land in the GGH are those in direct proximity to major transit stations, providing access to transit and services. Provincially owned surface parking lots at GO Transit stations can be made available for affordable and subsidized rental housing and structured parking. The Province can develop these lands through public-private partnerships to ensure the best use of these lands.

### **The Province should raise awareness of non-traditional housing arrangements to increase supply**

Home share programs and co-housing arrangements support more efficient use of land, provide housing options, and encourage social support and interaction in a home or community setting. Provincial efforts should be directed to educating the public and raising awareness on housing opportunities stemming from non-traditional living arrangements. Partnering with home matching service providers can help connect individuals seeking and offering housing opportunities. The Province can also reinforce benefits of living in rental housing for seniors, as a viable option to accrue capital and prepare for retirement.

### **A healthy supply of rental and affordable housing and employment lands can attract and retain talent to support the Region's growing economy**

A diverse supply of employment lands helps to create a competitive and flexible economic environment that welcome investments, attracts high quality employers, and offers diverse employment opportunities to residents. A healthy supply of affordable housing options and diverse job opportunities in specific locations can attract and retain a talented workforce. Provincial efforts should be made to promote live-work opportunities in urban growth centres and intensification corridors supported by transit, by attracting quality office jobs and directing residential growth to these areas. Municipalities should continue to have the autonomy to identify and protect strategic employment areas with access to highways for goods movement.

### **Increased Provincial investment in a GGH-wide transportation and transit network system would help facilitate development of new housing in strategic growth areas**

When transit is accessible, it promotes more compact development in intensification areas and corridors, providing more housing opportunities. With multiple levels of government and agencies having jurisdiction over different components of the transportation and transit network, increased investment and collaboration can ensure effective and efficient delivery of an interconnected transit system for those living and travelling within the GTHA.

## **Theme 3 - Cost**

### **Streamlining Provincial approvals on infrastructure projects can help unlock infrastructure capacity necessary to facilitate housing development**

A significant challenge for municipalities is obtaining Provincial approvals for vital infrastructure to support growth and development. For example, York Region has experienced a four year delay over and above legislative timelines in the Provincial review and approval of the Environmental Assessment related to the Upper York Sewage Solutions (UYSS) project. These delays have increased project and infrastructure delivery costs. The Region has invested \$75 million to date, with still no approval from the Province despite having a positive Provincial government review in 2016. Delays to the UYSS project has limited the ability to bring servicing capacity online to accommodate the supply of housing on designated lands. This leaves three of York Region's communities without servicing capacity in the next three to five years.

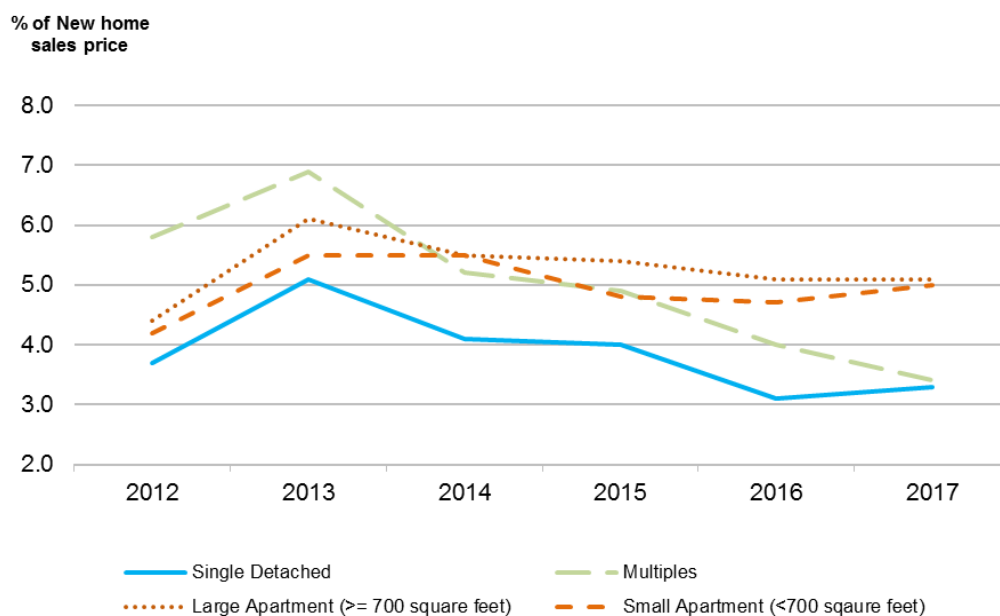
Streamlining Environmental Assessment (EA) and other provincial infrastructure approval processes should be a Provincial priority in order to unlock infrastructure capacity to support growth and housing development. The Province should introduce a regulation to expedite water, wastewater and road infrastructure which mirrors Ontario Regulation 355/11: Transit Projects and Metrolinx Undertakings. This regulation recognizes timely delivery of transit infrastructure as a priority for the Province and provides a streamlined process to fulfill EA requirements limited to six months.

**Regional development charges represent approximately five per cent of new housing prices, far lower than provincial and federal tax rates**

Development charges demonstrate respect for taxpayer and ratepayers by ensuring growth pays for only the infrastructure required to service that growth. Between 2012 and 2017, historical Regional development charges, for all classes of residential development, averaged just under five per cent of new home sale prices (as illustrated in Figure 1). Water and wastewater development charges only account for two to three per cent of new home prices. For ground-related products (i.e. single detached, semi-detached and townhouses), increases in home sale prices have significantly outpaced increases in Regional development charges.

**Figure 1**

**York Region Development Charges as a Percentage of New Home Sale**



Source: RealNet and York Region Finance Department

New homebuyers pay provincial and federal taxes on a new home. The Harmonized Sales Tax (HST) and provincial land transfer taxes applied to new residential dwellings account for approximately 14 per cent of the purchase price. Unlike development charges that provide a direct benefit to homebuyers, provincial tax rates do not fund services related to bringing new

housing stock online. Although there are rebate programs for the HST and the provincial land transfer taxes, not all new homebuyers are eligible. These rebates mainly benefit first time home buyers and/or those purchasing a new or significantly renovated unit. Staff recommend the Federal and Provincial governments consider additional tax relief mechanisms to lower the cost of housing rather than constraining development charges.

**Development charges are necessary to ensure that growth pays for growth and not charge the broader tax/rate payers for services they do not benefit from**

Development charges remain an important funding source to support the delivery of growth-related infrastructure. A reduction in eligible development charges, such as water and wastewater, would not reduce the total cost of the infrastructure needed to support growth. In addition, if the statutorily prescribed methodology for calculating development charges were to change, resulting in less development charge-eligible costs, those costs would also have to be funded by other sources. Funding shortfalls would need to be filled by the tax levy and/or through user rates, which is inappropriate.

If growth-related costs were no longer eligible for development charges, it has the potential to nearly double water rates. From a transportation perspective, increasing property costs for road projects requires corresponding increases in development charges or residential tax rates. Reducing development charges can limit the Region's ability to deliver annual road capital programs to adequately support planned growth.

Shifting away from the development charge funding model, premised upon the notion that "growth should pay for growth", could result in significant funding challenges for municipalities.

**Firmer commitments on housing implementation timelines from the development community would ensure infrastructure and services are delivered at the right time and place for housing**

One issue that impacts the cost of delivering infrastructure to support growth is lack of certainty of when, where, and what type of development will occur. While the Region designs, implements, and finances infrastructure upfront, the timing for development charges payment, development construction and occupancy is driven by the market and the development industry.

Given timelines associated with designing infrastructure, obtaining approvals, acquiring lands, and constructing systems, York Region has to build infrastructure based on assumptions for residential development that could change. Firmer commitments from the development community would help municipalities ensure that infrastructure is delivered at the right scale and time. For example, if the pace of development lags, early stage servicing issues could result with low sewage flows directed to treatment plants creating significant operating difficulties and associated costs. Similar impacts occur for drinking water, where low water consumption creates high water age and consequently water quality issues in local water distribution systems.

A further risk that significantly impacts cost effectiveness of system planning and service delivery is the deviation of development types, location and timing from planned assumptions. Strengthening the certainty of and commitment to planned development would result in more efficient planning and delivery resulting in cost savings.

### **Development charge and property tax relief can stimulate affordable and purpose-built rental housing development**

Since 2001, York Regional Council has provided a full development charge exemption for low-income housing built by Habitat for Humanity. The Region can also provide full, or partial, property tax and development charge exemptions for qualifying private and non-profit affordable rental housing providers. Finally, private purpose-built high density rental buildings in York Region can also apply for a 36 month, interest-free, development charge deferral.

It is recommended that the Province expand financial incentive programs to bring more new affordable and purpose-built rental housing to Ontario communities.

### **Changes to the Harmonized Sales Tax policies can incentivize rental developments**

Under the current tax system, rental housing developers pay Harmonized Sales Tax (HST) when purchasing goods and services to construct and operate rental buildings. Yet, these developers cannot charge HST on residential rents and need to pay HST for completed rental units they will own and maintain. Existing tax policies create financial disincentives for investment in purpose-built rental housing projects. An alternative tax scheme is needed to reduce the cost of building and maintaining rental supply. The Province should advocate to the Federal government for changes to the tax treatment of purpose-built rental housing or, as an alternative, offer an HST rebate to purpose-built rental building developers.

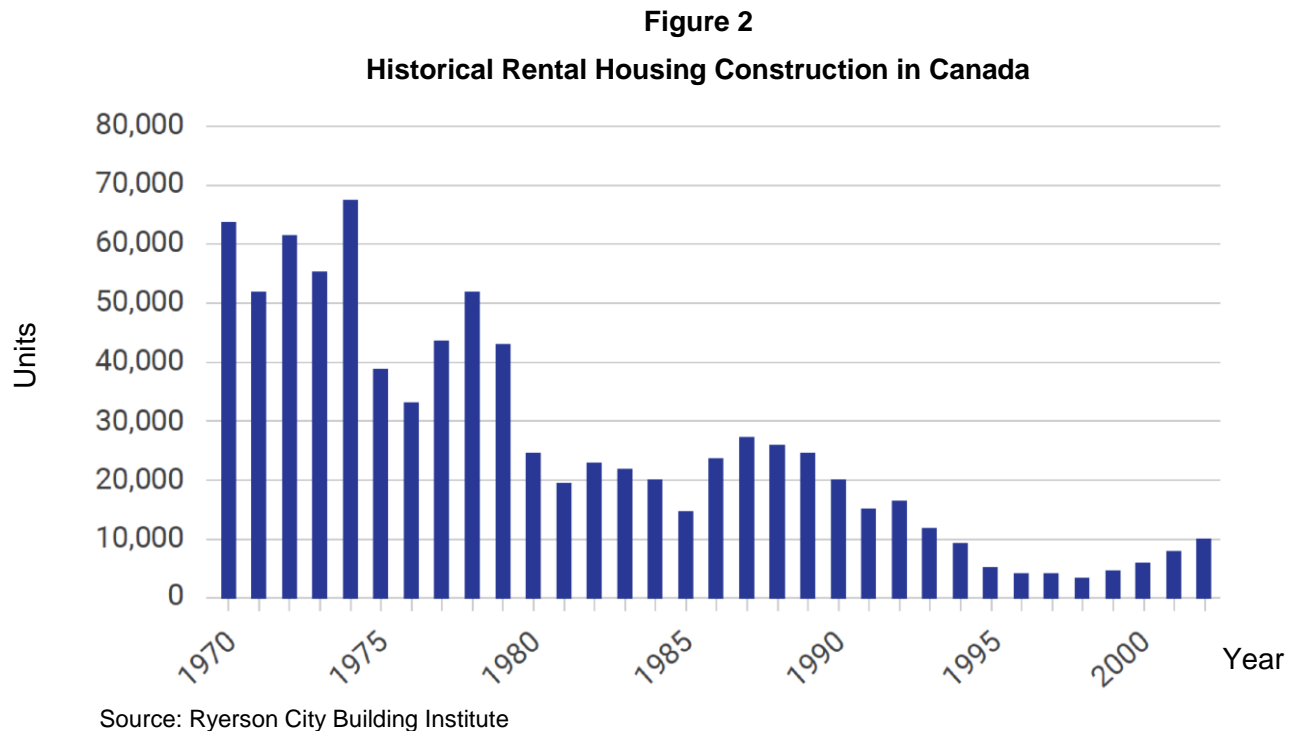
### **Non-Resident Speculation Tax revenue can fund affordable and rental housing development**

The Provincial Non-Resident Speculation Tax (NRST) is a 15 per cent land transfer tax applied to the purchase of a residential property by non-Canadian citizens or permanent residents in the Greater Golden Horseshoe. Between April 2017 and February 2018, \$173 million was collected in NRST with \$53 million from York Region property transactions. The British Columbia government has committed to reinvesting revenues from their Foreign Buyers Tax into affordable housing projects. We recommend the Ontario government direct funds equivalent to the share of NRST collected from York Region properties to support affordable and rental housing development in the Region.

### **The Provincial and Federal governments should reinstate programs to support and promote rental housing development**

Several higher level government policies and programs incentivized rental housing development in Ontario between the 1970s and 1980s. When policies changed and programs were

discontinued, the nation saw a decline in purpose-built rental development as shown in Figure 2.



To increase housing supply, we encourage senior levels of government to reintroduce similar programs to bring more rental housing online. A strong and diverse rental housing supply makes our communities attractive to living and working locally, and provides housing options for people of all ages and in different life stages.

#### **Theme 4 - Rent**

##### **The Province should consider changes to the Rent Increase Guideline to better reflect landlord costs and maintain the existing supply of rental housing**

Currently, the Rent Increase Guideline is based on the Ontario Consumer Price Index, which measures the change in price of all goods and services. As an alternative, the Province should return to a weighted calculation of the Rent Increase Guideline that applies only the relevant sub-measures of the Consumer Price Index such as the insurance and utilities indices, to typical operating costs. An industry working group should inform the development of the updated weighting. The Province should also eliminate the two per cent rent increase maximum in years when actual costs increase to a greater degree. Instead, the Province should increase the renter's tax credit inline with the Rent Increase Guideline. We also urge the Province to consider effective rent controls similar to those used in other jurisdictions such as the Republic of Ireland where rent controls are utilized when needed and are applied to areas with low vacancy rates.

### **The Province should develop resources and policies to inform and protect landlords and tenants**

The Province, in consultation with stakeholders, should develop a Renters Guide to inform and educate landlords and tenants on their roles and responsibilities, provide tips for resolving issues, and include contacts for support services. The target audience should include actors in both the primary and secondary rental markets. This resource guide can also raise awareness on housing needs of marginalized groups and educate housing providers and tenants on their rights and responsibilities under the *Residential Tenancies Act, 2006* and the Human Rights Code.

The Province should introduce a policy that regulates unauthorized subletting of a dwelling and provides subletting households with better tenant protections. Currently, tenants that are subletting a dwelling without the landlord's agreement have limited protections under the *Residential Tenancies Act, 2006*. Subletting households are often the most vulnerable with limited financial resources and housing options.

### **Updates to the Ontario Building Code should include rough-in, framing and access requirements to encourage the creation of legal second suites**

Secondary suites contribute to the supply of housing by optimizing use of the existing housing stock and infrastructure offering more affordable housing options. To encourage new homeowners to create legal second suites, the Province should consider changes to the Ontario Building Code. These changes may include requirements for bathroom and kitchen sink rough-ins where second suites can locate in a new home, and installation of flexible framing and safe access to facilitate adaptive housing designs.

### **The Province can employ financial incentives, and education and awareness strategies to stimulate the creation of second suites in existing and new residential development**

Currently, the *Development Charges Act* provides a statutory exemption for the creation of a secondary suite in an existing property (subject to certain restrictions). This exemption applies to all types of residential buildings and can exempt up to a maximum of two additional units (for a single detached dwelling). The *Promoting Affordable Housing Act, 2016* (also known as Bill 7) amended subsection 2(3) of the *Development Charges Act* by adding an additional development charge exemption for the creation of a second dwelling unit in prescribed classes of proposed new residential buildings, subject to restrictions prescribed in regulations. The Province has yet to provide the enabling regulations. Staff encourage the Province to release enabling regulations to implement this change.

The Province should also partner with municipalities to encourage and educate homeowners on the benefits of converting un-used spaces into second suites. One of the key deliverables can be a comprehensive resource guide to assist municipalities in delivering education and training for homeowners interested in creating second suites. The Province can also work with municipalities to streamline processes for creating and registering second suites in their jurisdictions.

### **The Province should continue to work with the Federal government to implement the Bilateral Agreement under the National Housing Strategy**

The National Housing Strategy contains several important initiatives designed to support development of new rental housing by private and non-profit developers, as well as programs to maintain the existing rental supply. Additional programs, such as the Canada Housing Benefit, will support York Region in achieving its housing priorities as defined in our 10-year Housing and Homelessness Plan. The Region looks forward to working with the Province and the Federal government on implementing the Bilateral Agreement to create housing options that meet the needs of our residents.

In addition to the market housing supply discussion and given the lack of rental housing in the Region, staff offer the following comments related to subsidized housing which contributes to the Region's overall housing supply.

### **Modernized subsidized housing legislation enables housing providers to serve tenants and members more effectively and efficiently**

Through partnerships with community non-profit and co-operative housing providers, York Region provides affordable homes to more than 6,700 households. The social and affordable housing portfolio is a vital part of overall rental housing stock. The Region asks that the Province continue its work on modernizing the *Housing Services Act, 2011*, including introducing simplified rules for delivering rent-geared-to-income subsidies and flexibility on how the Region manages the centralized wait list. Housing providers also need flexibility to leverage funding opportunities available under the National Housing Strategy, including the Co-Investment Fund. These changes would help to preserve and optimize the existing social and affordable housing portfolio.

The *Residential Tenancies Act, 2006* and Ontario Regulation 516/06 contain a number of exemptions to support legacy social housing providers under the *Housing Services Act, 2011* in delivering rent subsidies. These include exemptions from requiring tenants to sublet, rent increase guidelines and timing around when rent increases can take place. The exemptions only apply to projects with original operating agreements. Clarity is needed on what happens to exemptions when the agreements expire. Further, the Province should consider expanding the *Residential Tenancies Act, 2006* exemptions to all social and affordable housing programs, not just projects with operating agreements. This will improve delivery of subsidy programs by housing providers after their operating agreements expire.

## **Theme 5 - Innovation**

**The Province should explore innovative housing tenure, design, construction techniques and programs to meet the housing needs of all life stages with industry and municipal partners**

Alternative housing tenure arrangements such as life leases, co-housing and collaborative housing can increase affordable housing supply and options for individuals and families. The Province should provide infrastructure funding for these housing options, including rental, affordable retirement homes and secondary suites. The Province should also explore incentives to promote these alternate tenure forms and examine the opportunity for home share programs and accredited reverse mortgage programs to improve access to housing.

Intergenerational campuses should be considered as a viable community development model for bringing housing, services and meeting spaces to residents of all ages. Modular construction techniques and other options available to the development industry can reduce construction cost. Innovative housing design such as flexible housing, tiny homes and laneway housing are adaptable to the changing needs of residents. Staff encourage the Province to explore mechanisms that will promote the development of innovative housing forms to increase affordable housing supply.

**The Province should introduce legislation to protect homebuyers from development project cancellation**

In light of the cancellation of housing projects in the GTHA, the Province should explore mechanisms to reduce the risk homebuyers would bear in the event of a cancelled project. Legislation should be introduced to prevent the sales of unbuilt residential units unless key approvals are obtained, and servicing capacity and financing have been secured. The Province can empower municipalities to issue penalties to developers that fail to meet pre-defined requirements before selling unbuilt residential product to purchasers.

**The Province should partner with the development industry to introduce or expand financial programs to increase home ownership**

A number of developer-led homeownership financing models are helping Ontarians become homeowners. These include rent-to-own programs, second mortgage options for affordable units, and interest-free down payment assistance programs. The Province should partner with developers to promote existing programs, offering support and facilitating knowledge sharing among developers interested in pursuing similar models or programs.