



Report of the General Manager

Supporting the Region's Community Housing Development Master Plan

Recommendations

It is recommended that:

1. Housing York Inc. support the development of a 40-year Community Housing Development Master Plan by the Region based on the following principles:
 - Putting residents first
 - Appropriate development on available land
 - Readiness for funding opportunities
 - Empower Community Housing providers with support
 - Target an aggressive rate of growth for Community Housing
2. Housing York Inc. properties be considered in the development of the plan.

Summary

This report recommends that Housing York Inc. (HYI) support the development of the Region's first Community Housing Development Master Plan, as directed by Council in November 2021. This long-term plan is intended to help increase the supply of Community Housing in the Region, including subsidized and affordable rental housing for households living with low and moderate incomes, owned and operated by non-profit and co-operative housing providers, as well as HYI. Community Housing often includes market rental units to support overall development from a community and financial perspective.

Key Points:

- York Region is facing a Housing Affordability Crisis, as declared by Council in [February 2021](#)
 - An increased Community Housing rental supply will enhance overall housing stability and help to provide strong, caring and safe communities
-

- A Portfolio Management Plan was approved by the HYI Board that provides guidance and direction toward future affordable housing development on existing HYI properties
- The Community Housing Development Master Plan will build upon the HYI Portfolio Management Plan by including development sites to be provided by local municipalities, as well as financial support for Community Housing provider development
- The plan will accelerate and increase the number of Community Housing units over 40 years by supporting development of new Community Housing including expansion of the HYI portfolio
- The plan will span from 2022 to 2061 and will identify the total number of Community Housing units, preliminary location of projects by municipality, targeted start and completion years, estimated costs, and potential funding sources. The plan will also consider the future partners including HYI and other Community Housing providers, as well as support advocacy for federal and provincial funding
- Increased and predictable investment will be required by the federal and provincial governments to increase the supply of Community Housing
- The Community Housing Development Master Plan will be presented to the HYI Board and Council in spring 2022

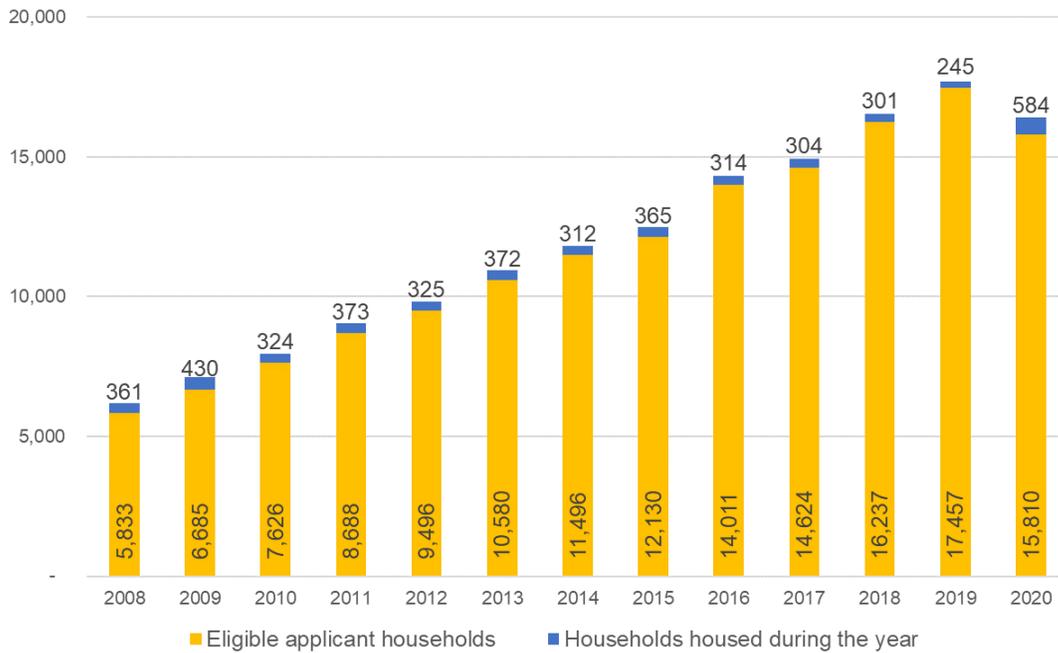
Background

Increasing the supply of Community Housing is a strategic priority for Housing York Inc. and the Region

As outlined in a [March 2020](#) report to Council, the Region has the lowest supply of Community Housing units relative to its population of all municipalities participating in Municipal Benchmarking Network Canada reporting, with 17 units per 1,000 residents, well below the median of 38 units per 1,000.

With over 15,800 households on the Region's subsidized housing wait list at the end of 2020, as illustrated in Figure 1, and the comparatively limited expansion of available Community Housing, there is a great need for more Community Housing in York Region.

**Figure 1:
Subsidized Housing Wait List, 2008 to 2020**



Source: Housing Services, Centralized Waiting List Record 2020

Note: The wait list decreased for the first time in 2020 due to the one-time impact of removing 2,428 applicants ineligible for subsidy under the Region’s income and asset limits, and a higher-than-average number of households housed because of two new portable housing benefit programs.

On average, between 2008 and 2019, about 335 subsidized units became available each year through a combination of resident turnover and new construction. During the same period, the wait list increased by an average of approximately 1,050 households per year. Wait times for applicants housed in 2020 ranged from just over nine years for families and seniors to almost 12 years for single adults.

In [October 2019](#), Council approved an updated 10-year housing and homelessness plan, [Housing Solutions: A place for everyone – Phase 2 2019 to 2023](#) (Housing Solutions Phase 2), to respond to Region-wide issues of supply of affordable housing, housing stability, and sustainability of the housing system. The plan focuses on three goals, with the first goal aimed at increasing the supply of affordable and rental housing.

In [November 2020](#), the HYI Board approved the [Building Better Together: Housing York Inc’s 2021 to 2024 Strategic Plan](#), which outlines HYI’s strategic directions for 2021 to 2024 and the actions that will be taken to achieve them. A priority within the 2021 to 2024 HYI strategic plan is to expand the housing portfolio, by exploring new and innovative ways of increasing supply of new affordable housing beyond the normal rate of growth.

A comprehensive Portfolio Management Plan was created to inform development potential within the Housing York Inc. portfolio

In response to an action from [Housing York Inc.’s 2017 to 2020 Plan](#), a Portfolio Management Plan was endorsed by the HYI Board in September 2019. This report was considered in private as it relates to the proposed acquisition and disposition of lands. The plan included a comprehensive review of the real estate assets and future development potential of all properties within the HYI portfolio.

A long-term plan is needed to increase the supply of permanent Community Housing for low to moderate income residents

While the Portfolio Management Plan identified development potential for HYI properties, a need remains for a long-term approach to developing housing for low to mid-range income residents through expansion of Community Housing beyond what HYI can do on its own. Community Housing is housing owned by non-profit and co-operative organizations that provides affordable and subsidized housing options for residents. HYI is one of 43 Community Housing providers and the largest in York Region. The Community Housing Development Master Plan will take a broader look at needs and opportunities to grow this vital community asset.

A long-term plan with a focus on proactive development will help maximize growth potential

Since 2004, the Region has successfully leveraged federal and provincial funding opportunities to build more than 1,200 new affordable housing units, with nearly 900 of those units managed by HYI, and another 362 units for HYI set to open by 2023. Nearly all were built in response to a federal or provincial funding opportunity. The Community Housing Development Master Plan will outline an approach that proposes predictable, continuous investment, and contemplates funding sources to achieve this objective.

The Community Housing Development Master Plan will act as a long-term infrastructure plan to guide investment to increase the supply of Community Housing in the Region for Community Housing providers including HYI.

Analysis

Five key principles will help to guide the Community Housing Development Master Plan

To guide development of the plan and ensure that it is aligned with Council and the HYI Board, a review of key strategic documents was completed to inform the development of key principles for the plan. Key documents reviewed include:

- [Vision 2051](#)
- [York Region Official Plan](#)
- [2019 to 2023 Strategic Plan: From Vision to Results](#)
- [Housing Solutions: A place for everyone – Phase 2 Plan 2019 to 2023](#)
- [Building Better Together: Housing York Inc's 2021 to 2024 Strategic Plan](#)

The principles proposed for the Community Housing Development Master Plan build on the directions of the above documents.

There are five principles that are considered as a critical foundation for the Community Housing Development Master Plan to ensure the outcome maximizes the quality and quantity of permanent affordable housing in York Region. The five recommended principles are as follows:

1. Putting residents first

Consider the needs of York Region residents through analysis related to location, demographics and socio-economic factors. The provision of housing must also consider the future residents' needs including connection to the existing community, appropriate resident amenities and good quality construction.

2. Appropriate development on available land

Consider Community Housing development opportunities on Regional surplus lands as appropriate, existing HYI sites, and municipally contributed land. Considerations to local servicing capacity, building lifecycle costs, and sustainable building practices will be integral parts of every development. This will help to establish a pipeline of projects, and consider the highest and best use of lands in conjunction with Regional and local municipal planning objectives.

3. Readiness for funding opportunities

Having a consistent and predictable pipeline of projects in various states of readiness will allow the Region to respond quickly and confidently when future federal and provincial funding opportunities arise. The Community Housing Development Master Plan will provide an opportunity to advance contemplated projects to a state of readiness in order to quickly respond to programs.

4. Empower Community Housing providers with support

Partnerships with non-profit and cooperative Community Housing providers can support new development at an accelerated rate. The plan will include support for Community Housing providers through feasibility analysis and development concepts, as well as consider predictable capital and operating funding to support the development of new affordable housing units when federal and/or provincial funding is available.

5. Target an aggressive rate of growth for Community Housing

Targeting an aggressive rate of growth for Community Housing units will help to accelerate delivery of units to residents of the Region. The plan will target to double the number of units in planning and development at a stage ready for implementation based on funding. This is further supported by the [Building Better Together: Housing York Inc's 2021 to 2024 Strategic Plan](#), which includes the goal of "Portfolio expansion beyond the normal rate of growth," with the target to double the number of units from 60 to 120 units on average annually.

Partnerships with municipalities and Community Housing providers are critical to achieving optimal outcomes

Partnerships between the Region and local municipalities continue to be essential for the success of affordable housing developments. The Social Housing Investment Framework approved by Council in [November 2016](#), considers the path to development approvals, including any support from local municipalities to facilitate planning approvals. To better support timely development on available land, continued partnerships with local municipalities, including expedited planning approvals, will be critical.

In York Region, 43 Community Housing providers provide safe and secure affordable housing in over 6,700 units across nine municipalities. This includes HYI. Over the last twenty years, these

providers have been faced with serious challenges to increase their supply of Community Housing. Among these challenges is the limited and unpredictable nature of capital funding opportunities available through federal and provincial programs. The Region’s partnership with Community Housing providers will be key in creating additional units.

Stakeholder consultation to help development of the Community Housing Development Master Plan will begin in early 2022

Consultation with key stakeholders throughout development of the plan will be critical to success. Stakeholders include local municipalities, members of the public, Community Housing providers, HYI residents, Canada Mortgage and Housing Corporation, Ministry of Municipal Affairs and Housing, and the development community. The consultations will seek stakeholder perspectives on how the five principles can be achieved, and to help further refine outcomes of the Community Housing Development Master Plan.

Financial Considerations

Increased, predictable funding from the federal and provincial governments are critical to support the creation of Community Housing units

Regional funding alone can only support the completion of a few Community Housing projects. Ongoing and sustained federal and provincial investment is required to meet the growing demand for Community Housing. The Region will continue to advocate for the federal and provincial governments to commit to sustained funding. Without increased federal and provincial funding for development as well as rent subsidies and new rental supply, the Region will not be able to sustain or increase the number of households offered housing in future years.

Continued advocacy with the federal and provincial governments, as approved by Council in [June 2021](#), is critical to support the Community Housing Development Master Plan.

Consistent federal and provincial funding of capital costs is critical to enhancing delivery of Housing York Inc. developments

The current funding model used by the Region for HYI developments is summarized in Table 1.

**Table 1
Current Regional Funding Methodology for HYI Developments**

Funding Source	Contribution (%)
Federal and Provincial Governments	30
Development Charge Contribution	11
Debenture or Mortgage (Tenant Funded)	15
York Region Social Housing Development Reserve	44
Total	100

Federal and provincial funding for affordable housing has been foundational for all of HYI’s recent developments. Attachment 1 demonstrates this importance by highlighting the previous contributions for affordable housing developments in York Region.

Continued Regional investment is also required to support acceleration of Community Housing units

Federal and provincial funding is needed to provide crucial financial support for continued investment in affordable housing. Every effort will be made to maximize these third-party investments to provide more housing for those in need. These investments can be limited in their scope or ability to fully fund contemplated projects, and Regional investment will still be required to support the development of units beyond the existing capital plan.

In [December 2020](#), Regional Council approved Recommendations for the End of Community Housing Mortgages, and endorsed in principle that mortgage savings remain in the housing and homelessness sector. As the mortgages of many Community Housing providers come to an end, the Region should realize savings as Community Housing providers will no longer need a mortgage subsidy. In York Region, these reduced mortgage subsidy costs, or “mortgage savings,” will be approximately \$1 billion over the next 40 years.

Although a complicated issue and one mandated through provincial legislation, Service Managers, like York Region, may be permitted to retain these mortgage savings and reinvest in local housing and homelessness goals, such as increasing the supply of Community Housing. Should the Province permit Service Managers to determine how mortgage savings may be used, after funding capital repairs in existing Community Housing, the Region could redirect up to \$600 million in savings to accelerate the development of new Community Housing units, through HYI and other housing providers, over the next 40 years. The Province is expected to address this issue through future regulatory changes, although the timing of such changes is not yet known.

The mortgage savings can help advance the priorities identified in the Building Better Together: Housing York Inc’s 2021 to 2024 Strategic Plan, the Region’s Corporate Strategic Plan, 10-year housing and homelessness plan, and the Community Housing Development Master Plan.

Local Impact

The need and demand for affordable housing is high and increasing across the Region. Community Housing, through HYI and other providers, exists in each of the Region’s nine municipalities. Many of these sites are in established neighbourhoods within urban areas identified as areas suitable for intensification in the Regional Official Plan and all play a role in the fabric of the community. As part of the stakeholder engagement process, staff will consult with the local municipalities to ensure the development parameters are appropriate and achievable.

Conclusion

HYI’s support of the establishment of a Community Housing Development Master Plan for the Region aligns with the strategic goal of “Portfolio expansion beyond the normal rate of growth,” with the target to double the number of units from 60 to 120 units on average annually.

A Community Housing Development Master Plan by the Region will provide guidance and direction towards future affordable housing development for Community Housing, in alignment with the Region’s 10-year housing and homelessness plan, and the 2021 to 2024 strategic plan for HYI.

The principles outlined by the Region will ensure the Community Housing Development Master Plan supports the continuation of building strong, healthy and affordable housing communities throughout York Region, supports HYI’s vision as “a leader in affordable housing, building

inclusive communities that everyone would be proud to call home,” and HYI’s strategic priority of increasing the rate of growth.

For more information on this report, please contact Josh Scholten, Director, Housing Development and Asset Strategy at 1-877-464-9675 ext. 72004. Accessible formats or communication supports are available upon request.



Recommended by:

Kathy Milsom
General Manager, Housing York Inc.



Approved for Submission:

Katherine Chislett
President, Housing York Inc.

November 12, 2021
Attachment (1)
13380478