

The Regional Municipality of York

Regional Council
Planning and Economic Development
February 24, 2022

Report of the Commissioner of Corporate Services and Chief Planner

Response to Provincial Housing Affordability Task Force Recommendations

1. Recommendation

The Regional Clerk forward this report to the Minister of Municipal Affairs and Housing and the local municipalities.

2. Summary

This report provides responses to the 55 recommendations of the Provincial Housing Affordability Task Force as outlined in Attachment 1.

Key Points:

- In December 2021 the Province appointed a nine-member Ontario Housing Affordability Task Force to provide recommendations to help make housing more affordable for Ontario families
- On February 8, 2022, the Task Force released [a report](#) with 55 recommendations focused on addressing housing supply
- There are 21 recommendations with which staff **agree**, 18 that staff **agree in principle** with, for a total of 39 of 55 supported recommendations subject to comments provided. The following are some notable outcomes of those recommendations:
 - Simplifying the process to increase gentle density and housing in intensification areas supported by transit
 - Support the redevelopment of underutilized sites
 - Improve the efficiency of approval and appeal processes
- There are 16 recommendations that staff **disagree** with which fall primarily into one of the following categories:
 - Negative financial implications, including recommendations that are contrary to the principle of growth paying for growth

- Substantially limit or remove the ability to ensure good planning principles and consider local context
- Increase appeal opportunities which would prolong rather than expedite bringing housing online faster
- Demand factors, not addressed in the Task Force report, are having a greater impact on affordability than the primarily supply factors addressed through the report's recommendations; beyond focusing on timing of development approvals, the Province is urged to consider tools to address demand factors, and to better focus supply approaches to achieve an affordable housing supply.

3. Background

In December 2021 the Province established the Provincial Housing Affordability Task Force

In the 2021 Ontario Economic Outlook and Fiscal Review, the government proposed to establish a Housing Affordability Task Force to provide recommendations to the Minister of Municipal Affairs and Housing on potential further actions to make housing more affordable for Ontario families. When announcing the formation of the Task Force, the Province noted everyone has a role to play in fixing Ontario's housing crisis and committed to continuing to work with municipal partners to help use the tools the Province has provided to unlock housing and make finding a home more affordable.

Mandate and composition of the Provincial Task Force was limited

The mandate of the Task Force, established in December 2021, focussed on how to increase market housing supply and affordability; recommendations do not address demand factors that are contributing to the current affordability crisis. Additionally, [membership](#) was largely limited to representatives from the financial, real estate and academic sectors, the exceptions being Justin Marchand, CEO of Ontario Aboriginal Housing Services, and Ene Underwood, CEO of Habitat for Humanity Greater Toronto Area. The appointments did not include municipal representatives.

4. Analysis

Staff support 39 of 55 recommendations, but note that recognition of housing as a right, not a commodity is essential

Many recommendations are supported, with Agree (21) or Agree in Principle (18), as noted in Attachment 1. In most instances, Agree in Principle is an indication that the intent of the recommendation is supported but clarification and/or adjustments to how the recommendation is implemented may be required.

Examples include recommendations that propose to improve where and how housing can be developed, but servicing and/or locations not suitable for housing (including employment

areas, environmental features, etc.) are not addressed. In some instances, existing neighbourhoods may currently provide affordable housing options and therefore should be preserved from 'as of right' redevelopment. Discretion in these instances should remain with municipalities.

While these recommendations may address supply, there is need for the province and all stakeholders to recognize that housing is a right and should be treated as shelter versus a commodity. Multiple factors not addressed in the Task Force report are contributing to housing affordability beyond simply the municipal role and timing of approvals in the supply of housing units. Such factors not addressed in the report that impact housing affordability include the effect of low interest rates, investor demand, net immigration and non-permanent residents, demand for multiple investment properties with accumulated housing wealth and appreciation, blind bidding practices and the price point of new housing supply versus creating more affordable supply.

A full summary of staff responses to the recommendations is included in Attachment 1 with some notable highlights summarized below.

Supported recommendations identify options for new housing and intensification in the right locations and improve efficiency of planning and appeal processes

A good portion of the recommendations aim to simplify the process of adding additional housing units into existing neighbourhoods in the form of gentle density. Others propose to streamline the approval process for intensification in areas supported by transit. Still others propose to introduce funding and efficiencies into the planning and appeals process that would effectively reduce the time required to bring housing online and to address appeals. Recommendations of this nature are generally supported or supported in principle as noted in Attachment 1.

Recommendations that increase appeal rights are problematic and would delay bringing housing online

Upper and single-tier Official Plans implement Provincial policy. A recent modification to the Planning Act removed the right to appeal upper and single-tier municipal Official Plans; a forward-thinking modification that will significantly reduce the time it takes to designate new urban lands to accommodate growth. Recommendation 18 proposes to restore the right of developers to appeal Official Plans and Municipal Comprehensive Reviews which is contrary to the Provincial objective to facilitate the timely delivery of new housing. Rather than adding appeal rights, further limiting the right of appeal, including local Official Plans that implement Provincial and Regional approved policies should be implemented.

Recommendations that propose to negatively impact the Region's ability to fund growth-related infrastructure through development charges are contrary to the principle that growth pays for growth

There are a number of recommendations that proposed to reduce or eliminate development charges for new housing including #32 which proposes to waive DCs on infill residential

projects up to 10 units and development when no new material infrastructure will be required (which could impact the Region's redevelopment credit policy). Recommendation #33 proposes to waive DCs on all forms of housing deemed affordable for 40 years. While this may be desirable for community housing projects, that offer long-term and deep levels of affordability and can be viewed as a community benefit overall, it should not be applied to market affordable projects.

Finally, recommendation #44 indicates that the Province work with municipalities to develop and implement a utility model for water and wastewater to amortize costs of infrastructure among customers instead of using development charges.

This recommendation would transfer the cost of growth to user rates or the tax base. Preliminary work indicates shifting water and wastewater infrastructure to a utility model could result in as much as a doubling of the residential water bill. In addition to being contrary to the principle that growth pays for growth, the proposal would also make it more difficult to fund projects and could reduce the Region's ability to build the infrastructure needed for growth.

Appendix B to the Task Force report includes additional recommendations which are supported

Appendix B to the report includes the following additional recommendations, all of which can be supported in principle:

- Call upon the federal government to provide equitable affordable housing funding to Ontario
- Develop and legislate a clear, province-wide definition of affordable housing to create certainty and predictability
- Create an Affordable Housing Trust from a portion of the Land Transfer Tax revenue to be used for the creation of more affordable housing units, including incentives for those serving black, indigenous and other marginalized groups
- Amend legislation to allow cash-in-lieu payments for inclusionary zoning (IZ) units, require and/or permit municipalities to use density bonusing or other incentives when administering IZ and affordable housing policies
- Encourage close monitoring of the effectiveness of IZ policy and explore alternatives
- Rebate MPAC market rate property tax assessment on below-market affordable homes

Addressing demand factors would have a greater impact on affordability and should be addressed by the Province

While supply is one factor that may be contributing to increasing house prices, the supply in York Region has remained strong yet house prices continue to escalate. There are a number of demand factors that are contributing to the affordability crisis including but not limited to:

- Purchase of housing for investment purposes
- Low mortgage rates which create increased leverage or borrowing capacity
- Rapidly increasing equity within the existing housing market prompting ‘upsizing’ and/or investment purchases – that price appreciation fuels more appreciation

The Province is encouraged to also look at tools to address demand factors, and to better focus supply approaches on achieving housing affordability.

5. Financial

While most of the recommendations do not increase the financial burden to the Region, several have negative financial consequences and are therefore not supported, most of which relate to development charge collections. York Region’s current development charge for single and semi-detached dwellings represents 4.59% of the average price of a new single-family detached home in the Region in 2021 and has remained under 5% since 2017. A number of the recommendations, if implemented, would have financial implications on the Region as outlined in Attachment 1.

6. Local Impact

Recommendations impact both upper and lower-tier municipalities. Given the time to prepare this response, this response could not be coordinated with local municipal staff. These responses try to have regard for local municipal impacts but it is anticipated that many local municipalities will also prepare responses to the Provincial Housing Affordability Task Force recommendations.

7. Conclusion

The report of the Provincial Housing Affordability Task Force contains several recommendations that may improve efficiency to bring more housing online faster, and are supported by staff. Some recommendations have the potential to result in compromised planning or shift the financial burden of growth to the taxpayer and are therefore not recommended for implementation. While the recommendations focus on the supply of housing, the Province is urged to consider options to address demand factors that are more likely to impact the high price of housing to address the current affordability crisis.

For more information on this report, please contact Sandra Malcic, Director, Long Range Planning at 1-877-464-9675 ext. 75274. Accessible formats or communication supports are available upon request.

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Approved for Submission:



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Attachments (1)
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