

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
March 3, 2022

Report of the Commissioner of Corporate Services and Chief Planner

Affordable Private Market Housing Implementation Plan Approach and Timelines

1. Recommendations

1. Staff be directed to prepare an Affordable Private Market Housing Implementation Plan as described in this report.
2. The Regional Clerk circulate this report to the local municipalities, the Ministry of Municipal Affairs and Housing and the York Chapter of BILD.

2. Summary

This report provides an overview of housing challenges in York Region and recommends development of an Affordable Private Market Housing Implementation Plan (AHIP).

Key Points:

- Housing affordability continues to be a challenge in York Region and throughout the GTHA
- An AHIP is required to identify actions, advocacy, and partnership approaches to address private market housing affordability
- Advocacy is important since no one entity can solve the affordability crisis and different partners have a role in supporting the housing needs of residents and workers, including senior levels of government
- Staff are working to retain an external consultant to help guide development of the AHIP
- The AHIP will be developed with input from an inter-departmental working group, local municipalities, development proponents, Council Advisory Committees, and other stakeholders. A final Plan is anticipated to be delivered in Q4 2023
- By addressing private market affordability, the AHIP will complement the Community Housing Master Plan which focuses on developing more community and non-profit homes across the Region

- The Housing Affordability Task Force will provide ongoing input and direction as the AHIP is developed

3. Background

The Region's ability to achieve complete communities is impacted by housing affordability

Housing affordability is a challenge in York Region and throughout the GTHA. As reported to Council in [June 2021](#), in 2020 only 5% of new ownership homes were affordable based on Provincial definitions. The main alternative to the ownership market is the rental market. As of 2016, York Region had the lowest proportion of housing stock in rental tenure in the GTHA at 14%. It is estimated that over 60% of the Region's rental housing is in the secondary market, which includes renting housing originally built to be in ownership tenure such as condominiums, ground related homes or basement apartments. The secondary market is generally more expensive and offers less security of tenure than the primary rental market.

In [January 2021](#), Council received a report on housing challenges and opportunities through which a lack of affordable housing options was highlighted as one factor contributing to slower growth in the Region over the last decade. The report identified that not achieving anticipated forecasts can adversely affect development charge recovery and planned infrastructure timing. A lack of affordable housing impacts Regional efforts to achieve complete communities which are intended to offer a full range of housing options for people of all ages and abilities. A lack of affordable low-density and purpose-built rental housing was noted in the report. The need to address the interconnection between the Region's competitive economic position and its longer-term housing needs by market segment is important to realize the 2051 population and employment targets. This may include addressing the Environmental Assessment process, which complicates the ability to provide infrastructure needed to accommodate future housing supply and achieve the 2051 forecast.

Regional Council has a strong foundation supporting housing initiatives

The Region has dual legislated responsibilities related to affordable housing:

1. Service Manager role, through the *Housing Services Act, 2011*
2. Growth Management role, through the *Planning Act, 1990*, the Provincial Policy Statement and the *Places to Grow Act, 2005*

Regional Council has shown continued, strong support for affordable housing related initiatives. This support includes a [February 2021](#) motion that recognizes a housing affordability crisis exists in the Region, and establishment of a Housing Affordability Task Force to help identify solutions to the housing affordability problem.

Council has a solid foundation to support housing related initiatives through:

- [York Region's Vision](#)
- [2019 to 2023 Corporate Strategic Plan](#)
- [2010 Regional Official Plan](#) and [Draft Regional Official Plan](#)
- 2019 to 2023 [Housing and Homelessness Plan](#)
- [Housing York Inc \(HYI\) 2021 to 2024 Strategic Plan](#)

This foundation provides direction to continue to work to address housing affordability challenges.

Regional Council is committed to actively addressing affordable housing challenges

Council continues to support on the ground approaches to increase purpose-built rental supply, including development charge deferrals ranging from [36 months](#) to [20 years](#), and a [servicing allocation reserve](#). Council also continues to actively explore avenues to support a mix and range of housing options including endorsement of a feasibility study and public benefits review of a [Vacant Homes Tax](#), and approval of policy directions informing the [2022 Development Charges Bylaw](#) update.

While some actions are being undertaken to address housing needs in the private market, there is a need for a comprehensive, evidence-based AHIP with funding considerations to identify additional solutions to address market affordability. Existing and new actions will be consolidated through the AHIP in order to continue to address housing needs.

Council has also directed the development of a [Community Housing Master Plan](#) which addresses how to fund and develop more community and non-profit housing. The AHIP will complement that Plan by addressing housing affordability within the private market.

4. Analysis

The Affordable Private Market Housing Implementation Plan will identify housing gaps and solutions to address housing affordability

The objective of AHIP is to identify actions, advocacy, and partnership approaches to address private market housing gaps in the short, medium, and long term. Not all approaches to address housing needs are the responsibility of the Region. No one agency will solve the housing crisis on its own. Advocacy and partnership approaches will be required to comprehensively address housing needs. To achieve the objective, a consulting team will be retained to help guide a three-step process:

- Step 1: Identify housing affordability gaps
- Step 2: Potential approaches to address housing affordability gaps
- Step 3: Recommend solutions to help address private market housing affordability

A consultation plan is being developed to ensure input from local municipalities, development proponents, the public and other stakeholders is considered. Parallel to the Implementation Plan work, the affordable housing measuring and monitoring method, which was first established in 2013 and has had minor updates in the interim, will be updated.

The updated method will provide a more fulsome analysis by type, size, tenure and degree of affordability. The update will also work to better tie affordability to household incomes and what people can afford. This will allow for better assessment of the impact of proposed approaches to address housing affordability.

The housing affordability gaps analysis will allow for evidence-based recommendations

The first step of the AHIP, the housing affordability gaps analysis, will layer consumer data and financial approaches to affordability on top of traditional methods to more specifically identify housing need not being sufficiently addressed (housing gaps). Housing affordability will continue to be explored through traditional sources such as Statistics Canada Census data which includes income deciles for the Region's population and foundational housing data such as structure type, tenure, affordability, and suitability information. Additionally, the consultant will be challenged to consider consumer data and to comment on financial factors and approaches that may make otherwise unaffordable housing more affordable.

Consumer data provides personal, behavioural, and demographic information typically collected by marketing companies, and is intended to help create a finer grained picture of the housing supply the Region needs and to help isolate the housing needs of people entering the housing market. A better understanding of the financial factors and approaches to housing affordability and which households can access them will allow for more targeted approaches to address housing gaps. Examples include the use of additional residential units to increase income, lease to own and land lease approaches, reverse and second mortgages, co-ownership and intergenerational wealth transfers.

As the population ages and generational turnover of the existing housing stock continues, housing gaps may vary over time. As such, the Gaps Analysis will explore housing needs today as well as that anticipated in the mid (10-year) and longer (30-year) term.

The Region is required by provincial legislation to develop a new Housing and Homelessness Plan for 2024. The Gaps Analysis undertaken through the AHIP will also be used to inform the Housing and Homelessness Plan update.

The Affordable Housing Implementation Plan will identify solutions to address affordable housing challenges in the private market

The AHIP will include a national and international jurisdictional scan of potential action, advocacy and partnership efforts to address housing need. This compilation of potential approaches will build on those outlined in Attachment 3: [Innovative Housing Options to Support Affordable Housing](#) to the staff report presented to Council in [January 2021](#). These potential efforts will then be assessed to recommend approaches York Region should be pursuing today and over the mid and long term given the Gaps Analysis, housing mandates and resources available. An internal cross-departmental working group of subject matter experts will review and comment on the consultant recommendations, which will be presented to Council for consideration.

As this work evolves, principles will need to be established, including:

1. Recognizing the role of rental housing for many mid range income households (generally those currently earning between \$85,000 and \$125,000 annually) and being prepared to promote the substantial shift to rental tenure required to achieve affordability and growth targets.
2. Determining roles and responsibilities when solutions are available to various levels of government.
3. Differentiating between housing as primarily “Community or Commodity”; i.e. as shelter vs. an investment opportunity. There is evidence that more housing units are being owned and managed as an investment or commodity, rather than as shelter for York Region’s current and future residents. Recommended approaches should either work to de-commodify the housing market or to respond to the commodification.

The Housing Affordability Task Force will help guide the development of Affordability Housing Implementation Plan

As the AHIP is developed, staff will rely on the Housing Affordability Task Force to provide input on both technical and philosophical approaches being considered. Touchpoints with the Task Force will be scheduled at key intervals to gather insight and confirm direction. The Task Force is anticipated to provide key input, local context, be a conduit to Council and assist in establishing overall support and partnerships.

The workplan for the Affordable Private Market Housing Implementation Plan will extend into 2023

Figure 1 provides four anticipated Council touchpoints for the AHIP. Consulting services to support the development of the AHIP are anticipated to be in place by mid-2022. The results of the Housing Gaps Analysis will be shared with the newly formed Council early in 2023. This work will be followed by a Draft AHIP anticipated for Q2 2023, and consultation on the Draft AHIP through Q3 2023 with a Final AHIP anticipated for Q4 2023. Regional Official Plan policy will be refined to support the AHIP as needed.

Figure 1

Affordable Private Market Housing Implementation Plan Council Touchpoints

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Council Touchpoints							
Approach and Timelines				Housing Gaps Analysis	Draft AHIP		Final AHIP
Other Considerations							
		Consultant Retained		←←← Consultation →→→			

The Affordable Private Market Housing Implementation Plan Supports the Region’s Corporate Performance Management Framework

Development of the AHIP supports residents’ Vision that “York Region is safe and welcoming with accessible opportunities for recreation and affordable housing” as well as the Corporate Strategic Plan objective that focuses on “delivering and promoting affordable housing” including through the key activity to “support creation of new affordable housing rental units.”

5. Financial

The development of the AHIP is being completed within the approved 2021/2022 business plan and budget.

Any financial implications for the Region of the recommended AHIP will be presented to Council with the proposed plan. Potential funding sources to implement the AHIP may include revenue from the Vacant Homes Tax if pursued by Council, or revenue from the Provincial Non-Resident Speculation Tax, if Council’s request of the province to access a share if it is successful.

6. Local Impact

Local municipalities are key partners in identifying and implementing approaches to increase affordability of private market housing. They can identify local priorities and solutions through mechanisms like zoning and building permit authority and are often best positioned to influence development applications through pre-consultation and planning processes based on local context. They have jurisdiction to implement inclusionary zoning within Provincial parameters and have several financial incentives and non-financial tools unavailable to the Region. All local municipalities are working towards expanding housing options in some way. Examples of local municipal housing initiatives include updated Official Plan and zoning policies, development of Housing Strategies, exploration and implementation of inclusionary

zoning, prioritization of purpose-built rental housing through incentives and championing specific local developments.

Local municipalities actively participate and provide input through the York Region/Local Municipal Housing Working Group to help work toward approaches to increase housing options. Ongoing input from the York Region/Local Municipal Housing Working Group will assist in the development of AHIP.

7. Conclusion

Housing affordability continues to be a challenge in York Region and throughout the GTHA. This report describes the need for an AHIP in York Region and describes the process and timelines to arrive at a final Plan by Q4 2023.

Staff will retain a qualified consultant to complete the work as outlined in this report. As the procurement process unfolds, staff will reach out to partners interested in providing input into this work to assist with identifying which gaps should be explored and to begin to discuss principles to assess approaches. Key partners will include local municipalities, development proponents, the Housing Affordability Task Force and other stakeholders.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530. Accessible formats or communication supports are available upon request.

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