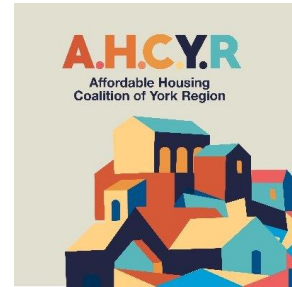


To: Regional Council
From: The Affordable Housing Coalition of York Region
Date: April 18, 2022
RE: The draft Official Plan.



The Affordable Housing Coalition of York Region (AHCYR) respectfully submits the following to be considered in deliberations about the York Region Official Plan.

Since 2020, the AHCYR has been active in promoting the Right to Housing in York Region through developing reports on affordable housing models, advocating to local, municipal and provincial government, raising awareness of housing issues in the community and working to facilitate the development of faith-based lands for affordable housing. Our membership includes concerned citizens, civic leaders, those with lived experience of homelessness and housing precarity and people who work with those in housing need.

We applaud the robust targets for affordable housing development in the draft Official Plan. We would, however, encourage Region Council to strengthen the definition of affordability as it relates to rent to improve affordability throughout York Region.

Regional Neighbours have Better Definitions of Housing Affordability

The definition of affordable rental housing in the York Region draft Official Plan states:

Affordable

In the case of rental housing, a unit for which the rent is at or below 125% of the average market rent of a unit in the regional market area, by bedroom type.

This contrasts with neighbouring Durham Region, which defines Affordable housing to mean:

Affordable [Housing]: means:

b) in the case of rental housing, the least expensive of:

i) a unit for which the rent does not exceed 30% of gross annual household income for low and moderate income households; or

ii) a unit for which the rent is at or below the average market rent of a unit in the Region

Peel Region uses the following definition:

Affordable housing:

b) in the case of rental housing, the least expensive of: a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or a unit for which the rent is at or below the average market rent of a unit in the regional market area.

For the purposes of this definition: Low and moderate income households means, [...] in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market area.

Both our neighbouring regions' definitions of affordable rental housing have several similarities which the AHCYR believes York Region should exceed or, at least, adopt:

- Using a renter household's income as the primary marker of affordability. In today's housing market, asking rents have risen far faster than incomes and this has an inflationary effect of average rents. If affordability is pegged only to average market rent (AMR) then it will result in more expensive affordability.
- Setting affordability at 30% of a renter household's gross annual income. The 30% figure is used by the Canada Mortgage and Housing Corporation and is widely accepted to be the maximum income percentage which a household can pay without falling into core housing need.
- Pegging affordability to the *lower* of income and the average market rent (AMR). This has the effect of not penalizing homes with higher incomes and lower rents. These homes can be important in helping to keep rents down in the neighbourhoods in which they exist by reducing pressure on landlords to want to 'churn' tenants in order to raise rents to comparable levels in the neighbourhood.
- Where affordability is pegged to AMR, it is pegged to "at or below" the existing AMR. This is important to further reduce the inflationary effect of a level of affordability that is actually above the average rent for an area.

York Region's Draft Definition of Affordability is insufficient

The two main reasons the AHCYR has to oppose a definition of rental housing affordability set at 125% of AMR is because we think this definition of affordability in York Region's draft Official Plan will result in rental housing increasing in price, and becoming unaffordable for up to two in five households.

First, setting 125% of affordability is inflationary. Consider what happens if the AMR for an area is \$1500 a month. That would mean that a unit could be deemed 'affordable' even if it costs \$1875 a month. That means that these 'affordable' units would be contributing to an increase in the AMR, leading to a higher AMR the following year, and a correspondingly more expensive level of 'affordability.' An ironic side effect of this definition, if approved, is that if there is a softening in the rental market, rental units could be deemed to be affordable even if they were renting for more than the asking price of apartments.

Second, setting affordability at 125% AMR will mean almost 40% of York Region households may not be able to afford an 'affordable' apartment. Estimates from Canada Mortgage and Housing Corporation's 2021 [Rental Market Report](#) suggest that the AMR in York Region for all unit sizes is approximately \$1500

a month.¹ As a result, an average unit in York Region could be deemed affordable if it were \$1875 a month. In order for a household to not be in core housing need, they should not be forced to pay more than 30% of their household's gross income on housing.² In this case, a household would need a gross annual income of \$75,000 in order to afford an apartment described as affordable under the definition in the Official Plan. According to Statistics Canada's 2016 Census, approximately 137,920 of our 357,085 households earn less than \$75,000 per year.³ That is 38.6% of the households in York Region. In effect, the definition of affordability in the Official Plan would not support the housing needs of more than a third of the region's population, who are most impacted by the rental housing affordability crisis.

Our Recommendations:

A better definition of affordability – The definition in the draft Official Plan is inadequate to meet the needs of our citizens and is out of step with our neighbouring regions. Specifically, a definition that reflects that affordability should be defined as the lesser of 30% of gross annual household income for low and moderate income households; or where the rent is at or below the average market rent of a unit in the Region

Permanent affordability – Many subsidized housing projects operated through agreements with governments are at risk of losing affordability levels as operating agreements are set to or have expired. When affordable housing is lost, it results in the displacement of residents who have lived in those communities for decades. It is vital that units remain affordable in perpetuity. We support projects that promote affordability in perpetuity.

Deep affordability – People should live in a home that does not force them to pay more than 30% of their income on housing, where they can pay for other necessities of life. Although some portion of the population may require housing subsidies, it is not feasible that 38% of York Region households rely on them. The Region instead should invest in housing developments that create affordable market rents while also providing housing subsidies for those that need deep affordability levels.

Purpose-built apartments – Although there is a place for secondary-market apartments in condos or in basements, York Region has had the lowest rate of purpose-built rental construction in the GTHA in recent history. The benefits of purpose-built rental units are that they tend to be more affordable than condominium rentals while offering tenants stability and security to live in these homes for the long-

¹ CMHC, *Ontario – Rental Market Statistics Summary by Metropolitan Areas, Census Agglomerations and Cities* Online at: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.1.31.2&GeographyId=35&GeographyTypeId=2&DisplayAs=Table&GeographyName=Ontario>

For bachelor units, the average rent is approximately, \$1100 a month, for one bedroom units the average is approximately \$1350 a month, for two bedroom units the average is approximately \$1600 a month, for three or more bedroom units, the average is up to \$1800 a month.

² Statistics Canada, *Dictionary, Census of Population, 2016: "Core housing need"*, Online at: <https://www12.statcan.gc.ca/census-recensement/2016/ref/dict/households-menage037-eng.cfm>

³ Statistics Canada, *Census Profile, 2016 Census York, Regional municipality [Census division], Ontario and Ontario [Province]*, <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=3519&Geo2=PR&Code2=35&SearchText=York&SearchType=Begins&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=3519&TABID=1&type=0>

term. Purpose-built also means building a variety of rental types that are appropriate for families, young people, and those with developmental disabilities. York Region should promote the development of purpose-built rentals that offer affordable housing options.

Preserving affordable housing - The draft Official Plan does not seem to offer ways to protect the existing affordable housing stock. Without such protections, new affordable housing may need to be built twice as fast if the existing supply is allowed to be redeveloped, demolished or turned into luxury housing. Such redevelopments not only result in the loss of those affordable units but often displace residents of these homes. Policies that protect the affordable housing in the region should be added to the Official Plan. These can include policies to protect tenants from the demolition, conversion and renovation of their homes and/or displacement that results from those actions.

The Region should endorse the Right to Housing

The AHCYR believes that the Region should adopt rights-based housing policies to guide their long-term vision and plans for the region. This means, putting the needs of residents at the forefront of decision-making and prioritizing solutions that ensure residents have access to adequate, accessible and affordable homes.

Conclusion

Although the proposed targets for the amount of affordable housing, especially in transit and urban areas, are welcome, the effectiveness of these targets will be minimal given that the definition of affordability fails to support the housing needs of the region's residents.

We would welcome the opportunity to speak to Regional Council about this matter and to be considered a resource for it in future discussions about housing policy and in particular the right to housing. Thank you for your attention.

Sincerely

Yvonne Kelly, Co-Chair
Affordable Housing Coalition of York Region.