

Draft Rental Housing Incentives Guideline

PRESENTATION TO YORK REGION PLANNING ADVISORY COMMITTEE

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PRESENTATION OBJECTIVES

1

YORK REGION'S HOUSING CHALLENGE

2

YORK REGION/LOCAL MUNICIPAL HOUSING WORKING GROUP

3

DRAFT RENTAL HOUSING INCENTIVES GUIDELINE AND CIP

4

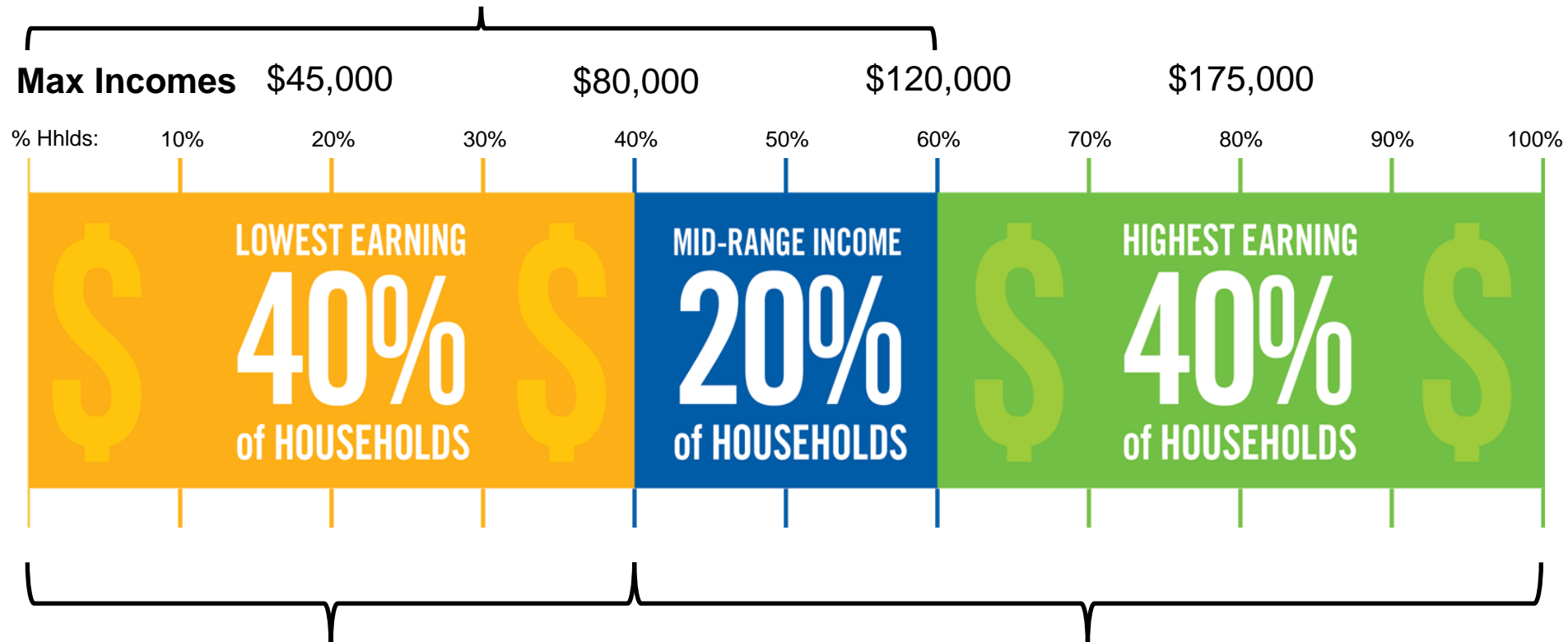
NEXT STEPS

YORK REGION'S HOUSING CHALLENGE

SEGMENTS OF THE HOUSING MARKET

Provincial Definition of Affordable

(lowest earning 60 percent of households)



Subsidized Housing

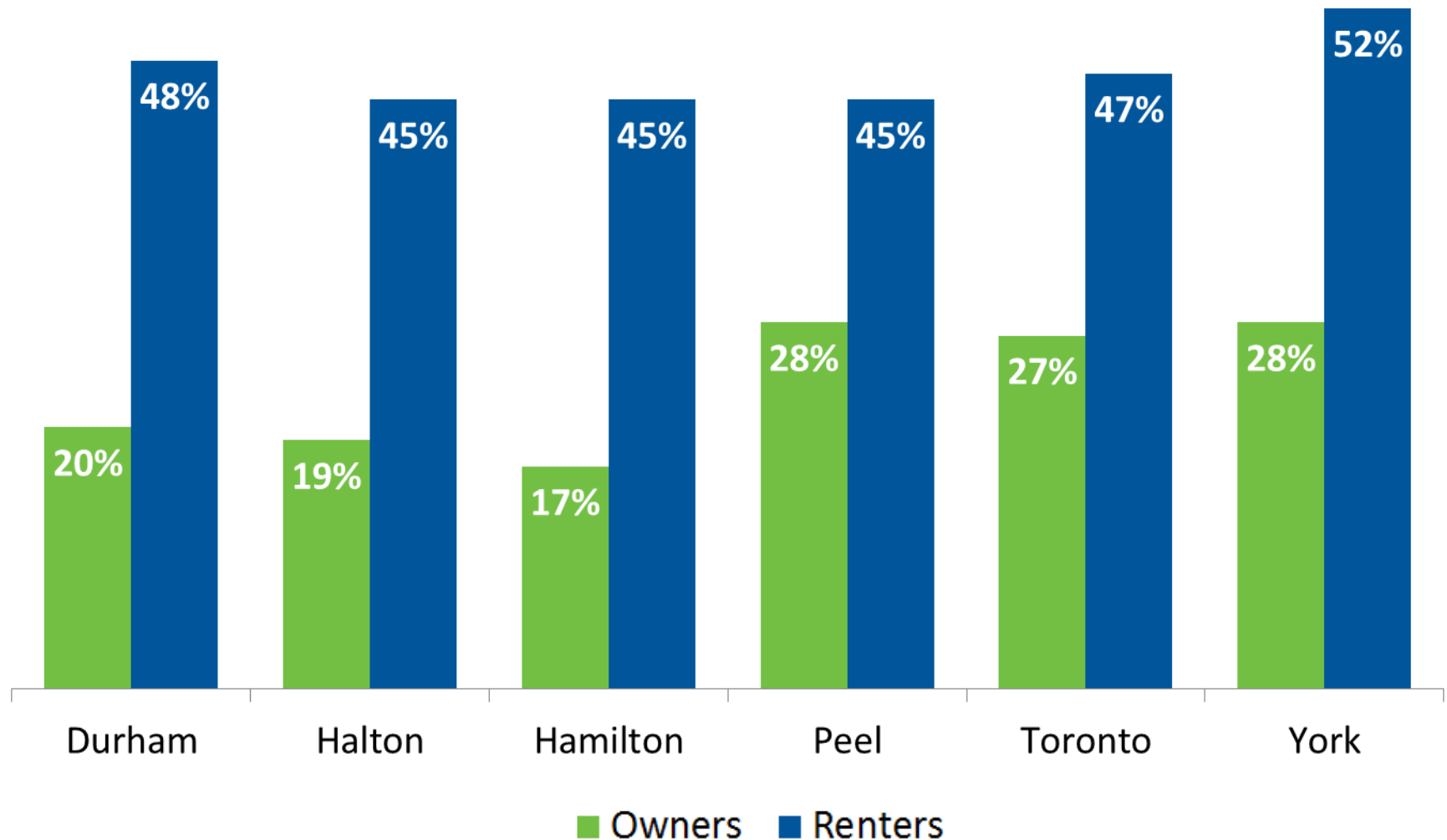
(lowest earning 40 percent of Households eligible to apply)

Private Market

(highest earning 60 percent of households)

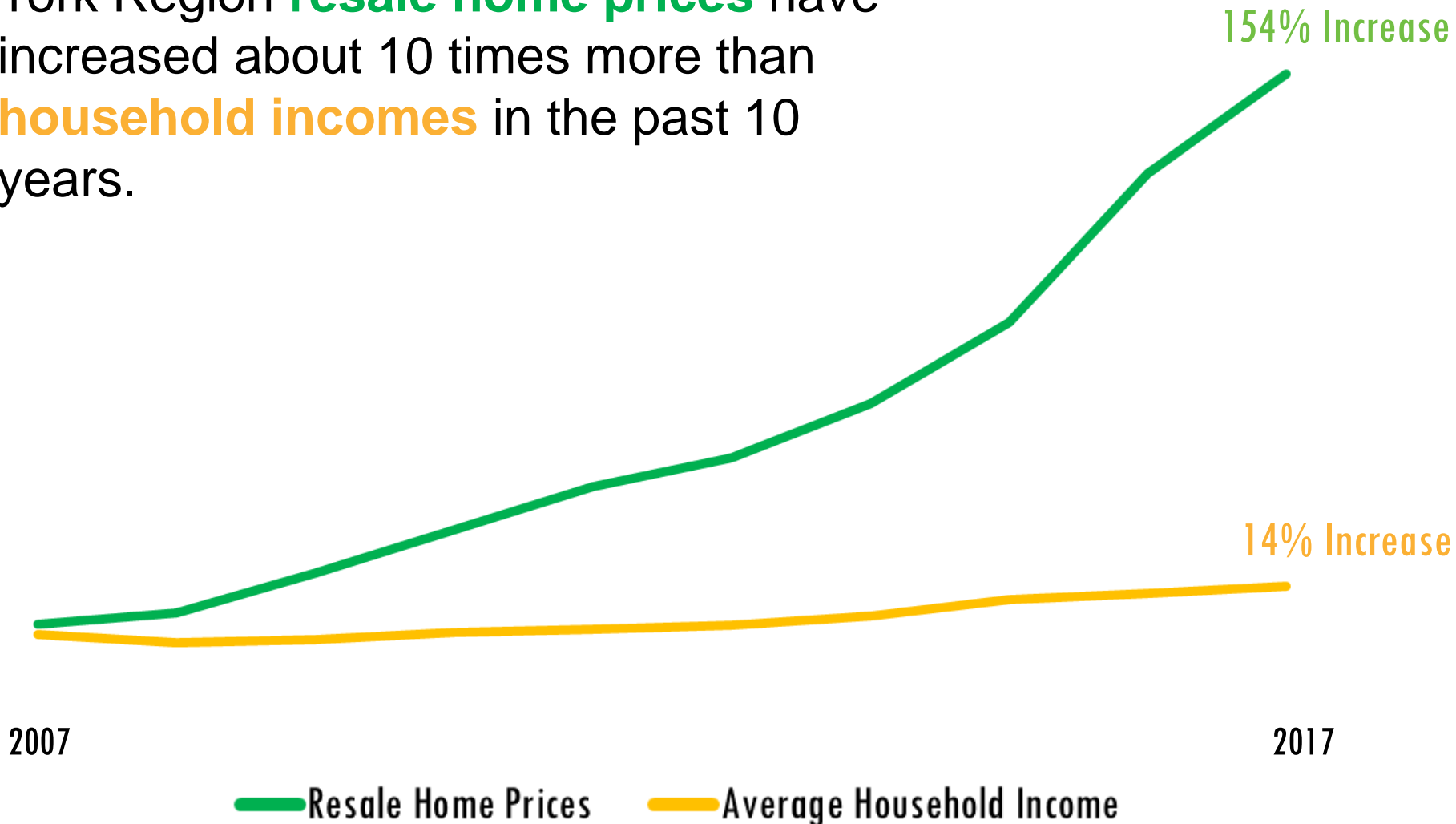
YORK REGION HOUSEHOLDS ARE SPENDING TOO MUCH ON HOUSING

Percent of Households Spending 30% or More of Income on Housing Costs



INCOME AND RESALE HOME PRICES

York Region **resale home prices** have increased about 10 times more than **household incomes** in the past 10 years.



Source: Adapted from Toronto Real Estate Board, Market Watch Reports, 2007-2017 and Statistics Canada average census family income

NEW OWNERSHIP MARKET

MAXIMUM HOUSEHOLD INCOME

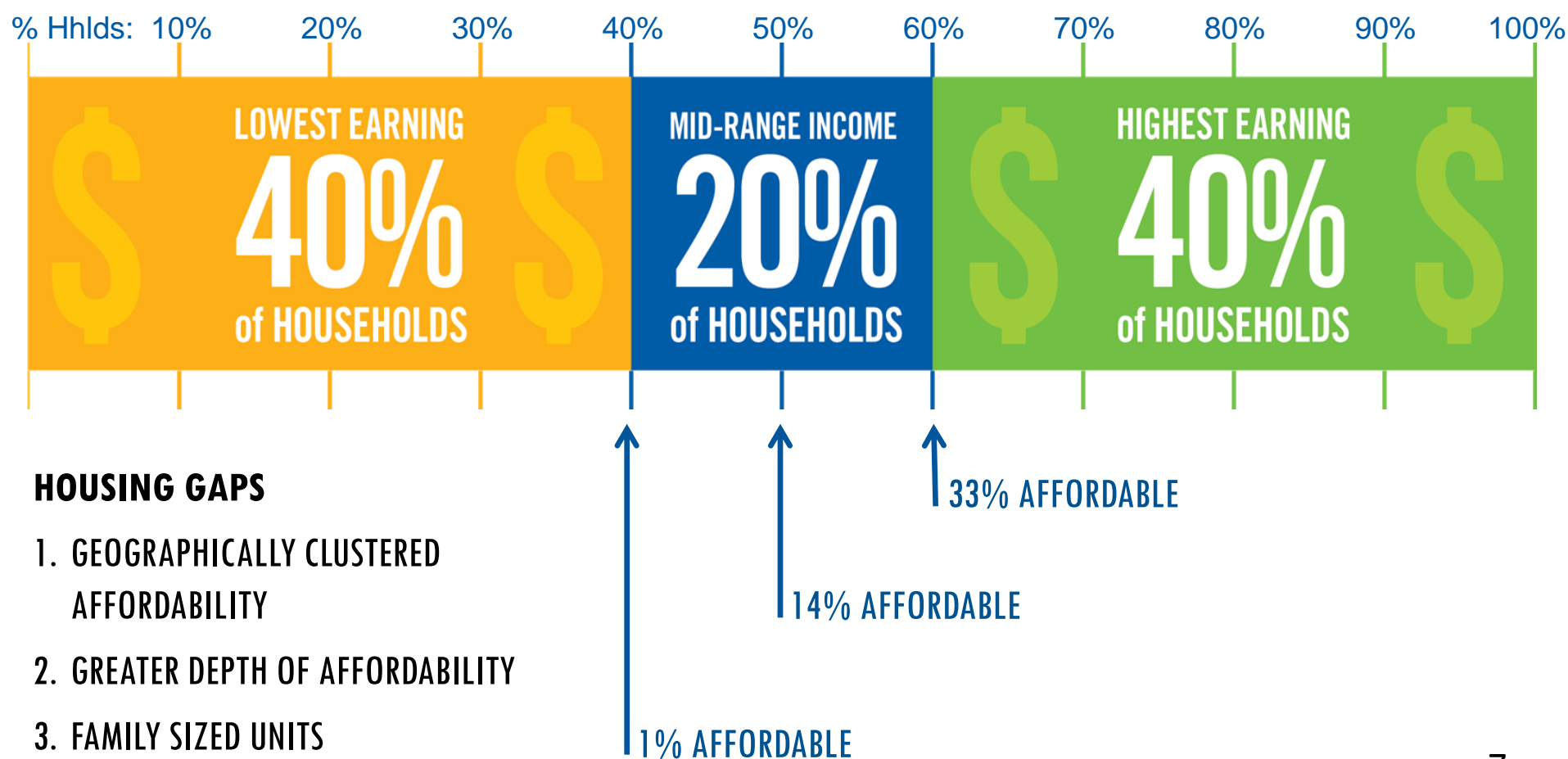
\$80,000 to \$120,000

MAXIMUM AFFORDABLE OWNERSHIP

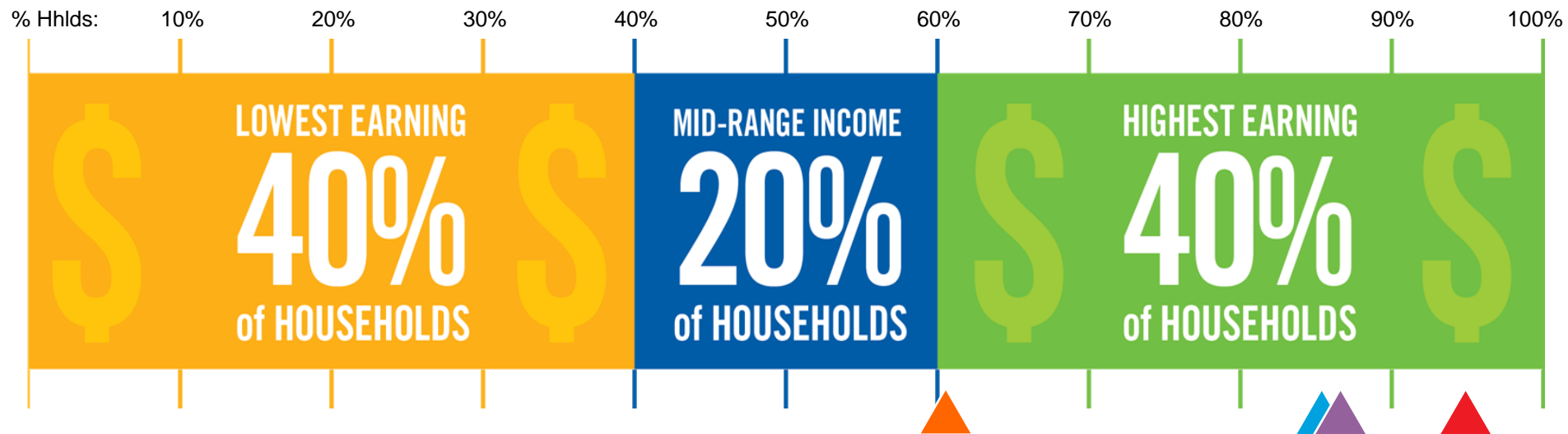
\$320,000 to \$480,000

MAXIMUM AFFORDABLE RENT/MONTH

\$2,000 to \$3,000



OWNERSHIP RESALE MARKET



▲ **CONDOMINIUM APARTMENT: \$480,000**

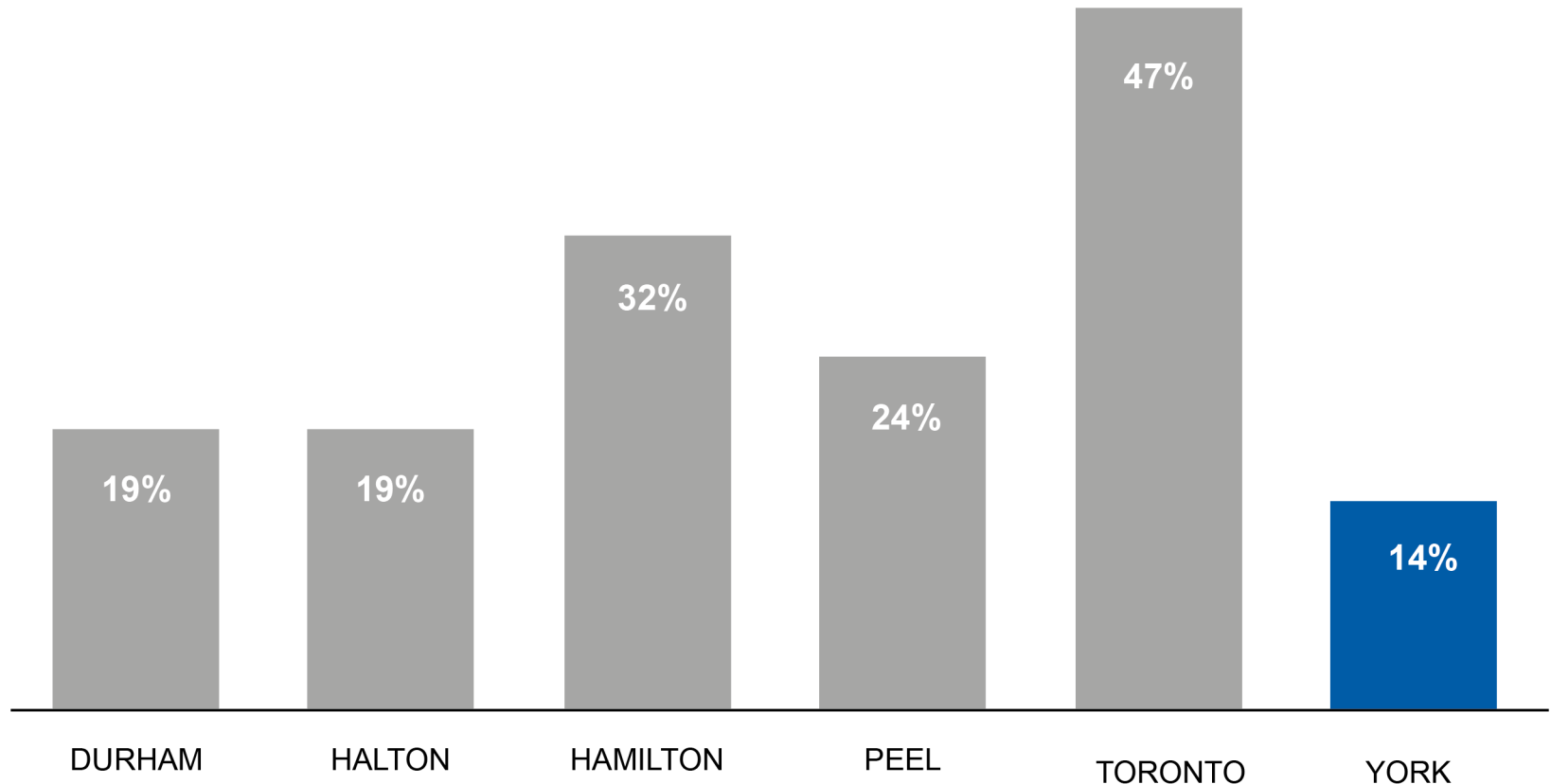
▲ **ROW: \$800,000**

▲ **SEMI-DETACHED: \$840,000**

▲ **SINGLE DETACHED: \$1,300,000**

In York Region, average resale condominium prices are affordable to less than 40 per cent of households and average ground related prices are affordable to less than 20 per cent of households

RENTAL STOCK, 2016



Source: Statistics Canada 2016 Census of Population

York Region has the lowest proportion of rental housing stock in the GTHA, the majority of which is found in the secondary market

POLICY CONTEXT

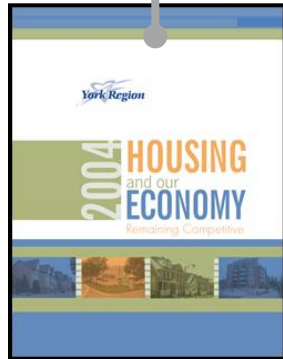
1994



2002



2004



2010



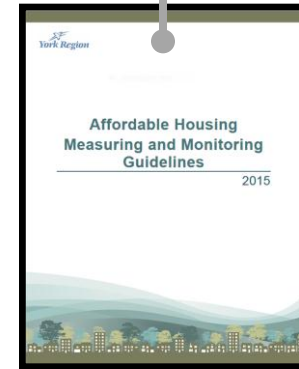
2012



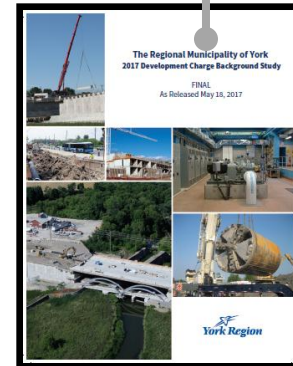
2014



2015



2017



Regional Council has a long history of identifying and addressing housing needs with an increased focus on private purpose built rental



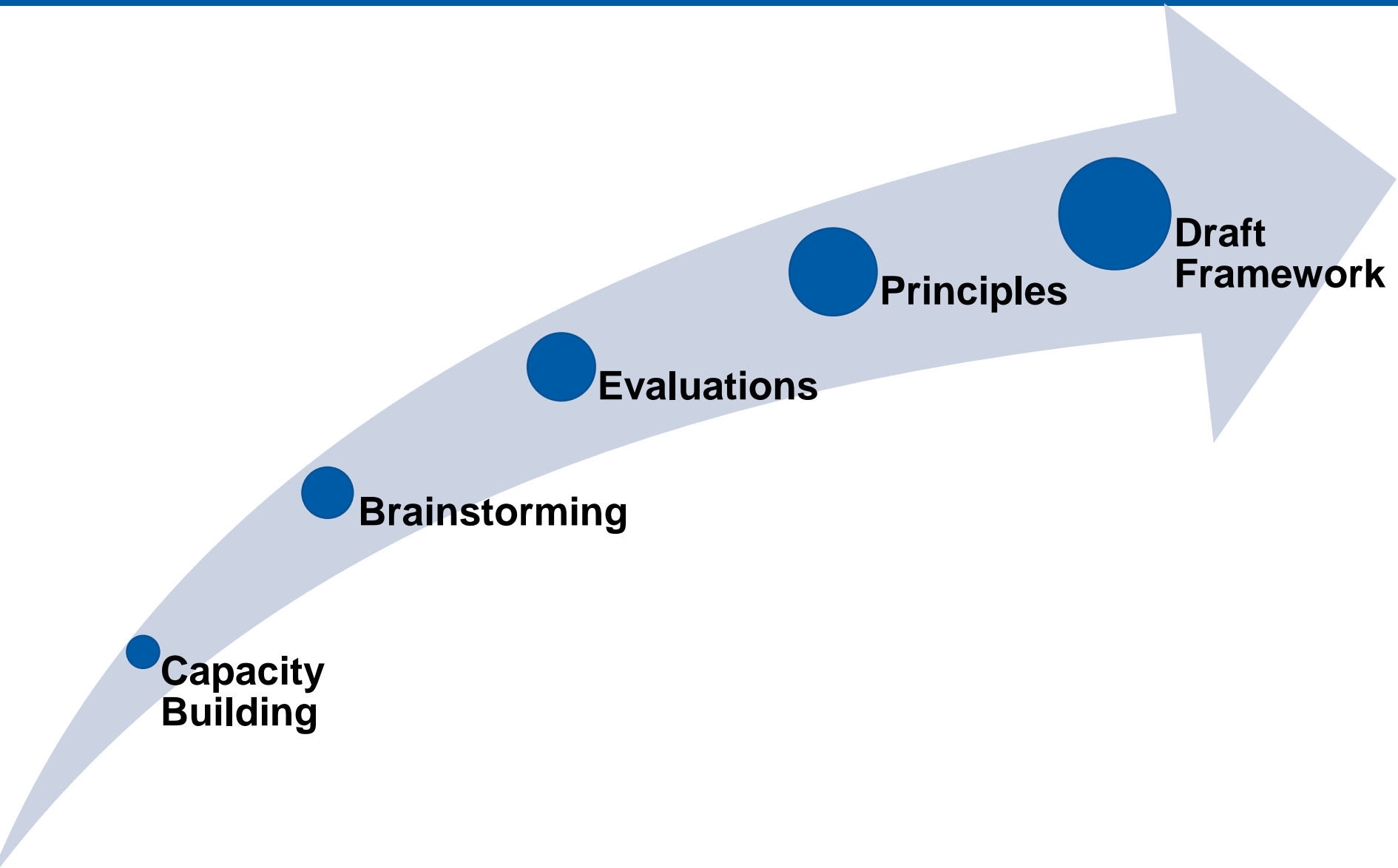
YORK REGION/LOCAL MUNICIPAL HOUSING WORKING GROUP

Composition:

York Region and Local Municipal Planning staff, York Region Finance, Community and Health Services, and Human Services Planning Board staff



WORKING GROUP EVOLUTION





DRAFT RENTAL HOUSING INCENTIVES GUIDELINE AND COMMUNITY IMPROVEMENT PLAN (CIP)

RENTAL HOUSING INCENTIVES GUIDELINE (GUIDELINE): BACKGROUND

Not Enough Rental Housing

At 14%, York Region has the lowest supply of rental housing in the Greater Toronto and Hamilton Area

Households Spend Too Much on Housing

With 28% owners and 52% of renters spending more than 30 per cent of income on housing costs, York Region has the highest proportion of households of both tenures spending too much on housing costs

Affordability is not Equally Distributed

Affordability is not equally distributed within and among local municipalities in York Region, leading to pockets of affordability rather than the equal distribution in complete communities

Unit Sizes are not Equally Distributed

Over 95% of ground related units have 3 bdrms or more and over half of high density units have 1 bdrm or less leading to larger units in peripheral developments and smaller units in core developments

A healthy housing market includes a robust supply of private purpose built rental housing

GUIDING PRINCIPLES

- a. Apply to purpose built rental tenure only**
- b. Priority given to high-rise and mid-rise developments
- c. Priority given to development in regional and local centres and corridors
- d. York Region incentives be contingent on the local municipality offering similar or better incentives**
- e. Proponents be required to share pro forma work with staff**
- f. Projects with support from senior levels of government be prioritized
- g. Restrictive covenant registered on title requiring that the property be developed and operated as a rental apartment complex for no less than 20 years
- h. Incentives offered may be tied to the duration the project will remain rental, duration of affordability and/or depth of affordability provided

ADDITIONAL REQUIREMENT TO ACCESS GUIDELINE: 175% AMR

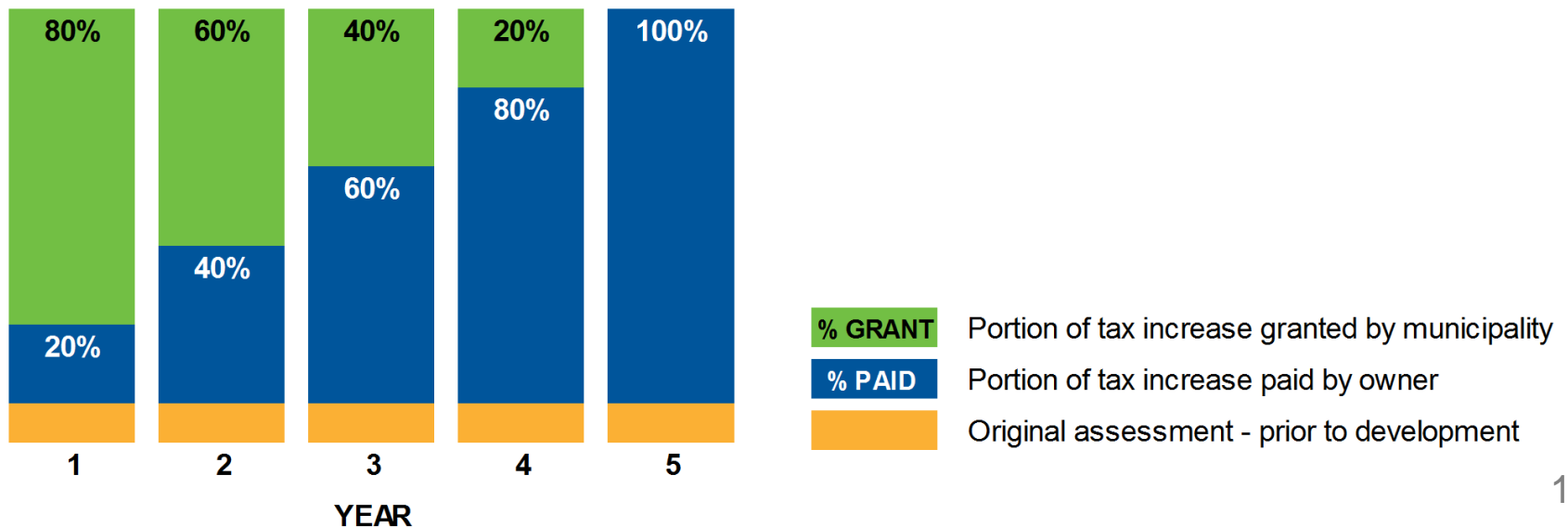
	Bach	1-Bdrm	2-Bdrm	3-Bdrm	Total
Average Market Rent	\$892	\$1,170	\$1,346	\$1,526	\$1,279
175% AMR	\$1,561	\$2,048	\$2,356	\$2,671	\$2,238
4 th Decile Max Affordable Rent	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
5 th Decile Max Affordable Rent	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
6 th Decile Max Affordable Rent	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

DRAFT RENTAL HOUSING INCENTIVES

Three proposed incentives:

1. Existing 36 month development charge deferral
2. New 48 month application fee deferral
3. New 5-year tax increment equivalent grant

Tax Increment Equivalent Grant



NON-RESIDENT SPECULATION TAX (NRST)

	NRST Collected Apr. 2017 to Feb. 2018 (\$ millions)	Percent of Total NRST Collected
Other GGH Regions	13.6	7.8%
Durham	1.8	1.0%
Halton	9.2	5.3%
Peel	12.9	7.4%
Toronto	82.8	47.8%
York	53.0	30.6%
GGH Total	173.3	100%

The NRST is a 15 per cent tax on the purchase of a residential property in the Greater Golden Horseshoe by individuals who are not citizens or permanent residents of Canada. The NRST applies in addition to the general Land Transfer Tax in Ontario



NEXT STEPS

PRELIMINARY FEEDBACK ON GUIDELINE

- On the right track
- More incentives required
 - Waivers rather than deferrals
 - Longer deferrals
 - Longer duration of TIEG
- Delegated authority to Chief Planner



FINALIZATION OF GUIDELINE/CIP

Nov.
2016

- Working Group established
- Direction to investigate incentives



Feb.
2018

- Guideline Principles endorsed
- Direction to develop Draft Guideline



June
2018

- Draft Guideline endorsed
- Authorization to prepare a CIP



March
2019

- Community Improvement Project Area recommended



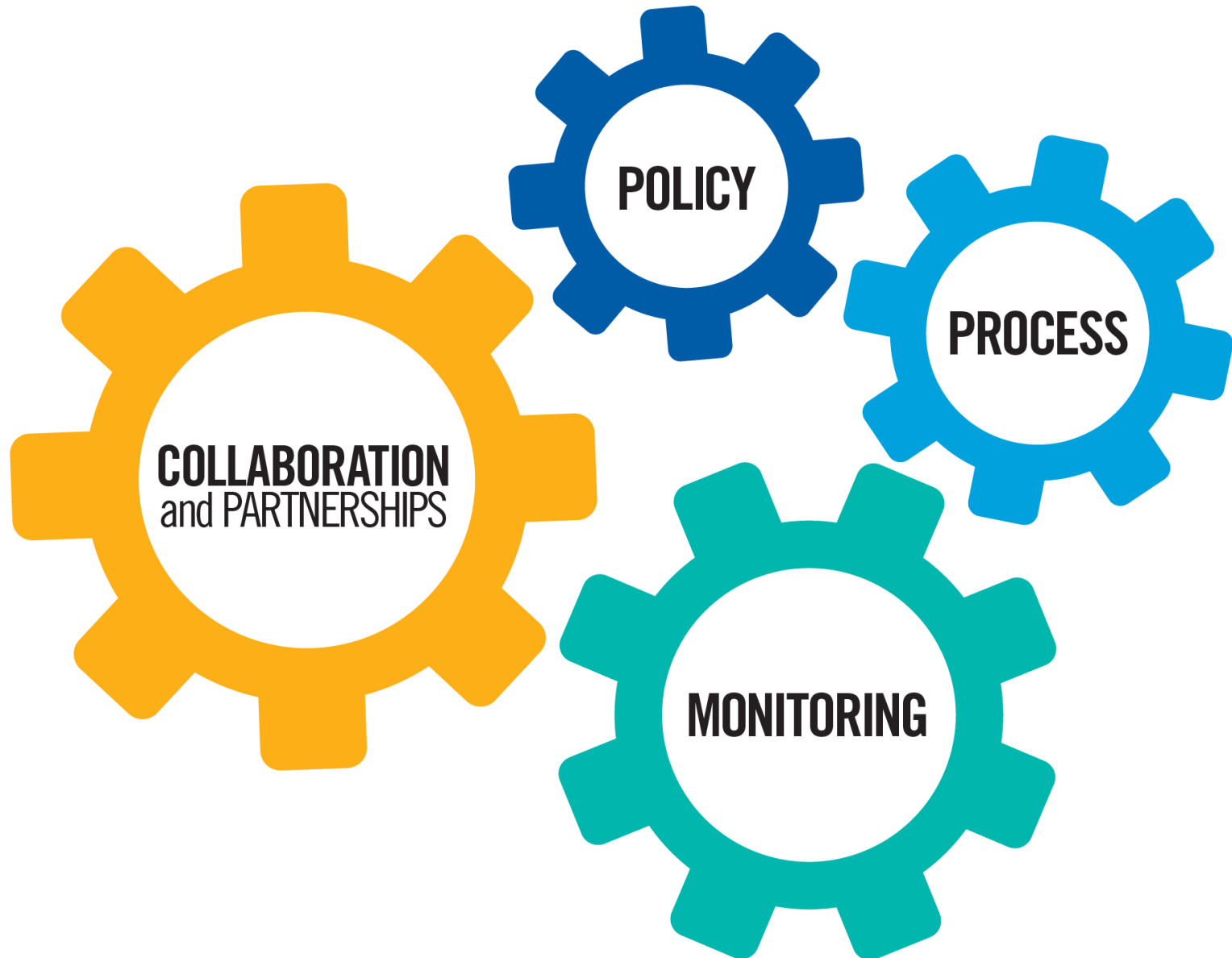
Fall
2019

- Final Guideline/CIP

2020

- Implementation of Guideline/CIP

OTHER APPROACHES TO HOUSING AFFORDABILITY



1. Is there any additional information that should be considered when drafting the Final Guideline?
2. Draft evaluation criteria currently focuses on:
 - a. Duration of rental tenure
 - b. Built form (greater than 4 stories)
 - c. Local Municipal contribution
 - d. Location (alignment with urban structure, transit investments)
 - e. Affordability (number of units, depth, duration)
 - f. Planning status (designation and zoning)
 - g. Presence of family sized units
 - h. Other regional objectives (sustainable building, mixed use, distance to transit, partnership with non-profit organizations)

Do you believe these are the most correct criteria to focus on?

THANK-YOU

