



**WORKING TOGETHER
TO BUILD MORE HOMES FASTER**
Special Meeting of Council - February 23, 2023



OUTLINE

- Bill 23 background
- York Region's role to facilitate building more homes
- Aligning growth and infrastructure
- Working together to build more homes faster
- Financial implications



16th Avenue Sewer Rehab – City of Markham

OBJECTIVES

1. Help industry build more homes faster, keep costs down, and be more affordable
2. Adapt to Bill 23 and maintain municipal financial sustainability
3. Build complete communities with amenities and services residents expect



HIGHLIGHTS OF BILL 23

- Reduced DC revenues
- Definitions of affordable and attainable housing
- Removal of York Region Council's planning authority, Region Official Plan moves to local municipalities
- Schedule 10 replaced Upper York Sewage Solutions with infrastructure in the York Durham Sewage System

Complicates aligning growth with infrastructure and municipal financial sustainability

Keswick Water Resources Recovery Facility - Town of Georgina

COUNCIL CONTINUES TO CONSIDER BILL 23

- November 10, 2022
 - York Region asked the Province to halt Bill 23 and work partnership with municipalities
 - Staff directed to comment and recommend amendments to the Province to ensure Bill 23 meets York Region's needs, including a viable infrastructure solution
- December 15, 2022
 - Identified anticipated implications and unintended consequences
- February 2023 requested additional information on potential financial impacts

MUNICIPALITIES STILL CONSIDERING BILL 23

- Introduces significant changes to the development approval process in Ontario
- Finding efficiencies within the development review process will continue
- Financial impacts due to the loss of revenue from development charges and parkland rates
- New long-term funding strategy to maintain services and fund critical infrastructure projects
- In the interim, need to ensure municipalities are made whole, dollar-for-dollar to eliminate unintended consequences of revenue reductions from Bill 23 changes

EVERYONE HAS A CRITICAL ROLE IN DELIVERING HOUSING



CANADA helps shape the housing market through mortgage regulation, tax expenditure and financial assistance. Canada also provides funding for affordable and community housing, as well as homelessness programs.



ONTARIO provides direction for land use including affordable housing targets. Ontario establishes provincial rules and contributes funding for community housing and homelessness.



YORK REGION supports growth in the Region, sets housing targets and delivers infrastructure and services to support this growth. **YORK REGION** also funds and delivers community housing through local partnerships and helps people find and maintain stable housing.



LOCAL CITIES AND TOWNS plan for housing to meet the needs of their communities.



DEVELOPERS AND LANDLORDS develop communities by building new housing and managing rental properties.



COMMUNITY PARTNERS work with residents who have low and moderate incomes to help increase access to housing.

WHAT WE CAN DO

York Region is only one part of the solution

- Support a timely planning approval process leveraging YorkTrax data exchange
- Prioritize opportunities to redevelop or intensify where capacity for servicing and transportation/transit exists
- Implement a consistent redistribution policy for servicing capacity allocation
- York is aiming to address and supplement provincial direction towards affordable housing and inclusive living
- Advance development of the Affordable Private Market Housing Implementation Plan



OPPORTUNITIES EXIST TO STREAMLINE REVIEW PROCESS

- Moving approved units to construction through a streamlined approval process is key and requires cooperation from the development industry
- York Region has approximately 65,900 units of supply in approved or registered housing units
- Realizing these housing units within the desired timeframe requires timely infrastructure delivery



Pre-Consultation

**Complete
Application**

**Draft
Approval**

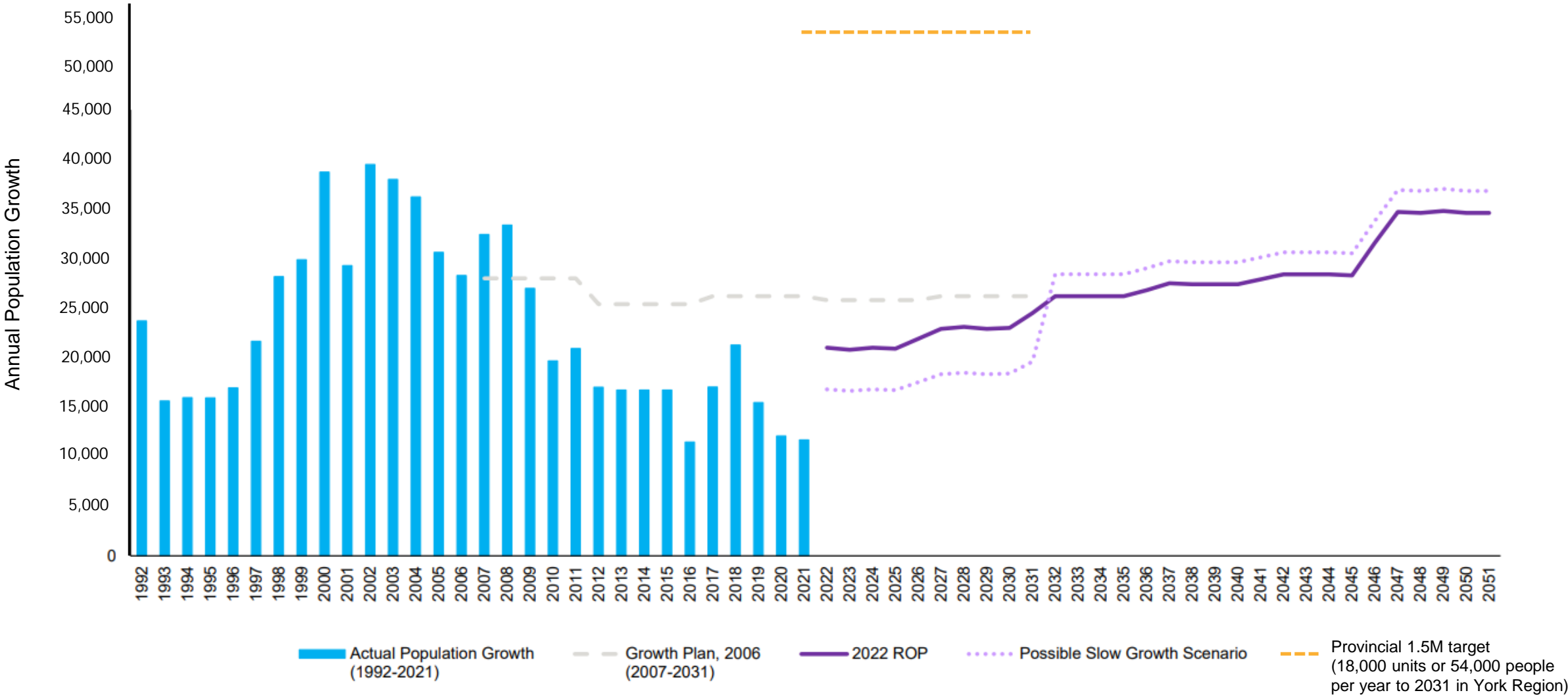
**Registration &
Payment of DCs**

**Building Permit
Issuance**

Occupancy

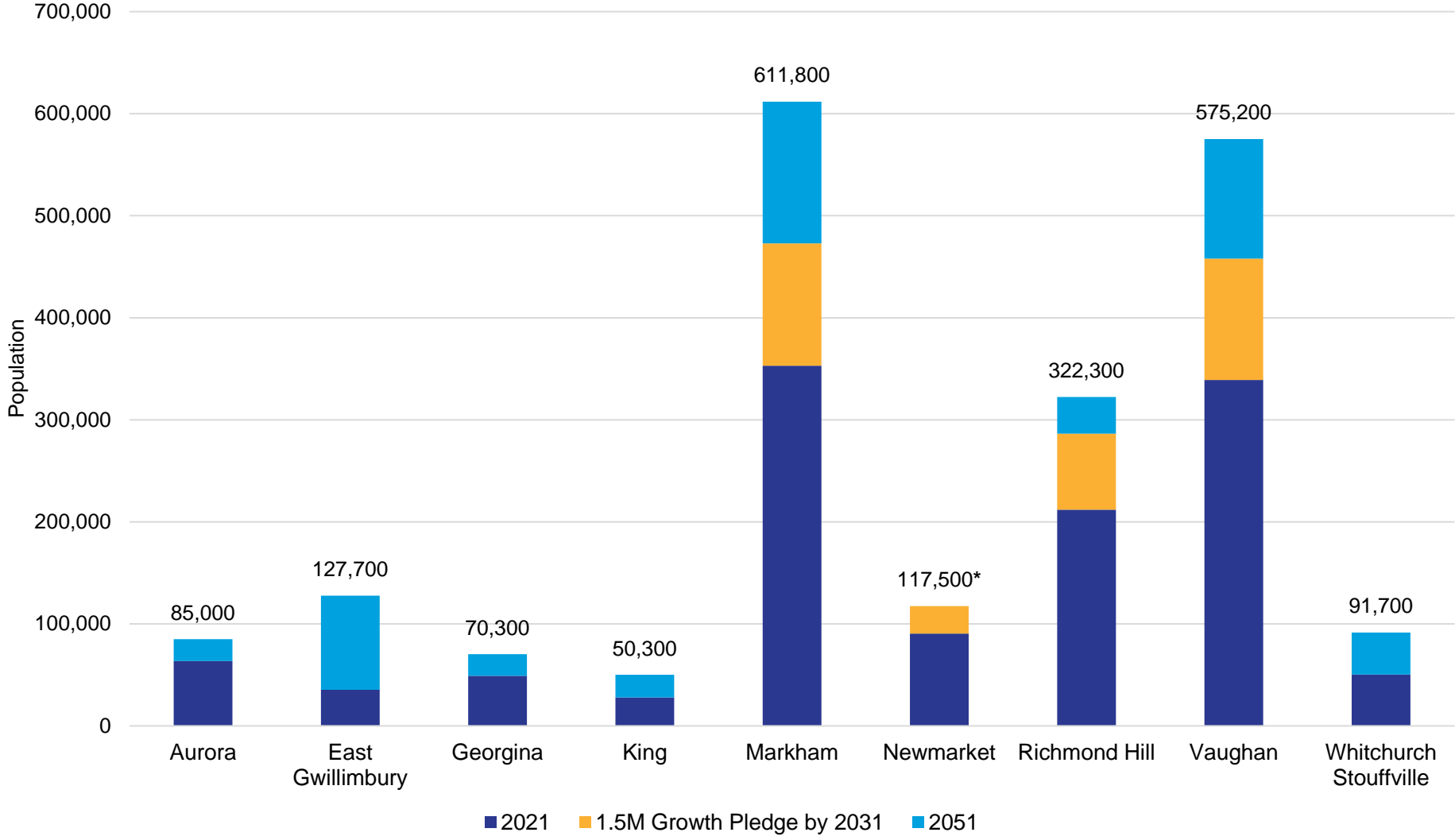


YORK REGION ACTUAL AND FORECASTED POPULATION GROWTH



Source: Province of Ontario, York Region Long Range Planning

POPULATION FORECAST BY LOCAL MUNICIPALITY



* Provincial housing target for 2031 exceeds the 2051 Regional Official Plan forecast

SUPPLY ALONE WILL NOT SOLVE HOUSING CHALLENGES



Land available and ready to build on throughout York Region (+3,000 ha in 2023)



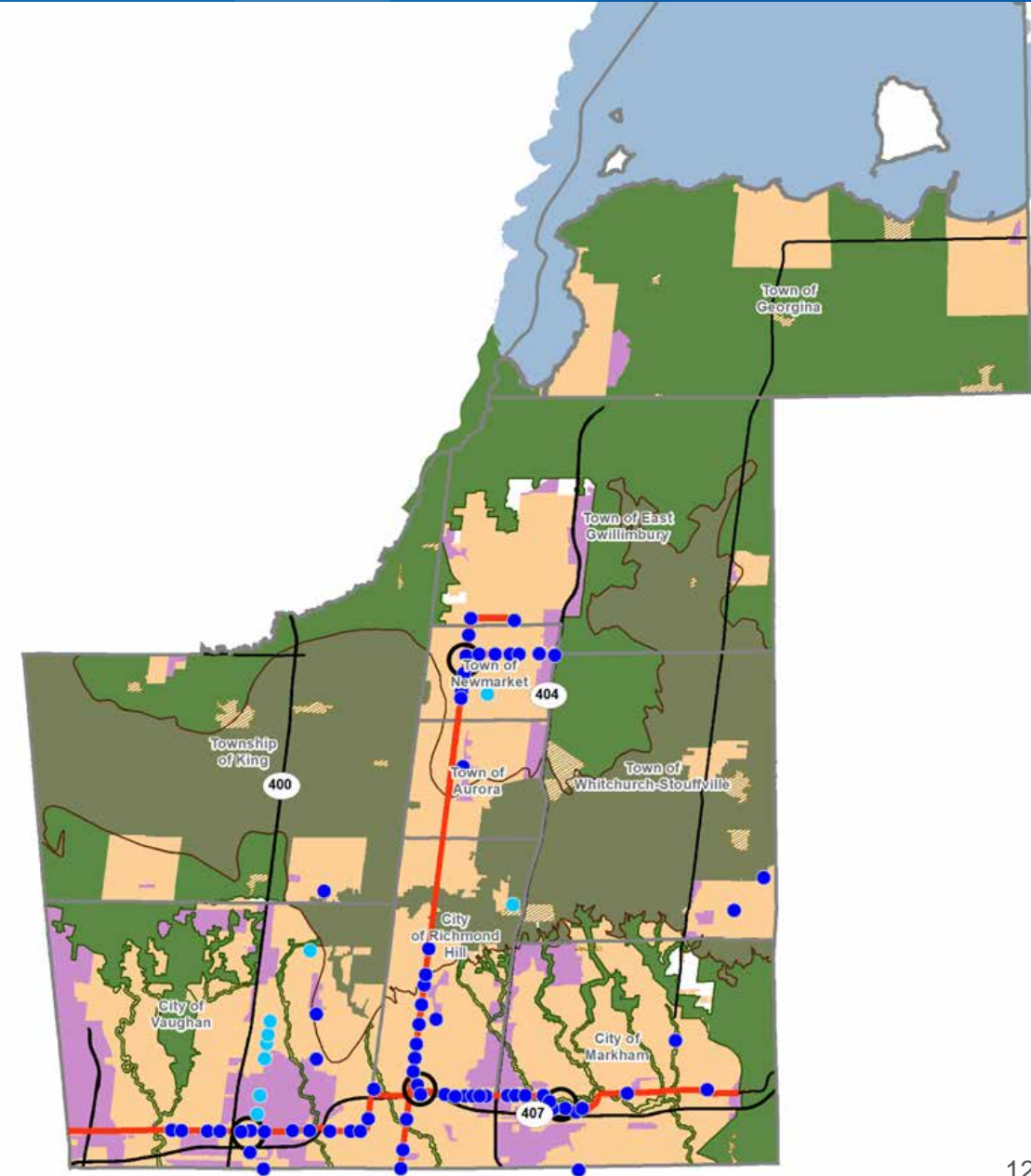
Increased incomes, accumulated wealth and low interest rates have attracted more investors to the housing market



Continuous process improvement streamlining development approvals



Demand factors need to be considered and addressed to combat housing challenges



OTHER FACTORS INFLUENCE DELIVERY AND COST OF HOMES



POPULATION GROWTH
AND ASSOCIATED
DEMAND



APPRECIATING
HOME EQUITY



INTEREST RATES



INCREASED
DISPOSABLE INCOME
(FOR SOME)



COMMODIFICATION



LENGTHY PLANNING
APPROVALS PROCESSES



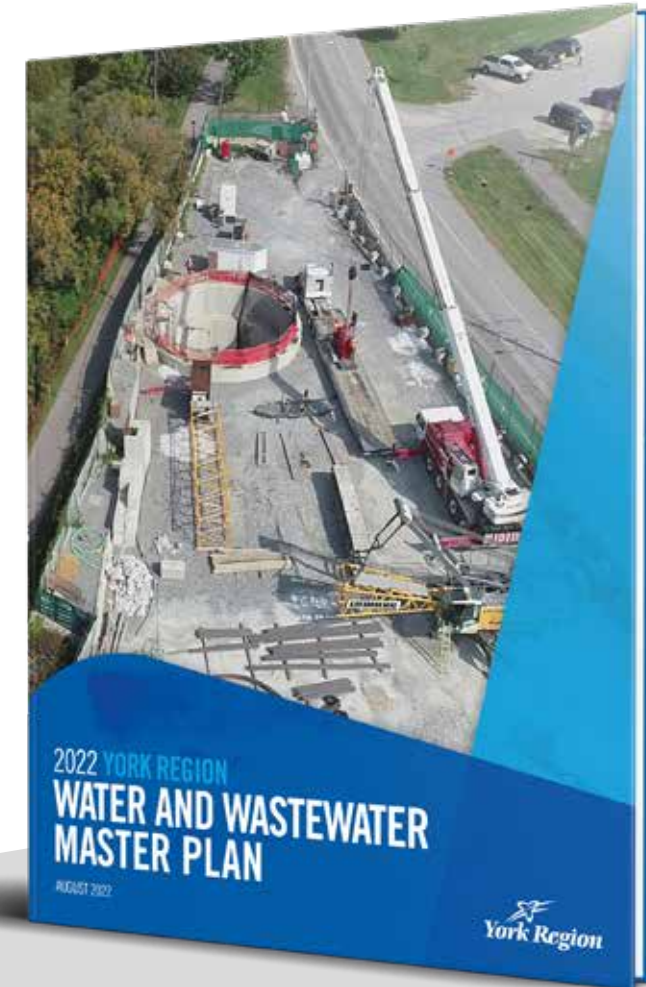
DELAYS BUILDING
APPROVED HOUSING



PANDEMIC, LABOUR,
SUPPLY CHAIN,
MATERIAL SHORTAGES

GROWTH & INFRASTRUCTURE ALIGNMENT

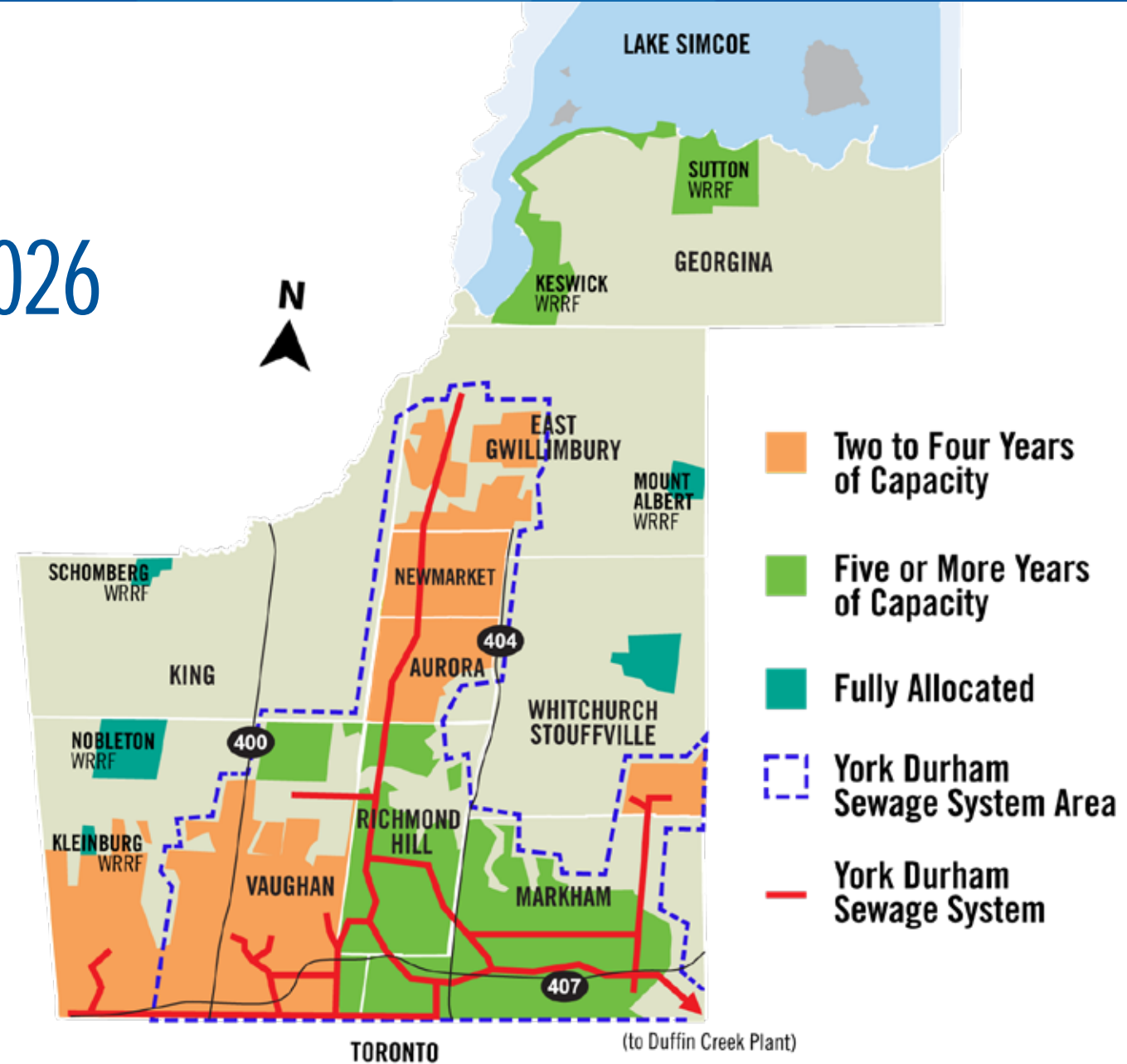
- Master Plan approved in 2022 outlines servicing plans to 2051
- Prioritize growth where services exist
- 160,000 persons servicing capacity in York Durham Sewage System ready to be built
- Prepaid Development Charges policy – enables infrastructure to move ahead with developers paying up front through prepaid agreements
- Advancing Provincial approvals/exemptions for all critical infrastructure projects will shorten timeline to build new housing



CONSIDER REDISTRIBUTION OF UNUSED CAPACITY

YDSS Can Support Over
163,046 Persons of Growth to 2026

- Opportunity to work with local municipalities to unlock reserve capacity
- Implement redistribution policy to prevent capacity from sitting unused



163,000 PERSONS CAPACITY REMAINING IN YDSS FOR GROWTH

Municipality	Number of Persons					
	Available Capacity 2020 (Dec)	Used / Registered Capacity 2021	Additional Capacity Assigned in 2021	Total Unregistered Capacity Available 2021 (Dec)	Short Term Forecast (2020-2023) Annual Growth Rate	Years of Growth Remaining
Aurora	7,281	678	333	6,936	*1,393	5
East Gwillimbury	10,429	269	1,183	11,343	*2,127	5
King (King City)	6,430	0	0	6,430	982	7
Markham	46,389	3978	0	42,411	4,981	9
Newmarket	5,664	472	334	5,526	*993	6
Richmond Hill	44,916	4,063	0	40,853	6,319	7
Vaughan	48,848	6,608	0	42,240	9,920	4
Whitchurch-Stouffville	8,175	868	0	7,307	1,968	4
TOTAL YDSS	178,132	16,936	1,850	163,046	28,683	6

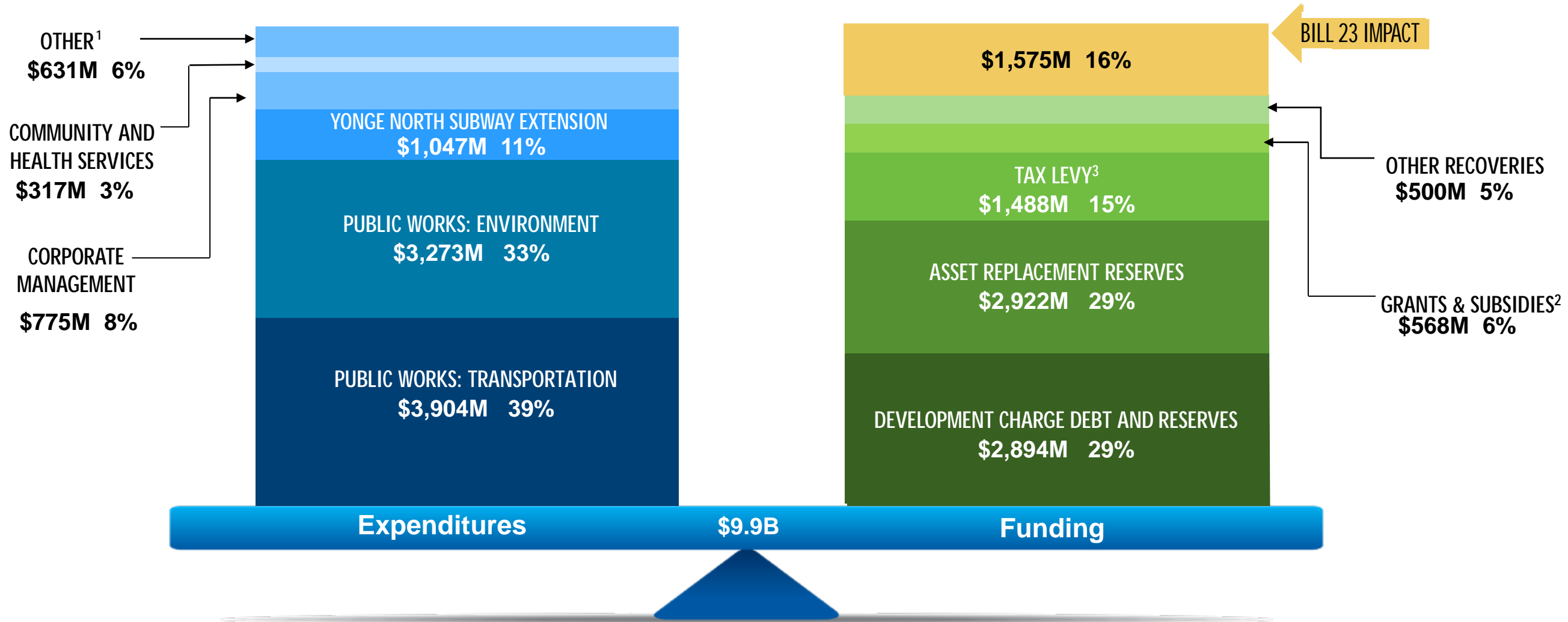
*Annual growth rate for Aurora, Newmarket and East Gwillimbury based on historical building permit data

WORKING TOGETHER TO BUILD MORE HOMES FASTER

Category	PROVINCE	REGION	LOCAL MUNICIPALITIES	BUILDING AND LAND DEVELOPMENT INDUSTRY
Reducing Red Tape				
Timely planning approvals	Commit to short, defined timelines for mandated permits	Support a timely planning approval process	Accelerate planning approval process	Submission of high quality, complete applications
Leverage existing approvals	Province to authorize Region to manage servicing allocation including use it or redistribute requirements	Implement a consistent capacity redistribution policy for servicing allocation	Manage the 160,000 persons capacity already approved within specific timeframes, otherwise redistribute	Development industry pledge including timing to accelerate building where approvals are already in place
Data	Leverage YorkTrax data program as the Provincial solution, rather than create new system	Make YorkTrax data exchange mandatory for local municipalities	Leverage YorkTrax to facilitate approvals	Support implementation of YorkTrax
Aligning Growth and Infrastructure	Authorize GTA municipalities to design and build necessary growth water and wastewater infrastructure needed to meet Provincial growth targets	Expedite capital procurement models including alliance/partnership and bundling project delivery	Develop infrastructure master plans aligned with delivery of Regional infrastructure	Development industry pledge including timing to accelerate building and flow of Development Charge funding to support infrastructure implementation where approvals are already in place
Remaining financially sustainable				
	Contribute to the cost of regional growth-related infrastructure to ensure the Region is kept financially whole	In absence of funding from senior governments to “keep us whole,” consider one-time tax levy and water user rate increases and/or divert a portion of contributions to capital reserves	Appropriately size local water and wastewater infrastructure to meet demand flows	Form landowner groups to enable large scale, upfront payment for advancing local and regional infrastructure

BILL 23 FINANCIAL IMPLICATIONS

EXPENDITURES AND FUNDING SOURCES OF THE 10-YEAR CAPITAL PLAN



1 Other includes York Regional Police, YorkNet, YRRTC, Court and Tribunal Services & Financial Initiatives

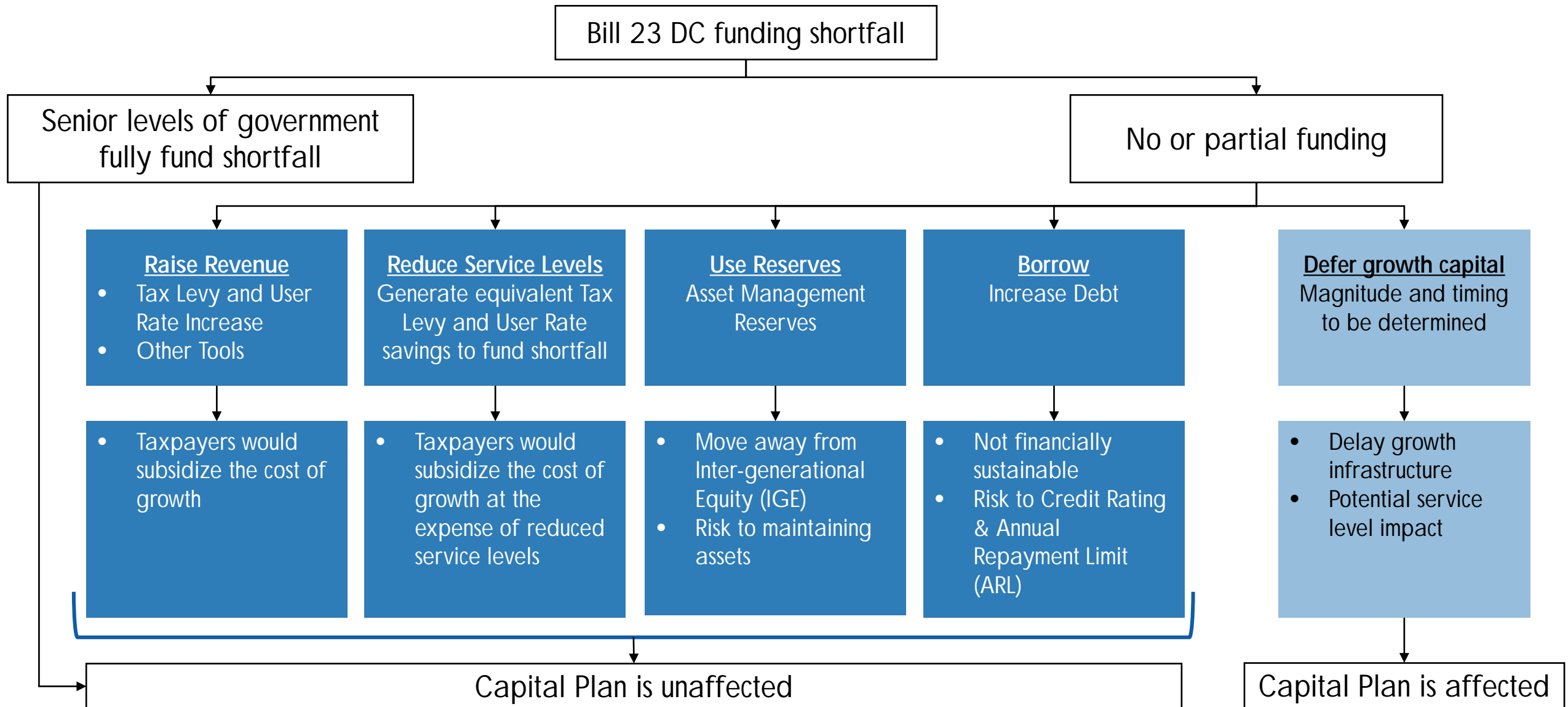
2 Grants & Subsidies includes Canada Community-Building Fund (CCBF)

3 Tax Levy includes Tax Levy Reserves and \$137 million borrowing to be obtained from Canada Infrastructure Bank as part of the Zero Emission Transit Fund program

BILL 23 COULD RESULT IN A SHORTFALL OF \$497M TO POTENTIALLY \$1.6B FROM 2023 - 2032

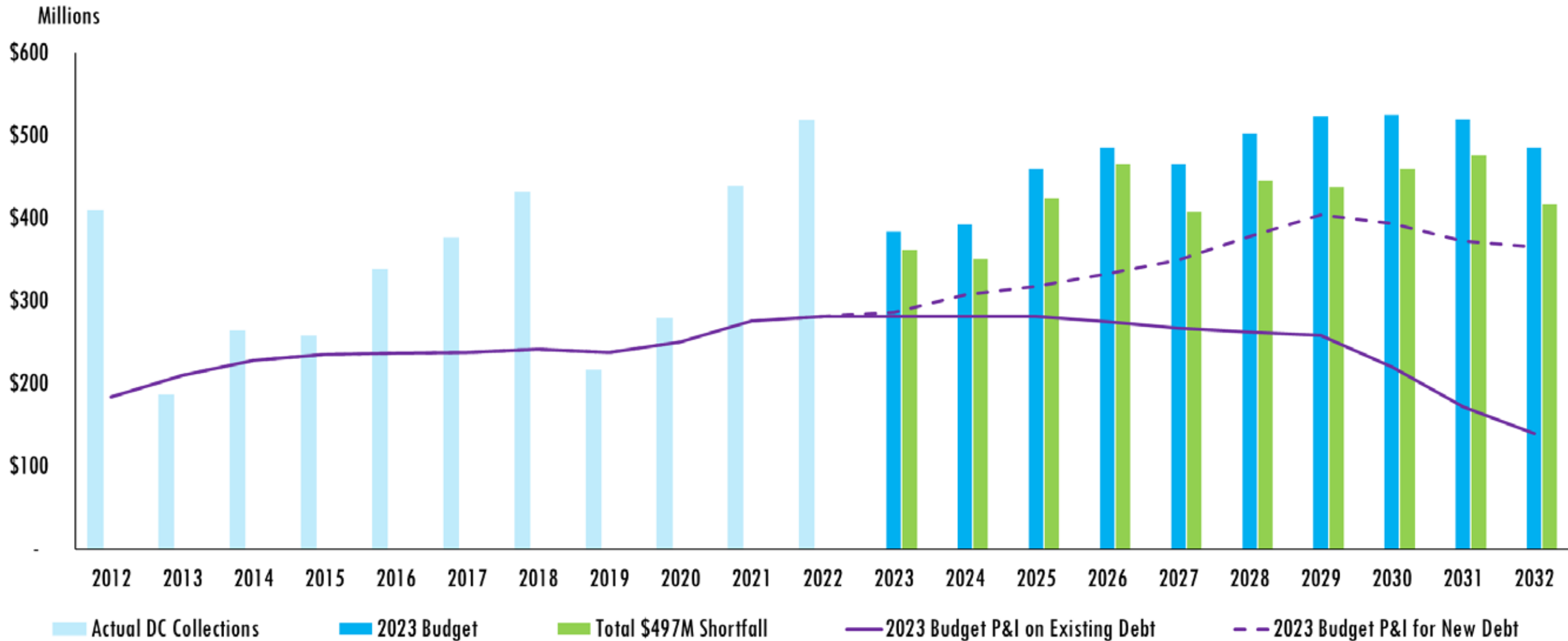
Change	Estimated Shortfall (\$M) 2023-2032	Estimate Shortfall (%) 2023-2032
Phase-Ins, Ineligible Services and Costs, and Interest Rate Cap		
Phase-In of DC Rates	-345	-7%
Removal of Housing Services as a DC eligible Service	-52	-1%
Removal of studies related costs	-31	-1%
Removal of land costs	-75	-1%
Interest Rate Cap	+6	+0%
Subtotal	-497	-10%
New Housing Exemptions and Discounts		
Affordable and Attainable Ownership	-1,068	-22%
Affordable Rental Exemptions and Rental Discounts	-10	-1%
Subtotal	-1,078	-23%
Potential Total Impact	-1,575	-33%

THERE ARE SEVERAL OPTIONS THAT CAN HELP ADDRESS THE BILL 23 SHORTFALL



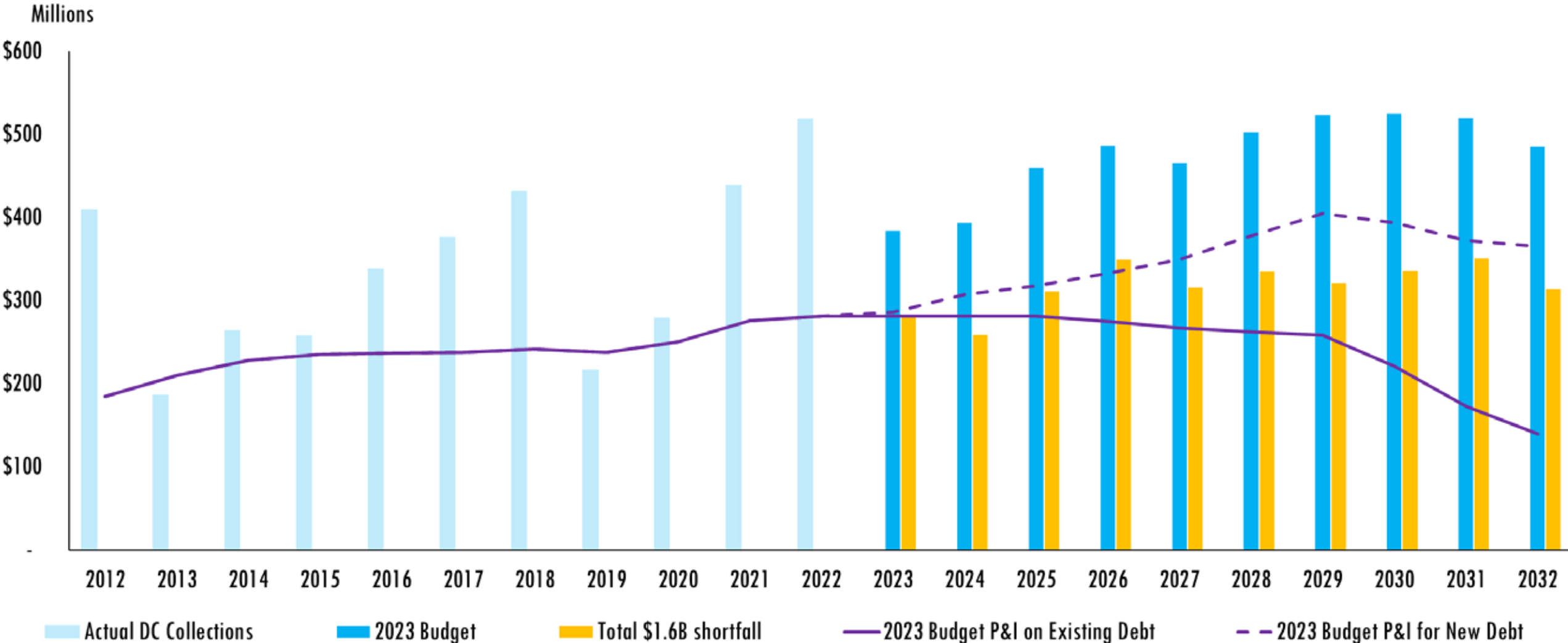
BILL 23 REDUCES DEVELOPMENT CHARGES AVAILABLE TO INVEST IN NEW INFRASTRUCTURE

DC Collections Forecast (Cash basis) and related Principal and Interest Payments
\$497M Shortfall



DC COLLECTIONS COULD BE INSUFFICIENT TO MEET BUDGETED DEBT COSTS

DC Collections Forecast (Cash basis) and related Principal and Interest Payments
 \$1.6B Shortfall



THE PROVINCE HAS BEEN ASKED TO FUND THE BILL 23 SHORTFALL

On February 2, 2023, as part of the Region's submission to the 2023-24 Provincial Budget Consultation, Council requested that:

“the Province contribute to the cost of Regional growth-related infrastructure to ensure the Region is kept financially whole as it strives to achieve the new housing targets of 125,000 homes over 10 years”



KEY MESSAGES

- Province to keep municipalities financially whole to facilitate timely delivery of servicing and housing units
- York Region has 65,900 approved housing units and available servicing capacity for 163,000 people (approx. 54,000 units)
- Province must expedite infrastructure approvals
- Implement servicing allocation use it or redistribute policy
- Province should ensure development charge savings result in lower home purchase price
- Growth and infrastructure must be aligned



Upper Duke Crescent – City of Markham

RECOMMENDATIONS

1. The Regional Clerk forward this report and attachments to all stakeholders to consider the solutions and opportunities outlined in this report and Appendix 2 in order to build homes faster and address affordability.
2. The Province provide York Region confirmation that it will be made whole financially.
3. The Province reinstate Housing Services as eligible for funding under the Development Charges Act.
4. The Province define Affordable Housing as outlined in Attachment 2 resulting in greater overall affordability.
5. Members of the Development and Homebuilding Industry (BILD & OHBA) be invited to the York Region Housing Affordability Task Force to discuss opportunities and challenges to building more homes faster.

