

York Region Affordable Housing Implementation Plan

Preliminary Directions and Options

1.0 Financial Initiatives - These options provide direct financial intervention to get more below-market housing built

1.1 Offer Development Incentives for Targeted Projects Through a Community Improvement Plan or Municipal Capital Facility By-law

** see end of chart for definitions*

The Region currently offers incentives for non-profit low-income housing as well as 3-year development charge deferrals for purpose built rental buildings, and 5-to-20-year development charge deferrals for purpose built rental buildings affordable to moderate income households.

York Region can offer additional development incentives for priority projects through a Region-wide Community Improvement Plan ('CIP') or through a Municipal Capital Facility By-law ('MCFB'). Adequate budget (Regional and local) will be required for the CIP or MCFB to be most effective. Objectives that can be incentivized include rental housing, affordable rental housing, affordable ownership, accessory dwelling units, gentle density, and other similar outcomes.

Key opportunities include expanding existing community housing focused MCFB to extend to the private market and exploring opportunities to administer joint lower/upper-tier incentive packages, sufficient to attract priority developments. All possible funding options (e.g., National Housing Strategy) should be explored, as is currently done for community housing.

Existing delivery mechanisms being used in Durham and Peel include offering grants through an annual RFP process, which ranks proposals based on regional priorities (e.g., depth of affordability, number of family sized units, accessibility, access to transit, etc.). This approach provides certainty and encourages competitive submissions from both non-profit and market development proponents.

Role	Region/LMs
Impact (1 to 5)	5
Cost (\$ to \$\$\$)	\$\$\$
Timeline (immediate, near, medium or long)	Medium

1.2 Prioritize Housing Outcomes on Public Land

Offering no-cost or low-cost land is another way to subsidize development of new affordable housing and can have a significant impact on affordability.

In February 2021 Council passed a resolution requesting that each municipality provide 2 acres of land every 5 years for affordable housing (either non-profit/community or private market affordable).

A land bank or acquisition budget would allow for purchase or transfer of building sites from other levels of government, non-profit and community groups, and other stakeholders. Once land is identified/acquired for housing purposes, a framework to help determine how to dedicate them should be established. The framework could consider giving Housing York Inc (HYI) first priority. Remaining sites could be offered through an RFP process, which could include partnerships with the private sector (e.g., joint ventures) on HYI properties identified for redevelopment.

Role Region/LMs

Impact 5

Cost \$ / \$\$

Timeline Medium

1.3 Bridge and Administer Affordable Units Secured by Local Municipalities

Local municipalities have avenues to secure affordable housing units such as Inclusionary Zoning (IZ), Community Infrastructure Housing Accelerators (CIHAs), Minister Zoning Order (MZO's) and Transit Oriented Communities (TOCs), as well as in-kind contributions through Community Benefit Charge agreements. Affordability secured in the absence of additional incentives is not at a depth which will meet the needs of households in the Region. The Region could play a role in administering these units, including assessing the eligibility of occupants and transitioning the units back to market at the end of the agreement.

Role Region

Impact 4

Cost \$\$

Timeline Medium

1.4 Create a Secondary Suite / Additional Dwelling Unit Program

The Planning Act allows for a minimum of three units on most residential properties. Allowing four storeys and four units per lot as of right is also gaining traction. This can help optimize the use of existing infrastructure and services while increasing supply. Planning policy/zoning reform for these outcomes is discussed in Items 2.1 to 2.3 to follow.

York Region can explore creation of a region-wide secondary suite/ADU program which could support homeowners converting their homes to multiplexes and legalizing these units types as-of-right. Grants or loans could be provided based on specific affordability criteria. Further support through pre-prepared building designs can also be provided (Item 2.6).

Role	Region
Impact	3
Cost	\$\$ / \$\$\$
Timeline	Near

1.5 Create an Enhanced and Predictable Funding Stream for Affordable Housing

Adequate and consistent funding will be required to make an impact on the delivery of more affordable housing in York Region and support implementation of any programs identified through the Affordable Housing Implementation Plan.

While property taxes are a powerful revenue tool for new affordable housing funding, York Region can explore other revenue tools to reduce the burden on the property tax base. Revenue tools available include a vacant homes tax, municipal accommodation tax, increased licensing fees, funding from senior levels of government (e.g., Housing Accelerator Fund) and others. Administrative costs for some of these tools may exceed their revenue potential.

Role	Region/LMS
Impact	5
Cost	\$\$\$
Timeline	Near

1.6 Consider How Property Taxes Could Incent New Rental Development

Property tax-related incentives could be provided through a CIP or MCFB for new rental development. A deeper reduction or waiver (e.g. tax increment equivalency grant) could also be a key incentive for rental operators to maintain affordable rental rates, or to support existing and prospective affordable housing providers.

Role	Region/LMs
Impact	4
Cost	\$\$\$
Timeline	Medium

2.0 Coordination / Partnership Initiatives - Many of these options provide opportunities for the Region to take a coordination role and reduce administrative/financial burden for local municipalities.

- 2.1 Support Planning Reform to Create More/Broader Housing Supply in Local Municipalities
- 2.2 Support Local Municipalities to Simplify the Development Process and Fast-Track Priority Projects
- 2.3 Support Local Municipalities to Simplify Zoning By-laws to Improve Clarity and Predictability

Changes to planning policy and processes are needed to increase and diversify housing supply.

Refinements to Official Plans and Zoning By-laws that place outdated restrictions on development are required. Ending exclusionary zoning, increasing density in existing neighbourhoods, implementing Inclusionary Zoning (Item 2.4), protecting existing rental housing (Item 2.8), encouraging market-based as-of-right permissions, density bonusing for priority outcomes, revising parking standards, and similar items could be explored.

While respecting changing roles through Bill 23, York Region can work with local municipalities to encourage planning policy and process reform as Official Plans and Zoning By-laws are updated. York Region can provide general direction or take a leadership role in implementation of expanded and simplified Official Plan and zoning permissions, coordinated and consistent across local municipalities. The Region can also provide a framework on planning and process reform for consideration by local municipalities. This could help reduce some of the financial and administrative burden that comes with these types of planning policy and process, and also make it more predictable for housing providers across York Region.

York Region has modernized the development review and approval process through YorkTrax, improved sharing of planning application data between municipalities, and developed the Collaborative Application Preparation process (a consistent standard for intaking development applications to ensure high-quality, complete applications). Additional options to increase the speed and predictability of application approvals should be explored.

Role	Region/LMs
Impact	4-5
Cost	\$\$
Timeline	Medium

2.4 York Region to Lead the Implementation and Management of Inclusionary Zoning

Inclusionary Zoning (“IZ”) allows municipalities to require affordable housing through the development approval process within Protected Major Transit Areas (“PMTSA”). York Region can take the lead on background work to provide a consistent analysis and support implementation of IZ at the local level. A regional approach to the IZ background work has been undertaken in Peel Region in collaboration with its local municipalities.

Role	Region
Impact	4
Cost	\$\$ / \$\$\$
Timeline	Medium

2.5 Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing and Fast-Track Priority Developments

A regional ‘concierge’ program, where staff advise and direct parties to relevant funding and financing programs, create partnerships between developers and non-profit groups, fast-track priority affordable housing developments, and other similar processes should be explored. While this approach informally exists in York Region for community housing delivered through non-profits, it could be formalized and expanded to include moderate-income housing delivery through private-market developments.

Through the concierge program, staff should be equipped to help proponents access funding programs and connect with non-profit and community partners, as well as direct proponents to any incentive or other affordable housing program created through this AHIP. As development applications are received, this group would be involved and take a leadership role in the delivery of affordable housing (if provided) on the property. This is similar to concierge programs that exist in other communities, such as the City of Toronto’s Housing Secretariat (formerly the Affordable Housing Office).

Role	Region
Impact	4
Cost	\$
Timeline	Near

2.6 Create Simple Pre-Approved 'Off-the-Shelf' Building Designs

York Region can consider creating 'off-the-shelf' building designs. Local municipalities could choose designs appropriate for their communities and approve them as-of-right. Builders can choose from various designs depending on what type of housing is permitted and construct them as-of-right without a complex approvals process. These off-the-shelf designs could be done for a wide range of housing types including ADUs, multiplexes, townhouses, stacked towns, low-rise apartments.

The Federal Government recently announced they might pursue a similar approach; York Region should track this closely as they consider implementing this initiative.

Role	Region
Impact	3
Cost	\$\$
Timeline	Near

2.7 Continue Shifting the Public Discourse Around Growth, Density, and Affordable Housing

The Region can educate residents about the importance of increasing housing supply and why certain changes are being undertaken to address affordability challenges.

Role	Region/LMs
Impact	3
Cost	\$
Timeline	Immediate

2.8 Create a Standard Rental Replacement By-law that can be Enacted by Local Municipalities

It would be beneficial to take action to protect affordable units existing in the market through a rental replacement by-law. Municipal Act grants municipalities the authority to regulate or prohibit the demolition or conversion of residential rental properties with six units or more. York Region can create a standard by-law that could then be enacted by the local municipalities, reducing the administration of creating a new by-law for the local municipalities.

Role	Region/LMs
Impact	2
Cost	\$
Timeline	Near

2.9 Explore Whether Policy Tools Could Be Used to Increase Available Housing Supply

York Region can explore policy tools that may increase housing supply and reduce the number of vacant homes in the market. The financial and/or policy value of these tools is changing and needs to be explored versus other options through the AHIP. The viability of a municipal vacant homes tax has declined due to increased interest rates and senior government legislation such as the increase to the provincial Non-Resident Speculation Tax and the introduction of the federal Underused Housing Tax.

Although a recent York Region committee report indicates the VHT is no longer considered to be feasible from a solely financial perspective, the experience of Vancouver suggests it could be an effective policy to help reduce the number of vacant homes, especially as the City increased its tax rate. The potential use of a VHT will be assessed among other policy tools as part of the Affordable Housing Implementation Plan.

Role	Region
Impact	1
Cost	\$\$\$
Timeline	Near

2.10 Explore Options for Restricting or Increasing the Cost to Operate Short-Term Rentals

Short-term rentals can remove homes from the market that otherwise could be occupied by residents, reducing the available supply of homes and reducing affordability. York Region can explore what can be done to restrict the number of short-term rentals in the market. This could include increasing licensing fees or other costs to discourage short-term rental operators. It will be important to consider not all short-term rentals are full units as some homeowners rent a room in their homes from time to time to help financially. The Federal Government is currently investigating new taxes to make short-term rentals less lucrative.

Role	Region/LMs
Impact	2
Cost	\$\$
Timeline	Medium

2.11 Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models

Construction techniques such as modular construction, tiny homes, container housing, panelization and timber buildings can reduce costs and construction timelines and should be encouraged. Similarly, housing tenures and funding models such as land leases, life leases, second mortgages, reverse mortgages, and rent to own programs can expand housing options in the private market for mid-range income households. The Region can play a role in supporting these new approaches to affordability by providing a centralized resource to local municipalities on best practices and key resources to support development reviews of these new techniques.

The use of non-traditional construction techniques is driven by development proponents, and non-traditional housing tenures and funding models are typically administered by senior levels of government or non-profit housing providers such as Habitat for Humanity or Options for Homes. These programs and organizations should be included on any centralized registry of any new concierge program as outlined in Item 2.5, and regional staff should be familiar with these organizations and programs to promote them through the concierge program.

In addition to the above actions, the Region can continue to pilot the use of these non-traditional building techniques in Housing York Inc. developments, and to demonstrate the successes of these approaches.

Role	Region/LMs
Impact	3
Cost	\$ / \$\$
Timeline	Immediate

2.12 Partner with Other Agencies to Explore Innovative Ways to Address Housing Challenges

York Region can explore partnership opportunities with post-secondary institutions or local industry to support new and innovative ways to build housing faster. This could include exploring ways to speed up the development process, among other topics.

Role	Region
Impact	2
Cost	\$
Timeline	Medium

2.13 Consider How a More Innovative Approach to Charges and Property Taxation Could Reduce Housing Costs

York Region can explore whether the approach to municipal charges and property taxation could be adjusted to reduce housing costs and encourage more affordable housing types (e.g., on a per square foot basis, lot size, etc.). These items can also be adjusted through a CIP / MCFB.

Role	Region
Impact	3
Cost	\$\$
Timeline	Medium

2.14 Build Housing Above or in Conjunction with New Public / Community Facilities

York Region can lead by example and prioritize co-location of housing at existing or new facilities, where possible, and encourage other levels of government to do the same. It is important to note that this can be challenging as funding streams for the various uses on the property may have different timing and objectives, potentially increasing complexity and cost. York Region can provide a centralized resource to assist municipalities in coordinating these projects.

Role	Region/LMs
Impact	3
Cost	\$\$ / \$\$\$
Timeline	Long

3.0 Advocacy Initiatives - These initiatives acknowledge that more is needed from upper levels of government to solve the housing crisis and that municipalities cannot solve these issues on their own

3.1 Continue to Advocate for Increased Direct Funding for Affordable Housing from Upper Levels of Government

The Federal government funded new affordable housing directly during the 1960s - 1980s. While funding for affordable housing from upper levels of government has increased relative to the 1990s/2000s in recent years, more is needed. York Region can continue to advocate for more direct financial involvement.

Both the Federal and Provincial governments are strongly encouraging accelerated growth targets. At the same time, Bill 23 constrains municipal ability to fund infrastructure critical to growth. There is a need to advocate to senior levels of government to provide funding and/or infrastructure to support this accelerated growth.

Role	Fed/Prov
Impact	5
Cost	\$
Timeline	Medium/Long

3.2 Advocate to CMHC for More Streamlined Access to Funding and Financing Programs		
<p>There is a need to advocate to CMHC and the Federal government to create a more streamlined process for housing providers to access funding and financing programs to create new affordable and market-rate rental housing.</p>	Role	Federal
	Impact	5
	Cost	\$
	Timeline	Long
3.3 Advocate to CMHC to Offer Lower Cost Financing for All New Purpose-Built Rental Development		
<p>Purpose-built rental development may increase if developers had predictable access to low-cost financing for these projects. York Region can advocate to the Federal government to provide low-cost financing for new purpose-built rental development to encourage a market shift towards rental construction.</p>	Role	Federal
	Impact	5
	Cost	\$
	Timeline	Long
3.4 Continue to Advocate for More Revenue Tools to Reduce the Burden on the Tax Base		
<p>York Region can continue to advocate to the Province of Ontario for greater flexibility in how they collect revenues to pay for municipal priorities like affordable housing.</p>	Role	Provincial
	Impact	3
	Cost	\$
	Timeline	Medium/Long
3.5 Advocate for Increased Labour Supply for New Development		
<p>Labour supply for new development is a key factor contributing to the housing shortage. This issue has been identified at upper levels of government, and York Region can continue to advocate to the Provincial and Federal governments to remedy the construction / skilled trades labour shortage issue.</p>	Role	Fed/Prov
	Impact	4
	Cost	\$
	Timeline	Long

3.6 Request Targeted Funding Where it is Not Currently Available		
Where it is not currently available, continue to advocate for direct, targeted funding for priority projects to support development of new housing, including projects on public land and enabling infrastructure.	Role	Fed/Prov
	Impact	3
	Cost	\$
	Timeline	Medium/Long
3.7 Advocate for More Progressive Property Taxation Options		
York Region can consider advocating for a more progressive approach to property taxation. More progressive systems could charge different mill rates for different housing types (e.g. single-detached pays highest mill rate, rental apartment the lowest) or use a system based on property value similar to income taxes where the mill rate increases incrementally at different value brackets. This could make certain housing types more affordable.	Role	Provincial
	Impact	2
	Cost	\$\$
	Timeline	Long
3.8 Advocate for More Tenant Protections		
York Region can advocate to the Provincial government for more tenant protections including reducing renovations of vulnerable households. Some adjustments to Provincial rent control policies may be worth consideration.	Role	Provincial
	Impact	2
	Cost	\$
	Timeline	Medium
3.9 Advocate for Housing Funding / Investments to Align with Population (Including Student) Growth Targets		
As the Federal and Provincial governments increase population growth targets - including those of the student population - York Region can advocate that housing funding and investments from these upper levels of government align with population, growth, and housing starts.	Role	Fed/Prov
	Impact	4
	Cost	\$
	Timeline	Medium/Long

3.10 Advocate for Streamlined and Predictable Approvals Processes from Other Levels of Government / Government Agencies

The Region can advocate for more streamlined and predictable approvals processes from other levels of government and government agencies to increase the effectiveness of work being done at the municipal level.

Role	Fed/Prov
Impact	4
Cost	\$
Timeline	Near/Medium

3.11 Leverage the Collective Power of Municipalities in Advocacy

Continuing to leverage the collective power of municipalities seeking similar outcomes from upper levels of government would be more impactful. York Region is well positioned to continue to contribute to and coordinate advocacy positions and responses to rapidly shifting legislative, policy and funding environments. The Region can continue to resource coordinating committees to amplify advocacy and outreach.

Role	Municipal
Impact	3
Cost	\$
Timeline	Long

Definitions:

Role: which level of government should implement the initiative. For advocacy initiatives, role indicates to which level of government advocacy efforts apply

Impact: Estimate of impact on delivering new affordable housing / new housing supply in general. 1 = Minimal impact, less likely to deliver significant supply, 5 = High impact, can be scaled to deliver significant supply

Cost: \$ = Low cost (<\$100k), \$\$ = Medium cost (\$100k - <\$1M), \$\$\$ = High cost (\$Millions)

Timeline: Indicates how long it may take to implement. Immediate = Within one month, Near = <1 year, Medium = 1-3 years, Long = 3+ years

