



# ACTIONS TO INCREASE AFFORDABLE AND COMMUNITY HOUSING SUPPLY UNDER THE NEXT 10-YEAR HOUSING AND HOMELESSNESS PLAN

Presented to  
Committee of the Whole

Presented by  
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Presented on  
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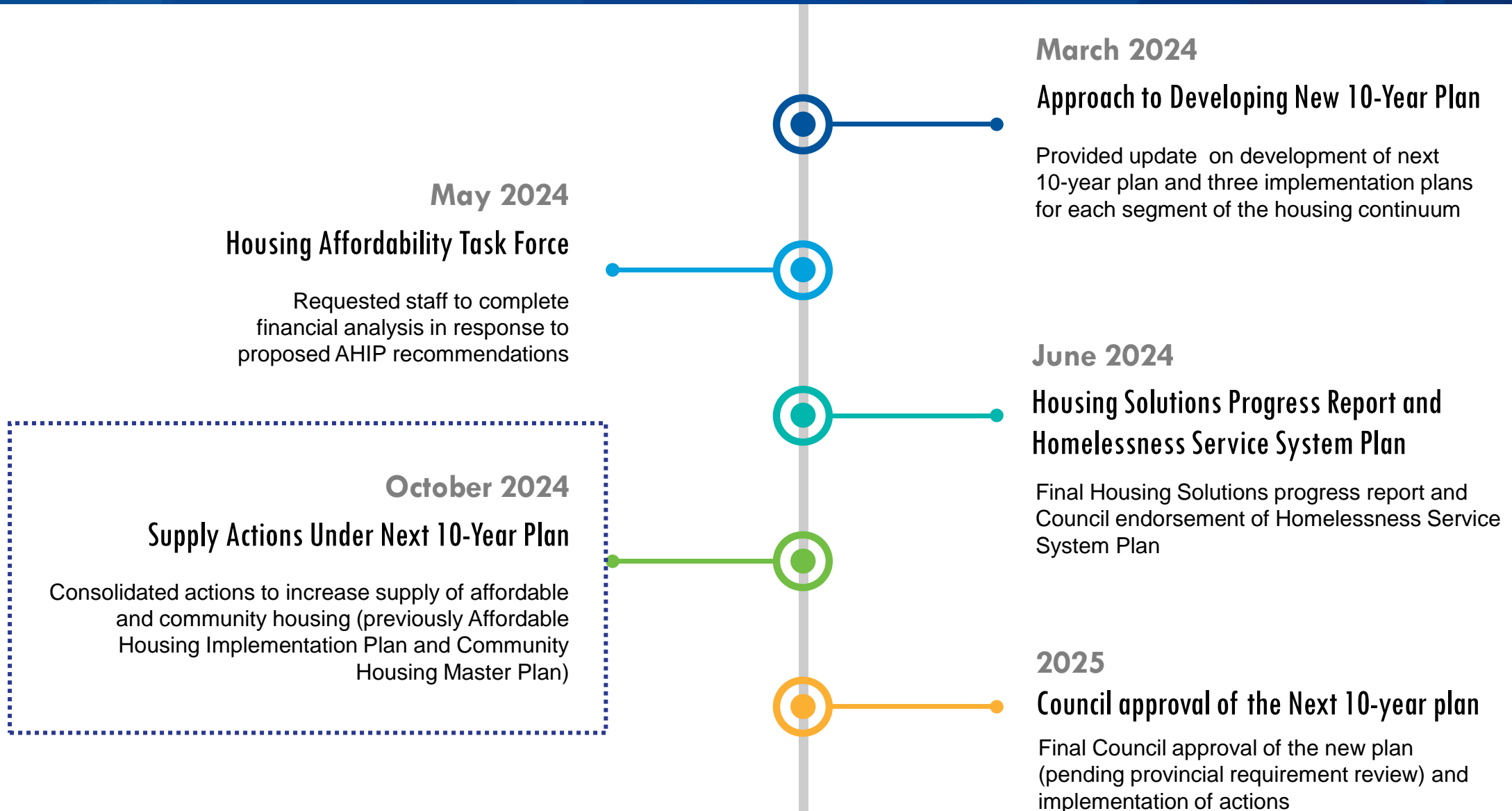
# Purpose and Outline



1. Review housing affordability challenges and roles in York Region's housing system
2. Report-back on financial incentives for affordable purpose-built rental housing
3. Identify solutions to increase supply of private market affordable and community housing
4. Next steps

Unionville Commons, Markham

# Road to the Next 10-Year Housing and Homelessness Plan



# HOUSING AFFORDABILITY CHALLENGES IN YORK REGION

# Context

Regional Council declared a Housing Affordability Crisis in February 2021

The Housing Affordability Task Force was created to identify solutions and respond to the crisis

Sustaining and increasing affordable housing choices is an objective in York Region's 2023 to 2027 Strategic Plan



# What do We Know About the Housing Crisis in York Region?



**Home ownership costs** have grown **3x faster** than income over the last decade.

**Rental supply** has not kept pace with demand resulting in **rising rent prices**



Since **2004** the wait list for community housing has grown by **172%**



# What does this Mean for our Communities?

About **50,000** York Region households are **spending more than 30% of their income on housing** and/or living in homes in need of major repairs or that are too small

## Impact on moderate income households:



Ownership prices have almost **doubled** in the last decade



Rents for private purpose-built units have increased **22%** since 2019



Renter households account for **over half of growth** since 2016

Household income: \$129,036  
Maximum Affordability Price: \$443,849

## Impact on low-income households:



On average, only **415 households** are housed from the subsidized housing wait list annually since 2004



**1,784** people experiencing homelessness in 2023, up from 1,395 in 2019

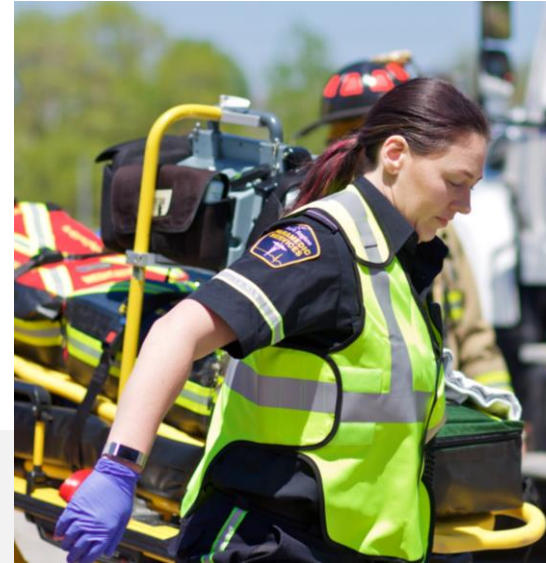


Residents receiving Ontario Works benefits increased by **81%** from **10,635** in 2018 to 19,287 in 2024

Household income: \$40,093  
Maximum Affordability Price: \$137,910

# How is this Impacting our Economic Vitality?

**56%** of York Region residents do not believe they can afford housing



Of those, **67%** would consider leaving York Region



**70%** of residents earning **less than \$50,000**, including grocery store clerks or personal support workers

**67%** of residents earning **\$50,000 to \$100,000**, including paramedics or chartered accountants

**70%** of residents earning **\$100,000 to \$150,000**, including high school teachers or engineers

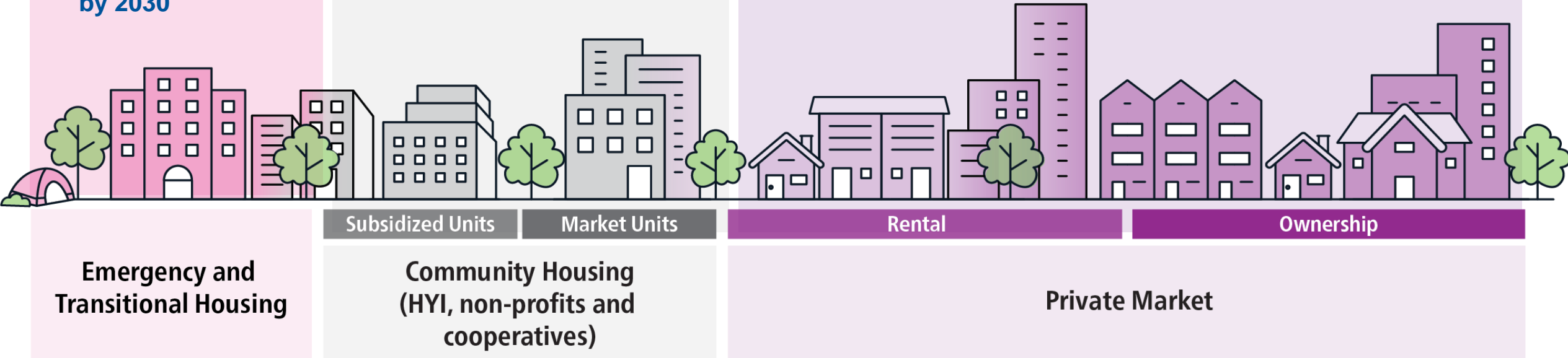


# What Are the Gaps and How Can We Address Them?

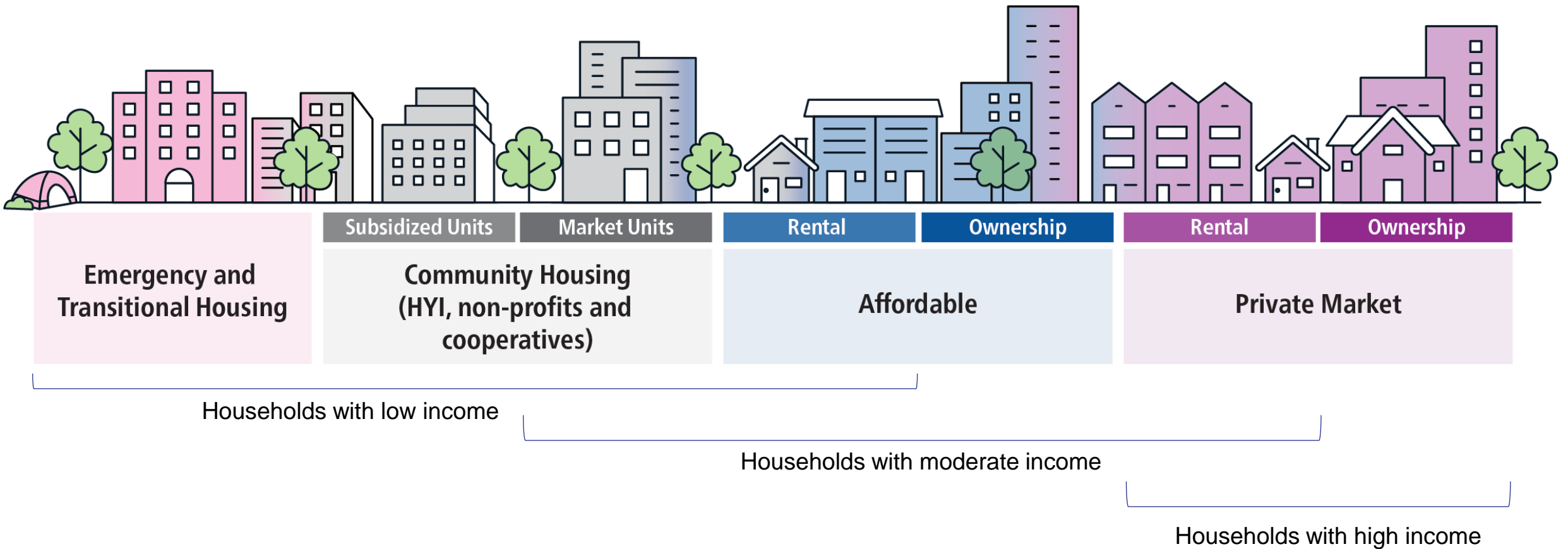
- **249** emergency and transitional beds
- People experiencing homelessness could grow from **1,300 in 2023** to **2,100-2,300 by 2030**

- **6,982** community housing units
- Over **200 years (15,000 new units)** to meet current wait list
- Building housing for renters in core housing need would cost **\$8.1B**

- **405,400** market housing units, 15% rental
- For the **fifth year** in a row, the Region **has not hit its affordable housing targets**
- Almost **80%** of renter households rely on the secondary rental market



# Addressing Housing System Needs



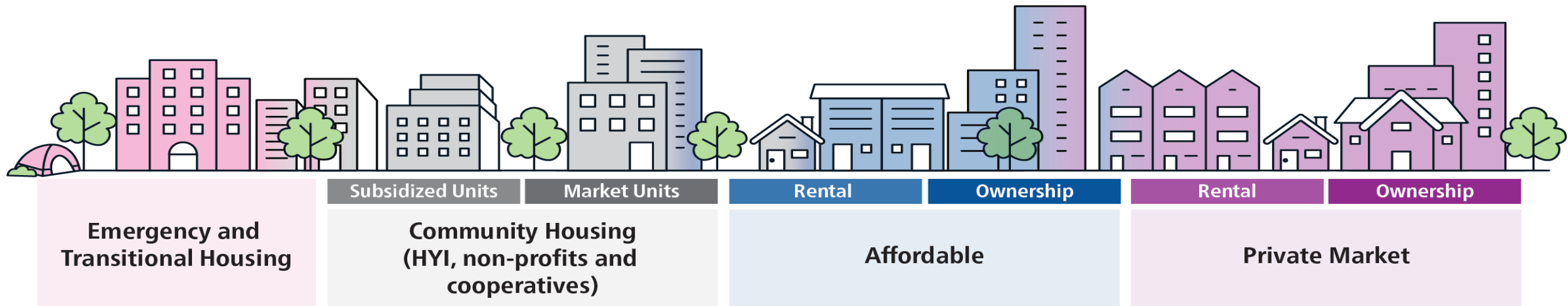
# LEVERAGING ROLES IN YORK REGION'S HOUSING SYSTEM

# Everyone has a Role in Addressing Housing Challenges



Addressing housing needs requires each level of government to maximize the tools available to them






# What has the Region Done?



Continued advocacy to senior levels of government for increased funding, program and policy changes

- **Rapid deployment** actions
- **Built** two new transitional housing sites
- **Two new sites** in capital plan (unfunded)
- **557 units added** since 2019
- **Supply grant pilot** to enable new units through partners
- **400 new units** in pre-development, with 915 units in capital plan (unfunded)
- Servicing reserve and DC deferral policies
- **693 purpose-built rental units** granted DC deferrals since 2017
- Investment in **infrastructure to enable housing**
- 80,000 units of existing **servicing capacity** and approximately 50,000 units delivered by capital plan

# With Limited Capacity, What Can the Region Do?

-  Financial incentives, including capital grants, DC deferrals and land incentives
-  Facilitating strategic partnerships between non-profits and private market
-  Supporting achievement of local municipal affordable housing goals and targets
-  Concierge services and non-profit supports
-  Advocacy to senior levels of government for increased and sustained funding, and corporate and income tax incentives for rental

# APPROACHES AND ACTIONS TO INCREASE AFFORDABLE AND COMMUNITY HOUSING SUPPLY

# Regional Approaches to Increase Affordable Housing Supply

## RISKS

- Continued funding pressures, including lack of sustained funding from senior levels of government
- Private market participation in building affordable purpose-built rental housing
- Non-profit capacity and readiness to build

## APPROACHES

### INCENTIVES

Targeted financial incentives to directly support affordable housing development



### COORDINATION AND PARTNERSHIPS

Partnerships with local municipalities, housing providers, and capacity building of non-profits



### NEW HYI DEVELOPMENT

Flexibility for HYI development approach, position the Region to respond to new funding opportunities



### ADVOCACY

Advocate to senior levels of government for increased and sustained funding





# Key Actions to Increase Affordable & Community Housing Supply



| Subsidized Units   | Market Units | Rental  | Ownership | Rental         | Ownership |
|--|--------------|---|-----------|----------------|-----------|
| Community Housing (HYI, non-profits and cooperatives)  |              | Affordable  |           | Private Market |           |
| <ul style="list-style-type: none"> <li>• Permanent Community Supply Grant Program</li> <li>• Updated HYI pipeline</li> <li>• Non-Profit Pre-Development Supports</li> </ul>  |              | <ul style="list-style-type: none"> <li>• New DC Deferral Incentive</li> <li>• New Purpose-Built Rental Property Tax Discount</li> </ul> |           |                |           |
| <ul style="list-style-type: none"> <li>• Expand Community Housing Supply Grant to the private sector to support moderate-income households</li> <li>• Housing partnership/concierge program</li> <li>• Regional land strategy and municipal land contributions</li> <li>• Advocacy to senior levels of government</li> </ul> |              |   |           |                |           |

# Options for Rental Supply Affordable to Moderate Income Households

- In May 2024, the Housing Affordability Task Force was presented three options to support affordable private market housing development
  - Base: Advocacy, partnership (concierge), DC Deferral incentives (no grant program)
  - Moderate: Base Scenario plus \$10-12M grant program
  - **High: Base Scenario plus \$33M grant program (Recommended)**
- HATF requested an analysis to compare relative costs of supporting different housing providers to provide moderate-affordable rental housing. The analysis found:
  - Incentives are required to promote affordable purpose-built rental developments
  - There is a lower up-front cost per door to incent private market developers when compared to Non-profit and Housing York Inc
  - Private market developers have capacity to build purpose built rental buildings quickly

# A Variety of Partners Could Deliver Purpose-built Rental

| Partner<br>(Regional Investment)                  | Benefits  | Challenges  |
|---|---|---|
| <b>Private Sector</b><br>(Baseline)               | <ul style="list-style-type: none"> <li>• Expertise delivering purpose-built rental</li> <li>• Increased access to capital to reduce incentive requirements</li> <li>• Reduced capital and operational costs for the Region</li> <li>• Increased speed in development</li> </ul> | <ul style="list-style-type: none"> <li>• Time horizon for affordability commitments (20-30 years)</li> <li>• Reduced control for the Region</li> </ul>  |
| <b>Non-Profit Sector</b><br>(1.8x more expensive) | <ul style="list-style-type: none"> <li>• Longer-term or permanent affordability</li> <li>• Reduced operating costs for the Region</li> </ul>  | <ul style="list-style-type: none"> <li>• Less access to capital, requiring greater incentives</li> <li>• Reduced control for the Region</li> <li>• Capacity or readiness to build</li> </ul>  |
| <b>Housing York Inc.</b><br>(3.4x more expensive) | <ul style="list-style-type: none"> <li>• Permanent affordability</li> <li>• Increased control over asset management, operations, selection of eligible households</li> </ul>  | <ul style="list-style-type: none"> <li>• Increased resourcing, operational and repair costs</li> <li>• May lose access to Federal/Provincial grant funding</li> <li>• Not in line with local housing corporation requirements under <i>Housing Services Act, 2011</i></li> <li>• Potential to detract from core mandate as a community housing provider as wait list continues to grow</li> </ul> |

# Programs in Neighbouring Jurisdictions are Achieving Results

- York Region has lower starting point of purpose-built rental than neighbouring jurisdictions
- Proposed incentives start to level playing field and signal support for affordable housing developments

## Affordable units secured by municipalities through comparable programs

| Municipality           | Affordable Units Secured | Average Grant per Unit |
|------------------------|--------------------------|------------------------|
| Peel<br>(2021-2023)    | 175                      | \$131,000              |
| Durham<br>(2022-2023)  | 209                      | \$85,000               |
| Toronto<br>(2020-2022) | 2,724                    | \$85,000               |

# Key Actions: Incentives



| Actions  | Focus                 | Timelines   | Cost     | Impact |
|--|-----------------------|-------------|----------|--------|
| 1. Make existing Community Housing Supply Grant Program permanent  | Non-Profit            | Short-term  | \$\$\$   | High   |
| 2. Expand existing Supply Grant Program to include private market affordable housing development                   | Private<br>Non-profit | Medium-term | \$\$\$\$ | High   |
| 3. Provide purpose-built rental incentives, such as DC deferrals and new property tax class                        | Private<br>Non-profit | Short-term  | \$\$     | High   |
| 4. Develop Regional Land Strategy to identify public lands to support affordable and community housing development | Private<br>Non-Profit | Medium-term | \$       | Medium |

**Timelines:** Short-term (1 year), Medium-term (2-5 years), Long-term (5+ years), Ongoing (Actions or processes that continue indefinitely without a set end date)

**Cost:** \$ (<\$100,000), \$\$ (\$101,000 - \$1M), \$\$\$ (\$1M-\$10M), \$\$\$\$ (\$10M+)

# Key Actions: Coordination and Partnerships



| Actions   | Focus                                     | Timelines  | Cost                                  | Impact |
|---|---|------------|---------------------------------------|--------|
| 1. Establish housing partnerships/concierge program   | Non-profit<br>Private                     | Short-term | \$                                    | High   |
| 2. Coordinate with local municipalities on land contributions   | Non-Profit<br>Private                     | Short-term | \$\$                                  | High   |
| 3. Continue coordination of incentives, processes and explore new partnerships with local municipalities              | Local municipalities                      | Ongoing    | \$                                    | Medium |
| 4. Explore HYI or non-profit role in administering affordable units secured through local planning tools and programs | Local municipalities<br>HYI<br>Non-profit | Ongoing    | \$-\$\$<br>Dependent on Regional role | Medium |

**Timelines:** Short-term (1 year), Medium-term (2-5 years), Long-term (5+ years), Ongoing (Actions or processes that continue indefinitely without a set end date)

**Cost:** \$ (<\$100,000), \$\$ (\$101,000 - \$1M), \$\$\$ (\$1M-\$10M), \$\$\$\$ (\$10M+)

# Key Actions: New HYI Development



Passage House, East Gwillimbury

| Actions  | Focus | Timelines   | Cost | Impact |
|--|-------|-------------|------|--------|
| 1. Update HYI pipeline list                        | HYI   | Short-term  | \$   | High   |
| 2. Review and update HYI development model         | HYI   | Medium-term | \$   | High   |
| 3. Develop financial strategy for new HYI projects | HYI   | Medium-term | \$   | High   |
| 4. Explore redevelopment opportunities             | HYI   | Medium-term | \$   | High   |

**Timelines:** Short-term (1 year), Medium-term (2-5 years), Long-term (5+ years), Ongoing (Actions or processes that continue indefinitely without a set end date)

**Cost:** \$ (<\$100,000), \$\$ (\$101,000 - \$1M), \$\$\$ (\$1M-\$10M), \$\$\$\$ (\$10M+)

# Ongoing Actions: Advocacy



Mosaic House, Whitchurch-Stouffville

| Actions   | Timelines | Cost | Impact |
|---|-----------|------|--------|
| 1. Advocate to senior levels of government for increased, direct and predictable funding                        | Ongoing   | \$   | High   |
| 2. Advocate for more streamlined access to CMHC funding and financing programs                                  | Ongoing   | \$   | High   |
| 3. Advocate to CMHC for low-cost financing for all new purpose-built rental development                         | Ongoing   | \$   | High   |
| 4. Use HYI Priority List to inform advocacy   | Ongoing   | \$   | High   |
| 5. Develop pipeline list of non-profit and private community and affordable housing projects to inform advocacy | Ongoing   | \$   | High   |

**Timelines:** Short-term (1 year), Medium-term (2-5 years), Long-term (5+ years), Ongoing (Actions or processes that continue indefinitely without a set end date)

**Cost:** \$ (<\$100,000), \$\$ (\$101,000 - \$1M), \$\$\$ (\$1M-\$10M), \$\$\$\$ (\$10M+)



# PROJECTED FINANCIAL IMPLICATIONS

# Projected Annual Financial Implications

## HYI PRIORITY LIST

\$597M for 1,315 new units over 10 years



## PERMANENT COMMUNITY HOUSING SUPPLY GRANT

\$4.5M

Existing



## NON-PROFIT PRE-DEVELOPMENT PROGRAM

\$100K

Existing



## EXPAND SUPPLY GRANT PROGRAM TO INCLUDE PRIVATE MARKET

\$33M

NEW - Phased



## MUNICIPAL LAND CONTRIBUTION PROGRAM

Costing to be based on anticipated number of sites

NEW



Costs over the course of the 10-year Capital Plan (including unfunded)

2025

2026+

New initiatives not reflected in outlook years of 2025 Proposed Budget

# Next Steps

HIGHEST AND BEST  
USE REGIONAL  
LANDS STUDY



REVIEW OF  
PROVINCIAL  
REQUIREMENTS  
Timing unknown



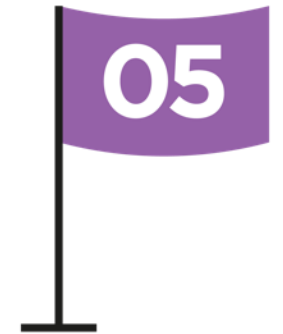
DEVELOPMENT OF  
ACTIONS TO SUPPORT  
OVERALL SYSTEM



DRAFT PLAN  
DEVELOPMENT



APPROVAL OF 10-  
YEAR HOUSING AND  
HOMELESSNESS PLAN  
Q2 2025\*



\*Pending timing of release of Provincial requirements

# Summary



- All levels of government need to do more across the housing system
- The Region can do more with outlined actions, which complement and support local municipal initiatives
- Partnerships are key to success, including the use of public lands
- The Region and HYI can do more in community housing space, but need to leverage the private sector as smaller incentives produce greater return on investment
  - Increased supply of affordable purpose-built rental units alleviates pressure in the housing system, including supports and services York Region provides