

YORK REGION
**DRAFT COMMUNITY
IMPROVEMENT PLAN**
for AFFORDABLE RENTAL HOUSING
INCENTIVES

PLANNING and ECONOMIC DEVELOPMENT BRANCH | FALL 2019

ABSTRACT: This Community Improvement Plan is created to increase the supply of purpose-built rental housing affordable to mid-range income households by stimulating private investment through municipal incentive-based programs.

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PART 1: YORK REGION COMMUNITY IMPROVEMENT PLAN FOR AFFORDABLE RENTAL HOUSING INCENTIVES

INTRODUCTION AND PURPOSE

Housing is an integral component of building complete communities. It provides a sense of security, shelter and a place of belonging for residents and workers in their community. The provision of a full mix and range of housing options is a priority for the Region and its local municipalities. Throughout strategic documents and departmental plans, York Region has maintained a clear commitment to supporting a full mix and range of housing options, including:

- [Vision 2051](#)
- [York Regional Official Plan](#) (YROP)
- York Region’s [2019-2023 Corporate Strategic Plan](#)
- [*Housing Solutions: A place for everyone*](#)



In recent years, the challenge of housing affordability has been a growing priority for Regional Council (Appendix 5). In particular, the low rental supply and increase in ownership house prices has left many low and moderate income earners with few housing options. As a result, opportunities to encourage the provision of more affordable housing options has been researched and evaluated by York Region and local municipal staff. The research has found that the most effective approach to increase the new supply of housing affordable to mid-range income households¹ is to support the development of purpose-built rentals. The mid-range income segment includes households classified as requiring affordable housing options based on the Provincial definition, but are not eligible to apply for additional supports. Traditionally, mid-range income households have been served by the private market; however, the private market is no longer providing a range of affordable housing options for this group.

The Draft Community Improvement Plan for Affordable Rental Housing Incentives (CIP) focuses on the provision of affordable housing options for mid-range income households. In [June 2018](#), Regional Council authorized staff to develop a CIP to facilitate the provision of more affordable housing by incentivizing the development of purpose-built rental housing.

PURPOSE

The CIP is a tool to help increase the supply of purpose-built rental housing that is affordable to mid-range income households by stimulating private investment through municipal incentive-based programs. Creating incentives for

¹ Mid-range income is defined in terms of households with an income range located between the 40th and 60th percentiles of the income distribution. The incentives guidelines stipulates that in order to receive incentives, a development must be affordable to mid-range income households calculated using the Provincial definition of overall income based affordability, as articulated by the [Provincial Policy Statement](#). An explanation of the housing segments by income distribution is available in Appendix 1.

purpose-built rental housing affordable to mid-range income households across York Region is one way to strengthen and diversify the current housing stock for mid-range income residents and workers. The implementation of this CIP will help to support the growth targets identified for York Region through the Growth Plan, supporting population, employment and household growth targets outlined to 2041.

The purpose of the CIP is to:

- Provide a framework to implement financial incentives designed to attract the development of purpose-built rental units to support affordable housing options across York Region
- Provide a mechanism for Local Municipal Councils to provide grants and waivers in support of purpose-built rental housing

The CIP provides the authority to Regional Council to offer an upper-tier application fee waiver as articulated in this document. It will also provide a vehicle for Local Municipal Councils to provide incentives to support the development of purpose-built rental units within their communities. The CIP provides a coordinated municipal approach to help achieve the housing related direction identified in the Province's Growth Plan and York Region's strategic policy framework for a more diversified housing supply that addresses the challenge of housing affordability. Developing affordable purpose-built rental housing across York Region aligns with the policy direction set by the Provincial government and delivers benefits to the public by providing affordable housing for mid-range income households.

LEGISLATIVE AND POLICY DIRECTION FOR THE COMMUNITY IMPROVEMENT PLAN

The CIP has been prepared in alignment with legislation from senior levels of government and Regional Plans, policies and strategic documents. It aligns with the policy direction set out in Provincial planning documents and is affirmed through Regional Official Plan policies.

LEGISLATIVE AUTHORITY

The legislative authority for CIPs and the programs outlined in this document are derived from the *Municipal Act* and the *Planning Act*. In particular, authority for the provision of financial incentives is provided by Section 106 of the *Municipal Act* RSO 2001 and Sections 28(6) and (7) of the *Planning Act*. The relevant legislation is outlined in Appendix 3.

a. *Municipal Act, 2001*

The *Municipal Act* sets out the rules for Ontario municipalities and recognizes them as a responsible and accountable level of government. The act provides municipalities with broad powers to pass bylaws and govern within their jurisdiction. Pursuant to Section 106 (3) of the *Municipal Act*, municipalities are not to assist any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. However, prohibition on providing grants or loans to a commercial enterprise does not apply where a CIP, under section 28 of the *Planning Act*, is in effect and the grant or loan is in conformity with the requirements of the approved CIP.

b. *Planning Act, 1990*

The *Planning Act* determines the necessary matters that are within the authority of upper-tier community improvement plans and define the need to establish a community improvement project area in order to implement the CIP. The prescribed matters for upper-tier community improvement plans include:

1. Infrastructure that is within the upper-tier municipality's jurisdiction.
2. Land and buildings within and adjacent to existing or planned transit corridors that have the potential to provide a focus for higher density mixed-use development and redevelopment.
3. Affordable housing

York Region is one of the prescribed upper-tier municipalities for the purpose of subsection 28(2) of the *Planning Act*, under [O. Reg. 221/07](#).

This legislation also sets the provision that allows an exception to municipalities to provide for grants and loans for eligible costs established in an approved CIP related to:

- Environmental site assessment
- Environmental remediation
- Development
- Redevelopment
- Construction or reconstruction of lands and buildings for rehabilitation purposes

The *Planning Act* requires that the Community Improvement Project Area (CIPA) be designated by a by-law prior to approving the CIP. In [March 2019](#), Regional Council enacted a bylaw to designate a CIPA for the purposes of a CIP for Affordable Rental Housing. Regional Council [designated the CIPA](#) applies to area's identified as "urban" or "towns and villages" in the York Region Official Plan, which may be amended from time to time.

c. *Development Charges Act, 1997*

The *Development Charges Act* provides the authority to a municipality to impose a by-law for development charges against land to pay for increased capital costs required due to increased needs for services arising from development. Section 26(1) provides the development charge is payable at building permit, unless the development charges by-law provides otherwise.

POLICY BASIS & FRAMEWORK

The purpose of the CIP aligns with the existing policy framework outlined from senior levels of government. At the federal level, the [National Housing Strategy](#) sets a vision for housing in Canada and identifies that Canadians need housing that meets their needs and that they can afford. The Strategy states, "Affordable housing is a cornerstone of sustainable, inclusive communities and a Canadian economy where we can prosper and thrive."

In addition, the provincial government has also provided clear support for addressing housing need, including policy direction and strategies that support the provision of a full mix and range of housing options to residents and workers. Regional strategies and policies align with provincial direction and affirm the principles of developing complete communities where residents can live, work and thrive through all ages and stages.

PROVINCIAL GOVERNMENT

From the Provincial government perspective, the *Planning Act* clearly articulates the provincial interest in "the adequate provision of a full range of housing, including affordable housing." It further identifies that the contents of an official plan shall contain "...such policies and measures as are practicable to ensure the adequate provision of affordable housing." The Provincial Policy Statement identifies managing and directing land use to achieve efficient and resilient development and land use patterns "...accommodating an appropriate range and mix of

residential (including second units, affordable housing and housing for older persons)..." as a factor that contributes towards healthy, livable and safe communities.

The recent [Bill 108 More Homes, More Choice Act, 2019](#) received Royal Assent, affirming provincial direction to provide more choice for renters and encourages new rental construction to provide more choice for tenants and lower rents. Bill 108 More Homes, More Choice Act identified legislative, regulatory and policy changes aimed at increasing ownership and rental housing supply. The development charge deferral programs reflect the changes outlined in Bill 108, aligning with Bill 108 to define when development charge rates are determined and when first payment would be due.

Both [Ontario's Housing Supply Action Plan](#) and the [Community Housing Renewal Strategy](#) propose a range of solutions to address the growing challenge of affordable housing across Ontario. Both documents identify options to support the growing challenges facing residents in the current housing market and work to sustain, repair and grow the community housing system. The action plan and the strategy outline the provincial government's commitment to help residents find a home that meets their needs and budget.

PROVINCIAL POLICY STATEMENT

The [Provincial Policy Statement](#), 2014 (PPS) sets out the Province's land use vision and policy direction to municipalities for how to develop the landscape, create the built environment and manage the land and resources over the long term to achieve livable and resilient communities.

The CIP is consistent with the applicable provisions of the PPS and aligns with the following policies:

- 1.4.3 Planning authorities shall provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents of the *regional market area* by:
- a. Establishing and implementing minimum targets for the provision of housing which is *affordable to low and moderate income households*. However, where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities;
 - b. permitting and facilitating:
 1. all forms of housing required to meet the social, health and well-being requirements of current and future residents, including *special needs* requirements; and
 2. all forms of *residential intensification*, including second units, and *redevelopment* in accordance with policy 1.1.3.3;
 - c. directing the development of new housing towards locations where appropriate levels of *infrastructure* and *public service facilities* are or will be available to support current and projected needs;
 - d. promoting densities for new housing which efficiently use land, resources, *infrastructure* and *public service facilities*, and support the use of *active transportation* and transit in areas where it exists or is to be developed; and

e. establishing development standards for *residential intensification, redevelopment* and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.

As outlined in this CIP, a stipulation for receiving the incentives is that the development must be affordable to mid-range income households calculated using the Provincial definition of overall income based affordability as articulated in the Provincial Policy Statement. That is, the rents charged must be affordable to the lowest earning 60% of households in the Region, as articulated in this CIP.

REGIONAL STRATEGIC DIRECTION

The York Region Official Plan contains provisions that enable Council to enact a by-law to designate a Community Improvement Project Area. As such, through the [June 2018](#) Draft Rental Housing Incentives Guidelines and Community Improvement Plan report, Council authorized staff to initiate preparation of a CIP for this purpose and in [March 2019](#), Council approved the CIPA. The Regional Official Plan provides the authority to create a CIP for affordable housing and York Region strategic documents affirm the core principles outlined through the CIP.

[Vision 2051](#) outlines the goal area of Appropriate Housing for All Ages and Stages, with housing choices that support affordable and sustainable living and address the needs of a diverse and aging population. This includes promoting housing affordability options, programs and supports that are integrated throughout York Region for low and moderate income families and individuals while also promoting a broad range of housing choices through a mix and range of types and tenures. The [2019-2023 Strategic Plan](#) outlines the priority to support community health, safety and well-being and identifies the objective to deliver and promote affordable housing. A key activity is to support the creation of new affordable housing rental units, which is aligned with the core objectives of the programs identified in the CIP.

YORK REGION OFFICIAL PLAN POLICIES

The York Region Official Plan (ROP) identifies the objective “to promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers.” The ROP provides clear direction to support the development of affordable and rental housing.

It is the policy of Council:

3.5.9 To develop an affordable housing implementation framework in partnership with local municipalities and the development industry to achieve the targets in this Plan.

3.5.10 To work with local municipalities, the private sector and other stakeholders to consider innovative financial arrangements to encourage and support the development and maintenance of non-profit and affordable housing, such as:

- a. height and density incentives;
- b. Community Improvement Plans;
- c. grants in lieu of development charges; and,
- d. reduced municipal fees and charges.

3.5.17 To identify optimal sites for affordable housing early in the development process, particularly in centres and corridors, to maximize affordable housing funding opportunities in consultation with the building industry, non-profit agencies and other stakeholders

3.5.20 To encourage the construction of new rental units with a full mix and range of unit sizes, including family-sized and smaller units.

The YROP also clearly articulates that Council has the ability to use a Community Improvement Plan to support the implementation of the objectives of Council and the policies of the Plan.

8.3.6 To use the Community Improvement provisions of the Planning Act to implement the policies of this Plan. In doing so, the Region may:

- a. designate any part of the Region as a Community Improvement Project Area;
- b. enact a Regional Community Improvement Plan that utilizes incentive programs including making grants or loans within the Community Improvement Plan Area either to registered property owners or to local municipalities; and,
- c. participate in a Community Improvement Plan of a local municipality

8.3.7 That York Region may use Community Improvement Plans for:

- a. infrastructure that is within York Region's jurisdiction;
- b. land and buildings within and adjacent to existing or planned transit corridors that have the potential to provide a focus for higher density mixed-use development redevelopment; and,
- c. affordable housing.

PUBLIC BENEFIT RATIONALE

Community improvement planning is used to benefit communities in the Province of Ontario by enabling municipalities to provide grants and loans to encourage private sector investment in target areas. The public benefit rationale is well articulated through a variety of sources. The background information provided in the CIP (Appendix 4) of the housing market in York Region builds the case for more affordable housing options and identifies the housing supply gaps that can lead to further negative repercussions for communities.

York Region's housing market has clear gaps that make it hard for many residents to find affordable, adequate and suitable housing. These include:

- A Lack of affordable ownership options
- Low supply of rental options at all price points
- Minimal family-sized units in Regional Centres and Corridors

As staff continues to measure and monitor the new supply of housing in York Region each year, there has been an evident decline in the number of new affordable ownership housing from 4,096 in 2016, 4,067 in 2017 and only 714 in 2018. This low supply of affordable housing may impact the economic health and well-being of the Region, leading to employers seeking more affordable places where their workers can afford to live. In particular, the majority of York Region's supply of affordable housing options has been through 1-bedroom condominiums, leading to the inability to provide a full mix and range of housing options. The majority of high density units have 1-bedroom or less, leading to larger units in peripheral developments and smaller units in core developments,

particularly in the Region's Centres and Corridors. The rising cost of homeownership may leave many households either overextending themselves to buy a home or turning to the constrained rental market.

The second challenge in York Region's housing market is the low supply of rental options at all price points. New purpose-built rental units are a way to help residents find secure and stable tenancy in the rental market. As the changing population and employment needs require more affordable housing, purpose-built rental units are an important and viable housing option for many residents across the income distribution. Due to the high cost of ownership, rental housing is particularly important a growing number of mid-range income residents. In recent years, the supply of rental units has predominantly been through the secondary market. Insufficient rental housing can lead to negative impacts on the social and economic well-being of a community. With the lowest supply of rental housing in the Greater Toronto Hamilton Area (GTHA), this directly impacts vacancy rates and rents charged.

In addition to a lack of housing affordability, availability of housing by built form and location also has gaps. The third challenge identified is not enough family-sized units, particularly in Regional Centres and Corridors. In general, larger sized family units are found at the periphery of our communities whereas smaller sized condominium units are predominantly in our Centre and Corridors. The high cost of single-detached homes has created a need for other multi-bedroom housing options. Since the majority of private apartments are 1 bedrooms, the housing market must provide a greater mix of affordable family-sized units for both ownership and rental tenures. In particular, there is a need for more transit-supported, family-sized housing units in the Region's Centres and Corridors, including a greater mix of units in the new Greenfield developments.

York Region has a low live-work ratio, which may be attributed to a lack of affordable options close to where people work in York Region. From an economic development perspective, rental housing can provide a better match between where workers live and where they work. This helps businesses to attract and retain employees, which in turn supports a stronger labour market that attracts new businesses and the right services into the economy. From a transportation perspective, an increase in the supply of family-sized units in Regional Centres and Corridors provides support to the transportation challenges impacting residents. Affordable rental housing and family sized units in transit supported areas helps to build complete communities, where residents and workers are able to live, work and play.

The CIP is meant to support the development of affordable housing options for mid-range income households, including families through an increase of larger, family-sized units in Regional Centres and Corridors. The CIP provides a clear benefit by supporting the development of more purpose-built rental units to address the housing supply gaps for mid-range income households, many of which are spending more than 30% of their household income on housing costs.

The public benefits of these programs include:

- Improved live-work balance across York Region, with more affordable housing options closer to areas of employment
- The creation of new rental housing to support population and employment growth across York Region
- Strong social outcomes across the nine local cities and towns
- More inherently affordable housing options for mid-range income households, a growing population that may be struggling to make ends meet

CONSULTATION AND ENGAGEMENT

Community support and stakeholder engagement has played an integral role in the decision to pursue a Community Improvement Plan. In 2016, Council [directed](#) the York Region/Local Municipal Housing Working Group (Working Group) be established to work to address housing supply and affordability issues. This provided an opportunity for York Region and Local Municipal staff to collaborate on research and findings to determine housing supply and affordability solutions that meet the diverse needs of York Region's residents. As a result of this mandate, the Working Group has considered the necessity and extent of housing incentives required to help address affordability. The Working Group has undertaken a number of public consultations and research initiatives to determine and evaluate the best available options to support the development of affordable housing in York Region.

The development of the CIP was in partnership through the Working Group and in consultation with BILD and other development experts. In addition, the decision to pursue a Community Improvement Plan has also been informed by the feedback from multiple public consultation streams, including the 2010 Regional Official Plan, the Make Rental Happen Campaign and the 10-Year Housing Plan.

2010 REGIONAL OFFICIAL PLAN

The 2010 Regional Official Plan underwent a series of consultation through the Municipal Comprehensive Review (MCR) process to inform the updates to the Regional Official Plan and its corresponding policies. The MCR process requires public consultation and input in determining how to build communities that are healthy and complete, where residents of all abilities and ages can live, work and play. Throughout consultations for the 2010 ROP, there was a growing focus on the need for more affordable housing options, including more rental options. The findings from the 2010 Regional Official Plan resulted in the articulation of building a complete community requiring a full mix and range of housing options as the core of economic competitiveness, social well-being and community health. The MCR process identified a growing challenge of affordability in the housing market, with a limited supply of purpose-built rental units available to support residents who could not afford to buy a home. As a result, the [Make Rental Happen: Creating the Conditions to Build Private Market Rental Housing](#) was developed to engage partners, including other levels of government, the building industry and corporate leaders.

[MAKE RENTAL HAPPEN](#)

Make Rental Happen is a Council endorsed initiative from the Human Services Planning Board of York Region with the purpose to engage partners who can influence change to create rental housing options for those who cannot afford or do not wish to own a home. A component of this work focused on consultations and in 2015, York Region's Human Services Planning Board partnered with Ryerson University to research rental housing incentives. This research was used to determine the type and amount of incentives needed to compel the private sector to build rental housing.



In creating these reports, the project required determining key contacts in the community and industry to engage and share information with to support the creation of private market rental housing options. They engaged a cross-disciplinary team of technical experts to conduct research and review practices on the current rental housing environment. The group hosted roundtable discussions, collected data and conducted surveys to:

1. Attain target audience perspective of the current environment to build rental housing, points of view and understanding of the issue
2. Identify interconnected benefits of rental housing options in creating a healthy complete community
3. Engage private sector champions who have explored the feasibility of rental housing in York Region on lessons learned and what leads to success

The Make Rental Happen initiative research clearly articulated that a Community Improvement Plan may be required to incentivize the development of purpose-built rental units. As identified from the development industry, incentives help to make the development of private market rental housing more viable.

HOUSING SOLUTIONS: A PLACE FOR EVERYONE YORK REGION 10-YEAR HOUSING PLAN

The 5-year review of York Region's Housing and Homelessness Plan launched two surveys to gather feedback from Region staff, community members and housing and development industry professionals. In addition to the almost 270 Regional staff and community members surveyed, a number of individuals who are professionally involved in the housing sector in some way, including developers, property managers/landlords and real estate professionals, participated in a targeted survey that sought feedback on the opportunities and barriers for rental housing development in York Region. This survey provided direct feedback on the draft Rental Housing Incentives Guidelines. The staff and community member survey affirmed a number of important findings, including:

- Strong agreement that the housing supply and housing affordability are challenges for York Region residents and that housing is not affordable in York Region
 - Rents are too high
 - Income too low to afford housing
 - Too few places to rent
- Staff and community members expressed direct concern about the lack of affordable housing options for young people and seniors and challenges with York Region's rental housing supply
- Survey participants want York Region's housing system to be affordable, safe and sustainable

The private sector survey findings provided a strong awareness of the support for rental housing incentives, particularly from the development industry. Responses identified:

- Barriers included lack of provincial and federal support, return on investment not favourable compared to condominium developments, the return on investment not viable and a lack of municipal support
- Overall satisfaction with the incentives proposed in the draft Regional Rental Housing Incentives Guidelines

In addition to the findings from the survey, the Working Group has considered the necessity and extent of housing incentives required to help address affordability. The CIP helps to provide more affordable rental housing options to residents of different ages to find and keep adequate housing that meets their needs.

PART 2: COMMUNITY IMPROVEMENT PLAN POLICIES

The CIP provides the goals and objectives, the approved CIPA, the program requirements necessary to utilize the tools provided to support the development of purpose-built rental units and the process for accessing these incentives.

The CIP timeframe is from 2020 to 2023. A three year review of the CIP in 2023 and the relevant programs will be reported to Regional Council to assess the impact. Regional Council has the right to extend, revise or alter the CIP beyond the initial three-year period, subject to the objectives of Council.

GOAL AND OBJECTIVES

Based on the clearly articulated legislative authority and policy basis for the CIP and input received from research, analysis and consultations, the primary goal of the CIP is to **increase the supply of purpose-built rental housing affordable to mid-range income households**. There is a need for more private purpose-built rental housing in York Region to support the diverse needs of residents.

To achieve the goal of the Affordable Housing CIP, the programs provided help to minimize the barriers to creating affordable, rental housing projects through the introduction of an incentives package, which includes:

- New Upper-Tier Development Application Fee Waiver (applies to subdivisions, condominiums and site plans; revisions and resubmissions do not qualify)
- Local municipal utilization of York Region's upper tier CIP
 - Placeholder: Local Municipal Programs

This CIP allows for local municipalities to provide waivers and grants to incentivize affordable purpose-built rental development, which helps to encourage consistency in the implementation of rental incentives across York Region. This includes financial allocations for a comprehensive account of available incentives, particularly to support development in the Region's centres and corridors. Incentives offered by the local municipality are not prescribed, nor will they be determined by York Region. The CIP includes an explanation of the development charge deferral programs provided for informational purposes and as a part of the greater suite of incentives that support the development of purpose-built rental housing across York Region. However, a CIP is not required for York Region to provide development charge deferrals.

A number of key objectives are identified through this CIP, which include:

- Prioritizing developments that are a minimum of 4 storeys above grade
- Prioritizing developments in Regional Centres and Corridors
- Incentives for purpose-built rental developments also be provided by local municipalities through a partnership approach
- Prioritize unit retention with developments remain rental for a minimum of 20 years – commitment through covenant on title

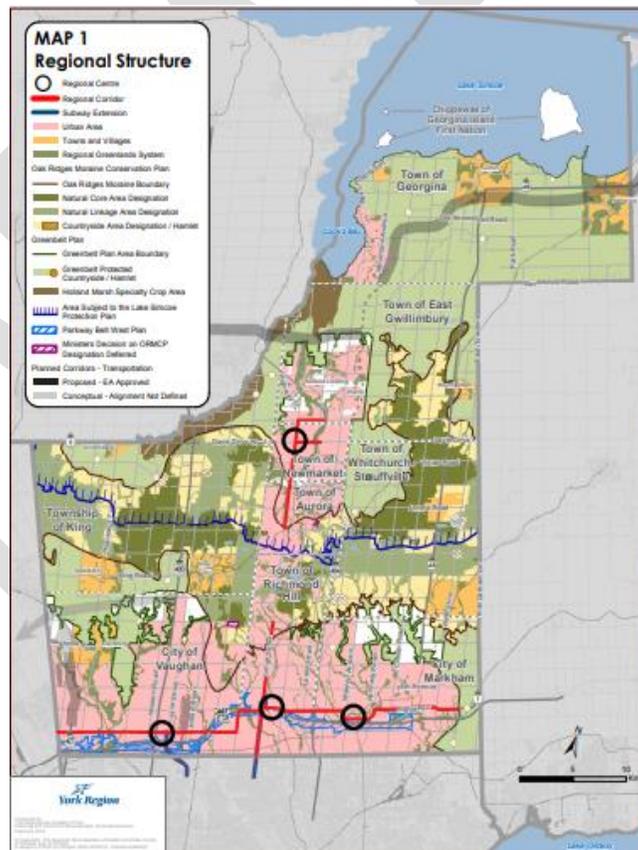
The objectives of the CIP include the prioritization of developments with a minimum of 4 storeys, supporting York Region's city building initiatives and the creation of complete communities. This supports the Region's intensification targets, thus supporting enhanced travel options, conserve resources and create sustainable living.

A criterion to access the new incentives in the CIP is that initial rents in the development must be affordable to mid-range income households. The definition of mid-range income affordability for the CIP is that on average, rents may not exceed 175 per cent of average market rent of private purpose-built apartments by bedroom type and is consistent with the definition [previously reported](#) to Council. Based on the standard that a maximum of 30% of income be spent on housing, this threshold provides affordable bachelor, 1- and 2-bedroom units to all mid-range income households and affordable 3-bedroom units to the highest earning half of mid-range income households.

PROJECT AREA INFORMATION

The CIP applies to area's identified as "urban" or "towns and villages" in the York Region Official Plan and as amended from time to time, allowing for participation in all nine local municipalities (Map 1). In March 2019, Regional Council enacted bylaw [2019-15](#) to designate a Community Improvement Project Area for the purposes of a Community Improvement Plan for Affordable Rental Housing. York Regional Council enacted that areas identified as "urban" or "towns and villages" in the York Region Official Plan, as amended from time to time, and as designated in local official plans, be identified as a Community Improvement Project Area respecting the provision of affordable rental housing incentives.

Map 1: Regional Structure



PROGRAM POLICIES

The CIP identifies incentives offered to **increase the supply of purpose-built rental housing affordable to mid-range income households** across York Region. CIP's are required by the *Municipal Act* to waive or grant money and as such, are required to implement the upper-tier application fee waivers. The development charge deferral policies articulated do not legally require the CIP for implementation and are identified for information. However, they are included in order to provide a comprehensive account of incentives available.

The development application fee waiver will be offered in conjunction with one of the development charge deferral policies as an incentives package to support the development of purpose-built rental units across York Region's nine local cities and towns. The incentives outlined can only be provided for a maximum of 1500 units over a 3-year period. All of the incentives captured by the CIP and associated deferral policies require that a development remain rental for a minimum of 20 years and that similar or better local municipal support be provided. The new Development Charge Deferral for Affordable, Purpose-built Rental Housing policy and application fee waiver requires that initial rents for the development be affordable to mid-range income households.

DEVELOPMENT CHARGE DEFERRALS

The CIP program areas will include two separate development charge deferral policies, one being the existing 3-Year Development Charge Deferral and the second being the new Development Charge Deferral for Affordable, Purpose-Built Rental Buildings policy. The existing 36 month Development Charge Deferral for Purpose-Built High Density Rental Buildings policy is not contingent on being affordable to mid-range income households, whereas the second longer-term development charge deferral is dependent on affordability for mid-range income households.

1. CONTINUATION OF 36 MONTH DEVELOPMENT CHARGE DEFERRAL FOR PURPOSE-BUILT HIGH DENSITY RENTAL BUILDINGS POLICY

1. Objectives:

The policy is intended to allow developers of purpose-built rental buildings to defer the Regional development charges owed for a period of thirty-six (36) months, subject to criteria.

2. Description

Development charges payable will be deferred for a period of 36 months. The three years will start beginning at occupancy and the development charges will be due interest free at the end of the duration.

3. Criteria to Access Program

The building must fall within the defined criteria, which includes:

- 4 storeys in height
- Remain rental for a minimum of 20 years
- Local municipal participation required, providing a similar or better incentives

2. NEW DEVELOPMENT CHARGE DEFERRAL FOR AFFORDABLE, PURPOSE-BUILT RENTAL BUILDINGS

The existing 36 month Development Charge Deferral is offered by York Region to support the development of purpose built rental housing. However, a new Development Charge Deferral for Affordable, Purpose-built Rental Buildings will be offered to provide a greater incentive for developments that provide **affordable** purpose-built rental housing in York Region.

1. Objectives:

The policy is intended to allow developers of affordable purpose-built rental buildings to defer the Regional development charges owed for a longer-term period, with specifications on the duration determined on the basis of meeting threshold criteria.

2. Description

The longer-term Development Charge Deferral for Affordable, Purpose-built Rental Housing is varied, which is determined by location (higher incentive if located in Regional Centres and Corridors) and must meet the minimum unit count criteria. The breakdown is examined in the table below.

Criteria	Duration of development charge deferral
Purpose-built rental of four storeys or more, with affordability criteria (175 AMR) ²	5 Year
5-Year Deferral Requirements AND located in Regional Centres and Corridors	10 Year
5-Year Deferral Requirements: AND <ul style="list-style-type: none"> • Minimum of 100 dwelling units AND <ul style="list-style-type: none"> • A minimum of 50 per cent (%) of the total number of dwelling units in the purpose-built rental building must have two (2) or more bedrooms* 	10 Year
5-Year Deferral Requirements: AND <ul style="list-style-type: none"> • Located in Regional Centres and Corridors AND <ul style="list-style-type: none"> • Minimum of 200 dwelling units AND <ul style="list-style-type: none"> • A minimum of 50 per cent (%) of the total number of dwelling units in the purpose-built rental building must have two (2) or more bedrooms* 	20 Year

*Note: Units that achieve one-hundred and twenty-five (125) per cent (%) of Average Market Rent (AMR) or less for private apartments, by bedroom type, may not have to satisfy the unit split requirement. In addition, those units that achieve one-hundred and twenty-five (125) per cent (%) of Average Market Rent (AMR) or less for private apartments, by bedroom type, shall be excluded from the total number of units used to calculate the unit split calculation. Those units that have been excluded from the unit split requirement, as a result of achieving one-hundred and twenty-five (125) per cent (%) of Average Market Rent (AMR) or

² AMR stands for Average Market Rents, which refers to the average actual rents charged for private apartments in York Region calculated and published annually in the Canada Mortgage Housing Corporation (CMHC) Fall Rental Market.

less for private apartments, by bedroom type, must be maintained at this level of affordability (one-hundred and twenty-five (125) per cent (%) of Average Market Rent (AMR) or less for private apartments, by bedroom type) for the duration of the Development Charges deferral after which time they must still be less than, or equal to, one-hundred and seventy-five (175) per cent of Average Market Rent (AMR) for private apartments, by bedroom type. These units must remain less than, or equal to, one-hundred and seventy-five (175) per cent of Average Market Rent (AMR) for private apartments, by bedroom type, for the duration of the restrictive covenant as identified under Term 'H' of this policy.

3. Criteria to Access Program

In order to access the program, the proponent must demonstrate:

- 4 storeys in height
- Restrictive covenant registered on title requiring that the property be developed and entirely operated as a rental apartment complex for no less than 20 years
- Local municipal participation required, providing a similar or better incentives
- Affordability to mid-range income households (Appendix 1)
- The necessary size or location criteria have been met (dependent on duration of development charge requested)

OTHER PROPOSED INCENTIVES

In addition to the development charge deferrals outlined above, this CIP offers a development application fee waiver to further incentivize the development of purpose-built rental housing affordable to mid-range income households throughout York Region.

3. NEW UPPER-TIER DEVELOPMENT APPLICATION FEE WAIVER

1. Objectives:

The waiver is intended to waive the initial planning application fee due to York Region upon submission of required documents. The waiver of initial planning fees applies to subdivisions, condominiums and site plans for developments, where revisions and resubmissions do not qualify for any waivers.

2. Description:

As per the Fees and Charges for Services and Activities Bylaw ([Bylaw No. 2010-15](#)), York Region is able to impose fees and charges for services and activities provided or done by it and for the use of its property. The [development application fee schedule](#) is updated on a regular basis and provides an effective cost value fee that will be waived for the site-specific developments to support the development of affordable purpose-built rental units across York Region.

The development application fees waived relevant to the attached fee schedule include:

- ✓ Local Official Plan Amendment: Base plus Decision fee
 - Regardless of whether a report to Council is or is not required
- ✓ Official Plan Amendment Exemption
- ✓ Zoning Bylaw Amendment
- ✓ Draft Plan Condominium
- ✓ Condominium Clearance
- ✓ Site plan*

- Only covering the minimum charge identified in the schedule (maximum exception available for this waiver program) and not the additional percentage of the estimated costs of works within the Regional right-of-ways
- ✓ Major Site Plan*
 - Only covering the minimum charge identified in the schedule (maximum exception available for this waiver program) and not the additional percentage of the estimated costs of works within the Regional right-of-ways
- ✓ Review and Approval of Environmental Assessment Report
- ✓ Encroachment Permit
- ✓ Consent to Sever

None of the above mentioned application fee waivers are available for revisions and resubmissions.

3. Criteria to Access Program

In order to access the fee waiver program, proponents must identify:

- 4 storeys in height
- Restrictive covenant registered on title requiring that the property be developed and entirely operated as a rental apartment complex for no less than 20 years
- Local municipal participation required, providing a similar or better incentives
- Must be affordable to mid-range income households (Appendix 1)

LOCAL MUNICIPAL PARTICIPATION AND UTILIZATION OF THE CIP

Participation in the incentives package identified in this CIP is contingent on local municipal support. Local municipalities will be required to offer similar or better incentives than those provided by York Region. The CIP does not prescribe which incentives local municipalities should offer and they will not be evaluated on absolute dollar value. Through the CIP, local municipalities may be able to provide grants and waivers to development proponents that meet the criteria of the CIP and are receiving Regional incentives. To participate in an upper-tier CIP, enabling policies will be required in local municipal Official Plans.

Regional staff are currently consulting with local municipal staff to determine the necessary local municipal programs to be included in the CIP, including programs such as a Tax Increment Equivalent Grant (TIEG) or planning fee waivers. Please note: additional consultations will occur to determine additional programs to enable local municipalities in York Region to provide grants.

LOCAL MUNICIPAL PROGRAMS POTENTIALLY ADMINISTERED THROUGH YORK REGION'S AFFORDABLE CIP

Placeholder

IMPLEMENTATION OF THE PROCESS

A formal application template will be available through the CIP website to guide interested developments in reviewing the necessary criteria and applying for these incentives.

Step 1: Pre-Application Consultation

- Proponent initiates pre-application consultation with Local Municipal staff
 - Pre-application only refers to development applications (subdivision, site plan, condominium)
 - Proponent interest in accessing incentives established
 - Local Municipal support and interest in providing incentives established in principle at the staff level
- Review CIP for program requirements

Step 2: Regional Staff Contacted

- Local Municipal staff contacts Region to express interest in accessing incentives
 - Local Municipal staff provides Submission Details and associated pro forma work
- Staff at either the local municipality or Regional level may request clarification or additional supporting documentation

Step 3: Regional Staff Confirm eligibility

- Regional staff confirm eligibility for incentives (including confirmation of local municipal support in principle)

Step 4: Evaluation of Submission and Documentation

- Proposal evaluated by Regional staff based on proponent Submission

Step 5: Regional Staff Draft Agreement(s) to enter into with the Proponent

- Regional staff draft Agreement(s) to enter into with proponent based on Regional Council recommendations
- Documentation is finalized by Legal and corresponding legal fees are covered by the proponent

Step 6: Review and Monitoring of New Purpose-built Rental Units

- Staff will continue to monitor growth of new purpose-built rental units across York Region in the annual measuring and monitoring exercise and report the outcomes of the CIP to Regional Council

REQUIREMENTS TO USE CIP

The incentives package identified is applied on a development basis, with a series of minimum criteria identified under each program area in order to qualify for the corresponding incentive outlined in this CIP. The requirements identified are based on the research and findings of the York Region Local Municipal Housing Working Group.

In [February 2018](#), Regional Council endorsed the following principles for development of a purpose-built rental affordable housing incentives framework that targets mid-range income households:

- Apply to purpose-built rental tenure only
- Priority given to high-rise and mid-rise developments
- Priority given to development in regional and local centres and corridors
- York Region incentives be contingent on the local municipality offering similar or better incentives

- Restrictive covenant registered on title requiring that the property be developed and operated as a rental apartment complex for no less than 20 years
- Incentives offered may be tied to the duration the project will remain rental, duration of affordability and/or depth of affordability provided

In addition to the above endorsed Principles, the CIP incorporates criteria that, on average, rents shall not exceed 175 per cent of average market rents (at occupancy) of private purpose-built apartments by bedroom type. These amounts are annually found in the Canada Mortgage and Housing Corporation (CMHC) Rental Market Report. The rental threshold identified is used to recognize that York Region average market rent is derived from an aging rental housing stock, while ensuring that developments receiving the incentives are on average non-luxury and affordable to the mid-range income group (fourth to sixth deciles). The programs cannot be administered on a unit-by-unit basis, but must be applied to the entirety of a development being built.

To comply with the [Development Charge Deferral for Purpose-built Rental Buildings](#) policy, the development must be a minimum of four (4) storeys.

AMENDING POLICIES

Staff will be requesting that Regional Council delegate authority to the Chief Planner in administering the application fee waivers in alignment with the program requirements.

In the case when the set criteria are not met and extenuating circumstances are requested for review, staff will report to Regional Council as the final decision-making body for approving the application of the programs of a particular circumstance. Regional Council reserves the right to amend the process of application for CIP program support and/or the evaluation of applications, at any time and for any reason, without the requirement to amend the approved CIP.

Changes to the provisions of this CIP identified that are considered to represent a significant change that necessitates a formal amendment to the Plan, including the following:

1. The addition of new programs that support the development of purpose-built rental units in York Region
2. An extension to the approved term (duration) of the CIP
3. A change in the eligibility criteria required to access programs determined through this CIP
4. Regional Council may review and amend any of the terms of any of the programs prescribed in this CIP, with the ability to make modifications to the boundaries of the project areas without amendment to the Plan, provided that the general goals and objectives of the Plan are maintained. The administrative details are included in the appendices of the CIP to provide opportunity for amendments to reflect administrative changes or process improvements.

MONITORING POLICIES

Monitoring of progress toward achieving more affordable housing options, including rental housing, is annually measured through York Region's Affordable Housing Measuring and Monitoring reporting. This measuring is guided by [York Region's Affordable Housing Measuring and Monitoring Guidelines Update](#), which articulates the standardized approach to implement the York Region Official Plan affordable housing targets. The total number of new rental units added each year is monitored through the measuring and monitoring report, which will include an evaluation of the number of units that were supported by incentives. The costs of the incentives provided will also

be evaluated by staff to measure the impact of these Community Improvement Plan incentives on York Region’s revenues and lost earnings as a result of application fee waivers and development charge deferrals.

A number of key performance indicators will support staff in monitoring the programs administered through the CIP.

Program	Major Indicators
Upper-Tier Development Application Fee Waiver	<ul style="list-style-type: none"> • Number of applications received • Amount of application fees
Development Charge Deferral for Affordable Purpose-Built Rental Buildings Policy	<ul style="list-style-type: none"> • Cost of deferral charges and relevant interest • Number of new units created

Monitoring of the Community Improvement Plan:

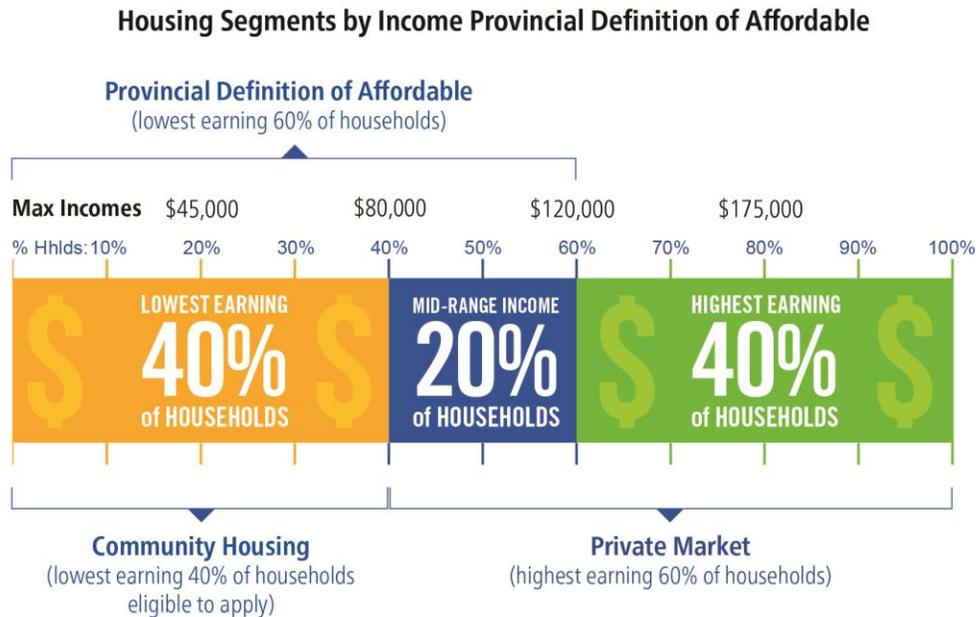
The current CIP is intended to be implemented during 2020-2023, which will be followed by an evaluation of the current approach to incentivizing purpose-built rental units in York Region at the end of four-year Council term. This is predominantly to consider the need to increase requirements for affordability and to review the threshold of 1500 units over the 3-year period. The CIP will be evaluated to assess the impact and ability to effectively incentivize purpose-built rental housing affordable to mid-range income households across York Region, using the annual monitoring exercise as a means to track the achievement of the goals and objectives outlined in the CIP.

It is the intention of Regional staff that a regular evaluation of the impact of the CIP is completed during the annual measuring and monitoring process to identify alignment of proposed developments with Regional planning and housing objectives. This includes alignment with the urban structure and transportation investments, and the depth or duration of affordability incorporated into the monitoring process.

APPENDIX 1: MID-RANGE

From an income perspective, the housing market can be viewed as containing three distinct but overlapping segments (Figure 1).

Figure 1: Housing Segments by Income Provincial Definition of Affordable



Source: Statistics Canada 2016 incomes by decile, Canadian Price Index (unadjusted).

1. Community Housing segment includes those households that may qualify to apply for additional supports to find acceptable housing in the Region. This is the lowest earning 40 percent of households. From an income perspective, these households are eligible to apply for nonprofit/government assisted housing through the centralized waitlist.
2. The Mid-Range Income segment includes households classified as requiring affordable housing options based on the Provincial definition, but do not qualify for additional supports. This segment includes 20 percent of the households in the Region between the lowest to the highest earning 40 per cent of households. The intention is that this segment be served by the private market.
3. The Private Market segment consists of the highest earning 60 per cent of households and incorporates the mid-range affordable segment. Households in this segment have traditionally been able to afford market housing.

Although the entire private market segment has traditionally been able to afford market housing, disparities between income and housing cost increases coupled with gaps in housing supply such as a lack of private purpose-built rental units has led to many households in the mid-range income segment with few, if any housing options.

The CIP is meant to facilitate the development of rental housing affordable to mid-range income households; or those earning between approximately \$80,000 and \$120,000 in 2018. As such, the CIP incorporates criteria that, on average, rents shall not exceed 175 per cent of average market rent of private purpose-built apartments by bedroom type. The rental threshold recognizes that York Region average market rent is derived from an aging rental housing stock, and ensures developments that receive incentives are non-luxury and affordable to the mid-range income cohort.

The maximum affordable rent for mid-range income households ranges from approximately \$2,000 to \$3,000 per month based on the standard that a maximum of 30 percent of income be spent on housing. As is shown by the highlighted cells in Figure 2, 175 per cent of average market rent provides for affordable bachelor units for all mid-range income households, affordable 1 and 2-bedroom units for households at the fifth and sixth deciles, and affordable 3-bedroom units at the sixth decile of the income distribution.

Figure 2: Eligible Rents and Mid-Range Income Affordability, 2018³

Eligible rents and mid-range income affordability, 2018				
	Bach	1-Bdrm	2-Bdrm	3+ Bdrm
Average Market Rent of Private Purpose-built Apartments*	\$892	\$1,170	\$1,346	\$1,526
175% Average Market Rent	\$1,570	\$2,014	\$2,352	\$2,664
Maximum Affordable Rent for Mid-Range Households (4 th Decile)	\$2,000	\$2,000	\$2,000	\$2,000
Maximum Affordable Rent for Mid-Range Households (5 th Decile)	\$2,500	\$2,500	\$2,500	\$2,500
Maximum Affordable Rent for Mid-Range Households (6 th Decile)	\$3,000	\$3,000	\$3,000	\$3,000

Note: Grey highlighted cells denote affordability by household income decile and bedroom type

APPENDIX 2: DEFINITIONS

- **Affordable housing:** this term includes community housing, affordable market rental housing, and affordable ownership housing based on the Provincial definition
- **Affordable market rental housing:** refers to private, purpose-built rental housing that is affordable to people with incomes in the sixth decile or below, based on 30% of their gross household income

³ *Source: CMHC Rental Market Report, Greater Toronto Area, 2018 Table 1.1.2, "Private Apartment Average Rents" (does not include secondary or government assisted/non-profit units).

- **Affordable ownership housing:** refers to ownership housing that is affordable to people with incomes in the sixth decile or below, based on 30% of their gross household income
- **Community housing:** refers to housing units owned and operated by non-profit and cooperative housing providers as well as Housing York Inc. Community housing units may offer subsidized rents linked to tenant income and/or rents that are set relative to CMHC average market rents for York Region
- **Rent Subsidies:** refers to ongoing financial assistance that helps people afford private market housing, including housing allowances, portable rent benefits, and rent supplements
- **Housing affordability:** the relationship between the ability to pay for housing and the cost of housing, which differs for each household across the income spectrum and is based on market realities. Generally, housing affordability is determined across the income spectrum based on spending 30% of gross household income on housing costs, which may become more, depending on market forces
- **Tax increment equivalent grant (TIEG):** a grant equal to the full amount, or a portion of the amount of municipal property taxes increase after a property is reassessed. The increase in taxes, or tax increment, is calculated by subtracting the municipal portion of property taxes before reassessment from the municipal portion of property taxes after reassessment. The tax increment does not include any increase/decrease in municipal taxes due to a general tax increase/decrease, or a change in assessment for any other reason
- **The CIPA Developable Area Excludes:**
 - a. Environmental features and areas, where development is prohibited, identified in Places to Grow: Growth Plan for the Greater Golden Horseshoe;
 - b. the Regional Greenlands System and approved local municipal natural heritage systems where development is prohibited;
 - c. key natural heritage features and key hydrologic features;
 - d. major infrastructure rights-of-way (i.e. existing 400-series highways and finalized route alignments for extensions or future 400-series highways, utility lines, and rail lines); and,
 - e. existing uses (e.g. cemeteries, estate subdivisions).

APPENDIX 3: LEGISLATIVE AUTHORITY

1. *Municipal Act, 2001*

2. Municipalities are created by the Province of Ontario to be responsible and accountable governments with respect to matters within their jurisdiction and each municipality is given powers and duties under this Act and many other Acts for the purpose of providing good government with respect to those matters. 2006, c. 32, Sched. A, s. 2.

106 (1) Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose. 2001, c. 25, s. 106 (1).

Same

(2) Without limiting subsection (1), the municipality shall not grant assistance by,

- (a) giving or lending any property of the municipality, including money;
- (b) guaranteeing borrowing;
- (c) leasing or selling any property of the municipality at below fair market value; or
- (d) giving a total or partial exemption from any levy, charge or fee. 2001, c. 25, s. 106 (2).

Exception

(3) Subsection (1) does not apply to a council exercising its authority under subsection 28 (6), (7) or (7.2) of the *Planning Act* or under section 365.1 of this Act. 2001, c. 25, s. 106 (3); 2002, c. 17, Sched. A, s. 23; 2006, c. 23, s. 34.

2. *Planning Act*, 1990

Section 28 of the *Planning Act* identifies that upper-tier municipalities are limited to the follow areas, according to O. Reg. 550/06: PRESCRIBED MATTERS - UPPER-TIER COMMUNITY IMPROVEMENT PLANS

Matters that may be dealt with in upper-tier community improvement plans

2. For the purposes of subsection 28 (4.0.1) of the Act, the community improvement plan of an upper-tier municipality may deal only with the following matters:

4. Infrastructure that is within the upper-tier municipality's jurisdiction.
5. Land and buildings within and adjacent to existing or planned transit corridors that have the potential to provide a focus for higher density mixed-use development and redevelopment.
6. Affordable housing. O. Reg. 550/06, s. 2.

Section 28 (1) of the *Planning Act* defines "community improvement" means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary;

"community improvement plan" means a plan for the community improvement of a community improvement project area;

"community improvement project area" means a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

Affordable housing (1.1) Without limiting the generality of the definition of "community improvement" in subsection (1), for greater certainty, it includes the provision of affordable housing. 2006, c. 23, s. 14 (2).

Section 28 (7) For the purpose of carrying out a municipality's community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan. 2006, c. 23, s. 14 (8).

Grants or loans between upper and lower-tier municipalities

(7.2) The council of an upper-tier municipality may make grants or loans to the council of a lower-tier municipality and the council of a lower-tier municipality may make grants or loans to the council of the upper-tier municipality, for the purpose of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as the council considers appropriate, but only if the

official plan of the municipality making the grant or loan contains provisions relating to the making of such grants or loans. 2006, c. 23, s. 14 (8).

3. *Development Charges Act, 1997*

6. A development charge by-law must set out the following:

1. The rules developed under paragraph 9 of subsection 5(1) for determining if a development charge is payable in any particular case and for determining the amount of the charge.
2. An express statement indicating how, if at all, the rules provide for exemptions, for the phasing in of development charges and for the indexing of development charges.
3. How the rules referred to in paragraph 1 apply to the redevelopment of land.
4. The area of the municipality to which the by-law applies. 1997, c. 27, s. 6.

26 (1) A development charge is payable for a development upon a building permit being issued for the development unless the development charge by-law provides otherwise under subsection (2). 1997, c. 27, s. 26 (1).

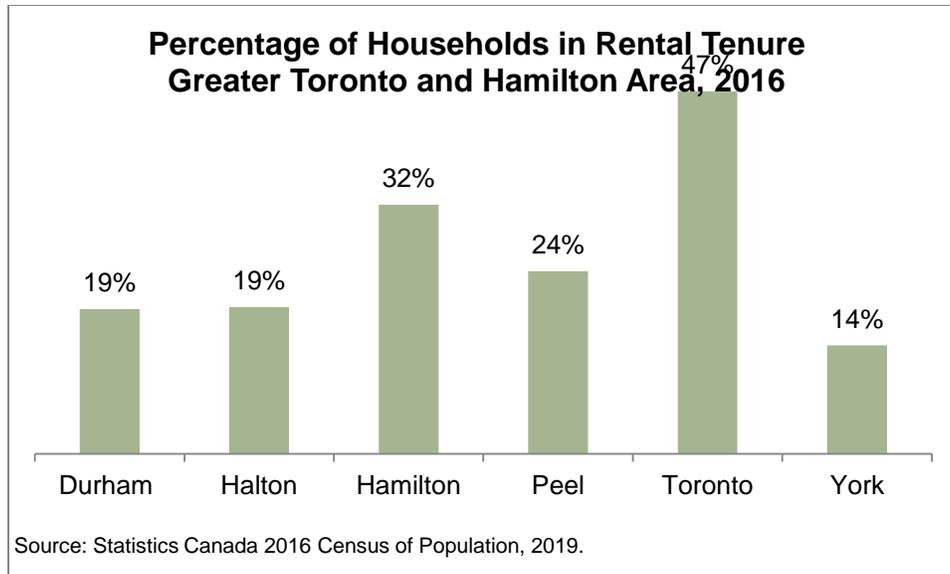
APPENDIX 4: BACKGROUND INFORMATION AND JUSTIFICATION

The Regional Municipality of York consists of nine local municipalities that are located in the Greater Toronto and Hamilton Area (GTHA), with large economic growth opportunities and making it an ideal location to live, work and play. York Region has planned for the future by seeking to build complete communities for residents and workers of all ages and across all incomes. Complete communities require a full mix and range of housing options, including rental housing, that meet the needs of residents of all ages, stages and abilities.

York Region's population is growing and diversifying, with new employment opportunities and a growing need for a full mix and range of housing options to support growth. The increasing cost of home-ownership in York Region, many residents are turning to the rental market to find affordable housing options. However, many residents turning to rental options are finding a constrained rental market with high rents.

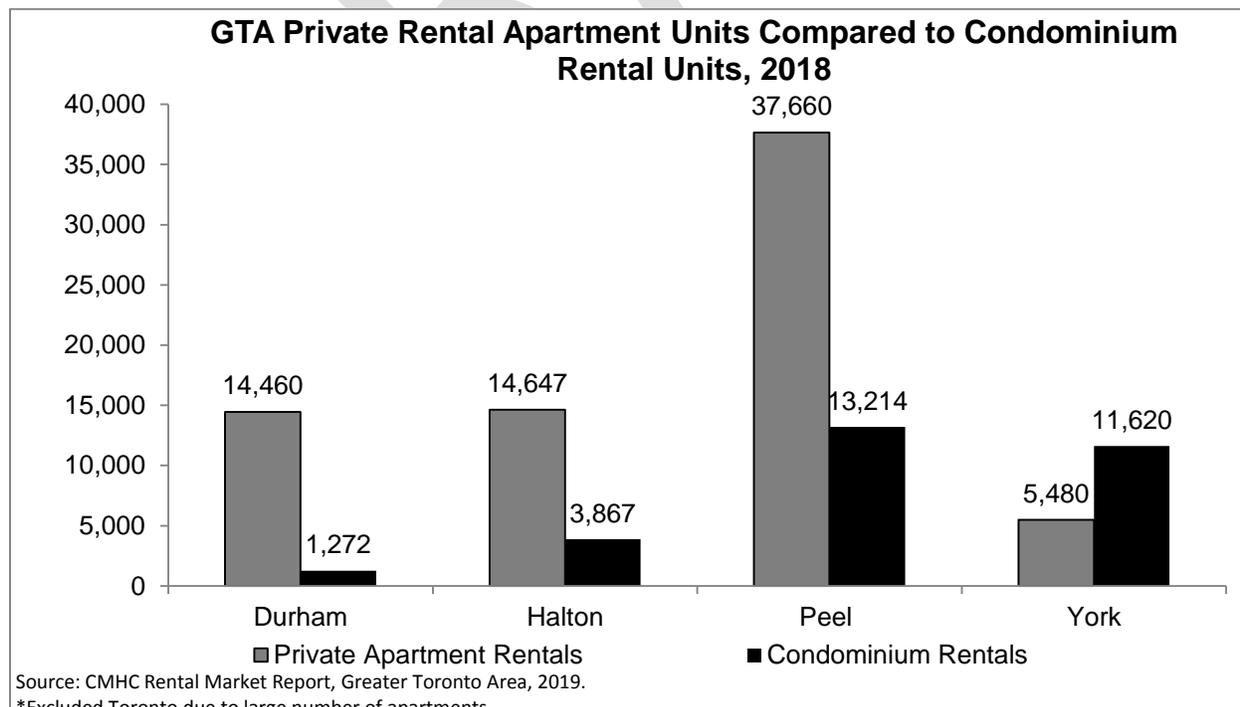
York Region has the lowest supply of rental housing in the Greater Toronto and Hamilton Area with only 14% (Figure 3).

Figure 3: Percentage of Households in Rental Tenure GTHA, 2016



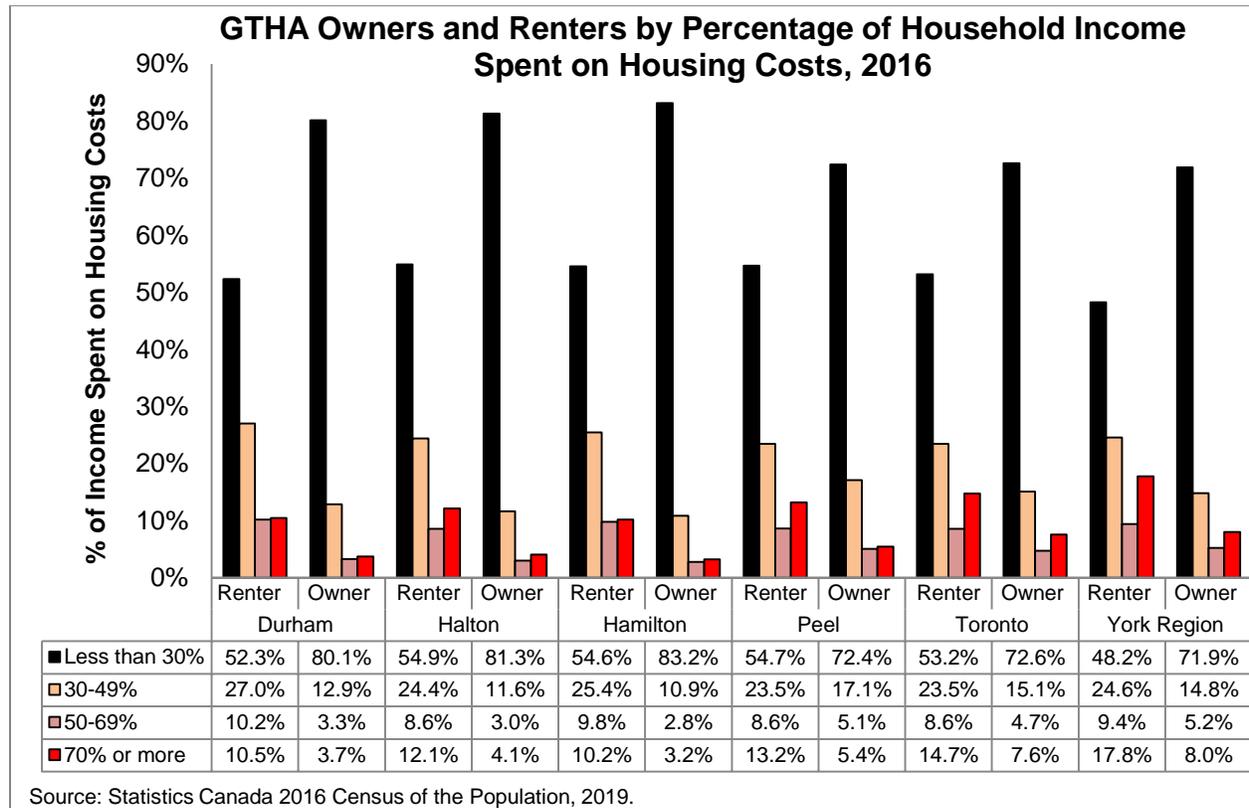
York Region’s rental market has remained reliant on the secondary market to deliver rental options, with few purpose-built units built each year. Since 2007, the number of condominiums rented grew from 2,682 to 11,620 in 2018 (Figure 4). This reflects a change from 14.8% of condominiums rented out of the total in the market to 28.3% in 2018. Compared to this, only 25 new purpose-built rental units were added to the rental market in 2018. The low supply of rental housing in York Region has the potential to lead to negative economic, social and environmental outcomes. One example of this is a low live-work ratio, which places fails to provide residents with the opportunity to live where they work, a critical component of building complete communities. York Region also has one of the lowest supplies of private apartment rentals in the GTA, with only 5,480 units in 2018.

Figure 4: GTHA Private Rental Apartment Units Compared to Condominium Rental Units, 2018



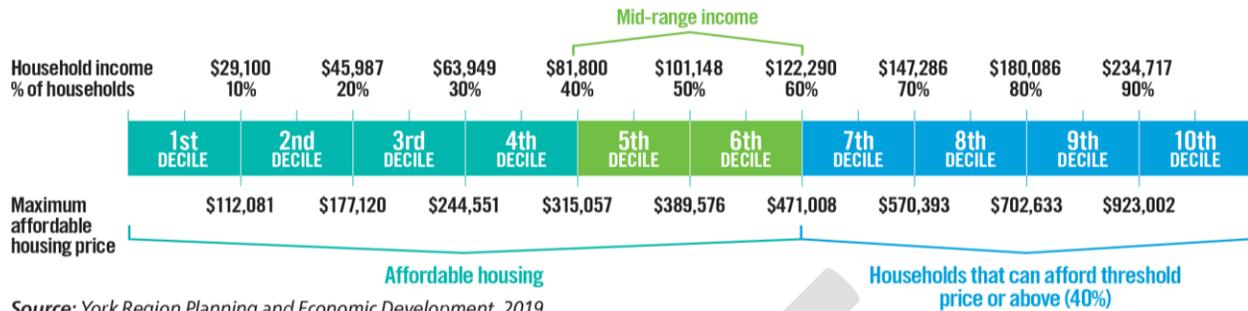
York Region also has some of the lowest percentages of renters and owners spending less than 30% of their household income on housing costs. In 2016, York Region had 72% of owners spending less than 30% and only 48% of renters spending less than 30% of their household income on housing costs. York Region equally had the highest percentage of renters (17.8%) and owners (8%) spending 70% or more of their household income on housing costs (Figure 5).

Figure 5: GTHA Owners and Renters by Percentage of Households Income Spent on Housing Costs, 2016



In recent years, the overall cost of housing in York Region has steadily continued to rise. As the cost of housing has risen, a declining number of affordable housing options have been available in the housing market. The higher-range income decile groups have still found affordable housing options in the market, but a growing segment of mid-range income households have been struggling to find affordable housing options for mid-range income households (Figure 6). Mid-range income households are included in the Provincial definition of “affordable” but do not qualify to apply for housing supports. They are meant to be housed by the private market. However, due to the constrained housing market that lacks affordable housing options, this mid-range income group has expanded.

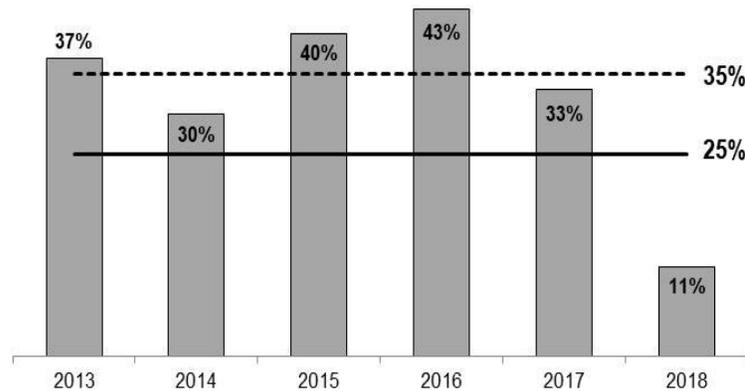
Figure 6: York Region Household Income Distribution and Affordable Ownership Thresholds, 2018



Source: York Region Planning and Economic Development, 2019. Based on Statistics Canada, Bank of Canada and Canada Mortgage and Housing Corporation data

Every year, York Region staff evaluates the supply of new housing to provide a standard approach to implement the York Region Official Plan affordable housing targets. The targets require that 35% of new housing in the Region’s Centres and key development areas be affordable and that 25% of new housing outside of those areas be affordable. In 2018, York Region had the lowest supply of affordable options, with only 12% of new ownership and rental housing being affordable to households at the 60th percentile (Figure 7).

Figure 7: Percentage of New Units that were Affordable in York Region, 2013-2018



*Regional Official Plan Target: 35 per cent applied in Regional Centres and Key Development Areas and 25 per cent applied outside of Regional Centres and Key Development Areas.

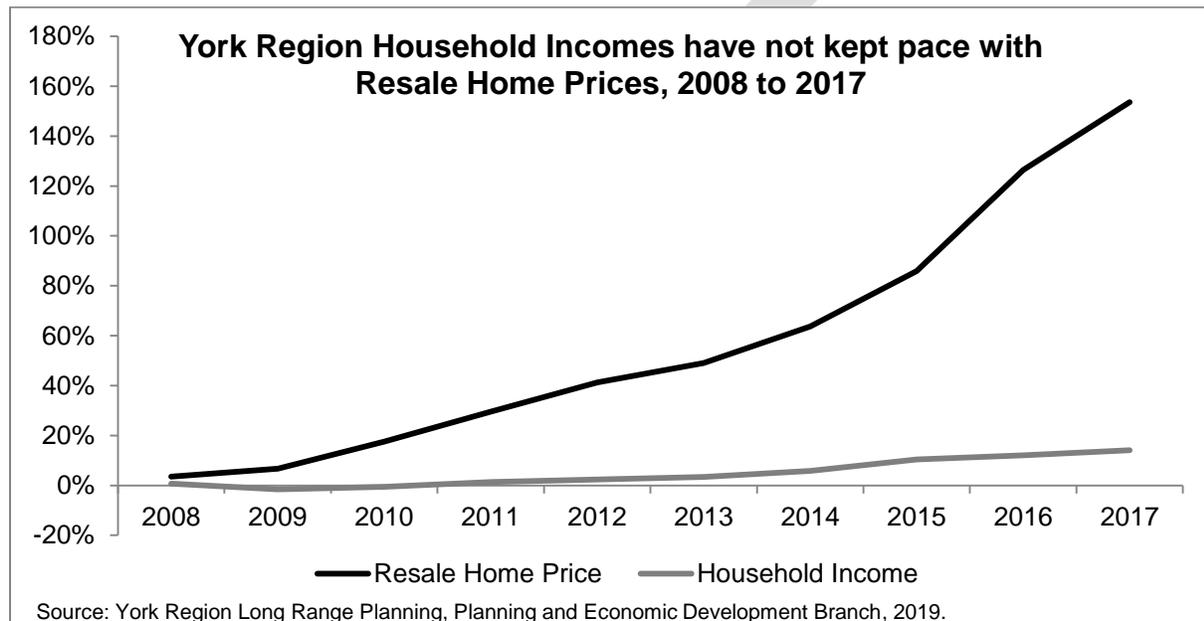
According to [CMHC Housing Now Greater Toronto Area](#) market tables, the average price for an absorbed single-detached house in York Region for 2018 was \$1,246,262. The resale market is summarized in the table below. The average resale price for York Region is \$916,449, which incorporates all housing structure types. A breakdown of the average resale price for the various housing structure types is identified in Figure 8.

Figure 8: Housing Structure Type, Average Resale Price and Number of Sales in Resale Market, 2018

Housing Structure Type	Average Resale Price in 2018	# of Sales in Resale Market in 2018
Single Detached	\$1,123,734	6,750
Semi-Detached	\$760,683	900
Town/Row/Attached	\$731,502	2,347
Condominium/Apartment	\$491,893	1,943

The incomes of residents have not risen to reflect the rising price of housing. In the measuring and monitoring of York Regional Official Plan targets, Regional staff identifies the maximum affordable housing price to own a house for each decile group. When affordability by income decile group is evaluated, none of the average resale house prices in York Region are affordable to households at the 60th percentile. The majority of York Region’s housing stock is single detached houses that, according to staff calculations, are only affordable to the wealthiest households in York Region. The current disparity between the average cost of ownership housing across housing structure types and what residents can actually afford is too large a difference to bridge (Figure 9). The research and consultations completed in developing this CIP determined that affordable rental options are the most viable approach to providing housing.

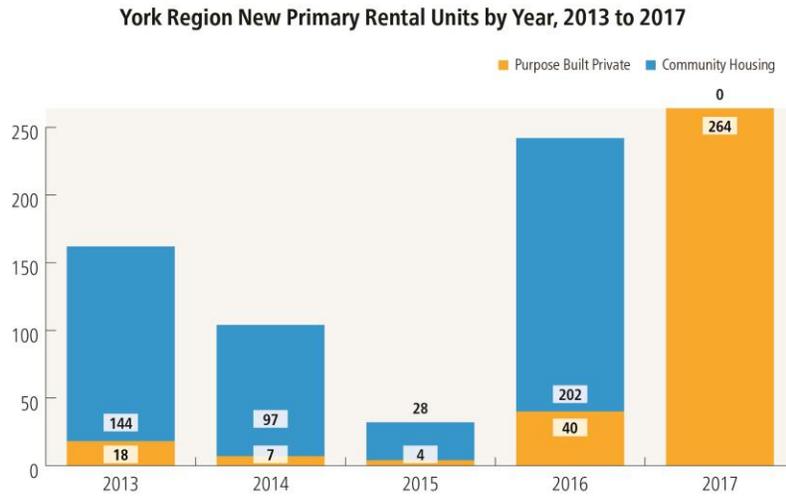
Figure 9: York Region Household Incomes have not kept pace with Resale Home Prices, 2008 to 2017



Rental options are the most viable option for many mid-range income households. Without a sufficient rental supply in York Region, businesses may struggle to attract employees while certain demographics may leave the Region to find more affordable housing options. As per the affordable housing calculations completed for 2018, residents between the 4th and 6th deciles could only afford to own a house that costs in the range of \$315,057 and \$471,008. With little to no affordable ownership options, rental becomes the best means to attain affordable housing in York Region for households between the 4th and 6th deciles.

York Region has maintained significantly low growth in purpose-built rental units over time (Figure 10). The CIP supports the development of more affordable housing options by incentivizing the development of more purpose-built rental units across York Region to help grow the low supply.

Figure 10: York Region New Primary Rental Unit by Year, 2013 to 2017



Source: York Region Long Range Planning, Planning and Economic Development Branch and Community and Health Services Department, Statistics Canada, 2016 Census of Population, CMHC 2018 Rental Market Report, Greater Toronto Area, 2019.

APPENDIX 5: REGIONAL COUNCIL'S LONG HISTORY OF SUPPORTING RENTAL HOUSING OPTIONS



York Regional Council has provided continued support through strategic priorities, policies and programs to address housing need with an increased focus on supporting the development of private purpose-built rental. The 1994 Regional Official Plan, the 2002 [Housing Supply Strategy](#) and the 2004 [Housing and Our Economy](#) study all outline the need for a full mix and range of housing options to effectively support the Region's growing population and economy.

In 2010, Council adopted the updated Regional Official Plan, which provides more detailed direction to achieve a full mix and range of housing options. This has an increased focus on providing more rental options to residents. It includes encouraging the construction of new rental units with a full mix and range of unit sizes, including family-sized and smaller units. The Official Plan also included Council objectives to advocate the Province and Federal government to reinstate programs to support and promote the development of affordable housing options such as co-operative housing projects and rental housing developments.

The Region's 10-year Housing Plan, [Housing Solutions: A Place for Everyone](#) was approved in June 2014 and included goals focused on increasing and sustaining the rental supply. The original plan included a total of 49 actions that includes continuing to build new affordable rental housing and provide more rent subsidies. Under Goal 1: Increase the Rental Housing Supply, direction to explore incentive, strategy and best practice options that local municipalities can use to encourage the development of new rental housing was provided. Additionally, direction to investigate the use of community improvement plans in Regional centres and key development areas in Regional corridors to increase the rental housing supply was also provided.

In coordination with the Housing Plan, the Make Rental Happen Collaborative Advocacy Plan was developed and implemented by the York Region Human Services Planning Board. As part of this initiative, Council supported a private market rental development through the provision of a 36 month development charge deferral on a pilot basis in November 2013. An increase in private purpose-built rental units in 2017 came from the introduction of 225 private market apartments that were made available with the finished development of 212 Davis Drive in Newmarket (Figure 11). In May 2017, Regional Council approved a [policy](#) for 36 month Regional DC deferrals for purpose-built rental buildings of four storeys or greater.

Figure 11: 212 Davis Drive



In [November 2016](#), Council supported the formation of a York Region/Local Municipal Housing Working Group. Working group members, comprised of local municipal planning staff and Regional staff, were directed to report back to Council on the necessity and/or extent of housing incentives. The Working Group evaluated the entire housing system across both tenures, and concluded that financial incentives should focus on increasing the private purpose-built rental supply affordable to mid-range income households.

Over time, Regional Council has been working on solutions to address the challenge of the Region's low rental supply. In order to address this growing concern and to promote more affordable housing options, Council has focused on the need to stimulate development of private purpose-built rental housing as one of several initiatives required to address York Region's housing challenges.

Community Improvement Plans are a common tool used by local and regional municipalities in Ontario to promote the improvement, renewal, revitalization and development of existing communities. A community improvement approach provides a flexible, comprehensive, coordinated and strategic framework for dealing with lands and buildings, whether the reasons are physical, social, economic or environmental.

Through community improvement plans, municipalities can:

- Focus public attention on local priorities and municipal initiatives
- Target areas in transition or in need of repair, rehabilitation and redevelopment
- Facilitate and encourage community change in a coordinated manner
- Stimulate private sector investment through municipal incentive-based program

This provides the framework for the outlined CIP, helping to promote and incentivize the development of affordable purpose-built rental units across York Region.

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