

COMMITTEE OF THE WHOLE (WORKING SESSION) FEBRUARY 19, 2002

**STATUS REPORT
PROPOSED HOUSING SUPPLY STRATEGY
REGIONAL MUNICIPALITY OF YORK**

Recommendation

The Commissioner of Planning recommends that:

This report BE RECEIVED for information purposes; and

Regional Staff BE REQUESTED to provide a future Working Session with a presentation on the proposed Housing Supply Strategy.

Purpose

To provide Council with information on the status and content of the Region of York's Proposed Housing Supply Strategy. On February 11, 2002 Council provided the following direction in respect of the proposed strategy.

1. That the verbal report of Regional Councillor Di Biase be received;
2. That a workshop be held at a Committee of the Whole (working session) meeting in February 2002 for members of Council to express their views; and
3. That staff provide a report regarding the various strategies proposed by York Region.

Background - Analysis and Options

At its May 3, 2001 meeting, Regional Council directed that a Housing Supply Strategy be developed to increase the supply of subsidized housing stock across the Region and to increase rental opportunities in the private market. The guiding principles of the strategy include:

- Creating new housing and increasing the housing choices available to residents of low and moderate incomes using new and innovative approaches;
- Focusing on partnerships with the private and non-profit sectors and other levels of government;
- The strategy be carried out in a well-planned manner that is consistent with other policy initiatives, such as Vision 2026, and the Region's overall growth management strategy; and
- Signal to the community and other levels of government that York Region is a leader in meeting the housing needs of its residents of all income levels.

An interim report was submitted to Regional Council on November 1, 2001 setting out a work plan for the preparation of the strategy. Included in the work plan was a public consultation process, which took place in the Autumn of 2001. On January 31, 2002 a Regional Council Workshop was held, at which the Proposed Housing Supply Strategy was presented.

The purpose of this report is to bring Vaughan Council up to date on the Region's Housing Supply Strategy and to advise of the Region's upcoming steps in the process of completing the strategy.

The Housing Situation in York Region

A number of studies have indicated that several sectors of the housing market in York Region have been under-served. Despite rapid residential development in the Region, there is a shortage of affordable rental housing and affordable ownership dwellings. The following statistics illustrate the nature of the problem.

- York Region has a rental vacancy rate of 0.7%;
- Little rental housing is being built, with only 587 rental units constructed since 1995;
- There is a waiting list of 4800 households for social housing;
- 25% of the Region's homeowners pay over 30% of their income on housing;
- In south York Region it takes a minimum annual income of \$40,000 - \$45,000 to purchase a condominium apartment or townhouse;
- 40% of renters pay over 30% of their income on rent;
- There is a growing seniors' population combined with an overall rapid population growth.

The Role of the Region of York

Presently there are 7200 units of non-profit and co-op housing in the Region of York. Of this total, the Region administers 6098 units. Furthermore, the Region owns and manages 1695 units. The Region of York was designated a Consolidated Municipal Service Manager for Homelessness and Housing in 1998. Under the *Social Housing Reform Act, 2000, S.O. 2000, c. 27*, the service manager may, among other things: Purchase a housing project; purchase land; construct housing; operate and maintain the housing; and dispose of any such land or projects. The service manager may also establish, fund and administer programs for the provision of residential accommodation.

The provision of residential accommodation under the *Social Housing Reform Act, 2000, S.O. 2000, c. 27*, is deemed to be a municipal purpose and the municipal service manager may exercise certain powers of a municipality under the *Municipal Act*. This would include providing municipal housing projects (a municipal capital facility) with property tax exemptions, development charge relief, giving or lending of money and charging interest; giving, lending, leasing or selling property; guaranteeing borrowing; and providing the services of employees of the municipality.

The Region will be working with the local municipalities to develop a Municipal Capital Facilities By-law. This will make it possible to provide the above noted incentives to the private sector to help create new affordable housing. Once Council approves a project, a project specific by-law is enacted to implement the project. The Region will also be encouraging the area municipalities to reduce fees and charges to support the creation of new affordable housing.

Prior to Council enacting a by-law to authorize an agreement respecting the provision of a municipal housing project facility, it must enact a "municipal housing facility by-law". All units provided in the facility must fall within the definition of "affordable housing" contained in the by-law and the by-law must contain policies regarding public eligibility for the units provided.

Key Housing Action Areas

The proposed strategy identifies four key action areas. These are the provision of more affordable ownership units, additional rental housing and new non-profit units along with the implementation of a community education and awareness campaign. The actions recommended to implement each of these measures are set out below.

a) Affordable Ownership

- Enforce Regional O.P. policies respecting housing mix, compact communities and intensification of centres and corridors;
- Investigate opportunities for a home ownership demonstration project with the area municipalities and the development industry;
- Promote the use of second suites in new homes to assist new homeowners and to create new affordable rental units;
- Discourage down zoning of sites with medium and high density residential designations.

b) Non-Profit Housing

- Ensure that surplus Regional lands are considered for non-profit housing;
- Provide 100 units per year through the Region's Non-Profit Housing Corporation;
- Work with non-profit housing providers to identify opportunities;
- Waive Regional Development Charges for new non-profit units;
- Encourage Area Municipalities to waive development charges and fees for new non-profit housing.

c) Rental Housing

- Enact a Municipal Capital Facility By-law to allow the Region to provide incentives to the private sector to help create affordable renting housing;
- Provide 200-500 new rental units through a public-private partnership pilot program;
- Encourage the area municipalities to reduce charges and fees;
- Promote alternative development standards to reduce cost;
- Discourage the conversion of rental housing to condominiums;
- Continue the reduction of multi-residential tax rates to the level of single detached dwellings; and
- Encourage the creation of accessory apartments in single detached dwellings.

Related initiatives would include:

- Encourage area municipalities to allow rooming houses and boarding and lodging houses;
- Encourage area municipalities to allow group homes for those with special needs; and
- Facilitate the expansion of emergency shelter beds in the Region.

d) Community Education and Awareness Campaign

- Develop a campaign to promote community understanding of the needs of York Region's residents and labour force;
- Create a Housing Fact Sheet to provide information about housing in York Region;
- Work with area municipalities to identify "Made in York" affordable housing success stories which exhibit high quality design, community integration and intensification of centres and corridors; and
- Work with employers to identify housing needs.

Other Elements of the Proposed Housing Supply Strategy

a) Partnerships

The strategy will also endeavour to promote partnerships with the public, private and non-profit sectors. A number of initiatives are being considered, which include:

- Establish a case management team expedite the approval of affordable housing;
- Work with local municipalities to fast track the development of affordable housing;
- Create a “best practices working group” with area municipalities to share ideas;
- Develop and implement a partnership program with the private sector;
- Continue to study the housing needs of the labour force to ensure continued economic success; and
- Local municipalities will be asked to become full partners through their endorsement of the Housing Supply Strategy.

b) Federal/Provincial Role in Housing

In order to take the funding of affordable housing beyond the municipal property tax base, the strategy recommends that the Region request that the federal and provincial governments provide new support to increase the supply of affordable housing. Such requests may include:

- Changes to federal tax policies that discourage housing, changing CMHC mortgage insurance requirements, provision of new funding programs and commitment to a National Housing Strategy; and
- Provincial funding for rent supplements for low income households, make legislative changes to prevent the loss of existing affordable housing and the funding of new housing programs.

It is also proposed that the Region take advantage of the new Federal Affordable Rental Housing Program, which is targeted at municipalities with vacancy rates of less than 1.0 %. Grants of \$25,000.00 per unit may be provided and matching provincial and municipal contributions will be required. A total of \$250,000,000 will be allocated to Ontario over four years. It is proposed that the Region initiate a pilot program to produce 200 to 500 units, linked to the federal program, of which a minimum of 25% of the units would be subsidized. This would involve the issuance of a Request for Expression of Interest in the Spring of this year.

c) Growth Management

The proposed strategy draws the link between housing, economic vitality, transportation and quality of life. For this reason it encourages:

- Co-ordinated planning of housing, transit, economic development and community services;
- Refinement of the Regional O.P. to ensure its policies reflect the direction of the final housing supply strategy; and
- The completion of a study on financial incentives, including development charges, to encourage higher residential densities in Centres and Corridors.

d) Monitoring

The monitoring component of the proposed strategy recommends the production of an annual report; a program to track public opinion and concerns over the quality and quantity of housing options in the community; and periodic re-examinations of the strategy to incorporate innovative ideas and to better match housing to the needs of the labour force, transit and urban structure.

Next Steps

The Region will now revise the proposed Housing Supply Strategy and begin consultations with the local municipalities and other stakeholders. It is proposed that the final version of the Housing Supply Strategy and Implementation Work Plan be sent to the Region’s Community Services and Housing Committee in June of 2002 for its consideration. Other objectives that have been

identified include the preparation of the Municipal Capital Facilities By-law and the reaching of an agreement with the province to deliver the new federal housing program. Both have been targeted for completion by the end of June, 2002.

Conclusion

The Region of York is now responsible for social housing, since the downloading of responsibilities from the province. Evidence indicates that the problem with the housing supply in York Region goes beyond the provision of social housing and extends into the availability of affordable ownership and rental units, for households with lower to moderate incomes. Therefore the Region is proposing a broad based housing supply strategy which would assist a wide range of people.

A number of principles designed to guide investment in housing were identified at the January 31, 2002 Regional Workshop. These included: integration into the community; permanent affordability; a focus on modest form; the intensification of nodes and corridors; links to transit, services and employment; the need to address the social housing waiting list; obtaining local municipal support; and accountability. These principles will be fundamental to the implementation of the strategy. Therefore, it will be necessary to gain a fuller understanding of the nature of these principles and their policy implications at both the Regional and Local levels. In this regard, it would be useful if Regional Staff could provide a more comprehensive presentation on the nature of the challenges facing York Region and how the proposed Housing Supply Strategy will address these concerns.

This report is provided as a basis for Committee of the Whole's discussion of the proposed strategy. It is recommended that the report be received for information purposes and that Regional Staff be invited to provide a presentation to a future Working Session, in order to give Council and City Staff a more complete understanding of the evolving strategy.

Attachments

1. Proposed York Region Housing Supply Strategy (Pamphlet – Both Sides, January 31, 2002 version)
2. Regional Council Workshop Information Package – January 31, 2002 (COUNCILLORS ONLY)

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Respectfully submitted,

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Commissioner of Planning

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York Region

**Proposed
Housing Supply
STRATEGY**



Regional Chair's Message

York Region is one of the fastest growing municipalities in Canada. As our communities become more urban and populous, our challenge as a Regional government is to help ensure that the housing needs of all our residents - youth, seniors, single persons, couples and households with special needs - are met.

We recognize the immediate need to partner with others to achieve our goals, including the building industry, government, our area municipalities and ratepayers.

York Region is committed to ensuring that our housing investments enhance the private rental market, as well as meet the needs of households on the social housing waiting list.

Thank you for your input on this document. Together we will create made-in-York solutions that include high quality, integrated housing options to complement our quality of life.

Yours truly,

Bill Fisch
Regional Chair

Challenges and Issues

The development of new rental housing in the Region has been at a virtual standstill since 1995, when the provincial government withdrew its support for social housing development. The private sector has been unable to create new affordable rental housing on its own. Affordable ownership housing has been unattainable for many young families, entry level professionals and human services workers.

- Currently, York Region has a rental vacancy rate of 0.7%.
- Little new rental housing is being built in the Region.
- Changing Demographics include a growing Senior population, rapid urbanization, rising population.
- Waiting List for Social Housing is 4,800 Households.
- 25% of the Region's Homeowner households pay over 30% of income on housing.
- 40% of the Region's Renter households pay over 30% of income on housing.
- Increasing pressure on emergency shelters.
- Changing face of homelessness, rise in youth and working families at risk.

This is an opportunity to address key housing areas: affordable ownership, rental and non-profit as well as the relationship of housing to transit, human services, our economy and growth management.



What we are Doing Already

York Region is taking a leadership role in housing. Some of the York Region initiatives that are complete or underway include:

- Designated Consolidated Municipal Service Manager for Homelessness and Housing - 1998.
- Produced Homelessness Task Force Report - 2000.
- Produced the York Region Housing Directions Report 2000.
- Community Plan to address Homelessness - 2001
- Owns and manages 1,695 housing units.
- Administers 6,131 affordable housing units.
- Lowered tax rates for multi residential units.
- Supported establishment of Habitat for Humanity affiliate in York Region.
- Linking labour force strategy to the housing issue.

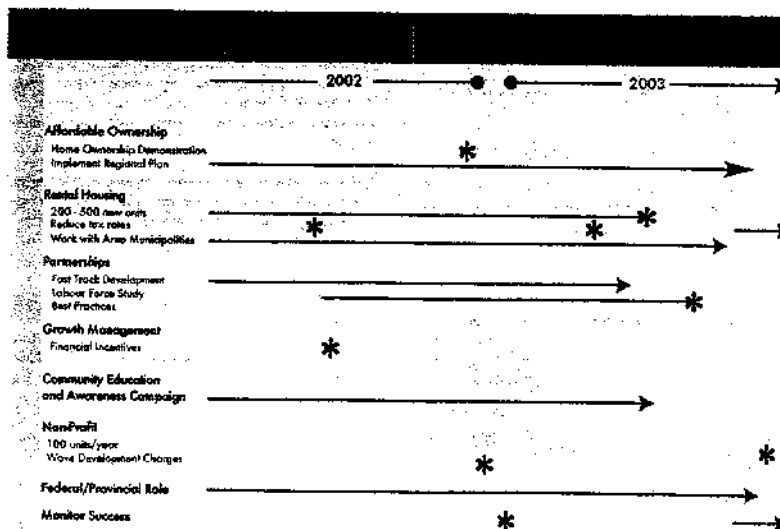
Clearly more needs to be done and the Region is committed to co-ordinating an action plan.

Why a Housing Strategy

The need for an increased supply of rental housing, affordable ownership and non-profit housing was first recognised in the Region a number of years ago. Today, many of the Region's major initiatives are linked to the housing supply issue. For example, the provision of a wide variety of housing is key to the Region's approach to Growth Management. Likewise, housing is very much related to the Region's Transit, Economic Development and Human Services Strategies. Vision 2026 is a further example of a project that recognises the integral role for housing in York Region's future.

As a Consolidated Municipal Service Manager, the Region is now responsible for Social Housing including 6,131 housing units. The public, area municipalities and other stakeholders have identified the need for affordable housing. In addition, the business community has told us that appropriate housing for a growing and diversifying workforce is not available. Now is the time for an action-based housing strategy which will help to co-ordinate the efforts of all stakeholders.

Timetable



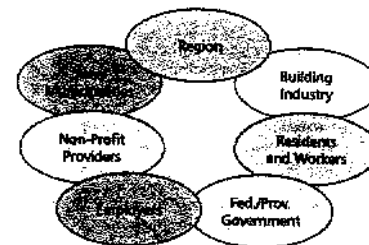
What was Heard

In developing this strategy the Region held a Forum and several focus groups, bringing together representatives from the building industry, municipalities, non-profits and the provincial and federal government. This is a summary of what was heard:

- York Region needs to play a leadership role in the provision of housing.
- Integration of housing into our communities and location close to transit, human services and employment is key.
- Our most vulnerable households will continue to need rent subsidies in order to afford suitable housing.
- Collaboration and innovation are required between the Region, Area Municipalities, Provincial and Federal Governments, Building industry, Employers and the Community.
- Continued economic vitality is dependent on affordable housing.
- An effective community education and acceptance campaign is needed to support the development of affordable housing.
- **Now is the time for action.**

Housing Partners

The involvement of many partners is essential to the success of the Housing Strategy. A balance must be found between policy initiatives and investment in order to create more opportunities for ownership, rental and non-profit housing. The range of housing choices available to our residents is increasingly important to the economic health and vitality of our communities.



Next Steps

This Housing Supply Strategy identifies a number of action areas. The Strategy focuses on practical steps that can be taken together with our community partners to increase housing choices for our citizens.

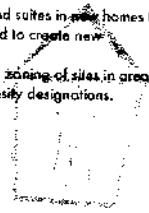
Affordable housing delivery must be co-ordinated with the Region's growth management strategy, Transportation Master Plan and changing urban structure. Critical to the success of this strategy is the support of the community and the development of new partnerships to create affordable housing.

To keep informed about our progress visit our website www.region.york.on.ca.

Affordable Ownership

The development industry in York Region has built 80,000 new units in the last 10 years. These units provide increasing choice in housing types and affordability. However, to purchase a basic townhouse or condominium in York Region requires an annual income of approximately \$40,000. Over one-third of our households can not afford to purchase a home without some assistance. A range of actions is required to provide more opportunities for home ownership.

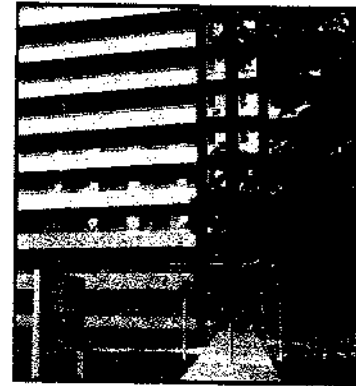
- Rigorously implement Regional Official Plan policies, in particular housing mix, compact communities and intensification of centres and corridors.
- Investigate a home ownership demonstration project with area municipalities and the development community.
- Promote inclusion of second suites in new homes to assist new homebuyers and to create new affordable rental units.
- Strongly discourage down zoning of sites in areas with medium and high density designations.



Rental Housing

The Region has an acute shortage of rental housing units. Only 587 rental units have been produced since 1995. The vacancy rate for rental units is 0.7%. Rental housing is often the first housing unit for most of us and provides appropriate housing for several stages of life.

- Enact a Municipal Capital Facility By-law to enable the Region to provide incentives to the private sector to help create affordable rental housing.
- Provide 200-500 new rental housing units through a private-public sector partnership pilot program.
- Encourage area municipalities to reduce fees and charges to support affordable rental housing.
- Promote alternative development standards to encourage affordable rental housing, (i.e. reduced parking standards.)
- Discourage the demolition or conversion of rental housing to condominiums.
- Continue the Region's phased program to reduce multi-



residential tax rates to be on par with property tax rates for single family dwellings.

- Work with area municipalities to encourage the creation of accessory apartments in all single detached dwellings subject to rigorous safety standards.

Non-Profit Housing

There are 7,200 units of non-profit and co-op housing in the Region, 6,098 of which are administered by the Region. Production of non-profit housing units has not kept pace with our rapidly diversifying population. The waiting list for non-profit housing is almost 5,000 people.

- Implement a Housing First policy to ensure that surplus regional funds are considered for non-profit housing.
- Provide 100 units per year of new non-profit housing through direct delivery by the Region's Non-Profit Housing Corporation.
- Work with non-profit housing providers to identify opportunities and resources to develop new non-profit housing.
- Waive Regional development charges for new non-profit housing development.
- Encourage area municipalities to waive development charges and fees for new non-profit housing development.
- Work with the landlord community to continue the integration of low income households into the



Community Education and Awareness Campaign

In the past York Region was primarily a series of bedroom communities made up of mostly single family residences. Today York Region is increasingly diverse in terms of family type, household income and age. Providing a range of housing choice for our labour force, young people and seniors is essential.

- Develop an education and awareness campaign to promote community understanding of the housing needs of York Region's residents and labour force.
- Create a Housing Fact Sheet to provide basic information about housing in York Region.
- Work with area municipalities to identify "Made-in-York" affordable housing success stories that demonstrate high quality design, community integration and intensification of centres and corridors.
- Work with employers to identify housing needs.

Partnerships

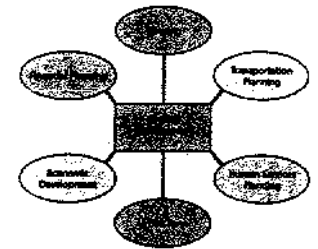
An effective housing strategy requires the involvement of all private sector, public sector and non-profit partners. The health of our communities and the strength of our economy depends on it.

- Establish a case management team to expedite the approval of affordable housing projects.
- Work with local municipalities to "fast track" affordable housing development in their communities.
- Develop and implement a partnership program to support the private sector in developing affordable rental housing.
- Create a best practices working group with area municipalities to share ideas, successes and challenges in developing affordable housing.
- Through a partnership with Human Resources Development Canada, study the housing needs of our labour force to ensure continued economic vitality in our communities.
- Local municipalities will be asked to become full partners by endorsing the Housing Supply Strategy.

Growth Management

Housing is a key component of the Region's growth management strategy. It is important to recognize the relationship between housing, economic vitality, transportation and quality of life. The Region will lead by ensuring that investments in housing, transit, human services support and enhance our planned urban structure.

- Co-ordinate planning for housing, transit, economic development and human services.
- Refine the Regional Official Plan to ensure that it reflects the policies and direction of the Housing Supply Strategy.
- Complete a study on financial incentives including Development Charges to encourage higher density residential development in Centres and Corridors



Federal/Provincial Role

Clearly the provision of affordable housing needs to be supported by more than just the municipal property tax base. The Federal and Provincial governments are beginning to play a larger role in the provision of housing through such programs as the proposed Federal Affordable Housing Program. The Region will call on senior levels of government to provide new support to increase affordable housing.

- Call on the Federal government to change tax policies that restrict or discourage investment in housing, change CMHC's restrictive mortgage insurance criteria, provide new funding for housing programs and commit to a sustainable National Housing Strategy.
- Call on the Provincial government to increase funding for rent subsidies for low income households, make legislative changes to prevent the loss of existing affordable housing and provide new funding for housing programs.

Monitoring Success

It is important to update Regional Council, the community and all those who participated in the development of this Housing Strategy on the progress that is made.

- The Region will produce an annual report on Housing, reporting on the initiatives that have been completed and those that require further work. It will also provide information about housing programs in the Region. Successes and challenges in reaching housing targets will be highlighted.
- The Region will develop and implement mechanisms to track public opinion and concerns with respect to the quality and quantity of housing options in the community.
- The Region will regularly re-examine the Housing Strategy, incorporating new and innovative ideas, partnerships and tools to provide a wide range of affordable housing options, as well as to better match housing to the labour force, transit and our urban structure.

