

Clause 4 in Report No. 11 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 28, 2018.

4**Draft Rental Housing Incentives Guideline and
Community Improvement Plan**

Committee of the Whole recommends:

1. Receipt of the presentation by Paul Freeman, Chief Planner.
2. Adoption of the following recommendations contained in the report dated June 8, 2018 from the Commissioner of Corporate Services and Chief Planner:
 1. Council endorse the Draft Rental Housing Incentives Guideline included as Attachment 1 and approve staff consultation with local municipal, agency, industry and other stakeholders prior to reporting back to Council with a final version.
 2. Staff be authorized to initiate preparation of a Community Improvement Plan required to implement the tax increment equivalent grants proposed in the Draft Rental Housing Incentives Guideline.
 3. The Regional Chair write to the Ministers of Finance, Housing and Municipal Affairs to request assistance to fund York Region rental housing incentives, including allocating funds from the Non-Resident Speculation Tax collected in York Region.
 4. The Regional Clerk circulate this report to local municipal Planning Commissioners and Directors.

Report dated June 8, 2018 from the Commissioner of Corporate Services and Chief Planner now follows:

Draft Rental Housing Incentives Guideline and Community Improvement Plan

1. Recommendations

It is recommended that:

1. Council endorse the Draft Rental Housing Incentives Guideline included as Attachment 1 and approve staff consultation with local municipal, agency, industry and other stakeholders prior to reporting back to Council with a final version.
2. Staff be authorized to initiate preparation of a Community Improvement Plan required to implement the tax increment equivalent grants proposed in the Draft Rental Housing Incentives Guideline.
3. The Regional Chair write to the Ministers of Finance, Housing and Municipal Affairs to request assistance to fund York Region rental housing incentives, including allocating funds from the Non-Resident Speculation Tax collected in York Region.
4. The Regional Clerk circulate this report to local municipal Planning Commissioners and Directors.

2. Purpose

This report summarizes the Draft Rental Housing Incentives Guideline (Guideline) to be circulated for review and comment prior to finalization. The Guideline responds to previous Council direction to address private purpose built rental housing supply and affordability pressures in York Region.

3. Background and Previous Council Direction

Private purpose built rental housing is a key component of the housing market

Complete communities include rental options that meet the needs of residents of all ages, stages and abilities. Rental options are the most viable option for many mid-range income households. Without sufficient rental supply, businesses may struggle to attract employees while senior and young adults leave communities in search of housing that meets their needs.

Draft Rental Housing Incentives Guideline and Community Improvement Plan

Council has a long history of identifying and addressing housing need with an increased focus on private purpose built rental

The 1994 Regional Official Plan, 2002 [Housing Supply Strategy](#) and [October 2004 Housing and Our Economy](#) study identified a need for a full mix and range of housing options to support the Region's population and economic viability.

In 2010 Council adopted the Region's updated [Official Plan](#) which provides more detailed direction to achieve a full mix and range of housing options, particularly rental options. 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.

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, in [November 2013](#) Council supported the development of a 225 unit private market rental development through the provision of a 36 month development charge (DC) deferral on a pilot basis. In [May 2017](#) Regional Council approved a permanent [policy](#) for 36 month Regional DC deferrals for purpose built rental buildings of four stories or greater.

The updated [Growth Plan](#) provides more specific direction on the preparation of a Housing Strategy, including targets and implementation mechanisms for both affordable ownership housing and rental housing. The Guideline forms a component of this work and the current Municipal Comprehensive Review.

Over time Council has increased focus on the need to stimulate development of private purpose built rental housing as one of several initiatives required to help address significant housing challenges.

The York Region/Local Municipal Housing Working Group determined the need to support the development of new private purpose built rental housing

In [November 2016](#), Council supported the formation of a York Region/Local Municipal Housing Working Group (Working Group) and staff were directed to report back on the necessity and/or extent of housing incentives. The Working Group consists of local municipal planning staff as well as Regional Planning and Economic Development, Community and Health Services and Finance staff.

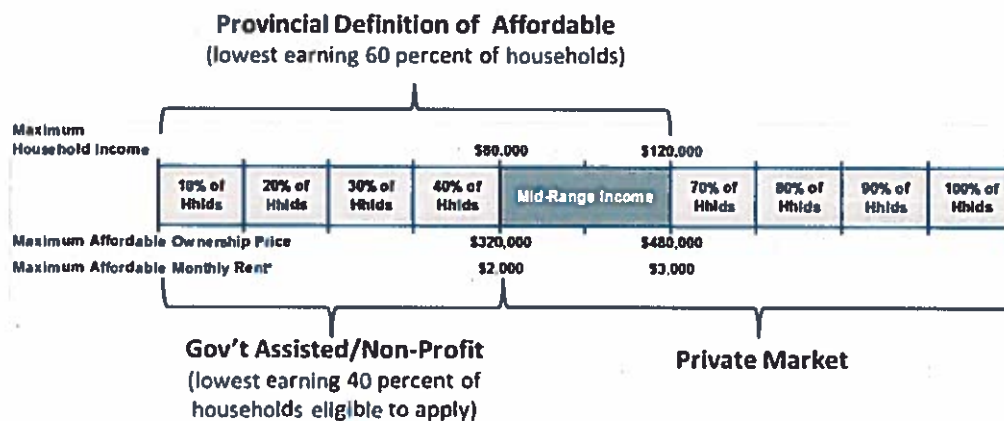
The Working Group evaluated the entire housing system (ownership and rental), and concluded that financial incentives should focus on increasing the private purpose built rental supply affordable to mid-range income households.

Draft Rental Housing Incentives Guideline and Community Improvement Plan

Mid-range income households range from the fourth to sixth decile of the household income distribution

The Guideline has been developed to address housing supply gaps for mid-range income households. The mid-range income group are those households that fall between the fourth and sixth deciles of the income distribution (Figure 1). The Provincial definition of affordable requires affordable housing options for these households which do not qualify to apply for government assisted/non-profit housing supports. They are meant to be housed by the private market. However, the private market is not delivering a product that is affordable for this income range and many of these households are struggling to make ends meet.

Figure 1
Mid-Range Income Households, 2017



* Based on 30 per cent of income spent on housing

The Guidelines are based on Council endorsed Principles and average rents must be affordable to mid-range income households

Based on the research and findings of the Working Group, in [February 2018](#) Council endorsed Principles to develop the Guideline. In addition to the Council endorsed Principles, the Guideline incorporates criteria that, on average, rents may 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

Draft Rental Housing Incentives Guideline and Community Improvement Plan

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, 2017

	Bach	1-Bdrm	2-Bdrm	3+ Bdrm	Total
Average Market Rent of Private Purpose Built Apartments*	\$892	\$1,170	\$1,346	\$1,526	\$1,279
175% Average Market Rent	\$1,561	\$2,048	\$2,356	\$2,671	\$2,238
Maximum Affordable Rent for Mid-Range Households (4 th Decile)	\$2,000	\$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	\$2,500
Maximum Affordable Rent for Mid-Range Households (6 th Decile)	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

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

*Source: CMHC Rental Market Report, Greater Toronto Area, 2017 Table 1.1.2, "Private Apartment Average Rents" (does not include secondary or government assisted/non-profit units)

4. Analysis and Implications

Staff analyzed potential Regional housing incentives and propose two new incentives as reflected in the Guideline

Based on an analysis of potential financial incentives for feasibility and effectiveness by the Working Group, the following new Regional incentives are proposed:

1. Tax Increment Equivalent Grants for the Regional portion of property taxes for up to 5 years
2. 48 month deferrals for Regional [development application fees](#).

A tax increment equivalent grant (TIEG) is an annual grant equal to all or a portion of the property tax increase (increment) following the completion of a project that has resulted in an increase in the assessed value of the property. The Guideline incorporates a five year TIEG with a grant for 80 per cent of the tax increment in year one, reduced by 20 per cent a year to full taxes paid in year five.

Draft Rental Housing Incentives Guideline and Community Improvement Plan

Based on preliminary estimates, staff calculated that the cost of providing a 5-year TIEG is approximately \$1,750 per unit. Due to limited data on current purpose built rental projects, the TIEG analysis has been applied to the rental development at 212 Davis Drive in Newmarket as a hypothetical example.

Staff estimate that the cost of the 48 month deferral for Regional development application fee's is nominal (approximately \$50 per unit for lost interest). The deferral has been incorporated into the Guideline in order to signal that the Region is addressing rental housing need through the use of all financial incentives available. Staff will continue to consult on the merits of including this incentive.

In addition to Regional incentives, the Guideline identifies incentives that are available to local municipalities but not to York Region. The Guideline does not prescribe which incentives local municipalities should offer. Rather, a principle that local municipalities offer similar or better incentives is embedded.

The 36 month Regional development charge deferral is an existing incentive to help facilitate the development of purpose built rental buildings

In addition to the two new incentives proposed in the Guideline, [the existing 36 month Region development charge deferral](#) continues to be an incentive available to purpose built rental buildings. Developers are not required to meet any new criterion to access the development charge deferral.

Provincial Non-Resident Speculation Tax revenue should be directed to this Program

In April 2017 the Province released the [Fair Housing Plan](#), a package of measures to help more people find affordable homes, increase supply, protect buyers and renters and bring stability to the real estate market. One of the measures introduced through the Fair Housing Plan is the 15 per cent [Non-Resident Speculation Tax](#) (NRST), which is applied to all municipalities in the Greater Golden Horseshoe.

The Ministry of Finance reported on the taxes collected during the six month period from [April to November 2017](#) and the three month period from [November 2017 to February 2018](#). Based on these reports, approximately \$173 million was collected, almost \$53 million (or 31 per cent) of which was collected from York Region property transactions. Staff recommend that the Regional Chair request the Province to provide a share of the NRST to support implementation of rental housing initiatives which would help realize the objectives of the Fair Housing Plan.

Draft Rental Housing Incentives Guideline and Community Improvement Plan

A Community Improvement Plan is necessary to implement the proposed Tax Increment Equivalent Grants

In order for a municipality to offer grants, a legal mechanism is required by the *Municipal Act*. As such a Community Improvement Plan (CIP) for the purposes of implementing the TIEGs is recommended. Staff are seeking authorization to initiate the multi-step process to develop a CIP which will include subsequent reports to Council that:

1. Recommend a CIP project area and approach
2. Seek final adoption of the CIP including funding requirements

Authorization to initiate the CIP process will allow staff to conduct background research and analysis and to engage in preliminary consultation with stakeholders. This process may be combined with the current Municipal Comprehensive Review. The Guideline recommends that a CIP be in place for five years.

5. Financial Considerations

The work completed by staff and the York Region/Local Municipal Housing Working Group towards developing a Rental Housing Incentives Guideline has been completed within the existing Regional staff complement, and within the approved business plan and budget.

Preliminary estimates yield that the cost of the planning application fee deferral and five-year TIEGs is approximately \$1,800 per unit. The Final Guideline will include proposed annual targets and a budget based on the Provincial response to the funding request and further analysis.

6. Local Municipal Impact

Local municipalities are key partners in addressing mid-range income affordable housing needs through the private market. Input received through the York Region/Local Municipal Housing Working Group has been instrumental in gaining a better understanding of local housing markets and challenges. For the Guideline to be successful, local municipal participation will be required.

Draft Rental Housing Incentives Guideline and Community Improvement Plan

7. Conclusion

A key component of mid-range income affordable housing options is a healthy rental supply that incorporates a full mix and range of private purpose built options. Council direction to sustain and grow the private purpose built rental supply has been articulated through a number of guiding policy documents including the Regional Official Plan and the York Region 10-Year Housing Plan.

In order to help stimulate the development of private purpose built rental housing, staff are recommending that the attached Draft Rental Housing Incentives Guideline be endorsed for circulation and consultation prior to finalization. Authorization to initiate a CIP is recommended in order to implement the proposed TIEGs.

For more information on this report, please contact Sandra Malcic, Manager Policy and the Environment at 1-877-464-9675 ext. 75274.

The Senior Management Group has reviewed this report.

June 8, 2018

Attachment (1)

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Accessible formats or communication supports are available upon request

York Region Rental Housing Incentives Guideline, 2018

1.0 Background

1.1 Housing is a cornerstone of Complete Communities

Complete communities include a variety of housing options that meet the needs of residents of all ages, stages and abilities. A variety of housing options includes a mix and range of both ownership and rental housing that is affordable, suitably sized and in good condition. A diverse mix and range of housing options, including affordable options, is a major contributor to the quality of life of residents and workers, the economy, individual and community health and well-being.

1.2 There are Gaps in York Region's Housing Supply

Since York Region was incorporated in 1971, it has changed from a largely homogeneous series of bedroom communities to a more diverse and integrated Region embarking on a number of city building initiatives. York Region forecasts to 2041 indicate that continued strong population, job and household growth are anticipated. Much of this growth will be concentrated in the Region's Centres and Corridors, further establishing a more mature and interconnected urban structure. While this diversification of the housing stock is a positive contributor to increasing the mix and range of housing options, there remains a number of gaps in the York Region housing supply, including:

Not Enough Rental Housing	Households Spend Too Much on Housing	Affordability is not Equally Distributed	Unit Sizes are not Equally Distributed
At 14%, York Region has the lowest supply of rental housing in the Greater Toronto and Hamilton Area	With 28% owners and 52% of renters spending more than 30 per cent of income on housing costs, York Region has the highest proportion of households of both tenures spending too much on housing costs	Affordability is not equally distributed within and among local municipalities in York Region, leading to pockets of affordability rather than the equal distribution in complete communities	Over 95% of ground related units have 3 bedrooms or more and over half of high density units have 1 bedroom or less leading to larger units in peripheral developments and smaller units in core developments

*Based on 2016 data

1.3 Private purpose built rental housing is a key component of the housing market

Insufficient rental housing contributes to negative effects on the social and economic wellbeing of a community. Without sufficient rental supply, businesses may struggle to attract employees while senior and young adults leave communities in search of housing that meets their needs.

Over the past few decades, growth in the York Region private rental market has been almost entirely reliant on individuals buying ownership units and renting them out, which is referred to as the secondary rental market. While this is an important segment of the overall rental market, there are a number of unhealthy side effects to an over reliance on it. Tenancy is less stable in the secondary

market due to the landlord's own-use provisions that permit easier evictions. Small scale landlords may be less aware of responsibilities and obligations to tenants than professional property managers. The secondary market for rental supply has contributed to property speculation contributing to increases in home-ownership prices.

Like the secondary market, government assisted/non-profit rental housing is also an important segment of the overall rental market. Similar to the secondary market, government assisted/non-profit housing cannot be relied on to meet all rental needs. There are income and asset eligibility criteria that exclude a number of households in need of rental housing from accessing this segment of the market which provides greater depths of affordability and requires greater levels of investment to achieve. The private purpose built rental market targets households with more moderate incomes. Purpose-built rental developments are not being pursued with current incentives available (see section 2.2). Additional incentives are required to stimulate private purpose-built rental that is affordable to mid-range income households, but the amount of investment required is less than for those in the government assisted/non-profit market.

1.4 York Region/Local Municipal Housing Working Group

In November 2016 Regional Council received a [report](#) on the formation of a York Region/Local Municipal Housing Working Group (Working Group) to explore options to address housing supply and affordability issues. Council recommended "staff report back to Council on the outcome of discussions held at the York Region/local municipal housing working group on the necessity and/or extent of a housing incentives Framework."

The Working Group has determined financial incentives for ownership housing are not necessary, and this Guideline should only apply to purpose-built rental developments. This Housing Incentives Guideline addresses the use of incentives to increase the supply of private purpose built rental housing which may be the most viable housing option for mid-range income households.

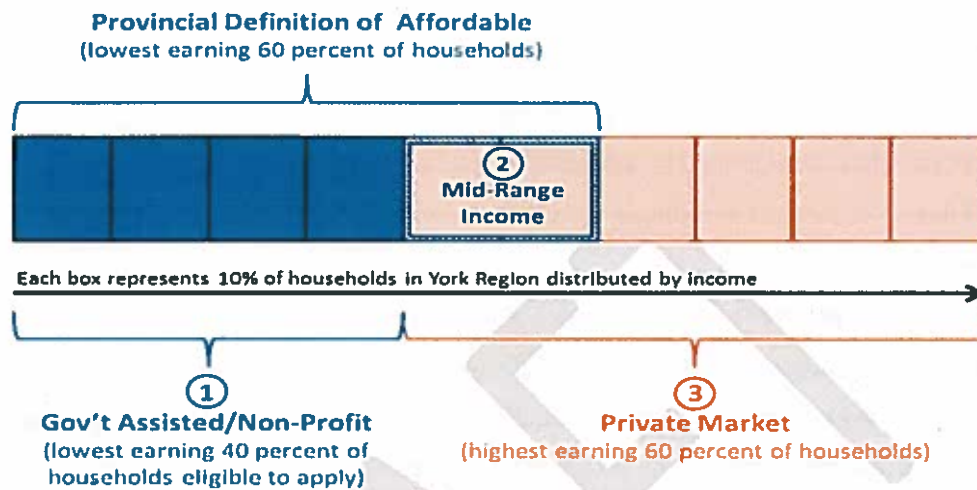


YORK REGION
Local Municipal
Housing
Working GROUP

1.5 Focus on mid-range income

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

Figure 1 Housing Market Segments



1. The Government Assisted/Non-Profit 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 per cent of households. From an income perspective, these households are eligible to apply for non-profit/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 York Region/Local Municipal Housing Working Group and this Housing Incentives Guideline focus on the Mid-Range Income segment of the income distribution and housing market.

1.6 Guideline Principles

Based on the findings of the Working Group, Council received an [update report](#) in February 2018 whereby the principles to develop an incentives guideline to support purpose built rental units for mid-range income housing needs were endorsed. This York Region Rental Housing Incentive Guideline, 2018 (the Guideline) is based on these principles:

- a. Apply to purpose built rental tenure only
- b. Priority given to high-rise and mid-rise developments
- c. Priority given to development in regional and local centres and corridors
- d. York Region incentives be contingent on the local municipality offering similar or better incentives
- e. Proponents be required to share pro forma work with staff
- f. Projects with support from senior levels of government be prioritized
- g. Restrictive covenant registered on title requiring that the property be developed and operated as a rental apartment complex for no less than 20 years
- h. Incentives offered may be tied to the duration the project will remain rental, duration of affordability and/or depth of affordability provided

2.0 York Region Rental Housing Incentive Guideline

2.1 Purpose of the Guideline

This Housing Incentives Guideline has been developed to address housing supply gaps for mid-range income households, many of which are spending more than 30 per cent of income on housing costs. Many of these households are over extending their budgets to pay for housing and/or are having issues finding adequate housing that meets their needs. The Working Group has determined that financial incentives for ownership housing are not needed through this Guideline. As such, the Guideline focuses on increasing the supply of private purpose built rental units that are affordable to the mid-range income group as a viable and reasonable housing option.

2.2 The existing 36 month Region development charge deferral is an existing incentive to build purpose built rental housing

In addition to two new incentives proposed in the Guideline, the existing 36 month Region development charge deferral program is acknowledged as an existing incentive to build purpose built rental housing. No new criteria is applied to access the development charge deferral. Developments that meet the criteria of the [development charge deferral for purpose built high density rental buildings policy](#)¹ approved by Council on May 25, 2017 may continue to access the program.

¹ "High density" refers to developments with a minimum of four (4) stories.

2.3 New Regional Incentives

Based on an analysis of potential Regional financial incentives for feasibility and effectiveness as well as stakeholder consultation, the following new incentives are included in the Guideline:

1. A 48 month deferral for development application fees, applicable from the date the building permit is issued.¹
2. A Tax Increment Equivalent Grant for the Regional portion of property taxes.²

A tax increment equivalent grant (TIEG) is an annual grant equal to all or a portion of the property tax increase (increment) following the completion of a project that has resulted in an increase in the assessed value of the property. The Guideline incorporates a five year TIEG with a grant for 80 per cent of the tax increment in year one, reduced by 20 per cent a year to full taxes paid in year five.

2.4 Requirements to Access the Guideline

In accordance with the established principles, in order to be eligible to apply for the development application fee deferral or tax increment equivalent grant, a development should:

1. Be affordable to the mid-range income group (maximum 175% of average market rent).³
2. Be developed, marketed and maintained as a rental property for a minimum of 20 years.⁴
3. Have Local Municipal support including similar or better incentives.
4. Include open pro forma work shared with Regional staff.
5. Demonstrate that attempts have been made to access senior government incentives.

In order for staff to evaluate a development, proponents will be required to provide Submission Details as outlined in Attachment 1.

2.5 Evaluation and Allocation of Funds

Eligible developments will be further assessed using the evaluation factors in Attachment 2. Potential incentives based on the evaluation will be brought forward in accordance with the procedure outlined in Section 3.

¹ Applies to Regional fees related to plans of subdivision, plans of condominium and site plans. Only initial application fees are considered for deferral (Revisions and Resubmission fees do not qualify). The maximum duration of this deferral from the time application fees are due (at submission) is 54 months.

² Tax Increment Equivalent Grants will generally be over a five year period with an 80% grant in year 1 down to a 20% grant in year 4 and full taxes in year 5.

³ Starting rents should not exceed 175% of average market rent by bedroom type on average. Individual units may exceed the identified rents as long as the average rents of all units of the same bedroom type do not exceed the maximum rents identified.

⁴ The development may be registered as a condominium, but it must be operated as a rental property for a period of not less than twenty (20) years.

2.6 Local Municipal Incentives

A principle of this Guideline is that local municipalities offer similar or better incentives. Incentives to be offered by the local municipality are not prescribed. Potential incentives that could be offered by local municipalities include:

- Development Charge Fees (deferrals, reductions or grants)
- Development Application Fees (deferrals, reductions or grants)
- Building Permit Fees (deferrals and waivers)
- Parkland Fee's (deferrals, reductions or waivers)
- Parking reductions
- Height and Density (Section 37, Planning Act)
- Service allocation

3.0 Implementation Details

3.1 Process

In order for a project to be considered for incentives, the following process will be followed:

1. Proponent initiates pre-application consultation with Local Municipal staff
 - a. Pre-application only refers to development applications (subdivision, site plan, condominium)
 - b. Proponent interest in accessing incentives established
 - c. Local Municipal support and interest in providing incentives established in principle at the staff level
2. Local Municipal staff contacts Region to express interest in accessing incentives
 - a. Local Municipal staff provides Submission Details and associated pro forma work (Attachment 1 – Populated by Proponent)
3. Regional staff confirm eligibility for incentives (including confirmation of local municipal support in principle)
4. Proposal evaluated by Regional staff based on proponent Submission
 - a. As outlined in Attachment 2
5. Eligibility evaluation vetted by York Region staff level review panel
6. Opportunity and recommendations presented to Regional Housing Steering Committee
 - a. Committee provides direction to staff regarding Council recommendations (support as is, re-negotiate with proponent, do not support)
7. Staff provide Regional Council staff report based on Housing Steering Committee recommendations
8. Regional staff draft Agreement(s) to enter into with proponent based on Regional Council recommendations

4.0 Monitoring, Reporting and Continuous Improvement

These guidelines are intended to be in place for five years following adoption of the enabling Community Improvement Plan. Staff will monitor the outcomes of the incentives program on an ongoing basis. Factors such as number and location of units facilitated by the incentives, cost of delivering and status of the developments will be captured. This information will be reported to Council as an attachment to the annual Housing Plan progress reports.

The Guideline is viewed as a first component of a broader Housing Strategy required by the Provincial Growth Plan. Staff will continue to explore additional opportunities to facilitate the development of rental product and address affordability of both ownership and rental units. Future opportunities may include leveraging surplus land assets, the provision of a development shepherd to expedite planning approvals and the implementation of inclusionary zoning. Additional policy approaches will be considered through development of the Housing Strategy through the Municipal Comprehensive Review, updates to the Regional Official Plan, Housing Matters, the Housing Plan and the Affordable Housing Measuring and Monitoring Guidelines.

Attachment 1 – Submission Details

1. Site Address:

2. Proponent Name and Contact Information:

3. Local Municipal Planner Name and Contact Information:

4. Development Description (site size, number of stories, number of units):

5. Has the pro forma work associated with the development application been shared with York Region staff or included with this submission?

☐ Yes

☐ No

6. Does your application require an Official Plan amendment to change the designation?

☐ Yes

☐ No

7. Does your application require a Zoning By-law Amendment to change the zoning?

☐ Yes

☐ No

8. Other planning applications required (site plan, subdivision, condominium, minor variance, consent)

9. Units proposed and average rents per bedroom type:

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom +
Number of Units				
Average Rent				

10. Do you intend to incorporate any affordable units into the project? Please provide parameters below.

	Bachelor	1-Bedroom	2-Bedroom	3-Bedroom +
100-125% Average Market Rent				
80-100% Average Market Rent				
80% or less of Average Market Rent				

11. Minimum length of time affordability will be maintained:

12. Minimum length of time building will remain rental:

13. Description of senior level of government funding applied for and any results:

14. Description of Local Municipal support for project:

Attachment 2 – Evaluation Factors

The following evaluation factors will be used to assess projects that have been deemed eligible to apply for incentives through the Guidelines. Priority and incentives will be given to projects that align with the Regions objectives as articulated through the following factors:

1. Duration of rental tenure (minimum 20 years)
2. Built Form (greater than 4 stories)
3. Location (alignment with urban structure and transportation investments)
4. Local Municipal contribution (meets or exceeds request for Regional contribution)
5. Incorporation of affordable units
6. Depth of affordability
7. Duration of affordability
8. Planning status (is designation and zoning in place)
9. Presence of family sized units (percent of units with 3 bedrooms or more)
10. Other Regional Objectives (sustainable building, incorporation of mixed use, distance to transit stop, partnerships with non-profit organizations)

Draft Rental Housing Incentives Guideline and Community Improvement Plan

PRESENTATION TO COMMITTEE OF THE WHOLE

June 21, 2018

Paul Freeman, Chief Planner

paul.freeman@york.ca

ext. 71534



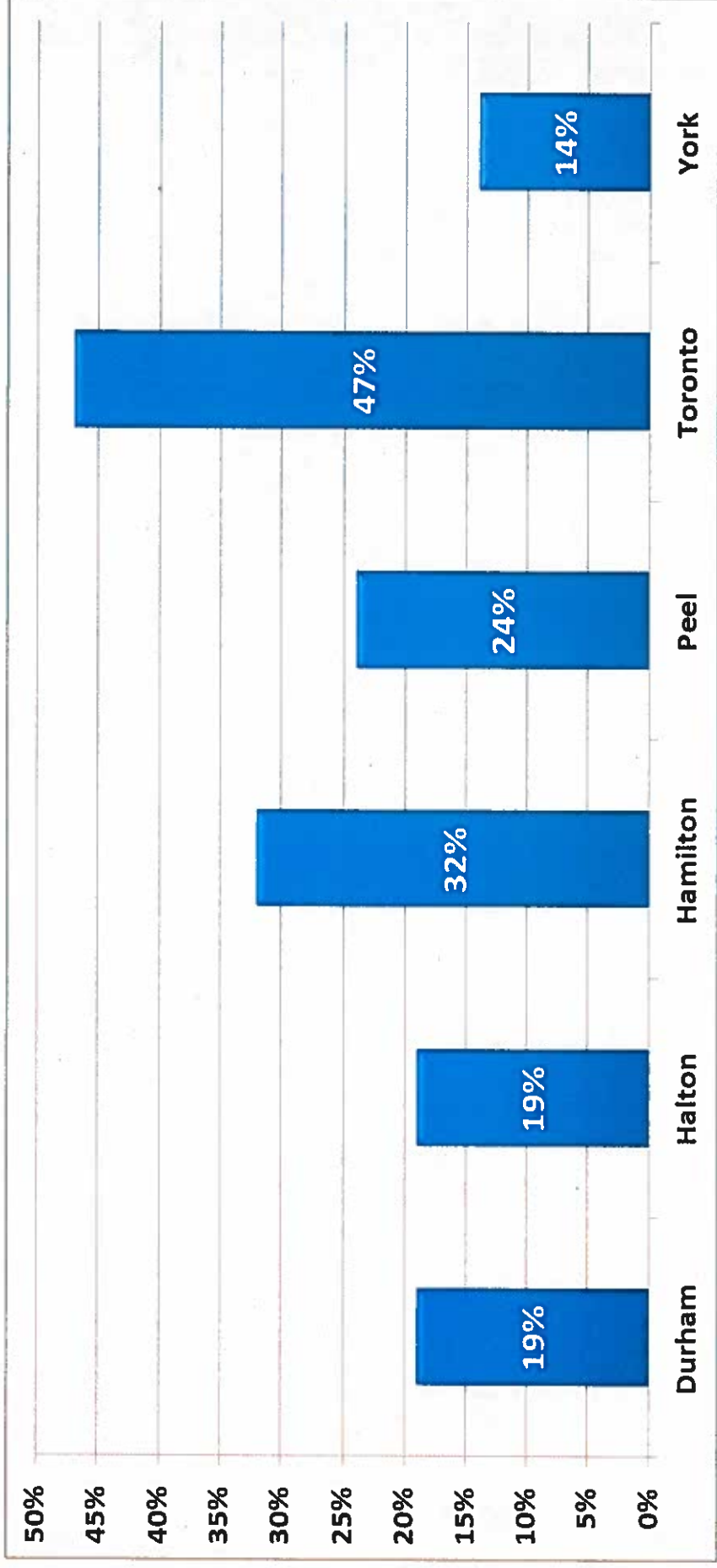
OUTLINE

1. York Region Housing Challenge
2. Draft Rental Housing Incentive Guideline
3. Community Improvement Plan and Recommendations

THE CHALLENGE

GTHA RENTAL SUPPLY, 2016

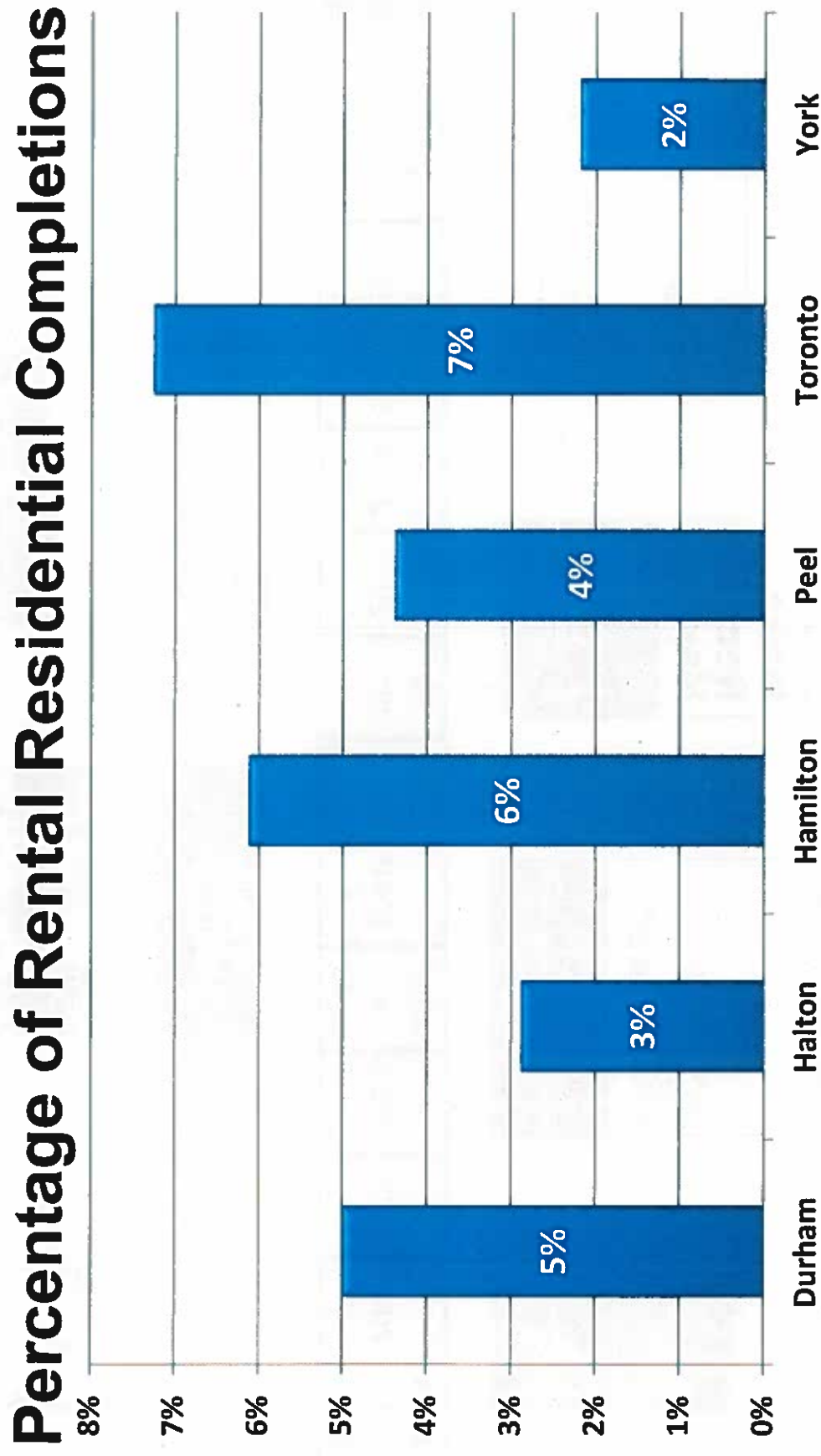
Percentage of Housing Stock that is Rental



Source: Statistics Canada 2016 Census of Population

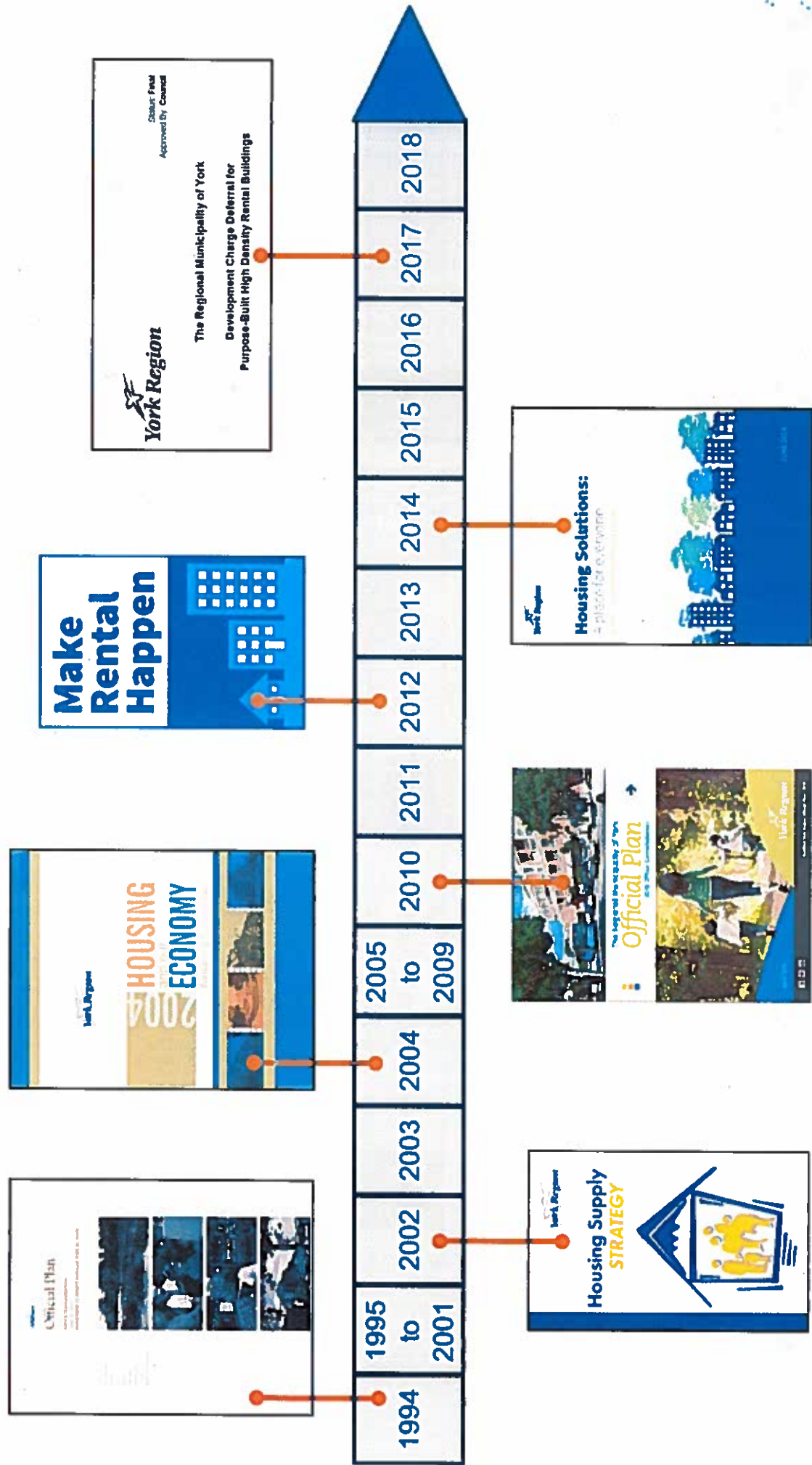
York Region has lowest proportion of rental housing stock in GTHA

GTHA RENTAL SUPPLY GROWTH, 2008-2017



York Region has the lowest growth in purpose built rental stock in the GTHA

HOUSING POLICIES AND PROGRAMS



DRAFT RENTAL HOUSING INCENTIVES GUIDELINE

AFFORDABLE HOUSING SOLUTIONS

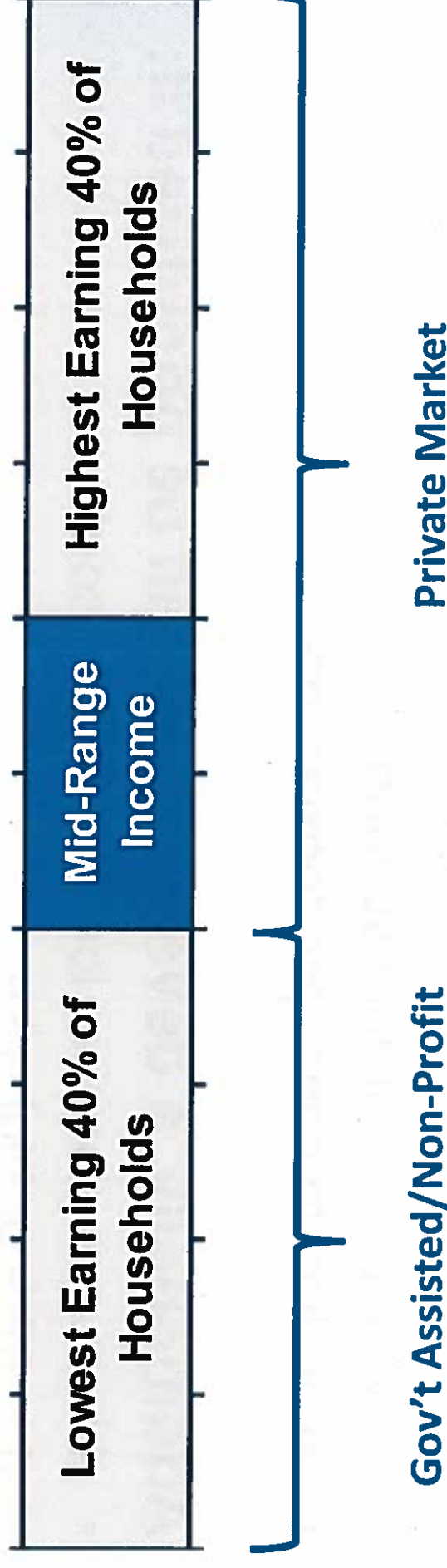
Council Support for Housing Incentives

- Working Group Formation: Nov. 2016
- Endorsement of Guideline Principles: Feb. 2018
- Draft Rental Housing Incentives Guideline: Jun. 2018



TARGET HOUSEHOLDS

Provincial Definition of Affordable



Mid-Range Income Households are included in Provincial definition of "affordable" but do not qualify to apply for housing supports. They are meant to be housed by the private market.

RENTAL HOUSING INCENTIVES: PRINCIPLES

In order to qualify to access the Guideline, a development must:

- Be rental tenure (minimum 20 years)
- Have local municipal support
- Be willing to share pro forma work

Additionally, a development will be prioritized if:

- It is in a regional or local centre or corridor
- It is mid- or high-rise
- It has received support from senior levels of government
- It achieves additional housing related goals (greater duration of rental tenure, duration and/or depth of affordability)

RENTAL HOUSING INCENTIVES

Regional Incentives Considered

- Development Charge deferral, reduction, exemption
- Planning Fee deferral, reduction, exemption
- Tax Increment Equivalent Grant

RENTAL HOUSING INCENTIVES

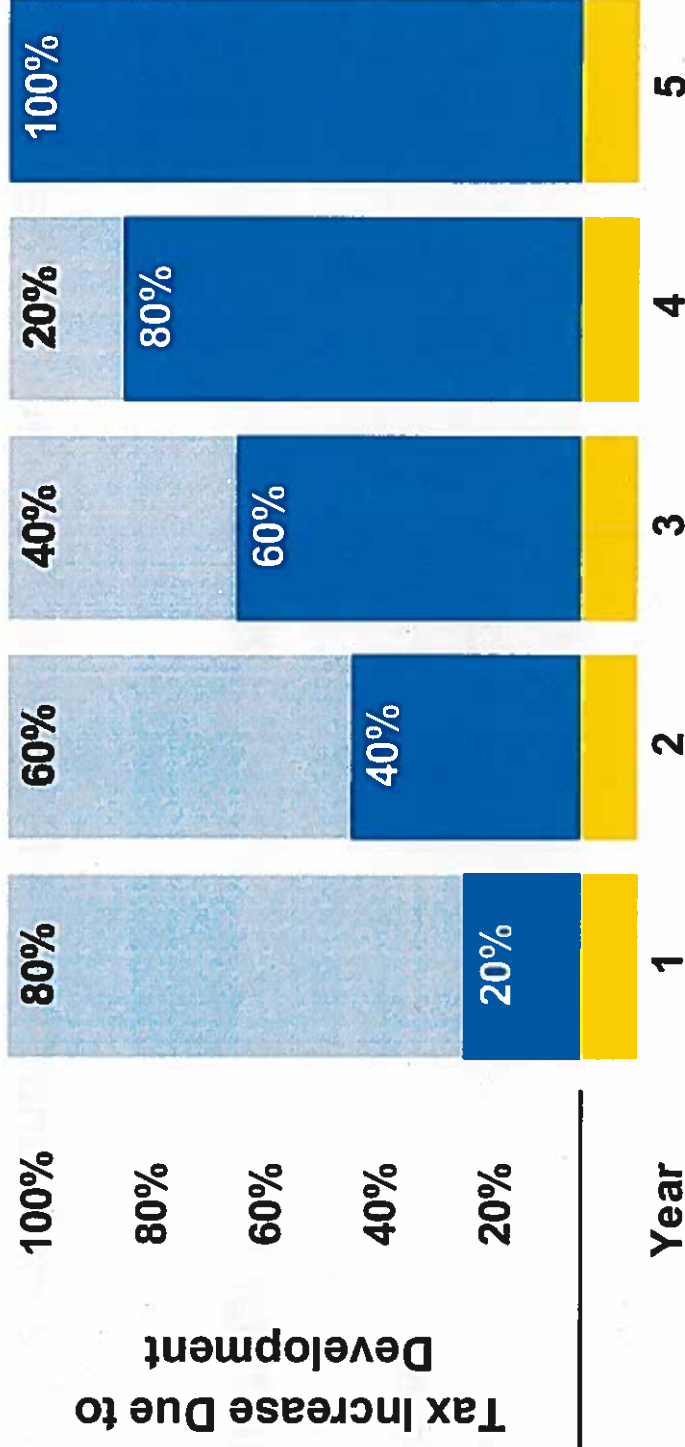
Regional Incentives Recommended

- Development Charge deferral (Existing Policy – 36 month)
- Planning Fee deferral (48 month)
- Tax Increment Equivalent Grant

Additional Potential Local Municipal Incentives (not prescribed)

- Building permit fee deferral, reduction, exemption
- Parking requirement reductions
- Parkland reductions
- Additional height and density for affordable units

TAX INCREMENT EQUIVALENT GRANT



% GRANT Portion of tax increase granted by municipality

% PAID Portion of tax increase paid by owner

Original assessment - prior to development

NON-RESIDENT SPECULATION TAX

	NRST Collected April 2017 to Feb. 2018 (\$ millions)	Percent of Total NRST Collected
Other GGH Regions	13.6	7.8%
Durham	1.8	1.0%
Halton	9.2	5.3%
Peel	12.9	7.4%
Toronto	82.8	47.8%
York	53.0	30.6%
GGH Total	173.3	100%

Staff recommend that the Regional Chair request the Province provide a share of the NRST to support rental housing initiatives to help realize the of Fair Housing Plan.

COMMUNITY IMPROVEMENT PLAN

COMMUNITY IMPROVEMENT PLAN (CIP)

A legal mechanism is required by the *Municipal Act* for municipalities to offer grants.

Staff are seeking authorization to initiate the process to develop a Regional CIP which will include subsequent reports to Council that:

1. Recommend a CIP project area and approach
2. Seek final adoption of the CIP including funding requirements



NEXT STEPS

1. Circulate and consult on Draft Guideline
2. Initiate preparation of Community Improvement Plan
3. Finalize Guideline and Community Improvement Plan parameters for Council consideration in 2019
4. Continue to work in partnership on implementation with local municipal staff

SUMMARY OF RECOMMENDATIONS

1. Endorse Draft Rental Housing Incentives Guideline for consultation prior to reporting back to Council with a final version
2. Initiate preparation of a Community Improvement Plan
3. Regional Chair to write to the Province requesting assistance to fund York Region rental housing incentives from Non-Resident Speculation Tax revenues
4. Regional Clerk circulate to local municipal Planning Commissioners/Directors

THANK YOU

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