
From: McPhail, Roxanne <Roxanne.McPhail@york.ca> **On Behalf Of** Regional Clerk
Sent: Thursday, December 2, 2021 12:38 PM
Subject: Regional Council Decision - Establishing a Community Housing Development Master Plan

On November 25, 2021 Regional Council made the following decision:

1. The Commissioner of Community and Health Services be directed to develop a 40-year Community Housing Development Master Plan based on the following principles:
 - Putting residents first
 - Appropriate development on available land
 - Readiness for funding opportunities
 - Empower Community Housing providers with support
 - Target an aggressive rate of growth for Community Housing
2. The Regional Clerk forward this report to the Clerks of the local municipalities, the Ministry of Municipal Affairs and Housing, and Canada Mortgage and Housing Corporation.

The original staff report is attached for your information.

Please contact Josh Scholten, Director, Housing Development and Asset Strategy at 1-877-464-9675 ext. 72004 if you have any questions with respect to this matter.

Regards,

Christopher Raynor | Regional Clerk, Regional Clerk's Office, Corporate Services

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Our Mission: **Working together to serve our thriving communities – today and tomorrow**

The Regional Municipality of York

Committee of the Whole
Community and Health Services
November 11, 2021

Report of the Commissioner of Community and Health Services

Establishing a Community Housing Development Master Plan

1. Recommendations

1. The Commissioner of Community and Health Services be directed to develop a 40-year Community Housing Development Master Plan based on the following principles:
 - Putting residents first
 - Appropriate development on available land
 - Readiness for funding opportunities
 - Empower Community Housing providers with support
 - Target an aggressive rate of growth for Community Housing
2. The Regional Clerk forward this report to the Clerks of the local municipalities, the Ministry of Municipal Affairs and Housing, and Canada Mortgage and Housing Corporation.

2. Summary

This report recommends principles to guide development of the Region's first Community Housing Development Master Plan. This long-term plan is intended to help increase the supply of Community Housing in the Region. Community Housing provides subsidized and affordable rental housing for households living with low and moderate incomes, owned and operated by non-profit and co-operative housing providers, as well as Housing York Inc. (HYI). Community Housing often includes market rental units to support overall development from a community and financial perspective.

This report also provides an update on the provision of municipal land to support the acceleration of Community Housing in York Region. This update is in response to two motions by Council in February 2021. [Motion I.2](#) requested all lower tier municipalities amend their parkland dedication bylaw to exempt HYI from being required to pay parkland fees.

[Motion I.3](#) asked all local municipalities to pass a resolution to support, in principle, provision of two acres of land over the next five years dedicated to support affordable housing.

Key Points:

- York Region is facing a Housing Affordability Crisis, as declared by Council in [February 2021](#)
- An increased Community Housing rental supply will enhance overall housing stability and help to provide strong, caring and safe communities
- A Portfolio Management Plan was approved by the HYI Board that provides guidance and direction toward future affordable housing development on existing HYI properties
- The Community Housing Development Master Plan will build upon the HYI Portfolio Management Plan by including development sites to be provided by local municipalities, as well as financial support for Community Housing provider development
- The plan will accelerate and increase the number of Community Housing units over 40 years by supporting development of new Community Housing including expansion of the HYI portfolio
- The plan will span from 2022 to 2061 and will identify the total number of Community Housing units, preliminary location of projects by municipality, targeted start and completion years, estimated costs, and potential funding sources. The plan will also consider the future partners including HYI and other Community Housing providers, as well as support advocacy for federal and provincial funding
- Increased and predictable investment will be required by the federal and provincial governments to increase the supply of Community Housing
- The Community Housing Development Master Plan will be presented to Council in spring 2022 for approval

3. Background

It is well established that there is a lack of affordable housing opportunities in York Region

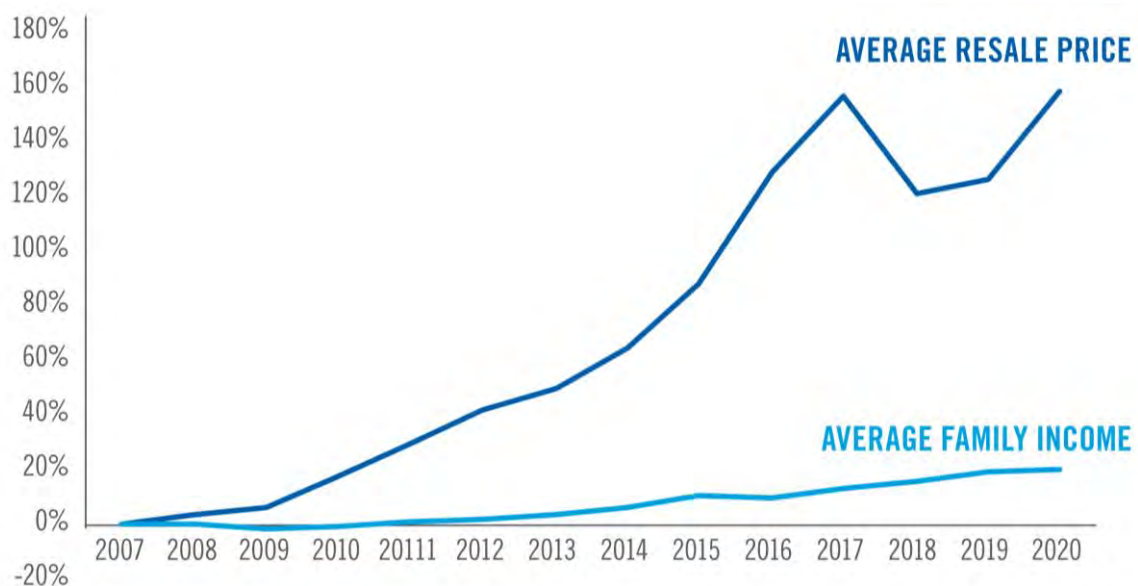
There are three dominate segments to the housing market:

1. Community Housing
2. Private Market Rental Housing
3. Private Market Ownership Housing

Through the Region's 10-year housing and homeless plan, [Housing Solutions: A place for everyone](#), indicators for each of these segments are monitored annually. The indicators show that the cost of ownership housing is out of reach for many households, that private market rental costs continue to increase and that the demand for Community Housing continues to rise.

The most recent affordable housing monitoring exercise was provided to Council in [June 2021](#) and identified that only 8% of new housing in 2020 was affordable (all market segments). One of the reasons for declining affordability is that house price increases have outpaced increases in incomes. Between 2007 and 2020 the average price for a resale home in York Region increased by 155% whereas average family income rose by just under 20%, with most of the increase in incomes concentrated in higher income households (Figure 1).

Figure 1
York Region Average Family Income Compared to Average Resale Prices, 2007 to 2020

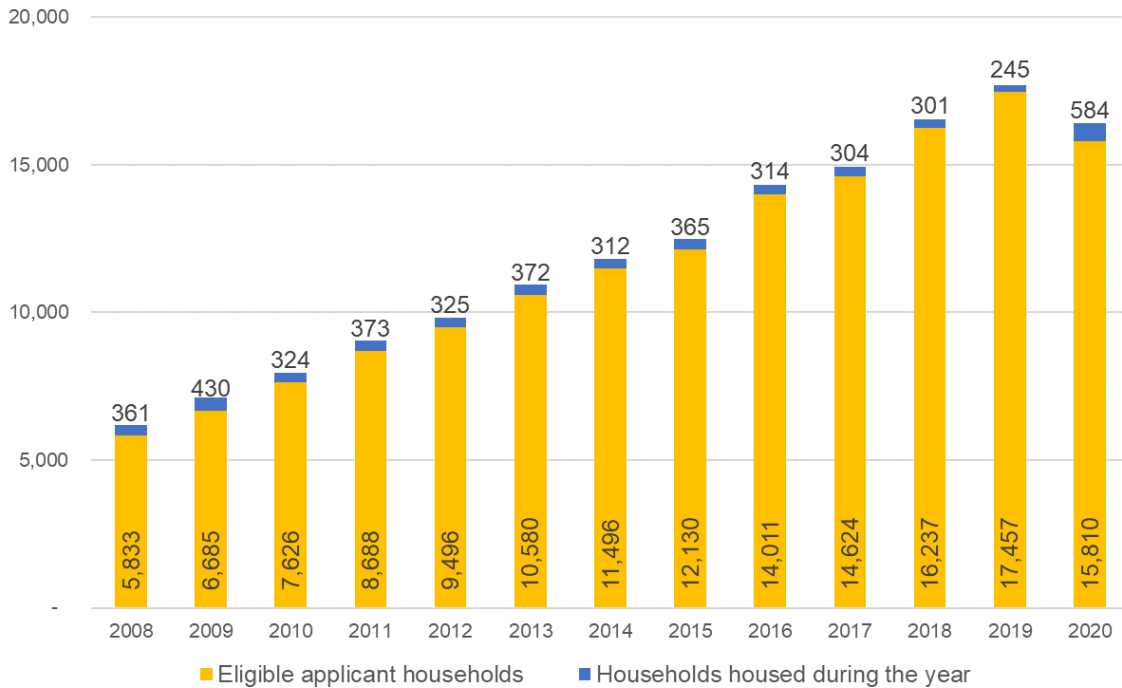


Increasing the supply of Community Housing is a strategic priority for the Region and Housing York Inc.

As outlined in a [March 2020](#) report to Council, the Region has the lowest supply of Community Housing units relative to its population of all municipalities participating in Municipal Benchmarking Network Canada reporting, with 17 units per 1,000 residents, well below the median of 38 units per 1,000.

With over 15,800 households (Figure 2) on the Region's subsidized housing wait list at the end of 2020, and the comparatively limited expansion of available Community Housing, there is a great need for more Community Housing in York Region.

Figure 2:
Subsidized Housing Wait List, 2008 to 2020



Source: Housing Services, Centralized Waiting List Record 2020

Note: the wait list decreased for the first time in 2020 due to the one-time impact of removing 2,428 applicants ineligible for subsidy under the Region's income and asset limits and a higher-than-average number of households housed because of two new portable housing benefit programs.

On average, between 2008 and 2019, about 335 subsidized units became available each year through a combination of tenant turnover and new construction. During the same period, the wait list increased by an average of approximately 1,050 households per year. Wait times for applicants housed in 2020 ranged from just over nine years for families and seniors to almost 12 years for single adults.

In [October 2019](#), Council approved an updated 10-year housing and homelessness plan, [Housing Solutions: A place for everyone – Phase 2 2019 to 2023](#) (Housing Solutions Phase 2) to respond to Region-wide issues of supply of affordable housing, housing stability and sustainability of the housing system. The plan focuses on three goals, with the first goal aimed at increasing the supply of affordable and rental housing.

In [November 2020](#), the HYI Board approved the [Building Better Together: Housing York Inc's 2021 to 2024 Strategic Plan](#), which outlines HYI's strategic directions for 2021 to 2024 and the actions that will be taken to achieve them. A strategic priority within the 2021 to 2024 HYI strategic plan is to expand the housing portfolio, by exploring new and innovative ways of increasing supply of new affordable housing beyond the normal rate of growth.

A comprehensive Portfolio Management Plan was created to inform development potential within the Housing York Inc. portfolio

In response to an action from [Housing York Inc.'s 2017 to 2020 Plan](#), a Portfolio Management Plan was endorsed by the HYI Board in September 2019. This report was considered in private as it relates to the proposed acquisition and disposition of lands. The plan included a comprehensive review of the real estate assets and future development potential of all properties within the HYI portfolio.

A long-term plan is needed to increase the supply of permanent Community Housing for low to moderate income residents

While the Portfolio Management Plan identified development potential for HYI properties, a need remains for a long term approach to developing housing for low to mid-range income residents through expansion of Community Housing beyond what HYI can do on its own. Community Housing is housing owned by non-profit and co-operative organizations that provides affordable and subsidized housing options for residents. HYI is one of 43 Community Housing providers in York Region. The Community Housing Development Master Plan will take a broader look at needs and opportunities to grow this vital community asset.

A long-term plan with a focus on proactive development will help maximize growth potential

Since 2004, the Region has successfully leveraged federal and provincial funding opportunities to build more than 1,200 new affordable housing units, with another 362 set to open by 2023. Nearly all were built in response to a federal or provincial funding opportunity. The Community Housing Development Master Plan will outline an approach that proposes predictable, continuous investment, and contemplates funding sources to achieve this objective.

The upcoming Affordable Private Market Housing Implementation Plan will focus on increasing affordability in the private market housing segments

The Community Housing Development Master Plan will focus on expanding the Community Housing market segment. There is additional need to increase affordable housing options in the private market housing segments. A parallel exercise to this Master Plan is anticipated to be initiated in Q1 of 2022 to work towards an Affordable Private Market Housing Implementation Plan focused on actions, advocacy and partnership opportunities that the Region can pursue to increase affordability in the private market.

The Community Housing Development Master Plan will act as a long-term infrastructure plan to guide investment to increase the supply of Community Housing in the Region for Community Housing providers including HYI.

4. Analysis

Five key principles will help to guide the Community Housing Development Master Plan

To guide development of the plan, and ensure that we are proceeding in a manner aligned with Council and the HYI board, a review of key strategic documents was completed to inform the development of key principles for the plan. Key documents reviewed include:

- [Vision 2051](#)
- [York Region Official Plan](#)
- [2019 to 2023 Strategic Plan: From Vision to Results](#)
- [Housing Solutions: A place for everyone – Phase 2 Plan 2019 to 2023](#)
- [Building Better Together: Housing York Inc's 2021 to 2024 Strategic Plan](#)

The principles proposed for the Community Housing Development Master Plan build on the directions of the above documents.

There are five principles that are considered as a critical foundation for the Community Housing Development Master Plan to ensure the outcome maximizes the quality and quantity of permanent affordable housing in York Region. The five principles are recommended as follows:

1. Putting residents first

Consider the needs of York Region residents through analysis related to location, demographics and socio-economic factors. The provision of housing must also consider the future residents' needs including connection to the existing community, appropriate resident amenities and good quality construction.

2. Appropriate development on available land

Consider Community Housing development opportunities on Regional surplus lands as appropriate, existing HYI sites, and municipally contributed land. This will help to establish a pipeline of projects, and consider the highest and best use of lands in conjunction with Regional and local municipal planning objectives.

3. Readiness for funding opportunities

Having a consistent and predictable pipeline of projects in various states of readiness will allow the Region to respond quickly and confidently when future federal and provincial funding opportunities arise. The Community Housing Development Master Plan will provide an opportunity to advance contemplated projects to a state of readiness in order to quickly respond to programs.

4. Empower Community Housing providers with support

Partnerships with non-profit and cooperative Community Housing providers can support new development at an accelerated rate. The plan will include support for Community Housing providers through feasibility analysis and development concepts, as well as consider predictable capital and operating funding to support the development of new affordable housing units when federal and/or provincial funding is available.

5. Target an aggressive rate of growth for Community Housing

Targeting an aggressive rate of growth for Community Housing units will help to accelerate delivery of units to residents of the Region. The plan will target to double the number of units in planning and development at a stage ready for implementation based on funding. This is further supported by the [Building Better Together: Housing York Inc's 2021 to 2024 Strategic Plan](#), which includes the goal of “Portfolio expansion beyond the normal rate of growth,” with the target to double the number of units from 60 to 120 units on average annually.

Partnerships with municipalities and Community Housing providers are critical to achieving optimal outcomes

Partnerships between the Region and local municipalities continue to be essential for the success of affordable housing developments. The Social Housing Investment Framework approved by Council in [November 2016](#), considers the path to development approvals, including any support from local municipalities to facilitate planning approvals. To better support timely development on available land, continued partnerships with local municipalities, including expedited planning approvals, will be critical.

In York Region, 43 Community Housing providers provide safe and secure affordable housing in over 6,700 units across nine municipalities. This includes HYI. Over the last twenty years, these providers have been faced with serious challenges to increase their supply of Community Housing. Among these challenges is the limited and unpredictable nature of capital funding opportunities available through federal and provincial programs. Partnership with Community Housing providers will be key in creating additional units. This partnership could include the provision of municipal land, capital contributions and operating funding to offset constraints in the creation and managing additional housing units.

Stakeholder consultation to help development of the Community Housing Development Master Plan will begin in early 2022

Consultation with key stakeholders throughout development of the plan will be critical to success. Stakeholders include local municipalities, members of the public, Community Housing providers, HYI residents, Canada Mortgage and Housing Corporation, Ministry of Municipal Affairs and Housing, and the development community. The consultations will seek stakeholder perspectives on how the five principles can be achieved, and to help further refine outcomes of the Community Housing Development Master Plan.

A comprehensive 40-year Community Housing Development Master Plan will be presented to Council in spring 2022

In spring 2022, the Community Housing Development Master Plan will be presented to Council. The plan will span from 2022 to 2061 and will identify the number of Community Housing units, preliminary location of projects by municipality, targeted start and completion years, estimated costs, and potential funding sources. The plan will also consider the future partners including HYI and other Community Housing providers. A 40-year time horizon is important to consider the long-term strategic vision for use of lands and potential redevelopment opportunities of existing sites.

Municipal land donations will support acceleration of Community Housing development

In response to the request from Regional Council in [February 2021](#) to provide two acres of municipal or partner land over the next five years, six local municipalities have made a decision. In addition, six local municipalities have made a decision in response to the request from Regional Council, to amend their parkland dedication bylaw to exempt HYI from paying parkland fees. The decisions of each local municipality to date are set out in Attachment 1. If each local municipality were to respond favourably, the Region would have access to 18 acres of land over the next five years and provide millions in cost avoidance for parkland dedication fees. This would represent a significant contribution in support of accelerating Community Housing development.

The Region will be working with local municipalities to establish a process and provisions for accepting the land that will be made available, with the objective of the Region holding title to the land until it is ready for development.

Suitable municipal lands are required to ensure development will meet the needs of residents

To ensure the land is suitable for development and benefits households in need, acceptance of the land will be guided by the Region's Social Housing Investment Framework. This will ensure investment decisions for affordable housing development are based on a number of critical factors including:

- **Housing Need** - Level of housing need among existing residents in an area
- **Access to Services** - The walkability of the area, including proximity to amenities such as grocery stores, schools, parks and other services
- **Access to Transit** - The availability and frequency of public transportation will reduce additional costs to the end-user in order to access required services, including employment
- **Regional Official Plan Alignment** - Consideration for planned Regional urban structure and will exclude land not currently developable for residential purposes

The principles for the Community Housing Development Master Plan build upon the Social Housing Investment Framework. The factors above specifically complement the proposed principle of “Appropriate development on available land.”

5. Financial

Increased, predictable funding from the federal and provincial governments are essential to support the creation of Community Housing units

Regional funding alone can only support the completion of a few Community Housing projects. Ongoing and sustained federal and provincial investment is required to meet the growing demand for Community Housing. The Region will continue to advocate for the federal and provincial governments to commit to sustained funding. Without increased federal-provincial funding for development as well as rent subsidies and new rental supply, the Region will not be able to sustain or increase the number of households offered housing in future years.

Continued advocacy with the federal and provincial governments, as approved by Council in [June 2021](#), is critical to support the Community Housing Development Master Plan.

Current funding model requires at least a 30% investment from the federal and provincial governments

The current funding model used by the Region is summarized in Table 1.

Table 1
Current Regional Funding Methodology for Affordable Housing Developments

Funding Source	Contribution (%)
Federal and Provincial Governments	30
Development Charge Contribution	11
Debenture or Mortgage (Tenant Funded)	15
York Region Social Housing Development Reserve	44
Total	100

Continued Regional investment will be required to support acceleration of Community Housing units

While federal and provincial funding will provide crucial financial support, these investments can be limited in their scope or ability to fully fund contemplated projects. Every effort will be

made to maximize these third-party investments; however, Regional investment will be required to support the development of units beyond the existing capital plan.

In [December 2020](#), Regional Council approved Recommendations for the End of Community Housing Mortgages, and endorsed in principle that mortgage savings remain in the housing and homelessness sector. As the mortgages of many Community Housing providers come to an end, the Region should realize savings as Community Housing providers will no longer need a mortgage subsidy. In York Region, these reduced mortgage subsidy costs, or “mortgage savings” will be approximately \$1 billion over the next 40 years.

Although a complicated issue and one mandated through provincial legislation, Service Managers, like York Region, may be permitted to retain these mortgage savings and reinvest in local housing and homelessness goals, such as increasing the supply of Community Housing. Should the province permit Service Managers to determine how mortgage savings may be used, after funding capital repairs in existing Community Housing, the Region could redirect up to \$600 million in savings to accelerate the development of new Community Housing units over the next 40 years. The province is expected to address this issue through future regulatory changes, although the timing of such changes is not yet known.

The mortgage savings can help advance the priorities identified in the Corporate Strategic Plan, 10-year housing and homelessness plan, and the Community Housing Development Master Plan.

6. Local Impact

The need and demand for affordable housing remains high across the Region. Community Housing, through HYI and other providers, exists in each of the Region’s nine municipalities. Many of these sites are in established neighbourhoods within urban areas identified as areas suitable for intensification in the Regional Official Plan and all play a role in the fabric of the community. As part of the stakeholder engagement process, staff will consult with the local municipalities to ensure the development parameters are appropriate and achievable.

7. Conclusion

York Region has been successful in increasing the supply of Community Housing in response to federal and provincial funding, however, in view of the significant demand for affordable housing more needs to be done.

A Community Housing Development Master Plan will provide guidance and direction towards future affordable housing development for Community Housing, in alignment with the Region’s 10-year housing and homelessness plan, and the 2021 to 2024 strategic plan for HYI.

The principles outlined in the proposed approach will ensure the Community Housing Development Master Plan supports the continuation of building strong, healthy and affordable housing communities throughout York Region.

For more information on this report, please contact Josh Scholten, Director, Housing Development and Asset Strategy at 1-877-464-9675 ext. 72004. Accessible formats or communication supports are available upon request.



Recommended by:

Katherine Chislett

Commissioner of Community and Health Services



Approved for Submission:

Bruce Macgregor

Chief Administrative Officer

October 22, 2021

Attachment (1)

13303954

Local Municipal Responses to Request for Land and Parkland Fee Exemption

Local Municipality	Response Regarding Provision of Land	Response Regarding Parkland Fees
Town of Aurora	Report planned for Aurora Council in November 2021	Report planned for Aurora Council in November 2021
Town of East Gwillimbury (Meeting on June 1, 2021)	Directing the Region's requests to the York Region Mayor's Task Force will ensure an apprised and consistent approach gets taken across all lower tier municipalities in regard to supporting the acceleration of affordable housing through land securement arrangements and Parkland Dedication By-law exemptions	Directing the Region's requests to the York Region Mayor's Task Force will ensure an apprised and consistent approach gets taken across all lower tier municipalities in regard to supporting the acceleration of affordable housing through land securement arrangements and Parkland Dedication By-law exemptions
Town of Georgina (Meeting on June 23, 2021 , recommendations 2 and 5, p.1)	Council supports, in principle, the request by York Region of the provision, either directly or through partnership, of up to two acres of land over the next five years for Housing York Inc. or a not-for-profit or a profit site dedicated to support affordable housing, if such land is or becomes available	Staff be directed to update Parkland Dedication By-law 2001- 0020 to comply with the provisions of the Planning Act and include provisions exempting Housing York Inc. from the requirement for dedication of parkland or payment of cash in-lieu thereof
Township of King (Meeting on May 31, 2021 , item #2, p.3)	Council does not support the donation of King land as requested and highlight that Council supports and see the merit and rationale for the Affordable Housing plan and targets being focused along the commonly referred intensification lands in York Region as the "Inverted T", which is well outside the geographic location of King	Council will determine and respond to any future Housing York Inc. exemption requests of the Parkland Dedication By-law, on a case-by-case basis
City of Markham (Meeting on June 22, 2021)	Staff be directed to address the York Region February 25, 2021 Council resolution requesting lower tier municipalities to support, in principle, the provision of two acres of land by each municipality, either directly or	Staff be directed to assess the York Region February 25, 2021 Council resolution requesting lower tier municipalities amend their parkland dedication by-law to exempt Housing York Inc. from being required to pay

Local Municipality	Response Regarding Provision of Land	Response Regarding Parkland Fees
	through partnership for affordable housing over the next five years through implementation of Action 10 of Housing Choices: Markham's Affordable and Rental Housing Strategy and report back to Development Services Committee	parkland fees through implementation of Action 14 in Housing Choices: Markham's Affordable and Rental Housing Strategy and report back to Development Services Committee
Town of Newmarket (Meeting on April 19, 2021 , items 9.2.15 and 9.2.16)	Council supports, in principle, the acceleration of Affordable Housing in York Region either directly or through partnership, of two acres of land over the next five years for Housing York Inc. or a not-for profit or for profit site dedicated to support affordable housing	Staff be directed to prepare a draft amendment to the parkland dedication by-law to exempt Housing York Inc. from being required to pay parkland fees
City of Richmond Hill	No response as of October 2021	No response as of October 2021
City of Vaughan (Email response from Vaughan staff on October 18 & 21, 2021)	Unfortunately, the City of Vaughan does not have surplus property at this time, and thus is unable to provide land	The City's Parks Planning staff are currently undertaking a Parkland Dedication Study leading to a bylaw process planned for 2022 that may consider a policy regarding use of cash-in-lieu and exemption requests. The City of Vaughan will deal with these requests on a case by case basis
Town of Whitchurch-Stouffville (Meeting on May 18, 2021 , report DS-019-21)	Council supports in principle, either directly or in partnership, the provision of two acres of land over the next five years for Housing York Inc. or a not-for profit or for profit site dedicated to support affordable housing within the Town	Council supports in principle, the reduction or exemption of parkland dedication fees for Housing York Inc., and directed staff to bring forward proposed amendments to the Town's Parkland Dedication By-law 2002-118-FI, as an outcome of the Leisure and Community Services Master Plan review and update