

Clause 2 in Report No. 17 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on November 10, 2016.

2

Housing Initiatives and Incentives

Committee of the Whole recommends:

1. Receipt of the presentation by Valerie Shuttleworth, Chief Planner and Lisa Gonsalves, Director, Strategies and Partnerships, Community and Health Services.
2. Adoption of the following recommendations contained in the report dated October 28, 2016 from the Commissioner of Community and Health Services and Chief Planner:
 1. The Regional Clerk circulate this report to local municipal Councils and local municipal Planning Commissioners/Directors with an offer for Regional staff to present housing initiatives and incentives to any local municipal Council, should they wish to receive it.
 2. Staff report back to Council on the outcomes of discussions held at the York Region/local municipal housing working group on the necessity and/or extent of a housing incentives framework.

Report dated October 28, 2016 from the Commissioner of Community and Health Services and Chief Planner now follows:

1. Recommendations

It is recommended that:

1. The Regional Clerk circulate this report to local municipal Councils and local municipal Planning Commissioners/Directors with an offer for Regional staff to present housing initiatives and incentives to any local municipal Council, should they wish to receive it.
2. Staff report back to Council on the outcomes of discussions held at the York Region/local municipal housing working group on the necessity and/or extent of a housing incentives framework.

2. Purpose

This report provides an update on housing related initiatives, including incentives research, inclusionary zoning and the private market rental pilot project at 212 Davis Drive in the Town of Newmarket. This report also informs Council of staff's ongoing efforts to maintain a York Region/local municipal working group to further explore options to address housing supply and affordability issues as well as to develop an affordable ownership, and rental housing incentives framework.

Background and Previous Council Direction

Complete Communities include a full range of housing options

The Provincial definition of Complete Communities in the [Growth Plan](#) highlights the distinct issues of housing supply and housing affordability, which are also touched on in all of the Region's corporate strategic documents. The "Housing Our Residents" section of the York Region Official Plan – 2010 (YROP-2010) has the objective "to promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers." Policies in the YROP-2010 require a mix and range of housing options and set minimum affordable housing targets of 35 per cent of new housing in Regional Centres and Key Development Areas and 25 per cent of new housing outside of those areas.

Matching housing options to demand helps achieve a number of strategic objectives

Matching housing options (tenure, structure type, size, location, affordability) to the demand generated by our population helps deliver complete communities:

- It allows families to find housing and remain in the Region through all ages and stages of their lives thus contributing to social cohesion and positive health related outcomes
- It supports economic vitality by helping to ensure there is a match between where workers live and where they can find employment, and supports businesses in attracting and retaining employees
- It has the potential to increase our live/work ratio which in turn supports our transit infrastructure thus reducing traffic congestion and carbon emissions

The benefits of matching housing options to demand are also articulated in the York Region Economic Development Action Plan, 2016 to 2019:

"While the labour force is highly skilled, there is also to an extent a mis-match between where workers live and where they can find employment. York Region has the second lowest live-work ratio (per centage of working

residents that actually work in York Region) among the regions in the GTA. This is impacted by many factors including the availability of high-skilled jobs locally and the affordability of housing and availability of rental housing within York Region for lower paid workers”

Provincial policy is supportive of addressing private market housing issues

In 2010 the Provincial government released the [Long Term Affordable Housing Strategy](#) and provided an [Update](#) in 2016. Key components of the Provincial Long Term Affordable Housing Strategy that relate to the private market include:

- The adequate provision of a full range of housing, including affordable housing has been identified as a Provincial Interest
- 10-Year Housing and Homelessness Plans have been mandated
- Proposed legislation for Inclusionary Zoning has been introduced
- Permissive local municipal Official Plan and Zoning By-law second suites policies have been mandated
- Local municipalities are now able to implement capital facilities by-laws for housing (only Service Managers were permitted prior to the LTAHS Update)

While the Province has made many positive private market housing adjustments at the policy level, it is notable there are no substantial new funds anticipated to support these adjustments. The Provincial 2016 3-year budget includes approximately \$325 million for housing. Much of this funding will be directed to targeted provincial initiatives such as homelessness prevention, supportive housing and housing allowances for survivors of domestic violence. The exception is the Province’s Innovation, Evidence and Capacity Building Fund of \$2.5 million over three years to support research, evaluation and capacity building initiatives, which may be used for private market initiatives.

The Federal Government has made a number of positive housing related commitments

A commitment to [Affordable Housing for Canadians](#) was made by the current government. The 2016 Federal Budget, released in March 2016, includes up to \$2.3 billion dedicated to housing and homelessness prevention over the next two years and a commitment to work with provinces and territories to develop a [National Housing Strategy](#).

In advance of the National Housing Strategy, the Federal Government has made the following housing related policy updates:

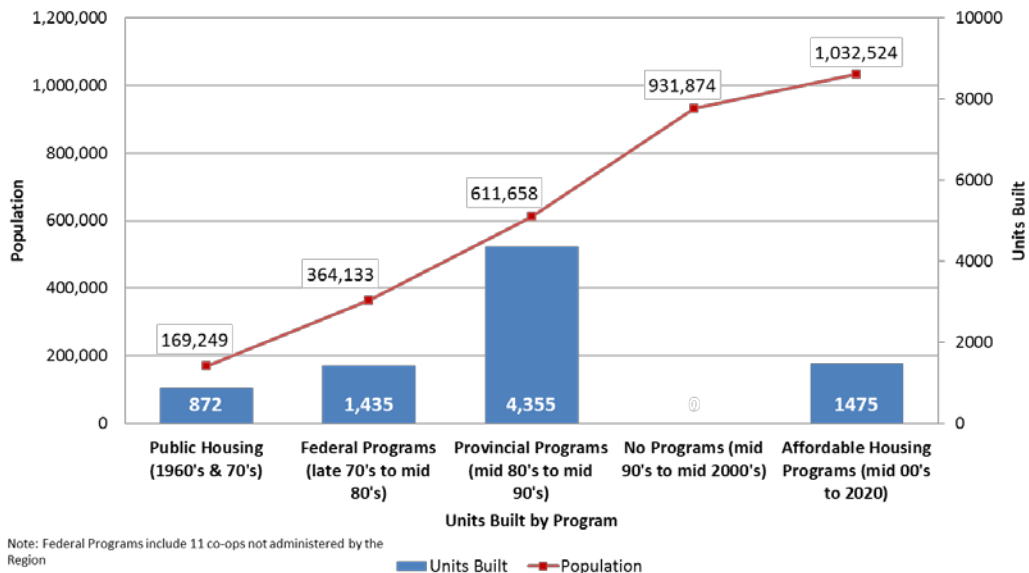
- In December 2015 the Government [announced](#) that the minimum down payment for insured mortgages would increase from 5 per cent to 10 per cent for the portion of the house above \$500,000
- In October 2016 the Government [announced](#) measures designed to reinforce the housing finance system, including the standardization of eligibility criteria for high- and low-ratio insured mortgages which would incorporate a mortgage rate stress test based on the average of the big banks' current posted mortgage rates; the closing of loopholes surrounding capital gains tax exemption on the sale of a principle residence, and consultation with stakeholders on how to better distribute the risk in the housing finance system.

Also, in advance of the National Housing Strategy, the Federal Government has made the following funding commitments:

- The Affordable Rental Housing Innovation Fund will provide \$200 million over five years, starting in 2016-2017, to lower the costs and risks associated with the development of affordable rental housing through the development of innovative ideas for building a more inclusive society, new funding models and innovative building techniques. It is anticipated that this fund will help create up to 4,000 new affordable units over five years.
- The Affordable Rental Housing Financing Initiative will provide up to \$2.5 billion in low-cost loans over five years starting in 2016-2017 to municipalities and housing developers. The loans will be made available during the earliest and most challenging phase of financing and developing affordable rental housing. It is anticipated that this fund will encourage the construction of more than 10,000 new rental housing units.

As reflected in Figure 1 below, although there was strong support for affordable housing from senior levels of government from the 1960's to the mid 1990's, this support was reduced until the most recent federal and provincial budgets. There is increasingly a broad understanding among all levels of government that support for housing stability outcomes extend past the social benefits to economic and environmental improvements as well.

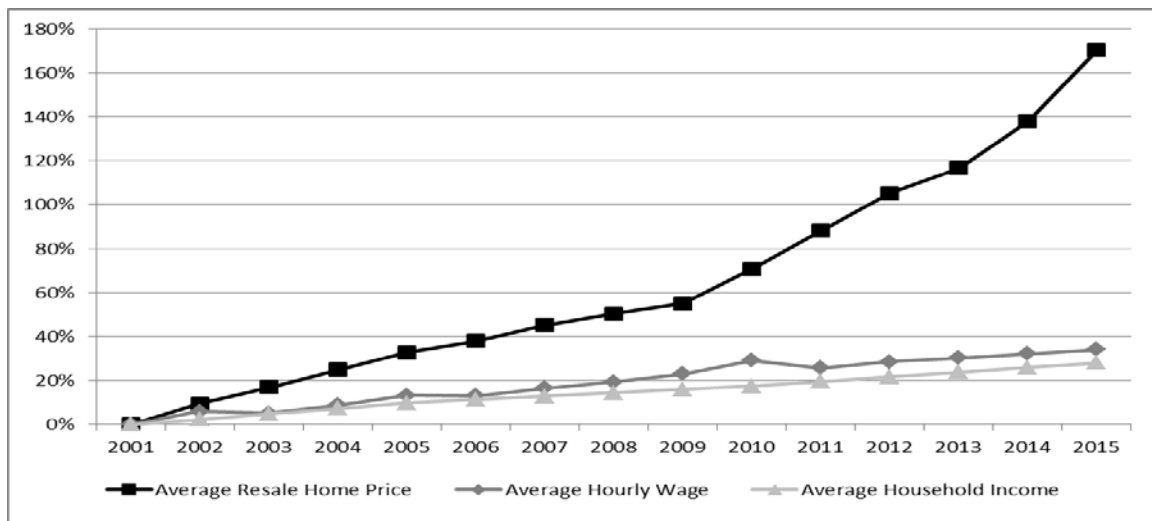
Figure 1
Population Growth has outpaced growth in affordable rental housing supply



More affordable ownership housing options are needed

In York Region, housing issues differ by tenure (Attachment 1). For ownership, the primary issue has to do with affordability and the fact that house price increases are significantly outpacing wage and income increases. As Figure 2 shows, between 2001 and 2015 resale home prices increased by 170 per cent whereas average hourly wages increased by only 34 per cent and household income increased by 28 per cent.

Figure 2
York Region Average Resale Home Price, Hourly Wage and Household Income Per cent Increases, 2001-2015



Source: Planning and Economic Development, York Region, November 2016. Based on Statistics Canada, Toronto Real Estate Board and EnviroNics data.

More rental options at all price points are needed

For the rental market in York Region, the issue has to do with overall supply. Only 11.5 per cent of the Region's housing stock is rental. This is the lowest diversity of tenure in the GTHA and is reflected in a very low vacancy rate of 1.6 per cent, which is approximately half of what experts' cite as an indication of a healthy market with sufficient choice and turnover. No significant private purpose built rental developments have been constructed in the Region in some time and non-profit/government assisted developments are unable to meet demand.

The secondary rental market such as rented condominiums and secondary suites is helping to meet demand, but does not offer the same security of tenure and housing stability as the primary market. Relative to ownership opportunities, rental housing generally provides more affordable housing options.

3. Analysis and Implications

Achieving more affordable ownership housing and more rental housing at all price points may require incentives

Factors that may be contributing to increased home ownership costs include increased demand due to record low borrowing rates, foreign investments and other market disrupters such as vacant units and house flipping.

Also, the size of new ground related units has been steadily increasing over time despite the decrease in the number of people living in each unit.

In the rental market there is reluctance by the development industry to deliver rental product. Some of the factors contributing to this reluctance include:

- The current lack of funding and supportive tax policy from senior levels of government,
- Uncertainty around Provincial approaches to rent control
- The introduction of condominiums into the rental market
- Favourable cash flow for financing condominiums in comparison to rental developments

Based on most current research by staff, there is a potential financial shortfall for developers making rental development unviable in some geographies. It is becoming increasingly clear that government offsets and incentives may assist in achieving mid-range ownership options and increased rental supply.

The Region is achieving YROP-2010 affordable ownership housing targets but gaps by location, unit type and depth of affordability remain

On [June 23, 2016](#), Council was advised that in 2015, forty per cent of new ownership units were affordable. This exceeds the YROP-2010 affordable housing targets. Affordability for ownership is based on the Provincial definition which has its challenges and limitations. Meeting the affordable housing targets may not be enough to address the Region's housing needs due to the following supply gaps:

- Almost 85 per cent of 2015 affordable ownership units were 1 and 2 bedroom condominiums, which may not be suitable for all family types
- Affordable units are not equally distributed among or within municipalities
- Almost a complete absence of affordability for lower income levels

Attachment 2 provides more information on calculating affordability and depths of affordability in York Region.

There are potential private sector housing solutions for mid-range affordable ownership

As outlined in Attachment 2, the Provincial definition sets ownership affordability at the value obtainable by the highest earning 40 per cent of households in the

Region. That leaves 60 per cent of York Region households with a broad range of affordable housing need.

In general, households within the lowest 40 per cent of incomes may require additional support in order to find acceptable housing. This need varies based on household makeup (families vs non-families, etc.) and individual housing needs (e.g. rooming house situations may be acceptable to students). The Region, in partnership with community agencies work to address this need at this lower end of the spectrum through the provision of government assisted/non-profit units, transitional and emergency housing, and associated supports.

The remaining households in the middle range (income earners between 40 and 60 per cent) require mid-range housing, a component of affordable housing. Staff believe that there are mid-range housing solutions within the private market as discussed in the remainder of this report.

The private market rental pilot project at 212 Davis Drive in the Town of Newmarket is under construction

Regional Council took a step towards addressing the need to support rental housing on [November 2, 2013](#) when it approved the 212 Davis Drive Pilot Project. For this project the Region agreed to defer development charges for up to 36 months, secured against the mortgage rather than through a letter of credit. This was matched by the Town of Newmarket which also agreed to defer development charges, building permit fees and cash-in-lieu of parkland for up to 36 months. While this specific incentive package was appropriate in this circumstance, each development is unique and, where supports are required, they will likely vary by location, building type and construction method.

The building permit for 212 Davis Drive was issued in September 2015, the building is currently under construction with occupancy expected in early 2017.

The 212 Davis Drive project is a well-designed rental building that aligns with the planned urban structure for the area

This pilot project has resulted in a well-designed rental building in an appropriate location. It is located on a rapid transit corridor and is within walking distance of the Newmarket Go Station and Southlake Regional Health Centre. Additionally, of the 225 units, 56 units have been reserved for households that will receive Regional rent subsidies. Between March and September 2016, over 500 people have registered for updates on the 169 units that will be made available to the public.

Staff are evaluating the use of the private purpose built rental development charge deferral program for Council's consideration as part of the 2017 Development Charge Bylaw Update (see report on this agenda).

Together with the Region's OP Review, the next development charges bylaw will examine how development charges may influence housing affordability

Development charges can influence urban development and planning outcomes related to compact development, intensification, support for transit and housing affordability. Regarding housing affordability, development charge costs for a new home are passed on to the consumer, thereby playing a role in what type of home a purchaser can afford.

York Region's current Development Charges Bylaw uses a uniform charge for each ground related residential structure type (singles, semis and townhouses) and two different charges for small and large apartments. No further breakdown of each unit type is considered. Nor is there consideration of the level of density or the location of development and the resulting impacts on the costs of infrastructure. A fundamental principle for development charges is that growth pays for growth. The development charge rates may not be accurately reflecting infrastructure costs by not fully accounting for all of these factors. For example, an apartment development charge rate may be overcharged, while a single detached unit may be undercharged, which has implications on the price and affordability of these units.

Regional staff are currently updating the Region's Development Charges Bylaw, which is scheduled for adoption by June 2017. Staff will be examining the potential impacts of how development charges may influence housing costs in more detail as part of the next Bylaw update (post 2017). The background work for the next bylaw update will occur together with the Region's Municipal Comprehensive Review work to update the York Region Official Plan to conform to the amended Growth Plan.

Preliminary research on an incentives framework has been undertaken

Regional Council recognizes the need to encourage the development of purpose built private market rental housing options in York Region. On [November 21, 2013](#), the Human Services Planning Board (HSPB) Advocacy Plan was endorsed to encourage the development of purpose built private market rental housing options in York Region.

In 2015, the HSPB facilitated a research partnership with Ryerson University's School of Urban and Regional Planning to identify a package of potential incentives to encourage private sector rental housing development. This research resulted in a comprehensive list of tools available to municipalities to encourage rental housing development. These tools include the provision of land, waiving or deferring development charges and planning fees, tax increment equivalent grants and municipal or regional investment loans.

Housing Initiatives and Incentives

In Fall 2015 HSPB staff in partnership with the GTA Housing Action Lab retained industry consultants to conduct a more advanced study into the degree of incentives required to encourage affordable ownership and rental development. Council received an overview of this study on [October 15, 2015](#). Through this study it was suggested that there may be a development proforma shortfall for a developer to achieve a reasonable internal rate of return. The Study is a good first step in estimating the potential shortfall in developer proformas; three sites throughout the Region were evaluated. As land costs vary greatly from site to site, the study identified a range of land costs in addition to other costs incorporated into the analysis. In addition, property tax effects were not considered as part of this study.

Combined, the two research studies provide a better understanding of the policy and financial tools available to encourage rental housing as well as the range of incentives that may be required to make rental construction viable for private developers. This forms the basis for an incentives framework that could be tailored to respond to the unique market conditions in various parts of the Region.

Other municipalities are addressing housing need through incentive frameworks

Demand for rental housing continues to increase in York Region. As shown in Table 1, a jurisdictional scan of other municipalities highlights measures and tools they are using to help create a diverse and affordable housing stock.

Table 1
Jurisdictional Scan of Municipal Affordable Housing Incentives

Incentives Strategy	Toronto Open Door (2015-present)	Vancouver Rental 100 (2012-2021)	Ottawa Action Ottawa (since 2002)	St. Albert Affordable Housing Program (2006-2011)	Langford Home Ownership Program (since 2004)
Grants and Loans	✓		✓	✓	
Land Contribution	✓		✓		
Planning and Development Fee Exemptions	✓	✓	✓		✓
Property Tax Exemptions	✓		✓	✓	
Reduced Parking Requirements	✓	✓			
Density Bonusing	✓	✓			✓
Expedited Permit Process	✓	✓			✓
Housing Agreements	✓	✓			
Smaller Unit Sizes	✓	✓			
Housing Allowance	✓				✓
Municipal Contributions	\$45M/year	\$17M over 10 years	\$13M over 4 years	\$25M over 5 years	\$8M
Targets (units)	5,000 over 5 years	3,350 over 9 years	1,000	500	48
Outcomes (units)	*414 in year 1	**2,680 over 4 years	368 over 3 years	339 over 5 years	48 over 12 years

*Some programs may take longer to attract developer interest and are designed to meet targets over the full duration of the program

**Of the 2,680 units, some have been completed, are under construction, or have been approved by the City

An informal York Region/local municipal staff working group was formed to respond to the draft Inclusionary Zoning legislation

The introduction of inclusionary zoning is timely and dovetails well with housing incentive considerations. Staff will consider whether inclusionary zoning may be an appropriate framework to compliment an incentives package. The distinction between inclusionary zoning and an incentives package is that inclusionary zoning, if implemented by local municipalities, may be framed as mandatory where as an incentives package would be voluntary.

The Province is expected to issue regulations to enact inclusionary zoning. It is currently anticipated that these regulations will be made available for review in early 2017. Staff will report back to Council when the regulations are released. In the meantime, it is appropriate to continue research on the need and/or extent of incentives required to achieve mid range affordable ownership housing options and rental options. It is also important to understand the monetary value of any incentives offered in order to be best positioned to consider incorporation of inclusionary zoning as part of the implementation process.

To formulate a Regional response to the [Provincial Inclusionary Zoning Discussion Guide](#), staff convened an informal working group with staff from all nine local municipalities in order to gather and incorporate input from a local perspective. On [September 15, 2016](#) Council endorsed staff comments to the Province on Inclusionary Zoning.

The local municipal housing working group should continue work to address housing supply and affordability issues

Local municipalities are important partners in determining housing supply and affordability solutions. The Region is able to offer expertise through our experiences with non-profit and government assisted housing such as setting thresholds, maintaining affordability and setting eligibility criteria for occupants. Local municipalities are better able to identify local priorities and to implement local solutions through their zoning and building permit authority. Further, local municipal staff is often best positioned to influence development applications through pre-consultation processes and to garner local municipal support.

It is appropriate to formalize and continue the local municipal staff working group that was established as part of the inclusionary zoning commenting process. Initial topics of discussion with a local municipal working group would include barriers to housing supply and affordability, housing offsets and incentives, inclusionary zoning, capital facilities bylaws, and government assisted/non-profit housing.

As part of the working group, staff would consider a joint incentives framework by location and depth of affordability (among other parameters). Staff will report

back to Council on the necessity and/or extent of a housing incentives framework. Additionally, staff are available to present the information in this report to Local Municipal Councils as requested.

The information provided in this report supports the housing related goals of Vision 2051, the York Region Official Plan and the Strategic Plan

Work towards achieving a full mix and range of housing options supports the Vision 2051 goal of Appropriate Housing for All Ages and Stages and the associated actions that promote “housing choices that match our needs”. It also supports the York Region Official Plan objective “to promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers” as well as the 2016 to 2019 Strategic Plan strategic objective of “increasing the range of available and affordable choices.” Additionally, this work supports the Human Service Planning Board’s Making Ends Meet in York Region: A Roadmap for 2015 to 2018 Community Result of “housing options that are affordable for everyone in our community”.

4. Financial Implications

The preliminary research on housing incentives by the Ryerson School of Urban and Regional Planning and the GTA Housing Action Lab undertaken on behalf of the Region was undertaken at no cost to the Region. Internal research and support for housing supply and affordability issues has been completed within the existing Regional staff complement, and within the approved business plans and budgets.

Staff will continue research and report on the potential use of incentives to create complete communities with a full mix and range of housing options. This research will incorporate anticipated costs to implement a housing incentives framework. As staff work to prepare the framework, striking the balance between providing the right amount of support to achieve the desired built form while avoiding unnecessary costs and supports will be paramount. Some of the approaches to supporting mid-range affordable housing outlined in Table 1 have no or little cost (reduced parking, density bonusing, smaller unit sizes) and the viability of these approaches in a York Region context will be explored first.

5. Local Municipal Impact

Creating healthy, sustainable and complete communities with a full mix and range of housing options is a common goal for local municipalities and York Region. A workshop was held with staff from all nine local municipalities to

develop the response to the Provincial Inclusionary Zoning Discussion Guide. It is staff's intention to formalize a working group similar to that which convened for inclusionary zoning in order to collaborate on developing potential solutions to housing supply and affordability issues.

As potential solutions to housing supply and affordability issues are developed, local municipalities will be best positioned to provide local perspectives on land use planning and zoning as well as housing supply issues. Also, many potential solutions would require local municipal expertise and support to implement.

6. Conclusion

While the high end ownership housing market in York Region is robust, a number of gaps in the housing supply remain. These include:

- Affordable ownership options
- Rental units at all price points

A mismatch of housing supply and/or affordability to demand can have adverse effects on the economy, the environment and on health and well-being. The potential consequences of this mismatch have prompted an increased focus on housing from both the Provincial and Federal governments, including the introduction of draft inclusionary zoning legislation at the Provincial level and a commitment to develop a National Housing Strategy.

While there is housing need at all income levels, staff feel the greatest potential to address need within the private market is for households that earned between \$78,517 and \$114,648 in 2015, otherwise known as "mid-range housing".

Preliminary research on the tools available to municipalities to encourage rental housing development, and on developer proforma shortfalls for developing affordable rental and ownership housing has been undertaken through partnerships developed by the Human Services Planning Board. There is a need to expand on this research and to engage with local municipalities in order to garner a depth of understanding that is required to draft a response to housing need, which could include a housing incentives framework. It is anticipated that the degree of response will vary by geography throughout the Region. It is staffs intention to continue a municipal housing group with local staff to explore and address housing supply and affordability issues as well as to develop an affordable ownership, and rental housing incentives framework. A draft incentives framework will be brought forward to Council for consideration in 2017.

Housing Initiatives and Incentives

For more information on this report, please contact Paul Freeman, Director Long Range Planning at ext.71534 or Lisa Gonsalves, Director Strategies and Partnerships at ext. 72090.

The Senior Management Group has reviewed this report.

October 28, 2016

Attachments (2)

#7075860

Accessible formats or communication supports are available upon request

The Reality of the Rental and Ownership Market in 2015

Rental market 2015

York Region

Vacancy Rate - 1.6%

NO VACANCY

Unit size	Private Apartment Vacancy Rates (%) ¹	Private Apartment Average Market (\$) ¹
Bachelor	-	833
1 bedroom	1.0	1,091
2 bedroom	1.8	1,262
3+ bedroom	4.0	1,441

Permissive secondary suite official plan policies have been adopted by **8/9** local municipalities.

Private sector rental construction

2012 - 2015

- 2015 = 4
- 2014 = 7
- 2013 = 18
- 2012 = 32

61 new private sector rental units built in the last four years.²

Emergency housing continues to be an important part of York Region's housing continuum for those who are experiencing homelessness. In 2015, the Region funded the operations of five emergency housing facilities, providing a total of **143 emergency beds** including:

- 60** beds for families
- 28** beds for women
- 29** beds for single males
- 26** beds for youth

There are **1,918 suites** registered in York Region, **94** of those were registered in 2015.³

There were **8,778 condos available for rent, up 28% from 6,840 units in 2014**

2015 condo vacancy rate: **1.8%**

2015 average condo rent: **\$1,669¹**

1,064 is the number of unique individuals who used York Region's emergency housing.

Ownership market 2015

2005 → 2015

Average re-sale house price rose by **103%**⁴

however

Average hourly wage only rose by **18%**⁷

Average home prices in York Region

- Re-sale condominium **\$366,283⁴**
- Re-sale townhome **\$575,283⁴**
- Re-sale single detached **\$943,441⁴**
- New single detached **\$988,638⁵**

15 DAYS

Most users accessed emergency housing only once and stayed average of 15 days after admission.

The Province Defines Affordable Housing for planning purposes

The Province defines “affordable” housing in the [Provincial Policy Statement](#) and the [Growth Plan](#). This definition is also included in the [YROP-2010](#):

In the case of ownership housing, the least expensive of:

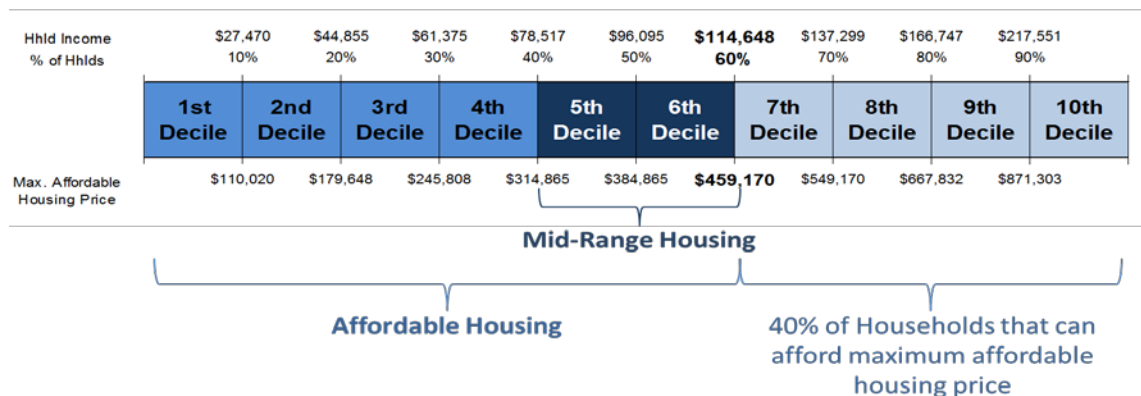
- a. housing for which the purchase price results in annual accommodation costs not exceeding 30 per cent of gross annual household income for low- and moderate-income households; or,
- b. housing for which the purchase price is at least 10 per cent below the average purchase price of a resale unit in the regional market area;

In the case of rental housing, the least expensive of:

- a. a unit for which the rent does not exceed 30 per cent of gross annual household income for low- and moderate-income households; or,
- b. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

Calculating affordable home ownership thresholds in York Region is based on the income based calculation articulated above and involves separating York Region households into decilies based on income. Figure 1 displays this graphically, with the 2015 maximum household income for each decile displayed along the top of the graphic and the maximum affordable housing price for each decile displayed across the bottom of the graphic.

Figure 1
York Region Household Income Distribution and
Affordable Ownership Thresholds, 2015



The Provincial affordable ownership definition measures affordability to the 6th decile, but there are depths of affordability challenges for the 60 per cent of the population with household incomes below this threshold.

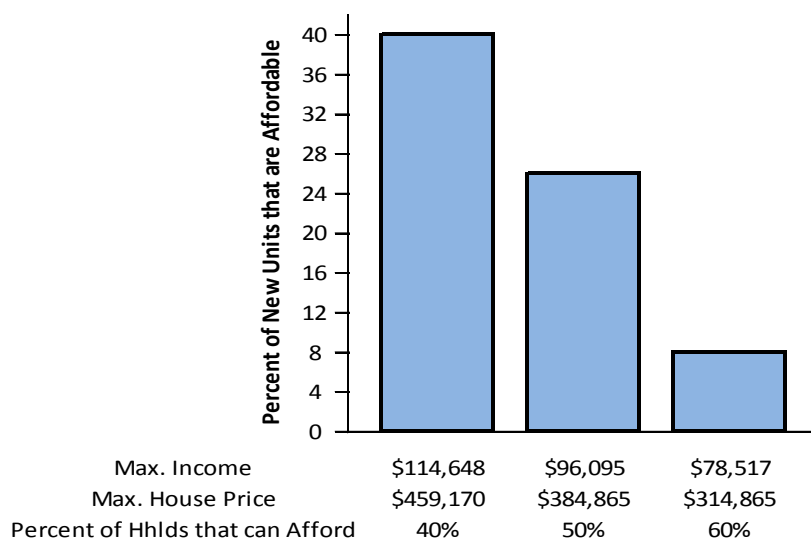
Generally:

- Households in the last four deciles (earning \$114,648 or more a year) have housing options within their means
- Household within the first four deciles (earning less than \$78,517 a year) require additional supports for housing
- Households earning incomes in between \$78,517 and \$114,648 have been challenged to find suitable, mid-range housing within York Region

There are relatively fewer affordable ownership housing options at greater depths of affordability

As articulated in the body of the staff report, relative rates of affordability are not being achieved for lower income levels. As Figure 2 displays, while 40 per cent of new units are affordable to 40% of households making greater than \$114,648 a year, only 26% are affordable to 50% of households making greater than \$96,095 a year and 8% are affordable to 60% of households making greater than \$78,517 a year.

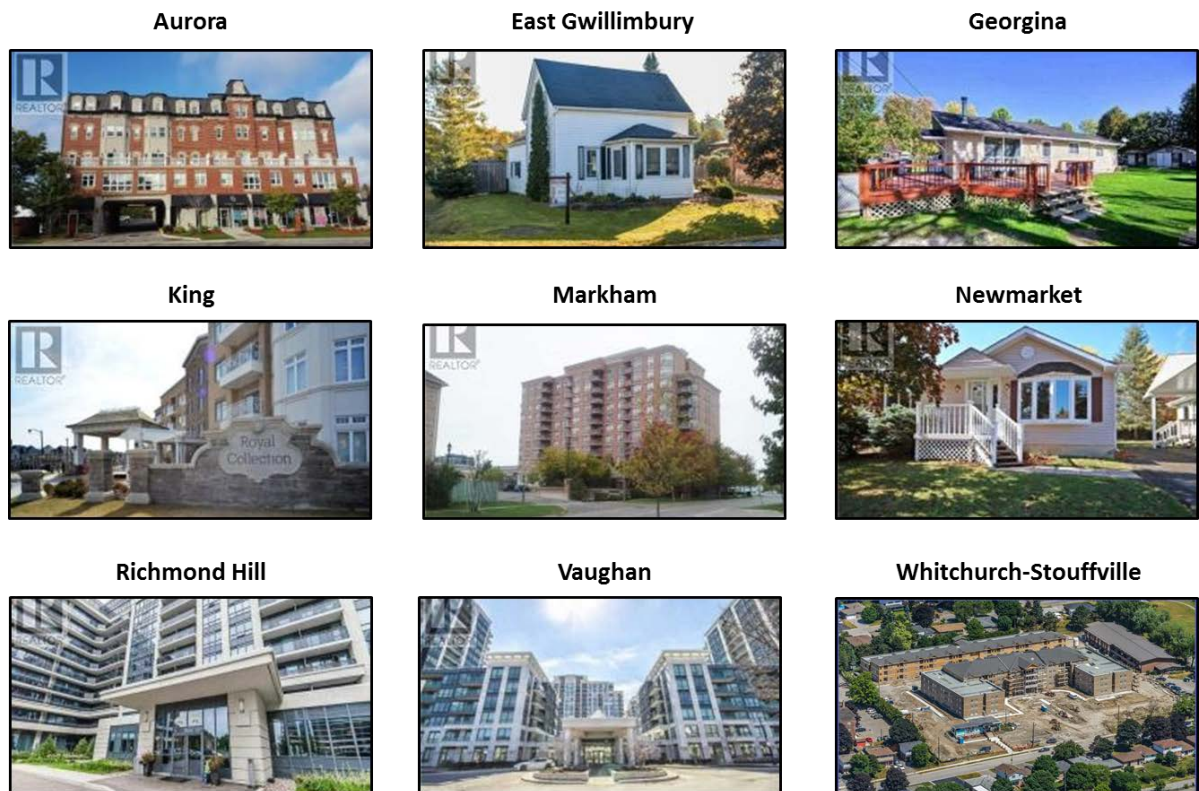
Figure 2
Affordability of New Homes by Household Income, 2015



Affordable housing options differ across the Region

Affordable housing options vary across the Region. In general, there are high density affordable options in the southern and central municipalities, and some limited ground related options in the more northern municipalities. The affordable housing thresholds are used to monitor new supply of new affordable housing in the Region. It is important to note that the resale market also provides affordable housing options. Figure 3 below applies the thresholds to the resale market. Each picture represents a home in each local municipality as of October 2016 that falls just under 2015 affordable housing thresholds. It is notable that the Whitchuch-Stouffville example is a new build. At the time of this analysis, no resale housing units in Whitchuch-Stouffville fell below the affordable threshold.

Figure 3
Affordable Resale Homes in York Region



Source: Planning and Economic Development, York Region, November 2016. Based on www.realtor.ca



Housing Initiatives and Incentives

Presentation to Committee of the Whole

Lisa Gonsalves, Director Strategies and Partnerships

Valerie Shuttleworth, Chief Planner

November 10, 2016

Purpose of Presentation

Housing context

- Government alignment

Updates on housing related work:

- Human Services Planning Board's Make Rental Happen Initiative
- 212 Davis Drive rental incentives pilot
- Inclusionary zoning

Next Steps

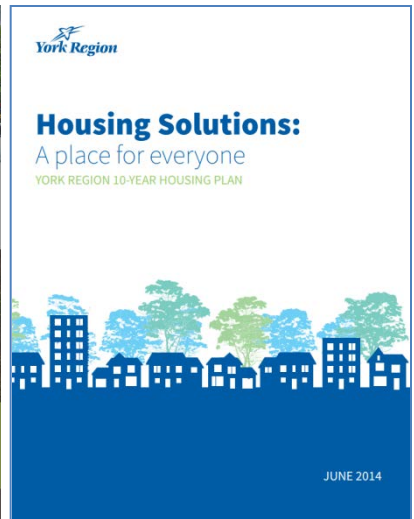
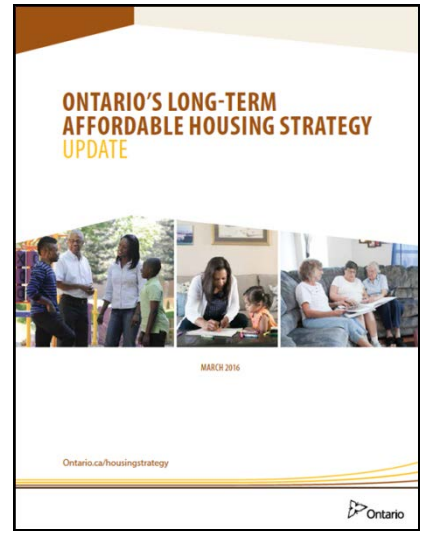


OPPORTUNITY

Government Alignment

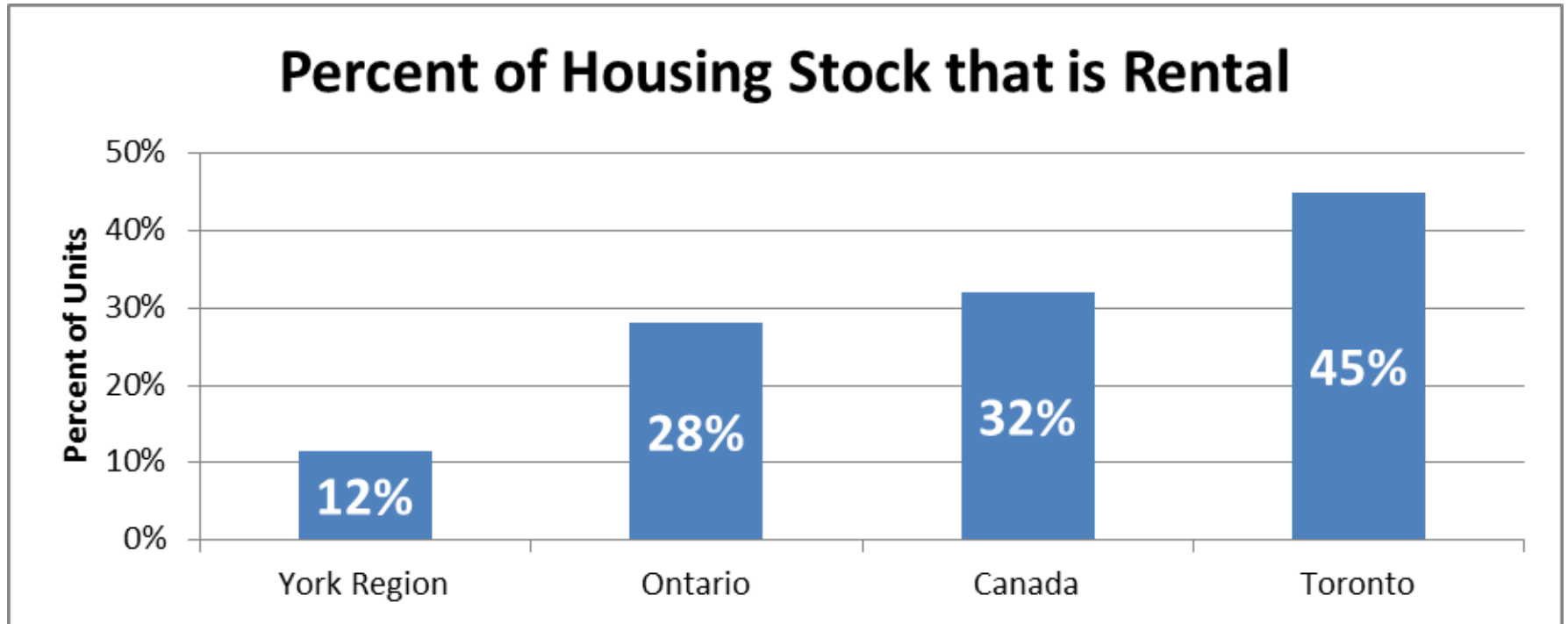
Canada 

 Ontario



Government alignment is needed as housing is beyond the scope of any one government to address on its own

Constrained Rental Market



The supply of rental housing in York Region is too low

Make Rental Happen



Human Services Planning Board's Make Rental Happen Initiative:

- Building public awareness
- Advocating to other levels of government
- Incentives research
 - Ryerson School of Urban and Regional Planning
 - N. Barry Lyon Consultants Performa Analysis

Jurisdictional Scan of Housing Incentives

Incentives Strategy	Toronto Open Door	Vancouver Rental 100	Ottawa Action Ottawa	St. Albert Affordable Housing Program	Langford Home Ownership Program
Municipal Contributions	\$45M/year	\$17M over 10 years	\$13M over 4 years	\$25M over 5 years	\$8M
Targets (Units)	5,000	3,350	1,000	500	48

Housing Incentives are being used by other jurisdictions

212 Davis Drive Rental Incentives Pilot

York Region Incentives:

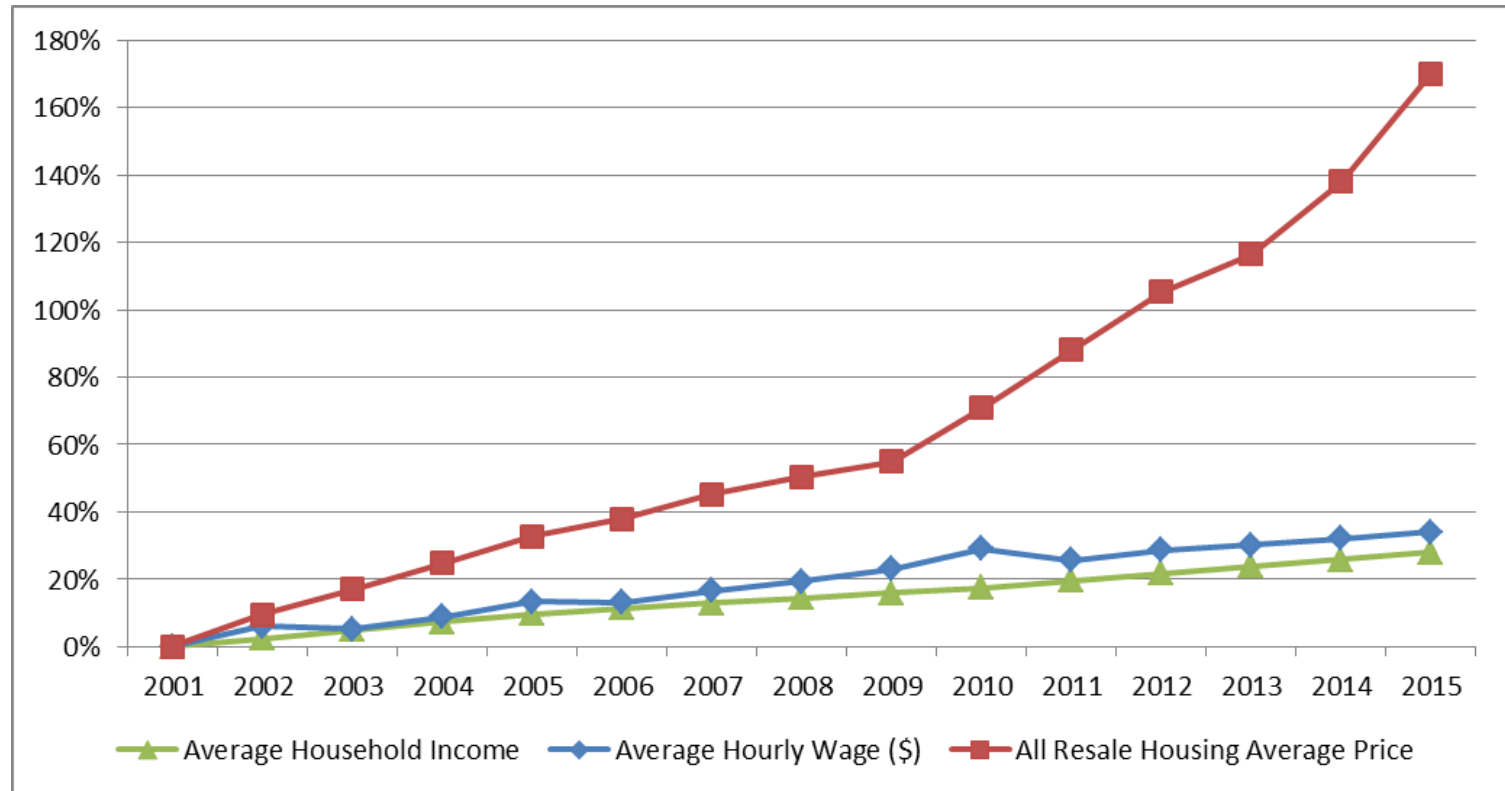
- 36 month development charge deferral

Town of Newmarket Incentives:

- 36 month development charge, planning application fee, building permit fee, and parkland contribution deferral

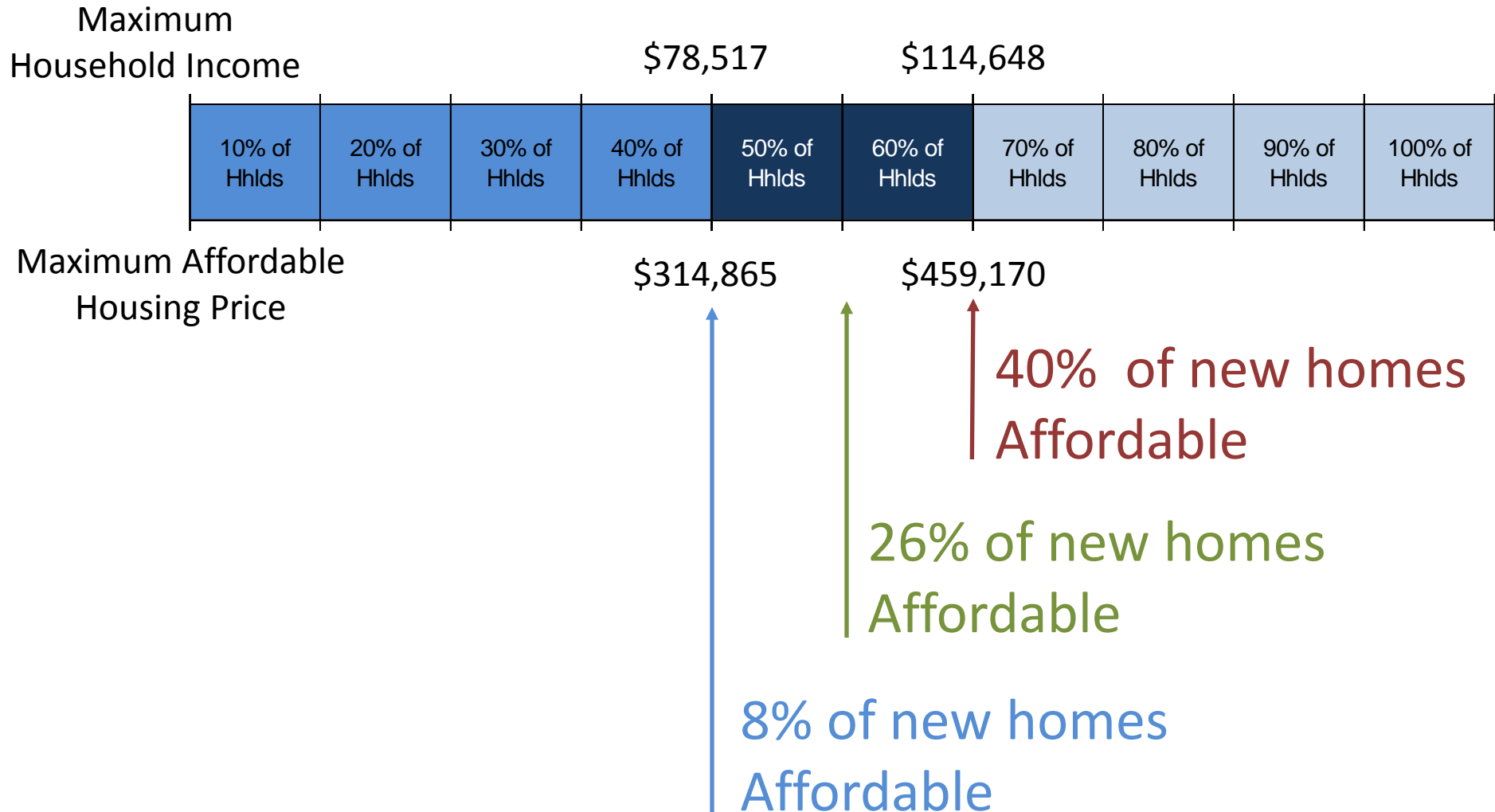
Regional Development Charge deferral supported construction of 225 private rental units, including 56 subsidized units

York Region average resale house price increases have outpaced average income and wage increases

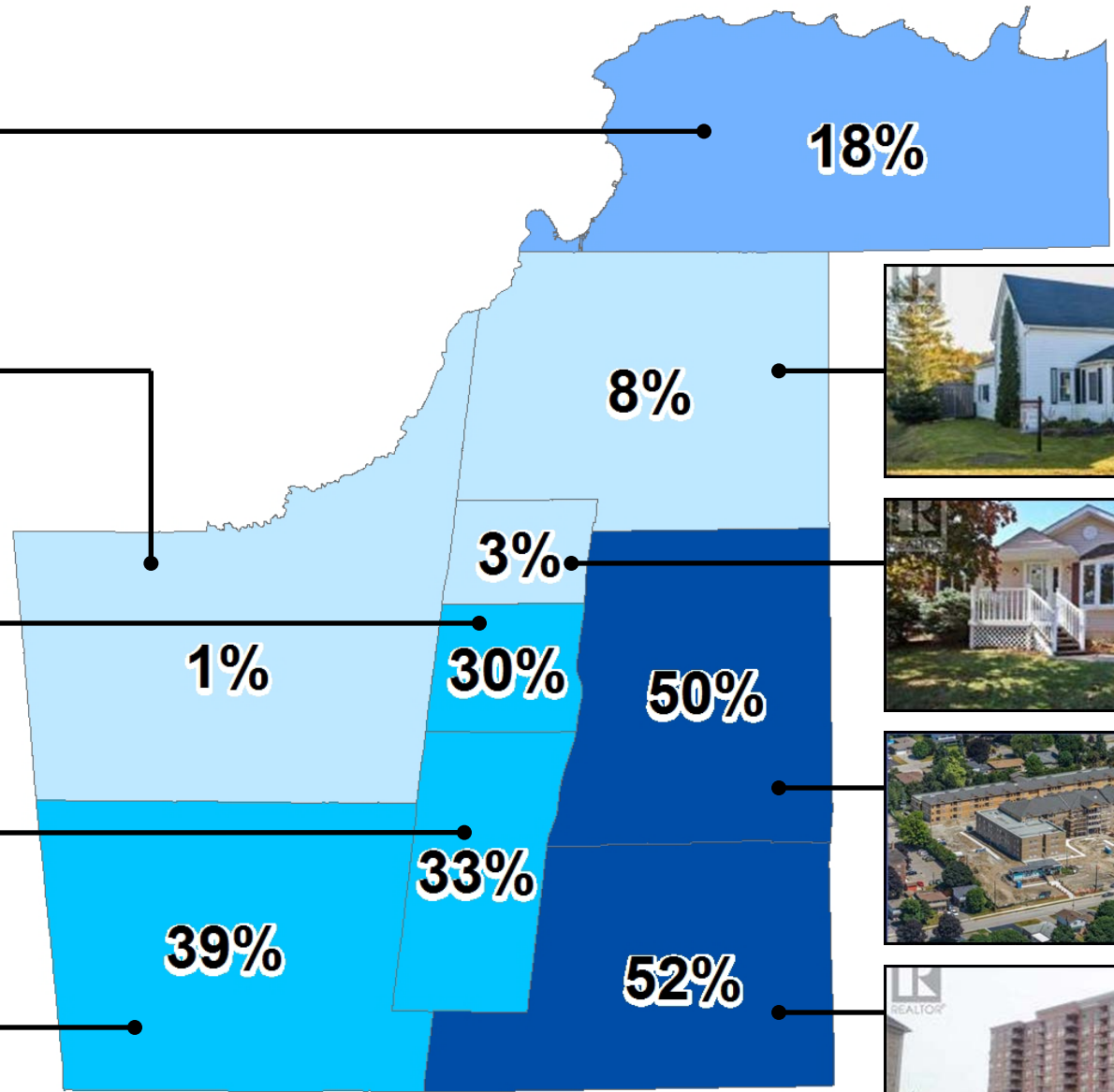


We need more affordable ownership housing and more rental housing at all price points

Housing Affordability by Income, 2015



Affordable Housing Distribution and Options



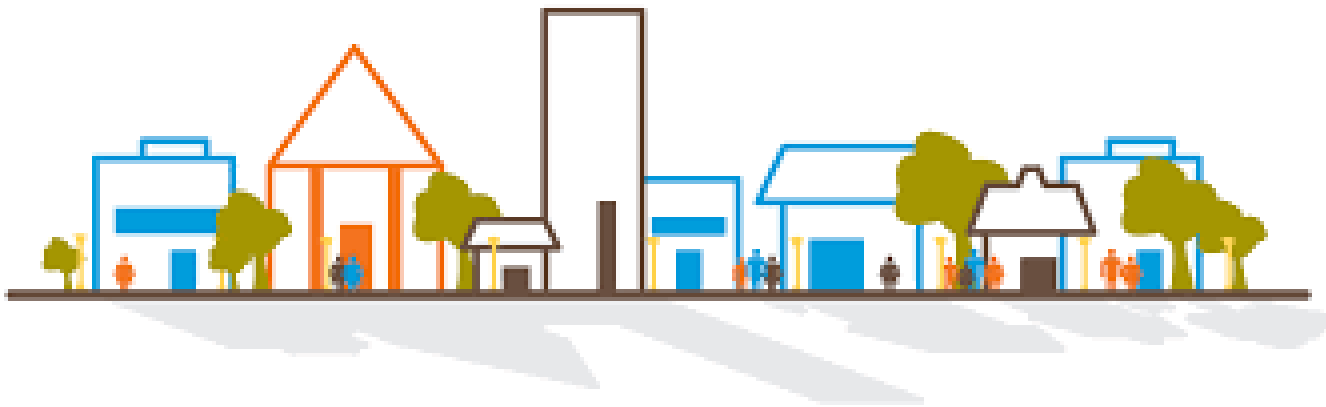
Potential Incentives to Consider

- Grants and loans
- Land contributions
- Planning and development fee deferrals or exemptions
- Reduced parking requirements
- Property tax exemptions
- Density bonusing
- Expedited permit process
- Housing agreements
- Smaller units sizes



Inclusionary Zoning

- Require development proposals with residential units to include affordable housing units
- Provide for those units to be maintained as affordable over a period of time.



Local Municipal consultation on incentives was initiated through development of Provincial IZ response

Regional/Local Municipal Housing Partnerships

- Housing offsets and incentives
- Inclusionary zoning (continued)
- Capital facilities bylaws
- Non-profit/ government assisted housing

Local Municipal role in developing and implementing housing solutions is increasing

Next Steps

- Local Municipal Council presentations as requested (Q4 2016/Q1 2017)
- Initial York Region/Local Municipal Housing Working Group meeting (Q4 2016)
- Ongoing incentives research, consultation with Working Group and Development Industry
- Report back to Council with recommended incentives framework



Report Recommendations

1. The Regional Clerk circulate this report to local municipal Councils and local municipal Planning Commissioners/Directors with an offer for Regional staff to present housing initiatives and incentives to any local municipal Council, should they wish to receive it.
2. Staff report back to Council on the outcomes of discussions held at the York Region/local municipal housing working group on the necessity and/or extent of a housing incentives framework.