

Clause No. 15 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 26, 2014.

15

DRAFT AFFORDABLE HOUSING IMPLEMENTATION GUIDELINES

Committee of the Whole recommends adoption of the following recommendations contained in the report dated May 28, 2014 from the Executive Director, Corporate and Strategic Planning:

1. RECOMMENDATIONS

It is recommended that:

1. Council endorse the *Draft Affordable Housing Implementation Guidelines* (*Attachment 1*) for further consultation.
2. Long Range Planning staff circulate this report to local municipalities, the development industry and interested parties.

2. PURPOSE

This report presents the *Draft Affordable Housing Implementation Guidelines* for Council endorsement. The draft guidelines will be used for ongoing consultation with subject matter experts including local municipalities and the development industry.

3. BACKGROUND

Provincial policy requires that the Region establish, work towards and monitor affordable housing targets

The Planning Act, 1990 identifies adequate provision of a full range of housing, including affordable housing, as a Provincial Interest and includes a number of planning tools that municipalities can consider using to help achieve a full mix and range of housing options. *The Provincial Policy Statement, 2014* and the *Growth Plan for the Greater Golden Horseshoe, 2006* include an affordable housing definition that establishes upper affordable housing price thresholds, as well as direction to establish and implement

affordable housing targets. *The Housing Services Act, 2011* requires that the Region develop a 10-Year Housing Plan, including the establishment and monitoring of targets.

A full mix and range of housing choices support strong communities and vital economies

It is critical to the Region's economy and communities that a full mix and range of housing options, including affordable options, is available to our residents and workers.

The Region's continued efforts to provide workers with the option to live and work in the same community and residents with choices to remain in their communities at all stages of their lives supports the Region's urban structure and transportation and social networks, thus promoting vibrant, healthy communities, a strong economy, and a clean environment.

The York Region Official Plan, 2010 (YROP-2010) includes updated affordable housing targets and direction for implementation

The *YROP-2010* includes housing targets which require that 25% of all new housing be affordable and that 35% of new housing in the Region's Centres and key development areas be affordable. In order to work towards achieving these targets, an additional policy requires staff to "develop an affordable housing implementation framework in partnership with local municipalities and the development industry to achieve the targets in this plan." The *Affordable Housing Implementation Guidelines* satisfy this policy.

The Affordable Housing Implementation Guidelines support York Region's 10-Year Housing Plan

The final York Region *10-Year Housing Plan* has been submitted to Committee of the Whole and Council in June 2014 through the report titled "Housing Solutions: York Region's 10-Year Housing Plan", dated June 12, 2014. The *Affordable Housing Implementation Guidelines* (the "*Guidelines*") were developed in conjunction with the *10-Year Housing Plan* in order to ensure a comprehensive approach to addressing housing supply in the Region.

The Guidelines establish a clear process to secure and monitor affordable housing commitments

The *Guidelines* will establish a clear process for local municipal staff to secure affordable housing commitments through the development review and approval process and for Regional staff to monitor progress towards the affordable housing targets in the *YROP-2010*. This standardized approach will allow for the consistent identification and measurement of the supply of new affordable units, which will in turn allow for evidence based policy responses to housing needs.

Development of the *Guidelines* has involved two rounds of consultation to date

In October 2013, Council adopted Clause 8 in report No. 3 which, in part, outlined the Region's approach to implementation and measurement of the *YROP-2010* affordable housing targets. As outlined in the staff report, two rounds of consultation with subject matter experts from local municipal, development industry, internal, Ministry of Municipal Affairs and Housing and Canada Mortgage and Housing Corporation staff have occurred. Consultation with the development industry was conducted through the formation of a working group comprised of members of the York Chapter of the Building, Industry and Land Development Association. The first round of consultation involved face to face meetings where a common understanding of the goals of the *Guidelines* was developed, opportunities for collaboration were identified and the scope of the project was determined. The second round of consultation was conducted electronically and involved a technical review of the proposed process for local municipalities to secure affordable housing commitments and for the Region to monitor achievement of the affordable housing targets in the *YROP-2010*.

4. ANALYSIS AND OPTIONS

Threshold, commitments and monitoring make up the three main components to the *Guidelines*

There are three main topics that are covered in the *Guidelines*:

1. **Thresholds** – How maximum affordable housing thresholds are calculated and established
2. **Commitments** – How local municipal staff will secure commitments towards achieving affordable housing targets
3. **Monitoring** – How the Region will monitor progress towards achieving affordable housing targets

Maximum affordable housing thresholds will be updated annually by the Region

Affordable housing thresholds provide the upper limits of what is considered "affordable" from a commitment and monitoring perspective. They are calculated annually by tenure, based on Provincial legislation and definitions, and will be reported annually in the Year-End Growth and Development Review report; an annual report produced by the Office of the Chief Administrative Officer. It should be noted that the affordable thresholds are different than the definition of affordability in the social assistance/low income context.

The thresholds are calculated for each of the local municipalities for ownership units and Region-wide for rental units. It should be noted that the Provincial definitions of affordable pertain to the Regional market area. It was agreed through consultation that the ownership thresholds would be established and monitored by local municipality. *Tables 1* and 2 display the affordable housing thresholds for 2013. These thresholds are current to year-end 2013 and are utilized for 2013 monitoring purposes as well as for benchmarks for securing affordable housing commitments until the next set of thresholds (current to year-end 2014) are calculated and reported on.

Table 1
2013 Affordable Ownership Thresholds

Local Municipality	2013 Affordable Threshold
Aurora	\$465,287
East Gwillimbury	\$443,410
Georgina	\$322,572
King	\$487,353
Markham	\$422,582
Newmarket	\$417,812
Richmond Hill	\$423,022
Vaughan	\$446,232
Whitchurch-Stouffville	\$448,594
York Region	\$424,175

Source: York Region Office of the Chief Administrative Officer, June 2014

Table 2
2013 Affordable Rental Threshold

York Region	2013 Affordable Threshold
York Region	\$1,252/mo.

Source: York Region Office of the Chief Administrative Officer, June 2014

Provincial and Regional policy requires that an appropriate range of housing be provided for all current and future residents and workers. Therefore, although the affordable housing threshold calculations provide an upper threshold, it is not an appropriate benchmark for all affordable housing. Housing for households with incomes below these upper affordability thresholds is also required.

Affordable housing commitments will be secured by local municipal staff at various stages of the development approval process

Affordable housing commitments are to be secured at two stages of the development approval process: through the secondary plan process and through development application review and approval. At the secondary plan level, affordable housing targets will be determined through an analysis that includes the municipal targets and the projected growth in the secondary plan area. At the development application level, affordable housing commitments will be secured based on the municipal target or secondary plan targets, as appropriate.

Affordable housing targets and commitments will be tracked by local municipal staff on an on-going basis and forwarded to the Region to supplement the Regional monitoring process.

Progress towards achieving affordable housing targets will be monitored and reported on by Regional staff

The Region will report on the number and percent of new affordable units by local municipality, as well as progress made towards the *YROP-2010* affordable housing targets on an annual basis. These results will be reported annually through the Year-End Growth and Development Review report.

This monitoring exercise includes all new units and is a first attempt at capturing the quantum of new affordable housing contributions, including those negotiated for by local municipal staff through Section 37 agreements. There is no accessible single data source that includes this information. In order to capture all types of new affordable units, there will be five components to the monitoring exercise:

1. New ground-related private ownership
2. New high density private ownership
3. New private purpose-built rental
4. New government assisted/non-profit rental
5. New secondary suites

Each component of the monitoring exercise is derived from a different data source, each with their own limitations. The ownership portion of the analysis is based on sales data whereas the rental portion of the analysis is based on completion data. Therefore, it is anticipated that the new housing units captured year over year for affordable monitoring may not be equal to the number of units sold.

While 2013 affordability targets are being met Region-wide, not all housing types in all areas are meeting affordable targets

Based on an analysis of 2013 new sales data, *Table 3* shows new home sales by local municipality. Based on the 2013 analysis, 40 percent of new units fell within the maximum limit of affordable. Achievement of affordability ranged from 5 percent of new units in King to 66 percent of new units in Richmond Hill.

Table 3
 York Region New Affordable Housing Monitoring Analysis, 2013

	Ownership				Rental				Total ⁶	
	Ground Related ¹		High Density ²		Private Purpose Built ³		Gov't Assisted/Non-Profit ⁴			
	Total Units	Affordable Units	Total Units	Affordable Units	Total Units	Affordable Units	Total Units	Affordable Units	Total Units	Affordable Units
Aurora	38	1 (3%)	35	11 (31%)	-	-	-	-	6	6
East Gwillimbury	56	33 (59%)	-	-	-	-	-	-	3	3
Georgina	127	50 (39%)	22	0 (0%)	-	-	4	4	33	33
King	398	8 (2%)	31	14 (45%)	-	-	-	-	-	429
Markham	2,072	342 (17%)	794	651 (82%)	12	12	-	-	49	49
Newmarket	431	117 (27%)	-	-	-	-	-	-	66	66
Richmond Hill	447	116 (26%)	463	433 (94%)	6	6	140	140	-	1,056
Vaughan	631	76 (12%)	647	507 (78%)	-	-	-	-	-	1,278
Whitchurch-Stouffville	496	120 (24%)	9	9 (100%)	-	-	-	-	4	4
York Region	4,696	863 (18%)	2,001	1,625 (81%)	18	18	144	144	161	161
									7,020	2,811 (40%)

Source: York Region Office of the Chief Administrative Officer, June 2014

(1) In-house teranet sales data based analysis, (2) RealNet custom data order, (3) CMHC completions data, (4) In-house inventory, (5) Local municipal second suite registries

While overall affordability targets are being achieved, only 18 percent of new ground related units were affordable. Also, more research on the type of high-density units that are achieving affordability is required in order to determine whether the need for affordable, larger-sized, family units is being met.

The existing housing stock provides some affordable options

Based on an analysis of 2013 average housing sales price and rent cost data, *Attachment 2* includes 2013 snapshots of average housing costs by tenure and type. The snapshots depict the range from the lowest local municipal average price to the highest local municipal average price for the 2013 calendar year.

Based on this analysis, there are affordable ownership options in the resale market for all structure types and affordable rental options for all bedroom types. It should be noted that while these options are available Region-wide, at a local municipal scale there may be limitations. Key factors affecting affordability by location include access to services, infrastructure and transportation corridors, historical development and urban structure.

Although the snapshots in *Attachment 2* provide an accurate range of average home prices and rents, they may be misleading in that the number of housing units available throughout the range varies. Less than 20 percent of re-sale units sold in 2013 were under the region-wide affordable threshold of \$424,175.

Affordable housing threshold, commitment and monitoring methodologies may be refined over time

The methodologies developed in the *Draft Guidelines* are a first attempt at establishing a clear process to secure and monitor affordable housing units. These methodologies will be monitored on an on-going basis and adjusted if required.

Adjustments may be made if more detailed and/or reliable data becomes available or more refined processes are established.

Adjustments may also be made if it is found that specific areas of need are not being addressed. For example, *YROP-2010* policy requires that a portion of affordable housing units should accommodate larger families, seniors, residents with special needs and be accessible for people with disabilities.

The Region will continue to support efforts to create new affordable housing

There are a number of on-going affordable housing related programs that the Region supports, including:

- Management and support of social housing units and programs
- Support of the Human Services Planning Board of York Region “Make Rental Happen” campaign, including:
 - Council endorsement of the *Collaborative Advocacy Plan* to encourage the development of purpose-built private market rental housing options
 - Council support of potential amendments to the Ontario Building Code to increase the maximum height for wood frame buildings from 4 to 6 storeys
- Utilization of planning and financial tools such as development charge relief, property tax equalization and support of height and density bonuses in exchange for social housing units through Section 37 agreements

In the future, Regional staff intend to document affordable housing supports available through the creation of an affordable housing tools and incentives paper, and to document the use of those tools and incentives in a best practices paper. Currently, staff reference the Ministry of Municipal Affairs and Housing’s [*Municipal Tools for Affordable Housing*](#) and Appendix 9 of the 2012 [*Housing Matters*](#) report: Affordable Housing Examples of Best Practices Matrix.

Link to key Council-approved plans

The *Guidelines* address the *2011 to 2015 Strategic Plan* strategic objective to “support healthy communities through a broad range of housing choices and supports to meet the diverse needs of residents.”

The *Guidelines* also address the *Vision 2051* “Appropriate Housing for all Ages and Stages” goal area by supporting the actions within the “Housing Choices that Match our Needs” Action Area.

As discussed in the report, the *Guidelines* implement *YROP-2010* affordable housing targets within the plan.

5. FINANCIAL IMPLICATIONS

The development of the *Guidelines* will be undertaken within the existing staff complement and 2013/2014 budget allocations.

6. LOCAL MUNICIPAL IMPACT

Local municipal staff are crucial subject matter experts for reviewing and refining the *Guidelines* through the consultation process. They are also key partners and will work with the development industry to secure affordable housing units through the development review and approval process.

Local Official Plan affordable housing targets align (or will align) with *YROP-2010* affordable housing targets, resulting in consistent targets across the Region.

Through the final round of consultations, local municipalities will be circulated the *Draft Guidelines* for review and comment. These comments will be incorporated into the final document to ensure that the guidelines are clear and implementable.

7. CONCLUSION

The provision of a full mix and range of housing choices is a legislated requirement and a key component of complete communities. York Region is forecasting strong growth and a shift to a more diverse and urbanized population and urban structure. Applying affordable housing targets to this growth will help ensure that the housing needs of our residents and workers are met.

Affordable housing targets have been included in the York Region Official Plan since 1994; however, the *Guidelines* are the first time that a standardized approach to securing, monitoring and reporting has been established. This standardized approach will allow for the consistent identification and measurement of the supply of new affordable units, which will in turn allow for evidence based policy responses to housing needs. The final Guidelines will be brought to Council for approval early in 2015.

The methodologies outlined in the *Guidelines* are used to establish affordability thresholds, gain affordability commitments and monitor new affordable housing units. These will be circulated to subject matter experts including local municipalities and the development industry for review and finalization.

For more information on this report, please contact Valerie Shuttleworth, Director Long Range Planning at Ext. 71525 or Paul Bottomley, Manager, Policy Research and Forecasting at Ext. 71530.

Senior Management Group has reviewed this report.

Attachments (2)



Affordable Housing Implementation Guidelines

Draft

2014

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Introduction

Purpose of the Affordable Housing Implementation Guidelines

The York Region Affordable Housing Implementation Guidelines provide a standard approach to implement the York Region Official Plan – 2010 (“YROP-2010”) affordable housing targets. The targets require that 25% of all new housing be affordable and that 35% of new housing in the Region’s Centres and key development areas be affordable.

Achievement of the affordable housing targets in the YROP-2010 over time will help ensure our communities are healthy, economically stable and environmentally sustainable.

Need for Affordable Housing Options

The number of residents facing affordability pressures is increasing and the income gap is expanding in York Region. These trends impact a wide spectrum of the Region’s population, including:

- Low and moderate income earners, such as those that are beginning their careers or that work in lower paying industries that support the broader community.
- Newcomers to the Region who need housing in order to secure employment and integrate with the community.
- Older residents who may have constraints on their incomes and wish to remain in their communities in order to maximize their health and well-being.

The diversity of jobs in York Region provide a full range of income levels, but there is a mismatch between the housing options that are available and the workforce, which contributes to the Region having one of the lowest live/work ratios in the Greater Toronto Area. Where housing, especially affordable housing, is located plays an important role in the Region’s economy. When affordable housing options are available in proximity to employment, travel times and stress are reduced which increases productivity and lowers absenteeism. This in turn increases the ability of the Region’s employers to attract and retain employees. Reduced travel times also result in less demand on the road network and a decrease in air pollution.

It is critical to both our economy and our communities that a full mix and range of housing options, including affordable housing, are available to our residents and workers. Encouraging residents to remain in their community and to work in and contribute to the area in which they live supports the Region’s urban structure and transportation and social networks, thus promoting vibrant, healthy communities, a strong economy, and a clean environment.

Policy Context

The Affordable Housing Implementation Guidelines are based on provincial, regional and local housing-related policies which are hierarchical and connected. Provincial policy provides direction that is then incorporated into Regional and Local Official Plans, with increasing levels of detail. The Province is the approval authority for the Regional Official Plan and the Region is the approval authority for local Official Plans, resulting in overall policy consistency.

Provincial policy requires that the Region establish, work towards and monitor affordable housing targets. *The Planning Act, 1990* identifies adequate provision of a full range of housing, including affordable housing, as a Provincial Interest and includes a number of planning tools that municipalities can consider using to help achieve a full mix and range of housing options. The *Provincial Policy Statement, 2014* and the *Growth Plan for the Greater Golden Horseshoe, 2006* include an affordable housing definition that establishes upper affordable housing thresholds, as well as direction to establish and implement affordable housing targets. *The Housing Services Act, 2011* requires that the Region develop a 10-Year Housing Plan, including the establishment and monitoring of targets. See Appendix A for a more detailed synopsis of Provincial housing related legislation.

The Region's strategic policy framework is aligned to support Provincial requirements for a full mix and range of housing options. The following strategic policy documents contain inter-related policies and goals that promote the maintenance, creation and monitoring of affordable housing:

- Vision 2051
- York Regional Official Plan - 2010
- 2011 to 2015 Strategic Plan
- York Region 10-Year Housing Plan

Additionally, the Region supports a number of programs to promote and facilitate the development of new affordable housing and/or maintain the affordability of the current housing stock, including:

- Management and support of social housing units and programs
- Make Rental Happen campaign
- Multi-residential tax equalization
- Preferred servicing allocation
- Relief from development charges
- Acceptance of social housing units in exchange for height and density bonuses (in partnership with local municipalities).

See Appendix B for a more detailed synopsis of Regional housing related policies and programs.

Components of the Guidelines

The Affordable Housing Implementation Guidelines cover three main topics:

1. **Affordable Thresholds** – How affordable housing thresholds are calculated and established.
2. **Affordable Housing Commitments** – How local municipal staff will gain commitments from applicants towards achieving affordable housing targets.
3. **Affordable Housing Monitoring** – How the Region will monitor progress towards achieving affordable housing targets.

These topic areas are interdependent and will result in consistent measurement of the supply of new affordable units, which will in turn allow for evidence based policy responses to housing needs. The overall annual process to implement these Guidelines is as follows:

Figure 1: Annual Affordable Housing Implementation Guidelines Process

	Q1	Q2	Q3	Q4
Thresholds	York Region calculates updated thresholds as of year-end of previous year	York Region publishes thresholds as of year-end of previous year		
Commitments	<< Continuous tracking of Secondary Plan Targets and Development Proposal Commitments >>			Local municipal staff forward local municipal affordable housing tracking sheets to Region (if applicable)
Monitoring	York Region analyzes new sales from previous year for affordability	York Region publishes affordability analysis		

Source: York Region Long Range Planning, June 2014

1. Affordable Housing Thresholds

Affordable housing thresholds provide the maximum limit of what is considered “affordable” from a commitments and monitoring perspective. They are calculated annually by tenure based on Provincial legislation and definitions.

Tenure categorizes York Region’s occupied dwellings into two groups: those that are owned and those that are rented:

- **Ownership** housing refers to new units that are intended for private ownership and includes condominium units.
- **Rental** housing refers to new units that are rented to a second party and can include traditional private purpose built rental units, government assisted rental developments and secondary suites. In York Region a substantial percentage of condominium units are rented. However these units will not be counted towards affordability from a rental perspective because they can be removed from the rental market at any time. These units will be captured within the ownership category, if applicable.

The calculated affordable housing thresholds provide the upper limit for whether a unit can be considered affordable. They create a benchmark for local municipal staff and development proponents to reference when determining affordable housing targets and commitments and for regional monitoring of affordable units.

It is acknowledged that there is a time lag between when a development application is submitted and when residential units are available for sale, and that inflation can create discrepancies in what price is considered affordable between these two time periods. It is not expected that future developments meet current thresholds. Rather, the current thresholds provide a base in order to make reasonable assumptions on what future thresholds may be.

Appendices C and D provide detailed descriptions of the calculations used to establish ownership and rental affordable housing thresholds respectively.

The definition of affordable provides a maximum threshold which is “affordable” to 40 percent of the households in the Region. Provincial and Regional policy requires that an appropriate range of housing be provided for all current and future residents and workers. Therefore, although the affordable housing threshold calculations provide an upper threshold, it is not an appropriate benchmark for all affordable housing. Housing for households with incomes below these upper affordability thresholds is also required.

In York Region, ownership thresholds will be determined for each local municipality.

The Region intends to update the thresholds on an annual basis and to publish them during Q2 in the Growth and Development Review report; an annual report produced by the Office of the Chief Administrative Officer.

2. Affordable Housing Commitments

Scope of Commitments

Each local municipality within the Region will detail affordable housing targets by secondary plan area and affordable housing commitments by development application¹. This will result in consistent policy implementation across all nine local municipalities.

In order to meet municipal official plan affordable housing targets, it will be necessary to ensure that secondary plan area targets are fulfilled through related development application commitments. The sum of all affordable housing secondary plan targets and/or development application commitments should be equal to overall local municipal official plan targets.

Because the affordable housing targets in the Regional Official Plan refer to two distinct geographies, there will need to be two streams of commitments and monitoring:

Figure 2: Streams of Affordable Housing Commitments and Monitoring

Regional Centres and key development areas*	35%
Outside of Regional Centres and key development areas	25%

Source: York Region Official Plan - 2010, June 2014

* Key development areas refer to intensification areas on Regional Corridors. They are focused on existing and planned rapid transit corridors, have the highest densities and mixed uses in the Regional Corridor, and are identified and planned by local municipalities.

The Region is currently in the process of developing a map layer depicting the geographic boundaries of Regional Centres and key development areas. Once this layer has been finalized, a map depicting the general boundaries will be available at www.york.ca/maps.

When determining which affordable housing target applies to the area that a specific application is located in, local municipal consultation will be required.

Tracking and Recording of Targets and Commitments

Affordable housing commitments are to be secured at two stages of the development approval process: through the secondary plan process and through the development application review and approval process. At the secondary plan level, affordable housing targets will be determined through an analysis that includes the local municipal official plan targets and the projected growth in the secondary plan area. At the development application stage, affordable housing commitments will be secured based on the municipal target or secondary plan targets, as appropriate.

¹ Within this document “development application” refers to draft plans of subdivision, draft plans of condominium and site plans. Secondary plans are dealt with independently.

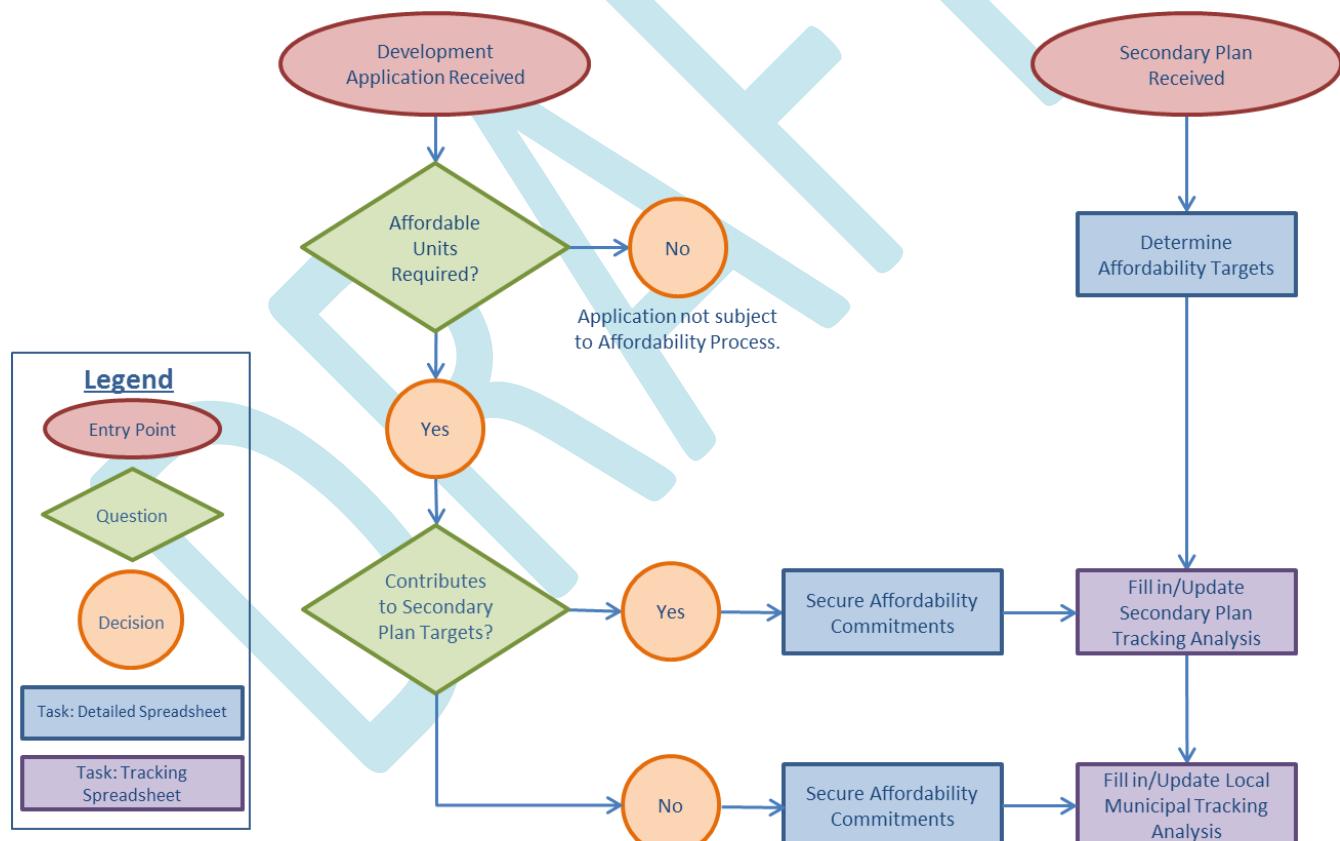
Updated complete application policies will be incorporated into the YROP-2010 and local municipal official plans to support the requirement that affordable housing targets be established and implemented. A condition of approval will be included for development applications with affordable housing commitments. Sample wording for a condition is:

The Owner shall, in consultation with the local municipality, determine affordability commitments, having regard to the affordable housing targets in the York Region Official Plan - 2010 and to any applicable Secondary Plan, and shall demonstrate to the satisfaction of [local municipal] staff that an appropriate mix and range of housing types, lot sizes, unit sizes, tenures and finishes are made available in order to achieve these commitments.

However, wording of the condition will likely vary based on circumstance.

Figure 3 depicts the overall process to track the affordable housing targets and commitments:

Figure 3: Local Municipal Process to Track Affordable Housing Targets and Commitments



Source: York Region Long Range Planning, June, 2014

All new secondary plans shall include an affordability analysis that determines the affordable housing targets within the plan. When a development application is received by a municipality, affordability commitments will be required in most cases. If the development application is within a secondary plan

that has detailed affordability targets, the commitments within the development application will be tracked against the targets of the secondary plan. Both secondary plan targets and development application commitments will be tracked on a local municipal basis in order to track progress towards achieving the overall local municipal official plan targets. These tracking processes will require four types of tracking spreadsheets:

1. Determine Affordability Targets for Secondary Plans through a Secondary Plan Affordability Analysis
2. Secure Affordability Commitments for Development Applications
3. Track achievement of Secondary Plan Affordability Targets through Development Application Commitments
4. Track achievement of Local Municipal Affordability Targets through Secondary Plan Targets and Development Application Commitments from development applications outside of secondary plan areas

Appendix E contains sample spreadsheets for each of these processes. These are sample spreadsheets provided to assist local municipalities secure and track affordable housing targets and commitments. If a local municipality already has a tracking mechanism in place, there is no need to change it.

As development applications progress through the process from proposal to registration, any changes to the affordability commitments would need to be captured on the tracking spreadsheets.

In summary, affordable housing targets and commitments will be tracked by local municipal staff on an on-going basis through secondary plans and development applications. Achievement of the local municipal targets will be an iterative process that monitors how development applications work to achieve the targets. Municipalities have the flexibility to determine the location and composition of units to achieve these targets. The Region may require a record of these targets and commitments to supplement the monitoring process.

3. Affordable Housing Monitoring

The Region intends to monitor new affordable housing units on an annual basis and to publish the findings.

In order to comprehensively capture all new affordable units, there are five components to the monitoring exercise:

- 1. New ground related private ownership**
- 2. New high density private ownership**
- 3. New private purpose built rental**
- 4. New government assisted/non-profit rental**
- 5. New secondary suites**

Appendix F contains details on the technical process used to track each component of the monitoring exercise.

The Region will report on the number and percent of new affordable units by local municipality, as well as progress made towards the Regional Official Plan affordable housing targets on an annual basis. These results will be published during Q2 in the Growth and Development Review report; an annual report produced by the Office of the Chief Administrative Officer.

Conclusions

The provision of a full mix and range of housing options is a legislated requirement and a key component of building complete communities. York Region is forecasting strong growth and a shift to a more diverse and urbanized population and urban structure. Applying affordable housing targets to this growth will help ensure that the housing needs of our residents and workers are met.

Affordable housing targets have been included in the Regional Official Plan since 1994; however, this is the first time that a standardized approach to securing, monitoring and reporting has been established. This standardized approach will allow for the consistent identification and measurement of the supply of new affordable units, which will in turn allow for evidence based policy responses to housing needs.

The methodologies outlined in the Affordable Housing Implementation Guidelines are used to establish affordability thresholds, secure affordability commitments and monitor new affordable housing units. These methodologies will be monitored on an on-going basis and adjusted as required.

Appendix A:

Provincial Policy Context

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The Region's legislated responsibilities related to housing can be categorized as follows:

1. Growth management
2. Housing programs
3. Housing and homelessness supports

From a growth management perspective, the Region is responsible for allocating growth to local municipalities and ensuring that communities are developed according to the Region's policy framework. This includes providing a full mix and range of housing options in new communities and housing developments.

York Region is a designated Service Manager, which means that the Region has been designated by the Province to manage social housing programs and supports within the Region. It is through this role that the Region funds and administers Housing York Inc. (the Region's non-profit housing corporation) as well as a number of other non-profit and co-operative housing providers. Additionally, the Region provides rent subsidies and administers the centralized waiting list for social housing. The Region addresses homelessness through a consolidated program which aims to prevent, address and reduce homelessness by improving access to acceptable housing that is linked to flexible support services. Also, the Region funds emergency shelter beds provided through community partners.

Key provincial policy and legislation guiding the Region in the development of housing related policies and programs is summarized below.

Planning Act, 1990

The *Planning Act* sets out the ground rules for land use planning and development in Ontario which helps guide municipal decisions that will determine the future of communities. Within the Act, "The adequate provision of a full range of housing, including affordable housing" has been identified as a Provincial Interest, which means that decision makers must have regard for affordable housing when making land use planning decisions. Additionally, there are a number of planning tools provided within the Act that municipalities can consider using to help achieve a full range of housing:

- **Official Plans** (s. 16 and 17) set out the broad vision of a community's plans and goals governing land use, including the approach to providing a range and mix of housing types and densities.
- **Zoning By-laws** (s. 34) implement local Official Plan policy and direction. Minimum and maximum zoning standards can provide for more compact forms of development that provide opportunity for affordable housing units.
- **Second Units** (S. 16, 17 and 34), also known as accessory or basement apartments, are self-contained residential units with kitchen and bathroom facilities within dwellings or within structures accessory to dwellings and are one of the most inexpensive ways to increase the stock of affordable rental housing and integrate affordable housing throughout the community, while maintaining neighbourhood character. The *Planning Act* requires that municipalities implement policies in their official plans and in their zoning by-laws authorizing second units.
- **Garden suites** (s. 39.1), also known as granny flats, are temporary one-unit detached residential structures which contain bathroom and kitchen facilities, are designed to be portable and are accessory to the existing residential structure. Municipalities are authorized to permit garden suites for an initial 20 year period. Three year extensions can be granted as needed.

- **Community Improvement Plans** (s. 28) can help municipalities address challenges by providing a means of planning and financing development activities that effectively use, reuse and restore lands, buildings and infrastructure. The *Planning Act* specifies that the definition of "Community Improvement" includes the provision of affordable housing. Both upper and lower-tier municipalities are permitted to develop Community Improvement Plans for affordable housing initiatives.
- **Height and Density Exchanges** (s. 37) permit municipalities to authorize increases in the height and density of development otherwise permitted by a zoning by-law, in return for the provision of facilities, services or matters specified in the by-law. This tool should be considered for use to achieve affordable housing.
- **Development Permit Systems** (s. 70.2) integrates various local municipal planning applications into a single submission which can significantly improve approval timelines and provide more certainty and cost savings.
- **Land Division - Subdivisions** (s. 51) are required to have regard to provincial interests, including the provision of affordable housing. More compact, higher density subdivisions can contribute to affordability by reducing land and infrastructure costs per unit.
- **Parkland dedications** (s. 42 and 51.1) are required as a condition of approval of a land division. Municipalities can tailor their parkland dedication requirements (and cash-in-lieu provisions) to facilitate the development of affordable housing.
- **Parking reductions or exemptions** (s. 40) can reduce construction costs and the overall cost of housing, particularly in more urbanized, transit supported areas.
- **Planning Application Fees** (s. 69) may be reduced or waived where it would be unreasonable to require payment in accordance with the established tariff of fees. A reduction or waiver of the fees for applications required for an affordable housing development would help reduce costs associated with the development.

Provincial Policy Statement (PPS), 2014

The *Provincial Policy Statement (PPS)* is the statement of the government's policies on land use planning. It applies province-wide and provides policy direction on land use planning to promote strong communities, a strong economy, and a clean and healthy environment. The *PPS* states that the Province's vision for Ontario includes the provision of affordable housing.

The PPS directs that municipalities establish and implement minimum affordable housing targets. The establishment and implementation of the targets is informed by the definitions of "affordable [housing]", "low and moderate income households" and "regional market area" which are as follows:

Affordable: means

a) in the case of ownership housing, the least expensive of:

1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or

2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;
- b) in the case of rental housing, the least expensive of:
1. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
 2. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

Low and moderate income households: means

- a) in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the regional market area; or
- b) in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market area.

Regional market area: refers to an area that has a high degree of social and economic interaction. The upper or single-tier municipality, or planning area, will normally serve as the regional market area. However, where a regional market area extends significantly beyond these boundaries, then the regional market area may be based on the larger market area. Where regional market areas are very large and sparsely populated, a smaller area, if defined in an official plan, may be utilized.

In order to ensure that new growth can be accommodated, the *PPS* requires that municipalities maintain at all times the ability to accommodate residential growth for a minimum of 10 years. Municipalities are required to permit and facilitate residential intensification as well as establish development standards that minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.

The Growth Plan for the Greater Golden Horseshoe, 2006

The *Growth Plan* is a framework for implementing the Government of Ontario's vision for building stronger, prosperous communities by better managing growth. It reiterates the *PPS* definition of "affordable housing" as well as the requirement that minimum affordable housing targets be established and implemented. The *Growth Plan* also requires upper- and single-tier municipalities to develop a housing strategy.

Additionally, policies within the *Growth Plan* require that new developments contribute to complete, high-density, transit supportive communities which contribute to affordability through lower land and infrastructure costs.

Development Charges Act, 1997

The *Development Charges Act* permits municipalities to impose fees in order to pay for increased capital costs required as a result of increased need for services and infrastructure to accommodate new development. The Act permits municipalities to exempt or reduce development charges for types of development specified in the by-law enacted by Council.

Ontario's Long Term Affordable Housing Strategy, 2010

The vision of *Ontario's Long Term Affordable Housing Strategy* is to improve Ontarian's access to adequate, suitable and affordable housing, and provide a solid foundation on which to secure employment, raise families and build strong communities.

The key components to the strategy are:

1. Consolidating housing and homeless programs
2. Simplifying rent-geared-to-income calculations
3. Requirement to develop local housing and homeless plans
4. Streamlining of reporting requirements for housing programs
5. A pilot project to help rent-geared-to-income tenants save money for specified purposes with reducing their assistance
6. Improve social housing wait list performance
7. Helping victims of domestic violence
8. Protecting non-profit and co-op housing
9. Fair process for housing providers to develop collaborative solutions with Service Managers
10. Review process for Service Manager decisions (eligibility, rent determination, type of accommodation)
11. Requiring municipalities to allow second units
12. Extending initial time period that garden suites are permitted
13. Identification of affordable housing as a key provincial interest
14. Fewer requirements for Ministerial Consents allowing Service Managers to make more decisions on their own
15. Housing Services Corporation to provide access to services to affordable and supportive housing providers and tenants
16. Advocacy for long-term federal commitment to affordable housing
17. Easier services at the Landlord and Tenant Board

Strong Communities through Affordable Housing Act, 2011

Associated with Ontario's Long-Term Affordable Housing Strategy, the *Strong Communities through Affordable Housing Act* is composed of four parts:

1. The *Strong Communities through Affordable Housing Act, 2011*, which serves as the enabling legislation;
2. The *Housing Services Act, 2011*
3. Amendments to the *Planning Act, 1990*
4. Amendments to the *Residential Tenancies Act, 2006*

The *Housing Services Act* is described below.

Amendments to the *Planning Act* are included above and include:

- Affordable Housing identified as a Provincial Interest
- Mandatory permissions for second units
- An extension to the time that garden suites are initially permitted, from 10 to 20 years

Amendments to the *Residential Tenancies Act* are described below.

Housing Services Act (HSA), 2011

The *Housing Services Act (HSA)* addresses the funding and administration of social housing. The *HSA* is the final step in the process of downloading social housing to single- and upper-tier municipalities.

A key component to monitoring the supply of affordable housing is the mandatory development of Local Housing and Homelessness Plans. These Plans must be in place by January 1, 2014 and are monitored every five years thereafter. York Region's Housing and Homelessness Plan is referred to as the "*10-Year Housing Plan*".

The *10-Year Housing Plan* must include four principle components:

1. Assessment of current and future housing needs within the Service Manager's service area
2. Objectives and targets relating to housing needs
3. A description of activities proposed to meet the objectives and targets
4. A description of how progress towards meeting the objectives will be measured

Housing Matters: A Review of the Housing Market in York Region (2012) is the first component of the *10-Year Housing Plan* and provides an assessment of the Region's current and future housing needs.

The *HSA* includes a statement of provincial interest in the housing and homelessness system in Ontario and outlines the following interests that must be addressed in the *10-Year Housing Plan*:

1. Is focussed on achieving positive outcomes for individuals and families;
2. Addresses the housing needs of individuals and families in order to help address other challenges they face;
3. Has a role for non-profit corporations and non-profit housing cooperatives;
4. Has a role for the private market in meeting housing needs;
5. Provides for partnerships among governments and others in the community;
6. Treats individuals and families with respect and dignity;
7. Is co-ordinated with other community services;
8. Is relevant to local circumstances;
9. Allows for a range of housing options to meet a broad range of needs;
10. Ensures appropriate accountability for public funding;
11. Supports economic prosperity; and
12. Is delivered in a manner that promotes environmental sustainability and energy conservation.

Ontario Housing Policy Statement, 2011

The *Ontario Housing Policy Statement* provides additional context and direction to support the development of local housing and homelessness plans.

Seven key themes are identified:

1. Accountability and Outcomes
2. Goal of Ending Homelessness
3. Non-profit Housing Corporations and Non-profit Housing Co-operatives
4. The Private Market
5. Co-ordination with Other Community Services
6. A Broad Range of Community Needs
7. Environmental Sustainability and Energy Conservation

Residential Tenancies Act, 2006 (RTA)

The purpose of the *Residential Tenancies Act, 2006 (RTA)* is to ensure the rental housing system protect tenants, help landlords and promote investment in Ontario's rental housing market.

The *Strong Communities through Affordable Housing Act* amended the *RTA* in order to allow some adjudicative duties to be carried out by Landlord and Tenant Board staff rather than Landlord and Tenant Board members, therefore facilitating the effective and efficient management of disputes.

Municipal Act, 2001

The *Municipal Act* governs the structure, responsibilities and powers of municipalities in Ontario by providing powers to pass by-laws relating to a wide range of activities.

Through the *Municipal Act*, municipalities can enact by-laws to prohibit and regulate the demolition and conversion of rental properties, thus protecting existing rental stock.

Through the *Act* municipalities are also permitted to provide grants for purposes councils consider to be in the interests of the municipality, such as affordable housing. An example of this is municipal capital facilities agreements, which allow municipalities to create relationships with other parties to deliver facilities, including housing projects. Assistance may include giving or lending money; giving, leasing or lending property; guaranteeing borrowing; and property tax exemptions or reductions.

The *Municipal Act* permits municipalities to establish Municipal Services Corporations to deliver specific services, such as the provision of residential housing. Housing York Inc. is an example of a Municipal Services Corporation.



Appendix B:

Regional Policy and Program Context

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The Region's strategic policy framework is aligned to support Provincial requirements for a full mix and range of housing options. Additionally, the Region has a number of programs in place to promote and facilitate the development of new affordable housing.

Key regional housing related policies and programs are summarized below.

Vision 2051

Vision 2051 is the Region's primary long-term strategic document. It establishes a blueprint for the Region's future and outlines the steps we can collectively take to achieve this vision for the Region in 2051.

One of the Goal Areas within *Vision 2051* is "Appropriate Housing for all Ages and Stages". The Goal Statement is: "In 2051, York Region has housing to match the needs of its residents and workers. Housing choices support affordable and sustainable living, and address the needs of a diverse and aging population."

York Region Official Plan - 2010

The *York Region Official Plan - 2010* (*YROP-2010*) is a statutory document that sets out land use policy directions for long-term growth and development of the Region to 2031.

The *YROP-2010* was approved by the Ministry of Municipal Affairs and Housing in September 2010. The Plan provides direction on building cities and complete communities, including the provision of minimum intensification and density requirements. These requirements will result in more compact communities with a greater structure type mix, thus providing opportunity for the provision of affordable housing.

The *YROP-2010* recognizes that acceptable housing is critical for quality of life. An important objective in the *Plan* is to "promote an appropriate mix and range of acceptable housing to meet the needs of residents and workers". The *Plan* renews the Region's focus on providing a continuum of social and affordable housing through policy direction and the use of targets, incentives, partnerships, community education and monitoring. The *Plan* requires that 25% of all new housing be affordable, with a portion of these units accessible for people with disabilities. Additionally, 35% of new housing in Regional Centres and key development areas are to be affordable. In order to work towards achieving these targets, one of the policies in the *Plan* is to "develop an affordable housing implementation framework in partnership with local municipalities and the development industry to achieve the targets in this plan." The *York Region Affordable Housing Implementation Guidelines* satisfy this policy.

2011 to 2015 Strategic Plan

The *From Vision to Results: 2011 to 2015 Strategic Plan* serves to officially align Regional departments with Council's goals by establishing a hierarchy of processes that direct departmental plans and budgets, as well as individual performance plans.

One of the Strategic Objectives in the Strategic Priority Area "Improve Social and Health Supports" is to "support healthy communities through a broad range of housing choices and supports to meet the diverse needs of residents."

York Region 10-Year Housing Plan

The *York Region 10-Year Housing Plan* fulfills the Region's legislated responsibility under the *Housing Services Act* to develop a 10-year plan that assesses housing needs and proposed actions to address these needs. The *Housing Plan* is a strategic document that describes the Region's continued approach to addressing its housing responsibilities.

The *Housing Plan* includes four related goals and over 50 actions that focus on building complete communities, where people can live, work, play and learn, with a mix and range of housing options that meets the various needs of the Region's residents and workers. The four goals are:

1. Increase the rental housing supply
2. Sustain the existing rental housing supply
3. Support home ownership affordability
4. Strengthen the homelessness and housing stability system

Social housing units and programs

York Region is a provincially designated Service Manager, which means that the Region is responsible for the administration and funding of social housing programs within our boundaries. This includes units owned by the Region's non-profit housing corporation, Housing York Inc., as well as those owned by community non-profit and co-operative housing providers. Additionally, the Region administers new affordable housing supply and subsidiary programs.

The Region also funds a range of community based programs and services for low and moderate income households and for individuals and families who are homeless or who are at risk of becoming homeless. This includes the funding and administration of emergency shelters, transitional housing and domiciliary hostels.

Make Rental Happen campaign

The Human Planning Services Board of York Region was created by Council to bring together leaders in human services to find new ways of improving the health and well-being of our residents.

One of the focus areas of the Board is on increasing housing affordability. It is through this lens that the Board created the Make Rental Happen collaborative action plan. The purpose of this action plan is to engage partners - such as all levels of government, the building industry and corporate leaders - who can influence change to create rental housing options for those who cannot afford or do not wish to own a home.

One of the components of the Make Rental Happen campaign is the Make Rental Happen Challenge; a competition for post-secondary students to create and design bold, innovative and achievable solutions to increase the supply of private-market rental housing in York Region.

Multi-residential property tax equalization

In 2003, York Region was one of the first municipalities in Ontario to initiate property tax equalization for multi-unit residential developments, bringing the tax burden on par with that for lower density homeowners.

Regional reserve of servicing allocation

In 2008, Regional Council endorsed the use of the regional reserve of servicing allocation for multi-unit non-profit housing for 1,800 people. Since that time, this program has supported the development of more than 525 new affordable housing units.

Development Charges

Through the Municipal Housing Facilities By-law, the Region has the authority to provide conditional grants in lieu of Development Charges for private and public sector developments through case specific agreements in accordance with by-laws and as approved by Council. The grants are funded from the Social Housing Reserve fund and all agreements to date have been with non-profit partners, supporting the development of over 375 new affordable housing units.

The Region is also able to provide deferrals to Development Charges. To date Development Charge deferrals have supported the development of over 225 new non-profit housing units in three developments in addition to Housing York Inc. developments, which are exempt from paying Development Charges.

Height and density bonuses (social housing)

Municipalities have the authority to authorize increases in the height and density of development otherwise permitted by a zoning by-law, in exchange for community benefits. Affordable housing, including social housing, is considered to be a community benefit.

The Region is working to establish a framework for local municipalities interested in using Section 37 of the *Planning Act* to secure affordable housing units for Housing York Inc. This framework will provide guidance to the acquisition of affordable housing units to meet the requirements of both the municipality and Housing York Inc.

Appendix C:

Ownership Affordable Thresholds

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Definitions and Context

The *Provincial Policy Statement, 2014* includes a definition for “affordable” which is included in the *Places to Grow: The Growth Plan for the Greater Golden Horseshoe (2006)* and the *York Region Official Plan – 2010*. This is the ownership portion of the definition:

Affordable: means

a) *in the case of ownership housing, the least expensive of:*

1. *housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or*
2. *housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area*

This definition for “affordable” includes two other defined terms: “low and moderate income households”, and “regional market area”.

The *Provincial Policy Statement, 2014*, *Growth Plan* and *YROP-2010* provide a consistent definition of low and moderate income households. This is the ownership portion of the definition:

Low and moderate income households: means

a) *in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the regional market area*

The term “regional market area” is defined in both the *Provincial Policy Statement*, and the *Growth Plan*, however these definitions are not identical. While the definition for the *Growth Plan* was originally taken from the *Provincial Policy Statement, 2005*, the *Provincial Policy Statement* was updated in 2014 and the definition has been revised. The *Provincial Policy Statement, 2014* definition reads:

Regional market area: refers to an area that has a high degree of social and economic interaction. The upper or single-tier municipality, or planning area, will normally serve as the regional market area. However, where a regional market area extends significantly beyond these boundaries, then the regional market area may be based on the larger market area. Where regional market areas are very large and sparsely populated, a smaller area, if defined in an official plan, may be utilized.

The *Growth Plan* definition reads:

Regional market area refers to an area, generally broader than a lower-tier municipality, that has a high degree of social and economic interaction. In southern Ontario, the upper or single-tier municipality will normally serve as the regional market area. Where a regional market area extends significantly beyond upper or single-tier boundaries, it may include a combination of upper, single and/or lower-tier municipalities.

Threshold Calculations

In order to determine the ownership threshold, two calculations are preformed and the lower of the two results is deemed to be the maximum threshold. These calculations are typically referred to as the “income based calculation,” which is based on gross household income (i.e. subclause 1 of the definition for affordable) and the “market based calculation,” which is based on resale purchase prices (i.e. subclause 2 of the definition for affordable).

Income Based Affordable Ownership Housing Threshold

The equation used to determine the income based ownership threshold is as follows:

$$(HI * GDS/12) / (PT + MI + (1 - DP) * MF)$$

- HI: average annual household income at the 60th percentile of the income distribution
- GDS: gross debt service (30%)
- PT: property tax factor (proportion of house value per month)
- MI: mortgage insurance (as a proportion of house value per month)
- DP: down payment (percent down)
- MF: mortgage factor (calculated using a standard loan payment)

The equation used to determine the mortgage factor is as follows:

$$PMT ((1 + Rate/2)^{(2/12)-1}, AM * 12, -1),$$

- PMT: monthly loan payment
- AM: amortization period

The following inputs and assumptions are used to determine the thresholds based on the above calculations:

1. Average annual household income at the 60th percentile is based on a custom census data order.
2. Average annual household income at the 60th percentile is updated to the current year of analysis based on the Bank of Canada unadjusted consumer price index.
3. Property taxes include regional, local and school taxes and are updated based on a local municipal scan conducted in Q1 of each year.
4. The mortgage insurance standard premium rate is posted by the Canadian Housing and Mortgage Corporation.
5. A 5% down payment and a 25-year amortization period is assumed.
6. The mortgage interest rate is the annual average of the long-term rates published by the Bank of Canada.

Market Based Affordable Ownership Housing Threshold

In order to determine the market based affordable ownership threshold, Toronto Real Estate Board Market Watch reports are referenced.

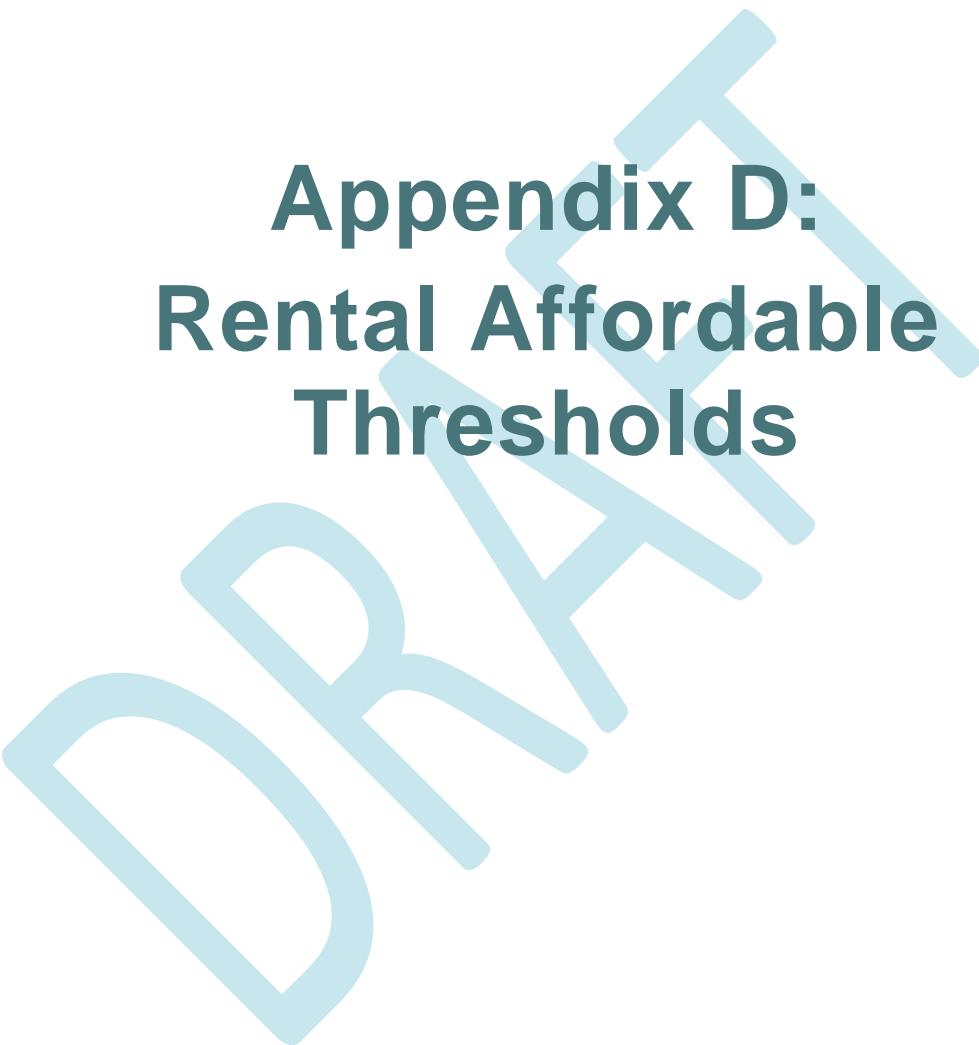
Staff determine the region-wide average purchase price of a resale unit for the calendar year and reduce said price by 10%.

Between 2006 and 2013, the income based affordable ownership housing threshold calculation has yielded a lower value than the market based calculation and has therefore been used to determine the affordable ownership threshold for these years.

Local Municipal Ownership Thresholds

Ownership affordable housing thresholds will be calculated for each local municipality by the Region, in order to address the significant geographic variations in income and resale prices across the Region. The local municipal securement of affordable unit commitments below these thresholds will be aggregated across the Region.





Appendix D: Rental Affordable Thresholds

Definitions and Context

The *Provincial Policy Statement* includes a definition for “affordable” which is included in the *Places to Grow: The Growth Plan for the Greater Golden Horseshoe (2006)* and the *York Region Official Plan – 2010*. This is the rental portion of the definition:

Affordable: means

b) in the case of rental housing, the least expensive of:

1. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
2. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

This definition for “affordable” includes two other defined terms: “low and moderate income households”, and “regional market area”.

The *Provincial Policy Statement, 2014*, *Growth Plan* and *YROP-2010* provide a consistent definition of low and moderate income households. This is the rental portion of the definition:

Low and moderate income households: means

b) in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the regional market area.

The term “regional market area” is defined in both the *Provincial Policy Statement*, and the *Growth Plan*, however these definitions are not identical. While the definition for the *Growth Plan* was originally taken from the *Provincial Policy Statement, 2005*, the *Provincial Policy Statement* was updated in 2014 and the definition has been revised. The *Provincial Policy Statement, 2014* definition reads:

Regional market area: refers to an area that has a high degree of social and economic interaction. The upper or single-tier municipality, or planning area, will normally serve as the regional market area. However, where a regional market area extends significantly beyond these boundaries, then the regional market area may be based on the larger market area. Where regional market areas are very large and sparsely populated, a smaller area, if defined in an official plan, may be utilized.

The *Growth Plan* definition reads:

Regional market area refers to an area, generally broader than a lower-tier municipality, that has a high degree of social and economic interaction. In southern Ontario, the upper or single-tier municipality will normally serve as the regional market area. Where a regional market area extends significantly beyond upper or single-tier boundaries, it may include a combination of upper, single and/or lower-tier municipalities.

Threshold Calculations

In order to determine the rental threshold, two calculations are performed and the lower of the two results is deemed to be the maximum threshold. These calculations are typically referred to as the “income based calculation,” which is based on gross household income (i.e. subclause 1 of the definition for affordable) and the “market based calculation,” which is based on market rental rates (i.e. subclause 2 of the definition for affordable).

Income Based Affordable Rental Housing Threshold

The equation used to determine the income based rental threshold is as follows:

$$(HI * GDS / 12)$$

- HI: average annual household income at the 60th percentile of the income distribution for renter households
- GDS: gross debt. service (30%)

The following inputs and assumptions are used to determine the thresholds based on the above calculations:

1. Average annual household income at the 60th percentile for renter households is based on a custom census data order.
2. Average annual household income at the 60th percentile is updated to the current year of analysis based on the Bank of Canada unadjusted consumer price index.

Market Based Affordable Rental Housing Threshold

The market based rental affordable threshold calculation uses data from the annual CMHC Rental Market Reports which defines rent as “the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water.”

The market based calculation states that any unit for which the rent is at or below the average market rent would be considered “affordable”. In York Region, the majority of the private rental stock (greater than 75%) is from buildings constructed before 1980. To apply the average rents of these developments to new construction, which has higher building code standards and amenity expectations, is not realistic. The CMHC Rental Market Report publishes average rents by year of construction ranges. One of the ranges captured is units built “since 1990”. This category provides more realistic rent values for determining the upper affordable rent threshold.

Between 2006 and 2013, the market based affordable rental housing threshold calculation has yielded a lower value than the market based calculation and has therefore been used to determine the affordable rental threshold for these years.



Appendix E: Affordable Targets and Commitments (Sample Spreadsheets)

Secondary Plan Affordability Analysis and Targets

A secondary plan affordability analysis will be used to determine affordable housing targets within the secondary plan area, as a new plan is being developed. This analysis should include the following information:

1. Target that is applicable to secondary plan area (25% or 35%). NOTE: This is not the target applied to a specific application, but rather the overall goal for the area that the application is in.
2. Structure type mix of the community (single-family, semi-detached, townhouse, apartment/condo).
3. Tenure mix of the community (ownership, rental).
4. Affordability analysis for each structure type and tenure (number and percent of units projected to be affordable).
5. Affordability targets by phase.
6. Proposed alternative methods to achieve affordability, if applicable.

Figure 1 provides a sample spreadsheet to track this information.

Figure 1
Secondary Plan Affordability Targets (Sample Table)

	Single Family	Semi-Detached	Town House	Apt./ Condo	Total
Total Units in Secondary Plan					
Total Units	500	100	300	100	1,000
Units by Tenure					
Ownership Units	500	100	200	0	800
Rental Units	0	0	100	100	200
Affordable Units					
Affordable Ownership Units	0	25	100	0	125
Affordable Rental Units	0	0	50	100	150
Total Affordable Units	0	25	150	100	275
Affordability Contribution (%)					
Affordability %	0.0%	25.0%	50.0%	100.0%	27.5%
Affordable Units by Phase					
Phase 1	0	25	50	0	75
Phase 2	0	0	50	100	150
Phase 3	0	0	50	0	50
Total	0	25	150	100	275

Source: York Region Long Range Planning, June, 2014

Development Application Affordability Commitments

Development application affordability commitments will be used to record the number, breakdown and price range of affordable housing units required within a development application area (subdivision, site plan, and/or condominium). These detailed commitments should include the following information:

1. Relation to parent secondary plan, if applicable.
2. An account of related plans. NOTE: Where multiple applications are submitted for the same geographic area, only one table is necessary.
3. Target that is applicable to application area (25% or 35%). NOTE: This is not the target applied to the specific application, but rather the overall goal for the area that the application is in.
4. Structure type mix of the application (single-family, semi-detached, townhouse, apartment/condo).
5. Tenure mix of the application (ownership, rental).
6. Affordability commitments for each structure type and tenure.
7. Anticipated price ranges for affordable units.
8. Affordability commitments by phase.

Figure 2 provides a sample spreadsheet to track this information.

Figure 2
Development Application Affordability Commitments (Sample Table)

Parent OPA/Secondary Plan: Parent OPA include AA: (Y/N)	Single Family	Semi-Detached	Town House	Apt./ Condo	Total
Related Plan:					
Related Plan:					
Total Units Dev. Application					
Total Units	50	10	30	10	100
Units by Tenure					
Ownership Units	50	10	30	0	90
Rental Units	0	0	0	10	10
Affordable Units					
Affordable Ownership Units	5	0	15	0	20
Affordable Rental Units	0	0	0	10	10
Total Affordable Units	5	0	15	10	30
Affordable Unit (\$)					
Ownership	\$400-\$420K	N/A	\$350-\$370K	NA	
Rental	N/A	N/A	N/A	\$950-\$1150/mo.	
Affordability Contribution (%)					
Affordability %	10.0%	0.0%	50.0%	100.0%	30.0%
Affordable Units by Phase					
Phase 1	0	0	0	10	10
Phase 2	5	0	15	0	20
Total	5	0	15	10	30

Source: York Region Long Range Planning, June 2014

Achievement of Secondary Plan Affordability Targets through Development Application Commitments

Within a secondary plan area that includes affordable housing targets, a secondary plan level tracking sheet will be necessary. This tracking sheet will track the number of affordable units secured through development applications in relation to the original targets determined through the secondary plan affordability analysis. The tracking should be done in a way to avoid double counting of secured affordable housing units.

Figure 3 provides a sample spreadsheet to track this information.

**Figure 3
Achievement of Secondary Plan Affordability Targets through Development Application Commitments (Sample Table)**

	Parent Plan	Tenure	Single Family	Semi-Detached	Town House	Apt./ Condo	Total	Notes
OPA Affordability Analysis Targets (from Figure 1)								
OPA 123		Owner	0	25	100	0	125	
OPA 123		Rental	0	0	50	100	150	
Development Application Affordability Commitments (from Figure 2 - many iterations of)								
19T14X01	OPA 123	Owner	0	0	40	0	40	
19T14X02	OPA 123	Rental	0	0	0	100	100	
SPKABC	19T14X02	Rental	0	0	0	0	0	100 AH Units captured with 19T14X02
CDM14X01	SPKABC	Rental	0	0	0	0	0	100 AH Units captured with 19T14X02
65M0001	19T14X01	Owner	0	0	0	0	0	40 AH Units captured with 19T14X01
Development Application Affordability Contributions (number)								
	No.	Owner	0	0	40	0	40	
	No.	Rental	0	0	0	100	100	
	No.	Total	0	0	40	100	140	
Percentage of Affordability Targets fulfilled through Development Application Commitments								
	Percent	Owner	0.0%	0.0%	40.0%	0.0%	32.0%	
	Percent	Rental	0.0%	0.0%	0.0%	100.0%	66.7%	
	Percent	Total	0.0%	0.0%	26.7%	100.0%	50.9%	

Source: York Region Long Range Planning, June 2014

Achievement of Local Municipal Affordability Targets

Overall achievement of local Official Plan affordable housing targets should be tracked on an on-going basis in order to help benchmark progress towards achieving the targets and to inform required contributions from new applications. This local municipal level tracking should include:

1. Secondary plan affordability targets.
2. Development application commitments for applications geographically located outside of secondary plan areas with affordability targets.

Development application commitments for applications geographically located within secondary plan areas with affordability targets are not captured here as they are already captured as part of the secondary plan area affordability target tracking (see Figure 3).

Figure 4 provides a sample spreadsheet to track this information.

Figure 4
Achievement of Local Municipal Affordability Targets (Sample Table)

	Total Units	Affordable Units	% Affordable	Affordability Stream	Notes
OPA 123	1,000	300	30.0%	25.0%	Org. AA = 275, exceeded by Dev. Ap.'s
OPA 456	4,000	2,300	57.5%	35.0%	
SPK0003	500	70	14.0%	35.0%	
19T14X03	2,000	600	30.0%	25.0%	
19T14X04	200	0	0.0%	25.0%	
Total Contributions (25%)	3,200	900	28.1%	25.0%	
Total Contributions (35%)	4,500	2,370	52.7%	35.0%	

Source: York Region Long Range Planning, June 2014



Appendix F:

Process to Monitor New Affordable Housing Contributions

This monitoring exercise is a first attempt at capturing the quantum of new affordable housing contributions. There is no accessible single data source that includes this information. In order to capture all types of new affordable units, there will need to be five components to the monitoring exercise:

1. New ground-related private ownership
2. New high density private ownership
3. New private purpose-built rental
4. New government assisted/non-profit rental
5. New secondary suites

Below are the details on how each component will be tracked.

New ground-related private ownership (1)

New ground-related private ownership units will be captured from Teranet¹ Land Transfer Reports. This captures the transfer prices of new units as well as the date of sale.

Locational information is available through detailed legal descriptions and manually entered address information in a tabular format. It is difficult to relate them back to an accurate address. The ability to pin point the exact transactional location, instead of summarizing by municipality, provides a much more powerful picture of current activity and emerging patterns. Therefore a complex process of calculating the geographic location, based on the provided Teranet PIN number will be completed.

Also, the Teranet report contains all types of land transfers and does not include explicit information on whether each land transfer record is a resale, new sale or other type of transfer. Therefore a number of assumptions² are made in order to isolate the new sales.

It should be noted that, as a result of this data processing and usage of new sale assumptions, some new sale records may be unintentionally dropped from the analysis.

New high density private ownership (2)

New high density private ownership units will be captured through a custom data order from RealNet Canada Inc.³ which will provide an approximate number of high density sales above and below the affordable housing thresholds established each year.

¹ Teranet is an international leader in electronic land registration and is the exclusive provider of online property search and registration in Ontario. The company developed, owns and operates Ontario's Electronic Land Registration System (ELRS) and facilitates the delivery of electronic land registration services on behalf of the Province.

² Assumptions include (1) sale occurred during target calendar year, (2) "Party from" (i.e. seller) includes the words "limited", "corp", "inc." or "ltd.", (3) "Party to" (i.e. buyer) is not a company or government organization, (4) sale price is greater than \$100,000, (5) Seller has sold more than 2 units in a given year, (6) obvious geographic outliers excluded

³ RealNet Canada Inc. has developed a comprehensive property market information platform which is used to perform research and analysis.

The RealNet dataset provides the number of sales within a given development by bedroom type (e.g. bachelor, 1-bedroom, etc.) as well as the range of asking prices by bedroom type (e.g. \$300,000 to \$360,000 for a 1-bedroom). The analysis will be conducted using the median asking price by development and bedroom type.

New private purpose built rental and government assisted/non-profit rental (3 & 4)

Total new rental completions by local municipality will be derived from the CMHC Housing Market Tables: Selected South Central Ontario. New government assisted/non-profit unit completions are tracked by internal staff. The government assisted/non-profit completions will be subtracted from the total completions by local municipality in order to determine the private market rental completions by local municipality.

All new government assisted/non-profit units will be considered "affordable". Staff will work with local municipal staff to determine the affordability of any new private rental units.

New Secondary Suites (5)

New secondary suite units will be tracked through a scan of local municipal registries. Secondary suites that are not registered with the municipality will not be counted towards affordability targets.

All new secondary units will be considered "affordable".

Adjustments to the monitoring exercise may be made if more detailed and/or reliable data becomes available or more refined processes are established. For example, links to building permits and/or registered plans could be established.

Adjustments may also be made if it is found that specific areas of need are not being addressed. For example, *YROP-2010* policy requires that a portion of affordable housing units should accommodate larger families, seniors, residents with special needs and be accessible for people with disabilities.

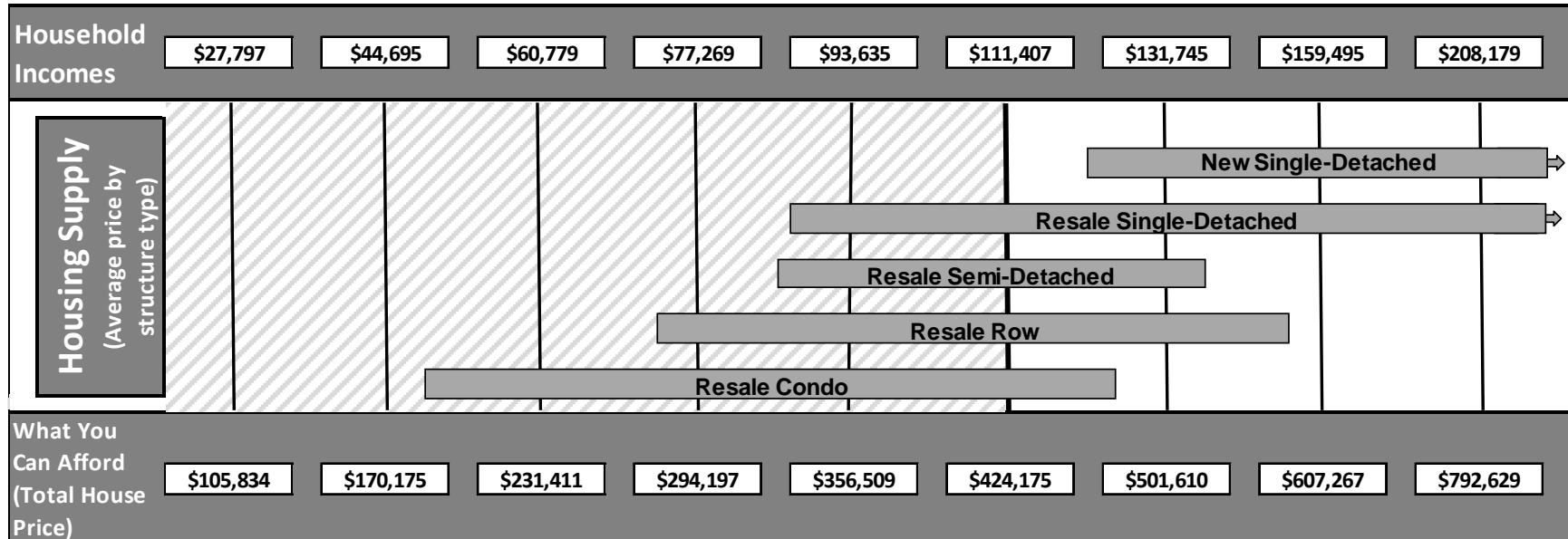
DRAFT

For more information please contact:
Long Range Planning
Corporate and Strategic Planning
Office of the Chief Administrative Officer
futureyork@york.ca
(905) 830-4444 ext. 71508



York Region Ownership Housing Snapshot, 2013

 Supply Under Maximum Affordable Threshold



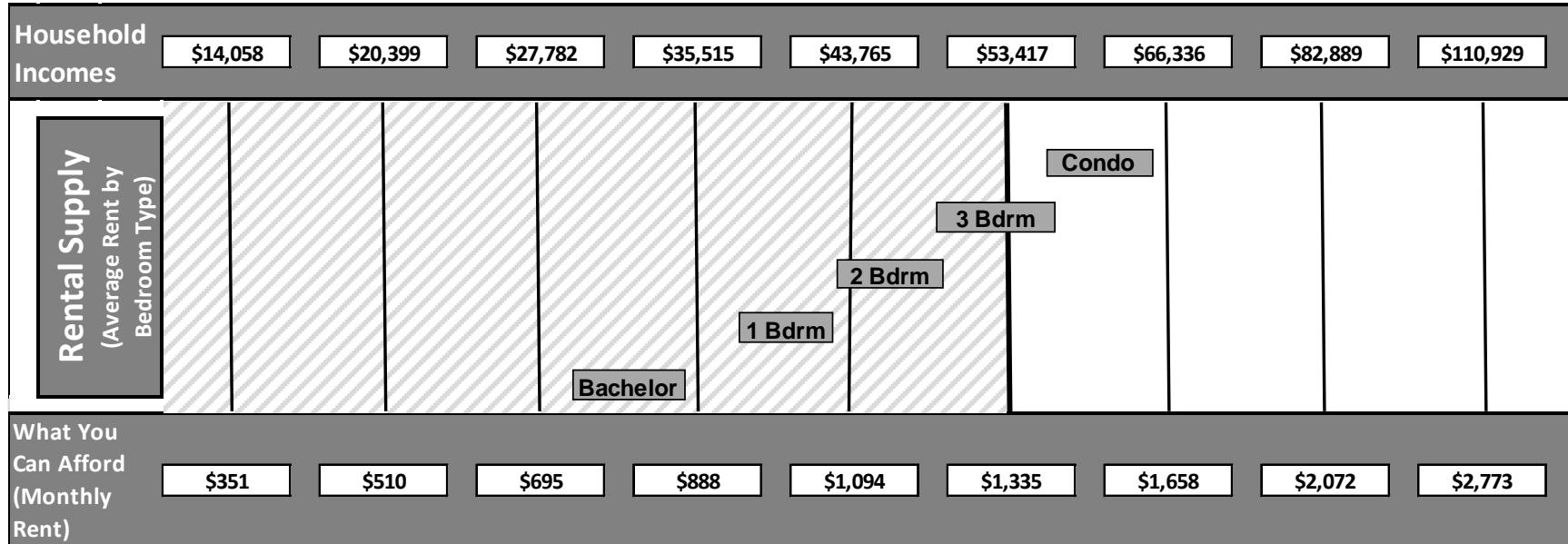
Source: Office of the Chief Administrative Officer, June 2014

Notes:

- 1) "Household Incomes" and "What You Can Afford" are region-wide analyses
- 2) Source for Household Income Deciles: Statistics Canada, 2006 Census, Custom Tabulations, adjusted for inflation to December 2013
- 3) Source for New Single-Detached Prices: Canada Mortgage and Housing Corporation, Housing Now - Greater Toronto Area, January 2014
Only Single-Detached data is available through this data source.
- 4) Source for Resale Ownership Prices: Toronto Real Estate Board, Market Watch, 2013
- 5) Bars show lowest local municipal average price to highest local municipal average price

York Region Rental Housing Snapshot, 2013

 Supply Under Maximum Affordable Threshold



Notes:

- 1) "Household Incomes" and "What You Can Afford" are region-wide analyses
- 2) Source for Household Income Deciles: Statistics Canada, 2006 Census, Custom Tabulations, adjusted for inflation to 2013
- 3) Source for Average Market Rent: Canada Mortgage and Housing Corporation, Rental Market Report, Greater Toronto Area, Fall 2013
- 4) Bars show lowest CMHC Rental Market Survey Zone average rent to highest CMHC Rental Market Survey Zone average rent. CMHC RMS Zones as follows: (1) King, Richmond Hill and Vaughan, (2) Aurora, East Gwillimbury, Georgina, Newmarket, Whitchurch-Stouffville, (3) Markham
- 5) Condo analysis is Region-wide and only 1 and 2 bedroom units are included (data for other units suppressed)