

Clause 19 in Report No. 16 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on November 17, 2016.

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Social Housing Investment Framework

Committee of the Whole recommends adoption of the following recommendation contained in the report dated October 20, 2016 from the Commissioner of Community and Health Services:

1. Council approve the Social Housing Investment Framework and enhanced locational assessment criteria for affordable housing investment.
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Report dated October 20, 2016 from the Commissioner of Community and Health Services now follows:

1. Recommendation

It is recommended that:

1. Council approve the Social Housing Investment Framework and enhanced locational assessment criteria for affordable housing investment.

2. Purpose

This report seeks Council approval of the Social Housing Investment Framework, including locational assessment criteria to guide the Region's future affordable housing investment decisions.

3. Background and Previous Council Direction

The Region currently has principles to guide assessment of affordable housing investment opportunities

The Region's 2002 Housing Supply Strategy established principles for Regional housing investment. These principles were reaffirmed through Council reports approving federal/provincial program funding commitments and are also incorporated in Housing Solutions, the Region's 10-year Housing Plan. Since 2004, the Region has contributed to the development of more than 1,060 new affordable housing units built in 15 projects.

The housing investment decisions related to these projects were guided by the principles listed below:

- Integration
- Permanent affordability
- Focus on modest housing form
- Intensification of Regional Centres and Corridors
- Linking housing to transit, services and employment
- Addressing the social housing waiting list
- Initiatives have local municipal support
- Investments are secured in a way which achieves public accountability

A number of factors complement the approved investment principles, most notably the requirements of time-limited federal/provincial funding programs. Some funding programs, for example, have included requirements to partner with community agencies to house particular tenant populations. All funding programs to date have provided "use it or lose it" funding that required the Region to prioritize shovel-ready projects.

Given municipal interest in supporting affordable housing, the current framework for prioritizing housing investments is being enhanced

The current decision making process has proven effective in responding to investment opportunities as they arise. With an increasing demand for affordable housing options, the enhanced framework proposed in this report will better support long-term planning and provide a mechanism to prioritize housing investment opportunities.

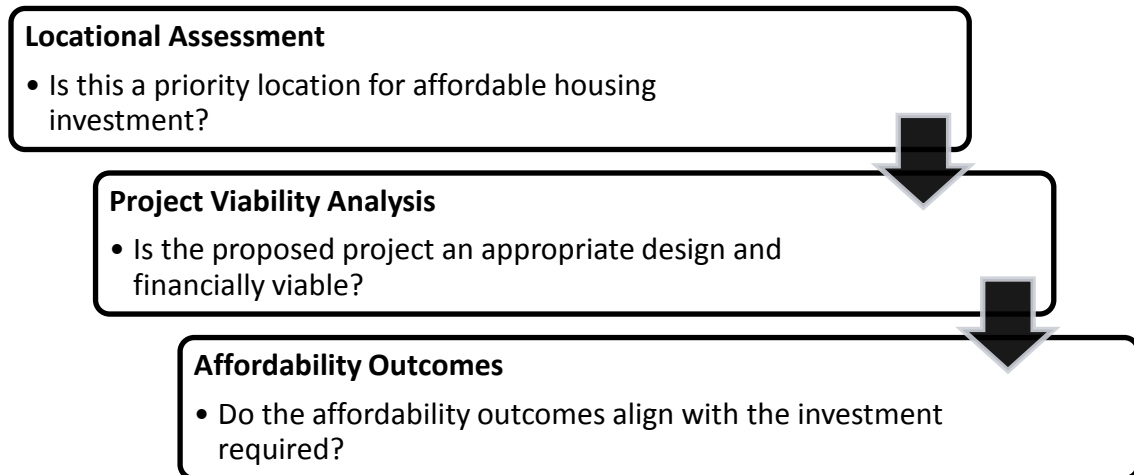
In 2015, the Region engaged SHS consulting to research best practices and recommend key factors to identify optimal housing investment locations.

A multi-disciplinary working group with staff from the Community and Health Services and Corporate Services Departments has since evaluated available sources of data and refined the model for assessing locational suitability.

4. Analysis and Implications

The proposed Social Housing Investment Framework has three key components, as outlined in Figure #1.

Figure #1 – Social Housing Investment Framework

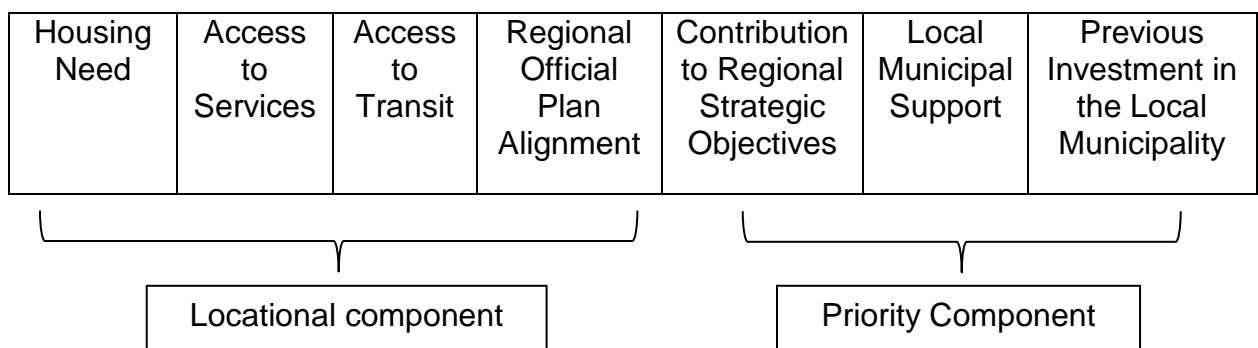


The Region has robust processes in place to assess the viability of individual project proposals. Affordability outcomes have been prescribed by federal/provincial program rules and the Region’s Municipal Housing Facilities By-law.

The enhanced Framework introduces a locational assessment that first evaluates locational criteria and informs prioritization of new housing investments

The newly developed locational assessment model evaluates seven key factors to determine locational suitability and priority as outlined in Figure #2.

Figure #2 – Locational Assessment Model Key Factors



Four locational factors identify appropriate areas for affordable housing development in the Region

The locational component of the assessment model considers the address of the proposed site for development in relation to each of the criteria listed below.

1. **Housing Need** identifies the level of housing need among existing residents in the area.
2. **Access to Services** assesses the walkability of the area, including proximity of amenities such as shopping, grocery stores, schools, parks, cultural and entertainment services. Many of these amenities also provide employment opportunities.
3. **Access to Transit** assesses the availability and frequency of public transportation.
4. **Regional Official Plan Alignment** considers the planned regional urban structure and excludes lands that are not currently developable for residential purposes.

The areas that score highest under this component of the assessment are in the southern municipalities, for example, in intensification areas such as Markham Centre and the Vaughan Corporate Centre. Areas with the highest walkability and transit service, however, also tend to have the highest land costs. As land costs are a key component of a project's viability assessment, projects are more likely to be developed in areas with moderately high scores. Areas with moderately high scores are found across the Region, including sections of the Yonge Street Corridor and neighbourhoods in areas such as Keswick, King City, and Stouffville.

The locational model will be part of any Request for Proposal processes for future investment. It will also assist staff in evaluating unsolicited proposals.

The Region's broader strategic objectives, previous housing investments and support at the local level inform prioritization of housing opportunities

There are appropriate areas for affordable housing development in every Town and City in the Region. The priority component of the model establishes criteria to inform prioritization amongst investment opportunities.

1. **Contribution to Regional Strategic Objectives** considers factors such as whether an affordable housing development proposal:
 - Advances actions in the 10-year Housing Plan, for example, regeneration of an existing social housing building
 - Addresses a housing need related to a planned public investment, such as housing near future transit hubs
 - Supports another Regional objective, such as the integration of a youth hub
2. **Local Municipal Support** considers the degree of support for the project from the municipality and assesses the appropriateness of the building location in terms of the local planning policies. Investment partnerships between the Region and the local municipalities have been important to the success of previous developments and, as such, the model prioritizes affordable housing development proposals that have strong local support.
3. **Previous Investments in the Local Municipality** assesses the existing supply of social and affordable housing and recent Regional housing investments in the local municipality. The model also recognizes that some municipalities do not currently have any social or affordable housing units for families.

The locational assessment model has been tested both with previous Regional housing investments and sample locations in each municipality. The model considers the total supply of social and affordable housing and whether the Region has made a previous investment in the community. For example, Vaughan and East Gwillimbury have the lowest supply of social housing units in relation to their population and Aurora and Whitchurch-Stouffville have not yet had a Regional housing investment.

Whether a particular investment opportunity is prioritized will depend on the outcome of the locational assessment, the viability of the particular project proposed and whether the Regional investment required will provide appropriate affordability outcomes.

The Social Housing Investment Framework supports strategic Regional Council objectives

The Social Housing Investment Framework supports the strategic housing objectives in Vision 2051, the 2015 to 2019 Strategic Plan, the Regional Official Plan and the 10-year Housing Plan.

5. Financial Considerations

Since the early 2000s, when the Region became responsible for social housing, the federal and provincial governments have offered a series of time limited new supply programs. Current programs provide capital grants of up to \$150,000 per unit for new affordable rental housing. The Region has been successful in securing funding under these programs. Over the last five years, the Region has leveraged more than \$41 million in federal/provincial funding to support the development of four Housing York projects with a combined project cost of over \$95 million. Although federal/provincial funding is foundational to new affordable housing development, these projects would not have been possible without Regional and local municipal contributions.

The Social Housing Investment Framework will enhance existing affordable housing proposal review processes and will position the Region to respond effectively to future funding opportunities and to support Regional investment decisions.

6. Local Municipal Impact

The Region and all nine local municipalities are partners in encouraging and creating opportunities for affordable housing development. Creating healthy, sustainable, complete, and inclusive communities with housing options for everyone is a shared goal. This Framework encourages appropriately and suitably located affordable rental housing options for residents throughout the Region.

7. Conclusion

The Social Housing Investment Framework will support long-term planning related to Regional housing investments and better inform the Region's decision making as future federal/provincial funding streams become available.

The locational assessment model is a new, innovative model that evaluates a number of locational factors to ensure that a proposed affordable housing development is appropriately located and is a priority for Regional housing investment.

Social Housing Investment Framework

For more information on this report, please contact Rick Farrell, General Manager of Housing at 1-877-464-9675 ext. 72091.

The Senior Management Group has reviewed this report.

October 20, 2016

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Accessible formats or communication supports are available upon request