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# The Regional Municipality of Durham Report

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To: Planning and Economic Development Committee  
From: Commissioner of Planning and Economic Development  
Report: #2019-P-47  
Date: December 3, 2019

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**Subject:**

Envision Durham – Housing Policy Planning Discussion Paper, File D12-01

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**Recommendation:**

That the Planning and Economic Development Committee recommends to Regional Council:

- A) That a copy of Report #2019-P-47 be received for information; and
  - B) That a copy of Report #2019-P-47 be forwarded to Durham’s area municipalities; Clarington Task Force on Affordable Housing; Scugog Housing Advisory Committee; Durham Advisory Committee on Homelessness; Social Housing Advisory Committee; BILD; and the Ministry of Municipal Affairs and Housing for review and comment.
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**Report:**

**1. Purpose**

- 1.1 The purpose of this report is to present the Housing Policy Planning Discussion Paper which is the last paper in a series of discussion papers that are released as part of this phase of Envision Durham, the Municipal Comprehensive Review (MCR) of the Durham Regional Official Plan (ROP) (see Attachment #1).
- 1.2 Comments on this Discussion Paper are requested by March 2, 2020 (90-day commenting period).

## 2. Background

2.1 On May 2, 2018, Regional Council authorized staff to proceed with Envision Durham, as detailed in [Commissioner's Report #2018-COW-93](#).

2.2 On February 5, 2019, the Planning Division initiated the first stage ("Discover") of the public engagement program for Envision Durham by launching a project web page and [public opinion survey](#), as detailed in [Commissioner's Report #2019-P-4](#). The Planning Division initiated the second stage ("Discuss") on March 5, 2019, wherein participants are being asked to provide input on various theme-based Discussion Papers, of which the Housing Policy Planning Discussion Paper is the sixth one.

2.3 The Discussion Paper topics are as follows:

- a. Agriculture and Rural System ([Commissioner's Report #2019-P-12](#), released March 5, 2019);
- b. Climate Change and Sustainability ([Commissioner's Report #2019-P-26](#), released May 7, 2019);
- c. Growth Management, including but not limited to reports on:
  - The Urban System ([Commissioner's Report #2019-P-31](#), released June 4, 2019);
  - Land Needs Assessment (LNA) and related technical studies, i.e. Employment Strategy, Intensification Strategy, Designated Greenfield Area Density Analysis, etc.; and
  - Additional feasibility studies, if required based on the results of the LNA.
- d. Environment and Greenlands System ([Commissioner's Report #2019-P-36](#), released September 3, 2019);
- e. Transportation System ([Commissioner's Report #2019-P-41](#), released October 1, 2019); and
- f. Housing Policy Planning, which is the subject of this report.

2.4 Each Paper contains discussion questions, with a supplemental workbook, to help facilitate discussion and input.

## 3. Housing Policy Planning Discussion Paper

3.1 The Discussion Paper provides an overview of how land use planning can influence housing choice and affordability in Durham. There is a review of trends

and an overview of the housing spectrum in Durham. For context, there is also a discussion regarding federal, provincial, regional and local interest in housing.

3.2 The housing policy themes that have been reviewed in this paper include:

- a. Secondary units;
- b. Inclusionary zoning;
- c. Rental housing conversion;
- d. Demolition control;
- e. Short-term rental housing;
- f. Special needs housing;
- g. Housing for seniors; and
- h. Shared living.

3.3 The housing spectrum ranges from homelessness to market ownership and rental housing. It includes housing that is appropriate for residents at various stages in their life cycle and abilities. It is defined by of housing needs that often reflect income and the need for supports. Although planning policy can affect housing across the spectrum, it has its greatest influence on market housing and affordable housing.

3.4 In the last decade home prices and rents have increased significantly. Although Durham has traditionally been amongst the most affordable places to live in the GTHA, affordability is now a concern for many households. In 2018, less than 25 per cent of new and resale homes sold in Durham were affordable. The average monthly rent for a one-bedroom apartment listed in Durham is now over \$1,500.

3.5 In recent years there has been greater diversity in the forms of housing being constructed, with more medium- and high-density forms of housing, such as townhouses and apartments. Second units (such as basement apartments) are also becoming more prominent. Smaller residential units can be less expensive; offsetting higher prices in other segments of the housing market.

3.6 Land use policy can enable and support the delivery of various forms of housing including affordable and seniors' housing; however, financial and other decisions regarding funding allocations, subsidies, rental supplements, income supports, and other tools fall outside of the purview land use planning and are dealt with through governmental and corporate budgetary decisions.

3.7 The Discussion Paper is intended to serve as a starting point for stakeholder input on policy considerations for Housing Policy Planning, and to foster discussion on

how it can be better integrated with land use change and development to establish housing policies that will enable greater housing choice and affordability in Durham.

- 3.8 This Discussion Paper was prepared by Regional planning staff in consultation with Regional staff from the Office of the CAO, Social Services – Housing Services, and Envision Durham’s Area Municipal Working Group.
- 3.9 The Discussion Papers do not present positions on potential changes that may be part of the ROP, but rather provide information and pose questions for consideration.

#### **4. Next Steps**

- 4.1 Each of the Discussion Papers have been posted to the project web page at [durham.ca/EnvisionDurham](http://durham.ca/EnvisionDurham) for public input. Interested parties are encouraged to subscribe for project updates and email notifications through this web page. The Discussion Papers have been announced by way of:
- a. News releases and public service announcements;
  - b. Social media platforms, including Facebook, Twitter and LinkedIn;
  - c. Email notifications;
  - d. Publications in internal and external newsletters; and
  - e. Materials published online.
- 4.2 Comments on the Housing Policy Planning Discussion Paper are requested by March 2, 2020 (90-day commenting period). Regional staff will report to Committee on the results of the Discussion Papers through future reports during the next stage of the public engagement process.
- 4.3 It is recommended that a copy of this report be forwarded to Regional Council for information and be forwarded to Durham’s area municipalities and relevant stakeholders and the Ministry of Municipal Affairs and Housing for review and comment. In addition, other key stakeholders will be notified of this Discussion Paper’s release. The Discussion Paper will also be provided to interested Indigenous communities and others who may have an interest in the Envision Durham study process.

#### **5. Attachments**

Attachment #1: Housing Policy Planning Discussion Paper

Respectfully submitted,

Original signed by

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Brian Bridgeman, MCIP, RPP  
Commissioner of Planning and  
Economic Development

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer



# Housing Policy Planning

Discussion Paper



**December 2019**  
Durham Region  
Planning and Economic  
Development Department

This Discussion Paper is published for public and agency comment as part of Envision Durham, the Municipal Comprehensive Review of the Regional Official Plan.

Report contents, discussion questions and proposed directions, where applicable, do not necessarily represent the position of Regional Council on changes that may be considered to the Regional Official Plan.

All information reported and/or collected through this Discussion Paper will help inform and be used as part of the Municipal Comprehensive Review.

**Please provide comments on this Housing Policy Planning Discussion Paper by March 2, 2020.**

## About Durham Region

Durham Region is the eastern anchor of the Greater Toronto Area, in the Greater Golden Horseshoe area of Ontario. At over 2,590 square kilometres, Durham offers a variety of landscapes and communities, with a mix of rural, urban and natural areas. The southern lakeshore communities of Pickering, Ajax, Whitby, Oshawa and Clarington provide urban areas and a diverse employment base. The northern Townships of Scugog, Uxbridge and Brock are predominantly rural, with a thriving agricultural sector. The region is the home of the Mississaugas of Scugog Island First Nation and spans a portion of the territories covered by the Williams Treaties of 1923.<sup>1</sup>

Over 80 per cent of the region lies within the provincially-designated Greenbelt which also contains the environmentally significant Oak Ridges Moraine. With access to ample green space and lakes, rivers and urban amenities, Durham Region offers a high quality of life for both city and rural residents.

Today, Durham is home to just under 700,000 people. By the year 2041, our population is expected to grow to 1.2 million people, with over 430,000 jobs. Our vision is to create healthy and complete, sustainable communities, shaping Durham into a great place to live, work, play, grow and invest.

<sup>1</sup> The Williams Treaties include traditional territories of seven First Nations, including the Chippewas of Beausoleil, Georgina Island and Rama and the



Figure 1: Map of the Region of Durham.

## About Envision Durham

Envision Durham, the Municipal Comprehensive Review (MCR) of the Regional Official Plan (ROP), is an opportunity to plan for fundamental change, by replacing the current ROP and establishing a progressive and forward-looking planning vision for the Region to 2041.

Over the next few years, the Region is undertaking Envision Durham to review:

- How and where our cities and towns may grow.
- How to use and protect our land and resources.

Mississaugas of Alderville, Curve Lake, Hiawatha, and Scugog Island.



- What housing types and job opportunities are needed for our residents.
- How people and goods move within, across and beyond our region.

We're planning for an attractive place to live, work, play, grow and invest—and we're asking for your help.

### Why review the Official Plan?

The ROP guides decisions on long-term growth, infrastructure investment and development—providing policies to ensure an improved quality of life—to secure the health, safety, convenience and well-being of present and future residents of Durham.

Under the Planning Act, there is a legislative requirement to review the existing ROP every five years. Since the approval of the last ROP update (January 2013), the Province of Ontario has completed several significant provincial policy initiatives, including the co-ordinated review and update to the following provincial plans:

- The Growth Plan for the Greater Golden Horseshoe, 2017, which was replaced by A Place to Grow: Growth Plan for the Greater Golden Horseshoe in May 2019.
- The Greenbelt Plan, 2017.
- The Oak Ridges Moraine Conservation Plan, 2017 (ORMCP).
- Provincial Policy Statement, 2014 (PPS).

The Planning Act requires the Region to complete a provincial plan conformity exercise to amend the ROP to ensure that it:

- Conforms with provincial plans or does not conflict with them.
- Has regard to matters of provincial interest.
- Is consistent with Provincial Policy Statements.

Envision Durham constitutes Durham's Provincial Plan conformity exercise and its five-year review of the ROP, satisfying these legislative requirements.

### How to get involved

Public input is integral to the success of Envision Durham—we want to hear from you!

Please use this opportunity to share your vision for Durham—tell us your thoughts and opinions on the key Discussion Questions raised throughout this document (Appendix A).

Join the conversation by visiting [durham.ca/EnvisionDurham](http://durham.ca/EnvisionDurham) to submit your comments.

To receive timely notifications on the Envision Durham process, please visit [durham.ca/EnvisionDurham](http://durham.ca/EnvisionDurham) to subscribe for project updates.

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## Executive summary

This discussion paper is the last in the series of papers that have been released for this part of the Envision Durham exercise. Discussion papers have been released on the following topics:

- Agriculture & Rural System
- Climate Change & Sustainability
- Growth Management – Urban System
- Environment & Greenlands System
- Transportation System

This discussion paper provides an overview of Durham’s current Regional Official Plan (ROP) policy framework, identifies provincial policy requirements and trends since the last ROP review, and identifies preliminary approaches and questions for discussion and feedback as it relates to housing choice and affordability in Durham.

The housing spectrum ranges from homelessness to market ownership and rental housing. It includes housing that is appropriate for residents at various stages in their life cycle and abilities. It is defined by housing needs that often reflect income and the need for supports. Although planning policy can affect housing across the spectrum, it has its greatest influence on market housing and affordable housing.

In recent years there has been greater diversity in the forms of housing being constructed, with more medium- and high-density forms of housing, such as townhouses and apartments.

The housing policy themes that have been reviewed in this discussion paper include:

- Secondary units
- Inclusionary zoning
- Rental housing conversion
- Demolition control
- Short-term rental housing
- Special needs housing
- Housing for seniors
- Shared living

Land use policy can enable and support the delivery of various forms of housing including affordable and seniors’ housing; however, financial and other decisions regarding funding allocations, subsidies, rental supplements, income supports, and other tools fall outside of the purview of land use planning and are dealt with through governmental and corporate budgetary decisions.

The Region is committed to working collaboratively with all stakeholders, including Durham’s area municipalities, community partners, stakeholders, and the public, to develop policies that implement provincial direction and strengthen Durham’s housing system.

Many of Durham’s area municipalities have also recently completed reviews and updates of their local official plans. The Region will be considering recent updates and resulting policy in the Envision Durham exercise, as well as tracking ongoing changes and proposed changes to land use planning policy at the provincial level.

### **How to get involved**

Public input is integral to the success of Envision Durham—we want to hear from you!

Please use this opportunity to share your vision for Durham—tell us your thoughts and opinions on the key Discussion Questions raised throughout this document (Appendix A).

Join the conversation by visiting [durham.ca/EnvisionDurham](https://durham.ca/EnvisionDurham) to submit your comments.

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# Housing

## 1.0 Introduction

Over the last two decades, housing prices have increased significantly across Canada, and Durham is no exception. Housing has become a top priority for all levels of government.

- The federal government is implementing the National Housing Strategy with the Canada Mortgage and Housing Corporation (CMHC).
- The province has made a commitment to improve housing with Ontario's Housing Supply Action Plan and the Community Housing Renewal Strategy.
- The Region is implementing At Home in Durham, Durham Region Housing Plan 2014-2024 (At Home in Durham), the recommendations of the Affordable Rental and Seniors' Housing Task Force and is initiating the preparation of a Master Housing Strategy in 2020.
- Many area municipalities in Durham have also prioritized improving housing choice and affordability within their communities.

The Housing Policy Planning Discussion Paper is focused on land use planning and how it can influence housing choice and affordability. It identifies housing policies that can be specified in the ROP, which is the Region's primary planning tool. Further, it indicates how housing policies could be implemented through local Official Plans (OPs) and zoning.

Within the context of Envision Durham, this paper is concerned with shaping housing policy. Discussion of program funding,

financial incentives and community housing are provided for context but represent a range of separate initiatives beyond the scope of land use planning. Complementary planning policy enables and supports other housing and homelessness programs.

Proactive and supportive land use policy can enable the delivery of various forms of housing, including affordable housing, but financial and other decisions regarding funding allocations, subsidies, rental supplements, income supports, and other tools fall outside of the purview of land use planning and are dealt with through governmental and corporate budgetary decisions.

The housing spectrum ranges from homelessness to market ownership and rental housing. It includes housing that is appropriate for residents at various stages in their life cycle and abilities. It is defined by housing needs that often reflect income and the need for supports. Although planning policy can affect housing across the spectrum, it has its greatest influence on market housing and affordable housing.

A healthy housing system should provide people at all income levels with access to safe and stable housing. Housing affordability is a multi-faceted issue that requires partnerships between different levels of government, agencies and stakeholders.

Over 65 per cent of survey respondents think that increasing opportunities for affordable housing is "very" to "extremely important."

(Based on the Envision Durham Public Opinion Survey results, 390 of 391 respondents).

## 2.0 Housing trends

Durham has experienced strong population growth over the last 40 years, increasing by over 160 per cent from 1976 to 2016. The rate of growth was highest between 1986 and 1991, when the population increased by more than 25 per cent. Nearly 700,000 people now live in Durham, occupying almost 240,000 households.

Durham is forecast to grow to almost 1.2 million people by 2041. Most of this growth will be focused in urban settlement areas, with the greatest concentration of population in the municipalities of Pickering, Ajax, Whitby, Oshawa and Clarington.

### 2.1 Housing mix

Given its development history, it is not surprising that low-density housing is the most common form of housing in Durham, with single-detached dwellings accounting for about two-thirds of all dwelling types.

Existing housing supply

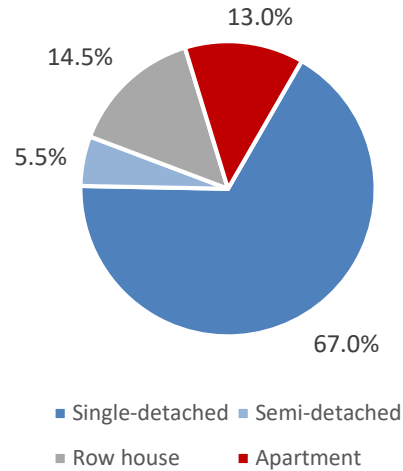


Figure 2: Existing housing supply in May 2016.

However, in recent years there has been greater diversity in the forms of housing being constructed, with more medium- and high-density forms of housing, such as townhouses and apartments. Second units (such as basement apartments) are also becoming more prominent.

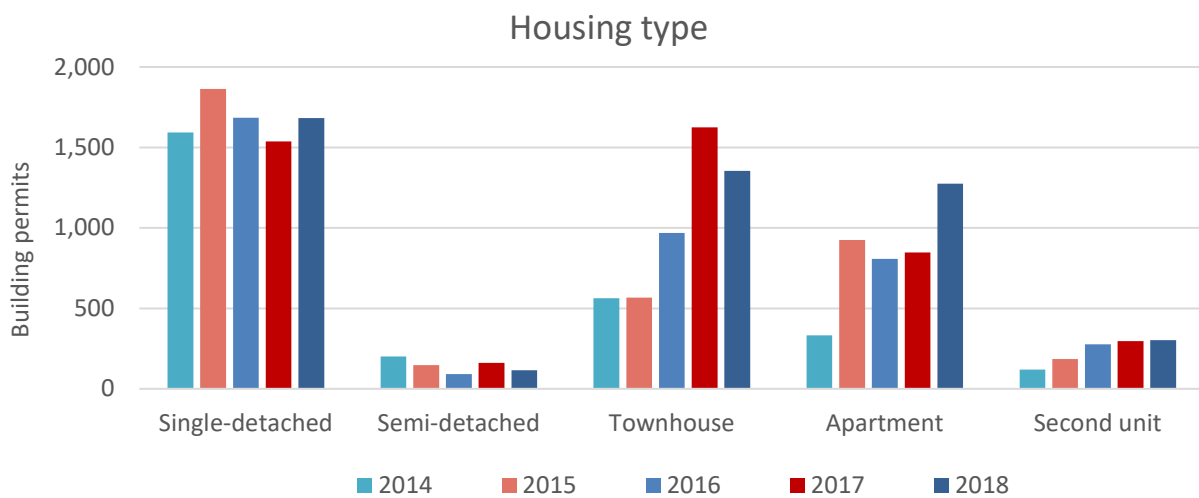


Figure 3: Durham building permits issued for new residential units from 2014 to 2018.

# Housing

In 2016, more than 80 per cent of households in the region owned their homes while nearly one-fifth rented their homes. By comparison, Durham had a lower percentage of renters than Ontario (near 30 per cent) and the Greater Toronto and Hamilton Area (GTHA) (about one-third are renters).

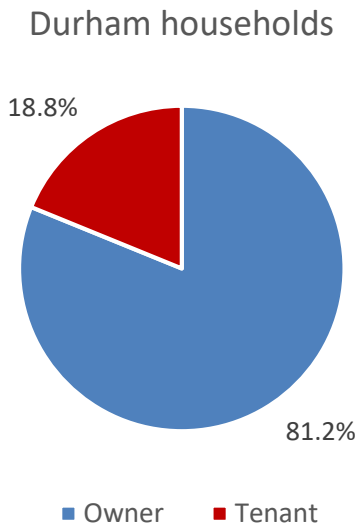


Figure 4: Percentage of households in Durham that own and rent their homes.

## 2.2 Demographics

Demographics has a direct effect on housing need and housing options. One of the most significant demographic trends occurring in Durham is that of an aging population. Since 2001, the percentage of seniors (aged 65 years and older) has risen from nearly 10 per cent to more than 14 per cent of the region's total population.<sup>2</sup>

<sup>2</sup> Statistics Canada Census of Population (2001, 2016)

## Aging population

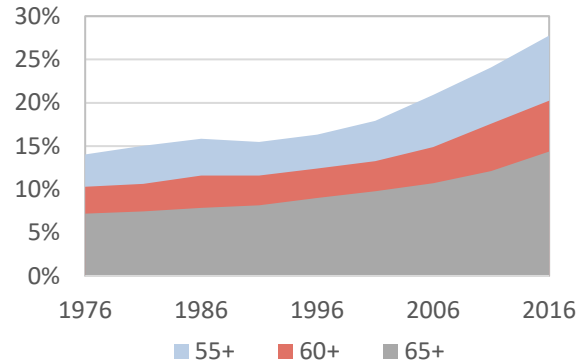


Figure 5: Percentage of people living in Durham that are 55, 60 and 65 years of age and older.

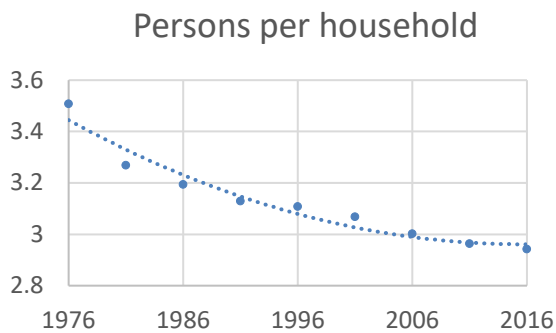
The Ministry of Finance projects that by 2041, nearly a quarter of Durham's population will be 65 years of age or older (23.8 per cent).<sup>3</sup>

Migration continues to be a significant contributor to growth in the GTHA. In Durham, over two-thirds of population growth in the last five years has been through migration from other countries, other provinces, or other areas of Ontario. In the five years from July 2013 to July 2018, over 33,000 people migrated to Durham.

Over time there has been an overall trend toward fewer people on average residing in each household in Durham. This means that many residents may be "over-housed" with more bedrooms in their homes than they may require.

<sup>3</sup> Ministry of Finance, Ontario's Population Projection Update – Spring 2018.





**Figure 6:** Over time, there has been an overall trend toward fewer average numbers of people living in each household.

The future housing mix is also expected to be more diverse, with a greater variety of housing forms as well as increasing densities for new development within the built-up area. Housing demand will also be driven by the needs of an aging population, affordability factors, smaller household sizes, and the needs of a growing population.

### 3.0 The housing spectrum

A healthy housing system offers a diverse mix of forms that can accommodate a variety of individual and family needs. The range of housing needs often reflects income and the need for supports.

Planning has its greatest influence on market housing and affordable housing.

Homelessness programs and transitional housing require operational funding. Similarly, the supply of community housing is also dependent on government support.

A balanced housing market should include both rental and ownership options, giving people at all income levels access to safe and stable housing.

### 3.1 Homelessness

The term “homelessness” describes a range of housing and shelter circumstances, including:

- Unsheltered—living on the streets or in places not intended for human habitation.
- Emergency sheltered—overnight shelters for people who are homeless or victims of family violence.
- Provisionally accommodated—accommodation that is temporary or lacks security of tenure.
- At risk of homelessness—people whose current economic and/or housing situation is precarious or does not meet public health and safety standards.

Durham has a lower incidence of unsheltered and emergency sheltered households when compared to more urbanized areas in Canada. On average approximately 1,400 households have used emergency shelters annually since 2014.

Provisionally accommodated households face increasing pressure of finding and maintaining affordable rental accommodation in their communities.

About 21 per cent of the 6,555 applicants on the Durham Access to Social Housing (DASH) wait list live in temporary accommodation or live without security of tenure (such as staying with family and friends, temporary accommodation in motels, staying in public institutions, like hospitals), and a further 12 per cent live in insecure rooming situations, which are often unregulated and may not be

safe, suitable or protected under the Residential Tenancies Act.

## 3.2 Community housing

There were 6,555 households on the DASH waitlist at the end of 2018. In the last decade, the DASH waitlist has increased 67 per cent (from 3,926 in 2009). The increase reflects the limited supply of community housing and low turnover rates. It is also indicative of the shortage of affordable housing in the private market.

About two-thirds of applicants on the DASH wait list are renters and almost half of these are likely to be at risk of homelessness as they pay more than 50 per cent of their income on rent.

Single non-seniors continue to face the greatest challenges with homelessness. They represent over 90 per cent of emergency shelter users, have few options in the private rental market and face the longest wait times.

Single non-seniors with special priority (SPP) wait upwards of two years for community housing, and non-priority, single non-seniors are unlikely to be housed before they turn 60 years of age as very few one-bedroom, non-senior vacancies become available annually.

## 3.3 Rental housing market

Most renters in Durham have significantly less income, face greater affordability issues, and have fewer housing options than homeowners. On average, renters have less than half the income of owners.

**Table 1:** Percentage of tenants spending greater than 30 per cent, 50 per cent and 70 per cent of their income on shelter costs.

Year	Over 30%	Over 50%	Over 70%
2011	42.1%	18.9%	10.2%
2016	47.7%	20.6%	10.5%

Nearly half of renters in Durham spent more than 30 per cent of income on housing.<sup>4</sup> The percentage of people paying unaffordable rents is increasing. For some renters, the cost of rent can be over half their income.

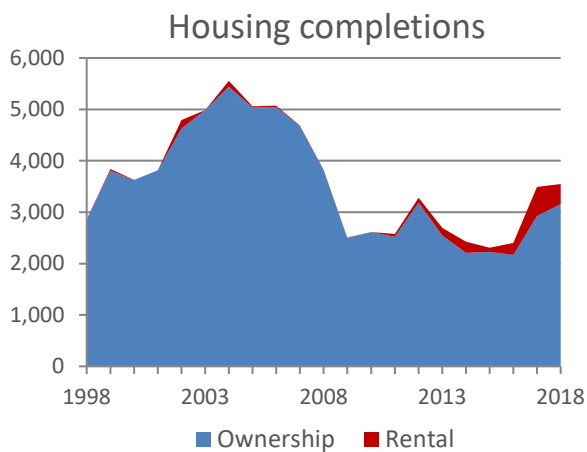
In 2018, average market rent in Durham was \$1,223.<sup>5</sup> Half of renters in Durham can afford average market rent, and about 63 per cent are receiving Ontario Works (OW) or Ontario Disability Support Program (ODSP) payments.

Rental affordability is particularly acute for single non-seniors, who are often provisionally accommodated (in temporary accommodation or lacking security of tenure) and are increasingly using emergency shelters.

<sup>4</sup> Statistics Canada 2016 Census of Population.

<sup>5</sup> CMHC Rental Market Survey of purpose-built rental apartments. New listings surveyed in 2018 for one bedroom apartments averaged over \$1,500.

A healthy housing mix should include a balance between home ownership and rental tenure. There is a need to create more affordable purpose-built rental housing in Durham Region, as demand is far outpacing supply and costs have increased well above inflation and income growth over the past decade.



**Figure 7:** Housing completions in Durham from 1997 to 2018 reported by CMHC.

There has been a decline in the construction of purpose-built rental housing in Durham Region since the 1980s and very little rental housing has been developed in the last two decades. Between 1997 and 2018 only 2.7 per cent of housing completions consisted of rental units.

The last five years has seen a slight increase in rental supply, particularly in higher end rentals where rents are more than double the average market rent in the region. Much of the new affordable units developed since

the mid 2000s have been as a result of federal-provincial investment programs.

It is estimated that about 47 per cent of renters in Durham are housed in the secondary market (such as basement apartments, private condominiums for rent, etc.), but there is limited information about the suitability and affordability of these units.

Rental vacancy rates in Durham have declined significantly in the last ten years. Although currently at 2.4 per cent, the vacancy rate has remained close to two per cent or lower since 2011 and monthly rents are beginning to increase significantly.

### 3.3.1 Affordable rental housing

Most renters in Durham have low to moderate income, and there is a gap between the rent they can afford to pay, and the rents required to support the cost of new rental housing development/investment.

Average shelter costs for renters increased by nearly 20 per cent from \$955 in 2011 to \$1,142 in 2016. Durham's Average Market Rent (AMR)<sup>6</sup> in 2018 was \$1,223.

Affordable rental housing is defined in the ROP as the lower of: spending 30 per cent or less of gross income on shelter (the income threshold); or AMR (the market threshold). Affordable housing must be affordable for low and moderate income households, which is defined as renters with income at or below

<sup>6</sup> Average Market Rent is determined using data from CMHC annual rental market survey of purpose-built rental apartments.

# Housing

the 60<sup>th</sup> percentile of income of all rental households in Durham.

The ROP definition for affordable rental housing is comparable to most single and upper-tier municipalities in the GTHA and is consistent with the Provincial Policy Statement (PPS).

Other affordability measures that could be considered would be using a higher ratio such as 35 per cent of income spent on rent, measuring income at the 50<sup>th</sup> percentile to reflect the median, or measuring income at the 40<sup>th</sup> percentile to reflect a lower-range of low and moderate incomes.

Funding for affordable housing units can use alternative definitions to provide further affordability. For example, funding for

provincial and federal funding programs generally require that new rental housing units be set at 80 per cent of AMR.

**Discussion Question:**

**Should the Region maintain its definition for affordable rental housing to be consistent with other municipalities in the GTHA and the PPS?**

It would cost more than 50 per cent of income for a single person working 40 hours a week at minimum wage to pay average market rent. Although we measure affordable housing for low to moderate income households, this does not reflect the ability of some workers to pay their rent.

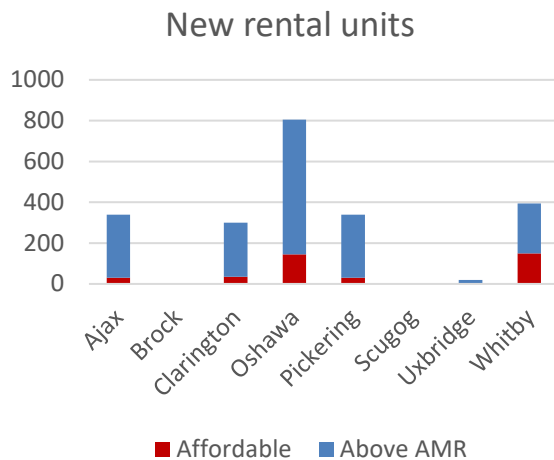


**Figure 8:** Spending 30 per cent of income on shelter costs is typically considered affordable.

### 3.3.2 Monitoring affordable rental housing

Affordability thresholds for Durham are calculated using the ROP definition noted in section 3.3.1. For rental housing, the income threshold for 2018 was \$1,385.<sup>7</sup> The market calculation was \$1,223.<sup>8</sup> The market threshold was used to define affordable rental housing in 2018 since it was lower.

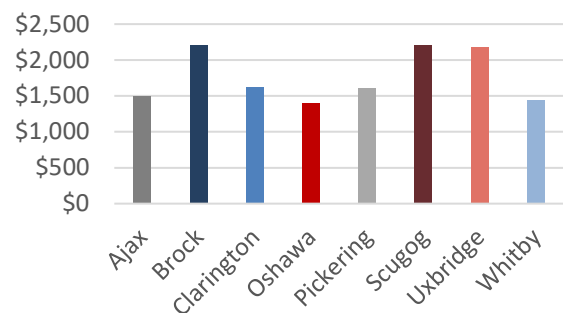
Of the newly built rentals between 2011 and 2016, only 18 per cent were affordable (395 of 1,790 were at or below AMR).



**Figure 9:** Rental housing units that were constructed between 2011 and 2016.

The results of a recent Regional survey<sup>9</sup> indicate that an average one-bedroom apartment in Durham is listed for \$1,518—far more than the posted CMHC average market rent of \$1,223. Only 14 per cent of the listings surveyed were affordable.

Average rents for a one bedroom apartment



**Figure 10:** Average rent for online rental listings surveyed between September and October 2018.

Over 65 per cent of survey respondents think that increasing opportunities for affordable housing is “very” to “extremely important.”

(Based on the Envision Durham Public Opinion Survey results, 390 of 391 respondents).

<sup>7</sup> The affordable rent income threshold is calculated using average tenant household income from the 2016 Census of Population, indexed to inflation.

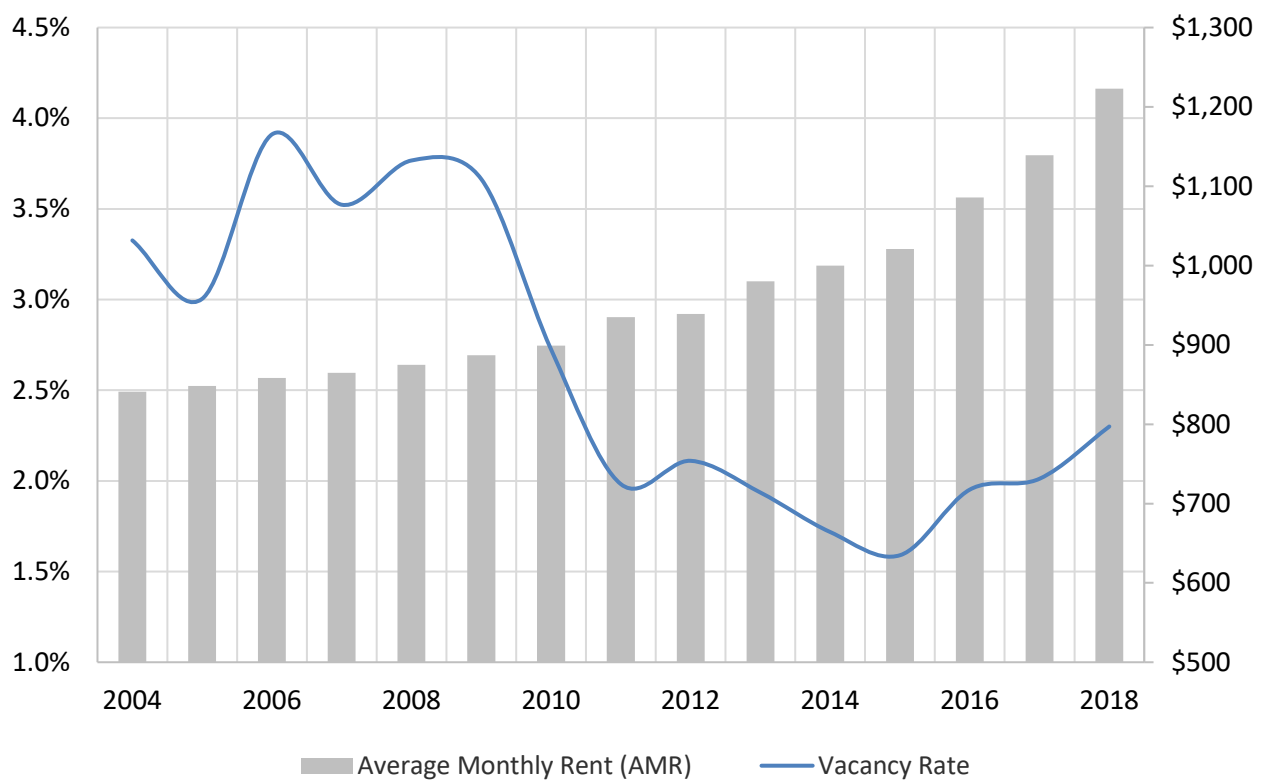
<sup>8</sup> The affordable rent market threshold is the average market rent (AMR) surveyed in the annual Canada

Mortgage Housing Corporation (CMHC) survey of purpose-built rental apartments.

<sup>9</sup> 833 rental listings were surveyed through September and October of 2018.

# Housing

### Vacancy rates vs. rent in Durham



**Figure 11:** Low vacancy rates in the last few years have been correlated with a significant increase in rents.

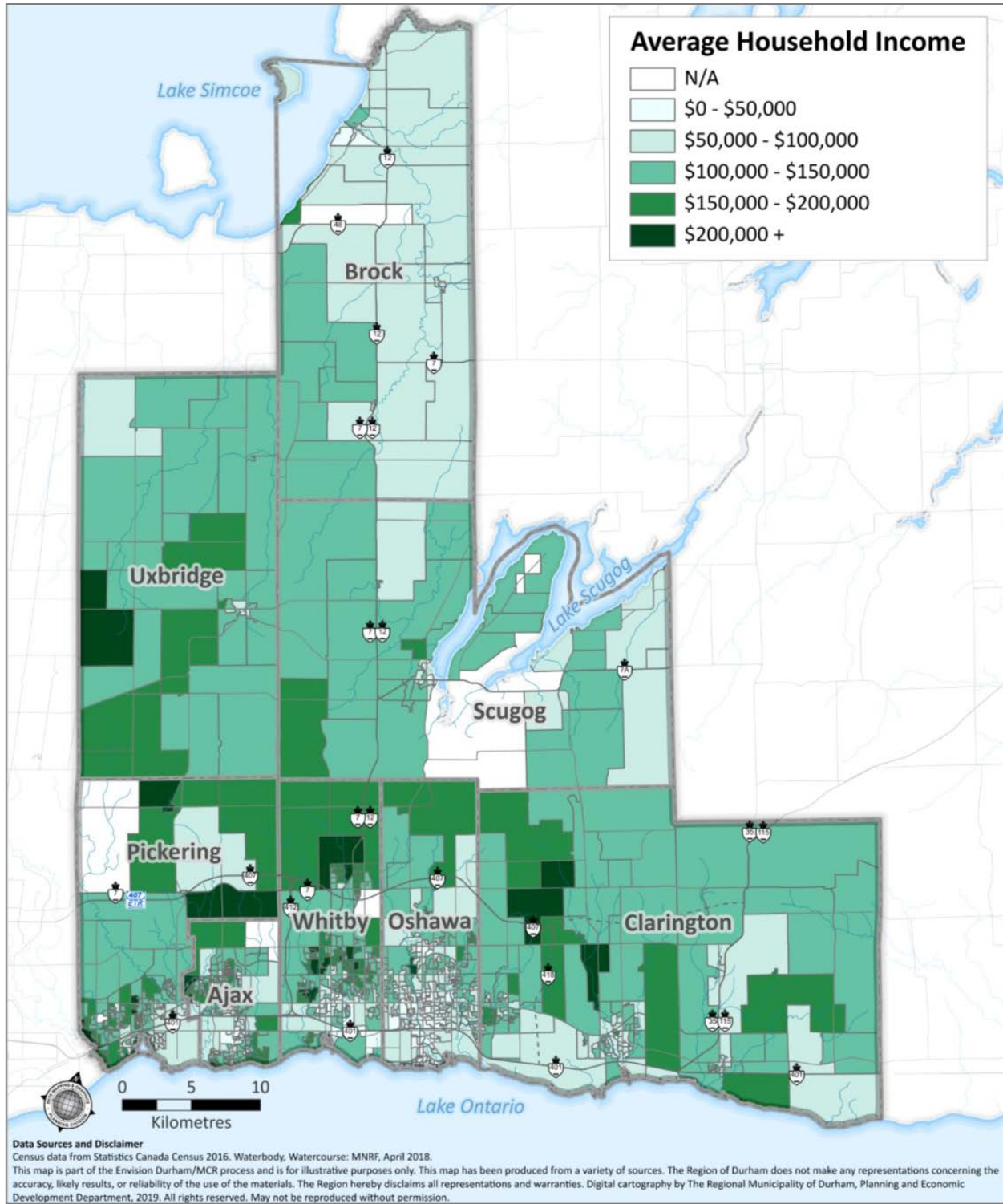
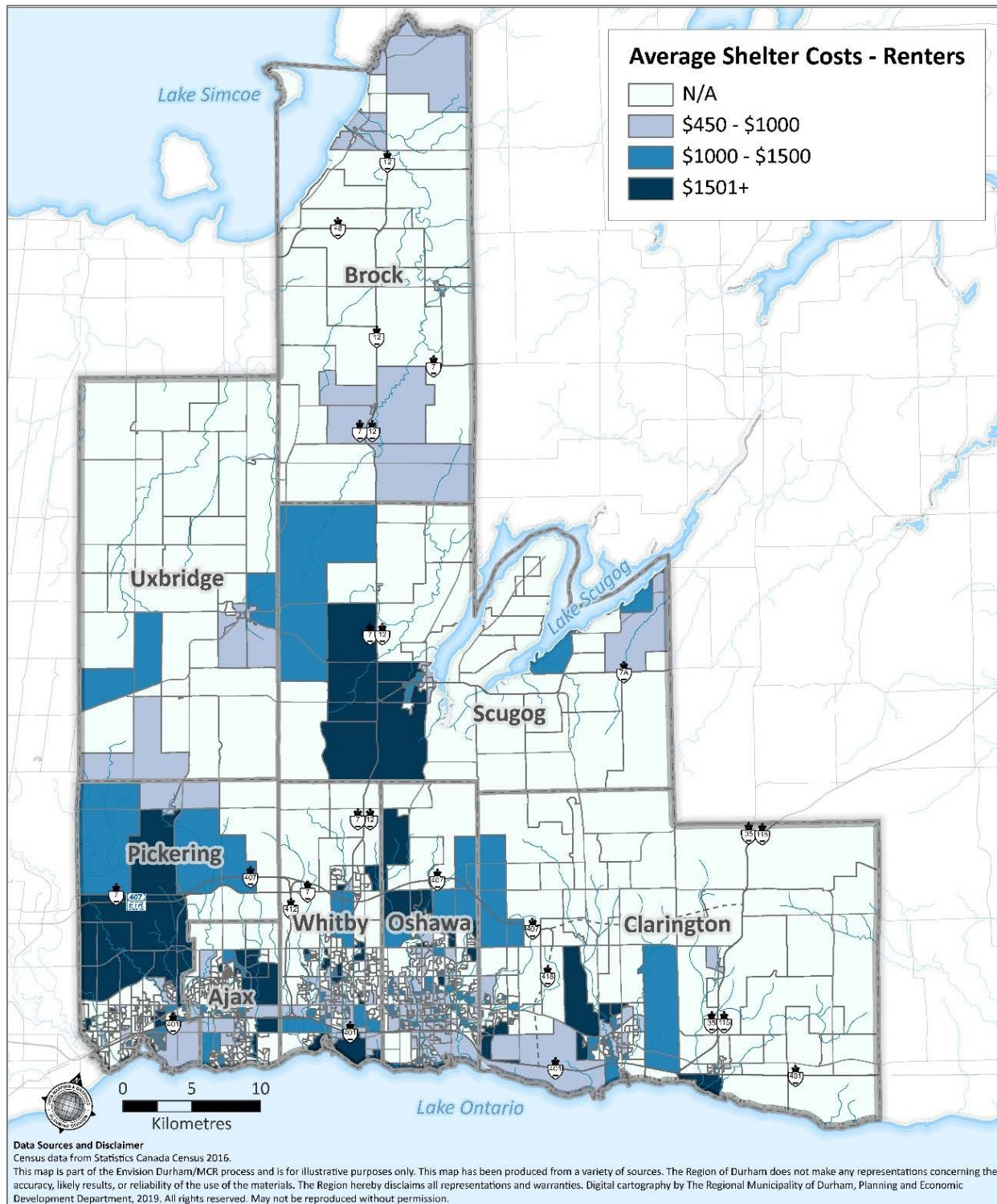


Figure 12: Average household incomes reported in the 2016 Census of Population.

# Housing



**Figure 13:** Average shelter costs for tenant households reported in the 2016 Census of Population. New rental listings are often more expensive average monthly rents.



### 3.4 The home ownership market

Following the housing boom of the late 1980s and the recession of the early 1990s, pent-up demand fueled residential construction in the early 2000s.

Mortgage amortizations were extended in 2007, making monthly payments less expensive for homebuyers, and further stimulating demand. Demand for housing fell briefly following the US financial crisis in late 2008.

Since 2008, home prices in the GTA have more than doubled, due in large part to the response of central banks to lower interest rates to historic levels.

Since 2008, resale home prices in Durham increased by 115 per cent (7.2 per cent per year). Across the GTA, average prices increased by 108 per cent (6.9 per cent per year) over that period.<sup>10</sup>

Interest rates vs. Durham resale prices

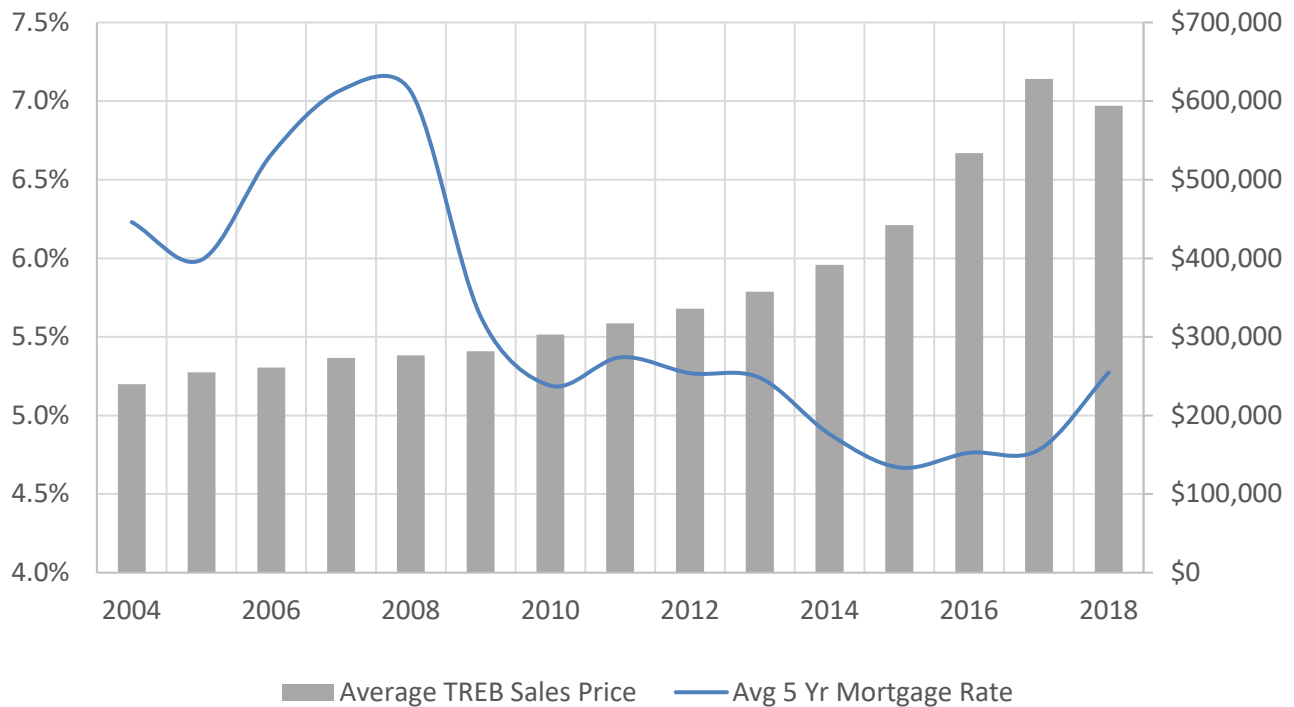


Figure 14: Low interest rates have increased demand for housing in Durham over the last decade.

<sup>10</sup> Toronto Real Estate Board—Market Watch, average annual resale home prices.

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On December 6, 2018, Bank of Canada Governor Stephen Poloz affirmed that, “Interest rates have been extraordinarily low for an extraordinarily long time. The inevitable result has been strong demand for housing, rising house prices and an accumulation of household debt.”<sup>11</sup>

Investors made up over 16.5 per cent of all low-rise home purchases in the GTA. By comparison, in 2012 the proportion of sales by investors was closer to eight per cent.<sup>12</sup>

At the peak of home price appreciation in 2017, the province introduced a new 15 per cent Non-Resident Speculation Tax (NRST) to mitigate the influence of foreign ownership in the Greater Golden Horseshoe (GGH) housing market. Similar to British Columbia, which introduced its own foreign buyers tax

in 2016, Ontario’s housing market cooled off for a short period of time.

Between April 2017 and April 2018, the average price of a resale home in the GTA decreased from \$920,791 to \$804,584 (down 12.6 per cent).<sup>13</sup> The ownership housing market appears to have stabilized over the last two years. From April 2018 to April 2019 the average price of a resale home increased by 1.9 per cent to \$820,148.

### 3.4.1 Affordable home ownership

When At Home in Durham was developed, it was determined that home ownership was relatively affordable in Durham, particularly when compared with other GTHA municipalities. However, the housing market has changed significantly since then.

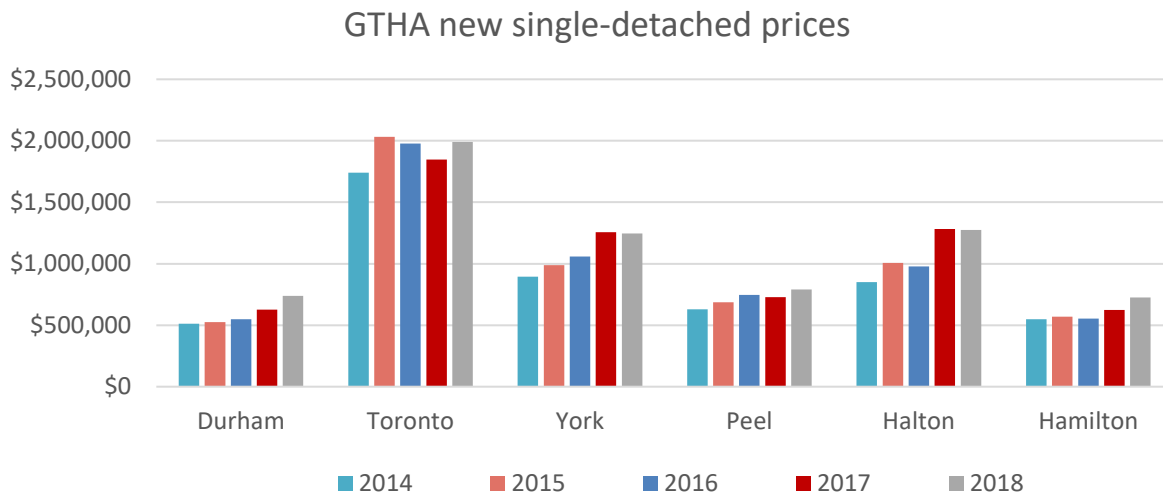


Figure 15: The price of a new single-detached home has increased across the GTHA since 2014.

<sup>11</sup> Bank of Canada Year-End Economic Progress Report, December 6, 2018

<sup>12</sup> Realosophy Special Report – A Sticky End, April 2018

<sup>13</sup> Toronto Real Estate Board-Market Watch, average monthly resale home prices

Average shelter costs for homeowners increased 12.4 per cent from \$1,443 in 2011 to \$1,622 in 2016. Average monthly shelter costs for homeowners in Durham was higher than the Ontario average (\$1,463), but was still lower than the GTHA average (\$1,704).

In Durham, affordable ownership housing is defined in the ROP as the lower of 30 per cent of income or 10 per cent below the average price of a resale home. Affordable housing is meant to be housing that is affordable to low and moderate income households, which are defined by the 60th percentile of income.

Other measures which could be used to calculate affordability include CMHC's Gross Debt Service ratio which is 35 per cent of income spent on mortgage, property taxes and heat. Affordability could also be calculated measuring income at the 50th percentile to reflect the mid-range for low and moderate incomes.

Most upper- and single-tier municipalities in the GTHA use a similar definition for affordability. The Region's current definition is also consistent with the PPS.

#### **Discussion Question:**

**Should the Region maintain its definition for affordable ownership housing to be consistent with other GTHA municipalities?**

<sup>14</sup> The income threshold is calculated as 30 per cent of average household income from 2016 Census, indexed to inflation. Mortgage payments assume a five per cent down payment, and a five-year conventional

### **3.4.2 Monitoring affordable ownership housing**

Affordability thresholds for Durham are calculated using the ROP definition as set out in section 3.4.1. For ownership housing, the income threshold for 2018 was \$407,667.<sup>14</sup> It was used to define affordable home ownership in 2018 since it was lower than the market calculation.<sup>15</sup> For 2018, a home would be considered affordable if it sold at or below \$407,667.

There are two important trends indicated by the sales of affordable housing in Durham. First, home ownership is becoming less affordable in Durham.

Up until recently, over 25 per cent of new and resale homes were considered affordable across the Region. In the last five years, home prices increased significantly and fewer affordable homes were sold in Durham. Sales of new affordable housing throughout the region was less than 25 per cent over the last two years.

The second trend is more positive. The resale market is dominated by single-detached homes, which are generally the most expensive housing type. Recently, the new homes market has shifted toward smaller units in higher-density developments. This has meant that new homes have become relatively more affordable than resale homes in the last few years.

interest rate. Shelter costs for owners also include property taxes.

<sup>15</sup> The market calculation was \$534,512, which was 10 per cent below the price of an average resale home in Durham.

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Financial incentives may be an option to increase affordable housing options. Requiring a greater proportion of smaller residential units within developments could also reduce cost and the price of home ownership.

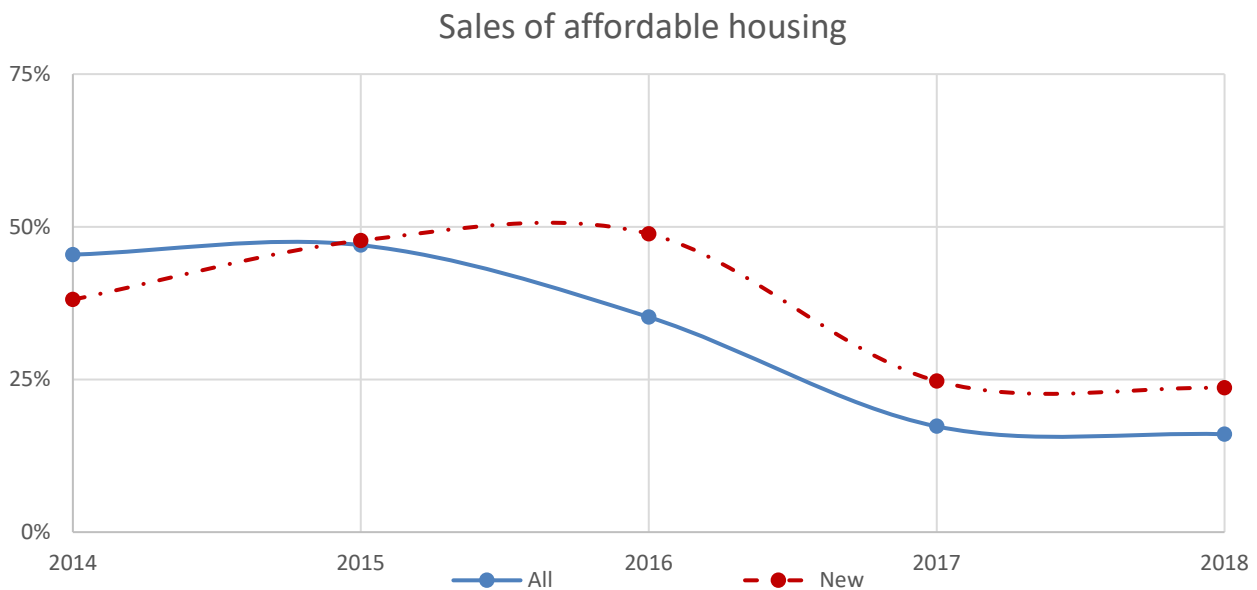
### 3.4.3 Affordability and diverse housing types

Many people are choosing to live in higher-density housing. Housing affordability is supported by smaller, less expensive units. In Durham, construction of townhomes and apartments has increased significantly in the last five years.

Between 2014 and 2018, the share of townhomes and apartments increased from 20 per cent and 12 per cent to 29 per cent and 27 per cent respectively. In 2018, the average price of a new single-detached home was over \$700,000<sup>16</sup> while new townhomes and apartments were less than \$500,000<sup>17</sup> on average.

#### Discussion Question:

**Should the Region take a more active role to increase affordable home ownership options?**



**Figure 16:** On average new homes have tended to be more affordable than resales in the last 4 years.

<sup>16</sup> In 2018 the price of a new single-detached home was \$739,821 as reported by CMHC (Housing Now—Greater Toronto Area).

<sup>17</sup> The average price of a new townhouse and apartment were \$458,773 and \$443,118. Calculated from MPAC and Altus sales data.

## 4.0 Housing policy planning

### 4.1 Durham Regional Official Plan

An ROP typically designates land-use categories at a high-level. ROPs provide policies for Area Municipal Official Plans (AMOPs) to incorporate when planning communities. ROP policies are approved by the Province of Ontario and are required to be consistent with, and conform to provincial policies and plans respectively.

The ROP must be consistent with the provincial Growth Plan's requirement that upper-tier municipalities plan for a mix of housing options, including a range of affordable housing. Currently, a goal of the ROP is to provide a wide diversity of residential dwellings by type, size and tenure.

Over 65 per cent of survey respondents think that providing a wide range of residential dwellings by type, size and tenure (that is ownership and rental, etc.) is "very" to "extremely important."

(Based on the Envision Durham Public Opinion Survey results, 389 of 391 respondents).

The ROP provides policies which permit residential uses in the following designations: Urban Growth Centres; Regional Centres; Living Areas; Hamlets; Shoreline Residential; and Country Residential Subdivisions.

The ROP currently requires at least 25 per cent of all new residential units to be

affordable to low and moderate income households.<sup>18</sup> Recent changes to the provincial Growth Plan require municipalities to establish targets for affordable ownership and rental housing.

Some GTHA municipalities require more than the minimum requirement that 25 per cent of all new residential units across their communities be affordable. For example, the Halton's ROP requires that a minimum of 30 per cent of new housing units in that region consist of affordable or assisted housing.

#### Discussion Question:

**Should the Region consider increasing or decreasing its affordable housing targets?**

Some municipalities define areas where affordable housing should constitute a higher proportion of new residential units. For example, York's ROP requires that its Regional Centres and key development areas contains at least 35 per cent of its new housing units as affordable, with some accessible unit options.

#### Discussion Question:

**Should Durham consider higher affordable housing targets within specific locations, such as within Strategic Growth Areas that are near key transit corridors?**

The Durham ROP currently requires that the Region maintain a minimum ten-year supply

<sup>18</sup> Consistent with the Land Use Planning for Housing Policy Statement (2014)

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of land that is designated and available for residential development. Proposed changes to the PPS would require the ROP to provide a minimum 12-year supply of land be available for housing. The Envision Durham Growth Management Study will review the supply of land required to accommodate growth to 2041.

The ROP also requires a three-year supply of residential units that are draft approved. The PPS also allows the three-year supply to include lands suitably zoned to facilitate residential intensification and redevelopment. Proposed changes to the PPS would allow municipalities to increase this supply to five years. Throughout the region, there are more than 30,000<sup>19</sup> units in draft-approved and registered plans of subdivision and condominium, that have not been built.

The ROP supports opportunities for growth through intensification. This can include redevelopment of commercial and industrial buildings into residential units. The ROP also promotes the creation of second units within single-detached dwellings.

## 4.2 Area Municipal Official Plans

Area Municipal Official Plans refine and provide detail to Regional Plans and polices, are typically approved by the upper-tier Region. AMOPs should conform with the ROP and provide general guidance on neighbourhood development through Secondary Plans.

AMOPs typically include detailed policies for required densities, floor space indexes, affordable housing, and general location and characteristics of built forms. As such, AMOPs assist in the implementation of zoning by-law provisions and requirements.

AMOPs typically define various housing needs, which include special needs, assisted, attainable, social, seniors, universal physical access, and priority. Housing need can include:

- Accessible—housing to accommodate persons with physical or sensory disabilities.
- Adaptable—housing that supports basic universal housing features to accommodate persons with mobility challenges.
- Convertible—housing that is designed for easy modification to suit the needs of an occupant with mobility challenges.
- Aging in Place—housing that is designed and built to accommodate some accessibility features with the consideration of incorporating additional accessibility features over time.
- Barrier Free—housing designed and built for universal access at the time of construction for the owner/occupant with mobility challenges.
- Visitability—housing to accommodate visitors with mobility challenges to enter a unit.

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<sup>19</sup> Pending units supply is subject to verification through the Land Needs Assessment.

Municipalities such as Clarington include policies which focus on supplying additional affordable housing units throughout their respective Regional Centres.

Municipalities can offer incentives to encourage affordable housing, which may include development of air rights at transit stations, financial incentives, reduced parking requirements, expedited development applications and donation of surplus land.

### 4.3 Municipal zoning by-laws

Although zoning is not a Regional responsibility, OP policies are implemented through zoning by-laws. Zoning provides site specific land use provisions and performance standards for how a property can be used and developed. Zoning by-laws build off Secondary Plans, AMOPs, ROPs as well as provincial policy.

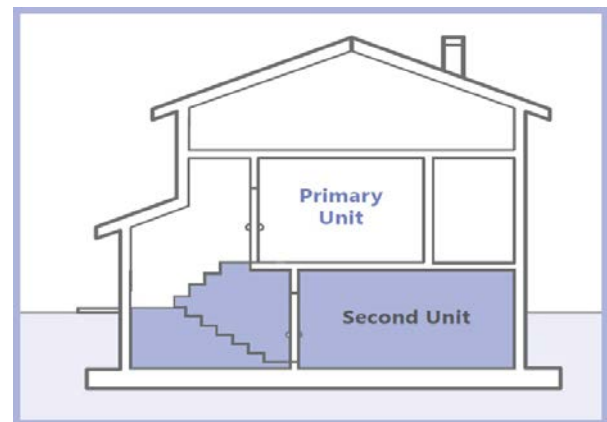
Zoning by-laws are not intended to “people zone,” by regulating who and how many people live in a dwelling, including their socioeconomic status. Ultimately, zoning by-laws are designed to permit various housing types and help define the neighbourhood character (such as density, building height and placement). Zoning by-laws can also assist in reducing land consumption and site development costs.

Zoning by-laws can restrict the type of housing that is permitted on a given site. Performance standards can include minimum lot size and minimum floorspace requirements. More permissive zoning may encourage the development of affordable housing options.

Affordable housing generally requires provisions to include additional parking spaces (generally at least one parking space per dwelling unit). In some cases, such as areas that are in close proximity to transit, reduced parking standards may be allowed.

### 4.4 Second units

Second units are self-contained residential units with a private kitchen, bathroom facilities and sleeping areas within dwellings or within structures ancillary to a dwelling (such as above laneway garages).



**Figure 17:** Second units like basement apartments are often affordable because they are less expensive to build. (Source: MMAH Second Units Info Sheet - Spring 2017).

Second units can increase the supply and range of affordable rental accommodation and can:

- Allow homeowners to earn additional income to help meet the cost of homeownership.
- Provide more housing options for extended families or elderly parents, or for a live-in caregiver.
- Help create mixed-income communities

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- Create gentle density within existing communities.
- Make more efficient use of existing services and public transit and can help reduce greenhouse gas emissions.

Second units are also referred to as secondary suites, basement apartments or accessory apartments. Garden suites, granny flats, in-law apartments, or nanny suites are also forms of secondary units, but tend to be temporary in nature.

Second units are typically less expensive to develop and are generally considered to be amongst the most affordable of rental housing options. They are also considered to be a very effective way to boost the supply of rental housing.

Section 16.3 of the Planning Act requires municipal OPs to authorize second units in detached, semi-detached and row houses. Second units can also be in a building or structure ancillary to these housing types.

Section 35.1 requires local municipalities to ensure that their zoning by-laws give effect to the policies described in Section 16.3.

In 2019 the province introduced More Homes, More Choice: Ontario's Housing Supply Action Plan. The Act made several changes to provincial regulations that will require municipalities to update the policies, processes and regulations to support second units. Some of the changes introduced through Bill 108 included:

- Municipalities are required to permit additional residential units (second units) for detached, semi-detached

and row houses in primary dwellings and ancillary buildings or structures (such as within garages, laneway units, etc.).

- Municipalities cannot apply a development charge (DC) for secondary units above garages or in laneways. Changes to regulation also exempt DCs for second units that are built in new homes.
- Regulations to exempt second units in new homes from development charges, subject to prescribed restrictions including the size of units and classes of buildings to which the exemption applies.
- Require municipalities to permit two units in either the primary dwelling unit and/or in any ancillary building. This effectively permits up to three units on a single lot where there is an appropriate ancillary building.

Municipalities generally define second units and other similar built forms such as secondary suites, coach houses, garden suites and granny flats the same way, permitting a second dwelling within the principal dwelling, subject to compliance with specific zoning criteria. Ajax and Clarington also considered second units within an associated accessory structure (such as detached garage) in accordance with updated provincial affordable housing legislation.

Second unit zoning provisions generally permit one additional accessory dwelling unit for a property with maximum floor areas generally not exceeding half the floor area of the principal dwelling subject to satisfying various criteria. However minimum floor



areas are also required in some cases. Zoning by-law provisions can include:

- Which zones permit second units throughout a municipality.
- Minimum and/or maximum requirements on amenity/landscaped areas, driveway widths, lot frontage, and second unit size.
- Prohibit home-based businesses where a second unit exists and vice versa.
- Requirement of a separate entrance to serve the second unit.



**Figure 18:** Second units can come in various forms. (Source: MMAH Second Units Info Sheet - Spring 2017).

Parking requirements for second units generally require a minimum of one additional parking spot (consistent with provincial regulations). Two area municipalities in Durham require second units to accommodate a minimum of two parking spaces. These municipalities will have to update their zoning by-laws to meet provincial requirements for a maximum of

one parking space per second unit. Conversely, the City of Toronto does not require a parking space for second units.

**Discussion Question:**

**Should the ROP encourage municipalities to reduce parking requirements for second units in areas that are well served by transit?**

More permissive policies for second units could encourage additional supply of affordable rental housing in Durham. Locations that are in proximity to transit and amenities can be attractive for those without a car.

**Discussion Question:**

**What other barriers should be removed to make it easier to build second units, such as basement apartments?**

### 4.5 Inclusionary zoning

Inclusionary zoning (IZ) allows municipalities to require that some residential units in a development be affordable housing.

In April 2018, the Province of Ontario adopted regulations to allow municipalities in Ontario to develop IZ policies. Since there is no Regional zoning by-law, the Region does not have the authority to implement IZ; however, it can put in place IZ policies that could be implemented at the local level. Area municipalities in Durham may be able to develop area specific zoning by-laws to

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ensure affordable housing is a requirement of new developments.

Many North American cities, including New York, San Francisco, Boston, and Vancouver have implemented IZ with positive results. For example, after New York City adopted Mandatory Inclusionary Zoning in 2016, over 1,500 permanently affordable homes were approved in the first nine months of the program. The City of Toronto is currently in the process of developing OP policies to implement IZ.

The Planning Act was amended in 2017 to provide a framework for IZ. This land-use planning tool can be implemented by single-tier or lower-tier area municipalities to require affordable housing units (IZ units) as part of the consideration of development applications.

Single-tier and area municipalities now have the flexibility to establish IZ on matters including:

- **Thresholds**—IZ can be applied only to residential developments containing 10 units or more, but municipalities can set higher thresholds.
- **Affordability period(s)**—municipalities can set the length of time in which an IZ unit must be maintained as affordable.
- **Units set aside**—municipalities can determine the number of units within each development to be set aside as IZ units.
- **Requirements and standards**—municipalities can set standards for IZ units.
- **Administration and monitoring**—municipalities can set procedures for the stewardship of IZ units to ensure long-

term affordability (for example, eligibility requirements, pricing of units (either ownership and rental), and enforcement of requirements).

In 2019, Ontario's Housing Supply Action Plan amended the Planning Act to allow IZ policies to apply only within areas that are generally high-growth areas and are in proximity to higher order transit. The Minister of Municipal Affairs and Housing has the authority to exercise an order for an area to be subject to IZ.

The Planning Act, as amended by Bill 108, permits the use of IZ under specified circumstances, including within major transit station areas. IZ has the potential to be an effective tool to create affordable housing.

IZ by-laws could require new residential developments to include affordable housing units, enabling mixed-income housing within MTSAs and areas where a development permit system is in place.

Provincial regulations allow for IZ to require up to 10 per cent of housing units sold within a development to be affordable. The Regional housing corporation or non-profit housing providers may be able purchase blocks of IZ units and operate them as rental units.

To implement an IZ system, a single- or lower-tier municipality must complete an assessment report to understand local housing supply and demand, as well as potential impacts which might arise from IZ, and then implement OP policies and pass a zoning by-law guiding where and how IZ will be implemented.

The municipal assessment report is to be used to inform decisions for enabling OP policies. These assessment reports must analyze:

- Demographics and population.
- Household incomes.
- Housing supply by housing type that is both existing and planned for in the OP.
- Housing types and sizes needed as IZ units.
- Current average market price and rent for each housing type.

The information in the assessment reports must be considered when developing OP policies. OP policies authorizing IZ could include the following criteria:

- The minimum size of a development, not to be less than 10 units, to which IZ requirements apply.
- Range of household incomes for which IZ units would be provided.
- Range of housing types and sizes to be authorized as IZ units.
- Affordability periods.
- How affordable price or rent would be determined.
- What areas that IZ policies would apply.

Once OP policies are in effect, municipalities intending to implement IZ would then need to pass a zoning by-law under section 34 of the Planning Act to implement and bring effect to their IZ policies.

Once implemented, the municipality is responsible for monitoring the IZ units and reporting on outcomes. A public report is required at least every two years that will

monitor the number, type and location of affordable units; as well as information about tenants and sales for IZ units.

#### Discussion Question

**Should the ROP include policies on inclusionary zoning?**

### 4.6 Rental housing conversion

Many single- and upper-tier municipalities have policies that discourage or prohibit the conversion of rental housing to ownership units. In general, municipalities in the GTHA discourage such conversions, where a minimum of six rental housing units will be removed because of the development. Rental housing conversion is only considered, subject to criteria, which may include:

- A tenant relocation and assistance plan.
- Confirmation that the vacancy rate is at least three per cent (two per cent for the City of Hamilton) for at least one calendar year (four calendar years for the City of Toronto).
- A rental housing replacement strategy.
- Majority tenant support of the proposed conversion.

Among the regional municipalities in the GTHA, Durham is the only one that specifically combines area municipalities as part of its required three per cent rental vacancy rate (Pickering and Ajax; Whitby and Oshawa; and Scugog, Uxbridge and Brock).

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## Discussion Question:

**Should Durham continue to combine certain area municipalities as a part of its required three per cent vacancy rate for rental conversion?**

The City of Hamilton's OP has rental housing policies that consider conversions only if it is demonstrated to the City's satisfaction that imminent repairs to an existing rental building are required, and that the income received for its upkeep is not capable of supporting the required repairs.

The City of Toronto's OP has a policy to refuse any approvals that results in the loss of rental housing, unless certain criteria are met. For example, developers must have a tenant relocation and assistance plan, and must replace the same number, size and type of rental housing units and maintain rents like those in effect at the time the redevelopment application is made.

In Toronto, the proponent must demonstrate that all rental housing units have rents that exceed mid-range rents at the time of application. Finally, the proponent must demonstrate that the supply and availability of rental housing in the City will remain in a healthy state (supports a minimum rental vacancy rate of three per cent for four consecutive years).

## Discussion Question:

**Should Durham consider reviewing its rental conversion policies to consider exceptions under certain circumstances?**

## 4.7 Demolition control

Many municipalities either discourage or prohibit demolition of rental housing. In municipalities that enact demolition control by-laws, they may only be permitted if certain criteria are met, such as:

- Assurance that the minimum CMHC rental vacancy rate for the area municipality is three percent over a specific length of time.
- A tenant relocation plan.
- Providing sufficient tenant notification
- Right-of-first-refusal for existing tenants to rent replacement units.
- Free rent for a specified period for long-standing residents.

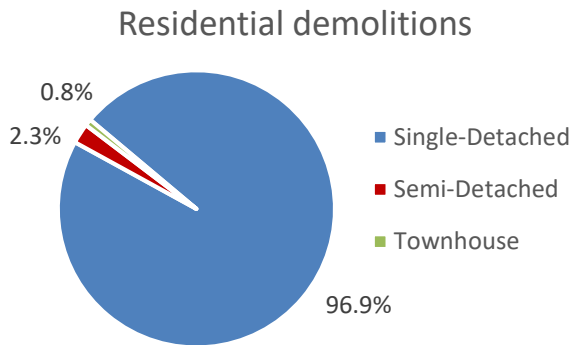
At Home in Durham and the Task Force recommendations seek to preserve purpose-built rental through demolition control. Demolition control could be implemented through local zoning by-laws. Currently, none of the eight area municipalities in Durham are developing such by-laws.

Larger cities like Toronto and Vancouver, and even smaller cities like Kitchener, have demolition control by-laws to protect existing rental supply and the tenants who live there.

Demolition control can require approval by the Chief Building Official receiving a permit to demolish a residential unit. There may be a requirement to replace rental units with rental units at similar rents. There may also be protections for tenants like financial compensation, relocation and right to return to the replacement rental unit.

Demolition control by-laws may allow municipalities to manage the demolition of residential units and maintain the integrity of neighbourhoods. It can also prevent parcels of land from becoming vacant for long periods of time before new uses have been considered and constructed.

Although demolition control by-laws could prevent the loss of rental housing in Durham, purpose-built rental apartments have not been subject to demolition recently. A sample of building permit records from 2014 to 2018 found that nearly 97 per cent of residential demolitions were for single-detached homes, and none were for apartments.



**Figure 19:** The majority of residential demolitions are single-detached homes.

Residential demolitions have increased in recent years, with an average of 230 per year in the last five years. In some instances, homes were demolished to make way for infrastructure like the Highway 407 East extension, or they have been replaced with multiple units in new subdivisions and infill developments. Many older homes are also being demolished and replaced by larger and more expensive homes.

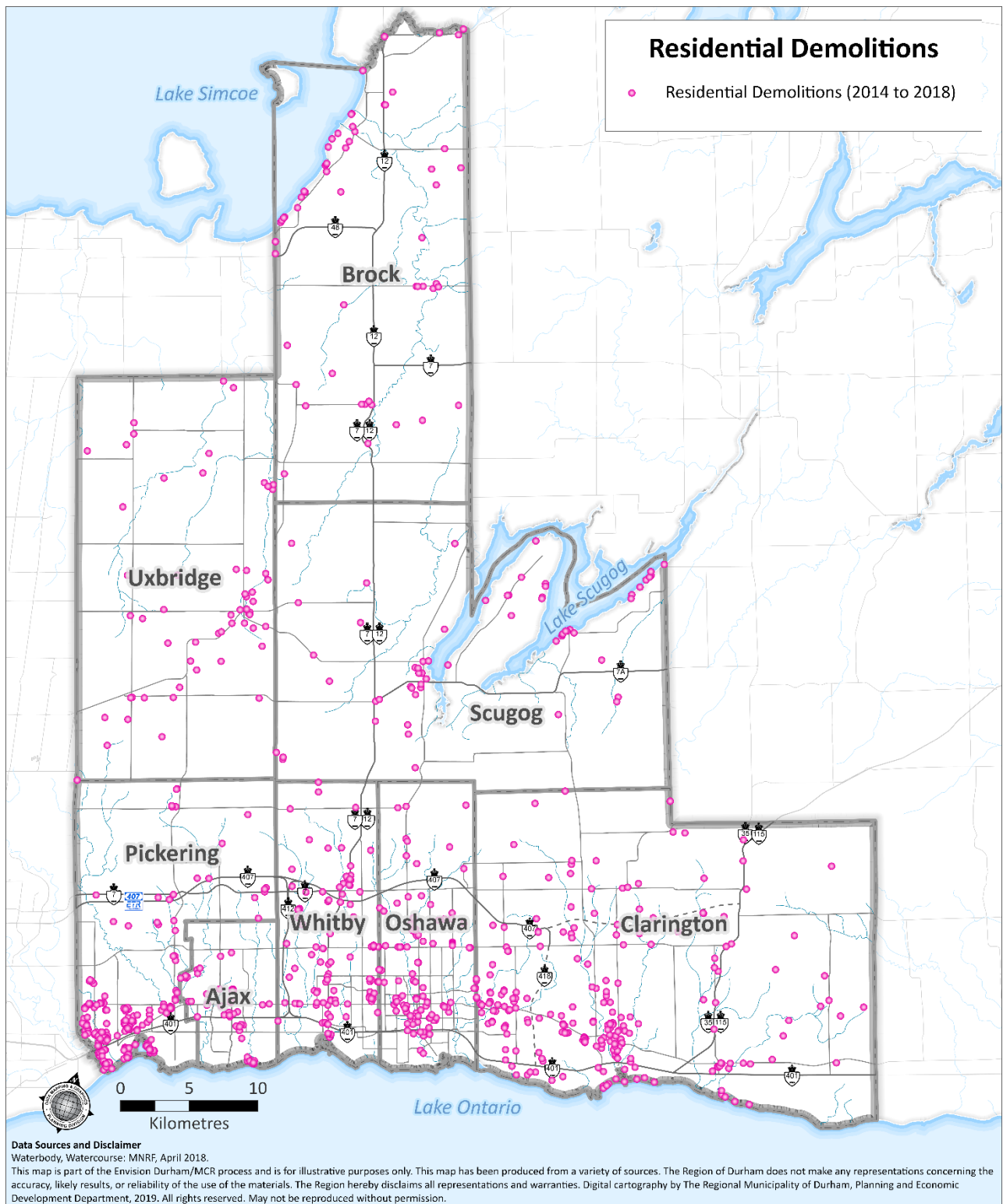


**Figure 20:** An example of a single-detached home which was demolished and rebuilt.

**Discussion Question:**

**Should the ROP encourage municipalities to enact demolition control by-laws to preserve existing rental housing?**

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**Figure 21:** Map of building permits issued for residential demolitions between 2014 and 2018.

#### 4.8 Short-term rental housing

Short-term rentals, like Airbnb, are often used by travellers as a substitute for hotel accommodations.

One important consideration is the effect that these short-term rentals can have on housing supply which could have otherwise provided permanent housing. Entire apartments and houses that are used for short-term rentals reduce the supply of rental housing. When rental demand is not balanced by supply, monthly rents will increase over time.

A recent study conducted by Ryerson University students on behalf of the Region concluded that Durham should develop a regional monitoring framework and assess the impact of short-term rental housing on Durham.<sup>20</sup>

In the spring of 2019, the study found that 71 per cent of these short-term rentals were private rooms. However, more than 100 entire houses or apartments that were used for short-term rental accommodations (about half of a per cent of the rental housing supply). Although this may not be a significant share of the housing market, the effect of short-term rental units on housing supply should continue to be monitored.

Municipalities in Durham would benefit from using a consistent approach to regulating

short-term rental units. The City of Oshawa has already taken measures to mitigate the impacts of short-term rental housing, and other municipalities could consider following a similar process.

In Oshawa, short-term rentals shall be used to provide temporary accommodation for any rental period that is less than 28 consecutive days and not exceeding a combined total of 180 days in a calendar year. Furthermore, short-term rentals shall be located in homes that are the owner's principal residence. This means the owner must live at the property.

**Table 2:** Short-term rental units surveyed in 2019.

Municipality	Airbnb units
Ajax	68
Brock	8
Clarington	49
Oshawa	96
Pickering	44
Scugog	29
Uxbridge	12
Whitby	50
Durham	356

<sup>20</sup> Short-term housing study completed on behalf of the Region completed in April 2019.

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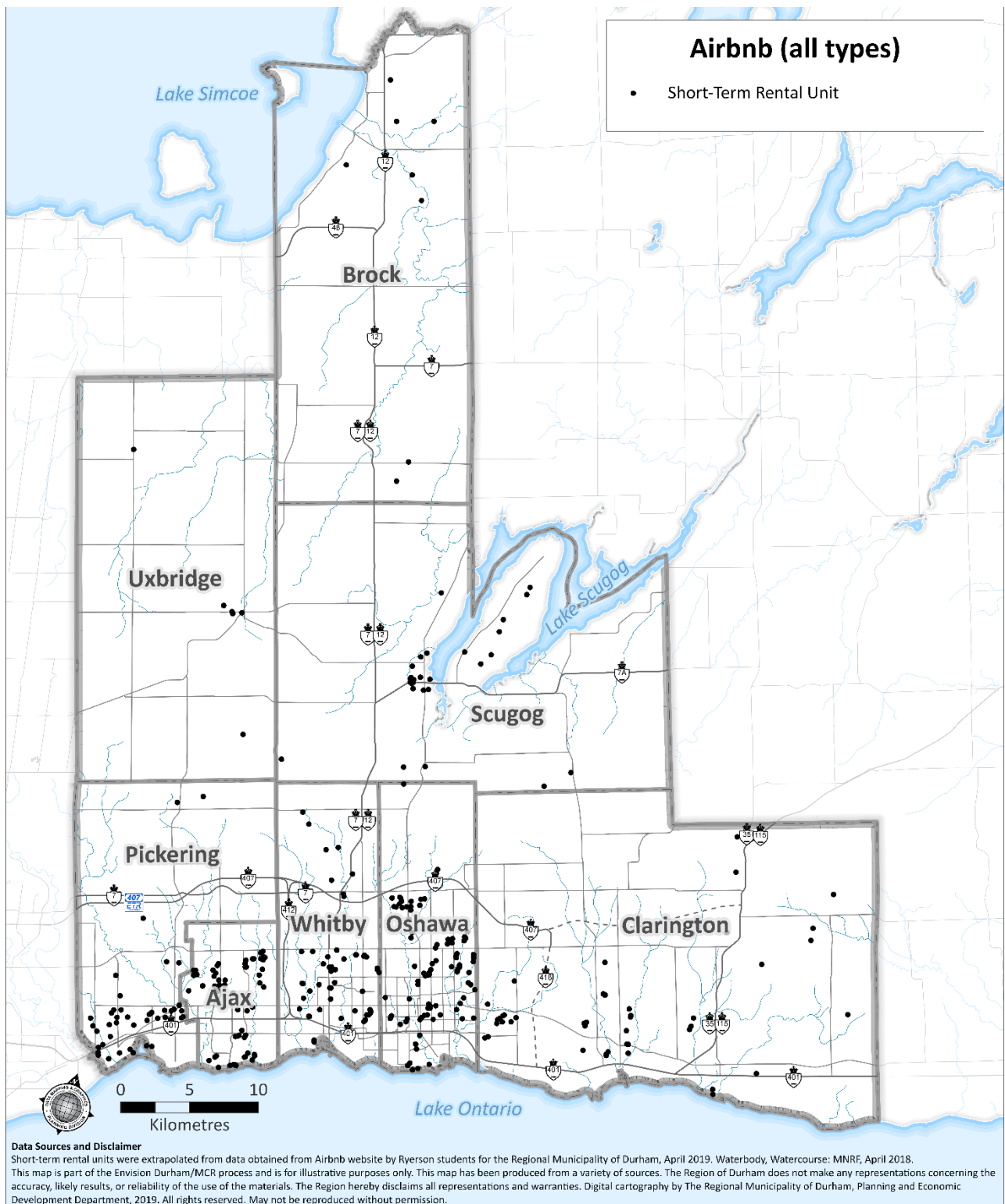


Figure 22: Map of Airbnb units surveyed in 2019. Approximate location based on postal code data.



Urban and rural communities are likely to face some different challenges with regard to short-term rental housing. For example, in Durham’s northern townships, there is a greater need to enable tourism activities like fishing and hunting, and there are fewer hotel accommodation options.

**Discussion Question:**

**Should the ROP include policies regarding the regulation of short-term rental housing?**

## 4.9 Rural housing

The predominant form of housing in rural areas is single-detached houses. This in part reflects the limitations for private well and septic systems building higher-density forms of housing.

Over 98 per cent of residential units in rural areas of Durham were single-detached dwellings. Over 97 per cent of new units were also single-detached in hamlets.<sup>21</sup>

From 2001 to 2017, the proportion of building permits issued for construction of residential units within Durham’s Rural Area has been relatively consistent, accommodating between one and four per cent of all permits issued and averaging 121 new units/year. Between 2001 and 2017, approximately 2,062 new residential units were built in the Rural Area.

It is estimated that there is the potential for approximately 2,245 additional residential

dwellings in the Rural Area. The majority of vacant lots (nearly 1,800) which could accommodate a new dwelling are located outside of rural settlement areas. This would represent an additional population of approximately 6,800 in Durham’s Rural Area.

Through the Land Needs Assessment (LNA) and as part of the Envision Durham Growth Management Study, the Region will consider development trends and potential in the rural system.

## 4.10 Tiny houses

Tiny homes are smaller homes that typically include a kitchen, bathroom, living room, and sleeping quarters. Tiny houses could provide more affordable home ownership options too. As these units are smaller, they could be less expensive to build and maintain.



**Figure 23:** An example of a 353 square foot “tiny house” that was listed in Oshawa for \$200,000 in 2019.

Tiny houses can also be ancillary structures, such as garden suites, granny flats, laneway houses or converted detached garages. These

<sup>21</sup> Based on year-end 2018 MPAC assessment data.

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types of homes would be considered detached second units and would increase rental housing supply.

Some tiny homes are built on a chassis or frame so they are portable. They are regulated by the Ministry of Transportation and can be considered a mobile home. Although they may not require a building permit and are not subject to the Ontario Building Code, zoning by-laws will not permit mobile homes in most areas outside of mobile home parks.

## Discussion Question:

**Should the Region encourage the development of tiny homes to enable more affordable housing options? If so, where?**

## 4.11 Six-storey wood-frame construction

In 2015, the province amended the Ontario Building Code (OBC) to enable six-storey wood-frame construction. Due to the cost savings from this form of development over typical concrete and steel construction, they can enable greater housing choice.

The use of six-storey wood-frame construction permissions in the OBC creates opportunities for intensification, and more efficient cost-effective development within growth areas where higher-density residential development may not have been otherwise economically viable.

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<sup>22</sup> Statistics Canada, 2017 Canadian Survey on Disability

## Discussion Question:

**Where are the most appropriate locations to build mid-rise apartments in Durham?**

## 4.12 Special needs housing

Accessible housing enables independent living for persons with disabilities. Improvements to accessibility can be achieved through architectural design and integration of accessibility features such as modified furniture, appliances, shelves and cupboards.

### 4.12.1 Mobility

It is estimated that one in five Canadians aged 15 years and over have one or more mobility challenges that limit their daily activities.<sup>22</sup> In Durham, approximately 70,000 residents are living with a disability.<sup>23</sup>

Physical disabilities can present a unique set of challenges. Individuals who rely on wheelchairs or have limited mobility are a growing segment of the community, and housing designs where physical access does not involve stairs, and units that are barrier-free will be in higher demand.

Adapting a home to fit the needs of people with mobility challenges can also create opportunities for residents to age in place, without the need to disrupt existing living patterns, access to services, access to family and loved ones, or established social circles.

<sup>23</sup> Durham Multi-year Accessibility Plan (2016-2021)

#### 4.12.2 Mental health

Adequate, suitable and affordable housing contributes to physical and mental well-being. It leads to increased personal safety and helps decrease stress, leading to improved sleep and diet. These factors result in better mental health outcomes. When housing is inadequate or unavailable, personal as well as community well-being can suffer.

A growing shortage of affordable rental housing has been identified by the Canadian Mental Health Association as a key contributor to homelessness.<sup>24</sup> Mental health concerns can be a significant challenge for an individual to secure safe and affordable housing and negatively impacts a person's ability to respond with life changes.

Having a mental health issue or addiction can be a risk factor of homelessness. Fifty-eight per cent of Durham's homeless identified having a mental illness and 31 per cent were struggling with an addiction or substance abuse.<sup>25</sup>

There is a need for a range of housing options for people with serious mental health problems who wish to live in the community. Supportive housing can range from minimal to high levels of support. Rent supplement programs can assist people with mental health challenges to secure housing that is

safe and affordable. There is also a need for programs to help people to overcome specific mental health and addiction issues. Access to wrap-around services combined with safe and affordable housing can help people overcome their challenges.

#### Discussion Question:

**What should the Region do to help people with mental health concerns secure safe and affordable housing?**

#### 4.13 Housing for seniors

People are living longer, and over the next few decades there will be significant demographic change. The Ministry of Finance projects that by 2041, nearly a quarter of Durham's population will be 65 years of age or older (23.8 per cent).<sup>26</sup> Durham seniors aged 90 and older are projected to increase by 274 per cent, from over 4,600 in 2018 to over 17,000 in 2041.

As people age, their physical and cognitive needs and abilities may also change. It is estimated that close to 10,000 Durham residents are living with Alzheimer's disease or related dementia,<sup>27</sup> and that one in ten Canadian adults over the age of 65 will develop some form of dementia over their lifetime. Older adults are also more likely to have a physical disability.

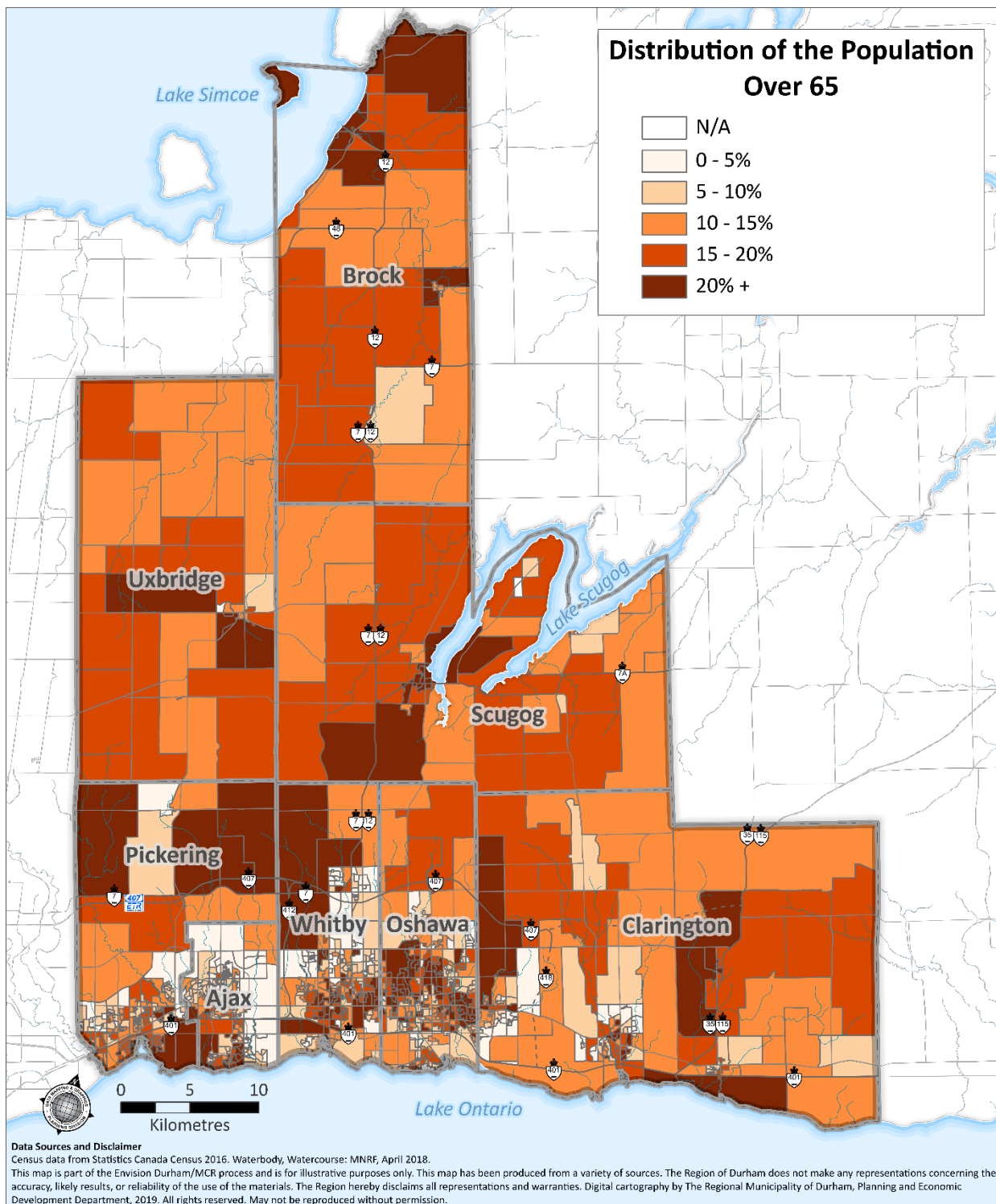
<sup>24</sup> Ontario Mental Health and Housing Background

<sup>25</sup> Durham 2018 Point-in-Time (PIT) Count Report

<sup>26</sup> Ministry of Finance, Ontario's Population Projection Update – Spring 2018.

<sup>27</sup> 9,722 persons living with dementia and care partners, Alzheimer Society of Durham Region.

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**Figure 24:** Seniors make up over a fifth of the population in some areas in Durham. Map based on 2016 Statistics Canada Census of Population data aggregated at the Dissemination Area level of geography.

Many seniors need housing that is better suited to their needs. Accessibility and home-maintenance can also be a challenge for older adults.

For some, bungalows can be an attractive option because they have fewer stairs, are directly accessible at ground level and accommodate day-to-day living on one floor. For others, apartments (either condominium or rental) can offer security, centralized maintenance, and weather protected access to units.



**Figure 25:** Condominium apartments can provide accessible options suitable for seniors who want to remain in their community.

Others prefer to “age in place” and remain in their home, perhaps later transitioning to housing within their community.

Retirement communities, multi-generational and shared-ownership homes are other options to help seniors continue living independently.

Seniors may need support to live in their communities. For example, Local Health Integration Networks (LHINs) co-ordinate

government-funded health care services for people living at home in partnership with a number of community service providers. With an aging population, there will be a need for more long-term care facilities in the future as well.

The Region, in its [Age-Friendly Durham Strategy and Action Plan \(April 2017\)](#), provides a series of actions intended to respond to the needs of older adults.

The Region seeks to incorporate best practices from other jurisdictions into Durham’s local age-friendly planning process. Age-friendly planning involves multi-level collaboration and collective action, to improve quality of life and the livability of our communities.

Through Envision Durham, the Region will consider housing policies that support an aging population.

#### Discussion Question:

**What policies should the Region consider within the ROP to increase housing options for seniors?**

#### 4.14 Shared living

While housing is becoming increasingly expensive, more and more, people are living by themselves. Isolation and loneliness are risk factors for many health problems. Shared living could be a solution to both loneliness and soaring housing costs.

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Shared living can take different forms. In some cases, many individuals can own a share of a home. Tenants can also rent different rooms within the same house or apartment. Homeowners can also rent out rooms within their homes.

## Port Perry's Golden Girls

In 2016 four senior, single women moved into a recently renovated home in downtown Port Perry. Their concept of shared home ownership was to purchase and renovate a heritage home in Port Perry with a plan to accommodate their present and future needs. Highlights from this example include:

- Planning for their golden years.
- The housing options available were not suitable for how they wanted to live.
- They have created the potential for other municipalities to consider more affordable housing for seniors.

Inspired by this example, Durham MPP Lindsey Park tabled a private member's bill and the Golden Girls Act was unanimously passed in 2019.

The Act prevents municipalities from using local by-laws to prohibit seniors from cohabitating.



Multigeneration homes can allow parents to move some of their assets out of their home and allow their children to access the real estate market. There may also be cultural reasons for some households to choose living with family.

Seniors, or younger adults, can purchase a single property and share the ownership together. For younger people it could provide a more affordable way to finance their housing costs. Seniors can choose to purchase and renovate a larger home to accommodate their present and future needs.

Homeowners can choose to share their home with tenants. For many, including seniors, they may also offer reduced rent in exchange for small chores and companionship. Some jurisdictions have had success with home sharing programs that match homeowners and tenants. As with other forms of home sharing, it is important to have a clear contract that outlines expectations and rules while they live together.

## Discussion Question:

**Should the Region have a role in helping to facilitate shared living housing?**

## 4.15 Shared equity

New models of shared ownership have emerged in response to housing affordability concerns. In shared equity models, multiple parties have an interest in a property.

Shared equity programs can involve third party lenders, including individuals, private

corporations, non-profit organizations and government agencies.

In Canada, there are two forms of shared equity programs. A third party can invest in a share of a property, or they can provide the homeowner with a second mortgage.

For shared equity mortgage programs, the second mortgage often requires no payments until the home is sold, refinanced or at the end of a fixed term. If the home price appreciates over time, both parties share in the profit.

The federal First-Time Home Buyer Incentive is an example of shared equity housing that will allow CMHC to lend a homeowner money for a shared stake in the equity of a home. Options for Homes and Trillium Housing are two organizations that have helped create affordable housing in the GTA with shared equity financing models.

## 5.0 Regional housing interest

Although the federal and provincial governments have significant roles, housing is very much a regional and local issue. In Ontario, municipal governments are the primary funders of community housing. In 2017, municipal governments contributed over \$1.77 billion for community housing. By comparison, the provincial and federal governments jointly contributed only \$616 million.

Durham is one of Ontario's 47 Consolidated Municipal Service System Managers who fund, plan, manage, and administer community housing. Municipal service managers develop affordable housing stock

and deliver homelessness prevention programs. Municipalities may also provide housing allowances and rent supplements.

Service managers work in partnership with co-operative, non-profit and Indigenous community housing providers. They also consult with community members to address the housing needs of vulnerable, low income Ontarians.

Municipalities are responsible for planning land use and implementing the Ontario Building Code. Municipal housing policy reflects provincial direction to enable the development of a wide range of housing options for residents. A well-designed built environment promotes resident quality of life and population health.

Municipalities have a number of planning and financial tools that can help facilitate affordable housing. These tools include a Tax Increment Equivalent Grant, waiving or deferring development charges, reduced parking requirements, inclusionary zoning, community improvement plans, and designating housing providers as municipal capital facilities.

A regional government's primary land use planning tool is its ROP, which among other matters implements the policies and requirements of relevant provincial plans and the PPS. Area municipalities also develop OPs, and they are responsible for preparing, administering and implementing zoning by-laws. While the ROP is required to implement provincial policy, area municipal planning tools are required to conform with both regional and provincial policies and plans.

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## Discussion question:

**What ROP policies should be strengthened to support the development of diverse housing options including affordable housing?**

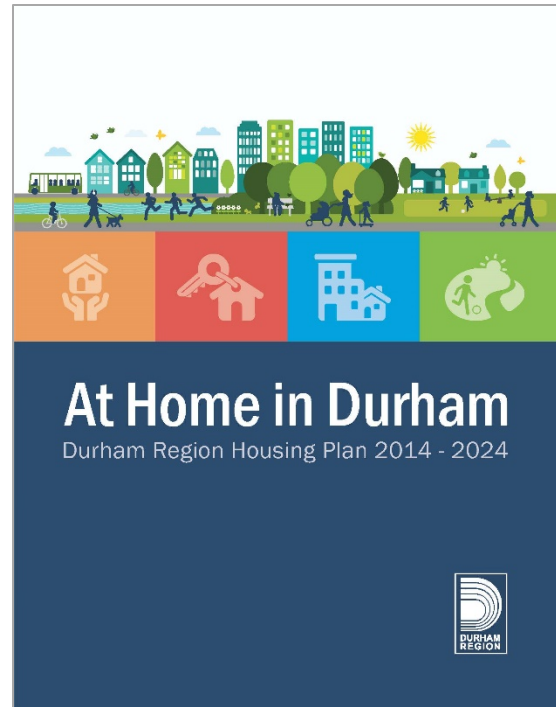
## 5.1 At Home in Durham

At Home in Durham sets out Durham's long-term vision for housing. It is an extension of the Region's commitment to affordable housing as set out in the Strategic Plan and ROP. It was developed in 2014 to meet the provincial requirements for a Housing Strategy (required under the former Growth Plan, 2006) and a Housing and Homelessness Plan (required under the HSA).

The goals and primary actions of At Home in Durham aim to improve affordability and access to housing with and without supports, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system. These goals are:

- End Homelessness in Durham
- Affordable Rent for Everyone
- Greater Housing Choice
- Strong and Vibrant Neighbourhoods

Under the Housing Services Act, the Region of Durham is required to review At Home in Durham at least every five years and amend the plan as it considers necessary or advisable.



**Figure 26:** At Home in Durham is the Region's ten-year housing plan.

The Region has completed its five-year review of At Home in Durham and no substantive changes have been made to the Plan. It will continue to implement the Plan over the next five years and is committed to:

- Reducing chronic homelessness to zero.
- Increasing the supply of affordable rental housing by 1,000 units.
- Increasing the supply of medium- to high-density housing.
- Significant progress in the regeneration of community housing.



## 5.2 Affordable Rental and Seniors' Housing Task Force

At a meeting in November 2015, Regional Council decided to establish a Task Force to explore strategies to promote the creation and maintenance of affordable and seniors' housing in Durham. The Affordable Rental and Seniors' Housing Task Force met monthly from December 2016 until June 2017 to develop a better understanding of the issues, learn from others, share their knowledge, provide advice and consider potential solutions.

In October 2017, the Task Force released its report setting out a six-point plan of action and 34 recommendations to address the need for the creation of more affordable rental housing for low and moderate income households, as well as the need for more housing choices for seniors in Durham. The Task Force recommendations complement and reinforce the goals and actions of At Home in Durham.

### 5.2.1 Supportive policy environment

At Home in Durham and the Housing Task Force recommendations commit to a review of the ROP to ensure that it creates a supportive and permissive environment for affordable rental and seniors' housing choices. Many policies in the ROP promote a diverse range of housing options.

The ROP will be updated through the Envision Durham MCR process, and housing policies will be improved to help support a resilient housing system in the region. The ROP should reflect Durham's commitment to

increase affordable housing and promote greater housing options.

At Home in Durham and the Task Force recommendations seeks to identify opportunities for intensification. Through Envision Durham's Growth Management Study, an Intensification Strategy will review sites with potential for redevelopment within strategic growth areas, including MTSAs, centres and corridors.

Second units can also increase intensification within the region's built-up area. Second units can add gentle density to stable neighbourhoods. The ROP supports conversion of single-detached homes to multiple residential units and directs area municipalities to have policies that permit second units.

The ROP also has policies that protect rental housing units in Durham. Condominium conversions are not permitted when vacancy rates are below three per cent at the local and regional level.

### 5.2.2 Process certainty

Consistent with At Home in Durham and the Task Force recommendations, the Region is engaged with municipal partners, to improve certainty and to advance affordable rental and seniors' housing projects, where opportunities exist.

The Region supports municipalities that are considering the adoption of a Community Planning Permit System, and other opportunities for concurrent review and approval of OP amendments, zoning by-laws and site plans.

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Municipalities are working with the development industry to balance the requirements for development approvals and market supply by expediting processes, implementing one window comment procedures, streamlining the circulation process, and working with agency partners.

Municipalities will continue to implement electronic tracking of applications and move towards electronic plan submission so that real time information can be provided.

Other examples of efforts in Durham that have made the development approvals more efficient and provided greater process certainty include the following:

- The Region has streamlined the site contamination review protocol to provide flexibility in certain circumstances.
- Local municipal initiatives to expedite priority projects include the establishment of dedicated review teams to streamline the review of major mixed-use projects, as well as expedited site plan and building approval processes for specific priority projects.

## 5.3 Community housing

Community and social housing is an important part of the Region's social infrastructure. It provides rental housing for low and moderate income households. It offers a mix of market and rent-geared-to-income (RGI) units. RGI households are generally unable to afford housing in the private market and pay about 30 per cent of their income on housing costs. This is an important part of the Region's social infrastructure.

In its role as Service Manager under the HSA, the Region of Durham is responsible for:

- Developing and implementing a ten-year plan to address housing and homelessness conditions in Durham (At Home in Durham).
- Funding and administration of 44 community housing providers across the region, including the Regionally owned Durham Regional Local Housing Corporation (DRLHC).
- Providing rent-geared-to-income (RGI) housing assistance to 4,446 low and moderate income households under its legislated service level standard, including administration of the RGI wait list.
- Allocating and administering provincial and Regional funds for homelessness services and programs, including: emergency shelter solutions; transitional and supportive housing; services and supports (e.g. outreach and referral); and homelessness prevention.

## 5.4 Incentive programs

Although federal, provincial and other programs help finance housing, municipal governments also have the ability to directly encourage the delivery of affordable housing projects.

For example, municipalities can establish incentives through Community Improvement Plans (CIPs) under section 28 of the Planning Act, to enable municipalities to provide grants, loans or other incentives for affordable housing projects, such as:

- Monetary incentives, including reductions or deferrals of application fees.
- Development charge deferrals or reductions.
- Fast-tracking of development approvals.
- Alternate development design standards such as parking standard reductions that enable more cost-effective use of land.
- Enabling policies such as those which may encourage the sale or lease of surplus public lands to support affordable housing development.

Currently, Durham Region also provides other tools which support the development of affordable housing, including:

- Redevelopment Credits under Development Charge (DC) by-laws.
- Exemptions under the Development Charge Act, UOIT Act and Regional DC by-laws.
- Intensification Servicing Policy.
- Regional Revitalization Program (RRP).

The Region can provide direct financial assistance to development projects that are within area municipal Community Improvement Plan (CIP) areas through the Regional Revitalization Program (RRP).

In addition, upper-tier municipalities like the Region of Durham may adopt CIPs, provided they deal with matters of:

- Affordable housing.
- Infrastructure that is within the Region's jurisdiction.

- Land and buildings within and adjacent to existing or planned transit corridors that have the potential to provide a focus for higher-density mixed-use development and redevelopment.



**Figure 27:** Market rental apartments under construction at Vision at Pat Bayly Square in Ajax, a project that received funding and support through Ajax's Downtown CIP program, the Regional Revitalization Program and CMHC.

## 5.4.1 Regional Development Charge Background Study (2018)

To support the creation of affordable rental and seniors' housing, the Region introduced a new residential development charge (DC) service category for "Housing Services."

The funds collected through the new DC category will be used to support the development of new, growth-related social and government-assisted affordable housing projects/units. DC revenue may fund capital costs for new housing development for:

- Community housing provided by the Durham Regional Local Housing Corporation (DRLHC), or by a non-profit housing provider that receives ongoing subsidy from the Region of Durham.
- Affordable Housing that are rental units, provided by private or non-profit housing providers that receive funding through a federal or provincial government affordable housing program.

Eligible projects must be for new construction only, including additions and extensions resulting in additional rental units, and are approved by Regional Council on a case-by-case basis. Applicants for eligible units must meet eligibility requirements for the DASH wait list.

## 6.0 Provincial housing interest

The Province of Ontario's Provincial Policy Statement and provincial plans provide a framework to determine where and how growth should occur. Municipalities are to plan for an appropriate range and mix of

housing types and densities to create complete and healthy communities, including affordable housing.

## 6.1 Provincial responsibilities

The province provides the legislative framework for community housing through the Housing Services Act and guides local Housing and Homelessness Plans through the 2016 Housing Policy Statement.

The Community Housing Renewal Strategy focuses on strategies to sustain and grow community housing, while the Housing Supply Action Plan seeks to increase affordable housing in the private sector. The province is also the primary funder for supportive housing and homelessness.

Municipal governments usually deliver provincial funding programs, including the Community Homelessness Prevention Initiative (CHPI), the Strong Communities Rent Supplement program, the former Investment in Affordable Housing (IAH) program, and the new Ontario Housing Priorities Initiative (OPHI). Some of these programs are co-funded with the federal government.

The province regulates the municipal planning function through legislation like the Planning Act. It is also responsible for numerous provincial directives including the Provincial Policy Statement and the provincial Growth Plan. This framework sets requirements for municipal planning activities, including notifications, public meetings, consultation with third parties and timelines. It also addresses policies related to

affordable housing, special needs, second units and inclusionary zoning.

The province has the authority to require municipalities to charge lower tax rates on new multiple residential dwellings. Ontario is also responsible for numerous processes that may affect timelines in the municipal development approval process. These processes include the Local Planning Appeal Tribunal, environmental assessments, and Ontario's land registry.

The province also regulates rental housing through the Residential Tenancies Act and the Landlord and Tenant Board.

## 6.2 Investments in affordable housing

The Investment in Affordable Housing (IAH) program will have provided almost \$1.3 billion in federal and provincial funding between 2011 and 2020 to improve access to affordable housing that is suitable and sustainable for households across Ontario.

In 2016, \$640 million in new federal and provincial funding under the Social Infrastructure Fund (SIF) was allocated over a two year period for new construction, renovation and retrofit of community housing and shelters for survivors of domestic violence. SIF increased the funding commitment under the existing IAH program by \$168.3 million.



**Figure 28:** Ritson Residence, located in Oshawa, is an example of housing that received IAH funding to build affordable rental units.

In 2019, the provincial and federal governments replaced IAH with the Ontario Priorities Housing Initiative (OPHI). In Durham, OPHI will fund new affordable rental construction, community housing repair and affordable homeownership. To date, the Region has been allocated \$11.8 million in funding to address housing need over the next three years.

## 6.3 Housing Services Act

The Housing Services Act (HSA) establishes the framework for community housing in Ontario and requires municipal service managers, like Durham Region to prepare ten-year housing and homelessness plans.

Under the HSA, municipal service managers are required to administer and fund community housing in their service areas, including the maintenance of a specified number of rent-geared-to-income (RGI) assisted households under their legislated service level standards. RGI eligibility and

selection of households from the wait list is also legislated by the HSA and its regulations.

Local housing and homelessness plans are based on local needs and guide local actions to address homelessness and housing in line with local and provincial priorities—including those set out in the 2016 Provincial Policy Statement. This includes a role for the private market.

When combined with programs, like housing allowances and rent supplements, private market housing can support greater housing stability for low and moderate income households and reduce the risk of homelessness. Working with municipalities within their service area, service managers' housing plans are to:

- Identify an active role for the private sector in providing a mix and range of housing, including affordable rental and ownership housing, to meet local needs.
- Identify and encourage actions for municipalities and planning boards, where applicable, to support the role of the private sector, including the use of available land use planning and financial tools.
- Reflect a coordinated approach with Ontario's land use planning framework, including the Provincial Policy Statement.
- Align with housing policies required by A Place to Grow, Growth Plan for the Greater Golden Horseshoe.

## 6.4 Provincial land use planning policy context

Land use planning is the process of responsibly managing growth and change by regulating and managing land and resources. It allows communities to set goals on how to grow and develop in an orderly manner. This includes directing where growth should occur, as well protecting areas where growth should not occur.

In the Province of Ontario, land use planning occurs within the hierarchy of provincial and municipal levels of government. The government at the provincial, regional and area municipal levels exercise varying degrees of control and regulation over land use planning.

### 6.4.1 Land Use Planning for Housing Policy Statement, 1989

Many policies within the ROP were a response to the Land Use Planning for Housing Policy Statement issued by the province in 1989. It included policies on the following housing related issues:

- Provision of a range of housing types.
- At least 25 per cent of all new residential development to be affordable for low and moderate income households.
- Encouragement of residential intensification.
- Ensuring a sufficient supply of land for future residential use.
- Streamlining the planning process.

Shelter costs which do not exceed 30 per cent of gross annual household income were considered affordable. Households of low and moderate income were defined as households within the lowest 60 per cent of the income distribution for the Housing Region.

#### 6.4.2 Provincial Policy Statement

The current Provincial Policy Statement (PPS, 2014) sets the policy foundation for land use planning across Ontario. The PPS contains three major policy areas of: Building Strong Healthy Communities, the Wise Management of Resources and Protecting Public Health and Safety.

The PPS provides policy direction on development and land use patterns. This includes placing importance on urban and rural settlement areas as the focus for population and employment growth, while minimizing land consumption.

The PPS sets out how municipalities should plan for housing through:

- Defining the term affordable housing as well as low and moderate income households.
- Plan for healthy, liveable and safe communities that are sustained by accommodating an appropriate range and mix of housing including affordable housing and housing for older persons.
- Provide for an appropriate range and mix of housing types and densities to meet requirements of current and future residents by establishing and implementing minimum targets for the

provision of housing which is affordable to low and moderate income households.

- Permit and facilitate housing options to meet the social, health, economic and well-being requirements of current and future residents. Housing options should consider special needs requirements and all types of residential intensification, including second units.
- Direct the development of new housing to locations where appropriate levels of infrastructure and public service facilities are available to support current and projected needs.

One of many policy directions within the PPS is to align growth in a manner that maximizes the efficient use of infrastructure and public service facilities.

The PPS is currently under review. Some of the proposed changes include adding market based range and mix of residential housing types. The proposed changes would extend the planning horizon for designating lands for residential development to 25 years, subject to provincial guidelines and would allow municipalities to require a minimum five-year supply of residential units suitably zoned or in draft approved plans and registered plans.

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## **Affordable:** means

- a) in the case of ownership housing, the least expensive of:
  - i) 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
  - ii) 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:
  - i) a unit for which the rent does not exceed 30 percent of gross annual household income for *low and moderate income households*; or
  - ii) 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*.

## **6.4.3 A Place to Grow: Growth Plan for the Greater Golden Horseshoe**

The provincial Growth Plan directs upper- and single-tier municipalities to provide a diverse range and mix of housing options, including second units and affordable housing to accommodate people at all stages of life and to accommodate the needs of all household sizes and incomes. Policy 2.2.6.1 states that municipalities will:

- Support housing choice through the achievement of intensification and density targets in the Growth Plan.
- Identify a diverse range and mix of housing options and densities to meet the needs of current and future residents.
- Establish affordable ownership housing and rental housing targets.

Municipalities are to consider the range and mix of existing housing stock and plan to achieve complete communities. Where appropriate, consideration is to be given to require that multi-unit residential developments incorporate a mix of unit sizes.

The provincial Growth Plan directs single and upper-tier municipalities to implement housing policies, which should be aligned with land use planning and identify financial tools to support housing policy.

The provincial Growth Plan also sets regional population and employment targets for 2041. By then, Durham is forecasted to grow to 1.19 million people.



#### 6.4.4 Land Needs Assessment Methodology

The Land Needs Assessment (LNA) was developed to provide a consistent approach to growth management. The province is currently reviewing the LNA and requirement for a housing strategy may be subject to change.

The LNA methodology provides guidance for determining how and where municipalities should grow.

To support the achievement of complete communities, the current LNA requires municipalities to prepare a housing strategy that considers the existing housing stock and plans to diversify the overall range and mix of housing options that are available.

The development of this strategy should analyze the anticipated composition of households, such as size, age of occupants, income, and family versus non-family households. It should also involve analysis of the existing housing stock as well as the needs of future households in terms of the range and mix of housing options, including unit size and numbers of bedrooms.

Based on this analysis, municipalities will make certain assumptions such as the average number of persons per unit (PPU) expected in the future. Municipalities will need to demonstrate how the density requirements in the provincial Growth Plan would be met through their LNA exercises.

In addition to determining the specific mix of new housing units to be planned, the housing strategy currently identified as part of the LNA should also identify the specific land use

planning and financial tools that will be used to achieve the objective of diversifying the overall range and mix of housing options available, including affordable housing.

## 7.0 Federal housing interest

In Canada, the federal government functions as a system enabler for housing policy and funding. It can leverage its fiscal capacity through the Ministry of Finance and Canada Mortgage and Housing Corporation (CMHC), to:

- Make community housing financially viable across the country.
- Promote the expansion of more affordable housing options.
- Help prevent homelessness.

Additionally, the Bank of Canada can impact demand for housing through monetary policy.

The federal government took the lead in establishing affordable community housing for returning war veterans in the 1940s. Subsequently, the federal government funded the construction of over 84,000 units of public housing between 1964 and 1975.

A new federal community housing program in Ontario began in 1978. Under this federal program, over 52,000 units were built between 1978 and 1985. Unfortunately, the federal government's role in housing slowly diminished and funding for new community housing ultimately came to an end in 1993.

Although CMHC plays a role in providing mortgage liquidity, and provides research and advice to the Canadian government and

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housing industry, the federal government had not played a significant role in funding new community housing or developing housing policy over several decades. This changed with the introduction of the National Housing Strategy in 2017.

Through the late-1990s, the federal and provincial governments reduced their role in the funding and delivery of affordable and community housing. In 1993, the federal government terminated all funding for the development of new community housing, as did the province in 1995.

The federal government downloaded administrative responsibility for its community housing stock through the 1999 Social Housing Agreement (SHA) with Ontario. The province then transferred its administrative and funding responsibility to municipal service managers in 2000.

Since 2002 there have been various Canada-Ontario agreements to support the development of new affordable housing and assist municipal service managers with an aging, often energy-inefficient, community housing stock.

Since 2005, the Region has leveraged federal and provincial funding for community and affordable housing programs. This has resulted in:

- The construction of 549 new rental units (\$62.9 million).
- Provided with rent support for 1,178 households through supplements and allowances (\$24.9 million).

- \$26.2 million in rehabilitation improvements and energy cost savings in community housing.

While Durham has been the recipient of funding through these programs, Regional Council have long recommended that the federal and provincial governments expedite long-term, predictable and sustainable funding to municipalities (such as non-application-based funding like the Federal and Provincial Gas Tax) in order to encourage priority-based investments and improve long-term financial planning for resource prioritization.

## **Projects in Durham that have received federal funding include:**

- Lakeview Harbourside (DRLHC), Oshawa
- Perry Street (DRLHC), Uxbridge
- Hubbard Station (AMHC), Ajax
- Harmony Ridge Gardens, Oshawa
- Bloor Park Village, Oshawa
- Whitby Village
- Ritson Residence, Oshawa
- Old School House Apartment (DRNPHC), Brock
- Gillespie Gardens (DRNPHC), Brock
- Cornerstone Community Homes, Oshawa
- New View Holdings, Bowmanville
- Newcastle Lodge for Seniors and Family Dwellings

## 7.1 National Housing Strategy

In November 2017, the Government of Canada released its first ever National Housing Strategy (NHS), signaling a renewed commitment to high level housing policy, with a continued commitment to funding programs. The 10-year strategy commits \$40-billion in joint federal-provincial spending towards:

- Reducing chronic homelessness by 50 per cent.
- Removing 530,000 households out of housing need.
- Constructing 100,000 new affordable housing units.
- Repairing or renewing 300,000 existing affordable housing units.

Investments (almost half of which are cost shared) under the NHS include:

- \$15.9 billion for a new National Housing Co-investment Fund.
- \$8.6 billion for a new Canada Community Housing Initiative.
- \$4 billion for a new Canada Housing Benefit.
- \$2.5 billion under new federal-provincial housing partnership funds.
- \$2.2 billion to reduce homelessness.
- \$300 million in additional funding to address the needs in Canada's north.
- \$241 million for research, data and demonstrations.
- \$200 million in land transfers to housing providers.
- Committing that at least 25 per cent of funds go to projects for women, girls and their families.

- Working with Indigenous leaders to co-develop distinctions-based housing strategies.

To date, the NHS's National Housing Co-investment Fund has provided \$7.25 million in direct assistance to two community housing providers in Durham to support the development of new affordable housing units in the region:

- \$2.15 million to Cornerstone Community Association Durham in Oshawa.
- \$5.1 million to Newcastle Lodge for Senior and Family Dwelling in Clarington.

Other federal funding includes seed funding programs, various loan insurance programs and other investments in affordable housing.

The 2019 federal budget included measures aimed at improving home affordability. One notable inclusion is the First-Time Home Buyer Incentive. Under the plan, eligible first-time home buyers that require mortgage insurance could finance part of their purchase through a shared-equity mortgage with CMHC. It would reduce a buyer's total borrowing costs and making their monthly mortgage payments more affordable.

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## Next steps

This Discussion Paper is the last in a series of Discussion Papers released over the course of 2019 for Envision Durham. These Discussion Papers provide an overview and background on theme-based land use planning matters and pose various questions in order to gather opinions and to help shape future policy.

**Your feedback is important to us. The Regional Planning Division appreciates your interest and encourages your participation throughout the Envision Durham process. To submit your comments, please visit [durham.ca/EnvisionDurham](https://durham.ca/EnvisionDurham).**

Following the release of these Discussion Papers, interested parties will also have opportunities to provide feedback on proposed policy directions and, a future draft of the Regional Official Plan.

To stay up-to-date on Envision Durham, please visit [durham.ca/EnvisionDurham](https://durham.ca/EnvisionDurham) and subscribe to receive email updates.

## Appendix A: Discussion questions workbook

Discussion questions are posed throughout the Housing Discussion Paper. We are interested in hearing from you on these topics or any others that are important to you, and which have not been addressed. The following is a summary of the questions contained within this discussion paper:

1. **Should the Region maintain its definition for affordable rental housing to be consistent with other municipalities in the GTHA and the PPS? (Page 13)**

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2. **Should the Region maintain its definition for affordable ownership housing to be consistent with other GTHA municipalities? (Page 20)**

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3. **Should the Region take a more active role to increase affordable home ownership options? (Page 21)**

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**4. Should the Region consider increasing or decreasing its affordable housing targets? (Page 22)**

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**5. Should Durham consider higher affordable housing targets within specific locations, such as within Strategic Growth Areas that are near key transit corridors? (Page 22)**

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**6. Should the ROP encourage municipalities to reduce parking requirements for second units in areas that are well served by transit? (Page 26)**

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**7. What other barriers should be removed to make it easier to build second units, such as basement apartments? (Page 26)**

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**8. Should the ROP include policies on inclusionary zoning? (Page 28)**

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**9. Should Durham continue to combine certain area municipalities as a part of its required three per cent vacancy rate for rental conversion? (Page 29)**

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**10. Should Durham consider reviewing its rental conversion policies to consider exceptions under certain circumstances? (Page 29)**

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**11. Should the ROP encourage municipalities to enact demolition control by-laws to preserve existing rental housing? (Page 30)**

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**12. Should the ROP include policies regarding the regulation of short-term rental housing? (Page 34)**

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**13. Should the Region encourage the development of tiny homes to enable more affordable housing options? If so, where? (Page 35)**

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**14. Where are the most appropriate locations to build mid-rise apartments in Durham? (Page 35)**

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**15. What should the Region do to help people with mental health concerns secure safe and affordable housing? (Page 36)**

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**16. What policies should the Region consider within the ROP to increase housing options for seniors? (Page 38)**

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**17. Should the Region have a role in helping to facilitate shared living housing? (Page 39)**

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**18. What ROP policies should be strengthened to support the development of diverse housing options including affordable housing? (Page 41)**

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## Appendix B: Glossary

### Affordable housing:

- a. In the case of ownership housing, the least expensive of:
  - i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 per cent of gross annual household income for low and moderate income households
  - ii. Housing for which the purchase price is at least 10 per cent below the average purchase price of a resale unit in the region.
- b. In the case of rental housing, the least expensive of:
  - i. A unit for which the rent does not exceed 30 per cent of gross annual household income for low and moderate income households
  - ii. A unit for which the rent is at or below the average market rent of a unit in the region (Regional Official Plan).
- c. **Bed and breakfast establishment:** an establishment that provides sleeping accommodation (including breakfast and other meals, services, facilities and amenities for the exclusive use of guests) for the traveling or vacationing public in up to three guest rooms within a single dwelling that is the principal residence of the proprietor of the establishment (Regional Official Plan).

**Community Improvement Plan:** a plan for the community improvement of a community improvement project area.

**Compact built form:** A land use pattern that encourages the efficient use of land, walkable neighbourhood, proximity to transit and reduced need for infrastructure. Compact built form can include detached and semi-detached houses on small lots as well as townhouses and walk-up apartments, multi-storey commercial developments, and apartments or offices above retail. Walkable neighbourhoods can be characterized by roads laid out in a well-connected network, destinations that are easily accessible by transit and active transportation, sidewalks with minimal interruptions for vehicle access, and a pedestrian-friendly environment along roads to encourage active transportation (Growth Plan).

**Complete communities:** Places such as mixed-use neighbourhoods or other areas within cities, towns, and settlement areas that offer and support opportunities for people of all ages and abilities to conveniently access most of the necessities for daily living, including an appropriate mix of jobs, local stores and services, a full range of housing, transportation options and public service facilities. Complete communities are age-friendly and may take different shapes and forms appropriate to their contexts (Growth Plan).

**Conversion:** redesignation from Employment Area to another urban designation, or the introduction of a use that is otherwise not permitted in the Employment Areas designation (Regional Official Plan).

**Comprehensive Review:** an official plan review which is undertaken by the Region, or an official plan amendment which is undertaken by the Region, in consultation with the respective area municipalities. A comprehensive review also includes an official plan review or an official plan amendment initiated by an area municipality that is in conformity with this Plan. For the purpose of this Plan, Comprehensive Review shall also mean a "municipal comprehensive review" in accordance with the provincial Growth Plan, where applicable (Regional Official Plan).

**Development:** the creation of a new lot, a change in land use, or the construction of buildings and structures, any of which require approval under the Planning Act, or that are subject to the Environmental Assessment Act, but does not include:

- a. The construction of facilities for transportation, infrastructure and utilities used by a public body.
- b. Activities or works under the Drainage Act. (In the case of lands on the Oak Ridges Moraine, this applies only to the reconstruction, repair or maintenance of an existing drain approved under the Drainage Act.)
- c. The carrying out of agricultural practices on land that continues to be used for agriculture uses (Regional Official Plan).

**Downtown area:** designated Centre characterized by its historical significance, as a focal point for the broader community (Regional Official Plan).

**Delineated Built Boundary:** The limits of the developed urban area as defined by the Minister in consultation with affected municipalities for the purpose of measuring the minimum intensification target in this Plan (Growth Plan).

**Delineated Built-up Area:** All land within the delineated built boundary (Growth Plan).

**Designated Greenfield Area:** Lands within settlement areas but outside of delineated built-up areas that have been designated in an official plan for development and are required to accommodate forecasted growth to the horizon of this Plan. Designated greenfield areas do not include excess lands (Growth Plan).

**Employment Areas:** Areas designated in official plans for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associate retail and ancillary facilities (Provincial Policy Statement).

**Farm vacation home:** an establishment that provides sleeping accommodation (including participation in farm activities, meals, services, facilities and amenities for the exclusive use of guests) for the travelling or vacationing public in up to three guest rooms within a single dwelling that is located on a farm and is the principal residence of the proprietor of the establishment (Regional Official Plan).

**Functional zero homelessness:** Functional zero means that a community has no more than three chronically homeless people on its By-Name List, or 0.1 per cent of its most actively homeless number (whichever is

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greater) sustained for three consecutive months.

**Higher order transit:** Transit that generally operates in partially or completely dedicated rights-of-way, outside of mixed traffic, and therefore can achieve levels of speed and reliability greater than mixed-traffic transit. Higher order transit can include heavy rail (such as subways and inter-city rail), light rail, and buses in dedicated rights-of-way (Growth Plan).

**Intensification:** The development of a property, site or area at a higher density than currently exists through:

- Redevelopment, including the reuse of brownfield sites.
- The development of vacant and/or underutilized lots within previously developed areas.
- Infill development.
- The expansion or conversion of existing buildings (Provincial Policy Statement).

**Low and moderate income households:**

- a. In the case of ownership housing, households with incomes in the lowest 60 per cent of the income distribution for the Region.
- b. In the case of rental housing, households with incomes in the lowest 60 per cent of the income distribution for renter households for the Region (Regional Official Plan).

**Home business:** an occupation that:

- a. Involves providing personal or professional services or producing custom or artisanal products.

- b. Is carried on as a small-scale accessory use within a single dwelling by one or more of its residents.

- c. Does not include uses such as an auto repair or paint shop or furniture stripping (Regional Official Plan).

**Home Industry:** a business that:

- a. Is carried on as a small-scale use that is accessory to a single dwelling or agricultural operation.

- b. Provides a service such as carpentry, metalworking, welding, electrical work or blacksmithing, primarily to the farming community.

- c. May be carried on in whole or in part in an accessory building.

- d. Does not include uses such as an auto repair or paint shop or furniture stripping (Regional Official Plan).

**Major Transit Station Areas:** The area including and around any existing or planned higher order transit station or stop within a settlement area; or the area including and around a major bus depot in an urban core. Major transit station areas generally are defined as the area within an approximate 500 metre radius of a transit station, representing about a 10-minute walk (Growth Plan).

**Priority Transit Corridors:** Transit corridors shown in Schedule 5 of the provincial Growth Plan or as further identified by the province for the purpose of implementing this Plan (Growth Plan).

**Settlement Areas:** Urban areas and rural settlement areas within municipalities (such as cities, towns, villages and hamlets) that are:

- Built up areas where development is concentrated and which have a mix of land uses.
- Lands which have been designated in an official plan for development in accordance with the policies of this Plan. Where there are no lands that have been designated for development, the settlement area may be no larger than the area where development is concentrated.

(Based on Provincial Policy Statement and modified for the provincial Growth Plan).

**Strategic Growth Areas:** within settlement areas, nodes, corridors and other areas that have been identified municipalities or the province to be the focus for accommodating intensification and higher-density mixed uses in a more compact built form. Strategic Growth Areas include urban growth centres, MTSAs, and other major opportunities that may include infill, redevelopment, brownfield sites, the expansion or conversion of existing buildings, or greyfields. Lands along major roads, arterials, or other areas with existing or planned frequent transit service or higher order transit corridors may also be identified as strategic growth areas (Growth Plan).

**Redevelopment:** the creation of new units, uses or lots on previously developed land in existing communities, including brownfield sites.

**Transit-supportive:** Relating to development that makes transit viable and improves the quality of the experience of using transit. It often refers to compact, mixed-use development that has a high level of employment and residential densities. Transit-supportive development will be consistent with Ontario's Transit Support Guidelines. (Based on Provincial Policy Statement and modified for the provincial Growth Plan).

**Urban Growth Centres:** Existing and emerging downtowns as identified in Schedule 4 of the provincial Growth Plan. In the context of Durham Region, downtown Pickering and downtown Oshawa are Urban Growth Centres (Growth Plan).



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