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PRIORITY SERVICING ALLOCATION FOR NON-PROFIT HOUSING THROUGH USE OF REGIONAL RESERVE

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated August 25, 2008, from the Commissioner of Planning and Development Services and Commissioner of Community and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council endorse the use of the Regional Reserve of Servicing Allocation for multi-unit non-profit housing owned by the Region or Housing York Inc., non-profit housing sponsors approved for support under federal/provincial non-profit housing programs, or multi-residential projects sponsored by Habitat for Humanity York Region.
2. Up to a maximum of 1,852 persons equivalent may be used from the reserve including a 400 person equivalent for current proposals.
3. Servicing allocation to individual projects be confirmed through project update reports recommended to Council by the Community Services and Housing Committee.
4. Regional Planning staff monitor the use of the servicing allocation reserve and report back to Regional Planning and Economic Development Committee as necessary.
5. The Regional Clerk circulate this report to all local municipalities.

2. PURPOSE

The purpose of this report is to obtain Council endorsement for the Region to use the existing servicing allocation reserve to facilitate the construction of additional non-profit housing units in York Region.

3. BACKGROUND

Opportunities for Regional Actions to Address Housing Affordability Needs have been Identified

In a report (Clause No. 3 of Report No. 4 of the Community Services and Housing Committee) to Council in October 2007, the Commissioners of Planning and Development Services and Community and Health Services identified a number of barriers to the development of non-profit housing. One identified barrier was the lack of available servicing allocation for these projects. A possible solution identified in the report was the creation of a Regional policy to give priority to Regionally sponsored non-profit housing developments when allocating Regional servicing capacity.

Non-profit housing projects constrained due to lack of servicing allocation

The Community and Health Services Department has a number of non-profit housing development opportunities in various York Region communities which are being constrained or delayed by the current lack of available servicing allocation. A number of options have been considered to try and service these developments. The use of the servicing reserve provides the most immediate solution for the developments that could be constructed within the next 2 years. There is an increasing urgency to secure servicing and maintain available funding at this time for non-profit housing.

There are currently a potential 200 units (approximately 400 equivalent persons) across the various municipalities served by the YDSS that will require servicing allocation in order to proceed.

Servicing allocation reserve set aside in 2005 by Region

A servicing allocation reserve for 6,000 equivalent persons was originally set aside by Council in June 2005 within YDSS service area. This reserve was specifically set aside for:

- accommodating the decommissioning of the Holland Landing sewage lagoon system in East Gwillimbury (4,148 equivalent persons)
- accelerated growth in Seaton within Durham Region
- unforeseen York Region growth and servicing needs.

Since the original time of the reserve, an immediate need for servicing for non-profit housing has emerged. The balance of the reserve for 1,852 equivalent persons can be made available. This would meet the non-profit housing needs while maintaining the reserve for the Holland Landing lagoon decommissioning.

This servicing reserve can be used prior to the Duffin Creek Expansion provided water available which may provide an opportunity for some non-profit housing projects to proceed prior to 2010.

Funding for Non-profit Housing from Senior levels of government needs to be fully utilized

The Province has allocated \$9.665 million to York Region in the form of an unconditional one time grant under their “Developing Opportunities for Ontario Renters” initiative which Council has approved in principle for use to fund new housing development. It is important that York Region be able to fully utilize this funding whenever possible given the current shortage of non-profit housing.

In addition, the Region would be in a much better position to attract future allocations under federal/provincial funding programs if projects could be identified as ready to go and not delayed due to lack of servicing allocation.

Current Non-profit housing shortfall and importance of providing more

As was shown in the October Council report, there has been a shortfall in achieving non-profit housing goals in the Region for at least the past 10 years. Increasing housing prices across the Region are adding to the problem with lower income households increasing as a percentage of the population. Since 2002, only 128 units of non-profit housing have been completed, which is well short of the 100 units/year target in the Regional Official Plan.

While this proposal does not solve the shortfall issue, it does remove a current barrier for providing non-profit housing in those communities served by the YDSS.

4. ANALYSIS AND OPTIONS

Non-profit Housing can help Meet Many Regional Priorities

The provision of new non-profit housing meets a range of Regional priorities such as building intensification, increased use of public transit, support for economic development, shortened distances travelled between home and work and sustainability as well as increasing housing supply.

Development sites have been identified but servicing allocation is not available

There are three sites owned by either the Region or Housing York Inc. (HYI) which have excellent potential for new non-profit housing but none of them has servicing available at present. The respective local municipalities have exhausted current allocation and are

reluctant to proceed with development applications for these sites until servicing is confirmed.

These sites can provide more than 200 new housing units for York Region residents if they can proceed.

High social benefit can be achieved through use of small remaining servicing reserve

It is proposed that the 1,852 person Regional servicing reserve be permitted to be drawn upon for Regionally sponsored non-profit housing projects. This proposal achieves several benefits in the greater public interest:

- Works towards achieving the Regional Official Plan policies of:
 - Providing 100 units per year of new non-profit housing.
 - Considering innovative ways to encourage non-profit housing.
- Removes a significant barrier to development of non-profit housing projects in the short term due to servicing allocation shortage.
- Uses the small remaining reserve in a way that has the highest social impact
- Uses the allocation reserve in a manner that does not focus on any one local municipality, but serves a greater Regional interest.

Sustainability measures can further maximize servicing allocation

- HYI and other non-profit housing sponsors have welcomed the opportunity to incorporate sustainability in their plans since energy and water conservation measures make good business sense by reducing ongoing operating costs.
- As with other Regional properties, new non-profit housing developed by the Region and HYI are targeting LEED® certification

5. FINANCIAL IMPLICATIONS

With Council's approval of the recommendations contained in this report, the Region can proceed with potential non-profit housing projects which are being delayed by the lack of servicing allocation. This will allow the Region to maximize current and any possible future federal/provincial funding opportunities.

6. LOCAL MUNICIPAL IMPACT

Adoption of the recommendations in this report will facilitate the development of non-profit housing in local municipalities that will benefit both residents and employers without the local municipalities being required to draw from their own current servicing allocation supply.

7. CONCLUSION

There has been an ongoing shortage of non-profit housing in the Region. The utilization of the current funding available to meet this shortfall is now being threatened by the lack of servicing capacity. There is an urgency to act to overcome this servicing barrier.

The use of the majority of the reserve has been confirmed for the decommissioning of the Holland Landing Sewage Lagoons, however, the remaining balance is there to address “unforeseen York Region servicing needs”. The adoption of a Regional policy to use the existing Regional allocation reserve for the provision of needed non-profit housing will allow projects currently stalled to proceed through the development process much sooner. This proposed policy meets a broad Regional objective for providing non-profit housing with the use of a relatively small amount of servicing allocation.

For more information on this report, please contact Heather Konefat, Director, Community Planning, at (905) 830-4444, Ext. 1502.

The Senior Management Group has reviewed this report.