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The Regional Municipality of Durham Report

To: The Committee of the Whole
From: Commissioners of Finance, Commissioner of Social Services and
Commissioner of Planning & Economic Development
Report: #2021-COW-16
Date: June 9, 2021

Subject:

At Home in Durham, the Durham Housing Plan 2014-2024 Annual Report

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That this report be received for information as the legislatively required annual report on the progress of At Home in Durham, the Durham Housing Plan 2014-2024; and
 - B) That a copy of this report be forwarded to the Ministry of Municipal Affairs and Housing (MMAH).
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Report:

1. Purpose

- 1.1 The purpose of this report is to update the Committee of the Whole and Regional Council on progress related to At Home in Durham, the Durham Housing Plan 2014-2024. This serves as the seventh annual progress report for the Plan.

2. Background

- 2.1 Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 in June 2014 (Report #2014-J-16).
- 2.2 At Home in Durham is supported by the work of the Master Housing Strategy (Report # 2020-COW-27) and the recommendations of the Affordable and Seniors Housing Task Force (Report #2017-COW-249).
- 2.3 At Home in Durham sets out four goals and primary actions that aim to improve affordability and access to housing, protect the existing affordable housing supply,

encourage housing diversity, and build capacity in the housing system. These goals are:

- Goal 1: End Homelessness in Durham
- Goal 2: Affordable Rent for Everyone
- Goal 3: Greater Housing Choice
- Goal 4: Strong and Vibrant Neighbourhoods.

- 2.4 At Home in Durham commits to fulfilling ambitious targets over the final five years of the plan to:
 - a. Reduce chronic homelessness to zero.
 - b. Increase the supply of affordable rental housing by 1,000 units.
 - c. Increase the supply of medium to high density housing.
 - d. Make significant progress in the regeneration of community housing.
- 2.5 This report highlights the progress of key initiatives undertaken to operationalize and support the Goals of At Home in Durham, including advances in new affordable rental housing development, revitalization of community housing, Regional housing policies and incentives, and homelessness services.

3. Previous Reports and Decisions

- 3.1 Report #2014-J-16 At Home in Durham, the Durham Housing Plan 2014-2024.
- 3.2 Report #2015-J-54 2016 Regional Social Housing Servicing and Financing Study, regarding authorization of the sale of DRLHC semi-detached units.
- 3.3 Report #2017-COW-249 Affordable and Seniors Housing Task Force.
- 3.4 Report #2019-COW-25 At Home in Durham, the Durham Housing Plan 2014-2024 – Five-year Review.
- 3.5 Report #2020-COW-27 Master Housing Strategy.

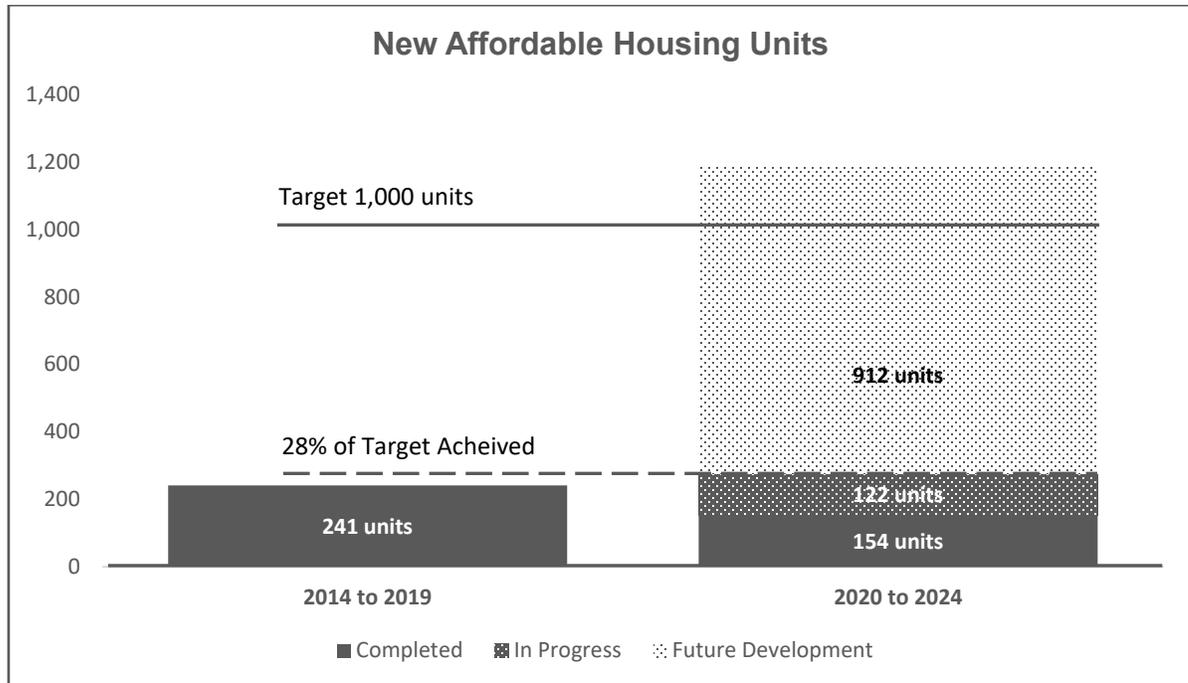
4. New Affordable Rental Housing Development

- 4.1 The Region has committed to the initiation of 1,000 new affordable rental housing units over the final five years of At Home in Durham – in order to address the significant affordability needs of low- and moderate-income renters in the region (Report #2019-COW-25). A robust and affordable housing sector is critical to eliminating homelessness and building healthy, strong and vibrant communities.

- 4.2 Historically, there has been considerable underinvestment in rental housing in Durham, with housing completions for purpose-built rental units averaging less than 10 per cent of total housing completions over the last several years¹.
- 4.3 From July 2018 to June 2020, there were only 512 new rental units added in Durham². Nearly 29 per cent of these (148 units) were affordable housing units that were developed with government funding. These units are offered at or below 80 per cent of average market rent and must remain affordable for a period of 20 years. The remaining non-government funded units were largely unaffordable for low and moderate-income renters. The continuing need for suitable and affordable purpose-built rental housing units is not currently being met by the private market.
- 4.4 Since the introduction of At Home in Durham in 2014, the Region has leveraged considerable federal and provincial funding for the development of new affordable rental housing in Durham.
- a. In the first five years of the plan (2014 to 2019), 241 new units were developed across 5 different properties.
 - b. In 2020-2021, an additional 154 units were completed, and 122 units are currently under development or ready for occupancy.
- 4.5 The following chart illustrates the number of new government-assisted affordable housing units developed since the introduction of At Home in Durham in 2014 – including completed units, units in progress (i.e. under development or ready for occupancy), as well as the number of potential units that have been identified under future development opportunities.

¹ Canada Mortgage and Housing Corporation, Starts and Completions Survey, 1997-2018

² Canada Mortgage and Housing Corporation, Rental Market Survey, 2020



- 4.6 At a total of 276 units either completed or in progress since 2019, the Region has already initiated about 28 per cent of the targeted 1,000 units – and has identified potential future development opportunities that are on track to exceed this target. The Region continues to seek out opportunities to leverage additional units.

Projects Currently under Development

- 4.7 The five projects currently under development range from those in the early planning stages to ones that are almost ready for occupancy. The following projects have received federal or provincial funding to support their initiatives and details will be announced by the Province under program communications protocols.
- a. Acquisition of a motel in Whitby to provide transitional and supportive housing to homeless individuals and families, including people who have been chronically homeless with very high acuity. The motel will undergo renovations to support the development of 26 new affordable housing units.
 - b. Acquisition of a former office facility in downtown Oshawa to be converted to 9 transitional housing units for people who have been chronically homeless with very high acuity.
 - c. Development of a new affordable housing project in Clarington that will provide 30 affordable housing units for low-income seniors.
- 4.8 The remaining two projects are under development by the Region of Durham to respond to the urgent local need for supportive and transitional housing.
- a. The Oshawa Micro-Housing Pilot Project includes 10 micro-home units that will offer temporary transitional housing, including supports for financial assistance, employment services, mental health and addictions, and life skills.

The micro-homes will be built on Regional lands that will be required for a road realignment project in about five years, and the micro-homes will be relocated to a permanent location at that time. The micro-homes are projected for initial occupancy in fall 2021.

- b. The Beaverton Supportive Housing project will be a permanent modular housing development that will provide 47 supportive housing units to vulnerable individuals, including supports and wrap-around services that are available to tenants as well as other residents in north Durham through its community hub. The Region continues to work with Brock Council and the Brock Community Liaison Committee to promote the successful integration of this project and its residents within the broader Brock community. The project is anticipated to commence construction in 2022.

Future Development Opportunities

- 4.9 In addition to current projects receiving Regional, provincial and/or federal assistance, there is solid potential for the initiation of a further 912 new affordable rental housing units over the life of At Home Durham.
- 4.10 The Region is working very closely with community partners who have identified development opportunities to provide housing with supports for people experiencing homelessness. These projects represent the potential for 45 new affordable units for vulnerable people. More information on these projects will be shared with Council when and if the projects secure funding.
- 4.11 The Durham Live project in Pickering includes 1,650 residential units, of which 150 units will be affordable purpose-built rental housing.
- 4.12 Consultations continue with Infrastructure Ontario (IO) to explore the opportunity to jointly redevelop surplus Regionally owned land at 650 Rossland Road East, and Provincial land at 590 Rossland Road East in the town of Whitby. A partnership with Infrastructure Ontario has the potential to create 885 new housing units at this site, of which 250 may be affordable purpose-built rental housing at rents at or under the Canada and Mortgage Housing Corporation (CMHC) average market rent.³ The number of actual affordable units and the depth of affordability will be part of the planning, development and negotiation processes with development partners.
- 4.13 Infrastructure Ontario's experience with similar affordable housing projects under the Provincial Affordable Housing Lands Program will give Durham the benefit of broad exposure to the development community and highlight why Durham is a great place to invest.
- 4.14 The Master Housing Strategy commits to the revitalization of the Durham Regional Local Housing Corporation (DRLHC) portfolio, including the development of an

³ Number of market units and affordable units is an estimate based on a high-level exploratory exercise of development potential.

evidence-based strategy to address maintenance, revitalization, regeneration (redevelopment) and disposal across the portfolio. Initial analysis of the development potential of four DRLHC sites indicated the possibility for the creation of 467 new affordable or rent-geared-to-income (RGI) units. (See 5. Durham Regional Local Housing Corporation (DRLHC) Revitalization below.)

- 4.15 Based on current and anticipated activities, the Region is well positioned to meet or exceed its commitment to initiate 1,000 new affordable rental housing units by 2024.
- 4.16 It is critical that the Region continue to maximize partnerships with private and non-profit developers, the federal and provincial governments, including Infrastructure Ontario, and area municipalities to sustain investment in affordable housing solutions for vulnerable and low- and moderate-income residents of Durham in order to achieve Goal 2: Affordable Rent for Everyone.

5. Durham Regional Local Housing Corporation (DRLHC) Revitalization

- 5.1 The Region is committed to the revitalisation of the Regionally owned Durham Regional Local Housing Corporation (DRLHC) to maximize development potential, create highly integrated sustainable neighbourhoods, and promote a strong community and sense of place.
- 5.2 In 2020, Urban Strategies Inc. was engaged to undertake an initial due diligence exercise, to provide a high-level assessment of the potential redevelopment of four DRLHC sites. Based on design parameters and guidelines that would frame and evaluate potential development options, including opportunities to increase densities, for four DRLHC sites were examined in Oshawa:
 - a. Normandy Street, Nevis Avenue, Lomond Street & Christine Crescent
 - b. 416 to 448 Malaga Road
 - c. Linden Street/Poplar Street
 - d. 229 Lakeview Park Avenue
- 5.3 Urban Strategies identified the potential for the creation of up to 934 additional community housing units across these four DRLHC sites, of which as many as half (467 units) could be rent-geared-to-income or below CMHC average market rent.⁴
- 5.4 Work continues to explore redevelopment options and building requirements that will address the need for greater housing options (including supportive and transitional housing), provide balanced mixed income communities, and promote synergies with Transit Oriented Development (TOD). TOD enhances housing choice and affordability through higher density housing types, where low- and

⁴ Number of market units and RGI/affordable units is an estimate based on potential redevelopment options presented by Urban Strategies.

moderate-income residents and other priority groups can benefit from access to transit as a priority mode of travel.

- 5.5 Revitalization of the DRLHC portfolio is central to the initiation of 1,000 new affordable housing units by 2024 and critical to achieving Goal 2: Affordable Rent for Everyone and Goal 4: Strong and Vibrant Neighbourhoods.

DRLHC Semi-Detached Units

- 5.6 In 2015, Regional Council declared three semi-detached units – 1094, 1098 and 1116 Cedar Street in the City of Oshawa – be declared surplus at turnover and staff be directed to work with non-profit agencies to make the properties available for purchase at fair market value for affordable home ownership.
- 5.7 In 2017, 1098 Cedar Street was vacated, and no non-profit agencies expressed interest in purchasing the property for affordable home ownership. Per Council direction, the property was listed for sale on the open market through a real estate agent, and subsequently sold.
- 5.8 In 2021, the property at 1116 Cedar Street was vacated. No non-profit agencies have expressed interest in purchasing the property for affordable home ownership, and the property is now in the process of being sold on the open market through a real estate agent. The property at 1094 Cedar Street is still occupied.
- 5.9 The proceeds from the sale of the semi-detached unit at 1116 Cedar Street in Oshawa (as well as the unit at 1094 Cedar Street in Oshawa at turnover) will be reinvested to support the revitalisation of the DRLHC portfolio in accordance with the Master Housing Strategy.
- 5.10 There are an additional 92 semi-detached units at a number of locations in Oshawa. As DRLHC revitalization progresses and additional family units are created, there may be an opportunity to sell these scattered semi-detached units at turnover to realize operational efficiencies and better support the needs of low- and moderate-income tenants.

6. Community Housing

- 6.1 Community housing represents about 32 per cent of the purpose-built rental housing in Durham and is vital to the affordability needs of low- and moderate-income residents.
- 6.2 The Master Housing Strategy commits to support the preservation and modernization of community housing, including opportunities for more flexible partnerships and support for capital needs.
- 6.3 In 2020, the Region implemented a number of measures to support the sustainability of community housing, including:

- a. The allocation of \$1 million from the Social Housing Reserve Fund for the creation of a new Community Housing Sustainability Revolving Loan Fund Program for community housing providers, payable at the end of mortgage.
 - b. Retention by community housing providers of 100 per cent of their calculated surplus (previously they retained only 50 per cent) with half required to be directed into their capital reserve funds.
 - c. Additional payments totaling \$2,863,581 to community housing providers to assist with COVID-related costs.
- 6.4 Housing Services staff participate as part of the Service Manager Housing Strategic Steering Committee (HSSC) that – along with the Association of Municipalities of Ontario (AMO), the City of Toronto and the Ontario Municipal Social Services Association (OMSSA) – provides strategic advice and guidance to the Ministry of Municipal Affairs and Housing (MMAH) related to the Ontario Community Housing Renewal Strategy, including a new operational framework and accountability structure for community housing that is more supportive of the goals of service managers’ long-term housing plans, like At Home in Durham.
- 6.5 Community housing incentives, and active participation by Regional staff in realizing the Province’s Community Housing Renewal Strategy support and enhance community housing in Durham and are critical to achieving Goal 4: Strong and Vibrant Neighbourhoods.

7. Regional Incentives and Policy Direction

- 7.1 The Planning Division is leading the design and development of a potential Regional Community Improvement Plan (CIP), with the technical support of N. Barry Lyon Consulting (NBLC). A CIP is a tool that allows municipalities to direct funds, or apply financial or other incentives, to implement policy objectives, including objectives related to affordable housing, within a defined area.
- 7.2 The Region is currently exploring the possibility of establishing a Regional CIP to help support the development of affordable housing across the Region. Potential incentives that are currently being explored under a Regional CIP include:
- a. Tax increment equivalent grants (TIEG) program that provide financial relief in the form of tax reductions to property owners who undertake rehabilitation or improvement to properties that result in a re-evaluation and tax increase.
 - b. Reduced development charges (DC) or grants equivalent to the DC eligible exemption upon final inspection of a completed eligible project.
 - c. Reduced development application fees or reimbursement of fees at the time of final inspection of an eligible project.
 - d. A program of property acquisition, investment and involvement in public/private partnerships to clean-up and/or rehabilitate properties.
- 7.3 Recommendations with respect to a potential Regional CIP and other incentives for the development of affordable rental housing will be brought forward later in 2021.

Envision Durham

- 7.4 A key recommendation of the Affordable and Seniors Housing Task Force was to continue to review whether and how the Regional Official Plan (ROP) can create a more supportive and permissive environment for affordable rental housing.
- 7.5 The Planning Division is currently undertaking “Envision Durham,” the Region’s Municipal Comprehensive Review of the Regional Official Plan. Currently in Stage 3 (“Direct”), a series of proposed Policy Directions have been released for comment.
- 7.6 Proposed Policy Directions present potential changes to land use planning policies, including proposed directions for housing and affordable housing, such as:
- a. Completing a Regional Housing Assessment Report to support the Region’s area municipalities to undertake Inclusionary Zoning within their respective jurisdictions.
 - b. Strengthening policies to prevent the loss of rental housing
 - c. Establishing a new affordable housing target for at least 35 per cent of new housing within Strategic Growth Areas
 - d. Adding a new policy to encourage less expensive housing including secondary units, microhomes, purpose-built rental housing and medium and high-density apartments in areas that are well served by local amenities including transit, schools and parks.
 - e. Encouraging reduced parking standards as a way to support the delivery of affordable housing, including purpose-built rental housing.
- 7.7 The Region is also developing an Intensification Strategy to forecast development in Strategic Growth Areas, including Centres, Corridors and protected Major Transit Station Areas, as part of Envision Durham.
- 7.8 Enabling policies and Regional incentives for the development of a range of affordable rental housing options contribute to the achievement of Goal 3: Greater Housing Choice.

8. Homelessness Initiatives

- 8.1 In 2019, the Region partnered with the Canadian Alliance to End Homelessness (CAEH) to participate in its Built for Zero campaign. The goal of the campaign is to help a core group of leading communities to achieve and sustain functional zero⁵ chronic homelessness.
- 8.2 Durham has fully implemented a By-Name List, which is a real-time list of people known to be experiencing homelessness, as well as a co-ordinated access system

⁵ 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 greater) sustained for three consecutive months.

that enables community partners to prioritize the most vulnerable clientele and work more effectively in helping them find suitable and affordable housing and appropriate resources.

- 8.3 Durham was recently recognised by CAEH as achieving the milestones of 'Reaching Home' and 'Basic Quality Coordinated Access' and is now working toward 'Advance Quality' for the Coordinated Access system. Durham is one of only 5 municipalities across Canada to achieve the "Basic Quality Coordinated Access" milestone.
- 8.4 There are currently more than 200 housing opportunities identified through the Coordinated Access System, and Durham is on target to add another 100 opportunities in 2021. Housing opportunities range from Housing First programs to physical housing units with varying levels of support. Notable additions include:
- a. Durham Youth Services acquired a duplex in **Whitby** to provide 7 transitional and supportive housing units for homeless and at-risk youth.
 - b. The Salvation Army has expanded their landlord matching program to include an additional 24 units.
 - c. Durham has developed a new partnership with the Canadian Mental Health Association Durham to access their supported housing units for people on the By-Name List who are chronically homeless with very high acuity.
 - d. Three new Housing First teams were added in Ajax, Oshawa and North Durham.
- 8.5 A co-ordinated and effective access system, increased affordable rental opportunities, and other supports for people experiencing homelessness are vital to the achievement of Goal 1: End Homelessness in Durham.

9. Relationship to Strategic Plan

- 9.1 This report aligns with and addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Revitalize community housing and improve housing choice, affordability and sustainability
 - b. Revitalize existing neighbourhoods and build complete communities that are walkable, well-connected, and have a mix of attainable housing
 - c. Leverage Durham's prime geography, social infrastructure, and strong partnerships to foster economic growth
 - d. Build awareness and community capacity to address poverty.

10. Conclusion

- 10.1 This is the seventh annual progress report of At Home in Durham, the Durham Housing Plan 2014-2024. It reports current and future initiatives under the Master Housing Strategy and the recommendations of the Affordable and Seniors' Housing Task Force that operationalize and support the goals of the plan.

- 10.2 The goals and actions of At Home in Durham will 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. The Region is making significant process in realizing these goals.
- 10.3 Over the final five years of the plan, the Region of Durham is committed to initiating the development of 1,000 new affordable housing units, including new supportive and transitional housing opportunities for vulnerable low-income residents, and significant redevelopment of four Durham Regional Local Housing Corporation (DRLHC) sites.
- 10.4 Staff will continue to update Regional Council on the progress of individual initiatives undertaken per the Master Housing Strategy and At Home in Durham as they arise.

Respectfully submitted,

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