



The Regional Municipality of Durham

Committee of the Whole Agenda

Council Chambers
Regional Headquarters Building
605 Rossland Road East, Whitby

Wednesday, November 13, 2019

9:30 AM

1. Declarations of Interest

2. Statutory Public Meetings

There are no statutory public meetings

3. Delegations

There are no delegations

4. Presentations

4.1 Stella Danos-Papaconstantinou, Commissioner of Social Services, and Alan Robins, Director of Housing Services, re: At Home in Durham, the Durham Housing Plan 2014-2024 – Five-year Review (2019-COW-25) [Item 6. A]

4.2 Gary Muller, Director of Planning, re: Advancing Rapid Transit Implementation and Transit Oriented Development in Durham Region (2019-COW-26) [Item 6. B]

5. Correspondence

6. Reports

A) At Home in Durham, the Durham Housing Plan 2014-2024 – Five-year Review ([2019-COW-25](#))

3 - 71

B) Advancing Rapid Transit Implementation and Transit Oriented Development in Durham Region ([2019-COW-26](#))

72 - 81

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| C) Award of Request for Proposal #1087-2019 for Consulting Services for Modernization, Optimization and Master Accommodation Planning Research at Regional Headquarters, in the Town of Whitby (2019-COW-27) | 82 - 87 |
| D) 2020 Transportation Strategic Issues and Financial Forecast (2019-COW-28) | 88 - 98 |
| E) 2020 Community Housing Strategic Issues and Financial Forecast (2019-COW-29) | 99 - 111 |
| F) One-Time Federal Gas Tax Funding (2019-COW-31) | 112 - 121 |

7. Confidential Matters

There are no confidential matters to be considered

8. Other Business

9. Adjournment

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The Regional Municipality of Durham Report

To: The Committee of the Whole
From: Commissioner of Finance, Commissioner of Social Services and
Commissioner of Planning & Economic Development
Report: [#2019-COW-25](#)
Date: November 13, 2019

Subject:

At Home in Durham, the Durham Housing Plan 2014-2024 – Five-year Review

Recommendations:

That the Committee of the Whole recommends to Regional Council:

That this report be received for information.

Report:

1. Purpose

- 1.1 The purpose of this report is to provide the Committee of the Whole and Regional Council with the five-year review report of At Home in Durham, the Durham Housing Plan 2014-2024, including an update on the progress of the plan and the implementation of the recommendations of the Affordable and Seniors' Housing Task Force.

2. Background

- 2.1 Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 in June 2014 (Report #2014-J-16), and the recommendations of the Affordable and Seniors Housing Task Force in October 2017 (Report #2017-COW-249). Annual report requirements for both initiatives were consolidated in early 2019 (Report #2019-COW-4).
- 2.2 At Home in Durham aligns the Region's vision for housing over the long-term with its requirement for a housing and homelessness plan under the Housing Services Act.
- 2.3 The Region is required to complete a five-year review of At Home in Durham and submit its review report and any revised plans to the Ministry of Municipal Affairs and Housing (MMAH) by January 1, 2020. The five-year review is now complete

(Attachment #1) and no substantive changes have been made to the Plan.

3. Implementation of At Home in Durham

- 3.1 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.

- 3.2 During the next five years of the Plan, the Region of Durham is committed to:

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

- 3.3 Initiating the development of 1,000 new affordable housing units over five years is projected to cost \$38 million annually in up-front capital costs. Significant and sustained investment from the federal and provincial governments is critical to achieving this target.

- 3.4 Subject to approval of the 2020 Regional Business Plans and Budgets, the Region will undertake a comprehensive Master Housing Strategy to operationalize and support the goals of At Home in Durham, including a fulsome review of the current housing system and revitalization of the Regionally owned Durham Regional Local Housing Corporation (DRLHC) portfolio (Report #2019-COW-29).

4. Conclusion

- 4.1 At Home in Durham, the Durham Housing Plan 2014-2024 establishes goals and actions that 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.
- 4.2 The 2019 Five-Year Review of At Home in Durham, the Durham Housing Plan 2014-2024 will be submitted to the Province and made available to the public and other stakeholders through the release of this report on the Region's website.

5. Attachments

Attachment #1: At Home in Durham, 2019 Five-Year Review

Respectfully submitted,

Original signed by: _____

Nancy Taylor BBA, CPA, CA
Commissioner of Finance

Original signed by: _____

Stella Danos-Papaconstantinou
Commissioner of Social Services

Original signed by: _____

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

Recommended for Presentation to Committee

Original signed by: _____

Elaine Baxter Trahair
Chief Administrative Officer



At Home in Durham

Five-Year Review

2019





At Home in Durham

2019 Five-Year Review

This is the fifth annual report of At Home in Durham. It incorporates the results of its legislated five-year review and highlights activities during the past five years, including strategic investments in new housing and homelessness. At Home in Durham is reinforced in the actions of the Affordable and Seniors' House Task Force. It is aligned with the Housing Services Act (HSA), consistent with the 2016 Provincial Policy Statement–Service Manager Housing and Homelessness Plans and continues to reflect and respond to the housing needs of our communities.

Faces of Affordable Housing

In November 2018, the Region launched the Faces of Affordable Housing video series and social media campaign to showcase why affordable housing matters. The series featured actual members of our community who live in or are looking for affordable housing, as well as representatives from the non-profit, development and business sectors speaking to the benefits of affordable housing in our communities.

The five-part series focused on the following themes:

- Partners in Affordable Housing
- Youth, Education and Employment
- Housing and Health
- Economic Inclusion and Advantages
- Strong and Vibrant Communities

Find the video series at www.durham.ca/AtHome or on the Region of Durham's YouTube channel.

If you require this information in an accessible format, please contact 1-800-372-1102 ext. 2463



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At Home in Durham – Overview

The Region of Durham is committed to a strong housing sector that offers affordable, accessible and suitable choices for everyone in Durham at all life stages. Housing is a fundamental right and is the foundation for a high quality of life for our residents. A robust housing sector is essential to eliminating homelessness and building healthy, strong and vibrant communities.

At Home in Durham, the Durham Housing Plan 2014-2024 lays out the Region's long-term vision for housing and addresses the challenges and opportunities in providing suitable and affordable housing options that meet the needs of all people in Durham. Approved by Regional Council in June 2014, the Plan aligns with the requirement for a 10-year housing and homelessness plan under the Housing Services Act, as well as the housing strategy that was required under the Growth Plan for the Greater Golden Horseshoe at that time.

The primary aim of At Home in Durham is to ensure there is enough affordable housing – of appropriate size, type, quality and location – to meet the needs of all people that choose to call Durham their home. To this end, the Plan sets out four key goals:



End Homelessness in Durham



Affordable Rent for Everyone



Greater Housing Choice



Strong and Vibrant Neighbourhoods



Durham Access to Social Housing

At Home in Durham committed to the design and implementation of a new local system for selecting applicants for rent-geared-to-income (RGI) and other forms of assisted housing that gives people more choice in deciding where they want to live.

In 2017, Durham completed the transformation of the Durham Access to Social Housing (DASH) wait list. Durham is now the only service manager in Ontario to have a fully vacancy-driven wait list for RGI and modified housing.

In 2019, DASH was expanded to include applicants for affordable housing and portable housing benefits. Durham will continue to explore opportunities to better co-ordinate options for housing seekers, including community housing, affordable housing, supportive housing and housing assistance in the private market.

At Home in Durham lays out several anticipated outcomes and key actions to support the realization of each of these goals. During the past five years, the Region has made considerable progress in achieving the goals of its Plan. Notably:

- The creation of the Affordable and Seniors' Housing Task Force (see below) has resulted in a plan of action that reinforces and complements the goals and actions of At Home in Durham by expanding opportunities to increase the supply of affordable rental housing and provide greater housing choice for people in Durham.
- New affordable housing construction (completed and under development) has increased the rental supply by 421 units (389 affordable). In total, the Region of Durham has leveraged \$62.9 million in federal and provincial investment for the construction of 547 new affordable rental units since 2005.
- New partnerships between housing developers and support services agencies have increased access to safe, secure and affordable housing for some of our most vulnerable residents.
- Transformation of the Durham Access to Social Housing (DASH) wait list gives applicants for rent-geared-to-income (RGI) and other forms of assisted housing greater control and choice in deciding where they want to live.



The Region measures its progress toward the goals of At Home in Durham using the following scale:

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Early Progress | <ul style="list-style-type: none">• Early discussions about potential strategies or initiatives that may have an impact. |
| Limited Progress | <ul style="list-style-type: none">• Strategies in place or limited actions/initiatives that may have an impact. |
| Some Progress | <ul style="list-style-type: none">• Actions/initiatives underway that have had some impact that is not yet sustained. |
| Good Progress | <ul style="list-style-type: none">• Actions/initiatives underway that are having a sustained impact. |

Affordable and Seniors' Housing Task Force

In October 2017, Regional Council endorsed the Affordable and Seniors' Housing Task Force Report, Championing Affordable Rental and Seniors' Housing Across Durham Region. Building on the goals of At Home in Durham, the Task Force report sets 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 six-point plan of action is grounded in the important role of the Region – together with its municipal and other partners – in supporting the creation and maintenance of affordable rental housing for our communities.

Affordable and Seniors' Housing Task Force Six Point Plan of Action



The plan of action includes initiatives that complement and reinforce the actions set out in At Home in Durham, and aims to improve affordability and access to housing, end homelessness, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system.

The implementation of Task Force recommendations is overseen by the At Home in Durham Interdepartmental Steering Committee and led by the Interdisciplinary Tactical Team (ITT). The ITT is comprised of representatives of the Region of Durham and all local municipalities and meets regularly to explore opportunities to incent the development of affordable rental housing across the region.

Interdisciplinary Tactical Team

The Interdisciplinary Tactical Team (ITT) supports the goals of At Home in Durham by facilitating the implementation of the Affordable and Seniors' Housing Task Force Report recommendations. Regional and area municipal representatives on the ITT meet regularly to incent affordable housing by:

- Providing a forum for the discussion of affordable rental and seniors' housing issues across Durham Region.
- Fostering the generation and dissemination of practical tools and approaches to address affordable rental and seniors' housing needs in Durham Region.
- Identifying and developing resources which can be brought forward to address rental housing issues facing low- and moderate-income households and seniors in Durham Region.



Partnerships

At Home in Durham reinforces the Region of Durham's roles in housing as service manager, housing facilitator, researcher, monitor and social housing provider. In the first five years of the Plan, the Region has also committed to important roles as:

Leader and champion

...of affordable housing in Durham, committed to taking action and demonstrating results.

Catalyst and facilitator

...of affordable housing in Durham, addressing impediments by reducing risk, offsetting costs and increasing certainty.

Effective innovator and partner

...working collaboratively to showcase success and supporting those who build, maintain and manage affordable housing in Durham.

Responsible advocate

...and voice for those in need of affordable housing in Durham.

The success of At Home in Durham is contingent on the strength and commitment of all housing partners, including the Region, area municipalities, non-profit service providers, private and non-profit sector developers, and the federal and provincial governments. Initiatives that support and enhance collaboration and partnership are critical for long-term sustained success.

The Region's Inter-Departmental Steering Committee is responsible for the oversight of the implementation of At Home in Durham during the life of the plan. Three key partner stakeholder groups support the Inter-Departmental Steering Committee by providing advice and recommending resources for participation in working groups that may be established from time to time. Although these stakeholder groups may be involved in all aspects of the Plan, they generally have one primary area of focus.



| Stakeholder group | Membership | Primary area of focus |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Interdisciplinary Tactical Team (ITT) | Area municipalities | New development and affordable housing |
| Durham Advisory Committee on Homelessness (DACH) - | Agencies operating Regionally - funded homelessness programs Private businesses and social service organizations with a role in ending homelessness | Homelessness |
| Social Housing Advisory Group (SHAG) | Community housing and supportive housing providers | Community Housing |

The Region continues to engage the private sector, including landlords, developers and investors, in working toward the goals of At Home in Durham. Regional employees attend annual Building Industry and Land Development Association (BILD) meetings that facilitate information sharing and discussion on housing needs in Durham and help to identify conditions to support greater industry participation in affordable rental housing.

The provincial and federal governments continue to have an important role to play in creating housing opportunities for all residents and to ensure the success of At Home in Durham. It is critical that the higher levels of government commit to providing ongoing, predictable funding for existing and future affordable rental housing. Without a significant and sustained provincial and federal funding commitment, it will be difficult for the Region of Durham to meet the goals and targets of At Home in Durham.



National Housing Day 2018

On November 22, 2018, the Region hosted a National Housing Day event with Canada Mortgage and Housing Corporation (CMHC). The event was well attended by non-profit providers, builders, municipal partners, local support agencies and local elected officials – who came together to identify development priorities and explore options to advance rental and affordable rental housing in the sector.

The first annual Regional Housing Champion Awards were presented to local recognized leaders in the housing industry whose contributions have advanced access to affordable housing in Durham.

The Region will continue to host annual National Housing Day events to profile our success, recognize innovators, share information and build commitment to affordable rental housing in Durham.

Ongoing Community Consultation

At Home in Durham was developed after extensive community consultations – including public community workshops, focus group discussions and an online survey – with Durham residents, elected officials, staff, social and community agencies, education and health care sectors, non-profit and co-operative and health care sectors, non-profit and co-operative housing providers, other levels of government, and other partners in housing.

As part of the work of the Affordable and Seniors' Housing Task, an online survey was also created to allow interested members of the public and housing professionals from the private and non-profit sectors to share their views. The Task Force also heard several delegations from community members and groups highlighting housing needs and innovations for housing affordability and choice.

In June 2017, the Region hosted a Thought Leaders and Partners Roundtable to bring industry leaders and innovators together to share exemplary practices in affordable rental and seniors' housing and to identify opportunities for Durham Region.

In November 2018, the Region hosted a National Housing Day event with Canada Mortgage and Housing Corporation (CMHC) to share information, build commitment and profile our success. The Region of Durham is committed to learning from others through ongoing dialogue with the housing sector and the people in our communities.



Strategic Plan Review and Envision Durham

At Home in Durham is an extension of the Region's commitment to affordable housing set out in Growing Together, the Durham Region Strategic Plan 2009-2014 and the Regional Official Plan.

The Region is currently developing a new strategic plan to identify a new direction and priorities for Regional Council.

In early 2019, the Region also launched Envision Durham, the Municipal Comprehensive Review of the Regional Official Plan (ROP). The ROP guides decisions on how and where our cities and towns grow – including the types of housing that people need – to ensure an improved quality of life for all residents in Durham.

Durham is currently in the Discuss Stage of the project, wherein residents have an opportunity to join the conversation by providing feedback on several theme-based Discussion Papers. The Housing Discussion Paper will be released in December 2019. It will examine the policy context, trends, affordable and accessible housing, and will also identify innovative solutions. Subsequent Policy Directions are expected to be released later in 2020.

These initiatives will continue to advance the direction of At Home in Durham during the next five years.

Housing is an important issue for people in Durham.

Roughly two thirds of respondents to the Envision Durham Public Opinion Survey think more diverse housing options and affordable housing are “very” to “extremely important.”





Assessment of Current and Future Needs

The Durham Housing Review was conducted between 2010 and 2012 to address housing issues in Durham and establish a basis for monitoring the effectiveness of the Region's policies influencing housing market conditions. It included extensive research on the supply of housing, affordability, demographic trends and the specialized housing needs of diverse populations — including people who are homeless, victims of domestic violence, seniors, youth, students, and residents with mental, developmental and physical disabilities. The Durham Housing Review was the basis for the assessment of current and future needs that informed the development of At Home in Durham in 2014.

Updated analysis of current and future needs shows no significant shift in direction. Durham continues to grow. The region is currently estimated to be home to about 697,800 people. By 2041, the population is expected to grow to 1.2 million people, with more than 430,000 jobs in the region. Increased rental housing affordability and greater housing choices remain priorities for our growing communities. While the market may respond to the housing needs of homeowners and people with moderate- to high-incomes, it will still be more difficult for low-income renters, and people that require housing supports, to find affordable and suitable housing as the region grows.

Housing Demand

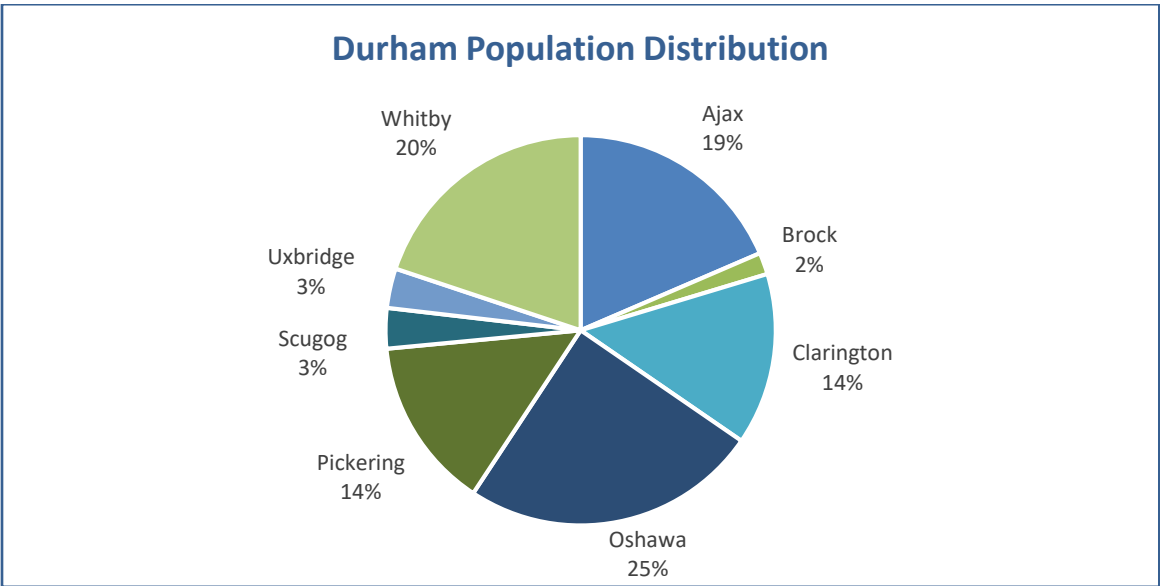
The current and future housing needs of people in Durham are influenced by numerous social and demographic factors. Strong, vibrant and sustainable communities rely on a supply of housing that is responsive to the needs of this growing and changing population.

Population and Household Growth

The population of the Region of Durham is forecast to grow to 1.2 million by 2041. The current population is estimated to be about 697,800 people (as of May 2019). The vast

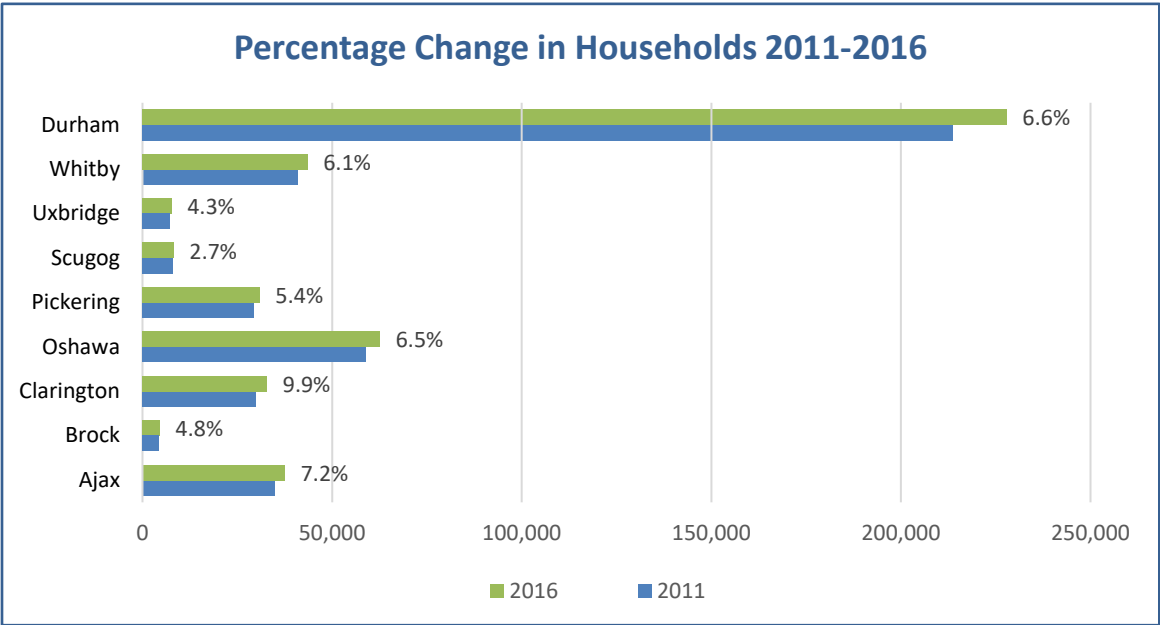


majority of people in Durham (91.5 per cent) reside in the five lakeshore municipalities of Oshawa, Whitby, Ajax, Pickering and Clarington.



Source: Statistics Canada, Census 2016.

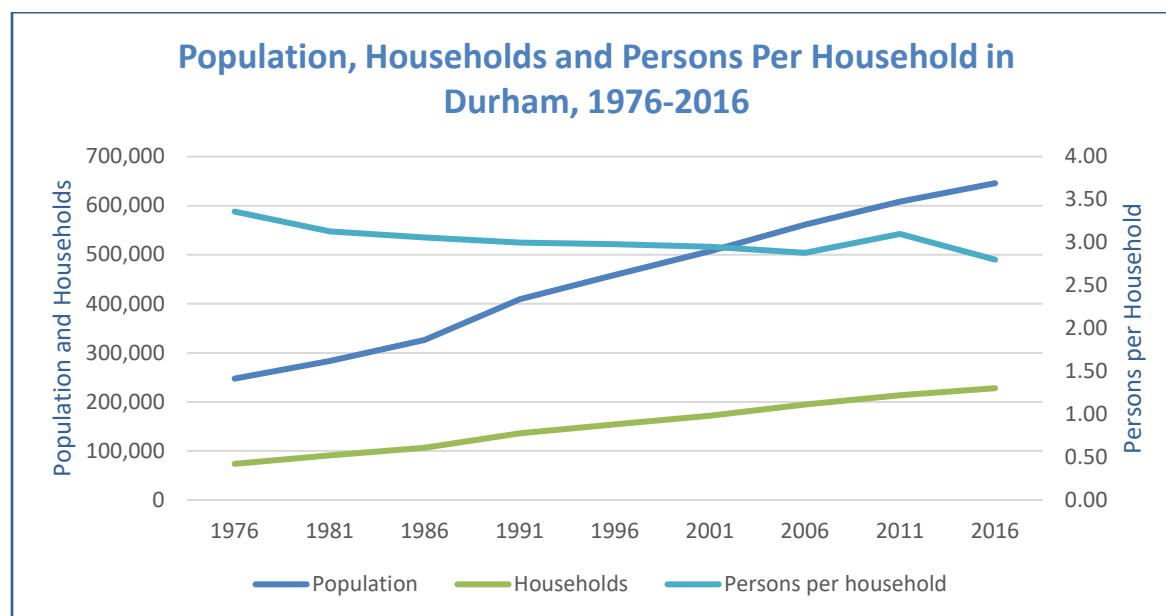
All eight area municipalities saw an increase in the number of households from 2011 to 2016. Clarington saw the largest increase in household growth at 9.9 per cent, followed by Ajax (7.2 per cent), Oshawa (6.5 per cent), and Whitby (6.1 per cent).



Source: Statistics Canada, Census 2011, 2016.



Between 2011 and 2016, the population of Durham increased by 6.2 per cent, but the number of households (i.e. occupied private dwellings) increased by 6.6 per cent (for a total of 227,905 households). The number of households is growing at a faster rate than the population, meaning the average number of persons per household is declining. In 2016, the average number of persons per household in Durham was down to 2.8 from 3.1 in 2011.



Source: Statistics Canada, Census 1976-2016.

A smaller average household size means that more housing units are needed to house the same number of people. It also means that more households can be accommodated in smaller units in higher-density developments within urban centres and corridors that are well served by transit and other amenities.

Households Types

Households can be broken down into three types:

- One family households – a couple with or without children, or a lone-parent family
- Multiple family households – two or more families sharing the same dwelling
- Non-family households – one person living alone, or two or more people who share a dwelling but are not a family.



Between 1996 and 2016, the total number of all households in Durham increased by 47.9 per cent. Although one family households still make up the majority of total households, the number of one family households increased by only 39.4 per cent compared to non-family households which increased by 70.6 per cent.

Household Types in Durham, 1996-2016

| Household Type | 1996 | 2006 | 2016 |
|---------------------|---------|---------|---------|
| Total households | | | 227,905 |
| Non family (#) | 29,580 | 39,710 | 50,455 |
| Non family (%) | 19.2% | 20.4% | 22.1% |
| One family (#) | 121,370 | 149,710 | 169,205 |
| One family (%) | 78.8% | 76.9% | 74.2% |
| Multiple family (#) | 3,150 | 5,250 | 8,255 |
| Multiple family (%) | 2.0% | 2.7% | 3.6% |

Source: Statistics Canada, Census 1996, 2006, 2016.

The decreasing average household size can be attributed in part to the increase in the share of non-family households as compared to family households. In 2016, about 88 per cent of non-family households consisted of only a single person. The increase in the number of non-family households (primarily single people) and the decrease in family sizes indicates a trend toward smaller households that may require smaller housing units with fewer bedrooms.

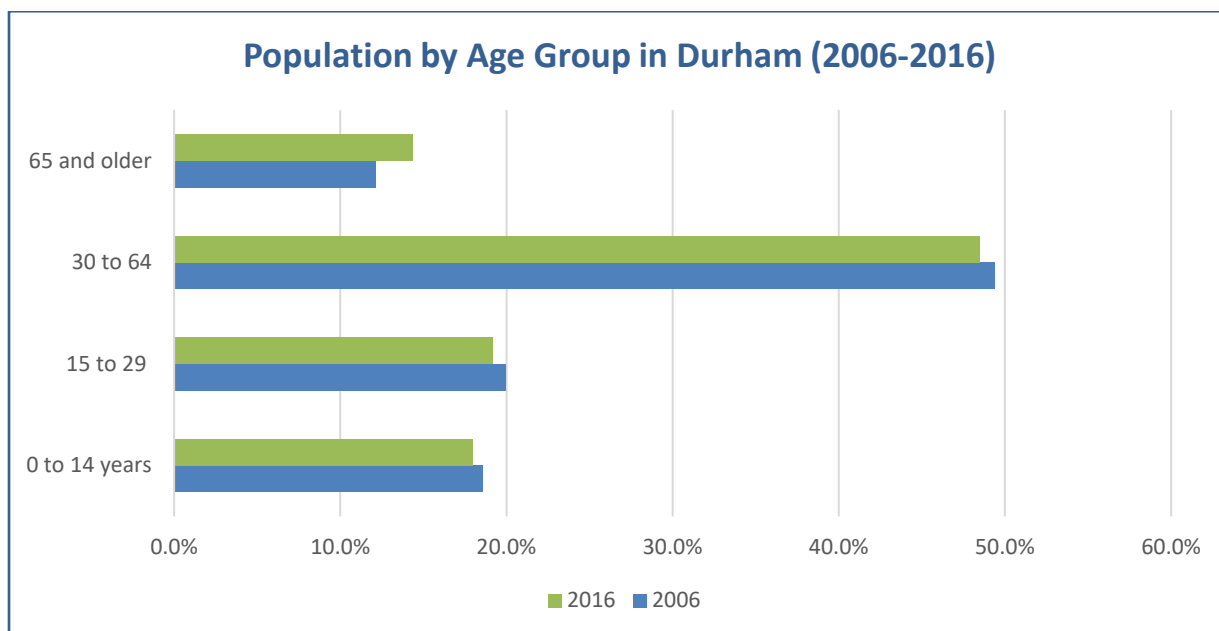
Household Age Groups

In 2016, the largest age group in Durham was adults aged 30 to 64, which accounted for 48.5 per cent of the population. This was followed by youth and young adults aged 15 to 29 (19.2 per cent), children under the age of 15 (16.6 per cent), and seniors aged 65 or older (14.4 per cent).

Durham had a lower percentage of seniors as compared to Canada (16.9 per cent), Ontario (16.7 per cent) and the Greater Toronto Area (GTA) which was 14.7 per cent.

Despite the low proportion of seniors in Durham, this age group was the only cohort to show an increase in its percentage share of the population from 2006 to 2016.





Source: Statistics Canada, Census 2006, 2016.

As baby boomers age, this trend is expected to continue. The aging of Durham's population is expected to fuel a demand for a greater diversity of housing types during the next decade (e.g. smaller homes).

Housing Supply

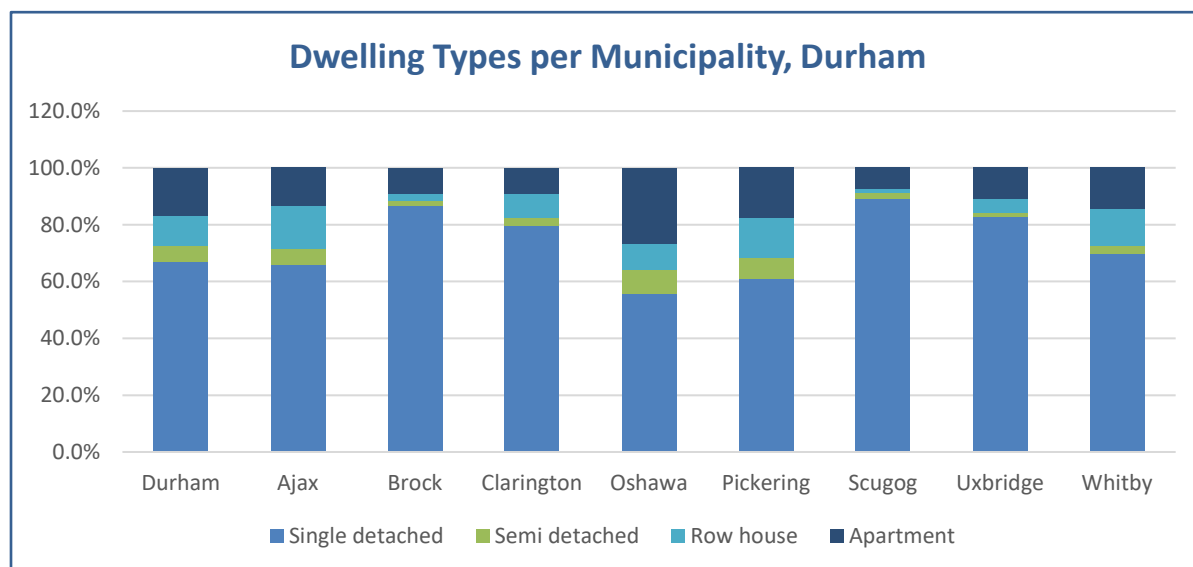
Durham has a healthy supply of land that is suitably designated for residential development. Growth in residential units is expected to increase to meet the demand of the rising population in Durham. This may be achieved through redevelopment and intensification in the built-up areas or within new greenfield areas that are suitably designated for residential development.

Dwelling Types

Per the 2016 Census, the majority of households in Durham lived in low-density forms of housing. About 67 per cent of households (152,675 households) lived in single-detached houses, 5.5 per cent (12,430 households) lived in semi-detached homes, 10.7 per cent (24,470 households) lived in row houses, and 16.8 per cent (38,390 households) lived in apartments (16.8 per cent). There has been no significant change from 2011.

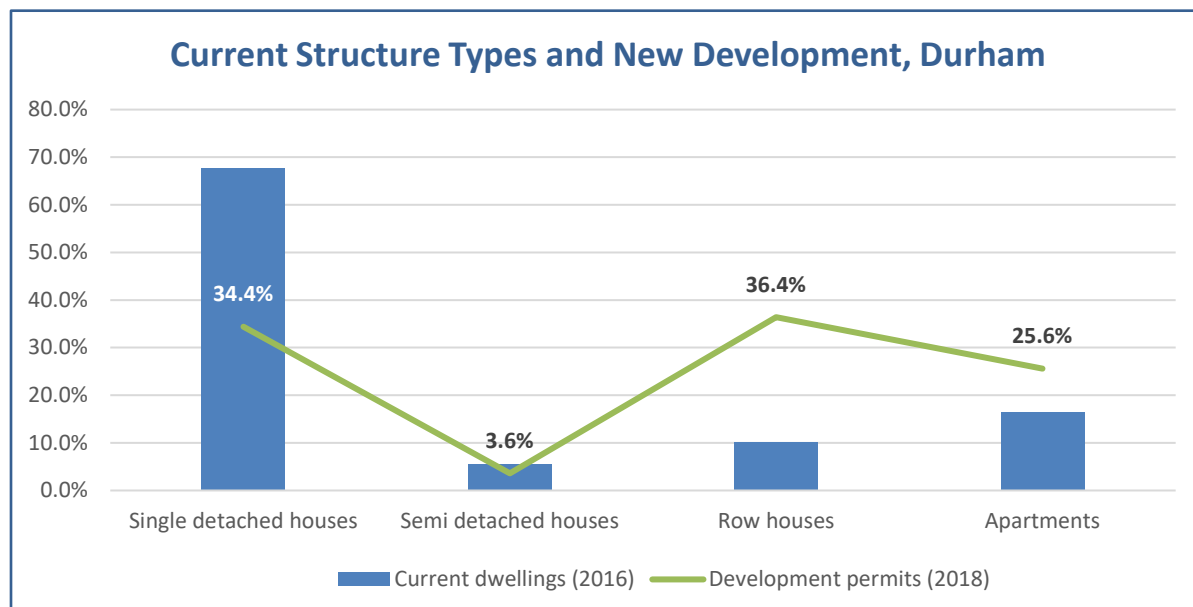


The City of Oshawa showed the most diversity in dwelling types of all area municipalities, while the northern Townships of Brock, Scugog and Uxbridge showed the least.



Source: Statistics Canada, Census 2016.

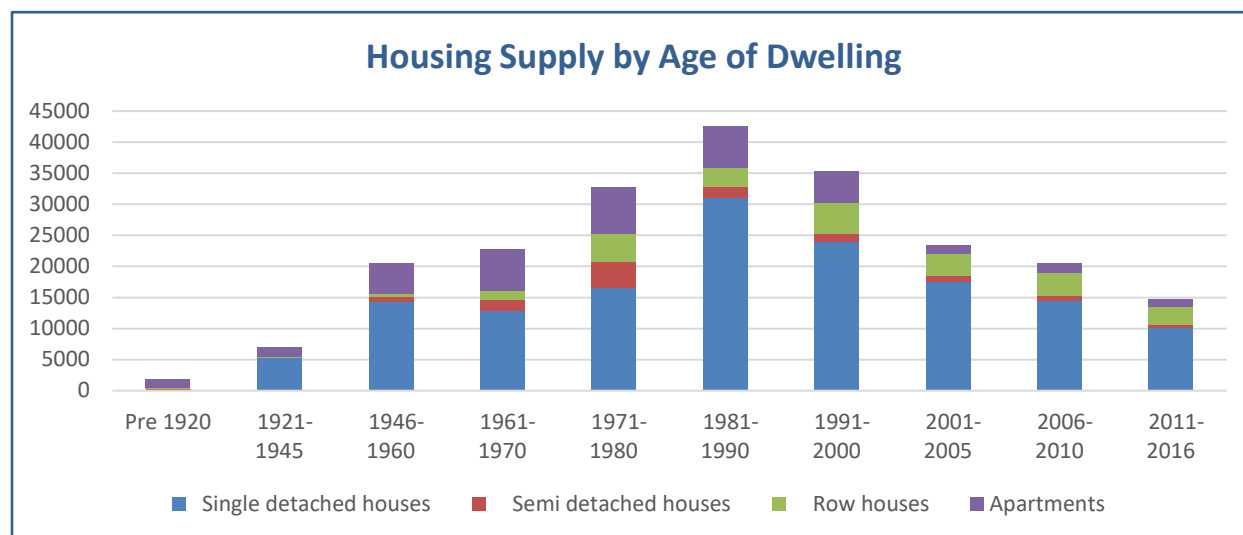
Development permits have showed increasing diversity in the types of housing that is being built as compared to the current supply.



Source: Statistics Canada, Census 2016; Region of Durham, Planning Division (2018)



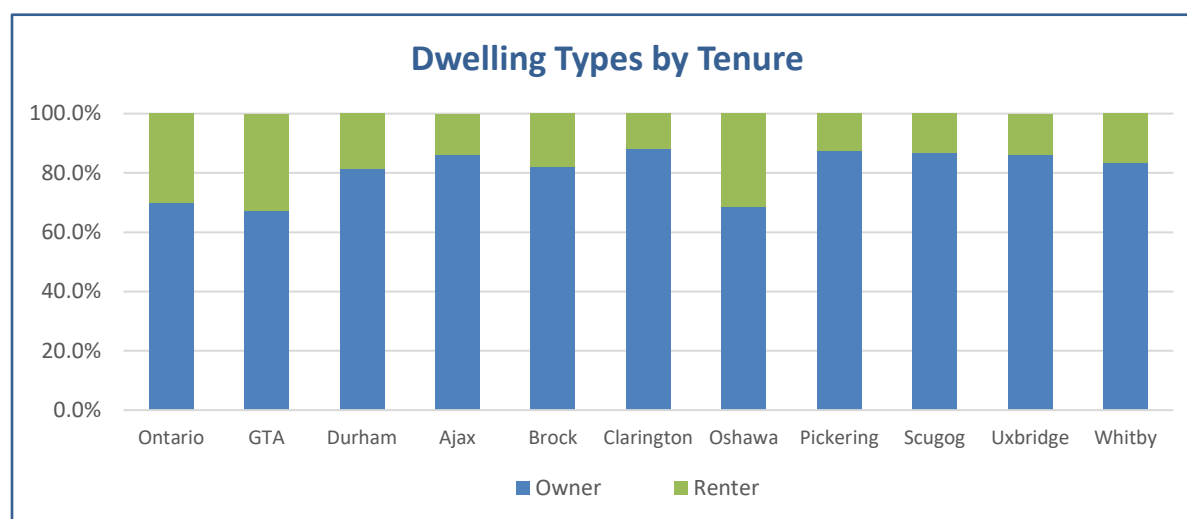
Most of the housing supply in Durham is relatively new. About 60 per cent of dwellings in Durham were constructed after 1980, with peak construction in the 1980s and 1990s.



Source: Statistics Canada, Census 2016

Housing Tenure

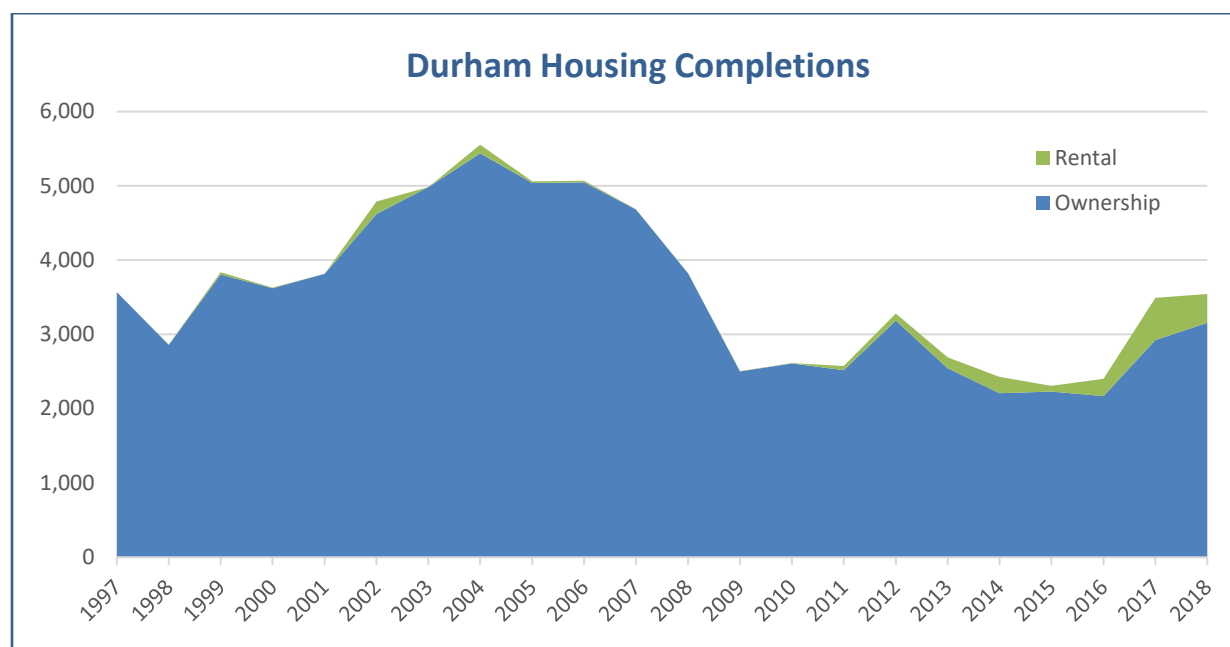
About 81.2 per cent of households in Durham are owners, and 18.8 per cent are renters. Durham had a lower percentage of renters than Ontario (30.2 per cent) and the GTA (32.7 per cent). Within Durham, Clarington had the highest percentage of owners (88.1 per cent) and Oshawa had the highest percentage of renters (31.5 per cent).



Source: Statistics Canada, Census 2016



Housing development in Durham has been robust during the last two decades, with ownership housing development largely keeping pace with population growth. However, there has been significant underinvestment in rental housing. Since 1997, only 2.7 per cent of housing completions were for rental units. Although there has been a notable increase in rental housing completions in the last several years, this is still proportionately less than current market share of rental housing. Between 2011 and 2018, only 8.5 per cent of housing completions were rental units, as compared to the 18.8 per cent of rental households in Durham.

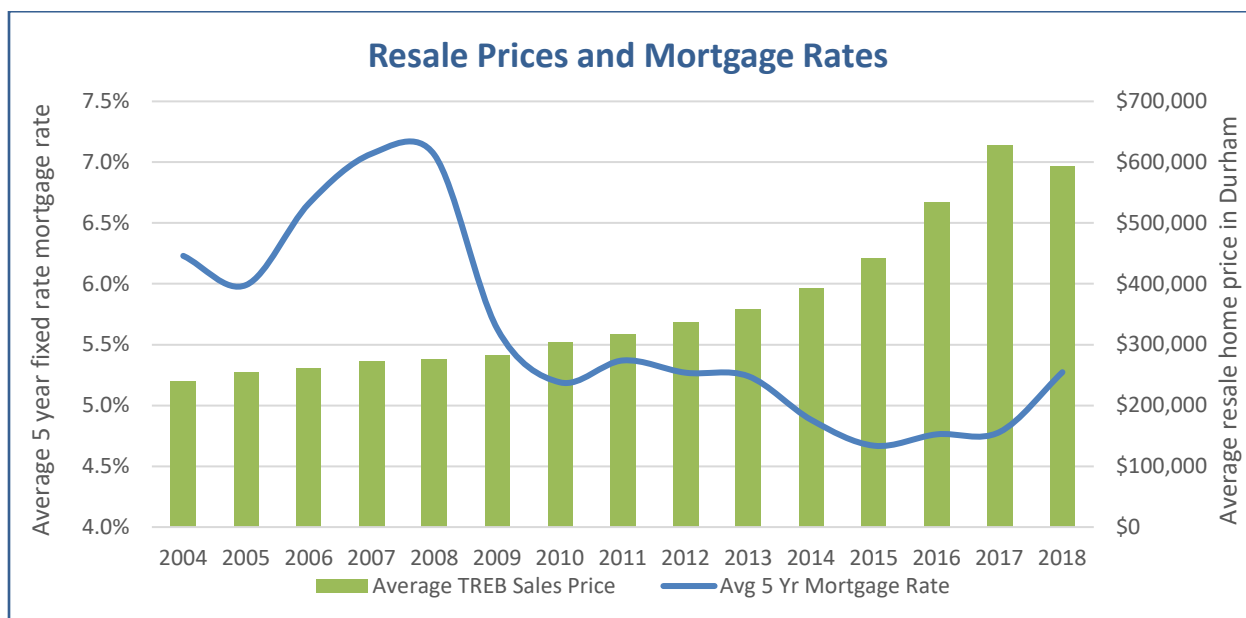


Source: Canada Mortgage and Housing Corporation, Starts and Completions Survey, 1997-2018

Ownership Housing

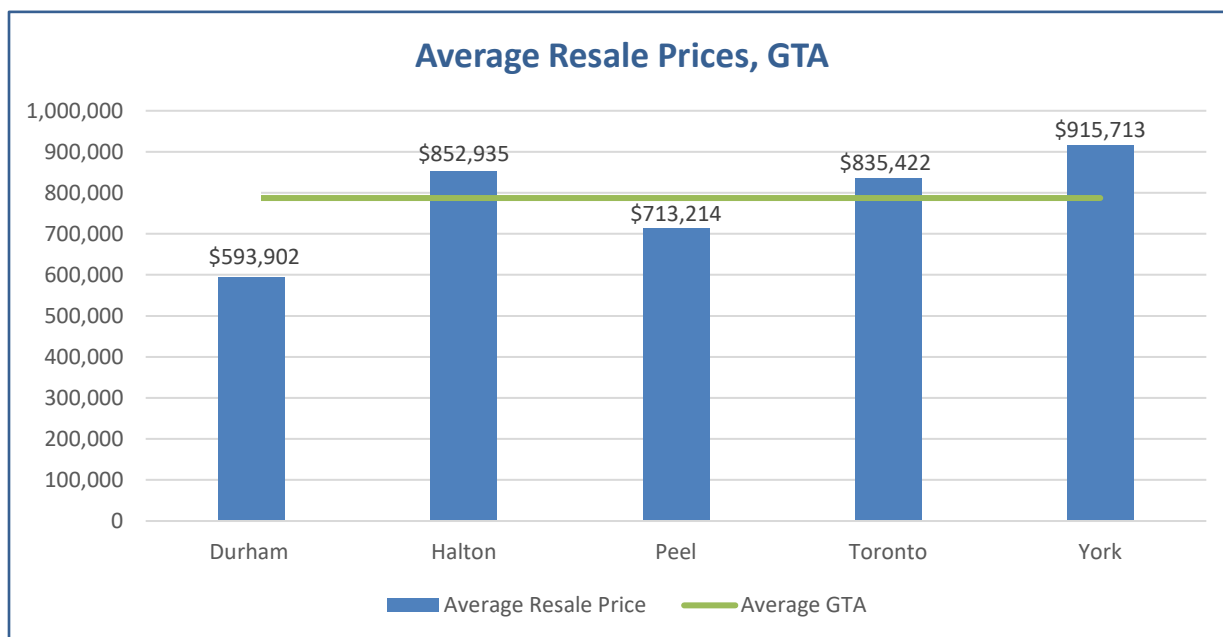
Resale housing prices in Durham have risen steadily during the past decade largely due to historically low interest rates. This has made monthly mortgages more affordable and increased demand for real estate. Between 2012 and 2017, house prices in Durham more than doubled (by 105.7 per cent or 11 per cent annually).





Source: Toronto Real Estate Board, Market Watch (2004-2018)

Durham continues to have the most affordable resale housing prices in the Greater Toronto Area (GTA). In 2018, the average resale price in Durham was \$593,902, about 24.6 per cent below the average resale price across the GTA (\$787,300) and 35.1 per cent below the average resale price in York Region (\$915,713), the highest in the GTA.

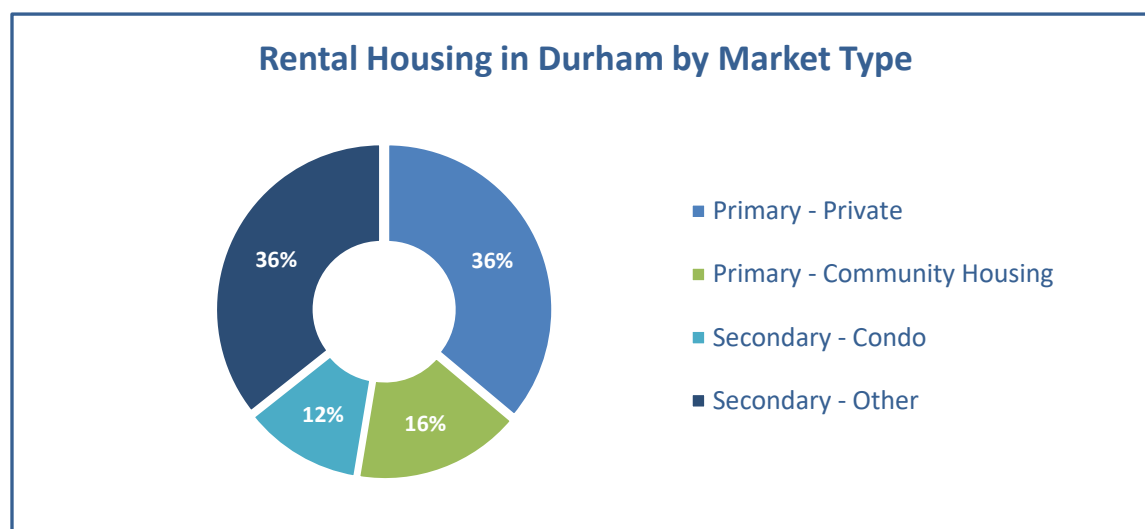


Source: Toronto Real Estate Board, Market Watch (2018)



Rental Housing

Only about 53 per cent of renters in Durham live in the primary rental market, which is purpose-built rental housing in the private market or in community housing. The remaining renters live in the secondary rental market, which may be comprised of condominium rental housing, secondary units (e.g. basement apartments, accessory apartments) or in other alternative rental circumstances (e.g. rooming houses).



Source: Canada Mortgage and Housing Corporation, Rental Market Report - GTA (2018); Statistics Canada, Census 2016; Urbanization (2018).

Most of the total purpose-built rental housing supply in Durham (68.6 per cent) is found in the private market, and 93.3 per cent of these units are in apartment buildings. Most units are two bedrooms or larger, with only 28.9 per cent of units suitable for single people.

Private Purpose-Built Rental Housing by Unit Size and Type

| Unit Type | Apartment | Townhouse | Total | Percentage |
|-------------|-----------|-----------|--------|------------|
| Bachelor | | | | 2.4% |
| 1 Bedrooms | 4,074 | 32 | 4,106 | 26.5% |
| 2 Bedrooms | 8,367 | 60 | 8,427 | 54.4% |
| 3+ Bedrooms | 1,645 | 951 | 2,596 | 16.7% |
| Total | 14,460 | 1,043 | 15,503 | 100.0% |

Source: Canada Mortgage and Housing Corporation, Rental Market Report - GTA (2018)

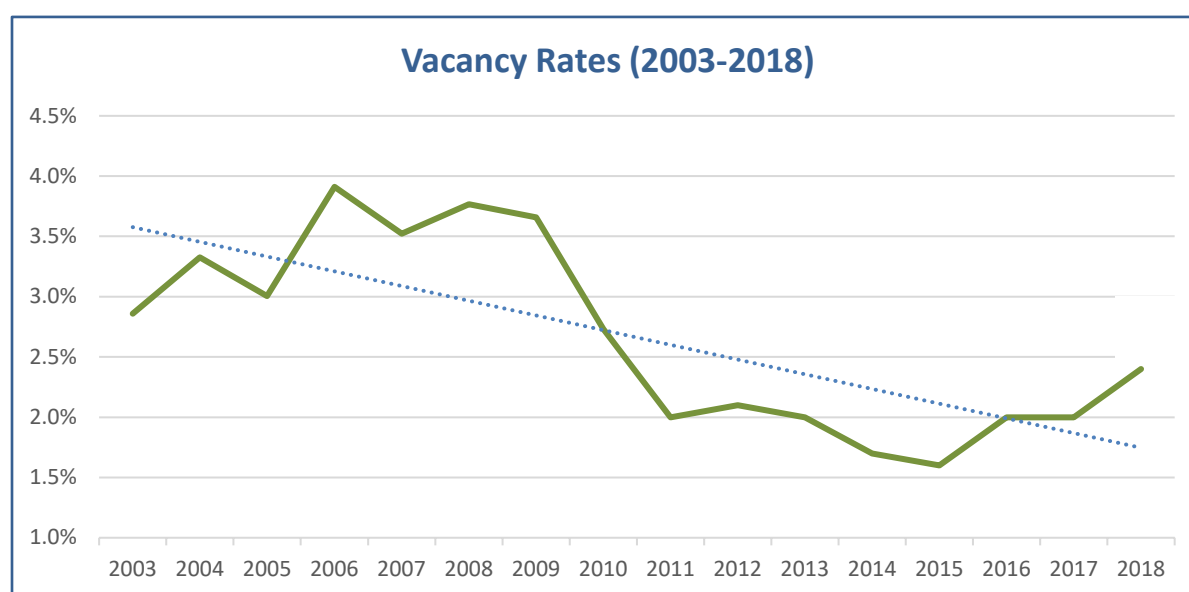


Despite the high percentage of renters living in non-condominium housing in the secondary market (36 per cent), little is known about this supply of rental housing in Durham. Although units in the secondary market can be a vital source of affordable rental housing, they lack the security of purpose-built units and may not be suitable for all rental households.

Rental Vacancy Rates

A vacancy rate of three per cent or greater is considered to be ideal for a healthy rental market. Vacancy rates for purpose-built rental housing in Durham have fallen significantly since 2009 and have remained low, averaging below 2 per cent.

Notwithstanding the downward trend, the current vacancy rate in Durham is 2.4 per cent and varies across unit sizes: zero per cent for bachelor units; 3.8 per cent for one-bedroom units; 2.0 per cent for two-bedroom units; and 1.2 per cent for three-bedroom units. The higher average vacancy rate for one-bedroom units is skewed by a 14.6 per cent vacancy rate for units costing more than \$1,400, many of which are newer luxury rentals.



Source: Canada Mortgage and Housing Corporation, Rental Market Report - GTA (2018)

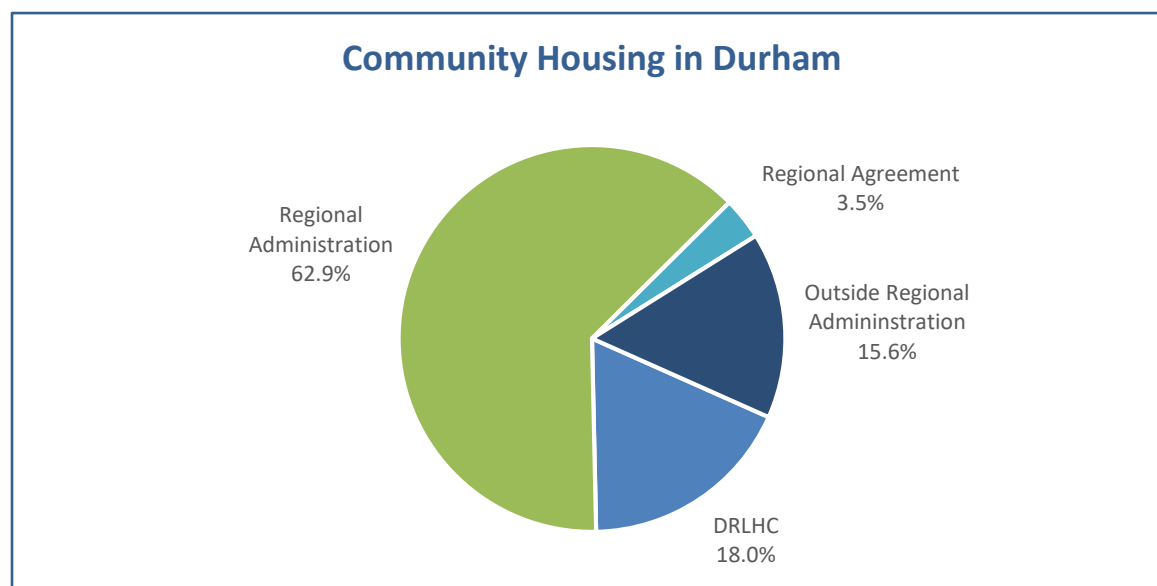
An increasing population, low rental supply, low vacancy rates, and rising ownership housing prices in Durham speak to the need for greater purpose-built rental housing in the region.



Community Housing

Community housing is non-profit social housing or public housing that was constructed with government assistance and may receive ongoing operational subsidies. It may have a mix of market rent and rent-geared-to-income (RGI) units and/or target units to specific groups (e.g. seniors). Community housing represents 32.4 per cent of the purpose-built rental housing in the region.

There are currently 7,087 community housing units in Durham, of which 84.4 per cent are directly operated by the Region (1,275 Durham Regional Local Housing Corporation – DRLHC – units) or are under Regional administration or agreement (4,459 and 249 units respectively). Community housing providers under Regional administration receive ongoing operational funding from the Region, while those under Regional agreements receive only funding to provide rent supplement assistance to eligible households. Community housing outside of Regional administration receives no funding from the Region and includes federal co-operative housing providers and federal non-profit providers who were previously under Regional administration until their operating agreements expired.

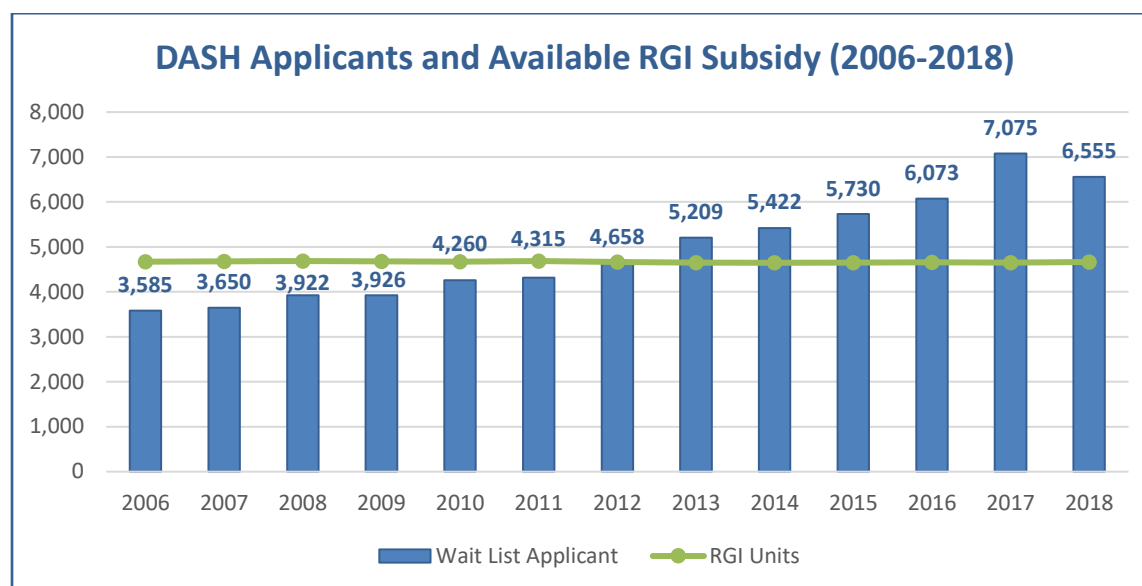


Source: Region of Durham, Housing Services

Durham Access to Social Housing (DASH) operates the wait list for a rent-geared-to-income (RGI) units in community housing under Regional administration. The Region currently funds 4,481 RGI units in community housing, as well as under agreement with



some private landlords. At the end of 2018, there were 6,555 applicants on the DASH wait list. Although the wait list has increased by about 83 per cent since 2006, the number of community housing units available for RGI subsidy has remained relatively stagnant.



Source: Region of Durham, Housing Services

Consistently low vacancy rates and the limited number of affordable options in the private rental market have contributed to the growing number of low-income applicants seeking RGI assistance in Durham.

Housing Affordability

The Regional Official Plan (ROP) defines affordable housing in line with the Provincial Policy Statement (PPS) as housing that is affordable to low- and moderate-income households – those at or below the 60th percentile of income¹. It is defined differently for ownership and for rental housing.

- Affordable ownership housing is defined as the lower of: 1) spending no more than 30 per cent of gross income on accommodation costs (based on the purchase price

¹ In the case of affordable ownership housing, this refers to households with incomes in the lowest 60 per cent of the income distribution of all households in the region. In the case of affordable rental housing, this refers to households with incomes in the lowest 60 per cent of the income distribution for renter households in the region.



of the home); or 2) 10 per cent below the average price of a resale home. Currently, the income measure is used to determine the affordable home ownership threshold for low- and moderate-income households, making the affordable purchase price for these households \$407,667 at carrying costs of \$2,815 per month.²

- Affordable rental housing is defined as the lower of: 1) spending no more than 30 per cent of gross income on rent; or 2) CMHC average market rent (AMR). Currently, AMR of \$1,233 is the affordable rental housing threshold for low- and moderate-income households in Durham.

On average, only about 19.4 per cent of owners can afford the average resale price in Durham (\$593,902). However, this is largely due to the higher costs of single detached single homes. Many townhouse and condominium resales are available below the affordable threshold of \$407,667 for low- and moderate-income households. Additionally, these households have affordable housing options in the rental market.

Renters face far greater affordability issues than do owners in Durham. The median income of renter households (\$45,700) is less than half of the median income of all households in Durham (\$95,200), and even the highest income renters fall below the 60th income percentile for the larger population. A larger percentage of renters spend more than 30 per cent of their income on shelter, and 53.3 per cent of renters cannot afford the average market rent.

Income and shelter costs of renters and owners

| | Renters | Owners |
|------------------------------------------------------------------------|----------|-----------|
| Total households ³ | | 183,910 |
| Low and moderate income households (below 60 th percentile) | 25,755 | 136,710 |
| Household income at 60 th percentile | \$55,600 | \$113,100 |
| Median monthly shelter costs | \$1,083 | \$1,599 |
| Average monthly shelter costs | \$1,142 | \$1,622 |
| % of households spending 30% or more of income on shelter | 47.7% | 19.9% |

Source: Statistics Canada, Census 2016

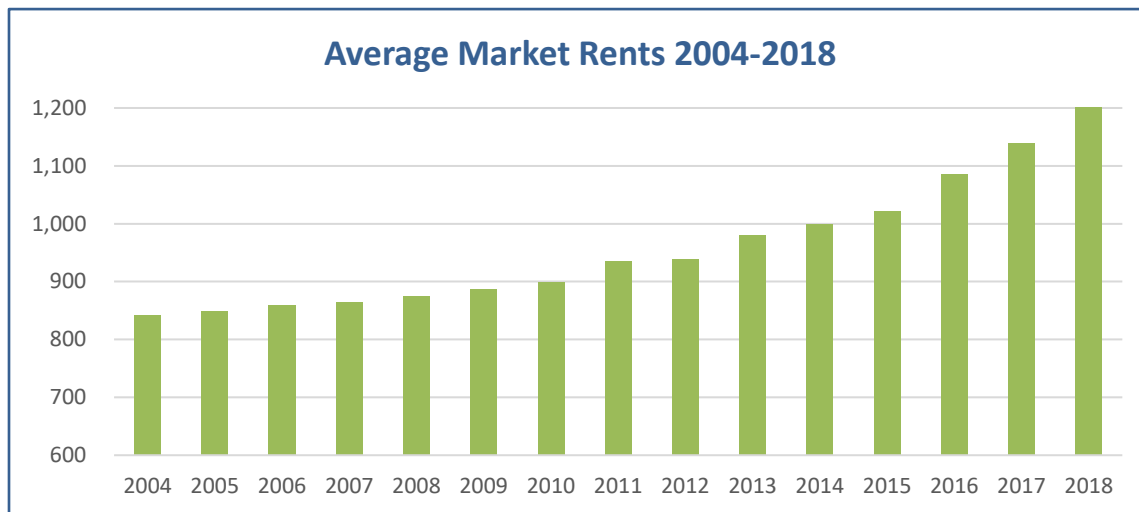
² Based on a five per cent down payment and a mortgage rate of 5.34 per cent amortized over 25 years.

³ Owner and tenant households with household total income greater than zero; in non-farm; non-reserve private dwellings – 25 per cent sample data.



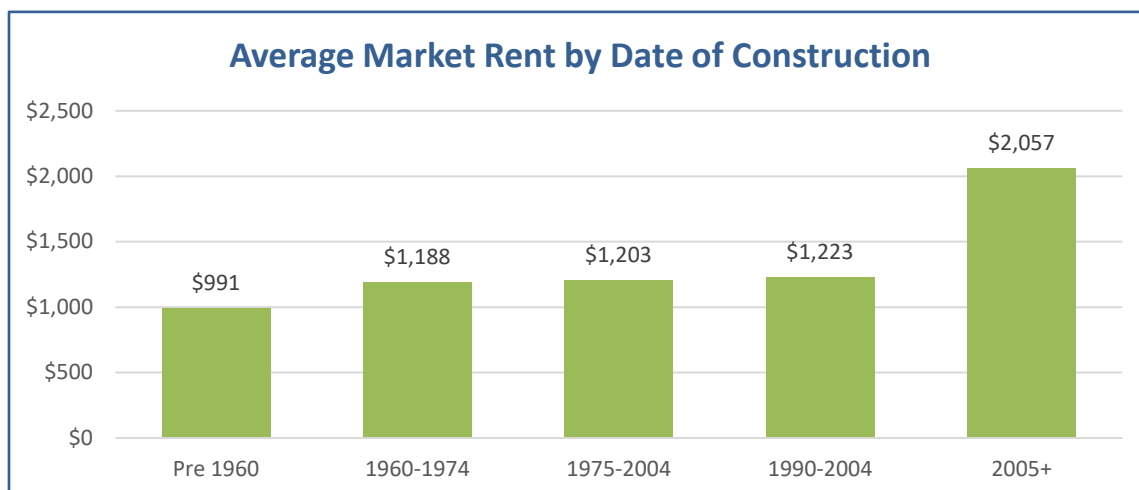
Average Market Rents

CMHC average market rent (AMR) in Durham is currently \$1,223 per month. Although AMR has historically been relatively stable, there has been a sharp increase in average rents during the last three years. Between 2015 and 2018, AMR increased by 19.8 per cent – more than the total increase during the previous 10 years (18.9 per cent).



Source: Canada Mortgage and Housing Corporation, Rental Market Report - GTA (2018)

The recent upsurge in AMR can in part be attributed to the increased rental housing development in the last several years – which has largely been marketed as luxury rentals. Rents for newer construction are 68.2 per cent higher than average rents for older buildings.



Source: Canada Mortgage and Housing Corporation, Rental Market Report - GTA (2018)



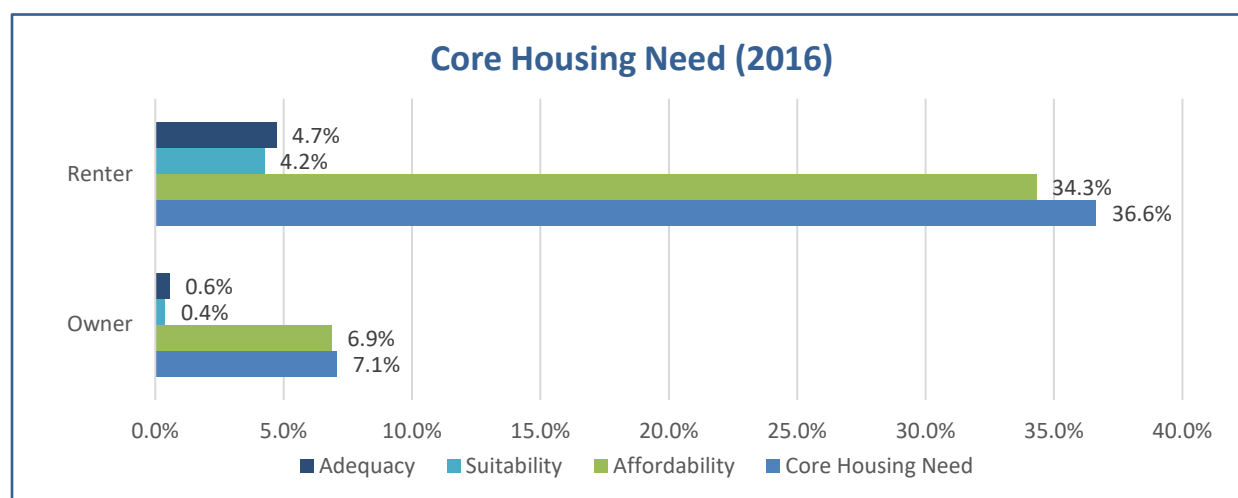
In 2018, the Region conducted a survey of 818 online rental listings and found a disparity between the CMHC AMR and the posted rental listings even for older buildings. An average one-bedroom apartment in Durham was listed for \$1,518 – 31.7 per cent higher than the CMHC average market rent for a one bedroom of \$1,153. Only 14 per cent of the listings surveyed met the ROP definition of affordable rent at or below AMR of \$1,223.

Core Housing Need

Core housing need means that a household falls below one of the CMHC adequacy, affordability or suitability standards, and would have to spend 30 per cent or more of gross income to afford the median rent for alternative housing that meets all standards:

- Adequate dwellings are reported as not requiring major repairs.
- Affordable dwellings cost less than 30 per cent of gross income.
- Suitable dwellings have enough bedrooms for the size and make-up of the household.

In Durham, about 36.6 per cent of renters are in core housing need as compared to only 7.1 per cent of owners. Most households are in core housing need due to affordability issues, with less than one per cent of owners and five per cent of renters falling below each of the suitability or adequacy standards.



Source: Canada Mortgage and Housing Corporation (CMHC) and Statistics Canada (2016)

Note: Percentage of households below each standard do not sum to total households in core housing need because a given household may be below multiple standards



CMHC core housing need is a deeper measure of affordability than the ROP definition of affordability. About 57.6 per cent of the low- and moderate-income renters identified under the ROP definition are in core housing need, compared to only 9.3 per cent of low- and moderate-income owners.

Future Affordable Housing Needs

In 2018, the Region engaged a consultant to research housing needs and prepare a housing forecast model for Durham that examines household and unit type demands from 2019 through to 2028⁴. Based on current and historical variables in Durham, three models were developed to determine targets to meet Durham's affordable rental housing needs over time to:

- maintain the status quo
- make marginal improvements
- meet all housing needs.

During the next five and 10 years, the number of new affordable housing units⁵ required under these models are as follows:

| Required Units | Status quo | Marginal improvement | Fully addressing housing needs |
|----------------------------|--------------|----------------------|--------------------------------|
| Over Five (5) Years | | | 5,499 |
| Single people | 848 | 1,332 | 2,719 |
| Families | 947 | 1,486 | 2,780 |
| Over Ten (10) Years | 3,751 | 5,939 | 11,711 |
| Single people | 1,741 | 2,769 | 6,004 |
| Families | 2,010 | 3,170 | 5,707 |

Durham has had limited development of rental housing in the last two decades. Most of the affordable development has been because of government investment. The Region recognizes that more needs to be done and is committed to addressing the demand for affordable housing through the actions of At Home in Durham.

⁴ Region of Durham Housing Forecast 2019-2028, OrgCode Consulting Inc. (January 30, 2019).

⁵ Including rent-geared-to-income (RGI) units, supportive housing units and affordable market housing units.





Goal 1: End Homelessness in Durham



The Region of Durham is committed to reducing chronic homelessness to zero over the next five years.

Homelessness describes a range of housing and shelter circumstances⁶, 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.

Unsheltered and Emergency Sheltered

Durham has a relatively low incidence of unsheltered and emergency sheltered households as compared to many other areas in Ontario and the Greater Toronto Area (GTA). On average, just under 1,400 households have used emergency shelters annually since 2014.

In 2018, the Region partnered with Community Development Council Durham (CDCD) and Durham Mental Health Services to co-ordinate a Point in Time (PiT) Count and

⁶ Canadian Definition of Homelessness, Canadian Observatory on Homelessness, 2012.



Registry Week to identify the nature and extent of homelessness in Durham. As compared to the homelessness enumeration conducted in 2017:

- People who reported that they were unsheltered decreased from 32 per cent to 13 per cent.
- People who reported that they had experienced episodic⁷ homelessness increased from 7 per cent to 13 per cent.
- People who reported that they had experienced chronic⁸ homelessness decreased from 48 per cent to 39 per cent.

In 2019, the Region of Durham 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 zero⁹ chronic homelessness using a structured, supportive and data-driven approach. The first milestone is to create a quality By-Name List to ensure reliable, real-time and consistent data to measure progress.

Durham has already begun compiling its By-Name List using the 2018 enumeration data. The list will show the depth of need of each person experiencing homelessness – contributing to better co-ordinated services that can be targeted to and wrapped around people with the highest acuity in a timely manner. Knowing the people experiencing homelessness by name and prioritizing the most vulnerable is essential to ending homelessness in Durham.

⁷ Episodic homelessness is defined as having experienced three or more episodes of homelessness in a year.

⁸ Chronic homelessness refers to households who are currently homeless and have been unsheltered or living in emergency shelter for at least six months in the previous year.

⁹ 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.

Social Assistance Shelter Allowances

Social assistance shelter allowances are only a fraction of the average market rent in Durham. Most recipients cannot even afford 80 per cent of average market rent – the defined affordability amount under the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) programs.

People on social assistance frequently pay far more than 50 per cent of their total income on shelter, meaning they are in core housing need. Single people – about 60 per cent of Ontario Works recipients in Durham and 80 per cent of Ontario Disability Support Plan (ODSP) recipients – are particularly disadvantaged as they have limited affordable housing options in Durham.

Durham encourages the Province to move quickly to ensure that social assistance recipients have enough income to afford safe, adequate and suitable housing in the private market.



Oshawa Unsheltered Residents (OUR) Task Force

The Oshawa Unsheltered Residents (OUR) Task Force is a collaborative table that develops and implements strategies to address the needs and barriers of those living unsheltered in the city of Oshawa. It was established by Regional staff in 2018 in response to the increasing visibility of unsheltered people in Oshawa and includes representation from the Region, the City and community partners.

Provisionally Accommodated and At Risk of Homelessness

Provisionally accommodated households face increasing pressures 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 report being provisionally accommodated, 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 (RTA).

Many low-income renters in Durham are at risk of homelessness. About 65 per cent of non-seniors and 17 per cent of seniors on the DASH wait list rely on social assistance as their primary source of income. Social assistance shelter allowances are only a fraction of average market rents in Durham, forcing most social assistance recipients into core housing need.

Increasing the supply of affordable housing and improving financial housing assistance for low-income Durham residents – as set out in Goal 2 of the Plan – is key to addressing the housing needs of people who are provisionally accommodated or at risk of homelessness.

Single non-seniors continue to face the greatest challenges with homelessness in Durham. They represent more than 90 per cent of emergency shelter users, have few affordable housing options in the private rental market and face the longest wait times on the DASH wait list.



Durham in Action

The Durham Advisory Committee on Homelessness (DACH) continues to support strategic decision-making around homelessness resources and funding to ensure co-ordination of services across the network of community agencies. Funding continues to focus on homelessness prevention and supports that will allow people to remain in their homes whenever possible. The Region is also the Community Entity for the federal Reaching Home initiative.

In 2018, the Region committed \$8 million in 100 per cent provincial funding and \$72,150 in Regional funding to Community Homelessness Prevention Initiative (CHPI) programs and services to assist households experiencing homelessness obtain housing and help households at risk of homelessness with eviction prevention.

Develop long-term innovative approaches to improve the ability of households to access housing

- In 2018, housing outreach agencies helped 511 unsheltered or provisionally accommodated households secure permanent housing across the region – a marked increase from the 82 households successfully assisted in 2017.
- The Region partners with Cornerstone Community Association to operate the Housing First program, which assisted 25 high acuity clients move from shelter to more permanent housing in 2018. Once stably housed, program participants continue to engage with Housing First workers to meet self-identified goals.
- The Bridges Street Outreach program provides a dedicated street outreach team to build relationships with unsheltered people and connect them to supports and services in the community. Working collaboratively with the Region's Primary Care Outreach Program (PCOP), Cornerstone Community Association has successfully housed 15 people under this program since it began in the second quarter of 2018.
- The Region is working towards the development of a Coordinated Access System to standardize the intake, assessment and referral processes across Durham, in order



to streamline the process for people experiencing homelessness to access housing opportunities and supports.

- The new vacancy-driven Durham Access to Social Housing (DASH) wait list was fully implemented in 2017 to provide applicants greater control and choice in determining where they want to live.
- Durham has a dedicated resource for Special Priority Applicants (SPP) – victims of family violence and human trafficking – to provide them with more immediate and flexible assistance and supports.
- The Region supported Durham Mental Health Services (DMHS) Regional Housing Co-ordinator to develop an inventory of supportive housing for people with mental health and addictions.

Develop long-term innovative approaches to improve the ability of households to retain their housing

- Support agencies are increasingly focusing their efforts on assisting vulnerable, low-income tenants to maintain their housing in the tight rental market in Durham. This includes mediating or negotiating with the landlord, supporting tenants at the Landlord and Tenant Board, and educating rooming house tenants about their rights and how to exercise them.
- The Housing Stability Program (HSP) assisted 1,812 households in 2018, including one-time assistance with rental and utility arrears, last months' rent deposits and moving costs, representing a 38 per cent increase from

Special Priority Policy (SPP)

SPP is a provincially mandated priority for victims of human trafficking or family violence. Durham has a dedicated resource that provides immediate and flexible assistance to SPP applicants on the DASH wait list. Durham also works with the local Violence Against Women (VAW) sector to connect SPP applicants with supports.

In 2018, the Province rolled out the Portable Housing Benefit-Special Priority (PHB-SPP) to give these applicants more flexibility to choose where they live. To date, Durham has supported 183 SPP applicants to obtain this benefit.

Despite this, SPP applicants are still offered a disproportionate number of the limited RGI units in Durham. SPP applicants represent only about 5 per cent of the DASH wait list, but they made up nearly 58 per cent of all applicants housed in 2018 – and all but one of non-seniors housed.

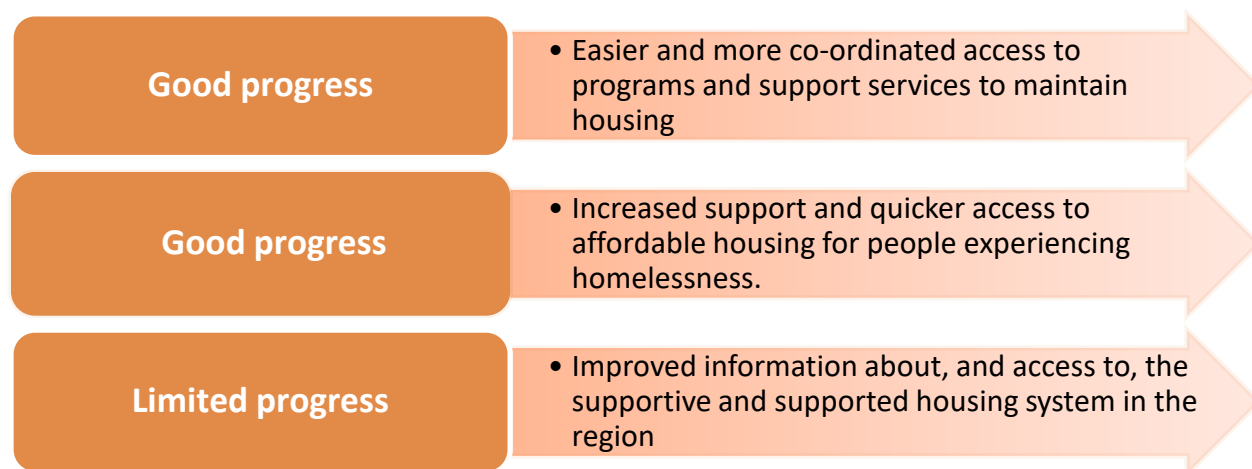
Durham encourages the Province to address SPP applicants outside service managers' wait lists, so locally identified priorities can be better served.



2017. About 45 per cent of the HSP assistance issued was used for housing retention (e.g. assistance with rent arrears).

- Housing outreach and eviction prevention workers also assisted 2,623 households at-risk of homelessness maintain their housing stability through this program stream.
- The Region partnered with the Salvation Army to create the Housing Retention Program. This program facilitates positive relationships with landlords to increase the supply of affordable housing through a roommate matching process and supported accommodations. The program provides ongoing transitional supports to ensure stable tenancies. In 2018, the program helped 19 households obtain and retain housing through this collaborative model.
- The Durham Regional Local Housing Corporation (DRLHC) has increased focus on eviction prevention through its community development initiatives. DRLHC's goal is to stabilize tenancies and promote social participation. The model is intended to be rolled out to other community housing providers following a review of the DRLHC initiative.

Measuring Our Progress





Goal 2: Affordable Rent for Everyone



The Region of Durham is committed to increasing the supply of affordable rental housing by 1,000 units over the next five years.

Strong and vibrant communities include rental options that meet the needs of all people, regardless of income. Rental housing is the most feasible option for many low- to moderate-income households, but Durham needs more purpose-built rental housing as demand is far outpacing supply. This is particularly true for affordable rental housing as costs have increased well above inflation and income growth during the past decade.

Most renters in Durham lack the income to drive demand for new market rental development. They face more affordability issues and have fewer housing options than homeowners.

- On average, renters in Durham have about half the income of homeowners.
- About 63 per cent of renters in Durham rely on social assistance as their primary source of income.
- Less than half (46.7 per cent) of renters in Durham can afford CMHC average market rent.

Private market development

The gap between what the average renter in Durham can pay and the cost of development means developers need assistance to make new affordable rental housing profitable (e.g. land, up-front capital costs, reduced municipal charges). The cost of these incentives cannot be sustained by the Region without increasing property



taxes or compromising other municipal services or infrastructure. The federal and provincial governments must play their parts.

In partnership with area municipalities, the Region is committed to creating a supportive policy environment to enable affordable housing solutions.

- Envision Durham provides an opportunity to review the Regional Official Plan and local municipal housing policies and Zoning By-laws related to affordable and rental housing.
- The Interdisciplinary Tactical Team (ITT) meets regularly to discuss local development practices and incentives and to identify the conditions to support greater private participation in affordable rental housing development across the region.
- Some area municipalities have also developed or started to develop their own housing strategies consistent with At Home in Durham.

Community housing

Community housing provides affordability for some of the most vulnerable people in Durham. As community housing providers come to the end of their operating agreements and mortgage obligations under the Housing Services Act (HSA), there is a risk of losing rent-geared-to-income (RGI) units if they do not continue to partner with the Region. To date, nine community housing projects have reached the end of their operating agreement or mortgage, and the Region has preserved 146 of 174 RGI units through new rent supplement agreements. From 2019 to 2023, an additional 10 community housing projects will reach the end of their operating agreements or mortgages.

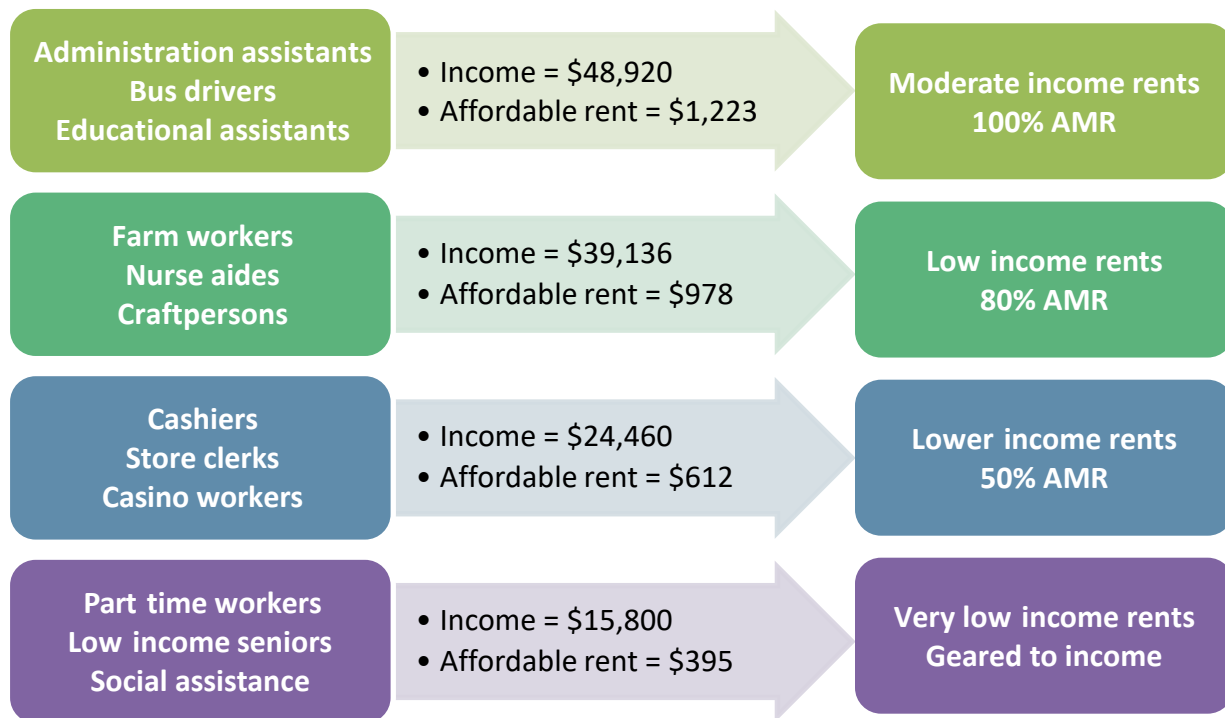
The Region has a legislated obligation to maintain 4,446 RGI units under its HSA service level standard and is committed to the development of a policy to sustain the community housing supply beyond the expiration of operating agreements and mortgage maturity. However, if new agreements cannot be negotiated with community housing providers, the Region will need to find new RGI units elsewhere through rent supplement agreements, increased targets at other community housing providers, or alternative forms of financial housing assistance (e.g. portable housing benefits).



Affordable rents

Low- and moderate-income renters require a range of affordable rents and housing assistance options. Without a robust and affordable rental housing sector, many low- and moderate-income workers will be unable to live in Durham.

The following chart sets out the average income, affordable rent and housing needs of typical low- and moderate-income workers in Durham.



- Moderate income rents at CMHC average market rent (AMR) are normally provided in the private market and within the market component of some community housing providers.
- Low-income rents at 80 per cent of AMR can be found in federally-provincially funded affordable housing projects and in the market component of some community housing providers.
- Lower-income rents at 50 per cent of AMR are typically subsidies through flat rate benefits like the Durham Housing Benefit or Housing Allowance.



- Very low-income rents apply generally to rent-geared-to-income (RGI) units that require a deeper ongoing subsidy.

Affordable housing targets

Durham has historically invested in housing assistance programs to address affordability for low- and moderate-income renters in the region. As rents rise, however, it is becoming increasingly difficult to find private landlords to support these initiatives. New affordable housing supply is needed.

A key recommendation of the Affordable and Seniors' Housing Task Force was to work in collaboration with area municipalities to establish both annual and long-term targets for the development of affordable rental housing across the region.

Durham is committed to significantly increasing the number of affordable rental housing units in the region – including RGI units, supportive housing units and affordable market housing units. Recent analysis revealed that between 1,795 and 5,499 units are required during the next five years to address the current gap in affordable housing supply – including between 374 and 1,275 supportive housing units.

The Region is committed to initiating the development of 1,000 new affordable housing units during the next five years, with development completed and ready for occupancy over the following five years. It will take significant and sustained provincial and federal investment to fully meet even these modest targets. At a conservatively estimated cost of \$250,000 per unit, 1,000 new units would cost \$250 million to build, including \$53.8

Federal and Provincial Investment in Housing

It is critical that all levels of government work together to support and promote housing affordability for everyone. The National Housing Strategy, the Provincial Housing Supply Action Plan and the Community Housing Renewal Strategy are welcome initiatives, but the federal and provincial governments need to do more.

Municipalities cannot incent affordable housing in their communities without sustained commitment from the upper levels of governments. Durham encourages the federal and provincial governments to:

- Introduce tax incentives, exemption and credits, as well as loans and sustainable funding programs that encourage developers to build affordable rental housing.
- Expedite long-term, predictable, non-application-based and sustainable funding to municipal service managers to support long-term housing plans like At Home in Durham.



million just for the required supportive housing units – which are largely the responsibility of the Province.

There are principally three ways to make housing affordable:

- Fund building development to reduce long-term operating or debt service costs.
- Provide long-term operating subsidies.
- Reduce the tenant's housing costs by providing financial housing assistance or rent supplements.

Assuming 10 projects of 100 units each at a cost of \$25 million per project, the Region could anticipate that the developer would require \$18 million per project in up front capital contributions or \$1.15 million annually in operating subsidies during the life of the mortgage¹⁰, per project.

| | | | |
|--------------------------------|--------------------------------|------------------------------------------------|-----------------------------------------------|
| \$25 M Project costs \$25 M | \$18 M Capital contribution | \$450 K Mortgage costs (\$7 M mortgage) | \$1.2 M Rent revenue (based on 80% AMR) |
| | | \$750 K operating costs (assumed) | |
| \$25 M Project costs \$25 M | \$0 Capital contribution | \$1.6 M Mortgage costs (\$25 M mortgage) | \$1.15 M Operating subsidy |
| | | \$750 K operating costs (assumed) | \$1.2 M Rent revenue (based on 80% AMR) |

¹⁰ Mortgage costs are roughly estimated based on an interest rate of 4.25 amortized over 20 years.



In total, anticipated costs to meet a target of 1,000 new affordable housing units is \$180 million over 5 years (\$36 million annually) in capital costs or \$1.15 million annually over 20 years in operational funding.

Traditionally, incentives to private developers have been tied to affordability periods (typically 20 years) and do not guarantee affordability over the long term. Any investment of public funds will ensure that the social return on investment is maintained in perpetuity.

Even considering upfront capital assistance or ongoing operational costs, additional rent supplement subsidies may still be required to ensure affordability for very low renters in Durham.

Durham in Action

The Region of Durham is committed to increasing the range of affordable rental housing options to address the affordability needs of renters with low to moderate income.

Increase the privately funded affordable rental housing supply

- The Region and area municipalities have been working together to identify surplus municipally-owned land to promote, facilitate and support the development of new affordable rental housing. As a first step, a surplus lands inventory was posted to the Region's website in interactive map format in January 2019. The inventory will be reviewed and updated annually. Vacant and underutilized sites within strategic growth areas will also be identified through the Envision Durham Growth Management Study.

Increase federal and provincial government-funded, affordable rental housing supply

- In 2018, the Region's Development Charges (DC) By-law incorporated new provisions to encourage the development of social and government-assisted affordable housing, including:



- the introduction of a new Regional Residential DC service category for Housing Services to fund the development of new, growth-related social and government assisted affordable housing projects/units.
- the deferral of DC payment for social and government-assisted affordable housing units.
- Since 2005, the Region of Durham has leveraged \$62.9 million in federal and provincial investment for the construction of 549 new affordable rental units in both the private and non-profit sectors.
- Durham will be investing \$5.6 million in Ontario Priorities Housing Initiative (OPHI) funding during the next three years for the construction of 30 to 42 new affordable housing units.
- The Region continues to work with developers to leverage the National Housing Co-Investment Fund for the construction of new affordable housing in our communities.

Increase rental assistance for low-income households

- In 2018, the Region contributed about \$34 million in Regional funding to support the operations of 44 non-profit housing providers across the region, and to provide long-term rent-geared-to-income (RGI) subsidy for 4,481 households in Durham. This investment was budgeted to increase to \$37.7 million for 2019 – an increase of 9.6 per cent to support the same number of units.
- Since 2005, the Region of Durham has leveraged \$24.9 million in federal and provincial investment to support a total 1,178 households through temporary rent supplements and housing allowances. In 2018, the Region supported 576 households:
 - Durham Housing Benefit (DHB) – 211 households were assisted with flat rate rent supplements payable directly to their landlord under agreement with the Region.
 - Durham Housing Benefit (Shared delivery) – eight community agencies received funding to administer the DHB on behalf of 159 of clients, including direct



payment of the flat rate rent supplement to landlords and supports to maintain housing.

- Housing Allowance – 209 households directly received a portable Housing Allowance through the Ministry of Finance to assist with housing costs.
- The Region partners with Cornerstone Community Association to provide 30 Durham Rent Supplement-Shared Delivery benefits under a Housing First approach. These benefits are 100 per cent municipally funded and targeted to locally identified needs.
- The provincially funded Strong Communities Rent Supplement (SCRS) program is ending in 2023. Most SCRS units were targeted to single non-senior people who had experienced homelessness and insecure housing. To preserve affordability for some of Durham's most vulnerable residents, Regional Council approved the continuation of the current level of 151 SCRS units until 2020 pending a Regional strategy to address the end of program in 2023.
- In 2018, the Region introduced the Durham Portable Housing Benefit (Durham PHB), which is paid directly to eligible low-income households to bridge the gap between affordable rent (roughly 30 percent of income) and average market rent. The benefit is 100 per cent Regionally funded and piloted to 70 households, who can use the benefit to live anywhere in Durham.
- Up to 25 benefits are being offered to current RGI tenants who are experiencing challenges in their community to assist them in finding suitable and affordable accommodation elsewhere. This will also free up community housing units for applicants on the DASH wait list.
- Up to 35 benefits are being targeted to youth, people with developmental disabilities, and people exiting Housing First programs.
- The remaining benefits are being offered to applicants on the DASH wait list in chronological order.



Measuring Our progress

Limited Progress

- More affordable rental housing options in the private market for low- and moderate-income households

Some Progress

- An increased supply of government-assisted rental housing options.

Some Progress

- Increased rental assistance for low-income households.





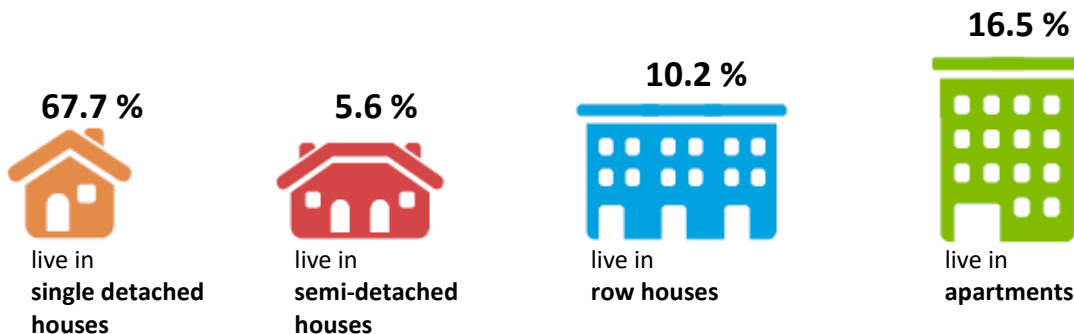
Goal 3: Greater Housing Choice



The Region of Durham is committed to increasing the supply of medium to high density housing over the next five years.

People in Durham want more choice and more affordable housing options that will enable them to stay in their community of choice, whatever their stage in life, financial circumstances or abilities.

However, most people in Durham live in single detached home, limiting the diversity in housing choice in the current market.



The share of new low-density units is expected to decrease compared to medium and high-density units. Although about 73 per cent of current dwellings are low-density, this is projected to decrease to 63 per cent by 2031.

The region needs a balanced mix of more medium density forms of development like townhouses and low-rise apartments that can bring gentle density to established communities. Secondary units can also add density to stable neighbourhoods, as well as a mix of tenure.



Despite the Region's efforts to plan for diverse, integrated communities offering a mix of housing densities, growth management changes that support higher density and transit supportive communities take time to be fully realized and progress is gradual.

Durham in Action

Durham is committed to diverse, integrated communities offering a mix of housing densities and tenures. In partnership with area municipalities, the Region is promoting greater housing choice by acting to encourage intensification and new rental development, increase process certainty in the development application process, and promote secondary units and other innovative housing options.

The Region also continues to work with community partners to identify opportunities to provide supports for vulnerable residents to allow them to remain in their homes.

Diversify housing options by type, size and tenure

- All eight area municipalities are actively engaged in planning for higher-density development and intensification in line with the goals of At Home in Durham and their official plans.
- The Town of Ajax, Municipality of Clarington and Township of Scugog have all identified intensification areas, centres and corridors in their official plans, including areas designated for priority intensification.

Low Income Transit Assistance Program (LTAP) Pilot

The Region recognizes that addressing broader issues of affordability can also support low-income rental households with housing affordability challenges. The Region is introducing a pilot program to make transit more affordable for Durham residents receiving Ontario Works and Ontario Disability Support Program (ODSP).

Effective November 1, 2019 until March 31, 2021, eligible riders will get a special concession on Presto cards that provides unlimited free trips on Durham Region Transit in any given month after 14 paid trips in the same month.



In addition, many of the region's area municipalities support their downtowns with Community Improvement Plans (CIPs).

- The City of Pickering has completed its City Centre Intensification Study. Intensification studies are currently underway for Pickering Kingston Road Corridor and Specialty Retailing Node, as is a comprehensive review of the City's Zoning By-laws in support of these studies.
- Area municipalities are increasingly identifying opportunities to provide financial incentives to support the creation or maintenance of affordable rental housing. For example, the Township of Brock discounted the site plan approval fee by 50 per cent to support the development of two new affordable housing projects by Durham Region Non-Profit Housing Corporation (DNPHC).
- The Region continues to offer a suite of programs to support revitalization, redevelopment and intensification. Although these programs do not specifically incent affordable rental housing, they may contribute to increased affordable development and greater housing choice. Programs include:
 - Redevelopment credits under the Development Charges (DC) By-laws
 - Development charge exemptions under the Development Charges Act, University of Ontario Institute of Technology Act and Regional DC By-laws
 - Intensification Servicing Policy
 - Regional Revitalization Program (RRP).

Community Improvement Programs (CIP)

A Community Improvement Program (CIP) is an optional tool that allows a municipality to establish tax increment programs or make grants or loans to offset certain costs, in order to stimulate and attract development to targeted areas. CIPs generally focus on the maintenance, rehabilitation, development and redevelopment of targeted areas – commonly in a downtown or main street corridor. Although not specific to affordable housing, CIPs can bring diversity and affordability to strategic zones.

Durham is currently in the early stages of researching the potential establishment of a Regional CIP to incent affordable rental housing for low- and moderate-income households in targeted areas.



- The Region is working with its municipal partners to formalize policies to improve process certainty for the development of affordable rental and seniors' housing. In consultation with the development industry, area municipalities are improving the development application process by expediting processes, implementing one window comment procedures, streamlining the circulation process, and working with agency partners. Additionally:
 - Area municipalities in Durham continue to implement electronic tracking of applications and are working toward electronic plan submission so that real time information can be provided.
 - The Region is also developing a new development tracking system that will allow the Region to track housing supply and the public to access information on particular projects.
 - Some municipalities have established dedicated review teams to streamline the review of major mixed-use projects, and/or expedited site plan and building approval processes for specific priority projects.
 - The Township of Scugog's sewage allocation policy places a higher priority on affordable residential development.
 - The Township of Brock has and will fast-track applications for affordable housing projects contingent on co-operation with the Region of Durham Works Department for site plan approvals.
 - Durham has streamlined the site contamination review protocol to provide flexibility in certain circumstances.
- Durham supports area municipalities that are considering adoption of a Community Planning Permit (CPP) system and other opportunities for concurrent review and approval of official plan amendments, zoning by-laws and site plans. The Town of Ajax and the Township of Uxbridge are currently considering introducing policies into their official plans to enable a CPP system.



- Secondary units (e.g. basement apartments, accessory apartments) can provide affordable housing in tight rental housing markets like Durham. In 2018, the Region's Development Charges (DC) By-law incorporated new provisions to encourage the development of affordable housing and secondary units, including:
 - a DC exemption for secondary units for up to two new units in existing residential units
 - an expanded definition of apartment to include a single-storey dwelling unit located within a garage or a building for commercial use, in order to address affordability of infill apartment developments that would otherwise be charged at a higher-medium density multiple rate.
- The Region continues to work with its municipal partners to review and simplify the policies, processes and regulations for legal secondary units to encourage their development. All eight area municipalities permit secondary units, and some are amending zoning by-laws to be more comprehensive.
 - Ajax permits accessory units in its zoning by-law and is currently in the process of amending it to also permit ancillary units and garden suites.
 - Scugog will be amending its comprehensive zoning by-law to simplify regulations for legal secondary units.
- Envision Durham will review innovative forms of housing from other jurisdictions, including wood-framed mid-rise construction and tiny homes. Through the ITT, Durham and area municipalities continue to share information, best practices and research to encourage and support the implementation of innovative forms of affordable rental housing across the region.

LHIN–Municipal Service Manager Housing and Homelessness Framework

Since 2015, Durham has worked in partnership with the Central East Local Health Integration Network (CELHIN) and other municipalities service managers to promote collaborative strategic planning, improve co-ordination of service level planning, and align and maximize investment/funding opportunities between the sectors.



- The Township of Brock and Municipality of Clarington are in the process of amending their zoning by-laws to permit garden suites.
- Clarington has worked with the University of Waterloo to study Tiny Houses and their feasibility in the municipality.
- The Township of Scugog currently permits garden suites, secondary units and co-ownership housing.
- In partnership with Habitat for Humanity Durham (HHD), the Region has leveraged \$398,000 in provincial funding to provide down payment assistance for 24 eligible low-income homeowners at the HHD Centre Towne development in Oshawa. To date, down payment assistance has been advanced to 14 households. HHD anticipates that four more homes will be ready for occupancy in 2020, and the remaining six homes are expected to be developed in future years. Durham has also deferred Regional fees and charges (including connection fees/charges and development charges) until each unit is ready for occupancy.

Improve access to safe and secure housing that supports the needs of a diverse community

- Durham Mental Health Services (DMHS) provide on-site multidisciplinary mental health supports for seniors and at-risk tenants at several Durham Regional Local Housing Corporation (DRLHC), Durham Region Non-Profit Housing Corporation (DRNPHC), and Ajax Municipal Housing Corporation (AMHC) properties.
- The DRLHC partners with Community Care Durham (CCD) to operate on-site Assisted Living for At-Risk

Nishnawbe Homes

Nishnawbe Homes is a 17-unit building in Oshawa that provides safe affordable housing to single Indigenous women. The building has public transportation at its doorstep and various services and amenities within walking distance.

Nishnawbe Homes works closely with nearby Nijkiwendidaa Anishnaabekwewag Services Circle (NASC) that provides tenant support services, including long term counselling, crisis support and advocacy, a child witness program, and life skills.

Jacky's Place

Jacky's Place is a transitional house for youth between the ages of 16 and 24. Opened in 2016 by Durham Youth Housing and Support Services, the home houses up to five youth at a time. Residents can live at Jacky's Place for up to four years, where they learn the necessary life skills to successfully live independently.

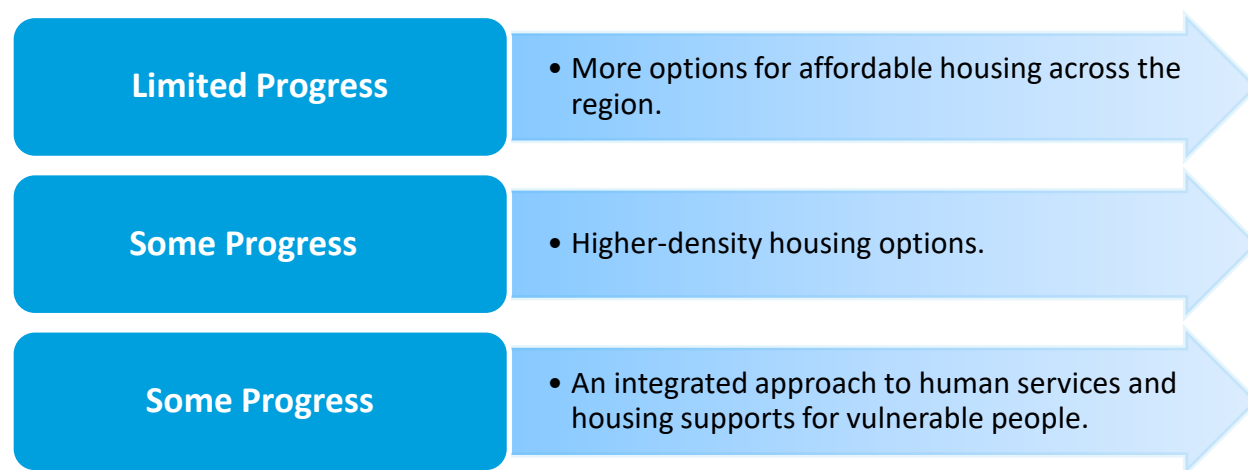


Seniors (ALS) programs at three of its buildings in Ajax, Oshawa and Whitby. The ALS program provides supports and services for DRLHC tenants and seniors living in the surrounding areas.

- The Region is committed to support local Indigenous organizations to access federal or provincial funding to create housing that meets the needs of Indigenous people living off-reserve.

All new affordable housing developed in Durham incorporates barrier-free, universal and/or flex design features in both common areas and living units.

Measuring Our Progress



Goal 4: Strong and Vibrant Neighbourhoods



The Region of Durham is committed to significant progress in the regeneration of community housing over the next five years.

People in Durham, at all income levels, want to live in strong and vibrant neighbourhoods, with access to green space and an appropriate mix of housing, schools, shopping and transit. They recognize that energy efficiency helps with housing affordability and is an important step in reducing the impacts of climate change.

Low- and moderate-income people in Durham often live in rental accommodations – in the private market and in community housing. It is essential that both the condition and affordability of the rental housing supply in Durham is preserved and enhanced. A robust supply of suitable and affordable rental housing provides security and choice for low- and moderate-income earners and ensures that Durham continues to attract the employees and businesses it needs to support its continued economic growth.

Community housing is vital to rental housing affordability in Durham and to building strong and vibrant neighbourhoods. As community housing operating agreements and mortgages come to an end, the Region is working to establish a new strategy to sustain the sector and preserve affordability for low-income tenants.

The Regionally owned Durham Regional Local Housing Corporation (DRLHC) is committed to the revitalization of its community housing portfolio, and will be developing an evidence-based strategy for managing its assets that addresses maintenance, revitalization, regeneration (redevelopment) and disposal, while ensuring that tenants are protected and local needs are addressed.



Durham continues to work with other services managers, the Ontario Municipal Social Services Association (OMSSA), the Association of Municipalities of Ontario (AMO), and the Regional Planning Commissioners of Ontario (RPCO) Affordable Housing Group to advocate for community housing renewal and sustained provincial funding to allow service managers to better meet the needs of their communities as set out in housing and homelessness plans like At Home in Durham.

Durham in Action

The Region seeks to ensure that all people in Durham have access to strong and vibrant neighbourhoods regardless of their financial circumstances. Durham continues to work with area municipalities and community and private sector partners to preserve the private rental housing stock, strengthen the community housing sector, and support an energy efficient, environmentally sustainable rental housing stock.

Preserve the private rental housing stock

- The Region continues to offer a suite of programs to support revitalization, redevelopment and intensification, including:
 - Redevelopment credits under the Development Charges (DC) By-laws
 - Development charge exemptions under the Development Charges Act, University of Ontario Institute of Technology Act and Regional DC By-laws
 - Intensification Servicing Policy
 - Regional Revitalization Program (RRP).

Regional Revitalization Program (RRP)

The Regional Revitalization Program (RRP) is an application based, partnership program between the Region and participating area municipalities. It aims to support redevelopment projects that would otherwise not be able to proceed without municipal financial assistance.

Eligible projects advance the goals of the Regional Official Plan and achieve positive economic and community objectives. This includes projects that support an affordable and diverse housing supply.

In 2019, Regional Council approved financial assistance under the RRP of \$300,000 for the development of a six-storey, purpose-built rental apartment building for seniors in the Town of Whitby. Located in central Whitby near existing residential and commercial properties, the proposed new building will provide 114 residential apartment units targeted to seniors aged 60 years and older.



- The Regional Official Plan and area municipal Official Plans protect the current rental supply from conversion to condominium when vacancy rates are below three per cent.
- Area municipalities are encouraged to develop demolition control and replacement by-laws to preserve the purpose-built rental supply, although this is not considered a significant issue at this time. A recent review of demolition permits revealed that single-detached homes are the most common type of building demolished and that no rental apartment buildings were demolished over the last decade. The Region continues to work with municipalities to monitor changes with respect to the demolition of rental properties.
- Area municipalities are encouraged to reduce parking requirements for sites that are well-served by transit, such as those within regional centres and corridors, in order to support the preservation of rental properties and encourage new development.
 - Brock Township and the City of Oshawa currently have reduced parking requirements in place.
 - The City of Pickering and the Town of Ajax currently support reduced parking requirements on a site by site basis; however, Ajax is proposing an amendment to its Zoning By-law to reduce the minimum parking requirement by 50 per cent.
 - The Municipality of Clarington and the Town of Whitby are currently reviewing parking requirements.

Lakeview Harbourside Community Housing

In early 2019, the Durham Regional Local Housing Corporation (DRLHC) worked with the Tamarack Institute to pilot an Asset Based Community Development (ABCD) project at its Lakeview Harbourside community in south Oshawa. ABCD helps create vibrant communities by engaging leaders from within the community.

DRLHC housing co-ordinators assist residents in gaining insight about their community's needs and strengths and support them as they work toward an action plan to meet their goals. The work and the solutions come from the residents themselves. This is an empowering experience for the community that increases creativity, self-esteem, and a sense of belonging. It builds social relationships, reduces isolation, and improves mental health.

Lakeview Harbourside residents are creating a strong and vibrant community that they are proud to call home.



Strengthen the community housing sector

- The Region has recently committed nearly \$5.6 million in combined Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI) funding for priority community housing renovations and repairs. Eligible community housing providers will commit to remaining affordable for 10 years as a condition of receiving forgivable loans under these initiatives.
- The Region's share of operating surpluses generated by community housing under the Housing Services Act funding model are retained in the Regional Social Housing Reserve Fund for priority capital needs. Durham is working to develop a program for the disbursement of funds from the reserve to eligible providers.
- Building Condition Assessments (BCAs) for all community housing providers and the Durham Regional Local Housing Corporation (DRLHC) were undertaken in 2015 and 2016 to assist with long-term capital planning over a 25-year horizon.

Community Housing Supports

As service manager, the Region works with community housing providers to strengthen their capacity to effectively manage their communities, and to develop long-term asset-management and financial strategies.

- Quarterly meetings of the Social Housing Advisory Group
- Biennial Operational Reviews and annual Rent-Geared-to-Income (RGI) Reviews
- Rent-Geared-to-Income (RGI) and supports
- Housing Standards
- Building Condition Assessments (BCAs)

Support an energy efficient, environmentally sustainable rental housing stock

- Since 2005, the Region of Durham has leveraged approximately \$30 million in federal and provincial funding for rehabilitation improvements at several communities housing properties, resulting in significant energy cost savings for these providers.
- The Durham Regional Local Housing Corporation (DRLHC) has implemented or is planning to implement several initiatives that yield energy savings benefits, including, but not limited to:
 - Upgrades to interior and exterior lighting to newer technologies (i.e. light-emitting diode or LED) and additional lighting controls



- Updates to HVAC systems, including replacement of make up air units, exhaust fans, and implementation of energy recovery ventilators (ERVs)
 - Boiler replacements
 - Appliance upgrades in tenant units to more energy efficient models
 - Upgrades to roofs, windows, doors and insulation.
- Between 2014 and 2019, the DRLHC has implemented measures that are estimated to have resulted in the following energy and emissions savings benefits:
 - Avoided electricity usage of almost 700,000 kWh (kilowatt-hours)
 - Avoided natural gas usage of almost 68,000 m³ (cubic metres)
 - Total emissions avoidance of more than 146,000 kg of CO₂e (kilograms of carbon dioxide-equivalent) due to energy usage reduction or avoidance.
 - The DRLHC is also planning to implement Building Automation Systems (BASs) at several of its properties to better monitor and control energy usage.

Measuring Our Progress

| | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Some Progress | <ul style="list-style-type: none"> • Revitalized communities that include affordable rental housing. |
| Limited Progress | <ul style="list-style-type: none"> • High-quality, well-maintained, financially viable social housing stock. |
| Good Progress | <ul style="list-style-type: none"> • A more energy-efficient and environmentally sustainable housing stock. |





Next Steps

The five-year review of At Home in Durham, the Durham Housing Plan 2014-2024 incorporates the annual progress report of both the Plan and the recommendations of the Affordable and Seniors' Housing Task Force into one strategic document regarding housing in Durham. The implementation of the Plan is supported by the Interdepartmental Steering Committee, with the support of the area municipality Interdisciplinary Tactical Team (ITT), Durham Advisory Committee on Homelessness (DACH) and the Social Housing Advisory Group.

Over the next five years, the Region of Durham 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.**

In 2020¹¹, the Region will be undertaking a comprehensive Master Housing Strategy to operationalize and support the goals of At Home in Durham. It will include a fulsome review of the current housing system to ensure the optimal utilization of Regional resources, aligned with local housing need. The strategy will address:

- Revitalization of the Regionally owned Durham Regional Local Housing Corporation (DRLHC) portfolio, including the development of an evidence-based strategy for managing the DRLHC portfolio that addresses maintenance, revitalization, regeneration (redevelopment) and disposal.
- A review of public surplus lands and the potential social and community benefits that these properties can provide.

¹¹ Subject to Regional budget approval.



- The provision of affordable, community, supportive and transitional housing, as well as emergency shelters and other Regional housing programs, all of which provide essential services to low-income residents.
- Other opportunities to support the delivery of affordable housing.

The Region is committed to initiating the development of 1,000 new affordable housing units during the next five years, with development completed and ready for occupancy over the following five years. At a projected cost of \$38 million annually, significant and sustained investment from the federal and provincial governments is critical to achieving this target.

The Region is also committed to ending chronic homelessness in Durham by 2024 and is actively engaged with the Canadian Alliance to End Homelessness Built for Zero campaign to realize this goal.

At Home in Durham aims 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. Over the next five years, the Region anticipates making significant progress toward:

Ending Homelessness in Durham

Affordable Rent for Everyone

Greater Housing Choice

Strong and Vibrant Neighbourhoods

Our plan is to ensure that everyone is At Home in Durham.





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The Regional Municipality of Durham Report

To: Committee of the Whole
From: The Commissioner of Finance and the Commissioner of Planning and Economic Development
Report: [#2019-COW-26](#)
Date: November 13, 2019

Subject:

Advancing Rapid Transit Implementation and Transit Oriented Development in Durham Region

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That Metrolinx be advised that Durham Region supports the extension of all day GO train service along the Lakeshore East line with a connection to the CP Rail Line, including new stations at Thornton's Corners, Central Oshawa, Courtice and Central Bowmanville;
- B) That the Province of Ontario be urged to commit the necessary funding for the timely implementation of the alignment and four new stations along the CP Rail Line;
- C) That Regional Planning staff be directed to accelerate the review and development of policies, including delineations and density targets for Major Transit Station Areas under "Envision Durham", the Region's Municipal Comprehensive Review of the Durham Regional Official Plan, in accordance with 2.2.4.5 of the Provincial Growth Plan for the Greater Golden Horseshoe, and section 16 of the Planning Act;
- D) That the Commissioner of Planning and Economic Development, the Commissioner of Works and the General Manager, Durham Region Transit be directed to establish a Rapid Transit Implementation/Transit Oriented Development Office for Durham Region and that a senior level staff position to lead the design and establishment of the Office, with administrative support, be included for consideration within the 2020 Regional Business Planning and Budgeting process;
- E) That a copy of this report be sent to: the Minister of Transportation; the Minister of Municipal Affairs; the Minister of Economic Development, Job Creation and Trade; the President and Chief Executive Officer at Metrolinx, the Metrolinx Board of

Directors; Durham Members of Provincial Parliament and Durham area municipalities.

Report:

1. Purpose

- 1.1 On June 12, 2019, Committee of the Whole considered a report (Report #2019-COW-19) from the Commissioner of Finance and the Commissioner of Planning and Economic Development regarding the proposed GO East Extension to Bowmanville, and efforts being undertaken by Metrolinx to consider alignment options for the Extension beyond that which was approved in 2011 along the CP Rail Line.
- 1.2 The report indicated that the economic development and revitalization opportunities offered by stations along the GO East Extension are fundamental to the consideration of rail alignment options, and that a comparative evaluation of Transit Oriented Development (TOD) and related economic development opportunities around future stations is needed to provide decision makers, affected landowners and the public with important information when considering alternatives.
- 1.3 The following resolution was subsequently passed by Council:
 - a. That the update on the GO East Extension to Bowmanville provided within this report be received for information;
 - b. That a Transit Oriented Development Evaluation exercise be undertaken as a sole source contract by N. Barry Lyon Consultants Limited, at a cost not to exceed \$150,000, to be financed at the discretion of the Commissioner of Finance and completed by December 31, 2019, in order to examine the potential impact of route alignments on private sector investment at proposed GO Station locations along the GO East Extension to Bowmanville;
 - c. That the Commissioner of Finance be authorized to execute the necessary agreements;
 - d. That Regional Council be apprised on the findings and recommendations that are contained in the Transit Oriented Development Evaluation upon its completion;
 - e. That Metrolinx and the Province of Ontario be requested to reaffirm their commitment to the CP alignment approved in 2011 through the Oshawa to Bowmanville Rail Service Expansion and Rail Maintenance Facility Transit Project Assessment Process Environmental Assessment; and
 - f. That a copy of this report be sent to the Minister of Transportation, the President and Chief Executive Officer at Metrolinx, Durham Members of Provincial Parliament, and Durham area municipalities.
- 1.4 The purpose of this report is to inform Committee of the findings and recommendations from N. Barry Lyons Consulting Limited (NBLC) and to provide staff's recommendations and next steps in keeping with its key findings.

2. The Importance of Transit Oriented Development

- 2.1 Higher Order Transit (such as heavy rail [GO Rail]) and Light Rail Transit (LRT) stations tend to generate greater interest for developing surrounding lands than typical surface transit stops, as they represent high capital investments, permanent commitments to service, stronger transit ridership potential, and can serve as focal points for other transit routes and modes of transportation.
- 2.2 Transit Oriented Development (TOD) provides high density, compact development close to Higher Order Transit stations, and includes an integrated mix of uses such as office, residential, retail, community uses, and other uses that support transit ridership. The benefits of TOD include:
 - a. Building on the significant place-making opportunities surrounding transit stations, where pedestrian-oriented streets, parks, squares and buildings become comfortable and desirable gathering places.
 - b. Enhancing housing choice and affordability through higher density housing types, where seniors, students and lower-income earners can benefit from access to transit as a priority mode of travel.
 - c. Providing focal points for density, where there is a reduced need to drive, and where parking requirements for new developments can be lessened so they may develop more efficiently.
 - d. Providing opportunities for strong connections to local transit service and supporting their evolution into major transit hubs.
 - e. Providing opportunities for developing focal points for bicycle and active transportation, with facilities and amenities that support these non-automobile forms of travel.
 - f. Optimizing the value of transit and infrastructure investment around transit nodes.

3. Findings

- 3.1 NBLC identified several attributes required for transit to have a positive impact on real estate:
 - a. There must be frequent, reliable and affordable transit service. For example, in the GTHA context, the TTC subway has the most significant impact on real estate given its low cost, high frequency, and consistency in service levels.
 - b. There must be strong market fundamentals, including strong population growth potential and a positive economic context, including a favourable debt and job environment.
 - c. There must be a positive market context (i.e. the type and quality of community and the associated commercial and public amenities), such as employment opportunities, retail, parks, community centres and schools will affect the marketability of an area to different market segments.
 - d. There must be positive development economics, such that the costs of development are in line with market pricing.

- e. There must be a supportive planning framework, such that official plan policies and supportive zoning requirements remove unnecessary obstacles and provide greater certainty regarding acceptable built form and densities.
 - f. Adequate infrastructure and development fees (parkland, development charges, etc.) that must not be prohibitive.
 - g. There must be available vacant or underutilized development sites.
- 3.2 Transit can improve market demand and positively impact residential, office, and retail/service uses through:
- a. Increasing the value of existing land uses.
 - b. Stimulating land use changes and captures associated market demand.
 - c. Creating market demand to support land uses that may otherwise not occur (i.e. office uses).
- 3.3 NBLC examined the alternative route options provided by Metrolinx, and to provide a comparative examination of these routes from the standpoint of TOD. NBLC's findings indicate strong support for the CP alignment north of Highway 401, with the four stations at Thornton's Corners, Central Oshawa, Courtice and Central Bowmanville as it offers the most significant land value, market, and community benefits, for the best opportunity to:
- a. Shift the Region of Durham's pattern of growth to a more transit-based community.
 - b. Capture the economic, social and health benefits associated with TOD.
 - c. Support provincial, regional, and local land use objectives including the achievement of density targets.
 - d. Establish development around stations that would be more urban, offering a more sustainable ridership and better transit experience.
 - e. Build on and leverage public investments made at Thornton's Corners and Downtown Oshawa, maximizing their benefits.
 - f. Support Downtown Oshawa with the construction of the Central Oshawa station.
 - g. Capitalize on a healthy and improving TOD market, and strong landowner interest.
 - h. Share a portion of costs through land value capture techniques.
- 3.4 The CP alignment also provides a significant opportunity to support the Region's transitioning employment base and job growth, capturing the associated local and regional spinoff benefits, and the potential to support significantly more jobs and housing than any of the other alternatives.
- 3.5 The possible stations along the CN alignment (at Ritson South and South Bowmanville Avenue (previously Waverley Road) were also examined and were found to be of particular concern for the following reasons:

- a. The south Bowmanville Avenue (formerly Waverley Road) station is physically constrained and located within an industrial context, where TOD opportunities are not possible.
- b. The Ritson South station location is constrained due to barrier effect of Highway 401, existing natural features and industrial uses.
- c. The Ritson South station location would compete for investment that would otherwise be attracted to the Oshawa Downtown or other areas already designated for growth and would undermine Oshawa's efforts to support and encourage investment in the Downtown.

3.6 It is recommended that that Metrolinx be advised that Durham Region supports the extension of all day GO train service along Lakeshore East line with a connection to the CP Rail Line, including new stations at Thornton's Corners, Central Oshawa, Courtice and Central Bowmanville. It is also recommended that the Province of Ontario be urged to commit the necessary funding for the timely implementation of the alignment and four new stations along the CP Rail Line.

3.7 NBLC recommended a path forward to put in place the necessary expertise, plans, policies and programs to ensure the successful implementation of TOD in Durham, including:

- a. Establishing leadership by creating a Regional Rapid Transit Implementation/ Transit Oriented Development Office:
 - Moving TOD forward involves a series of complex and interrelated activities. In this respect, NBLC recommends that a dedicated Office be established to oversee and co-ordinate activities to ensure alignment and focus, including:
 - (a) Providing input into the development and coordination of detailed planning and fiscal impact work around TOD for Major Transit Station Areas.
 - (b) Liaising with Metrolinx and other stakeholders on the implementation, scope and timing of detailed project plans.
 - (c) Providing input and recommendations on the timing and delivery of infrastructure projects.
 - (d) Managing the coordination of a consistent TOD centred communication strategy.
 - (e) Leading advocacy initiatives to support TOD.
 - (f) Developing partnerships with the agencies and the private sector so that development projects are consistent with the advancement of TOD principles.
 - (g) Working with Regional Finance staff to investigate and recommend land value capture techniques.
 - (h) If necessary, exploring a land acquisition strategy leading to the strategic assembly of lands around transit stations.

b. Creating Focus

- Metrolinx should discontinue review of other alternatives and approve, in-principle, the Extension along the CP alignment. The elimination of confusion regarding routing options would allow the Region, local municipalities, and Metrolinx to work co-operatively and confidently together towards this common goal.

c. Planning and Fiscal Analysis

- NBLC notes that the successful implementation of TOD requires that appropriate planning policies be in place. In this respect, more detailed planning for each station area is necessary to better understand probable densities, phasing, land uses, community benefits, open space requirements, public facilities and supportive infrastructure requirements to support development.
- Once detailed plans are developed, the costs of installing the necessary services and community facilities could then take place, to allow an assessment of the fiscal requirements and opportunities from future development, and a funding strategy to address these costs.

d. Development Strategy

- The timing and phasing of development and transit would need to be determined and ideally aligned, so that a capital strategy can be developed, and the timing of development participation can be established.
- Opportunities for the development community to contribute to the delivery costs of transit and/or supportive infrastructure through such mechanisms as property taxes, development charges; joint venture partnerships; voluntary front-ending agreements; and, public acquisition of TOD land would need to be explored.
- Funding for such an approach may differ from station to station and would likely be required from a combination of sources, strategies, and partners.

3.8 The successful planning and long-term implementation of TOD requires collaboration, mutual support, consistent focus and specialized expertise. It is necessary that in-depth expertise at the Regional level lead a multi-departmental and intergovernmental staff group to develop multi-stakeholder planning and financial strategies in order to be successful in TOD execution.

3.9 Consistent with NBLCs recommendations, a dedicated senior level staff position should lead the Office within Durham to support strategic decision-making, based on an integrated approach to future station planning, project delivery and TOD development. Detailed expertise on multiple specialties related to land use planning, policy and regulatory development, urban design supporting place-

making, real estate acquisition and negotiation, detailed expertise in project management, development charges, negotiation and multi-stakeholder facilitation is necessary. Dedicated administrative support for the Office would be needed at the outset. Staff complement within the Office could be expected to grow to six staff as projects come on stream.

- 3.10 This position would also liaise with internal departments, area municipalities, agencies and Metrolinx to help advance and coordinate detailed station plans with surrounding TODs to ensure that future development designs, project phasing, financing strategies and planning are complementary, coordinated and mutually supportive.
- 3.11 This approach is a standard best practice which exists in municipalities where other major rapid transit initiatives have been introduced such as Ottawa, Hamilton and Niagara Region.
- 3.12 In addition to providing dedicated focus for the GO East Extension, the Office could also advance other rapid transit initiatives as they arise, including the completion of Bus Rapid Transit (BRT) on Highway 2 and rapid transit on Simcoe Street.
- 3.13 **It is recommended that the Commissioner of Planning and Economic Development, the Commissioner of Works and the General Manager, Durham Region Transit be directed to establish a Rapid Transit Implementation/ Transit Oriented Development Office for Durham Region and that a senior level staff position to lead the design and establishment of the Office, with administrative support, be included for consideration within the 2020 Regional Business Planning and Budgeting process.**

4. Addressing Major Transit Station Areas within Envision Durham

- 4.1 The Region is currently undertaking “Envision Durham” - the Municipal Comprehensive Review of the Durham Regional Official Plan. Over the course of 2019, Regional staff have prepared and released a series of Discussion Papers, and policy proposals will be developed in late 2020 following the receipt of public and stakeholder input.
- 4.2 One of the subject areas being dealt is with respect to Growth Management, which deals with a broad suite of issues and requirements affecting growth that the Region must consider, including identifying and delineating and prescribing policies for Major Transit Station Areas (MTSAs).
- 4.3 The Provincial Growth Plan (A Place to Grow, 2019) provides policies for MTSAs which are defined as “the area including and around any existing or planned high order transit station within a settlement area; or the area including and around a major bus depot in an urban core. MTSAs generally are defined as the area within a 500 to 800 metre radius of a transit station, representing a 10-minute walk”.

- 4.4 In June 2019, proposed delineations of MTSAs were presented within the Growth Management Discussion Paper for Envision Durham, based on extensive consultation with area municipal planning staff. These proposed delineations recognize the significant opportunities to direct intensification and growth in a manner that maximizes the benefits of being within proximity of higher-order transit.
- 4.5 Section 3.2.3 (“Moving People”) of the Provincial Growth Plan indicates that:
1. Public transit will be the first priority for transportation infrastructure planning and major transportation investments.
 2. All decisions on transit planning and investment will be made according to the following criteria:
 - a. How they align with, and support, the priorities identified in Schedule 5 (Moving People – Transit) of the Plan.
 - b. Prioritizing areas with existing or planned higher residential or employment densities to optimize return on investment and the efficiency and viability of existing and planned transit service levels.
 - c. Increasing the capacity of existing transit systems to support strategic growth areas.
 - d. Expanding transit service to areas that have achieved, or will be planned to achieve, transit- supportive densities and provide a mix of residential, office, institutional, and commercial development, wherever possible.
 - e. Facilitating improved linkages between and within municipalities from nearby neighbourhoods to urban growth centres, MTSAs, and other strategic growth areas.
 - f. Increasing the modal share of transit.
 - g. Contributing towards the provincial greenhouse gas emissions reduction targets.
- 4.6 The Provincial Growth Plan requires that MTSAs on priority transit corridors be planned for a minimum density target of 150 residents and jobs combined per hectare for those that are served by the GO Transit rail network.
- 4.7 The Provincial Growth Plan indicates that within all MTSAs, development will be supported, where appropriate, by:
- a. Planning for a diverse mix of uses, including second units and affordable housing, to support existing and planned transit service levels.
 - b. Fostering collaboration between public and private sectors, such as joint development projects.
 - c. Providing alternative development standards, such as reduced parking standards.
 - d. Prohibiting land uses and built form that would adversely affect the achievement of transit- supportive densities.

- 4.8 The Provincial Growth Plan also indicates that all MTSAs will be planned and designed to be transit- supportive and to achieve multimodal access to stations and connections to nearby major trip generators by providing, where appropriate:
- Connections to local and regional transit services to support transit service integration.
 - Infrastructure to support active transportation, including sidewalks, bicycle lanes, and secure bicycle parking.
 - Commuter pick-up/drop-off areas.
- 4.9 Although there are general policies within the current Durham Regional Official Plan which enable transit supportive development, there are no specific policies which prescribe minimum densities, a mix of uses, or TOD within MTSAs as prescribed by the Provincial Growth Plan.
- 4.10 The Provincial Growth Plan indicates that upper-tier municipalities may delineate the boundaries of MTSAs and identify minimum density targets for MTSAs in advance of the next municipal comprehensive review¹, provided it is done in accordance with subsection 16 (16) of the Planning Act.
- 4.11 Subsection 16 (16) of the Planning Act indicates that the official plan of an upper-tier municipality may include policies that identify the area surrounding and including an existing or planned higher order transit station or stop as a protected MTSA and that delineate the area's boundaries, and if the official plan includes such policies it must also contain policies that,
- identify the minimum number of residents and jobs, collectively, per hectare that are planned to be accommodated within the area; and
 - require official plans of the relevant lower-tier municipality or municipalities to include policies that,
 - identify the authorized uses of land in the area and of buildings or structures on lands in the area; and
 - identify the minimum densities that are authorized with respect to buildings and structures on lands in the area.
- 4.12 Bill 108 amended the Planning Act by allowing inclusionary zoning policies within official plans to apply to protected MTSAs. There is an opportunity to establish inclusionary zoning policies within MTSAs to further support the delivery of affordable housing within these areas.
- 4.13 There is an opportunity to proactively plan for TOD and develop a strategic approach which coordinates proactive land use and fiscal planning with infrastructure planning and place-making. **It is recommended that Regional**

¹ The "next municipal comprehensive review" refers to the date of adoption of the current MCR by Regional Council.

Planning staff be directed to accelerate the review and development of policies, including delineations and density targets for Major Transit Station Areas under “Envision Durham”, the Region’s Municipal Comprehensive Review of the Durham Regional Official Plan, in accordance with 2.2.4.5 of the A Place to Grow, 2019, and section 16 of the Planning Act.

5. Conclusion

- 5.1 Based on NBLCs additional work and analysis, it is recommended that Durham Region continue to support the extension of all day GO train service along Lakeshore East line with a connection to the CP Rail Line, including new stations at Thornton’s Corners, Central Oshawa, Courtice and Central Bowmanville.
- 5.2 There is a strategic opportunity to advance detailed land use and fiscal planning to enable TOD development within Major Transit Station Areas in Durham Region.
- 5.3 A Durham Region Rapid Transit Implementation/Transit Oriented Development Office with dedicated and specialized staff leadership would advance this objective.
- 5.4 **It is recommended that this report be sent to: the Minister of Transportation; the Minister of Municipal Affairs; the Minister of Economic Development, Job Creation and Trade; the President and Chief Executive Officer at Metrolinx, the Metrolinx Board of Directors; Durham Members of Provincial Parliament and Durham area municipalities.**

Respectfully submitted,

Original signed by

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

Original signed by

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer



The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Works and Commissioner of Finance
Report: [#2019-COW-27](#)
Date: November 13, 2019

Subject:

Award of Request for Proposal #1087-2019 for Consulting Services for Modernization, Optimization and Master Accommodation Planning Research at Regional Headquarters, in the Town of Whitby

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That Request for Proposal #1087-2019 be awarded to DIALOG to provide professional services to undertake space needs analysis and master accommodation planning research for all departments within Regional Headquarters and to provide full architectural and engineering services for the modernization and optimization of Regional Headquarters, in the Town of Whitby, at a total upset limit not to exceed \$2,819,218*;
- B) That 2020 pre-budget approval for the space needs analysis, master accommodation planning research and architectural and engineering services in the amount of \$2,505,709 be granted, to be financed from the Capital Project Reserve (\$2,087,255), the Sewer Rate Stabilization Reserve Fund (\$209,227) and the Water Rate Stabilization Reserve Fund (\$209,227), bringing the total funding approved for the Regional Headquarters Optimization project to \$2,955,709; and
- C) That the Commissioner of Finance be authorized to execute the professional services agreement.

Report:**1. Purpose**

- 1.1 The purpose of this report is to provide details and seek authorization to award Request for Proposal (RFP) #1087-2019 to DIALOG to provide professional services to undertake space needs analysis and master accommodation planning research for all departments within Regional Headquarters and to provide full architectural and engineering services for the modernization and optimization of Regional Headquarters, in the Town of Whitby.
- 1.2 This report also seeks pre-budget approval in the amount of \$2,505,709, to be financed from the Capital Project Reserve (\$2,087,255), the Sewer Rate Stabilization Reserve Fund (\$209,227) and the Water Rate Stabilization Reserve Fund (\$209, 227), for the professional services to undertake space needs analysis, master accommodation planning research, architectural and engineering services for the Regional Headquarters Optimization project.
- 1.3 Dollar amounts followed by an asterisk (*) include disbursements and are before applicable taxes.

2. Background

- 2.1 Over the past 10 years it has become increasingly difficult to accommodate the required workforce at Regional Headquarters due to existing space use principles and workspace standards. Many organizations and governments are moving towards optimization and modernization of their existing space to extend the life of their assets and promote the health and well-being of the occupants.
- 2.2 Works Department staff provided a presentation to the Works Committee on June 5, 2019, providing an overview of the business case to optimize and modernize workspace at Regional Headquarters. The presentation highlighted how workspace is allocated utilizing the existing workspace standard, space pressures at Regional Headquarters and expansion scenarios with cost estimates. The presentation showcased recent workspace optimization and modernization pilot projects which utilized new workspace standards and principles, feedback from staff and management, and lessons learned for larger scale implementation.

- 2.3 Based on the analysis, expansion of Regional Headquarters can be deferred for several years through optimization and modernization of existing workspace.

3. Assignment for Professional Services

- 3.1 RFP #1087-2019, to provide professional services to undertake space needs analysis and master accommodation planning research for all departments within Regional Headquarters and to provide full architectural and engineering services for the modernization and optimization of Regional Headquarters, in the Town of Whitby, was issued and advertised publicly on July 26, 2019, through the Regional Municipality of Durham's (Region) website. The RFP included, but was not limited to, the scope of work, description of the services to be provided, submission instructions and evaluation criteria that would be applied during the evaluation of proposals submitted.

- 3.2 At a high level the RFP includes the following deliverables:

- Space needs analysis (current, near-term, long-term);
- Review of existing mechanical, electrical, fire protection, audio/visual, etc. to determine adequacy for current, near-term and long-term occupancy levels;
- Acoustics and lighting review;
- Service adjacencies and public-facing service delivery elements;
- Detailed layouts and design considering workspace standards and principles previously approved by the Department Head team, reflecting agile, interactive, flexible and technology-enabled workspaces;
- Modernization of space and amenities to consider societal changes (i.e. gender-neutral spaces, community rooms, cultural event space, etc.);
- Recommendations for energy efficiency measures throughout the building;
- Change Management leadership including the development and implementation of a change management strategy;
- Disposal strategy for obsolete furniture, panel systems, etc.; and
- Ergonomist resources, working with Regional Health and Safety staff to provide recommendations for workspace design, and to incorporate individual space accommodation needs and standards into the design.

3.3 The RFP closed on September 12, 2019. The RFP resulted in the submission of six compliant proposals from the following firms:

- Bennett Design Associates Inc.
- DIALOG
- G. Bruce Stratton Architects
- Mayhew Inc.
- NORR Limited
- X-Design Inc.

3.4 Evaluation of the proposals received was carried out by the project evaluation committee made up of Works Department staff. The Region's Purchasing Section of the Finance Department oversaw the evaluation process.

3.5 The proposals were evaluated in a two-stage approach. A threshold of a minimum of 70% was required prior to the inclusion of pricing in the first stage of the evaluation and in order to proceed to the second stage. The second stage was also evaluated against the following rated criteria.

a. First Stage Evaluation:

- Understanding of Project Requirements (15 points);
- Company Background, Qualifications and Experience (16 points);
- Work Team Background, Qualifications and Experience (25 points);
- Methodology / Project Management (24 points);
- Financial Pricing (20 points);

b. Second Stage Evaluation:

- Presentation (25 points);
- References (Pass/Fail).

3.6 Based on an overall technical and financial evaluation of the proposals by the evaluation committee, it is recommended that the highest scoring proponent, DIALOG be awarded the professional services assignment for modernization and optimization of Regional Headquarters at an upset limit not to exceed \$2,819,218*.

4. Financial Implications

4.1 Section 9.4.1 of the Region's Purchasing By-Law 68-2000 (Amended) requires where the project or annual value of consulting or professional service assignment

is expected to be more than \$60,000, the approval of Regional Council is required for the award of the assignment when proposals are obtained.

- 4.2 Pre-budget approval in the amount of \$2,505,709, to be financed from the Capital Project Reserve (\$2,087,255), the Sewer Rate Stabilization Reserve Fund (\$209,227), and the Water Rate Stabilization Reserve Fund (\$209,227) is requested. The revised interim project budget for the optimization project will be increased from \$450,000 approved in the 2019 budget to \$2,955,709.
- 4.3 The overall forecasted project budget for the optimization and modernization of Regional Headquarters is as follows with funding for the future project elements to be included in the annual Regional Business Planning and Budget submissions for Council's consideration:

| Project Element | Forecasted Year | Estimate |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------|
| Preparatory Work 5 th Floor, 4 th Floor (Utilization Study, Commencement of Needs Analysis) (Project G1901) | 2019 | \$450,000 |
| Pre-Budget Approval to Award Consultant RFP #1087-2019 for Full Project Scope | 2020 | \$2,505,709 |
| Implementation of 5 th Floor, 4 th Floor, Legal/POA, Staging Area | 2020 | \$6,974,291 |
| Implementation of Reminder of Building | 2021-2023 | \$7,970,000 |
| Total Estimated Project Cost | | \$17,900,000 |

5. Conclusion

- 5.1 It is recommended that Request for Proposal #1087-2019 be awarded to DIALOG to provide full architectural and engineering services for the modernization and optimization of Regional Headquarters, in the Town of Whitby, at an upset limit not to exceed \$2,819,218*.

- 5.2 It is further recommended that 2020 pre-budget approval in the amount of \$2,505,709, to be financed from the Capital Project Reserve (\$2,087,255), the Sewer Rate Stabilization Reserve Fund (\$209,227), and the Water Rate Stabilization Reserve Fund (\$209,227) be approved, increasing the interim project budget to \$2,955,709.
- 5.3 For additional information, contact: Dave Nagy, Manager, Facility Design, Construction and Asset Management, at 905-668-7711, extension 2202.

Respectfully submitted,

Original signed by

Susan Siopis, P.Eng.
Commissioner of Works

Original signed by

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original signed by

Elaine Baxter-Trahair
Chief Administrative Officer



The Regional Municipality of Durham Report

To: The Committee of the Whole
From: Commissioner of Finance and Commissioner of Works
Report: [#2019-COW-28](#)
Date: November 13, 2019

Subject:

2020 Transportation Strategic Issues and Financial Forecast

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That the 2020 Transportation Strategic Issues and Financial Forecast Overview be received and forwarded to the 2020 Business Planning and Budget deliberations including the practice of using the existing special reserves for growth related and rehabilitation projects, and use of Federal Gas Tax Funding, based on asset management best practices to address the needs of Regional transportation infrastructure.
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Report

1. Introduction

The Region has made a commitment in its Strategic Plan to balanced growth and sustainable communities. For this commitment to be realized, a transportation system that integrates roads, traffic control, an elevated role for transit, and cycling infrastructure is integral.

2. Proposed 2020 Roads Capital Program

The proposed 2020 Roads Capital program is \$84.7 million, which represents a decrease of \$9.8 million or 10.4 per cent from 2019 (\$94.5 million), due to reduced available development charge revenue and anticipated commitments to fund 2020 Regional costs of road-related ICIP projects. The capital program continues the commitment of Regional Council through the Region's Strategic Plan to improve the integration of the transportation network.

To support growth, the proposed program includes \$30.1 million for road expansion projects, including funding for road construction projects that are anticipated to be ready for tendering in 2020 and preparatory work (i.e. Environmental Assessment, design, land acquisition, and utility relocations), and another \$5.6 million towards traffic control and supporting road infrastructure.

The proposed program includes funding for asset management of \$38.7 million for road rehabilitation projects that are anticipated to be ready for tendering in 2020 and for preparatory activities (design, land acquisition, and utility relocations). This represents an increase of \$2.8 million from the approved 2019 road rehabilitation funding level (\$35.9 million). In addition, the proposed program includes a funding of \$6.04 million for structures rehabilitation and replacement work.

3. 2021-2029 Roads Capital Forecast Program

The total transportation capital expenditures over the 2021-2029 forecast period are estimated at \$1.24 billion. Based on an asset management approach, this level of investment has been identified to address the various structure rehabilitation and replacement needs, road rehabilitation needs, and road expansion projects deemed necessary to accommodate current needs and future growth requirements.

In addition, there are key transportation initiatives that will require a continued integrated and coordinated transportation approach over the forecast period (2021-2029) that will pose a financing challenge.

Each year during the development of the annual Roads Capital Program and Forecast, growth-related road expansion projects are prioritized and subsequently scheduled using key considerations including the Durham Transportation Master Plan (2017) and the 2018 Development Change By-law and Study. It should be noted the additional lane kilometers will result in cost pressures for operations, maintenance, rehabilitations and staffing requirements.

Preliminary pavement management modelling indicates that annual investments in the \$35 to \$38 million range is needed for road rehabilitation and reconstruction to stabilize and marginally increase the current average pavement condition of the Region's road network Pavement Condition Index (PCI) of 54. Road rehabilitation funding of \$45 million annually would be required to bring the network PCI to a service level target of 65 within 5 years.

Through the Region's annual Asset Management, Financial Planning and Business Planning and Budget process, Regional staff will prioritize and refine future annual structure needs over the forecast.

4. Elevating the Role of Transit

The Region acknowledges the role and importance of enhanced transit services in achieving and maintaining a sustainable transportation system.

Provincial Quick Win Program

Through the Provincial Quick Win program, the Region has advanced curbside Bus Rapid Transit along Highway 2 through priority segments in the City of Pickering and the Town of Ajax. Construction of the Quick Win projects is substantially complete. In total, the Quick Win program (approximately \$105 million with \$82.3 million in provincial funding and over \$22 million in Regional funding) provided for additions and improvements to the Westney and Raleigh Transit Facilities, enhanced passenger amenities, intelligent transportation systems, transit signal priority, new Bus Rapid

Transit (BRT) bus purchases, and road widenings along Highway 2 at the six key intersection locations across Whites Road, Liverpool Road, Brock Road, Westney Road, Harwood Avenue, and Salem Road. In total, approximately 4 km of bus only lanes along Highway 2 in Pickering and Ajax were constructed through the Quick Win Program. DRT 900 PULSE BRT service has been operating since 2013. The Quick Win funded environmental assessment addressed approximately 10 km along Highway 2 and will enable additional future road widening projects to proceed directly to construction when funding becomes available.

Metrolinx Bus Rapid Transit Planning

In August 2016, the Ontario Government committed \$10 million to Metrolinx to work with Durham Region and the City of Toronto to advance planning, design, and engineering work for the Durham-Scarborough Highway 2 BRT vision. Metrolinx established a steering group of Durham Region and City of Toronto staff and retained a consultant to undertake the work. The initial business case analysis portion of the work was completed in 2018, and the Environmental Assessment using the Transit Project Assessment Process (TPAP) is anticipated to be completed in 2021.

Federal Public Transit Infrastructure Fund (PTIF)

On March 31, 2017, the federal government announced that Durham Region's application to receive \$17.5 million in Federal Government funding through the Public Transit Infrastructure Program (PTIF) was approved to cover 50 per cent of eligible transit and active transportation project costs. The projects that have been funded by PTIF include vehicle purchases, equipment, facility upgrades and \$12.4 million in road related projects, which are anticipated to be completed by the March 2020 PTIF spending deadline.

Investing in Canada Infrastructure Program, Transit Stream (Phase 2 of PTIF)

On July 22, 2019 the application window for the Public Transit Stream of the Investing in Canada Infrastructure Program (ICIP) opened for Greater Toronto and Hamilton Area municipalities.

The Public Transit stream of ICIP will fund construction, expansion and improvement of public transit networks, with approximately \$8.3 billion in federal funding to be allocated across municipalities and Metrolinx. Under the terms of the agreement, eligible project costs will be cost shared at a rate of 40 percent federal, 33 percent provincial and 27 percent municipal. Ineligible project costs include land acquisition and project delivery costs for work normally carried out by municipal staff.

Under ICIP, Durham Region is eligible for up to \$174 million in federal and provincial funding for transit projects that achieve substantial completion by March 2027. This includes approximately \$95.4 million in federal funding and \$78.7 million in provincial funding. The Region's funding commitment is \$64.4 million (in addition to any ineligible costs) over the next seven years, which will leverage a total investment of more than \$238 million in transit in Durham over this period.

Project funding applications were submitted by the October 24, 2019 deadline. Consistent with a previous report to Transit Executive Committee in April 2018 when ICIP was first announced, DRT finalized funding applications for three signature projects including:

- 1) Construction of median rapid transit lanes along Highway 2 in Pickering;
- 2) Continued construction of curbside rapid transit lanes and transit priority measures on Highway 2 in Ajax, Whitby and Oshawa; and
- 3) Introduction of a rapid transit corridor on Simcoe Street in Oshawa with the introduction of PULSE buses and shelters, traffic signal upgrades and initiation of an environmental assessment for future higher order transit solutions.

Together these projects are expected to account for approximately \$135 million of the \$174 million in available federal and provincial funding. A report on the full list of project applications was submitted to the Transit Executive Committee on November 6, 2019.

5. GO Transit Lakeshore East Rail Extension from Oshawa to Bowmanville

The Regional Roads Capital Forecast Program continues to align with the planned GO Transit East extension infrastructure, as per the alignment in the approved Environmental Assessment (EA).

In May 2019, Metrolinx announced that as part of its business case work, it was reviewing four alignment options for the GO Lakeshore East Extension. Option 1 reflects the approved EA for the project, while the other options use part of the CN Rail corridor to Bowmanville, south of Highway 401. Following the announcement, Regional Council and the affected area municipalities all endorsed Option 1 for the following benefits:

- Enables communities to advance provincial goals of land use intensification and long-range transit integration;
- Provides the best opportunity to realize investment from private sector development;
- Best aids the area municipalities in community improvement and the revitalization of downtowns; and
- Offers the best ability for residents to use transit, cycle or walk between their homes and future GO stations.

A report on the status of advancing Transit Oriented Development along the Lakeshore East GO line in Durham is on the November 13, 2019 Committee of the Whole agenda. The GO Lakeshore East Extension (based on Option 1) will require modification or replacement of several bridges on Regional roads and planned Regional road expansion projects will require coordination with the Metrolinx work to facilitate access to the new stations. Metrolinx will confirm the bridge requirements and study the traffic impacts of the new stations as they proceed with the EA addendum and detailed design for their project. As more information becomes available, adjustments to the Roads Capital Program and nine-year forecast will be considered as needed to coordinate the Regional roads projects with the Metrolinx works and to address any additional Regional road needs that may be identified.

6. Proposed Rapid Transit Implementation/Transit Oriented Development Office

The ICIP projects and the projects associated with the GO Lakeshore East Extension will require the establishment of a Rapid Transit Implementation/Transit Oriented Development Office to ensure dedicated resources necessary to achieve timely delivery. The proposed Office will include the skills sets necessary to deliver the ICIP projects and promote Transit Oriented Development in support of the GO Transit Lakeshore East Rail Extension as well as future rapid transit related initiatives. Further details regarding the resource requirements and timeframes will be provided subsequent to the Federal and Provincial approval of the specific ICIP applications with a senior level staff position to lead the Office to be included for consideration in the 2020 Regional Business Plans and Budgets.

7. Cycling

The Region acknowledges the need to advance the road infrastructure for active transportation, including cycling, as part of a sustainable transportation system.

The Ontario Municipal Commuter Cycling (OMCC) Program

The OMCC Program was announced in spring 2017 as a four-year provincial funding program to invest in commuter-based cycling infrastructure using revenues from Ontario's carbon tax cap and trade program.

Following the Provincial election of 2018, the Provincial cap and trade program was cancelled. In July 2018, the Region was notified that no further funding will be issued under the OMCC Program. Funds that had been received (i.e., \$2.2 million) can still be used, but no additional funding will be provided (Report #2018-INFO-126).

The Region's Planning and Economic Development Department is leading the OMCC program for the Region.

Regional staff continue to work internally, and with area municipal staff, to implement OMCC Program projects which must be completed by December 2020.

Regional Cycling Plan Update

The first Durham Regional Cycling Plan (RCP) was established in October 2008. In 2012, the RCP was updated to focus on the development of a region-wide cycling network; and an implementation strategy, based on network phasing, costs, funding, and principles for reducing the Region's exposure to risks and liabilities. The 2012 RCP also outlined education, promotion and enforcement practices necessary for building a well informed and safe cycling community.

The Region is currently undertaking an update to the 2012 RCP to ensure consistency with the objectives of the new Durham Transportation Master Plan (TMP) 2017. The TMP (Direction 3 - Make walking and cycling more practical and attractive and Direction 5 – Promoting more sustainable travel choices) makes several recommendations that support greater cycling and pedestrian mobility throughout the Region. Consistent with the TMP, this RCP Update will build upon sustainable transportation approaches to guide Regional decision-making on the location, timing and implementation of cycling infrastructure and will contain policies and programs to further promote cycling as a viable means of travel in Durham.

8. Durham Vision Zero

Durham Vision Zero (DVZ) was endorsed by Regional Council on April 24, 2019 and officially launched on May 29, 2019. Following the Region's Strategic Road Safety Action Plan (SRSAP), DVZ is working collaboratively with road safety partners to achieve the long-term Vision of Zero deaths and injuries on Regional and local municipal roads, with a short term (2019-23) goal of a minimum of 10% reduction in fatal and injury collisions.

To achieve this goal, a wide range of countermeasures as outlined in the SRSAP will be implemented regionwide to target various locations and emphasis areas including aggressive driving, vulnerable road users, intersections, distracted driving, impaired driving, etc. Three focus groups including the DVZ Task Force, the Implementation Committee and the Safety Stakeholder Ambassador Group will guide, manage, deliver, advocate, evaluate and report on DVZ. A new Vision Zero reserve fund has been proposed, through Report #2019-F-33, to provide an initial \$5 million to support projects that meet Regional Council DVZ goals.

Red light camera implementation has been selected as a priority safety countermeasure for 2020 to mitigate collisions at intersections. Report (2019-W-65) seeking authority to proceed with Red Light Camera technology at up to 12 signalized intersections was approved by Region Council in September 2019.

Automated Speed Enforcement (ASE) has been identified as another priority safety countermeasure for 2020 to address aggressive driving in Community Safety Zones and School Zones. Provincial legislation (Safer School Zones Act) passed in 2017, with regulations currently being finalized, will allow ASE implementation in 2020 on approximately 25 Regional road sites in Durham. Report (2019-W-66) seeking authority to proceed with a pilot for two mobile ASE units for recommended implementation was approved by Region Council in September 2019.

9. Asset Management

The 2019 Asset Management Plan (Report #2019-COW-16) identified that 14.3 per cent of the transportation network is rated as very poor, representing a replacement value of \$513 million (2018). The transportation network includes roads, bridges, culverts, storm sewer systems and traffic control.

The overall Pavement Condition Index (PCI) for the entire road network in 2018 was 54, which is below the 2017 measurement of 58, based on a scale of 1 to 100 (1 being very poor and 100 being very good). The network average PCI service level target the Region currently strives to achieve is 65. Regional road rehabilitation continues to be a priority and the proposed 2020 Roads Capital Program provides \$38.7 million for road rehabilitation work. The approved 2019 road rehabilitation funding level (\$35.9 million) was an increase of \$2.7 million over 2018 (\$33.2 million) and a total increase of \$12.4 million from 2017 levels (\$23.5 million).

For the condition of the structures (bridges and structural culverts), a Bridge Condition Index (BCI) is calculated for each structure as an alternative approach to condition ratings as part of best business practice. The Region aims to have a network weighted average BCI of 70 for bridges and structural culverts. For 2018, the Region had a

weighted average BCI of 74.7 for bridges and 72.1 for structural culverts. The Region aims to have 85 per cent of the total structures (bridges and structural culverts) rated as Good to Very Good. For 2018, 85.1 per cent of structures were rated Good to Very Good.

10. Climate Change Considerations

The Region aims to proactively invest in preventative maintenance and rehabilitation activities when most beneficial to maximize asset life and reduce risk, including mitigating potential impacts from climate change. Several programs, improvements, capacity expansions, studies and infrastructure initiatives have significantly enhanced the Region's resiliency and capacity to adapt to the changing climate. Examples of climate change adaptation initiatives include:

- Continuation of the Uninterrupted Power Supply (UPS) Installation Program;
- Paved shoulders for rural road construction projects where feasible (as recommended in the Transportation Master Plan); and
- Use of recycled asphalt grindings and use of liquid asphalt to control erosion of road shoulders.

The Region continues to adhere to the principles set out in the Durham Community Climate Adaptation Plan 2016 "Towards Resilience" (DCCAP). The DCCAP identified climate related risks and suggested the implementation of mitigation programs/strategies for consideration, including for transportation networks (local and Regional). The current areas of focus include the following:

- Monitoring and assessing the impacts of climate change on the performance of asphalt/concrete products;
- Considering enhanced erosion control (roads, shoulders, structures) within the Region's current design review;
- Reviewing best practice and available adaptation measures to improve the future resilience of critical transportation assets against extreme storm events projected 2040 to 2050;
- Consulting with Conservation Authorities and undertaking vulnerability assessments of Regional storm structures for resiliency to extreme storm events projected 2040 to 2050; and,
- Monitoring impacts from increased storm intensity on capacity and integrity to ensure adaptive structures (culverts, bridges and storm sewers).

11. Road Rationalization

Report #2018-INFO-138 provided an update in September 2018 to Regional Council on meetings/exchanges and summary of staff level views regarding the proposed short-term transfers. Discussions have since advanced with the Town of Whitby. Whitby

Committee of the Whole approved report PW 29-19 on October 21, 2019 with the following recommendation on their October 28, 2019 Regular Council Meeting Agenda:

1. *That the Clerk circulate Report PW 29-19 to the Region of Durham;*
2. *That the Town formalize an agreement with the Region of Durham regarding road rationalization/transfer of the following road segments effective May 1, 2020:*
 - a. *Rossland Road between Lake Ridge Road and Cochrane Street;*
 - b. *Cochrane Street between Dundas Street and Rossland Road excluding the limits of the rail bridge; and,*
 - c. *Henry Street between Victoria Street and Dundas Street.*
3. *That staff be authorized to continue discussions with respect to road rationalization/transfer of additional road segments.*

Staff continue to engage with other Local Area Municipality staff, and will report back on progress towards reaching consensus, potential near-term transfers and phased approaches to future transfers.

12. Maintenance Operations

The Maintenance Operations Division is responsible for year-round road maintenance including winter maintenance as well as other Regional road infrastructure.

To sustain and deliver maintenance operations services, there is a need to maintain and renew equipment at Regional facilities, as well as invest in improvements and expansions of the Depots to accommodate current and future needs with respect to emergency backup power generation; vehicle hoist replacements; salt storage facilities; secure vehicle storage; perimeter fencing; CCTV surveillance for depot security and telecommunications upgrades.

A Request for Proposals (RFP) was awarded in May 2019 to retain a consultant to undertake a rationalization study for depot locations and functionality. Along with the report, the consultant will provide facility master plans for the Ajax-Pickering, Oshawa-Whitby and Sunderland Depots. The findings of this study will form the basis for forecasting operational and facility needs which will be incorporated into an overall Master Accommodation Plan for the Region.

Depot operational and equipment needs will be prioritized and refined within the 2020 General Tax Budget and Business Planning process.

13. Financing

The financing strategy for the proposed 2020 Roads Capital Program (\$84.6 million) and 2021-2029 forecast (\$1.24 billion) is shown in the following table. Relative to 2019, 2020 financing reflects reduced available residential development charge revenue and the anticipated commitments to finance the 2020 Regional costs of ICIP projects. As Federal and Provincial approval of ICIP projects is still pending, approximately \$202 million in anticipated road-related rapid transit expansion costs, over 2020 to 2025, are not included in Table 1.

Table 1: Preliminary Capital Financing (\$ 000's)

| | APPROVED | PROPOSED | FORECAST | | | | | Subtotal | Total |
|----------------------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025-2029 | 2021-2029 | 2020-2029 |
| CAPITAL COSTS | | | | | | | | | |
| Growth Related | | | | | | | | | |
| Road Construction | 42,050 | 30,070 | 36,020 | 75,550 | 59,000 | 57,850 | 416,300 | 644,720 | 674,790 |
| Traffic Control and Other | 5,720 | 5,610 | 5,315 | 5,455 | 5,335 | 5,525 | 20,855 | 42,485 | 48,095 |
| Subtotal Growth Related Capital | 47,770 | 35,680 | 41,335 | 81,005 | 64,335 | 63,375 | 437,155 | 687,205 | 722,885 |
| Non Growth Related Capital | | | | | | | | | |
| Road Rehabilitation | 35,930 | 38,665 | 45,000 | 45,000 | 45,000 | 45,000 | 225,000 | 405,000 | 443,665 |
| Structure Replacement/Rehabilitation | 7,585 | 6,035 | 14,660 | 14,760 | 15,565 | 13,260 | 49,750 | 107,995 | 114,030 |
| Road Safety Program | 700 | 800 | 900 | 900 | 900 | 1,000 | 4,500 | 8,200 | 9,000 |
| Other Traffic Control and Other | 2,520 | 3,480 | 3,255 | 3,170 | 3,190 | 3,220 | 16,605 | 29,440 | 32,920 |
| Subtotal Non Growth Related Capital | 46,735 | 48,980 | 63,815 | 63,830 | 64,655 | 62,480 | 295,855 | 550,635 | 599,615 |
| TOTAL CAPITAL EXPENDITURE | 94,505 | 84,660 | 105,150 | 144,835 | 128,990 | 125,855 | 733,010 | 1,237,840 | 1,322,500 |
| FINANCING | | | | | | | | | |
| Growth Related Capital Financing | | | | | | | | | |
| Development Charges | 35,080 | 25,793 | 27,437 | 50,290 | 46,012 | 46,057 | 299,176 | 468,972 | 494,765 |
| Regional Roads Levy | 12,600 | 9,792 | 8,790 | 12,490 | 10,165 | 10,490 | 63,000 | 104,935 | 114,727 |
| Regional Roads Levy Reserve | 0 | 0 | 5,013 | 18,130 | 4,657 | 0 | 0 | 27,800 | 27,800 |
| General Levy | 90 | 95 | 95 | 95 | 95 | 95 | 475 | 855 | 950 |
| Additional Financing Required | 0 | 0 | 0 | 0 | 3,406 | 6,732 | 74,504 | 84,643 | 84,643 |
| Subtotal Growth Related Financing | 47,770 | 35,680 | 41,335 | 81,005 | 64,335 | 63,375 | 437,155 | 687,205 | 722,885 |
| Non Growth Related Capital Financing | | | | | | | | | |
| Roads Rehabilitation Levy | 26,050 | 26,050 | 26,050 | 26,050 | 26,050 | 26,050 | 130,250 | 234,450 | 260,500 |
| Roads Rehabilitation Levy Reserve Fund | 0 | 1,200 | 2,135 | 3,365 | 0 | 0 | 0 | 5,500 | 6,700 |
| Bridge Rehabilitation Levy | 5,525 | 5,525 | 5,525 | 5,525 | 5,525 | 5,525 | 27,625 | 49,725 | 55,250 |
| Bridge Rehabilitation Levy Reserve Fund | 0 | 0 | 4,500 | 0 | 0 | 0 | 0 | 4,500 | 4,500 |
| Recoveries from Others | 1,550 | 0 | 0 | 0 | 2,000 | 0 | 1,100 | 3,100 | 3,100 |
| Federal Gas Tax | 7,500 | 10,100 | 19,500 | 19,500 | 19,500 | 19,500 | 97,500 | 175,500 | 185,600 |
| General Levy | 6,110 | 6,105 | 6,105 | 6,105 | 6,105 | 6,105 | 30,525 | 54,945 | 61,050 |
| Additional Financing Required | 0 | 0 | 0 | 3,285 | 5,475 | 5,300 | 8,855 | 22,915 | 22,915 |
| Subtotal Non Growth Related Financing | 46,735 | 48,980 | 63,815 | 63,830 | 64,655 | 62,480 | 295,855 | 550,635 | 599,615 |
| TOTAL CAPITAL FINANCING PROGRAM | 94,505 | 84,660 | 105,150 | 144,835 | 128,990 | 125,855 | 733,010 | 1,237,840 | 1,322,500 |

Note: Totals may not add due to rounding. Totals do not include approximately \$202 million of additional road work which has been submitted under ICIP and will be recommended to Council subject to Federal and Provincial approval of applications.

The financing for the eligible and ineligible ICIP project costs will be submitted in the 2020 Regional budget. Under preliminary financing plans, approximately \$46 million in financing that would typically be allocated to the growth-related transportation program is proposed to be leveraged for the Region's share of rapid transit projects over the 2020-2025 timeframe, including approximately \$7.6 million in 2020 (\$5.9 million in development charge revenue and \$1.7 million in Regional Road Levy financing).

The proposed transportation financing plan in Table 1 includes Federal Gas Tax funding of \$10.1 million for road rehabilitation in 2020, increasing to \$19.5 million in 2021 to address broader transportation infrastructure needs. Future use of Federal Gas Tax funds will continue to be reviewed on an annual basis.

Future Federal Gas Tax allocations for transportation infrastructure are proposed to bring the regional average pavement condition index towards its service level target, ensure that structure rehabilitation and replacement needs are fully financed, and to advance improvements in the transportation network to accommodate various users and facilitate goods movement subject to annual budget approvals.

The draft 2020 financing strategy includes a \$1.2 million draw-down on the Road Rehabilitation Levy Reserve Fund to advance road rehabilitation. Under the forecast financing strategy, further portions of the existing balances in the Road Rehabilitation Levy Reserve Fund and the Bridge Rehabilitation Levy Reserve Fund are projected to be used over the forecast to address high priority asset management needs, subject to Regional Council consideration and approval through the annual business planning and budget process. This reflects a commitment to effectively use existing reserve funds for priority purposes.

The forecast period financing strategy also projects the draw-down of existing Regional Roads Levy Reserve to assist in the funding of forecasted growth projects.

The following table summarizes the various levies discussed above.

Table 2: Transportation Infrastructure Levy Reserves

| Reserve Fund | Existing Balance as of September 31, 2019 | Proposed Additional Draws over the Forecast Period¹ | Purpose |
|-----------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Regional Road Levy Reserve | \$46.4 million | \$27.8 million | To provide a dedicated source of annual property tax funding to leverage available residential development charges for growth projects. |
| Road Rehabilitation Levy Reserve Fund | \$24.1 million | \$6.7 million | To ensure annual investments in pavement preservation, rehabilitation and preventative maintenance. |
| Bridge Rehabilitation Levy Reserve Fund | \$9.4 million | \$4.5 million | To address bridge rehabilitation and replacement requirements. |

Note: (1) The 2019 Road Rehabilitation Levy contribution was \$26.1 million, the Bridge Rehabilitation Levy contribution was \$5.5 million, and the Regional Road Levy contribution was \$12.6 million. Additional draws are forecasted to come from existing reserve fund balances.

14. Risks and Uncertainties

Currently, 2019 residential development charge collections are tracking below targeted levels. Staff will continue tracking development charge receipts and implications of Bill 108. Final recommendations regarding available development charge receipts will be incorporated in the 2020 Business Plans and Budget.

There is also uncertainty around when ICIP project applications will be approved by the Provincial and Federal Government, and when rapid transit projects will be able to proceed.

15. Conclusion

The proposed 2020 Roads Capital Program and Forecast (2021-2029) has been developed to fully utilize available sources of financing.

The Capital Program and financing strategies discussed in this report will be analyzed more closely and refined for the 2020 Business Planning and Budget deliberations.

Original Signed By

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Original Signed By

Susan Siopis, P.Eng.
Commissioner of Works

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer



The Regional Municipality of Durham Report

To: The Committee of the Whole
From: Commissioner of Finance and Commissioner of Social Services
Report: [#2019-COW-29](#)
Date: November 13, 2019

Subject:

2020 Community Housing Strategic Issues and Financial Forecast

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That the Province of Ontario be requested to provide permanent sustainable funding of approximately \$1.44 million annually (for approximately 151 households) to maintain the Strong Communities Rent Supplement Program beyond March 31, 2023 to safeguard tenancies of those at high risk of homelessness; and
 - B) That the Province of Ontario be requested to provide long-term sustainable funding to maintain the housing stability (for approximately 579 households) supported under the Investment in Affordable Housing (IAH) and IAH Extension programs.
-

Report:

1. Purpose

- 1.1 This report is produced jointly by Regional staff of the Finance and Social Services Departments with a focus on the strategic and financing issues related to the Region's community and affordable housing and homelessness programs.

2. Background

- 2.1 The Region of Durham sets out its long-term vision for housing and homelessness in At Home in Durham, the Durham Housing Plan 2014-2024. At Home in Durham aligns with the requirement for a ten-year housing plan under the Housing Services Act (HSA) and incorporates the recommendations of the Region's Affordable and Seniors' Housing Task Force. Its implementation is supported by the work of the Interdisciplinary Tactical Team, the Durham Advisory Committee on Homelessness and the Social Housing Advisory Group.

2.2 As a service manager under the HSA, the Region of Durham is required to administer and fund certain community housing programs. It also has the power to establish housing and homelessness programs and services to meet the goals of At Home in Durham. Housing supports are currently provided through:

- Funding for 4,481 rent-geared-to-income (RGI) households;
- Funding and enforcement of the provisions of the HSA for 36 housing providers (5,435 community housing units). These housing providers include the Regionally-owned Durham Regional Local Housing Corporation (DRLHC) and independent non-profit and co-operative housing providers formerly administered by the provincial or federal governments;
- The provision of property management support to 1,292 households residing at 23 DRLHC properties. The Region of Durham is the sole shareholder of the DRLHC;
- Funding and administration of local housing programs including the Durham Rent Supplement Program and the Durham Portable Housing Benefit (Durham PHB);
- Administration of federal and/or provincially funded programs to support the goals of At Home in Durham. Most of these programs are temporary in nature and funded through one-time targeted allocations; and
- Administration of the Durham Access to Social Housing (DASH) wait list (Report #2019-INFO-41 DASH Statistics).

3. Master Housing Strategy

3.1 Regional staff are proposing to undertake a comprehensive Master Housing Strategy in 2020 to operationalize and support the goals of At Home in Durham, the Durham Region Housing Plan 2014 – 2024. Subject to approval of the 2020 Business Plans and Budgets, funding with an upset limit of \$300,000 is being requested to retain consulting services for the development of the Strategy.

3.2 The Master Housing Strategy will include a comprehensive review of the current housing system to ensure the optimal utilization of Regional resources, aligned with local housing need, that will include, but not be limited to:

- Revitalization of the Regionally owned Durham Regional Local Housing Corporation (DRLHC) portfolio, including the development of an evidence-based strategy for managing the DRLHC portfolio that addresses maintenance, revitalization, regeneration (redevelopment) and disposal;
- A review of public surplus lands and the potential social and community benefits that these properties can provide;
- The provision of affordable, community, supportive and transitional housing, as well as emergency shelters and other Regional housing programs, all of which provide essential services to low income residents; and
- Other opportunities to support the delivery of affordable housing.

4. Issues Impacting Service Delivery

4.1 Expiration of Time Limited Federal and Provincial Programs

Strong Communities Rent Supplement Program (SCRS)

- The Strong Communities Rent Supplement (SCRS) program is a provincially funded program that provides RGI subsidies to households that are homeless or at risk of becoming homeless. The Region has entered into SCRS agreements with non-profit, affordable and private market landlords to provide SCRS units. In 2019, there were about 151 households receiving subsidy at a total cost of approximately \$1.44 million in provincial funding. The program and related funding will expire in March 2023.
- In the 2019 Regional Social Housing Servicing and Financing Study (#2019-COW-4) Council approved maintaining the maximum number of SCRS units in order to maximize provincial funding and directed staff to develop a strategy to address implications resulting from the cessation of the program.
- The Province has yet to provide a response that would inform the development of a local strategy to address the end of this program and related funding that support those at high risk of homelessness. The comprehensive Master Housing Strategy, noted above, will address expiring federal/provincial programs.
- **It is recommended that the Province of Ontario be requested to provide permanent sustainable funding of approximately \$1.44 million annually (for approximately 151 households) to maintain the Strong Communities Rent Supplement Program beyond March 31, 2023 to safeguard tenancies of those at high risk of homelessness.**

Investment in Affordable Housing (IAH) Rent Supplements and Housing Allowances

- Funding for rent supplements and housing allowances under the Investment in Affordable Housing (IAH) and Investment in Affordable Housing Extension (IAH-E) programs are set to expire on March 31, 2023 and March 31, 2024 respectively. In 2018, 579 households were in receipt of these benefits (Report #2019-SS-11) and are at risk of losing their housing when the subsidy ends.
- Time limited programs that target low income families have proven to be ineffective in creating longer term benefits and security of tenancy.
- **It is recommended that the Province of Ontario be requested to provide long-term sustainable funding to maintain the housing stability (for approximately 579 households) supported under the IAH and IAH-E programs.**

4.2 Funding Implications of Legislative Changes to the Calculation of Rent-Geared-to-Income (RGI)

- As part of its Community Housing Renewal Strategy, the Province introduced a number of regulation changes to support RGI simplification (Report #2019-COW-14). These changes come into effect July 1, 2020.
- The simplified RGI calculation is based on 30 per cent of adjusted family net income (as defined for income tax purposes) and excludes some income formerly included in the calculation of RGI, such as child support income and income of full-time students. These changes may represent a significant increase in subsidy costs for service managers, as tenants will be charged rents against a lower income and service managers will have to make up the difference.
- Further analysis is currently being undertaken to determine the financial impact of the changes. Even a modest increase in RGI costs could impact funding available for new innovative programs to meet local needs and the goals of At Home in Durham.

4.3 End of Operating Agreement (EOA) and End of Mortgage (EOM)

- In September 2019, the Ministry of Municipal Affairs and Housing (MMAH) announced that it will pause the practice of removing housing projects from O.Reg. 368/11 for a three-year period, as part of the Community Housing Renewal Strategy. Exceptions may be considered on a case-by-case basis.
- The Region will continue to work with Community Housing partners, who are the principal providers of affordable housing in Durham, to maintain its legislated service level standards.
- Regional staff will continue to collaborate with the Province on the Community Housing Renewal Strategy. As Service Managers, municipalities are the sole funder of housing programs under the HSA.

4.4 Private Landlord Engagement

- The Region partners with private and non-profit landlords to provide RGI rent supplements for approximately 330 low-income households. As units turnover, some private landlords are opting not to continue with the program, meaning these units will be removed from the system as they are vacated. To date, there are 112 units that will no longer be available once the current tenant vacates.
- Low vacancy rates (currently 2.4 per cent) and limited purpose-built rental housing in Durham make it difficult to attract new private landlord partners for the provision of rent supplements. Landlords can easily fill their units and have little incentive to preferentially house applicants from the DASH wait list.
- The tight rental market is also impacting the effectiveness of direct portable housing benefits (PHB) to low income households as applicants may find it difficult to find suitable housing.

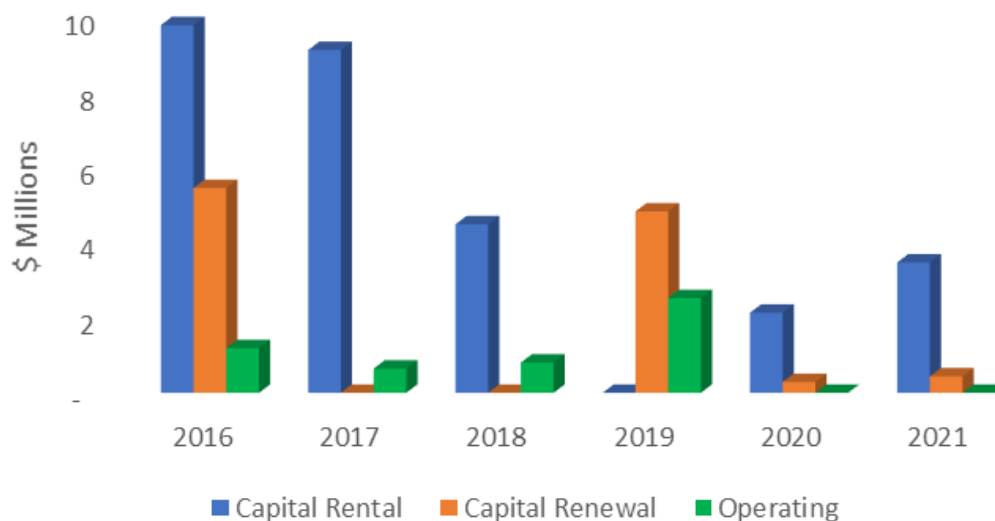
- Consequently, investment in dedicated community and affordable housing is critical to meeting the needs of low- and moderate-income households in our community.

4.5 Reduction in Federal and Provincial Funding

- In April of 2019, the Ministry announced that the Region will be receiving a Community Homelessness Prevention Initiative (CHPI) allocation of \$8 million in 2019-20, equivalent to the 2018-19 allocation, but a reduction of \$1.06 million compared to the previously announced notional funding allocation. The impact on the 2020 Regional budget is \$265,000. CHPI funding supports vital local programs that provide shelter services, housing outreach, housing supports and housing stability programs in the Region.
- Since 2016, federal and provincial funding for programs to create new units (rental), repair existing units (capital renewal) and provide rent assistance (operating) have been steadily declining (see Figure 1). It is expected that traditional program funding will be impacted by the launch of the Canada Housing Benefit in 2020 (Report #2018-INFO-03). The Canada Housing Benefit is expected to provide an average of \$2,500 per year, or approximately \$200 per month directly to low income households. This shallow subsidy aimed at growing the middle class is not sufficient for those with very low employment income or those on social assistance to secure or maintain housing.

FIGURE 1

Federal and Provincial Funding (IAH-E,SIF,COCHI,OPHI)



5. Opportunities

5.1 Partnerships

- In partnership with the federal government, the Region is the Community Entity that administers Reaching Home: Canada's Homelessness Strategy funding. In this role, the Region has an opportunity to modernize its homelessness system by aligning with emerging best practices and better co-ordinating programs and services with local partners.
- The Region has partnered with Built for Zero Canada (BFZ) to assist staff with the development and implementation of a Coordinated Access System. This national change effort helps identified communities to work towards ending chronic homelessness using evidence-based decision making and best practices for homelessness system planning. BFZ provides staff with coaching, learning sessions and action cycles to test strategies and interventions.
- Staff continue to explore innovative partnerships and models to address the needs of people experiencing homelessness in Durham Region. New community initiatives include the first co-production event that brought together service providers and people with lived experience of homelessness to plan interventions and supports for residents experiencing unsheltered homelessness.
- Regional staff continue to work closely with area municipal colleagues through the Interdisciplinary Tactical Team (ITT). The Interdisciplinary Tactical Team facilitates the implementation of the Affordable & Seniors' Housing Task Force Report recommendations.

5.2 Portable Housing Benefit

- In 2019, the Region piloted 70 benefits under the new Durham Portable Housing Benefit (Durham PHB) program (Report #2019-COW-4). To date, Durham PHB has been allocated to 34 applicants. Preliminary feedback from recipients is largely positive.
- Staff continue to evaluate the effectiveness of the pilot program in relation to housing stability, flexibility, costs as compared to RGI, and the achievement of the Region's legislated service level standard. Regional staff will provide a report to Regional Council on the outcomes of this pilot in the spring of 2020.

6. Proposed 2020 Business Plan and Budget and Financial Forecast

- 6.1 Table 1 below outlines the proposed 2020 gross housing budget, which will be subject to the approved 2020 property tax guideline. A final version of the budget will be presented to Regional Council for approval in early 2020.

TABLE 1

| COMMUNITY HOUSING PROGRAM COSTS Durham Region | 2019 Approved Budget (\$000's) (restated) | 2020 Proposed Budget (\$000's) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------|
| <u>I) Legislated Programs</u> | | |
| <u>Subsidy breakdown by Community Housing Program:</u> | | |
| 1) HSA Housing Providers – Subsidy for Non-Profits and Co-ops | 33,129 | 34,977 |
| 2) MNP, Federal and, Former MNP & Federal Projects – Mortgage Subsidy and Rent Supplement | 446 | 421 |
| 3) New Rent Supplement for Former MNP and Federals | 1,128 | 1,170 |
| 4) Commercial Rent Supplement (CRS) | 2,863 | 2,925 |
| 5) Portable Housing Benefit – 35 units | 365 | 365 |
| 6) Durham Regional Local Housing Corporation (DRLHC) | 6,879 | 14,834 |
| 7) DRLHC Debenture Payment | 1,162 | 1,111 |
| Gross Subsidy for Community Housing Programs | 45,972 | 55,803 |
| Recovery: Federal Grant for Federal Programs (terminating 2033) | (8,905) | (9,218) |
| Net Regional Subsidy for Legislated Programs | 37,067 | 46,585 |
| <u>II) Non-Legislated Programs</u> | | |
| 1) Strong Communities Rent Supplement (SCRS) | 1,439 | 1,439 |
| 2) Durham Housing Benefit (DHB) – refers to IAH, IAH- Extension & IAH SIF Rent Supplement Components and delivered via Direct and Shared Delivery | 2,341 | 1,705 |
| 3) Durham Rent Supplement Program (DRS) – 30 units | 250 | 250 |
| 4) Portable Housing Benefit – 35 units | 365 | 365 |
| <u>Subsidy/Grant for Non-Legislated Programs:</u> | | |
| 1) Federal / Provincial Grant for SCRS | (1,439) | (1,439) |
| 2) Federal /Provincial Grant for all program delivery of the Durham Housing Benefit (DHB) including IAH, IAH- Extension & IAH SIF Rent Supplement Components | (2,341) | (1,705) |
| Net Regional Subsidy for Non-Legislated Programs | 615 | 615 |
| TOTAL Regional Subsidy for All Programs | 37,682 | 47,200 |
| Legislated (4,446) and Non-Legislated Levels of Service (65) | 4,511 units | 4,511 units |
| Total Expenditure per RGI Unit Increase in cost over prior year | \$8,353 9.6% | \$10,463 25.3% |

6.2 This report includes the following attachments:

| | |
|---------------|-------------------------------------------------------------------------------|
| Attachment #1 | Region of Durham: Housing Stock at October 31, 2019 |
| Attachment #2 | Summary of Federal and Provincial One-Time Funding Allocations (2005 to 2022) |

Respectfully submitted,

Original Signed By

Nancy Taylor BBA, CPA, CA
Commissioner of Finance

Original Signed By

Stella Danos-Papaconstantinou
Commissioner of Social Services

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

REGION OF DURHAM
Housing Stock at October 31, 2019

| Social Housing Program | Municipality | Design | Social Housing Stock | Affordable Housing Stock | Total Social/Affordable Housing Stock |
|-------------------------------------------------------|---------------------|---------------|-----------------------------|---------------------------------|----------------------------------------------|
| i) Non-Profit & Co-operatives | | | | | |
| AJAX MUNICIPAL HSG CORP | Ajax | Row/Apt/E | 271 | 84 | 355 |
| BORELIA CO-OPERATIVE HOMES | Port Perry | Row/Apt | 70 | - | 70 |
| BOWMANVILLE VALLEY CO-OPERATIVE HOMES | Clarington | Row/Apt | 68 | - | 68 |
| BROCK NPHC - Phase 2 | Brock | Apt/E | 20 | - | 20 |
| CONSIDERATION CO-OPERATIVE HOMES | Oshawa | Apt/E | 99 | - | 99 |
| CORNERSTONE COMM ASSOC | Oshawa | Apt/Alt | 56 | 5 | 61 |
| DUFFIN'S CREEK CO-OPERATIVE HOMES | Pickering | Row | 75 | - | 75 |
| DURHAM REGION NPHC | various | Row/Apt/E | 1,128 | 18 | 1,146 |
| GATEWAY COMMUNITY HOMES | Oshawa | Apt/E&W | 118 | - | 118 |
| HARMONY-KING COOPERATIVE HOMES - CORMACK STATION | Oshawa | Apt/E | 76 | - | 76 |
| HERITAGE COMMUNITY HSG CORP | Whitby | Apt/E | 125 | - | 125 |
| INTER FAITH HOMES - BLOOR APARTMENTS | Oshawa | Apt/E | 36 | - | 36 |
| IMMACULATE CONCEPTION (J.D. COCHRANE COURT) | Port Perry | Apt/E | 38 | - | 38 |
| JOHN HOWARD SOCIETY | Oshawa | Alt | 8 | - | 8 |
| LIFE CENTRE NPHC | Ajax | Row/AptE | 126 | - | 126 |
| MARIGOLD COOPERATIVE HOMES | Whitby | Apt/E | 70 | - | 70 |
| NEW HOPE NP DWELLINGS (DURHAM) INC | Oshawa | Apt/E | 118 | - | 118 |
| NORTHVIEW MEADOW CO-OPERATIVE HOMES | Oshawa | Row | 261 | - | 261 |
| OSHAWA LEGION MANOR | Oshawa | Apt/E | 38 | - | 38 |
| OSHAWA YWCA | Oshawa | Apt/E/Alt | 40 | - | 40 |
| OTTER CREEK CO-OP | Whitby | Row | 84 | - | 84 |
| PARTICIPATION HOUSE - CAMPBELL COURT | Clarington | Row | 39 | - | 39 |
| PRISMA NON-PROFIT RESIDENCE CORP | Whitby | Apt/E | 186 | - | 186 |
| PROVIDENCE PLACE CHRISTIAN HOMES | Whitby | Apt/E | 124 | - | 124 |
| ROUGEMOUNT CO-OPERATIVE HOMES | Pickering | Apt/E | 105 | - | 105 |
| INTER ORGANIZATIONAL NETWORK (SARAH MCDONALD'S PLACE) | Pickering | Apt/E | 63 | - | 63 |
| SUNRISE PLACE NON-PROFIT HSG CO-OPERATIVE | Oshawa | Apt/E | 58 | - | 58 |
| SUNRISE SENIORS PLACE (OSHAWA-DURHAM) | Oshawa | Apt/E | 89 | - | 89 |
| UNITY VILLAGE LOCAL 183 NP HOMES | Ajax | Apt/E | 82 | - | 82 |
| WHITBY CHRISTIAN NPHC - HARVEST PLACE | Whitby | Apt/E | 85 | - | 85 |
| WILLIAM PEAK CO-OPERATIVE HOMES | Pickering | Row | 141 | - | 141 |
| WILLOW PARK CO-OPERATIVE HOMES | Oshawa | Row/Apt | 90 | - | 90 |
| Non-Profit/Co-operatives - TOTAL of (i) | | | 3,987 | 107 | 4,094 |

REGION OF DURHAM
Housing Stock at October 31, 2019

| Social Housing Program | Municipality | Design | Social Housing Stock | Affordable Housing Stock | Total Social/Affordable Housing Stock |
|----------------------------------------------------------------------------|---------------------|---------------|-----------------------------|---------------------------------|----------------------------------------------|
| End of Mortgage Rent Supplement (EOM) Housing Providers | | | | | |
| ii) EOM Providers providing SLS units | | | | | |
| MAPLE GLEN HOUSING CO-OPERATIVE HOMES | Oshawa | Apt/E | 40 | - | 40 |
| EOM Non-Profit/Co-operatives - TOTAL of (ii) | | | 40 | - | 40 |
| iii) Federal Non-Profits | | | | | |
| DURHAM COUNTY SEN. CIT. LODGE (CSHP) | Clarington | Row | 41 | - | 41 |
| ST. MARY'S SENIOR CITIZENS RESIDENCE OSHAWA | Oshawa | Apt/E | 92 | - | 92 |
| Federal Non-Profits - TOTAL of (iii) | | | 133 | - | 133 |
| iv) Durham Regional Local Housing Corporation (Public Housing) | various | Row/Apt/E | 1,275 | 17 | 1,292 |
| v) TOTAL HOUSING STOCK (i + ii + iii + iv) | | | 5,435 | 124 | 5,559 |
| vi) COMMERCIAL RENT SUPPLEMENT | | | 330 | - | 330 |
| vii) Affordable Housing Program (held by Private Proponents) | | | | | |
| 394 BLOOR STREET (CHER-BROOK PROPERTIES) | Oshawa | Apt | - | 42 | 42 |
| 762 KING STREET (TGFG VENTURES INC.) | Oshawa | Row | - | 32 | 32 |
| 310 MARY STREET (1395310 ONTARIO LTD.) | Whitby | Apt | - | 139 | 139 |
| 1658 RITSON ROAD NORTH (873815 ONTARIO LTD.) | Oshawa | Apt | - | 75 | 75 |
| 109 PARK ROAD SOUTH (NISHNAWBE HOMES) | Oshawa | Apt | - | 17 | 17 |
| Affordable Housing Program - SUB-TOTAL | | | - | 305 | 305 |
| End of Operating Rent Supplement Agreements (EOA) Housing Providers | | | | | |
| viii) Rent Supplement Program providing SLS Units | | | | | |
| AJAX MUNICIPAL HSG CORP - Ashley Manor / Monarch Mews | Ajax | Row/Apt/E | 219 | - | 219 |
| BROCK NPHC - Phase 1 | Brock | Apt/E | 33 | - | 33 |
| CANADIAN FORESTERS PROJECT (OCHAP) | Clarington | Apt | 61 | - | 61 |
| KINGSWAY PIONEER HOME (CSHP) | Oshawa | Apt | 80 | - | 80 |
| NEWCASTLE LODGE - PARKVIEW | Clarington | Apt | 43 | - | 43 |
| PARKVIEW PLACE | Oshawa | Apt/E | 115 | - | 115 |
| ST. MARTIN'S CENTRE | Pickering | Apt | 58 | - | 58 |
| Former Federal Non-Profits - TOTAL of (i) | | | 609 | - | 609 |
| COMBINED HOUSING STOCK IN DURHAM | | | 6,374 | 429 | 6,803 |
| Legislated Service Level Standard (plus 35) | | | 4,481 | - | 4,481 |

REGION OF DURHAM
Housing Stock at October 31, 2019

| Housing Providers with Multiple Buildings within their Portfolio | Municipality | Design | Social Housing Stock | Affordable Housing Stock | Total Social/Affordable Housing Stock |
|------------------------------------------------------------------|--------------|-----------|----------------------|--------------------------|---------------------------------------|
| AJAX MUNICIPAL HOUSING CORP | | | | | |
| Ashley Manor | Ajax | Apt/E | 77 | - | 77 |
| Monarch Mews | Ajax | Row | 142 | - | 142 |
| Post Hill | Ajax | Row/Apt/E | 101 | - | 101 |
| Westwood Manor | Ajax | Apt/E | 70 | - | 70 |
| River Breeze | Ajax | Row | 100 | - | 100 |
| Hubbard Station | Ajax | Apt/E | | 84 | 84 |
| <i>total units at Ajax Municipal Housing Corp</i> | | | 490 | 84 | 574 |
| CORNERSTONE COMM ASSOC | | | | | |
| 454 Bloor | Oshawa | Apt/E | 28 | - | 28 |
| 121 Simcoe | Oshawa | Apt/W | - | 5 | 5 |
| 133 Simcoe | Oshawa | Apt/W | 28 | - | 28 |
| <i>total units at Cornerstone Comm Assoc</i> | | | 56 | 5 | 61 |
| DURHAM REGION NON PROFIT HOUSING CORP | | | | | |
| St. Andrew's Place | Brock | Apt/W | 8 | - | 8 |
| Old School House Apartments | Brock | Apt/W | 16 | - | 16 |
| Gillespie Gardens | Brock | Apt/E | 48 | 18 | 66 |
| Mearns Meadows | Clarington | Row | 60 | - | 60 |
| Bowmanville Heights | Clarington | Row | 66 | - | 66 |
| Conant Place | Oshawa | Row | 43 | - | 43 |
| Ormond Place | Oshawa | Row | 44 | - | 44 |
| Beatrice Woods | Oshawa | Row/Apt/W | 80 | - | 80 |
| Wilson Village | Oshawa | Row/Apt/W | 72 | - | 72 |
| Cy Elsey Building | Oshawa | Apt/E | 55 | - | 55 |
| Orchard Valley Court | Pickering | Row | 115 | - | 115 |
| Highbush Village | Pickering | Row | 46 | - | 46 |
| Reach Gardens | Uxbridge | Row/Apt/W | 44 | - | 44 |
| Wood Farm Manor | Whitby | Apt/E | 70 | - | 70 |
| Perry Terrace | Whitby | Apt/E | 84 | - | 84 |
| Dryden Heights | Whitby | Apt/E | 110 | - | 110 |
| Marigold Court | Whitby | Row | 107 | - | 107 |
| Garrard Heights | Whitby | Row | 60 | - | 60 |
| <i>total units at Durham Region Non Profit Housing Corp</i> | | | 1,128 | 18 | 1,146 |
| GATEWAY COMMUNITY HOMES | | | | | |
| Gateway Terrace | Oshawa | Apt/E | 102 | - | 102 |
| Gateway Chamber | Oshawa | Apt/E | 16 | - | 16 |
| <i>total units at Gateway Community Homes</i> | | | 118 | - | 118 |
| DURHAM REGIONAL LOCAL HOUSING CORPORATION | | | | | |
| Harwood Manor | Ajax | Apt/E | 129 | - | 129 |
| Spruce Haven | Brock | Apt/E | 26 | - | 26 |
| Wayside Apartment | Brock | Apt/E | 32 | - | 32 |
| Nelson St. | Clarington | Apt/E | 21 | - | 21 |
| Nelson St. | Clarington | Apt/E | 14 | - | 14 |
| Normandy Hall | Oshawa | Apt/E | 30 | - | 30 |
| Lomond St, Christine Cr | Oshawa | Semi | 18 | - | 18 |
| Linden St, Poplar St | Oshawa | Semi | 32 | - | 32 |
| King Charles Court | Oshawa | Apt/E | 165 | - | 165 |
| Lakeview Harbourside | Oshawa | Row/Apt/E | 173 | 12 | 185 |
| Malaga | Oshawa | Row | 65 | - | 65 |
| Beatrice Terrace | Oshawa | Apt/E | 50 | - | 50 |
| Cedar St, Carlton Ct, Wasaga Ct | Oshawa | Semi | 34 | - | 34 |
| Dean Heights | Oshawa | Apt/E | 51 | - | 51 |
| Nevis St, Normandy St, Christine Cres | Oshawa | Semi | 42 | - | 42 |
| Villa Valeau | Pickering | Apt/E | 36 | - | 36 |
| Fairport Lodge | Pickering | Apt/E | 36 | - | 36 |
| Kellelt Manor | Scugog | Apt/E | 30 | - | 30 |
| Spruce Lawn Apartments | Scugog | Apt/E | 38 | - | 38 |
| Brookside Apartments | Uxbridge | Apt/E | 51 | 5 | 56 |
| Windsor Place | Whitby | Apt/E | 105 | - | 105 |
| Centre | Whitby | Apt/E | 16 | - | 16 |
| Bowling Green Towers | Whitby | Apt/E | 81 | - | 81 |
| <i>total units at Durham Regional Local Housing Corp</i> | | | 1,275 | 17 | 1,292 |

Summary of Federal and Provincial One-Time Funding Allocations (2005 to 2022)

| Year(s) | Program | Funding Allocation (\$) | Particulars |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2005 to 2013 | Canada-Ontario Affordable Housing Program (AHP) Rental and Supportive Program Housing Allowance | 11,200,000 2,350,000 | Used for construction of 160 units Rental allowance for 140 units |
| 2007 | Delivering Opportunities for Ontario Renters (Federal) | 2,085,000 | Combined with AHP funding to develop 17 units @ DRLHC |
| 2008 | Social Housing Capital Repairs Grant | 2,901,877 | Funding for repairs @ 10 housing providers |
| 2009 to 2012 | Canada-Ontario Affordable Housing Program New Rental Housing Component Social Housing Renovation and Retrofit Program Renewable Energy Initiative | 16,541,000 15,957,065 1,519,728 | Used for construction of 139 units 255 repair projects undertaken @ 84 sites 10 projects at 4 Housing Providers |
| 2010 to 2012 | Provincial Short Term Rent Support Program | 1,090,760 | 108 households receiving rent supports |
| 2011 to 2014 | Investment in Affordable Housing Program (IAH) Rental Housing Component Rent Supplement: Direct and Shared Delivery Home Ownership | 5,942,000 8,108,637 154,000 | Used for construction of 52 units Rent supplements for 210 units 8 units for Home Ownership |
| 2014 to 2020 | IAH (2014 Extension) Rental Housing Home Ownership Housing Allowance Rent Supplement | 14,045,000 107,000 4,191,895 8,610,845 | Used for construction of between 90 to 122 units 2 units (to date) for Home Ownership Rental allowance for 230 households Rent supplements for 470 households |
| 2016 | Green Investment Fund Social Housing Electricity and Efficiency Program (SHEEP) | 384,062 | Replacement of high priority windows and/or exterior doors at DRNPHC |
| 2016 to 2018 | 2016 Social Infrastructure Fund Rental Housing Rent Supplement Social Housing Improvement Program | 10,479,000 500,000 5,470,800 | Used for construction of between 70 to 90 units Rent supplements for 20 tenants at 2 federal co-operatives 18 critical repair projects at 16 providers |
| 2018 to 2019 | 2016 Social Infrastructure Fund (Year 3 funding) Social Housing Apartment Improvement Program (SHAIP) | 2,748,300 3,765,690 | Proposed for construction of 18 units and 4 units for Home Ownership Greenhouse gas reduction retrofits—150 unit apartment building |
| 2019 to 2022 | Canada-Ontario Community Housing Initiative (COCHI) Repair | 1,254,654 | For priority repairs in community housing projects |

| | | | |
|--|----------------------------------------------|---------------------------|----------------------------------------------------|
| | Ontario Priorities Housing Initiative (OPHI) | | |
| | Repair | 4,318,890 | For priority repairs in community housing projects |
| | Home Ownership | 100,000 | Down payment assistance for 4 units |
| | Rental Housing | 5,620,900 | Proposed for construction of 30 to 42 units |
| | TOTAL | <u>129,447,103</u> | |



The Regional Municipality of Durham Report

To: The Committee of the Whole
From: Commissioner of Finance, Commissioner of Works, Commissioner of Social Services, and Acting General Manager, Durham Region Transit
Report: [#2019-COW-31](#)
Date: November 13, 2019

Subject:

One-time Federal Gas Tax Funding

Recommendation:

That the Committee of the Whole recommends to Regional Council that:

- A) The following transformative capital projects, expected to contribute significantly towards corporate strategic objectives, be approved to be funded 100% from the unanticipated one-time Federal Gas Tax funding received in 2019 (\$19.73 million):
- Electric Buses and Infrastructure (\$10.1 million);
 - Durham Region Local Housing Corporation (DRLHC) Energy Efficiency Retrofits (\$5.4 million);
 - Road Building Pilot Project with Regional Waste Materials (\$3.5 million); and,
 - Regional Smart City Traffic Pilot (\$0.73 million).
-

Report:

1. Purpose

- 1.1 This report provides information on projects that are recommended to be funded 100 per cent from the \$19.73 million in unanticipated Federal Gas Tax revenues received in 2019.

2. Background

- 2.1 In its 2019 budget, the Federal Government announced a one-time transfer of \$2.2 billion to municipalities through the Federal Gas Tax Fund. Durham Region's allocation (\$19.37 million) was received in July. Subsequently, the Region was notified in September that it would receive an additional \$360,000 in Federal Gas

Tax surplus administration funds, bringing the Region's total 2019 unanticipated Federal Gas Tax funding to \$19.73 million.

- 2.2 The Region receives a regular annual allocation of Federal Gas Tax funding (\$19.3 million in 2018; \$19.6 million in 2019), which most recently has been used to finance the Region's share of the Durham York Energy Centre (DYEC) and priority Regional Road Rehabilitation projects.

3. Federal Gas Tax Program Parameters

- 3.1 Under the Federal Gas Tax Program, eligible projects include investments in infrastructure for its construction, renewal or material enhancement. Projects must fall within a defined list of eligible project categories (included in Attachment 1).
- 3.2 Eligible expenditures are those to acquire, plan, design, construct or renovate capital assets. Ineligible expenditures include land costs, maintenance costs, administrative overhead costs and legal fees.
- 3.3 Funds must be expended within five years after the end of the year in which the funds were received.

4. Recommended Projects

- 4.1 A multidisciplinary staff working group has collaborated to produce the following list of projects recommended to be fully funded using the Region's one-time Federal Gas Tax funding. The projects were selected based on their anticipated transformative contribution towards corporate strategic objectives.

Table 1: Recommended Projects

| PROJECT | ESTIMATED COST (\$, 2019) |
|---------------------------------------------------|---------------------------------|
| Electric Buses and Infrastructure | 10,100,000 |
| DRLHC Energy Efficiency Retrofits | 5,400,000 |
| Road Building Pilot with Regional Waste Materials | 3,500,000 |
| Regional Smart City Traffic Pilot | 730,000 |
| Total | 19,730,000 |

5. Electric Buses and Infrastructure (\$10.1 million)

- 5.1 The project is a proposed trial to assess battery electric bus and charging technology performance in local conditions to inform long-term fleet transition and deployment. The project is in alignment with the Durham Community Energy Plan (DCEP) Low Carbon Pathway towards a 100 per cent electric transit system by 2030.

- 5.2 Reported benefits of battery electric bus technology relative to other propulsion systems includes reduced fuel and maintenance costs, lower emissions and improved customer satisfaction.
- 5.3 The recommended project includes:
- a. Up to eight electric buses at an estimated cost of \$1.15 million per bus. Upon completion of successful testing, the eight electric buses will replace eight conventional buses that have reached their end of useful life; and,
 - b. Up to four depot chargers at an estimated cost of \$225,000 per charger. The depot chargers, which are expected to match the twelve-year useful life of the buses, can fully charge a bus in approximately four hours.
- 5.4 Despite greater upfront capital costs, electric buses are expected to generate life cycle savings through reduced fuel and maintenance costs. Manufacturers report annual fuel savings of up to 75 per cent and more than 50 per cent reduction in maintenance costs. The Toronto Transit Commission, through its electric bus trials, is forecasting expected benefits of \$56,000 per bus in net annual fuel cost savings and an annual reduction of 149 tons of greenhouse gas (GHG) emissions per bus. York Region Transit is projecting a 38 per cent reduction in operating and maintenance costs resulting in a savings of more than \$600,000 over the life of the bus.
- 5.5 It is anticipated that DRT will be able to deploy the vehicles in 2021 and report on preliminary trial outcomes by late 2022.
- 5.6 The trial project is expected to provide valuable insight into potential life cycle cost savings, vehicle performance, emission reductions, staff training requirements, and customer satisfaction achieved through battery electric bus technology in local conditions. This will be key to informing DRT's approach to full fleet electrification over the next ten years.
- 5.7 This approach is being adopted by transit agencies across the country as a precursor to broader fleet transition, including the TTC, York Region Transit, Brampton Transit, Translink (Vancouver), STM (Montreal), Winnipeg Transit, Edmonton Transit Service and St. Albert Transit (Alberta). In the U.S., more than 70 transit agencies have deployed battery electric buses as part of their fleet.
- 5.8 DRT will report back to the Transit Executive Committee with respect to the final pilot strategy, any partnership arrangements and costing, including expected training and tooling requirements, prior to initiating procurement of the vehicles and charging infrastructure in 2020.
- 5.9 This project will be an important step to implement the Durham Community Energy Plan. It will demonstrate the Region's position as a leader in reducing GHG emissions.

6. DRLHC Energy Efficiency Retrofits (\$5.4 million)

6.1 The DRLHC is proposing to enhance the building envelope of two residential properties providing housing to 270 low income seniors. These enhancements will reduce energy consumption, reduce GHG emissions and improve tenant comfort.

6.2 The recommended projects and buildings include:

- a. Comprehensive over cladding at 155 King Street, Oshawa (\$4.5 million); and,
- b. Window replacement and installation of a Building Automation System (BAS) at 315 Colborne Street, Whitby (\$0.9 million)

6.3 155 King Street is a ten storey, senior citizens apartment building constructed in 1977. It contains a total of 165 residential suites (164 one-bedroom and 1 two-bedroom) and 107,250 square feet of floor space. The building is constructed with pre-cast concrete walls and single pane aluminum windows. A window and door replacement project is currently underway, funded under the provincial Social Housing Apartment Improvement Program (SHAIP).

Comprehensive recladding, which includes enclosing existing balconies, will augment the energy retrofits already completed and in progress at this location. Recladding will modernize the building and allow for future flexibility to improve other building elements (e.g. water/vent lines can be incorporated into cladding panels).

In addition to the practical benefits of this project, there will be a transformational change to the look of the building that will support Oshawa's Urban Center Community Improvement Plan. The plan encourages revitalization of buildings and properties in Downtown Oshawa. It is estimated that electrical savings of between 160,000 to 241,731 kWh/yr and GHG savings of over 27,662 kg CO₂e/yr can be achieved through the comprehensive recladding of the building envelope. This project is anticipated to commence in June 2020, after the window replacement work is completed. Technical specifications for the recladding project are complete as this project was originally considered under the SHAIP program. Provincial funding was insufficient to proceed with the project.

6.4 315 Colborne Street, Whitby is a six storey, senior citizens apartment building, constructed in 1978, and contains 105 residential suites (104 one-bedroom and 1 two-bedroom). The Building Condition Assessment (BCA) completed in 2016 recommended that the windows be replaced immediately, noting that the joint sealants between the window frame and exterior walls have "cohesively and adhesively failed".

In addition, the ASHRAE Level 2 energy audit report prepared by PL Energy Services in 2018 recommended the installation of a BAS to control the output of the building system's energy components such as lighting, the domestic hot water boiler and the makeup air unit. It is estimated that the electrical savings of 6,242 kWh/yr and GHG savings of 14,853 kg CO₂e/yr could be achieved with the

installation of a BAS. The combined cost of these two projects is estimated at \$0.9 million.

- 6.5 DRLHC is committed to reducing the resources required to sustain its properties and reduce GHG emissions. The environmental benefits of the proposed projects are numerous and satisfy various aspects of the Regional Council adopted Strategic Plan:

- a. To invest in efforts to mitigate and adapt to climate change to build resiliency across the region;
- b. Demonstrate leadership in sustainable asset management and environmentally friendly municipal practices;
- c. Focus resources on continuous improvement and innovation; and
- d. Deliver Regional services in a financially prudent and sustainable manner.

- 6.6 The implementation of energy efficient retrofits supports the goal of strong vibrant communities within At Home in Durham, the Durham Region Housing Plan 2014-2024.

- 6.7 Completion of these projects will also include the following intangible benefits:

- a. The comprehensive recladding of 155 King Street will create a rain screen protection for the ageing concrete envelope eliminating the need for future capital repairs due to concrete spalling.
- b. The use of cladding panels will reduce future retrofit costs as these panels can be used to contain other mechanical transfer systems.
- c. The enclosure of the balconies will reduce costs associated with damage and health issues associated with excessive bird droppings. In addition, enclosure will reduce the risk of fires caused by clutter on balconies and cigarette butts being discarded over balconies.

7. Road Building Pilot Project with Regional Waste Materials (\$3.5 million)

- 7.1 In early 2019, Regional Council adopted principles of the Circular Economy and directed staff to ensure that all diversion materials collected by the Region are considered as resources for making new products. Durham Region is committed to the Circular Economy and is committed to finding innovative “made in Durham” solutions that support the concept.

- 7.2 The proposed pilot will explore the reconstruction of a portion of Regional Road 18 in Clarington, assessing the option of incorporating waste material such as single use plastics and other Blue Box materials (e.g. glass), crushed concrete and/or recycled road asphalt. The beneficial and innovative use for materials within Durham Region will ensure that these materials are used locally and not exported for unknown uses elsewhere.

- 7.3 The section of Regional Road 18 between Concession Road 5 and Ganaraska Road (Regional Road 9), which is approximately 4.6 kilometers in length, is in very poor condition with a Pavement Condition Index (PCI) of 4. This section of road also has relatively low Annual Average Daily Traffic (AADT), however the pavement structure needs to be strengthened to provide for increased commercial traffic, which makes this road segment a good candidate to pilot the use of alternative material for road construction.
- 7.4 The opportunity to recycle plastics is especially appealing. Plastic types 1 (polyethylene terephthalate – bottles and clam shell food containers) and 2 (high density polyethylene – jugs) are currently sorted and are relatively easy to market for making new products. This proposed project will explore repurposing plastic categories 3 to 7 into the pavement structure. Plastics have been used elsewhere in the world to extend and modify the asphalt binder to improve crack and deformation resistance and to reduce moisture damage. This project will look at experimenting with this pavement strategy in local Canadian winter conditions and with a local asphalt supplier.
- 7.5 Based on the learnings and outcomes of this pilot, the project would seek to develop a market, standards and guidelines for use of recycled waste towards potential application to other Regional roads and beyond.
- 7.6 The proposed pilot will require engineering services to develop a project implementation plan including a study regarding the reuse of materials, detailed design, waste preparation and process, and construction testing and inspection.
- 8. Regional Smart City Traffic Pilot (\$0.730 million)**
- 8.1 The Smart City Traffic Pilot contemplates deployment of a suite of technologies aimed at improving road traffic safety and reducing traffic congestion. The pilot is an acknowledgement of the Region's Vision Zero aspiration, and a recognition that Intelligent Transportation Systems (ITS) initiatives, continuous optimization of corridor traffic operations and dissemination of real-time event and congestion data to road users is a cost-effective and sustainable way to managing traffic congestion. Additionally, the execution of these projects will support the Region's future applications to smart city funding opportunities by demonstrating the commitment to implementation of intelligent city initiatives.
- 8.2 The proposed safety improving technologies for deployment consists of equipment and intelligent algorithms that would allow for video-based monitoring and identification of potential traffic conflicts at strategically selected locations. The objective is to identify conflict zones at high collision intersections and mid-block locations and intervene with suitable operational or capital improvements. A deployment of six to eight camera systems that are compatible for conflict analysis and can view all movements at the same time, is planned for candidate locations on a rotational basis.

- 8.3 There are two complementary technologies proposed for pilot deployment to better manage traffic congestion. The first is the implementation of an Adaptive Traffic Signal Control System (ATSCS) on a select road corridor, wherein a system of on-road and off-road devices/equipment, supported with Traffic Management Centre hardware/software, would operate a network of signalized intersections using real-time traffic data. The system would allow traffic signal timings to automatically adapt to real-time traffic conditions. Ideal candidate road segments in the vicinity of land uses such as GO stations where unpredictable surges in traffic volumes cause severe congestion that is not as efficiently manageable with pre-timed time-of-day signal timing plans.
- 8.4 Complementing the ATSCS is the proposed strategic deployment of Bluetooth Sensors along busy Regional road corridors to obtain travel time data in a real-time manner. Applications would include signal corridor reviews, congestion mapping, tracking of travel times in work zones, and accumulation of performance measures for strategic planning. The data accumulated from Bluetooth Sensors would also allow dissemination of real-time travel info to motorists or residents via the Region's traveler information website (TrafficWatch) or third-party applications.
- 8.5 Besides the capital costs, deployment of the Smart City Traffic Pilot initiative would require Regional staff resources to procure and commission these technologies. Additional financial implications will include operating costs in the form of hydro, subscribed technology support, and communication costs.

9. Financial Implications

- 9.1 All capital project costs will be funded by the Federal Gas Tax allocation. Operating costs will be monitored and included in future departmental operating budgets.
- 9.2 All project procurement will be conducted in accordance with the Region's Purchasing By-Law.

10. Conclusions

- 10.1 It is recommended that unanticipated one-time Federal Gas Tax funding received in 2019 (\$19.73 million) be applied to fund 100 percent of the four key transformative projects which are expected to contribute significantly towards corporate strategic objectives.
- 10.2 Staff will develop supporting communications materials to highlight and promote Durham's leadership in innovative service delivery.

11. Attachments

Attachment #1: Federal Gas Tax Eligible Project Categories

Respectfully submitted,

Original Signed By

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Original Signed By

Susan Siopis, P.Eng
Commissioner of Works

Original Signed By

Stella Danos-Papaconstantinou
Commissioner of Social Services

Original Signed By

Bill Holmes
Acting General Manager, DRT

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

ATTACHMENT 1: FEDERAL GAS TAX ELIGIBLE PROJECT CATEGORIES

Eligible Projects include investments in Infrastructure for its construction, renewal or material

enhancement in each of the following categories:

1. Local roads and bridges – roads, bridges, tunnels and active transportation infrastructure (active transportation refers to investments that support active methods of travel. This can include: cycling lanes and paths, sidewalks, hiking and walking trails).
2. Highways – highway infrastructure.
3. Short-sea shipping – infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean.
4. Short-line rail – railway related infrastructure for carriage of passengers or freight.
5. Regional and local airports – airport-related infrastructure (excludes the National Airport System).
6. Broadband connectivity – infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.
7. Public transit – infrastructure that supports a shared passenger transport system which is available for public use.
8. Drinking water – infrastructure that supports drinking water conservation, collection, treatment and distribution systems.
9. Wastewater – infrastructure that supports wastewater and storm water collection, treatment and management systems.
10. Solid waste – infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage.
11. Community energy systems – infrastructure that generates or increases the efficient usage of energy.
12. Brownfield Redevelopment – remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes:
 - the construction of public infrastructure as identified in the context of any other category under the GTF, and/or;
 - the construction of municipal use public parks and publicly-owned social housing.
13. Sport Infrastructure – amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams (e.g. Junior A)).
14. Recreational Infrastructure – recreational facilities or networks.
15. Cultural Infrastructure – infrastructure that supports arts, humanities, and heritage.
16. Tourism Infrastructure – infrastructure that attract travelers for recreation, leisure, business or other purposes.

17. Disaster mitigation – infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.
18. Capacity building – includes investments related to strengthening the ability of Municipalities to develop long-term planning practices.

Note: Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible.