



October 4th, 2021

**Acting Mayor and Council Members
City of Richmond Hill
225 East Beaver Creek Road
Richmond Hill, ON L4B 3P4**

Re: City of Richmond Hill Affordable Housing Strategy Draft Report

On behalf of businesses and members of the Richmond Hill Board of Trade, we would like to take this opportunity to provide our views about the City of Richmond Hill Affordable Housing Strategy Draft Report.

Richmond Hill, like the rest of the GTA, is facing challenges concerning affordable housing. According to the MLS data from the Toronto Regional Real Estate Board, the average price of a home in Richmond Hill is \$1,324,736.00 while the average price of a detached home in August 2021 was at a staggering \$1,821,529.00. With the projected population growth of 8%, as mandated by the provincial legislation which will be further increased by the opening of the Yonge North Subway line, coupled with current inadequate housing supply, choice of housing types and tenures needed by our residents at all stages of life, affordable housing in Richmond Hill will only get worse.

Housing affordability directly impacts Richmond Hill businesses and affects talent retention, talent attraction, new businesses, and overall regional economic competitiveness. Our submission addresses this issue from a business perspective.

Dealing with the current complex housing challenges requires complex solutions. The Affordable Housing Strategy draft report put together by SHS Consulting resulted from an extensive collaboration between City of Richmond Hill staff, members from the Regional and Provincial government, CMHC, and other housing stakeholders, residents, and the Technical Advisory Committee. The purpose of this project was twofold:

1. Develop a “Made in Richmond Hill Housing Strategy” to identify what the City can do to provide housing that is affordable to moderate-income households in the City; and
2. Provide a framework for the City to deliver affordable housing through partnerships with other levels of government, developers, landowners, and residents.

The Richmond Hill Board of Trade strongly supports the overall purpose and vision in this report as it relates to solutions that will increase housing supply, choice, and tenure – both ownership and rental – that could be made available to current and future workers and residents of the City. The City should ensure that residential development is managed efficiently and purposefully to protect sensitive areas in



and abutting Richmond Hill, such as the Greenbelt, Oak Ridges Moraine and the agricultural lands that provide our food supply so they will remain sustainable. The City must also take care to protect ever diminishing Employment Lands.

The City should also consider the opportunities presented by the Build Back Better initiatives from the other levels of government to improve the existing housing with energy and water efficiency programs. Both Enbridge and Alectra have programs to improve existing housing. The Richmond Hill Climate Change report also recommends improving existing building energy efficiency.

Direct and Indirect Impacts of Housing Crisis on Local Businesses

The housing crisis in Richmond Hill, and the GTA for that matter, is already costing this region between \$5.88 to \$7.98 billions of dollars annually according to the Toronto Region Board of Trade's report "*Housing a Generation of Essential Workers-The Cost of Inaction*". To support the local economy, the City needs to be pro-active in its mandates that adequate and affordable housing is available for all residents and workers at different income levels.

From a business perspective, not being able to retain and attract talent or new businesses in various industries and at all income levels poses a considerable threat to our local economy, and the cost of inaction will only worsen the situation. In today's environment, to account for increasing inflation rates and cost of living, some businesses pay a wage premium to retain workers. For those businesses, especially in the broader public sector, that can't afford to pay this premium, they face the prospect of losing their top talent, who are more likely to move out of Richmond Hill or deal with long daily commutes. The loss of these individuals results in reduced support of local businesses and communities.

July 2021, Markham City Council approved their [Housing Choices: Markham's Affordable and Rental Housing Strategy](#) to address housing affordability challenges, increase supply and retain and attract families to the City of Markham. The Strategy's Actions focus on practical steps that can be taken together with community partners to increase housing choices for Markham residents and ensure that local businesses and the economy remain competitive and thrive. Richmond Hill has to adopt its own strategy, otherwise our residents and businesses will suffer.

The Toronto Region Board of Trade (TRBOT), in partnership with WoodGreen, has released a very informative and data-driven [report titled "Housing a Generation of Essential Workers-The Cost of Inaction"](#). The report highlights the housing affordability crisis impacting GTA businesses, the economy, and how the costs of inaction on the housing file will negatively impact the viability of many local companies. Housing affordability directly correlates to turnover and hiring costs, wage and salary costs, impact on competitiveness, potential to shift jobs out-of-region, and the risk of reduced operations owing to labour supply constraints. Below are highlights from that report that clearly show the relationship between housing (un)affordability and the impacts on local businesses. The costs spread across the GTA, not just City of Richmond Hill.



Direct Impacts on Local Businesses – The Costs of Inaction

Pressure on Wages and Salaries – between \$2.0-\$2.8 billion per year

Higher rents and housing costs in the GTA mean that employees have higher wage and salary expectations – putting pressure on employers to keep up.

Migration out of the GTA – approx. \$3.05 billion per year

Increases in housing costs are accelerating the exodus of workers from the GTA to other regions of the province – causing lost economic output.

Employee Turnover and Additional Recruitment Costs – approx. \$0.18 billion per year

Staff turnover rates have increased with rising housing costs – leaving employers covering substantial additional recruitment costs.

Productivity Losses from Long Commutes – between \$0.65-\$1.95 billion per year

Long commutes for GTA workers are harming worker productivity and morale - a problem with a real economic impact.

The costs of inaction on housing affordability in general and affordable housing for those in the low to middle-income brackets have huge ramifications for local businesses and the economy, as companies and organizations cannot create new jobs if there are no places for their workers to live. On behalf of businesses in Richmond Hill, we urge City Council to reconsider the recommendations found in the Affordable Housing Strategy draft report and bring this item back for discussion and further staff review. Richmond Hill businesses, residents (both current and future), and the local economy depend on it. Richmond Hill's continued economic growth and desirability are rooted in the City finding a solution to the current housing challenge.

Thank you for the opportunity to provide our contribution on this subject. We are always open to give more input to the City on this and other business-related issues. Kindly contact the Chair, Government Affairs Committee, Cheryl Geness at 647-669-9453 or cheryl.geness@gmail.com.

Sincerely,

Richmond Hill Board of Trade

A handwritten signature in blue ink, appearing to read "Muhammad Kermalli".

Muhammad Kermalli
Chair, Richmond Hill Board of Trade

A handwritten signature in blue ink, appearing to read "Cheryl Geness".

Cheryl Geness
Chair, Government Affairs Committee