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Cc: rosalyne.morrison [REDACTED]; Jack Vanderkooy [REDACTED]
Subject: Affordable Housing Report for "correspondence received"

Hello

We are pleased to share this detailed report of the many solution-focused suggestions for how we can see more affordable housing in our region resulting from a discussion hosted by the [Institute of Southern Georgian Bay](#). The report link can be found in this image from the Institute's newsletter - or I have appended a copy for your convenience.

We will be launching a community process to build the ideas in this report into a regional plan this fall and would be happy to provide more information.

Many thanks

Marilyn
Marilyn Struthers
Facilitator
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What might we do in a regional community plan for affordable housing?

Report Back from TISGB's Social Finance & Affordable Housing Group

Background

In November of 2023, the Institute held a community-wide forum, with over 100 people, entitled New Ways to Finance the Housing Affordability Gap. It was a chance for a large cross-sectoral group to learn how a number of small communities across Canada are using social finance tools to reach for solutions.



These communities, like ours, are particularly concerned about the shortage of affordable rental housing for people who work in the lower-waged sectors vital to our local economies such as health care, retail and hospitality and tourism. [Video from these sessions can be viewed here.](#)

The Institute's volunteer Social Finance & Affordable Housing Group have led a two-year exploration into community wealth, local investment strategies, and how these emerging tools, coupled with local municipal engagement, could provide a way to meet the dire shortage of affordable rental homes in small urban and rural communities. **This research informed the forum agenda and the afternoon workshop, where 50 people considered the question: *What would we be doing if we were 10 times bolder and more collaborative?* A January 2024 Strategy Retreat fine-tuned some of the emerging ideas and this report will form the basis for a fall reconvening of workshop and retreat participants to create a regional community action plan. This current report is a must-read for anyone interested in more affordable housing in our region.**

[Read the full report here!](#)

Marilyn Struthers

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The Institute of Southern Georgian Bay
Grey Bruce Climate Action Network (GBCAN)
Social Innovation Canada
The Circle on Philanthropy and Aboriginal Peoples

New Ways to Finance the Housing Affordability Gap: Ensuring the Sustainability of our Towns

Report Back – Deeper Dive Community Workshop, November 2023,
and Strategy Retreat, January, 2024



Social Finance and
Affordable Housing Group

What would we be doing about affordable housing if we were 10X bolder and more collaborative?

4 big ideas surfaced last November...and next steps

by Marilyn Struthers, on behalf of the Institute's Social Finance & Affordable Housing Group

Background

In November of 2023, the Institute held a community-wide forum, with over 100 people, entitled *New Ways to Finance the Housing Affordability Gap*. It was a chance for a large cross-sectoral group to learn how a number of small communities across Canada are using social finance tools to reach for solutions. These communities, like ours, are particularly concerned about the **shortage of affordable rental housing for people who work in the lower-waged sectors vital to our local economies such as health care, retail and hospitality and tourism**. Video from these sessions can be viewed [here](#).

The Institute's volunteer Social Finance & Affordable Housing Group has led a two-year exploration into community wealth, local investment strategies, and how these emerging tools, coupled with local municipal engagement, could provide a way to meet the dire shortage of affordable rental homes in small urban and rural communities. This research informed the forum's morning agenda and the afternoon workshop, where 50 people considered the question: ***What would we be doing if we were 10 times bolder and more collaborative?***

This group discussed the problem we are working to solve:

Grey County planners, using the HART Index, as well as traditional data sources, estimate that households in lower and medium income groups can currently afford rental at \$1,019/ month or less. County-wide, we face a deficit of approximately 2,400 units at this price point, predicted to grow to 3,600 by 2046. The profile is similar for other counties in our region. As income and affordable rental rates vary dramatically from community to community, several of our municipalities are now working toward municipal-level housing needs data in order to better link economic development planning to housing development approvals.

Recent data from BMO suggests that pre-pandemic, Canadians were spending an average of 35% of their pre-tax income on housing (the Canadian affordability standard is 30%). Post-pandemic, that figure has increased to 55% of income, leaving a whopping 20% less income to be spent in local businesses as families redirect spending to shelter costs. **The Bank of Canada pegs housing affordability at the worst levels in forty-one years and the impact on rural small business will be dramatic.**

These figures create substantial challenges for small municipalities as market-rate developments stall due to interest rates and compound higher building and development costs. **The result is a shortage of rental units that fit local work force income profiles.**

As market rate developers deliver fewer low-cost rental units, many Canadian communities are working to increase their stock of “nonmarket housing”. This term refers to housing created with a low or no profit motive to fill the housing gap between government subsidized housing and unaffordable market-driven housing. In larger urban communities, nonprofit sector organizations such as churches, co-ops and nonprofit housing corporations play an important role in filling this lower cost rental housing gap. However, in smaller, more rural communities, nonprofit sector organizations work with less than 8% of the financial capacity of their large urban sector counterparts. **Building this nonprofit capacity is a key strategic opportunity.** Our municipalities are the largest holders of “community wealth”. We learned how to buy local to support local economies but how could municipalities and individuals lend, spend and invest locally to forestall affordable housing-related economic challenges?



What workshop participants said- in a nutshell:



Regional collaboration can facilitate the alignment of local municipal and community development efforts toward affordable housing innovation. Regional vision and resource planning will create the economies of scale we need, while supporting local municipalities to accelerate progress on more affordable housing development.

The promise of a regional collaborative approach

As one participant said: *“County and municipal collaboration is very important in all aspects of this issue. Information sharing is essential, and we can both share information and establish collaboration across municipal and county boundaries.”*

This discussion led to a **powerful approach based on collaboration, rather than trying to solve the housing problem one community at a time**. While municipalities carry the responsibility for local planning and development decisions, housing requirements for local workforces span communities and often local employment nodes. At the same time our communities are small, individually lacking the economic and planning scale that would lead to effective solutions. *So, what else might we be doing?*

Build a regional table that looks at housing and infrastructure. Bringing the actors together will help us move to common definitions and shared approaches.

Share and use best practices from the County and other municipalities, rather than rebuilding the wheel. Community Improvement Plans (CIP) and resource allocation planning can effectively prioritize affordable development.

Look at surplus lands and consider a regional framework and land trust to determine use. County-wide surveys of lands that could be made available for nonmarket/affordable housing are an important step. But, once lands are identified, we need to better understand the capacity-building requirements of nonmarket/affordable housing organizations to effectively develop rental housing that is affordable in the local economy. *What if we had a regional nonprofit land trust committed to holding lands for affordable development and able to entertain nonmarket/affordable development proposals?*

Take a bird’s eye view. Rural transit is a major component to think about in the affordability of housing. It impacts where people need to live and work, and housing near transit is the current focus of the Province. Most planning tools and processes lack the nuance required for developing housing in the rural and small-town context, including acknowledgment that employment opportunities are often spread across communities rather than contained within a single municipality. *What if we translated the approach used in the GTA to our context and actually map the employment hubs and transit nodes in our region and then ask Ontario to empower the implementation of the small-town equivalent?*

A regional collaborative approach enables us to:

1. Create and share municipal development practices that support affordability

The Institute's [Affordable Housing Tool Kit](#) includes a roll-up of municipal practices for more affordable housing strategies that decision-makers can use to support more non-market/affordable development. Participants took these ideas further and explored: *If we take both a more innovative approach in individual municipalities and a more collaborative regional approach to the shortage of affordable housing what could we do?*

- **Create a point system for private sector development proposals to gauge fit with municipal affordability priorities.** No need to rebuild the wheel, Collingwood has a good example in its [Water and Wastewater Capacity Allocation Policy](#).
- **Expand “hamlet development”** - the use of private wells and septic systems in small higher density developments on rural properties. This strategy shifts the cost burden to the development while meeting increasing density targets – one approach to infrastructure shortfall.
- **Use pre-approved housing designs** such as those now being used in Collingwood for [Accessory Dwelling Units \(ADUs\)](#). We should expand this process to include duplexes, triplexes etc. *What about a shared “digital flip book” – a set of pre-approved plans based on an envelope size, number of tenants/children for specific categories of housing need?*
- **Extend the pre-approval discussion to include pre-approved zoning** to allow for faster development timelines on sites identified as ideal for affordable housing development. Contribute to major zoning reform: higher density, smaller units, parking minimums. The system now just doesn't work for our current needs.
- **Create “two-fer” strategies that address both affordability and green design and method** to build forward into the future.

TISGB AFFORDABLE
HOUSING

TOOLKIT



A regional collaborative approach enables us to:

2. Support our communities' capacities for nonmarket development/affordable development

Local market developers tell us they cannot build to the affordable rental calculus of \$950-\$1200/month developed by Grey County - and turn a profit. As Canadian communities are turning to nonmarket solutions to affordability, we are seeing innovative solutions to support nonprofit, co-op and municipal developments. Often through collaborative efforts, these ventures hold housing stock with a guarantee of affordability in perpetuity, through mission, tailored to individual community needs. In our communities, access to capital is a barrier for nonmarket groups – ***so how do we support them to increase their capacity and their ability to access capital?***

- **Municipal support for nonprofit developers to access CMHC funding** can make a big difference to accessing funding for affordable development. Municipal engagement is an indication of community support to potential funders. Municipalities can also explore loan guarantees to strengthen the financial profile of proposed non market build/renovation projects guaranteeing affordability. This strategy is the “low-hanging fruit” of municipal engagement in increasing affordable housing stock.
- **Municipal affordable housing funds** are local funds held by a municipality earmarked to support the development capacity of nonmarket/affordable housing organizations and operational ownership rather than taking on municipal housing projects directly. Fundraising strategies such as developer goodwill contributions or higher fees levied against very large single-family units were proposed. Municipalities are considered “non-qualified donees” under Canadian legislation. This often-unexploited tax status creates the ability to provide tax receipts in return for community/stakeholder donations and the ability to grant these funds to nonmarket developers or use them to offset development fees for nonprofit developments.
- **Municipal underwriting of nonmarket/affordable developers to launch community bonds.** These bonds are a social finance mechanism starting to be widely used in Canadian communities to create a local investment opportunity to support the kinds of communities we want. To make up for the lower financial capacity of small-town development organizations, municipalities can play the role of guarantor. This strategy both enables and incentivizes local investment. The risk is low as real estate is a relatively safe investment.

A regional collaborative approach enables us to:

3. Create a regional social financing strategy for affordable housing

During last November's Forum we heard about many Canadian communities exploring the creative use of traditional financial approaches for public benefit: a charitable REIT in Newfoundland; an Alberta municipal collaboration that owns a development company; a community-wide revolving fund explored by the nonmarket development community in Hamilton. *What financing options might be possible in a collaborative environment, to achieve scale, and speed the attainment of the affordable units we need?*

- **A regional community bond to help finance local affordable development** could be underwritten by a group of municipalities to reach investment scale and reduce risk. Many nonmarket developers have trouble responding to opportunities at the “speed of the market”, taking too long to assemble financing. A regional financial approach recognizes that affordable housing in one community is also helpful to neighbouring ones and creates the opportunity for increased flexibility across municipal boundaries. As affordability benchmarks will vary between high and low-income municipalities, this strategy could also support regional affordability targets.
- **The development of a collaborative revolving fund to scale affordable development** across several municipalities that cohere as an informal region could attract substantial external investment to our communities.
- **Explore the use of community or social bonds to support infrastructure expansion.** This is a newer idea and would need some expert modeling – but may be an avenue for high net-worth individuals or interested companies to invest locally.
- **Tax exemption or deferral policies** by federal and provincial governments would support small municipalities in attracting local investment in local housing solutions and help strengthen the bonds of community, particularly where there has been substantial influx of urban dwellers due to the pandemic or retirement. This is a policy issue that our communities could support through federal and provincial lobby organizations.

A regional collaborative approach enables us to:

4. Engage our communities in solution-finding

Engaging in discussion across municipalities, members of the public and community organizations created a dynamic conversation about how we think about housing, what we need to consider and how we include people who may have resources or important insights but are not accounted for in the more focused narratives of homelessness. What are the opportunities if we broaden the discussion?

- **A regional education campaign** that links housing solutions to a sense of belonging and responsibility for community could help to quell NIMBYism and begin the process of building interest and willingness for local investment. A social marketing campaign could help everyone see themselves in the impact of the local affordability crisis. Housed or unhoused – it affects us all.
- **Be inclusive when thinking about our housing needs**, incorporate the stories and perspectives of young people, seniors and Indigenous people and make the link between affordability and homelessness. We need to understand the housing crisis as a systems problem - affecting many groups and sectors in each community. The impacts range from homelessness to young people unable to buy that first home or travel for employment to the tightening of the bottom line for small businesses when people must spend more on shelter. Seniors find themselves often unable to release family homes into the market because of the shortage of affordable alternatives.
- **Engaging our communities in the search for solutions can bring new ideas** – and resources. One idea that helped was looking through the lens of the Indigenous Medicine Wheel. It helped participants to take a more holistic and broader systems view of the impact of the crisis - and think about new possible solutions
- **County and municipal collaboration** with community is essential on this issue. Information-sharing builds engagement and features best ideas, cross-sector tables spark innovation, and collaborative projects across boundaries reach scale.

Next Steps

Beyond this report being shared widely, the Institute has committed to reconvene “Deeper Dive” Workshop Participants in the Fall of 2024 to create a regional community action plan. Mark your calendars and keep connected on this through our [newsletter](#).



In January of this year, the Institute convened a dedicated multi-sector team from the Social Finance & Affordable Housing Group in a retreat-format to fine-tune the ideas from November and confirm these intentions for 2024:

- **Build a team approach to scale our work together & continue to advocate**
- **Keep learning with community by engaging with local community housing groups, working on projects and events that build knowledge & capacity, and holding the knowledge on behalf of community through the Institute’s Affordable Housing Tool Kit**
- **Make a community action plan to build the ecosystem components we need**

By the end of the Retreat day, we landed on several themes:

- a) Explore land trusts as a means for municipalities and donors to hold land for community benefit in perpetuity.
- b) Create a community of practice and support for nonmarket developers and builders.
- c) Establish a regional finance advisory table.
- d) Promote pre-approved building design and creative new designs for affordable housing.
- e) Encourage/activate ways for people and municipalities to invest in their communities.
- f) Engage all demographics including those with lived experience, seniors, Indigenous persons.
- g) Work with municipalities in their effort to speed up the planning/permitting process and tax and other incentives to increase affordable housing supply.
- h) Collaborate with Association of Municipalities of Ontario (AMO) and Canadian Credit Union Association (CCUA) to share our learnings in an educational program geared to municipal leaders.

Next Steps Continued...

Since January, we have established cross-community working teams on key action areas and regularly hear community reports from citizen groups in each of the municipalities that have joined in the work.

We presented a virtual event on May 29 with Chief Administration Officers from across the region discussing top issues, challenges, barriers, and possible solutions – affordable housing is on everyone’s mind.

The Institute has also partnered with [Rental Rescue](#) and the University of Toronto/Rotman School of Management to research specific nonmarket/affordable sites in our region. The project developed proformas, which reflected innovation in municipal concessions and social finance that support the reach for affordability. This project was featured in our June 5 virtual event. To review past 2024 event, [please visit here](#).

We also had a team of 18 people attend the national Social Finance Forum in June of this year.

Next Steps for YOU?

- Keep talking about how we might do better on the affordable rental units we need!
- Talk to your family, friends and colleagues about what you have learned about affordable housing.
- Boast about your municipality’s successes and new strategies.
- Bring your hearts and minds to the Deeper Dive Reconvene this fall and see if we can make a regional plan reflecting our aspirations!

Note: While I authored this report after listening and re-listening to the words of the Deeper Dive workshop participants on the session video, this report is, as everything we do, a team effort. Special thanks to Rosalyn Morrison and Carter Triana for editing and positioning, to June Porter for insight, to Jack Vanderkooy for the newsletter article summarizing our January 2024 Strategy Retreat, to Jess Flynn for events and communications, and to the Housing Forum Design Team and the Board of the Institute for making both the Forum and the Social Finance and Affordable Housing Learning Group possible. Making magic takes a team and I am grateful to be a part. MS

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November 17, 2023

Workshop Table Participants

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William Beatty
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Pamela Spence
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Eric Ennis
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January 19, 2024

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Thank You

To our 2023 Program Partners and Sponsors

The Institute of Southern Georgian Bay (TISGB) community is thankful for a successful 2023 and is excited to continue building on the lessons we are learning through 2024..

Thank you again, to our supporters who enable the Institute to do this work of providing a platform and growing networks for accelerating action on our shared regional challenges and opportunities.

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