

From: Tara Warder <Tara.Warder@grey.ca>

Sent: Monday, November 25, 2024 1:28 PM

To: Kyra Dunlop <kdunlop@thebluemountains.ca>

Cc: Corrina Giles <cgiles@thebluemountains.ca>; Shawn Everitt <severitt@thebluemountains.ca>

Subject: RE: Grey County Housing Report

Please be advised that at its meeting held October 10, 2024 Committee of the Whole passed the following resolution :

CW102-24

That report PDR-CW-57-24 be received; and

That County Council endorse in principle the following recommendations, subject to approval in the 2025 budget, as initial actions towards creating a Regional Housing Strategy, including initial work being conducted on behalf of the members municipalities that is a necessary precursor to be able to access CMHC grant funding opportunities:

- a. **An additional budget allocation of \$10,000 to the \$50,000 already identified within the 10-year capital plan to update the County's Growth Management Strategy (GMS), addressing revised Ministry of Finance projections, and further exploring the relationships between forecasted population growth, employment growth, and related workforce and other housing needs arising, all of which to be funded from the Development Charges Reserve and the Planning – Growth Management Study Update Reserve;**

- b. **That the County explore 'additional services' via the Rural Housing Information System/Rural Ontario Institute as may be needed to support access to data sources for populating a County-wide Housing Need Assessment template, to be funded from the proposed 2025 Housing Action Plan Implementation Budget, all of which is being funded from the Planning General Reserve; and**

That this report be shared with Grey County's member municipalities for information purposes.

Thank you ,

Tara Warder

County Clerk

Phone: +1 519-370-2340



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|--------------------------------|---|
| To: | Warden Milne and Members of Grey County Council |
| Committee Date: | October 10, 2024 |
| Subject / Report No: | PDR-CW-57-24 |
| Title: | Housing Planning Data Needs and Regional Housing Strategy Request |
| Prepared by: | Liz Buckton, MCIP, RPP |
| Reviewed by: | Scott Taylor |
| Lower Tier(s) Affected: | All member municipalities in Grey County |

Recommendation

1. That report PDR-CW-57-24 be received; and
2. That County Council endorse in principle the following recommendations, subject to approval in the 2025 budget, as initial actions towards creating a Regional Housing Strategy, including initial work being conducted on behalf of the members municipalities that is a necessary precursor to be able to access CMHC grant funding opportunities:
 - a. An additional budget allocation of \$10,000 to the \$50,000 already identified within the 10-year capital plan to update the County's Growth Management Strategy (GMS), addressing revised Ministry of Finance projections, and further exploring the relationships between forecasted population growth, employment growth, and related workforce and other housing needs arising, all of which to be funded from the Development Charges Reserve and the Planning – Growth Management Study Update Reserve;
 - b. That the County explore 'additional services' via the Rural Housing Information System/Rural Ontario Institute as may be needed to support access to data sources for populating a County-wide Housing Need Assessment template, to be funded from the proposed 2025 Housing Action Plan Implementation Budget, all of which is being funded from the Planning General Reserve; and
3. That this report be shared with Grey County's member municipalities for information purposes.

Executive Summary

This report is the third of three associated reports, alongside reports PDR-CW-55-24 and PDR-CW-56-24. Building off the other two reports, this report responds to a request from the Town of

The Blue Mountains for the County to undertake an expanded regionally focused Comprehensive Housing Strategy, to build upon the County's Housing Action Plan.

Through this report, staff recommend that the County move towards the creation of a Regional Housing Strategy. A key first step would be updating the County's Growth Management Strategy (GMS) in response to the new Provincial Planning Statement (PPS) 2024 and Ministry of Finance (MOF) population projections. These activities would factor in updated demographic data and employment/workforce forecasts, and the potential impacts of servicing constraints on housing and employment growth over the planning horizon. The updated growth management work would then inform the preparation of a Housing Needs Assessment, which will offer more granular data regarding existing housing supply and deficit and provide further opportunities for the County and local municipalities to access grant funding through CMHC. The updated growth management work will also help to inform future updates to County and local official plans as well the Development Charges Background Study Update scheduled for 2026.

Regional housing strategy would be then developed in a manner that sets a clear framework for alignment and pursuit of regionally strategic opportunities. This could be completed as a standalone plan, or as an inclusion within the Housing Needs Assessment or updated Housing Action Plan. The strategy would respect and reflect the differing local contexts and capacities of each member municipality to engage with affordable housing creation. This strategy would also consider the evolving perceptions of other partners, such as non-profits, developers, investors, employers, as it pertains to the regional affordable housing opportunity space.

Background and Discussion

As member municipalities further engage with the Affordable Housing Community of Practice (AHCoP) and delve into the issues of housing mix, supply, and affordability; local understanding of the challenge at hand is evolving. Town of The Blue Mountains (TBM) staff have identified the preparation of a detailed Regional Comprehensive Housing Strategy as an opportunity to be explored. TBM suggests that such a strategy would be best delivered on a regional basis by the County, noting that a regional approach could facilitate an understanding of how housing need and supply varies spatially across the County. When considered alongside servicing, land availability, population, and employment forecasts; this information would support a comprehensive evaluation of how each member municipality may (or may not) be set up to successfully host, incentivize, or otherwise achieve differing types of housing, including affordable housing. Related services or wrap-around supports may also be needed.

The regional comprehensive strategy approach was endorsed by Town of The Blue Mountains Council, as described within local Staff Report FAF.24.009 (see Appendix 1a) and shared to the County as a request for Council consideration (see Appendix 1b). County and municipal staff have discussed this request internally and via the AHCoP. There appears to be general staff-level support at the AHCoP for considering such an approach. It was identified in these discussions that local staffing and resource capacity is at times a challenge and is an ongoing consideration for the member municipalities in engaging meaningfully with the recommendations of the County's Housing Action Plan (HAP). A more directive 'top down' approach by the County could be supportive and may help prioritize affordable housing interventions in certain communities, while maintaining a general focus on the basics of good long-range planning, as well as appropriate housing types and tenures in other communities.

The pursuit of housing need assessment activities is a recommended first step in pursuing a regional strategy. Such activities will refine the County's understanding of housing supply and deficit both spatially across the County, and temporally across the 25-year planning horizon. While this could be achieved via hiring of a qualified consultant to complete a standalone Grey County-wide Housing Needs Assessment (HNA); staff suggest that such study would only offer a 'snapshot' in time. Alternate approaches may be preferable where they could be linked meaningfully to the County's overall Growth Management Strategy (GMS). The goal would be for longer-range approaches which are repeatable, allowing for ongoing assessment and monitoring of housing data and indicators by County staff.

Based on the new 2024 PPS, the County needs to update the GMS, which was already identified as a 2025 project in the 2024-2033 10-year capital forecast. The data derived from the GMS could be a crucial first step to a regional housing strategy, and enable a staff-led County-wide housing need assessment including on-going monitoring.

Summary of Housing and Growth Study Types

Table 1, below, illustrates how staff anticipate these data and strategy pieces may fit together with the existing HAP, to guide further planning, investment and action regionally.

Table 1 – Elements to Support Strategic Guidance for Housing Creation

| Element | Description | How they work together |
|--|---|--|
| <p>Growth Management Strategy (GMS)</p> | <p>Identifies overall population / employment growth projections, based on demographics, known trends and limitations to growth across the County. Allocates overall regional growth projections to member municipalities based on historic and emerging trends, as well as considering municipal land and servicing capacity to deliver such growth.</p> | <p>The GMS provides a basis for planning future growth across the County. It is updated as new data and understandings emerge that may shift projections and anticipated growth, so that official plans, both County and municipal, can be adjusted accordingly.</p> <p>The GMS underpins key municipal activities such as establishment of development charges, prioritization and timing of municipal infrastructure projects, and the designation of lands and/or expansion of settlements per the Official Plan, as needed.</p> <p>Based on PPS 2024, the GMS will need to be adjusted to accommodate the MOF projections, and to allocate forecasted growth to Grey’s nine member municipalities.</p> |
| <p>Housing Need Assessment (HNA)</p> | <p>Includes both quantitative and qualitative information to describe existing housing supply, market conditions, and future housing needs.</p> <p>Details the location, type / pricing of housing needed to meet anticipated demand and facilitate community sustainability through growth.</p> | <p>A HNA focuses on the built resources (housing) required to support or facilitate the population and economic growth forecasted via the GMS. Typically, this includes ‘gap analysis’ between existing housing supply and future forecasted needs, and may also include the identification of approaches to address this gap - targeted based on the quantitative and qualitative data within.</p> <p>Ideally there would be a reciprocal relationship between the HNA and GMS, i.e., as the GMS is updated, the understanding of projected housing need must shift accordingly. Likewise, where undersupply of housing of certain types or pricing may limit growth opportunities, for example hindering employee recruitment and retention, this should be reflected in the future GMS as a trend/constraint.</p> |
| <p>Regional Housing Strategy (RHS)</p> | <p>Provides a high-level framework for long-term planning and organizational positioning and alignment.</p> <p>Focused towards the outcomes but analyzes and describes the ‘big-picture’ of the local housing ‘ecosystem’ or ‘opportunity space’ and those market</p> | <p>A regional strategy would offer a common conceptual framework within which the county, member municipalities and community partners could plan and act.</p> <p>Building from understanding of where certain housing types and pricing is needed, and where broader population and economic growth opportunities are likely to exist. The RHS would assess how municipal structures and capacities can be best positioned, used or applied to facilitate (targeted) housing creation opportunities, while avoiding or mitigating risks.</p> |

| Element | Description | How they work together |
|---|---|---|
| | <p>conditions, emerging trends, anticipated challenges, or barriers that may need to be navigate.</p> <p>May identify key regional structures and capacities to be established, maintained or otherwise cultivated towards our desired outcomes.</p> | <p>Being that housing is produced by a broad network of partners operating locally, a RHS would importantly offer information about how they could or should collectively work towards desired housing outcomes, allowing alignment and coherence of their own activity with the County initiatives (and vice versa).</p> <p>The future RHS could identify and map key community actors and could embed trend sensing and network leadership approaches that would help to keep the strategy current and responsive to changing circumstances, by tapping into the evolving wisdom held within and across the County.</p> <p>Staff note that this strategy work could be prepared as a standalone plan or may be compiled within a strategic options appendix to the proposed Housing Need Assessment, or as a strategic prefix to an updated Housing Action Plan. Specific actions arising would then be captured and further detailed within a revised/expanded Housing Action Plan.</p> |
| <p>Housing Action Plan (HAP)</p> | <p>Typically, action plans are very tactical and applied over a shorter timeframe than a strategy.</p> <p>Includes detailed description of specific steps or actions to be taken, identification of responsible parties, associated resourcing and timing considerations. A HAP identifies metrics to monitor implementation of specific actions.</p> | <p>The County's current HAP is a hybrid strategy/action document. It was compiled based on input from local municipal staff and in-house research regarding market conditions and widely understood barriers and opportunities to be explored or addressed.</p> <p>The actions included are largely based in linear logic, i.e., if the County does 'X', then 'Y' will result. In some cases, the actions are quite specific (e.g., update local zoning by-laws to permit additional residential units). In other instances, the actions recommended are more 'exploratory' in nature as might be better placed in a strategy (e.g., build non-profit capacity to support affordable housing creation). Specific timing and resourcing needs are not identified for all actions. Staff envision that a future housing strategy (standalone, as appendix to HNA, or perhaps as a prefix to an updated HAP), could include those 'exploratory' or big-picture ideas and objectives, with future iterations of the HAP being more detailed and specific, relating to stepwise achievement of the related actions that serve to move us tangibly towards stated housing outcomes.</p> |

Background considerations, and alternate recommended approaches relating to a GMS update, a HNA to inform housing planning, and a future RHS, are outlined below.

1. Updated Ministry of Finance (MOF) Forecasts

As outlined in staff report PDR-CW-49-24, the updated 2024 Provincial Planning Statement (PPS) requires municipalities to base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance.

In reviewing recently updated projections by the MOF for Grey County, staff understand that the County's 2021 GMS was initially informed by and was in close alignment with past MOF figures. However, the recently updated MOF projections now project population growth of an additional ~19,000 persons for Grey County, above and beyond what is reflected in the County's GMS through 2046.

The MOF now projects that the County will grow to a population of 146,169 by 2046, vs 127,130 as presently reflected in our GMS. The 2021 Census identifies an existing population of 100,905 for Grey County, and based on staff estimates, the County would require construction of approximately 21,700 housing units through 2046 to accommodate this forecasted growth.

The MOF only projects population for the County as a whole, and this overall population growth is not broken up by Grey's nine member municipalities. References to this 'unallocated' MOF projected growth have found their way into recent development application planning justification reports.

Staff believe it will be important to consider how this additional projected growth may indeed materialize, and how it may be distributed across the County. For example, does the County allocate the growth based on the existing proportion of growth allocated to each member municipality as per the existing GMS and County Official Plan? Alternatively, is there opportunity to allocate in some other way that better reflects changing community circumstances and known limitations to growth (e.g., servicing capacity limitations, which may necessitate phasing or tempering of forecasts)? It is important to note that regardless of how the County allocates such growth, there are many other factors both locally and more globally that can impact whether growth materializes in each municipality. These factors include but are not limited to; servicing / infrastructure availability, staff's capacity to process development applications, political will, interest rates, demographics, employment rates, economic outlook, etc.

2. Updated Grey County Growth Management Strategy

To address the updated MOF projections, staff recommend an update to the County's GMS, via a qualified demographic/economic consultant, as would be retained to complete this work. County staff had already identified the need for this update in the 10-year capital plan as a 2025 project, but the scope of this project is anticipated to change slightly based on the 2024 PPS. This update would be informed by 2021 census data and various other emerging data sources, including but not limited to the MOF projections. Working with member municipalities, the County would update known constraints to development (e.g., servicing infrastructure and capacity, land supply, etc.) and could look to adjust growth targets, accordingly.

Staff also see an opportunity to further examine the driving factors, assumptions, and background demographic and migration data underpinning the forecasted employment growth in the County, such data being compiled as an interim step of the overall GMS projection methodology. This would be expected to facilitate greater understanding of the nature of employment that may accompany or drive this population growth over the planning horizon. It may also support us in better describing the type, amount, and pricing of workforce housing that may be necessary to support that growth. Staff believe that such data arising from this GMS process, would help to populate the HNA template by Housing, Infrastructure and Communities Canada, as discussed below.

An updated GMS could also help prepare the County for a new Development Charges Background Study and By-law, which is currently scheduled to be undertaken in 2026.

In the past, the County used consultants to generate and update the GMS. Staff are recommending this approach for 2025, however staff would note that given the PPS 2024 changes and the new relationship to the MOF numbers, it may be feasible to look at future GMS updates as being more staff-driven, using less consulting resources. At this point staff do not yet know the feasibility of this approach and will not know until working through the 2025 GMS update.

Recolour Grey, the County's Official Plan came into force in 2019. The pursuit of an updated GMS now may also facilitate opportunity for a further update following the 2026 Census (if needed), but prior to the 10-year official plan review to occur in/around 2029. Given the timing of Grey County's review relative to Census intervals, an ongoing +/- 5year interval of GMS/HNA update could be established, with such updates scheduled 18 – 24 months post-census.

Where a HNA is mandatory in support of certain Federal funding programs; Housing, Infrastructure and Communities Canada identifies that an update will be requested, should five years have elapsed since its preparation.

Staff anticipate that the completion of a HNA (via the HNA template, as described below) is likely to be achievable using in-house staff resources. With further coordination effort, this timing may also support integration of data/findings within or relating to the mandated County Housing and Homelessness Plan (as is focused on deeply affordable units, subsidized and social housing and homelessness supports). As per the *Housing Services Act*, Housing and Homelessness Plans are to be established by the Housing Manager on a ten-year interval, with update at the 5-year mark. The County's current Housing and Homelessness Plan extends through 2024, and is being updated this year.

3. Housing Need Assessment Template and Data

Housing, Infrastructure and Communities Canada has prepared various 'Housing Need Assessment' guidance documents, outlining what information such assessments should address to properly quantify housing need in a community. Further to this work, the Federal Government via Housing, Infrastructure and Communities Canada has recently prepared a [Housing Need Assessment \(HNA\) template](#) (July 2024) to support completion of such assessments. These assessments are required to support applications for various federal housing and infrastructure funding opportunities, particularly for larger communities.

Considering the variety of new housing data sources as have been identified over the past few years, staff suggest that the County could use the Federal HNA template, while working with data providers to establish a repeatable, readily accessible data source to populate such HNA's on an ongoing basis (ideally coordinated with the County's overall GMS work, as described above).

As noted previously, staff see potential for development of additional data/metrics via the new Rural Housing Information System (RHIS) hosted by the Rural Ontario Institute (ROI). Ongoing annual membership/subscription by the County for access to the various data offered within the portal is recommended via report PDR-CW-55-24 for the 2025 budget process and beyond.

ROI staff advise that 'additional service' can be negotiated to further populate the RHIS data tool in useful ways. County staff propose that the County work together with ROI to identify and access any outstanding data sources that may be necessary to inform HNA's/templates on a go-forward basis. Staff suggest such a data resource may have broad appeal to Western Ontario Warden Caucus (WOWC) members, perhaps reducing preparation costs associated with HNAs and facilitating ongoing monitoring in a user-friendly way.

The resulting HNA for Grey County would provide more granular data regarding existing housing supply and need. Together with updated overall growth forecasts, this information would support allocation of meaningful local targets to guide strategic efforts to both resolve existing affordable unit deficits and ensure appropriate future housing supply and mix.

In addition to facilitating sound regional strategic planning, need assessments are often required as part of the application process when accessing senior government housing and infrastructure funding programs. In some situations, where an HNA is not explicitly required, justification of housing need (in some manner) often remains a precondition to approval, Canadian Mortgage and Housing Corporation's (CMHC) Rental Construction Loan Program being one example where this is the case.

Further, where a municipality may choose to institute a Community Planning Permit System (CPPS) with inclusionary zoning provisions, it's expected that the regional HNA would substantially underpin preparation of enabling policies and the mandatory 'assessment report' as described by Ontario Regulation 232/18 and required by Section 16(9) of the *Planning Act*. Such assessment reports must address demographic, housing market and other economic data to demonstrate housing need and must assess any potential impacts of inclusionary zoning on the financial viability of development.

4. Future Regional Housing Strategy

Following the preparation of an updated GMS and a HNA, as will generate refined housing and growth targets for the County, the Regional Housing Strategy could then be pursued. As noted in Table 1, above, such a strategy could be completed on a standalone basis, however staff suggest that this may be most efficiently achieved by capturing strategic options and principles within a Strategic Directions appendix to the Housing Needs Assessment, and/or by embedding an overarching strategy section within an updated Housing Action Plan.

Staff anticipate that the following elements would be captured within this strategy work and an updated Action Plan, with many of these ideas being already under investigation or mapped out in a preliminary manner based on learnings to-date:

- Identification of updated approaches to housing planning, addressing direction via the new Provincial Planning Statement (PPS 2024) for greater coordination across levels of government, agencies, boards, Service Managers, and publicly funded educational institutions.
- Identification of those housing supportive roles, functions and capacities to be held by local government.
- Identification of housing supportive roles, functions and capacities to be held 'externally' to local government, by other actors within the region.
- Discussion of how the local government and external actors may interact around identified strategic objectives and how we will interface:
 - e.g., how do we work together in this opportunity space? Where do opportunities for partnership or innovation exist, and what are the related preconditions?
 - Staff note that social innovation and collective impact frameworks (e.g. [Tamarack Institute Toolkit](#)) often speak to the evolutionary process of collective opportunity identification. This adaptive process is facilitated via networking and the creation of new communities of practice.
- Identification of other capacities or skills not held within the region, as may need to be introduced. Significant opportunity may be associated with working with our contacts and networks in the GTA and elsewhere. Staff suggest such effort may support the infusion of new ideas or approaches to Grey County, creating potential for partnership between local and external actors as would be mutually beneficial and would support achievement of our local housing objectives.

Legislated Requirements

There are no specific legislated requirements associated with this report.

Financial and Resource Implications

- 1) GMS Update – Staff anticipate consulting fees in the range of ~\$60,000 to complete a GMS update with benefit of 2021 Census data and MOF numbers. The updated GMS will also provide data outputs to support completion of the HNA template, and resolving the discrepancy between existing population and employment forecasts, and the updated MOF projections. Staff propose that this would be funded largely from the Development Charges Reserve, with the remaining portion from the GMS Update reserve. An amount of \$50,000 is already earmarked within the 2024-2033 10-year capital forecast for GMS Update in 2025, thus a \$10,000 increase to this budget is proposed to be funded from the Development Charges Reserve and the GMS Update Reserve.
- 2) RHIS Additional Services – Any related expenditure to begin discussions and exploratory work with ROI in 2025 could be funded from a portion of the 'Housing Action Plan Implementation' capital budget. The 2024 Planning Capital Budget included a total

of \$30,000 for the Housing Action Plan Implementation being funded from the Planning General Reserve. Staff estimate that approximately \$5,000 will be expensed from the 2024 Budget allocation prior to year-end. Staff are recommending that the remaining \$25,000 be carried over into the 2025 Budget with an additional \$5,000 being added to the budget, for a total allocation of \$30,000, all funded from the Planning General Reserve. This budget request was noted in the recommended motion in Staff Report PDR-CW-55-24.

Relevant Consultation

Internal: Planning, Community Services, Economic Development, Tourism and Culture, CAO/Deputy CAO, Legal Services, Finance

External: Affordable Housing Community of Practice

Appendices and Attachments

Appendix 1a – Town of the Blue Mountains Staff Report FAF.24.009

Appendix 1b – Town of the Blue Mountains Staff Letter to Grey County

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|--------------------------------|---|
| To: | Warden Milne and Members of Grey County Council |
| Committee Date: | October 10, 2024 |
| Subject / Report No: | PDR-CW-56-24 |
| Title: | Housing Action Plan – Emerging Understandings |
| Prepared by: | Liz Buckton, MCIP, RPP |
| Reviewed by: | Scott Taylor |
| Lower Tier(s) Affected: | All member municipalities in Grey County |

Recommendation

1. That report PDR-CW-56-24 be received for information.

Executive Summary

The focus of this report is to share new information gleaned by staff, based on further research, data, and relationship building with housing providers, developers, and community groups. This information helps to contextualize the County’s role, alongside the many others currently working in the housing sector in Grey County and beyond. Staff recommend that the County further investigate the process and potential benefits of a County Community Improvement Plan (CIP) focused on housing, including discussing the matter further with neighboring counties, Ministry of Municipal Affairs and Housing, and Western Ontario Warden’s Caucus and to bring back a report to Council.

Background and Discussion

Based on ongoing work by the County and occurring in the community, County staff’s understanding of the housing challenges the County faces continues to evolve. Some understandings arise from new data, while others reflect emerging conversations and ideas that may shape future opportunity.

With respect to data, as a refresher, household income data is often reported by ‘deciles’. This approach divides all households into ten equal groups based on their income levels, each decile representing 10% of the population. The first decile includes households with the lowest 10% of incomes, the second the next 10%, and so on. This data helps to illustrate how income is distributed across households and identifies the range of incomes within each decile for comparison purposes. ‘Low & Moderate Income Households’ are typically described as those falling within first 6 deciles of household income. These income breakdowns then get used for

housing affordability definitions and policy interpretation in documents such as the Provincial Planning Statement (PPS).

Some key data highlights and improved understanding around housing creation in Grey County are as follows:

- 1) Real Estate and Provincial (PPS) data illustrate that both average and median resale pricing in 2023 exceeded 'affordable' pricing thresholds for owner households in even the 9th decile of household income in Grey County. For reference, the 9th decile owner household income for Grey County is approximately \$202,000/year (2021).
- 2) Rural Housing Information System (RHIS) and PPS data illustrate that average;
 - a. 1 bedroom rentals available on the market today in Grey County may be affordable to households in 6th decile of renter household income,
 - b. 2 bedroom rentals may be affordable to households in the 7th decile of renter household income, and
 - c. 3+ bedroom rentals may be affordable only to households in the 9th decile of renter household income.

For reference, the 6th decile renter household income in Grey County is \$52,800/year (2021) and the 9th decile renter household income is \$105,000/year (2021).

- 3) Items 1 & 2 above together illustrate that ownership housing and available market rental units exceed provincial affordability metrics for Grey County. This is also common in many other parts of the province. Below-median ownership units and available market rentals are likely serving the 7th – 9th household income deciles relatively well, however such units do not address the needs of households with low or moderate income.
- 4) The County's social housing wait list continues to grow by 80-90 households per month against an overall wait list including approximately 1,525 Grey County households, and approximately 650 applicant households from outside of the County. More granular data analysis may yield additional understandings regarding applicant households and their needs.
- 5) The Housing Assessment Resource Tool (HART), from the University of British Columbia (UBC) estimates an affordable housing deficit of approximately 2,700 units for Grey County. The HART identifies housing need for units targeted to very low, low, and moderate income households priced from \$390 - \$975 - \$1,560/month, accordingly. The Grey County Official Plan further includes a policy target of 30% of new residential development as 'affordable'. Based upon the household growth presently forecasted across the County, this policy targets the creation of an additional 3,600 affordable units by 2046, atop existing deficit. Note these 3,600 units are based on the County's current growth management strategy projections, not the higher projections recently provided by the Ministry of Finance (MOF).
- 6) Anecdotally, staff understand that achieving ownership or rental pricing to serve the 4th – 6th income deciles or below in Grey is very challenging (if at all possible) for developers based on the costs of land, development, construction, and borrowing. The Deputy CAO, Planning, and Economic Development Tourism and Culture staff attended the Canadian Apartment Investment Conference in Toronto on September 11, 2024 to better understand the challenges and opportunities within this sector. Key take-aways from the conference include the following:

- a. Unit demand is high and given the significant increase in immigration recently, it is expected that supply and new housing starts are unlikely to meet demand in the near term, which likely brings further rent escalation. While the economics for multi-residential unit creation are very challenging at the current time, with many projects shelved or held back until cost and interest rate conditions improve, it is expected that demand will drive new starts as soon as cost factors level out. The speed of legislative change recently was noted also as a consideration. As legislative change slows and greater certainty is established, the industry can begin to review existing holdings and entitlements and adjust their plans accordingly.
 - b. By various measures, Canada may well be in a recession. Mortgage and credit defaults have ticked upwards. However, there is concern that defaults may soon grow substantially given that 'excess household savings' accrued via the pandemic are now largely exhausted and many mortgages are coming up for renewal with higher interest rates. The costs and the overall cost-of-living challenges faced by both developers and residents (including increases in insurance costs across the board) may limit opportunity to realize rental revenue growth within multi-residential project development. Rental may however continue to be preferred as a long-term investment option, given the substantial challenges associated with ownership housing construction/interest costs and somewhat limited capacity of would-be homeowners to enter the market. Staff note that subsequent announcements have been made by the Federal Government regarding increased CMHC mortgage insurance limits, and 30 year amortizations for new-home mortgages, which could be an attempt to direct investment towards homeownership.
 - c. It is expected that Bank of Canada will likely need to reduce interest rates fairly aggressively to address these factors. As this occurs through 2025 and as projects begin to 'pencil out', the industry will then need to navigate construction industry shortages. While new trades people are being brought into the industry to address retirements and demographic change, there is an adjustment period as the industry 'skills-up' and achieves more typical or enhanced levels of productivity.
 - d. Projects including deeply affordable housing components via federal and other funding are largely continuing, however margins are very tight in bringing these projects forward. Height, density, and land use approval process barriers were noted as significant factors affecting project viability. Staff often hear that there may be interest within the sector locally to pursue affordable housing creation, but that height and density limitations imposed via the planning process can represent a major barrier to achieving financial viability for these projects. This sentiment was strongly supported by conference speakers.
 - e. Being within the municipal scope of control, enhanced policy and support of increased height/density for affordability outcomes may represent a significant opportunity available to the County and member municipalities to facilitate creation of some units at these difficult to achieve price points.
- 7) Recent publications from academia (e.g., [Toronto Metropolitan University's New Housing Supply Mix Strategy](#)) and non-profit sector/advocates (e.g. [United Way's Report – Bringing Affordable Housing Home](#)) identify the non-profit and charitable sectors as

key players in addressing the housing crisis in Canada. There is a need to support and scale up these types of organizations for affordable housing creation. Some ideas for support or up-scaling could include the following:

- a. Stacked capital and incentives as well as partnership approaches are recommended to support this sector in meeting the challenge of creating perpetually affordable non-market housing, to serve the needs of households that cannot attain market units due to income and availability challenges. Given the cost factors noted in item (6) above, multiple sources of funding are required for an affordable housing build to be viable.
 - b. Locally, staff observe that up-front capital funding and an on-going rent subsidy is often required for new builds by non-profit housing providers due to high interest rates and high construction costs. Both the non-profit Lutheran Social Services build, and the Grey County affordable housing build are still looking for funding to make these builds viable. Both projects have access to the National Housing Strategy funds and County funds, but another source of funding will be necessary for the projects to move forward.
- 8) Considering Items 3-7 above, together, staff are of the opinion that opportunities for affordable housing creation will likely require the following:
- a. careful assembly of the right incentives, funding and partnerships to make affordable housing projects viable, and
 - b. stacking of federal, provincial and local incentives needed to support the supply of new affordable units within mixed affordability developments in a way that will be viable over the long-term.

New and additional funding options would greatly assist in this work. Future local efforts towards establishing charitable and/or social finance mechanisms to raise capital, and the facilitation of multi-stakeholder partnerships, e.g., including faith-based communities, large employers, or institutions, may present an opportunity to resource affordable housing creation.

- 9) Effective tools to require or mandate affordable housing via the development process are not in place in Grey County at this time, largely based on limits to local authority in this regard as per the provincial framework. Key considerations in relation to such tools are as follows:
- a. Staff continue to explore options to acquire the dedication of affordable units, land or cash contribution separately or in association with development proposals, on a voluntary basis.
 - b. Emerging approaches, such as the creation of Community Planning Permit Systems (CPPS) within which inclusionary zoning/unit dedication may be applied, may represent a future option to acquire such units on a mandatory basis via the development process. Such a tool could be applied in key locations where the effort to establish a CPPS may be warranted.
 - c. A related discussion is emerging in the regional housing community regarding what institution(s) or organization(s) could or would ultimately hold and administer such affordable units in perpetuity, once successfully created. While provision of affordable units by agreement (i.e., to maintain as affordable, perhaps in exchange for some process, fee exemption, or land-based incentive) is one way to achieve new supply, such agreements generally are time-limited

(e.g., 25-years). The ability to hold and maintain units out of the market, on a non-profit basis, facilitates opportunity for this housing to remain affordable in perpetuity. This also may facilitate opportunity for housing providers to later leverage the equity within these developments to support the creation of additional affordable housing in the future.

- d. A municipal non-profit development corporation, a non-profit housing organization, or purpose-oriented 'land trust' may perhaps fulfil this role of the unit holder/administrator, however additional questions arise for consideration. For example, what are the potential limitations of these different structures? What are the relationships and agreements that would be necessary to support transfer of public or private lands for their holding and management? What are the resourcing needs (financial and people) associated with the creation and maintenance of such an organization?
- 10) With consideration to item 9 above, staff suggest that there may be merit in considering some expanded role for the County given our existing County Housing Corporation and associated in-house expertise in administering County-owned and partnered social and supportive housing units. Staff consider that this may support land acquisition, land banking, the targeted use and incentivization of lands for affordable housing creation, and could perhaps help to facilitate multi-partner workforce housing in key locations. If the County were to explore an expanded role, related financial, legal and capacity considerations would need to be fully examined. Staff note that very preliminary information gathering, and discussion is underway internally to explore what may be appropriate, feasible, or sustainable in this regard.
 - 11) Over the past months, County staff have fielded various requests for financial support from local non-profit organizations interested in pursuing affordable-housing supportive actions. However, such funding is not in the County's budget, and therefore these requests have not been supported. The Housing Action Plan identifies that a County-level Community Improvement Plan (CIP), where prescribed by the province, may provide an opportunity for the County to directly support targeted housing projects with financial approaches like grants or loans, and/or via provision of low or no cost land. A County CIP could establish similar tools and incentive programs as exist via local CIPs, though could perhaps be more finely targeted to projects of strategic significance to the County. CIPs by a prescribed upper-tier are scoped in their application, dealing only with infrastructure within the upper-tier's jurisdiction; lands/buildings for higher density mixed-use development adjacent to planned transit hubs; and affordable housing. It is expected that a County CIP could build upon the good work associated with the creation of the County's CIP template, via County-wide collaboration. The current CIP program has seen the County partner with local municipalities offering Tax Incremental Equivalent Grants (TIEG) under their local plans, effectively phasing in the local and County portions of the increased tax assessment associated with new purpose-built rental projects. In the absence of a County CIP, or in the case of future initiatives that may not be specifically land-based, other approaches may be indicated. For example, the Town of Collingwood has recently issued a call for Expressions of Interest (EOI) ([link to EOI on Collingwood website](#)) for non-profit organizations seeking seed funding for specified affordable housing related actions. The County could consider establishing a similar procurement initiative and budget to support this sector in achieving shared objectives.

12) Finally, staff note that local interest regarding affordable housing opportunities and solutions continues to grow. There are emerging non-profit organizations as well as informal discussion and interest groups forming in member municipalities across the County. Further, certain local faith-based communities have begun outreach and consideration of how their congregations may support housing solutions, and how their built assets or land holdings may contribute. Staff have also been approached by several local development proponents, to explore approaches and available incentives as may facilitate inclusion of affordable units within mixed-affordability market developments.

Legislated Requirements

There are no specific legislated requirements associated with this report.

Financial and Resource Implications

Staff recommend that the County undertake further analysis regarding the process for being able to establish a County-level CIP, as well as assessing the potential benefits and costs associated with a County-level CIP program. A further staff report will be presented to Council following completion of this analysis.

Relevant Consultation

Internal: Planning, Community Services, Economic Development, Tourism and Culture, CAO/Deputy CAO, Legal Services, Finance

External: Affordable Housing Community of Practice

Appendices and Attachments

Appendix 1– Additional Data

| | |
|--------------------------------|---|
| To: | Warden Milne and Members of Grey County Council |
| Committee Date: | October 10, 2024 |
| Subject / Report No: | PDR-CW-55-24 |
| Title: | Housing Action Plan – Status Update |
| Prepared by: | Liz Buckton, MCIP, RPP |
| Reviewed by: | Scott Taylor |
| Lower Tier(s) Affected: | All member municipalities in Grey County |

Recommendation

1. That report PDR-CW-55-24 be received; and
2. That consideration of Grey County attaining membership and access to the Rural Housing Information System (RHIS), on behalf of Grey County and member municipalities, via an annual membership fee of \$2,000 be included in the County's 2025 budget; and,
3. That Grey County host a networking event in 2025 in relation to the surplus lands for affordable housing project to connect potential cross-sector community partners and explore opportunities relating to housing creation on public lands within the County and that it be funded from the 2025 Housing Action Plan implementation budget; and
4. That a total of \$30,000 be included for consideration in the 2025 budget to cover on-going implementation of the Housing Action Plan to be funded from the Planning General Reserve.

Executive Summary

This report offers an update regarding actions pursued under the County's Housing Action Plan since its endorsement by Council in August 2023. Included in the report are recommendations for continued access to the Rural Housing Information System (RHIS) and hosting a networking charette event for community housing partners in 2025. The financial considerations of the RHIS and networking charette have been outlined in this report, but will be included in the draft 2025 County budget for Council's consideration. This report is meant to be read in concert with Reports PDR-CW-56-24 and PDR-CW-57-24 regarding emerging understandings on housing and a regional housing strategy, as well as data needs.

Background and Discussion

Further to the housing initiatives of the County's Community Services department, an updated [Grey County Housing Action Plan](#) (HAP) as described by staff report PDR-CW-40-23 (see Appendix 1) was endorsed by Council in August 2023. The HAP was developed in collaboration with municipal staff from across the County. The Plan identifies a variety of actions that may be undertaken to support the creation of missing-middle, affordable, and near-market rate rental units, as well as home ownership units which are often referred to as 'attainable'.

The updated HAP was created using a 'systems framing' approach, which considers various methods - programmatic, policy, financial, and relational – to promote housing development. Exploration of innovative forms of non-market and other tenure models, as well as non-traditional funding and social finance approaches is addressed within the HAP amongst other more 'traditional' approaches. This illustrates the County's intent to thoughtfully consider how the County may use existing structures and capacities in new ways to further housing objectives, as staff hope others may also consider doing.

A systems-focused plan looks at the interconnected parts of the housing system and aims to create the right conditions for change and new opportunities. Positive outcomes depend on recognizing the strengths and potential of both local government structures and diverse housing partners, which may include:

- non-profit organizations and housing providers,
- private developers and builders,
- financial institutions,
- community foundations,
- large employers,
- faith-based and charitable organizations, and
- health and educational institutions.

This report-back to County Council provides updates on the specific implementation actions that the County continues to 'own' within the HAP. However, where possible, staff have also woven in information about how the County's ongoing work intersects with that of others pursuing housing action locally.

Housing Action Plan Status Updates and On-going Actions

Implementation of the HAP is well underway, including the following actions:

1. A housing forum for County/Municipal Councils and staff was held in October 2023. The forum offered a common operating picture of housing need and affordability in Grey County to inform further work.
2. A County and municipal-staff Affordable Housing Community of Practice (AHCOP) has been established, with meetings on a bi-monthly basis. A related communications site/resource hub has also been created to support the work of the AHCOP to share

information and best practices and to continue forward with implementation of the HAP in a coordinated and collaborative way.

3. County Staff have established an informal network with planning counterparts at Huron, Bruce and Simcoe Counties, meeting monthly to discuss ongoing work, emerging issues, arising opportunities etc. Simcoe and Bruce Counties each have Housing Plans in process, having received very recent Council endorsement:
 - a. [Bruce County Housing Action Plan](#)
 - b. [Simcoe County Housing Attainable Supply Action Plan](#)
4. The exploration of planning process efficiencies, including a potential new service delivery model, is underway by the County and member municipalities. Staff report PDR-CW-03-24 (see Appendix 2) proposed process efficiency recommendations, with further revisions expected to continue based on recent and ongoing legislative / policy changes affecting planning in Ontario.
5. On-going official plan and zoning by-law updates are underway at the municipal level.
6. County staff continue to work with municipal treasurers and County Legal Services staff to research affordable housing exemption agreements based on the changes to the *Development Charges Act* which took effect June 1, 2024.
7. The County's Surplus Lands Project continues with detailed review of potentially surplus County-owned sites in Markdale and Durham. This project includes ongoing internal consultations regarding offering the lands, partnership, and incentive options that may support affordable housing creation on these lands. Specific to the Surplus Lands Project are the following items:
 - a. Planning staff, together with Economic Development, Tourism, and Culture staff are discussing how best to generate options and preliminary development concepts for these sites. Staff are also contemplating the types of partnership or incentives that may need to be provided, alongside the lands, to support economic viability for a component of affordable housing.
 - b. An opportunity exists to bring together private and non-profit sector developers and housing providers, investors and municipal staff and/or council leadership, alongside other potential community partners, to discuss these opportunities and how we can best work together towards key outcomes. A networking charette event is recommended for 2025, as additional detail is confirmed regarding the site conditions, timing considerations, and pre-development needs for the potentially surplus County lands under investigation. Additional information on this event is included in the Financial and Resource Implications section of this report.
 - c. These actions are consistent both with the aims of the HAP, and the County's Economic Development Strategy priorities of 'Leadership and Collaboration' and 'Investment Readiness' with the goal of building cohesion and common understanding around these opportunities and how we may best work together in future.
8. Additional Residential Unit (ARU) resource materials have been prepared by County Staff and shared with member municipalities for consideration and reference in relation to policy and zoning updates.
9. County Staff are engaged in ongoing networking and co-learning with community partners such as The Institute of Southern Georgian Bay (TISGB) ([link to TISGB toolkit website](#)), regarding unique housing tenures, finance models, and tools as may support

creation of affordable housing in perpetuity. This may include, for example, social finance tools like community bonds, and delivery models such as non-profit development corporations, land trusts, cooperatives, etc. Presently, the Institute's Social Finance & Housing group is considering the ways in which a collaborative strategy could be developed to clearly link municipal and community efforts across the region, to drive affordable non-market housing to support regional needs.

10. Additional data sources have been identified and compiled, further helping to detail the nature of housing need, in-progress supply, and affordability in Grey County. The understandings arising from this data will be presented within the second report of this three-part series. Of particular note, is the Rural Housing Information System (RHIS) as is being delivered by the Rural Ontario Institute (ROI), in partnership with Eastern and now Western Ontario Warden's Caucus (WOWC) members. The County has access to the RHIS in 2024 through WOWC, but is being asked for a membership fee to continue access in 2025. If the County subscribes to the RHIS, the membership fee covers both County and member municipal access to the data. The RHIS compiles various data sources around community demographics, market conditions, and development metrics allowing for comparison across local and regional communities in Ontario. It is in early use, with potential for ongoing development of additional data and metrics. Additional information on RHIS membership is included in the Financial and Resource Implications section of this report.
11. The County's Community Services Department continues to explore opportunities to expand housing and homelessness support services within the County, recent actions include:
 - a. 12 Supportive units in partnership with Canadian Mental Health Association (CMHA). CMHA has received funding from the Ministry of Health for 24/7 staff supports. The building was renovated and is owned and operated by Grey County.
 - b. The County purchased a 22-room motel that provides up to 27 people experiencing homelessness with transitional housing. Support services are provided on site.
 - c. Grey County funded a pilot project for a winter warmth program with Safe n Sound. The program operated from November to April providing a warm place for people experiencing homelessness to access services.
 - d. Grey County is supporting nonprofit Lutheran Social Services Owen Sound with building a 40-unit apartment building for seniors. Grey County is providing \$3,000,000 towards capital and operating expenses.
 - e. Grey County is redeveloping an eleven-unit rent geared to income building to 36 units of affordable and market housing in Dundalk.
12. A \$647,800 contribution to the County's Affordable Housing Reserve was made in the 2024 approved budget. The estimated reserve balance at the end of 2024 is \$1 million; future contributions are earmarked for the two builds in Dundalk and Owen Sound, as noted above.

Legislated Requirements

There are no specific legislated requirements associated with this report.

Financial and Resource Implications

- 1) RHIS Annual Fee – Staff see great value in the data provided by RHIS to the County and member municipalities. The annual membership fee is \$2,000.00, alongside commitment to share geospatial, housing plan, and incentive data to Rural Ontario Institute (ROI) as requested, to maintain the data service/portal. As noted earlier, this fee would include access to both Grey and all nine member municipalities. This would be an increase to the the subscriptions line item in the 2025 Planning operating budget.
- 2) Surplus Lands, Networking Charette Event – This event would include a range of parties to (a) connect potential cross-sector community partners, and (b) explore opportunities relating to housing creation on public lands within the County. Expenses associated with the event (e.g. space rental, food/beverages, etc.) would be funded using a portion of the ‘Housing Action Plan Implementation’ budget. The 2024 Planning Capital Budget included a total of \$30,000 for the Housing Action Plan Implementation being funded from the Planning General Reserve. Staff estimate that approximately \$5,000 will be expensed from the 2024 Budget allocation prior to year-end. Staff are recommending that the remaining \$25,000 be carried over into the 2025 Budget with an additional \$5,000 being added to the budget, for a total allocation of \$30,000, all funded from the Planning General Reserve.

Relevant Consultation

- Internal: Planning, Community Services, Economic Development, Tourism and Culture, CAO/Deputy CAO, Legal Services, Financial Services
- External: Affordable Housing Community of Practice

Appendices and Attachments

- Appendix 1 – Staff Report PDR-CW-40-23 (Housing Action Plan)
- Appendix 2 - Staff Report PDR-CW-03-24 (Planning Efficiencies)