



# Committee Report

<b>To:</b>	<b>Members of the Affordable Housing Task Force</b>
<b>Committee Date:</b>	<b>March 3, 2020</b>
<b>Subject / Report No:</b>	<b>PDR-AF-01-20 Housing Options and Programs Report</b>
<b>Title:</b>	<b>Housing Options and Programs Report</b>
<b>Prepared by:</b>	<b>Grey County Staff</b>
<b>Reviewed by:</b>	<b>Randy Scherzer, Anne Marie Shaw, and Savanna Myers</b>
<b>Lower Tier(s) Affected:</b>	
<b>Status:</b>	<b>Recommendation adopted by the Task Force March 3, 2020 as presented; Endorsed by Committee of the Whole March 12, 2020 per Resolution CW61-20;</b>

## Recommendation

**That Report PDR-AF-01-20 be received for information purposes; and**

**That the Report be shared with member municipalities in Grey County for their information.**

## Executive Summary

At the September 26th, 2019 Committee of the Whole meeting the Committee passed a motion requiring staff to bring forward a report on affordable housing options and opportunities. Through Recolour Grey, the Community Improvement Plan (CIP) project, and programs in the Housing department, the County is working to promote housing for all, including more affordable housing opportunities. This Report provides a summary of some actions the County is already taking with respect to housing supply, as well as some further opportunities for the County to explore.

## Background and Discussion

At the September 26, 2019 Committee of the Whole meeting the Committee adopted resolution CW183-19 as quoted below.

*“Whereas there is currently a shortage of affordable and attainable homes in Grey County; and*

*Whereas the development of enabling land use policies to encourage affordable and attainable housing such as tiny homes and smaller lot sizes may require changes to official plans and zoning by-laws;*

*Now Therefore Be It Resolved that staff bring back a report to Committee of the Whole on options for municipalities to consider when developing planning policies and other initiatives in order to improve affordable and attainable housing options in Grey County.”*

County staff in the Economic Development, Housing, Communications, and Planning departments have all been working on programs and policies that impact housing and have contributed to this Report. What follows is a brief summary of some of the actions taken to date, or programs which are currently underway but not yet completed.

## 1. Recolour Grey

In June 2019, the Province approved Recolour Grey, the County’s new Official Plan. Recolour Grey contains new direction on housing, going far beyond what was in the previous Official Plan. Section 4.1 of Recolour Grey highlights policies on;

- residential intensification,
- affordable housing (both rental and ownership),
- social and special needs housing,
- tiny homes,
- second units,
- garden suites,
- seniors housing, and
- short term accommodations.

The County Plan promotes a wide variety of housing types, and recognizes the ‘housing continuum’, as demonstrated in the below graphic by the Canadian Mortgage Housing Corporation (CMHC).



*Figure 1: Housing Continuum (Source: CMHC)*

Recolour Grey provides favourable development conditions for affordable housing and requires a wide variety of housing types and densities to be built, including both home ownership and rental opportunities. For example, the County Plan allows for secondary suites (or second units) in a wide variety of land use designations and has also removed minimum unit sizes for new dwellings, such that tiny homes can be permitted.

It is however important to note that the County Plan cannot require affordable housing, or ‘force the construction’ of said housing. While the County Plan requires a wide variety of housing types, the planning process generally has no control over prices, except where there is County

funding involved. For example, the County may approve a plan of subdivision application with a number of small townhouse lots. Once approved, the developer may choose to build more affordable townhouses, or they may choose to build townhouses with higher-end finishes that retail for higher prices. In either instance the County has no control, except where linked to a County funded program that requires affordability through a long-term agreement.

More information on Recolour Grey can be found at [this link](#).

## 2. Municipal Official Plan and Zoning Updates

Following up on Recolour Grey, County staff are working with our member municipalities to update their own zoning by-laws and official plans, to ensure favourable development conditions at the community level. Most municipalities have permissive secondary suite policies, and some are now also removing minimum residential unit sizes from their zoning by-laws (e.g. Grey Highlands is currently in the process of zoning updates in this regard). County staff recommend that these policy updates not just extend to secondary suites and tiny homes, but that municipal documents also consider unit densities and parking standards, which can also impact the overall housing price.

## 3. Housing for All Webpage

Throughout 2019, County Planning and Communications staff have been working on the 'Housing for All' webpage, with assistance from Housing and Economic Development staff. This section of the County website is meant to both educate, as well as to provide 'one stop shop' for information related to housing in Grey. The Housing for All page (see below link) contains a series of resources related to housing including;

- 4 short animated videos on affordable housing,
- information on the Community Improvement Plan program,
- the County's 10 Year Housing and Homelessness Plan,
- links to CMHC, tiny home, and secondary suite resources, and
- materials related to newcomer attraction and retention.

[www.grey.ca/programs-initiatives/housing-all](http://www.grey.ca/programs-initiatives/housing-all)

From an educational perspective, the need for affordable housing, as well as programs available, and Not In My Backyard (NIMBY) answers are included in the Housing for All video content. Several of the resources shared on the website build off the materials presented at past educational workshops the County has either partnered on hosting, or presented at, such as the Mayor's Attainable Housing Forum in Meaford, the Newcomer Attraction and Retention forum in Blue Mountains, or the Missing Middle Workshop in Wasaga Beach.

Other resources on this webpage provide information on;

1. housing density options,
2. 'telling the story' of the County's housing needs.

In the [Understanding Affordable Housing Needs in Grey County](#), there are graphics, as well as photos of existing development, showing what the County's recommended residential densities look like. One of the 'myths' County staff are seeking to clear up is that residential densities of 20 – 25 units per net hectare is a new phenomenon in Grey County, or that they are somehow undesirable. Numerous times at public meetings County staff have heard comments such as;

'we can't develop houses like that here [i.e. at that density], we're not the Greater Toronto Area (GTA), we're Grey County'. In fact, historic residential densities in Grey, dating back to times when automobile ownership and usage was not widespread, had densities identical to the targets in Recolour Grey. These older neighbourhoods, remain attractive and functional neighbourhoods for long-time and new residents alike.

In helping tell the story of the County's housing need, there is an infographic showing the average salary of professions in Grey, such as farm workers, cooks, nurses, truck drivers, etc. This infographic then translates what that salary would equate to in an affordable rent, or affordable home ownership. In striving to achieve 'housing for all', the County needs to provide personal connections between income levels, employment, and housing needs. For example, in sitting at a public meeting where affordable housing is being proposed it can be easy to 'detach oneself' and suggest that this housing should go elsewhere, and not in my backyard. However, if there are people at that same meeting that can then make that a personal connection, it may help change mindsets, i.e. realizing that their child or grandchild is just finishing up their personal support worker or culinary diploma at Georgian College, and that if they want to stay in our community, they will need a safe affordable place to live. Not to mention the fact that coming out of school they may have large amounts of student debt, which can further make the search for housing difficult. Suddenly, that not in my backyard belief system may be hard to maintain, if one can see the 'types of people' that housing for all is enabling e.g. the Georgian College graduate who wants to continue to live and work in their community, with their newly acquired skillset.

County staff are committed to keeping this site current, with the most up-to-date materials available.

## 4. Community Improvement Plan Program

Through Report PDR-CW-30-19 the County supported a Community Improvement Plan (CIP) Program, which amongst other things will help incent new affordable housing to be built. The CIP enables municipalities access to programs such as the development charge deferral/exemption, surplus land grant, and the tax increment equivalent grant. Municipalities can offer these programs in their CIPs to increase attainable housing stock, including secondary suites, multi-unit housing, purpose built rental housing, rooming house developments and apartment dormitory style developments. Several municipalities have already passed or are in the process of passing a new CIP utilizing the County's template, such as Grey Highlands, Southgate, and West Grey. Other municipalities, such as Meaford and Owen Sound are looking at updates in 2020. More information on the CIP program can be found at [this link](#).

## 5. Housing and Homelessness Plan Review

The Housing department recently updated their 10 Year Housing and Homelessness Plan. This Plan provides a vision for how housing services and supports should be delivered, and what services should be in place to meet the diverse needs of the community. The Plan identifies objectives and targets over the life of the Plan to support the vision of affordable housing for all. <https://www.grey.ca/affordable-housing>

The plan works in concert with several objectives described in this Report by;

- providing measures to prevent homelessness by supporting people to stay in their homes, including eviction prevention measures and the provision of supports appropriate to the client's needs;
- adopting a housing first philosophy, developed in collaboration with a broad range of stakeholders and people with lived experience;
- supporting innovative strategies to address homelessness; and
- including provisions of supports before and after obtaining housing.

## 6. New Builds and Housing Sustainability

The Housing department has various programs and initiatives to increase the amount of affordable housing units in Grey County and assist residents with maintaining their tenancy. The following is a summary of outcomes for housing programs and initiatives in 2018 and 2019.

- Rental Builds: 6 units of supportive housing through Owen Sound and Area Community Living.
- 36 units of affordable and market rental housing developed by Owen Sound Housing Company located in Owen Sound.
- 15 units of affordable and market housing built by Trembles in Durham
- 59 units of affordable and market housing to start in 2020. Final phase of Owen Sound Housing Company affordable housing build.
- Grey County Housing Supports 73 households through a rent supplement program to maintain their housing in the private market.
- The Homeownership Program provides a 5% down payment program towards homeownership. In 2018 the program assisted 11 households purchase a home with a total of \$120,058 in funding. In 2019 \$105,000 in funding assisted 10 households purchase a home.
- The Ontario Renovates program allows residents to stay in their homes by providing a forgivable loan for repairs and renovations. In 2018, \$130,430 in funding and in 2019 \$222,000 in funding was used for items such as roofs, windows and doors and heating systems. One secondary suite was funded through this program.
- Grey County's pilot project with the Canadian Mental Health Association to provide outreach services to tenants of Grey County Housing to maintain and enhance their housing continues.
- Grey County supported Safe n Sound by providing funding for an Outreach Worker to assist tenants living in their transitional housing units and provide community referrals.
- Grey County provides rent subsidies to the Canadian Mental Health Association to provide options for clients that have progressed through their housing programs and move toward private landlord agreements.

- YMCA Community Services Emergency Housing Program provides services and supports to residents of Grey County in immediate need or at risk of losing their housing. YMCA Community services funding was increased for a much-needed additional position to assist with growing demand for services and work with clients that require extra assistance.
- Hours for emergency housing services were extended overnight for the winter months and a partnership with the YMCA, Grey County, a local landlord and Owen Sound Police formed for emergency housing options.
- Sustainable Housing Benefit provides funding to residents of Grey County to assist in maintaining or finding affordable housing. In 2018, \$499,221 and in 2019 \$478,667 was provided to residents of Grey County on items such as last month's rent, utility arrears and rental arrears.
- Community Enhancement Fund provides small grants to community programs to provide resources for people at risk of homelessness. In 2018 and 2019 funds were provided to community partners to provide meals, transportation and other items and supports. One example of a community program is a youth program run out of the Deck in Hanover to identify youth struggling with housing issues and connect them to services and supports.
- Grey County provided funding to the Giiwe project through M'Wikwedong Native Cultural Centre. The project aims to increase awareness in the community and with service delivery agencies to improve service design and delivery and foster collaborative work with the leadership of Indigenous-led organizations around housing and poverty related issues.
- Grey County supports on average 70 residents a month with transitional housing through the Housing with Related Supports Program. Grey County assisted with financial subsidy for over 25,000 nights worth of accommodations totaling \$604,576. These supportive housing facilities provide laundry, medication distribution, meals and assistance for residents who need some help with managing day to day needs.
- Grey County operates and maintains 997 units of community housing throughout Grey County, continue to provide supports to tenants, build community and maintain our buildings.

The Housing department has also recently made a video highlighting what they do, some success stories, and testimonials from clients. A link to this video as well as the 10 Year Housing and Homelessness Plan can be found at; [www.grey.ca/affordable-housing](http://www.grey.ca/affordable-housing)

## 7. Surplus Lands Disposal for Affordable Housing

Another project the County Housing department has supported is the disposal of surplus County lands for the purposes of constructing new affordable housing. In 2018 the County went through a Request for Proposal (RFP) process to have new affordable housing privately built on a formerly County-owned lot in Durham. In this project 15 new one-bedroom apartments were built with 11 of the units being affordable. The project was supported by the Provincial Investment in Affordable Housing Rental Build program. This same project also utilized a one-

time grant in lieu of development charges. Figure 2 below shows a photo of the Durham project as it neared completion late last year. More information on the Durham build can be found at [this link](#).



*Figure 2: Durham Housing Build under Construction*

County staff see this type of housing project as a great opportunity for the future. Whether it be surplus owned County lands, or municipal lands, this type of project ensures affordable housing actually gets built. Other municipalities such as the Town of The Blue Mountains are currently looking into opportunities of this nature.

## 8. Development Charge Deferrals

The County has granted a number of development charge deferrals in recent years for rental projects. These deferrals have most typically deferred the payment of the development charge from the building permit stage, until the occupancy stage. Although these projects did not all meet the definition of 'affordable', having the deferral did allow the housing units to proceed, with less 'up front' money needed from the builder, while the County still ultimately recouped the development charges and saw more housing built.

## 9. Development Charges and Community Benefit Charges Updates

County staff are looking at updating the County's Development Charges By-law to provide further exemption for purpose built rental housing, as well as clarifying the exemptions for secondary suites. These by-law changes have been scheduled for some time now but based on the recent changes to the Development Charges Act, through Bill 108, the County has 'held-off' on making these changes pending the release of the Regulations supporting this legislative change. County staff are also monitoring the newly created Community Benefit Charges, which were also created through Bill 108. At this stage the funding formula for Community Benefits Charges has not yet been released, and therefore it is not known how these charges could have an impact on housing affordability.

## 10. Additional Opportunities for Affordable Housing

County staff see great promise in combining a number of the above strategies to continue to promote and incent affordable housing development. Staff hope to continue to centralize our public resources at the Housing for All website, while also promoting the CIP program within our communities. On the ground examples such as the Durham build also provide great 'proof of concept' development opportunities that we hope to see expanded throughout other municipalities.

Staff will also continue to research other emerging housing opportunities such as the development of tiny homes in our communities, either as primary dwellings or secondary suites. With this research may come the need for additional zoning changes to look at smaller minimum lot sizes where tiny homes may be appropriate.

Secondary suites also represent an important opportunity throughout our communities as they;

- create additional rental opportunities,
- allow for people to enter the housing market earlier (i.e. it can be easier to afford a monthly mortgage if you have a secondary suite in the home, or in an accessory structure to rent out),
- allow for older adults to stay in their homes longer (i.e. by divvying up the responsibilities of maintaining a home to a renter, or having someone to 'check in on them' as they age),
- create opportunities for intensification, with minimal impacts on neighbourhoods.

Secondary suites should also become more attractive as municipalities update their planning policies, implement the County CIP program, and as the County updates our Development Charges By-law providing exemptions.

Another opportunity for new affordable housing is to look at partnerships with major employers, which would see housing built to help address their labour shortage. These types of housing may include traditional home types (owned or rental), or it may see the construction of dormitory style housing to accommodate employees. Dormitories may be particularly attractive in areas where there are high amounts of seasonal or service sector employees. County staff will continue to explore partnership opportunities with major employers, or industry sectors, in this regard.

The County could also explore landlord/tenant matchmaking. As our population ages, and we have more 'empty-nesters' or single older-adults, there are lots of vacant bedrooms in houses that could be utilized by students, young professionals, etc. County staff could explore online/smart phone apps that have been developed to assist with this 'matchmaking'. As part of this process it would be incumbent on the County and our member municipalities to ensure that municipal planning and zoning by-laws permit this type of rental. This type of rental could also be beneficial to the County's New to Grey campaign, in helping newcomers not only find a home in the County, but also to acclimate into our communities. (e.g. Northumberland's HomeShare Program: <https://cornerstonenorthumberland.ca/home-share/>)

Similar to the landlord/tenant matchmaking, promoting a variety of housing types, or new forms of co-housing could also aide in meeting the County's housing needs. The Abbeyfield Homes development in Durham, provides a model for older-adult style co-housing opportunities.

Through the County's current Climate Change Action Plan (CCAP), the County may also see recommendations to further support and promote innovative and energy efficient building



design. Efficiencies in building design should also help lower the costs of maintaining the housing once occupied. In discussions with groups like Habitat for Humanity, housing advocates note that the cost of buying or renting a dwelling is only a portion of the story, i.e. the carrying costs of the house also need to be considered, in order for people to be able to maintain the home or rental unit.

Inclusionary zoning may also be a tool that could be used in the future. It allows municipalities to require 'x' percentage of new residential development to be affordable. Inclusionary zoning has been used in parts of the United States for many years now. The legislative ability to use inclusionary zoning is relatively new in Ontario and has recently been changed through Bill 108. Inclusionary zoning is a tool that municipalities within Grey may wish to use in the future. However, currently inclusionary zoning is geared towards larger faster growing municipalities and would appear to be administratively cumbersome to implement. The tool requires an assessment report before implementation, as well as agreements with each new development to ensure that the housing stays affordable for a set number of years. Inclusionary zoning may also require the adoption of a development permit system, prior to being able to implement this tool. Currently inclusionary zoning is also geared towards affordable home ownership and would not appear to be applicable to rental units. That said, with further changes to inclusionary zoning over time, it may become more attractive for smaller communities, and usage may become more widespread.

As our communities continue to grow and evolve, the County and member municipalities will need to ensure our planning evolves as well. Just as traditional employment has shifted over time, so too will the need for other uses including housing. Whether it be opportunities for co-living or multi-generational homes, we will need to ensure our official plans and zoning by-laws evolve alongside the needs of residents. Residential neighbourhoods may continue to change, as will downtowns, and opportunities to explore residential infill developments, whether as a secondary unit in a dwelling, or a small apartment complex in or near downtown should be promoted where appropriate.

## 11. Affordable Housing Challenges

Perhaps the biggest impediment to new affordable housing is the philosophy of our current planning and development system in Ontario. Most of the new housing development across the Province is privately initiated and funded, while motivated by profits or return on investment. Municipalities set their official plans with the notion that we need housing for all, and our planning system is predicated on protecting the 'public interest'. However, unless municipalities can prove to private developers that there is money to be made in affordable housing, we see very little new affordable housing built without government funding. From a pure 'dollars and cents' perspective, it's tough to expect a developer to build affordable housing, when they can make greater profits by building a more expensive product. As long as that expensive product continues to sell, there is little financial incentive for doing otherwise. In saying the above, County staff do not wish to 'paint all developers with the same brush'. There are many developers in Grey and across the Province that have built affordable housing, even when it would have been more profitable to do otherwise. Staff simply raise the above point to highlight the fact, that other than government incentivized projects, it can be difficult to increase the share of affordable housing through policy alone.

Alongside the discussion on tiny homes, has come the suggestion that the County reassess the need for rural plans of subdivision. Recolour Grey currently does not permit new plans of

subdivision in the Rural designation, except via official plan amendment where linked with resource based-recreational uses. The previous County Official Plan did not support such rural plans of subdivision either (after 2012). Rural plans of subdivision are generally not supported for a few reasons;

1. to focus our growth within our settlement areas where we have other hard and soft services,
2. to avoid the need for inefficient servicing expansions, whether they be hard services such as water/sewer pipes, or other service delivery such as transit, garbage pick-up, etc.,
3. to preserve farm and resource lands for farming and resource use (i.e. one can 'grow a house' almost anywhere, but quality farm or aggregate lands are only available in certain locations), and
4. to minimize land use conflict between farm/resource uses and non-farm uses (e.g. odour or noise from farms or gravel pits).

County staff do not believe that the development of rural plans of subdivision would create additional affordable housing opportunities. Between land, construction, and infrastructure costs, the savings to the developer for building a new rural plan of subdivision, versus a subdivision in a settlement area, would appear to be negligible. While the cost of materials would be similar in either location, the density at which one could build is significantly reduced on private services, and therefore the units per hectare are also reduced. Furthermore, when one factors in the costs to the future homeowner of owning and maintaining a car (or multiple cars in a family scenario), which range from \$8,000 - \$12,000 per year (if you include fuel and depreciation costs), any 'savings' could quickly be lost. For example, if a family could live in town and 'get by' with one vehicle, versus living in the countryside and needing two vehicles; the in-town option may prove more affordable, with less time spent driving and lower vehicle costs. Lengthy commutes have also been associated with poor mental and physical health outcomes. Access to services, such as health care or recreational programs, are also greatly reduced in rural areas for those that do not drive or own their own automobile (e.g. youth, older adults, or those priced out of the auto market). The ability to provide other services such as transit, also becomes difficult when population density cannot support the provision or expansion of such services.

Aside from the direct financial costs, the potential environmental costs of decentralized residential development should also be considered. The impacts from causing more car kilometres to be driven, from having more housing spread across the countryside also needs to be taken into account. Although, staff cannot pre-judge the recommendations of the County's current CCAP, it's reasonable to assume that our personal transportation networks have an impact on the County's emission rates. As such, reducing the distance people need to travel to work, shop, or access services, would be beneficial to future climate change considerations.

More practically speaking, the cost of building and maintaining a kilometre of road, or a kilometre of sewer pipe is similar whether one has a single user connected, or multiple users connected. However, when one has multiple users distributing those costs, the cost per user is greatly reduced. As a result, if municipalities can focus their growth to those locations, where development can be built at a cost-efficient density (i.e. with more users per kilometre), it lowers the cost of servicing and maintaining those developments over time. Although many of the capital costs associated with a plan of subdivision initially fall to the developer where the development is being built (e.g. roads, servicing, etc.), the long-term costs of owning and

maintaining that infrastructure for a lifetime falls back to the municipality. As such, if municipalities continue to support new low-density rural plans of subdivision, it not only impacts their ability to provide affordable housing in the short term (i.e. the initial builds may/may not be affordable), it also impacts the long-term affordability of living in that community (i.e. if tax rates continue to increase to subsidize inefficient infrastructure).

Finally, in speaking with Ministry of Municipal Affairs and Housing staff recently, they noted that the Province would generally not be in favour of new rural plans of subdivision. They noted that there are cases in rural municipalities, which have no settlement areas, where such subdivisions may be considered, but those circumstances do not apply to any of Grey's nine member municipalities.

County staff are not recommending the reinstatement of rural plans of subdivision at this time.

It is worth noting however that plans of subdivision can still be permitted in smaller settlement areas without full municipal servicing, such as Eugenia, Kilsyth, Chatsworth, or Flesherton, where adequate servicing can be provided. Recolour Grey also eliminated the previous '5-lot limit' that was a relic of the 2005 Provincial Policy Statement (PPS). By eliminating this limitation there are less obstacles to developing new housing in these smaller settlement areas.

## Legal and Legislated Requirements

There are no further specific legislative requirements beyond those already being considered by County departments stemming from this report. Various pieces of legislation such as the *Planning Act*, *Municipal Act*, *Development Charges Act*, *Residential Tenancies Act*, etc. all impact housing in Ontario.

## Financial and Resource Implications

There are no anticipated financial, staffing or legal considerations associated with this report at this time.

## Relevant Consultation

- Internal: Planning, Housing, Economic Development, CAO, Communications,
- External: Member Municipalities and Developers

## Appendices and Attachments

None