Creating Attainable Housing for the Tourism Workforce in South Georgian Bay
NBLC

• 40+ Years
• Planning / Economics / Finance / Housing
• Public Policy
  – Grey County Housing Study
  – Town of Blue Mountains Housing Study
• Private Development
  – Lora Bay
  – Cobble Beach

NBLC’s Experience
Why Are We Here / Cost of Inaction

- Tourism sector = 1,400 businesses, 14,000 jobs
- Tourism labour shortage = 800+ workers
- Lack of *attainable housing* is key contributor to the labour shortage
- Left to market, issue will worsen
  - Economic Impacts
  - Social / Community Impacts
Defining Attainable Housing

• Affordable for the household
  – 30%> gross household income for housing

• A diverse mix of housing choices
  – Pricing, sizing, built form, tenure, etc
  – Allows for household movement as needs change
What’s Holding Back Attainability?

• Market demand pushing pricing upwards
  – Increasing faster than incomes
• Seasonal tenants/jobs
• Limited entry-level housing
• Transportation issues
• Lack of incentives for development

[Graph showing resale pricing for single-family and condominiums from 2010 to 2017 for the South Georgian Bay Region.]

Source: www.collingwood-blue-mountain.com
## What is Attainable?

### Housing Attainability Levels by Income

<table>
<thead>
<tr>
<th>FT/PT*</th>
<th>Hourly Wage</th>
<th>Annual Household Income</th>
<th>Monthly Household Income</th>
<th>Maximum Ownership Price^</th>
<th>Maximum Monthly Rental Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT</td>
<td>$14</td>
<td>$14,560</td>
<td>$1,213</td>
<td>$29,000</td>
<td>$364</td>
</tr>
<tr>
<td>PT</td>
<td>$20</td>
<td>$20,800</td>
<td>$1,733</td>
<td>$58,000</td>
<td>$520</td>
</tr>
<tr>
<td>FT</td>
<td>$14</td>
<td>$29,120</td>
<td>$2,427</td>
<td>$96,000</td>
<td>$728</td>
</tr>
<tr>
<td>FT</td>
<td>$20</td>
<td>$41,600</td>
<td>$3,467</td>
<td>$152,000</td>
<td>$1,040</td>
</tr>
<tr>
<td>FT</td>
<td>-</td>
<td>$50,000</td>
<td>$4,167</td>
<td>$191,000</td>
<td>$1,250</td>
</tr>
<tr>
<td>FT</td>
<td>-</td>
<td>$60,000</td>
<td>$5,000</td>
<td>$236,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>FT</td>
<td>-</td>
<td>$75,000</td>
<td>$6,250</td>
<td>$304,000</td>
<td>$1,875</td>
</tr>
<tr>
<td>FT</td>
<td>-</td>
<td>$100,000</td>
<td>$8,333</td>
<td>$417,000</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

*Full-Time (40 hours per week) / Part-Time (20 hours per week)*

^Assumes 20% down payment, 5% fixed interest rate, 25-year mortgage, $200 monthly utility costs, 1% annual property tax rate.

**Based on 30% of gross income used for housing costs**
Targets and Priorities

• **Entry-level, dorm-style housing**
  – Minimum wage, seasonal, part-time
  – Young, single, without children

• **Purpose-built rental housing**
  – Household incomes: $40,000 to $75,000
  – Elevated from entry-level
  – Renters on arrival to community

• **Affordable Home Ownership**
  – Households under $100,000
  – Could include a mix of housing types
Recommendation: Land Use Policy

• First step to encourage development

• Build on existing County and Local policy and programs
  – Community Improvement Plans
  – Housing first priority for surplus land / S. 37
  – Secondary suites
  – Co-ordinate County and Local incentive programs
  – Explore Inclusionary Zoning – but with care
  – Ensure land/incentives provide housing for priority groups

• Enhanced second mortgage program?
  – Linked to projects of affordable priced units
## Recommendation: PPP

<table>
<thead>
<tr>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Land</td>
</tr>
<tr>
<td>Encourage Employer Underwriting</td>
<td>Development Expertise</td>
</tr>
<tr>
<td>Development Charge Waivers/Deferrals</td>
<td>Financing</td>
</tr>
<tr>
<td>Property Tax Deferral</td>
<td>Project / Construction Management</td>
</tr>
<tr>
<td>Fee Waivers</td>
<td>Construction Management</td>
</tr>
<tr>
<td>Expedited Approvals</td>
<td>Affordability commitment</td>
</tr>
<tr>
<td>Parkland Waiver</td>
<td>Design</td>
</tr>
<tr>
<td>Reduced Standards</td>
<td>Sustainability</td>
</tr>
<tr>
<td>Second Mortgage Program</td>
<td>Operation</td>
</tr>
</tbody>
</table>
Recommendation: PPP

- Request for Proposals for PPP
  - Target entry level workforce
  - Apartment style dormitory housing
- Employers
  - Underwrite % of rental guarantee
- Public Sector
  - Offer incentives, if needed
- Developer
  - Build and operate to public sector / employers specs (affordability, design, public realm, etc)
Recommendation: Second Mortgage Project

- Enhanced second mortgage program
- Bundle incentives and apply as second mortgage to purchasers
- Developer gets benefit of waiver = more affordable units
- Purchaser pays back fees/charges from equity appreciation
- Could be partnered with specific developments
  - Improves program exposure & benefits developer marketing/sales
Recommendation: Second Mortgage Project

• Request for Proposals
  – Target couples & singles
  – Ownership units

• Public Sector:
  – Offer incentives via second mortgage to purchasers

• Developer:
  – Build and operate to public sector / employers specs (affordability, design, public realm, etc)
Recommendation: Tiny Home Project

- **Public Sector:**
  - Approvals / Negotiate code/servicing requirement

- **Developer:**
  - Ensure design consistency

- **Operator**
  - Public or private
  - Establish rates and lease terms
  - Long-term management

- **Lower density than apartments, but more appropriate for height sensitive location**
Recommendation: Principles

- Communicate “Return of Investment / Cost of Action”
- Cater strategies to each community
- Create a “Menu” of incentive programs
  - Performance-based
  - Incentivize workforce instead of developers, where possible
- Predictability
- Budget Certainty
- Market Outreach
Recommendation: Partners

- Employer Partners – underwrite housing investment
  - Show leadership – create support
- Public Sector Partners – shape programs based on local needs
  - Leverage existing programs
  - Determine local needs / target workforce groups
  - Analyze incentive options – can land be offered?
  - Community Improvement Plans
    - *Already happening in Grey County*
- Outreach/Engage the Development Community (both partners)
  - Market soundings
Questions?