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 from 2010 to 2017 for Single-Family and Condominium homes in the South Georgian Bay Region.](source: www.collingwood-blue-mountain.com)
What is Attainable?

Based on 30% of gross income used for housing costs

<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>
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</thead>
<tbody>
<tr>
<td>PT</td>
<td>$14</td>
<td>$14,560</td>
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*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.
**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>
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<tr>
<th>Public</th>
<th>Private</th>
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<tbody>
<tr>
<td>Land</td>
<td>Land</td>
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<tr>
<td>Encourage Employer Underwriting</td>
<td>Development Expertise</td>
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<td>Development Charge Waivers/Deferrals</td>
<td>Financing</td>
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<td>Property Tax Deferral</td>
<td>Project / Construction Management</td>
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<tr>
<td>Fee Waivers</td>
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<td>Parkland Waiver</td>
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<td>Reduced Standards</td>
<td>Sustainability</td>
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<td>Second Mortgage Program</td>
<td>Operation</td>
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</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?