

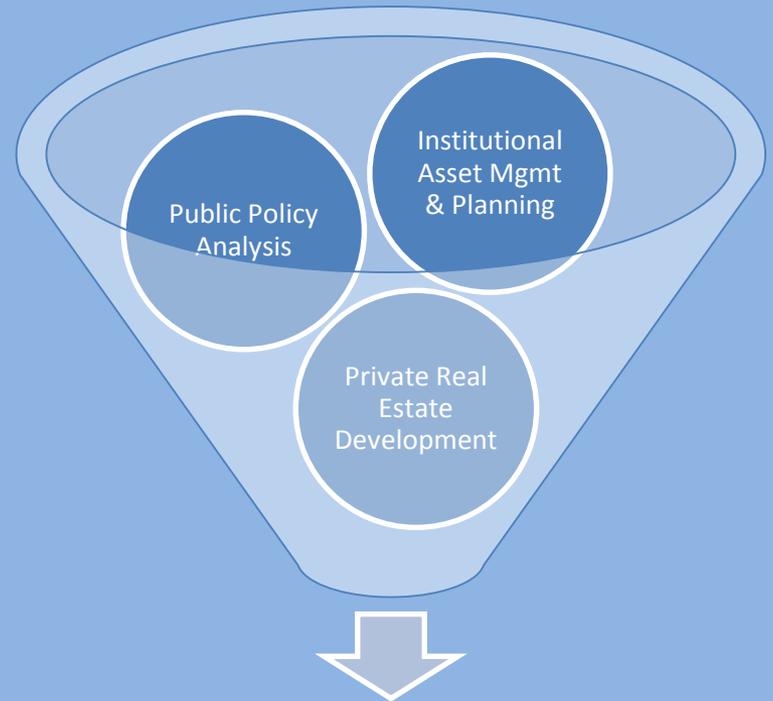
Creating Attainable Housing for the Tourism Workforce in South Georgian Bay

Grey County Council Meeting
September 27, 2018



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



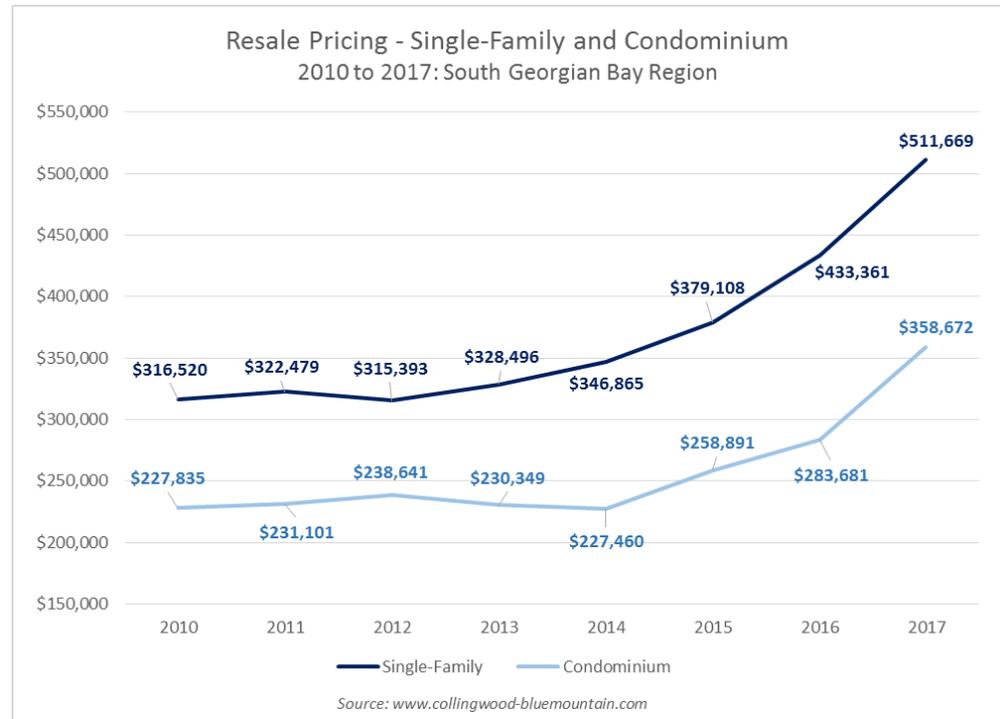
Defining Attainable Housing

- 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



What is Attainable?

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

**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

Public

- Land
- Encourage Employer Underwriting
- Development Charge Waivers/Deferrals
- Property Tax Deferral
- Fee Waivers
- Expedited Approvals
- Parkland Waiver
- Reduced Standards
- Second Mortgage Program

Private

- Land
- Development Expertise
- Financing
- Project / Construction Management
- Construction Management
- Affordability commitment
- Design
- Sustainability
- Operation

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?
