



# PLAN THE BRUCE: HOMES

Interim Report

November 27, 2020



## Executive Summary

Bruce County is embarking on a process to update the County Official Plan, and an important part of that plan is making sure it guides growth and development in a way that resonates with residents, visitors, business owners, community leaders and other stakeholders.

To support this process The County undertook Bruce GPS, a community visioning process that resulted in a Vision Statement and 8 Guiding Principles to inform the new Official Plan. Building on the Guiding Principles, County Council committed to preparing and circulating Discussion Papers. These papers will provide a base for conversations in the community about the next steps needed to bring the Guiding Principles to life in land use policies.

The Plan the Bruce: Homes project is based on Principle 2: **“To increase the supply and mix of homes.”**

Everyone needs a home, and so everyone has some experience with housing. Housing needs including size, type, and location can be very different for people at different life stages, yet most of the homes in Bruce County are single-detached dwellings.

Housing prices are also increasing faster than incomes for many people all across Canada and in Bruce County. This is a well-recognized and complex problem.

Federal and Provincial governments have developed housing strategies and funding models to directly support development of affordable housing. These are delivered through local governments such as Bruce County’s Human Services Department, and non-profit housing providers.

This project is not focused on these initiatives. It is focused on using land use planning tools to increase the supply and mix of homes, so that more people are able to live in the size and type of home they need and close to the jobs, services, and amenities that support healthy living.

StrategyCorp was retained to collaborate with Bruce County to prepare this Interim Report. The final Discussion Paper for Plan the Bruce: Homes will be prepared after community engagement and further analysis.

To ensure the Official Plan guides growth and development in a way that builds on what is best in Bruce, discussion papers are being prepared that explore issues, best practices and supportive land use policies that may be appropriate for the County.

This paper discusses:

- What we have heard thus far from the community about housing challenges
- Bruce County’s demographics and housing needs going forward; and
- Planning and Policy tools the County can use to improve the supply and mix of homes.

Bruce County faces a combination of challenges. Situated within driving distance of the fastest growing urban region in North America, home to a 4,000+ employee zero emission nuclear facility and picturesque vacation retreats, Bruce County is on the precipice of a housing affordability and accessibility crunch.

Opportunities to reduce these current and pending housing challenges exist through the ingenuity of local builders and civic leaders, and by way of increased policy flexibility and funding from the provincial and federal governments.

The Province also directs Planning Authorities to respond to housing challenges with a range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area.

This discussion paper recommends consultation on a variety of planning and policy tools to improve housing diversity in Bruce County. These tools are summarized in the table on the following pages.

Although supportive funding and other tools can also impact the housing accessibility, these are outside of the scope of planning and are not discussed in detail here. Appendices to this document provide some additional information about these resources.

Topic	No.	Recommended Direction
Apply housing targets	1	Develop and implement targets to increase supply of affordable units in areas close to existing jobs, services, and transportation choices. These should align with the Housing and Homelessness plan and focus on the needs of households in the lowest 60% of the income distribution.
Permit additional dwelling units	2	Update County and Local Official Plans (and by-laws) to permit additional units within a dwelling and within a separate building on a lot with appropriate conditions.
Permit smaller homes	3	Consider directing local plans and by-laws to remove restrictions that require dwelling unit sizes that are larger than building code standards
Permit more types of homes	4	Consider directing by-laws to describe and permit a broader range of dwelling unit types
Increase stability and flexibility through development permitting process	5	Investigate opportunities for a Community Planning Permit system (CPPS) which essentially pre-plans neighbourhoods, enables approvals with conditions, and includes opportunities to provide flexibility within a defined range with less risk of appeal.

Topic	No.	Recommended Direction
Maintain supply of rental units	6	Consider criteria for conversions of standard rental units to condominiums or short-term accommodations to maintain rental unit supply. In addition, consider working with local municipalities to establish rules for short-term rentals in houses and apartments that can be used to house year-round residents.
Use appropriate density to lower development costs	7	Together with 'Good Growth' Discussion Paper, consider where services are or can be available to support growth and development, and consider designating serviced areas and corridors as areas for increasing density through infill, intensification, and redevelopment, as well as clear criteria for height and/or density
Incentives that lower process and operating costs	8	Consider updating Community Improvement Plans to reduce application fees, development charges, and/or provide opportunities for Tax Increment Financing, for developments with guaranteed-affordable housing
Reduce operating costs by design	9	Encourage energy-efficient subdivision and building designs that reduce operating costs.
Prioritize applications	10	Consider criteria for prioritizing and/or fast-tracking review of housing development proposals that support affordable housing targets
Maintain land inventory	11	Improve data gathering and reporting to assist Municipalities with maintaining inventory of land for development
Use surplus public lands for homes	12	Apply a "housing first" policy for surplus public lands.
Require affordable housing	13	Consider requesting an inclusionary zoning order from the Provincial Government to enable municipalities to require affordable dwelling units in new developments.

As you read this document think about these tools and how they might contribute to the supply and mix of homes in your community. How might they work for you? Are some a clearer or better fit than others?

# Homes Interim Report

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# 1 Introduction

Everyone needs a home, and so everyone has some experience with housing. Housing needs including size, type, and location can be very different for people at different life stages, yet most of the homes in Bruce County are single-detached dwellings.

Housing prices are also increasing faster than incomes for many people all across Canada and in Bruce County. This is a well-recognized and complex problem, with multiple factors influencing supply and demand.

Federal and Provincial governments have developed housing strategies and funding models to directly support development of affordable housing. These are delivered through local governments such as Bruce County's Human Services Department, and non-profit housing providers.

This project is not focused on these initiatives. It is focused on using land use planning tools to increase the supply and mix of homes, so that more people are able to live in the size and type of home they need and close to the jobs, services, and amenities that support healthy living.

## 1.1 Key Bruce County Documents and Initiatives

In preparing this report, background was provided by the strong base of corporate strategies that articulate a clear vision for Bruce.

### 1.1.1 Current County Official Plan

The Bruce County Official Plan established a policy framework to guide the physical, social, and economic development of the County to the year 2021. It was adopted in 1997 and the Province approved a major update in 2010. The plan has yet to be adjusted to reflect the most recent provincial requirements including for Accessory Dwelling Units and other opportunities that have been provided by the Province to address housing opportunities.

#### *Housing Policies Expressed in the Official Plan:*

The Official Plan includes a set of housing objectives designed to address specific challenges faced by the County and its local Municipalities, while complying with the Provincial Policy Statement. Its objectives include:

- Directing that most growth be focused in Primary and Secondary Urban Communities,

- Providing targets for density, affordability, and mix of rental and ownership units in these areas while allowing for development within the existing boundaries of Hamlet Communities and within Rural Recreation Areas.
- Focusing intensification in existing urban areas and enhancing the positive characteristics of those areas.
- Ensuring a range of housing types and tenure to meet the range of County residents' needs, including
  - Opportunities for an adequate supply of affordable housing; and
  - For persons requiring specialized care, ensuring a range of housing types and tenure to meet their unique needs.
- Ensuring that new development occurs in a cohesive and efficient manner without undue impact on the social or natural environment.
- Consulting with and working co-operatively with First Nations and Métis in promoting and planning for social services.

#### *Affordable Housing policies in the Official Plan*

The County Official Plan also includes a set of affordable housing policies. While the plan acknowledged that the local Municipalities within the County are meeting requirements set by the province with respect to affordable rental units and affordable house purchases, it recognized that housing affordability issues are a challenge for families earning (at the time) less than \$30,000 per year, representing 30% of the County's population.

The Official Plan identifies that there should be affordable rental housing stock available to the (at the time) 30% of Bruce County residents earning less than \$30,000. While not everyone with low to moderate incomes is in an unaffordable home due to past income or capital assets, there is more to do to encourage greater affordability and to create conditions through planning that enable development of affordable housing.

#### *Relationship to additional Planning Documents and Implementation*

The Official Plan provides direction to local official plans, which generally apply to primary and secondary urban areas and some hamlet communities within Bruce County. These plans are required to be consistent with the County Official Plan, while providing details and context specific to the local setting. Local plans need to be updated to maintain consistency with the County Plan and changing provincial direction, to avoid creating additional policy barriers to affordable housing or limitations on opportunities for development.

The development policies of County and local Official Plans are implemented through zoning by-laws. Zoning by-laws are where the 'rubber hits the road' in terms of types



of housing that can be built. Permitted uses such as the number and/or type of dwelling units that can be constructed on a lot and provisions such as setbacks, minimum lot sizes, and minimum unit sizes can create barriers or opportunities for development to be built ‘as of right.’ In looking at these considerations, it is also important to recognize the role of infrastructure in facilitating or limiting capacity for development.

### **1.1.2 Bruce County Long Term Housing Strategy (2013-2023) and Housing and Homelessness Plan Update (2019-2023)**

These documents were prepared for Bruce County’s Human Services department. Bruce County Human Services provides Housing Services and prepares and maintains these plans as required by the Ontario Housing Services Act, 2011. The Housing and Homelessness Plan provides a summary of current housing trends for Bruce County, and strategic actions and outcomes. The Plan notes key housing challenges in Bruce County, including:

- Lack of supportive and accessible housing
- Employment trends influencing demand for housing
- Lack of housing options
- Challenges maintaining older homes and buildings
- High utility costs
- Location and lack of transportation
- Affordability and availability of housing
- Lack of diversity in new housing starts, with most being single-detached dwellings.

### **1.1.3 Bruce GPS Public Engagement Related to Housing**

Bruce GPS was a public engagement visioning campaign designed to establish a complete vision for the future of the County. Community consultations for this project reached over 10,000 people and received input from over 1,800 people.

On housing, the community made it clear that:

- Housing affordability is a challenge;
- Improving and increasing the affordability of land and housing is especially important for seniors and low-income residents; and
- The vision for the future should include a variety of affordable housing options that include both owning and renting for all ages and income levels.

The Guiding Principle discussion noted:

Housing diversity is necessary to build a healthy community where everyone access to a home. Creating housing diversity means providing a mix of single-family homes,

multi-residential homes, apartments, and townhouses in a variety of settings. It also means encouraging housing that is compact, near amenities and affordable. In Bruce County, we define affordable housing as housing that costs less than 30 % of household income.

We can have a positive effect on housing diversity through our planning decisions. Planning guides the long-range supply of residential land, the type and density of residential buildings, and the mix of housing in a community. Good community design considers placing housing in locations where individuals can access jobs more easily, thinking about putting homes in locations with proper infrastructure and building communities that have the amenities that support health and wellbeing.

#### **1.1.4 Land Use Service Delivery Review (Official Plan Best Practices)**

Completed in October 2020 with municipal modernization funding provided by the Provincial Government, this review included review of current planning documents including the Bruce GPS engagement, interviews with County, Municipal, and Conservation Authority Staff and development community stakeholders, and a comparison of policy approaches between Bruce County and 5 other Counties and leading practices in other jurisdictions.

With respect to housing, the review recommended that the County:

- Apply intensification and density targets for local municipalities according to population allocation, land supply, future transit provision, and existing conditions.
- Introduce a community planning permit system focused on heritage preservation and new housing; and
- Support local governments to bring in policies that would lay a foundation to implement the province's new community benefits charge.

#### **1.1.5 Summary and Supply and Mix**

The work by the County to establish a context for the new official plan provided a valuable base for this background review of Bruce housing considerations. The foregoing document review outlines potential opportunities to update the Official Plan to support directions outlined through the Bruce GPS, Housing and Homelessness Plan Update, and to integrate the best relevant practices and tools for land use planning to increase the supply and mix of homes in Bruce County.

While supply is relatively straightforward, it also needs to consider location. Mix relates to the range of dwelling unit types. The image below illustrates the concept of a housing continuum with options that are available for residents of various incomes and at various stages in their life. Often, where someone fits into the

continuum is based on their unique housing needs, their income level, and their need for supports.

### THE HOUSING CONTINUUM



Source: Canada Mortgage and Housing Corporation

Another way to look at the continuum or range of homes is by considering building types. Opticos, a consulting firm, has identified and illustrated (below) a continuum of dwelling unit types that fall into the ‘middle’ range of size, density, and affordability that are often missing from communities, and are hence titled the ‘missing middle.’

### The Missing Middle



## 1.2 Broader Trends affecting Housing in Bruce County

It is important to understand how Bruce County fits in to provincial and national housing trends.

This section details national housing trends and where the federal government, namely the Canada Mortgage and Housing Corporation, is focusing its efforts to support provincial and local governments, non-profits, and consumers.

This section also looks at housing trends in Ontario, and how the Province is working to address affordability and supply challenges.

### 1.2.1 A National view: Canada Mortgage and Housing Corporation

The Government of Canada acts on housing primarily through the **Canada Mortgage and Housing Corporation (CMHC)**. CMHC is the national agency responsible for helping Canadians meet their housing needs, developing housing research and providing advice on Canada's housing industry. It recently announced that it intends to rename itself, as "the current name is too focused on the financing aspect of home ownership and not enough on affordability."<sup>1</sup>

**CMHC has three key criteria for housing standards:** Housing is considered acceptable if it meets three criteria: adequate, suitable, and affordable.

- **Adequate** housing means that it does not require any major repairs. It also means that, if a major repair is required, the occupants living there can afford it based on their income.
- **Suitable** housing means that the size, number of bedrooms and other features is sufficient to meet the size and make-up of the people living there.
- **Affordable** housing is housing that costs less than 30% of total before-tax household income. It also means that occupants can afford to pay their other expenses because they are spending 30% or less on their shelter needs.

CMHC is focused on identifying housing needs across Canada to address **core housing need** for individuals and families who do not have access to adequate, suitable, and affordable housing. This includes research to identify where this need exists and implementing programs and solutions to help address it.

CMHC's latest published data found that one-in-ten Canadian households lived in "core housing need" in 2018, meaning their housing was either inadequate, unsuitable, or unaffordable.<sup>2</sup> This equates to more than 1.6 million Canadian households. Prior to the COVID-19 pandemic, the populations most likely to be in core housing need were seniors living alone and visible minorities.

CMHC invests directly in Housing through the National Housing Strategy and facilitates home ownership through mortgage rules. These actions are discussed further in Appendix 'B' - Canadian Government Policy Framework

### 1.2.2 Highlights from the Economic Development Strategy for Rural Canada

In the context of Canada Bruce County would be characterized as a predominately Rural area. The creation of Canada's Ministry of Rural Economic Development in 2019

<sup>1</sup> <https://www.cbc.ca/news/business/cmhc-name-change-1.5729674>

<sup>2</sup> Statistics Canada and CMHC, "'The Canadian Housing Survey, 2018: Core housing need of renter households living in social and affordable housing,'" part of the Income Research Paper Series, October 2020.

demonstrated the recognition of the importance of rural Canada to the overall prosperity and success of the country and its economy. *The Rural Economic Development Strategy* also revealed key insights about housing in rural Canada, specifically around the need for affordable and attainable housing. The following are highlights from that strategy.

Rural Canadians are more likely to own their own home (78% rural ownership compared to 68% nationally). However there remains a housing access and affordability challenge in rural Canada.

Limited rental housing in rural areas restricts housing options for seasonal workers and newcomers, as 24% of rural Canadians - twice the national average - are not able to find the quality, affordable rental housing that they need.

Rural housing markets also tend to be less dynamic than urban ones, with fewer incentives for developers. They are more at risk from economic shocks like COVID-19.

Rising energy and maintenance costs affect overall home affordability.

Newcomers have difficulty breaking into the housing market, rental housing for transient labour is hard to find, and if local housing is not available, long commutes create barriers for rural Canadians to participate fully in the economy.

Even for people who can afford a home, not only is the housing market limited, but there is also insufficient infrastructure to support new development and a lack of skilled tradespeople to build it.

Bruce County faces many of the same challenges faced by other rural Canadian jurisdictions. While there are challenges unique to the County, there is a need to increase supply and mix of housing options to address the needs of renters, owners, newcomers, families and seniors across the housing continuum.

### 1.2.3 Ontario's Affordable Housing Challenge

Ontario faces two inextricably related housing challenges: supply and affordability. Until the COVID crisis, it was safe to simply describe the problem as originating in Toronto and emanating out across the Greater Toronto Area (GTA) to affect all communities within the “commuter shed” of GTA employment areas.

In this section we provide an overview of the state of housing in Ontario and the potential market disruption that could be caused by COVID-19 outward migration.

**Supply:** Ontario has a population of 14.7 million people spread across diverse cities, suburbs, counties, and rural areas.

Generally, housing supply has not kept pace with population growth in Toronto and the GTA.

Ontario's population has continued to grow in 2020 but the rate of growth has declined slightly. Prior to the COVID-19 pandemic, immigration during the first quarter of 2020 was higher than the same period in 2019.<sup>3</sup>

**Affordability:** Often described as a being a real estate “bubble,” it is well understood that Toronto housing prices have “defied gravity” as housing of all sorts increased in cost relative to incomes.

Pressures in Toronto have spread across the GTA:

- Millennials seek more affordable options outside the downtown area but within a commute
- Retirees “cash out” and move to other parts of the province

Thus, communities on the outer edge of the GTA (St. Catharine's, Barrie, Kitchener-Waterloo, Cambridge, Milton and Guelph) have experienced tremendous growth in recent years due to their desirability and access to Toronto via commuter transit.

This affordability challenge has been further complicated by COVID-19, as housing prices have continued to climb, while supply levels are at record lows.<sup>4</sup>

**Key figures on the state of housing in Ontario:**

- 83% of buyers cannot afford the average resale home.
- Resale home prices are up 8-9%.
- Rental prices are up 10-15%.
- 56% of renters cannot afford an average 2-bedroom apartment.
- Less than 2% of rentals are vacant.
- Less than 7% of new housing built in the past 20 years was intended for rentals.
- It takes 2+ years for site plan approvals for new buildings and major renovations.
- It takes 10 years to build apartments in the GTA.
- Incomes are only up 2% per year.

Source: *Ontario Ministry of Municipal Affairs and Housing (2019)*

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3 Ontario Demographic Quarterly: Highlights of first quarter 2020:  
<https://www.ontario.ca/page/ontario-demographic-quarterly-highlights-first-quarter-2020>

4 Canadian Real Estate Association (CREA), Housing Market Stats, Ontario Real Estate Association, September 2020: <https://creastats.crea.ca/board/orea>



**Current (late 2020) Uncertainty:** The general sentiment among real estate market experts is that the full economic impact of the pandemic has yet to be felt. According to RE/MAX's Fall 2020 Market Outlook, an uptick in new listings is anticipated for the fall market, now that buyers and sellers are more comfortable engaging in the housing market, with the province more broadly re-opened. RE/MAX estimates a five-per-cent increase in average residential sale price in Toronto for the remainder of the year. They also estimate that market activity in the province will remain steady in the fall, with the potential for price increases of up to six per cent in regions like Hamilton, Brampton, and London.<sup>5</sup>

Here are some additional real estate market trends in Ontario from September 2020.

- Residential sales in Ontario numbered 26,257 units in September 2020. An increase of 41.9% from September 2019.
- The average price of resale residential homes sold across the province in September 2020 was a record \$741,395, rising 19.7% from September 2019. The more comprehensive year-to-date average price was \$691,514, rising 14.9% from the first nine months of 2019.
- Overall supply is currently hovering around the lowest levels on record. Active residential listings numbered 34,717 units at the end of September. This was down 26.5% from the end of September 2019, pre-COVID.
- The dollar value of all home sales in the province in September 2020 was \$19.5 billion, a significant increase of 69.8% from the same month in 2019.

These trends are especially prevalent in large- and mid-sized cities, where increases to the cost of housing (for ownership and rent) has outpaced increases in income.

While resale prices have been climbing steadily in Ontario, so too have rents. Estimates from 2019 put rental price increases across the province at about 5% per year with vacancy rates around 2%.<sup>6</sup> This is due to a number of factors, including low supply, high demand, challenges faced by builders, and challenges faced by landlords.

**Ontario's changing real estate patterns.** Even before the COVID emergency, communities outside the GTA experienced change in the use patterns of dwellings in their real estate markets:

- Seasonal properties being used for short term rental (increasing the “transient” seasonal population), and

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<sup>5</sup> RE/MAX Canada, Fall 2020 Canadian Housing Market Outlook, September 2020: <https://blog.remax.ca/canadian-housing-market-outlook/>

<sup>6</sup> CMHC, “Rental Market Report Data Tables.” January 15, 2020: <https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/rental-market-report-data-tables>

- Seasonal properties being used for full-time occupancy (increasing occupancy and demand for service from “high season only” to “shoulder season” and in many cases “full year occupation”).

This pattern has been observed in locations across the province, but especially in locations such as Muskoka, Haliburton, and Prince Edward County, which are already known for previously seasonal cottages that have been renovated to full year homes.

This has to do with many factors, including:

- Technology enabling short term rentals, and
- Aging boomers wanting to “get out of the city” to be in nature, or “cash out” of their fixed real estate assets in bigger centres.

With the emergence of the COVID crisis, it also appears to be driven by the flight from areas of perceived transmission risk. This relates to both geography (“I don’t want to be in the city”) and housing form (“I don’t want to be using an elevator and other shared amenities”).

### *The COVID-19 Outward Migration Hypothesis*

Stories in the media have suggested there is an outward migration occurring from Toronto to more affordable parts of the province, especially the suburbs (GTA) and beyond (rural Ontario).

Many of the stories argue that work-from-home policies and increased flexibility mean that people are leaving the GTA to parts of the province where housing might be more affordable and they can get a larger house and property for less money, no longer bound by GTA-based offices.

The reality is more complicated. Outward migration from the GTA has been a trend for several years because of affordability and changing demographics; specifically, as millennials have reached child-bearing age, they have required more space and are moving outside Toronto to find it.<sup>7</sup>

Anecdotal evidence suggests that Bruce County is becoming quite attractive to people leaving the GTA. This is leading to changes in the County’s real estate market, driving up prices and leading to bidding wars and increasing competition. Experts contend that the main impacts of the pandemic on the housing market have yet to be felt. This will be something to be aware of and watch for in the coming months.

## **1.2.4 Provincial Action on Housing**

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<sup>7</sup> Toronto Storeys, “Has COVID Really Resulted in Toronto Residents Fleeing to the Suburbs?” September 10, 2020: <https://torontostoreys.com/toronto-moving-to-suburbs-covid/>

The province does not build housing. However, its current position is that “red tape,” unexpected changes, and government fees are adding paperwork that can contribute tens of thousands of dollars to the cost of an average home. Layers of regulation and “Not-in-my-backyard” attitudes make it hard to build different kinds of homes - townhomes, mid-rises, and family-sized apartments that people need.

The province is trying to reduce these barriers to make it easier for builders to build more homes and rental units.

The province has recently initiated changes to the Planning Act, related regulations, and the Provincial Policy Statement in support of the **More Homes, More Choice: Housing Supply Action Plan**.

This plan follows provincial consultations on housing in 2019 which garnered over 2000 submissions, with over 85% from the public. When looking for a home, Ontarians cared most about price (affordability), followed by proximity to transit, schools, and services.

The consultation identified a need to protect environmentally sensitive areas, cultural heritage assets, and key employment and agricultural lands, and a recommendation to focus development in areas with existing services, transit, and infrastructure.

Ontario’s *More Homes, More Choice* action plan has five key components:

- Reducing red tape to speed up development approvals while continuing to protect the environment,
- Making costs more predictable for builders to encourage them to build more housing,
- Encouraging a mix of housing types,
- Protecting tenants and making it easier to build rental units, and
- Fostering innovation in the housing sector from design, materials, and ways to achieve home ownership.

The province has also committed to working with municipalities and non-profits to “sustain, repair and grow our community housing system.”

The province sets the ground rules for developing and implementing land use planning tools through the Planning Act, Provincial Plans like the Niagara Escarpment Plan, and the Provincial Policy Statement (PPS) issued by the Minister of Municipal Affairs.

The tools and directions discussed later in this report discuss the opportunities to use these tools to support increases to the supply and mix of homes in Bruce County.

## 2 Bruce County Observations

**Summary:** To ensure housing adequately meets the needs of a local population, it is important to thoroughly understand the demographics of Bruce County. The housing issues Bruce County currently faces are common throughout the province, in both rural and urban regions.

**Bruce's housing pressures will be impacted by the broader economic and income trends in Ontario.** Bruce County is connected to the economic and population growth experienced in Southern Ontario. Toronto is the fourth largest city in North America and the Greater Golden Horseshoe Region is one of the fastest growing regions on the continent. This sustained growth will continue to put pressure on Bruce County's housing stock.

Bruce County is a burgeoning spot for tourists and those seeking an active retirement. It is also home to a large industrial employer in Bruce Power that sustains 4,000 direct jobs plus job growth arising from their Major Component Replacement project. These are important factors that lead to three specific challenges facing Bruce County:

- **There is a growing disparity between high income earners and low wage workers.** Shifting employment patterns and the wage gap between the utilities and tourism sectors mean purchasing power is an ongoing factor influencing housing supply challenges in Bruce County. Additional efforts will be required to support housing that is attainable across income levels.
- **Inbound migration and local population growth are adding to housing pressures.** Increased growth from intra-province migration and local births will add pressure to Bruce County's housing supply.
- **Growth pressures will likely remain uneven in Bruce County communities.** communities within Bruce County will be faced with unique pressures based on economic growth, access to shoreline or other natural features, and zoning opportunities. The tools required to address these challenges will vary from community to community.

The subsequent sections look at various characteristics of the County's demographic profile, including population and income characteristics, the housing supply, and trends related to housing availability across the county.

Overall, the data demonstrates that Bruce County is experiencing similar housing pressures to the rest of the province. An increase in tourism within the region is impacting the housing market by increasing prices for both rental and owned dwellings. Furthermore, the high percentage of the population employed in the utilities sector can significantly outpace the average income seen in other sectors, which contributes to a widening income gap. These trends are expected to continue

as trends seen within the County echo those seen in the GTA and other parts of Ontario.

## 2.1 Bruce County Demographics

**Population: A recent track record of increased growth.** Based on the most recent estimates provided by the County and Statistics Canada, Bruce County has a population of 68,423 people.<sup>8</sup> This has slightly outpaced the projected targets in the county's Official Plan<sup>9</sup>. For much of the past 30 years, Bruce County had a slow growth rate, with average annual increase of only 0.19% per year. More recently, growth has increased. Between the 2011 and 2016 census, Bruce County's total population increased from 66,102 to 68,147, or 3.1%. During the same period, Ontario's population grew by 4.6%.<sup>10</sup>

**Five Regions, each with its own characteristics:** Each one has different economic factors which impacts its population growth and demography.

- **Lakeshore Region.** This is the most densely populated region within the County, has the greatest amount of urbanization and sees the highest level of growth. This area includes Saugeen Shores and Kincardine. While Kincardine has a steadier year-round population, Saugeen Shores has a higher population of seasonal residents and sees fluctuations in population coinciding with the summer cottage season.
- **Peninsula Region.** With a stronger tourism focus, this region has a smaller permanent population and a significantly higher summer population.
- **Inland Region.** This area sees moderate population growth with steady year-round residency and strong agricultural roots.
- **Saugeen First Nation.** This area is self-governed and directly adjacent to Southampton and Sauble Beach.<sup>11</sup> Saugeen First Nation has 1,700 members, just over half of whom live within the Reserve. There are also a significant number of cottage dwelling units on lands leased to non-members along the shoreline.
- **Chippewas of Nawash Unceded First Nation.** This area is self-governed and located 21 kilometres northeast of Wiarton. Chippewas of Nawash Unceded First

<sup>8</sup> <https://brucecounty.on.ca/business/workforce-demographics>

<sup>9</sup> <https://brucecounty.on.ca/business/bruce-overview#:~:text=At%20present%2C%20Bruce%20County%2C%20ON,years%20from%202001%20to%202016>

<sup>10</sup> [https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page\\_Figures.cfm?Lang=E&Tab=1&Geo1=CD&Code1=3541&Geo2=PR&Code2=35&SearchText=Bruce&SearchType=Begin&SearchPR=01&B1=All&TABID=1&type=0](https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page_Figures.cfm?Lang=E&Tab=1&Geo1=CD&Code1=3541&Geo2=PR&Code2=35&SearchText=Bruce&SearchType=Begin&SearchPR=01&B1=All&TABID=1&type=0)

<sup>11</sup> <https://brucecounty.on.ca/sites/default/files/Bruce%20County%20Long%20Term%20Housing%20Strategy.pdf>

Nation has approximately 2,080 members, with about 700 individuals living within the Reserve.

## 2.2 Bruce County's Population

**An “older than average” population:** The average age of the population in Bruce County is 44.8 years, and the median age of the population is 48.5 years. This is older than the provincial median age of 41 years, because the County's population is aging and there are indications of an influx of retirees moving into the area. Seniors have specific affordability, accessibility and support needs that are not adequately addressed in the current housing stock and are driving recent development activities. The older than average population may add pressure to the market from people looking to downsize their dwelling or for housing that more flexibly caters towards changing lifestyle and mobility needs, such as townhomes, apartments or care homes.<sup>12</sup>

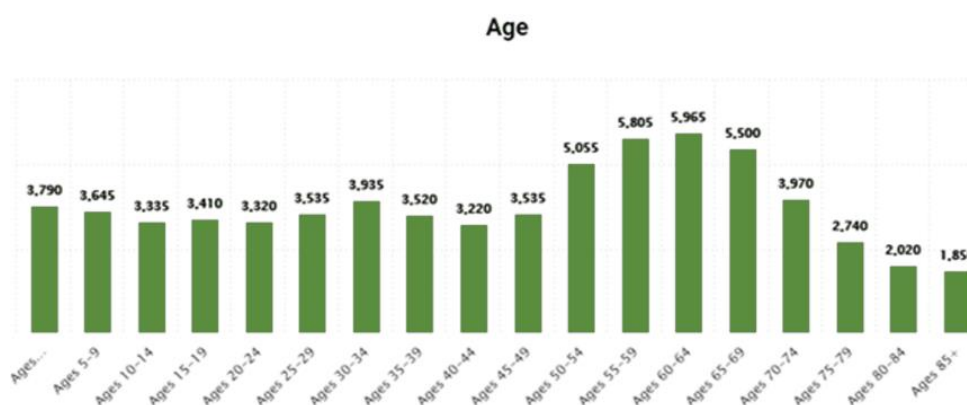


Figure 1: Age distribution across Bruce County according to the 2016 census.

**Growth in younger age brackets:** While the average age in Bruce is higher than the provincial average, most new residents are in the 18-64 age bracket, not a ‘retired’ age bracket.<sup>13</sup> Bruce is also projected to have between 10-25% increase in the number of children under 14 from 2020-2046.

<sup>12</sup> <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&SearchText=Bruce&SearchType=Begins&SearchPR=01&TABID=1&G=1&Geo1=CD&Code1=3541&Geo2=PR&Code2=35&type=0&B1=Population>

<sup>13</sup> <https://medium.com/@MikePMoffatt/ontarians-on-the-move-0-5-its-kids-not-seniors-on-the-move-3a870025e709>



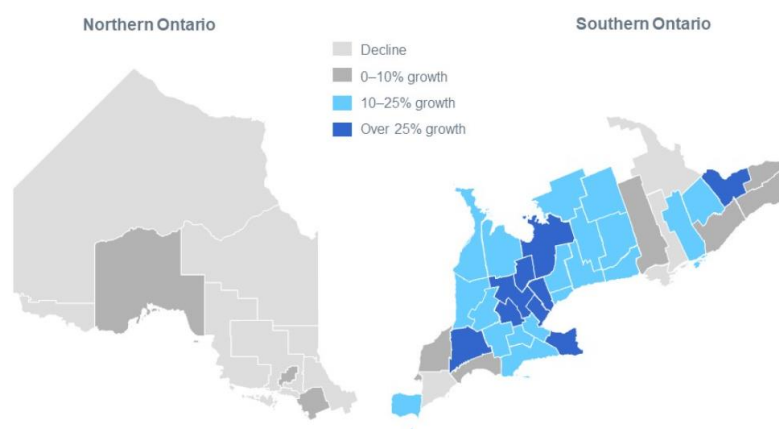


Figure 2: Map showing Forecast growth in children under 14 in Ontario 2020-2046 (Ministry of Finance Projections)

## 2.3 Income in Bruce County

**Income:** Across the County, most inhabitants are above the low-income cut-off and most residents earn above the national median income. The 2016 census revealed that the median household income in Bruce County is \$71,193.00. The 60<sup>th</sup> percentile based on this data is in the range of \$60,000 to \$79,000.

The income range within the County differs from the Ontario average due to a higher than typical percent of households making over \$150,000 per year. In Bruce County, 16% of households have an income over \$150,000, compared to only 9% across Ontario. This could correlate to the distribution of labour across industries. The utilities industry is the single largest sector, with approximately 14% of the County's workforce. The second largest is the retail trade industry, hiring approximately 11.21% of locals. While many high-income earners can have beneficial impacts across a community, differences in purchasing power can affect housing affordability.

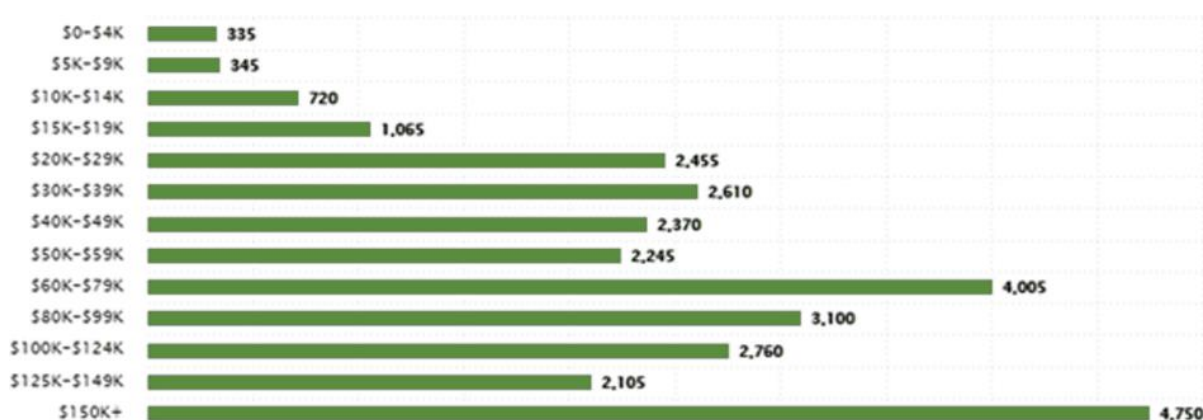


Figure 3: Number of Households at Income Ranges in Bruce County, 2016 Census

Source: Statistics Canada. 2016 Census.

Last Updated: April 2017

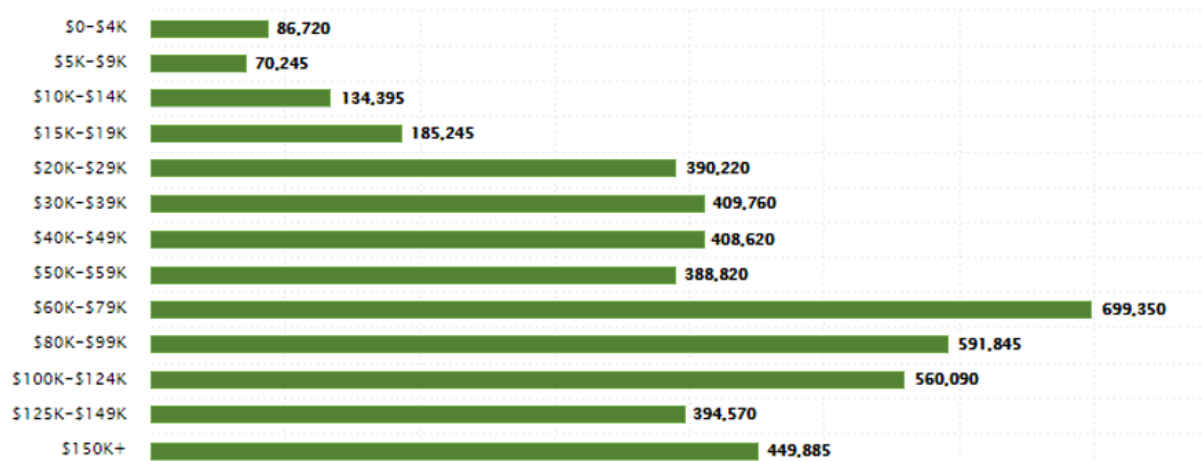


Figure 4: Number of Households at Income Ranges in Ontario, 2016 census.

## 2.4 Bruce County Housing Supply Along the Housing Continuum

In 2019 Bruce County updated its Housing and Homeless Plan and identified the affordable rent or purchase prices that various family incomes could reasonably sustain without being in core housing need. The 60<sup>th</sup> percentile in this chart is at the income range between \$50,000 and \$70,000, closer to the latter.

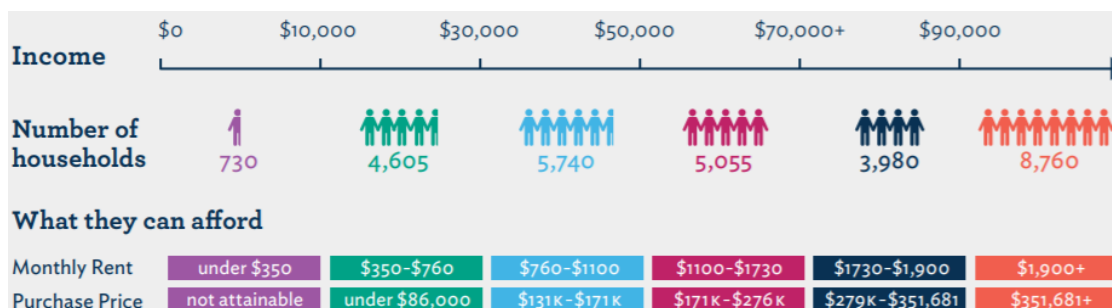


Figure 5: Bruce County Households and Affordable rent or purchase prices by income bracket (Bruce County Housing and Homelessness Plan Update, 2019-2023)

Household and Dwelling Characteristics				
Housing Type	Bruce		Ontario	
	#	%	#	%
Single-detached house	24,155	83.7%	2,807,380	54.3%
Apartment in a building that has five or more storeys	0	0.0%	886,705	17.2%
Semi-detached house	645	2.2%	289,975	5.6%
Row house	1,180	4.1%	460,425	8.9%
Apartment or flat in a duplex	320	1.1%	176,080	3.4%
Apartment in a building that has fewer than five storeys	2,165	7.5%	522,810	10.1%
Other single-attached house	155	0.5%	10,910	0.2%
Movable dwelling	245	0.8%	14,890	0.3%
<b>Total Units</b>	<b>28,865</b>		<b>5,169,175</b>	

Figure 6: Household and Dwelling Characteristics for Bruce County and Ontario (2016 Census)

Bruce County housing supply across the continuum of dwelling types is set out in the chart above.

**Home ownership:** Approximately 80% of households in Bruce County live in single-detached homes, while the rest of households are semi-detached or in small apartments.

**Housing prices:** The average home price in Bruce County has been steadily rising for years. The REALTORS® Association of Grey Bruce Owen Sound (RAGBOS) reports that the average price of homes sold in the region in September 2020 was a record \$502,003, rising 23.5% from September 2019, breaking the \$500K level for the first time in history.

The cost of buying a house has been increasing year over year, and this is not an isolated trend. In September 2019, RAGBOS reported that the average price of homes sold in September 2019 was \$404,914, also increasing by 12.6% from September 2018.

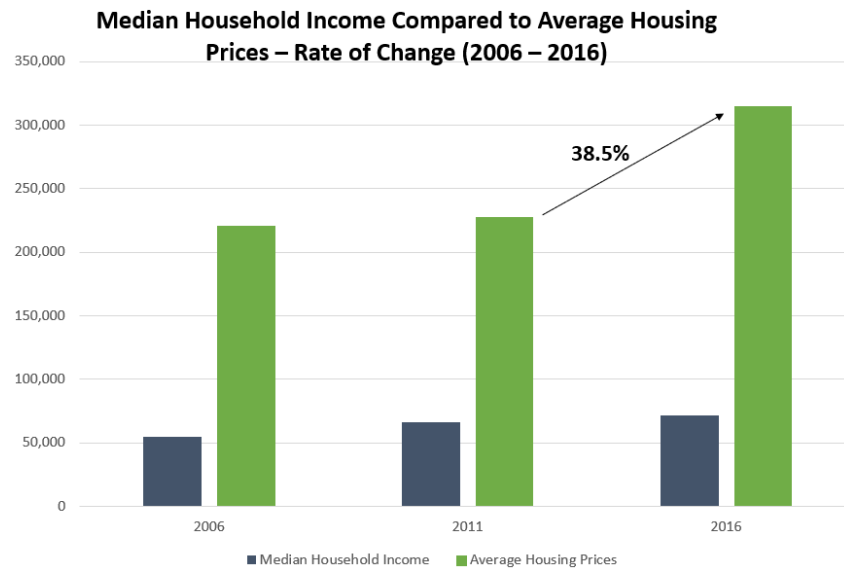


Figure 7: Bruce County Median Household Income Compared to Average Housing Prices - rate of change (2006-2016)

As demonstrated above, the median household income in Bruce County has remained fairly stable over the last two Census' and increased at a consistent, steady rate. However, the average home purchase price increased by 38.5% between 2011 and 2016. This change is contributing to the issue of housing affordability within Bruce by making the average price of a home increasingly out of reach for many buyers, which is consistent with other regions in rural Southern Ontario.

This trend is consistent throughout other parts of Ontario with a similar demographic profile and high tourist/seasonal resident industry.

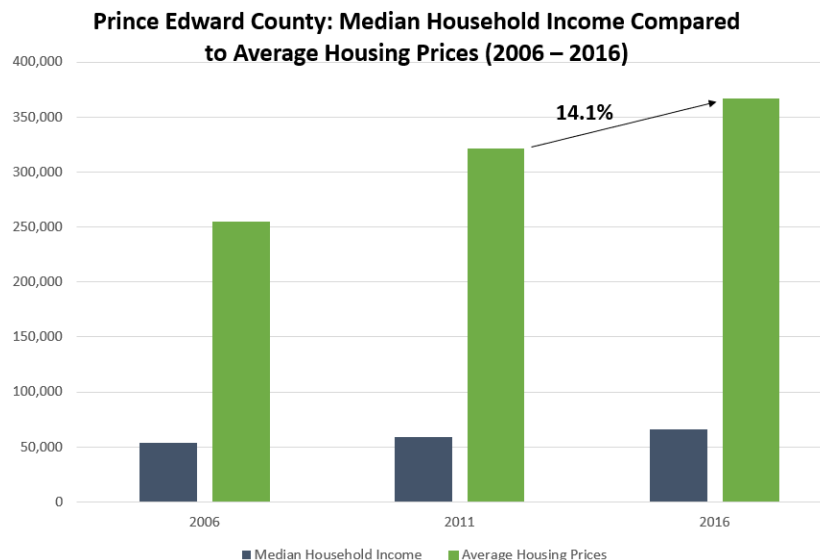


Figure 8: Prince Edward County Median Household Income Compared to Average Housing Prices - rate of change (2006-2016)



Figure 9: Average housing prices in Bruce, Huron, Perth, and Prince Edward County (2001-2016)

The supply of listings remained consistent with previous years despite the COVID-19 pandemic. New residential listings in the region numbered 395 units in September 2020. This was little changed, down 0.8% (three listings) on a year-over-year basis.

## 2.5 Low Housing Supply

New housing supply in the County is near record lows. Active residential listings numbered 584 units at the end of September 2020, down 45.6% from the end of September 2019. Furthermore, this trend is not an isolated event that can be attributed to the COVID-19 pandemic. The Realtor Association of Grey Bruce Owen Sound (RAGBOS) *September 2019 Market Update* stated that although the number of residential listings for September 2019 was up 9.9%<sup>14</sup> from the previous year (September 2018), it remained below listings for the same time in every year prior.

However, a recent Watson & Associates report to Bruce County Council projected 278 new units annually coming online between 2016 to 2046 - slightly higher than the historical average.<sup>15</sup>

It is also important to note that, when compared to the rest of the province, Bruce County has a higher average of houses built prior to 1960.

<sup>14</sup> <https://www.ragbos.com/wp-content/uploads/2020/09/RAGBOS-Stats-Release-September-2019-4pg.pdf>

<sup>15</sup> Bruce County GMS - November 2020 Council Presentation Summary, Page 10

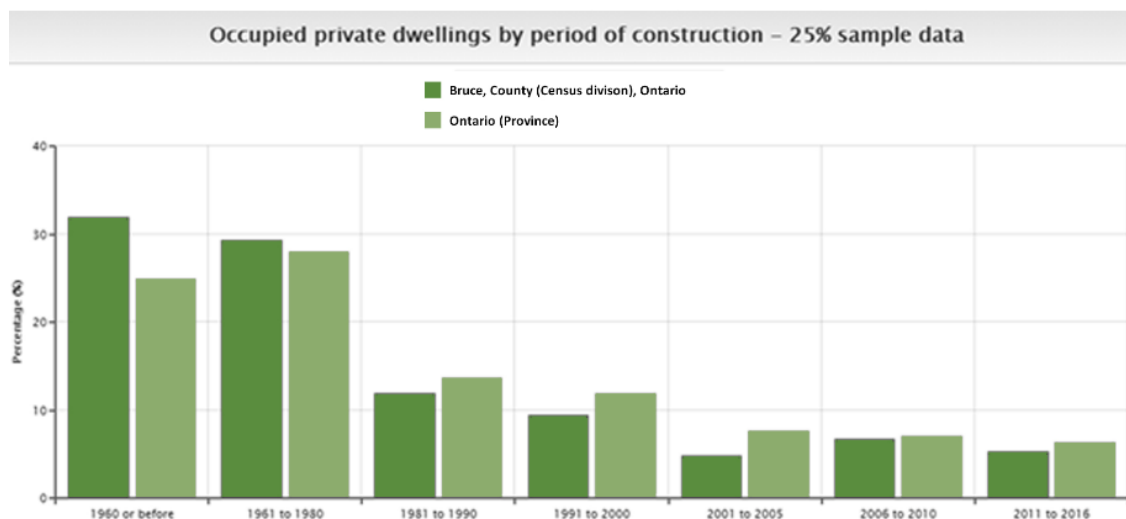


Figure 10: Occupied private dwellings by period of construction, Bruce County and Ontario (Statistics Canada, 2016)

Older homes may require more in-depth updating and renovations to maintain livability, and so the costs to renovate those homes may be a factor in the adequate and affordable supply in Bruce County.

These older homes are also candidates for demolition and replacement which could replace a lower-cost older home with a larger, more expensive home. For example, In the first quarter of 2015-2016, 14 of 42 permits in South Bruce Peninsula were for replacement of existing dwellings. Larger rental complexes can be candidates for conversion to condominiums as well, removing needed rental units from the market.

**The Private Rental Housing Market:** According to the Canadian Rental Housing Index's 2019 data, average rental and utilities cost appear to be, on average, lower than the rest of the province, with the provincial average cost of rent and utilities being approximately \$1,109 and Bruce County's average cost of rent and utilities being \$878. The charts below comparatively analyze how the County compares with provincial averages.

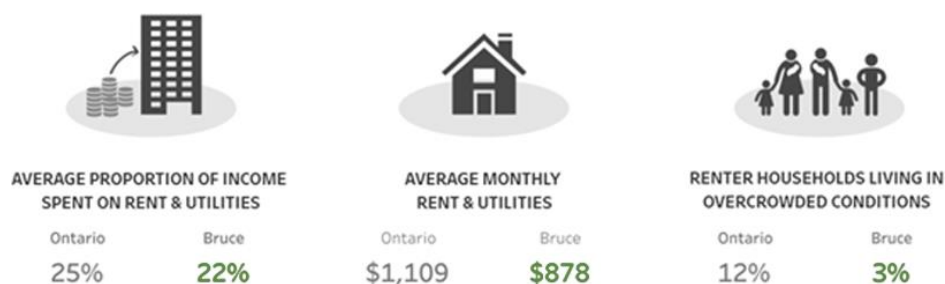


Figure 11: Comparison of rental housing costs and overcrowded conditions, Bruce County and Ontario (Rentalhousingindex.ca)





Figure 12: comparison of Ontario and Bruce County household spending on rent and utilities

**Rental Housing:** A healthy housing mix should include a balance between home ownership and rental tenure. There is a need to create more affordable purpose-built rental housing in Bruce County as demand is far outpacing supply and costs have increased well above inflation and income growth over the past decade. With low vacancy rates as illustrated in the chart below, maintenance of existing supply of rental units is also of critical importance.

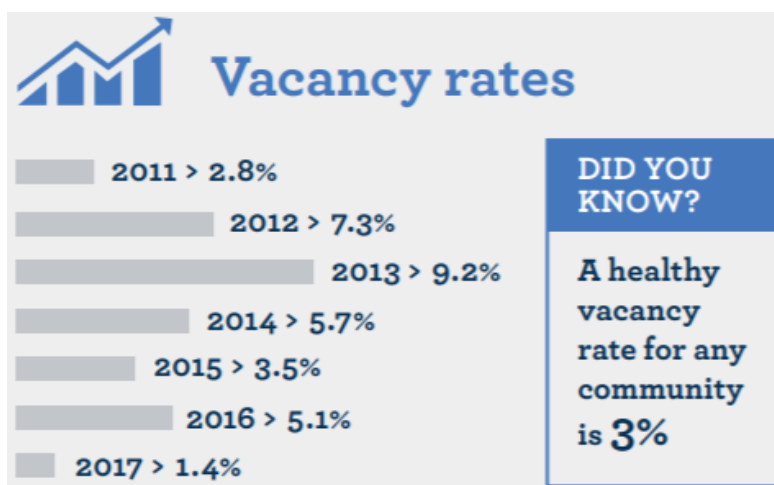


Figure 13: Vacancy Rates in Bruce County, 2011-2017. Source: Bruce County Housing and Homelessness Plan Update, 2019-2023

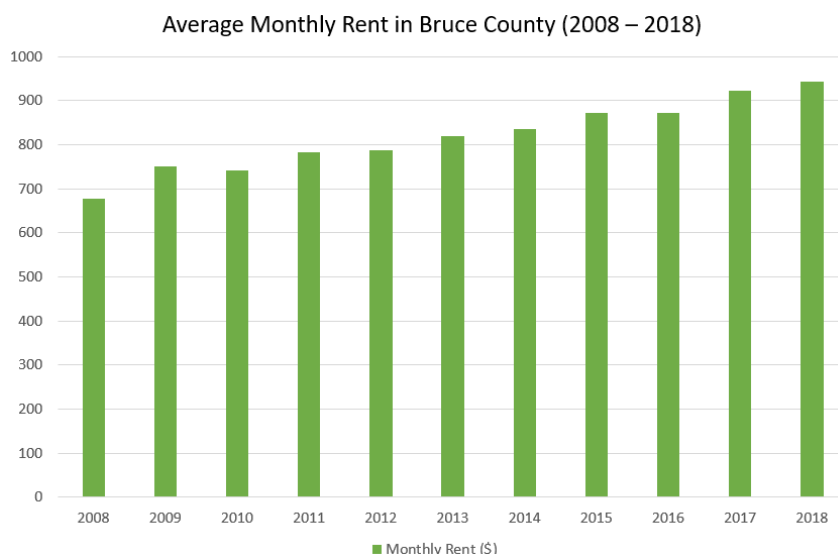


Figure 14: Average rents between 2008 and 2018 in Bruce County

**Affordable Rental:** Rental housing affordability is a problem across the province. Renters have less options than homeowners. While Bruce County’s rents are lower than the provincial average, Bruce County still has 45% of residents spending more than 30% of their income on housing and 18% spending over 50% on housing costs. Anecdotally, the rental housing supply does not match the demand as renters are forced to look to older, larger units than they may need. Most renters in Bruce have significantly less income, face greater affordability issues, and have fewer housing options than homeowners. On average, renters have less than half the income of owners. Nearly 45% of renters in Bruce spent more than 30 per cent of income on housing. 16% of all rental units in Bruce County are subsidized units.

#### AVERAGE & MEDIAN RENTER HOUSEHOLD INCOME

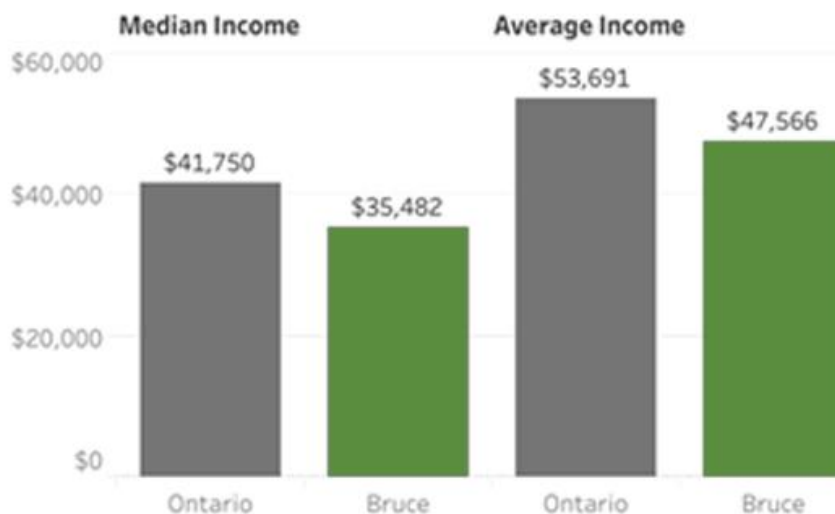


Figure 15: Average and Median Renter household income in Ontario and Bruce County,

**Community Housing:** As of June 2020, there were 592 individuals or families on the Bruce County Community Housing Registry. Bruce County can house approximately 27% of the waiting list annually from its 31 locations that total 679 units.

In 2019, Bruce County approved the development of 15 new Rent-Geared-to-Income units, as well as 10 affordable and 10 modest market units in the Town of Kincardine.

In addition, Ontario Aboriginal Housing Services provides 91 units of affordable housing to families in need and have a waitlist of approximately 55 families.

**Homelessness:** A 2018 homeless survey identified fewer than 20 individuals who met the definition of “homeless” or a person experiencing homelessness. The problem of homelessness is increasing in Bruce County with the number of emergency shelter stays increasing by 42% in 2020. There are currently no emergency shelters for men or youth in the County. Those requiring emergency housing are often placed in temporary accommodation (i.e. motels or hotels).

## 2.6 Further Considerations Impacting Housing Affordability

The *South Georgian Bay Tourism Industry Workforce Housing Research and Business Case*, published in May 2018 by the South Georgian Bay Tourism Labour Supply Task Force identified various factors contributed to housing attainability, and many apply to Bruce County as well. Some of these factors to consider include:

- Affluent retirees moving from elsewhere in Southern Ontario, particularly from the GTA to more rural areas in search for more space and a slower pace of life. We see this as being prevalent in Bruce County as the median age in Bruce County age is 48.5, whereas the median age in Ontario is 41.3 years old.
- Although Muskoka and the Kawartha Lakes areas are popular destinations for seasonal or secondary homes, these areas have become incredibly expensive in recent years. Buyers and renters are expanding their search and looking into alternative areas and regions.
- An increasing demand for investment properties with the increasing popularity of short-term accommodations (e.g. Airbnb, HomeAway, etc.). When a home is used specifically for short-term accommodation purposes, it can remove a rental or ownership unit from the wider market, limiting supply and pushing prices for permanent housing upwards. This may not be a direct problem in ‘Rural Recreation’ areas where seasonal recreational residencies are the majority land use but the potential for income generation can influence regional housing prices and yield direct and indirect affordability issues in communities with higher permanent populations that support employment and services.

These factors all contribute to housing unaffordability and may mean fewer people in the service sector are looking for and applying for service sector jobs in these areas as housing options are outside of their budget.

## 3 Recommended Directions

The Planning Act and other provincial planning instruments provide Bruce County and local municipalities a range of planning tools to help create and sustain a diverse mix of housing options. This section outlines a list of planning tools that Bruce County should consider to increase the supply and mix of homes for current and future needs.

### 3.1 Apply Housing Targets

***Recommended Direction:** Develop and implement targets to increase supply of affordable units in areas close to existing jobs, services, and transportation choices. These should align with the Housing and Homelessness plan and focus on the needs of households in the lowest 60% of the income distribution.*

Targets are best implemented through a comprehensive growth management strategy. Absent a broad growth strategy for the County, it could be difficult to align what property owners may want to build with market demand on a site by site basis.

A growth management strategy allows a municipality to develop a broad, transparent path to growth that can be effectively vetted by the community and elected representatives, while being refined at the neighbourhood level. These strategies help prepare communities for growth and provide guidance to what type of development is suitable and practicable for a community.

#### **What is required:**

At minimum, the province requires that the County, in consultation with local municipalities, identify targets for intensification and redevelopment in settlement areas. These can include minimum density targets for development or redevelopment. The province also requires the County to establish minimum targets for housing that is affordable to low- and moderate-income households.

#### **Current County Plan Policy:**

Section 4.4 - Population and Housing of the current County Official Plan includes population and employment growth forecasts and how growth is anticipated to occur by Municipality, to 2021. It includes an anticipated number of households, noting population aging and trends toward smaller households.

The County Official Plan includes reference to the provincial direction:

“The Provincial Policy Statement requires the County to have an appropriate range of housing types and densities to meet projected requirements of current and future residents. In order to ensure affordable housing is provided within a Municipality, 30% of new residential development and residential intensification shall be affordable to meet the housing needs of family incomes up to the 60th percentile.”

The County Plan also includes policies intended to support affordable housing:

- a) “The County and local municipalities shall strive to ensure that 30% of new residential development and residential intensification be affordable to meet the housing needs of incomes up to the 60th percentile in the local municipalities;
- b) The County shall encourage local Official Plans to require a minimum of 30% of all new residential development to occur in the form of medium and high density;
- c) The County shall encourage local Official Plans to require a minimum of 30% of all new residential development to be available as rental housing;”

Section 6.5 of the County Plan includes targets for density where development is on municipal or communal services of 15 units per gross developable hectare and for 30% of development serviced by Municipal or communal water and sewer services to be achieved through medium or higher density dwelling units, unless a lower percentage can be justified.

Of these policies, the requirements for units per hectare and medium density unit types are the most straightforward and easiest to implement, however the Official Plan best practices review notes that the medium-high density blocks may be left until later in the project in some communities and may never get built, while in other communities single-family subdivisions are redlined to permit higher-density development.

**Opportunity for improvement:**

The “Good Growth” discussion paper, currently under development, is intended to serve as a growth management strategy and will inform further consultation on appropriate targets to lead the County for the next 25 years.

The Land Use Service Delivery (Best Practices Review) completed in October 2020 recommends that the Bruce County apply local municipal density targets which would reflect population allocation, developability, future transit provision, and existing conditions. These targets should be negotiated with local development, community members, the public, and key stakeholders including housing providers and other community advocates. The result should be ambitious but reasonable development goals that are sensitive to the market conditions of Bruce County but also aim to help drive development into new markets.

**An example:** Grey County’s recent Official Plan specifies targets for the distribution of new residents to settlement areas, and for intensification within those settlement areas. Like many other Counties and regional governments in Ontario, Grey County has established these targets in their historic settlement areas. This helps revitalize social, economic, and commercial centres, make better use of existing infrastructure, and can help meaningfully improve affordability for residents.



## 3.2 Permit Additional Dwelling Units

*Recommended Direction: Update County and Local Official Plans (and by-laws) to permit additional units within a dwelling and within a separate building on a lot with appropriate conditions.*

Additional dwelling units are self-contained dwelling units with a private kitchen, bathroom and, sleeping areas. A unit can be within an existing house, usually detached or semi-detached homes, or elsewhere on a property, like above a laneway garage, or in a coach house. These units can increase supply of affordable units for individuals and families. They also provide supplemental income to the property owner.

Local municipalities and the County can support additional residential units by encouraging them through Official Plan policies and zoning by-laws, a dedicated approval process, priority application reviews, or by providing financial incentives to homeowners.

### **What is required:**

The provincial government requires municipalities to allow additional dwelling units, with some flexibility to address local context such as health and safety, natural hazards, and servicing considerations. While additional units have been required to be permitted either in a dwelling or in an ancillary building on a lot, recent changes require both to be permitted on a lot in more circumstances.

To help advance opportunities for additional dwelling units, the province has amended the Planning Act to limit the ability to appeal policies that permit additional units and has established minimal parking requirements to provide a province-wide standard.

### **Current County Plan Policy:**

The County Official Plan permits “secondary suites” within dwellings in the ‘Residential’ designation subject to local plans and by-laws, and provides some direction for local plans and by-laws to address neighbourhood compatibility, building height, lot coverage and parking

### **Opportunity for improvement:**

Additional opportunities, including ‘additional dwelling units’ in an accessory building need to be included as required by the Province.

To ensure additional dwelling unit opportunities are feasible, local municipalities and the County need to consider:

- policy criteria such as servicing/infrastructure, lot area, and designations where accessory and additional dwelling units are to be permitted; and
- Opportunities to standardize policies for accessory and additional dwelling units to support consistently application throughout the County

### 3.3 Permit Smaller Homes

*Recommended Direction: Consider directing local plans and by-laws to remove restrictions that require dwelling unit sizes that are larger than building code standards*

Many individuals searching for affordable, attainable housing do not have access to the size and type of housing that would be most suitable to their needs. Many local by-laws establish minimum ground floor area or gross floor area requirements that far exceed the requirements of the building code, which is focused on providing standards for life safety. While there are significant fixed costs in construction of a home, many costs rise as size increases. In addition to cost advantages, smaller units can also have less site impact, require fewer resources for construction, and consume less energy, and may suit the preferences of smaller households.

#### **What is required:**

Under the Building Code, minimum sizes for a dwelling unit with combined sleeping and living spaces amount to just under 20 square metres. Having a separate bedroom or bedrooms increases the minimum size required.

#### **Current County Plan Policy:**

County Plan policy focuses on promoting a range of dwelling unit sizes and types. The plan does not provide specific direction on minimum dwelling unit sizes.

#### **Current Local Policies and By-laws:**

While some By-laws such as the Saugeen Shores zoning by-law do not specify a minimum size or floor area for dwelling units, many other by-laws include requirements that can include minimum gross (total) floor areas of 90 to 100 square metres (969- square feet) 92.9 square metres or ground floor area requirements of 70sq m (753 sq ft) for buildings with more than one storey.

#### **Opportunity for Improvement:**

Removing zoning by-law duplication in dwelling size regulations can enable builders and landowners to quickly build units at sizes that the market will bear. It is a simple way to provide more units at an affordable price for some individuals.

### 3.4 Permit More Types of Homes

*Recommended Direction: Consider directing by-laws to describe and permit a broader range of dwelling unit types.*

Allowing a broader variety of structures to be built provides more freedom to developers and entrepreneurs to create unique dwelling types that cater to a variety of individual needs. These can include basement units, live-work structures, “tiny homes”, stacked townhouses, or multi-unit buildings. Overall zoning provisions can continue to address key criteria like the bulk and mass of buildings and lot coverage, and the building code would continue to address structural requirements and safety considerations.

**What is required:**

The province requires planning authorities to permit additional dwelling units, as discussed above, and the full range of dwellings needed to meet the needs of residents.

**Current County Plan Policy:**

Existing County Plan policy focuses on promoting a range of dwelling unit sizes and types, with limited specific details.

General housing policies of the Plan (Section 4.4.4) require local plans to include policies to ensure a wide variety of housing types, densities, and options, and include all forms of housing required to meet social, health and well-being requirements, and include specific direction consistent with an earlier provincial requirement to permit semi-detached dwellings where a single-detached dwelling is permitted:

“vii) Local municipalities with Official Plans shall include in their Plan policies requiring duplex/semi-detached housing meaning a building or structure with no more than two (2) ‘dwelling units’, to be included in the same zone or zoning category as a single detached dwelling unit and that similar zoning provisions shall apply to both types of dwelling units”

However, permitted uses under the Residential development policies (Section 5.2.3.5) provide that:

“Single detached dwellings and home occupations shall be the predominant form of housing. Where sanitary sewers are available and subject to site plan control, multiple-attached dwelling units may be considered provided provisions for open space and parking are made, and the servicing requirements of the appropriate approval authority or its agent are met. When approving multiple-attached dwelling units, the compatibility of such uses with adjacent development shall be considered. If the lands for which a proposal has been submitted is known or suspected to be

contaminated from past or present activity, the proponent will be required to demonstrate to Council that there will be no adverse effect on the proposed use.

b) Mobile homes on individual lots shall not be permitted as the primary residence. Mobile homes will be encouraged to locate in mobile home parks.

c) The conversion of homes into apartment units will be permitted subject to the provisions of the Zoning By-Law and the adequacy of the lot and services.”

#### **Opportunity for improvement:**

The Official Plan could continue to direct local plans and by-laws to provide for a range of housing, while listing of the ‘missing middle’ building types that are needed to meet housing needs, and directing that definitions and provisions for these uses be focused on key zoning performance requirements and otherwise flexible wherever possible.

### **3.5 Increase Stability and Flexibility through Development Permitting Process**

***Recommended Direction:** Investigate opportunities for a Community Planning Permit system (CPPS) which essentially pre-plans neighbourhoods, enables approvals with conditions, and includes opportunities to provide flexibility within a defined range with less risk of appeal.*

The CPPS has been available to Ontario municipalities as a means of speeding up development and growing defined areas in a predictable manner for over 10 years. A CPPS system would pre-approve planning permissions on parcels of land. Like a Zoning By-law, a CPPS by-law identifies permitted uses and minimum and maximum development standards for a site or area. However, a CPPS by-law can also set conditions for building to those standards including infrastructure requirements, community contributions, and affordable housing requirements (if ordered by the Province) and can provide for variances to standards within thresholds set by the by-law. A CPPS can also provide for stability by having a default rule that it cannot be altered for five years following its implementation unless council wants to consider a change.

The CPPS is seen by many local planners as an ideal tool because it removes the uncertainty and often costly delays brought on by the planning process. It provides both the developer and local community with a clear set of expectations and removes the risk of projects being blocked by residents and Councillors in appeals processes. Introduction of a CPPS focused on heritage preservation and new housing is also a recommendation of the Land Use Service Delivery Review (Official Plan Best Practices).

**What is required:**

A CPPS is not required in Bruce County. If a CPPS is to be implemented, it must be described in an Official Plan

**Current Official Plan Policy:**

There are no policies for CPPS in the Official Plan at this time. Applications that do not meet specific zoning requirements need to proceed through a minor variance process which can take 2 to 3 months.

**Opportunity for improvement**

The Official Plan could include policies describing and authorizing establishment of a CPPS, so that it can be developed and implemented through a followup process.

### 3.6 Maintain Supply of Rental Units

*Recommended Direction: Consider criteria for conversions of standard rental units to condominiums or demolition of units to maintain rental unit supply.*

*In addition, consider working with local municipalities to establish rules for short-term rentals in houses and apartments that can be used to house year-round residents.*

Changing demographics and economies can result in a transition of formerly affordable units into higher end premium properties for purchase, for redevelopment to gain higher long-term rents, or for short-term rental. Municipalities have the power to restrict these conversions.

To prevent the loss of attainable units, municipalities can act to restrict and limit the conditions in which these conversions can take place. The City of Mississauga, for example, has established a by-law<sup>16</sup> which applies to limit demolition (without replacement) of multi-unit residential properties or condominium conversions for properties with more than 6 units when the vacancy rate is below 3% or the units rent for more than 1.75 times average market rent by unit type. The Mississauga by-law also provides for conditions including replacement of demolished units, retention of converted units at similar rents for a defined term, and monitoring of conditions.

The purpose of this type of policy is to protect housing inventory without a cost to the municipality. It does not increase stock but could be one component of a broader affordable housing strategy that seeks to preserve existing stock and build new units.

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<sup>16</sup> <http://www6.mississauga.ca/online/planbldg/HousingStrategy/RentalHousingProtectionBy-lawFINAL.pdf>

Municipalities can also implement official plan and zoning bylaw policies to prioritize housing stock as primary residences over the provision of short-term lodging for tourists, in all or some areas of the community.

**Examples:** Toronto enacted bylaws under the Planning Act to regulate short term (28 days or fewer) rentals of residential properties. The bylaws' intent is to stop people or companies from purchasing or leasing a home or apartment for short-term rentals year-round instead of renting to Toronto residents. These bylaws effectively specify that the primary purpose of a house or apartment is as a principal residence for a person or household. It allows the owners and tenants to provide short-term rental accommodation if they are the principal residents of the unit, both when they are there and while they are away. They also specify that secondary suites are to be exclusively and separately occupied as a principal residence, and thus follow the same rules.

Closer to home, the Town of the Blue Mountains has also established a Short-Term Accommodations By-law which outlines where "STAs" are permitted and sets out licensing provisions for the use.

In Bruce County, the Municipality of North Bruce Peninsula is currently considering implementation of a regulatory package that includes accommodation tax application, zoning restrictions, and complaint process improvements.

**What is required:**

Policies regarding conversions are not required. If they are to be implemented, they must conform to applicable law including the Planning Act, Condominium Act and Municipal Act.

**Current Official Plan Policy:**

The current Official Plan does not include policies for condominium conversions, preservation of units through demolition or renovation, or short-term accommodations.

**Opportunity for Improvement:**

The Official Plan could speak to the importance of maintaining a healthy mix of rental and ownership units and include policies that authorize a demolition and/or condominium conversion by-law and provide for regulation of short term accommodations through local zoning by-laws where determined to be appropriate through municipal processes.

### 3.7 Use Appropriate Density to Lower Development Costs

*Recommended Direction: Together with ‘Good Growth’ Discussion Paper, consider where services are or can be available to support growth and development, and consider designating existing serviced areas and corridors as target areas for increasing density through infill, intensification, and redevelopment, as well as clear criteria for height and/or density*

Adding core services to new developments can be a significant cost if piping and other infrastructure is not already in place. By facilitating developments in areas where services are already in place, municipalities can reduce the cost of development and allow for more affordable prices. This also makes more efficient use of the physical and community services that are already in place, from pipes and roads to schools and parks. Encouraging the highest density in key corridors that include commercial and community functions can also support good transportation planning and local economies.

#### **What is required:**

This direction relates to several policies in the PPS including that Planning Authorities:

- Provide an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents of the regional market area,
- Be able to accommodate residential growth for a minimum of 15 years through residential intensification and redevelopment,
- Direct the development of new housing towards locations where appropriate levels of infrastructure and public service facilities are or will be available to support current and projected needs,
- Promote densities for new housing which efficiently use land, resources, infrastructure, and public service facilities, and support the use of active transportation and transit in areas where it exists or is to be developed,
- Require transit-supportive development and prioritizing intensification, in proximity to transit, including corridors and stations, and
- Establish development standards for residential intensification, redevelopment and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.

While Bruce County has limited very limited transit functions at this time, Active transportation and walkability which are lower cost and healthier ways of getting around are supported through infilling and intensification, and focusing development near destinations, or nodes where there are key activities. These notes and corridors



can provide opportunities for future transportation solutions, which will be discussed further through the Plan the Bruce: Connecting project.

Community Benefits Charges are a new concept in the Planning Act and replace previous opportunities for allowing additional height or density in exchange for community benefits. This new system is not required, but does provide Municipalities with a more transparent opportunity to collect fees to support infrastructure that is not already covered through development charges in relation to proposals for development or redevelopment involving greater height and/or more than 10 additional dwelling units.

#### **Current Official Plan Policy:**

Most of the existing serviced corridors in Bruce County are generally commercial in nature, and the Plan permits secondary residences above or behind the primary general commercial use. Emerging nodes in faster growing communities may have different character.

The Official Plan could provide more detailed identification of opportunities for infilling, intensification, and redevelopment within key serviced corridors. The Community Planning Permit System (CPPS) oriented around housing and heritage preservation, and Community Benefits Charge provisions in local plans could be effective tools to help encourage intensification and residential densities that also yield complete communities.

### **3.8 Incentives that lower development and operating Costs**

***Recommended Direction:** Consider updating Community Improvement Plans to reduce application fees, development charges, offer retrofit grants, and/or provide opportunities for Tax Increment Financing, for developments with guaranteed-affordable housing.*

Planning fees and development charges can be a significant cost to building new housing. Some municipalities provide fee waivers or delayed payment programs for developers building housing at an attainable level.

These cost reductions are often provided as part of an agreement to build smaller or specifically “affordable” units. Municipalities can develop a policy that supports fee waivers for certain types of housing construction.

Retrofit or renovation grants could be applied to convert underutilized space, such as upper floors in commercial corridors, to rehabilitate older buildings and provide lower-cost housing near services and amenities.

Tax Increment Financing provides an opportunity to defer or waive property taxes for a defined period for affordable rental housing. Through this tool, municipalities can help housing providers reduce rent levels by reducing the operating costs of the building. This tool can typically be part of the municipal contribution often required by provincial or federal funding programs.

Bruce County Human Services piloted a secondary suite grant in 2016 which a unit constructed in Kincardine. With increasing interest in lower-cost types of housing, and policy change to permit secondary or additional dwelling units, there may be greater interest in a program to facilitate development of additional dwelling units.

#### **What is required:**

Community improvement plans are not required. However, if they are to be implemented, they must address matters outlined in the Official Plan and must be established in accordance with the Planning Act.

Secondary unit incentive programs are likewise not required, however there are some provincial requirements including a Municipal Housing Facilities By-law that enable incentives to be provided.

#### **Current Official Plan Policy:**

Bruce County's current Official Plan commits the County and lower-tier municipalities to, "provide a grant-in-lieu of residential development charges, planning fees and building permit fees for new affordable housing developments in return for a commitment by the developer to meet specified affordability targets."

Section 4.4.4.2.6 of the Plan notes that:

"i) The County of Bruce and the local Municipalities shall enact a Municipal Housing Facilities By-Law under Section 110 of the Municipal Act that would enable Bruce County and local municipalities to provide incentives to the public and private sectors to create new affordable rental units;"

#### **Opportunity for Improvement:**

Carry forward policies for grants, and waivers, and include policies for Community Improvement Plans and other by-laws that are Housing-focused. Specific program details, funding, and delivery fall outside the scope of this discussion paper and the Official Plan.

### **3.9 Reduce Operating Costs by Design**

*Recommended Direction: Encourage energy-efficient subdivision and building designs that reduce operating costs.*

The County's Housing and Homelessness Strategy update notes high utilities costs as a housing issue in the 2013 and 2019 update, although progress has been made through funding programs that assist families with the costs of electricity bills.

**What is required:**

The Planning Act states that, "Planning authorities shall support energy conservation and efficiency, improved air quality, reduced greenhouse gas emissions, and preparing for the impacts of a changing climate." Criteria for consideration of subdivisions of land include "(l) The physical layout of the plan having regard to energy conservation."

These considerations can support attainable housing by reducing energy costs to homeowners and renters.

**Current County Official Plan Policies:**

Section 4.11 Of the Official Plan addresses Energy Conservation and Development and includes:

It is the policy of County Council, when considering development or redevelopment, to encourage, where practical, measures which lead to the conservation of energy resources. These measures may include:

- i) Maintaining a reasonably compact urban form;
- ii) Establishing efficient pedestrian and vehicular transportation networks;
- iii) Providing neighbourhood services and facilities in proximity to residential development to reduce vehicular travel;
- iv) Avoiding development which results in extensive loss of sunlight to adjacent land uses;
- v) Encouraging the energy-efficient design of buildings;
- vi) Encourage the use of energy efficient appliances, heating and cooling systems, low water bathroom facilities, and other innovative technologies;
- vii) Allowing for the placing of buildings on lots to encourage passive solar energy gain;
- viii) Incorporating district heating, solar and wind energy and similar designs into residential, commercial, institutional and industrial development; and,
- ix) Incentives for the use of energy efficient technology.

**Opportunity for Improvement:**

These policies can be carried forward and could encourage participation in certification programs or standards such as net zero energy standards, Leadership in Environmental and Energy Design (LEED®) or Passive house standards.

### 3.10 Prioritize Applications

*Recommended Direction: Consider criteria for prioritizing and/or fast-tracking review of housing development proposals that support affordable housing targets.*

Municipalities can prioritize certain types of planning or building code approvals for affordable or attainable housing. Faster approvals can save money and get housing built more efficiently by reducing delays and carrying costs associated with new construction.

**What is required:**

The Planning Act sets out timeframes for application processing; if applications are not processed within this timeframe, they can be appealed by the applicant to the Local Planning Appeals Tribunal. The Planning Department often works within these timeframes, providing some opportunity for flexibility in advancing priority applications.

**Current County Plan Policy:**

The Official Plan does not currently discuss prioritization of development review.

**Opportunity for Improvement:**

The Official Plan could outline criteria for applications to move towards, or to, the front of the line for processing; for example if the applications are to permit new housing affordable to low to moderate income households, or to facilitate redline revisions to draft-approved subdivisions that meet planning policies and increase the supply and mix of homes.

The CPPS tool mentioned above could also be applied as a comprehensive tool to accelerate approvals in areas where it is applied.

### 3.11 Maintain Land Inventory

*Recommended Direction: Improve data gathering and reporting to assist Municipalities with maintaining inventory of land for development.*

Land costs are a major component of development. As land costs increase, keeping a steady supply of land available to meet market needs is becoming increasingly important. Improved data sharing between Bruce County and local Municipalities can help to build a shared understanding of progress towards housing targets, and an understanding of lands that are being used or that remain available for development. This can help with understanding how planning tools are working or if adjustments are needed and if additional lands or infrastructure are needed to support affordable growth.

### **What is required:**

The PPS requires Planning Authorities to

- Be able to accommodate residential growth for a minimum of 15 years through residential intensification and redevelopment,
- Maintain land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment,

Managing and accommodating this growth requires an understanding of development rates and land consumption rates. While the data may exist, it is not currently and consistently accessible from local Municipalities to the County and reporting back from the County to local municipalities is similarly limited.

### **Current County Plan Policy:**

The Official Plan speaks to goals for percentages of low and medium density and ownership vs rental development and applies to targets for larger proposals such as subdivisions.

### **Opportunity for Improvement:**

Efforts to improve data sharing have been initiated through a modernization initiative funded by the Provincial government. Configuration and reporting on data from this initiative will benefit from determining the key targets to be measured in the new Official Plan.

## **3.12 Use Surplus Public Lands for Homes**

*Recommended Direction: Apply a “housing first” policy for surplus public lands.*

Municipalities and their agencies often have land assets that can be used to develop affordable housing. These properties may have been for other uses that are no longer needed. They may also include buildings and infrastructure that needs to be rebuilt or modernized, creating opportunities for partnerships between municipal governments, housing providers, and the development community.

Creating a by-law or policy that commits the municipality to allocating surplus land to new residential developments as a priority over any other land use options can help generate additional supply at an affordable level. These lands are often developed with funding from provincial or federal programs. Municipalities may also issue a Request for Proposals for the sale of the land that would include a commitment by the purchaser to build a prescribed number of affordable units. Lot suitable for housing, but not specifically affordable housing for example due a more remote location could be sold at market rates and proceeds used to fund affordable housing projects in more appropriate locations.

**What is required:**

A housing first policy is not required.

**Current County Plan Policy:**

Section 4.4.4.2.6 (Affordable Housing Policies) notes:

“iv) The County of Bruce and the local Municipalities have a “housing first” policy for surplus municipal lands. Specifically, the first priority in the decision-making process respecting surplus or potentially surplus municipal property shall be affordable housing development and that the surplus property be made available for affordable housing purposes at a reduced cost;”

**Opportunity for Improvement:**

Effective implementation may come from reference to a housing policy in the Official Plan and also in County and Local Municipality Asset disposal by-laws or policies, to keep affordable housing top-of-mind when considering surplus assets.

### 3.13 Require Affordable Housing

*Recommended Direction: Consider requesting an inclusionary zoning order from the Provincial Government to enable municipalities to require affordable dwelling units in new developments.*

Inclusionary zoning allows municipalities to require that some residential units in a development be affordable housing. Incremental costs can be offset by incentives.

Inclusionary zoning is the only planning tool identified in this section that can require housing that meets specific affordability targets to be developed.

Where available, inclusionary zoning relies upon demographic, income, and housing supply analysis to identify housing types, sizes, and units needed to meet demand for affordable housing, as well as analysis of current average market prices and rents and potential impacts of inclusionary by-laws and associated requirements. It can be applied to proposals for more than 10 units, and units required through inclusionary zoning may be located on the development site, or on another site.

**What is Required:**

Inclusionary Zoning is only available to municipalities that have designated Protected Major Transit Station Areas (PMTSAs) or are required by the province through a Minister’s Order to establish a Community Planning Permit System (CPPS). Because no higher order transit is planned for Bruce County (e.g., LRTs) there are not opportunities for PMTSA planning. The County and/or local Municipalities would need to request a Minister’s Order to establish a CPPS which would include Inclusionary Zoning provisions.

**Current County Plan Policy:**

Inclusionary zoning or other policies that specifically require “dedicated” affordable units are not included in the Official Plan.

Housing Policies and Affordable Housing Policies speak to range and mix of homes and opportunities for housing, identify needs for affordable housing, and “strive to ensure housing is affordable that 30% of new residential development and residential intensification be affordable to meet the housing needs of incomes up to the 60th percentile in the local municipalities.”

The only current implementation tool that can directly influence unit cost is requirements for larger proposals to meet density targets, which reduce land cost per dwelling unit and may thus influence building size and form towards more economical units.

**Opportunity for Improvement:**

The County may, in partnership with one or more Municipalities, wish to make a request to the Minister for an order to enable inclusionary zoning.



## 4 Summary

As Bruce County and Southern Ontario continue to grow, Bruce County communities will continue to face increased housing affordability pressures.

Bruce County has many planning tools available to help reduce these affordability pressures by encouraging a more diverse mix of housing options. Together, the County and local municipalities can help ensure more residents have adequate and affordable housing.

To provide a base for public consultations in the Plan the Bruce: Homes discussion, the topics and recommended directions outlined in Chapter 3 are summarized in the following table.

Topic	No.	Recommended Direction
Apply housing targets	1	Develop and implement targets to increase supply of affordable units in areas close to existing jobs, services, and transportation choices. These should align with the Housing and Homelessness plan and focus on the needs of households in the lowest 60% of the income distribution.
Permit additional dwelling units	2	Update County and Local Official Plans (and by-laws) to permit additional units within a dwelling and within a separate building on a lot with appropriate conditions.
Permit smaller homes	3	Consider directing local plans and by-laws to remove restrictions that require dwelling unit sizes that are larger than building code standards
Permit more types of homes	4	Consider directing by-laws to describe and permit a broader range of dwelling unit types
Increase stability and flexibility through development permitting process	5	Investigate opportunities for a Community Planning Permit system (CPPS) which essentially pre-plans neighbourhoods, enables approvals with conditions, and includes opportunities to provide flexibility within a defined range with less risk of appeal.
Maintain supply of rental units	6	Consider criteria for conversions of standard rental units to condominiums or short-term accommodations to maintain rental unit supply. In addition, consider working with local municipalities to establish rules for short-term rentals in houses and apartments that can be used to house year-round residents.

Topic	No.	Recommended Direction
Use appropriate density to lower development costs	7	Together with 'Good Growth' Discussion Paper, consider where services are or can be available to support growth and development, and consider designating serviced areas and corridors as areas for increasing density through infill, intensification, and redevelopment, as well as clear criteria for height and/or density
Incentives that lower process and operating costs	8	Consider updating Community Improvement Plans to reduce application fees, development charges, and/or provide opportunities for Tax Increment Financing, for developments with guaranteed-affordable housing
Reduce operating costs by design	9	Encourage energy-efficient subdivision and building designs that reduce operating costs.
Prioritize applications	10	Consider criteria for prioritizing and/or fast-tracking review of housing development proposals that support affordable housing targets
Maintain land inventory	11	Improve data gathering and reporting to assist Municipalities with maintaining inventory of land for development
Use surplus public lands for homes	12	Apply a "housing first" policy for surplus public lands.
Require affordable housing	13	Consider requesting an inclusionary zoning order from the Provincial Government to enable municipalities to require affordable dwelling units in new developments.

## 5 Next Steps

This Interim Report is intended to provide a foundation for policy directions for the increasing the supply and mix of homes in Bruce County. Now that the stage is set, the County will lay out a road map for the community engagement process on these 13 Recommendations. This process will culminate in a final Homes Discussion Paper to be integrated into the County's new Official Plan.

## Appendix 'A': Opportunities for Housing Affordability

In addition to the land use planning tools discussed above, a range of options are set out below.

They are designed to present a range of solutions to a range of identified problems.

Table A-1 summarizes the problems.

Table A-2 outlines various supportive funding approaches.

Table A-3 outlines additional tools that can be applied to support housing affordability.

These tools are presented to provide some additional context to the discussion of affordability in housing that are beyond the paper's focus on land use planning tools.

## Table A-1: Supply and Demand Solution Summary

Supply Side Solutions	
Reduce Capital costs for proponent	The decision to invest is driven by an investment pro forma that tracks all input costs and anticipated revenues. When the pro forma “does not work,” a decision to not invest is the result. Some policies seek to reduce capital costs to make the pro forma more attractive.
Increase Operating revenues/decrease costs for proponent	Similarly, the pro forma can be improved by improving the anticipated income stream over time. In ownership units, this may be achieved by increasing the number of units. In rental, it may be achieved by increasing the units, or by guaranteeing some or all of the rental revenue stream.
Address Lack of land supply	Restrictions on developable land due to planning restrictions, infrastructure, or geography
Remove Regulatory barriers	Delay in processing applications is commonly identified as a cost of development. Efforts to: Provide more flexible zoning permissions; and Streamline approvals Can reduce the need for applications, and for processing time when they are required.
Prevent Loss of existing stock	Changing demographics and economies can result in loss of previously available affordable housing stock, through sale, conversion to condo or short-term rental use
Increase Diversity of housing choice	The lack of housing diversity is driven by a disparity in income or planning restrictions that disincentivizes the private sector from building a range of housing options
Create a shared Vision & Community Support	Planning decisions are inherently “political.” A shared vision and goals, expressed in a strategy, can send clear signals about policy expectations to staff, proponents, and residents
Reduce Information barriers	Land supply is complex. Land inventory information can reduce the transaction costs associated with identifying appropriate sites for housing development
Ensure up-to-date Market Intelligence	The lack of real time data can prevent municipalities, housing developers and individuals from making effective choices about short-term and long-term housing decisions. As the COVID-19 crisis has shown, housing markets are constantly changing.
Housing adequacy	Regulations that were first designed to promote neighbourhood stability can have the effect of creating barriers to appropriately scaled housing, such as: Additional residential units Tiny Homes Partial or fractional ownership
Demand Side Solutions	
Affordability for renter	Poverty remains the most obvious problem on the demand side. Tools can be targeted to provide support, either through general income support systems, or through targeted rental support.
Affordability for purchaser	As in the rental market, low income is also the root cause of affordability issues in the ownership market. Innovative approaches to help potential buyers enter the market can help overcome the affordability problem.

## Table A-2: Supportive Funding Approaches Summary

Initiative	Description	Problem it Solves	Applicability
Housing Capital Funds	<p>Through direct capital investment, all levels of government can target revenues to support affordable housing developments. These funds are typically targeted at community or supportive housing developments, affordable market rental or below market affordable home ownership models (like Habitat for Humanity). These funds help bring supply to the market where the combination of land and construction costs and market pressure make it unfeasible for the private sector to build housing at an attainable price point. Developers typically receive construction funding in return for agreeing to maintain affordable rents for a specific timeframe. Application guidelines support not-for-profit and private developers applying for funds through the municipal service manager (Bruce County) or CMHC.</p> <p><b>Examples of current programs include:</b>            National Co-Investment Fund            Rental Construction Financing Initiative            Canada-Ontario Affordable Housing Program            Habitat for Humanity - Federal Support Fund            Bruce County's Housing Reserve Fund</p>	Capital costs	Municipal/NFP housing, affordable market rental or below market affordable home ownership
Land Exchanges	<p>Through the planning process, sometimes land targeted for residential development can become restricted due to new adjacent uses or environmental protections. When this happens, Municipalities can work with landowners to swap land in exchange for development approvals and commitments.</p> <p>Examples of reasons for land swaps include, a) if a woodlot is deemed essential to protect on one property going through an application or, b) a new industrial project makes residential development impractical next door.</p>	Removes regulatory barrier	Municipal/NFP housing, affordable market rental or below market affordable home ownership
Facilitate Partial Ownership	Promotes innovative shared housing arrangements for adequate housing and “aging in place”. The Ontario Government recently passed legislation making it easier for individuals	Housing Adequacy	Individual owners

Initiative	Description	Problem it Solves	Applicability
	to co-own a home. These rule changes reduce unnecessary restrictions that allow individuals to find unique ways to find affordable accommodation. This legislation enshrined the right for seniors - or others - to make legal arrangements to share accommodations. Communities that support shared accommodation can free up market-based ownership and rental units for others to live in.		
Rent Subsidization Programs	Rent subsidy programs help individuals pressured by rising rent costs stay in their home, ultimately supporting their well-being. The programs deliver funding directly to individuals - or sometimes to property owners - to supplement rent. Rent subsidies can be geared-to-income like Ontario's community housing programs or based on a fixed rate. They can be tied to a building or to an individual. Federal and Provincial governments recently introduced the Canada-Ontario Housing Benefit. This rent subsidy is application based and goes directly to the individual. It is administered by the local housing service manager and delivered by the Ministry of Finance. Stability programs (like the rent bank) are another form of rent subsidy that help individuals stay in or find new accommodations due to short-term financial pressures. These programs reduce individual and societal costs of housing disruptions.	Affordability for tenant	Private or NFP rental
Rental Guarantees	A rental guarantee is when a municipality or business guarantees a certain rental percentage of a group of units to a property owner. This ensures that occupancy revenue is generated by tenants and 'topped up' by the backer if occupancy levels are not reached. The tool is attractive when there is a low supply of affordable rental units and a business, group of businesses or government sector see the economic benefit of securing housing units close to an employment area.	Guarantees operational income stream	Private and NFP rental; could support seasonal worker housing for example for seasonal industries or specific sectors



**Table A-3: Tools Summary**

Initiative	Description	Problem it Solves	Applicability
Public Private Partnerships	PPPs generally involve a contribution from the public sector in the form of land and/or zoning and the private sector is responsible for servicing and building. In addition, the public sector can provide grants to keep the prices affordable to renters/owners. This tool allows the public sector to increase its ability to create affordable housing by working with a private sector partner and sharing costs and risks.	Supply	Allows the public sector increased ability to create affordable housing by working with a private sector partner and sharing costs.
Housing Organization	By working with a municipality, new housing organizations can access government land to build affordable housing that can be maintained over time. The capital asset can also be used to purchase more land and develop additional housing units.	Supply, Affordability	Municipal/NFP housing, or below market affordable home ownership
Market Intelligence	The ability to assess market realities quickly and accurately can help consumers, developers and government make smart housing supply decisions. While data has never been easier to find, being able to access and synthesize it requires funding to build the right platforms.	Removes information barriers	All actors
Affordable Housing Land Bank	Land banking is when a municipality acquires land or property for future affordable housing. The idea here is that there is no immediate plan to develop this land, but it allows municipalities to build an inventory of land to develop in the future. There are costs associated with maintaining unutilized lands.	Land supply and capital cost	Municipal/NFP housing, affordable market rental or below market affordable home ownership

## Appendix ‘B’: Canadian Government Policy Framework

This appendix provides additional context on Federal policy and initiatives to support housing in Canada.

### The Speech from the Throne

The recent speech from the Throne set out the commitment to the government of Canada to continue to invest in housing in the following terms:

*“Strong communities are places where everyone has a safe, affordable home.”<sup>17</sup>*

The Speech went on to highlight continued investments in homelessness and in affordable housing, by:

- Investing \$1B to reduce homeless across Canada
- Expanding the National Housing Strategy announced in 2017 by
  - Increasing investments to rapid housing in the short term, and
  - Partnering with not-for-profits and co-ops in the mid- to long-term.
- Enhancing the First-Time Home Buyer Incentive.

Of note, in the section entitled “Addressing Gaps in our Social Systems,” the Speech also made reference to “additional action to help people stay in their homes longer.”<sup>18</sup>

### National Housing Strategy

CMHC’s National Housing Strategy is a 10-year, \$55 billion plan focused on creating affordable, stable, and livable communities. The plan includes a mix of funding, grants, and loans through partnerships with public, private, and non-profit organizations.

Its four main targets include:

- Reducing chronic homelessness by 50%,
- Elevating 530,000 families from housing need,
- Renovating and modernizing 300,000 homes, and
- Building 125,000 new homes.

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<sup>17</sup> <https://www.canada.ca/en/privy-council/campaigns/speech-throne/2020/stronger-resilient-canada.html>

At p.20.

<sup>18</sup> *Ibid.*, at p. 17.

The strategy is supported by six priority areas for action:

- Housing for those in greatest need,
- Community housing sustainability,
- Indigenous housing,
- Northern housing,
- Sustainable housing and communities, and
- Balanced supply of housing.

Several programs have been created to support these six priority areas. Funding falls into four buckets: creating new housing supply, modernizing existing housing, resources for community housing providers, and innovation and research. The programs that are applicable to Bruce County are summarized in Section 4 of this discussion paper.

**Recent Changes to Mortgage Rules Create New Challenges for Low-Income Canadians:** In response to the COVID-19 pandemic and anticipated decrease in housing prices in the coming year, CMHC made several changes to underwriting policies for insured mortgages. At a high level, these changes are designed to manage debt loads for home buyers and reduce risk.

As of July 1, 2020, the following changes were put into effect:

- Limiting the Gross/Total Debt Servicing (GDS/TDS) ratios to standard requirements of 35/42,
- Establish minimum credit score of 680 for at least one borrower, and
- Non-traditional sources of down payment that increase indebtedness will no longer be treated as equity for mortgage insurance purposes.<sup>19</sup>

These changes make it more difficult for low-income individuals and families to break into the market as a buyer.

As the County works toward housing solutions, it must keep in mind the barriers faced by many with respect to borrowing, debt, insurance, and the market adjustment that is anticipated by CHMC.

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19 CMHC News Release, “CMHC Reviews Underwriting Criteria.” June 4, 2020: <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/cmhc-reviews-underwriting-criteria>

## Appendix ‘D’: Planning & Housing Definitions

Housing affordability is a multi-faceted issue that requires partnerships between different levels of government, agencies, and stakeholders. It is necessary that when discussing these issues, we are all using the same language. For the purposes of this discussion paper, we are using the following definitions of each type of housing:

**Homelessness:** The situation of an individual or family that does not have a permanent address or residence; the living situation of an individual or family who does not have stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it.

**Emergency Housing (Shelters):** facilities providing temporary, short-term accommodation for homeless individuals and families. This may or may not include other services such as food, clothing, or counselling. Emergency housing is short-term accommodation for people experiencing homelessness or those in crisis.

**Transitional Housing:** Housing that is intended to offer a supportive living environment for its residents, including offering them the experience, tools, knowledge, and opportunities for social and skill development to become more independent.

**Community Housing:** Housing that is owned and operated by non-profit housing corporations, housing co-operatives and municipal governments or district social services administration boards. These providers offer subsidized or low-end-of-market rents.

**Affordable Rental Housing:** A housing unit that can be rented by a household with shelter costs (rent, utilities, etc.) that are less than 30 per cent of its gross income.

**Affordable Home Ownership:** A housing unit that can be owned by a household with shelter costs (mortgage, utilities, etc.) that are less than 30 per cent of its gross income.

**Market Rental Housing:** A housing unit that is rented at “market value” and is not subsidized or created under any affordable housing program.

**Market Home Ownership:** A housing unit that is purchased at “market value” and is not subsidized or created under any affordable housing program.