

Plan the Bruce: HOMES

Discussion Paper

June 17, 2021



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Introduction

Bruce County is embarking on a journey to a new County Official Plan.

This Discussion Paper for Plan the Bruce: Homes was prepared after community engagement and further analysis on recommended directions set out in the Plan the Bruce: Homes Interim Report. It is intended to provide a foundation for policy development in the County’s new Official Plan.

We are grateful to the members of the community who provided feedback on this project. This input will help the County and local municipalities make good planning decisions to maintain and increase housing supply and mix and reduce housing development costs, to support more attainable housing for our communities.

Bruce County Housing Profile

National and provincial trends point to increasing housing affordability challenges, with rising housing costs and limited new housing supply.

Bruce County also encounters these challenges, with an older than average population, an influx of younger retirees, and population growth in younger age brackets anticipated for the next 25 years.

Bruce County has a higher than average percentage of households earning more than \$150,000 annually; while these high-income earners can have many beneficial impacts across a community, differences in purchasing power can affect housing affordability.

Housing prices rose significantly compared to incomes over the past decade and have risen even more rapidly during 2020-2021. Rental costs have also increased faster than inflation and income growth over the past decade.

High housing costs as a share of income can increase personal and household stress and leave less money for other purchases. They also reduce spending in other sectors of the economy and contribute to worker shortages in service sectors.

To address housing affordability in Ontario, the province directs a planning focus and targets to support rental or ownership housing that costs less than 30% of household income for households in the lower 60th percent of incomes.

In Bruce County, the 60th percentile would fall between \$50,000 and \$70,00 per year, meaning that housing policies should work to create opportunities to increase supply and reduce costs for the more than half of Bruce County households that would have difficulty participating in the market.

There are over 1,000 units of Community-supported housing, in which rents are lower than the open market. Bruce County maintains a waiting list that averages 550 individuals or families, and places approximately 15% of the waiting list annually.

Needs for emergency housing, typically in hotels or motels are increasing, and were up 42% in 2020.

A profile of Housing in Bruce County is shown on the next page.

Key Data

Community age profile:

Bruce County average age 48.5 - Ontario average 44.8

Most new residents aged 18-64

Projected 10-25% increase in kids under 14 between 2020-2046

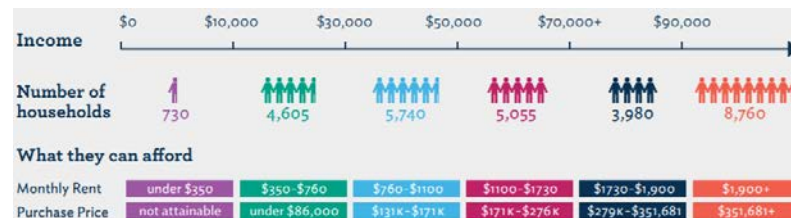
Income and affordability:

16% of households earn over \$150,000 annually vs 9% for Ontario.

45% of renters spend more than 30% of income on housing;

18% of renters spending over 50% on housing.

Renters tend to have half the income of owners.



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

Housing Stock: Mostly Single-detached

83.7% of dwellings in Bruce County were single-detached in 2016 (Ontario: 54.3%)

7.5% apartments under 5 stories

4.7% row house

2.2% semi detached

1.1% apartments in a duplex

More older homes in Bruce which may need renovations - or reinvestment

Community Housing: supports 1024 families

700 units operated by Bruce County

91 units operated by Ontario Aboriginal Housing Services

60 units operated by non-profit housing providers

45 affordable units owned by private and other non-profit providers

+/- 80 rent supplement agreements with private landlords

48 tenant housing benefits through the Canada Ontario Housing Benefit

Bruce County has Average Wait list of 550 households; approximately 15% of the wait list served each year.

Recommended Directions for Engagement

The Plan the Bruce: Homes Interim Report set out a series of recommended directions to provide a base for public consultation.

These directions related to 4 themes: Targets, Mix, Supply, and Cost.

The initial recommended directions are outlined below.



HOUSING TARGETS

- Apply housing targets for number of units, density or affordability
- Maintain land inventory



SUPPLY OF HOMES

- Maintain supply of rental units



MIX OF HOMES

- Permit additional dwelling units
- Permit smaller homes
- Permit more types of homes
- Increase stability and flexibility through development permit system



REDUCING COSTS

- Use appropriate density to lower development costs
- Incentives that lower process and operating costs
- Reduce operating costs by design
- Prioritize applications
- Use surplus public lands for homes
- Require affordable housing

Community Engagement

Getting ahead of social, built and environmental change takes professional planning AND public participation.

The community was invited to get involved and offer feedback in a variety of ways, listed below.

Outreach included:

- Social media campaign
- Radio ads
- Newspaper advertisements
- 3 Local Council delegations

Engagement efforts yielded:

- 275 visitors to web site
- 124 web site survey responses
- Focus group discussions with housing services providers, developers, and real estate professionals
- Municipal comments.

What we heard, Analysis, and Directions

This section summarizes results from engagement, additional staff analysis, and includes recommended directions.

Apply Housing Targets:

What we heard

Affordability was a major concern for respondents, and targets were recommended at the community scale.

At the same time, municipalities indicated a need for clear and implementable targets at the project scale, which are typically through density and form-based targets, and for flexibility to support meeting these targets. One municipality noted that existing draft approvals may not offer the density or unit types needed to meet current affordability challenges.

Developers expressed concern that targeting specific price points relative to incomes through policy may fail to account for development costs, including currently volatile material prices due to supply chain issues, rising land costs, and impacts of housing demands from in-migration that are not directly tied to local incomes or employment.

Developers working on guaranteed-affordable housing projects that receive funding noted the importance of Regional Market Area information as it is a factor considered in the funding body's evaluation of projects and expressed that ultimately projects need to make financial sense for the developer if they are to be viable.

Some Municipalities expressed that their circumstances and growth pressures are different from other areas of the County, and so targets should likewise reflect these circumstances and pressures. Municipalities also noted continued demand for single-detached and estate-style housing at lower densities.

A role for additional residential units in targets was not clearly identified, however an opportunity was identified to see how these are addressed in other municipalities.

Analysis

Markets and trends occur at the regional scale. The County Plan has a role to play in setting and monitoring targets that support consistent approaches to managing growth in these regional markets. Despite a relatively small population, the geography of the County supports some distinction into 'subregional' market areas which are being

explored and defined through the Good Growth discussion paper. These Market Areas are significant in forming and framing appropriate development policies and are also applied in consideration of funding for affordable housing projects from higher levels of government. At a finer grain, local Municipalities are responsible for many land use decisions as well as administration of the final development process and so have a key role to play in implementing and monitoring targets.

Recommended directions:

- Establish and measure performance against targets, including affordability, based on the Regional Market Areas that will be established in the Plan the Bruce: Good Growth project. Targets should be further refined to the municipal scale in discussion with local Municipalities.
- While focusing 'good growth' targets on growth within settlement areas, consider the role that hamlets may play in meeting continued demand for larger-lot single-detached housing.
- Together with the 'Agriculture' discussion paper, consider the role that severance policies in Rural areas may play in meeting demand for housing outside settlement areas.
- Apply form and density targets at the project scale, with a focus on net density to better account for development constraints that may be present on lands available for development and to recognize community assets that may be provided within a project.
- Strive to minimize variation in project-scale targets or criteria in different parts of the County to support consistency and certainty for developers working in multiple jurisdictions.
- Conduct additional research into the role of additional residential units in evaluating project-level form and density targets, to encourage them as a type of unit that can support supply while recognizing that predictions at the draft approval stage may not translate into units that are constructed or consistently available.

Permit Additional Residential Units

What we heard:

There was strong support for opportunities to develop additional residential units, with over 80% of survey respondents indicating support and 2/3 saying they would consider adding a unit to their home if the rules allowed it. Realtors noted that new builds with secondary suites have been well-received in the marketplace, and that with current financing terms these units are easiest to develop as part of the initial construction, rather than by later renovations.

Some of the comments related to Additional residential units noted opportunities for family members, seniors, young people, and for creating a pathway for existing units to be legally recognized, inspected, and improved. Six percent of responses raised concerns about these uses becoming short term rentals and having limited impact on housing supply. This was also reflected in Municipal comments.

Several Municipalities already have policies that permit additional residential uses, though perhaps not to the full extent directed through the Planning Act, and with some specific consideration of their servicing and lot area circumstances. One Municipality requested consideration of opportunities to maintain local approaches to additional residential units in the Official Plan.

Analysis

Responding to Council's request for near-term actions, staff partnered with Students from the University of Guelph to prepare an amendment to the current County Official Plan that is focused on Additional Residential Units. Consultation is underway, and a public meeting is intended for July 2021.

Recommended direction

Incorporate the work completed around the Additional Residential Units amendment into the new Official Plan.

Permit Smaller Homes

What we heard:

The majority (62%) of respondents identified their current home as being 'just right' in size; however, 83% of respondents knew someone who would benefit from having a smaller home. South Bruce noted that it also does not regulate dwelling unit sizes through zoning; since consultation on this project got underway, South Bruce Peninsula initiated a housekeeping amendment to remove dwelling unit sizes from its zoning by-law, and Brockton indicated potential support for removal of minimum areas from zoning.

Other factors that may affect ability to develop smaller homes include land costs and minimum lot sizes; Saugeen Shores Council is currently considering an amendment to its zoning by-law to reduce minimum lot size from 500 square metres to 450 square metres.

Analysis

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. While there does not appear to be significant uptake among the Municipalities that do not currently regulate dwelling unit size, this is a simple way to eliminate a barrier to providing more units at lower cost.

Recommended direction

Through the Official Plan, encourage local plans and by-laws to remove restrictions that require dwelling unit sizes that are larger than building code standards

Through the Official Plan, encourage local plans and by-laws to permit smaller lot area requirements on full municipal services to provide opportunities to reduce the cost and increase the supply of smaller homes.

Permit more types of homes

What we heard

Respondents indicated a need for a broad range of homes, as illustrated in the table below. Respondents and Municipal staff indicated ongoing need for single-detached dwellings, however the greatest needs identified through the survey were for additional residential units, townhouse units, and low-rise apartments. Additional comments for “other” dwelling types spoke to needs for tiny homes, seniors-oriented homes, and some innovative and flexible types of residential development including repurposing trailer parks as tiny home communities, adding housing to existing malls, cooperative and pod-style housing that offers individual space and indoor and outdoor communal areas. Although limited, there was interest in higher density apartment forms. Also noted were mixed use buildings, apartments above commercial, live-work arrangements, and opportunities to improve supply and mix in nodes and corridors.

Table 1: Responses to public survey “what types of homes should we see more of in Bruce County, to increase the supply and mix?”

Type of home	% noting more of this type should be built.
Single-Detached	41%
Semi-Detached	49%
Duplex	50%
Additional Residential Units	64%
Townhouse or Rowhouse	61%
Apartments under 5 storeys	60%
Apartments over 5 storeys	22%
Other (please specify)	24%

Analysis

Public comments indicated strong interest in dwelling types that fall into the “missing middle,” are generally compatible within predominately residential areas, and provide less costly housing options with opportunities for accessibility and direct access to the outdoors.

The Missing Middle



Increasing supply of homes that are less costly can help to address labour gaps in communities, particularly in the service sector and those in different stages of their life, household size, and career stage.

Recommended Direction

Through the Official Plan, direct local plans and by-laws to describe and permit a broader range of dwelling unit types; include policies emphasizing greater flexibility in planning approaches to accommodate a diversity of housing needs.

Increase stability and flexibility through development permitting process

What we heard:

Nearly ¾ of respondents were interested in Community Planning Permit Systems (CPPS) as an opportunity to streamline the review and approval process. One Municipality indicated a willingness to serve as a 'pilot' community. Concerns included a need for the CPPS to provide an improvement in flexibility, outcomes, or timely approvals over the status quo, opportunities for timely implementation of the CPPS by-law, addressing implementation details and potentially managing multiple land use control by-laws.

Analysis

The Official Plan process can establish enabling policies and criteria without committing County or local Councils to implementation. Concerns regarding the benefits, timeliness, and implementation of a CPPS can be addressed prior to implementation decisions.

Recommended direction

Include policies and high-level criteria within the County Official Plan that enable the development of Community Planning Permit Systems.



Maintain Supply of Rental Units

What we heard

Survey respondent support for these tools ranged from 27% (preventing conversion to condominiums) to 34% (support local regulation of short-term rentals) with the highest support (38%) being to prevent demolition of rental units unless they are replaced. Housing services stakeholders were supportive of these tools. Some municipalities expressed support for policies, tools and coordination of efforts to support rental units staying as rentals.

Northern Bruce Peninsula and South Bruce Peninsula which have the largest share of secondary homes and cottages have already initiated efforts to establish zoning and licensing programs to regulate short term rental accommodations.

Analysis

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

Recommended Directions

- Include enabling and supporting policies in the County Official Plan that support municipal directions on maintaining rental housing supply and management of Short-Term Rental Accommodations;
- Develop criteria for conversion of rental units to other tenures that can be applied by the approval authority for land division. Such criteria may rely upon access to information about measures including rental inventory and vacancy rates.

Use appropriate density to lower development costs

What we heard

The most common places people cited for increasing density included downtown, in town, and in newly developing areas. Several responses noted a need for services or transportation infrastructure, with a number of comments noting servicing as a specific development constraint in Tobermory and Lion's Head.

Responses suggesting increased density be permitted everywhere or anywhere were offset by comments to permit increased density nowhere or unless planning applications are filed. Comments noted health benefits of access to the shoreline; other comments sought to direct intensification away from shoreline areas. A few comments noted opportunities for rural areas and were countered by other comments about environmental impacts of additional development in rural areas and the limited benefit to affordability if transportation needs increase.

Some comments noted opportunities for soft density increases, appropriate tools, and the general compatibility of residential uses of varying forms and densities.

Saugeen Shores comments noted that all residential areas in the settlement areas can support single-detached, semi-detached, and townhouse developments and should be pre-zoned with detailed provisions. Saugeen Shores also noted that nodes and corridors studies could identify areas to support higher density forms of development, and is considering a zoning amendment that would permit additional height in core commercial areas. Similarly, Brockton noted support for high density in appropriate areas, with consideration for higher-density units near town resources, the downtown, and amenities, and South Bruce staff noted potential opportunities in the Mildmay core.

Developers noted that permitting increased lot coverage, particularly in newer neighbourhoods where more comprehensive stormwater management planning can be addressed from the outset, may also provide an opportunity to reduce the land cost associated with development. This would also respond to trends towards plans that offer one-floor living, with corresponding larger ground floor areas.

Engagement questions asked whether Bruce County should consider intensification guidelines, citing Huron County's recently adopted document. Comments on this opportunity were generally supportive, with observations on the value of educational tools that can support developers in preparing proposals and staff implementation of zoning and site plan processes; streamline, while noting a need for consultation in the guideline development process, a need to avoid overcomplicating the approval process, and caution against establishing a bar that is too high (leading to higher cost development).

Analysis

Several areas in Paisley, Chesley and Tara have already been pre-zoned to permit any of these dwelling forms.

In other areas, planning applications to permit townhouse developments have, in large part, been ultimately approved, albeit with a longer time frame, potential changes in unit counts, and design adjustments. Clear zoning provisions and guidelines, perhaps together with a CPPS, could lead to projects that address many of the changes that arise from the public process and provide a swifter path to the end result with less conflict and less cost.

One challenge that may be encountered with permitting broader ranges, including soft density 'as of right' is the range in water and wastewater service demands which could lead to development that meets all zoning provisions being uneconomic due to inadequate infrastructure. While zoning should not be confused with a guarantee of servicing capacity, increased due diligence may be required at the project planning stages to understand if there are infrastructure deficiencies that need to be addressed to permit development that may otherwise proceed.

Recommended directions:

- Recognize single-detached, semi-detached, duplex, and Townhouse developments and associated additional residential units as being generally compatible forms of development for residential areas in settlement areas where water and sewer are available and stormwater management can be addressed;
- Review permitted maximum densities in County and local Official Plans to reduce the need for plan amendments for compatible building forms.
- Encourage alignment of zoning provisions for these forms of dwellings;
- Informed by the "Connecting" discussion paper, encourage local Official Plans and zoning by-laws to identify core areas and corridors that can support greater intensification through increased height and/or reduced parking requirements;
- Pursue the development of intensification design guidelines that focus on key principles to support compatibility of different dwelling types, to support infilling within neighbourhoods, blending and transitioning between existing and new areas, and guiding higher-density development in nodes and corridors.

Use Incentives to lower process and operating costs

What we heard

Community respondents strongly favoured reducing in development charges for projects that met affordability criteria, and a smaller majority favoured phasing in tax increases for similar purposes.

Saugeen Shores noted that new Community Improvement Plan policies have been established to include these opportunities. Other Municipalities noted that Council direction would be required.

Analysis

Incentives offer an opportunity to reduce the cost of development, and that cost is borne by whomever grants the incentive. Those costs must be covered in other ways, and so should be aligned with strategic priorities of both the recipient and the provider. Government Incentive programs must also conform to provincial legislation.

Incentives that result in development or increases in value that are greater than would otherwise occur may be easiest to implement.

Recommended Direction

- Carry forward policies and criteria in the County Official Plan related to fees and charges under the jurisdiction of the County that align with specified affordability targets.
- Include policies that support local Municipal Community Improvement Plans that enable these tools to be used where Municipalities wish to establish them, in accordance with municipal budgeting priorities.
- Include Community Improvement Policies in the Official Plan that facilitate Community Improvement Planning programs focused on Affordable Housing. Together with the 'Communities' discussion paper, consider Community Improvement Plan tools to include grants or loans for conversion and renovation of upper-floor spaces in downtowns for additional residential units.

Reduce operating costs by design

What we heard

80% of survey respondents indicated an interest in homes that may cost more up front but delivered significant energy savings over the long term. Municipalities indicated support or potential support, with one municipality noting opportunities to do more with site plan approvals, including shade trees and building orientation, while another noted sensitivity to construction costs and long-term operating costs.

Analysis

Policies are in place to encourage energy-efficient design; however tools and resources may be limited to support wider implementation.

Recommended Direction

- Carry forward policies that encourage energy efficient subdivision and building design
- Incorporate clear and practical guidance into intensification guidelines
- Recognizing limitations in ability to require developments to exceed building code standards, consider pursuing Leadership in Energy and Environmental Design (LEED®) or Passive House standards in County-led projects.

Prioritize Applications

What we heard

A little over half of respondents strongly agreed or agreed with prioritization of applications that meet criteria, which were focused on impact including number of units, affordability, and quality. However nearly 20% of respondents disagreed or strongly disagreed with prioritizing applications, with several expressing concern about any processing criteria beyond date received. Municipalities noted resource limitations and tight building code timelines, that affordable housing is important but timely approvals should be an overall focus, and that other priority planning priorities may also be prioritized, such as investment lands. Support for targets and clear indications of matters that, if included, support higher priority processing would be targets to consider.

Analysis

Prioritization generally speaks to the allocating scarce resources to meet higher demand. Determining if a project meets criteria for prioritization can also take time. As a result, discussion of prioritization, in the context of the Official Plan, should be limited only to the most critical projects that meet specific criteria that relate to affordability and scale of impact.

Recommended Direction

- Include policies in the Official Plan that permit prioritization of planning applications for housing projects that are to be owned or operated by agreement as Affordable Housing at below market rates for an extended period, or applications to revise existing draft approvals that meet policies and increase housing supply and mix. A third category would be planning changes initiated by county or local council to broadly increase development opportunities, reduce need for future applications, or quickly address emerging land issues.
- Prioritization criteria should be clearly stated, require applicants to outline how the project meets the criteria, and be contingent upon submission of complete applications to facilitate timely review.

Maintain Land Inventory

What we heard

Municipalities expressed interest in information about land supply in draft approval, final approval, and rates of development, as well as uptake on specific policy tools such as how many ARUs are built, dwelling unit sizes, and reported costs. Municipalities were also interested in information from neighbouring areas to understand trends and demands.

Public comments connected municipal information about land supply and demand with servicing decisions, and also recommended information for potential development opportunities be more readily available to developers to support investment decision-making. Comments also noted a need to make careful decisions around where development occurs, manage and understand change and impacts to the community, understand impacts of short-term rentals on housing supply, and ensure that other community amenities - including parks and medical professionals - increase together with population growth.

Analysis

Development information is important to understanding if municipal infrastructure is being developed to support growth and intensification at a rate that is consistent with supporting and sustaining complete communities. Oversupply in infrastructure represents higher carrying costs for residents; undersupply constrains growth, increases land costs, and may result in increased development pressures in unserved areas.

Development Information can also help to understand progress against planning policy targets, including:

- Implementation of planning policies that maintain or increase housing supply and mix;
- Rates of development of different unit types;
- market rents and purchase prices relative to incomes.

These can work together with population demographics and employment information.

Recommended Direction

Establish monitoring policies in the Official Plan and key performance indicators that are focused on:

- Implementation of policy directions through local plans and by-laws
- Reporting on development information that includes including lot creation and rates of development on new lots or redevelopment of existing lots, and changes in unit counts,
- Tracking results of policy implementation, including unit counts for additional residential units, smaller homes, and other 'missing middle' types, with a focus on information that is already collected by Municipalities to support the local development approval process.
- Work with Human Services staff to integrate this information into analysis of demographics, market rents and purchase prices relative to income, and housing wait lists to maintain a broader understanding of housing needs particularly for households that are in the lower 60th percentile.



Use Surplus Public Lands for Homes

What we heard

67% of survey responses agreed or strongly agreed that affordable housing should be the first priority when considering uses for surplus public lands; 15% neither agreed nor disagreed, and 25% disagreed or strongly disagreed. Municipalities expressed interest, noting that compatibility should still be considered as some surplus public lands may not be desirable for homes and may be more appropriate for other types of uses, and expressing interest in understanding how housing first policies might interact with surplus land provisions under the Municipal Act. One Municipality noted that lands would typically be offered on a first-come-first-served basis.

Analysis

A housing first policy does not specifically mean that surplus lands would be allocated to housing regardless of any constraints or other considerations. With a housing first policy, Municipal lands should be evaluated and the potential range of uses considered relative to the Municipality's current and long-term needs; if there is not a specific municipal need, the lands are suitable, and the lands are surplus, they could be developed or offered for development for affordable housing at no cost, below market purchase or lease, or market rate.

As a Housing services provider, Bruce County can directly develop and operate affordable housing on County-owned properties. Additional policies may provide greater flexibility for other development arrangements. Local Municipalities may need additional policies related to transfer of surplus municipal lands in order to comply with Municipal Act requirements

Recommended direction

Carry forward policies that reference County Housing First policies and include policies that encourage municipalities to consider adoption of housing first policies that provide a range of opportunities to support development of affordable units on lands that are suitable for the purpose.

Require Affordable Housing

What we heard

In engaging on affordable housing we first asked whether housing families earning less than \$75,000 per year (approximately around the 60th percentile) could be achieved using the preliminary directions discussed above. Half of respondents thought maybe, 30% suggested it was unlikely, and 10% thought it was very likely; the balance did not know. Some noted that \$75,000 is a higher income than many households with affordability issues.

Asked if Bruce County or their local municipality should seek an inclusionary zoning (IZ) tool with incentives to developers, 75% reported yes, 10% maybe, and 15% no. Respondents could also indicate which municipality or municipalities they were thinking of this tool; the results are illustrated in the table below:

Table 2: Summary of survey responses to whether and where Inclusionary Zoning should be considered in Bruce County.

Ask for IZ?	Arran Elderslie	Brockton	Huron Kinloss	Kincardine	North Bruce Peninsula	South Bruce	South Bruce Peninsula	Saugeen Shores
Yes	16	18	18	32	27	14	20	32
No	2	3	3	4	6	5	6	6
Maybe	0	1	0	3	3	1	4	3
Total	18	22	21	39	36	20	30	41
% Yes	89%	82%	86%	82%	75%	70%	67%	78%
% No	11%	14%	14%	10%	17%	25%	20%	15%

Some responses emphasized the importance of incentives to avoid impacts to development feasibility, while others saw an opportunity to reduce profit-taking by developers. A few expressed interest in application of the tool to smaller projects. Comments also noted that housing should be distributed throughout the community, but may also not be beneficial in certain types of developments (example: golf course communities) where social stigma may persist.

Feedback from municipalities was limited, either because the tool is not currently available, could be considered in the future, or is uncertain and should be pursued only if the County and local municipalities agree to work on all other options to increase affordable housing supply.

Analysis

Inclusionary Zoning could present opportunities to increase supply of Affordable Housing where all other opportunities to encourage it are not working. There appears to be strong community interest in tools that focus on delivery of Affordable Housing. Strong consideration should be given, however, to the frequency of projects that meet the minimum scale for it to be applied, criteria for requiring units vs. payment for units to be constructed elsewhere, the extent of and funding source for incentives that avoid increased costs being passed on to the 'market rate units' in the same project, and administrative costs of monitoring the inclusionary zoning program.

Recommended Direction

Initiate conversations with the province around the potential, and the mechanics, for this tool to be applied if a Municipality or Municipalities in Bruce County wish to pursue it as a mechanism for requiring affordable housing.

Other Tools

What we heard

Engagement asked about other opportunities within the sphere of planning to increase the supply of homes. Many responses and conversations expressed frustration around the rising cost of homes and a desire to directly influence affordability, particularly in the context of new development and also for local residents concerned about being priced out of the market by people coming into the area or investing in properties for short-term rentals. Households with high shelter costs cannot invest in other household needs and can experience anxiety and other health impacts. Employers have an increasingly difficult time finding employees who cannot find housing, or require longer commutes, and many find themselves needing to become housing landlords so that they can run their primary business.

Analysis

The majority of the planning tools discussed in this paper are focused on opportunities to maintain or increase the supply and mix of homes and reduce development and operating costs, which can influence price. In large part, controls on demand are outside the scope of local municipalities.

Absent a tool like inclusionary zoning, which itself has costs, the only practical way for Municipalities to directly influence price for the long term is through direct investment or agreements that guarantee affordable rentals for a set time. These agreements are typically in exchange for a material benefit that covers the difference between price/rents and market rates, or that bridges the gap between revenues and costs for the financial viability for the project.

Upper-level government funding is available to support investment in housing, and Bruce County has been successful in attracting funds for several projects, whether operated by the County or by the private or non-profit sector. However, needs for Affordable housing in Bruce County and many other areas across Canada exceed available funds.

Two tools related to planning can be used to generate revenues that cover costs related to new development: Community Benefits Charges (CBCs) and Development Charges (DCs). While they may cover similar development related costs, double-charging is not permitted.

CBCs are a new tool that replacing previous agreements under the Planning Act that were enabled municipalities to permit increased density in exchange for community benefits. The new CBC tools are intended to address

transparency issues but can only be applied by local municipalities where a CPPS is not in effect and only to projects with 10 or more units or 5 or more storeys. So while they may be a useful tool for some growth-related costs, adding costs to larger projects or higher density projects to fund affordable housing may not be the most efficient tool for increasing supply and mix of homes.

Development Charges can be applied broadly by County and local Municipalities to address costs related to growth and development. The province has specifically exempted additional residential units from development charges.

The County is currently consulting on Development Charges. DCs are necessary to support the increased service demands and infrastructure needs for the County and local services that arise from growth, however care must be taken to avoid further increasing costs of development which are generally passed on to purchasers.

While outside the scope of land use planning, the Homes discussion raised the point that the County may need to consider increasing direct investment and support for affordable housing, whether operated by the County or through agreements, through loans that can be applied to local projects or through levies.

Recommended Direction

The Official Plan should include any policies that are required to enable Development Charges and Community Benefits Charges, with specific details to be addressed through background studies and by-laws.

The County should consider any revenue sources, including low-interest loans or assessment, that can support increased investment in affordable housing.

Next Steps

This Discussion Paper forms the foundation for developing detailed land use planning policies for housing in the new County Official Plan. The process for the new Official Plan will begin soon and will feature additional opportunities for community input.