

# The County of Grey

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Brief to

Minister Steve Clark  
Ministry of Municipal Affairs and Housing

Regarding

Additional Tools to Support the Development of Affordable  
Housing



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# Additional Tools to Support the Development of Affordable Housing

## Key Points

- Rising house prices have put homes out of reach for significant portions of our population.
- This is negatively impacting our economy as businesses are unable to attract and retain the labour force they require and homeless population has increased tenfold in the last few years.
- In order to create more affordable housing, Grey County requests that additional tools, such as inclusionary zoning, be provided to rural municipalities by reducing restrictions and by providing funding to municipalities to assist with implementation.
- Additional funding is also required to support our non-profit housing providers to undertake new affordable housing builds and to cope with the significant increase in construction costs.

## Background

Additional affordable housing is needed in Grey County and across the province. This issue has been an important focus during this term of Grey County Council. Average housing prices continue to be at an all-time high and the vacancy rate for rental housing remains low making it very difficult for residents to access housing. This has led to a tenfold increase in homeless population in Grey County over the past few years and is also negatively impacting our economy as businesses are unable to attract and retain the labour force they require. The non-profit and public sector employers are also finding it difficult to attract and retain staff due to the shortage of housing supply and the rising costs of housing.

Grey County Council has taken leadership on this topic by establishing an Affordable Housing Taskforce and implementing a Community Improvement Plan program in partnership with local municipalities in an attempt to create incentives to foster the development of affordable and attainable housing. The County's member municipalities have also shown great leadership on affordable housing, including but not limited to; updating their official plans and zoning by-laws, establishing Community Improvement Plans (CIPs) to partially fund new housing, and working with local attainable and not-for-profit housing corporations to develop housing. The following is a summary of the actions taken to date to create more affordable and attainable housing throughout Grey County:

1. the creation of a Housing Action Plan,

2. establishing an Affordable Housing Fund consisting of 1% of the levy,
3. investigating using surplus County and Municipal lands for future affordable housing purposes,
4. establishing the CIP template and partially funding municipal CIPs,
5. providing Development Charges exemptions for purpose-built rentals and not-for-profit housing,
6. planning policy updates,
7. providing comments on Provincial initiatives and legislation such as Bill 109, and
8. constructing a supportive housing development in Owen Sound.

Although action has been taken to try to address the housing crisis, the County has recognized that we collectively need additional tools in order to create more affordable housing. The County acknowledges that to address affordable housing it will take action at all levels of government. The County is cognizant of the existing legislative and policy framework we operate within. Should these frameworks change, it could empower the County and member municipalities to have more tools available to support the development of affordable housing.

The *Planning Act* provides the legislative framework for all planning activities within the Province of Ontario. Section 2 of the Act outlines matters of Provincial interest which all municipalities shall have regard for. Under subsection (j) it states; *“the adequate provision of a full range of housing, including affordable housing.”* Section 51(24) of the Act provides criteria which approval authorities shall have regard for, as it pertains to plans of subdivision and the *“welfare of the present and future inhabitants of the municipality.”* More specifically 51(24)(d.1) states; *“if any affordable housing units are being proposed, the suitability of the proposed units for affordable housing”*.

Section 1.4.3. of the Provincial Policy Statement (PPS) outlines that planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the market area. The PPS indicates that this should be accomplished by:

- establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households,
- permitting and facilitating all housing options required to meet the social, health, economic and well-being requirements of current and future residents,
- all types of residential intensification,
- directing the development of new housing towards locations where appropriate levels of infrastructure and public service facilities are available,
- requiring transit supportive development, and

- establishing development standards for residential intensification redevelopment and new residential development.

The *Planning Act*, as well as the Provincial Policy Statement are clear that the Province wants municipalities to consider affordable housing, though the Province has not required municipalities to include affordable housing in all new developments.

The County's Official Plan, *Recolour Grey*, provides policy direction on affordable housing similar to the PPS and the *Planning Act*. To implement the direction of the Province, the County Plan provides policies on residential density, ARUs, CIPs, definitions of affordable housing, and varying housing types including tiny homes, rental housing, seniors housing, and special needs housing. In order to be consistent with the PPS, section 4.2(f) of the Plan states:

*"The goal of providing housing opportunities to moderate and lower income households. The County would like to achieve a minimum target of 30% of new housing, or units created by conversion, to be affordable in each local municipality. Local municipalities are encouraged to have regard for the Grey County Housing and Homelessness Plan (2014-2024) when setting targets in their local official plan. Local municipalities will be encouraged to set a minimum target similar to the County for affordable units."*

While the County provides for the above-noted 30% target, the County has very few mechanisms to 'enforce' such a target i.e. the County does not have the ability to use inclusionary zoning. As a result, the County Plan has used the wording "would like to achieve" rather than "shall achieve", in recognition of the fact that such housing cannot be strictly required.

Although the County targets do not have strength of a 'shall statement', staff have attempted to utilize other tools such as allowing for as-of-right ARUs, having no upset limit on residential density in serviced settlement areas, Development Charges (DC) exemptions, and using CIPs, to encourage a wide range of housing types. Despite these efforts, we are still experiencing an affordable housing shortage and therefore the County and the local municipalities require additional tools and funding resources from the Province in order to address our affordable housing shortage.

### Looking to the Future

There are two key tools under the *Planning Act* which may aide municipalities in seeking the creation of affordable housing which include Community Benefits Charges (CBCs) and Inclusionary Zoning. However, the current restrictions that the Province has applied to these tools, as well as the challenging processes to be able to utilize these tools, makes it extremely difficult for rural municipalities to implement CBCs and Inclusionary Zoning.

## Community Benefit Charges

Community Benefits Charges (CBCs) under the revised section 37 of the *Planning Act* – CBCs are a power under the Act that only exists for local municipalities. No municipalities in Grey have opted to pursue CBCs yet. CBCs are not a direct replacement of the former height and density bonusing that municipalities had access to under the former Section 37 of the *Planning Act* and work in a manner similar to Development Charges (DCs). The restrictions attached to the use of CBCs make them of limited benefit for many Grey County communities since they can only be applied in relation to:

- development of a proposed building or structure with five or more storeys at or above ground, or
- development of a proposed building or structure with ten or more residential units.

In order to make CBCs more accessible to rural municipalities, it is recommended that the Province revise the restrictions to be able to apply these to buildings or structures with 3 or more storeys at or above ground. This would allow more rural municipalities to implement CBCs if so desired.

## Inclusionary Zoning

Inclusionary Zoning under section 35.2 of the *Planning Act* – Inclusionary zoning allows a municipality that has completed an Assessment Report and has official plan policies in place, to require a specified amount of new housing units within a development project to be affordable. Unfortunately, the Province has placed restrictions on where inclusionary zoning can be used through Bill 108, which state that municipalities that are not prescribed to provide inclusionary zoning may only do so in protected major transit station areas (PMTSA) or where the lands are subject to a development permit system (DPS). Grey County is not in an otherwise prescribed area, or in a PMTSA.

In order to use this tool, Grey's municipalities must first implement a Community Planning Permit System (CPPS) as a replacement of their zoning by-law. They must also amend their official plan. It is recommended that the Province either prescribe all municipalities the ability to apply inclusionary zoning or to reduce the restrictions for implementing Inclusionary Zoning. For example, the Province could eliminate the need to implement a CPPS in order to be able to utilize inclusionary zoning. Alternatively, the Province could provide funding to rural municipalities to help complete the required Assessment Report as well as funds to implement a CPPS. This would allow municipalities to set a specified percentage of housing to be at an affordable housing rate for all new developments or require the developer to provide

a contribution in-lieu of affordable housing that can then be used to build more community housing/not-for-profit housing.

#### Other Potential Changes to Legislation

The following are some other potential changes to legislation that will help to create more affordable housing:

- Make changes to the Municipal Act and Real Estate and Business Brokers Act to make it easier for both upper-tier and lower-tier municipalities to dispose of surplus county/municipal lands for affordable housing purposes
- The Province should consider limiting appeals of zoning by-law amendments that are associated with implementing a proposed/draft approved plan of subdivision. The appeal limitations should be similar to the appeal limitations for plans of subdivision under the current Act.

#### Additional Funding to Create Community Housing and Non-Profit Housing

In addition to the providing tools to help create more affordable housing, the County requests that the Province provide grant funding to create transitional housing, supportive housing and not-for-profit housing. This is even more important given the rising costs of construction and building materials. Similar to the Social Services Relief Funds, the County recommends at a minimum that a similar funding program be provided by the Province to help support the creation of more community housing to ensure that we are providing housing supports for those most in need in our communities. Below are some recommendations to consider for a funding program to support the creation of supportive housing and not-for-profit housing:

- Ensure that any funds provided are provided through a simplified application process and that the eligibility criteria are flexible enough to allow municipalities, non-profit housing groups, and private developers to be creative in their solutions for creating affordable housing in their communities.
- Ensure that the reporting process is streamlined to ensure that limited resources can be focused on the actual affordable housing project versus spending time and resources on complex reporting.
- Transfer any surplus provincially owned lands that are suitable for the creation of affordable housing to municipalities.
- Allow funds to be used for the following:
  - Financial programs to create or renovate existing buildings for transitional housing, supportive housing and not-for-profit housing.
  - Housing supports such as rent subsidies and emergency housing vouchers for those most in need in our communities.
  - Funds to help implement Inclusionary Zoning provisions. This could include support for developing the framework and process to apply

inclusionary zoning, as well as funds to developers to help offset any additional costs associated with providing a percentage of housing with a development project to be at affordable housing rates.

- Funding towards creating affordable housing that addresses accessibility standards.
- Funds to ensure that builds achieve net zero readiness to minimize long-term operational costs.
- Funding to increase staff resources at all levels of government to help expedite the processing of development applications and other approvals associated with affordable housing developments
- Funds to support educational and awareness programs to ensure that all members of our communities are aware of the need for and importance of affordable housing to help address NIMBYism
- Investing in technological solutions, or enhancing existing technological solutions, to help create efficiencies in the development approval process (e.g. tech systems and web apps to support planning application and building permit processing and tracking).
- Funds to help support colleges, trade programs, and apprenticeship programs to ensure that we have the skilled workforce to build the affordable housing units
- Funds that can be used by municipalities to purchase land to support affordable housing builds
- Funds provided to municipalities to support adding additional lands to settlement areas to support the creation of future housing
- Funds to support infrastructure studies and upgrades (e.g. increased water and sewer capacity, road upgrades, etc.) required to support the creation of affordable housing builds.
- Grants/interest free loans to support renovating existing housing units to be more energy efficient to help retain and sustain the existing affordable housing units within our communities.
- Funding to help municipalities and non-profit housing providers to cope with the rising construction costs and increasing interest costs as both of these are making affordable housing projects no longer financially viable.

## Conclusion

We would like to express our sincere appreciation for being able to provide these recommendations to be able to support the creation of more affordable housing in our communities by providing rural municipalities with more legislative tools as well as additional funding resources. By creating more affordable housing, this will help support our economy by providing the necessary housing for businesses to be able to attract and retain the labour force they require, and will ensure that we are providing housing

for all. The County would be more than happy to work with the Housing Supply Working Group that the Province is proposing to develop in order to find further solutions to address the housing crisis.

### Background Information

Click to view file PDR-CW-22-22 Affordable Housing Planning Tools.docx :

<https://docs.grey.ca/share/page/site/grey-county/document-details?nodeRef=workspace://SpacesStore/fad3be7f-18fc-4488-a16d-0c72bd2007f6>

Click to view file PDR-AF-17-22 Bill 109 More Homes for Everyone Act.docx :

<https://docs.grey.ca/share/page/site/grey-county/document-details?nodeRef=workspace://SpacesStore/cfebe381-a4e6-4fd8-91d6-abe60907af59>