



EDCO BRIGHT IDEAS COMPETITION

HOUSING
READINESS
ASSESSMENT

2022

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MEET THE TEAM



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Elle Crevits is a senior business advisor for the Economic Development Corporation in the City of St. Thomas, running the Small Business Enterprise Centre. In 2019 she graduated from Queen's University with a Master of Management Entrepreneurship and Innovation (MMIE).

As a serial entrepreneur, Elle has extensive knowledge and passion for small business development. She currently owns and runs a co-working space, The Atrium, in St. Thomas.

Lauren MacDermid
Economic Development Officer, Town of Huntsville

Lauren MacDermid is an economic development professional specializing in community engagement, marketing, research, and communications. With an Honours Bachelor of Arts and Graduate Certificate in Corporate Communications, Lauren has communicated to residents during the pandemic and developed a downtown recovery plan for the Town of Huntsville resulting in a 2022 EDAC Canada Marketing Award. Professional development achievements include the completion of IAP2 Foundations in Public Participation and EDAC Fundamentals of Community Economic Development.



Harshit Sekhri
Market Research Specialist, My Main Street

Harshit Sekhri is a data enthusiast working as a Market Research Specialist for My Main Street. With a background in data analytics and working in a program focused on revitalisation of Main Streets, Harshit's passion focuses on finding how data and research can help with the other aspects of economic development.



Ontario is currently in a housing affordability crisis. While this has historically not been seen as an economic development (ECDEV) issue, it is a key part of attracting and recruiting workforce, increasing diversity, and building civic pride.

Housing affordability is at the root of workforce challenges, which makes it an essential item for Ontario’s Economic Development Officers (EDO)’s to look at in order to grow their communities through attraction, expansion and retention of businesses and residents.

The intention of this report is to provide municipalities with a framework to assess their housing readiness. We offer a high-level path for EDO’s to address and integrate housing needs into their work, recognizing that much of their role is advising and supporting other stakeholders, acting as a liaison between internal and external partners, and marketing community changes to create buy-in.

Housing, in and of itself, contains a broad spectrum. As demonstrated in figure 1, available housing options are defined by the housing continuum. The continuum displays a range of options for housing depending on the needs and incomes of residents in a community. At one end of the continuum is where people are experiencing homelessness or in need of an emergency shelter. At the other end are independent renters or homeowners. Whereas the middle is where the two meet, and may require assistance or subsidies provided through the government or charitable organization.



Figure 1: C. Whitzman, A. Flynn, P. Gurstein, C. Jones, G. Suttor, N Falvo, L. Chau, and J. Atkey, *The Municipale Role In Housing* (Toronto: Institute on Municipal Finance & Governance, April 2022). Retrieved July 20, 2022, from <https://imfg.munkschool.utoronto.ca/report/the-municipal-role-in-housing/>

For the purpose of this economic development solution, the focus of housing is on affordable market rate housing for the workforce of today and the future. While much great work is being done in various municipalities around non-market housing (subsidized, supportive and emergency housing) more attention needs to be given to the market-rate housing supply. Which in turn will help to support the existing workforce. Therefore, the first step toward meeting the needs of the workforce is through municipalities assessing the region's housing readiness and EDO's integrating housing into their work.



DEFINITIONS

Affordable or attainable housing

Affordable or Attainable Housing is considered affordable if it costs less than 30% of a household's before tax income. It is a broad term that can apply to any type of housing across the housing spectrum.

Non-Market Housing

Housing that is subsidized by non-profit or government in order to ensure peoples basic needs are met. Includes homelessness service, emergency shelter, supportive housing, transitional housing, community or social housing.

Market (or Market-Rate) Housing

Housing that is owned or rented privately by individuals or for-profit corporations.

Community Improvement Plan (CIP):

A tool used by municipal planners and economic developers to revitalize areas of a municipality through programs, grants and incentives. The program helps to promote new investments in the community.

Municipal Housing Policy

A housing policy is a shared responsibility for all three levels of government. A lower tier municipal housing policy will often focus on zoning and appropriate use of land for development, which is a key component for creating affordable housing. An upper tier municipality and housing service manager would provide overarching policy direction and programs. A municipality can create a regulatory framework that makes use of available land to maximize the creation of housing units (i.e. permitting secondary suites, laneway homes, garden suites, and mandating certain housing types in certain areas).

NIMBYism

An acronym for the phrase "not in my backyard."



METHODOLOGY

With the goal of designing a framework to help the municipalities understand their housing readiness and integrate this work with EDO's skillsets, both primary and secondary research was required. We started with secondary research to find and analyze current best practices and case studies that were addressing market rate housing needs.

Additionally, we required primary research on where municipalities currently stand in terms of awareness and action on addressing the housing needs. We conducted a survey via Economic Developers Council of Ontario (EDCO) members to gather this information to get an idea on how the housing issue is being addressed by municipalities across Ontario.

The next phase involved the study of current best practices in Canada and around the world that are being implemented to solve housing challenges. By reviewing best practices outside of Canada, a different perspective for municipalities for innovative approaches was considered. For the secondary research we followed the below approach:

- Research current best practices around municipal policy that inform decisions toward attainable market rate housing (ex. allowing a secondary dwelling in private residence)
- Identify key solutions for attainable market rate housing
- Analysis of these key solutions

Based on secondary research our team further refined our primary research framework.

CASE STUDY ANALYSIS

Through our research, three case studies were identified that demonstrate a broad range of solutions and community contexts. Each strategy has been briefly summarized and analyzed for its strengths and considerations. They each identified valuable information around research, policy and implementation, that were used to develop the housing readiness framework and stages.

Case Study 1: Western Ontario Wardens Caucus Workforce Strategy

Summary

A housing strategy for Western Ontario (primarily rural) region was developed as part of their workforce strategy. The Western Ontario Wardens Caucus (WOWC) looked at the region's workforce needs over the next 20 years and identified the types of jobs, salaries, and personas of its future workforce. WOWC created four personas; entry level workers, newcomers, seasonal/migrant workers, and young families. In a region with a housing stock primarily consisting of single detached privately owned homes, housing would be unattainable to these workers based on their predicted income, leaving massive gaps in the workforce if left unaddressed, and ultimately stagnating growth in the region.

WOWC identified a need for more diverse housing types, including a focus on rentals, as home ownership would be a barrier. Second to the creation of rentals, more row houses, town houses, and tiny homes will be needed to create an opportunity for workers to advance into home ownership from rentals.

The Workforce Strategy report confirmed that the Western Ontario region requires 173,000 new housing units by 2041. The WOWC's strategy for attainable housing consists of five primary areas: model policies, developer interactions, a resource centre, rental programs, and overall program promotion/marketing.

Strengths

- A regional approach allows for shared resources and policies when capacity in planning departments is a challenge.
- Considers multiple stakeholders including private developers attraction through predictable process and ease of quality application, as well as community stakeholders awareness and general support for the economic growth of the community, combating NIMBYism.
- House type diversification, including a focus on increasing rental units, as the primary housing option that will be attainable to the workforce.

Conderations

- Continued analysis of the workforce is required to verify predicted housing needs.
- Employer engagement in housing strategy could strengthen overall effectiveness and community buy-in.
- Strategy best applied to rural communities.
- Working in regional collaboration is not always feasible and dependent on funding models that support its development.

Case Study 2: Affordable Housing in Europe: Innovative Public Policies

Summary

The rise of apartment prices in major European cities directly impacts residents. Both vulnerable groups and the middle class are forced to live on the outskirts for they cannot compete with the acquisitive power of investment funds. Tusell states that the second wave of spatial segregation in European cities is a result of municipal inability to slow the impact of the circulation of global capital, and the deceleration of the urbanization process. Through review and analysis, Tusell finds that France, Germany, the Netherlands and the United Kingdom have strongly regulated housing markets with public incentives that successive governments revise with substantial involvement from the private sector.

Strengths

- France - Affordable housing is considered an essential element for reducing social inequalities and protecting the most vulnerable sectors. For this reason, the Solidarity and Urban Renewal Act set the obligation of achieving a minimum percentage of 20% affordable housing in all municipalities of over 200,000 inhabitants.
- Germany - The production of social housing in Germany follows the rules of the market, and private companies are responsible for maintaining and expanding the public stock; in order to be competitive, they receive subsidies and act in accordance with the policies of the municipalities in which they operate. Transparency in the construction process requires a review of excessive prices and costs, along with other demands in terms of energy efficiency.
- To mobilize flats from the banking sector, Belgium and Luxembourg have created agencies that provide guarantees to owners who rent to people with fewer resources.

Considerations

- France - The law for Access to Housing and Renewed Urban Planning facilitates the regulation of housing markets, regulates abusive practices, promotes access for families to housing and requires innovation and transparency from the sector.
- Germany - Their strategy has boosted the creation of a new land classification as an Urban Area (Urbane Gebiet). This new use aims to facilitate the development of internal urban areas and what is called the “city of short distance”, favouring proximity among land uses.
- In Europe, there is awareness that municipalities need to keep growth compact and preserve the rural land. This is because dispersed urban areas have an indirect environmental cost and a disproportionate economic cost on municipalities due to urban services such as transit.
- The United Kingdom, Luxembourg and Belgium have successfully implemented surface rights instead of selling public land. This formula fixes the payment of an annual fee for a long period of time (for example, 100 years) with the condition that the land does not cease to be public property. During the time the land is leased, the owner has the full right to inhabit it, but at the end of the period, the ownership of the land falls into public hands.

Case Study 3: Chicago's One-to-Four Residential Units

Summary

Analyzing the strategies of the United States to address housing affordability and availability, a unique model was found in Chicago that was used to redevelop existing one-to-four housing units. One-to-four family residential property means any real property primarily designed and used primarily for residential occupancy of from one to four families.

The low income residents of Chicago's South and West Side neighborhoods faced a shortage of affordable housing amid an excess of derelict and abandoned residences. Worse, since 2008, foreclosures have led to vacancies and deterioration in the city's one-to four-unit properties, which provide a large portion of naturally occurring affordable housing in low- and moderate-income neighborhoods. By pursuing this strategy, the partners hoped to create a critical mass of housing density in disinvested neighborhoods to catalyze revitalization.

The partner Community Development Financial Institutions (CDFIs) proposed to address the problem by leveraging the City of Chicago's Micro-Market Recovery Program to help small scale investors and owner-occupants to rehabilitate one-to-four-unit properties in distressed communities.

At first the Chicago CDFI Collaborative found it difficult to acquire many properties in concentrated areas so it developed a wide array of acquisition methods—including using government programs such as the City of Chicago's court-ordered forfeiture process that dispose of foreclosed or troubled properties to meet its goals.

Strengths

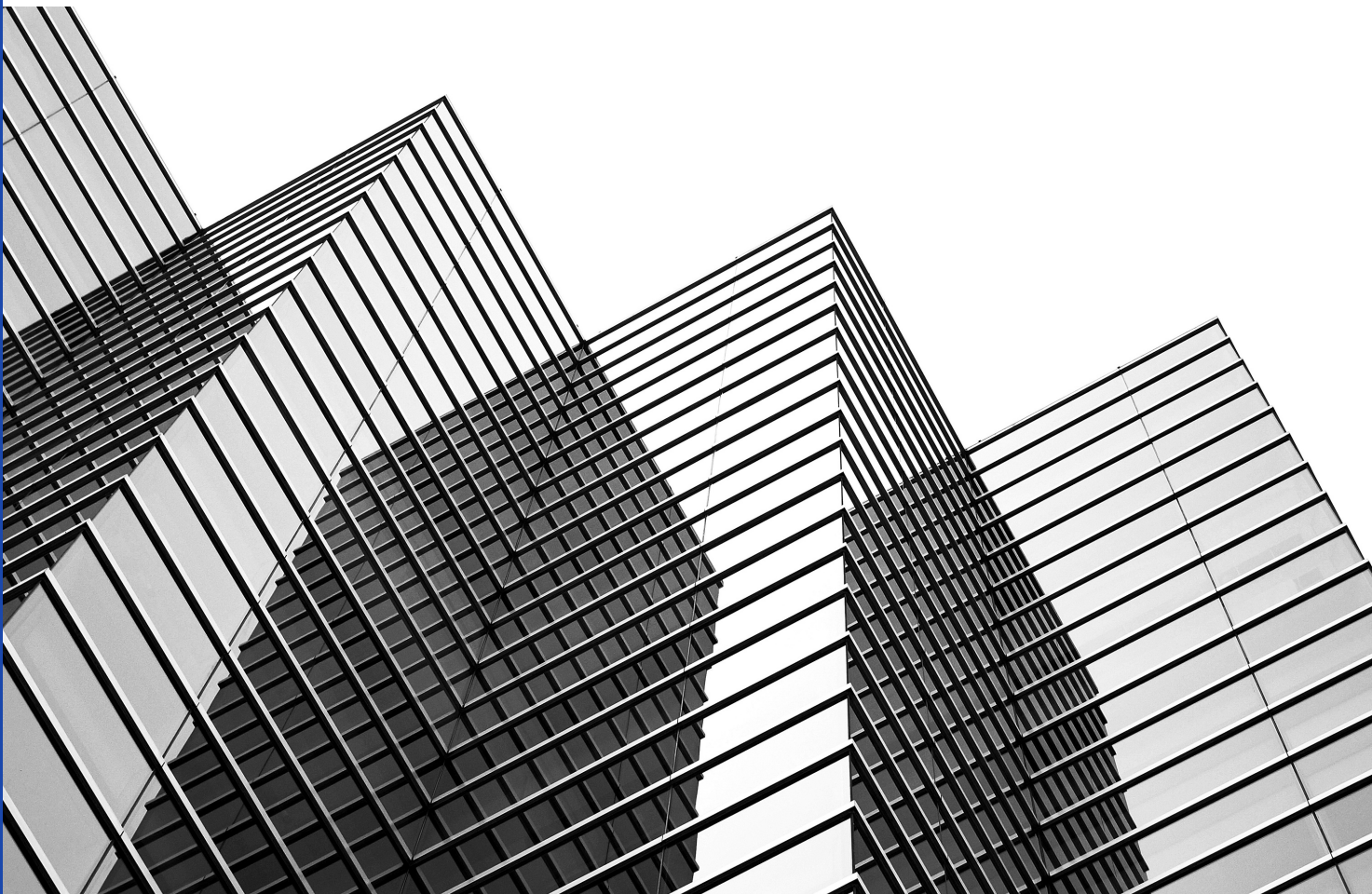
- Set up a process of finding foreclosed/abandoned properties and rehabilitating those could help revitalize those areas and provide housing options to the city's residents.
- Create a community land trust to preserve affordable housing.
- A community land trust can help shield residents from the rising costs of housing and commercial real estate, which often accompany major infrastructure and amenity improvements in disinvested neighborhoods.

Strengths Continued

- Invest private funds in affordable housing at private-market speed.
- The Catalyst Fund acquires and funds the development of all types of affordable housing as well, working in partnership with local nonprofit developers to obtain and implement investments.

Considerations

- Policy barriers for implementing this approach.
- Approach could be different for rural and urban areas or a lack of such spaces in rural areas.
- Already inflated prices might be a roadblock to implement this in some areas.
- Nonprofit community development groups that develop properties often lack the capital to acquire residential and commercial properties in neighborhoods experiencing rapid appreciation in real estate values. In such places, private investors often snatch up properties soon after they become available.



Secondary Research Summary

Housing is an issue affecting many regions near and far. Through our research we identified that research, policy, and implementation are three key aspects to addressing housing. We also identified that different regions had different opportunities based on their local market conditions. WOWC was able to effectively collect market research that demonstrates future needs and builds regional awareness and buy-in. European countries were able to develop policies that both supported and protected housing needs of their regions. Chicago was able to take advantage of an existing housing stock and focus on implementing the development of their housing.

From here we realized we needed a housing readiness assessment that took into account the specific region's current position. In order to get a baseline for where Ontario was at, we decided to conduct primary research from EDOs on their current housing needs, strategies, and barriers via an online survey.

PRIMARY RESEARCH

An Economic Developers Council Of Ontario (EDCO) Bright Ideas survey was sent out electronically to EDCO membership and relevant economic development contacts of the Bright Ideas project team. The survey was launched August 15, 2022 and closed on September 15, 2022. A total of 11 responses were collected. Through the survey, the intent was to understand the current situation of housing in their municipality, the challenges they are facing, and any strategies municipalities have in place to address the housing situation. Insights from this survey helped to refine the housing readiness framework and housing readiness stages. Insights were incorporated to help municipalities assess gaps that might exist in their housing situation as well as having a structured approach of looking at the problem itself, before seeking solutions for the housing problem.

81%

Respondents said there was a need for more private rental

91%

Respondents said there was a need for workforce housing

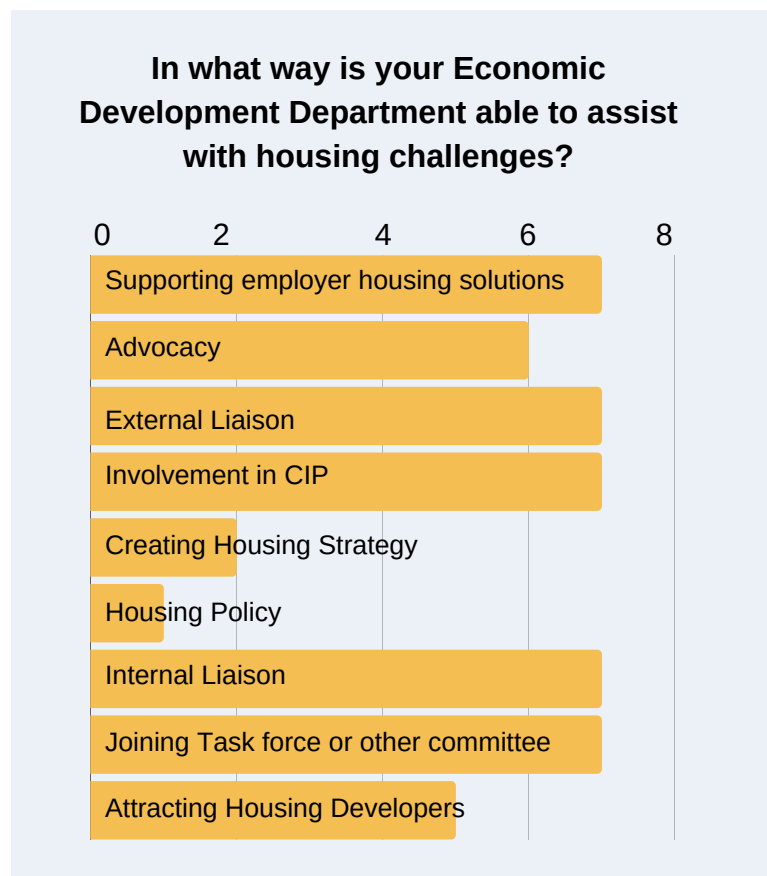
For most of the communities, the housing need is focused on Workforce Housing and Private rental units. Based on this need, an assessment is required to see where the municipalities stand in terms of addressing these two challenges.

Currently, to address their housing challenges, most of the EDOs have become involved in a local task force and are advocating both to external resources such as builders and employers, and internal resources such as staff and council. Only 15% of EDOs are involved in Housing policy and creating housing strategy.

For most of the municipalities, economic development is not involved in creating a housing policy or a housing strategy. From those surveyed it was noted that 72% of municipalities do not have a housing policy. This potentially hints towards municipalities fixing the housing problems with an ad hoc approach but lacking a framework to assess their situation or steps in terms of where to start. Economic development departments should consider enhancing collaboration between different departments and policy makers.

Although housing has not traditionally been seen as a part of economic development, it is clear that many people have become involved in various groups and activities. Housing strategy and development is not something that can be under any one specific organization or department, however, EDO skills and connections lend well to supporting existing work.

The missing link here is not doing this work off the side of our desks, but integrating it in an intentional way, which our framework for housing readiness and stages of housing readiness help to identify.





HOUSING READINESS FRAMEWORK

For economic developers to get started on addressing housing needs one must lean on their key strengths of being a liaison between various internal and external stakeholders, providing research to determine needs and opportunities, and to be an advocate to encourage buy-in to proposed changes. This framework helps identify your housing readiness stage and potential role EDOs can take in supporting a multi-stakeholder solution with clarity.

How to complete the framework:

Read through each of the questions answering yes or no. Upon completion of your answers, tally up your numbers based on Yes = 1pt No = 0pt to determine your final score. Scores correlate to the stage that your municipality is in with their housing readiness and offers some next steps. There are three housing readiness stages: (1) market research, (2) collaboration, and (3) development and implementation.

Market Research

1. Do you know your current housing inventory? (Example: How many rentals, single homes, detached homes, condos and vacancy rate)
2. Do you have a housing strategy?
3. Have you seen a change in housing needs and adjusted your housing strategy?
4. Does your housing strategy address emergency shelters and accommodation?
5. Does your housing strategy address market rate housing availability and attainability?

Workforce Needs

1. Do you know what kinds of jobs and incomes that will be in demand in your area in the coming years?
2. Have you created some workforce personas to help determine what the workforce needs and values in housing will be?
3. Do you know what type of housing is needed for the workforce in your community?
4. Does your current housing type meet the needs and incomes of your future workforce?

Employer Supported Housing

1. Have you reached out to large local employers to see what, if any, solutions they have created?
2. Do you support any employer-led solutions?
3. Have you implemented an employer-led workforce housing tax incentive?

Housing Type Diversification

1. Do you have a tiny home policy?
2. Do you have a secondary dwelling policy?
3. Do you have a short-term rental policy?
4. Do you have a housing intensification policy?
5. Are your policies ready to start building the type of housing your community needs?

Internal and External Partners

1. Does your municipal Official Plan include a housing strategy?
2. Does your municipality have a housing task force or equivalent?
3. Have you streamlined policies with upper tier municipalities and regional groups to simplify and find efficiencies?
4. Have you started recruiting the right developers to build any new housing needs?

Builder Needs

1. Are your housing and building policies clear and easy to navigate?
2. Do your builders have a predictable and efficient process for obtaining permits?
3. Have you created financial incentives to encourage housing development?

Your current score

/24

STAGES OF HOUSING READINESS

Each of the stages below outline key activities as next steps, with a focus on the role economic developers can take within a broader and more collaborative group that is addressing housing. Scores (yes=1 point) of 1-8 are likely in the Research Stage, scores of 9-16 are likely in the Collaboration stage, and scores of 17-24 are ready for the Development and Implementation stage.

01

Stage 1: Research (1-8 points)

Municipalities in this phase should carefully consider the true needs of housing in their community by conducting more research. Market research should include internal sources from the municipality, such as any current or past Official Plans, Community Improvement Plans, Housing Strategies, and a review of housing policies that might be hindering development of more affordable types of housing. External sources should also be leveraging data from Statistics Canada and learning from local employers about their workforce housing needs.

- Create or Update Official Plan and Housing Strategy.
- Collect data about housing stock, demographics, etc..
- Collect information from employers about future workforce needs such as; wage ranges, and skill sets to determine the workforce's available money for housing and the type of housing needed.
- Review your housing policies to ensure the potential for the development of affordable housing types such as: secondary dwellings, townhouses, apartment buildings and tiny homes. Based on finding, begin consultation with your internal stakeholders.

02

Stage 2: Collaboration (9-16 points)

Municipalities in this phase should focus on engaging the right partners. No housing strategies or solutions should be supported fully by an economic development committee or department. Engage housing partners in the community such as non-profit or grassroots housing groups, council, planners, builders, and potential provincial or federal funders. Every community is unique and the makeup of this group will be different for each municipality.

- Every community has a number of people invested in housing issues, from small nonprofits, to employers, to council members. Engage with these groups to determine what, if any, work is being done to address housing.
- Consider reaching out to surrounding municipalities to share resources and policies. See if there is an opportunity to address housing collaboratively.
- Engaging builders to understand how you can make the development of the housing type you need an attractive project to them. Consider what incentives you could give or red tape you could remove.
- Ensure municipal planners and policy makers are engaged to prevent any unforeseen roadblocks at the approvals stage.

03

Stage 3: Implementation & Development (17-24 points)

If your municipality is ready to get started on executing new housing solutions, your work is not done. In this phase marketing strategies for community buy-in and addressing NIMBYism should be considered. Having a community that is excited and ready for the changes that will come as a key role that EDO's can take in these projects. Additionally, consider the total number of new housing units you need and consider the plan to reach that number.

- Connect with builders to start projects.
- Develop a community engagement plan to strategically plan community buy-in.
- Create a community marketing campaign that gets citizens ready for the change that comes with change, new development, and a growing population.
- Create a strategy to promote the positive outcomes and give people a sense of excitement to be part of a community doing this work.
- Update policies to encourage more housing development.



CONCLUSION

Housing is a broad and complex topic, but one that economic developers will continue to face as a roadblock to further development of their municipalities. Housing solutions do not happen overnight and the need is imminent to start engaging on these issues. While housing is a broad topic it is important for EDOs to remember that their role is primarily to provide information on future growth of the region, act as a liaison for internal and external stakeholders, and remove roadblocks by getting stakeholder and community buy-in through marketing campaigns.



APPENDIX

Additional Readings

Significant Canmore employee housing project gets go-ahead - RMOToday.com

Link: <https://www.rmotoday.com/canmore/significant-canmore-employee-housing-project-gets-go-ahead-5328265>

- Amendments to the Bow Valley Trail area redevelopment plan (ARP)
- Common amenity housing was approved in the Town's 2019 land use bylaw amendments and is designed to give another option of employee housing for developers.

Tourism Industry Catalyst Housing

Link: <https://explorersedge.ca/catalyst-housing/>

- Explorers' Edge (RT012) proposes a new housing model known internally as the Work-Integrated Training & Housing Ecosystem
- Explorers' Edge undertook an initial "Catalyst Housing Concept Research & Articulation" study

Case Study: The Mount Community Centre

Link: <https://tapestrycapital.ca/the-mount-community-centre-case-study/>

- Cornerstone of this funding strategy was Community Bonds, which both brought awareness to the project and helped to galvanize the community and government partners, ensuring the success of the campaign.
- able to build 43 affordable apartment units (with more on the way)

Creative partnerships in St. Catharines

Link: <https://www.bethlehemhousing.ca/site/affordable-housing-development>

- 127 affordable units with 30 of them being accessible
- The building includes a daycare facility, natural play area, cooking facilities, storage and common rooms
- unique partnership between FirstOntario Credit Union, Penn Terra Group Limited and Bethlehem Housing and Support Services, along with the support of municipal and regional governments, and local community agencies.

Learning from International examples of affordable housing:

Link: https://assets.ctfassets.net/6sxvmndnnpn0s/1byrK8fEQut88x9kk4w6cP/Od3452ab160b_efa27c832f1e1ae83f8e/International_examples_of_affordable_housing_-_Shelter_URBED_Trust.pdf

- A set of case studies on affordable housing to internationally learn from what other cities have done to tackle similar issues in England

Affordable housing in Ontario

Link: <https://www.ontario.ca/page/affordable-housing-ontario>

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