

<b>To:</b>	Warden Milne and Members of Grey County Council
<b>Committee Date:</b>	October 10, 2024
<b>Subject / Report No:</b>	PDR-CW-57-24
<b>Title:</b>	Housing Planning Data Needs and Regional Housing Strategy Request
<b>Prepared by:</b>	Liz Buckton, MCIP, RPP
<b>Reviewed by:</b>	Scott Taylor
<b>Lower Tier(s) Affected:</b>	All member municipalities in Grey County

## Recommendation

1. That report PDR-CW-57-24 be received; and
2. That County Council endorse in principle the following recommendations, subject to approval in the 2025 budget, as initial actions towards creating a Regional Housing Strategy, including initial work being conducted on behalf of the members municipalities that is a necessary precursor to be able to access CMHC grant funding opportunities:
  - a. An additional budget allocation of \$10,000 to the \$50,000 already identified within the 10-year capital plan to update the County's Growth Management Strategy (GMS), addressing revised Ministry of Finance projections, and further exploring the relationships between forecasted population growth, employment growth, and related workforce and other housing needs arising, all of which to be funded from the Development Charges Reserve and the Planning – Growth Management Study Update Reserve;
  - b. That the County explore 'additional services' via the Rural Housing Information System/Rural Ontario Institute as may be needed to support access to data sources for populating a County-wide Housing Need Assessment template, to be funded from the proposed 2025 Housing Action Plan Implementation Budget, all of which is being funded from the Planning General Reserve; and
3. That this report be shared with Grey County's member municipalities for information purposes.

## Executive Summary

This report is the third of three associated reports, alongside reports PDR-CW-55-24 and PDR-CW-56-24. Building off the other two reports, this report responds to a request from the Town of

The Blue Mountains for the County to undertake an expanded regionally focused Comprehensive Housing Strategy, to build upon the County's Housing Action Plan.

Through this report, staff recommend that the County move towards the creation of a Regional Housing Strategy. A key first step would be updating the County's Growth Management Strategy (GMS) in response to the new Provincial Planning Statement (PPS) 2024 and Ministry of Finance (MOF) population projections. These activities would factor in updated demographic data and employment/workforce forecasts, and the potential impacts of servicing constraints on housing and employment growth over the planning horizon. The updated growth management work would then inform the preparation of a Housing Needs Assessment, which will offer more granular data regarding existing housing supply and deficit and provide further opportunities for the County and local municipalities to access grant funding through CMHC. The updated growth management work will also help to inform future updates to County and local official plans as well the Development Charges Background Study Update scheduled for 2026.

Regional housing strategy would be then developed in a manner that sets a clear framework for alignment and pursuit of regionally strategic opportunities. This could be completed as a standalone plan, or as an inclusion within the Housing Needs Assessment or updated Housing Action Plan. The strategy would respect and reflect the differing local contexts and capacities of each member municipality to engage with affordable housing creation. This strategy would also consider the evolving perceptions of other partners, such as non-profits, developers, investors, employers, as it pertains to the regional affordable housing opportunity space.

## Background and Discussion

As member municipalities further engage with the Affordable Housing Community of Practice (AHCOP) and delve into the issues of housing mix, supply, and affordability; local understanding of the challenge at hand is evolving. Town of The Blue Mountains (TBM) staff have identified the preparation of a detailed Regional Comprehensive Housing Strategy as an opportunity to be explored. TBM suggests that such a strategy would be best delivered on a regional basis by the County, noting that a regional approach could facilitate an understanding of how housing need and supply varies spatially across the County. When considered alongside servicing, land availability, population, and employment forecasts; this information would support a comprehensive evaluation of how each member municipality may (or may not) be set up to successfully host, incentivize, or otherwise achieve differing types of housing, including affordable housing. Related services or wrap-around supports may also be needed.

The regional comprehensive strategy approach was endorsed by Town of The Blue Mountains Council, as described within local Staff Report FAF.24.009 (see Appendix 1a) and shared to the County as a request for Council consideration (see Appendix 1b). County and municipal staff have discussed this request internally and via the AHCOP. There appears to be general staff-level support at the AHCOP for considering such an approach. It was identified in these discussions that local staffing and resource capacity is at times a challenge and is an ongoing consideration for the member municipalities in engaging meaningfully with the recommendations of the County's Housing Action Plan (HAP). A more directive 'top down' approach by the County could be supportive and may help prioritize affordable housing interventions in certain communities, while maintaining a general focus on the basics of good long-range planning, as well as appropriate housing types and tenures in other communities.

The pursuit of housing need assessment activities is a recommended first step in pursuing a regional strategy. Such activities will refine the County's understanding of housing supply and deficit both spatially across the County, and temporally across the 25-year planning horizon. While this could be achieved via hiring of a qualified consultant to complete a standalone Grey County-wide Housing Needs Assessment (HNA); staff suggest that such study would only offer a 'snapshot' in time. Alternate approaches may be preferable where they could be linked meaningfully to the County's overall Growth Management Strategy (GMS). The goal would be for longer-range approaches which are repeatable, allowing for ongoing assessment and monitoring of housing data and indicators by County staff.

Based on the new 2024 PPS, the County needs to update the GMS, which was already identified as a 2025 project in the 2024-2033 10-year capital forecast. The data derived from the GMS could be a crucial first step to a regional housing strategy, and enable a staff-led County-wide housing need assessment including on-going monitoring.

## Summary of Housing and Growth Study Types

Table 1, below, illustrates how staff anticipate these data and strategy pieces may fit together with the existing HAP, to guide further planning, investment and action regionally.

*Table 1 – Elements to Support Strategic Guidance for Housing Creation*

Element	Description	How they work together
<p><b>Growth Management Strategy (GMS)</b></p>	<p>Identifies overall population / employment growth projections, based on demographics, known trends and limitations to growth across the County. Allocates overall regional growth projections to member municipalities based on historic and emerging trends, as well as considering municipal land and servicing capacity to deliver such growth.</p>	<p>The GMS provides a basis for planning future growth across the County. It is updated as new data and understandings emerge that may shift projections and anticipated growth, so that official plans, both County and municipal, can be adjusted accordingly.</p> <p>The GMS underpins key municipal activities such as establishment of development charges, prioritization and timing of municipal infrastructure projects, and the designation of lands and/or expansion of settlements per the Official Plan, as needed.</p> <p>Based on PPS 2024, the GMS will need to be adjusted to accommodate the MOF projections, and to allocate forecasted growth to Grey’s nine member municipalities.</p>
<p><b>Housing Need Assessment (HNA)</b></p>	<p>Includes both quantitative and qualitative information to describe existing housing supply, market conditions, and future housing needs.</p> <p>Details the location, type / pricing of housing needed to meet anticipated demand and facilitate community sustainability through growth.</p>	<p>A HNA focuses on the built resources (housing) required to support or facilitate the population and economic growth forecasted via the GMS. Typically, this includes ‘gap analysis’ between existing housing supply and future forecasted needs, and may also include the identification of approaches to address this gap - targeted based on the quantitative and qualitative data within.</p> <p>Ideally there would be a reciprocal relationship between the HNA and GMS, i.e., as the GMS is updated, the understanding of projected housing need must shift accordingly. Likewise, where undersupply of housing of certain types or pricing may limit growth opportunities, for example hindering employee recruitment and retention, this should be reflected in the future GMS as a trend/constraint.</p>
<p><b>Regional Housing Strategy (RHS)</b></p>	<p>Provides a high-level framework for long-term planning and organizational positioning and alignment.</p> <p>Focused towards the outcomes but analyzes and describes the ‘big-picture’ of the local housing ‘ecosystem’ or ‘opportunity space’ and those market</p>	<p>A regional strategy would offer a common conceptual framework within which the county, member municipalities and community partners could plan and act.</p> <p>Building from understanding of where certain housing types and pricing is needed, and where broader population and economic growth opportunities are likely to exist. The RHS would assess how municipal structures and capacities can be best positioned, used or applied to facilitate (targeted) housing creation opportunities, while avoiding or mitigating risks.</p>

Element	Description	How they work together
	<p>conditions, emerging trends, anticipated challenges, or barriers that may need to be navigate.</p> <p>May identify key regional structures and capacities to be established, maintained or otherwise cultivated towards our desired outcomes.</p>	<p>Being that housing is produced by a broad network of partners operating locally, a RHS would importantly offer information about how they could or should collectively work towards desired housing outcomes, allowing alignment and coherence of their own activity with the County initiatives (and vice versa).</p> <p>The future RHS could identify and map key community actors and could embed trend sensing and network leadership approaches that would help to keep the strategy current and responsive to changing circumstances, by tapping into the evolving wisdom held within and across the County.</p> <p>Staff note that this strategy work could be prepared as a standalone plan or may be compiled within a strategic options appendix to the proposed Housing Need Assessment, or as a strategic prefix to an updated Housing Action Plan. Specific actions arising would then be captured and further detailed within a revised/expanded Housing Action Plan.</p>
<p><b>Housing Action Plan (HAP)</b></p>	<p>Typically, action plans are very tactical and applied over a shorter timeframe than a strategy.</p> <p>Includes detailed description of specific steps or actions to be taken, identification of responsible parties, associated resourcing and timing considerations. A HAP identifies metrics to monitor implementation of specific actions.</p>	<p>The County's current HAP is a hybrid strategy/action document. It was compiled based on input from local municipal staff and in-house research regarding market conditions and widely understood barriers and opportunities to be explored or addressed.</p> <p>The actions included are largely based in linear logic, i.e., if the County does 'X', then 'Y' will result. In some cases, the actions are quite specific (e.g., update local zoning by-laws to permit additional residential units). In other instances, the actions recommended are more 'exploratory' in nature as might be better placed in a strategy (e.g., build non-profit capacity to support affordable housing creation). Specific timing and resourcing needs are not identified for all actions. Staff envision that a future housing strategy (standalone, as appendix to HNA, or perhaps as a prefix to an updated HAP), could include those 'exploratory' or big-picture ideas and objectives, with future iterations of the HAP being more detailed and specific, relating to stepwise achievement of the related actions that serve to move us tangibly towards stated housing outcomes.</p>

Background considerations, and alternate recommended approaches relating to a GMS update, a HNA to inform housing planning, and a future RHS, are outlined below.

## 1. Updated Ministry of Finance (MOF) Forecasts

As outlined in staff report PDR-CW-49-24, the updated 2024 Provincial Planning Statement (PPS) requires municipalities to base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance.

In reviewing recently updated projections by the MOF for Grey County, staff understand that the County's 2021 GMS was initially informed by and was in close alignment with past MOF figures. However, the recently updated MOF projections now project population growth of an additional ~19,000 persons for Grey County, above and beyond what is reflected in the County's GMS through 2046.

The MOF now projects that the County will grow to a population of 146,169 by 2046, vs 127,130 as presently reflected in our GMS. The 2021 Census identifies an existing population of 100,905 for Grey County, and based on staff estimates, the County would require construction of approximately 21,700 housing units through 2046 to accommodate this forecasted growth.

The MOF only projects population for the County as a whole, and this overall population growth is not broken up by Grey's nine member municipalities. References to this 'unallocated' MOF projected growth have found their way into recent development application planning justification reports.

Staff believe it will be important to consider how this additional projected growth may indeed materialize, and how it may be distributed across the County. For example, does the County allocate the growth based on the existing proportion of growth allocated to each member municipality as per the existing GMS and County Official Plan? Alternatively, is there opportunity to allocate in some other way that better reflects changing community circumstances and known limitations to growth (e.g., servicing capacity limitations, which may necessitate phasing or tempering of forecasts)? It is important to note that regardless of how the County allocates such growth, there are many other factors both locally and more globally that can impact whether growth materializes in each municipality. These factors include but are not limited to; servicing / infrastructure availability, staff's capacity to process development applications, political will, interest rates, demographics, employment rates, economic outlook, etc.

## 2. Updated Grey County Growth Management Strategy

To address the updated MOF projections, staff recommend an update to the County's GMS, via a qualified demographic/economic consultant, as would be retained to complete this work. County staff had already identified the need for this update in the 10-year capital plan as a 2025 project, but the scope of this project is anticipated to change slightly based on the 2024 PPS. This update would be informed by 2021 census data and various other emerging data sources, including but not limited to the MOF projections. Working with member municipalities, the County would update known constraints to development (e.g., servicing infrastructure and capacity, land supply, etc.) and could look to adjust growth targets, accordingly.

Staff also see an opportunity to further examine the driving factors, assumptions, and background demographic and migration data underpinning the forecasted employment growth in the County, such data being compiled as an interim step of the overall GMS projection methodology. This would be expected to facilitate greater understanding of the nature of employment that may accompany or drive this population growth over the planning horizon. It may also support us in better describing the type, amount, and pricing of workforce housing that may be necessary to support that growth. Staff believe that such data arising from this GMS process, would help to populate the HNA template by Housing, Infrastructure and Communities Canada, as discussed below.

An updated GMS could also help prepare the County for a new Development Charges Background Study and By-law, which is currently scheduled to be undertaken in 2026.

In the past, the County used consultants to generate and update the GMS. Staff are recommending this approach for 2025, however staff would note that given the PPS 2024 changes and the new relationship to the MOF numbers, it may be feasible to look at future GMS updates as being more staff-driven, using less consulting resources. At this point staff do not yet know the feasibility of this approach and will not know until working through the 2025 GMS update.

Recolour Grey, the County's Official Plan came into force in 2019. The pursuit of an updated GMS now may also facilitate opportunity for a further update following the 2026 Census (if needed), but prior to the 10-year official plan review to occur in/around 2029. Given the timing of Grey County's review relative to Census intervals, an ongoing +/- 5year interval of GMS/HNA update could be established, with such updates scheduled 18 – 24 months post-census.

Where a HNA is mandatory in support of certain Federal funding programs; Housing, Infrastructure and Communities Canada identifies that an update will be requested, should five years have elapsed since its preparation.

Staff anticipate that the completion of a HNA (via the HNA template, as described below) is likely to be achievable using in-house staff resources. With further coordination effort, this timing may also support integration of data/findings within or relating to the mandated County Housing and Homelessness Plan (as is focused on deeply affordable units, subsidized and social housing and homelessness supports). As per the *Housing Services Act*, Housing and Homelessness Plans are to be established by the Housing Manager on a ten-year interval, with update at the 5-year mark. The County's current Housing and Homelessness Plan extends through 2024, and is being updated this year.

### 3. Housing Need Assessment Template and Data

Housing, Infrastructure and Communities Canada has prepared various 'Housing Need Assessment' guidance documents, outlining what information such assessments should address to properly quantify housing need in a community. Further to this work, the Federal Government via Housing, Infrastructure and Communities Canada has recently prepared a [Housing Need Assessment \(HNA\) template](#) (July 2024) to support completion of such assessments. These assessments are required to support applications for various federal housing and infrastructure funding opportunities, particularly for larger communities.

Considering the variety of new housing data sources as have been identified over the past few years, staff suggest that the County could use the Federal HNA template, while working with data providers to establish a repeatable, readily accessible data source to populate such HNA's on an ongoing basis (ideally coordinated with the County's overall GMS work, as described above).

As noted previously, staff see potential for development of additional data/metrics via the new Rural Housing Information System (RHIS) hosted by the Rural Ontario Institute (ROI). Ongoing annual membership/subscription by the County for access to the various data offered within the portal is recommended via report PDR-CW-55-24 for the 2025 budget process and beyond.

ROI staff advise that 'additional service' can be negotiated to further populate the RHIS data tool in useful ways. County staff propose that the County work together with ROI to identify and access any outstanding data sources that may be necessary to inform HNA's/templates on a go-forward basis. Staff suggest such a data resource may have broad appeal to Western Ontario Warden Caucus (WOWC) members, perhaps reducing preparation costs associated with HNAs and facilitating ongoing monitoring in a user-friendly way.

The resulting HNA for Grey County would provide more granular data regarding existing housing supply and need. Together with updated overall growth forecasts, this information would support allocation of meaningful local targets to guide strategic efforts to both resolve existing affordable unit deficits and ensure appropriate future housing supply and mix.

In addition to facilitating sound regional strategic planning, need assessments are often required as part of the application process when accessing senior government housing and infrastructure funding programs. In some situations, where an HNA is not explicitly required, justification of housing need (in some manner) often remains a precondition to approval, Canadian Mortgage and Housing Corporation's (CMHC) Rental Construction Loan Program being one example where this is the case.

Further, where a municipality may choose to institute a Community Planning Permit System (CPPS) with inclusionary zoning provisions, it's expected that the regional HNA would substantially underpin preparation of enabling policies and the mandatory 'assessment report' as described by Ontario Regulation 232/18 and required by Section 16(9) of the *Planning Act*. Such assessment reports must address demographic, housing market and other economic data to demonstrate housing need and must assess any potential impacts of inclusionary zoning on the financial viability of development.

## 4. Future Regional Housing Strategy

Following the preparation of an updated GMS and a HNA, as will generate refined housing and growth targets for the County, the Regional Housing Strategy could then be pursued. As noted in Table 1, above, such a strategy could be completed on a standalone basis, however staff suggest that this may be most efficiently achieved by capturing strategic options and principles within a Strategic Directions appendix to the Housing Needs Assessment, and/or by embedding an overarching strategy section within an updated Housing Action Plan.



Staff anticipate that the following elements would be captured within this strategy work and an updated Action Plan, with many of these ideas being already under investigation or mapped out in a preliminary manner based on learnings to-date:

- Identification of updated approaches to housing planning, addressing direction via the new Provincial Planning Statement (PPS 2024) for greater coordination across levels of government, agencies, boards, Service Managers, and publicly funded educational institutions.
- Identification of those housing supportive roles, functions and capacities to be held by local government.
- Identification of housing supportive roles, functions and capacities to be held 'externally' to local government, by other actors within the region.
- Discussion of how the local government and external actors may interact around identified strategic objectives and how we will interface:
  - e.g., how do we work together in this opportunity space? Where do opportunities for partnership or innovation exist, and what are the related preconditions?
  - Staff note that social innovation and collective impact frameworks (e.g. [Tamarack Institute Toolkit](#)) often speak to the evolutionary process of collective opportunity identification. This adaptive process is facilitated via networking and the creation of new communities of practice.
- Identification of other capacities or skills not held within the region, as may need to be introduced. Significant opportunity may be associated with working with our contacts and networks in the GTA and elsewhere. Staff suggest such effort may support the infusion of new ideas or approaches to Grey County, creating potential for partnership between local and external actors as would be mutually beneficial and would support achievement of our local housing objectives.

## Legislated Requirements

There are no specific legislated requirements associated with this report.

## Financial and Resource Implications

- 1) GMS Update – Staff anticipate consulting fees in the range of ~\$60,000 to complete a GMS update with benefit of 2021 Census data and MOF numbers. The updated GMS will also provide data outputs to support completion of the HNA template, and resolving the discrepancy between existing population and employment forecasts, and the updated MOF projections. Staff propose that this would be funded largely from the Development Charges Reserve, with the remaining portion from the GMS Update reserve. An amount of \$50,000 is already earmarked within the 2024-2033 10-year capital forecast for GMS Update in 2025, thus a \$10,000 increase to this budget is proposed to be funded from the Development Charges Reserve and the GMS Update Reserve.
- 2) RHIS Additional Services – Any related expenditure to begin discussions and exploratory work with ROI in 2025 could be funded from a portion of the 'Housing Action Plan Implementation' capital budget. The 2024 Planning Capital Budget included a total

of \$30,000 for the Housing Action Plan Implementation being funded from the Planning General Reserve. Staff estimate that approximately \$5,000 will be expensed from the 2024 Budget allocation prior to year-end. Staff are recommending that the remaining \$25,000 be carried over into the 2025 Budget with an additional \$5,000 being added to the budget, for a total allocation of \$30,000, all funded from the Planning General Reserve. This budget request was noted in the recommended motion in Staff Report PDR-CW-55-24.

## Relevant Consultation

Internal: Planning, Community Services, Economic Development, Tourism and Culture, CAO/Deputy CAO, Legal Services, Finance

External: Affordable Housing Community of Practice

## Appendices and Attachments

Appendix 1a – Town of the Blue Mountains Staff Report FAF.24.009

Appendix 1b – Town of the Blue Mountains Staff Letter to Grey County