



To: **Affordable Housing Advisory Committee**

Agenda Section: Matters for Consideration
Division: Engineering, Planning and Environment
Department: Planning

Item Number: **AHA - 2023-276**

Meeting Date: October 3, 2023

Subject: **Housing – Attainable Supply Action Plan (ASAP) Project Update**

Recommendation

That Item AHA 2023-276, dated October 3, 2023 regarding the Housing – Attainable Supply Action Plan (Housing ASAP) Project Update, be received.

And That the Affordable Housing Advisory Committee Endorse the Housing Needs Assessment Report outlined in Schedule 1 to Item AHA 2023-276.

Executive Summary

This Item provides an update on actions taken and activities underway towards preparing a Housing Attainable Supply Action Plan (Housing ASAP).

County of Simcoe Planning staff, together with the Planning staff at the City of Orillia, and N. Barry Lyons Consultants Limited (NBLC) are currently preparing a Housing Attainable Supply Action Plan (Housing ASAP) to identify tactics, strategies, and tools that can be implemented by the County, the City of Orillia, and lower-tier municipalities over the next five (5) years to increase the supply of attainable housing provided by the private market. The project is considering the market housing supply and delivery system with a focus on workforce and missing middle (private market rental and/or ownership) housing in Simcoe County.

The Housing Needs Assessment Report is complete. NBLC is now preparing the Best Practices and Potential Solutions Background Paper, and the stakeholder and public engagement components of the project are underway. County Council will be invited to attend stakeholder sessions in October to seek feedback on the subject. A presentation

will be provided by the Consultants in November regarding the draft recommendations. Finally, it is anticipated that the final Housing - Attainable Supply Action Plan will be provided to County Council for endorsement in early 2024.

The final recommended Action Plan will provide direction to the County, City of Orillia and local municipalities that will result in a diverse mix of housing options and densities to meet market demand and affordable housing needs of current and future residents. The anticipated timeline for project completion is early 2024.

Background

The County of Simcoe, together with the City of Orillia, are building up our communities through a new Housing Attainable Supply Action Plan (Housing ASAP). The purpose of the Housing ASAP project is to identify and recommend housing tactics and strategies for the County, City or local municipality to implement or advocate over the next 5 years to build up the supply of attainable housing (a.k.a. housing for the “missing middle”) provided by the private market. This plan will support residents in the “missing middle” who are looking for housing at a reasonable price in the communities they wish to live, by looking at the market housing supply and delivery system.

This Item provides an update on actions taken and activities underway towards preparing a County of Simcoe Housing Attainable Supply Action Plan (Housing ASAP).

In 2022, County Council approved the hiring of a consultant to assist with developing a Simcoe County-specific housing strategy with a focus on attainable market-supplied housing. As a result of this recommendation, the project was awarded to N. Barry Lyons Consultants Limited (NBLC) in February 2023. During the development of the Scope of Work for the Housing ASAP Project, local municipal partnerships were explored with several Simcoe area municipalities. Following these discussions, the City of Orillia remained as an interested partner in the project. Since that time, the County of Simcoe Planning staff, together with the Planning staff at the City of Orillia, and NBLC have been working through the various components of the project.

The project is divided into four components:

- **Component 1** - Gap Analysis, Background Review
- **Component 2** - Public and Stakeholder Engagement
- **Component 3** - Best Practices & Potential Solutions Review
- **Component 4** - Recommended Actions

The project is answering three fundamental questions related to attainable housing within Simcoe County and the City of Orillia:

1. **What is Attainable?** In each sub-region of the County, what is the target sale price and target rent that is within reach of the average working individual and family?

2. **What is Missing?** What are the number and types of dwellings that need to be integrated into each sub-region for the private sector to deliver market-based housing that is attainable?
3. **How can we help?** What can municipalities do to help facilitate the attainable units that are needed?

As part of Component 1, a Housing Needs Assessment was completed by NBLC in support of the Housing ASAP. The Housing Needs Assessment is a data driven document that highlights the impact of rising interest rates, construction costs, and market fluctuations. The assessment divided the County of Simcoe into sub-regions to better understand current market housing conditions for each sub-group. The sub-region groups are as follows:

County Subregions					
North Subregion	East Subregion	South Subregion	West Subregion	Central Subregion	Orillia Subregion
Town of Midland	Township of Oro-Medonte	Town of Bradford West Gwillimbury	Town of Collingwood	Town of Innisfil	City of Orillia
Town of Penetanguishene	Township of Severn	Town of New Tecumseth	Town of Wasaga Beach	Township of Springwater	
Township of Tay	Township of Ramara	Township of Adjala-Tosorontio	Township of Clearview	Township of Essa	
Township of Tiny					

Data included in this Assessment helps to answer the first two (2) fundamental questions noted above. Additionally, it reflects the current state of attainable housing. This Housing Needs Assessment is attached as Schedule 1 to this Item.

Housing Needs Assessment Highlights

Population Demographics

- More than 100,000 new homes are needed by 2051 to accommodate the forecasted population of Simcoe County and the City of Orillia;
- Simcoe County is a largely aging population;
- A significant focus should remain on housing options for the working-age population to support continued service and growth in our employment sectors.

Ownership Resale Market:

- As of May 2023, half of resales data noted homes sold for more than \$800,000;

- 14% of recent sales were sold at prices that would be defined as Attainable Housing;
- South and Central Sub-regions generally have the highest resale pricing in the County;
- Orillia and North sub-regions have the most affordable prices;
- Average resale price in each sub-region is either affordable to the 9th decile or unaffordable to all income deciles. A decile unit distributes a data set (e.g. 2022 income) into 10 equal parts as a method of ranking.

Ownership New Sale Market:

- South sub-region accommodates the highest amount of residential construction activity;
- Ownership housing accounts for 97% of housing completions since 2007;
- New homes are unaffordable for most households in the County;
- There were no units in any projects that are priced at attainable levels.

Rental Market:

- Construction of new purpose-built rental housing development has been fairly stagnant in the last decade;
- Purpose-built rental units accommodate 10% of renter households, causing the majority of households to turn to the secondary rental market;
- Rental rates have been rising rapidly with most apartment options now above \$1,800 per month and low-rise rentals exceeding \$2,000 per month;
- Rental households have growth by 51% between 2006 and 2021;
- Vacancy rates are trending downward, below 1.5% in 3 of the past 6 years;
- Renters are in deepest housing need with one- and two-bedroom units (as well as smaller rentals and ownership opportunities geared towards starter-homes and downsizers).

Future Housing Supply:

- Close to 39,000 homes are currently in the development pipeline in Simcoe and Orillia;
- 55% of these homes are approved and 45% are under application;
- 85% of these units are within the Central, West and South sub-regions.

Income Deciles and Affordability Thresholds (refer to tables on page 28 and 31 of the Housing Needs Assessment):

- County needs a greater and broader supply of housing;
- There are very limited options in the County and City of Orillia for moderate and low-income households in both ownership and rental tenures;
- Average prices for ownership housing are largely unaffordable under the 9th decile;
- Only condominium apartments of smaller unit types are affordable for groups below the 9th income decile;
- Affordable market-rate rental options below the 7th income decile are mostly limited to small apartments and basement units.

Household Income by Decile 2022, Simcoe County (Including Orillia)			
Income Group	Decile	All Households Income*	Renter Household Income*
Low Income	1st	\$43,736	\$24,961
	2nd	\$62,733	\$32,692
	3rd	\$80,625	\$43,736
Moderate Income	4th	\$98,297	\$53,897
	5th	\$115,968	\$65,826
	6th	\$134,744	\$78,416
High Income	7th	\$157,937	\$93,879
	8th	\$185,549	\$113,759
	9th	\$236,354	\$146,893

**Incomes based on 2021 Census of Canada, inflated by CPI (Ontario) to estimate 2022 incomes.*

Affordability Thresholds by Decile 2022, Simcoe County (Including Orillia)			
Income Group	Decile	Affordable Purchase Price ¹	Affordable Monthly Rent ²
Low Income	1st	\$146,230	\$624
	2nd	\$209,744	\$817
	3rd	\$269,566	\$1,093
Moderate Income	4th	\$328,649	\$1,347
	5th	\$387,731	\$1,646
	6th	\$450,507	\$1,960
High Income	7th	\$529,394	\$2,347
	8th	\$626,122	\$2,844
	9th	\$804,102	\$3,672

Notes:
 1. Assumes housing costs do not exceed 30% of gross household income. Housing costs include mortgage (25 years, minimum 5% downpayment, 1.04% property tax payment, 4% of loan amount for CMHC mortgage insurance, five-year fixed mortgage rate 6.7%. Mortgage rate is based on BoC posted rate as of June 2023).

Next Steps

With Component 1’s Gap Analysis finished, through completion of the Housing Needs Assessment, we are now working on Component 2 being the Stakeholder and Public Engagement. Several virtual Stakeholder Engagement Sessions will occur in in the coming weeks (October/November 2023). These engagement sessions will involve various groups such as; the development community, non-profit sector, employers, County and City Council, and Indigenous Communities. These sessions will provide an overview of the Housing ASAP project and provide an opportunity to work together with the stakeholder groups and our Housing ASAP Consultants, NBLC, to explore potential solutions to the housing crisis from the perspective of attainable (market) housing. Local municipal Planning staff will continue to be engaged through the Municipal Liaison Group.

A virtual Public Engagement Session will be held on November 8, 2023 to hear additional input from the general public. Advertisement of this event will begin shortly.

As part of Component 3, NBLC is preparing a Best Practices & Potential Solutions Background Paper. This information will be presented to County and City of Orillia staff in early October for review and comment. This document will be finalized along with a community engagement summary report.

The recommended Action Plan will provide direction and options to the County and municipalities that will result in a diverse mix of housing options and densities to meet market demand and affordable housing needs of current and future residents in the County and the City of Orillia. The anticipated timeline for project completion is early 2024. A draft version of this document will be presented to the County and Orillia Affordable Housing Advisory Committees and their respective Councils prior to it being finalized.

Financial and Resource Implications

There are no financial or resource implications associated with this Item.

Relationship to Corporate Strategic Plan

A. Growth Related Service Delivery:

Reference Documents

There are no reference documents associated with this Item.

Attachments

Schedule 1 – Housing Needs Assessment: Housing ASAP, September 2023

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Approvals

Nathan Westendorp, Director of Planning/Chief Planner
 Rob Elliott, General Manager, Engineering, Planning and Environment
 Trevor Wilcox, General Manager, Corporate Performance
 Mark Aitken, Chief Administrative Officer

Date

Sept. 26, 2023
 September 27, 2023
 September 27, 2023
 September 28, 2023