

2019

Central Elgin Housing Strategy



Prepared By

TWC
tim welch
consulting inc

INTRODUCTION

The impact of access to decent, safe and affordable housing is undeniable. Access to affordable housing allows families to have to make fewer trade-offs between household expenses and basic necessities. Several studies have indicated that access to quality, affordable homes is not only an important determinant of health outcomes but also integral for communities to achieve sustainable development targets.

In the Municipality of Central Elgin the need for affordable housing is significant and the lack of affordable housing affects the both individual residents and the collective well-being of local communities in Central Elgin.

For instance, residents that have high housing costs generally have less income remaining to spend on goods and services which results in less money spent on local business, thereby decreasing the opportunity for business growth. Furthermore, although the impact of access to safe, suitable and adequate affordable housing on individuals and families are profound for almost everyone, it often disproportionately affects vulnerable groups including seniors, single parent households, Indigenous families, and new immigrants, and persons earning moderate income in the retail, tourism and service sectors.

In recent years, sharp rises in rental and ownership prices, low rental vacancy rates and limited housing supply have characterized many of the housing markets in Southern Ontario. Moreover, some housing markets have experienced the ripple effects of neighbouring markets with extremely high housing prices. For instance, the Greater Toronto Area's (GTA's) strong housing market has, in many ways, influenced the recent surge in housing prices in markets across Southern Ontario as buyers look for more affordable units and, as some retirees are looking to downsize and use the equity built up in their Toronto area homes. As such, Central Elgin, Elgin County, St. Thomas and other regions have experienced significant increases in housing prices over the last few years.

Given the growing concern surrounding affordable housing, policymakers and politicians alike have engaged in discussions to address the mounting challenges facing housing. The federal government recently announced a 10-year, \$55 billion National Housing Strategy. In addition, the provincial government announced in 2019 both the Community Housing Strategy and the Fair Housing Plan. The overall objectives of these policies are to address the need for affordable housing by increasing the supply of new affordable rental housing while preserving the existing social housing stock.

The City of St. Thomas, as Service Manager for housing programs for the City and the County of Elgin (which includes Central Elgin) is also undertaking initiatives to help meet housing needs. Central Elgin, a local municipality with a modest tax base, may not be able to solve all of the housing needs in the community but it should aim to create a local housing strategy which can use its resources, and to encourage other organizations and individuals in Central Elgin to use their resources, as effectively as possible in order to help meet the housing needs in its community.

Purpose of the Strategy

The primary purpose of the Central Elgin Affordable Housing Strategy is to set out local goals and actions which can help address the need for affordable housing. The strategy will have with a particular focus on housing for seniors and younger families wanting to stay in or move to Central Elgin. The local actions in the strategy should be undertaken in the context of Policies and Programs of the Federal, Provincial and Service Manager levels of government and should seek to leverage as much of the funding or financial resources available through the programs offered through those levels of government.

In support of the strategy, the following are provided:

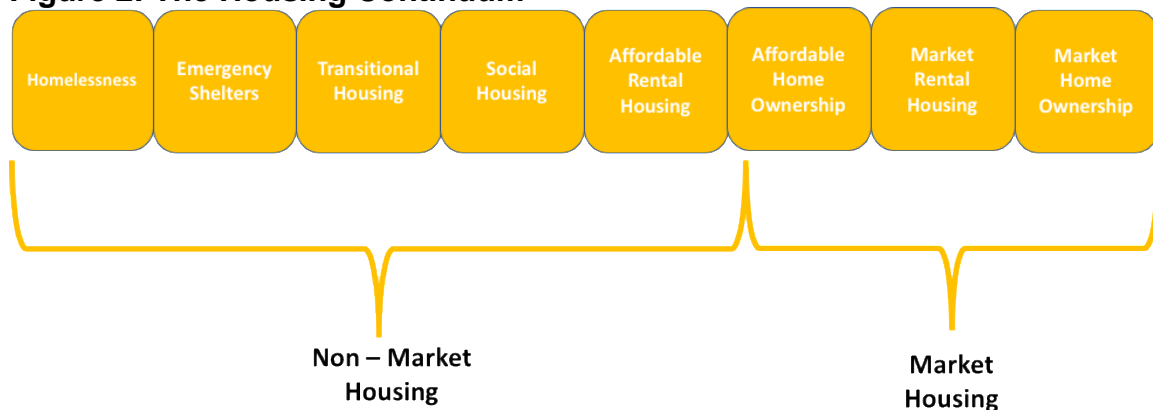
- Establishing how affordable housing can be defined
- An overview of housing needs and demands to establish what kind of affordable housing is needed presently within Central Elgin
- An overview of the current policies of programs of the Federal, Provincial and Service Manager levels of government;
- A high level summary of best practices in other municipalities to provide examples of housing policies and programs which are appropriate for Central Elgin;
- Recommending potential financial incentives within Central Elgin to help support the construction of affordable housing
- Providing recommendations on the implementation of second unit policies for Central Elgin's zoning-by laws
- Recommending the creation of a municipal housing facilities by-law and Community Improvement Plan for affordable housing, incorporating best practices: and
- Encouraging the use of the resources of community organizations and the private sector which can help support meeting the affordable housing needs of Central Elgin

It is worth noting that this Central Elgin strategy document acknowledges and draws from the detailed research carried out on Best Practices and other initiatives from the Long-Term St. Thomas-Elgin Affordable and Social Housing Strategy 2018.

Housing Need: THE HOUSING CONTINUUM

The Housing Continuum consists of a wide range of housing options for individuals of varying income levels. That is, it extends from homelessness through to affordable housing options, and is subsequently followed by market housing. In some instances, the available housing supply within a community does not provide appropriate housing at every level, hence, the Housing Continuum is a tool that is utilized to evaluate the state of housing within a given community while identifying housing gaps. As such, it is important that there be an adequate supply of housing along the spectrum.

Figure 2: The Housing Continuum



What is Affordable Housing?

There are many different ways of defining affordable housing. Some definitions exist in provincial laws, different definitions exist in housing programs and for many people, there is a very personal definition of what housing can they afford based on their own incomes. Below is a brief overview of various definitions.

1.1 Provincial Definition

To provide guidance on how municipalities should define affordable housing within their respective planning policies, the Provincial Policy Statement (2014) provides the following language for affordable ownership and rental housing in Section 6.0:

a) In the case of ownership housing, the least expensive

1. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or

2. Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area

b) in the case of rental housing, the least expensive of:

1. A unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
2. A unit for which the rent is at or below the average market rent of a unit in the regional market area

Central Elgin has adopted this definition of affordable housing in its Official Plan and there is no need to change that definition.

In many municipalities that undertake affordable housing initiatives, this second rental housing definition, - where rent is at or below CMHC average market rents, is the most commonly used definition when offering financial incentives or financial relief from municipal fees and charges, to create new affordable housing. Many by-laws – known as municipal housing facility by-laws that provide for financial assistance for affordable housing - use this definition.

1.2 CMHC Definition of Affordable Housing

Although the definition of affordable housing can differ from one area to another, traditionally within the housing industry and according to the Canadian Mortgage and Housing Corporation (CMHC), housing is affordable for a given household if it costs less than 30% of gross (before-tax) household income.

1.3 Affordable Housing Definition as per Housing programs

It is important to note the definition of affordable housing in the Provincial Policy Statement, 2014 differs from the definition in the federal-provincial Investment in Affordable Housing (IAH) Program, now replaced by the Ontario Priorities Housing Initiative (OPHI). That is, for properties built or renovated under the IAH/OPHI the following criteria applies:

1. Affordability is defined as having rents for the project that are at or below 80% of CMHC Average Market Rent (AMR) in the service manager's area at the time of occupancy where actual rents are calculated using actual rents paid by tenants and any rent supplements provided by the Service Manager. For example, in the St. Thomas-Elgin county area, an affordable one bedroom apartment would be \$550 under this program while and two bedroom would be \$684 per month.

Similarly, the National Co-investment Program operated by Canada Mortgage and Housing Corporation (CMHC) defines affordability as such:

1. Rents must be below 80% of the Median Market Rental Rate (as described in the most recent CMHC Rental Market Survey) for the market and unit type in question.

HOUSING NEEDS ASSESSMENT

Population Trends and Projections

It is important to examine population and household characteristics when evaluating the housing needs within a community. More detailed information is attached as an appendix (A presentation given by Tim Welch Consulting to the Central Elgin Affordable Housing committee in September of 2019) but some of the key findings are as follows:

Central Elgin

Central Elgin experienced a modest 1.1% population decline from 2011 to 2016 while Elgin County and the City of St. Thomas experienced modest population growth of 1.7% and 2.6% respectively.

In 2016, nearly 20% (19.5%) of the Central Elgin Population were seniors aged 65 and older. In comparison, only 16.7% of Ontario's population was 65 years and older.

From 2011 to 2016 the number of seniors in Central Elgin increased by 27%, the number of persons aged 55 – 64 increased by 2% while all other age groups experienced a decrease in numbers.

Household Trends and Characteristics

It is important to understand household characteristics when evaluating the need for housing including trends in the number, tenure, size, and type of households in a community to understand the housing need in that community.

While there was a very modest decrease in population, there has been an actual increase in the number of households due, in part to decreasing household sizes. There were 4,925 households in Central Elgin in 2016; increasing by 3.1% from 4,775 in 2006.

Household Type

In 2016, couples without children made up 38.1% of all households in Central Elgin compared to 28.7% in Ontario. In addition, persons living alone made up 18.4% of all households in Central Elgin and the number people living alone increased by 1% from 2011 to 2016. The highest overall increase was seen for couples without children, increasing by 7% from 2011 to 2016.\

Household Tenure

In 2016, 89% of households in Central Elgin owned their homes. Renter households made up 11.0% of all households in Central Elgin. Across Ontario, 69.7% of households owned their homes while 30.2% of households were renters. The minimal change in the proportion of owner and renter households in Central Elgin over the last ten years indicates Central Elgin is more rural in nature than comparable communities. However, it may also indicate a lack of rental housing as many residents are looking to downsize.

Household Size

Households with two persons made up the largest proportion of households in Central Elgin in 2016; making up 42.9% of all households, followed by one-person households that constituted 18.5% of all households.

The growing number of smaller households as well as a decrease in the number of couples with children in Central Elgin, and increase in number of households, indicate an aging population. More specifically, many developers in the area suggested there has been an increase in empty nesters moving into the area looking to downsize from their existing dwellings, most of whom are seniors and retirees that have moved into the area from the GTA and, people from London looking to take advantage of comparably cheaper prices.

Household Income Spent on Housing

As noted above, CMHC defines affordable housing as housing that costs less than 30% of before-tax household income.

There are currently 705 households with affordability issues in Central Elgin, of which 480 are owners and 225 are renters. However, 41.6% of all renter households are spending 30% or more on housing costs and in comparison, only

16.2% of owner households are spending more than 30% or more on housing costs. This suggests a significant need for more affordable rental units.

HOUSING SUPPLY ANALYSIS

Overall Housing Supply

Single detached dwellings made up the majority of housing stock in Central Elgin constituting 93.1% of all dwellings in 2016. This is much higher share compared to 54.3% in Ontario as a whole. Apartments in Central Elgin currently represent only 3% of the housing stock. However, current analysis indicates households are becoming more diverse in terms of housing need. Currently Central Elgin is experiencing an aging population that is looking to downsize and shift to smaller households which implies a need for accessible apartments or accessible rowhouse style units (both rental and ownership) in the future.

New Homes in Planning

According to the Municipality of Central Elgin, there are currently a total of 1,400 dwellings in planning approval. If all of these homes are built, this would represent a 28% increase in dwelling units for the municipality. Of these new homes, single detached dwellings accounted for 46.2% of all households in planning, followed by semi-detached which constituted 6.1%, then row houses which made up 6.3% and finally apartment buildings at 42.3%.

The increase in apartment buildings under planning approval confirm that individuals are looking to downsize, and that there will be an overall change in the type of housing in demand in Central Elgin. In general, the most appropriate dwelling type for seniors, persons with disabilities and people living alone is not single-detached homes and that may be a reason why there are more apartments in the planning approvals process. Furthermore, single-detached homes are often more expensive and with individuals looking to purchase more affordable units, a housing supply that is disproportionately made up of single-detached homes will not appropriately meet the housing needs of its residents.

Purpose Built Rental Stock

There are currently 540 rental units in Central Elgin. Of those, 63.8% are single-detached, 2.8% are semi-detached, 6.5% are row houses and 27.1% are apartment buildings. In comparison, 13.2% of the rental stock in Ontario are single-detached, 3.7% are semi-detached, 8.9% is row housing, and the

remaining 77.9% are apartment buildings. In general, these figures are consistent for small urban centres and rural areas due to the relatively small rental market as compared to larger urban areas.

There is one non-profit housing development in Central Elgin, the Kettle Creek Village, which is owned by the Municipality of Central Elgin. This is a two-story, 30-unit, non-profit seniors housing complex located at 289 Frances Street in Port Stanley with 18 one bedroom apts, 12 two bedroom apartments and an elevator. The building has a mixture of low end of market rents and apartments with Rent geared to Income assistance. It will be important to preserve and maintain this accessible, affordable rental housing.

However, the vast majority of housing units in Central Elgin are private market housing units and include both rental and ownership units.

Average Rents in Rental Universe

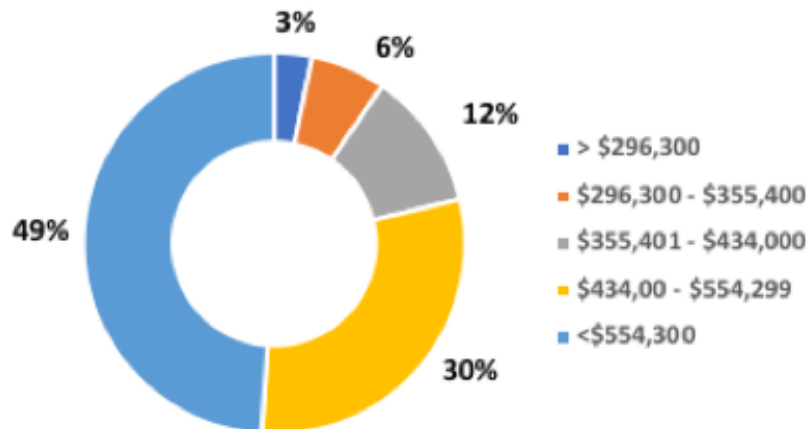
The average market rent of units in the primary rental market was \$799 based on the 2016 census. In the 2016 census the average rent in St. Thomas was \$817. CMHC does not survey average rents in Central Elgin annually but does survey average St. Thomas rents and in the fall of 2018 the average rent in St. Thomas had increased significantly to \$910. The average one bedroom rent in St. Thomas 2018 was \$694 while the maximum shelter allowance for a single person receiving a disability pension is \$497 per month – a significant \$200 per month gap. And a single senior receiving a basic CPP/OAS/GIC pension would have to spend 44% of their income to afford the average one bedroom rental apartment in the St. Thomas area.

Ownership Cost Trends

The increase in the cost of buying a home in Elgin County has been significant. Between 2011 and 2019, the resale values of homes increased 64.9% (\$140,000 or \$17,500 annually). The rate of inflation during that same period was 16.4%. This suggests that the influx of individuals looking for affordable housing are driving the prices up in Elgin County and Central Elgin.

In addition, of the current units listed for sale in Elgin County only three dwellings or 3% of current listings are available at/below the 60th percentile as defined in Central Elgin's Official Plan (income: \$296,300).

Figure 9: Sale Prices for Homes Currently Listed (August 2019): Central Elgin



Source: MLS
(realtor.ca), 2019

Need and Demand Conclusion: Given both the significant increase in senior population in recent years (a trend which is expected to continue) and the high proportion of renter households with an affordability issue, efforts to increase the supply of affordable housing should be concentrated on creating new affordable housing with a focus on seniors affordable rental housing as well as rental housing for single persons and family households which will be needed to work in the service sector (including service industries which will expand to reflect the future growth of seniors of all income levels in the community).

Current Federal/Provincial and Service Manager Programs

While there were a variety of Federal and Provincial government housing programs from the 1960 until the mid 1990s, for about a decade beginning in the mid-1990s, there were no senior government housing programs which supported the creation of new affordable housing.

Over the past 15 years there has been a re-introduction of housing programs at more modest levels of financial support than in the 1980s/early 1990s. However,

for new affordable rental housing to be created, it typically takes support and equity from a variety of sources to make a project financially viable.

At the Federal level of government there is the National Housing Strategy with 10 years of funding /financing commitments totalling over \$55 billion. Of most relevance for Central Elgin are the CMHC seed program and the National Housing Co-investment Fund. Both of these funds are available to non-profit as well as private sector developers of affordable housing.

Seed funding can provide a grant and an interest free loan - typically about \$1,000 of assistance per proposed new affordable unit - for the pre-development work such as creating a business plan, undertaking preliminary drawings and performing due diligence on a proposed housing site. A project must have a minimum of five units. An incorporated organization which is planning to create the new housing would apply for seed funding.

The Co-investment Fund provides a long term loan with below market interest rates (less than 2% in the fall of 2019) as well as the possibility of a small grant (about 5% of project cost).

In 2019 the provincial government announced both the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) to provide assistance in support of maintaining and expanding the supply of not for profit affordable housing.

The City of St. Thomas, as Service Manager will deliver these two programs and it will be important to look for any opportunities in Central Elgin to access these funds (either for new affordable housing or for potential repairs renovation to the existing non-profit building in Port Stanley. While there are multi-year commitments of funding, the amounts of funding under this initiative for the St. Thomas-Elgin County Service Manager area are modest, meaning it will be a challenge accessing any of this funding for Central Elgin.

These two streams of funding have also allowed St. Thomas to deliver a modest home ownership down payment assistance program which first time home-buyers in Central Elgin would be eligible for. It will be important for Central Elgin to publicize accessing these down payment funds to assist families to purchase their first home (to either remain in, or move to, Central Elgin)

Best Practices for Housing Assistance from Other Municipalities

The Long Term St. Thomas Social and Affordable Housing Strategy of 2018 detailed a variety of approaches by municipal levels of government - both from those municipalities who are service managers delivering housing programs as well as non-service manager municipalities in two tier municipal structures, including smaller population municipalities.

The types of assistance available varies across municipalities but most of the focus has been on relief from municipal fees and property tax increases when creating new affordable housing. With a few exceptions in the larger cities of Toronto and Ottawa, typically municipalities do not provide capital grants. However, many municipalities recognize that without the provision of some municipal financial incentives, new affordable housing would not be created. Therefore some municipalities see relief from municipal fees and property taxes as not actually losing revenue since without these financial supports the new affordable housing buildings would not be created and therefore there would not be any new municipal fees/revenue. Municipalities are also increasingly recognizing that new affordable housing is part of the required infrastructure needed to ensure a successfully operating community.

The municipal contributions to new affordable housing have included:

- Non-payment of development charges (sometimes through a long-term deferral of development charges)
- non-payment of municipal planning and building permit fees
- not increasing property taxes on a site when new affordable units are added (or phasing in property tax increases over a 10 - 20 year period)
- expedited processing of planning applications that have affordable housing units.

In many cases, municipalities (Peterborough, Cambridge, for example) have authorized affordable housing financial support through the creation of a Community Improvement Plan (CIP) which only provides for the affordable housing incentives in certain parts of the municipality that have access to services and infrastructure which are typically needed for persons residing in affordable housing.

In Central Elgin it would be appropriate to focus any municipal incentives for affordable housing in the designated urban settlement areas that the municipality is targeting for population growth.

It is also worth noting that in order to maximize the financial effectiveness of municipal financial assistance, there would need to be a parallel approach by the County of Elgin on its fees and charges for new affordable developments.

It is also worth noting that the recently passed Bill 108 permits municipalities to provide for a 20 year deferral of development charges for affordable non-profit housing.

One of the primary reasons for using CIPs rather than broad based policies is due Section 106 of the Municipal Act (2001) which prohibits municipalities from directly or indirectly assisting any manufacturing business or other industrial or commercial enterprises through the granting of certain financial incentives. These prohibited financial incentives includes:

- giving or lending money, or municipal property;
- leasing or selling any municipal property at below fair market value;
- guaranteeing borrowing; and
- giving a total or partial exemption from any levy, charge or fee.

Land

As mentioned above, the contribution of land for an affordable housing development can make a significant difference in improving the affordability of a new housing development. As part of a housing strategy there should be a full examination of the land holdings of both the Municipality and the County land holdings in Central Elgin to see if there are sites that would be appropriate (in the growth nodes, close to services) for consideration for a new housing development with the goal of having that land provided at no cost either through a transfer or long term lease. While the intensification of existing non-profit housing has been undertaken in some areas of Ontario but the one existing Kettle Creek non-profit site in Port Stanly appears to be fully utilized with building and parking spaces.

Land for affordable housing could also be identified through an invitation to community organizations, faith groups, service clubs and other not-for profit (or for profit) land owners to contribute land towards a new affordable housing development as has been done in other communities in Ontario.

Sponsor of Housing/Manager of Housing

If new affordable housing is to be developed, there needs to be a sponsor/owner of the new development as well as a plan for the provision of property management services.

While the Municipality could plan to develop on a second site in addition to the Kettle Creek site, there is also the potential for a new community non-profit organization to be incorporated to develop and own a new affordable housing development. There could also be a private sector developer of new affordable housing as has been done in other communities.

And there can be one organization develop and own the affordable housing while a separate property management organization (either private or non-profit) can be hired to provide property management services.

In order to try and encourage the development of new affordable housing, the Municipality could reach out to a variety of non-profit and private sector organizations by the Municipality sponsoring an information session about affordable housing. This session could include:

- information on financial assistance that could be available from all levels of government;
- solicit interest from organizations potentially interested in sponsoring or developing housing;
- gathering information on possible appropriate land in the community that could be made available/donated/leased for affordable housing.

Impact of Financial Incentives

If both Central Elgin as well as the County of Elgin did not require payment of development charges and no payment of property taxes for new affordable housing, it would allow the rents charged to be reduced by approximately \$150 per month. The affordability of the housing could further be improved (rents reduced) through the provision of land either from a community or service organization or through the municipality, at no cost. And affordability could be improved further through accessing the below market interest rates and modest grants available through the CMHC Co-investment Fund.

While providing financial incentives to housing developers encourage the development of affordable housing, it can also become an expensive cost for municipalities to incur. This section evaluates the impact of providing financial incentives on the development of affordable housing in Central Elgin.

To assess the impact of the aforementioned incentives, a conceptual pro forma was created for a 20 unit apartment building. The analysis evaluates the impact of the financial incentives on the total equity either a non-profit or private sector developer would need to produce a financially feasible project.

The pro forma included the following assumptions:

- All municipal fees are from 2019
- It is assumed that a Site Plan Application and Building Permit Application are required
- Soft costs are approximately 10% of the total construction budget and include costs related to building design, legal, financing and municipal fees and a contingency for cost increases or additional work;
- Construction costs are based on recently constructed projects

- HST of 13% is payable on all applicable expenses

For this project, it was assumed the project would receive a HST rebate for a non-profit

- Mixture of one and two bedroom units with rents at 100% and 80% of AMR in Central Elgin
- Mortgage has been assumed at 40-year amortization at 3.5% interest rate

The table below details the effect of the financial incentives on the equity per unit required. The equity reduction with when waiving the development charges results in a reduction of equity per unit by \$1,701 and with a property tax exemptions results in an equity per unit reduction of \$33,098.

These municipal actions would make a significant contribution to the creation of new affordable housing.

Table 1: Impact of Financial Incentives

Impact of Financial Incentives	
	Reduction in Equity Per Unit
Development Charges	\$1,701
Property Tax	\$33,098

Encouragement of Affordable Housing in New Housing Developments

While recent changes to provincial law have limited the concept of inclusionary zoning (requiring a portion of new housing development to have a portion of the residential units affordable) to large urban areas of the province with major public transit stations, there is still the potential for the Municipality of Central Elgin to use the language of its Official Plan to work with developers to encourage at least a portion of new residential developments to be affordable.

In some smaller municipalities (Cobourg, for example) planning staff have worked with some developers to ask how their developments can help meet the Official Plan affordable housing policy goals. In the case of Central Elgin, the Official Plan provides a progressive goal of having 21.4% of all new housing be affordable.

It is our understanding that Municipal staff have been raising the issue of creating some affordable units within larger private developments but have been meeting resistance from the private developers. If Central Elgin can offer municipal incentives as per recommendation 1.3 below and if Central Elgin can connect an affordable housing property manager with the developer for the affordable units, there may be more of an ability to successfully negotiate some affordable units within a development. Given the clear affordable housing development goal in the Central Elgin's Official Plan, the Council of Central Elgin (with support from the County of Elgin), should firmly require developments to do their part to achieve the Official Plan affordable housing goal.

Staff (supported by Council) of Central Elgin should continue to work with proposed new subdivisions and multi-residential/apartment developments to ask the proponents how their developments will help meet the affordable housing goals of the Official Plan. Those discussions (supported by firm backing of Council, combined with municipal incentives), should allow an opportunity to encourage and negotiate commitments from developers that would result in a portion of the development to be affordable.

Secondary Suites

While new affordable housing is often thought of in terms of developing a new apartment building or townhouse development, new affordable rental units can also be created through smaller scale intensification of existing housing stock. Adding an apartment within an existing single-family home, or through converting garage space to a second unit/apartment is often referred to as adding a secondary suite or second unit.

The provincial government has required municipalities to permit Secondary Suites in existing detached, semi-detached and row housing over the past few years. Central Elgin has provided for "Second Residential units" in its most recent Official Plan, setting the stage for welcoming new rental units. Central Elgin's OP on Second Residential Units also complies with the County of Elgin's Official Plan on second units.

The Central Elgin Official Plan also states: "An amendment to the comprehensive Zoning By-law will be implemented to put into effect the policies of this subsection."

In order to encourage more new rental second residential units, some of which will be affordable, Central Elgin should amend its zoning by-laws to clearly make second units "as of right" as long as they comply with Building and Fire codes. Having to go through a public hearing process of a minor variance application discourages home owners from moving forward with adding second units, or ,

unfortunately, sometimes results in home owners creating new units without permits, meaning the new units are not necessarily building code compliant or safe. A legal, inspected unit also ensures the municipality is aware of the unit's existence which is important for fire safety reasons, among others. However, once a new legal unit is created, it should not be subject to any additional licensing/inspection requirements/costs than other rental properties in the municipality.

Key considerations in the zoning-bylaw to encourage the creation of more second unit rental housing should include:

- Permitting second units in single detached, semi-detached and row/townhouse dwellings;
- Identifying which land use zones second units should be permitted in;
- Identifying locations where second units should not be permitted due to servicing capacity or natural hazard concerns;
- Maximum unit size;
- Location of second unit entrance and extent of exterior alterations to the principal dwelling permitted;
- Number of required parking spaces for the second unit (ideally no more than one extra space for the second unit);
- Conditions to permit tandem parking (e.g. min. driveway width); and
- Ensuring that all other provisions of the City's zoning by-laws are complied with.

To help generate awareness and interest among homeowners, it is recommended that Central Elgin creates an education program/educational materials on-line and in print that promotes the creation of second units in newly built and existing dwellings.

Additional efforts could also be applied to help encourage new home builders to make basements "ready" for second units (e.g. proper ceiling heights, adequate window sizes, plumbing rough-in's etc.) and educating prospective homeowners about the benefits of second units.

RECOMMENDED ACTIONS

Central Elgin – Recommended Actions		
Actions	Timelines	Associated Goal
1.1 Generate awareness and interest among homeowners by creating education programs that promote the creation of second units in newly built and existing dwellings	Short Term (1 year)	Goal: Increase the supply of rental housing
1.2 Central Elgin should update their zoning by-laws provide reasonable development standards for second units: <ul style="list-style-type: none"> ○ Identify locations where second units should not be permitted due to servicing capacity or natural hazard concerns ○ Require no more than one additional parking space for a second residential unit ○ Permit tandem parking (with min. driveway width and ensuring that all other provisions of the City’s zoning by-laws are complied with). ○ Flexibility with requirements for the provision of a second entrance ○ Minimum sizes should not be any larger than other minimum unit size requirements in the municipality 	Short – Medium Term (1-2 years)	Goal: Increasing rental housing for households with low incomes
1.3 Central Elgin should implement financial incentive options (and encourage the County of Elgin to similarly adopt financial incentive options) for affordable housing developments. These could include: <ul style="list-style-type: none"> ○ Waiving development approval fees ○ Waiving/deferring development charges and parkland fees ○ Tax increment financing over a long-period of time or property tax exemption 	Short – Medium Term (1 -2 years)	Goal: Encourage provision of affordable rental housing
1.4 Central Elgin should create a municipal housing facilities by-law and a Community Improvement Plan for affordable housing (with the goal of providing financial assistance), defining	Short term (1 Year)	Goal: Encourage the development of diverse housing stock

affordable housing as rental units with average rent (as reported by CMHC) or less		
1.5 Central Elgin should reach out to potential housing collaborators, including private developers and community groups, to identify underutilized and surplus land within Central Elgin which would be suitable for affordable rental housing	Short term (1 year)	Goal: Increasing rental housing for households with low incomes
1.6 Have the Municipality of Central Elgin and the County of Elgin to review their land holdings, and identify sites suitable for new multi-residential use and transfer (or provide a long-term lease) to the proponent of the new municipal housing	Short term (4 - 6 months)	Goal: Diversify Housing Stock
1.7 Host an affordable housing information session which would link rental housing proponents and first time home buyers to CMHC and Service Manager housing assistance programs. Ideally this will lead to a local champion/sponsor of new housing, to submit a seed application and access other existing CMHC programs and reach out to Service Manager about accessing potential capital funds	Short Term (4- 6 months)	Goal: create awareness of housing assistance programs, identify proponents of affordable housing
1.8 Improve Municipal Regulatory and Processing Tools (i.e. expedited processing and reducing parking requirement to 1:1 for new affordable housing)	Short Term (1 year)	Goal: Encourage provision of affordable rental housing
1.9 Have Central Elgin Council provide clear direction to Municipal Staff to require a portion of all new housing developments include a portion of units as affordable in order to meet the Official Plan Goal. This requirement should be combined with incentives in recommendation 1.3	Short-Medium Term (2 months –to 5 years)	Goal: Encourage provision of affordable rental housing

CONCLUSION

Given the current and emerging housing gaps within Central Elgin, the housing needs assessment identified key areas that need to be addressed: a need for a more diverse housing supply which will better address the housing need for residents of Central Elgin and an increase in purpose built rental housing to address an aging population looking to downsize.

In addition, this strategy has recommended a total of 9 actions to help address these housing gaps. These actions include providing financial incentives and expanding on policy/planning strategies to encourage the development of affordable housing.