

Elgin County Housing & Homelessness Needs Assessment

Final Report – October 25, 2021

Prepared for the Homelessness Coalition of West Elgin & Dutton Dunwich
on behalf of the West Elgin Community Health Centre
by Tim Welch Consulting Inc. (TWC)



West Elgin
Community
Health Centre



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1 Executive Summary

This Housing and Homelessness Needs Assessment Report was commissioned by the West Elgin Community Health Centre (WECHC) on behalf of the Dutton Dunwich West Elgin Housing Stability Coalition and funded by St. Thomas Elgin Social Services. The goal of the report is to better understand the short, medium, and long-term needs for housing and homelessness in the rural municipalities of Elgin County, Ontario.

Challenging housing conditions arising from demographic shifts and steep market inflation due to the COVID-19 pandemic have escalated the need to build awareness and facilitate action on the need for safe, affordable housing. Tim Welch Consulting Inc. (TWC) was retained by WECHC to:

- Analyze housing and homelessness needs in the rural municipalities of Elgin County
- Conduct stakeholder interviews
- Develop recommendations to address housing and homelessness needs

An overview of findings and recommendations is presented below.

1.1 Housing and Homelessness Needs Assessment

1.1.1 Demographic Trends

Demographic analysis points to several key factors that will influence affordable housing needs in the future. Even before the COVID-19 pandemic, availability of affordable housing was a growing problem in Elgin County. While the population of the county grew only 1.7% in the decade between 2006 and 2016, the waitlists for subsidized housing in a similar 10-year period increased from 160 applicants (2007) to 374 (2017), and from 374 applicants in 2017 to 1,014 applicants in 2021. Since the pandemic, the cumulative impact of several key demographic factors will create much more demand for affordable housing.

In 2016, 83% of households in the county owned their own homes, which is substantially higher than the provincial average of 70%. Because home ownership was historically attainable for moderate income residents of the county, very little purpose-built rental housing was constructed over the past 30 years.

Current vacancy rates for rental housing are already very low, and according to 2016 census data, renters are more cost-burdened than owners. The number of smaller households and the number of seniors is increasing at a more rapid pace than the general population in the county. This demographic shift translates to a greater demand for smaller dwellings and rental units as seniors look to downsize in future.

1.1.2 Housing Supply Trends

Pressure on housing has increased sharply and dramatically in the two years since the beginning of the COVID-19 pandemic. Unprecedented numbers of home buyers moved from larger cities into smaller Ontario communities, resulting in a steep rise in real estate prices. Home prices have doubled across the county in the past five years, with average sales price increase of 145% in comparison to 9.5% inflation in the same period. Many moderate-income households who might have afforded home ownership before 2019 will no longer be able to purchase a home and seek rental housing instead. Furthermore, many landlords who previously rented out single-family homes have chosen to sell homes because of inflated values.

Numerous tenants have received notices of eviction but have found few places to move to with current advertised rents significantly higher than the reported Canadian Mortgage Housing Corporation (CMHC) average.

A review of housing development currently in the planning phase finds that almost no purpose-built rental housing is planned for construction in Elgin County for the foreseeable future. There are thousands of market-rate homes in various stages of planning, and this supply should be more than adequate to meet the demands of projected influx of population. However, without new rental housing, the shortage of affordable housing that meets the needs of residents will become acute.

1.2 Stakeholder Interviews

Stakeholders confirmed that waitlists for affordable units are increasingly long, and all expressed concern about the shortage of rental units across the county. As most county-run affordable housing is located in St. Thomas, some feel that rural areas are underserved, noting that homelessness, although less visible, is a growing concern in rural parts of the county. Some interviewees are concerned about housing for seniors, while others are wondering about housing options for younger families and newcomers. There was agreement that the creation of affordable rental housing is the most urgent priority for Elgin County.

1.3 Recommendations

Ten (10) recommendations on housing policies, housing services, and community involvement are made to help meet housing and homeless needs in Elgin County.

Area	Recommendation	Parties Involved
Policy	1. Include a requirement for affordable housing as a percentage of development in municipal Official Plans. Ensure 'affordability' is defined.	<ul style="list-style-type: none"> Area Municipalities County of Elgin
	2. Amend zoning by-laws to support housing supply through upzoning and increased multi-residential permissions	<ul style="list-style-type: none"> Area Municipalities
	3. Support and promote the creation of Second Units for new and existing development	<ul style="list-style-type: none"> Area Municipalities Development Community
	4. Explore municipal incentives to support the creation of affordable housing: <ul style="list-style-type: none"> Non-payment of municipal fees Property tax exemptions 	<ul style="list-style-type: none"> Area Municipalities County of Elgin Private & Non-Profit Builders
	5. Develop a policy to review municipal and County land for housing suitability prior to selling it on the general market	<ul style="list-style-type: none"> Area Municipalities County of Elgin
Services	6. Advocate for increased funding to support both urban and rural areas: <ul style="list-style-type: none"> Capital and support services Direct financial support for those in need 	<ul style="list-style-type: none"> Area Municipalities Municipal Service Manager Federal & Provincial Governments Community Agencies
	7. Explore opportunities to increase rural transit and introduce virtual supports	<ul style="list-style-type: none"> Area Municipalities Municipal Service Manager County of Elgin Community Agencies
Community	8. Use planning and legislation tools and community engagement, communication, and education to address community concerns	<ul style="list-style-type: none"> Municipalities Municipal Service Manager Community Agencies Housing Stability Coalition
	9. Approach community groups and non-profits to see if they have land suitable for housing	<ul style="list-style-type: none"> Housing Stability Coalition Community Agencies
	10. Work with community organizations to develop affordable housing proposals for specific sites to prepare for future proposal calls for government funding	<ul style="list-style-type: none"> Housing Stability Coalition Community Agencies

1.3.1 Policy Recommendations

1. Include a requirement for affordable housing as a percentage of development in municipal Official Plans. Ensure 'affordability' is defined.

While some municipal Official Plans have defined targets for creating affordable housing, others have not mentioned specific goals or created clear definitions to guide decision making. It is recommended that a specific target of 20% of future development become a standard target across municipalities and ensure that affordability is defined.

2. Amend zoning by-laws to support housing supply:
 - a. Upzoning to increase density and multi-unit residential permissions
 - b. Reduce parking requirements

To meet these targets, zoning by-laws can be amended to support the development of affordable housing. Two strategies are proposed:

- Upzoning for increased density and multi-residential permissions to increase the variety where affordable housing can be created.
- Reduce parking requirements to lower development costs and increase the amount of land available for affordable dwelling units on a site

3. Support and promote the creation of Second Units for new and existing development

As-of-right second unit permissions are a way to meet the demands for more rental dwellings in urban and rural areas of the county. Zoning by-laws should be quickly updated to reflect provincial legislative changes that remove barriers to creating second units in residential dwellings. Municipalities should educate developers and homeowners about the benefits of second units through a marketing and awareness strategy.

4. Explore municipal incentives to support the creation of affordable housing:
 - a. Capital funding and grants
 - b. Development fee waivers/exemptions
 - c. Leveraging municipal land
 - d. Fast-track planning approvals

A variety of incentives can support the development of affordable housing by lowering capital and operating costs. Funding/grants and fee waivers/exemptions can assist with the capital and operating costs of development. These include tax incentives, development charge exemptions, permit and application fee waivers, levy exemptions, capital funding grants, forgivable loans and leveraging municipal land. Programs that fast-track zoning amendments or variances, speed up site plan and building permit approvals, support density bonuses or provide parking relief can also improve project feasibility.

5. Develop a policy to review municipal and County land for housing suitability prior to selling it on the general market

Providing surplus municipal land at low or no cost can increase project viability by significantly lowering capital costs for affordable housing proponents. Municipalities may choose to either sell the land outright or lease the land at a nominal amount for the purposes of affordable housing. As part of the terms of sale or lease, a municipality may dictate that the land be used for affordable housing for a set number of years.

1.3.2 Service Recommendations

6. Advocate for increased funding to support both urban and rural areas:
 - a. Capital and support services
 - b. Direct financial support for those in need
7. Explore opportunities to increase rural transit and introduce virtual supports

Local councillors and community agencies should advocate for increased funding in support of housing and support services, including transportation, as well as direct financial support to those in need.

Rural municipalities face particular challenges in meeting the needs of low-income residents and those in need of social support. Lack of adequate transportation is a particular challenge for clients who live far from centralized services. For residents who do not have access to cars or wish to reduce the expense of car ownership, rural transportation programs can ensure they have access to services and amenities and maintain contact with friends and in larger centres.

Additionally, expansion of service programs such as those offered by the West Elgin Community Health Centre or the Family Central Apartments would be beneficial in more rural communities. Technology can also improve connections, enabling rural residents to meet with support workers virtually.

1.3.3 Community Recommendations

8. Use planning and legislation tools and community engagement, communication, and education to address community concerns

One of the most common barriers to the development of affordable housing is resistance from residents who protest change, or who do not want rental housing, supportive housing, or higher-density residential development in their neighbourhood. There is an array of approaches to foster inclusive community-building and address concerns. First, the public can be engaged in planning for affordable housing well in advance of proposed development. Enabling zoning can be established upstream of development to ensure more suitable sites and wider distribution of affordable housing. When site plan approvals for affordable housing do not require amendments, opponents are not able to block housing projects, and variances and zoning amendments are the most common vehicle for negative public responses. Finally, municipalities foster an inclusive milieu for housing development of varied form and tenure across all neighbourhoods.

9. Approach community groups and non-profits to see if they have land suitable for housing

Finding suitable land is both one of the biggest challenges for affordable housing development as well as one of the largest capital costs. Community groups and non-profits often have land suitable for housing and may be willing to work with affordable housing proponents to offer the land at low or no cost, positively impacting project viability. It is recommended housing proponents including the Housing Stability Coalition approach community groups and non-profits in Elgin County to inquire about the availability of land suitable for housing. If land is identified, housing proponents can work with the groups directly or facilitate discussions with developers to create affordable housing proposals for the site(s) (see Recommendation 9).

10. Work with community organizations to develop affordable housing proposals for specific sites to prepare for future proposal calls for government funding

Government funding proposals for affordable housing often have short timelines both for applications as well as building completion for funding to be awarded. For example, the federal

Rapid Housing Initiative requires developments to be occupied within a year of funding being awarded. Further to recommendation 8, it is recommended the Housing Stability Coalition work with local community organizations to develop affordable housing proposals for specific sites to prepare for future proposal calls for government funding. Important information to have 'ready to go' includes the development size, required planning approvals, and high-level capital and operating budgets. CMHC Seed funding can be used to fund some of this preliminary work including geotechnical reports, architectural drawings, and engineering studies.

2 Introduction

This Housing and Homelessness Needs Assessment Report was commissioned by the West Elgin Community Health Centre (WECHC) on behalf of the Dutton Dunwich West Elgin Housing Stability Coalition and funded by St. Thomas Elgin Social Services. The goal of the report is to better understand the short, medium, and long-term needs for housing and homelessness in the rural municipalities of Elgin County, Ontario.

Challenging housing conditions arising from demographic shifts and steep market inflation due to the COVID-19 pandemic have escalated the need to build awareness and facilitate action on the need for safe, affordable housing. Tim Welch Consulting Inc. (TWC) was retained by WECHC to undertake an analysis of housing and homelessness needs in the county and develop recommendations to address them. TWC conducted a demographic analysis, scanned the current rental and ownership landscape, identified existing social and non-profit housing in the county, and explored housing development in planning. TWC consulted with local stakeholders to understand and analyze current conditions and future trends in order to provide a basis for future funding strategies, examined the theoretical foundations and unique challenges of rural homelessness and highlighted policy items relevant to current Official Plan reviews occurring throughout the county. New approaches and action items for meeting housing needs are suggested with opportunities across all municipalities, including Aylmer, Bayham, Central Elgin, Dutton Dunwich, Malahide, Southwold, and West Elgin.

2.1 About the Housing Stability Coalition

The Housing Stability Coalition for West Elgin and Dutton Dunwich was created in December 2020 to address issues of homelessness in western Elgin County. It includes representatives from the West Elgin Community Health Centre, local municipal councillors and staff, and other community members.

2.2 About West Elgin Community Health Centre

The West Elgin Community Health Centre (WECHC) provides health and social services that are accountable, accessible, efficient, and governed by the community. It is part of a strong network of community health centres (CHCs) across Ontario committed to building healthy communities. The WECHC interdisciplinary team provides primary health care, a range of community programs, illness prevention services, and health promotion services primarily to the residents of Dutton Dunwich and West Elgin municipalities.

2.3 About Tim Welch Consulting Inc. (TWC)

Tim Welch Consulting Inc. (TWC) is a full-service housing research, planning, and development firm that has helped clients achieve their affordable housing goals since 2003. TWC is an expert in policy, advocacy, and the creation of affordable housing, and works with community-based housing organizations, private sector developers, municipalities, and other groups interested in innovative affordable housing options. TWC has previously worked in Elgin county on the Housing and Homelessness Needs Assessment (2013) and Long-Term Elgin Affordable & Social Housing Strategy (2018) for St. Thomas-Elgin. and more recently a Housing Strategy for the Municipality of Central Elgin (2019).

3 Elgin County

Elgin County is an upper-tier municipality located in southwestern Ontario along the north shore of Lake Erie. It consists of the following lower-tier municipalities and townships:

Table 1 - Elgin County Municipalities and Populations (2016) (Source: Statistics Canada)

Area	Municipality/Township	Population (2016)
Aylmer	Town	7,492
Bayham	Municipality	7,396
Central Elgin	Municipality	12,607
Dutton Dunwich	Municipality	3,866
Malahide	Township	9,292
Southwold	Township	4,421
West Elgin	Municipality	4,995
Total		50,069

The county seat is located in St. Thomas, which is within the geographic boundary of the county but a separate single-tier municipality. The City of St. Thomas is also the municipal service manager that oversees affordable housing projects in St. Thomas and Elgin County. Service managers use federal, provincial, and municipal funds to establish, administer, and fund housing and homelessness programs and services, as well as provide housing directly.

A Note on Data and Geography

Statistics Canada data for Elgin County includes both the City of St. Thomas and the seven rural municipalities. Throughout this report, where possible, data was disaggregated to separate the seven rural municipalities from St. Thomas, and the term “Elgin County” is used to refer to the rural municipalities. Data that could not be disaggregated and includes St. Thomas data is noted.



Figure 1 - Map of Elgin County (Source: West Elgin Community Health Centre)

4 Defining Homelessness

This report uses the Canadian Observatory of Homelessness definition of homelessness as:

“the situation of an individual, family or community without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. It is the result of systemic or societal barriers, a lack of affordable and appropriate housing, the individual/household’s financial, mental, cognitive, behavioural or physical challenges, and/or racism and discrimination. Most people do not choose to be homeless, and the experience is generally negative, unpleasant, unhealthy, unsafe, stressful and distressing.”

There are four types of homelessness included in this definition:

1. **Unsheltered**, also called “absolute” homelessness, includes those living on the streets or in places not intended for human habitation
2. **Emergency Sheltered** includes those staying in overnight shelters for people who are homeless, as well as shelters for those impacted by family violence
3. **Provisionally Accommodated** refers to those whose accommodation is temporary or lacks security of tenure
4. **At Risk of Homelessness** refers to people who are not homeless, but whose current economic and/or housing situation is precarious or does not meet public health and safety standards

A person may be **chronically homeless**, meaning homeless for six months or more over a year, or **episodically homeless**, meaning someone who experienced three or more episodes of homelessness in the past year. The Observatory notes that homelessness is a fluid experience, not a static state, and that shelter circumstances may change over time.

4.1 Hidden Homelessness

Hidden homelessness falls under “provisionally accommodated” and refers both to people living temporarily with others without guarantee of continued residency or those accessing short-term, temporary rental accommodations without security of tenure. Examples of this type of homelessness include “couch surfing”, staying with friends, family, or strangers (out of necessity and often rent-free), and living in motels, hostels, or rooming houses. People in these situations typically do not access homelessness supports or services. As a result, they are not included, or “hidden”, from formal homelessness statistics, which are typically based on support and service usage.

It is difficult to accurately estimate the number of people experiencing hidden homelessness. Other data may be used as a proxy for hidden homelessness including:

- Community health centre visits
- Food bank usage
- Participation in drop-in programs
- Emergency department visits
- Households in core housing need
- Vacancy rates
- Subsidized housing waitlists
- Number of households receiving social assistance recorded as having “no fixed address”

5 Rural Homelessness

Though typically thought of as an urban phenomenon, homelessness is also present in rural communities. While the reasons for rural homelessness are largely the same as urban homelessness – lack of rental housing, poverty, discrimination, violence, mental health, and substance use – rural communities face the following distinct challenges:

1. **Homelessness in rural communities is generally hidden**; fewer homeless services and supports in rural areas makes it difficult to identify homelessness populations
2. **Greater travel distances** make it difficult to access services and supports without a private vehicle; **public transit** may be limited, unreliable, or non-existent
3. Closer-knit communities and a lack of anonymity in rural areas may lead to **increased stigma** related to homelessness
4. There are generally **fewer housing options** in rural areas due to less development and the predominance of single-family homes; less expensive rents compared to urban areas may be offset by a higher cost of living

Research into rural homelessness found that people experiencing homelessness in rural areas use informal networks for help, including couch surfing or neighbours. Rural homelessness also disproportionately affects women, children, and Indigenous residents, the latter of which do not have access to culturally sensitive supports.

There are no accurate reports of how many people are homeless in rural Canada. There is a small body of literature on rural homelessness, however most of this work focuses on discrete communities in disparate parts of the country making it difficult to draw generalizable conclusions. Rural poverty and households in core housing need data may be used as proxies to estimate the incidence of rural homelessness in the absence of formal homelessness data.

6 Estimating Homelessness in Elgin County

Like in other rural areas, estimating homelessness in Elgin County is difficult. Findings from previous homelessness reports as well as key data indicators are described below. Homelessness counts, surveys, and shelter stays should be considered minimums due to the nature and prevalence of hidden homelessness in rural communities.

6.1 Formal Homelessness Reports

- A 2018 Homeless Enumeration Report completed for the City of St. Thomas and Elgin County identified 159 people experiencing homelessness over the course of a week in April. Of those, 109 were experiencing imminent or literal homelessness, 33 were dependent children of parents/guardians experiencing homelessness, and 17 were staying in an emergency women's shelter. Fifty percent (50%) reported experiencing hidden homelessness, 36% reported experiencing sheltered homelessness, and 6% reported experiencing unsheltered homelessness. The report did not specify where in St. Thomas or Elgin County these counts took place.
- A 2019 report on women's homelessness in St. Thomas and Elgin County surveyed 60 women with lived experience with homelessness. Thirty-eight respondents (60%) were currently homeless, 24 respondents (40%) reported staying in emergency shelters and/or provisional accommodations, and 16 respondents (26%) were chronically homeless (experiencing homelessness for more than six months).

6.2 Shelter Stays

- The Inn Out of the Cold shelter (located in St. Thomas) serving St. Thomas and Elgin County reported serving 63 unique individuals in February 2021. Shelter staff reported this was a typical number of people served over the course of a month. The shelter served 160 unique individuals from April to December 2020. Of these, 17 people stayed at the shelter for more than 90 days, which may indicate chronic homelessness. Most guests do not identify as being from Elgin County, though this may be because they do not know the political boundaries or for fear of being turned away due to the misconception the shelter is for residents of St. Thomas only.

6.3 Other Indicators

- **Core housing need**
Core housing need is an indicator used by Statistics Canada and CMHC to measure the suitability of a household's current housing based on three factors: adequacy (requiring repairs), suitability (enough bedrooms for the size/composition of the household), and affordability (spending 30% or less of income on housing costs). A household in core housing need, particularly if that need is affordability, is at greater risk of becoming homeless. There are 1,270 households (7%) in core housing need in Elgin County, 980 of which are in core housing need based on affordability.
- **Vacancy rates**
Low vacancy rates make it difficult for those currently experiencing homelessness or at risk of homelessness to find accommodation. A 3% vacancy rate is generally considered to be an acceptable balance between supply and demand for rental accommodation by housing analysts. CMHC does not report County-wide rental data, but St. Thomas data can be used as a proxy. The most recent St. Thomas CMHC data shows a vacancy rate of 0.0% for bachelor units, 2.2% for 1-bedroom units, and 0.3% for two-bedroom units.
- **Subsidized housing waitlist**
Large numbers of applicants for subsidized housing and long waitlist times can both prolong the length of time an individual remains homeless or cause someone to fall into homelessness. The number of waiting list applicants for subsidized housing St. Thomas-Elgin County grew from 374 applicants in 2017 to 1,014 applicants in 2021 representing a growth of +171%. Of the 1,014 applicants, 82 applicants are living in Aylmer, 118 are living elsewhere in Elgin County, and 550 are living in St. Thomas. The current waitlist time for a subsidized housing unit is between two to nine years.
- **Number of households receiving social assistance**
Residents receiving shelter allowances are at risk of homelessness if rents rise beyond what they can afford. In 2020, the average number of households in receipt of Ontario Works per month was 1,282. The average number of households in receipt of Ontario Disability Support Program was 2,811. An analysis of shelter allowances and affordable rents is presented later in this report.

7 Affordable Housing

7.1 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.

THE HOUSING CONTINUUM



Figure 2 - The Housing Continuum (Source: CMHC)

7.2 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.

7.2.1 Provincial Definition

To provide guidance on how municipalities should define affordable housing within their respective planning policies, the Provincial Policy Statement (2020) 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

Elgin County has adopted this definition of affordable housing in its Official Plan.

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.

7.2.2 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.

7.2.3 Affordable Housing Definition per Housing programs

It is important to note the definition of affordable housing in the Provincial Policy Statement (2020) 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 \$639 under this program while a two-bedroom would be \$789 per month. It should be noted that these rents mostly reflect rents in St. Thomas due to the larger number of rental units compared County municipalities/townships.
2. Similarly, the National Co-investment Program operated by CMHC defines affordability as such: 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.

7.3 Practical Applications of Affordable Housing Definitions

It is important to understand the practical application of affordable housing definitions. In many cases, rents that meet formal affordability criteria may still be out of reach for many people.

7.3.1 Affordable Rental

Table 2 presents affordable rents for one- and two-bedroom units based on federal, provincial, and municipal definitions of affordability outlined in Section 1. Table 3 shows the income required to afford average market rents where no more than 30% of pre-tax income is spent on rent.

Table 2 - Affordable Rents for One- and Two-Bedroom Units Based on Federal, Provincial, and Municipal Definitions (Source: CMHC)

	100% Average Market Rent (AMR)	80% Average Market Rent (AMR)	100% Median Market Rent (MMR)	80% Median Market Rent (MMR)
1-bedroom	\$799	\$639	\$760	\$608
2-bedroom	\$986	\$789	\$954	\$763

Table 3 - Income Required to Afford Average Market Rents

	A	$B = (A / 0.3) \times 12$	C	$D = (C / 0.3) \times 12$
	100% Average Market Rent (AMR)	100% Average Market Rent Income Required	80% Average Market Rent (AMR)	80% Average Market Rent Income Required
1-bedroom	\$799	\$31,960	\$639	\$25,560
2-bedroom	\$986	\$39,440	\$789	\$31,560

7.3.2 Ontario Works (OW) & Ontario Disability Support Pension (ODSP)

Both Ontario Works (OW) and the Ontario Disability Support Pension (ODSP) provide a monthly shelter allowance based on household/family size (Table 4). With the exception of a couple living in a 1-bedroom unit at 80% AMR and a couple with a child living in a 2-bedroom unit at 80%, these monthly amounts do not cover the cost of any average rental unit in Elgin County (Table 5).

Table 4 - OW and ODSP Monthly Shelter Allowances

Household Size (OW/ODSP)	Monthly Shelter Allowance	
	OW	ODSP
1-person household/1-unit benefit	\$390	\$497
2-person household/2-unit benefit	\$642	\$781
3-person household/3-unit benefit	\$697	\$846
4-person household/4-unit benefit	\$756	\$918
5-person household/5-unit benefit	\$815	\$991
6+ person household/6+ unit benefit	\$844	\$1,026

Table 5 - Affordable Rents and OW/ODSP Shelter Allowances

	A	B						
	1 bedroom	2 bedroom						
100% Average Market Rent	\$799	\$986						
80% Average Market Rent	\$639	\$789						
	C	D	E	F	G = C - A	H = D - B	I = E - A	J = F - B
	OW Shelter Allowance - Single	OW Shelter Allowance - Single w/ Child	OW Shelter Allowance - Couple	OW Shelter Allowance - Couple w/ Child	Surplus/ Shortfall - Single	Surplus/ Shortfall - Single w/ Child	Surplus/ Shortfall - Couple	Surplus/ Shortfall - Couple w/ Child
1 bedroom - 100% AMR	\$390	n/a	\$642	n/a	(\$409)		(\$157)	
1 bedroom - 80% AMR	\$390	n/a	\$642	n/a	(\$249)		\$3	
2 bedroom - 100% AMR	n/a	\$642	n/a	\$697		(\$344)		(\$289)
2 bedroom - 80% AMR	n/a	\$642	n/a	\$697		(\$147)		(\$92)
	K	L	M	N	O = K - A	P = L - B	Q = M - A	R = N - B
	ODSP Shelter Allowance - Single	ODSP Shelter Allowance - Single w/ Child	ODSP Shelter Allowance - Couple	ODSP Shelter Allowance - Couple w/ Child	Surplus/ Shortfall - Single	Surplus/ Shortfall - Single w/ Child	Surplus/ Shortfall - Couple	Surplus/ Shortfall - Couple w/ Child
1 bedroom - 100% AMR	\$497		\$781		(\$302)		(\$18)	
1 bedroom - 80% AMR	\$497		\$781		(\$142)		\$142	
2 bedroom - 100% AMR		\$781		\$846		(\$205)		(\$140)
2 bedroom - 80% AMR		\$781		\$846		(\$8)		\$57

7.3.3 Fixed-Income Seniors

Seniors are eligible for up to the following monthly benefit allowances:

Table 6 - Seniors Maximum Monthly Benefits

	Maximum Monthly Payment	
	Single	Couple
Old Age Security (OAS)	\$626	\$1,252
Guaranteed Income Supplement (GIS)	\$935	\$1,126
Guaranteed Annual Income System (GAINS)	\$83	\$166
Total Maximum Benefit	\$1,644	\$2,544

At these allowances, rent for a one-bedroom unit would not be considered affordable for a single senior at either 100% AMR or 80% AMR, but would be for a senior couple (Table 7).

Table 7 - Affordable Rents and Seniors Monthly Benefits

	A	B	C	D = B / A	E = C / A
	Maximum Seniors Monthly Benefits	100% Average Market Rent (AMR)	80% Average Market Rent (AMR)	% of Benefit Spent on Rent (100% AMR)	% of Benefit Spent on Rent (80% AMR)
		1-bedroom Unit			
Singles	\$1,644	\$799	\$639	49%	39%
Couples	\$2,544	\$799	\$639	31%	25%

7.3.4 Affordable Ownership

House prices and salaries that would permit a household to purchase a house based on definitions of affordability were calculated using the following assumptions:

- Households spending 30% of income on accommodation costs (mortgage, taxes, utilities)
- Annual interest rate: 4%
- Term: 30 years
- Down payment: 20%¹

The lowest 60 percent of household income distribution in Elgin County is annual incomes below \$90,000. Table 8, below, presents what would be considered affordable ownership prices for each income level up to \$90,000, including a two-person household with both members earning minimum wage. It should also be noted that a household earning under \$30,000 annually is very unlikely to qualify for a mortgage without a wealthier guarantor.

Table 8 - Affordable Ownership Prices for Income Levels up to \$90,000

Annual Household Income	Affordable Ownership Price
\$90,000	\$422,325
\$80,000	\$375,400
\$70,000	\$328,475
\$60,000	\$281,550
\$57,400 (two-person full-time minimum wage household)	\$269,350
\$50,000	\$234,625
\$40,000	\$187,700
\$30,000	\$129,935

Based on 2021 MLS sales data, the average price of a house in Elgin County is \$649,117. A household income of \$138,331 is required to purchase a home at that price.

¹ Down payments of less than 20% trigger CMHC mortgage insurance requirements

8 Housing Needs Assessment

8.1 Population Trends and Projections

It is important to examine population and household characteristics when evaluating the housing needs within a community. Key findings are presented below. Unfortunately, the most recent census data available for analysis is from 2016 and may be out of date. Updated census data is expected in early 2022.

8.1.1 Population

The population of Elgin County grew 1.7% from 2006 to 2016. Bayham (9.9%), Aylmer (6.0%), and Malahide (5.3%) experienced the greatest population growth while West Elgin (-6.6%), Southwold (-6.4%), and Central Elgin (-0.9%) all experienced a population decline. The population of Elgin County/St. Thomas grew by 4.2%.

Table 9 - Population Change in Elgin County (2006 to 2016) (Source: Statistics Canada)

Municipality/Township	2006	2011	2016	Absolute Change	% Change
Aylmer	7,069	7,151	7,492	423	+6.0%
Bayham	6,727	6,989	7,396	669	+9.9%
Central Elgin	12,723	12,743	12,607	-116	-0.9%
Dutton Dunwich	3,821	3,876	3,866	45	+1.2%
Malahide	8,828	9,146	9,292	464	+5.3%
Southwold	4,724	4,494	4,421	-303	-6.4%
West Elgin	5,349	5,157	4,995	-354	-6.6%
Grand Total	49,241	49,556	50,069	828	+1.7%

Where possible, population projections have been collected from municipal documents (Official Plans, development charges studies, etc.) for this report. The long-term effects of the COVID-19 pandemic on these projections is unknown. Table 10 below presents the data collected to date.

Table 10 - Population Projections for Elgin County Municipalities/Townships

	Current and Historic Populations				Population Projections					Document
	2016	2019	2020	2029	2031	2034	2039	2041	2045	
Aylmer	7,492									
Bayham	7,396									
Central Elgin	12,607					15,225				Municipality of Central Elgin 2017 Development Charges Update Study
Dutton/Dunwich	3,866									
Malahide	9,292	9,820		10,780			11,450		11,869	Background Report & Recommendations Township of Malahide Official Plan Update
Southwold	4,421							6,640		Township of Southwold Official Plan Review
West Elgin	4,995		5,100		5,700				6,400	Municipality of West Elgin New Official Plan Background Review, Sept. 2021
St. Thomas	38,909									
Elgin County	50,069		52,444		56,986					Elgin County Development Charges Report 2021

8.1.2 Age

Changes in population track with the median age. The fastest growing municipalities also have the lowest median ages (Bayham: 34.3 years, Aylmer: 39.3 years, Malahide: 35.6 years) while the municipalities with declining populations had the oldest median populations (West Elgin: 48.7 years, Southwold: 44.7 years, Central Elgin: 47.4 years).

Persons aged 55 and above are the fastest growing age demographic. From 2006 to 2016, the number of 65+ seniors in Elgin County increased by 31% and the number of persons aged 54 to 65 increased by 23%. This is comparable both with Elgin County/St. Thomas (18% and +35%) and the Province of Ontario as a whole (17% and +36%). For comparison, Rural Elgin County saw a 23% decrease in persons aged 35 to 44 and 6% decrease in persons aged 0 to 19.

8.2 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.

8.2.1 Number of Households

There were 18,390 households in Elgin County in 2016 representing an increase of 5.3% from 17,470 households in 2006. The percentage increase in the number of households outpaced the percentage increase in population due to decreasing household size.

8.2.2 Household Size

Two-persons made up the largest proportion of households in Elgin County in 2016 (38%), followed by one-person households (21%). This is similar to Ontario as a whole (1-person: 26%, 2-person: 33%). One-person households had the highest growth of all household sizes between 2011 and 2016, increasing by 12%. Two-person households grew by 6% while four-person decreased by 6%. This points to increasingly smaller household sizes in the County.

8.2.3 Household Type

In 2016, couples with children made up 42% of all households in Elgin County followed by couples without children (34%) and one-person households (21%). The greatest increases between 2011 and 2016 were one-person households (+11%) and multi-family households (+5%). Multi-family households in the census data refers to households that consist of two or more census families. An increase in this number of households may suggest that families are co-habiting in Elgin County. Finally, households with children decreased by 1% over the same time period.

8.2.4 Household Tenure

In 2016, 83% of households in Elgin County owned their homes while renter households made up 17% of all households. Across Ontario, 70% of households owned their homes while 30% of households were renters. The minimal change in the proportion of owner and renter households in Elgin County over the last ten years indicates Elgin County 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.

8.2.5 Core Housing Need

Core Housing Need is an indicator used by Statistics Canada and the CMHC to measure the suitability of a household's current housing based on three factors:

- **housing adequacy**— physical condition of the dwelling and whether it is in need of repairs;
- **housing suitability** – whether a dwelling has enough bedrooms for the size and composition of a household; and
- **housing affordability** – refers to the amount of a household's monthly income that is spent on housing. Households spending 30% or more of their monthly income on housing costs are said to have an affordability problem.

A household is considered to be in core housing need if its housing does not meet one of more of the three criteria AND it would be unaffordable (spending more than 30% of income on housing) to move to an adequate or suitable dwelling.

According to 2016 census data, there are 1,270 households in Elgin County in core housing need, representing 7% of all households. Of these, 980 households are in core housing need based on affordability criteria. More broadly, 2016 census data shows 3,200 households or 17% of all households spending more than 30% of their income on housing though, as noted above, not all may be in core housing need. Renters appear to be more cost burdened than owners, with 32% reporting spending more than 30% of before-tax income on housing compared to 15% of owners. Both percentages suggest a significant need for more affordable rental units.

9 Housing Supply Analysis

9.1 Overall Housing Supply

There are 18,065 dwellings in Elgin County based on 2016 census data. Single-detached dwellings are the primary housing stock in constituting 90% of all dwellings in the area. This is much higher share compared to Ontario where only 54% of housing stock is detached dwellings. 54%. Apartments in Elgin County currently represent only 6% of the housing stock and are primarily located in Aylmer, Central Elgin, and West Elgin. The remaining 4% of dwellings consist of row housing, semi-detached housing, and other (e.g., movable housing).

Housing stock is aging. Almost 40% of all dwelling units were built before 1960, while 96% of units were built prior to the year 2000. Aging stock is often in poorer condition and has higher maintenance costs, which may make housing less suitable or affordable. It is also more likely to be redeveloped. Aging affordable housing is less likely to remain affordable following redevelopment.

Current analysis indicates households are becoming more diverse in terms of housing need. Elgin County 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.

9.2 Summary of Planned Development: Housing Opportunities

A review of upcoming development projects provides an overview of future housing trends in Elgin County, excluding St. Thomas. Although not an exhaustive study, private and non-profit development in West Elgin, Dutton Dunwich, Southwold, Central Elgin, and Aylmer were scanned. Malahide and Bayham reported no significant development plans due to lack of servicing.

The intention of this broad glimpse at housing in planning is to understand future directions. The overview shows a pronounced trend of housing providers building market rate housing for homeowners. The number of purpose-built rental buildings planned outside of St. Thomas is negligible.

There are plans in place, either in the early phases of construction or planned for the future, for more than 1,200 single family detached homes (plus any individually built homes), 180 semi-detached, 216 townhouses, and 520 condo apartments that are planned to be sold at market-rate values to homeowners. There are also hundreds more single-family homes in “unofficial” stages of planning. There are 39 rental apartments and 120 units of supportive seniors’ apartments, of which only 28 are known to be designated as affordable housing.

It is important to note that it is beyond the scope of this study to have uncovered all possible projects planned for Elgin County. For example, the home builder’s site shows planned development in Union, North Port Stanley, and Aylmer, however information was not available on municipal planning websites. There have been discussions about a third senior’s home in Dutton (“Caledonia 3”), and the Municipality of West Elgin Official Plan Background Review suggests that there is an apartment complex possible in Rodney and several housing subdivisions in West Lorne, however these developments are not available online for review therefore not included in this report.

Table 11 shows a sample of upcoming housing development.

Table 11 - Upcoming Housing Development in Elgin County

Municipality	Region	Project	Developer	Single Family Detached	Single Family Semi-Detached	Townhouse	Cluster Units	Apartments-Condo	Apartments-Rental	Supportive Housing
Aylmer	Aylmer	59 Brown Street	City of Thomas/Ostojic and Sons Ltd.						23 (12 affordable)	
Central Elgin	Yarmouth	Kemsley Developments		65						
	Yarmouth	Jacklin Farm	Prespa Construction	26	34					
	Port Stanley	Kokomo (Seaglass Development)	Wastell Homes	150				360 units (4 buildings)		
	Port Stanley	Little Creek West Lands	Domus Developments	49	38	88		68		120 (long term care)
	Port Stanley		Conex Canada			14				
	Port Stanley	Hensels Land		3						
	Port Stanley	Edith Cavell and William Street	Prespa Construction Ltd.					60 in two buildings		
	Belmont	Craigholme Estates		260						
Dutton Dunwich	Dutton	Brokenshire Development		73	18					
Southwold	Talbotville	Talbotville Meadows	Don West and large group of builders	348		1 block (6)				
	Talbotville	The Enclave	Atcheson Subdivision/ Don West	16		1 block (6)				
West Elgin	Port Glasgow	Seaside Waterfront Collection	Howard Culligan	10						
	Port Glasgow	Seaside Forest Collection		9						
	Port Glasgow	Lighthouse at Seaside	Howard Culligan	100	36 (Live Work Units)	80	82	96		
	West Lorne	Heritage Homes Apartments							16 (affordable seniors)	
	West Lorne		Aldo Caranci	67						
	West Lorne		Louis Arval			22				

9.3 Missed Opportunities and Future Recommendations

Most municipal plans, studies and growth projections suggest the demand for hundreds or thousands of new homes in the coming decades, however if current development trends continue, there will be next to no rental housing built, and next to no affordable housing constructed by the private sector. Since policies are in place to promote a variety of form, tenure, and affordability, more needs to be done in Elgin County to ensure that what has been established in policy is implemented in practice.

In a number of recent development projects in Elgin County there were opportunities missed during the planning phases to include diverse forms of housing that might have contributed much-needed affordable housing stock to local communities. In the previous Provincial Policy Statement (PPS) 2014, Part V: Building Strong Healthy Communities, several segments pertaining to housing were highly relevant for new development. Most important was the directive to ensure diversity of housing form (scale, size, and a range of building types from single-family to multi-unit) and diverse housing tenure (including a variety of home ownership models *and* rental models) but most recent projects were planned and approved without the inclusion of rental housing, and without specified plans for ensuring affordability.

9.4 Key findings: Increase Variety of Form, Tenure and Affordability

A first priority for new development should be to ensure a wider range of housing form options. In addition to semi-detached and rowhouses, smaller multi-unit dwellings including triplexes, fourplexes and group homes can be integrated into low-density areas in order to provide more diversity.

A mix of home ownership and rental units will ensure a wider range of tenure options. In low density areas, Second Units should be offered as upgrades to single family homes or semi-detached homes. A more common offering in cities, developers are starting to offer finished basement apartments to purchasers who wish for the upgrade in rural communities such as Mitchell, Ontario. Second Units may contribute to much-needed supply of one or two-bedroom rental stock without representing drastic change to the neighbourhood appearance most preferred by Elgin County residents. In higher density areas, where apartments are constructed, a mix of condominium and rental units should be ensured.

To achieve minimum targets for affordability, development agreements that set out units with either attainable purchase prices or affordable rents will ensure that the PPS objectives unfold in practice. Beyond policy recommendations, to support private sector inclusion of affordable housing in new development, additional incentives in the form of capital funding (from municipal programs, federal or provincial initiatives), density bonuses and land supply are likely to be required.

Provincial Policy Statement 2020, Section 1.4.3

Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by:

- a) establishing and implementing minimum targets for the provision of housing which is affordable to low- and moderate-income households and which aligns with applicable housing and homelessness plans. However, where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities;
- b) permitting and facilitating: 1. all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements and needs arising from demographic changes and employment opportunities; and 2. all types of residential intensification, including additional residential units, and redevelopment in accordance with policy 1.1.3.3;
- c) directing the development of new housing towards locations where appropriate levels of infrastructure and public service facilities are or will be available to support current and projected needs;
- d) promoting densities for new housing which efficiently use land, resources, infrastructure, and public service facilities, and support the use of active transportation and transit in areas where it exists or is to be developed;
- e) requiring transit-supportive development and prioritizing intensification, including potential air rights development, in proximity to transit, including corridors and stations; and
- f) establishing development standards for residential intensification, redevelopment and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety.

9.5 Average Rents in Rental Universe

The average market rent of units in Elgin County was \$858 based on the 2016 census (Table 12). The average market rent of unit Elgin County/St. Thomas was \$815, suggesting rents in the rural regions are more expensive than in St. Thomas.

CMHC does not survey average rents in Elgin County annually but does survey average St. Thomas rents, which can be used as a proxy. Average market rent in St. Thomas in Fall 2020 was \$960 representing an increase of 18% from 2016 (\$816 per month) (Table 13). The average one-bedroom rent in St. Thomas was \$865 while the maximum shelter allowance for a single person receiving a disability pension is \$497 per month – a significant gap of approximately \$350 per month. A single senior receiving a basic CPP/OAS/GIC pension of \$1,618 would have to spend 53% of their income to afford the average one-bedroom rental apartment in the St. Thomas area.

Rents have increased significantly since 2011 and consistently outpaced inflation. From 2011 to 2016, census rents increased 14% compared to inflation of 6.8% over the same period. From 2016 to 2020, CMHC rents increased by 15% compared to inflation of 5.7% over the same period.

The above rents represent an average of rents in both old and new apartments. Occupied apartments are subject to rent controls by which rent can only increase by a certain amount each year. As such, average rents cited in CMHC data are often lower than actual market rents. Table 14 presents market rents for apartments in Elgin County/St. Thomas as of June 2021.

It is important to note that these figures may not reflect the reality of current changes in rent, as the impacts of the pandemic have not yet been fully recorded. Anecdotal reports to date suggest a 40% increase in the period from 2017 to 2021

Table 12 - Average Rents in Rural Elgin County (2011-2016) (Source: Statistics Canada)

	Average Rent (2011)	Average Rent (2016)	Percentage Change (2011-2016)	Total Inflation (2011-2016)
Aylmer	\$723	\$800	+11%	6.8%
Bayham	\$804	\$832	+3%	
Central Elgin	\$791	\$948	+20%	
Dutton Dunwich	\$762	\$837	+10%	
Malahide	\$791	\$955	+21%	
Southwold	\$787	\$1,012	+29%	
West Elgin	\$598	\$619	+4%	
Elgin County (excl. St. Thomas)	\$751	\$858	+14%	
Elgin County & St. Thomas	\$726	\$815	+12%	

Table 13 - Average Rents in St. Thomas (2016-2020) (Source: CMHC)

	Average Rent (2016)	Average Rent (2020)	Percentage Change (2016-2020)	Total Inflation (2016-2020)
1-bedroom	\$680	\$799	+15%	5.7%
2-bedroom	\$865	\$988	+12%	
All rentals	\$817	\$960	+15%	

Table 14 - Current Rental Universe (Source: Point2homes, Kijiji, Mitula)

Geography	Dwelling Type	Municipality	Area	# of Bedrooms	# of Listings	Average Monthly Rent
Elgin County	Apartment	Aylmer	Aylmer	1-bedroom	2	\$1,150
				2-bedroom	1	\$1,675
		West Elgin	Rodney	1-bedroom	2	\$725
	Total				5	\$1,085
	House	Central Elgin	Port Stanley	3-bedroom	1	\$2,400
				Unknown	1	\$3,000
	Total				2	\$2,700
Sub-total					7	\$1,546
St. Thomas	Apartment	St. Thomas	St. Thomas	Studio	2	\$813
				1-bedroom	5	\$1,409
				2-bedroom	4	\$1,431
				3-bedroom	1	\$1,800
				Unknown	1	Unknown
	Total				13	\$1,350
	House	St. Thomas	St. Thomas	2-bedroom	1	\$1,950
				Unknown	5	\$2,450
	Total				6	\$2,367
Sub-total					19	\$1,689
Grand Total					26	\$1,649

9.6 Ownership Cost Trends

The average price of a house in Elgin County increased by 145% between 2016 and 2021 (Table 15). It is important to note that housing prices more than doubled in every municipality/township. Southwold saw the greatest price increases (+198%) while Malahide saw the smallest increase (+115%).

Sales data shows a decrease in the average amount of time a unit is on the market from over three months in 2016 to under one month in 2021, suggesting the sharp increase in prices is a function of supply not keeping up with demand.

Table 15 - Homeownership Sales Data (2016 to 2021) (Source: MLS)

Municipality/Township	Sales Units (2016)	Sales Units (2021)*	Average Days on Market (2016)	Average Days on Market (2021)*	Average Sales Price (2016)	Average Sales Price (2021)*	% Change Average Sales Price (2016 – 2021)	Total Inflation (2016-2021)
Aylmer	100	92	88	16	\$191,163	\$514,595	+169%	9.5%
Bayham	83	99	121	24	\$225,752	\$550,094	+144%	
Central Elgin	101	123	58	20	\$313,566	\$690,845	+120%	
Dutton Dunwich	41	53	75	27	\$274,089	\$679,604	+148%	
Malahide	77	58	87	28	\$265,975	\$571,106	+115%	
Southwold	25	46	60	30	\$282,129	\$841,836	+198%	
West Elgin	62	78	242	20	\$207,586	\$542,544	+161%	
Elgin County Sub-total	489	549	98	25	\$262,389	\$649,117	+147%	
St. Thomas	435	455	41	12	\$246,673	\$544,047	+121%	
St. Thomas Sub-total	435	455	41	12	\$246,673	\$544,047	+121%	
Grand Total	924	1004	91	24	\$260,643	\$638,396	+145%	

*Note: Data current up to June 2021

9.7 Public/Social & Non-Profit Housing Providers in Elgin County

Public/social and non-profit housing provide housing units that are typically more affordable rents than market-rate units. In some instances, non-profit housing may have a mixture of market and below-market units. Though an important section of the housing continuum, this type of housing makes up a small amount of the total housing units in Elgin County. A scan found 422 public and non-profit housing units out of over 18,000 total housing units in Elgin County, or approximately 2%. From this it is clear the majority of housing units are private market rental and ownership.

9.7.1 Public Housing

There are 108 units of public housing managed by St. Thomas-Elgin Social Services (Table 16) in Elgin County (Aylmer and West Elgin). Of these, 93 are apartments for adults and seniors and 15 are townhouse units for families. All units are rent-geared-to-income. The average waitlist time for a housing unit in Elgin County is two to three years.

Table 16 - Public Housing in Rural Elgin (St. Thomas and Elgin County)

Location	Unit Type	Address	# of Units	Demographics
Aylmer	Apartment	49 Chestnut St.	36	Adults/Seniors
		58 Myrtle St.	27	Adults/Seniors
	Townhouse	60-80 Myrtle St.	15	Families
Aylmer Total			78	
Rodney	Apartment	253 Ridout St.	7	Adults/Seniors
Rodney Total			7	
West Lorne	Apartment	144 Main St.	23	Adults/Seniors
West Lorne Total			23	
Grand Total			108	

Other non-profit housing providers in Elgin County are presented in Table 17. These additional 314 units of housing are a mixture of average market rents and rent-geared-to-income, primarily 1- and 2-bedroom units, and serve seniors, adults, and families.

Table 17 - Other Non-Profit Housing in Rural Elgin

Location	Building Name	Number of Bedrooms								Demographics
		1	2	3	4	5	6	n/a	Total	
Aylmer	230 South St. W.	10	20	15	5				50	Adults/ Families
	Cherry Street							0	0	Families
	Elkview Gardens		4	20	14	10	2		50	Families
	Heritage Place	16	9						25	Adults
	Menno Lodge	20	5						25	Seniors
Aylmer Total		46	38	35	19	10	2	0	150	
Dutton	Caledonia Gardens	17	8						25	Seniors
	Caledonia Two	20	10						30	Seniors
Dutton Total		37	18						55	
Port Burwell	Maple Meadows		8	6	14	7			35	Families
	Milton Towers	16	4						20	Seniors
Port Burwell Total		16	12	6	14	7			55	
Port Stanley	Kettle Creek Villa	18	12						30	Seniors
Port Stanley Total		18	12						30	
Rodney	Kiwanis Seniors Apartments	17	7						24	Seniors
Rodney Total		17	7						24	
Grand Total		134	87	41	33	17	2	0	314	

9.7.2 Shelter Services in Elgin County

The East Elgin Housing Initiative in Aylmer operates an emergency shelter out of a church basement in the winter months (November to March). The shelter was started in 2019 as a grassroots initiative and is staffed by volunteers. It served eight individuals during its 2019-2020 season and 23 individuals during its 2020-2021 season.

There are no other shelter services located in Elgin County, though there are several in St. Thomas that serve County residents.

Table 18- St. Thomas-Elgin County Shelters and Drop-In Centres

Name	Location	Population Served	# of Beds
East Elgin Housing Initiative	Aylmer	All	6
Inn Out of the Cold	St. Thomas	Adults	40
Women's Place Emergency Shelter	St. Thomas	Women and children	Unknown
St. Thomas-Elgin Second Stage Housing	St. Thomas	Women and children	12*
YWCA St. Thomas-Elgin	St. Thomas	Adult women (16+)	21
YWCA St. Thomas-Elgin	St. Thomas	Adult men (18+)	7
Grand Total			86+

*Note: St. Thomas-Elgin Second Stage Housing offers private apartments

10 Stakeholder Interview Summary

The following section reports the findings of interviews about housing needs with private, public, and non-profit stakeholders in Elgin County. In total, 31 interviews were conducted with 45 unique individuals

Table 19 - List of Stakeholder Interviews

Stakeholder Group	# of Interviewees
Municipal Planner	4
Village Association Member	2
Chief Building Official	3
Private Developer	3
Real Estate Agent	2
Landlord	2
Municipal/County Councillors	9
Municipal/County Staff	2
Non-Profit Housing Providers / Emergency Shelters	12
Community Agencies	4
Lived Experience (forthcoming)	1
Total	45

10.1 Themes

10.1.1 Demographics in need of affordable housing

Interviewees noted affordable housing is a need for many demographic groups in Elgin County, including seniors, singles, families, and youths. Other groups mentioned included women fleeing domestic violence, members of the Indigenous community, seasonal agricultural workers, and those with mental health challenges. Taken together, affordable housing must meet the needs of diverse communities across the County.

10.1.2 Housing supply & existing affordable housing

There was consensus among most interviewees that there is a serious lack of affordable housing supply in Elgin County. Affordable housing that does exist is typically designated for seniors and singles and there are limited options for families. Many non-profit providers and municipal/county staff noted increasingly longer waitlists for affordable units given the lack of housing supply coupled with steeply escalating real estate prices. It was also noted most County-run affordable housing units are in St. Thomas with a smaller number of units located in Elgin County proper, specifically Aylmer, Rodney, and West Lorne. Central Elgin does not have any County-run affordable housing units, and many other communities in the east and west are also lacking.

10.1.3 Concern about skyrocketing real estate costs

The majority of those interviewed expressed concern about the escalation of housing costs in the last two years, especially in areas that have seen little inflation: “Nobody can believe this is happening in Dutton”. They are concerned that young people, especially those moving to the area, will not be able to afford to enter the housing market – “kids are not leaving home...”. Those directly involved in real estate sales or property development noted that steep price increases have led to increased sales of rental housing, resulting in evictions currently and in the near future for tenants as houses change ownership.

Some pointed out benefits of higher prices. Seniors selling larger homes and downsizing into smaller homes, condominiums or retirement homes will have more equity. Developers noted that increased selling prices of homes should stimulate growth in the housing development industry, which may provide local jobs and contribute to increases in municipal tax revenue.

10.1.4 Single-family enclaves

Opinions differ about what role the development community should be in addressing affordable housing needs. It was mentioned that private developers have offered little diversity of housing over the past years, with most preferring to build single-family detached homes because of market demand. According to one building official, “people want to build big custom homes anywhere they can find a chunk of dirt”. Where new apartment style buildings are currently being offered for sale by private developers, they are sold as condominiums rather than rental housing. More recently, local planners have described working with developers on new plans of subdivision that have a greater diversity of housing types including semi-detached and row houses, multi-family dwellings and mixed-use live/work units. However, there are no guarantees that the units will be affordable.

One interviewee suggested a role for community organizations (such as a village association) to lobby and encourage the municipality to think about affordable housing issues, and to ensure that rental housing and affordable housing are incorporated into every new development, especially now when they are reviewing their official plans. “[Municipalities should] enshrine this need in the Official Plan so it is thought about every time they make a decision about where housing occurs and what kind it is”. The idea of a levy to support affordable housing (similar to a park levy) was mentioned as a consideration for new development.

Other respondents mentioned that ensuring affordability is not the “business” of the property development industry. One developer stressed that the region needs new people, and that new high-end development will provide much-needed construction jobs, tax and development charge revenue, and new possibilities for economic vitality arising from new residents moving to the area to live, work or retire. One real estate agent mentioned that a house selling for \$260,000 in 2018 sold for \$460,000 in 2021 without any improvements to the property and suggested that municipalities cannot control spikes in real estate prices, but a priority for local government should be to attract new industry so people have places to work. Economic contraction and depopulation in the region are significant problems. They added that “It’s either welfare or high class – there’s no middle class”. Another developer mentioned that high costs are not as much of a problem as lack of economic growth: “a house selling in the \$400,000s *IS* affordable if you have a decent job”.

Some mentioned that the reason they moved to Elgin County years ago was because there was a supply of inexpensive housing in comparison to larger cities, with spacious properties. They are concerned that similar opportunities will not be there for new families: “what are our kids going to do?”. There are concerns that farms and other industries will not be able to attract new workers, including new immigrants, because there is “nowhere to live”.

10.1.5 Aging in place

Some interviewees expressed concern for seniors in the area who would like to downsize from houses that are too large, but have few options for suitable apartment-style housing, rental units, or retirement facilities in the communities they live in. “Aging in place is not [only] about housing – there is more to it. People end up in nursing homes because they are alone, depressed, can’t get health care, they become mentally or physically ill. They end up needing to move when they could have continued in their homes with more support”. Most senior’s housing has been developed in St. Thomas, meaning that rural residents need to relocate. If

seniors can stay in their communities they can retain social ties, and community connections, neighbourhoods, facilities, and landscapes they are familiar with. In future, a greater diversity of housing types is required in rural areas: smaller homes, supportive housing, retirement and nursing facilities, rental units (both market-rate and geared-to-income units), and condominiums.

10.1.6 Fair allocation of funds/services for supportive/affordable housing and homelessness

One interviewee spoke about concerns about the allocation of support funding in the County. Because St. Thomas is the urban centre of the region, and a centre for associated medical and social services, it receives most of the funding for supportive housing. With trends pointing to greater affordability challenges in rural Elgin, more funding needs to be allocated to West Lorne, Dutton, and Aylmer: “I have seen people sleeping on park benches in Aylmer – the smaller centres need social housing too”.

Many interviewees also noted that most homelessness and housing services are in St. Thomas and often difficult to reach without access to transportation. There was consensus that a lack of consistent services in the smaller municipalities makes dealing with homelessness and housing challenges more difficult.

10.1.7 Highest priorities

Each interviewee was asked to rank the following housing priorities for Elgin County:

- a) Reducing homelessness/creating supportive housing
- b) Creating additional affordable rental housing
- c) Helping people purchase their first homes.

Interviewees have so far been unanimous that creation of new rental housing is urgently required: “At this snapshot in time, it appears to be quantity” rather than suitability or adequacy of rental housing. Building officials mentioned that although some houses are in disrepair, the lack of availability is a more serious problem than building quality issues. Interviewees shared concerns that vulnerable people are living in situations that are difficult because there are no options to move into rental accommodation – “there is nowhere to go, so they stay where they are even if it is not safe”.

10.2 Opportunities & Solutions

Interviewees were asked to identify opportunities and solutions to increase affordable housing in the County.

10.2.1 Rural transportation

Several interviews spoke about the need for rural transportation options, especially as a strategy to support aging in place and those experiencing homelessness in smaller settlement areas. Access to medical and social services is limited in much of rural Elgin County, and seniors and those experiencing homelessness who are unable to drive to larger centres for appointments are at risk of losing access to essential care networks. Some community groups and non-profit housing providers offer transportation services to assist with this. Expanding care services into smaller settlement areas would also help support people who wish to remain in their community while accessing support.

10.2.2 Secondary units

Several planners mentioned that new legislation for secondary dwelling units may lead to the creation of new rental dwellings in both settlement areas and rural areas, and most believe that streamlined zoning regulations with clear guidance would be beneficial for homeowners wishing to add a second unit. It would also simplify the process for developers who might be interested in offering options for a secondary unit in new home construction. One building official mentioned that they are seeing an increase in applications for secondary units and there is strong potential to create rental housing on rural properties as well as in towns and villages.

Some concerns were voiced about secondary units in waterfront areas such as, “rich people will just build more cottages and rent them out on AirBNB, and they won’t add to affordable housing stock at all”. Planners mentioned concerns that zoning by-laws need to be carefully considered so that rural secondary dwellings do not lead to farm severances, and that design guidelines need to be carefully considered to avoid impacting established neighbourhoods, causing disruptions between neighbours, negative impact on fragile landscapes, or fragmentation of prime farmland.

10.2.3 Development incentives

Providing incentives to developers was seen as a way to encourage the private sector to provide more affordable housing units. Some incentives mentioned include delaying payment of development charges until after construction, providing tax reductions, and speeding up the approvals process.

10.2.4 Inclusionary zoning

Municipalities could also work to update and amend zoning by-laws to allow for more diverse housing types in their communities. Doing so may help increase overall housing supply which may create downward pressure on rents and prices. Some interviewees also mentioned introducing a policy that sets aside a certain portion of units for affordable housing in all new developments. The formal name for this policy is “inclusionary zoning” whereby municipalities mandate or incentivize private developers to provide affordable units in market rate developments. The province allows municipalities to pass inclusionary zoning legislation, however, recent revisions at the provincial level currently only permit inclusionary zoning within provincially determined “Major Transit Station Areas” (MTSAs), typically 500 to 800 metres from a train or bus terminals.

10.2.5 Land supply

There may also be opportunities for municipalities to leverage their existing land/properties for affordable housing, either by leasing or selling to interested private or non-profit developers. One stakeholder suggested municipalities inventory identify and inventory suitable properties so that they are ready when funding opportunities arise similar to what was done in St. Thomas. However, many Elgin County municipalities noted they lack appropriate municipal land for affordable housing or, where municipal land is available, it is not serviced. Additionally, while land leasing would allow the municipality to retain ownership of the land and dictate its use as affordable housing, one non-profit provider said they would only be interested in developing if they owned the site.

10.2.6 Distributed support services

Many interviewees also noted the importance of providing more services in local municipalities instead of them being concentrated in St. Thomas. It was the belief of interviewees that people

would be more successful with nearby supports given people want to stay in their communities, and municipalities have local knowledge that can better meet the needs of those in housing need, although transportation is a challenge. The recently created Rural Homelessness Systems Navigator position split between West and East Elgin was seen as successful, however one stakeholder noted there was enough work to have dedicated systems navigators in both the east and the west.

10.2.7 Funding streams

Finally, additional federal and/or provincial funding was consistently identified as essential to be able to provide increased services and construct affordable units.

10.2.8 Other

There is a sense among interviewees that “NIMBY” (not in my backyard) attitudes exist towards new housing and homelessness services in the County. Increased political will was seen as necessary to overcome these attitudes.

11 Recommendations

Ten (10) recommendations on housing policies, housing services, and community involvement are made to help meet housing and homeless needs in Elgin County. Recommendations are based on the Housing and Homelessness Needs Assessment, stakeholder interviews, and best practices in other jurisdictions.

Table 20 - Recommendations

Area	Recommendation	Parties Involved
Policy	1. Include a requirement for affordable housing as a percentage of development in municipal Official Plans. Ensure 'affordability' is defined.	<ul style="list-style-type: none"> Area Municipalities County of Elgin
	2. Amend zoning by-laws to support housing supply through upzoning and increased multi-residential permissions	<ul style="list-style-type: none"> Area Municipalities
	3. Support and promote the creation of Second Units for new and existing development	<ul style="list-style-type: none"> Area Municipalities Development Community
	4. Explore municipal incentives to support the creation of affordable housing: <ul style="list-style-type: none"> Non-payment of municipal fees Property tax exemptions 	<ul style="list-style-type: none"> Area Municipalities County of Elgin Private & Non-Profit Builders
	5. Develop a policy to review municipal and County land for housing suitability prior to selling it on the general market	<ul style="list-style-type: none"> Area Municipalities County of Elgin
Services	6. Advocate for increased funding to support both urban and rural areas: <ul style="list-style-type: none"> Capital and support services Direct financial support for those in need 	<ul style="list-style-type: none"> Area Municipalities Municipal Service Manager Federal & Provincial Governments Community Agencies
	7. Explore opportunities to increase rural transit and introduce virtual supports	<ul style="list-style-type: none"> Area Municipalities Municipal Service Manager County of Elgin Community Agencies
Community	8. Use planning and legislation tools and community engagement, communication, and education to address community concerns	<ul style="list-style-type: none"> Municipalities Municipal Service Manager Community Agencies Housing Stability Coalition
	9. Approach community groups and non-profits to see if they have land suitable for housing	<ul style="list-style-type: none"> Housing Stability Coalition Community Agencies
	10. Work with community organizations to develop affordable housing proposals for specific sites to prepare for future proposal calls for government funding	<ul style="list-style-type: none"> Housing Stability Coalition Community Agencies

11.1 Policy Recommendations

11.1.1 Official Plans

An Official Plan is a document that describes a general direction for how land in a municipality or region should be used. This includes where certain uses will be located, infrastructure requirements, how a municipality or region will grow, as well as community improvement initiatives. Official Plans are often aspirational and establish a high-level vision for important municipal or regional issues (housing, transportation, green space, the economy, etc.) and include goals, objectives, and policies to achieve this vision.

Official Plans of Elgin County municipalities contain similar housing goals, objectives, and policies. Broadly speaking, almost all plans referenced:

- Housing affordability, including targets
- Providing a range of housing choices for current *and* future residents
- Alternative housing for residents requiring special accommodation (seniors, emergency shelters, group homes)
- Secondary units
- Residential intensification and/or redevelopment, including multi-unit dwellings
- The importance of housing quality/community improvement

Some plans were more specific than others for affordability targets. For example, Central Elgin, Dutton Dunwich, and West Elgin referenced an absolute number of affordable units to be built per year (ranging from 5 to 25 per year) while other municipalities target a certain percentage of all residential development to be affordable (typically 20%). Only Bayham and Malahide provided a definition of affordability, however it is possible municipalities are implicitly using the definition of 'affordable' from the Elgin County Official Plan. An explicit definition of 'affordable' provides clarity and an objective way to assess whether or not a development is considered affordable.

RECOMMENDATION 1:

Include an affordable housing requirement in municipal official plans. Ensure 'affordability' is defined.

PARTIES INVOLVED: Area municipalities, County of Elgin

Elgin County municipalities should establish a minimum target of 20% for new units of affordable housing for moderate and lower-income households. Other jurisdictions have set aggressive targets for affordable development: Grey County has established a minimum target of 30% and has encouraged local municipalities to set similar goals. While predictions vary on the number of new units that will be built in the coming decades, some forecasts can help establish quantitative goals for affordable housing. As was shown in analysis of more than 2,000 new housing units currently planned county-wide, fewer than 2% is designated as affordable.

Hemson and Associates have estimated growth in the number of new housing units across the county at 2190 between 2021 and 2031 (page 13, Development Charges Background Study, Hemson and Associates), suggesting that a minimum of 438 new units be created for low- and moderate-income residents. Several municipalities have had recent housing forecast

studies to guide locally specific targets. A study by Watson and Associates predicts approximately 330 new dwellings in Malahide over the next decade, suggesting that 66 new affordable units be created. Southwold has a 20-year forecast from Dillon Consulting, predicting a demand for 1,050 housing units between now and 2041, suggesting a target of 100 affordable units over the next decade. Housing studies are currently being conducted in West Elgin; affordable housing targets should be crafted to reflect demographic trends as housing forecasts are completed.

To provide guidance on how municipalities should define affordable housing within their respective planning policies, the Provincial Policy Statement (2020) provides the following language for affordable ownership and rental housing in Section 6.0:

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

3. 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
4. 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:

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

Elgin County has adopted this definition of affordable housing in its Official Plan. It is recommended municipalities use this definition for consistency across the County.

Table 21 - Affordable Housing Targets and Definitions in Elgin County Municipal Official Plans

Municipality	Official Plan Affordable Housing Target
Aylmer	20% of all new residential development; affordability not defined
Bayham	20% of all housing with 5+ units; 'affordable' defined as 10% below median price for ownership and no more than 30% of income for rental
Central Elgin	498 from 2006-2026 (21.4%) of all units; affordability not defined
Dutton Dunwich	Five (5) units per year; affordability not defined
Malahide	20% of all housing with 5+ units; 'affordable' defined as 10% below median price for ownership and no more than 30% of income for rental
Southwold	20% target; affordability not defined
West Elgin	20 units from 2008 to 2012; current housing needs study underway
Elgin County	20% of all housing with 5+ units; 'affordable' defined as 10% below median price for ownership and no more than 30% of income for rental

11.1.2 Zoning By-Laws

Zoning by-laws implement the goals and policies outlined in the Official Plan by legislating permitted uses and physical characteristics of developments in a municipality. Zoning by-laws and official plans should be coordinated for maximum impact.

Specific provisions for affordable housing can be written into zoning by-laws, however this is uncommon. Instead, a zoning by-law can support affordable housing goals through allowable density and land where housing may be built. Municipalities that want to increase the supply of housing are encouraged to amend zoning by-laws to permit greater density and variety of housing forms in areas zoned for residential and increase the area where residential and mixed uses are permitted, subject to good planning principles (available servicing, proximity to amenities, etc.).

Municipal zoning by-laws in Elgin County permit a mixture of housing types ranging from single-detached to multi-unit apartments. Single-detached homes are permitted in almost all residential zones while higher-density housing (triplexes and fourplexes, apartments, townhouses, and seniors' homes) is restricted to more urban and denser areas of a municipality, typically in historic centres. Group homes (an umbrella term encompassing a variety of supportive living arrangements including those with physical or mental disabilities, youth homes, etc.) are sometimes permitted in low-density zones (see Bayham's R1 zone) but sometimes excluded (see West Elgin's R1 zone). Emergency/crisis shelters for those experiencing homelessness or domestic distress are not included as a permitted use in any of the zoning by-laws.

RECOMMENDATION 2:

Amend zoning by-laws to support housing supply

PARTIES INVOLVED: Area municipalities

Zoning by-laws across Elgin County can be amended to support development of a diverse supply of housing in both rural and town settings, encourage walkable communities, and reduce community opposition.

11.1.2.1 Upzoning to Decrease Density Barriers

Upzoning involves increasing the permitted density on a specific site or area of a municipality relative to the existing zoning by-law. For example, a residential neighbourhood that permits only single-detached houses could be upzoned to allow duplexes and triplexes to be developed. Upzoning is important as the more housing units a housing developer can create on a single parcel of land, the more cost savings can be realized in the project. Elements of a zoning by-law such as density limits, height restrictions, lot coverage, lot line setbacks, and parking regulations create the most common barriers to denser development.

Small adjustments to general frontage, parking and lot area requirements for multi-unit dwellings can make a substantial difference for project feasibility. Density standards for West Elgin are shown on the left, and standards for South Bruce Peninsula, a rural municipality with more flexible zoning by-laws, are shown on the right.

West Elgin Zone Provisions

apartment dwelling
double duplex dwelling
home occupation
multiple-unit dwelling
senior citizens' home
townhouse dwelling

TABLE 10-1

RESIDENTIAL THIRD DENSITY (R3) ZONE STANDARDS

1	Minimum Lot Area a) double duplex, townhouse and multiple-unit dwellings b) apartment dwelling	a) 230 m ² per dwelling unit b) 230 m ² for each of the first four (4) dwelling units and 95 m ² for each additional unit thereafter
2	Minimum Lot Frontage a) double duplex dwelling b) townhouse and multiple-unit dwellings	a) 25 m b) 30.5 m
3	Maximum Lot Coverage	35%
4	Front Yard Depth a) double duplex dwelling b) townhouse and multiple-unit dwellings	a) 7.5 m b) 7.5 m
5	Side Yard Width a) double duplex dwelling b) townhouse c) apartments and multiple-unit dwellings	a) 3.0 m on an interior lot, 7.5 m on the side abutting the street and 3.0 m on the other side on a corner lot b) 6.0 m or one-half the height whichever is greater on an interior lot, 10.5 m on the side abutting the street and 6.0 m or one half the height on a corner whichever is the greater on the other side c) 7.5 m
6	Rear Yard Depth a) main building	a) 10.5 m
7	Maximum Building Height a) main building	a) 3 storeys
8	Minimum Outdoor Amenity Area	45 m ² per dwelling unit
9	Maximum Density	60 dwelling units per hectare
10	Municipal Services No dwelling shall be erected or used that is not connected to the municipal water supply system and the municipal sanitary sewage system.	

South Bruce Peninsula Zone Provisions

14.3.1 Triplex & Fourplex Residential Dwelling

Minimum lot area	650 m ² (6996.8 ft ²)
Minimum lot frontage	18 m (59 ft)
Minimum front yard	7.6 m (25 ft)
Minimum interior side yard	2.4 m (8 ft)
Minimum exterior side yard	7.6 m (25 ft)
Minimum rear yard	7.6 m (25 ft)
Maximum building height	10.5 m (34.4 ft)
Maximum lot coverage	40 %
Minimum lot area per unit	70 m ² (753.5 ft ²)

14.3.4 Apartments

Minimum lot area	1161.3 m ² (12,500.5 ft ²) Of lot area for the first 5 units, plus 93 m ² (1001 ft ²) of lot area for each additional unit.
Minimum lot frontage	18 m (59 ft)
Minimum front yard	7.5 m (24.6 ft)
Minimum exterior side yard	7.5 m (24.6 ft)
Minimum interior side yard	Half (1/2) the building height but in no case less than 3 m (9.8 ft)
Minimum rear yard	7.5 m (24.6 ft)
Maximum building height	12 m (39.4 ft)
Maximum lot coverage	45%
Minimum floor area per dwelling Unit	Bachelor Unit 37 m ² (398.3 ft ²) One Bedroom Unit 50 m ² (538.2 ft ²) For each additional bedroom 9 m ² (97 ft ²)

6.8 Common Amenity Area

Where this By-law requires the establishment of a common amenity area, such an area shall be provided within the boundaries of the development and in accordance with the following provisions:

- An amenity area is an area comprised of common outdoor space designed for active or passive recreational use and may include patios, swimming pools, play areas and open landscaped areas.
- The minimum amenity area required shall be an aggregated amount not less than 9.3 m² (100 ft²) per dwelling unit for each unit up to 10. For each additional unit, not less than 4.0 m² (49.5 ft²) of amenity area is required.
- Amenity areas shall be designed and located so that the length does not exceed four (4) times the width.

For example, in West Elgin a builder requires 920 m² and 30.5m of lot frontage to build a four-unit apartment building with 35% lot coverage; in South Bruce Peninsula the same project requires 650 m² and 18m of frontage with 40% lot coverage. Differentiation in requirements for four-unit buildings in comparison to larger apartment complexes can also result in greater project feasibility for small multi-unit dwellings that are harmonious with low density neighbourhoods. In West Elgin, all multi-unit dwellings require three metres for interior side yards and heights are capped at three storeys; in South Bruce Peninsula, a fourplex requires a 2.4-metre interior side yard and a larger apartment requires three metres; height limits are raised for apartments to accommodate four storeys. Substantial outdoor amenity area is required in West Elgin in comparison to South Bruce Peninsula.

11.1.2.2 Parking Requirements

Land requirements and construction costs to create excessive parking can be a barrier to development of affordable housing by taking up valuable land that could otherwise house a dwelling unit. Parking standards currently vary across Elgin County, particularly for multi-unit dwellings. In Aylmer, apartment buildings, duplexes and converted dwellings require one space per unit, a fourplex requires 1.25 spaces per unit, seniors and special needs apartments require 0.25 spaces per unit. In Dutton Dunwich, converted dwellings and duplexes require one space, multi-unit dwellings require 1.25 spaces, seniors require 0.25 spaces, and there are no provisions for special needs. In West Elgin, apartment buildings, converted dwellings, and duplexes require 1.5 spaces per unit, and seniors' homes require 0.5 spaces. A reduction in minimum requirements for parking standards, including a "special needs" category, can remove one of the most common impediments to development of affordable housing.

11.1.2.3 Upzoning to Decrease Housing Segregation Barriers

Low-density residential zoning (often referred to as R1 zoning) is common in Elgin County municipalities and prohibits the construction of multi-family building such as townhouses or apartments in most neighbourhoods. Ontario's Provincial Policy Statement (issued under the Planning Act of Ontario) explicitly supports a diverse range of form and tenure across all districts. A more proactive approach to zoning is to allow small multi-unit buildings in all residential zones, with design guidelines to ensure that the appearance and scale of buildings, parking areas and landscapes are designed to be compatible with the established character of a community.

Some land use barriers are not rooted in values, but simply leftover from the previous century's zoning patterns. Commercial, industrial, or institutional zones often prohibit housing, and as a result can limit affordable housing development and prevent walkable and vibrant streets.

General upzoning solutions increase the number of land uses permitted on a specific property type. For instance, in most of Elgin County, properties such as schools, churches or municipal buildings might be labelled with "institutional" zoning designation. While a retirement home is a permitted use, an apartment building is not. This would therefore prohibit many adaptive re-use projects, such as conversions. Church properties and schools across Ontario have been successfully converted into multi-unit apartment buildings, and Canada Mortgage and Housing Corporation (CMHC) funding is currently available to support residential conversions. Similarly, large school properties have sold excess land for redevelopment. Adding multi-unit residential land uses to the institutional zoning classification across the region would support future affordable housing development.

11.1.2.4 Site-Specific Upzoning

Upzoning can be initiated on specific properties or districts by the municipality in efforts to stimulate affordable housing or economic development, even without a project proponent. Some industrial buildings, underutilized commercial buildings, or vacant lands may be well-suited for adaptive residential or mixed-use conversions. Unique zoning designations can also reduce parking requirements in areas well-served by public transit, where it exists, or within walking distance of municipal services and shopping, or where there is adequate street parking. Such projects are best analyzed on a case-by-case-basis and paired with urban design studies. Zoning changes for these unique sites can stimulate affordable housing development for targeted sites.

11.1.2.5 Mixed-Use Designations

Many settlement areas and commercial districts would benefit from the inclusion of apartment complexes, and some residential zones can benefit from neighbourhood commercial uses. More mixed-use zoning designations might make affordable housing projects more feasible. Mixed-use districts are considered more walkable and livable in both urban and rural communities because workplaces can be located closer to people's homes.

In the municipality of West Grey, the mixed-use designation permits institutional uses in addition to commercial and residential uses, including apartment buildings. Similarly, adaptive re-use of vacant or underutilized industrial properties can increase the supply of affordable housing. Unique upstream zoning policies can be a tool to promote redevelopment in a specific community or site context.

SECTION 22 – MU1 - MIXED USE ZONE

22.1 PERMITTED USES

Within any MU1 ZONE, no land shall be used and no building or structure shall be constructed, altered or used except for one or more of the following uses:

- Any use permitted in the R2 Zone subject to the applicable regulations of that Zone (excluding a new single detached dwelling).
- Any use permitted in the R3 Zone subject to the applicable regulations of that Zone.
- Any of the following uses subject to the C1 Central Commercial Zone regulations:
 - Business or Professional Office
 - Church (subject to the IN institutionalized Zone regulations)
 - Commercial School or Studio
 - Financial Office
 - Funeral home (subject to the regulations of the C2 Highway Commercial Zone)
 - Library
 - Medical Clinic
 - Parking Lots
 - Personal Service Shop
 - Private or Commercial Club
 - Public Uses Buildings
 - Service or Repair Shop, but not including small engine repair or service
- Any of the following uses subject to the C3 Neighbourhood Commercial Zone regulations:
 - Convenience store
 - Neighbourhood store
 - Day Nursery
 - A Home for the Aged, Rest Home, Nursing Home subject to the regulations of the Institutional Zone
 - Accessory uses, buildings or structures in accordance with Section 6.1

Figure 3 - Municipality of West Grey Zoning By-law, Page 113²

11.1.3 Second Units

Second Units (SUs) are “self-contained residential units with kitchen and bathroom facilities within dwellings or within structures accessory to dwellings” and also referred to as secondary dwelling units, second residential units, accessory units, accessory dwelling units, secondary suites, garden suites, granny flats, and in-law suites. They are secondary to the primary residence and cannot be severed. Because of this, SUs present a key opportunity to add to stock of rental units that are modest in scale and generally more affordable than large apartments or single-family homes. Basement apartments are currently the most common type of SU in Ontario.

RECOMMENDATION 4:

Support and promote the creation of Second Units for new and existing development

PARTIES INVOLVED: Area Municipalities, Development Community

SUs benefit renters, homeowners, and municipalities. They increase the supply of rental stock in a community, are more affordable than renting entire detached houses, can make homeownership more affordable by providing an income stream for owners, increase density without substantial change to neighbourhood appearance, and may boost assessment-based tax revenues without an increase to municipal servicing costs.

Although more common in large cities and urban centers, SUs built within a primary residence have been permitted in the serviced settlement areas of Elgin County since 2012. However, they are still uncommon.

² <https://www.westgrey.com/en/invest/resources/By-law-37-2006-Zoning-2017-Consolidation-Bylaw.pdf>

A primary strategy is to engage with builders with current applications for plans of subdivision development to encourage offering purchasers finished basement apartments as an optional upgrade for any new home planned. A second strategy is to support rural municipalities by enabling a streamlined approach to revising local plans and by-laws to promote the construction of SUs in second buildings. A final strategy is to create an online information hub to support SU creation by increasing community awareness, facilitate connections with local builders, and providing design guidance and guidelines for homeowners and builders. The information hub would ideally serve all of Elgin County assuming by-laws are consistent across municipalities. The introduction of **Bill 108 - More Homes, More Choice Act (2019)** now requires all municipalities to update their Official Plans to allow for SUs within homes *and* within ancillary structures. This policy will remove the most significant regulatory obstacle to creating SUs, as local zoning by-laws will be revised to reflect the top-down directive. However, the changes are quite new and not all municipalities in Elgin County have updated their plans and bylaws to reflect them.

Until now, SUs built in unserviced and rural areas, or within an ancillary building in any area, have been prohibited by zoning regulations in the County and across most of the province.

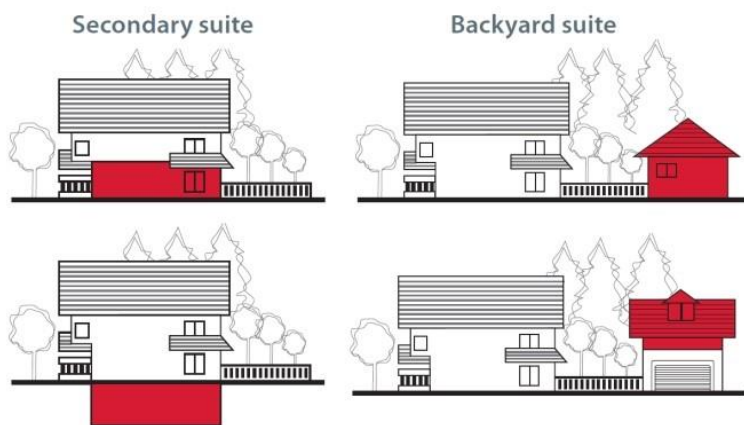


Figure 4 - Examples of Secondary Units (Source: City of Calgary)

11.1.3.1 Cautions Around SU Creation

There is considerable information and guidance for Second Unit creation within houses, such as “Adding a Second Unit in an Existing House” published by the Government of Ontario³. The Long-Term St. Thomas-Elgin Affordable and Social Housing Strategy (2018) included recommendations to encourage the construction of SUs, including a summary of key benefits, and a comprehensive scan of SU policies in seven other municipalities. The report did not include review of policies for SUs in ancillary buildings or unserviced areas because they were prohibited in Elgin County at the time. Policy changes permitting, SUs in ancillary buildings represents a new opportunity for both urban and rural communities in Elgin County.

Further research and a full scan of recent policy and by-law precedents would be highly beneficial at this time. Other municipalities with similar geographic and demographic conditions as Elgin County have recently revised their policies since Bill 108 (such as Norfolk County) and others have recently conducted studies on SUs to guide new policies (such as Bruce County). These precedents may offer early guidance while pinpointing potential stumbling blocks for SUs in ancillary buildings in both settlement areas and rural areas. Several concerns arose in

³ www.ontario.ca/page/add-second-unit-your-house

stakeholder interviews with planners in other jurisdictions around these issues which are highly relevant to Elgin County.

11.1.3.1.1 Impact on Neighbours

A common concern voiced about SUs is that a new dwelling located in a separate structure in the rear or side yard of a property will have a negative impact on immediate neighbours. While set-back limits, parking requirements, height limits and considerations for overall size and scale may mitigate negative effects, the creation of SU-specific design guidelines may be the most constructive way to ensure that SUs are created in a respectful and compatible way.

Engagement with prefabricated home manufacturers to create a set of pre-approved building designs suitable for Elgin County may be helpful to streamline the approvals and permit process, provide cost savings to builders, and ensure that designs that are a good fit for the regional landscape character.

11.1.3.1.2 Shoreline Recreation Designations

Stakeholder interviews found that some residents are concerned that SUs will become short-term vacation rentals rather than adding to affordable housing stock. Based on similar concerns, policies in Muskoka prohibit SUs in separate buildings in shoreline recreation zones. A review of current policies around seasonal, shoreline, and recreational zones might inform the development of Elgin County policies for sensitive settlement areas.

11.1.3.1.3 Severance Concerns for Agricultural Lands

In Norfolk County, planners found that regulations are required on farm properties to prevent builders from attempting to build an entirely separate “new” primary residence with hopes of future severance. The Wellington County Official Plan policy states clearly that an additional residential unit is prohibited from being severed from the property to protect prime agricultural lands. In Norfolk County, zoning regulations limit the distance from an SU in an accessory building from the primary residence, requiring that SUs are located within the “farm cluster” of existing structures and use the same access driveway. Connections to servicing through the primary dwelling can also limit any potential for future severances.

11.1.3.1.4 Servicing Concerns

For rural properties in Grey County, appropriate private servicing such as adequate septic system and well water capacity must be demonstrated prior to building an SU. Similarly, SUs cannot be located within hazard lands.

Case Study: Home for Grandparents on Huron County Farm

This Second Unit was built when these rural homeowners became grandparents and considered retiring from the business of farming. They found a creative way to age in place by designing and building a second unit on their property prior to selling the entire farm to their daughter and son-in-law. At approximately 1,100 square feet, the home is fully independent from the farmhouse with its own kitchen and bathroom, but it shares services such as septic system, hydro hookup, and well water with the main farmhouse.

Sited within the treed “farm cluster” of buildings, the unit has its own parking spot but is connected to a single main driveway that services the primary residence. The second dwelling was built in 2017. At the time, Huron County zoning permitted “Garden Suites” which had to be constructed to be removeable, therefore this unit is built on a concrete slab foundation. Now that new provincial regulations support permanent Second Units across the province, the owners would recommend adding a full basement, which gives considerable additional storage or living space without great expense. The unit cost approximately \$220,000 to build and would rent at approximately \$1,800 per month based on market value in Huron County.



Figure 5 - Source: C. Hempel



Figure 6 - Source: C. Hempel

Case Study: Apartment in Coach House in Barrie

When a homeowner bought a home in Barrie, Ontario she knew that she wanted to build a garage in the rear yard similar to neighbouring properties. Knowing there is a critical shortage of quality rental housing in the area, she chose to add a 500 square foot studio apartment to the upper level of the building. This small but upscale modern apartment is suitable for single tenants or couples and will initially be rented to the owner's nephew. It contains a kitchen, bath and laundry, and services (natural gas, municipal water and sewer, and electricity) are connected to the primary house but there is a separate furnace and electrical panel. In the long term, the second unit will remain a rental unit at market rates and cannot be severed or sold as separate lots.



Figure 7 - Source: C. Hempel



Figure 8 - Source: C. Hempel

Case Study: Creating a Second Unit in a Single-Family Home

There is an abundant supply of large, older homes in Owen Sound, Ontario that are often occupied by single people or couples. The building on the left (Figure 9) was purchased from an estate sale by a housing provider who converted the top two floors into a large 2-bedroom apartment accessed through the front entry porch. The attic space was opened to the rooms below to create a large loft. A Second Unit was added on the ground floor with one bedroom accessed from the side yard of the property, which shares a laneway with the neighbouring single-family home pictured on the right. A parking area with two cars was located at the rear of the property.

One of the most common concerns among neighbours of rental units is that a multi-family dwelling will diminish property values in an area. However, these upgrades increased the assessed value of the homes, reduced energy consumption, and added long term quality rental housing to the city. The occupant of the lower unit is a single senior who prefers ground floor dwellings, and tenants in the upper units have been single parents with one or more children.



Figure 9 - Source: C. Hempel

11.1.4 Municipal Incentives for Development of Affordable Housing

While it may be possible for some non-profit and private organizations to build affordable housing without capital funding and/or incentives from local or senior governments, these situations are the exception rather than the rule. This is largely due to the high cost of construction (land, soft and hard costs) and the relatively modest cash flow generated by affordable rents. As a result, a considerable number of affordable projects, even with funding through Canada/Ontario capital programs, require some form of assistance from local municipalities to be financially viable.

To help promote the construction of and enhance the affordability of purpose-built rental housing, a growing number of municipalities, including area municipalities in a two-tier system, are providing financial and other incentives for proponents. This section examines some of the incentives being used by Ontario municipalities to promote affordable housing.

While all municipalities referenced affordability targets in their Official Plans, only Aylmer, Central Elgin, Southwold, and West Elgin explicitly mentioned possible incentives to meet these goals (financial incentives, expedited approvals process, alternative development standards). Specific incentives do not necessarily have to be described in Official Plans; however, it is important for municipalities to understand and formalize incentives as a policy tool to meet affordability targets. Of note, the City of St. Thomas provides several incentives for the development of municipal housing project facilities including providing direct assistance to proponents (loans and/or property), development charge exemptions, and property tax exemptions.⁴

RECOMMENDATION 4:

Explore municipal incentives to support the creation of affordable housing

PARTIES INVOLVED: Area Municipalities, County of Elgin, Private and Non-Profit Builders

11.1.5 Regulatory and Process Tools

11.1.5.1 Expedited Processing

In some Ontario municipalities, affordable housing development are provided with expedited processing to reduce the amount of time an application is spent in the development approvals process. Depending on the complexity of the development application and the number of applications being processed by municipal staff, it could take 6 – 12 months (or longer) to obtain all of the necessary development approvals to begin construction.

11.1.5.2 Community Improvement Plans

Community Improvement Plans (CIP) can be used to assist in the provision of housing, including affordable housing, in designated areas of a municipality by providing incentives to private or non-profit developers. Current CIP in Elgin County municipalities support the rehabilitation of housing stock, but no specific provisions are made for affordable housing.

At least three Ontario municipalities are currently providing incentives for new affordable housing developments through Community Improvement Plans (CIPs): Barrie, Cambridge, and Peterborough. These incentives typically provided non-payment of city development charges

⁴ City of St. Thomas By-law No. 56-2019

and other municipal fees in exchange for a written commitment to long-term affordability. In Cambridge and Peterborough there are also long-term exemptions (up to 20 years) from paying city property taxes.

In Cambridge, the CIP provides incentives for new affordable housing developments within eight areas of the city including four neighbourhood regeneration areas and four intensification nodes. These areas were chosen as they are determined to be ideal for new affordable housing due to their broad range of services including employment opportunities, retail, schools, social services, transit access and recreational opportunities.

The CIPs in Barrie and Peterborough are much more expansive. Peterborough's CIP, which was created specifically to administer affordable housing incentives covers almost all of the city's existing built-up area. Similarly, Barrie's CIP provides incentives for affordable housing developments on all of the land within its built boundary.

Incentives in the CIPs vary but generally include waivers for municipal fees, parkland dedication fees and development charges as well as tax increment financing grants.

11.1.5.3 Property Tax Reductions

Throughout much of the 20th century, the majority of Ontario's municipalities have taxed multi-residential dwellings at a higher rate than lower density forms of housing. While the high tax rate may provide additional revenue for the municipality it also reduces the viability of constructing new market and affordable housing due to its impact on operating expenses.

To help stimulate new rental construction, the Province passed legislation in 2017 requiring municipalities to set property tax rates for new multi-residential buildings between 1 to 1.1 times the residential tax rate. Of note is that the Province did not require municipalities to lower the property tax rate for existing multi-residential buildings. While this practice would help improve the operating cash flow for existing housing providers, particularly smaller non-profit and co-op housing corporations, there could be a sizeable loss of property tax revenue for local municipalities. As a result, this initiative appears to have been implemented only in York Region and Simcoe County.

Tax rates for new multi-residential developments in Elgin County appear to only have been implemented in Aylmer and Southwold per the most recent tax schedules found online. Tax rates for existing multi-residential properties range from 2.43% to 3.08%. In most cases, these rates are almost double the residential tax rates.

Table 22 - Elgin County Residential and Multi-Residential Tax Rates

Municipality	Residential Tax Rate(s) (2021)	Multi-Residential Tax Rate(s) (2021)
Aylmer	1.62%	New Multi-Residential: 1.62% Multi-Residential: 3.08%
Bayham	1.44%	2.73%
Central Elgin	1.60%	3.05%
Dutton Dunwich	1.60%	3.05%
Malahide	1.45%	n/a
Southwold	RT: 1.29% R1: 0.65%	MT: 2.43% M1: 0.61% NT: 1.29%
West Elgin	1.35%	2.54%

Less prevalent are property tax exemptions for new affordable rental developments. These tax exemptions, which waive property taxes for eligible developments over a prescribed period, appear to occur only in Toronto through its Open-Door program. The property tax exemption

lasts for the program's affordability period which is 25 years. There have also been a number of cases where specific affordable housing developments have been provided with municipal property tax exemptions on a "one-off" basis by their respective municipal councils.

11.1.5.4 Tax Increment Financing Programs

Tax increment financing (TIF) is a municipal tool used to finance the development of projects that will increase the property tax revenue for a municipality upon completion. With TIF, a municipality estimates the amount of future property tax revenue the project will generate and diverts a portion of these taxes back into the development to assist with financing for a set term. The municipality collects the full amount of increased property taxes once the TIF term has ended.

In Ontario, the City of Peterborough provides eligible affordable housing projects with a 10-year Tax Increment Financing grant while the City of Cambridge provides a similar grant program over a 20-year period. The City of Barrie provides a five-year tax increment financing grant and is somewhat unique in that the reductions to the tax increment grant in years three to five are directed to the CIP's reserve fund to help pay for future tax grants.

11.1.5.5 Development Charges

Currently, there are a range of development charges across Elgin County municipalities including fees imposed by upper tier municipalities, local municipalities, and some area-specific charges. A study on Development Charges across Elgin County is currently underway by Hemson and Associates⁵. A key recommendation is that upper-tier development charges be implemented on a County-wide basis.

Beyond the levy imposed by the County, local fees vary. Some municipalities do not have development charges at all (such as West Elgin), while other areas such as Central Elgin have a municipal-wide fee plus some additional area-specific fees (such as Port Stanley). While there are no specific recommendations for development charge exemptions for affordable housing, there are recommendations that second units be exempt from County development charges.

In addition to development charges, fees are collected for other services such as site plan applications and building permits, which vary depending on square footage.

11.1.5.6 Social Housing Development Charges

At least three municipalities (Hamilton, Simcoe, York) collect DCs from all new residential developments in order to use that funding for the provision of constructing new social housing. The amount collected by each municipality from different dwelling types varies from a \$360 to \$1,312 per single and semi-detached dwelling and reflects their respective 10-year capital plan for new "social housing" developments. For example, Simcoe County's Social Housing DCs are based on constructing 350 new units over a 10-year period to meet the growing demand for affordable housing due to new population growth and to help recover a negative reserve fund balance. Based on these figures, the social housing DCs are expected to raise \$51.87 million. The remainder of capital funding for these units is expected to be provided through Federal/Provincial capital funding programs and other sources.

⁵ www.elgincounty.ca/developmentchargesstudy/

11.1.5.7 Development Charge Waivers/ Grant Programs

Development charge (DC) waivers or grant programs exist in the City of Peterborough, the City of Owen Sound, Grey County, the City of Barrie, and the City of Toronto, among others. The majority of the programs provide grants for DCs through dedicated funds (the City of Owen Sound provides full exemptions). Grants are often favoured because they do not require amending a city's development charge by law and waivers are often viewed as being unfair by other classes of development. However, the ability of affordable housing proponents to access DC grants relies exclusively on there being funding available.

The City of Cambridge has a development charge deferral program that allows for the deferment of city DCs for up to 20 years from the date a Building Permit is issued and after signing an agreement that units remain affordable for a period of no less than 20 years. The benefit of the deferral is a reduction in upfront soft costs, an overall reduction in financing/carrying costs, and easier cash flow during construction. The reduction of these costs can allow proponents to instead purchase more efficient HVAC systems, improve insulation values or other aspects of construction and/or increase operating cash flow to build up capital reserves.

There are also a number of examples of “one-off” decisions by municipal councils for specific affordable housing developments. The City of Thorold, for example, exempts its own municipal housing corporation from paying city development charges.

11.1.5.8 Municipal Fee Waivers

A number of municipalities (Cambridge, Peterborough, Barrie, Toronto, Kawartha Lakes, Ottawa) are now waiving the fees associated with planning applications (Official Plan, Zoning Amendment and Minor Variance), Building Permits and Cash in Lieu of Parkland. These waivers of municipal fees are provided as they can:

- Provide some financial relief, particularly for non-profit providers, who may not be able to pay all of the fees prior to obtaining the first payment of capital funding from federal/provincial programs or CMHC Co-investment low interest loan programs;
- Reduce costs related to financing as mortgage draws can be delayed; and
- Lower costs related to financing by reducing the overall cost of the project.

The impact of the fee waiver on an affordable housing development varies depending on the amounts charged by a municipality. For example, the development charges for a 20 one-bedroom apartment building can range from \$184,980 in Kawartha Lakes to \$352,880 in Toronto.

11.1.5.9 Capital Funding Grants/ Housing Trusts

Housing Trust Funds are organizations that have a dedicated and ongoing source of revenue that is distributed to organizations who create new affordable housing. This dedicated revenue is typically established through a dedicated program or policy and funding is provided primarily from the municipality through user fees, property taxes or the interest from financial investments. In practice, the primary purpose of HTFs has been to fill the “gaps” in capital funding left by other sources of funding (e.g., federal capital funding programs). As a result, HTFs are often used to address predevelopment costs, gap financing, emergency and bridge financing and reducing risk for lenders.

While HTFs are more common in the United States, there are a number of examples of municipalities implementing these funding programs within Canada including the City of London, the City of Kingston, the City of Guelph, and the City of Vancouver.

11.1.5.10 Secondary Suite Incentives

As secondary suites can increase the supply of market and affordable rental housing, some communities have implemented incentive programs to promote their construction within existing and new residential dwellings. In most programs (both within and outside of Ontario), the incentives are generally used to help reduce the capital costs of constructing a second unit. Unique in the province, the City of Kingston also provides incentives to reduce the City's fees associated with obtaining the necessary development approvals for constructing the second unit (e.g., planning, building permit etc.).

Prince Edward-Lennox-Addington County offers a grant of \$20,000 if the unit is rented to someone with a low-to moderate income. Similarly, Niagara Regional Housing provides up to \$25,000 in the form of a forgivable loan. This amount as well as eligibility criteria is similar to other programs in Ontario.

11.1.6 Leveraging Municipal Land

Providing surplus municipal land at low or no cost can increase project viability by significantly lowering capital costs for affordable housing proponents. Municipalities may choose to either sell the land outright or lease the land at a nominal amount for the purposes of affordable housing. As part of the terms of sale or lease, a municipality may dictate that the land be used for affordable housing for a set number of years. Some municipalities selling the land will register a mortgage on title that will last for 25 years or longer as a method of enforcing long-term affordability. This approach can provide for long-term affordability but not affordability in perpetuity as it is not guaranteed that the site will continue to be used for affordable housing once the agreements in the sales terms expire. Land leasing allows the municipality both to retain ownership of the land as well as procure affordable housing through the terms of the lease. A benefit of continued ownership is that the municipality can renegotiate the lease where necessary depending on municipal needs. A policy should be established to review all surplus municipal and County land for housing suitability before selling it on the general market.

The City of St. Catharines recently put out RFPs for two surplus City sites with affordable housing requirements as part of the terms of sale. For one site, terms of sale stipulated that one third of units be affordable at 80% of CMHC average market rates, another third be social housing units, and the final third can be market-rate units. Other examples of leveraging municipal land for affordable housing include the 555 Beechwood Site in Waterloo earmarked for an affordable housing development by the Region of Waterloo as well as the Housing Now program in Toronto which aims to create affordable housing as part of mixed-use, mixed-income, and transit-oriented communities on 17 City-owned sites.

RECOMMENDATION 5:

Develop a policy to review municipal and County land for housing suitability prior to selling it on the general market

PARTIES INVOLVED: Area Municipalities, County of Elgin, Private and Non-Profit Builders

Case Study: 315 Bruce Street, Durham, ON

Grey County recently mapped all government-owned properties to enable affordable housing development. The County is investigating numerous opportunities to build housing and partner with private developers to create affordable rental housing on these sites where appropriate.

Recently, this initiative resulted in the construction of new rental housing in Durham. Purchased for \$2 from the Province in 2018, Grey County considered options of either building affordable housing itself or issuing an RFP to a private developer. Land and additional funding from the Investment in Affordable Housing Program (IAH) would be given to the successful proponent with an agreement that a percentage of the units would remain affordable for 20 years. Requiring no on-going funding for the County, the council opted to issue an RFP. A private developer responded to the RFP and constructed a 14-unit rental with 11 affordable apartments (including one barrier-free) and 3 market-level units.

The Provincial IAH program provided \$900,000 of funding and the County waived development charges through a one-time grant of \$44,000. The proponent paid \$1,000 for legal fees



Figure 10 - Credit: C. Hempel



Figure 11 - Credit: C. Hempel

11.2 Service Recommendations

As the housing service manager for the region, the majority of housing supports are located in St. Thomas including public/social housing units and support services. Many people in housing need require support services for mental and physical challenges, poverty, violence, and substance use. While housing is paramount to client well-being, support services are paramount to ensure a client is successfully able to remain housed.

Accessing these services is difficult due to limited transportation. Additionally, moving to a different municipality to access these services removes a resident from their local support network. Not only can increased housing services in rural municipalities allow residents to stay in their communities, but local housing providers can also tailor programs and supports to best meet the needs of residents based on local knowledge.

RECOMMENDATION 6:

Advocate for increased funding to support both urban and rural areas

PARTIES INVOLVED: Area Municipalities, Municipal Service Manager, Federal & Provincial Governments, Community Agencies

There is not enough federal or provincial funding to meet the housing and service needs of both St. Thomas and rural Elgin County. Local councillors and community groups should advocate for increased funding in support of housing and support services.

Both the West Elgin Community Health Centre and Family Central Apartments have a robust suite of services to support clients in housing need. However, clients that live elsewhere due to a lack of local housing supply are unable to access these services without adequate transportation (see below). Clients located far away also makes it challenging to effectively offer services if visits are sporadic due to distance. This highlights the complementary relationship of affordable housing supply in close proximity to support services – co-location of both maximizes the investment in both.

Service providers like Canadian Mental Health Association Elgin County (CMHA) should also strive to increase services in rural areas. It is also recommended that service providers share knowledge and best practices across the County. For example, the East Elgin Family Health Team in Aylmer could look to expand its services similar to those offered by the WECHC (transportation, harm reduction, etc.).\

During stakeholder interviews, it was noted that the Rural Homelessness Systems Navigator pilot position split between West and East Elgin was helpful. Following an analysis of the data, and subject to budgetary constraints, St. Thomas Social Services is encouraged to explore the possibility of creating two systems navigator positions due to the geographic area of the County.

11.2.1 Increasing Access to Centralized Services

Where it is not feasible to decentralize services due to lack of funding or other operational constraints, efforts should be made to make it easier for residents in rural Elgin to access services elsewhere in the County. One way to do this is to improve transportation options to travel between municipalities and the service hub in St. Thomas. Another is to use technology to allow residents to attend appointments and meet with support workers virtually.

RECOMMENDATION 7:

Explore opportunities to increase rural transit and introduce virtual supports

PARTIES INVOLVED: Area municipalities, Municipal Service Manager, County of Elgin, Community Agencies

11.2.1.1 Rural Transportation

Although not always considered an affordable housing issue, lack of adequate options for transportation in small towns and rural areas can greatly impact housing affordability and accessibility. Rural transportation programs can boost employment and economic vitality by getting people to work and shops, to access education and training, and help attract new residents or retain youth. Lack of mobility becomes a significant barrier for seniors who wish to age in place in many Elgin County communities; social and health benefits are lost without access to services such as medical support, recreation programs, or connection with family and friends.

Public transit in rural areas represents an ongoing challenge for municipalities. Beyond emergency medical care or school bussing, it is often considered too costly to serve relatively few residents over a large geographic area. Stable upper tier funding has been inadequate/unavailable, and no single prescription or solution has emerged despite years of study. However, innovative models offering practical solutions for shared-use mobility are rapidly being developed that may address rural challenges, such as ridesharing, car-sharing, and ride-sourcing services.

For decades, informal and self-organized ride-sharing programs (such as ride-boards at universities) have connected residents needing lifts with other drivers who offer rides for modest fees to share gas and mileage expenses. Conceptually similar to hitchhiking, social media platforms such as the Facebook group Rideshare Ontario help increasing numbers of travelers connect with each other.

In Denmark, the network GoMore⁶ connects people with each other for ridesharing, including cities and all rural parts of the county. Security measures such as identification (required for network enrollment), and trip review feedback helps establish confidence for and build trust for both drivers and riders. Go-More is also a platform for insured peer-to-peer car-sharing, enabling licensed drivers to rent a car from other private residents for a short period of time and avoid the expenses of car ownership.

In smaller centers, car-sharing can be sponsored by a municipality or non-profit group so that residents can reach larger cities without the expense of car ownership or full-day car rental. This model has been established in the village of Needles, California where two cars (a van and a small sedan) are available for rent to community members through Enterprise Carshare at \$7 per hour (including insurance and fuel). The cars are parked at a local bank, and reservations are made online or in person at a kiosk. Revenues generated cover 70% of program costs, and the remaining 30% are covered by the municipal transit authority⁷. The West Elgin Community Health Centre offers a similar program where screened volunteers use their own vehicles to provide transportation to clients for medical appointments, shopping, social activities, etc. Fares are based on a per kilometre rate plus an \$18 hourly fee, and all rides are dependent on driver availability.

Organized ride-sourcing programs such as Uber are now very common in cities, using dedicated drivers who respond to on-demand calls for rides. Such programs have not been proven feasible in rural areas for similar reasons as public transportation - large distances prove too costly for riders, and too little demand creates low profitability for paid drivers. In a growing number of US states, the charitable organization Feonix-Mobility Rising⁸ uses both paid and volunteer drivers to provide rural transportation with a goal of alleviating transportation inequity in many US states.

Case Study: NRT On Demand

In west Niagara, Ontario, a pilot program was launched in August 2020 for an on-demand ride-sourcing service in order to connect residents in Grimsby, Lincoln, West Lincoln, Pelham, Niagara-on-the-Lake and Wainfleet with transit hubs in larger cities. Using smartphone technology (or a phone call), trips can be booked for minimal fees with little lead time and without fixed routes. NRT OnDemand is a collaboration between Niagara Region Transit and Via Mobility. Ridership has grown slowly but steadily in the region over the year that the service has been available. Long term feasibility is not yet known, but close attention should be paid to the results of this pilot program.

⁶ www.gomore.dk

⁷ www.vvta.org/flex/needles-car-share/

⁸ www.feonixmobilityrising.org

11.2.1.2 Virtual Support

Virtual support allows residents to meet with support workers without having to travel to service centres. Benefits of offering virtual support include greater accessibility for residents/clients as well as the ability for centralized services to be offered to wider geographic area. Additionally, where support staff would normally have to travel to communities for meetings, reduced or non-existent travel times allow staff to spend more time with patients or take on additional caseloads.

Virtual support requires computers and internet access to be delivered, and it should not be expected that clients have access to either. The Pathways Housing First program in Vermont provided all clients with in-home computers and internet access⁹. Computers were either purchased affordably or donated and internet was provided a reduced rate for bulk subscriptions. In-home virtual support is most convenient to clients as they do not have to leave their place of residence to attend appointments. Alternatively, local hubs like the West Elgin Community Health Centre, East Elgin Family Care, municipal offices, local libraries and/or community centres could have dedicated computer stations for virtual support appointments. Shared computer stations would save on infrastructure costs, however a dedicated staff member would also likely be required to assist in coordinating and providing technical support for appointments. Technical support would also still be required for in-home virtual support, especially at the outset.

It is important to note that virtual appointments will not be preferable for all clients or in all circumstances (for example, particularly sensitive appointments, when documents need to be signed, etc.). A hybrid or flex model that mixes in-person and virtual appointments should be pursued to provide clients the option to meet in-person or virtually based on their schedules and what is more convenient.

11.3 Working with the Community

Housing providers often encounter community resistance to affordable housing projects. NIMBY stands for 'not in my backyard' and is a characterization of residents who oppose unwanted development in their community. NIMBYism is viewed as personally motivated and judgemental behaviour that can delay, restrict, or halt the construction of important development projects.

However, this negative characterization can be an oversimplification. Meaningful public participation in how communities are shaped is a cornerstone of local planning processes. Community involvement can bring salient knowledge and relevant issues to the attention of project planners and designers, and ensure that development is aligned with local values, neighbourhood character, and place-identity.

It is paramount that the underlying issues expressed by project opponents are understood, and whether motives for resisting a project are rooted in concern for the public good or personally motivated, and whether concerns arise from knowledge or judgement. Solutions and problem-solving approaches differ depending on where concerns arise.

⁹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3969120/>

RECOMMENDATION 8:

Use planning and legislation tools and community engagement, communication, and education to address community concerns

PARTIES INVOLVED: Municipalities, Municipal Service Manager, Community Agencies, Housing Stability Coalition

11.3.1 Engaging with Community Concerns

11.3.1.1 Legislation & Planning Tools

Despite the complexity that underlies community concern, a surprisingly simple strategy for overcoming it is available through zoning regulation reform that enables housing creation of varying types of form and tenure across all neighbourhoods.

Many community concerns can be addressed by referencing and applying legislative frameworks. Zoning by-laws and official plans should include language and policies for emergency shelters and affordable housing to establish these types of developments as both permissible and a regional/municipal priority. As-of-right zoning for higher density housing is also important to avoid triggering a rezoning or Official Plan amendments, both of which are lengthy, costly, and require a formal consultation process, increasing the difficulty of development. A housing strategy is also an important tool to help demonstrate need and demand for affordable housing. Highlighting the fact that affordable housing developments must meet the same municipal requirements as other developments can help reassure residents that the proposals will be carefully reviewed and held to the same standard. Developments that are permitted by the zoning and meet the goals of the official plan or housing strategy are difficult to oppose on legislative and planning grounds.

Importantly, human rights legislation prevents housing discrimination based on income. “People zoning” – that is, making planning decisions based on occupants instead of use – is illegal. Members of a community cannot pick their neighbours.

11.3.1.2 Community Engagement, Communication & Education

Engagement and communication with the local community is key and should be open, early, frequent, clear, and accurate¹⁰. Being transparent about the project and process is key to avoiding community concerns rooted in fear of uncertainty and change. It is also helpful to try and identify potential community concerns in advance so they can be addressed at the outset.

Inclusive engagement is important to ensure residents feel they are able to participate in the decision-making process and not that the project is a ‘done deal’. Engagement and communication are equally important even if a development is permitted as of right. In these instances, communicating and seeking input from the public is a show of good faith that resident’s concerns will be listened to (though only addressed if relevant). Failure to sincerely engage with a community may cause problems with future developments where planning approvals are required. Project proponents may also benefit from local community knowledge that ends up making the development stronger.

Following up and monitoring project outcomes is an often overlooked but critical part of the development process. Projects that fall into disrepair or decline can make community members skeptical and hostile towards future developments. However, noting that resident concerns did

¹⁰ Housing in My Backyard: A Municipal Response to NIMBY

not materialize and other positives of the project can provide helpful evidence to support future similar developments.

Other helpful strategies include identifying local champions in support of the development – prominent or well-known community members, elected officials, community associations, etc. – and promoting the development through local media, focusing on need and positive outcomes.

Case Study: Opposition to Second Units

In the context of affordable housing, concerns might arise about a new policy, or about a specific development. For example, policy development for second units has been fraught with resistance for decades. The chart below categorizes some frequent arguments against second units:

Table 23 - Community Concerns with Second Units

<p>Selfless and Rational</p> <ul style="list-style-type: none"> • I am worried that second units will become short term vacation rentals and reduce the quality of our community. • We shouldn't have second dwellings on farms because there aren't adequate services 	<p>Personally Motivated and Rational</p> <ul style="list-style-type: none"> • I don't want to look at an ugly building in my neighbour's back yard. • There will be too many cars that will ruin the look of my neighbourhood
<p>Selfless and Judgemental</p> <ul style="list-style-type: none"> • It's better for society if everyone owns their homes on their own piece of land. • We shouldn't have second units on farms because we should preserve farmland 	<p>Personally Motivated and Judgemental</p> <ul style="list-style-type: none"> • I don't want second units next to me because renters won't fit in. • This is a neighbourhood of high-income people and low-income people don't belong.

Solutions that address these community concerns may involve providing new information, addressing valid concerns, mitigating concerns with targeted strategies, or overriding objections that are not aligned with overall societal goals. Overcoming opposition involves working with the community to understand the nature of their concerns and taking reasonable steps to address them where appropriate.

Table 24 - Responses to Community Concerns with Second Units

<p>Selfless and Rational</p> <ul style="list-style-type: none"> • I am worried that second units will become short term vacation rentals and reduce the quality of our community. • <i>Address valid concern: Create policies regulating short-term rentals as tourism businesses rather than residential dwellings, or restrictions for Second units in shoreline or recreational communities</i> • We shouldn't have second dwellings on farms because there aren't adequate services or transportation. • <i>Address valid concern: Ensure that septic systems and wells have adequate capacity or are upgraded for new users.</i> • <i>Address valid concern. Facilitate shared rural transportation programs</i> 	<p>Personally Motivated and Rational</p> <p>I don't want to look at an ugly building in my neighbour's back yard.</p> <ul style="list-style-type: none"> • <i>Mitigate: Create design guidelines to ensure quality, suitability, and scale of second unit designs</i> • There will be too many cars that will ruin the look of my neighbourhood. • <i>Mitigate: Create design standards to address parking and landscape concerns</i>
<p>Selfless and Judgemental</p> <p>It's better for society if everyone owns their homes on their own piece of land.</p> <ul style="list-style-type: none"> • <i>Inform: Create public awareness explaining the role of increased density for long term environmental, economic, and social sustainability</i> • We shouldn't have second units on farms because we should preserve farmland. • <i>Inform: Explain that second units cannot be severed and farmland is retained.</i> 	<p>Personally Motivated and Judgemental</p> <p>I don't want second units next to me because renters won't fit in.</p> <ul style="list-style-type: none"> • This is a neighbourhood of high-income people and poor people don't belong. • <i>Override: Such concerns are rooted in fear or prejudice and not aligned with societal goals.</i> • <i>Inform: Create community programs and neighbourhood events that promote familiarity and understanding diverse members of the community.</i>

11.3.1.3 Concerns About Multi-Family Housing, Affordable Housing & Supportive Housing

The most complex type of resistance to affordable housing is around the creation of supportive housing projects (sometimes with supports for persons with mental health and addiction issues) or homeless shelters. Community resistance is often strong and fierce, and strength in opposition numbers can quash a much-needed project or result in increased project costs or delays that make it more difficult to provide housing for people with significant needs; democratic processes do not necessarily produce inherently fair outcomes. Examining the complex array of concern can be helpful for project proponents and decisionmakers. Much of the tension comes from balancing individual liberty and collective responsibility regarding the provision of supportive housing development. The chart below categorizes some frequent arguments:

Table 25 - Community Concerns with Multi-Family, Affordable, and/or Supportive Housing

<p>Selfless and Rational</p> <p>There is an unfair concentration of affordable housing projects in the area. The community was not involved in planning for this project.</p>	<p>Personally Motivated and Rational</p> <p>My property value might decline if a homeless shelter is built nearby</p> <ul style="list-style-type: none"> • The building proposed is ugly and doesn't fit with the existing street
<p>Selfless and Judgemental</p> <p>There will be an increased strain on public services.</p> <ul style="list-style-type: none"> • The last person that proposed a homeless shelter was just after government money. 	<p>Personally Motivated and Judgemental</p> <p>These types of people do not belong here.</p> <ul style="list-style-type: none"> • This project will bring crime to the neighbourhood.

Table 26 - Responses to Community Concerns with Multi-Family, Affordable, and/or Supportive Housing

<p>Selfless and Rational</p> <ul style="list-style-type: none"> • There is an unfair concentration of affordable housing projects in the area. • <i>Address Valid Concern: ensure that zoning permits construction of supportive housing in all areas of the community rather than in a specific "high density" area.</i> • The community was not involved in planning for this project. • <i>Address Valid Concern: Ensure that planning process are inclusive and support meaningful public engagement upstream of siting and development for supportive housing.</i> 	<p>Personally Motivated and Rational</p> <ul style="list-style-type: none"> • My property value might decline if a homeless shelter is built nearby • <i>Mitigate: Ensure that affordable housing is widely distributed across all neighbourhoods</i> • The building proposed is ugly and doesn't fit with the existing street • <i>Mitigate: Use community-based processes to ensure that the scale, form, and character of the new housing fits the existing context.</i>
<p>Selfless and Judgemental</p> <ul style="list-style-type: none"> • There will be an increased strain on public services. • <i>Inform: Public services are more strained when residents live in poverty than when they can find safe and affordable housing.</i> • The last person that proposed a homeless shelter was just after government money. • <i>Inform: Ensure that information about the project proposal including funding sources is available</i> 	<p>Personally Motivated and Judgemental</p> <ul style="list-style-type: none"> • These types of people do not belong here. • <i>Override. Encourage a human rights approach to creation of all housing types for a diverse community</i> • This project will bring crime to the neighbourhood. • <i>Override: Provision of safe and affordable housing is linked to reductions in crime.</i>

A common concern expressed by opponents is that there is already a concentration of affordable housing projects where a new building is proposed. This may be because a project requires proximity to services within walking distance, such as access to health care centres or seniors' social support services. A strategy to mitigate potential problems where projects must be in a specific area is to include the community in planning and site identification upstream of project development.

On the other hand, concentrations of affordable housing may arise not because of practical locational considerations, but because zoning regulations have defined certain geographic areas as suitable for multi-unit dwellings or apartment buildings; over time, these areas become the only viable sites for project developers. The best strategy to overcome such concerns is to create more possibilities for multi-family housing across the entire community through zoning reform.

11.3.1.4 Concerns About Density, Urbanization & Loss of Place-Identity

Considerable opposition to affordable housing in rural municipalities stems from concerns about density and urbanization. Residents of villages, small towns and rural areas prefer low-density housing, access to spacious landscapes and natural amenities. Density of housing is considered a characteristic of urban spaces, associated with overcrowding, and out of character for rural living. Zoning regulations often prohibit multi-family units from being built in low-density areas. If a housing provider requires an amendment to zoning regulations to increase density, community opposition may arise from density concerns rather than any particular object to low-income residents. The best strategy is twofold: mitigate and inform. To mitigate concerns about respect for established neighbourhood character, design guidelines can be created for multi-family dwellings that are a good fit with existing development patterns. A smaller triplex or fourplex might be very similar in appearance to neighbouring single family houses. Information must accompany zoning reform: the prevalence of low-density housing is not sustainable; low density communities consume too much land, are car-dependant, and require more municipal resources than compact communities. See a continuation of this discussion in the segment on upzoning.

Other project-specific concerns might have to do with siting, landscaping, or general appearance or scale of a new project. Mitigation of this type of concern can be achieved with targeted solutions where possible.

Working with Community Groups to Develop Affordable Housing

Finding suitable land is both one of the biggest challenges for affordable housing development as well as one of the largest capital costs. Community groups and non-profits often have land suitable for housing and may be willing to work with affordable housing proponents to offer the land at low or no cost, positively impacting project viability. It is recommended housing proponents including the Housing Stability Coalition approach community groups and non-profits in Elgin County to inquire about the availability of land suitable for housing. If land is identified, housing proponents can work with the groups directly or facilitate discussions with developers to create affordable housing proposals for the site(s) (see Recommendation 9).

Government funding proposals for affordable housing often have short timelines both for applications as well as building completion for funding to be awarded. For example, the federal Rapid Housing Initiative requires developments to be occupied within a year of funding being awarded. Further to recommendation 8, it is recommended the Housing Stability Coalition work with local community organizations to develop affordable housing proposals for specific sites to prepare for future proposal calls for government funding. Important information to have 'ready to go' includes the development size, required planning approvals, and high-level capital and operating budgets. CMHC Seed funding can be used to fund some of this preliminary work including geotechnical reports, architectural drawings, and engineering studies.

RECOMMENDATION 9:

Approach community groups and non-profits to see if they have land suitable for housing

PARTIES INVOLVED: Community Agencies, Housing Stability Coalition

RECOMMENDATION 10:

Work with community organizations to develop affordable housing proposals for specific sites to prepare for future proposal calls for government funding

PARTIES INVOLVED: Community Agencies, Housing Stability Coalition

12 Conclusion

This report finds that affordable housing in Elgin County is increasingly out of reach for many residents. Demographic shifts continue to create more demand for apartments and rental units, while planned development remains focused on market rate single family housing. Since the pandemic, steeply inflated housing prices costs means that home ownership is attainable for fewer people across the county. Recommendations in this report focus on addressing housing challenges primarily through realistic housing supply mechanisms that fall under local purview. However, it must be noted that many factors that influence housing demand such as interest rates, taxation, real estate costs and migration trends are out of the control of municipalities and regional governments.

There is no clear, singular approach to addressing the increasingly complex problem of ensuring that housing is safe and affordable, nor does the responsibility for provision of housing fall to a single agency. The array of changes to housing policies and support services suggested here coupled with widespread collaboration across diverse government agencies, businesses, not-for-profit groups, and private citizens, can begin to improve housing outcomes for residents of Elgin County,