



Housing & Affordability



TABLE OF CONTENTS

1.0	INTRODUCTION.....	1
1.1	Purpose of Discussion Paper.....	2
1.2	Vision.....	3
1.3	Housing Choice and Link to Affordability.....	3
2.0	CURRENT OFFICIAL PLAN DIRECTION.....	5
3.0	ISSUES.....	7
4.0	COMMUNITY INPUT.....	9
5.0	PROVINCIAL AND COUNTY POLICY.....	10
5.1	The Planning Act.....	10
5.2	Provincial Policy Statement, 2020.....	12
5.3	More Homes, More Choices: Ontario’s Housing Supply Action Plan.....	14
5.4	Grey County Official Plan and Related Reports.....	15
6.0	OTHER BEST PRACTICES.....	17
6.1	Town of Wasaga Beach Official Plan Review.....	17
6.2	Town of Collingwood Official Plan.....	18
7.0	ANALYSIS.....	20
8.0	RECOMMENDATIONS.....	21
9.0	NEXT STEPS.....	23

1.0 INTRODUCTION

The City of Owen Sound Official Plan (OP) guides long-term decisions that relate to land use and planning. It establishes the policies for implementing provincial direction and interest while setting out the framework that shapes our City's physical, economic, and social development. The OP is an important tool that supports our City's vision of a complete community and fosters innovation, opportunity and growth while offering a high quality of life.

Under the *Planning Act*, municipalities are required to conduct a review of their OP every ten years. They must complete a provincial plan conformity exercise to amend their OP's in order to ensure they do not conflict with provincial plans; have regard to matters of provincial interest; and are consistent with the Provincial Policy Statement. Municipal OP's must also be in conformity with the policy and direction provided in regional/county plans.

Since the last OP update in 2012, several significant Provincial and local policy initiatives were completed. These include the coordinated review and update of the following:

- [The Planning Act](#)
- [The 2020 Provincial Policy Statement \(PPS\)](#)
- [The Made-in-Ontario Environmental Protection Plan](#)
- [The Niagara Escarpment Plan](#)
- [Grey County Official Plan](#)
- [County of Grey Housing and Homelessness 10 Year Plan \(2014-2024\)](#)

Over the following year, our City will be undertaking a municipal comprehensive review (MCR) to determine:

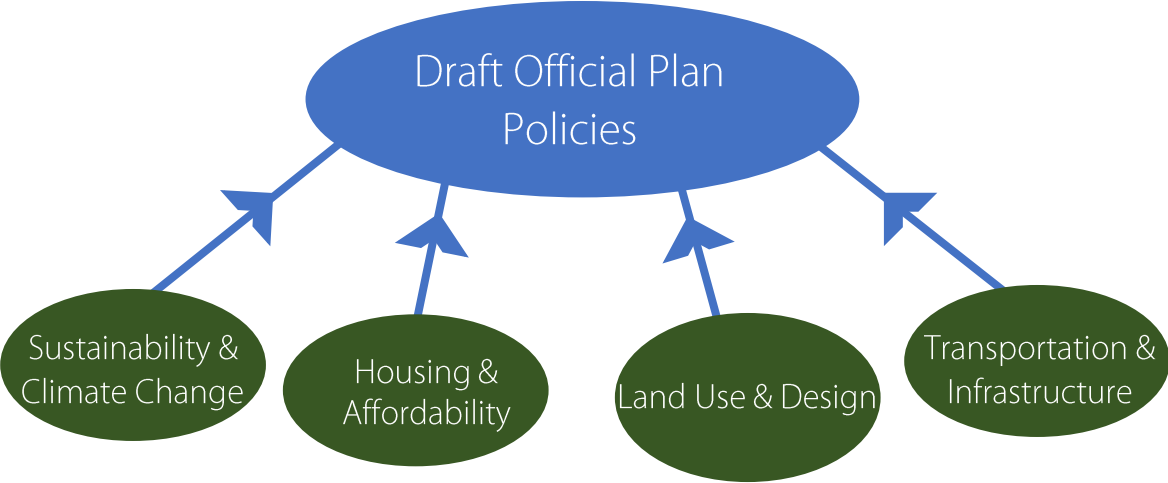
- How and where our City may grow;
- How to use and protect the land and resources within our City;
- How to anticipate, address and mitigate the impacts of climate change to create a sustainable community;
- What housing types and economic opportunities are required for all types and ages of residents; and
- How people and goods move within and across our City, and connect to the Region beyond.

This review will constitute as Owen Sound's provincial plan conformity exercise and will satisfy the 10-year OP update requirement, as per the *Planning Act*.

1.1 Purpose of Discussion Paper

The following paper is the second in a series of discussion papers that form part of the MCR process. Although the review will encompass all subject matters in the OP, the discussion papers will focus on key policy areas, including Sustainability & Climate Change, Housing & Affordability, Land Use & Design, and Transportation & Infrastructure. The purpose of these discussion papers is to inform and engage all of Owen Sound’s stakeholders, including local businesses, residents and frequent visitors.

CITY OF OWEN SOUND **OFFICIAL PLAN UPDATE**



The Housing and Affordability discussion paper provides an overview of City’s housing supply in relation to current and future demographics and affordability, as well as changes in guiding principles from the planning policy framework in Ontario.

In recent years there has been greater diversity in the forms of housing being constructed, with more medium- and high-density forms of housing, such as townhouses and apartments. Second units (such as basement apartments) are also becoming more prominent. Smaller residential units can be less expensive; offsetting higher prices in other segments of the housing market.

The discussion paper will explore how density, housing supply and ownership types will contribute to a balanced housing environment, while creating housing choice and opportunity in Owen Sound.

We will review possible new policy directions in relation to the housing market (such as policies for tiny homes and additional residential units (ARUs), such as accessory suites), current City conditions, what has changed at the provincial and local levels, and community expectations. This paper will also provide direction on how our OP can implement policies to support housing affordability and access to attainable housing throughout the housing continuum so that we can continue to develop as a complete community that supports housing for all residents in the City.

1.2 Vision

The Vision for the City's OP provides a foundation for policy direction within the OP and offers insight into the objectives, goals, and milestones to consider when making planning related decisions. The following Vision statement reflects what the City aspires to be and acknowledges how it will get there.

“The City of Owen Sound is where you want to live. A complete community that values the natural environment, cultural diversity, historic streetscapes, vibrant waterfront and provides a sense of belonging. The City will plan to evolve as a centre for growth, opportunity and innovation while ensuring that sustainability, resiliency, and quality of life are considered in every decision.”

- ***Official Plan Vision Statement***

Consultation with members of Council, City of Owen Sound Staff, and the community provided a strong foundation for the creation of this vision statement. Visioning sessions provided an opportunity to facilitate an understanding of how the City views itself and what changes can be implemented to better reflect what the City wants to be.

1.3 Housing Choice and Link to Affordability

Housing choice and affordability were recurring themes mentioned during all forms of consultation and engagement. In response to this, the Vision statement identifies that the City of Owen Sound will be a community that provide a sense of belonging, a centre for growth and a high quality of life. Housing provides the basis for a person to grow, innovate and belong to part of a complete community. As a complete community, the City will strive to ensure housing affordability and choice for residents of all ages and incomes.

The Canadian Mortgage and Housing Corporation (CMHC) considers housing “affordable” when it costs less than 30% of a household’s before-tax income. Affordable Housing refers to a very broad range of housing types that can include housing provided by the private, public and non-profit sectors. It also includes all forms of housing tenure, including: Rental, Ownership, Co-operative, and Temporary & Permanent. The Housing Continuum below (Figure 1), prepared by the CMHC, identifies the range and types of housing within the housing market.

The Housing Continuum model represents a linear progression from homelessness or housing need to home ownership.

Figure 1 – Housing Continuum (CMHC)



On the left of the continuum, spaces are either provided or subsidized as they are provided largely by a governing body or a charitable organization. On the right, is housing that is owned or rented by organizations or individuals.

Providing and supporting housing choice by unit size, type and ownership that is affordable and attainable throughout the continuum requires a coordinated and co-operative effort between stakeholders, governments, agencies, developers, not-for-profit’s, and individual residents.

Although planning policy can affect housing across the spectrum, it has its greatest influence on market housing and affordable housing. Future development and redevelopment decisions, including condominium conversions, will need to be conducted with respect to providing a variety and choice of housing options, including affordable options. Inclusionary zoning policies can also be promoted to ensure sufficient monies are available to support affordable housing projects.

Land use policy can enable and support the delivery of various forms of housing including affordable and seniors’ housing; however, financial and other decisions regarding funding allocations, subsidies, rental supplements, income supports, and other tools are dealt with through governmental and corporate budgetary decisions, which are outside of the Official Plan and land use planning policies.

2.0 CURRENT OFFICIAL PLAN DIRECTION

The current Owen Sound Official Plan was adopted by City Council on March 20, 2006 and approved by the County of Grey August 10th of the same year. It was last updated in 2012 as part of a mandatory five year review. The 2017 Office Consolidated contains all policies currently in effect and approved amendments to the Owen Sound Official Plan. Land use planning policies and decisions influence housing choice and affordability in the City. The Official Plan contains numerous policies that work together to implement growth and development and ultimately the provision of housing within the City.

Section 7.6 of the OP provides goals and objectives for housing in the City. This section provides direction for the supply of residential lands, intensification and conversion, and explains the different types of housing types permitted in the City. The City population projections are directly related to the housing demand and needs within the City. The other important component housing relates to the supply and market delivery of housing types.

Section 7.6.1.4 and 7.6.1.6 offer support for the development and implementation of housing that is affordable in accordance with identified City and Regional targets. Policy 7.6.1.6 provides direction on how to implement recommendations and address findings from the County's housing strategy. Accordingly, the City will consult with the County to implement targets when considering new development applications, strategies or plans that relate to the provision of housing in the City.

Policy 7.6.3.1 limits the conversion rate of existing rental units to condominium units. This policy is implemented to ensure that sufficient rental housing stock is available and that the rental vacancy rate for the City, as reported by the Canadian Mortgage and Housing Corporation, has been at or above 2%. A Rental Housing Impact Study, as explain in policy 8.4.8, may be required to determine the impact of the conversion on residential vacancy rates as well as affordability and mix of housing types available.

Community Improvement Plans are plans that focus on the maintenance, rehabilitation, development and redevelopment of targeted areas. Policy 8.2.2.4 introduces general policy for CIP areas in the City. Notably, policy 8.2.2.4 encourages the construction of a range of housing types and the construction of affordable housing as well as improvement to the social, community, and environmental conditions.

This discussion paper will explore the City's current housing supply in relation to current and future demographics to understand how available housing supply and ownership types contribute to a balanced housing environment, while creating housing choice and opportunity in Owen Sound. Housing affordability and access to attainable housing will be considered in the context of Official Plan policies that support housing for all residents in the City.

3.0 ISSUES

The City of Owen Sound, like many places in Ontario, is experiencing housing issues related to demand, supply and affordability. Key considerations in the discussion on housing relate to:

- Demographics
 - Demographics has a direct effect on housing need and housing options. The demographic trends occurring in the City relate to an aging population and migration (most significant the out migration of the younger population). This may change as people adopt 'working-from-home' and migrate to the City from more urban areas.
- Housing Demand and Supply
 - As demand for housing increases beyond the supply, the outcomes relate to increase cost and reduced housing choice. Housing attainability and affordability are affected when there is not a balanced housing market and housing choice becomes an issue for existing and future residents.
- Home Ownership
 - A healthy housing mix should include a balance between home ownership and rental tenure.
- Land Use Policy and Infrastructure Decisions
 - Policy establishing density targets, location for growth and decisions related to infrastructure influence locations for housing development.

Housing costs have outpaced the growth of household incomes and a lack available affordable housing options as well as an aging housing stock has caused unfavourable conditions for current and future residents. Over 40 percent of homes in Owen Sound are rented which represents more than double that of Grey County as a whole.¹

The rental market in Owen Sound is characterized by low vacancy rates. In 2018, the vacancy rate in privately-owned apartment buildings in Owen Sound with six or more units was 1.7 percent in 2018, down from 2.9 in 2014.² In contrast, the average rental vacancy rate in all of Canada is 2.4 percent (Statistics Canada, 2018) which is below the ten-year average.² Housing costs in Owen Sound have become increasingly expensive. Nearly three out of every ten households spend more than 30 percent of household income on shelter costs. Among rental households, nearly half of tenant households (49 percent) spend over 30 percent of their income on housing.²

The Canadian Mortgage and Housing Corporation data for the City of Owen Sound identifies that rental housing costs are significantly increasing. The average rent in 2019 was \$899 per month (\$10,788 per year) which is an increase of nearly 39 percent from 2006 where rent was \$647 (\$8,088 per year) and nearly a 68 percent increase over the past two decades when the average rent was \$536 (\$6,432 per year). When compared to the fact that one in four households in Owen Sound have less than \$30,000 in annual income ², it is apparent that housing costs are significantly ahead of income levels. With housing costs consuming such a major portion of household income, it leaves little for other necessities such as food, clothing and transportation.

As a complete community, the City of Owen Sound will need to continue to support the development of affordable housing options and develop additional policies that will help to address gaps between income and housing costs in the City. By doing so, residents will have additional disposable income that can contribute to a stronger local economy. Additionally, affordable housing options can attract newcomers and younger professionals that will help to grow the City's population and economic base.

¹ City of Owen Sound. "Demographics."

https://www.owensound.ca/en/investing/demographics.aspx?_mid_=9110.

² Grey County, "Grey County Trends and Analysis Summary." P. 8. Available online at:

<https://www.grey.ca/affordable-housing>

4.0 COMMUNITY INPUT

Throughout the Owen Sound OP Review consultation process, the importance of housing, including the choice, affordability, and location of housing, were discussed. In the public survey posted on the City's website, 36% of respondents identified providing affordable housing options as one of their top concerns. After reviewing the commentary provided in the survey and discussing with members of Council, City Staff and the public at community visioning sessions, several concepts related to providing a choice of housing options emerged.

Providing a choice of housing options that are affordable and attainable for current and future residents was key theme provided by respondents. Housing options for seniors were identified as a key housing matter to consider in order to allow the elderly population to "age in place". Respondents also stated that providing a variety of housing options that were more affordable might help to attract younger working class individuals and families.

Community members emphasized the importance of providing opportunities where youth and young professionals could reside and have employment opportunities. Providing a choice of housing options at affordable and attainable prices will allow young professionals and/or first time home buyers the opportunity to own or rent a home while contributing to the City's economy.



Figure 2 A Community Visioning Session at the Harry Lumley Bayshore Community Centre

Providing a choice of housing options is the basis for building complete communities. By supporting a variety of housing development and redevelopment that is affordable throughout the City, Owen Sound will be able to support its current residents and attract new comers.

5.0 PROVINCIAL AND COUNTY POLICY

There are a number of provincial and local legislation and policy frameworks that relate to housing, affordability and land use planning. This section provides a review of such policies as they relate to Owen Sound.

5.1 The Planning Act

The *Planning Act* (1990) is a provincial document that guides development and the various planning approvals and processes involved. Consolidated on April 12, 2018 it serves as the basis for municipalities to prepare documents related to planning and land use, including official plans that lay out a municipalities planning goals and policies to guide land use within its jurisdiction. Municipalities are required to ensure that all planning decisions and documents integrate provincial interests and are in compliance with the Planning Act, as well as other provincial policy such as the Provincial Policy Statement.

The Planning Act identifies the following as matters of provincial interest which relate to housing and affordability:

- The orderly development of safe and healthy communities;
- The adequate provision of a full range of housing, including affordable housing;
- The appropriate location of growth and development;
- The promotion of built form that is well-designed, encourages a sense of place, and provides for public spaces that are of high quality, safe, accessible, attractive and vibrant.

The Planning Act contains a number of tools that support development and land use which contribute towards the creation of a broader range of housing types or more affordable housing.

Table 1 below provides a further summary.

Table 1 – Planning Act direction on Housing and Affordability

Section	Related Policy	Analysis
Section 16-27	The policies in these sections relate to Official Plans. They lay out what Official Plans shall contain, the processes involved including the creation, public consultation, amending, approval, and updating of Official Plans, and more.	Through an Official Plan, municipalities can incorporate policies that relate to housing. This may include the identification of specific direction, objectives, targets, and actions that must be taken to provide a broader range of housing types and increase the availability of affordable housing. Such policies may include growth management or intensification strategies.
Section 28	This section has regard to Community Improvement Plans (CIPs) and provides policies that address what a CIP is, what they are intended to achieve, and other details association such as designation, acquisition and financing, approval and implementation.	CIPs are tools that can target specific areas of a community for development or redevelopment. When developing a CIP, programs, grants, and incentives can be used to facilitate or encourage the development of more affordable housing units or the redevelopment of brownfield sites.
Section 34	The policies in this section relate to Zoning By-laws. It describes the authority and abilities that zoning by-laws are to possess, and also addresses the amendment, appeal and public consultation processes associated with zoning by-laws.	Through a Zoning By-law, municipalities can incorporate detailed policies that may help build a broader range of housing type and increase housing supply. For example, zoning by-laws provide restrictions on the uses permitted within certain zones, as well as restrictions related to building design such as height or residential density. Zoning by-laws could be used to encourage more mixed-use developments and to promote greater degrees of intensification.

The Planning Act was amended in 2017 to develop Inclusionary Zoning (IZ) policies and adopted regulations in 2018 to allow municipalities to adopt IZ policies. This land-use planning tool can be implemented by the City to require affordable housing units (IZ units) as part of the consideration of development applications.

The City has the flexibility to establish IZ on matters including:

- Thresholds–IZ can be applied only to residential developments containing 10 units or more, but municipalities can set higher thresholds.
- Affordability period(s)–municipalities can set the length of time in which an IZ unit must be maintained as affordable.

- Units set aside—municipalities can determine the number of units within each development to be set aside as IZ units.
- Requirements and standards—municipalities can set standards for IZ units.
- Administration and monitoring— municipalities can set procedures for the stewardship of IZ units to ensure long term affordability (for example, eligibility requirements, pricing of units (either ownership or rental), and enforcement of requirements).

In 2019, Ontario’s Housing Supply Action Plan amended the Planning Act to allow IZ policies to apply only within areas that are generally high-growth areas and are in proximity to higher order transit. The Minister of Municipal Affairs and Housing has the authority to exercise an order for an area to be subject to IZ.

The Planning Act, as amended by Bill 108, permits the use of IZ under specified circumstances, including within major transit station areas. IZ has the potential to be an effective tool to create affordable housing.

To implement an IZ system, the City must complete an assessment report to understand local housing supply and demand, as well as potential impacts which might arise from IZ, and then implement OP policies and pass a zoning by-law guiding where and how IZ will be implemented.

5.2 Provincial Policy Statement, 2020

The 2020 Provincial Policy Statement (PPS), issued under the authority of Section 3 of the Planning Act, came into effect on May 1, 2020 and replaces the 2014 PPS. It establishes the policy foundation for regulating the development and use of land, as well as provides direction on matters of provincial interest related to land use planning and development. The 2020 PPS outlines visions and goals for Ontario’s land use policies, and identifies how the built environment will be created and how land and resources will be managed over the long term. It strongly supports developments that encourage both an efficient use of land, resources, and public investment in infrastructure as well as a diverse mix of land uses in order to provide choice and diversity to create complete communities. Such development will also provide long term prosperity, environmental health, and social wellbeing.

There is policy and language pertaining to housing through numerous sections of the PPS, including the sections that address healthy communities, settlement areas and rural areas, infrastructure. These policies are summarized in **Table 2** below.

Table 2 – Provincial Policy Statement (2020) on Housing and Affordability

Section	Related Policy
Section 1.1.1	This section identifies the ways in which healthy, livable, and safe communities are sustained. This includes accommodating an appropriate affordable and market-based range and mix of residential types, such as single-detached, additional residential units, multi-unit housing, affordable housing, and housing for seniors.
Section 1.1.3	The policies within this section address settlement areas. Such areas shall be the focus of growth and development, and shall accommodate a significant supply and range of housing options through intensification and redevelopment next to already built up areas. Appropriate development standards should be promoted which facilitate intensification, redevelopment and compact form, while meeting the minimum targets established.
Section 1.1.4 and 1.1.5	Rural areas within municipalities are addressed within this section. Healthy, integrated, and viable rural areas are supported by building upon rural character, accommodating an appropriate range and mix of housing in rural settlement areas, and encouraging the conservation and redevelopment of existing rural housing stock on rural lands.
Section 1.2.6	This section provides policy direction relating to land use compatibility. Major facilities and sensitive land uses, which includes residential developments, are to be planned and developed to avoid or minimize and mitigate any potential adverse effects from odour, noise, and other contaminants in order to minimize risk to public health and safety, and ensure long-term operational and economic viability of major facilities. This restricts the location of housing developments.
Section 1.4	This section of the PPS contains policies that specifically address housing. Planning authorities are to maintain the ability to accommodate residential growth for a minimum of 15 years through intensification and redevelopment and should insure that new development occurs where there is servicing capacity.
Section 1.4.3	This subsection states that 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. This should be achieved by establishing and implementing minimum affordable housing targets that will allow for the provision of an appropriate range and mix of housing options and densities. Housing options are required to meet the need of current and future residents and should be directed towards locations where appropriate levels of infrastructure and public service facilities are available to support current and projected needs. Density focused development and residential intensification should be supported to more efficiently use land, resources, infrastructure and public service facilities while also minimizing the cost of housing and facilitate compact form.
Section 1.6 and 1.6.6	Infrastructure and public service facilities, including stormwater management systems, are addressed within this section. New development is to primarily occur in areas that contain existing infrastructure and facilities which have the capacity to support increases in demand.

Section 1.7	Policies which support long-term economic prosperity is provided within this section. This includes encouraging residential uses to respond to dynamic market-based needs and provide necessary housing supply and range of housing options to support a diverse workforce, and promoting well-designed built form to encourage a sense of place.
Section 2.1 and 2.2	These sections provide direction on the protection of natural resources, including natural heritage features and areas and water supply. The policies within this section prohibits or limits development within certain areas such as significant wetlands, woodlands, or sensitive surface water or ground water features, which can restrict the location of residential development.
Section 2.3	Agriculture is addressed within this section of the PPS, including permitted uses within agricultural areas, lot creation and adjustment, and removal of land from agricultural areas. Prime agricultural areas are to be protected, and the expansion of settlement areas into agricultural areas is only be allowed in accordance with Policy 1.1.3.8.

The PPS 2020 provides definitions in regards to affordable housing ownership and rental housing. Accordingly, the PPS defines affordable housing ownership as “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 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”.

The PPS defines affordable rental housing as “a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or a unit for which the rent is at or below the average market rent of a unit in the regional market area”.

5.3 More Homes, More Choices: Ontario’s Housing Supply Action Plan

On June 6, 2019, the More Homes, More Choices: Ontario’s Housing Supply Action Plan received royal assent. The plan is the Ministry of Municipal Affairs and Housing’s response to the current housing crisis’s occurring within the province. It outlines the actions the government aims to take to tackle the issue, and encourage the provinces partners – including municipalities, non-profits, and private developers – to do their part by building more houses that meet the needs of all Ontario residents.

Within the Plan, actions to increase housing stock, provide a wider range of housing type, and create more affordable housing include but is not limited to:

- Encouraging a greater range and diversity of housing types and tenures, from detached houses and townhomes to mid-rise rental apartments, secondary units, and family-sized condos;

- Improving community housing across the province by helping tenants become economically self-sufficient, making it easier to predict and calculate rent, shortening wait lists, make community housing safer;
- Making housing more affordable by protecting the rights and security of tenants and making it easier for developers and municipalities to build more rental housing;
- Helping make development occur faster by streamlining the approval process and making costs more predictable to encourage developers to build more; and
- Encourage more innovation and creativity in the housing sector, from housing designs and materials to approaches to home ownership.

Further, detailed direction from the Province in regards to implementation will aid in establishing the key considerations and next steps outlined above within the new Owen Sound Official Plan.

5.4 Grey County Official Plan and Related Reports

The Grey County Official Plan (referred to as Recolour Grey) is Grey County's updated Official Plan, approved by the Province on June 6, 2019. It serves as an upper-tier plan and lays out goals related to development, communities, and the natural resources found within our County. It aims to balance social, economic and environmental matters to ensure the health and well-being of all residents and create sustainable communities.

Recolour Grey is designed to assist Council and other agencies in their consideration of public and private development planning issues. Recolour Grey is comprised of five central themes that lay the foundation for the County's planning policy direction. One of the themes, "Live Grey", describes policies that directly relate to housing within the County.

Live Grey focuses on areas that influence living standards and quality of life within our County. These include policies relevant to housing needs from a supply, intensification, and affordability perspective. Key principles and priorities include:

- Ensuring that residential growth can be accommodated for a minimum of 10 years, now 15 years as required by the PPS, through residential intensification and redevelopment in the County.
- Maintaining land with servicing capacity to provide at least a three year supply of residential lands through: lands suitably zoned for facilitate residential intensification and redevelopment and land in draft approved and registered plans.
- Providing a variety of housing types to satisfy present and future social, health, safety, and well-being of residents which priority on housing accessibility and affordability.
- Supporting new residential development at densities that efficiently use existing services and are appropriate to site conditions and existing patterns of development.

- Encouraging intensification that retains small town character and revitalizes downtown areas by increasing densities, housing types and mixed-use developments that are cost effective, environmentally sound, sustainable and compatible with the existing area

Live Grey also includes policies directly relating to Affordable Housing. The County's OP states that "affordable housing" can refer to any part of the housing continuum from temporary emergency shelters through transition housing, supportive housing, subsidized housing, market rental housing, or market homeownership. The County OP supports a range of affordable housing options including secondary suites, semi-detached, duplex and townhouse, and low rise apartment units. To implement affordable housing, the County supports:

- A range of affordable housing development in proximity to services, amenities, recreation, transit and employment;
- Incentive programs, Community Improvement Plans, Zoning By-laws, reduction of development fees, etc. that reduce the cost of construction and maintenance for affordable housing units;
- Bonus zoning, cash-in-lieu and money received through Section 37 agreements (it is important to note that the Community Benefits Charge proposed by the Province can be utilized for affordable housing projects/initiatives)
- Integration of affordable housing units within the existing community and the maintenance and improvement of existing housing stock;
- The goal of achieving a minimum target of 30% of new housing, or units created by conversion, to be affordable in each local municipality;
- Inclusionary zoning practices that are tailored and implemented by local municipalities;
- Broadening definitions within zoning by-laws for allowable forms of housing and increased densities within residential and mixed-use areas.

The County of Grey Housing and Homelessness 10 Year Plan encompasses the entire housing continuum and identifies four key strategic areas to collaborate with community partners and private enterprises to obtain, maintain and sustain safe, appropriate and affordable housing. These four strategic areas include:

- 1. Sustaining and Creating Affordable Housing**
- 2. Homelessness Prevention**
- 3. Transitional Housing**
- 4. Service Coordination and Collaboration**

As the upper tier municipality, the County is predominately responsible for implementing and supporting elements of the 10 Year Plan. The County is now in process of updating the Growth Management Strategy will establishes population projections for the County, including the City. The City will monitor and provide input to the County process.

6.0 OTHER BEST PRACTICES

Challenges related to supply and affordability are issues facing many municipalities throughout Ontario. Housing costs have outpaced the growth of household incomes and a lack of available affordable housing options as well as aging housing stock has caused challenging housing market conditions for current and future residents. Provided below is an analysis of other policies and approaches associated with Official Plans and reviews from other Ontario communities.

6.1 Town of Wasaga Beach Official Plan Review

In 2017, the Town of Wasaga Beach worked through an Official Plan Review process and developed background papers, including a Growth Management Discussion Paper. The Discussion Paper identified a series of Implications for the Official Plan and these are similar to issues facing the City of Owen Sound. Recommendations from the Discussion Paper included:

- The Town's new Official Plan should identify the current intensification and greenfield density targets that will continue to apply until that time, and provide policy direction for appropriate targets, to be maintained at current levels as a minimum or increased if possible, beyond the County MCR and for the period 2031 to 2041
- A range of housing types and densities should be permitted in the new Official Plan, with designations and related policies to direct the form and appropriate locations for increased densities and housing mix, and to identify intensification areas. The location of residential and employment growth should be considered strategically to facilitate the growth and development of a complete community.
- The high percentage of seasonal dwellings in the Town should be accounted for in quantifying intensification potential with the conversion of seasonal dwellings to permanent residences, and how this might affect the amount of housing stock available to meet the demand.
- Given the policy direction and desire to diversify the employment base within the Town, the new Official Plan should provide policy direction for the range and types of employment uses and key sectors that will be promoted and targeted.
- Given the dominant presence of population-based employment in the Town, the Official Plan should include an appropriate range of land use designations and permitted uses within those designations to encourage a greater variety of businesses, industries and professions.

Many of the issues are similar to those that are being considered as part of this Discussion Paper and the background and analysis through the Town of Wasaga Beach Official Plan Review provided helpful insight.

6.2 Town of Collingwood Official Plan

The Town of Collingwood Official Plan serves as the foundation document to the municipality in preparing and implementing development policy to guide future growth to the year 2031. The most recent version was completed in January, 2019 and establishes the goals, objectives, land use, transportation, servicing and community improvement policies to direct the physical growth of the Town, within a context of relevant social, economic and environmental constraints, in order to obtain the most desirable living environment for present and future residents as well as citizens from outside the Town.

The Town's Official Plan contains several policies that guide the development of complete communities with housing and affordability as key components. Some of these include:

- The Town's OP defines complete communities as a community that meets people's needs for daily living, throughout an entire lifetime, by providing convenient access to...a full range of housing, and community infrastructure including affordable housing
- The Residential designation provides for a variety of housing opportunities and associated uses, within a broad range of residential densities, in order to meet the Town's long-range housing needs and a complete community
- To emphasize universal design principles for housing and neighbourhoods to ensure that the needs of all of the Town's residents, throughout the life cycle, are met, with a particular emphasis on older adults and residents with physical challenges and special needs
- To encourage housing forms, densities and locations which are affordable to lower and moderate-income households
- To limit the conversion of rental units to condominium units unless there is a sufficient supply of rental accommodation within the municipality
- Provide a range and mix of attractive housing types, sizes, tenures and locations that have good urban design, and accessibility

The OP also contains several policies relating directly to affordable housing. These policies provide a great foundation for future policies to be included in our updated OP. Some notable policies that could be included in our OP include:

- Affordable housing shall be permitted and encouraged throughout the City in all residential areas and in a variety of housing types, subject to the policies of this plan, appropriate zoning and design considerations
- Emphasis will be given to accessory apartments and second units which will be permitted in association with single detached, semi-detached and townhouse dwelling units, subject to the policies of this plan, appropriate zoning and design considerations

- Particular consideration shall be given to the location of affordable housing in close proximity to shopping or community facilities and public transit
- Consideration will be given to modifications to existing zoning and servicing standards that facilitate the provision of affordable housing units in new residential developments where such revisions are consistent with the intent of the Official Plan, and are in accordance with good planning and engineering principles
- Innovative housing styles and household relationships that facilitate affordable housing will be encouraged where consistent with the policies of this Official Plan
- The City shall provide support to County regarding Federal or Provincial policies which result in the creation of affordable housing units in the community

The Town of Collingwood has a similar population size and age demographic to Owen Sound. The policies mentioned above provide direction on how the Town will manage housing and affordability in planning related decisions. These policies provide a strong foundation for the types of housing and affordability policies that could be introduced into the City's new OP.

7.0 ANALYSIS

The housing market, the types of housing options available, and the way people choose to live, is changing. It is important that the City's Official Plan adapts to these new housing types. Further, the City's Official Plan should reflect the County's Housing and Homelessness 10 Year Plan and address all housing types within the Housing Continuum.

Our OP will build from Provincial and County housing and affordability policies to become a document that ensures housing affordability is considered in future planning related decisions. Our OP can look toward the County's OP for how to implement policies relating to addressing all housing options along the Housing Continuum.

When reviewing possible policies, it will be important to consider some of the current demographic and housing trends in the City. The County's 'Live Grey' paper included information about the City's current housing trends. Notably, the City's average home sale price was \$216,150 in 2015 and \$233,215 in 2016³. In comparison, the County's average home sale price was \$314,000 in 2015 and \$335,255 in 2016³. A review of the City's demographics reveal that the population has decreased from 21,688 in 2016 to 21,341 in 2016⁴. This is quite contrary to other municipalities in Ontario where populations have been increasing steadily in recent decades.

Another demographic trend facing the City is a median age which has increased from 46.3 years in 2011 to 48.1 years in 2016⁴. An aging demographic is typical throughout most municipalities in Ontario. Providing housing options and choice for an aging population requires consideration on how housing policies can be implemented to best address and provide direction for housing development, redevelopment or conversion.

Given the statistics above, the difference in average home price may be used to leverage and attract new comers or residents from outside the City and the County. Future policies should reflect the type of demographic the City wants to attract and continue to embrace housing options that reflect where and how people want to live.

³ Realtors of Grey Bruce Owen Sound & Southern Georgian Bay Association

⁴ Statistics Canada. 2017. Owen Sound, Ontario. Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001.

8.0 RECOMMENDATIONS

Based on the background documents reviewed, what we heard from the community, Council and City staff at engagement and visioning session, and the policy direction of the Province and County of Grey, the following is a summary of policy considerations for updates to the City's OP:

1. Consider mapping areas in the City that would provide policy direction for:
 - a. Location for intensification and density – for example, nodes and corridors;
 - b. Location to consider secondary units;
 - c. Location of areas for consideration of alternative housing forms, for example tiny homes and Additional Residential Units (ARUs).
2. Consider how new forms of housing types with increased densities (back-to-back townhouses, stacked townhouses, etc.) influence existing residential character and strengthen policies that promote integration between densities.
3. Continue and strengthen, as possible, policies that encourage a diverse range of housing by type, size, tenure, and affordability to meet projected demographic and market requirements of current and future residents.
4. Strengthen housing intensification targets and further encourage residential densities by accommodating rental units, accessory apartments, secondary suites, semi-detached, duplexes, townhouses and low-rise apartment units.
5. Maintain policies that ensure an adequate supply of housing and support the maintenance and upkeep of existing housing stock.
6. Consideration of policies that encourage net-zero, green energy or sustainable housing.
7. Consideration of policies that address short term rental (Airbnb, VRBO, etc.) in the City and identify areas where short term rental can be accommodated.
8. Strengthen and encourage policies for the provision of housing that is affordable and accessible to lower income households and be a priority for the City by:
 - a. supporting increased residential densities in appropriate locations and a full range of housing types, adequate land supply, redevelopment and residential intensification, where practical;
 - b. the timely provision of infrastructure;
 - c. continue the reduction of housing costs by streamlining the development approvals process;
 - d. negotiating agreements, including inclusionary housing, with the public and private sectors to address the provision of affordable housing through the draft plan of subdivision and condominium approval process. For example, negotiating a

percentage of new subdivisions to accommodate a higher density housing form (stacked townhouses, cluster townhouses, etc.).

- e. considering innovative and alternative residential development standards that facilitate affordable housing and more compact development form; and
- f. developing policies to support a City Housing Strategy with annual housing targets, mixes of housing types, affordability thresholds and related data that is coordinated with the County's approach.

The policy considerations mentioned above will help to guide the development and update of current policies in the Official Plan. In areas where no response to specific sections of the housing continuum are mentioned or there is a lack of policies relating to housing that is affordable, new policies will be recommended for implementation in the City's new OP.

9.0 NEXT STEPS

This Discussion Paper is one of the Discussion Papers released over the course of the Official Plan Update. These Discussion Papers provide an overview and background on theme-based land use planning matters to help shape future policy.

Your feedback is important to us. The City appreciates your interest and encourages your participation throughout the Official Plan Update process. To submit your comments, please visit the City's website or contact lmurphy@mhbcplan.com or acann@owensound.ca.

Following the release of these Discussion Papers, interested parties will also have opportunities to provide feedback on proposed policy directions and, a future draft of the updated Official Plan.