
BRUCE COUNTY HOUSING STUDY

Summary

MARCH 2005



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Introduction

Bruce County has been designated as Municipal Service Manager for the administration of social housing in Bruce County and works closely with housing providers, local municipalities, community-based service agencies, social housing residents and applicants and the community at large to try to meet local housing needs. The Joint Local Transfer Plan for Social Housing prepared and approved in 2001 sets out the approach through which its responsibilities as Service Manager are carried out.

Purpose and Scope of the Housing Needs Assessment and Strategy

The purpose of the Bruce County Housing Study is to develop a comprehensive community strategy to deal effectively with affordable housing issues throughout Bruce County.

Affordable Housing Study Approach and Format

Approach of the Study

The study is a collaborative effort involving a study team with representation from an Advisory Committee comprised of key stakeholders from all levels of government, non-profit and community groups and private industry.

Format of the Study

The study was prepared in two phases. Part One consisted of the Demand and Supply Analysis. This phase of the work included a review of economic and demographic indicators that impact current and future housing needs, an evaluation of current housing supply activity, the definition of affordable housing in different areas of the county, and an assessment of special housing needs.

Part Two consisted of the development of a comprehensive Affordable Housing Strategy. This phase of the work involved the development of action plans and strategies to address the housing gaps identified in the demand and supply analysis.

Study Area

The Study Area covers the 8 municipalities and the 2 reserves comprising Bruce County. The municipalities include, South Bruce, Huron-Kinloss, Kincardine, Brockton, Arran-Elderslie, Saugeen Shores, South Bruce Peninsula and Northern Bruce Peninsula. The reserves include Cape Croker/Neyaashiinigiimig and Saugeen.

GAPS IN THE BRUCE COUNTY HOUSING MARKET

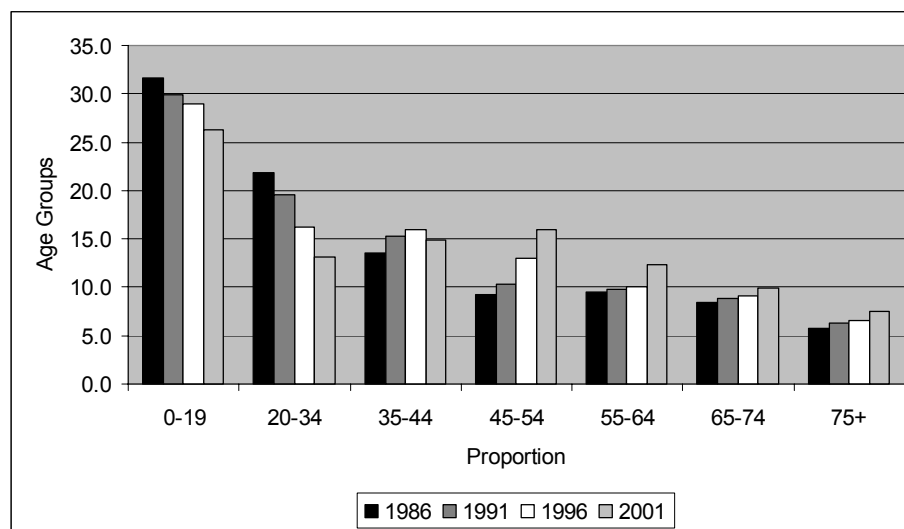
In developing a set of recommendations aimed at filling identified gaps, it is important that there be a clear understanding of these gaps. At the same time, it is also important to prioritize those gaps that need the most urgent and immediate attention.

The demand and supply analysis identified seven fundamental gaps. Below, we organize these gaps in order of priority in terms of the urgency of the problem. These gaps become the focus of the recommended housing strategy.

1. More Housing Options Required for Seniors

The housing assessment showed that the population of Bruce County is aging steadily and the number of seniors is increasing throughout the area.

Trends in Age Distribution, Bruce County



Source: Statistics Canada, 1986, 1991, 1996 & 2001 Census

At the same time, little new housing aimed at the meeting the growing range of needs among these seniors is being provided. Many seniors on fixed income have few housing options, including senior homeowners who are faced with increasing utility and maintenance costs, but have insufficient incomes required to meet these costs or are experiencing increasing physical difficulty coping with the demands of homeownership. Seniors in rural communities face a lack of services and are experiencing difficulty staying within their traditional communities. The lack of transportation makes it difficult for many of these seniors to access required services. At the same time, a growing number of seniors from outside of Bruce are seeking to retire in the area due to its attractive environment and relatively lower housing costs than most parts of Ontario.

Clearly, a greater range of housing options for seniors is needed throughout the County.

2. Strategies are Needed to Cope with Impacts of Bruce Power Expansion

While not yet a certainty, there are strong indications that Bruce Power will soon gain approval to expand. This will bring a large influx of trades to the area in the short and medium term and will also eventually bring an influx of professionals to run the new facilities. Past experience shows that such an influx will exert great pressures on local housing markets, especially in Saugeen Shores and Kincardine. Rents and house prices are likely to escalate, leaving local residents working in the service and retail sectors at a disadvantage competing for available accommodation. Shortages of rental housing are likely to emerge as trades arrive to work at Bruce Power on a short and medium term basis. Shortages of serviced lots are already emerging as the area readies for future growth.

Bruce County and local municipal officials need to work together with Bruce Power to set in place a strategy for coping with these housing impacts.

3. Greater Diversity is Needed in New Housing Supply

The analysis found that over 95% of all new housing coming onto the market in Bruce County is comprised of single detached dwellings most suitable for large families.

Building Permits Issued in 2003 by Dwelling Type and Municipality

	Singles	Semis	Rows	Apartments	Total	% of Total
South Bruce	9	-	-	-	9	2.4
Huron-Kinloss	37	-	-	-	37	9.9
Kincardine	35	2	-	-	37	9.9
Brockton	32	-	-	-	32	8.5
Arran-Elderslie	17	-	-	-	17	4.5
Saugeen Shores	90	-	15	-	105	28.0
South Bruce Peninsula	73	-	-	-	73	19.5
Northern Bruce Peninsula	65	-	-	-	65	17.3
Bruce County	358	2	15	0	375	100.0
% of Total	95.5	0.5	4.0	0.0	100.0	-

Source: Individual Municipality Building Departments, November 2004

Yet, the analysis also showed that household sizes are declining and that one and two person households now comprise the majority of households in Bruce County. With the continued growth in seniors and singles population, this trend is going to continue.

Persons Per Household, Bruce County, 1986-2001

Household Size	1986		1991		1996		2001	
	#	%	#	%	#	%	#	%
1 Person	4,155	20.1	5,025	21.3	5,560	22.6	6,020	24.1
2 Persons	6,490	31.5	8,085	34.2	8,665	35.3	9,675	38.8
3 Persons	3,155	15.3	3,450	14.6	3,435	14.0	3,240	13.0
4-5 Persons	5,980	29.0	6,220	26.3	6,075	24.7	5,290	21.2
6+ Persons	945	4.6	855	3.6	825	3.4	735	2.9
Total	20,625	100.0	23,630	100.0	24,565	100.0	24,960	100.0

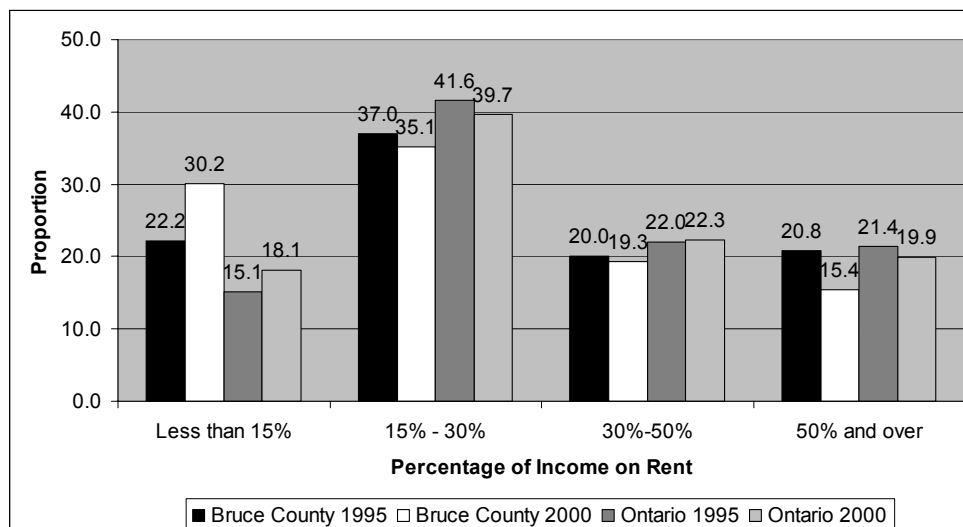
Source: Statistics Canada, 1986, 1991, 1996 and 2001 Census

Therefore, a housing mix that provides a greater range and balance of unit types would be more appropriate for Bruce County. Approaches need to be found to achieve greater diversity in housing mix across the County.

4. There is a Need to Expand the Supply of Affordable Housing

The analysis showed a large number of households across Bruce County with incomes below \$30,000. A large number of renters in this income range are spending more than 30% (with many spending more than 50%) of household income on rent.

Proportion of Income Spent on Rent in Bruce County and Ontario, 1995 and 2000



Source: Statistics Canada, Special Tabulation 1996, 2001 Census

Note: Rental costs include: annual payment for electricity, annual payment for oil, gas, coal, wood or other fuels, annual payment for water and other municipal services, monthly cash rent

Given that rent levels in most of the County require incomes beyond this level, efforts are needed to expand the supply of units affordable by households at or below this income level.

Further, the waiting list for social housing currently contains 148 applicants in need of RGI rental housing and an additional 116 seeking affordable market rental housing. These figures point further to the need to expand affordable rental housing.

The analysis also shows that households of modest income have little access to ownership housing. Initiatives need to be considered to provide a greater range of inexpensive homeownership units as well.

**Bruce County Community Housing Registry,
Waiting List Statistics based on Bedroom Count, as at November 2004**

Community	1bd	2bd	3bd	Total
Chesley	6	-	-	6
Formosa	2	-	-	2
Kincardine	34	9	8	51
Lucknow	6	4	-	10
Mildmay	3		-	3
Paisley	5	6	-	11
Port Elgin	31	12	8	51
Ripley	1	-	-	1
Southampton	18	-	-	18
Tara	4	-	-	4
Teeswater	2	3	-	5
Tobermory	5	3	-	8
Walkerton	25	9	8	42
Wiaarton	30	22	-	52
Totals	172	68	24	264

Source: Bruce County Housing Corporation, November 2004.

**Bruce County Community Housing Registry,
Waiting List Statistics based on RGI and Market Units, as at November
2004**

Community	RGI	Market	Total
Chesley	6		6
Formosa		2	2
Kincardine	41	10	51
Lucknow	4	6	10
Mildmay	1	2	3
Paisley	3	8	11
Port Elgin	41	10	51
Ripley	1		1
Southampton	9	9	18
Tara	2	2	4
Teeswater	1	4	5
Tobermory	1	7	8
Walkerton	22	20	42
Warton	16	36	52
Totals	148	116	264

Source: Bruce County Housing Corporation, November 2004.

5. There is a Need for Emergency and Transitional Housing in Bruce County

The demand for emergency shelter has increased in recent years. This has been linked to longer periods of stay among clients at various shelters across the County. The lack of emergency shelter places numerous households and individuals at the risk of continued homelessness. Homelessness does not primarily encompass people living on streets. Rather, homelessness refers primarily to those living in temporary housing situations such as couch surfing, living with friends, living in shelters and those under the threat of eviction. Thus, additional temporary housing is needed. In addition, there is a need to create more emergency housing options in geographically distant areas such as Bruce Peninsula.

At the same time, the lack of transitional housing in Bruce County causes further problems. The vast majority of market rent units are well beyond the affordability capabilities of lower income persons. There is a need to develop transitional housing facilities for all groups facing housing crisis issues.

6. The Lack of Supportive Housing Needs to be Addressed

Similar to transitional housing, supportive housing plays an important role in the Bruce housing market. A variety of facilities and services provide much-needed accommodation

to persons with special needs, particularly individuals with severe physical disabilities, developmental delays and mental illness.

Persons with development delays, mental illness and physical disabilities often obtain Ontario Works and ODSP benefits and often cannot afford market rent units. Consultation during the study found that the growing range of these needs is outpacing the availability of facilities and services to meet these needs. Agencies also pointed out that, not only is accommodation needed, but support service funding needs to keep pace with the growth in demand in order to ensure needs are met in the future.

7. There is a Need to Improve the Condition of the Housing Stock

The housing stock of Bruce County is older than that in the Province as a whole, especially the rental housing stock. A higher percentage of dwellings are in need of repair than the Provincial average.

Conditions of Dwellings by Municipality throughout Bruce County, 2001

Area	Condition of Housing Stock						Total
	Regular Maintenance		Minor Repairs		Major Repairs		
	#	%	#	%	#	%	
South Bruce	1,260	59.2	665	31.2	205	9.6	2,130
Huron-Kinloss	1,375	59.7	710	30.8	220	9.5	2,305
Kincardine	2,735	63.4	1,280	29.7	300	7.0	4,315
Brockton	2,155	59.4	1,070	29.5	400	11.0	3,625
Arran-Elderslie	1,430	57.4	735	29.5	325	13.1	2,490
Saugeen Shores	3,200	68.9	1,175	25.3	270	5.8	4,645
South Bruce Peninsula	2,135	63.1	1,025	30.3	225	6.6	3,385
Northern Bruce Peninsula	965	60.9	440	27.8	180	11.4	1,585
Saugeen, R	100	40.8	50	20.4	95	38.8	245
Bruce County	15,445	61.9	7,195	28.8	2,315	9.3	24,955
Ontario	2,830,380	67.1%	1,074,735	25.5%	314,300	7.4%	4,219,415

Source: Statistics Canada, Census 2001. * Note: Statistics Canada suppressed the data for Cape Croker in 2001 and as a result, municipality totals do not add up to Bruce County total.

Discussions with local informants find widespread concerns about seniors and other households living in older substandard dwellings with high maintenance and utility costs. Efforts are needed to improve the condition of such dwellings, especially in rural areas where few other housing alternatives are available.

MEETING THE REQUIREMENTS OF THE PROVINCIAL POLICY STATEMENT

On March 1st 2005, the Government of Ontario issued the Provincial Policy Statement under Section 3 of the Planning Act. This statement replaces the previous Provincial Policy Statement issued May 22, 1996 and amended February 1st 1997.

This statement provides policy direction on matters of Provincial interest related to land use planning and development. It requires that municipal decisions affecting planning matters “shall be consistent with” policy statements issued under the Act.

Section 1.4 of the Provincial Policy Statement contains the Provincial Policies on Housing. The main elements of this section include:

- Maintaining a minimum of 10-year supply of lands designated to accommodate residential growth;
- Maintaining at least a 3-year supply of serviced residential lands;
- In the case where planning is conducted by the upper tier municipality, the land and residential unit supply shall be based on the allocation of population and housing units by the upper tier municipality;
- Establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households;
- Permitting and facilitating all forms of housing required to meet the social, health and well-being requirements of current and future residents, including special needs requirements.

The Provincial Housing Policies also place a great emphasis on intensification and redevelopment as the preferred approaches to meeting housing needs.

The Bruce County Housing Study incorporates the above to ensure consistency with the Provincial Policy Statement.

IMPLEMENTING THE HOUSING STRATEGY

A wide range of strategies has been identified in this report. Given its role in both administering existing affordable housing and in contributing to meeting identified needs across the area, the Housing Services Division should play the lead role in co-ordinating the range of activities recommended in this report.

The report recommends that an affordable housing Co-ordinator should be appointed to focus on these activities. This individual could be hired as a contract position, and the results evaluated. The funds to cover staffing and administrative costs could come from reserve funds that were transferred to the County when the administration of social housing was transferred from the Provincial Government.

Similarly, many municipalities are now taking on the administration of the RRAP Program and are earning administrative fees under this program as well. Bruce County should explore these opportunities.

At the same time, many municipalities have established ongoing Housing Advisory Committees to work together to implement Affordable Housing Strategies and address needs as they arise. The Steering Committee that has been established to guide this study provides an excellent range of resources and experience to help achieve this purpose and would be a highly suitable vehicle. Bruce County needs to explore the role of a Housing Advisory Committee.

STRATEGIES FOR MEETING HOUSING NEEDS

A review of the identified gaps, as well as potential barriers to and opportunities for creating new affordable housing supply, leads to the development of a comprehensive list of strategies to help meet the identified housing needs in Bruce County. These strategies are presented below.

The recommendations have been organized in accordance with the various issues and needs identified in the report.

A: Defining Affordable Housing

Below we recommend a definition of affordable housing that meets the requirements of the Provincial Policy Statement. It is recommended:

- A-1. That Bruce County and local municipalities adopt the following definition of affordable housing:

“In the case of ownership housing, the least expensive of:

- *Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross household income for low and moderate income households; or*
- *Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the Bruce County housing market area;*

In the case of rental housing, the least expensive of:

- *A unit for which rent does not exceed 30% 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 Bruce County housing market area.

Low and moderate income households mean:

- *In the case of ownership housing, households with incomes in the lowest 60% of the income distribution for the Bruce County housing market area.*
- *In the case of rental housing, households with incomes in the lowest 60% of the income distribution for renter households for the Bruce County housing market area.”.*

B: Expanding Housing Options for Seniors

The following recommendations provide approaches for expanding the supply of seniors housing. It is recommended:

- B-1. That Bruce County work with local municipalities and community agencies providing support services to seniors to pursue strategies to bring more support services to rural areas to help seniors stay in their traditional communities.
- B-2. That Bruce County consider establishing a Working Group on Older Adults' Housing to examine in more depth the appropriateness of some of these housing options for older adults. This Group should include both private and non-profit housing sector representation and should examine both private and non-profit housing options for seniors.
- B-3. That Bruce County Housing Corporation undertake a review of its property portfolio to determine any potential redevelopment opportunities for seniors housing, especially within higher growth areas.

C: Strategies to Cope with the Impacts of Bruce Power Expansion

The following recommendation provides an approach for coping with the impacts of the expansion of Bruce Power. It is recommended:

- C-1. That a Bruce Power Housing Working Group be established comprised of representatives from Bruce Power, Bruce County, the municipalities of Kincardine and Saugeen Shores and local private and non-profit housing providers to identify housing impacts arising from the expected expansion of the Bruce Nuclear plant and to develop strategies for coping with these impacts.

D: Approaches to Achieve Greater Diversity in New Housing Supply

The following recommendation provides an approach for achieving greater diversity in the new housing supply. It is recommended:

- D-1. That Bruce County adopt the following targets for new housing supply in accordance with the proposed Provincial Policy Statement on Housing:
 - Unit Type: 70% low density, 30% medium and high density
 - Tenure: 70% ownership housing, 30% rental housing
 - Affordability: 30% of all new supply meet the County definition of affordable housing.

E- Increasing the Supply of Affordable Housing

The following recommendations provide approaches for increasing the supply of affordable housing throughout Bruce County. It is recommended:

- E-1. That Bruce County, as Service Manager, enact a Municipal Housing Facilities By-law under Section 210 of the *Municipal Act* that would enable Bruce County and local municipalities to provide incentives to the private sector to create new affordable housing. The by-law would include the definition of affordable housing identified in recommendation #A-1 above.
- E-2. That, in order to support the development of affordable rental housing in Bruce County, Bruce County and the local municipalities consider providing grants-in-lieu of a property tax reduction to equalize the taxation rate for newly constructed multi-residential rental housing projects which meet the definition of affordable housing.

- E-3. That Bruce County and the local municipalities consider providing a grant-in-lieu of residential development charges, planning fees and building permit fees for new affordable housing developments in return for a commitment by the developer to meet specified affordability targets.
- E-4. That Bruce County establish an Affordable Housing Reserve Fund to provide incentives to private and community organizations for the creation of affordable housing and for other affordable housing purposes.
- E-5. That Bruce County consider making an annual contribution to the Affordable/Social Housing Fund to ensure that ongoing funds are available to address identified housing needs.
- E-6. That Bruce County work with the local municipalities, federal and provincial governments to create a comprehensive inventory of surplus government lands and identify which sites may be suitable for affordable housing purposes.
- E-7. That Bruce County and the local municipalities consider establishing a “housing first” policy for surplus municipal lands. Specifically, that the first priority in the decision making process respecting surplus or potentially surplus municipal real property be affordable housing development and that the surplus property be made available for affordable housing purposes at a reduced cost.
- E-8. That Bruce County foster closer links with local school boards and federal and provincial agencies so that when their properties become surplus, they are considered for affordable housing purposes.
- E-9. That Bruce County, in conjunction with the local municipalities, undertake a public education campaign to help inform and educate the public about the need for affordable rental housing facing the community and emphasize the importance of working together with the County, local municipalities, local agencies, private and non-profit developers and all other stakeholders to help facilitate its provision.
- E-10. That the local municipalities of Bruce County consider utilizing alternative development standards on a case-by-case basis for residential developments that provided new affordable housing.
- E-11. That Bruce County request that CMHC hold a *Strategies for Gaining Community Acceptance* workshop to provide private and not-for-profit housing developers with strategies for gaining community acceptance of their proposed projects.

E-12. That Bruce County, as Service Manager, pursue the potential for reallocating existing rent-geared-to-income units from buildings experiencing vacancy losses to alternate locations where there is a greater demand for rent-geared-to-income housing.

E-13. That Bruce County urge the federal government to change the tax system to:

- i) allow rental investors to defer capital gains tax and recaptured depreciation upon the sale of a rental project if the proceeds are reinvested in new rental housing;
- ii) increase the rate for capital cost allowance on new rental housing from 4 per cent to 5 per cent;
- iii) allow rental housing investors to deduct soft costs rather than capitalize them;
- iv) eliminate its capital taxes on rental properties;
- v) allow small landlords to qualify as small businesses for the purposes of obtaining the small business corporate rate;
- vi) allow all investors in rental housing to use CCA losses in determining income for tax purposes --- not just principal business corporations;

undertake a comprehensive review of the ways in which federal policies act to restrict competition in the area of housing financing.

E-14. That the Bruce County urge the provincial government to:

- i) eliminate its capital taxes on rental properties;
- ii) continue bilateral discussions with the federal government on more flexible financing terms for rental development;

hold discussions with private sector financial or underwriting institutions, as a contingency in the event the federal government is unwilling to consider changes to their mortgage insurance provisions.

E-15. That Bruce County, as Service Manager, undertake the necessary steps required to participate in the Canada-Ontario Affordable Housing Program and work with proponents to put forward proposals to the Province under this program.

The County should place a major emphasis on proposals providing affordable housing for low and moderate income singles.

- E-16. That Bruce County urge the federal government to change the tax system to fully rebate the GST associated with the development new rental housing, including that developed by the private and not-for-profit sector, to help reduce the cost new rental housing.
- E-17. That Bruce County work closely with the CMHC to ensure available RRAP funds are fully utilized to help expand the supply of affordable rental housing. The County should explore the potential for administering this program on behalf of CMHC in Bruce County.
- E-18. That Bruce County, in conjunction with FCM and AMO, urge the Provincial government to uphold its election promise to match the federal funding available through the Canada-Ontario Affordable Housing Program so that true affordability can be achieved.
- E-19. That Bruce County, as Service Manager, pursue all available rent supplement units from the Province and consider placing available rent supplement units in new affordable rental housing developments in order to enable the expansion of the supply of subsidized housing in areas where it is most needed.
- E-20. That Bruce County encourage all local municipalities to permit accessory apartments in all residential zones, subject to appropriate standards of health and safety.
- E-21. That Bruce County examine the feasibility of establishing an affordable homeownership program similar to the recent Region of Waterloo model.
- E-22. That Bruce County invite CMHC to conduct its Homeownership Education and Training Program in convenient locations within the County.

F: Addressing the Need for Emergency and Transitional Housing

The following recommendations provide approaches for addressing the need for emergency and transitional housing. It is recommended:

- F-1. That Bruce County approach the Homelessness Secretariat to allocate funds under the Supporting Community Partnership Initiatives (SCPI) to the Bruce County area.

- F-2. That Bruce County pursue funding allocations under the Provincial Homelessness Initiatives Fund, the Off the Street, Into Shelter Fund (OSIS) Program and the Redirection of Emergency Hostel Funding Initiative in order to help homeless individuals find shelter, especially in severe weather conditions.

G: Addressing the Need for More Supportive Housing

The following recommendations provide approaches for addressing the need for more supportive housing. It is recommended:

- G-1 That Bruce County lend its support to community agencies interested in pursuing additional funding from MOH-LTC and MCFCS to address the identified needs for special needs housing outlined in the demand and supply analysis.
- G-2. That Bruce County, in conjunction with local accessibility committees, review the City of London’s Accessibility Guidelines and consider adopting them for Bruce County.
- G-3. That Bruce County, as the Service Manager, require that, where possible, units created under the Canada-Ontario Affordable Housing Program and other affordable housing programs which may be established by the federal, provincial or local governments meet universal design principles.
- G-4. That Bruce County, as Service Manager, encourage local housing providers to consider universal design principles when undertaking a major renovation in the social housing portfolio.

H: Addressing the Need to Improve the Condition of the Housing Stock

The following recommendations provide approaches for improving the condition of Bruce County’s housing stock. It is recommended:

- H-1. That, as part of its public education campaign, Bruce County inform residents and local builders of the federal funding programs available to renovate and repair older, existing residential units.

- H-2. That Bruce County monitor Provincial policy on the demolition and conversion of affordable rental housing and encourage local municipalities to adopt measures to discourage demolition and conversion of such units, consistent with any new Provincial policy on the matter.

In particular, the County should discourage the conversion of affordable rental housing to condominiums where appropriate.

- H-3. That Bruce County, as part of its annual housing report, review the impact of applications for demolition and conversion of affordable rental housing on the supply of affordable housing.

I: Implementing the Housing Strategy

The following recommendations provide approaches for implementing the Housing Strategy for Bruce County. It is recommended:

- I-1. That the Housing Services Division of the Social Services Department coordinate the implementation of the recommended Affordable Housing Strategy.
- I-2. That the County appoint an Affordable Housing Co-Ordinator as a contract position. This Co-ordinator would undertake the activities required to further research and advise on strategies that have been identified in this report, and would work out of the Housing Services Division.
- I-3. That the Housing Services Division, with assistance from other County Departments as required, prepare an annual Report Card monitoring the progress of the Affordable Housing Strategy in meeting identified housing needs and reporting on any new initiatives that should be undertaken.