



Thursday, June 23, 2022

MP Robert J. Morrissey, Chair, and Danielle Widmer, Clerk
Standing Committee on Human Resources, Skills and Social Development and the Status of
Persons with Disabilities (HUMA)
Delivered by e-mail to HUMA@parl.gc.ca

Re: Submission on the Proposed Federal Housing Accelerator Fund

Dear Chair Morrissey and Clerk Widmer,

On behalf of the Western Ontario Warden's Caucus (WOWC), thank you for this opportunity to provide a submission to the Government of Canada regarding the consultation on the design and rollout of the proposed Housing Accelerator Fund.

The WOWC has recently completed "*Planning for Prosperity: Building Economic Strength through Workforce Development*," a ground-breaking and comprehensive regional strategy intended to address current and future workforce demand across the region.

The release of the Western Ontario Workforce Strategy follows more than one year of research, analysis, and consultations with multiple regional partners and stakeholders, to assess and to prepare for the challenges facing municipalities and employers. You may consult and learn more about the Strategy here: www.workforcestrategy.wowc.ca.

It remains clear, now more than ever, that these workforce challenges have impacts on multiple sectors – including affordable and attainable housing. For example, when combining the demand of new and expanding firms as well as the existing replacement demand in Western Ontario, there are 214,000 jobs that will need to be filled – over the next decade, along with appropriate housing supports for these employees. The lack of affordable housing is therefore a direct hindrance on our region's economic development potential.

Given the current housing and rental market, it is also critical to focus on increasing the supply of affordable housing of all forms, both for rent and for ownership. This will allow businesses and employees to consider rural areas for workforce possibilities, including those in Western Ontario. As confirmed by the *Workforce Strategy*, this region will require 173,000 new housing units by 2041.

The trends that began with the pandemic only continue to evolve, however, driving more and more residents into rural communities. The municipalities in Western Ontario are no exception and are experiencing major challenges on availability and affordability that have only been exaggerated by the exodus from the surrounding urban areas. As the WOWC has repeatedly expressed, one size will not fit all – rather, rural areas require all types of affordable and attainable rental and ownership housing in their communities, not just single-family homes.

Based on the considerations of employment type, income, housing shelter costs, and household income estimates across the region, as determined by the *Western Ontario Workforce Strategy*, the WOWC can conclude the following:

1. Over half of the households across the WOWC region have average incomes under \$80,000. CMHC's affordability calculator indicates that the maximum affordable home cost is \$327,000 and the anticipated average housing cost for new home buyers is \$593,964 in Southwestern Ontario, suggesting the majority of people will have difficulty entering the housing market.
2. Over half of the in-demand occupations in the WOWC region will be in lower income roles. The high number of lower income jobs suggests that future housing demand will be for homes at lower price levels.
3. Housing options will need to include a greater number of lower cost units and alternatives if municipalities are going to be able to provide local housing options for the people they need to work in their communities.
4. The available shelter costs shown for rent or home purchases indicate that the lower income workforce will need co-housing or smaller housing opportunities provided at lower cost.
5. The WOWC region needs innovative housing solutions that can be constructed faster to address the income threshold as well as a format of housing that can accommodate the workforce targeted to local needs. Seasonal and migrant workers, in particular, will need to be close to their employment.
6. One third to one half of all tenant households across the WOWC region are currently exceeding CMHC's 30% threshold for housing expenses. The higher share of income allocated to rent may be a barrier for these households transitioning to home ownership. The WOWC region will need additional rental options at lower rental rates and other options to assist with the transition from renting to home ownership.
7. The housing options should include opportunities to enter the market to build equity and eventually move up. The housing options can be anticipated to include a greater supply of midrise construction.

The WOWC's strategy for attainable housing is considered through five primary areas: model policies, developer interactions, a resource centre, rental programs, and overall program promotion. Through the strategic planning process, it became clear that building relationships between municipalities, the development industry and third-party participants and collaborative action would be essential to address the housing challenge.

Historical collaboration provides a foundation and will need to be further enhanced through detailed sharing of information and agreement on the desired outcomes for all stakeholders. The following actions focus on the WOWC's role in influencing change:

1. *Model Policy*

One of the most significant roles the WOWC can play in addressing the regional housing needs is by providing model policies for member municipalities use and adaptation to address their specific needs and aspirations. Developing model policy will include a study of best practices

and establish consistency across the region to support implementation. There are some good examples within the region of policy changes at a regional and local level.

The WOWC will also convene the appropriate groups in government and the private sector to establish the best approach for policy direction on housing. This should include engagement with local community members to educate and garner support from the public on the need for changes in housing typology and support its integration within existing communities. Elected officials, the final arbitrators of any policy changes, should also be engaged in the education initiatives. Without community engagement, opposition to new housing models and policies will remain a barrier to implementation.

2. Development Industry

The development industry is a critical delivery agent for housing. Working with their own business plans, it is essential that the WOWC engage with the development industry to work collaboratively on all aspects of housing progress that affects their approach to business planning and delivery of housing.

Establishing consistency and predictability is essential. Simplifying the process for response to development on public lands and seeking partnerships is an important pathway to expedite development of available sites. The proposed action planning focuses on meeting those needs and attracting developers to new areas and new housing products to meet workforce needs.

3. Rental Programs

Expanding rental housing options identified as a key component of the *Workforce Strategy* to address the workforce housing needs. Also critical is the need to support the transition to home ownership. The strategic planning exercise provided examples of established rental housing models and non-profit organizations who are successfully addressing these needs.

The WOWC will work with these experts and convene stakeholders to support partnerships and innovation based on these successes. The strategy needs to include programs to increase the type and number of rental units, increase the lower cost options for tenants and support the transition to home ownership.

4. Program Promotion

It will be important to maintain continued engagement with aligned government ministries to support the WOWC's housing efforts. Regular engagement with the provincial and federal governments will ensure that the WOWC continually discusses the progress and barriers towards implementation and contribute to further provincial changes and support programs. The Province of Ontario and Government of Canada should be active partners in reviewing progress, sharing data, and supporting program needs.

Conclusion

The *Western Ontario Workforce Strategy* aligns with several of the options presented by the Housing Accelerator Fund. This includes investments in staffing and technological support for municipal planning departments, which has been identified as an action in the implementation plan, specifically to establish a regional housing data centre that includes an inventory of lands, brownfields, incentives, zoning, rental rates, average home sales by category, funding programs directory, and more. Furthermore, local and regional planning directors have indicated the time and staffing constraints as being the number-one barrier to work on housing applications; similarly, developers also lack the supports to provide quality applications.

The *Workforce Strategy* also aligns with the Housing Accelerator Fund on the changes to policy development, specifically the convening of municipal planning and building staff with the Ontario Ministry of Municipal Affairs and Housing to review provincial frameworks (including policy support, building code changes, and funding), as well as federal partnerships with the Canadian Mortgage and Housing Corporation (CMHC) and the Federation of Canadian Municipalities (FCM).

Finally, the WOWC also supports the recommendations made to the HUMA Committee by the Association of Municipalities of Ontario (AMO), specifically on eligible activities to be funded by the Housing Accelerator Fund, including but not limited to:

- establishing digital e-permitting;
- increasing human resource capacity for municipal planning and approval processes;
- conducting data analysis of local housing market needs;
- addressing NIMBYism through public awareness campaigns;
- adopting new systems, where feasible and desirable, such as the Community Planning Permit System, and/or Community Improvement Plan; and
- providing flexibility for customized local solutions, in order to account for the unique needs of small and rural communities.

The WOWC appreciates that there are no easy solutions to these matters, but we are confident that the recommendations and implementation of the *Western Ontario Workforce Strategy* will help address similar issues in small and rural communities across Canada, particularly in a post-pandemic recovery context. The WOWC asks the government to see this Strategy as a model, and your investment in its implementation as beneficial for the entire country.

Sincerely,

A handwritten signature in black ink, appearing to read "George Cornell". The signature is fluid and cursive, with a large initial "G" and "C".

Warden George Cornell
Chair, Western Ontario Wardens' Caucus