



Middlesex County Attainable Housing Review Report – Final Report

July 2023



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Introduction

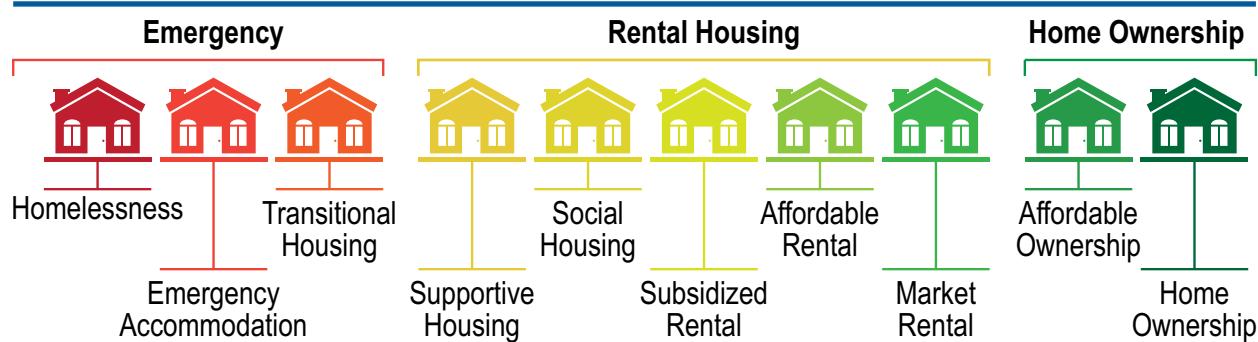
Fundamental to creating healthy and inclusive communities is the availability of a variety of housing options to meet the differing needs of current and future residents. Similar to communities all across Ontario and Canada, Middlesex County is experiencing housing pressures due to changing demographics and market trends.

Access to a range of housing forms, including attainable, affordable, and accessible housing, is a priority in the communities of Middlesex County. In order to better understand the current supply and demand of housing across the County, and to develop strategies aimed at ensuring a broad array of housing options are available to meet the full spectrum of needs of residents in Middlesex, the County undertook an Attainable Housing Review.

The objectives of the review were to:

- Examine the needs across the entire housing continuum
- Identify gaps in the provision of housing
- Prepare a municipal strategy to meet current and future needs.

The Housing Continuum



Attainable Housing Review Process

The project involved data collection and analysis related to:

- Current local housing strategies
- Existing housing data
- Roles and responsibilities related to housing
- Best practices and comparison to other municipalities.

Over 200 people participated in the community and stakeholder engagement process. Engagement activities included stakeholder focus groups, questionnaires, community round tables, two surveys, interviews with persons with lived experience of homelessness and housing insecurity, survivors of domestic violence, local municipal CAOs, City of London staff, County staff, and a community workshop.

A vision, goals and recommendations for a municipal strategy to address housing needs were developed based on the information collected through the data collection and engagement phases.

This report provides an overview of the findings from the data collection and stakeholder engagement processes and outlines the vision, goals, targets, and recommended actions for a municipal strategy to meet current and future housing needs.

The project also involved the preparation of a resource guide for organizations interested in developing affordable housing as well as a public information portal on housing needs and resources.

Organizations interested in developing, building and operating affordable and attainable housing can refer to Middlesex County: Resource Guide for the Development of Affordable Rental Housing as a resource, which can be found on the [County's website](#).



Policy Context

The Attainable Housing Review recognizes the existing policy context for housing in Middlesex County.

To address the current state of housing in Canada, the federal government established and implemented a **National Housing Strategy** (NHS) beginning in 2017. The NHS is grounded on a human right-based approach to housing, which focuses on improving housing outcomes for those in greatest need. Since the announcement of the NHS, the NHS has made several funding commitments with a total investment of more than \$70 billion over ten years. The NHS was followed by the *National Housing Strategy Act* in 2019, which requires all governments to take appropriate measures to use the maximum available resources toward the progressive realization of the right to housing.

The province of Ontario has released a number of policy documents in the past five years aimed at making it easier for Ontarians to find a home that meets their needs and budget. These include:

- **More Homes, More Choice: Ontario's Housing Supply Action Plan** – was released in 2019 and was intended to reduce regulation, so it is easier to build market housing
- **Community Housing Renewal Strategy** – also released in 2019 sets out how the provincial government will work in partnership to stabilize and grow the community housing sector
- **Provincial Policy Statement** (PPS) – was updated in 2020 and gives provincial policy direction on key land use planning issues such as the provision of sufficient housing to meet changing needs, including affordable housing
- **Report of the Ontario Housing Affordability Task Force** – was released in 2022 and provides recommendations on increasing density, removing exclusionary rules that prevent housing growth, preventing abuse of the appeals process, and incentivising municipalities to increase housing supply
- **More Homes, Built Faster: Ontario's Housing Supply Action Plan 2022-2023** – was intended to reduce government fees and address development approval delays that slow housing construction and increase costs.

At the Regional, County and local levels there are a number of policy documents related to housing.

The Housing Stability Plan for the City of London 2019-2024 – Housing Stability For All was prepared to meet updated Provincial requirements for housing and homelessness plans established by the Policy Statement: Service System Manager Housing and Homelessness Plans and the *Housing Services Act, 2011* (HSA). Actions related to Middlesex County, as they relate to the Service System Manager responsibilities, are included within the City of London's *Housing Stability Plan*.

Middlesex County's **Homeless Prevention and Housing Plan: 2019 – 2024 – Change Begins with Choice** outlines the strategies and actions that are intended to guide the County and local municipality's work related to housing and homelessness between 2019 and 2024.

The County of Middlesex and each of the local municipalities have **Official Plans** and **Zoning Bylaws** that manage land and resources and guide decisions about where to build housing and what forms of housing are permitted.



Roles

The Housing and Homelessness System in the Province of Ontario is complex and requires the participation of four levels of government, in addition to the not-for-profit and private sectors. Engagement of all parties is paramount to success in responding to needs and building a healthy housing continuum in communities across Ontario.



The following summarizes the current roles and responsibilities in the system:

Federal Government

The federal government has a National Housing Strategy under which funding is provided for both housing and homelessness programs. Funds are generally accessed through application processes undertaken by the private or not-for-profit housing proponent, unless otherwise directed to designated communities (large urban centres). Middlesex County and local municipalities, not-for-profit, and private sector organizations are required to apply for federally delivered funding, as funds are not administered to the County through the Service System Manager.

Provincial Government

The Ontario provincial government is the steward of the housing and homelessness system, setting the overall vision, establishing legislative and policy frameworks, and then designating the 47 Municipal Service System Managers to manage funding as well as program administration and oversight.

Service System Manager

The City of London is the designated Service System Manager for the City of London and the County of Middlesex under the *Housing Services Act*. The Service System Manager has these five key accountabilities:

- 1. System Planning** – System planning requires the Service System Manager to have a local Housing and Homelessness Plan that articulates the needs of the community and identifies actions to address the growing and changing needs. Collaborating with partners on service delivery models and housing administration is an important aspect of planning to ensure services are integrated and provide cost-effective and quality responses that also align with the provincial planning policy statement and other local plans.
- 2. Centralized Waiting List** – Service System Managers have responsibility for the management of a Centralized Wait List for rent-geared-to-income housing.
- 3. New Housing Development** – Service System Managers play a key role in supporting the development of new affordable housing projects whether developed and owned by the Service System Manager, a municipality, private sector developer or not-for-profit organization through support for new developments under provincial as well as federal programs. Service System Managers manage and report on funding through the federal/provincial funding streams that support both capital and operating funds for new affordable units, such as the Canada-Ontario Community Housing Initiative (COCHI) and Ontario Priorities Housing Initiative (OPHI). While they are not required to contribute or manage funding, processes require comments from Service System Managers to provincial staff even for federal funding administered directly by CMHC.
- 4. Asset Sustainability** – With the housing stock transferred by the province in 2001, the Service System Manager is accountable for asset sustainability. This responsibility includes providing program administration and technical advisory support to externally owned community housing providers and co-operatives in addition to stock owned by the Service System Manager.
- 5. Supporting Housing Operations – Ensuring System Viability & Compliance** – This responsibility requires the Service System Manager to provide oversight to the management of the housing operations including funding, compliance oversight for housing programs (both externally owned and operated and internally owned and operated including Local Housing Corporations such as London Middlesex Housing Corporation). The City of London as the Service System Manager for the City of London and Middlesex County has three distinct roles with respect to housing provision:
 - Steward of community-based housing providers
 - Custodian of Service System Manager owned buildings
 - Shareholder of Local Housing Corporation portfolio of properties.

Municipalities – County and Local

Local municipal governments are prescribed to manage local integrated land use planning policies and by-laws and have the option to deliver and fund local housing programs. Middlesex County and local municipalities are each responsible for their respective Planning Act approvals process along with the option to deliver and fund incentives for new affordable housing development.

Provincial program funding for the London/Middlesex County area is managed by the City of London as Service System Manager. The City of London and the County of Middlesex have a Housing Services Cost Apportionment and Homelessness Prevention Program Agency Agreement in Place. The County is the agent for the City for the delivery of the Homelessness Prevention Program for the geographic area of the County of Middlesex (excluding City of London). The Costs of Housing Services are apportioned between the County and the City based on a combination of Weighted Assessment and actual costs.

Municipalities are the biggest financial contributors to existing community housing, although federal and provincial governments also provide some financial support. The County or local municipalities could play a role in getting partners together and facilitating conversations about applying for federal funds.

Community Housing Providers

Community Housing providers have the responsibility to operate and sustain not-for-profit housing in addition to managing their housing assets as defined under agreements with their respective funding agency. They may also access a variety of housing funding programs to assist in the development of affordable rental and supportive housing.

Private Sector

The private sector can take on a variety of roles. Traditionally they have been responsible for the development of market ownership housing and the development and management of purpose-built market rental housing. In addition, they may also access a variety of housing funding programs to assist in the development of affordable rental and supportive housing.



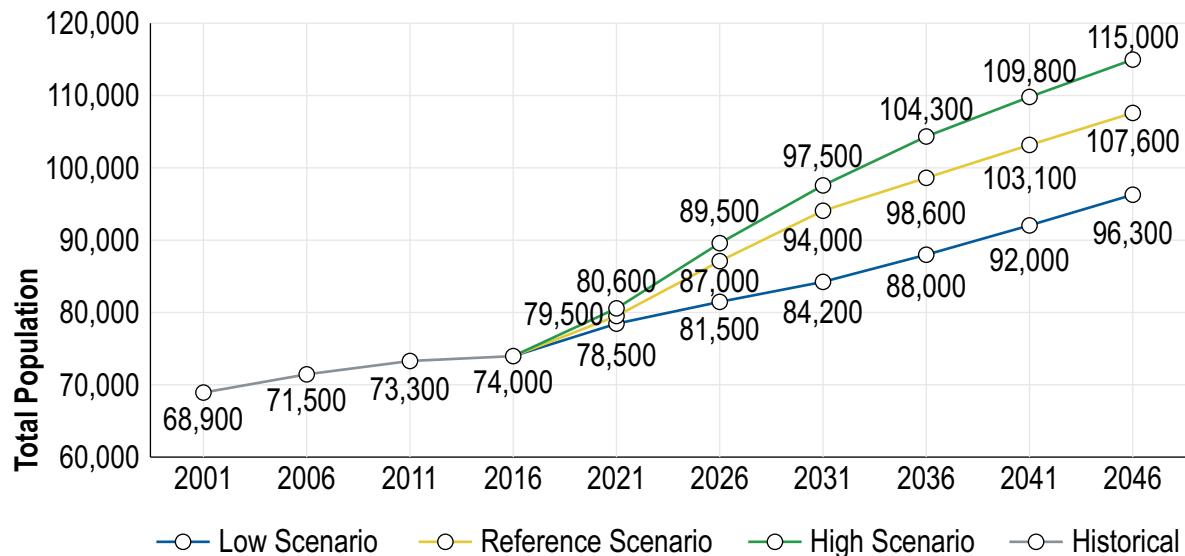
Housing Needs

After periods of modest population growth and new construction, Middlesex County has seen a shift in the housing market – from a rural community, generally aging and relying on inter-generational growth – to a region sought after by new residents relocating to Middlesex County.

Though the COVID-19 pandemic has been identified as an influence leading to people relocating away from major city centres to smaller cities and towns, the increasing cost of housing, along with quality-of-life advantages, has been an underlying cause for a longer period. Indeed, the low interest/borrowing rates over the last five years have resulted in a surge in home prices in Greater Toronto Area (GTA). This has, in turn, caused a significant impact on smaller, outlying communities including those within Middlesex County. This shift in the housing market has pushed the most affordable entry-level homeownership opportunities to the highest price levels in history. Moreover investors priced out of the GTA region have been looking for opportunities in the Middlesex County housing market.

Between 2016 and 2021, Middlesex County experienced significant population growth. This growth has been brought on by families, young couples, and young single adults choosing to live in the area. The largest increases were seen in the populations of Lucan-Biddulph (20.9%) and Strathroy-Caradoc (14.4%). This rate of growth is anticipated to continue.

Historical Population and Population Forecast Scenarios, 2016-2046, Middlesex County



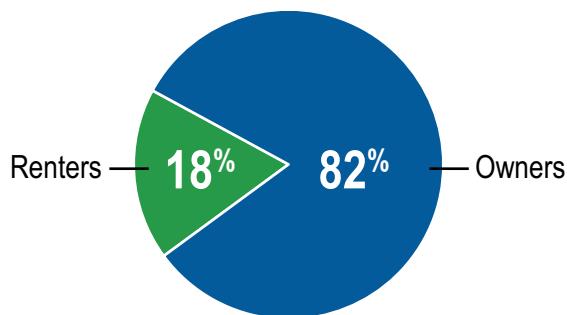
Source: Population and Housing Projections for Middlesex County, Committee of the Whole, January 19, 2021

The increasing growth of a younger population can seemingly 'dilute' or lower average age demographics. However, average age demographics should not be interpreted as a decrease in the number of seniors in the region. Indeed, the senior population continues to grow to a significant extent, resulting in changing housing needs over time.

Alongside the population increase, average income levels pre-tax neared \$100,000 in 2020, whereas just ten years ago households with annual incomes above \$100,000 only accounted for 2% of the population. Between 2016 and 2021, those in the age groups of 15-30 and 44-65 saw the largest growth in the County. This data indicates an influx of new younger residents into the County, bringing along higher incomes and a desire for housing to meet their expectations.

Not atypical of smaller communities, homeownership rates are higher than rental rates, when compared to larger centres. Homeownership in Middlesex County represents 82% of households while rental accounts for 18%. Further, the majority of new home construction has been focused on low-density, mostly single-detached residential homes. As such, the Middlesex County housing market does not currently provide a lot of options (condominiums, townhouses, apartments, etc.) for low to middle-income renters looking to enter the ownership market nor does it provide many opportunities for middle to higher-income earners to consider alternatives to larger single-detached dwellings. A low level of available housing inventory has resulted in a more challenging market for residents seeking to buy a home for the first time unless they are in the higher-income bracket.

Housing Tenure, Middlesex County, 2021



Source: Statistics Canada, Census, 2021

Homeownership costs rose dramatically in Middlesex County over the past few years, with reports indicating an average home price of \$1,076,666 in Middlesex Centre and \$771,175 in Strathroy-Caradoc in 2022. However, as a result of tightening fiscal policies, home prices have stabilized since July 2022, putting a stop on the historic rise in home prices seen since 2018. Despite this, many homes are still selling above their asking price in both communities, indicating that demand remains high. And while November 2022 average home prices were lower than those in August, monthly carrying costs have increased as a result of increased in mortgage interest rates.

Average Mortgage Costs Affordability for January, August and November 2022 with 20% Down Payment

	January Average Home Price	20% Down	January Monthly Mortgage at 3.5%	August Average Home Price	20% Down	August Monthly Mortgage at 4.5%	November Average Home Price	20% Down	November Monthly Mortgage at 6%
Middlesex Centre	\$981,818	\$196,364	\$3,527.04	\$1,082,973	\$216,595	\$4,389.81	\$1,066,332	\$213,266	\$5,114.56
Strathroy	\$758,641	\$151,728	\$272,530	\$751,971	\$150,394	\$304,810	\$734,555	\$146,911	\$352,332

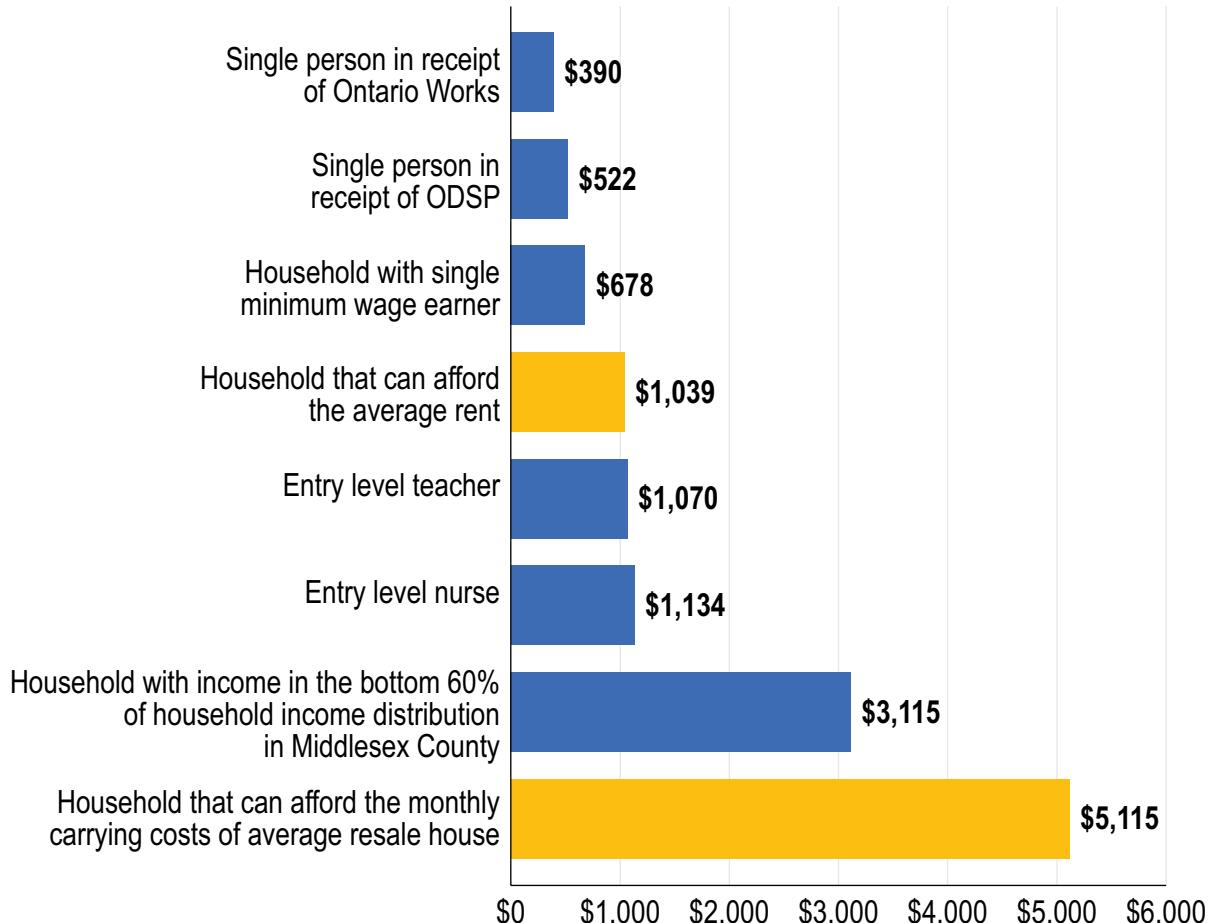
Source: London St. Thomas Association of Realtors and Consultant Calculations

The average house price is only affordable to households in the top 10% of income distribution in the County. Without substantial equity from the sale of a previous home, the average priced home would be out of reach for most households. Households with incomes at the 60th percentile would require a down payment of over \$500,000 to afford the average priced home.

Along with homeownership costs, rental costs have also increased significantly since 2016. CMHC reports an average rent of approximately \$1,039 in Middlesex County, although this is low compared to rents reported by other sources. MLS rental listings as of August 2022 indicate a lack of one and two-bedroom housing units, whereas three and four-plus-bedroom housing stock dominates the market with an average of \$3,000 in monthly rental costs. Coupled with low vacancy rates, the market is making it very difficult for renters with low or moderate incomes to find anything to rent that is financially viable for them.

Single persons in Middlesex County are also challenged to have their housing needs met. The median annual income of singles (even with recent income increases) remains just slightly above \$40,000. This group of residents are being priced out of the existing housing market. In addition to this, there is a lack of higher-density housing to accommodate singles moving to Middlesex County, which furthers the precarious housing realities for this demographic.

Rents and Monthly Housing Carrying Costs Affordable to Various Households

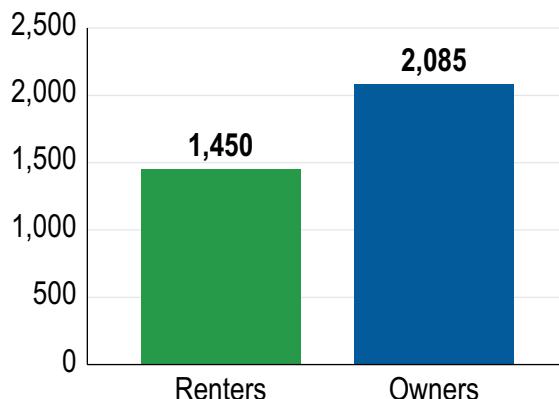


Source: *Ontario Works Act, ODSP Act, Employment Standards Act, Government of Canada, Job Bank – Wages in the London Region, CMHC Rental Market Report 2021, London St. Thomas Association of Realtors*

Between 2016 and 2021, there was a 62% increase in the number of Middlesex County households spending more than 30% of their income on housing (a measure of being in affordable housing need). In 2019, the United Way of Elgin Middlesex reported that 45% of renters are living in unaffordable housing.¹ Rising costs of living and a low inventory of single-bedroom units only further threaten the number of individuals and families experiencing, or nearing, a state of homelessness.

¹ United Way Elgin Middlesex. (2019). Facts: Homelessness And Poverty In Strathroy And Middlesex County. Retrieved from: <http://unitedwayem.ca/wp-content/uploads/2019/01/FactsSheet-Middlesex-FINAL.pdf>

**Householders Living in Housing that is Considered Unaffordable
(Spending 30% or more of income on housing) by Tenure,
Middlesex County, 2021**



Source: Statistics Canada, Census, 2021

The pandemic created worsening conditions for people already living in precarious housing situations. Since the pandemic, the County has seen an increase in visible homelessness and the use of emergency accommodation. Aside from a Domestic Violence Against Women emergency shelter, there are no permanent emergency shelters or transitional and supportive housing units in Middlesex County, making it difficult to accurately capture the extent of homelessness specific to the county. In November 2022, of the individuals who connected with social service staff and had been entered into the Homeless Individuals and Families Information System (HIFIS), there were 63 individuals who were in need of or receiving immediate services and supports.

In summary, the data indicates a direction towards a further strained housing market for future homeowners and renters in Middlesex County. The greatest challenge being the shutting out of those low and medium-income earners who are looking to either rent or buy their first home within their means. This has impacts on the economic health and development of the County as the labour market required to sustain and grow sectors such as retail, agriculture, manufacturing, and service cannot afford to reside in the community. Up until recently, bidding wars and a consistent low average number of days on the market have made homeownership virtually impossible for prospective first-time buyers of low and middle incomes in Middlesex County. Although there has been a significant number of building permits issued, the construction of new dwellings cannot adequately respond to present-day pressures.

What We Heard from the Community

During the engagement process, we heard a variety of perspectives and thoughts on a wide range of issues related to current housing challenges as well as opportunities to better meet the housing needs of current and future residents. Within the various conversations and feedback received from residents and stakeholders the following emerged as community priorities for the future of housing across Middlesex County:

- Increase affordable and attainable housing across the County.
- Ensure housing options for seniors and young families.
- Create a greater diversity of housing type, size, tenure across the County, and supportive housing.
- Explore opportunities for immediate housing options and support for people experiencing homelessness.
- Continue to expand and ensure access to support services and amenities for individuals and families to find and maintain housing, and to age-in-place.
- Explore incentives and policy changes that support and reduce barriers to attainable housing development.
- Consider sustainability, climate change, and protection of farmland in new housing development.
- Enhance communication and education of housing needs in the County.
- Support municipalities and developers to navigate housing programs and funding options.
- Explore partnership opportunities between public, private and not-for-profit sectors.
- Advocate for increased funding for affordable housing.



Best Practice Structures, Roles and Responsibilities Used by Other Municipalities

Interviews were conducted with nine Service System Managers to examine current roles and responsibilities of comparator municipalities to inform recommendations related to the roles and responsibilities in housing.

Interviewees included the City of Hamilton, City of Windsor, County of Wellington, Dufferin County, Elgin County/City of St. Thomas, Grey County, Huron County, Lambton County and Oxford County. Some of the best practice structures, roles and responsibilities identified through the interviews are highlighted below. Additional information can be found on the [County's website](#).

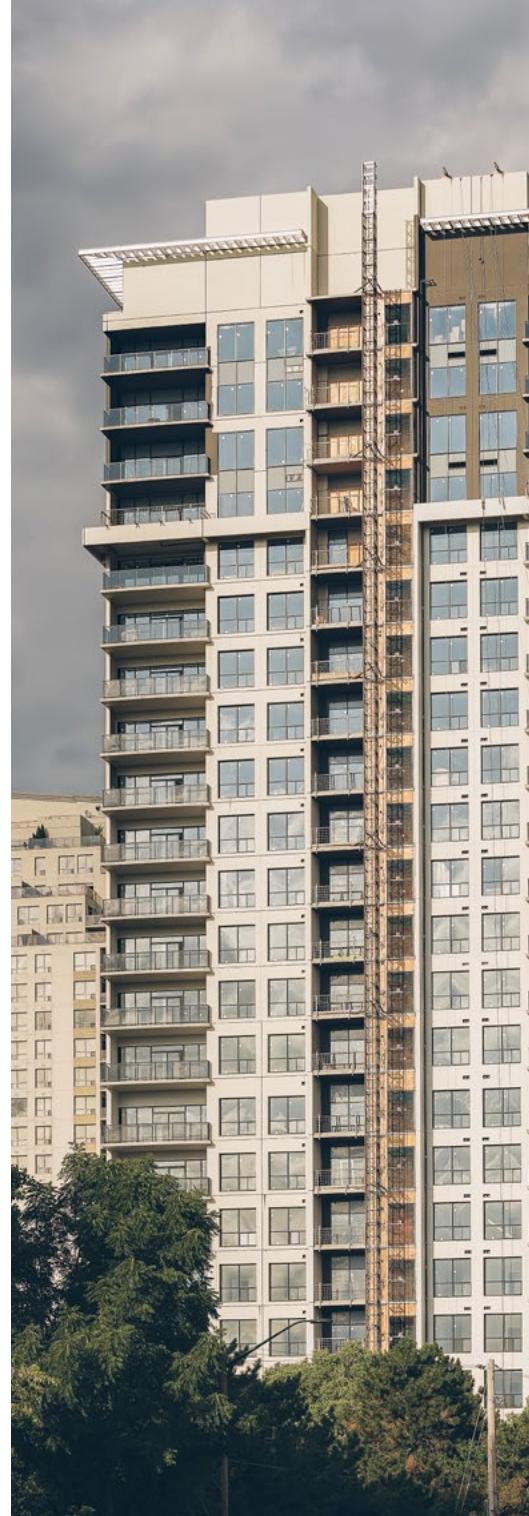
- **Integrated housing and homelessness planning –**

The *Housing Services Act* requires the Service System Manager to have a 10-year Housing and Homelessness Plan to meet the requirements established in regulations. This plan identifies the needs across the Service System Manager jurisdiction as well as the objectives and actions to be taken to address the issues. The City of London Service Manager Plan includes separate Housing and Homelessness Plans for the City of London and County of Middlesex to ensure that both the urban, rural and small urban needs are identified. In many neighbouring jurisdictions the Service System Manager and municipalities have a shared plan.

Examples:

In St. Thomas and Elgin County, even though the designated Service System Manager is St. Thomas, which is the largest urban area, there is a shared plan for St. Thomas and Elgin County.

The City of Sarnia and Lambton County have established a Memorandum of Understanding related to housing and homelessness to ensure clarity regarding roles, responsibilities and priorities.



- **Shared ownership and communication between Service System Manager and municipalities** – In order to ensure effective responses to the need for affordable housing, it is important for the Service System Manager and the municipalities in their jurisdiction to have clear communication and be actively engaged in the planning processes to identify needs and responses. Several comparator municipalities interviewed during the Attainable Housing Review engagement process noted a key factor in their success in moving projects forward was a result of activities taken to ensure good lines of communication. Committees or action teams made up of senior leaders was the most common approach to ensure diverse perspectives were heard and communities felt they had a voice in priority setting and funding allocation decisions. A second approach commonly used across Ontario has been the creation of subcommittees of Council. Some included Council members while others included representation from key stakeholder groups including community members. The City of London and County currently meet quarterly as part of the Management Oversight Committee as outlined in the *Housing Services Cost Apportionment and Homelessness Prevention Program Agency Agreement*. This committee provides a great opportunity to discuss priority setting and funding allocation decision.

Example:

Peel Region has a Strategic Housing and Homelessness Committee that meets a few times a year.



- **Housing master infrastructure planning** – Municipalities across Ontario are investing in long-term plans to guide the development of affordable housing initiatives to meet their community needs. The plans outline comprehensive strategies to leverage existing lands and resources to meet increasing demands for housing. A Housing Master Plan allows a municipality or Service System Manager jurisdiction to identify and assess available land including property owned by the Local Housing Corporation or not-for-profit housing providers for its suitability for regeneration or development. The development of a Master Plan takes a portfolio approach to infrastructure development, similar to master plans traditionally targeted towards water/waste water infrastructure planning.

Example:

On December 15, 2022, Oxford County released a Master Housing Strategy committing the County to a long-term plan for addressing the housing supply shortage. The strategy primarily focuses on housing for households in the moderate-income range and those in core housing need.² The plan includes a commitment to adding a minimum of 50 new affordable units per year and to maintaining an inventory of “shovel ready” affordable housing sites so that the County is ready to respond to federal and provincial funding opportunities. The strategy puts forward 10 viable housing projects along with preliminary housing concept plans and financial analysis for each. In addition, they have exempted affordable housing projects from County planning fees.

- **Creating a Housing Advisor or Facilitator role** – One of the challenges for municipalities, particularly those who are not the Service System Manager, is defining their role and how best to support the creation of affordable housing. One practice is for municipalities to have designated staff, to work closely with municipal partners, the private and not-for-profit sector including charitable organizations and community members to bring together partnerships, available land and innovative approaches to this complex issue. The Housing Advisor or Facilitator role is a lead, acting on behalf of a larger organization such as the County, and can be a joint role with area municipalities to address a shared objective and priorities. Having a dedicated role allows that individual to focus on capacity building, ongoing information sharing and communication and building partnerships.

Example:

The Town of Halton Hills, who is not a Service System Manager, created a half time position in the planning department to focus on facilitation with the community to support the creation of new affordable housing.

² Core housing need refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable.

- **Making municipally-owned land available for the creation of affordable and attainable housing** – There have been many examples of municipalities making land available for the creation of affordable and attainable housing.

Examples:

The Town of Woolwich (an area municipality located in the Region of Waterloo) issued a proposal call for a parcel of land to be developed into an affordable rental apartment building.

The Town of Goderich made a parcel of land available to the County of Huron to build a mixed affordable and supportive housing rental development.

The Town of Halton Hills issued an expression of interest to make available town land at no cost for an affordable housing development (and the Town pre-zoning the land).

The City of St. Thomas (City is Service System Manager) provided land to Indwell to develop a supportive housing project above a city social services building.

The City of Windsor contributed a regional building to repurpose to bring together community programs to support people experiencing homelessness, and is now looking to build a permanent structure with city contributions.

- **Municipalities making financial contributions to affordable housing** –

Many municipalities, in both Service System Managers and otherwise, have made financial contributions to affordable housing.

Examples:

The City of Guelph made a \$1 million dollar commitment to support affordable housing development projects, recognizing a gap in both provincial and federal contributions to make not-for-profit projects viable. In working with the Service System Manager (County of Wellington) they established a joint process for the issuance of a Request for Proposal for new developments, leveraging the expertise of both organizations, in order to build capacity and their understanding of local needs and the viability of projects.

The County of Huron made a fixed budget commitment for new apartment developments leveraging a wraparound service approach and CMHC Co-Investment funding.

The City of Barrie is collaborating with six local faith organizations to provide preliminary design and financial feasibility for affordable housing to be potentially created on six church sites.

Vision

Every Middlesex County resident has the opportunity to access the type of housing they need in their community.





Goals

Three goals have been identified to contribute to the achievement of the vision:

1. To support clarification of County and local Municipal roles in addressing housing and homelessness needs in Middlesex County.
2. To have a range of housing options, including a mix of unit types, tenure, and supports, to meet the needs of current and future County residents.
3. To support economic growth and quality of life through an adequate supply of housing that is affordable and attainable to households with low- and moderate-incomes.

These goals align with a number of County Council strategy items, including:

- Encourage a diverse and robust economic base throughout the County
- Innovate and transform municipal service delivery.

Key Targets 2023-2027

The following targets are recommended as aspirational targets for the County based on the needs determined through the Attainable Housing Review. These targets should be refined as required and implemented through policy decisions. While these are overall targets for the County, they may be different for different local communities.

- 10% of all new housing developed between 2023 and 2027 will be Affordable Rental Housing (In 2022, this was defined as rents of less than \$1,039 per month)
- 15% of all new housing will be Affordable and Attainable Ownership Housing (in 2022, this is defined as ownership housing priced less than \$572,000)
- 10% of new housing units will be purpose-built rental units
- 25% of new housing units will be in the form of multiple units or apartment dwellings



Affordable and Attainable Housing Definitions

Affordable and attainable housing can have many definitions. The concepts of affordable and attainable housing for the purposes of the Attainable Housing Review have been based on the definitions in the Provincial Policy Statement (2020) and are explained below.

Affordable rental housing is the least expensive of:

- a) A unit for which the rent does not exceed 30% of gross annual household income for low- and moderate-income households, where low and moderate income households refers to households with incomes in the lowest 60% of the income distribution for renter households in the regional market area; or
- b) A unit for which the rent is at or below the average market rent of a unit in the regional market area.

In Middlesex County, b) – average market rent – is the lower of the two possible thresholds, so this becomes the threshold for affordable rental housing. The average market rent in Middlesex County is estimated at \$1,039 per month, based on CMHC data.

Affordable and attainable ownership housing is the least expensive of:

- a) Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low- and moderate-income households, where low and moderate income households refers to households with incomes in the lowest 60% of the income distribution of all households for the regional market area; or
- b) Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

In Middlesex County, a) – the price affordable to low- and moderate-income households – is the lower of the two possible thresholds, so this becomes the threshold for affordable and attainable ownership housing. The price affordable to the lowest 60% of the income distribution is estimated at \$572,000.³

³ Based on 10% down payment, 5.64% mortgage rate, and 25-year amortization.

Actions

The following are recommended actions for a municipal strategy to meet current and future housing needs.



Direction 1 – Clarify Roles in Addressing Homelessness Needs

1. Refine Actions Based on the Strategic Role the County Wants to Take On and Implement Actions

[short term]

The County should refine the actions outlined in this document based on the strategic role it wants to take on related to housing and then implement the actions over time.

The County should identify which roles it will take primary responsibility for on behalf of local municipalities and which will be joint responsibilities shared by local municipalities or the City of London as the Service System Manager. The County may wish to take on a more active leadership role in advocating for and catalysing housing and homelessness funding opportunities.

Collaboration of all local municipalities would add strength to advocacy and allow the County to work more strategically with the Service System Manager.

2. Develop Middlesex County Roadmap for Action

[short term]

The County should prepare a renewed County-wide plan for housing and homelessness to set strategic directions and inform funding and next steps.

The plan should build on the existing *Homelessness Prevention and Housing Plan 2019-2024* and include an implementation plan that provides 'roadmap for action' on how to execute results. The plan should align with the Economic Development Strategic Plan for a holistic integrated approach.

3. Develop a County Housing Master Infrastructure Plan [short term]

The County should develop a plan that maps out surplus and other available sites, including property owned by County, local municipalities, conservation authorities, and school boards, and prioritizes sites for affordable housing based on needs and time/level of difficulty to get the sites to a stage that they are ready for construction.

This plan will allow the creation of shovel ready projects so that the County and/or a municipality is prepared to access provincial and federal funding (capital and operating) when it is available. Projects often need to be 'shovel ready' to access provincial and federal capital and operating funding and project proposal timelines are limited, so being prepared is paramount to success. This comes at a cost, but with a clear plan establishing priorities for development such as ease of implementation including planning approvals, projects can be expedited when funding is available. In addition to stand-alone affordable housing developments, joint use facilities that integrate affordable housing with government and/or not-for-profit services, such as health care, should be considered. An investment strategy should be included in the plan, identifying financing strategies including public/private partnerships and tax levies that could support development.

4. Lead a Strategy Implementation Team [short term]

The County should lead an integrated team to manage execution of the County's housing strategies.

It is recommended that the County take a business SWAT team approach, where a specialized, cross functional team of key senior leaders is brought together for oversight of implementation of the strategies locally. The team could include representation from all municipalities to ensure engagement and good communication.

5. Consider Adding a Dedicated Housing Advisor Role [short term]

County Council should consider adding a dedicated housing advisor role to manage the implementation of strategic housing priorities.

The role could act as a conduit for information between County staff, the Service System Manager, and local municipalities. The role could focus on working with partners and enhancing partnerships with the not-for profit sector, health sector, and private organizations interested in developing, building and operating affordable and attainable housing. The role could also be responsible for outcome measurement on the County's strategic housing priorities. This position could be shared with the local municipalities to meet everyone's needs. The housing advisor role could report in to the strategy implementation team.

6. Develop an Engagement Plan

[medium term]

The County should develop an engagement plan aimed at improving communication with local municipalities, the Service System Manager, and the community related to housing.

The Strategy Implementation Team (discussed in Action 4) should have a defined approach for engagement, which may include set meetings with the Service System Manager, local municipal CAOs and other senior municipal staff. Community engagement should include providing information through the County's website and social media platforms.

7. Create a Capacity Building Strategy

[medium term]

The County should consider establishing a strategy to support increased capacity across the County for affordable housing development.

The capacity building strategy would outline information sessions, training and tools the County would use to engage with not-for-profit organizations, faith communities, and other interested parties to build an understanding of development, identify surplus lands owned by these groups, and potential partnerships that may support opportunities for affordable housing development. The *Middlesex County: Resource Guide for the Development of Affordable Rental Housing*, which can be found on the [County's website](#), is one tool that could be used to support capacity building.



**8. Review Structures to Support Development,
i.e., Land Banking/Land Trusts**

[medium to long term]

The County may wish to explore structures, such as land banking or land trusts, that would allow for the pooling of land for affordable housing.

A land bank is a governmental or not-for-profit entity that would assemble and maintain properties, facilitate the development or redevelopment of affordable housing, or dispose of property to further objectives related to affordable housing. The land bank may purchase property, obtain surplus government properties, and/or obtain properties that have been foreclosed upon. Often these lands are also provided by local businesses, land owners and philanthropists who are interested in contributing and knowing that the land must be used for affordable housing purposes. Land banks can increase the community's state of readiness for affordable housing development.

A land trust refers to a not-for-profit, charitable organization which is established to acquire and preserve land for the purpose of providing affordable housing. Resale restrictions make the housing affordable over the long term.

As future considerations, the County could consider selling or leasing surplus municipal land at below market rates for affordable housing or establishing a tax levy to support affordable housing development. These properties or funds could be contributed to a land bank or land trust.

**9. Collaborate on Requests for Expression of Interest
in Housing Development**

[medium term]

The County should further enhance its work with the City of London as the Service System Manager to solicit proposals for housing and homelessness initiatives in the County.

This would allow the County to gauge interest in affordable housing development and identify capacity for development and potential partnerships. This strategy supports an integrated approach to planning for affordable housing and was identified as a best practice in other communities.

10. Develop an Education Strategy

[short to medium term]

The County should consider developing a communication strategy about housing needs to address NIMBYism (Not In My Back Yard).

NIMBY is a form of resistance to affordable housing whereby, a resident may not object to the development in principle, but doesn't want it built in their own area. A communication strategy to address NIMBYism could include a County-wide education strategy as well as a package of tools for municipal staff and elected officials to reference in their community.

Direction 2 – Support a Diversity of Housing

11. Adopt Housing Targets

[short term]

The County and local municipalities should consider adopting and implementing affordable housing, purpose-built rental housing, and multi-unit housing targets within their Official Plans to increase housing options and improve housing affordability.

The following targets are recommended based on need determined through the Attainable Housing Review:

- 10% of all new housing units are Affordable Rental Housing
- 15% of all new housing units are Affordable and Attainable Ownership Housing
- 10% of new housing units are purpose-built rental units
- 25% of new housing units are in the form of multiple units or apartment dwellings.

Targets can allow planning staff to have conversations with developers about how a proposed development will contribute to the housing targets. Targets can also be used to measure how County and local housing objectives are being met.

12. Adopt Policy to Maintain Adequate Housing Supply

[short term]

The County should consider adding an Official Plan policy that the County will maintain adequate land supply and requires local municipalities to maintain adequate land supply to help support adequate supply of housing.

The following policy is recommended:

Maintain at all times at least a 15-year supply of land designated and available for residential development, redevelopment, and residential intensification; and

Three-year supply of residential units with local municipal servicing capacity through lands zoned to facilitate residential intensification and redevelopment, and through lands in draft approved or registered plans of subdivision;

Local municipalities maintain a three-year supply of serviced land through lands suitably zoned to facilitate residential intensification, and land in draft approved and registered plans. This objective would not apply where local municipalities do not provide public piped services or where such services are constrained by environmental conditions.

13. Implement Zoning Solutions to Reduce Land Costs and Increase Density [short to medium term]

The County and local municipalities could consider implementing land use planning policies and zoning regulations that reduce land costs and increase density.

This may include land use planning policies and zoning regulations that permit the following:

- zero-lot-line housing – is property in which the structure comes up to, or very near to, the edge of the property line. They may be attached, as in a townhouse, or a detached single story or multi-storey residence.
- small self-contained studio suites – sometimes referred to as pocket housing or tiny homes, these units are small, private self-contained dwellings. Such units may be addressed through Provincial or municipal direction on Additional Residential Units.
- flex housing – is housing that is made adaptable at the time of construction to accommodate occupants' changing requirements easily and inexpensively. For example, if a resident becomes less mobile and requires a bathroom on the main floor, the design of the plumbing system will allow for the conversion of a spare room into a bathroom, or if a family no longer needs all floors as children move out, the home could be easily divided to accommodate an income producing additional unit.

14. Adopt Policies To Encourage Range of Housing Options [short term]

The County and local municipalities could consider adopting Official Plan policies and zoning by-law regulations that encourage forms other than traditional detached and semi-detached homes.

Policies could include encourage and support:

- manufactured housing and shipping container housing
- all new single detached units to be 'suite-ready'
- additional units in condos ('lock-off suites')
- universal accessibility features in existing and new residential development.

15. Revise Policies that Restrict Access for Certain User Groups

[short to medium term]

The County and local municipalities should establish Official Plan and Zoning By-laws that do not restrict access to housing for certain user groups.

It is recommended that the County remove reference to housing for special needs groups in its Official Plan and add a policy that the County supports shared housing in all areas where residential dwellings are permitted or currently exist. Shared housing could be defined as a form of housing where unrelated individuals share accommodation for economic, support, or lifestyle reasons, and includes housing with and without support services.

The County could also consider adding an Official Plan policy that the County encourages local municipalities to remove all references to special needs housing, boarding or rooming houses, and group homes in their local Official Plans and Zoning By-laws should outline permissions based on the form of housing, not the user.

In keeping with the above, it is recommended that local municipalities remove references to special needs housing, boarding or rooming houses, and group homes in their Official Plans and Zoning By-laws and remove references to minimum separation distances for these forms of housing.

16. Update Policies to Support Streamlined Planning Applications

[short to medium term]

Local municipalities should update their Zoning By-laws to streamline/reduce the need for planning applications.

It is recommended that this include:

1. Expanding permitted uses (i.e., multi-unit developments in greater range of areas), including some areas that are specifically multi-unit zones and prohibit downzoning
2. More use of as-of-right zoning that specifically permits a proposed use without the imposition of special conditions or discretionary approval from Council
3. Ensure additional residential unit policies are up to date and consistent with Bill 23, *More Homes Built Faster Act, 2022*
4. Ensure zoning bylaws are up to date and consistent with Official Plans.

It is estimated that more as of right permissions could, over time, reduce the number of necessary planning application by approximately 10%. This could mean approximately 34 fewer applications per year and a savings of approximately \$50,000 in application fees.

17. Consider Rental Retention Policies

[medium term]

Local municipalities could consider developing and implementing rental retention policies within their Official Plans that require or encourage the replacement of rental units lost through demolition or conversion to other tenures.⁴

Purpose-built rental housing offers secure and long-term options for households who cannot or choose not to own their homes. A rental replacement policy can support the retention of existing rental housing within buildings of six units or more to encourage redevelopment that replaces older rental with new units, secured through legal agreements. A condominium conversion policy could also apply to buildings with six units or more, where conversions of rental units to condominium units are discouraged. The policies could require or encourage replacement or retention, and at a minimum, would allow for the monitoring of the loss of purpose-built rental housing.



⁴ Note that Bill 43 amends the *Municipal Act, 2001* to give the Minister the authority to make regulations imposing limits and conditions on the powers of a local municipality to prohibit and regulate the demolition and conversion of residential rental properties under that section.

Direction 3 – An Adequate Supply of Housing that is Affordable and Attainable to Low- and Moderate-Income Households

In addition to the above actions that support a range of housing options, including affordable housing, the following additional actions are offered to support affordable and attainable housing specifically.

18. Include Definition of Affordable Housing in Official Plans [short term]

The County and local municipalities should adopt consistent definitions of affordable housing within their Official Plans.

It is recommended that the following definitions, based on the Provincial Policy Statement (2020), be used:

Affordable rental housing is the least expensive of:

- a) A unit for which the rent does not exceed 30% of gross annual household income for low- and moderate-income households, where low and moderate income households refers to households with incomes in the lowest 60% of the income distribution for renter households in the regional market area; or
- b) A unit for which the rent is at or below the average market rent of a unit in the regional market area.

Affordable and attainable ownership housing is the least expensive of:

- a) Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low- and moderate-income households, where low- and moderate-income households refers to households with incomes in the lowest 60% of the income distribution of all households for the regional market area; or
- b) Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

The County should consider adding an Official Plan policy that requires local municipalities to include a definition of affordable housing in their Official Plans consistent with the County's definitions within one year of the County adopting the definition.

**19. Provide Incentives for Affordable and
Supportive Housing and Purpose-Built Rental**

[medium term]

The County and local municipalities should consider providing incentives to support the creation of affordable housing, supportive housing, and purpose-built rental housing.

This could include:

- Incentives waiving or reducing planning and building fees
- Property tax forgiveness for affordable housing
- Grants and loans for affordable housing through local municipal Community Improvement Plans.

Many of the local municipalities have a Community Improvement Plan, which is a tool that allows a municipality to direct funds and implement policy initiatives towards a specifically defined project area to encourage revitalization initiatives and stimulate development/ redevelopment. Community Improvement Plans (CIPs) can state what a municipality is prepared to offer owners as an incentive to build or repair properties to meet the aims stated in the plan, which could include affordable housing. The County could choose to provide grants or loans in accordance with a local municipality's CIP.

As a future consideration, the County and local municipalities could also consider adopting an Official Plan policy to consider selling or leasing municipal owned surplus land and/or buildings which have been deemed appropriate for residential uses at below market value for the development of affordable and/or supportive housing before considering the land and/or buildings before other uses. The County's Official Plan currently acknowledges that affordable housing projects may be candidates for surplus municipal properties, but does not emphasize affordable housing as the first consideration for re-purposing.

20. Establish Modified Standards for Affordable Housing

[medium term]

Local municipalities should consider establishing modified zoning standards for affordable housing.

This may include permitting more compact forms of development if the housing is going to be affordable, such as properties with reduced frontage or policies that permit lot splitting or higher lot coverage ratios. This may also include reduced parking minimums for affordable housing and street design alternatives, such as providing flexibility for on-street parking.

21. Prioritize Planning Approvals for Affordable Housing

[short term]

The County and local municipalities should consider prioritizing planning approvals for affordable housing.

While the length of time for planning approvals in Middlesex County is significantly lower than some major centres in the province, quicker approvals for affordable housing could still act as an incentive and result in cost savings. The County and local municipalities could, for example, put affordable housing applications at the top of the list of applications to receive engineering reviews to reduce the length of time for review and comment and the overall length of time required for approval.

Altus's Benchmarking Report estimated that the cost per unit per month delay in land use planning process is \$2,600.⁵ If prioritizing planning approvals for affordable housing reduced the average approval time by one month, and 25% of applications were for affordable housing, it is estimated that prioritization could result in cost savings on affordable housing of approximately \$250,000 per year.



⁵ Altus Group, Greater Toronto Area Municipal Benchmarking Study – 2nd Edition, accessed at: <https://www.bildgta.ca/wp-content/uploads/2022/09/Municipal-Benchmarking-Study-2022.pdf>

Implementation Plan

A high-level implementation plan outlining next steps, responsibilities, timeframes, costs and performance measures has been provided below.

Action	Next Steps	Responsibility	Timeframe	Cost	Performance Measures
Direction 1 – Clarify Roles in Addressing Homelessness Needs					
1. Refine Actions Based on the Strategic Role the County Wants to Take On and Implement Actions	<ul style="list-style-type: none"> Council consideration of role it wants to take on 	County	1 year	Limited	Council decision on role
2. Develop Middlesex County Roadmap for Action	<ul style="list-style-type: none"> Council decision to prepare Roadmap Draft Roadmap 	County	2 years	Staff time, possibly consultant	Middlesex County Roadmap for Action developed
3. Develop a County Housing Master Infrastructure Plan	<ul style="list-style-type: none"> Council decision to prepare Roadmap Issue RFP for support for preparation of housing master infrastructure plan 	County	1-2 years	Staff time, consultant <\$100,000	Housing Master Infrastructure Plan developed
4. Lead a Strategy Implementation Team	<ul style="list-style-type: none"> Discussion amongst senior leaders regarding composition of team and terms of reference Convene team 	County	0-1 year	Staff time	Formation of Strategy Implementation Team Regular meetings of team

Action	Next Steps	Responsibility	Timeframe	Cost	Performance Measures
5. Consider Adding a Dedicated Housing Advisor Role	<ul style="list-style-type: none"> Report to Council on options/recommendations for a dedicated role Council decision to add role Determine human resources for role 	County	1 year	Staff time or additional staffing ~\$150,000/yr	Approval of and implementation of Dedicated Housing Advisor Role
6. Develop an Engagement Plan	<ul style="list-style-type: none"> Draft engagement plan 	County	3 years	Staff time	Engagement plan developed Engagement plan implemented
7. Create a Capacity Building Strategy	<ul style="list-style-type: none"> Draft capacity building strategy 	County	3-5 years	Staff time	Capacity building strategy developed Capacity building strategy implemented
8. Review Structures to Support Development, i.e., Land Banking/ Land Trusts	<ul style="list-style-type: none"> Report on options for structures Council direction on structures 	County	5-10 years	Staff time	County Council direction on structures to support development
9. Collaborate on Requests for Expression of Interest in Housing Development	<ul style="list-style-type: none"> Council decision to pursue request Discussion with Service System Manager Issuance of request 	County	3-5 years	Staff time	Issuance of Request for Expression of Interest
10. Develop an Education Strategy	<ul style="list-style-type: none"> Gather information from similar strategies such as the one in Huron County Draft education strategy 	County	3 years	Staff time	Education strategy developed Education strategy implemented

Action	Next Steps	Responsibility	Timeframe	Cost	Performance Measures
Direction 2 – Support a Diversity of Housing					
11. Adopt Housing Targets	<ul style="list-style-type: none"> • County and local Official Plan amendments 	County Planning Department	0-2 years	Staff time	Housing targets in County Official Plan and 8 local Official Plans
12. Adopt Policy to Maintain Adequate Housing Supply	<ul style="list-style-type: none"> • County and local Official Plan amendments 	County Planning Department	0-2 years	Staff time	Adequate land supply policies in County Official Plan and 8 local Official Plans
13. Implement Zoning Solutions to Reduce Land Costs and Increase Density	<ul style="list-style-type: none"> • Local Council reports on options/ recommendations for Zoning By-law changes • Local Zoning By-law amendments 	County Planning Department	2-5 years	Staff time	Local Zoning By-law amendments that permit reduced lot lines, small self-contained studio suites, laneway housing or flex housing
14. Adopt Policies To Encourage Range of Housing Options	<ul style="list-style-type: none"> • County and local Official Plan and Zoning By-law amendments 	County Planning Department	0-2 years	Staff time	Official Plan and Zoning By-law amendments that support forms other than traditional detached and semi-detached homes
15. Revise Policies that Restrict Access for Certain User Groups	<ul style="list-style-type: none"> • County Official Plan amendments • Local reports on options/ recommendations for Zoning By-law changes • Local Zoning By-law amendments 	County Planning Department	0-2 years	Staff time	County Official Plan policies supporting shared housing Zoning By-Law amendments that result in removal of references to special needs housing, boarding or rooming houses, and group homes

Action	Next Steps	Responsibility	Timeframe	Cost	Performance Measures
16. Update Policies to Support Streamlined Planning Applications	<ul style="list-style-type: none"> Local Council reports on options/recommendations for Zoning By-law changes Local Zoning By-law amendments 	County Planning Department	0-5 years	Staff time	<p>Expansion of permitted uses in 8 local Zoning By-laws</p> <p>Reduction in special conditions or discretionary approval in 8 Zoning By-laws</p> <p>Additional unit policies in 8 Zoning By-laws consistent with provincial legislation</p> <p>8 Zoning By-laws consistent with Official Plans</p>
17. Consider Rental Retention Policies	<ul style="list-style-type: none"> Local Council reports on options/recommendations for policies Local Official Plan amendments 	County Planning Department	2-5 years	Staff time	Rental retention policies in 8 local Official Plans

Action	Next Steps	Responsibility	Timeframe	Cost	Performance Measures
Direction 3 – An Adequate Supply of Housing that is Affordable and Attainable to Low- and Moderate-Income Households					
18. Include Definition of Affordable Housing in Official Plans	<ul style="list-style-type: none"> • County and local Official Plan amendments 	County Planning Department	0-2 years	Staff time	Definition of Affordable Housing in County and 8 local Official Plans
19. Provide Incentives for Affordable and Supportive Housing and Purpose-Built Rental	<ul style="list-style-type: none"> • County and local Council reports on options/ recommendations for incentives • County and local Council approval of incentives 	County Planning Department	2-5 years	Staff time	Incentives approved by County and 8 local municipalities
20. Establish Modified Standards for Affordable Housing	<ul style="list-style-type: none"> • Local Zoning By-law amendments 	County Planning Department	2-5 years	Staff time	Alternative standards within 8 local Zoning By-laws
21. Prioritize Planning Approvals for Affordable Housing	<ul style="list-style-type: none"> • Council approval of process change, which could be completed through an Official Plan amendment 	County Planning Department	0-1 years	Staff time	Difference in approval time for affordable housing versus other housing