

## 2022 Annual Meeting

### Executive Director's Report

*This is a written summary of the Executive Director's Report at the 2022 Annual Meeting held on November 10, 2022. It was prepared at the request of the public from speaking notes and is not intended to be a transcript or used as an official record of the meeting.*

As Canada's second-fastest growing municipality, The Blue Mountains does not appear to have a problem building housing. However, given the critical shortage of long-term rental and entry-level ownership housing in the community, there is a problem of building the right kind of housing. The last census reported 59 per cent of private homes were occupied by usual residents, of which only 13 per cent were rented. This is well below what was reported across Ontario. We also see few homes available for less than \$1 million and limited long-term rental options in a market dominated by short-term and seasonal rentals.

Housing is intrinsically tied to the economic health, vitality, and sustainability of communities and is an essential part of economic development. The Town of The Blue Mountains had the foresight to understand this when they created The Blue Mountains Attainable Housing Corporation in 2013 as an independent not-for-profit corporation. What makes us unique from other housing organizations is that we were set up as a municipal services corporation to provide economic development services for the Town. An advocate, catalyst, and provider of attainable housing, our role is to support economic and workforce development by increasing housing options to help people live and retire in the community where they work with a focus on moderate-income individuals and households whose housing needs are not being met by the private market.

Our early efforts concentrated on ownership housing by providing financial assistance to first-time homebuyers and grants for secondary suites in partnership with the Town. Due to limited demand, the secondary suites program transferred to the Town in 2021 to be part of the new Community Improvement Plan, while the down payment assistance program wound down with existing County and federal government programs to fill the gap.

In the lead-up to the 2018 municipal election, the corporation shifted its attention to purpose-built rental housing. Under new leadership, a conceptual business model was created drawing on practices in communities with similar challenges, such as Whistler, Banff and Canmore, to serve as the foundation for a new strategy, activities, and organizational structure.

Financial sustainability is at the core of the model. Each project must generate adequate revenues to cover all costs without ongoing operating subsidies. It requires investments, including land, grants, financing, development charge exemptions, and other contributions from partners and all levels of government, to achieve adequate levels of affordability and financial



viability. The model locks in affordability through rental and resale terms and conditions so that the investment stays in the community for the benefit of future residents.

Since 2019, the Gateway Project has been the focus of the organization. A mixed-use and mixed-income property, the proposed Gateway Project includes ground-level commercial space and approximately 84 rental units, of which at least 50 per cent would be provided to the local workforce at below-market attainable rents. We recognize there have been delays and shovels are not in the ground as hoped, but we would like to recognize four achievements that would not have happened without the support of the Town and community.

The first achievement to highlight is that land has been secured. We worked with the Town to review various locations resulting in the Town's purchase of 171 King Street E for an attainable housing project in 2019. The total cost to buy the property and demolish existing structures was approximately \$1.8 million funded with just over \$600,000 from Town reserves and close to \$1.2 million from Grey County that was earmarked for attainable housing. In 2022, Town Council agreed to transfer the land to the housing corporation for a nominal fee. At the time of the decision, the land had an assessed value shy of \$4 million, an increase in value of more than \$2 million. The transfer is still to be completed.

The second achievement relates to funding, with the housing corporation successfully securing close to \$400,000 in pre-development funding, primarily grants, from the Canada Mortgage and Housing Corporation (CMHC) and the Federation of Canadian Municipalities (FCM). The corporation also successfully applied for a municipal designation for GST/HST purposes due to our unique relationship with the municipality, which makes us eligible for a higher Public Service Bodies rebate than a housing charity or other non-profit organization. The Town's investment in the project includes the land transfer for a nominal fee, and an interest-bearing repayable operating loan of up to \$1.2 million for working capital, of which, to date, \$440,000 has been drawn. We have also requested waivers of development charges and fees, or an equivalent grant, from the Town and County.

The third achievement to highlight is the work of the Gateway Project Design Guidelines Task Force, which included ten public members among other community advisors. The Task Force created the Gateway Urban Design and Architectural Control Guidelines that informed the design concept in the Request for Proposal to select a Design-Builder.

The fourth achievement to highlight is the progress made in selecting a Design-Builder, including a pre-qualification process completed in 2021 and a request for proposals issued in June of this year. The request for proposals closes on December 2, which will allow full consideration of submissions during the new term of Council. Submissions will be evaluated using the following criteria: compliance with the Official Plan and Zoning Bylaw; unit targets, design, and quality of fit, finish and other standards; sustainability in terms of energy efficiency,



reduction of greenhouse gas emissions, and low-impact development features; fit with local context and priorities; schedule and approach; innovation; and cost.

The award of the Design-Builder contract would be a significant milestone and set in motion a new phase of work that includes design development and planning applications. The Board will consider submissions before Christmas with a decision and announcement expected in the new year. However, inflation and interest rate pressures combined with funding program changes have created significant project risk. We continue to review our funding strategy and are requesting provincial funding from both the minister responsible for housing and the minister responsible for labour. We are also considering private capital funds and the FCM capital funding program for green buildings.

In addition to the Gateway Project, we are exploring partnerships to deliver attainable housing. This takes an entrepreneurial mindset and a framework to guide delivery models, prices, and rents. A partnership with the Town made it possible for us to offer our first attainable rental property, a three-bedroom house in Thornbury. We also have a memorandum of understanding with developer Royalton Homes to deliver attainable housing at Aquavil. The framework under development considers consider rental, ownership, and rent-to-own options that we may acquire an interest through the lease or purchase of units or the developer or only provide program administration and advisory services. The Town's Campus of Care project on Peel Street may also present partnership opportunities to deliver attainable workforce housing. However, the limited number of tools available to small urban and rural municipalities in Ontario to incentivize or require developers and employers to invest in affordable or workforce housing, such as inclusionary zoning, is a significant barrier to expanding partnerships.

Last week I had the fortune to attend the 3rd Collingwood World Summit – Habitat in Towns 2022 and share our approach to workforce housing with a global audience. I spoke about the benefits of having a municipal non-profit housing corporation as an instrument to achieve local housing goals, particularly in small urban and rural communities where few developers and housing providers work in the attainable housing space. Not only do we bring specialized and local knowledge, but we can also be an advisor and a partner to the government, developers, and employers to facilitate and leverage investment in housing as community infrastructure.

As we look ahead to the new term of Council, we hope to continue to build on our foundation and partnership with the Town. In addition to continuing our efforts to increase housing options, we plan to undertake a governance review, update our strategic plan, and explore opportunities for a regional approach to support scale, sustainability, and impact.

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