

The Institute of Southern Georgian Bay Social Finance & Housing Learning Group

We are a region of many smaller municipalities learning about financial models to support the range of housing stock required in our communities. We research & develop tools, policies, and strategies for our communities & local governments to support housing development that meets community needs.

We deliver through public presentation, reports & conversation.

Check us out

The Affordable Housing Tool Kit

Sign up for the newsletter

<https://tisgb.com/>

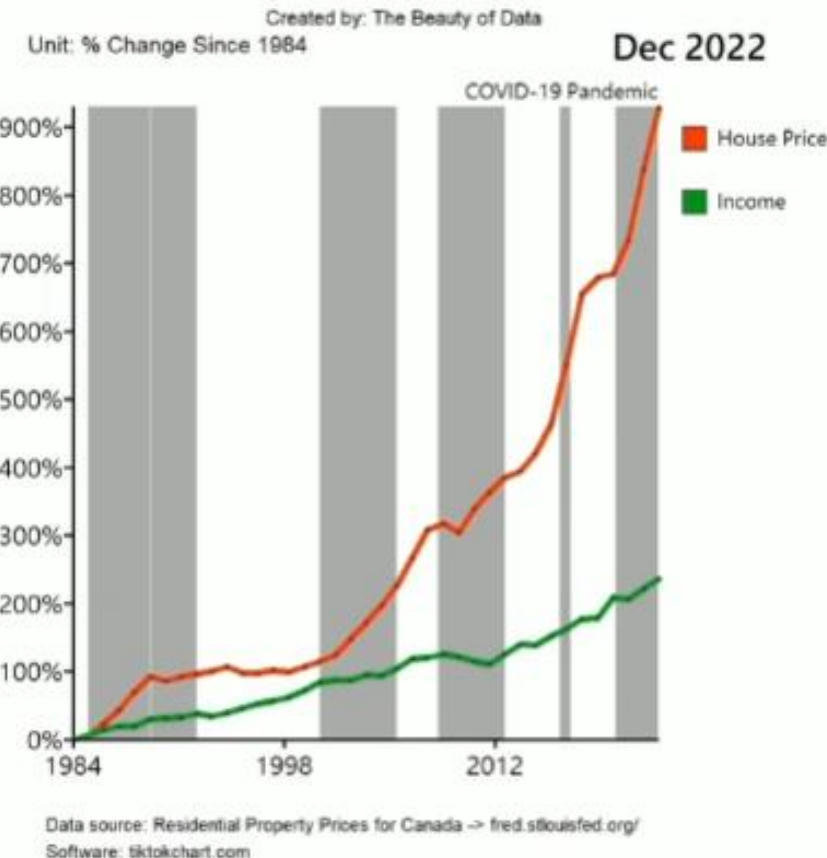




The shortage of affordable housing is a systems problem: Our communities need a systems solution

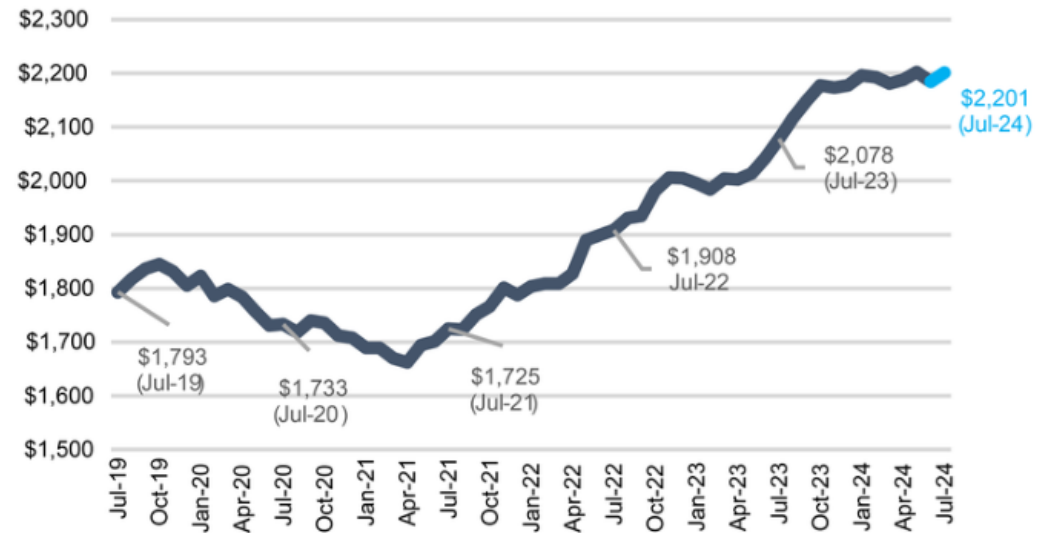
We didn't create the housing crisis, but it is up to communities to deal with it.....*Because we are living with the outcome*

House price vs Income since 1984 in Canada



- Dec. 2023 [BMO](#): Pre-pandemic, Canadians spent an average of 35% of pre-tax income on housing ([the Canadian affordability standard is 30%](#)). Post-pandemic, the figure is 55% of income, leaving **20% less spent in local businesses** as families redirect spending to shelter
- The [Bank of Canada](#) pegs housing affordability at the worst level in 41 years
- In 2022/3 [Royal Bank](#) suggested the **shortage of affordable rental units will be 4x worse by 2026**
- [Canadian Alliance to End Homelessness](#): of the people who are homeless **85% are homeless only because of the lack of affordable housing**

Average Asking Rent All Property Types, Canada



Source: Urbanation Inc, Rentals.ca Network

Using data to inform municipal development decisions

\$ Median Household Income = **\$63,000/yr**

Half of this town's households have income ***below*** this amount

Maximum "Affordable" Housing Cost @ Median Income = **\$1575/month**

FT Minimum Wage = \$34,424/yr

38.5%

of this town's tenants live in unaffordable housing
(Statistics Canada)



Average Cost of Listed Rentals (RHIS) = **\$1866/month + Utilities**

42% of this town's households are renters
(Statistics Canada)

Maximum "Affordable" = **\$860/month**

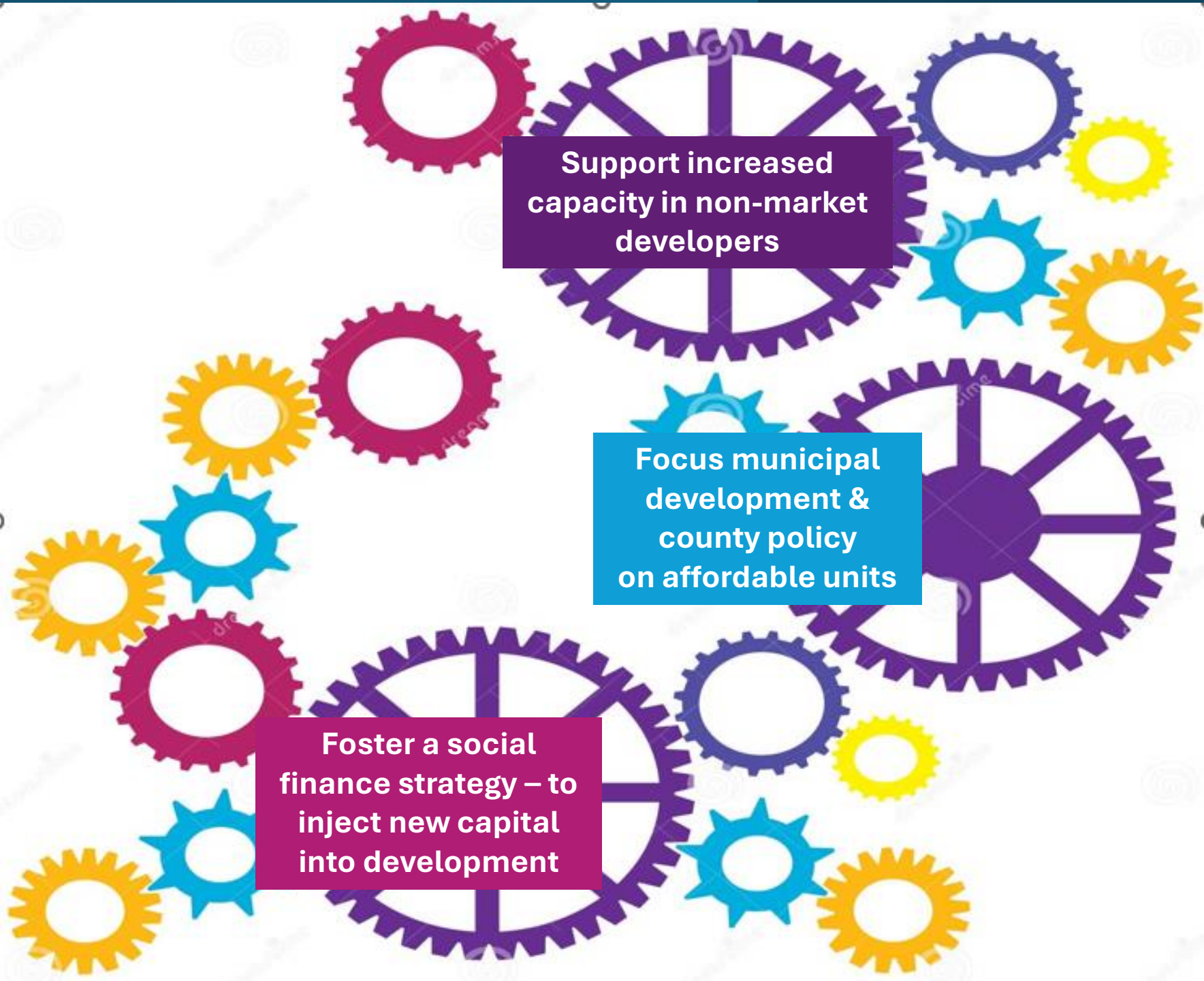
The Problem: Shortage of affordable housing puts our communities' economic sustainability at risk

- **Market builders can't build to a \$900-\$1,200/month, a problem for working families in key sectors:** We have a shortage of workforce housing for retail, healthcare and hospitality & tourism.
- **Municipalities have the responsibility for development approvals but not for planning.** We do not use income data development incentive tools to focus decisions on affordability.
- **Access to upper tier government funding and municipal revenue tools are limited.** We need new sources of capital & financing options.

Our municipalities are small and close. A mobile workforce & affordable development requires scale through collaboration.

A
'whole
community'
approach to
more affordable
housing:

3 good things we
can change in our
own system



Support increased
capacity in non-market
developers

Focus municipal
development &
county policy
on affordable units

Foster a social
finance strategy – to
inject new capital
into development

Support increased capacity in non-market developers



THE HOUSING CONTINUUM



Subsidized **Nonmarket Affordable housing** Commercial Market

Opportunity: affordable by mission not by market in perpetuity

Fastest Solution: Increase supply of lower cost housing

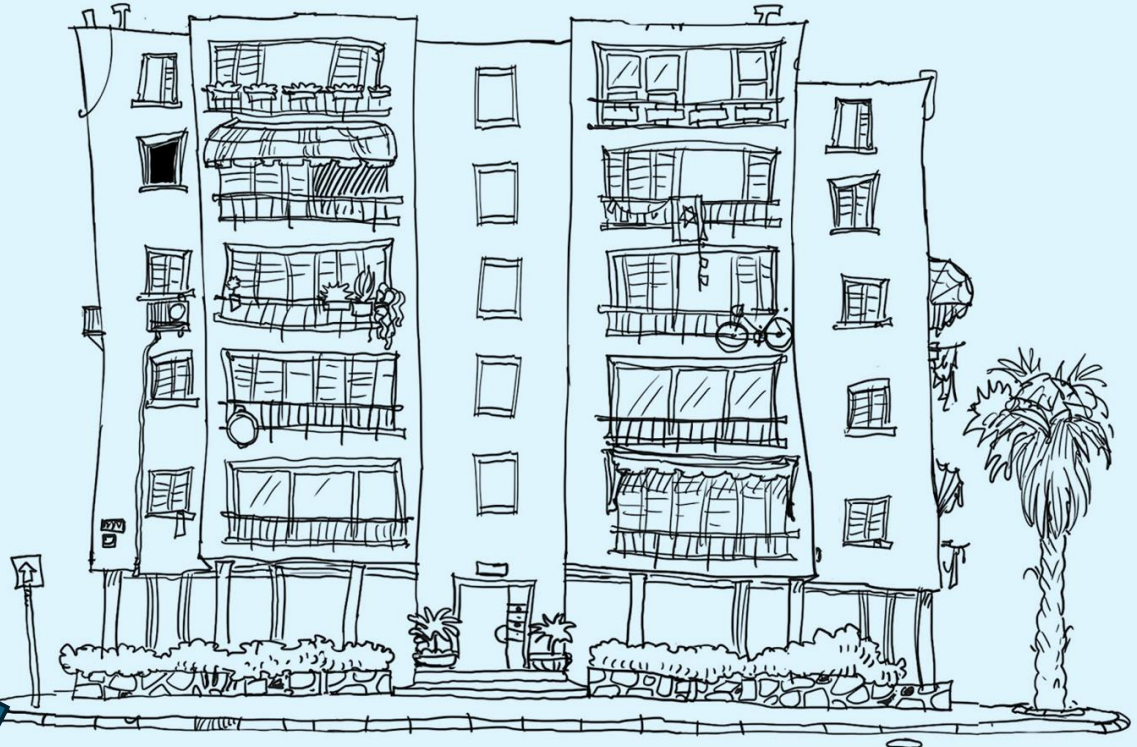
Workforce housing

Lower income families

Ageing-in-place options

Entry-level options for young workers

Path out of homelessness



**Focus municipal
development &
county policy
on affordable units**



- **Priority on affordable development** – common definitions based on income
- **Data-driven tools** to identify affordability requirements by municipality
- **Efficient development practice & concessions** priority on nonmarket/affordable housing types
- **Collaboration for learning and scale:** a regional approach
- **Engage with social finance opportunities**

[The Affordable Housing Crisis: How can your municipality help?](#)

Foster a social
finance strategy – to
inject new capital
into development



A Community Wealth Strategy

How might we lend, spend & invest for community benefit?

An approach to economic development that changes the way that our communities function, retaining more wealth and opportunity for the benefit of local people

(CLEES: national organization for local economies UK)

Community finance is the local deployment of impact capital, investments made with the intention of generating both financial returns & community benefit to address the needs of particular communities (Catalyst Community Finance Initiative)

[The Social Finance Primer for Communities](#)



So, how do we get more affordable housing?

A Community wealth strategy: leverage what we have

Business Sector

- Purchasing
- Selling
- Lending
- Investing

Charitable/NPO Sector

- Granting
- Philanthropy
- Donation
- Purchase of service

**Hybrid
Space**

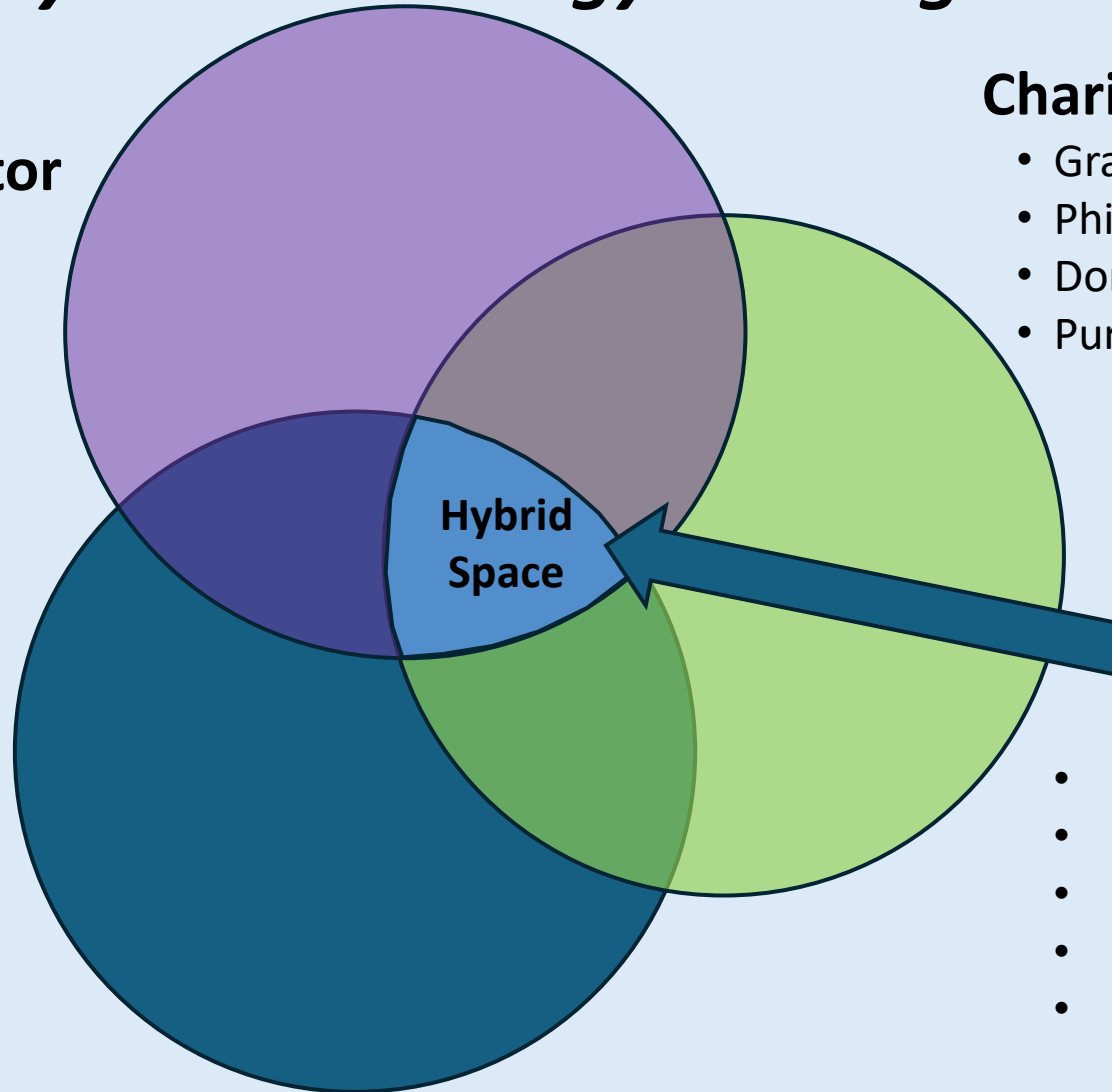
Social Finance



- Community Bonds
- Surplus/donated lands
- Charitable lending
- NPO development concessions
- Leveraging community-owned assets
- Regional Housing Investment Fund

Local Government

- Taxation
- Development fees
- Senior gov't. funding
- Upper tier granting
- Investment income



Social Finance/Community Wealth Mechanisms	Community Wealth Structures	
<p>Local social investment: individuals/crowd</p> <p>Community bonds</p> <p>Employer home ownership incentives</p> <p>Equity sharing mortgages</p> <p>Donations and grants</p> <p>Co-ownership</p> <p>Buy local strategies</p> <p>Angel investors</p> <p>Surplus/donated lands</p> <p>Leveraging of community owned assets</p> <p>Surplus lands</p>	<p>Institution with social procurement policies</p> <p>Municipal/county</p> <p>Foundation, church & club endowment investing</p> <p>Pension Fund investing</p> <p>Community Land Trusts</p> <p>Community Loan Funds</p> <p>Nonmarket/nonprofit housing developers</p> <p>Cop-ops</p> <p>Municipal Affordable Housing Funds</p> <p>Municipal use of qualified donnée status</p> <p>Anchor development & intermediary finance orgs</p>	
Federal Programs	Ontario	
<p>Canadian Mortgage & Housing Corporation</p> <p>Community Housing Transformation Centre</p> <p>Vancity Development Bank</p> <p>National Housing Strategy :Community Housing Renewal; Sector Transformation Fund; Affordable Housing Innovation Fund; Affordable Housing Fund</p>	<p>Sector Transformation Enterprise Program</p> <p>Priorities Housing Initiative</p> <p>Building Ontario Fund</p> <p>Best Source</p> <p>https://onpha.on.ca/community-housing-research/funding-programs-tracker/Ontario</p>	

Building the 'whole community' approach to affordability

Community

- A community of practice of nonmarket developers
- Regional citizens' groups
- A land trust organization
- An anchor housing org.
- A regional community wealth/social finance strategy

Counties & Municipalities

- A regional affordable housing table
- Standardized demographic data
- A regional communication campaign
- Participation in social finance strategies
- A regional perspective on workforce housing