
Subject: Strategic Transformation Office - Attainable Housing Workplan

Report to: Committee of the Whole

Report date: Thursday, September 7, 2023

Recommendations

1. That Report PDS 27-2023 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide an update on the initial key areas of focus of the newly created Strategic Transformation Office, as it relates to attainable housing.
- The report outlines where the attainable housing work is positioned within the broader housing initiatives already taking place across the organization.
- The report also includes initial timelines for the first phases of activities related to attainable housing.

Financial Considerations

There are no direct financial considerations related to this report. Funding required to undertake some of the studies in this workplan will be included in the 2024 and 2025 operating budget process.

Analysis

Background

In March of this year, the Strategic Transformation Office (the “Office”) was established under the new Growth Strategy and Economic Development Department, to provide the corporation with dedicated staff who will operate as a project office to deliver on large scale, key Regional Council and corporate strategic transformational priority objectives. These objectives are defined as having widespread impact to the community and generally require a great deal of engagement and support from the Local Area Municipalities (LAMs), as well as various levels of government. The focus of the

Strategic Transformation Office is to work on projects that change how Niagara Region and the LAMs operate and conduct business, so that services are delivered to residents in the most efficient manner possible.

At its meeting of July 20, 2023, Council affirmed its Strategic Priorities for the term 2023-2026. In support of these priorities, the Strategic Transformation Office has an initial mandate to narrowly focus its efforts on attainable housing, shared services, and delivering Council's GO Station Development Strategy. This report focuses exclusively on the workplan activities for attainable housing and helps shape the focus areas to deliver Strategic Priority Objective 3.3, to improve access to affordable and attainable housing.

Associated separate updates on shared services (Objective 1.2) and the GO Station Development Strategy (Objective 4.3) will be brought forward in Fall 2023.

Attainable Housing – Initial Workplan

In an effort to improve access to affordable and attainable housing and provide additional support for Niagara's housing market and increase housing options, the Strategic Transformation Office will focus on projects that impact the supply of market-driven attainable housing options. The Province has identified attainable housing as a priority in Bill 23, but has not yet specifically defined it. In the absence of a provincial definition of attainable housing, the Region continues to use its own definition from the Niagara Region Official Plan, which is based on household incomes. Niagara Region's Official Plan defines attainable housing, whether rental or ownership housing provided by the market, as differing from affordable housing in that it is aimed at moderate income households that are generally within the fifth and sixth income decile of the regional market area. In Niagara, that is \$53,000 - \$84,000. Attainable housing can include dwelling types of various sizes, densities, and built forms, and is intended to provide individuals with the opportunity to access housing more suitable to their needs.

The symbiotic relationship between housing types and tenure is well documented; providing a range and mix of housing to address both affordable and market housing options is critical to ensuring the full range of housing needs are met, which is why it is critically important to also focus on attainable housing as part of the overall affordable housing strategy. When one area is undersupplied it creates cascading pressures that have a negative impact on the whole market, and creates particular pressure on demand for community housing.

Work related to attainable housing will complement the numerous initiatives and activities by Niagara Regional Housing (NRH) and the Region's Community Services Department related to bridge housing, community housing, rent-geared-to-income units, and affordable housing projects that are already well underway.

Recognizing the new Office is in the process of assembling appropriate staff to drive the attainable housing workplan, the following set of initial activities will launch the work of the Office and guide its focus over the course of the next 18 months:

1. Introducing a Housing-as-a-Priority lens for corporate decision making
 - a) Implementing a Land Optimization Framework tool
 - b) Updates to existing corporate policies
2. Unlocking existing housing supply
 - a) Student Housing Strategy
 - b) Aging in Place in Neighbourhood Strategy
 - c) Large Employer Housing Strategy
3. Creating a Targeted Engagement Plan with External Partners
 - a) Targeted engagement with all sectors of the housing industry
 - b) Specific work with LAMs on enabling land use planning initiatives
 - c) Develop inventory of municipal owned lands
4. Supporting Continued Strategic and Organizational Coordination

1. Housing-as-a-Priority

The objective to solidify a culture of Housing-as-a-Priority throughout the organization requires structure, engagement, and leadership. A key part of ensuring the principle of Housing-as-a-Priority becomes inherent in the decision-making culture is focusing on how the Region views its land assets. The objective is to lead corporate change and innovation and to put housing considerations as a concerted priority given the premium placed on land as part of housing development. With numerous land assets in the Region's possession and additional properties acquired every year for various purposes, there is a significant opportunity to ensure the Region, in its efforts to drive affordable and attainable housing opportunities, is maximizing and leveraging its holdings (both existing and future) accordingly.

Employing a Housing-as-a-Priority lens, including land as a critical component to advancing housing interests, will enable more opportunities to arise to fully maximize the use of existing Regional real estate assets for development and intensification. By

making strategic use of existing real estate assets or through strategic acquisition of property, Niagara Region through NRH can ensure there is land available for community housing projects that will target specific populations and needs within Niagara.

a) Land Optimization Framework

An implementation tool for the Housing-as-a-Priority lens, the Land Optimization Framework will be used to inform and guide transactional decisions about existing and future Region-owned land, ensuring that acquisition or disposition decisions are based on sound rationale with respect to need, financial considerations, and coordinated outcomes. The Strategic Transformation Office will be tasked with applying this framework to some existing real estate Niagara Region owns. Decisions on some specific properties are underway and are anticipated to come before Council in the fall. In addition to the analysis and application of the framework on existing assets, considerations for relevant planning approvals or other processes required to strategically optimize the use of the lands (or maximize their value in any partnership or disposition scenario) will also be coordinated and/or implemented via the Office.

b) Updates to Existing Corporate Policies

A second phase of implementation will be to review and amend various corporate policies to ensure that strategic decisions are being made using the lens of Housing-as-a-Priority, the extent and number of which are undetermined at this time and would be part of a more widespread review to ensure alignment.

Further information on Housing-as-a-Priority and the Land Optimization Framework implementation tool will be brought to the Planning and Economic Development Committee in the fall. Following consideration of the framework, decisions about specific land acquisition and disposal will then be evaluated based on established screening criteria including considerations such as community need, community amenities and characteristics, ability to build the appropriate type and form of housing, and ultimately the ability to fund these projects in a sustainable manner.

2. Unlocking Existing Housing Supply

Given no one sector or partner can exclusively address the housing needs in Niagara, the need for strong partnerships and coordinated efforts and interventions is evident. The housing solutions needed to address Niagara's current situation extend beyond

simply building more housing units; there needs to be a new way of doing things and existing housing stock will be part of the solution. There is no capacity or cost effectiveness in building new as the only strategy to meet the housing demand. There will be a focus on implementing specific projects that are expected to impact the supply of attainable housing.

a) Student Housing Strategy

There are close to 30,000 full-time students attending post-secondary schools and a growing number of private colleges in Niagara, resulting in increased demand for rental accommodations for students. Given the number of students and their demand for housing, it is evident that rental rates are subsequently increasing to meet demand; including many single detached dwellings being unavailable for rent for families. In partnership with Niagara College and Brock University, a comprehensive student housing strategy will examine and support future decision making in an effort to free up existing rental stock.

b) Aging in Place in Neighbourhood Strategy

Nearly 70 percent of units in Niagara's current housing stock are single detached dwellings. Of those, roughly 34 percent are owned by the 65+ demographic. A strategy is needed to pursue alternative options for those who possess assets, may be over-housed for their current needs, and/or are looking to down-size. A much stronger understanding of the barriers to downsizing and how this significant wealth of housing stock can be used more effectively is required, with a strategy needed to help address this housing mismatch which is impacting housing affordability.

c) Large Employer Housing Strategy

With economic development efforts pursuing large employers and working with existing ones to retain top talent and employees, a significant driver for relocation and/or retention considerations is the availability and affordability of housing options for thousands of Niagara employees. There is a need to understand these housing barriers from the large institution/employer perspective and to create housing opportunities to support economic development activities. If, for example, purpose-built housing is provided by some of these institutions and employers, this would create spaces in the market rental housing sector, helping to alleviate some of the demand pressure on rental housing.

3. Creating a Targeted Engagement Plan with External Parties

One important step in unlocking the existing housing supply and finding innovative solutions is building new relationships and partnerships. Development of a robust engagement plan with housing industry, post-secondary, institutional, financial, and government partners will be a key deliverable. We will work with these partners to seek insight on key areas of focus related to attainable housing such as innovation, built form, policy, financing, incentives, housing stock, rental market, and land availability.

a) Targeted engagement with all sectors of the housing industry

A strategic engagement plan for these key players will promote a targeted focus on solutions, innovation, and future partnerships. Exciting, innovative policies and partnerships to address the housing need are unfolding across the province and engaging these partners to facilitate new ways of delivering projects and creating collaborative solutions and relationships will be a component of the attainable housing workplan.

Purpose-built rental housing is a critical gap in the current housing system, resulting in much of the housing affordability crisis. Unlocking the delivery of more purpose-built rental housing is part of the solution to achieving a better balance in the housing market. A better understanding of the barriers to the delivery of purpose-built rental housing is key to implementing strategies to build rental housing units. The objective is to engage with the private sector to enable changes to how growth and development occur in Niagara, to find tangible ways of increasing the supply of rental housing. Increasing the supply of rental housing will help with the overall rent prices by alleviating the pent-up demand and is expected to create opportunities for people to move out of community housing and into market housing.

b) Work with LAMs on enabling land use planning initiatives

Other key engagements will include working with LAMs on streamlining the development approvals process to help facilitate the delivery of additional housing units; whether affordable housing, second dwelling units, multiple units on a property, non-profit housing, or attainable housing.

c) Develop inventory of municipal owned lands

Developing a consolidated inventory of existing municipal real estate assets across Niagara will help ensure that any opportunities for housing on these lands

is realized. If there is a need to facilitate a partnership or provide strategic input or support to a municipality in making the lands available for affordable housing, the resources of the Strategic Transformation Office will be available to assist as needed.

Also related to work in external engagement activities will be a comprehensive analysis of innovative, collaborative, and tangible policies, practices, programs and strategies employed by other jurisdictions in Ontario, Canada and beyond, which can be viewed as having strong potential for adaptation to a Niagara context. With numerous municipal peers addressing housing affordability across the country in unique ways, the Strategic Transformation Office will also mine these ideas and utilize our engagement with external parties to seek feedback and alignment on which may have the most applicability in supporting Niagara's housing efforts. Development partners will be a key part of this ongoing discussion and the Niagara Homebuilder's Association has already been engaged in the development of this report, to seek ways in which they can help support and leverage opportunities as the Region's role in attainable housing becomes better defined.

4. Supporting Continued Strategic and Organizational Coordination

With the introduction of new priority focus to advance attainable housing in a meaningful way, it will be crucial that actions brought forward to support attainable housing are coordinated with the large body of purposeful work already occurring in many different parts of the organization to actively support and invest in the housing sector. The Strategic Transformation Office will become the central hub of coordinating these efforts to help realize, maximize and align corporate efforts and initiatives related to housing and reporting to Council.

It is important to note this will not inhibit operational decisions brought by NRH to its Board and Council, or homelessness initiatives brought to Public Health and Social Services Committee, for example. Each will continue to report as they are now.

Alternatives Reviewed

An alternative option to the approach of strategic initiatives would be not to undertake the work outlined above or in the manner outlined; however, undertaking these strategic priorities in a focused, aligned and strategic manner is critical to ensure that Niagara Region is growing and evolving in a way that meets the needs of current and future residents and the capacity for them to live, work and grow in their community.

The areas of focus identified above are where gaps currently exist in the work that is underway. The goal is to not duplicate efforts or interfere in existing programs, but instead to address the gaps that do not fall within the mandate or other housing work taking place at Niagara Region and across Niagara.

Relationship to Council Strategic Priorities

The work described in this report contributes to Regional Council's 2023-2026 Strategic Priorities and its pillars relating to an Effective Region and an Equitable Region. This report specifically addresses Council Strategic Priority 3.3 Improve access to affordable and attainable housing. Providing a range and mix of housing to address both affordable and market housing options is critical to ensuring the full range of housing needs are met; improving access to attainable housing as part of the overall affordable housing strategy creates market-end solutions to ensure undersupplied housing options do not create cascading pressures with negative impacts on the whole market, alleviating pressure on demand for community housing delivered by NRH.

Other Pertinent Reports

PDS 10-2023	Strategic Transformation Office Overview and Priorities
COM 32-2023	Update on the Consolidated Housing Master Plan

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