



Southern Georgian Bay Affordable Housing Toolkit: Town Sustainability, Community Wealth Strategies, and Social Finance Tools

Introduction

The Institute of Southern Georgian Bay connects people, shares knowledge, and fosters collaborative action to accelerate progress on challenging issues, as well as exciting opportunities. **One of our four priority areas is Affordable Housing, which currently is the greatest challenge affecting the sustainability of our municipalities.**

Our ***Social Finance & Housing Project*** grew out of an original study group focused on pandemic recovery and the lack of awareness of **community wealth building strategies** and **social finance tools** in our rural communities. The focus shifted to housing as the local housing crisis was exacerbated by in-migration from neighbouring cities bringing gentrification and investment in multiple properties to our traditionally low-income areas. This trend has magnified the problems experienced by much of Canada as a result of the financialization of housing and is having a huge impact on affordable housing.

Our Project has developed within the context of three *UN Habitat in Towns: Collingwood World Summits* looking at the sustainability of small towns, the rapidly growing pressures our communities are experiencing, and the cross-sectoral progress being made in some jurisdictions on UN Sustainable Development Goals (SDGs). Canada and 192 other countries signed on to these goals in order to achieve social, environmental, and economic prosperity.

The annual Summit focus on **SDG #11 – Sustainable Communities** – **highlights the urgent need to develop our own regional roadmap for addressing affordable housing, climate change, transportation, and the protection of our natural and cultural assets to ensure the economic and social wellbeing of our towns for generations.**

Background

Over the first year of the pandemic, it became clear that **access to capital for addressing social issues was becoming increasingly difficult.** A **social finance and investment strategy** was a topic of exploration in our community discussion series [Mapping Our Road to Recovery](#). In 2021, the Institute began studying the tools and strategies being used in other jurisdictions to help address affordable housing, climate action, and food systems.

In 2022, we formed the Social Finance & Housing Group with the goal of learning more about the emerging area of **Community Wealth strategies and Social Finance tools** that are being used to accelerate progress on affordable housing. Residents and leaders from business, government, nonprofit, and philanthropic sectors across the region are involved. And, by participating on the annual Summit Steering Committee, we have contributed a slate of speakers for the Summits, which have included local experts, as well as others we have met through our study group sessions.

The Institute has hosted **important community discussions over the last three years so that everyone can learn more about the housing system**; the financialization of the sector, which has turned housing into a commodity – see Social Innovation Canada’s [Financialization of Housing Report](#); and solutions that are taking place across the country. We have also participated in a Solutions Lab hosted by Social Innovation Canada and Canada Mortgage and Housing Corporation.

This important activity has **fostered a rich systems discussion on how development takes place in our communities, how we could be doing things differently, and how we all must contribute to achieving affordable housing for all.**

Building Community Wealth

The “**Community Wealth**” movement, which is gaining momentum around the globe as a concept, is a set of **financial strategies and principles that focus on the sustainability of local communities** - [Community Wealth Building](#)

These **integrated economic strategies** address the social, environmental, and economic wellbeing of people in the community. They are used to address housing and employment issues, and provide opportunities to grow both financial and social capital. This movement creates the conditions for people, businesses, service organizations, and local governments to **influence local investment, local ownership of land and property, and local spending by anchor institutions. It can also help to grow the engagement of the local workforce toward a thriving local economy that nurtures locally-owned small enterprises.**

What if every dollar we spend, lend or invest contributes to making our local communities better? What if our businesses, governments, and large institutions were intentionally involved?

We’re sharing what we’ve learned in the ***Southern Georgian Bay Affordable Housing Toolkit***. It illustrates how **affordable housing is key to the continued viability of our towns**, and how we can achieve the housing we need with some innovative approaches. The Toolkit is available on the Institute’s website www.tisgb.com where the components can be downloaded. **The complexity of the housing issue demands collective learning, discussion, and strategic action. We all need to become affordable housing advocates and contribute to achieving success.**

Toolkit Components

- Our [Community Challenge Statement](#) describes the problem we are trying to solve. It draws awareness to the need for affordable housing for workers in key service industries in our region – hospitality, retail, tourism, and healthcare to ensure that services remain sustainable and grow to meet demand. It acknowledges the reality of an aging population with evolving needs.
- [Housing Definitions and Key Messages](#) - this will clear up confusion about different housing terms and will help get us all on the same page when talking about the housing issue and the problem we are trying to solve.
- [From NIMBYism to YIMBYism!](#) Inspiring **NIMBYs to become YIMBYs** - Here, we provide a definition of each, and strategies to approach NIMBYism as we build our collective understanding of why we all need to be affordable housing advocates.
- [Community Planning: SDGs, Data Capacity, and the Affordability Matrix](#)
This explores data measures currently available to meet SDG #11's two housing indicators of community sustainability: adequate housing and local capacity for sustainable settlement planning. We also explore the missing link, the need for a data matrix tool that links income levels for key employment sectors hospitality and tourism, health care, and seniors to municipalities' development planning for affordable housing stock.
- **Creating a Better Housing Environment**
 - a) [The Role of Philanthropy](#) - In this complicated landscape, the role of philanthropy is to provide more access to capital, as well as a better housing environment through products such as investment funds, direct investments, and public equity. Impact investing and leveraging are approaches that intentionally seek a positive social and/or environmental impact, while also generating a financial return.
 - b) [The Role of Municipalities](#) - Municipalities hold two important resources to enable innovative approaches for developing the housing our communities need: data-driven knowledge about the community and the leveraging capacity of public assets. In rural communities, we lack the dense infrastructure of nonprofits and charities found in larger urban areas. This elevates the role of small municipalities, who are usually the largest holders of funds and other assets “in the commons”, held on behalf of the community. When municipalities collaborate and build relationships with nonprofit, business, and philanthropic sectors, new opportunities arise to address this affordable housing crisis.

- [Social Finance Primer for Communities \(updated December 2022\)](#) - The what, why, and how of “Social Finance” and its relation to affordable housing projects. Social Finance is an approach to mobilizing private and municipal capital that delivers a social dividend and an economic return to achieve social and environmental goals. Mobilizing private and municipal capital for social good creates opportunities for investors to finance projects and purchasers to procure goods and services that benefit society, and provide new sources of capital.
- **Social Finance Strategies, Financing Models, Canadian Organizations, and Pro-forma**
 - a) [13 Strategies for Affordable Housing](#) - Now that you’ve read the Social Finance Primer, here is a list of 13 possible Social Finance strategies/structures we can look to when getting into the nitty-gritty of financing affordable housing projects in Southern Georgian Bay.
 - b) [Social Finance: Financing Models by Development Stage](#) - We’ve organized an order of operations for Social Financing, depending on the stage of your affordable housing development project. Starting with “Pre-Development Loan Financing” to property management and lease-to-own models.
 - c) [Canadian Organizations that Can Help](#) - This list includes examples of a number of organizations that participate in the social finance and housing space in Canada. Some are investors, some are developers and others support the work of adequate affordable housing in critical ways. **This is by no means a complete and comprehensive list, but it should help you see where you/your organization fit into the matrix so you can research organizations that align with your specific project.*
 - d) [Pro-forma Financial Modeling for Affordable Housing](#) - When discussing affordable housing, many of us have difficulty understanding the financial complexity of any building project; however, it is possible to build affordable housing with collaboration between municipalities, regions, private developers builders, nonprofit housing corporations, and using alternative financing models.
- [Regional Housing Task Force South Georgian Bay Report](#) – This comprehensive report outlines the urgent issue we are facing and the implications for our region. *“The ad hoc, Regional Affordable Housing Task Force recommends that each municipality form a dedicated affordable housing committee as the issue is broad and complex. Once such committees are in place, we envision that one or two people from each of those teams would form a regional table to share knowledge, best practices, and potentially additional resources. To date, many presentations have been made to most area municipalities whose councils adopted the idea in principle with requests for staff reports on the best paths forward in forming such committees.”* Marg Scheben-Edey, Chair

- [Learn More](#) – for a deeper dive, check these links to regional data reports including *Vital Focus on Housing* published by the Community Foundation Grey Bruce, videos of important affordable housing presentations, and successful projects in other jurisdictions.

Call to Action

- 1) **Read this toolkit and let's learn and act together** - every one of our municipalities has tools available to plan for adequate affordable housing to ensure that residents are housed, according to their means, and that businesses avoid labour shortages, as a result of the lack of affordable housing. The effective use of community wealth strategies and social finance tools can ensure our sustainability. Municipalities hold the greatest potential to build community wealth through their planning, purchasing and lending power.
- 2) **Collaborate and build the partnerships and entities required to achieve success** - the sustainability of our communities relies on collaboration and cross-sectoral knowledge and financial resource-sharing to address an issue this complex.
- 3) **Advocate for dedicated affordable housing groups in each municipality to create a local report based on need, utilizing data** - the economic growth, development and wellbeing of our communities depends on affordable housing as a key pillar now and into the future.
- 4) **Advocate for the creation of a cross-sectoral, collaborative table** to share knowledge, best practices, and leverage additional resources to act together and build the range and scale of housing stock required.
- 5) **Support the development of a better data planning environment that can determine the number of units our region requires for our labour force** – our region is service industries dominated and thousands of people make between \$15 and \$25 per hour. Affordable housing for these residents means \$1,000 - \$1,500 per month in housing costs – focus on purpose-built rental and holistic and multi-use developments.
- 6) **Shift our municipal planning view towards sustainability** and ensure municipal, regional, county, and provincial planning align with SDG 11.
- 7) **Agree that we can all be doing MORE** and build the affordable housing movement to ensure the ongoing viability of our towns.