

Draft Resolution - Authorization of Municipal Housing Development

Housing is a problem everywhere. How many houses are for sale in Oxford County compared to the number of people looking for a place to live? How can Oxford County attract talent and industry with limited housing options? With developers facing interest rates of 12-15%, private sector solutions are unlikely for at least 3-4 years, especially as real estate prices fall across Ontario.

Immediate action is needed. Segal Construction has drafted a resolution for your consideration, proposing municipal residential development of attainable housing funded through a mix of municipal bonds and federal/provincial funding. This approach leverages the municipality's low cost of capital to create attainable housing.

We recommend that the Council determines specific housing needs and exit strategies as the project progresses, ensuring alignment with local requirements. Upon completion, the Council can choose to sell the units on the open market, manage them directly, or transfer them to affordable housing providers. Working with a Tarion-certified builder like Segal Construction offers unique flexibility, including the option to sell the units, which is not typically available in municipal projects.

These options not only address immediate housing shortages but also create long-term strategies for sustainable growth. Segal Construction is eager to collaborate with the Council on this initiative, believing it can significantly enhance Oxford County's attractiveness to residents and businesses.

Please find the first draft of the resolution attached. We look forward to discussing this further and working together to develop attainable housing solutions for Oxford County.

Thank you for your time and consideration.

Sincerely,

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Draft Resolution Permitting Municipal Housing Development

Whereas Oxford County faces a significant need for attainable housing to address the housing crisis and ensure that new and existing residents have access to quality housing options;

Whereas higher interest rates since 2022 have severely curtailed private development of new residential housing, making it imperative for the municipality to leverage available funding, including but not limited to federal and provincial funding, and to consider the issuance of municipal bonds in the capital markets to finance housing projects with a positive net present value;

Whereas municipalities have a very low cost of capital relative to private builders, allowing them to undertake such projects more efficiently and at a lower financial burden;

Be it further resolved that the Council gives staff permission to look into municipal housing development options, and a second motion be required to allow municipal housing development to proceed;

Be it further resolved that the municipal housing corporation be authorized to issue debt in the capital markets, leveraging municipal bond offerings or other financing mechanisms, provided that such debt issuance remains separate from the municipality's operating and capital accounts;

Be it further resolved that Oxford County advocates for the use of Minister's Zoning Orders (MZOs) under Section 47 of the Planning Act, where necessary, to expedite the development of attainable housing and ensure that these projects can proceed without undue delays; and that municipal housing development activities be managed by a municipal housing corporation to ensure that these activities are kept off the balance sheet of the municipality,

do not interfere with operating and capital accounts, and do not impact existing debt ceilings;

Be it further resolved that following the completion of housing developments, Oxford County will have the following options for managing the properties:

- The municipality may transfer the development to a local non-profit organization or other entities focused on providing affordable housing;
- The municipality may issue a tender to a property management company to manage and operate the housing units;
- The municipal government may sell the housing units publicly on the Multiple Listing Service (MLS) to recoup costs and reinvest in future housing projects;

Be it further resolved that this resolution be forwarded to the following entities for consideration and action:

- The provincial Ministry of Municipal Affairs and Housing
- The provincial Ministry of Economic Development, Job Creation and Trade
- The provincial Ministry of Infrastructure