

An aerial photograph of a city, likely Barrie, Ontario, Canada, showing a mix of residential and commercial buildings, green spaces, and a major road. A semi-transparent blue overlay covers the top half of the image.

Affordable Housing Strategy

City of Barrie

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December 2023

City of Barrie

Affordable Housing Strategy

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Disclaimer:

The conclusions contained in this report have been prepared based on both primary and secondary data sources. NBLC makes every effort to ensure the data is correct but cannot guarantee its accuracy. It is also important to note that it is not possible to fully document all factors or account for all changes that may occur in the future and influence the viability of any development. NBLC, therefore, assumes no responsibility for losses sustained as a result of implementing any recommendation provided in this report. This report has been prepared solely for the purposes outlined herein and is not to be relied upon, or used for any other purposes, or by any other party without prior written authorization from N. Barry Lyon Consultants Limited.

The City of Barrie ('the City') retained N. Barry Lyon Consultants Limited ('NBLC') in early 2023 to develop an Affordable Housing Strategy ('AHS') as a new 10-year update to their current strategy that has been in place since 2015. This updated AHS provides the City with an actionable plan to address the affordability challenges experienced by current and future residents.

The affordability profile and overall housing gaps have shifted significantly since the 2015 AHS was adopted, with both rents and home prices rising significantly over this period. This has created significant affordability pressures across a much wider spectrum of the income distribution and housing continuum. The 2015 AHS established a target of 840 affordable units, which the City has since exceeded. Despite exceeding this target, affordability continues to erode as the housing crisis intensifies across Barrie, the wider Greater Golden Horseshoe, and Canada more broadly.

The City has decided to revisit the current strategy and prepare a comprehensive update that is intended to more closely align with current housing needs, affordability pressures, housing targets, affordable

housing definitions, development economics, funding availability, and overall demand characteristics.

Phase 1 of the AHS was the completion (May 2023) of a detailed Housing Needs Assessment ('HNA') that provides a foundational assessment of housing needs and affordability challenges in Barrie. The HNA establishes current conditions and guides the recommendations brought forward through the AHS.

Phase 2 of the AHS was a Strategic Direction Options report (August 2023), which provides a discussion of why housing affordability is worsening and offers a preliminary list of potential options for the City to consider as they look to address affordability issues in the community. These options were subsequently refined through consultation with stakeholders, the public, the City's AHS technical advisory committee, City staff, and Council.

This AHS focuses on the housing needs of low- and moderate-income households in the City, while also highlighting the roles and responsibilities of Simcoe County as Service Manager (i.e., responsible for low-income housing) as well as senior levels of government.

Table 1 summarizes household incomes in the City of Barrie by decile group and household type in 2022. Using these incomes, the affordable purchase price and rental rate for each decile group is estimated. Low-and moderate-income households are highlighted in the red box.

These households can afford to purchase a home in the range of \$117,000 (or less) to \$400,000 or to rent a home that is between \$635 (or less) and \$2,043 per month. It is the creation and maintenance of housing at these price points that this AHS strives to achieve.

Table 1

Household Incomes by Decile 2022, City of Barrie					
Income Group	Income Decile	All Household Income [^]	Affordable Purchase Price*	Renter Household Income [^]	Affordable Monthly Rent*
Low Income	1st	\$35,343	\$117,237	\$25,402	\$635
	2nd	\$53,014	\$175,855	\$35,784	\$895
	3rd	\$69,360	\$230,077	\$47,271	\$1,182
Moderate Income	4th	\$85,595	\$283,933	\$56,990	\$1,425
	5th	\$102,714	\$340,719	\$69,360	\$1,734
	6th	\$120,386	\$399,338	\$81,730	\$2,043
High Income	7th	\$142,475	\$472,610	\$97,192	\$2,430
	8th	\$171,191	\$571,018	\$117,072	\$2,927
	9th	\$216,473	\$728,207	\$149,102	\$3,728

Note: Income deciles divide the population into 10 equal-sized groups according to total income. Those in the bottom decile group are the ones who fall in the lowest 10% of the total income distribution. Those in the top decile group are the ones who fall in the highest 10% of the total income distribution.

[^]Incomes from 2021 Census of Canada Custom Tabulation, inflated to 2022 using CPI (Canada).

**Affordability thresholds assume shelter costs do not exceed 30% of gross household income. Affordable ownership thresholds include mortgage (25 years, minimum 5% downpayment, 1.16% property tax payment, 4% of loan amount for CMHC mortgage insurance, five year fixed mortgage rate 6.5%). Affordable rental thresholds based on 30% of gross household income.*

Source: Statistics Canada, N. Barry Lyon Consultants Ltd.

1.1 Roles and Responsibilities Across the Housing Continuum

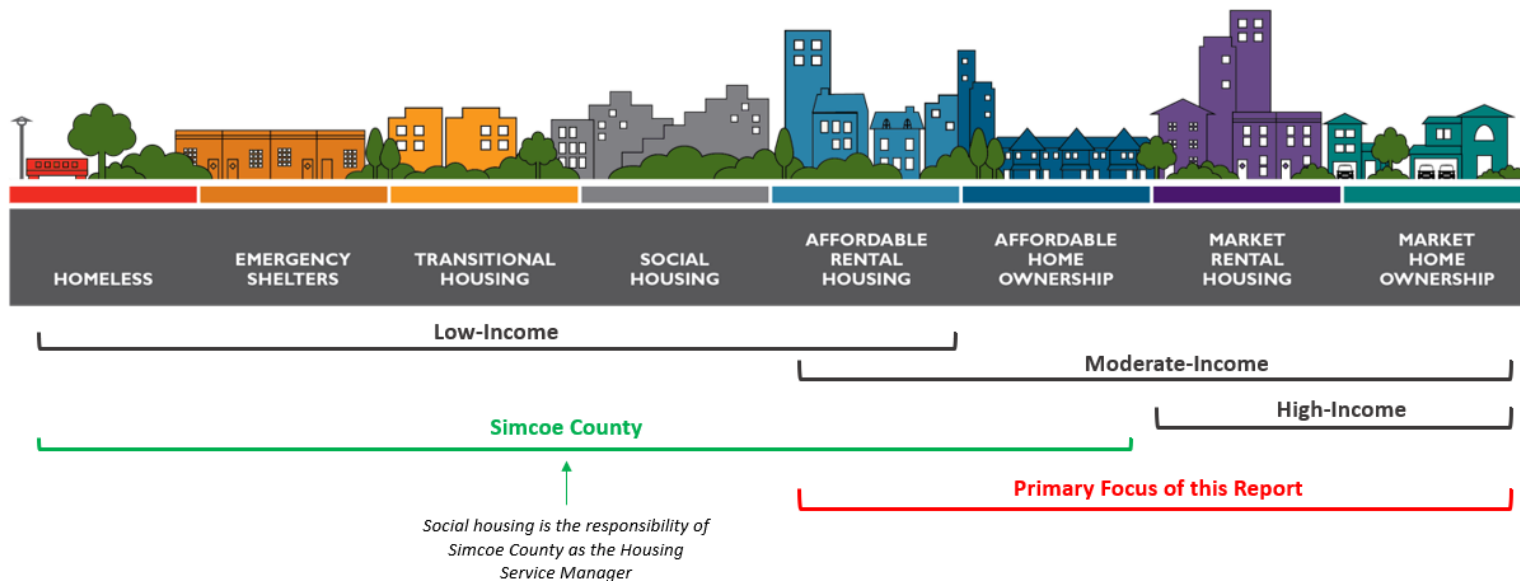
Simcoe County, in their role as Service Manager, are responsible for the needs of low-income households in the County of Simcoe and City of Barrie (**Figure 1**). The County is currently updating the Housing and Homelessness Plan that will address the shelter and housing needs of low-income households.

This AHS therefore primarily focuses on strategies that the City can implement to improve housing options for

moderate-income households, while also supporting the County in the provision of lower income housing.

Senior levels of government, including agencies such as the Canada Mortgage and Housing Corporation (CMHC), also play a role in addressing housing needs through the provision of funding and financing for new housing projects through the National Housing Strategy, funding programs like the Housing Accelerator Fund (HAF), and other relevant programs.

Figure 1: Housing Continuum



Private developers provide most of the housing in Barrie. The housing provided is at market value, which is increasingly beyond what low- and moderate-income households can afford to pay. As will be explored throughout this report, there are opportunities to leverage the private sector to deliver a broader range of housing outcomes and pricing levels through strategic policy and financial interventions.

Non-profit housing providers currently maintain a stock of affordable housing for low-income households in the City. These groups can also play a larger role in the delivery of affordable housing and services, particularly for low-income households in need of rental housing. These groups require greater financial and administrative support to advance new housing. This strategy intends to offer opportunities to enhance the presence and participation of non-profits in the Barrie market.

Residents and Employers also play a role as advocates for safe and appropriate housing for all residents. Barrie residents and employers should be open to new development in the community to begin to address the current shortage of housing of all types. Residents can also create rental housing opportunities

within their home through the creation of additional dwelling units (e.g., basement apartment, garden suite/coach house, etc.) which is also supported with funding through Simcoe County's Secondary Suites Incentive Program. Further, residents and employers can invest in social financing networks and take bolder action such as creating a land trust or housing co-ops.

2.0 Summary of Housing Needs in Barrie

A Housing Needs Assessment ('HNA') was completed in May 2023 with the intention of providing a foundational assessment of housing needs and affordability challenges in the City of Barrie to guide the Affordable Housing Strategy. The following are key takeaways from the HNA:

- There are **next to no options in the market for low and moderate-income households** in both ownership and rental tenures.
- **New rental housing development has been stagnant in recent decades** despite renters driving household growth in Barrie. Only 350 net new units have been added to Barrie's rental supply in the past 20 years according to CMHC. Limited new development has required that the secondary market fill the gap between supply and demand, but private leases do not provide tenants with the same security of tenure as purpose-built rentals.
- **Rental rates have been rising rapidly**, with most options now exceeding \$2,000 per month. The vacancy rate is also well below balanced conditions, indicating very little choice and availability for renter households, particularly those seeking more affordable options.
- **Renter households are far more likely than owners to be in Core Housing Need** (i.e., living in unaffordable, unsuitable, and/or inadequate housing) in Barrie. There are currently more than 5,000 renter households living in unaffordable and/or unsuitable housing relative to their needs.
- While residential building permits are above average for 2023, the **supply of ownership housing is not meeting demand**, particularly for low and moderate-income households.
- Barrie's **ownership housing stock has experienced significant price growth over the last decade** – with average resale prices rising 172%, compared to just 34% for average incomes. Most households, and particularly first-time home buyers, would be challenged to buy a new or resale home in the Barrie market today.
- A lack of affordability in the ownership market is **driving 'would-be' purchasers to the already constrained rental market**.
- To accommodate the forecasted population growth to 2051, **more than 58,000 new homes will be needed**, or about 1,950 homes annually. This will require a significant increase in construction activity

relative to recent years (average of 530 housing completions annually since 2006).

- **There are nearly 5,000 households waiting for social housing in Simcoe County**, 60% of which are seeking a home in the City of Barrie. There is a clear need for increased social and low-income housing in the City.
- **Renter households below the 5th income decile will largely require affordable rental housing** that is well-below what the market will produce naturally without incentive and financing support.

Table 2 synthesizes the market information collected by NBLC as part of the HNA with the income decile data from Statistics Canada to understand the market and non-market housing that is affordable to households in Barrie. This helps to visualize what is or is not affordable to different income groups in Barrie's housing market today. The full Housing Needs Assessment report can be found in **Appendix A**.

In addition to NBLC's HNA, the University of British Columbia has developed The Housing Assessment Resource Tool (HART). HART is powered by Census data and provides an estimate of the affordable housing deficit in communities across Canada. The tool primarily

utilizes the Core Housing Need data from the Census to understand the affordable housing deficit and which groups or household types are most impacted.

As of the 2021 Census, HART estimates an affordable housing deficit of more than **6,900 units** in the City of Barrie, mostly for lower income households. However, HART's methodology acknowledges that **this estimate is a floor that likely underestimates housing need**, meaning the actual need will almost always be higher. Based on the City's forecasted growth to 2051, if no action is taken, the current deficit will nearly double.

Without action, there are likely to be serious economic and social consequences related to the ability of employers to staff businesses, increased homelessness, reduced growth potential and economic competitiveness, further lack of housing options for low- and moderate-income households, among other problematic outcomes. See Section 3 and Appendix C of this report for further discussion of the feedback received from a range of stakeholders and the public through this study.

The Regional/National nature of the affordable housing challenge further complicates the ability of any single municipality to solve the problem. A lack of affordable

and suitable housing is not isolated to Barrie or even the Greater Golden Horseshoe. Coordinated efforts are therefore needed across the entire County of Simcoe, Greater Golden Horseshoe, Province of Ontario, and Canada. If adequate housing is built in one location, but not another, demand for this housing will shift across a larger region.

It is therefore important to recognize the current deficit and forecast of housing within Barrie, while also identifying that this deficit and target will shift significantly over time. It is recommended that monitoring and reporting of this AHS include broader metrics beyond a simple point-in-time housing target, which is presented in Section 6 of this report.

2.1 What is Causing Housing Affordability to Erode?

Housing Affordability is worsening across Canada due to several interrelated factors. While the HNA (**Appendix A**) provides some discussion about why affordability is worsening, the Strategic Directions Report (**Appendix B**) provides a more fulsome discussion of these factors from a macro-economic

perspective. The following summarizes some of the major factors identified:

- Canada is not building enough housing of all types and prices.
- Insufficient investment in new affordable rental and social housing.
- Insufficient supply of new rental housing.
- A long period of sustained low-interest rates that are now increasing rapidly.
- Rising construction costs, government charges, and financing costs impacting the supply of new housing.
- Restrictive planning policies, lengthy development processes, and local opposition to new development (NIMBYism).
- Labour and material shortages.
- Commodification of the housing market.
- Limited greenfield lands.
- Household sizes are decreasing while home sizes are increasing.
- Insufficient funding for housing from senior levels of government.

Table 2: Summary of Housing Needs in the City of Barrie

Ownership Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$117,237	\$175,855	\$230,077	\$283,933	\$340,719	\$399,388	\$472,610	\$517,018	\$728,207
Housing Type	Avg. Purchase Price									
NEW SALE										
Single-Detached	\$1,286,000									
Semi-Detached	\$933,000									
Townhouse	\$817,000									
Condominium Apartment	\$680,000									
RESALE										
Single/Semi-Detached	\$927,000									
Multiplex	\$890,000									
Townhouse	\$705,000									
Condominium Apartment	\$592,000									
Rental Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$635	\$895	\$1,182	\$1,425	\$1,734	\$2,043	\$2,430	\$2,927	\$3,728
Housing Type	Avg. Rental Rate									
Purpose-Built Rental Market										
New Purpose-Built Rental Apartment	\$2,370									
Old Purpose-Built Rental Apartment	\$1,960									
Secondary Rental Market										
Privately Leased Single/Semi-Detached	\$2,680									
Privately Leased Townhouse	\$2,470									
Privately Leased Condominium Apartment	\$2,210									
Privately Leased Basement Apartment	\$1,735									
Community Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$635	\$895	\$1,182	\$1,425	\$1,734	\$2,043	\$2,430	\$2,927	\$3,728
% CMHC Average Market Rent	Avg. Rental Rate									
100% AMR	\$1,487									
80% AMR	\$1,190									
60% AMR	\$892									

Note: Affordability threshold is determined based on 30% of gross household income going towards housing costs. Average prices are based on a survey of available units or recent transactions. Resale prices are from the 2022 calendar year. These prices are point in time and can change based on a variety of economic and market factors.

Source: N. Barry Lyon Consultants Limited, Altus Data Studio, Canada Mortgage and Housing Corporation, Simcoe County Realtor

3.0 Public and Stakeholder Consultation

This section provides a summary of the community and stakeholder engagement efforts that have been undertaken in support of the AHS. The full Consultation Summary “What We Heard” report is attached as **Appendix C**.

The consultation process included a total of two meetings with the public, an online survey, two sessions with City Council, and five meetings with the City’s Technical Advisory Committee. Consultation efforts also included participation from Simcoe County. All public consultation events were undertaken by NBLC, LURA Consulting, and/or City staff.

The following factors were of utmost importance when conducting the consultations:

- **Equity, Diversity & Inclusion:** The need to be equitable in engagement and include a diversity of voices is increasingly recognized as paramount to successful engagement processes.
- **Establishing Trust:** Clearly articulating to participants how their input is helping to shape the evolution of the AHS helps to close the ‘feedback loop’ and builds trust between stakeholders and the public.

- **Education as Part of Engagement:** Providing people with the knowledge and context they need to be adequately informed to engage in municipal processes is both a challenge and a critical success factor. An educational element to consultation helps to allow more people to feel comfortable with sharing ideas.

3.1 Purpose of Consultation

As part of the development of this AHS, NBLC engaged with the public and key stakeholders to achieve the following goals:

- Introduce the development of the AHS by educating the public and stakeholders on existing housing issues in the City of Barrie through the findings from NBLC’s Housing Needs Assessment.
- Promote awareness of the benefit to a defined AHS for the City and the potential to provide new housing options to create affordable housing for moderate-income residents.
- Hear from a wide range of stakeholders including the public about their current housing situations and receive feedback, advice, and considerations on the recommended Strategic Direction Options and

Implementation Strategies developed by NBLC to improve housing affordability in Barrie.

- Consult with the City’s Technical Advisory Committee (TAC) on solutions to the affordable housing crisis.

3.2 Public and Stakeholder Engagement

The following consultation events took place in support of the AHS:

- **Public Consultation #1: Affordable Housing Symposium (May 4th, 2023):** The first public consultation meeting occurred through an Affordable Housing Symposium hosted by the City of Barrie at the Southshore Community Centre. The event included:
 - A screening of the documentary “Searching for Home”, including a Q and A session with documentary participants and the lead researcher from the documentary.
 - Booths featuring local affordable housing partners and organizations including a New Foundations recipient;

- The chance to share feedback on the City’s Affordable Housing Strategy update.
- A panel discussion with experts in the field, including a member of NBLC’s project team, discussing affordable housing across the spectrum.

Booths to showcase both the City of Barrie’s Affordable Housing Strategy and the County of Simcoe’s Attainable Housing Strategy was set up to provide the public and community stakeholders with an opportunity to learn about the initiative, engage with staff members, and provide feedback. The City’s booth was equipped with a board intended to inform the public about the City of Barrie’s Affordable Housing Strategy and to highlight the summary and key findings of the Housing Needs Assessment. Additionally, two other boards were included to solicit feedback from the public regarding their current housing situation, their perspectives on housing-related statements, as well as any advice, questions, and additional comments.

- **Public Survey and Online Discussion Forum (May – August 2023):** An online survey was made available to the public to share feedback about the

current conditions of affordable housing in Barrie and ideas to help improve housing issues. The survey was available on the Building Barrie website from May 1st to May 28th, 2023.

- The survey was completed by 442 participants. Additionally, 20 people provided thoughts on what affordable housing in Barrie means to them through an online discussion forum.
- **Public Survey and Online Discussion Forum (October – November 2023):** Feedback gathered for the Housing Needs Assessment in spring 2023 has informed the creation of multiple affordable housing policy options in Barrie, resulting in 10 action items. An online survey was made available to the public to determine the most important priorities and action items. The survey was available on the Building Barrie website from Oct 23th to Nov 14th, 2023. The survey was completed by 123 participants.
- **Technical Advisory Committee Meetings (May 24, July 10 and 11, September 18, October 27, and November 15, 2023).** NBLC met with the TAC several times throughout the development of the AHS to provide input on each phase of the project

as well as this final document. The TAC was made up of individuals with a diverse range of backgrounds including:

- Social Housing at the County of Simcoe
- Barrie Housing
- Camphill Foundation
- Chantal + Michael Realty Group Brokerage
- MCL Architects
- Georgian College
- Redwood Park Communities
- Simcoe County Alliance to End Homelessness (SCATEH) – Barrie Chapter
- City of Barrie Finance Department
- City of Barrie Development Services
- **City Council Meetings (June 7 and September 27).** NBLC presented at City Council on the HNA in June and the Strategic Direction Options Analysis in September. These sessions allowed Council to

provide feedback and help shape the direction of this AHS.

- **Public Consultation #2 (November 9, 2023):** On Thursday November 9, 2023, the City of Barrie hosted an Open House from 3:30 pm – 6:00 pm at City Hall Rotunda in Barrie. Approximately 21 people participated in and attended the event. This drop-in event provided an opportunity to the public to:
 - Learn about the types of policies which could be implemented, the possible costs associated with the proposed initiatives & the work already being done to assist in developing affordable housing.
 - Engage with staff and ask questions.
 - Share which of the possible action items is most important to you.

A booth to showcase the City of Barrie's Affordable Housing Strategy Updates was set up. The booth was equipped with two engagement boards intended to inform and seek feedback from the public about the City of Barrie's Affordable Housing Strategy including policy options. The public was

invited to share advice, questions, and additional comments.

3.3 Integrating Community Engagement with the AHS

The feedback, advice, and considerations shared by participants through the online survey and the above events are summarized in **Appendix C**.

As identified, consultation occurred as key background analyses were completed by NBLC to ensure public and stakeholder input has been considered and utilized to shape this AHS. This allowed for the commentary, feedback, opinions, and advice that was heard to be integrated into the recommended solutions to address the growing affordability issues in the City.

While many of the suggestions from the public and stakeholders were used to shape the AHS, not all feedback has been included for a variety of factors (e.g., out of the City's control, feedback was not legal/implementable, better to be undertaken by other groups, lack of funding, etc.).

4.0 Affordable Housing Strategies

A Strategic Direction Options report was completed in August 2023 (see **Appendix B**) that identified a number of action items for the City to consider through this AHS. These items have been subsequently refined through consultation with the public and key stakeholder groups, feedback from Council, as well as discussions with City Staff regarding current programs, funding availability, and other similar considerations.

The recommended combination of Affordable Housing Strategies presented in **Table 3** provides the City with an implementable AHS that couples market-oriented land use planning reforms with a proactive government role, including leveraging public land as well as direct investment, to increase the development of housing that meets the needs of low- and moderate-income households.

Table 3

Recommended Action Items City of Barrie Updated Affordable Housing Strategy			
	Impact (1 to 5)	Cost (\$ to \$\$\$)	Timeline (Immediate to Long-Term)
Recommended Action Items			
Undertake a Comprehensive Review of the City's Zoning By-Law	5	\$	Near
Update the City's Existing Incentive Program and Increase the Annual Budget	5	\$\$\$	Near
Use Public Land to Deliver New Affordable Housing	5	\$\$/\$\$\$	Medium
Work Towards a Decision Faster (Shorten Approvals Timelines)	4	\$\$	Medium
Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing	4	\$	Near
Enhance the Simcoe County Secondary Suite Program for Barrie (Barrie Bonus)	3	\$\$/\$\$\$	Near
Enact a Rental Replacement By-law to Preserve Existing Rental Stock	3	\$	Near
Continue Shifting the Public Discourse Around Growth, Density, and Affordable Housing	3	\$	Immediate
Explore the Potential for Inclusionary Zoning in Barrie	3	\$\$/\$\$\$	Medium
<i>Notes: Impact (1 being lowest, 5 being highest) Cost (\$: no cost to less than \$100,000) (\$\$: \$100,000 - \$1M) (\$\$\$: \$1M+) Timeline (Near-Term is within one year; medium-term is within one to three years; long-term is more than three years)</i>			

The affordable housing crisis will not be improved without significant action from all levels of government, including the City of Barrie. While municipalities have many levers available that can meaningfully impact housing affordability, their revenue tools and overall capital budgeting is limited. Greater action and funding from other levels of government are therefore also necessary to meaningfully address current housing challenges. Participation from the private and non-profit sectors, including additional action from Simcoe County as Service Manager, will also be critical in ensuring that new affordable housing supply gets built.

While City resources are limited, affordable housing is in desperate need of focused and accelerated attention. The City of Barrie should therefore plan to allocate as many resources as possible to this file while also leveraging increased support and funding from Simcoe County and senior levels of government.

It is also highly recommended that the City report on affordable housing issues annually, as they normally do, and utilize lessons learned over time to adjust any programs and policies to maximize effectiveness. The strategies incorporated in this report should be a 'living document' that are constantly being refined as the

market, funding, and policies shift over time. **Section 6.0** of this report to follow provides recommendations for reporting and monitoring on the AHS.

The HNA, Strategic Direction Options Report, and consultation / feedback throughout the AHS process has identified the following housing types to be prioritized, in this order:

- Affordable rental housing;
- Market-rate rental housing;
- Affordable ownership housing.

Affordable rental housing should be the highest priority in the City of Barrie. However, the shortage of market-rate rental housing and the economic challenges associated with building this housing type justifies making it a secondary priority for any housing programs offered by the City. Affordable ownership housing opportunities through non-profit groups like Habitat for Humanity may also be compelling.

The following presents the strategies recommended for implementation through the AHS:

4.1 Undertake a Comprehensive Review of the City's Zoning By-Law

Significant changes to planning policy province-wide are needed to increase housing supply, as well as the variety of housing types that are brought to market. At the municipal level, this generally means refinements to zoning and Official Plans where they place outdated restrictions on new development. Getting these planning changes correct will be critical in the execution of the other recommendations in this report.

The City of Barrie is in the process of creating a new comprehensive Zoning By-law to support the newly approved Official Plan (2023). To help guide that ongoing work, we would recommend the following be considered to achieve the goals of the affordable housing strategy, many of which are being contemplated in the most recent draft of the new zoning by-law:

- **Upzone along arterial roads:** Where it does not exist already, the City should consider opportunities to upzone along arterial roads where the lot depths and other factors might allow. We would suggest that, at minimum, mid-rise heights (5 -11 storeys)

should be permitted as-of-right, with taller buildings (12+ storeys) permitted in strategic locations.

- **Consider Urban Design Requirements from a Feasibility Perspective:** Ensure requirements related to setbacks, building step-backs (i.e., wedding cake / pyramid design), requirements for ground-floor commercial space, and other similar items do not negatively impact development yields and feasibility while recognizing community integration.
- **Eliminate single-detached-only zoning:** Eliminating single-detached-only zoning is not meant to restrict the construction or existence of single-detached homes, but rather to end zoning that *only* permits this built form. In any residential 'neighbourhood' – even those that are primarily low-rise homes – semi-detached, townhouses, and multiplex built forms should be permitted as-of-right to increase housing options. All ground-related housing types should be permitted in all neighbourhoods. Consideration should also be given to permitting small apartments in many neighbourhoods as well.
- **Allow more density in neighbourhoods:** The Province through Bill 23 has already required that

three units be permitted as-of-right on any serviced residential parcel. There is an opportunity to take this further by ensuring medium-density housing types like traditional, back-to-back and stacked townhouses are allowed as-of-right in all neighbourhoods, as well as denser multiplex homes like four and six-plexes (e.g. encourage more “missing middle”). Legalizing rooming houses in all residential zones would also be beneficial.

We would also recommend that the City of Barrie consider permitting low-rise apartment buildings (3 or 4-storeys) with no required on-site parking in neighbourhoods and other strategic areas as-of-right. These types of apartments already exist in parts of the low-rise neighbourhoods in Barrie. These missing middle built forms and low-rise apartments can be constructed more cost effectively, be priced lower, and be undertaken by a wider range of developers/investors relative to larger projects.

Of note, the Federal Government appears to be requiring ‘4 by 4’ (i.e., four units and four storeys) to be permitted by zoning as-of-right in order to receive funding through the Federal Housing Accelerator Program, among other incentives.

- **Allow residential development to be integrated into designated commercial areas:** While changes within the commercial-retail sector were already occurring due to the proliferation of digital platforms, e-commerce opportunities, and the decline of the traditional mall, they were accelerated during the COVID-19 pandemic. The nature of and need for brick-and-mortar retail has changed. Large-format retail plazas are being re-imagined across Ontario to incorporate a mix of residential uses on existing surface parking lots and create more complete communities.

The City of Barrie should recognize this emerging trend and create a related policy framework that provides flexibility to add housing supply to these commercial properties. Importantly, this would put more housing within walking distance of key commercial amenities. These are also areas that should be considered appropriate for increased maximum building heights – in the range of at least 6 to 12-storeys, with opportunities for taller buildings as well.

- **Eliminate or significantly reduce minimum parking requirements:** Parking can add significant costs to apartment developments, particularly if it

needs to be located underground. Eliminating or significantly reducing minimum parking requirements would allow housing providers to provide parking based on market expectations as opposed to policy requirements, building only what is needed. Consideration should also be given to eliminating parking minimums for the commercial component of mixed-use buildings as well.

We understand that some opponents of no or low parking minimums are concerned about a potential increase of residents parking on streets. In our view, this is an enforcement issue, not a planning issue. Strong investments in transit can also mitigate any negative externality of reduced on-site parking.

- **Update other zoning permissions to accommodate the above changes:** The City should review the by-law to make any necessary changes related to setbacks, building depths, minimum lot sizes, lot coverage, etc. to ensure these outcomes can be delivered without the need for costly and uncertain zoning amendments.

The zoning reforms listed above will encourage the development of all housing forms and price points, including those at market rates. The City can therefore take an active role in reducing risk, uncertainty,

appeals, and approval timelines by implementing these suggested reforms, which affect the development of both market-rate and affordable housing equally.

It is also important to recognize that zoning plays an important role in the development trends observed in the City and Province more broadly. Current zoning regulations do not broadly permit more affordable missing middle typologies in existing neighbourhoods, meaning these areas are largely devoid of new investment aside from major renovations to existing single-detached homes that are transformed into a luxury product. It is possible to shift the business model of traditional ‘house flippers’ and contractors to deliver these missing-middle typologies if these outcomes were as straightforward to approve and deliver as single-detached homes.

Similarly, a lengthy and uncertain approval process on larger sites requires significant risk, resources, capital, and time for projects to be implemented. These factors require that these projects be undertaken by larger development groups and be positioned towards the upper end of the market. Cumulatively, this results in limited and narrowly focused new supply that is

increasingly out of reach for many of the City's low- and moderate-income households.

Simplifying the City's zoning by-law could also have a positive impact on getting more housing supply built, making it easier for builders to get to the construction phase quickly and to increase the number of participants in housing delivery. In addition to zoning reforms, there are several approaches that the City of Barrie could take to simplify its zoning. Any changes should focus on creating clarity and predictability and could include, among other options:

- Reducing the number of zone categories and expanding the range of permitted uses in each zone.
- Increasing as-of-right opportunities (as noted previously).
- Limiting development by height as opposed to density, number of units, floor space index, or lot coverage.
- Simplifying the language in the by-law.
- Utilizing graphics and images to help explain any complex zone provisions.

- Reviewing all exceptions and determine whether they should be incorporated into general zone categories, carried forward in their current form if still relevant, or deleted entirely.
- Implement simple pre-approved 'off the shelf' building designs (e.g., second suites, plex buildings, etc.) that align with the City's new zoning by-law.

4.2 Update the City's Existing Incentive Program and Increase the Annual Budget

The City of Barrie currently has a Community Improvement Plan (CIP) that is attempting to secure affordable housing. Implemented in 2020, the CIP was funded with an initial investment of \$1.77M, followed by a top up of \$480,000 in 2022 that included \$150,000 from Community Benefit Charges and \$330,000 from the City's budget.

Key details of the program are as follows:

- The CIP has three separate components consisting of The Redevelopment Grant Program, The Preservation of Built Heritage Grant Program, and the Affordable Housing Development Grant Program. The Affordable Housing and Redevelopment Grant can be stacked together.
- Affordability is defined as:
 - Ownership: Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low to moderate income households. Annual household income will be

based upon the most recent Census of Canada statistics for the City of Barrie which is updated every five years.

- Rental: A unit for which the rent does not exceed 30 percent of gross annual household income for low to moderate income households. Annual household income will be based upon the most recent Census of Canada statistics for the City of Barrie which is updated every five years.

In addition to affordable rental housing, market rate purpose-built rental housing is also eligible for incentives to encourage greater supply.

- Low to Moderate Income: households with an annual household income below the 4th income decile.
- Affordability must be maintained for at least 20 years.
- A minimum of 25% of the project must be affordable in the case of mixed-income projects.
- A project must meet one or more of the following criteria:

- The project is proposing to provide greater than three affordable housing units.
- The project is providing emergency housing, transitional housing, social housing or affordable not-for-profit charitable home ownership or is providing other creative housing solutions to help house the hardest to house of Barrie's population.
- The project is proposing affordable housing units with pricing geared entirely to the low and low to moderate income (i.e. households with an annual household income in the lowest 40th percentiles) to address the current gap in the housing spectrum in Barrie.
- The project is proposing purpose-built rental residential units.
- In addition to the above, a project must also meet all the following:
 - The proposed development meets or exceeds the City's official plan density requirements of people and jobs per hectare.
 - The proposed development has demonstrated, to the satisfaction of the City of Barrie, the close proximity (i.e. within 600m) to transit facilities (including the South Barrie or Allandale GO Station, Barrie Transit Terminal and/or transit bus route or bus stop).
 - The proposal has demonstrated, to the satisfaction of the City of Barrie, that there are adequate and available municipal services (i.e. including sewer, water and storm water) and utilities with appropriate capacity to service the proposed development.
 - The proposed development includes Green Energy Design Elements for energy efficiency and long-term savings, to the satisfaction of the City.
 - The proposed development incorporates architectural/building design excellence using materials that will require minimal maintenance, to the satisfaction of the City.
- Available incentives through the Affordable Housing CIP include:

- Planning Act Application Fees: 100% reduction for affordable ownership and rental housing, as well as purpose-built rental housing.
 - Building Permit Fees: 100% reduction for affordable ownership and rental housing, as well as purpose-built rental housing.
 - Development Charges (DC): 100% reduction for affordable housing units. 25% reduction, to a maximum of \$250,000 per application, for purpose-built rental housing provided units are affordable to those below the 6th income decile.
 - Per Door Grant: A per door grant of \$10 per square foot of new affordable housing space, to a maximum of \$20,000 per dwelling unit and \$200,000 per application.
 - Tax Increment Grant (TIG): Available for affordable housing (entire project) or the redevelopment grant program (commercial space only). Defers the increase in property tax resulting from redevelopment over a five-year period, with the deferral decreasing from 100% in year 1 and 2, 75% in year 3, 50% in year 4, and 25% in year 5.
- Applications are received through two in-take periods each year, with funding allocated based on availability.
 - The Affordable Housing CIP applies across the entire City of Barrie.
 - All grants will be provided at the time of building permit, aside from the per door grant (paid at occupancy) and the TIG (paid at first MPAC reassessment).
 - Approved applications must be issued a building permit within 18-months, after which funding will be withdrawn.
- Since inception, the CIP has resulted in 100 affordable and/or supportive/transitional housing units. Through discussions with City staff, the following program challenges were identified:
- The budget allocated to the CIP is insufficient to secure intended outcomes at a larger scale. Many affordable housing incentive programs that are

successfully securing new affordable housing have more robust budgetary resources¹.

- Increases to interest rates and construction costs have only increased the required subsidy amounts needed for a project to advance. While this is impacting development feasibility broadly, it is also having a significant impact on non-profit housing providers, who will require significantly higher amounts of up-front capital to advance projects².
- The timing of incentives will also be problematic for many non-profit providers seeking to advance new affordable housing. These groups will require sources of up-front capital ahead of pulling building permits and securing financing.
- The definition of affordable housing (below the 4th income decile) and purpose-built rental housing (below the 6th income decile) is a relatively deep level of affordability that will require significant subsidy to advance. These definitions may also be confusing to interested applicants as they do not

¹ City of Toronto Open Door: Typically funded with \$80M per year, securing around 900-1,200 affordable units annually at an average of subsidy of between \$50,000 to \$300,000 per door.

Region of Peel: Funded with \$7.5M in the first year and \$10M in the second year. Program has secured nearly 140 affordable units with average subsidies ranging between \$60,000 to \$215,000 per door.

Region of Durham: Funded with \$7.5M and securing 88 affordable units in the first year of the program, with subsidies ranging between \$73,000 and \$150,000 per door.

Almost all the above affordable housing projects are also supported by funding through senior levels of government. The above communities also indicate that average subsidies are increasing due to rising construction costs and interest rates.

² While construction costs are increasing project costs, rising interest rates are reducing how much a project can finance. Rising costs combined with lower financing amounts will require more up-front capital/equity to advance a real estate project. This is having a significant impact on non-profit developers who require upfront subsidy from government due to their own limited financial resources.

explicitly state the rental and ownership rates that must be complied with.

- The requirement to receive a building permit within 18-months is an aggressive timeline that many projects will struggle to meet. Many applications approved through the CIP have had their funding rescinded due to not meeting this timeline.

Suggested Revisions to the City's CIP

The following are suggested revisions to the current CIP for the City to consider. These revisions consider recent Provincial policy changes relating to affordable housing that include:

- Affordable rental and ownership housing will be fully **exempt from development charges, parkland fees, and community benefit charges**. While the definitions are currently in flux and subject to change, it is believed these will be similar to the current Provincial Policy Statement definitions (30% of income for the 6th income decile and/or to 100% of AMR or 10% below the average resale price as determined by a Bulletin to be released by the Province annually).

- Purpose-built rental housing is now eligible for a **DC reduction** as follows:
 - Three-bedroom: 25% reduction
 - Two-bedroom: 20% reduction
 - One-bedroom / studio: 15% reduction
- Purpose-built rental housing is now **exempt from the Federal portion of HST** (i.e., GST). While PST still applies, the Province has indicated they will follow suit, meaning the full HST may soon be exempt for new market and affordable rental housing.
- The above indicates that new market and affordable rental housing will receive automatic fee and charge exemptions/reductions without the need to formally apply to a CIP or other incentive program.

Revision 1: Increase the CIP Budget

The primary factor limiting the success of Barrie's CIP is the lack of funding. Incentivizing affordable rental housing is expensive, often requiring a subsidy in the range of \$90,000 to \$300,000 in the current market. The range in subsidy is due to a wide range of factors relating to depth and length of affordability, parking

provision, project costs, funding secured through other sources, and many other interrelated factors.

Without a more substantial budget, the CIP will fail to produce affordable housing at the scale needed to address the City's housing needs. It is recommended that the CIP be funded with an annual budget of **\$3M or more** moving forward.

The City should also consult with Simcoe County to determine if the County's funding can be stacked, or alternatively the City may choose to offer funding to any Simcoe County incentive program created through the ongoing Housing and Homelessness Plan or Attainable Housing Strategy in-lieu of creating a separate local program.

Revision 2: Update Affordable Housing Definitions

The City should update the definitions of affordable housing in the CIP to align with this AHS and the soon to be approved Provincial definitions.

It is also recommended that the affordable rental and ownership definitions be explicitly stated (i.e., \$1,200 per month) or converted to a proportion of the CMHC AMR. Applicants investigating the CIP will not know the

affordable rental rates they can charge if only an income-based definition is shown, which makes proforma and feasibility testing challenging.

Revision 3: Remove the Requirement to Receive a Permit Within 18-Months

Consultation with the City has indicated that many projects approved through the CIP have had their funding revoked due to failure to pull a building permit within 18-months. Despite the best intentions of applicants and the City, this can be a very challenging timeline to meet in the best of circumstances. This can be even more challenging for affordable housing projects as these groups must secure significant funding from other sources as well as financing through CMHC programs that can cause delays.

Since funding is not allocated until building permit, removing this requirement should not affect program design or intent. Recognizing this timing challenge, most incentive programs in Ontario do not have this timing requirement.

This recommended revision assumes that the program budget will be increased to recommended levels.

Revision 4: Minimum Project Size Criteria

Consider eliminating the required minimum project size, which is currently governed by Section 9.2 of the CIP where a minimum of three affordable housing units is identified as well as the requirement to exceed the City's Official Plan density targets.

While large affordable housing projects are beneficial, so are smaller scale projects that can be as small as one or two-units. Through consultation on this AHS, some smaller non-profit organizations have identified that this would greatly assist their ability to deliver these smaller outcomes, which can be advanced quickly (e.g., multiplexes, rooming houses).

Revision 5: Adjust the Incentives and Structure of the CIP

Purpose-built rental (DC reductions, GST waiver, likely PST waiver), affordable rental (DC, parkland, and CBC exempt; GST waiver, likely PST waiver), and affordable ownership (DC, parkland, and CBC exempt) will now be offered as-of-right. Once the AHS is approved, and the provincial definitions of affordable housing are confirmed, the City should confirm that the housing needs identified in the HNA align with the Provincial

definition of affordable housing, and make any adjustments that might be necessary (i.e., extend these incentives to cover the need identified in Barrie).

It is also important to understand that there will never be a single subsidy that works for every project. Every affordable housing project is unique with several factors that will influence the subsidy required to advance (e.g., depth and length of affordability, parking ratio, underground vs surface parking, land acquisition price, building cost, etc.). By tying incentives to specific fees and charges, the City has no flexibility to assess the actual feasibility of a specific project and offer more subsidy if it is warranted. This results in the following unintended consequences:

- The funding offered by the City is insufficient and groups don't apply.
- Groups do apply but must seek out other sources of funding while planning approvals are being undertaken, which delays the project from advancing. The City's current requirement to pull a building permit within 18-months results in many of these projects having their funding rescinded.

Recent successful programs (e.g., Peel, Durham, Toronto) offer capital funding through an annual and

competitive RFP process. An RFP is released with capital funding (e.g., \$10M) and specific eligibility criteria. Interested parties apply for the funding along with a justification of the subsidy they require, with the municipality reviewing the details of the application as well as the proforma and subsidy being requested. The municipality then negotiates with applicants on the funding being requested and scores the applications based on a list of criteria, with funding allocated to the most competitive project(s).

The above is an effective process because it limits staff resources to one take-in window, as well as simplifying the incentive process by offering a single capital grant, rather than tying incentives to specific fees and charges. The process also introduces a competitive aspect to the funding, which also allows the City to be flexible in how they allocate the money depending on the applications received each year. This is a similar process to the Provincial Investment in Affordable Housing (IAH) program that ran successfully from 2014-2020.

We would recommend that the City of Barrie shift to the above structure where \$3M to 5M in capital funding is offered through a competitive process, which would

stack on top of the as-of-right incentives available for affordable and purpose-built rental housing. If the current structure is maintained and supported with a higher budget, the per door capital grant can be increased and the restrictions on a per project basis can be eliminated.

Revision 6: Simplify the CIP

While the above revisions to program structure and definitions would help simplify the CIP, more can be done to make the content of the program clearer.

If the current CIP structure is maintained with a larger budget, it is recommended that the City simplify the document. As currently written, it is not clear what incentives are available and to what level of affordability, if different programs within the CIP can be combined, and how the Specific Eligibility Criteria identified in Section 9.2 of the CIP aligns with the available incentives. An interested applicant should be able to quickly read the CIP and understand immediately the eligibility criteria, the rents and sale prices that qualify, and the incentives that are available.

It is therefore recommended that a simplified CIP is created that has a single list of eligibility criteria and that explicitly states the incentives available.

4.3 Use Public Land to Deliver New Affordable Housing

Like incentives, no-cost or low-cost land is a way to subsidize the development of new affordable housing and can have a significant impact on project affordability.

The City of Barrie should utilize public lands for new affordable housing or mixed affordable and market-rate housing as a means of lowering the cost of delivery and retaining a measure of control over development outcomes.

It is not recommended that the City either develop the sites on their own or own/operate the affordable units. Rather the City should leverage the expertise in the private and non-profit sectors to deliver these outcomes, or alternatively Simcoe County as service manager.

The City should undertake a portfolio review of all public lands to determine if there are sites that are currently available that could accommodate new affordable housing. This could include vacant properties as well as sites that are currently underutilized or earmarked for new public facilities (e.g., a library that could be

integrated into the ground floor of a new mixed-income building).

This process will create a ‘pipeline’ of properties that can be used for affordable housing. In addition to these properties, the City should consider acquiring other surplus institutional properties such as school or church sites as they become available, or alternatively supporting non-profits and other groups to acquire these lands for new affordable housing delivery.

As will be explored to follow, considerable costs and resources can be encountered when disposing of public land in exchange for affordable housing. The City can therefore select one of the following processes depending on budget and resource availability.

Partner with Simcoe County

Simcoe County is issuing a call for land later in 2023. Barrie could transfer lands to Simcoe County, who would undertake the disposition process. This could be an attractive option given that Simcoe County may have larger resources than the City and has significant experience carrying out these processes in their role as Service Manager. Simcoe may also build on these

lands directly with affordable or mixed-income rental housing.

While the City may lose some control over project outcomes and timing, this would be an effective strategy to transfer much of the anticipated administrative and financial burden to Simcoe County while enabling City staff to focus on other priorities identified in the AHS.

City-Led Disposition

The City could also lead the land disposition process internally. The following process is recommended for any future City-owned property being used for new affordable housing development:

- Create certainty in development entitlements and maximize achievable density on the property.
- Maximize the number of affordable housing units that can be delivered by remaining open to mixed-income developments as a means of subsidizing the affordable housing units.
- Set preliminary criteria related to depth of affordability, length of affordability, and target income groups. These criteria should be refined as

analysis is undertaken on the site and funding requirements are better understood.

- Prioritize rental tenure development over ownership. A mixed-income rental tenure development could provide the benefit of delivering two types of housing that are currently in short supply in Barrie.
- Notwithstanding the above, some sites may be appropriate for non-profit affordable ownership groups such as Habitat for Humanity, particularly if properties are likely to only accommodate lower-density housing types.
- Offer the property without cost, or at below market value. It is not recommended that City-owned lands be sold at full market value, later reinvesting proceeds into other incentives/priorities, unless there is a clear rationale that will allow for the delivery of *more* affordable units. The reasons for this recommendation include:
 - The City has more control over the delivery of new affordable housing, and the timeline of its delivery, if they own the land or dispose of it at below market value in exchange for affordable housing (with requirement on title);

- Without a specific plan for how the funds from a land sale will be utilized to deliver new affordable housing, these monies are likely to sit in a reserve fund as land values and the cost of housing construction increases.

- Without land, the deployment of capital and the delivery of affordable housing is delayed and likely will result in fewer affordable housing units delivered.

- Be open to creative solutions around construction techniques, building design, and housing models that can reduce the cost of development on City-owned land, support more affordable housing delivery, and support the City's housing needs and priorities.
- Identify partners to not only develop the housing, but also operate any affordable housing units after construction is completed.

To ensure transparency and that the best project with the largest number of affordable units, greatest affordability depth, and best value for money is selected, for any site identified for new affordable housing, the City should undertake a Request for Expression of Interest ('RFEOI') and Request for

Proposal ('RFP') process to select a development partner.

While a RFEOI may not be necessary for every property, it helps the City understand interest in the property, the availability of partners and funding, and if preliminary expectations / requirements need to be adjusted. It will also allow the City to understand how local-incentives and subsidy / financing from other levels of government will need to come together for the project to advance.

4.4 Work Towards a Decision Faster

Delays drive up the cost of housing. Several studies in recent years undertaken by both public sector (e.g. CMHC) and private sector (e.g. BILD) organizations have indicated that delays in the development approvals process have direct impacts on making housing less affordable and can add tens of thousands of dollars to the cost of a single unit.

The City of Barrie should strive to simplify the development approvals process with a goal of speeding up the delivery of new housing supply and increasing efficiency. This could in turn reduce the cost of all new residential development without requiring direct subsidies.

The Province's Bill 109 has implemented requirements for specific timelines for decisions related to site plan and zoning applications. Other recent changes also included allowing projects with 10 or fewer units to be exempt from site plan control. These items should help to speed up development approvals and have all parties work towards delivering new housing faster.

However, the City of Barrie should explore whether there are other changes that can be made to their own

internal processes to spur more construction activity. Designing internal processes to match staffing capacity is a key step in ensuring that these processes are efficient. Some of the steps that may allow the City to increase the speed at which housing is delivered include, among others:

- Limiting the number of public consultations beyond what is required, particularly for applications that conform with local planning policies. Utilizing existing technology for additional input (e.g. ensuring that public consultations have a hybrid in-person-virtual approach, allowing for comments through the City's website, etc), as needed, should be considered sufficient for many applications;
- Streamline the process for low-risk or uncomplicated development applications;
- Streamline the approval of building permits;
- Streamline pre-submission meetings to ensure that a decision can be made quickly once an application has been submitted;
- Critically review and consider reducing the number of required studies for certain residential developments;
- Eliminate peer review requirements, where possible, particularly if initial studies are completed by qualified professionals or firms qualified by the City of Barrie;
- Improve communication and decision-making between departments to support a more efficient approvals process;
- Consider the creation of pre-approved 'off-the-shelf' home designs (see below for further detail).

We would also recommend creating a process whereby priority projects can be fast-tracked. In this case, we would recommend that those priority projects either be ones that provide affordable housing for moderate and low-income households, or market-rate purpose-built rental projects given the lack of rental options in Barrie today. This would help to speed up the delivery of the housing that is most needed in Barrie.

It is also notable that through their Housing Supply Challenge, CMHC is funding research on breaking down pre-construction barriers to deliver more affordable housing. Fourteen projects are being funded for this segment of the Housing Supply Challenge. The results of this work should be tracked closely to

determine if any solutions are uncovered that could be relevant to Barrie's processes.

Lastly, and as noted in Section 5.0, it would also be valuable to advocate for more streamlined approvals – and timelines for approvals – for any applications that require input from other levels of government, or governmental agencies (e.g. conservation agencies). We have heard from a variety of stakeholders that there is a need to improve processes at these other levels / agencies to speed up the delivery of new affordable and market-rate housing.

The following provides additional details on two other ways to speed up the delivery of new housing.

Community Infrastructure and Housing Accelerator (CIHA)

The Community Infrastructure and Housing Accelerator ('CIHA') is a tool that the City of Barrie could consider for speeding up the development process for priority projects, particularly those that include an affordable housing component.

A CIHA is like a Minister's Zoning Order ('MZO') in that it does not have to conform to the local Official Plan and

cannot be appealed – avoiding delays, reducing project risk, and providing certainty. However, the CIHA does require some public consultation, unlike an MZO, though less than a typical zoning by-law amendment. CIHAs are meant to expedite priority developments, including housing of all types, and need to be requested by a municipality to the Minister of Municipal Affairs and Housing on a site-by-site basis. The CIHA must be municipally led and allows for an agreement to be registered on title of a property.

Pre-Approved 'Off-the-Shelf' Building Designs

As a means of accelerating the development process, reducing costs, and increasing housing supply, the City of Barrie should consider creating pre-approved 'off-the-shelf' building designs. Builders can then choose from the various designs depending on what type of housing is permitted on their property and construct them as-of-right without having to go through a complex approvals process.

This 'off-the-shelf' design approach has been taken in municipalities elsewhere, primarily for lower-density housing types, and is a similar idea to CMHC's 'Victory Homes' designs that were utilized to build homes for returning veterans after World War 2.

The City should consider a similar pre-approved ‘off-the-shelf’ approach for building types that are recommended to be permitted as-of-right in neighbourhoods. To do so would require hiring an architect to design some simple home designs for a variety of building scales – multiplexes, townhouses, stacked townhouses, and low-rise apartment buildings (3 and 4-stories). This approach would allow interested parties to understand quickly what type of development could occur on their lot, reducing risk, cost, and resources necessary to hire an architect and planner individually to then work with City planning and Council.

Ideally this would be something that the Province, CMHC, or Simcoe County would undertake. However, in the absence of this, the City of Barrie should take the initiative on this item.

A recent example of another municipality utilizing pre-approved ‘off-the-shelf’ building designs is South Bend, Indiana. Their building designs can be found [here](#), with information on the development process for these buildings found [here](#). This is a good example of a simple, easy to understand process that Barrie could replicate.

4.5 Create a Concierge Program

There are several different parties in any housing market who are interested in participating in the delivery of new housing. However, there are few mechanisms to easily connect these parties, particularly those that may not have sophisticated operations or experience.

For example, there are many non-profits with existing capital that are interested in delivering new housing, but who do not have land. We also know that there are many landowners, such as churches, who have surplus land that they wish to use to serve their community in a positive way, but do not have the capacity or expertise to redevelop them on their own.

The City of Barrie should create a ‘concierge’ program whereby interested parties – those with equity/capital, landowners, developers, or others – that otherwise may not cross paths, can be connected to help deliver more housing, both affordable and market-rate.

The program could also help connect potential affordable housing providers to other public funding sources (e.g. CMHC programs) and help them navigate City Hall and the development process. This would essentially be a broader approach to the ‘one-window’

programs many municipalities offer to help guide housing providers through the approvals process.

Whoever oversees this type of concierge program needs to have a deep understanding of all current funding and financing programs – how they work, who they are meant for, what the requirements are, how much funding is available, timelines for funding, etc.

Having a deep understanding of the wide variety of funding and financing programs from upper levels of government would allow the City of Barrie to provide advice to housing providers who are interested in building new affordable housing or purpose-built rental housing in Barrie. The City could direct these housing providers to the programs that would offer their projects the biggest benefit and provide them with guidance on how to apply for and access the available funding/financing through the concierge program.

Finally, we have also heard that it would be beneficial for housing providers to receive letters of support from the municipality as part of their applications for these funding programs. This would be an easy way for the City to support these organizations that would not have budgetary implications in the same way as other means of support.

4.6 Enhance the Simcoe County Secondary Suite Program ('Barrie Bonus')

The City of Barrie should stack additional funding to the County of Simcoe's existing Secondary Suites program. Simcoe currently offers \$30,000 in funding for the creation of a Secondary Suite that is provided at 100% of the CMHC AMR, which appears to be insufficient to create these units at a larger scale. The City of Barrie could consider allocating funding directly to Simcoe's program for any secondary suites built in Barrie (e.g., \$30,000 grant from Simcoe, matching \$30,000 grant from Barrie).

For example, the Town of Collingwood provides \$5,000 for all secondary suites – regardless of if they meet the County's affordability requirement – with an additional \$5,000 in funding for secondary suites that do meet the County's affordability requirements. The program also offers a 'one-window' service that streamlines the approvals process for secondary suites, as well as pre-approved 'off-the-shelf' designs that are meant to save homeowners time, money, and effort.

4.7 Enact a Rental Replacement By-Law to Preserve Existing Rental Stock

While nearly 1,200 new purpose-built rental units have been completed over the past 20 years, the City of Barrie has seen just 350 net new purpose-built rental apartments added to its rental supply over this time period, according to CMHC. This is a common problem in many communities, often driven by rental demolition and conversion to condominium tenure outpacing new rental development.

Given that many of the older rental buildings in Barrie provide relatively affordable monthly rents, and that new buildings generally do not, it would be beneficial for the City to take action to increase the difficulty at which these units can be removed from the market.

One way to do so is with a rental replacement by-law. Section 99.1 of the Municipal Act grants municipalities the authority to regulate or prohibit the demolition or conversion of residential rental properties with six units or more. While the Province's Bill 23 gives the Minister of Municipal Affairs and Housing new powers to impose limits and conditions on municipal authority in this area, we still believe it would be worthwhile to implement a

rental replacement by-law to avoid further reduction of the existing older rental stock in Barrie, and to protect existing renters from displacement.

In addition to a rental replacement by-law, creating a more permissive development environment through the planning reforms noted earlier should also help to reduce the pressure to demolish or convert these existing buildings. When housing providers have a wide range of development opportunities, they are less likely to pursue the demolition of multi-unit buildings.

4.8 Continue Shifting the Public Discourse Around Growth, Density, and Affordable Housing

Most municipalities in Ontario are in need of a shift in how new development, intensification, and affordable housing is viewed by the average resident. The City of Barrie is already making efforts to shift the conversation around these topics through events like the Housing Symposium held in May 2023, as well as planned changes to the City's zoning by-law.

The City should make use of its website and social media pages to educate residents about the importance of increasing housing supply and why certain changes are being undertaken to address affordability challenges. Topics that should be considered as part of any public education on this issue include:

- Who new housing will benefit (e.g. nurses at the hospital, the teacher at your child's school, the barista or waiter at your favourite coffee shop or restaurant, etc.);
- How new housing development benefits the City of Barrie and all residents (e.g. supports more retail amenities, drives economic activity, expands tax

base, supports attraction and retention of labour for local businesses, etc.);

- Policy changes being made to support more affordable and market-rate residential development (see recent video about zoning from the [City of North Vancouver](#) as an effective example of clear communication on a municipal issue);
- Dispelling myths associated with new development (e.g. affordable housing = increased crime, traffic concerns, 'too tall' or 'too dense');
- Supply and demand economics (e.g. less housing = higher prices) and the impact of this on younger residents.

Updating the zoning by-law as recommended would also allow Council and staff to avoid compromising on items like height, density, and number of units in a new development to appease NIMBY voices, reducing some risk that these compromises can create around development feasibility.

There are many studies that dispel some of the information pushed by NIMBY groups, including narratives about new development increasing crime, causing traffic chaos, ruining neighbourhood character, and/or having negative impacts on property values.

Council and staff could draw on these studies to push back against anti-change narratives, while also utilizing some of the information from the public education materials noted above to further explain the benefits of growth and new development.

4.9 Explore the Potential for Inclusionary Zoning in Barrie

Inclusionary Zoning (“IZ”) is a tool that allows municipalities to require affordable housing within Protected Major Transit Station Areas (“PMTSA”). The process for implementing IZ is complex and requires numerous studies that evaluate the need for affordable housing, PMTSA plans that dictate minimum densities, a market assessment report that evaluates the impact of the policy on development feasibility, and other similar matters. Barrie has two PMTSAs at the Allandale and Barrie South GO Station and while these geographies are limited, they are also locations where considerable growth and development are directed by the City’s Official Plan.

Since the IZ legislation was approved in 2018, only Toronto and Mississauga have advanced its implementation, with economic support from NBLC.

Recently, the Province has also restricted the use of IZ to a maximum of 5% of a building’s gross floor area, a maximum affordability length of 25-years, and municipalities are required to waive development charges, parkland fees, and community benefit charges for the affordable units.

IZ is fundamentally different from incentives in that it requires a developer to deliver affordable housing through zoning, whereas incentive programs are voluntary and require enough subsidy that the private market is incented to participate. However, if the IZ requirements are too onerous, development feasibility can be impacted and projects will not advance, a condition that will make affordability worse as housing is not supplied in strategic growth areas. As such, the regulations require a substantial amount of planning and economic analysis to ensure that development remains viable despite the requirement for affordable housing. It may be possible that a municipality is required to layer on additional incentives for the policy to be implemented.

A common issue that has been identified with IZ in Ontario is the preference of developing condominium buildings over rental tenure. Since IZ cannot dictate

tenure, this will remain the choice of developers moving forward. In the absence of incentives that encourage rental housing, it is therefore likely that condominium-tenure buildings will continue to advance in the City's PMTSA's. Condominium-tenure projects will likely choose to satisfy IZ requirements by providing affordable ownership housing, rather than proceeding with the complexity of a mixed-tenure building. Affordable ownership, while needed in the community, are often affordable only to the first household, which can then be sold at market rate upon resale.

The municipality has several options with dealing with this issue:

- Capture a portion of the increase in value upon the future sale of an affordable ownership unit (capped at 50% by O. Reg. 232/18).
- Creating a framework that protects affordability over the long-term by restricting the value increase or future sale of the unit.
- Partnering with non-profit groups to manage these units.
- The City of Barrie or Simcoe County could also acquire these units and manage them within a

housing portfolio. These could be managed as a perpetual affordable ownership model or rented to lower-income households.

- Many households may also qualify for an affordable ownership unit based on their income, but may not have the required downpayment to purchase a home. These units must also be sold in the pre-construction phase of a project, meaning eligible affordable purchasers will need a 20% downpayment. The City could consider a downpayment assistance program to assist the eligible households on the waitlist.

5.0 Additional Considerations and Advocacy Initiatives

In addition the specific strategies identified in Section 4.0, the following offers a number of other considerations and advocacy initiatives that that the City of Barrie should consider through the implementation of this AHS. Some of these items are ones that the City of Barrie can undertake on their own,

while others represent advocacy initiatives for the City to take as they seek more direct participation from the Provincial and Federal governments on the issue of affordable housing. **Table 4**, below, provides a summary of these items, with **Appendix B** providing a more fulsome discussion of each.

Table 4

Additional Considerations and Advocacy Initiatives City of Barrie Updated Affordable Housing Strategy			
	Impact (1 to 5)	Cost (\$ to \$\$\$)	Timeline (Immediate to Long-Term)
Additional Considerations for the City of Barrie			
Invest Budget Surpluses Into Desired Housing Outcomes	4	\$\$/\$\$\$	Near
Explore the Potential for Density Bonusing for Priority Projects	3	\$	Medium
Ensure the City has Robust Data Collection to Support Good Decision-Making	3	\$	Near
Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models	3	\$ / \$\$	Immediate
Require Housing Above or in Conjunction with New Public / Community Facilities	2	\$\$/\$\$\$	Long
Declare Housing as a Human Right	2	\$	Immediate
Advocacy Initiatives			
Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments	5	\$	Near
Advocate to CMHC for More Streamlined Access to Funding and Financing Programs	4	\$	Long
Advocate for More Revenue Tools to Reduce the Burden on the Property Tax Base	5	\$	Medium / Long
Ask the Province to Define Attainable Housing and Incentivize It	3	\$	Near / Medium
Advocate for Increased Labour Supply for New Development	4	\$	Long
Advocate for More Progressive Property Taxation Options	2	\$\$	Long
Advocate for Simcoe County and the Province to Fund Social Housing as Operating Agreements Expire	5	\$\$\$	Near
Advocate to Upper Levels of Government for More Tenant Protections	3	\$	Medium
Advocate for Housing Funding/Investments to Align with Population (including student) Growth Targets	5	\$	Medium / Long
Advocate for Streamlined and Predictable Approvals Processes from Other Levels of Government and Governmental Agencies	4	\$	Near / Medium
Leverage the Collective Power of Municipalities in Advocacy	3	\$	Long
<i>Notes: Impact (1 being lowest, 5 being highest) Cost (\$: no cost to less than \$100,000) (\$\$: \$100,000 - \$1M) (\$\$\$: \$1M+) Timeline (Near-Term is within one year; medium-term is within one to three years; long-term is more than three years)</i>			

This AHS is a snapshot in time and will require consistent monitoring by the City. As with any long-term strategy, a wide variety of market, policy, funding, political, and other shifts will undoubtedly require changes in direction as the Plan evolves.

It is also important that the City monitor the effectiveness of budget amounts and the recommended strategies themselves to ensure they are achieving desired outcomes. If outcomes are not being achieved, the City must uncover the factors limiting success and recommend changes for Council to consider.

City staff should report to Council every year on the implementation of the AHS. It is recommended that the City report to Council on an annual basis in two ways: 1) overall housing market indicators, and 2) progress and monitoring of specific strategies.

The first group of reporting metrics should include market indicators that illustrate to Council whether housing affordability is improving or worsening. This is preferred over the selection of an arbitrary housing target, which would become out of date within a year of this AHS being approved. Recommended indicators include:

- Number of housing starts and mix of housing units by type relative to the City's forecasted growth documented in the Official Plan.
- Changes in the rental housing universe to understand if more rental housing is being delivered as follows:
 - % change in the rental vacancy rate.
 - % change in the average market rent.
 - % change in the average resale price in Barrie.
 - # of affordable ownership units created

The second group of reporting metrics should include monitoring of specific strategies recommended through this AHS. Monitoring will include different measures, depending on the initiative in question. Examples include:

- Once the zoning update has taken place, the City should be monitoring how much intensification is occurring, the number of second suites created, the number of multi-unit buildings, etc. Where targeted outcomes are not being achieved, investigation should occur to uncover whether the limiting factor is the regulatory regime (i.e., zoning standards are

limiting) or the outcome is not economical and may require subsidy. Recommendations to Council on recommended changes should then occur.

- Review of take-up in the incentive and public land program, with specific recommendations to Council to improve effectiveness if required, through increased funding or other measures.

In addition to the annual reporting to Council, we would recommend that Staff undertake a more detailed review of the Affordable Housing Strategy every five years – or earlier if the annual reporting is showing that the AHS is not achieving desired outcomes.

A template of a sample monitoring report is provided in **Appendix D**.

Appendix A – Housing Needs Assessment

Provided under separate cover.

Appendix B – Strategic Direction Options Report

Provided under separate cover.

Appendix C – What We Heard Consultation Summary

Provided under separate cover.

Appendix D – Sample AHS Monitoring Template

Reporting Status 1: Housing Market Indicators	
# of Housing Starts	
# of Housing Starts Forecasted	
(+/-) Target	
(+/-) Change in Accessory Dwelling Units	
(+/-) Change in County-Funded Second Suites	
(+/-) Change in Purpose-Built Rental Housing Stock	
(+/-) % Change in Rental Vacancy Rate	
(+/-) % Change in Average Market Rent	
(+/-) % Change in Affordable Housing Wait List	
(+/-) % Change in Average Resale Price	

Reporting Status 2: AHS Strategies				
AHMP Strategy	Status	Previous Update	Current Update	Recommended Actions
Undertake a Comprehensive Review of the City's Zoning By-Law				
Update the City's Existing Incentive Program and Increase the Annual Budget				
Use Public Land to Deliver New Affordable Housing				
Work Towards a Decision Faster (Shorten Approvals Timelines)				
Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing				
Enhance the Simcoe County Secondary Suite Program for Barrie (Barrie Bonus)				
Enact a Rental Replacement By-law to Preserve Existing Rental Stock				
Continue Shifting the Public Discourse Around Growth, Density, and Affordable Housing				
Explore the Potential for Inclusionary Zoning in Barrie				



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