

SUMMARY OF PROPOSED CHANGES TO THE DRAFT HOUSING COMMUNITY IMPROVEMENT PLAN (CIP)

Item	Proposed change	Rationale
1.	The CIP objectives under Section 3.2 were reordered to emphasize that rapidly increasing the construction of new residential units is a top priority.	Feedback from internal departments indicated a strong desire to prioritize funding for shovel-ready projects, to ensure the return on the investment of public funds is realized more quickly, and reduce financial risks associated with funding development in earlier approval stages. This change also considers potential funding sources from the federal Housing Accelerator Fund (HAF) and provincial Building Faster Fund (BFF), which are contingent on rapid new housing construction.
2.	The Development Charges (DC) Equivalent Grant for Mixed Use and Mixed Income Development program was removed.	Any applicant meeting the proposed eligibility criteria under this program would also be eligible to seek the funding through the Per Door Grant program, which has been designed to simplify the incentive process by providing one single capital grant in place of tying incentives to specific fees and charges, such as development charges, cash-in-lieu fees, application fees or other charges. By removing this program, it will streamline/simplify application and administrative processes (budget, application intake and review, etc.) for applicants and staff, while maintaining the same access to funding for non-profits and charitable organizations, who will continue to be given preference points under the Per Door Grant.
3.	A new program was added, being Section 3.6 Surplus Municipal Lands for Affordable Housing Program.	The City's Affordable Housing Strategy and Housing Accelerator Fund Action Plan both indicate that municipal/public lands should be evaluated and used to deliver affordable housing. This program has been included to provide the necessary policy basis to implement this in the future, should Council decide to do so, including offering land below market value without contravening Section 106 of the <i>Municipal Act</i> or the City's Sale of Real Property By-law (By-law 95-104).
4.	A new program was added, being Section 3.4.4 Exemption from Planning Application Fees.	In April 2021 Council passed motion 21-P-010 directing staff to waive planning application and associated fees for qualifying affordable housing projects. Including an enabling program in the CIP is intended to improve transparency regarding which projects are eligible to have fees waived and to avoid any possible contravention of Section 106 of the <i>Municipal Act</i> .
5.	CIP programs under Section 3 were reorganized into four sub-programs as follows: a) 3.3 Financial Incentive Programs: Per Door Grant & Development Charges (DC) Equivalent Grant for Fourplexes. b) 3.4 Non-Reserve Fund Community Improvement Programs: Approval to Defer Development Charges, Tax Increment Equivalent Grant (TIEG) & Exemptions from Planning Application Fees.	Programs were reorganized based on common eligibility criteria and application processes for the following reasons: a) The Section 3.3 programs are funded through the CIP capital reserve and to be administered through application intake periods. Applications are subject to scoring/review by Development Services staff, funding recommendations then are provided to the Grant Review Committee who will make the final decision (i.e. funding is competitive and not guaranteed). b) The Section 3.4 programs are to be accepted on a rolling application basis, where applicants submit a request at time of building permit application. Finance would review requests against the CIP eligibility criteria and automatically approve any that meet program requirements (i.e. funding is guaranteed for all eligible projects).

	<p>c) 3.5 Homeowner Incentive Programs: Barrie Bonus for Additional Residential Units (ARUs) & Homeownership Forgivable Loan.</p> <p>d) 3.6 Municipal Lands for Affordable Housing Program.</p>	<p>c) The Section 3.5 programs are geared towards individuals and to be accepted on a rolling basis. All applicants who meet program requirements would be eligible for funding on a first come first served basis, subject to funding availability. We could establish a waitlist for applicants who meet program requirements but submitted applications after all annual funding was allocated (i.e. funding is limited by program budget, but otherwise available to eligible applicants on a first come first served basis).</p> <p>d) The Section 3.6 program is not an application-based program but is to be utilized and funded at the discretion of City Council.</p>
6.	A general eligibility requirement was added to all programs in Sections 3.3, 3.4, and 3.5 requiring project sites to not be located on lands subject to flooding hazards, erosion hazards, including wetlands.	This request was made by the Nottawasaga Valley Conservation Authority (NVCA) and is consistent with local and provincial policy. For greater clarification, the subject property can contain referenced features, but the development limits of the project must be entirely outside them.
7.	<p>Revisions to 3.3.2 Per Door Grant:</p> <p>a) Addition of a minimum affordability period requirement (25 years) for affordable housing units provided by for-profit/market developers.</p> <p>b) Affordability requirements were changed from “shall” to “should” meet the minimum affordable housing targets in the Official Plan, with a preference given to projects providing affordable housing, for applications by for-profit/market developers.</p> <p>c) Revised the type of housing permitted from “a multi-residential development with a minimum of 4 dwelling units” to “medium or high-density residential development”.</p>	<p>Program updates were made for the following reasons:</p> <p>a) The minimum affordability period was unintentionally excluded from draft one and has been updated to align with the requirements for non-profit and charitable applicants.</p> <p>b) The changes to affordability requirements allow market rate purpose-built rental projects to be considered for funding based on feedback received that indicated more financial supports should be provided for this housing type. The City’s 2023 Housing Needs Assessment also indicated that purpose-built rental construction has been stagnant in Barrie in recent decades and should be incentivized to provide more affordable and suitable housing options for renter households.</p> <p>c) Changes to the type of housing permitted are intended to better target larger scale development, recognizing that all affordable rental and ownership units are eligible for development charge (DC) exemptions under the <i>Development Charges Act</i>, and that there is a DC equivalent grant proposed for fourplexes in Section 3.3.4</p>
8.	Revisions to 3.3.4 Development Charges (DC) Equivalent Grant for Fourplexes to remove the awarding of preference points for projects that include affordable housing units.	Any affordable units would automatically qualify for DC exemptions under the <i>Development Charges Act</i> , without requiring CIP reserve funds to finance this. Given the <i>Planning Act</i> restricts the maximum amount of any CIP grant from exceeding eligible costs, and our CIP program notes only the portion of the project relating to the fourth unit that is not already receiving a DC reduction under the <i>Development Charges Act</i> is eligible for a DC Equivalent Grant, it does not make sense to award preference points to affordable units as they would be ineligible for CIP funding.

9.	The “Application Review Process for Financial Incentive Programs” section was moved from Section 4. Implementation to Section 3.3.5.	This section was moved to improve clarity and CIP program implementation, given only the program in Section 3.3 Financial Incentives will be subject to a competitive funding allocation process, including application scoring by Development Services and decision making by the Grant Review Committee.
10.	<p>Revisions to 3.4.2 Approval to Defer Development Charges (DCs) to Occupancy program:</p> <ul style="list-style-type: none"> a) Changed program implementation to accept applications on a rolling basis at time of building permit application, and automatically approve eligible projects for funding. Updated Development Status requirements accordingly. b) Reference to preference points criteria was removed. 	<p>Program updates were made for the following reasons:</p> <ul style="list-style-type: none"> a) The change in program implementation was made in response to public and internal department feedback that indicated this would simplify the application process and provide greater certainty to applicants regarding available funds, and therefore further incentivise high-density residential construction. This program is a non-reserve program that does not require CIP capital fund allocation, so increasing the program would not result in a reduction in available funds to other CIP programs or require specific budget allocation to operate. b) Preference points criteria was removed as proposals will no longer be scored, but instead eligibility of projects seeking deferrals will be confirmed by Finance at time of building permit submission.
11.	<p>Revisions to 3.4.3 Tax Increment Equivalent Grant (TIEG):</p> <ul style="list-style-type: none"> a) Expanded the program from a 5-year period to a 10-year period. b) Changed program implementation to accept applications on a rolling basis at time of building permit application, and automatically approve eligible projects for funding. Updated Development Status requirements accordingly. c) Reference to preference points criteria was removed. d) Removed the minimum number of units (5 or more residential units) requirement. 	<p>Program updates were made for the following reasons:</p> <ul style="list-style-type: none"> a) Feedback received through public consultation noted other municipalities offer a 10-year TIEG, and that this could further support the construction of much needed purpose-built rental housing without the need for CIP capital reserve funding, which has always been a challenge to sustainably fund. Instead, this program will be absorbed by the City as lost assessment revenue initially but would be recouped over time in the form of overall increased property taxes and economic activity that otherwise may not have been realized without the incentives. b) The change in program implementation was made in response to public and internal department feedback that indicated this would enhance the intent of this program, simplify the application process, provide greater certainty to applicants regarding available funds, and therefore further incentivise purpose-built rental construction. This program is a non-reserve program that does not require CIP capital fund allocation, so increasing the program would not result in a reduction in available funds to other CIP programs or require specific budget allocation to operate. c) Preference points criteria was removed as proposals will no longer be scored, but instead eligibility of projects seeking the TIEG will be confirmed by Finance at time of building permit submission. d) Reference to a minimum of 5 units was removed because this seemed too low given the housing types permitted to seek the TIEG are purpose-built multi-residential medium and high-density housing. An alternative was not provided, however the housing types permitted and requirement to meet or exceed Official Plan density requirements remains.

12.	New Section 3.5 Homeowner Incentive Programs to clarify the basic eligibility criteria and application processes for the 3.5.1 Barrie Bonus for ARUs and 3.5.2 Homeownership Forgivable Loan programs.	This new subsection was introduced to improve organization and clarity of the Housing CIP, and clarify that these programs are not awarded on the basis of merit or scored, but instead allocated on a first come first served basis to eligible applicants, based on funding availability.
13.	Revisions to 3.5.2 Barrie Bonus for ARUs to clarify that each ARU receiving funding from the County of Simcoe Secondary Suites program is eligible for the Barrie Bonus.	Feedback through the public consultation process requested that this be clearly noted in the Housing CIP.
14.	Revisions to 3.5.3 Homeownership Forgivable Loan to include reference to requirements to demonstrate maximum personal assets, maximum home purchase price, and that applicants cannot access funding from other homeownership programs.	These changes improve clarity and reflect information that was already provided (maximum assets and purchase price) in the draft Development Services Housing Bulletin. Restrictions on multiple funding sources are intended to ensure equitable access to funds and reflect similar restrictions by other government homeownership funding programs (e.g., County of Simcoe Affordable Homeownership Program).
15.	<p>Updates to Section 4.2 Funding and Timing of Grant Payments:</p> <ul style="list-style-type: none"> a) Minor changes to wording in Section 4.2.1 Funding Overview and Conditions to ensure it can apply to all program types. b) Updates to 4.2.2 Grant Payments to: reflect increase in TIEG program from 5 to 10 years; include provisions for the Exemption from Planning Application Fees program; and clarify that the Barrie Bonus for ARUs payment is contingent on confirmation the County of Simcoe loan has been secured. c) Section 4.2.3 Financing of Incentives was reorganized to improve clarity and updated to reflect the addition of the Exemption from Planning Application Fees and Surplus Municipal Lands for Affordable Housing programs. d) Section 4.2.3 Financing of Incentives was also updated to clarify that development charge deferrals under Section 3.4.2 will be subject to interest charges in accordance with the City's Development Charges By-law. 	<p>Updates were made for the following reasons:</p> <ul style="list-style-type: none"> a) Changes reflect that this section applies to all programs, not just "financial incentives". b) Updates reflect revisions to program details as noted above (TIEG), the addition of a new program (Exemption from Planning Application Fees), and to improve clarity (Barrie Bonus for ARUs). c) Information was reorganized to improve readability and accommodate the addition of new programs (3.4.4 Exemption from Planning Application Fees and 3.6 Surplus Municipal Lands for Affordable Housing). A lack of clarity about the need to secure the County of Simcoe loan prior to payment of the City Barrie Bonus was rectified. d) This change was included to improve transparency and clarify that development charges deferred under Section 3.4.2 are subject to interest charges.

16.	<p>Updates to Section 5 Definitions:</p> <p>a) The “Grant” definition was updated.</p> <p>b) A new definition of “Non-Reserve Fund CIP Programs” was added.</p>	Edits were made to improve clarity and implementation.
17.	Any typographical errors noted were corrected.	Editorial revisions were made as necessary.