

Staff Report



To	General Committee
Subject	2025 Housing Community Improvement Plan (CIP) Programs and Budget
Date	March 19, 2025
Ward	All
From	M. Banfield, RPP, Executive Director of Development Services
Executive Member Approval	M. Banfield, RPP, Executive Director of Development Services
CAO Approval	M. Prowse, Chief Administrative Officer
Staff Report #	DEV007-25

Recommendation(s):

1. That \$340,871.34 be transferred from the former Community Improvement Plan (CIP) Reserve (i.e. CIP Reserve for the previously repealed City-Wide CIP) to the Housing CIP Reserve.
 2. That staff be directed to allocate up to \$5,000,000 of the second Housing Accelerator Fund (HAF) payment to the Housing CIP Reserve, when received.
 3. That all the Housing Non-Reserve Fund CIP programs continue to be offered on an ongoing basis, until otherwise directed by Council, which include the Approval to Defer Development Charges (DCs) to Occupancy Permit program, the Tax Increment Equivalent Grant (TIEG) program, and the Exemption from Planning Application Fees program.
 4. That the Barrie Bonus for Additional Residential Units (ARUs) program be implemented with an initial budget of \$195,000 from the Housing CIP Reserve create new affordable ARUs within the City of Barrie.
 5. That the Housing CIP Homeownership Forgivable Loan program be implemented with an initial budget of \$281,160 from the Housing CIP Reserve to provide forgivable downpayment loans to qualifying Barrie residents for downpayment assistance when purchasing a qualifying home within the City of Barrie.
 6. That staff be authorized to run at least one Per Door Grant intake period in 2025 after the 2025 Housing Accelerator Fund (HAF) installment has been received.
 7. That the Development Charges (DC) Equivalent Grant for Fourplexes be put on hold.
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Executive Summary:

The purpose of Report DEV007-25 is to recommend 2025 Housing Community Improvement Plan (CIP) program offerings and associated budgets to maximize the currently available funding. In June 2024, Council adopted a new Housing CIP, allocated \$10 Million in funding to the new Housing CIP Reserve, and directed staff to implement the following programs immediately: Per Door Grant Program, Approval to Defer Development Charges (DCs) to Occupancy Permit program, Tax Increment Equivalent Grant (TIEG) program, and Exemption from Planning Application Fees program. These programs were launched as directed, and nearly all the Housing CIP Reserve has been allocated to date. Council also directed staff to begin implementing the remaining programs in 2025, subject to funding availability. Additional funding leftover from the previous City-wide CIP Reserve has been identified through account reconciliation and staff recommend moving it to the Housing CIP Reserve to support the implementation of two reserve-funded programs in 2025: the Barrie Bonus for Accessory Residential Units (ARUs) and the Homeownership Forgivable Loan Program. Staff also recommend working with the County of Simcoe (the Housing Service Manager for the City of Barrie) to implement these programs in a more streamlined, cost-effective manner. Additionally, staff are recommending that a portion of the second Housing Accelerator Fund (HAF) installment be directed to the Housing CIP Reserve, once received, to fund at least one Per Door Grant intake in 2025. Lastly, staff recommend continuing to run the Non-Reserve Fund CIP programs (Approval to Defer DCs to Occupancy Permit program, TIEG, and Exemption from Planning Application Fees program).

Key Findings:

Housing CIP Reserve Status

Should Council adopt the recommendations of this report, the total available budget for 2025 Housing CIP programs will be \$483,558.74 as of the writing of this report, and up to \$5,483,558.74 pending receipt of the second Housing Accelerator Fund (HAF) installment.

There is currently \$142,687.40 in unallocated funding available in the Housing CIP Reserve. When Council adopted the Housing CIP on June 4, 2024 via [Council Motion 24-G-143](#), they established an initial budget of \$10 Million, to be used entirely to fund one intake of the Per Door Grant program in 2024. Following the 2024 intake, a total of \$9,857,312.60 was awarded to successful applicants, leaving \$142,687.40 available to fund future Housing CIP program offerings. For more information on the projects awarded Per Door Grant funding, please see the Housing CIP Per Door Grant Update Staff Memo dated October 30, 2024 ([Legistaraharrar File #A3 241030](#)).

Since the adoption of the new Housing CIP, staff have undertaken further reconciliation of the previous CIP Reserve and there is \$340,871.34 in unallocated funding that could be transferred to the Housing CIP Reserve. As of the writing of this report, the CIP Reserve for the former (repealed) City-wide CIP had \$685,308.85, of which \$265,000.00 is committed to projects with CIP agreements in good standing (under the former CIP) and \$79,437.51 is reserved for a new Conservation of Built Heritage CIP (per [Council Motion 24-G-143](#)). The remaining \$340,871.34 is unallocated and staff are recommending it be moved to the Housing CIP Reserve.

Staff recommend Council authorizes up to \$5,000,000 of the second HAF installment, once received, to be allocated to the Housing CIP Reserve to further support the 2025 program implementation. The second advance of HAF funding is \$6,466,247.50 according to the City's HAF Contribution Agreement with Canada Mortgage and Housing Corporation (CMHC), subject to CMHC acceptance of Year 1 reporting. As of the writing of this report, staff have completed the Year 1 HAF report and is under review by the CMHC. Staff are seeking authorization from Council to move up to \$5,000,000 in HAF funding into the Housing CIP once the second payment is received to support 2025 program offerings as noted in Table 1.

No (\$0) additional Building Faster Fund (BFF) money should be moved into the Housing CIP Reserve at this time. The BFF payment is calculated based on new home construction starts so there is uncertainty over how much the City may receive. As of the writing of this report the Province has not confirmed any 2025 BFF payment. BFF funding has more limited eligible expenditures and must be spent faster than HAF funding but can be transferred through direct payment to non-profits and the City's Housing Service Manager (County of Simcoe) to support affordable housing. Considering this, staff recommend any new BFF funding not be moved to the Housing CIP Reserve to be nimbler and more flexible with spending opportunities.

Changes to County of Simcoe Housing Programs

Since the adoption of the Housing CIP in June 2024, there have been several changes to the County of Simcoe's Housing Programs which have influenced the recommended 2025 Housing CIP program offerings. On June 4, 2024, the County of Simcoe's Affordable Housing Advisory Committee adopted the recommendations of County Report AHA 2024-145 (see Item 7.3 online at: <https://simcoe.civicweb.net/document/135706/>), to implement changes to their Housing Programs, including but not limited to their Homeownership Program and Municipally Funded Secondary Suites (MFSS) program. These recommendations were approved by the County's Committee of the Whole on June 11, 2024, and confirmed by County Council on June 25, 2024. These changes are noteworthy as the City's Homeownership Forgivable Loan program is modelled directly after the County's Homeownership Program, and the Barrie Bonus for Accessory Residential Units (ARUs) operates as a top-up grant to the County's MFSS program. For an overview of the key changes, please see the Additional Background Information and Analysis Section of this Report.

Housing CIP Program Recommendations

The Housing CIP includes programs funded using the Housing CIP Reserve and through lost revenue; Staff recommend running 6 out of the 7 programs, as detailed in Table 1, which will require \$5,476,160 in Housing CIP Reserve funds. Details of the recommendations for each program, a proposed initial 2025 budget/funding source and rationale are provided below in Table 1. The current 2025 budget of \$5,476,160 proposed is dependent on Council adopting the above recommendation to transfer \$340,871.34 to the Housing CIP Reserve from the former CIP Reserve, and receipt of the second HAF installment. For a detailed explanation of each program, including eligibility criteria, please refer to the Housing CIP, available online at www.barrie.ca/CIP.

Table 1: Housing CIP Program Recommendations and 2025 Budget

Program	Recommendation	Proposed 2025 Budget & Funding Source	Rationale
1. Per Door Grant	Run at least one intake in 2025 once the second HAF installment has been received	Estimated \$5,000,000 pending receipt of the second HAF installment – Housing CIP Reserve	<ul style="list-style-type: none"> Requires a significant program budget to be successful, which is contingent on HAF funding. Final intake budget to be confirmed once the second HAF installment is received, and any funds remaining after the first intake could be used to top up other programs
2. Development Charges (DC) Equivalent Grant for Fourplexes	Pause	\$0 – Housing CIP Reserve	<ul style="list-style-type: none"> DCs can be waived for a 4th unit if it is affordable per the <i>Development Charges Act</i>. Program would cost \$82,435 to \$91,627 per unit, with no requirement for affordability Staff plan to support ARU creation in Barrie by directing HAF funding to the County's MFSS
3. Approval to Defer Development Charges (DCs) to Occupancy	Run until otherwise directed by Council	N/A – applicants pay interest per City's DC By-law	<ul style="list-style-type: none"> Staff have not deferred DCs through the Housing CIP program yet, however it targets high-density condominium housing which has seen slower construction starts recently (the City's DC By-law already offers DC deferrals for rental housing) This program is revenue neutral and implementation materials have already been developed
4. Tax Increment Equivalent Grant (TIEG)	Run until otherwise directed by Council	N/A – funded through lost post-development assessment revenue	<ul style="list-style-type: none"> Staff have received positive feedback on this program from the development industry and awarded three conditional TIEGs as of the writing of this report This program is revenue neutral and implementation materials have already been developed

Program	Recommendation	Proposed 2025 Budget & Funding Source	Rationale
5. Exemption from Planning Application Fees Program	Run the program on a continual basis until otherwise directed by Council	N/A – funded through lost application fees (i.e. operating revenue)	<ul style="list-style-type: none"> • Staff have received positive feedback on the program from non-profit and charitable organizations • This program is revenue neutral and implementation materials have already been development
6. Barrie Bonus for Additional Residential Units (ARU)s	Run the program in 2025 in partnership with the County of Simcoe, with initial funding available for up to 13 ARUs	\$195,000 (\$15,000 per ARU) – Housing CIP Reserve	<ul style="list-style-type: none"> • Program funds affordable ARUs by building on County's MFSS program • County MFSS program currently has approximately 10 Barrie ARUs waitlisted • No additional City staff resources are required as County (Social Housing) staff have agreed to assist with implementation • ARUs can be built relatively quickly and provide additional affordable rental options throughout the City
7. Homeownership Forgivable Loan	Run the program in 2025 with initial funding available for up to 4 forgivable loans (i.e. downpayment assistance) for qualifying City of Barrie residents to purchase a qualifying home in Barrie	\$281,160 (up to \$70,290 per loan) – Housing CIP Reserve (this could become a revolving fund in the future if any funding is paid back by participants)	<ul style="list-style-type: none"> • Homeownership programs directly support the recipient, while indirectly freeing up another rental unit • No additional City staff resources are required as staff from the County of Simcoe (Social Housing) have agreed to assist with implementation • Funding is also currently available (i.e. there is no waitlist) to Barrie residents through the County's Homeownership Program to buy a home anywhere in the County of Simcoe (the Barrie program requires them to be currently living in Barrie and buy in Barrie)

Financial Implications:

The following are the anticipated financial implications for the Corporation for each of the proposed recommendations:

Transfer \$340,871.34 from the former CIP Reserve to the Housing CIP Reserve

Following Council's repeal of the former City-Wide CIP in June 2024, additional scheduled payments continued to be deposited into the old CIP Reserve, which had a balance of \$685,308.85 as of the writing of this report. Staff recommend retaining \$265,000.00 to pay out Affordable Housing Development Grants (secured through legal agreements), and \$79,437.51 for a new Conservation of Built Heritage CIP, and reallocate the remaining funds to the new Housing CIP to fund 2025 program offerings.

Allocate up to \$5,000,000 of the second Housing Accelerator Fund (HAF) payment to the Housing CIP Reserve.

As of the writing of this report, the second HAF payment has not been confirmed or received. Authorizing the transfer of HAF funding to the Housing CIP Reserve, which is a permitted use of HAF funds, would expedite program implementation once funds are received. HAF funds would be used to offer the Per Door Grant program, and if funds remain after the first intake, could be used to top up other 2025 programs.

Run the Per Door Grant program once more HAF funding is received

Waiting for receipt of HAF funding to run the Per Door Grant program allows the City to offer the program in 2025 with meaningful budget without impacting the Operating Budget.

Run all Non-Reserve Fund CIP Programs

These programs are funded through lost revenue, and the following financial impacts are anticipated from this proposed recommendation:

- There are no financial implications anticipated from running the Approval to Defer Development Charges (DCs) to Occupancy Permit program as recipients are charged interest on deferred DCs in accordance with the City's Development Charges By-law 2023-074 and pay DCs once the building passes an occupancy inspection.
- The Tax Increment Equivalent Grant (TIEG) program is considered revenue neutral, as it is funded through assessment revenue not yet billed. The TIEG program for new medium and high-density purpose-built rental development phases in the post-development property tax increases over a 10-year period. Continuing to offer the program is anticipated to result in a future temporary loss of assessment revenue on properties approved for the TIEG. Staff have implemented improved interdepartmental tracking and monitoring of the TIEG program to ensure that, when necessary, the tax revenue budget will be modified to account for approved TIEGs to reflect a lower new assessment growth figure, which is used to offset annual tax rate increases.
- The Exemption from Planning Application Fees program is considered revenue neutral as it waives up-front some Development Services application fees. This program is only available to non-profit and charitable organizations that are building new affordable housing options. As of the writing of this report, a total of \$14,195.98 in Development Services Fees has been waived to support three projects which have been absorbed as lost operating revenue. Staff will continue to

track the financial impact of this program and make alternative recommendations should it no longer be financially sustainable for Development Services to absorb these costs.

Run the Barrie Bonus Program:

Staff are recommending an initial budget of \$195,000 from the Housing CIP Reserve which is enough funding for 13 grants (worth up to \$15,000 each) to support the construction of affordable additional residential units (ARUs) in the City of Barrie. By implementing this program in partnership with the County of Simcoe, no additional staffing requirements or resources are necessary.

Run the Homeownership Forgivable Loan Program:

Staff are recommending an initial budget of \$281,160 from the Housing CIP Reserve which is enough funding for 4 forgivable downpayment loans (worth up to \$70,290 each). This program is structured as a 20-year forgivable loan, which is not repayable if the owner lives in their home for 20 years and does not refinance their mortgage for an amount exceeding the original mortgage. If they do sell, refinance to a greater amount, or commit an event of default, then loan repayment is required, with the amount to be repaid based on capital appreciation. Any money paid back could be directed into a revolving fund to continue the program or be redirected to support other City of Barrie programs. By implementing this program in partnership with the County of Simcoe, no additional staffing requirements or resources are necessary.

Pause the DC Equivalent Grant for Fourplexes Program

There are no financial implications anticipated from this proposed recommendation.

Alternatives:

The following alternatives are available for consideration by General Committee:

Alternative #1 – General Committee could direct staff to provide different funding amounts to different programs. This alternative is not recommended because staff have reviewed the existing remaining Housing CIP Reserve budget and have recommended amounts in each program that would maximize the benefits of each program without the 2025 Building Faster Fund (BFF) or Housing Accelerator Fund (HAF) funds being known at this time.

Alternative #2 – General Committee could direct staff to not offer any Housing CIP programs until such time as the 2025 Building Faster Fund (BFF) or Housing Accelerator Fund (HAF) funds are known. While the option to refer the report back to staff until more information is available, this alternative is not recommended because the existing remaining Housing CIP Reserve budget could be used to support two new CIP programs with no additional budget requirements immediately, and authorizing staff to use additional HAF funds (once available) to fund the Per Door Grant program allows for the intake period to be held faster, and grants to be awarded sooner.

Strategic Plan Alignment:

Affordable Place to Live	X	The Housing CIP programs provide financial and non-financial support to encourage non-profit and private/market developers to provide a range of housing options in the City, to make housing attainable.
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Community Safety		
Thriving Community	X	The Housing CIP programs support community wellness and a vibrant downtown through financial investments to support housing options.
Infrastructure Investments		
Responsible Governance	X	The Housing CIP programs recommended will provide investments in housing options for Barrie residents, by leveraging Federal and Provincial grants and future assessment revenue generated by redevelopment.

Additional Background Information and Analysis:

Connection to the Housing Accelerator Fund (HAF) Work Plan

The implementation of a new, well-funded Housing CIP is a milestone under the City's Housing Accelerator Fund (HAF) Work Plan, and instrumental to achieving other milestones within the HAF Work Plan. Since the adoption of the new Housing CIP, Development Services staff have worked closely with staff in Information Technology, Finance and Legal Services to improve tracking, monitoring and implementation of the new Housing CIP programs, including integration with the APLI, the City's online application tool. Directing additional HAF funding to the Housing CIP Reserve, once the second installment is received, would help support accelerated construction of more housing units and affordable options in Barrie.

Related County of Simcoe Housing Programs

The County currently offers a Homeownership Program and a Municipally Funded Secondary Suites (MFSS) program, which are both available to City of Barrie residents. These programs were used as models for the Housing CIP Homeownership Forgivable Loan and Barrie Bonus for Additional Residential Units (ARUs) programs.

The County of Simcoe currently has funding available for their Homeownership Program and does not have a waitlist. As of the writing of this report:

- 9 people are approved and shopping for a home County-wide, 3 of which applied with a Barrie rental address.

Historical uptake of the County Homeownership Program over the last 5 years is as follows:

- 2024 – 14 purchases in total; 5 in Barrie; 7 applied with a rental address in Barrie.
- 2023 – 3 purchases; 0 in Barrie; 0 applied with a rental address in Barrie.
- 2022 – 2 purchases; 0 in Barrie; 1 applied with a rental address in Barrie.
- 2021 – 10 purchases; 3 in Barrie; 4 applied with a rental address in Barrie.
- 2020 – 10 purchases; 1 in Barrie; 2 applied a rental address in Barrie.

The County MFSS program is also available to Barrie residents, and they are currently maintaining a waiting list for funding. As of the writing of this report:

- 3 ARUs with committed funding (agreements are registered and projects have started)
- 1 ARU with conditionally committed funding (funding will be provided once a building permit is applied for and project costs are confirmed)
- 9 ARUs on the waiting list (no funding currently available)

- 3 ARUs in pending status (have applied but further information is needed to confirm eligibility)

Historical uptake of the County's MFSS program over the last 5 years in Barrie is as follows:

- 2024 – 8 ARUs
- 2023 – 8 ARUs
- 2022 – 13 ARUs
- 2021 – 15 ARUs
- 2020 – 24 ARUS

Key Changes to County of Simcoe Housing Programs

As noted above in the Key Findings of this Report, there were several changes made to the County of Simcoe's Housing Programs in 2024 which have influenced the recommended 2025 Housing CIP program offerings detailed in Table 1 above.

Key changes to the County's Homeownership Program include increases to the maximum amount of downpayment assistance and modernized program eligibility. Should Council adopt the recommendation to implement the City's Homeownership Forgivable Loan program, staff will update the City of Barrie Development Services Housing Bulletin to align with the County's Homeownership Program. The following are a summary of changes to the County's Homeownership Program:

- The current maximum purchase price is \$702,900; homes can be resale or new construction, but homes on leased land are not eligible.
- The maximum downpayment assistance (forgivable loan) is 10% of the purchase price (currently \$70,290), up from the previous \$50,000 cap.
- The current maximum net household income to be eligible for the program is \$126,100, and the maximum asset limit of purchasers is \$50,000 (up from \$20,000).

Key changes to the County's MFSS program include changes to the maximum loan amount and operating budget. Should Council adopt the to implement the Barrie Bonus for ARUs program, staff will contribute Housing Accelerator Fund (HAF) funding through the Additional Residential Program initiative of the HAF Action Plan to the County's MFSS program to increase the amount of funding available to Barrie residents. The following are a summary of the changes to the County's MFSS program:

- The maximum forgivable loan amount per ARU was increased from \$30,000 to \$50,000 to keep up with rising construction costs.
- The program operating budget was altered by reallocating the annual approved budget line of \$650,000 to the County's Housing Opportunities Fund, and switching entirely to a revolving fund (i.e., funding that is paid back when a supported home is sold prior to the 15-year term or when a participant decides on an early termination).
- This has the effect of making funding availability less predictable, as it is only available when previously allocated funds are returned to the program, and each ARU is receiving more funding than in the past.

Partnering with the County of Simcoe for Housing CIP Program Implementation

To maximize existing service arrangements, and mitigate the need for additional staff resources, staff recommend having the County aid in administering the Barrie Bonus for ARUs and Homeownership Forgivable Loan programs. The County of Simcoe is the designated Housing Service Manager for the City of Barrie under the *Housing Services Act*. As a Service Manager, they have staff with expertise in housing programs. This will eliminate the need for increased staffing and training at the City of Barrie, while streamlining application processes for program participants. City staff would not have the capacity to run

these programs without the assistance of the County of Simcoe, who already have resources to manage programs of this nature.

Consultation and Engagement:

There was no additional public consultation required in relation to this Report. Public consultation in accordance with the *Planning Act* was undertaken in the spring of 2024 during the development of the Housing CIP.

Development Services engaged with staff from the County of Simcoe's Social and Community Services Division regarding shared administration of the Barrie Bonus and Homeownership Forgivable Loan programs. Should Council adopt the recommendations of this report, further engagement with the County of Simcoe will take place to finalize program implementation details.

Environmental and Climate Change Impact Matters:

There are no environmental and/or climate change impact matters related to the recommendation.

Appendix: N/A

Report Author:

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File #: N/A

Pending # (if applicable): N/A