
TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: M. BANFIELD, RPP, DIRECTOR OF DEVELOPMENT SERVICES

WARD: 2

**NOTED: B. ARANIYASUNDARAN, P. ENG., PMP, GENERAL MANAGER OF
INFRASTRUCTURE AND GROWTH MANAGEMENT**

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: CIP INFORMATION TO ACCOMPANY SKYLINE / SKYDEV LETTER

DATE: MARCH 1, 2023

This memorandum is to accompany the letter from Skyline / SkyDev dated February 21, 2023 (attached as Appendix "A") and to provide insight with respect to the Community Improvement Plan (CIP) applications that were not approved in the 2022 intake year.

The applicant applied for a CIP grant in the first intake of 2022. The CIP application was not approved for the following reasons:

- The proposed development contains a lower percentage of affordable units in comparison to other applications that were received and considered by the CIP Grant Review Committee during the application intake period.
- In the submission, the applicant did not demonstrate a commitment to provide affordable housing units, but rather noted that affordable units would be provided subject to the receipt of "appropriate funding".
- The proposal does not include a mix of residential, commercial and institutional uses.
- The project is not 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 applicant applied for a CIP grant in the second intake of 2022. The CIP application was not approved for the following reasons:

- Financial implications to the municipality because of policy changes at the Provincial level, particularly the passing of Bill 23. In this regard, developers will be provided financial relief through the waiving, reduction, and freezing of development charges (DC), thereby impacting a municipality's ability to recover costs associated with growth and development. With respect to the subject application, the City would lose both application fee and DC revenue. It has been determined that the grant parameters require further review in the context of the significant financial implications to City taxpayers anticipated as a result of Bill 23 and the benefits that would occur as a right for affordable housing, should the Provincial legislation be proclaimed.
- The proposal does not include a mix of residential, commercial, and institutional uses.
- The proposal does not include affordable units for low to low-moderate income households in the lowest 40th income percentile.

-
- The project is not providing emergency housing, transitional housing, social housing or affordable not-for-profit charitable home ownership or other creative housing solutions to help house the hardest to house of Barrie's population.

For more information, please contact Michelle Banfield, Director of Development Services at 705-739-4220 ext. 5466 or by email at michelle.banfield@barrie.ca

Attached: Appendix "A" – Letter from Skyline / SkyDev dated February 21, 2023

Appendix "A" - Letter from Skyline / SkyDev Dated February 21, 2023



February 21, 2023

To: City of Barrie Mayor and Council
File: 10-24 Grove Street West, Barrie (City Development File D11-021-2021)
Re: **Opportunity for Significant Rental Housing and Affordable Housing**

Dear Mayor and Council,

As rental community builders, SkyDev understands the need for rental supply that the average person in a community can afford. We have been working with staff the past 2 years to site plan approve a much needed 928 apartment development and are now at the site plan agreement stage with the City's legal department. Nearly one thousand new apartments would increase Barrie's total market supply of purpose built rental by 20% and take a significant step towards the City's housing pledge.

As we look to underwrite an investment of nearly half a billion dollars in housing, rising interest rates combined with rising construction costs are resulting in purpose-built rental housing being cost prohibitive to deliver. Many communities we are investing in such as Peterborough, Owen Sound, Chatham, Tecumseh, Clarington, Essex, and Guelph have provided significant tax exemptions, phase-ins, and reductions through their Community Improvement Programs (CIP) and Development Charges By-laws to make rental housing viable. With an outdated CIP with the passing of Bill 23, we bring forward to Council a win-win motion for the City and the people who need an affordable place to live.

Background

We applied to the City's Community Improvement Program CIP program in April 2022 to deliver 10% affordable rental units but were unfortunately refused due insufficient funds in the City's reserve fund to accommodate up to 93 affordable rental apartments in our development.

We applied again in October 2022 for rental housing benefits including a Planning and Building Fee Waiver, and tax increment financing under the CIP program, which were all non reserve fund incentives for rental housing. Skydev was again refused for CIP benefits due to changes and outdated implications of Bill 23 on the program.

We can not proceed with a purpose-built rental apartment development without any municipal incentives from the City for the affordability of the residents who will live there.

The Proposal

Rather than funding a with a City reserve, we propose a fee waiver and incremental tax phase-in on revenue which would otherwise not exist without the development to provide 10% of the rental housing as affordable housing per the City's definition.

Accordingly, SkyDev representing Grove Street Developments, the Owner of the above-noted lands formally requests that City of Barrie Council pass a motion for the City to enter into an agreement with the Owner with the following terms:

1. A 20-year tax increment phase-in of 100% reduction from years 1-7; 75% in year 8; 50% in year 9; 25% in year 10; and 10% from years 11-20 (to not tax affordable units for their tenure) to be applied on the incremental tax increases from current property tax rates;
2. A Planning and Building Permit fee waiver;
3. The above items 1 and 2 shall be provided for each phase of the development containing a minimum of 10% affordable housing per the City's definition;

Skydevco Inc. 5 Douglas Street, Suite 301, Guelph, ON, N1H 2S8 Tel: (519) 826-0439, Fax: (519) 836-2320



And for clarity of in the application of Bill 23 and updates required to the City's DC-Bylaw,

4. An exemption from development charges and park levies for any unit that meets the City's definition of affordable housing

The overall proposed development has each building located on separately financed and conveyable property; the application of the above is requested on a phased occupancy basis.

I trust that this letter provides sufficient information for Council to proceed with the consideration of this request. I look forward to delegating to present this concept further and answer any questions you may have.

Respectfully submitted,



Greg Jones

President, SkyDev

T. 519.826.0439 x173



SkyDev

5 Douglas Street, Suite 301
Guelph, ON, N1H 2S8

Visit us at www.SkyDev.ca