



TO: **PLANNING COMMITTEE**

SUBJECT: **AFFORDABLE HOUSING MONITORING REPORT 2018, 2019 AND 2020**

WARD: **ALL**

PREPARED BY AND KEY CONTACT: **S. WHITE, RPP, PLANNER, EXT. 4517**

SUBMITTED BY: **M. BANFIELD, RPP, DIRECTOR OF DEVELOPMENT SERVICES, EXT. 5466**

GENERAL MANAGER APPROVAL: **A. MILLER, RPP, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT**

CHIEF ADMINISTRATIVE OFFICER APPROVAL: **M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

RECOMMENDED MOTION

1. That staff in the Development Services Department be directed to complete the following:
 - a) Review of the City's current Affordable Housing Strategy, prepare a report card, and report back to General Committee with any recommended interim updates to the Strategy;
 - b) Participate in and provide technical support (mapping, feasibility, expertise, etc.) to the Affordable Housing Task Force to aggressively expand the supply of affordable housing with the particular emphasis on addressing the hardest to house;
 - c) Develop a policy and mechanism for collecting cash contributions in lieu of affordable housing units in development applications and report back to General Committee; and
 - d) Begin the public engagement process and schedule a statutory public meeting in accordance with the *Planning Act* to initiate the process for considering the following amendments to the City's Comprehensive Zoning By-law 2009-141, as amended:
 - i. Review standards for second suites and detached accessory dwelling units;
 - ii. Review standards for minimum dwelling unit floor area requirements in all zones, as well as opportunities for permitting tiny homes; and
 - iii. Consider amendments to Section 4.4 Non-Conforming Uses to include provisions allowing the conversion of existing non-conforming buildings to affordable housing.
2. That all applicable City of Barrie fees, including the Planning and Building Services application fees and associated legal and administrative fees for qualifying affordable housing projects be waived, as of January 1, 2021.

PURPOSE & BACKGROUND

Report Overview

3. The Affordable Housing Monitoring Report attached as Appendix "A" provides an update on housing affordability in the City of Barrie during the reporting period of January 1, 2018 until December 31, 2020, and an overview of the progress made toward the City's Affordable Housing Strategy (2015) goal, to provide 840 affordable housing units in the City by 2025.
 - a) Due to data limitation at the time this report was drafted, the percent of homes sold in new plans of subdivision and condominiums below the 2020 affordable home price threshold, and the number of applicants on the waitlist for rent-geared-to-income in Barrie, was not included. This information will be provided to Planning Committee in the second quarter of 2021 once the 2020 affordable home price has been provided by the County of Simcoe.
 - b) Future monitoring reports will be brought forward in the second quarter of each calendar year following the reporting period to align with the availability of necessary Provincial and County data.
4. The purpose of this staff report is to provide Planning Committee with some additional context and background information on how the affordable housing units and factors were measured. It also provides an overview of suggested action items for 2021, including recommendations that would allow staff to be more nimble and better position the City to respond to emerging housing needs and affordable housing development opportunities, to advance the Strategic Priority of Council to get more affordable housing built.

ANALYSIS

Defining Affordable Housing

5. The definition of "affordable" used in the Affordable Housing Strategy to establish the benchmark for measuring the number of affordable housing units in the City is that used in the Provincial Policy Statement and the City of Barrie Official Plan, which is:
 - a) In the case of ownership housing, the least expensive of:
 - i. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or
 - ii. Housing for which the purchase price is at least ten percent below the average purchase price of a resale unit in the regional market area.
 - b) In the case of rental housing, the least expensive of:
 - i. A unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or
 - ii. A unit for which the rent is at or below the average market rent of a unit in the regional market area.

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6. The City's Community Improvement Plan (CIP) provides a modified definition of "affordable" as follows:
- a) In the case of ownership housing:
 - i. 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.
 - b) In the case of rental housing:
 - i. 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.
 - c) "Low to moderate income" means households with an annual household income in the lowest 40th percentiles.

Tracking Affordable Housing Units

7. The Affordable Housing Strategy (2015) target of 840 affordable housing units in Barrie by 2025 is based on the housing needs assessment that was completed by the County of Simcoe, which is the designated Service Manager for the City of Barrie under the *Housing Services Act*. The County's Affordable Housing Strategy (2014) initially broke down the need for affordable housing in Barrie based on income levels. Due to challenges with regularly obtaining reliable income data for rental households, the County of Simcoe and the City of Barrie have been unable to reliably track affordable units based on income. Instead, rental units are now counted as affordable if they are rented at or below average market rent in Barrie, as determined by the Canadian Mortgage and Housing Corporation (CMHC). This change was approved by County Council. Affordable housing unit counts are broken down into the following reporting categories:
- a) Rent supplement, housing allowance, and housing benefit units;
 - b) New affordable rental development units;
 - c) Second suites built with government funding (County of Simcoe Secondary Suites Program);
 - d) Unfunded second suites; and
 - e) Homeownership units.
8. Affordable units are counted in the year that they became move-in ready, not the year they received Planning approval or when a building permit was issued. Unit counts presented are the total cumulative number of affordable housing units in the City unless otherwise indicated.

Establishing Average Market Rent

9. In Barrie, the CMHC only surveys the primary rental market, which includes purpose-built rental buildings containing three or more units. In October 2020, CMHC reported a total of 4,190 primary rental units in Barrie. For a unit to be considered affordable, rent must be less than or equal to the average market rent reported by CMHC, which is shown in Table 1 for each year of the reporting period:

Table 1: CMHC average market rent in Barrie by unit size in 2018, 2019 & 2020.

Year	Bachelor Unit	1 Bedroom	2 Bedroom	3+ Bedroom
2018	\$848	\$1,141	\$1,331	\$1,472
2019	\$871	\$1,162	\$1,339	\$1,728
2020	\$941	\$1,190	\$1,397	\$1,646

Counting Affordable Second Suites

10. All second suites built with funding from the County of Simcoe's Second Suites Program are counted as affordable units because the owners enter into an agreement to rent the unit at or below the CMHC average market rent for 15 years. Second suites built without government funding are subject to the County of Simcoe's "discount rate" that is used to estimate how many are affordable. The discount rate is based on an annual rental survey of the local market that is conducted by staff in the County of Simcoe's Social Housing Department. During the reporting period the "discount rate" was:
- a) January 1, 2018 until December 31, 2019: 30% discount rate, which means 70% of units were assumed to be affordable; and
 - b) January 1, 2020 to December 31, 2020: 75% discount rate, which means 25% of units were assumed to be affordable.
11. No retroactive adjustments to the number of affordable, unfunded second suites were made based on revisions to the County of Simcoe's second suite discount, which is consistent with reporting done by the County. Staff are aware that the number of affordable unfunded second suites reported is likely overestimated because of this, given there is no mechanism in place to require rent at affordable rates or to prevent rent increases when a change in tenancy occurs.

Establishing the Affordable Home Price

12. The maximum affordable home price for homeownership supply created without government funding is set annually by the County of Simcoe for the Barrie area. The Affordable Home Price is established retrospectively and is equal to the lower value of a) the calculated maximum house price based on median household income; or b) 10% below average resale price for the regional area. During the reporting period, the affordable home price was calculated based on income, and was set at:
- a) 2018: \$297,500;
 - b) 2019: \$304,300; and
 - c) 2020: Forthcoming.

Overall Progress towards the Affordable Housing Strategy Goals

13. The Affordable Housing Strategy set a goal of 840 affordable housing units by 2025. The purpose of the Strategy is to encourage, stimulate and increase the supply and range of affordable housing options to meet the needs of our residents at all income levels and stages of life. As of December 31, 2020, there was a cumulative total of 872 affordable housing units in the City of Barrie, however a cautionary note about over-estimating the number of affordable second suites is included below. The year-over-year breakdown of these units by type is provided below in Table 2:

Table 2: Cumulative total of affordable housing units by type in 2018, 2019 & 2020 (up to December 31, 2020)

Type of unit	2018	2019	2020
Rent supplement/housing allowance/housing benefit	141	145	183
New affordable rental development	97	120	122
Second suites – funded	58	83	108
Second suites – unfunded	236*	372*	409*
Homeownership Units	43	48	50
Cumulative Total Number of Affordable Housing Units	575	768	872

* Note: Unfunded second suites unit counts in 2018 and 2019 are likely overestimated, as noted below in paragraph 17.

14. Most of the City's affordable housing units are second suites while only 14% are units in new affordable rental development. When the County of Simcoe updates the unfunded second suite discount rate, it is not applied retroactively to prior reporting years. If the 75% discount rate were applied to all unfunded second suites added to the registry since 2015, the adjusted cumulative total would be:
- a) As of December 31, 2020: 619 units, including 156 unfunded second suites; and
 - b) Staff are of the opinion that the adjusted total of 619 units more accurately reflects the gain in affordable housing in Barrie.
15. Roughly 25% of rental households in Barrie can be accommodated in the primary rental market (purpose-built rental with three or more units), while the remaining 75% are accommodated in the secondary rental market. The secondary rental market includes rented single-detached, semi-detached, or freehold townhouse dwelling units; units in duplexes; rented condominium units; one (1) or two (2) units in small mixed-use buildings; and second suites. This estimate is based on 2016 Census data that reported 15,140 rental households in Barrie, and the fact there were only 4,190 units in the primary market in 2020.
- a) This points to an opportunity to strengthen our focus on increasing the number of units in the primary rental market through purpose-built affordable rental development.
16. The most recent data available on the affordability of rent for low- and moderate-income households in general is the 2016 Statistics Canada Census. At that time, the average monthly shelter cost for a rented dwelling in Barrie was \$1,219, and 50 percent of tenant households reported spending 30 percent or more of their income on shelter costs.
- a) The CMHC average market rent has increased in the City over the last five (5) years at a rate that has outpaced the inflation rate reported by Statistics Canada, and vacancy rates reported by CMHC in October 2020 were 2.2 percent, which is below a healthy rate of three percent. Therefore, it is likely the number of tenant households in unaffordable rental units has not decreased since 2016 despite the addition of new affordable units to the housing stock.

- b) Barrie's secondary rental market is not surveyed by CMHC. It appears to be more expensive than units in the primary rental market based on local rental listings, and the fact that in 2019 researching conducted by the County of Simcoe found that only 26 percent of second suites surveyed were affordable. It also includes more expensive low density housing units.
 - c) The number of applicants on the County's centralized waitlist for rent-geared-to-income housing saw a year-over-year increase of 13.6 percent in 2018 and 21.6 percent in 2019 (2020 data is pending).
17. Less than six percent (47 units) of the Affordable Housing Strategy target is homeownership units, and the City met this goal in 2019. In new subdivisions and condominiums, the Official Plan target for at least ten percent of all new housing units per annum to be affordable was met in 2018 and 2019 (as outlined in paragraph 6.i. data for 2020 is forthcoming). This reflects the fact that more options for medium and high-density housing were ready for occupancy during the reporting period.
- a) Despite these achievements, the market price of homeownership continues to climb. In October 2020, the Canadian Real Estate Association reported that the "Benchmark Prices" for homes in Barrie were \$616,100 for a single-family home, \$407,100 for a townhouse, and \$366,900 for a condominium unit in a multi-unit building. Staff also noted several cases where new homes that sold for an affordable price in 2018 or 2019 were later sold by the first purchaser for prices well above the affordable house price. Ensuring affordable units remain affordable overtime continues to be a challenge.

Rent Supplements, Housing Allowances and Housing Benefits

18. A total of 64 additional rental households in Barrie were provided with affordable housing through a housing allowance or rent supplement payments between January 1, 2018 and December 31, 2020. This subsidy program is overseen by the County of Simcoe and bridges the gap between what a tenant can afford to pay and full market rent. Rent subsidies assist lower income households, can vary in both amount and duration, and are funded by federal, provincial, and municipal governments. They are used to ensure that residents can afford safe and stable housing while still being able to pay for necessities, including utilities, groceries, clothing, childcare, transportation, and basic amenities.
- a) Rent supplement payments are an effective way of providing affordable housing to lower income households within Barrie's existing market rental housing stock. Funding for this program is limited, therefore finding ways to increase rent supplement funding, such as through new revenue sources like cash contributions in lieu of providing affordable housing units, could provide more affordable housing for the hardest to house.

New Affordable Rental Development

19. A total of 25 new purpose-built affordable rental units were added to the affordable housing stock in the City of Barrie during the reporting period. Units included in this category range in affordability from supportive and transitional housing to affordable rental. These units received government funding and as such are required to remain affordable for a minimum period. They may be provided by a housing service provider or with oversight by the County of Simcoe. These units include:
- a) Five affordable rental apartment units at Wellington Place Apartments in 2019;
 - b) 18 transitional/supportive housing units at Lucy's Place, a Housing First community operated by Redwood Park Communities in partnership with the David Busby Street Centre and the County of Simcoe, in 2019; and

- c) Two transitional/supportive housing apartment units operated by Redwood Park Communities in 2020.

New Affordable Second Suites

20. There is a total of 517 affordable second suites in the cumulative affordable housing unit count, which is 59.3 percent of the total number of affordable housing units. Secondary suites are a form of affordable housing that is promoted by Provincial policy. Affordable second suite units are broken down into government funded and unfunded second suites for reporting purposes. The County of Simcoe's discount rate for unfunded second suites was originally set at ten percent, but was increased to 30 percent effective January 1, 2018, and to 75 percent effective January 1, 2020.
- a) Funded second suites: Include all secondary or garden suite units built with funding from the County's Secondary Suites Program, which provides up to \$30,000 per unit in the form of a forgivable loan. Rent charged cannot exceed the CMHC average market rent for the area for the full 15-year term of the loan.
 - i. 75 funded second suites were added to the affordable housing stock between January 1, 2018 and December 31, 2020.
 - b) Unfunded second suites: Include the percentage of secondary or garden suite units built without government funding that are assumed to be affordable, based on the County's "discount rate" for the reporting year.
 - i. 258 unfunded second suites were added to the affordable housing stock between January 1, 2018 and December 31, 2020 when calculated using the County's discount rate of 30 percent for 2018 and 2019, and 75 percent for 2020, respectively.
 - ii. If the 75 percent discount rate is applied retroactively over 2018, 2019 and 2020 for a more conservative estimate, only 115 unfunded second suites would be counted between January 1, 2018 and December 31, 2020. Staff are of the opinion that this adjusted count is more reflective of the actual number of affordable second suites in Barrie, given there is no mechanism in place to maintain the affordability of these units over time.

New Affordable Homeownership

21. In total 19 new homeownership units were added in Barrie between January 1, 2018 and December 31, 2020. Only housing constructed by Habitat for Humanity and homes purchased with down payment assistance provided by the County or Ontario Aboriginal Housing Services are included in the affordable homeownership unit count.
22. Homes in new plans of subdivision and condominiums that sold at or below the affordable house price threshold are not included in the affordable housing unit count towards the 840-unit goal. This is because that figure is estimated retrospectively using a combination of City generated occupancy reports and Teranet sale price data. Staff have no information about the household income of purchasers, or whether these homes are in fact owner-occupied, and there is no mechanism or monitoring in place to ensure these homes remain affordable beyond the first sale. Instead, this data provides an indication of whether the City is achieving the Official Plan minimum target of ten percent of all new housing units per annum to be affordable housing.

- a) In 2018, 614 residential units were occupied in new subdivisions and condominiums, and Staff noted 107 new housing sales (approximately 17 percent of sales) at or below the affordable house price of \$297,500. All affordable sales were townhouses or condominium units.
- b) In 2019, 314 residential units were occupied in new subdivisions and condominiums, and Staff noted 82 new housing sales (approximately 26 percent of sales) at or below the affordable house price of \$304,300. All affordable sales townhouses or condominium units.
- c) Data for 2020 will be provided in an addendum in June 2021 once the County of Simcoe has established the affordable house price for 2020.

Notable Affordable Housing Activities in 2018, 2019 and 2020

23. During the reporting period, the City of Barrie implemented the following notable changes that directly and indirectly supported the provision of affordable housing in the City:
- a) In November 2019, Council approved By-law 2019-115 that amended the Zoning By-law and made it easier to build a second suite and provide other forms of affordable housing by:
 - i. Permitting both a second suite and a detached accessory dwelling unit in the R1, R2, R3, R4, R5, RM1, RM2, RM3, and RM2-TH zones, subject to Section 5.2.9 of the Zoning By-law.
 - ii. Eliminating the maximum number of bedrooms permitted in a second suite.
 - iii. Reducing the minimum required gross floor area of a second suite to 35 metres squared.
 - iv. Eliminating the minimum separation distance that was previously required between Group Homes.
 - v. Updating parking standards for residential buildings containing not more than three units so that they are based on the number of dwelling units, not the number of tenants.
 - vi. Revising the minimum standards for a dwelling unit that prevented it from being rented to more than four tenants.
 - b) In December 2019, Council approved a new Community Improvement Plan (CIP), which includes an Affordable Housing Grant. The Simcoe County Alliance to End Homelessness (SCATEH) provided great feedback during the development of the modified definition of "affordable" that is used in the CIP. In 2020, a total of \$1,777,780 was awarded in Affordable Housing Development Grants to support future affordable housing projects.
 - c) In January 2020, Council passed By-law 2020-017 (OPA No. 072) and By-law 2020-018 to lift the restriction on second suites in the Georgian College Neighbourhood Study Boundary Area.

- d) In December 2020, Council endorsed their support of the applications made by the County of Simcoe and by Redwood Park Communities for Canada Mortgage and Housing Corporation (CMHC) Rapid Housing Initiative (RHI) funding that addresses urgent housing needs of vulnerable Canadians. These submissions are currently being reviewed by CMHC.
- 24. In addition to the above, in September 2020, the City was ranked number one overall in the Greater Toronto Area (GTA) with respect to three categories that affect housing affordability – planning features, government charges, and approval timelines – by the Building Industry and Land Development Association (BILD) in their 2020 Municipal Benchmarking Study.
- 25. Several purpose-built rental projects, including some that specifically identify affordable units, are at various stages of the development approvals process. Once built and occupied they will be counted towards the Affordable Housing Strategy goal.

Affordable Housing Actions for 2021

- 26. The Affordable Housing Strategy includes several implementation strategies that aim to encourage and stimulate private and public sector organizations to produce more affordable housing, most of which have already been implemented. While preparing the Affordable Housing Monitoring Report, Staff revisited these strategies and have explored additional opportunities to advance Barrie City Council's Strategic Priority to get more affordable housing built.

The following is a summary of Affordable Housing Action items underway or planned for 2021:

Affordable Housing Actions Already Underway

- 27. Development Services has established and will maintain an affordable housing key contact within the Strategic Initiatives, Policy and Planning Branch, who is able to:
 - a) Act as a first point of contact for both general inquiries and affordable housing providers;
 - b) Provide support to affordable housing providers while they navigate the Planning and Building approval process, or with obtaining required planning information needed to apply for government funding, including the federal Rapid Housing Initiative funding, such as zoning compliance information and details about approval processes and timing;
 - c) Coordinate and collaborate with our Social Housing Service Provider, the County of Simcoe, particularly with respect to the reporting and tracking of affordable housing units;
 - d) Improve upon existing tracking and monitoring of affordable housing; and
 - e) Manage and coordinate the implementation of key affordable housing initiatives.
- 28. Staff will continue to provide support to the County of Simcoe and Redwood Park Communities, and any future applicants, if they are awarded federal Rapid Housing Initiative funding, and work with other departments as needed to help facilitate the construction of these affordable housing projects that are subject to tight timelines.
- 29. Staff are currently revising the proposed affordable housing policies and implementation strategies in the new Official Plan based on public feedback received. This includes consideration of the need for a range of affordable and attainable housing in the City, including both deeply affordable units and workforce housing.

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30. Staff will continue to process applications for Affordable Housing Grants under the Community Improvement Plan (CIP) and make amendments to improve the administration of the CIP as required.
 - a) The CIP seeks to incentivize housing options that target housing for lower income households, given they are the hardest to house.
 - b) The maximum affordable rent set by the CIP is 30 percent of annual household income for those earning up to \$50,000 (lowest 40th percentile) which equals \$1,250 per month.
 31. Development Services staff will continue to work with and provide support to Corporate Facilities and Legal Services Departments as needed for the development of a modular supportive housing project on Vespra Street, which Council allocated \$3 million for in the 2021 Budget.
 32. Development Services staff will participate in and provide technical support (mapping, feasibility, expertise, etc.) to the Affordable Housing Task Force to aggressively expand the supply of affordable housing, with particularly emphasis on addressing the hardest to house.
 33. Staff will prepare an addendum to this report that provides an update on the number of affordable home sales in new plans of subdivision and condominiums in 2020, as well as the number of applicants on the County of Simcoe's centralized waitlist for rent-geared-to-income housing in Barrie.

Additional Housing Action Items Recommended for 2021

34. Considering the progress towards the overall 840-unit goal, and the significant proportion of units that are second suites, Staff are recommending the preparation of a report card, and will bring forward recommended interim updates to the Strategy. Staff will do this in consultation with members of Council, the County of Simcoe and social housing providers in the community.
35. Staff will review and update the Affordable Housing Report Terms of Reference, which already forms part of the complete application requirement for certain Planning applications. The goal of these revisions is to articulate the ability of staff to collaborate with property owners on affordable housing contributions in new development by clarifying expectations to demonstrate conformity with the affordable housing policies in the Official Plan and Provincial Policy Statement. Staff propose to articulate the expected affordability thresholds and establish policies for things such as: phased contributions, off-site contributions, consideration for reductions based on degree of affordability, and opportunities to make cash-contributions in lieu of providing units.
36. To facilitate this, staff recommend a policy and mechanism for collecting cash contributions in lieu of affordable housing units in development applications be developed.
 - a) This would provide alternative opportunities for developers to make affordable housing contributions in the community.
 - b) Funds generated through this could potentially be contributed to the CIP Affordable Housing Development Grant fund, purchase units, put into a dedicated reserve fund, or contribute to rent supplement funding.

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37. Staff recommend holding a Public Meeting for proposed City-initiated Amendments to the Zoning By-law, including:
- a) Review the standards for second suites and detached accessory dwelling units:
 - i. Staff receive daily inquiries regarding construction of second suites and detached accessory dwelling units. These additional housing units make up the majority of the City's affordable housing stock, however the overall affordability of these units has declined over time. Considering this, Staff are recommending that staff re-evaluate the Zoning By-law standards for these, including but not limited to setback requirements for detached units, maximum unit sizes, parking considerations, and aligning language with the *Planning Act*.
 - b) Review standards for minimum dwelling unit floor area requirements in all zones, including opportunities for permitting tiny homes:
 - i. Staff continue to note a growing interest in tiny homes and micro-suites as an affordable dwelling type. Allowing for smaller, more affordable units to be built as-of-right would reduce costs and uncertainty associated with the Planning approval process, by deferring minimum size requirements to the Ontario Building Code.
 - c) Consider amendments to Section 4.4 Non-Conforming Uses to make it easier to add affordable dwelling units into existing non-conforming buildings, and to convert existing non-conforming buildings to affordable housing where the use is already permitted as-of-right:
 - i. Staff have received several minor variance applications over the reporting period seeking to legalize existing setbacks to non-conforming buildings, or the configuration of parking areas, to facilitate the addition of new purpose-built affordable rental units. Retrofitting or converting existing buildings to add affordable dwelling units where they are already permitted by the Zoning By-law can be a cost-effective means of creating more affordable housing. The additional costs and uncertainty that arise when the existing building and or site constraints do not meet today's zoning standards can jeopardize such projects, particularly in cases where government funding agreements include tight construction timelines, or where projects are awarded points during the application process for having all zoning approvals in place. The Zoning By-law already has similar exceptions in place that allow for the addition of a second suite to a dwelling where the existing lot area, lot frontage or setback standards are deficient.
38. Staff recommend automatically waiving Planning application fees, building permit fees, and any other associated or related administration and legal retainer fees for affordable housing projects.
- a) Staff would develop a policy clearly outlining the eligibility criteria to waive fees for non-profits and affordable housing service providers that can guarantee the units will remain affordable for a minimum period.
 - b) Tax increment-based funding and Development Charge Equivalent grants would continue to be administered through the CIP.

Summary

39. While the City has made significant progress towards achieving the goal of 840 affordable housing units by 2025, the cost of rent and home ownership remains relatively high for middle- and low-income households in Barrie. Vacancy rates and the overall supply of purpose-built rental housing remain low, and roughly 60 percent of the affordable dwelling units in the City of Barrie are second suites. Given this, it is particularly important to note that the discount rate applied to second suites grew substantially from 30 percent in 2018 and 2019, to 75 percent in 2020. This indicates that this form of housing has become less affordable over time.
40. The data reported over the 2018 to 2020 monitoring period suggests that there is a continued need for both additional deeply affordable rental units for low-income households, as well as workforce rental and affordable homeownership options. This is further compounded by the challenges with securing affordability over the long term, particularly respecting home ownership.
41. The proposed action items would allow staff to investigate and implement strategies that would allow the City to be better positioned to negotiate additional affordable housing in new development and respond to affordable housing opportunities that arise through affordable housing service providers.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

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

ALTERNATIVES

43. The following alternatives are available for consideration by General Committee:

Alternative #1 Planning Committee could not support staff's requests to initiate the above noted affordable housing action items.

This alternative is not recommended as it would not allow for improvements to be made to better position staff and the City to get more affordable housing built.

Alternative #2 Planning Committee could choose to direct staff to undertake only a portion of the requested Affordable Housing Action items.

Although this alternative is available, staff recommend that Planning Committee consider directing staff to undertake all proposed initiatives to best position staff and the City to respond to affordable housing needs and development opportunities. The provision of affordable housing is a complex matter that requires a variety of initiatives to significantly advance the provision of affordable housing in the City.

FINANCIAL

44. Should Planning Committee authorize staff to exempt affordable housing projects from Planning, Building and related fees as proposed, there would be financial implications in the form of lost revenue.

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45. Should Planning Committee authorize staff to develop a policy and mechanism to allow for cash contributions in lieu of providing affordable housing units, this could generate additional funds to be allocated to support the development of affordable housing in the City.

LINKAGE TO 2018–2022 STRATEGIC PLAN

46. The recommendation(s) included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:
- ☒ Growing Our Economy – making it easier to do business;
 - ☒ Fostering a Safe and Healthy City – get more affordable housing built and collaborate to address social issues, especially homelessness and the opioid crisis; and
 - ☒ Building Strong Neighbourhoods – build walkable, diverse neighbourhoods that encourage community connections and grow responsibly.



APPENDIX "A"

See attached Appendix "A" – Affordable Housing Monitoring Report