



TO: **PLANNING COMMITTEE**

SUBJECT: **COMMUNITY IMPROVEMENT PLAN (CIP) GRANT APPROVALS
SUMMARY – FEBRUARY TO APRIL 2022**

WARD: **ALL**

PREPARED BY AND KEY CONTACT: **A. GAMEIRO, B.E.S, RPP, SENIOR PLANNER, EXT. 5038**

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

GENERAL MANAGER APPROVAL: **B. ARANIYASUNDARAN, P.ENG., PMP, GENERAL MANAGER OF
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CHIEF ADMINISTRATIVE OFFICER APPROVAL: **M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

RECOMMENDED MOTION

1. That Staff Report DEV028-22 regarding the status of the Community Improvement Plan (CIP) Grant Program be received for information purposes.
2. That 50% of the funds from the current balance associated with allocations for the redevelopment grant program within the CIP Reserve be reallocated to the affordable housing and preservation of built heritage grant programs, to replenish the balance and continue funding affordable housing and heritage preservation projects in 2022. The funds shall be distributed accordingly amongst the affordable housing and preservation of built heritage grant programs:
 - i. 66.5% to the affordable housing grant reserve; and,
 - ii. 33.5% percent to the preservation of built heritage grant reserve.

PURPOSE & BACKGROUND

Report Overview

3. The purpose of this staff report is to provide Planning Committee with an overview of the Community Improvement Plan (CIP) Grant applications that were received from February to April 2022 and provide an update on the current balance of the CIP reserve.
4. Additionally, this staff report identifies potential actions that could be taken by Council to replenish the balance of the affordable housing and preservation of built heritage grant reserves to fund more projects in 2022.

ANALYSIS

CIP Application Summary

5. During the first application in-take period, the City received a total of twelve (12) grant applications, as summarized in Table 1. Of those applications, nine (9) were deemed to be complete and eligible in accordance with the requirements of the CIP. The remaining applications were deemed to be

incomplete due to a lack of submission material, or ineligible as they did not meet the eligibility criteria of the CIP. A description of the complete and eligible applications is included in Appendix "A" of this staff report.

Table 1: CIP Applications received between February 1 to April 30, 2022

Application No.	Address	Grant Type	Status
CIP-001-2022*	11 Rodney Street	Preservation of Built Heritage Grant	Complete – approved
CIP-002-2022*	123 Toronto Street	Preservation of Built Heritage Grant	Complete – approved
CIP-003-2022	181 Burton Avenue	Affordable Housing Grant	Ineligible – Application is premature. An active Site Plan Application is required.
CIP-004-2022*	105 Cumberland Street	Preservation of Built Heritage Grant	Complete – not approved
CIP-005-2022*	236 Dunlop Street West	Affordable Housing & Redevelopment Grants	Complete – approved
CIP-006-2022*	10-24 Grove Street West	Affordable Housing Grant	Complete – not approved
CIP-007-2022*	115 Bayfield Street	Affordable Housing	Complete – approved
CIP-008-2022	50 William Street	Preservation of Built Heritage Grant	Application submitted after the submission deadline. Will be considered in Fall 2022.
CIP-009-2022*	440 Essa Road	Affordable Housing & Redevelopment Grants	Complete – approved
CIP-014-2021*	72 High Street	Preservation of Built Heritage Grant	Complete – approved
CIP-015-2021*	94 Clapperton Street	Preservation of Built Heritage Grant	Complete – approved
CIP-021-2021	84 Cumberland Street	Preservation of Built Heritage Grant	Incomplete – only one quote was submitted for the proposed works, whereas two are required.

* Denotes applications that were deemed complete and eligible by staff

6. The nine (9) complete applications identified in Table 1 were approved by the CIP Grant Review Committee, with the exception of Affordable Housing Grant Application No. CIP-006-2022 for 10-24 Grove Street West and Preservation of Built Heritage Grant Application No. CIP-004-2022 for 105 Cumberland Street. Funding for the balance of the applications was granted primarily for development and renovation projects in the urban growth centre (UGC), intensification nodes and corridors, and historical neighbourhoods.
7. Application No. CIP-006-2022 was not approved by the CIP Grant Review Committee because it received a lower score than other competing applications, proposed a lower percentage of affordable units in comparison to other proposals, and the applicant did not demonstrate a commitment to providing affordable housing units in their submission. Application No. CIP-004-2022 was not approved because much of the proposed work was associated with the construction of a new building addition, which in the opinion of Planning staff and the Committee, did not result in the conservation or improvement of the heritage features and/or characteristics of the dwelling.
8. For applications that were deemed incomplete, applicants were advised of the submission requirements and given an opportunity to submit outstanding material by the April 30th submission deadline. For applications that were deemed ineligible, applicants were advised of the minimum eligibility criteria of the CIP so they may take the necessary steps to meet said criteria and prepare an application for the second submission period which will occur from July 1 to October 31, 2022.

CIP Reserve and Approved Funding

9. Council has established a CIP reserve fund to fund the initiatives of the CIP. The allocation of CIP funding is distributed between the respective grant programs as follows:

- i. 55 percent towards the Affordable Housing Development Grant Program;
- ii. 40 percent towards the Redevelopment Grant Program; and
- iii. 5 percent towards the Preservation of Built Heritage Grant Program.

In the event that all of the available funding has not been allocated at the end of the year, any unused funding is carried over into the following year and remains in the same allocation grant program within the CIP reserve fund.

10. Table 2 identifies the total amount of funding that was granted to the applications that were considered by the CIP Grant Review Committee, as well as the current balance of the CIP Reserve following the first application in-take period of 2022. As identified in Table 2 below, the opening balance of the City's CIP Reserve in 2022 was \$2,256,011.04. Following the approval of applications during the first application in-take period of 2022, the current balance of the CIP Reserve is \$905,675.04.

Table 2: CIP Reserve balance after the 1st application intake period (2022)

CIP Program	CIP Reserve Balance After 2 nd Intake Period of 2021	Replenishment of Reserves in 2022	Balance after Rescinding Previous Approvals & Council Budget Top-up	Recommended Funding for Applications – 1 st Intake Period of 2022	Current Balance
Affordable Housing (55%)	\$0.00	+\$330,000.00 (Budget) +\$150,000.00 (CB) +\$662,235.00 (PAR)	\$1,142,235.00	\$1,088,211.00	\$54,024.00
Redevelopment (40%)	\$144,481.88	+\$240,000.00 (Budget) +\$688,120.00 (PAR)	\$1,072,601.88	\$221,023.00	\$851,578.88
Heritage (5%)	\$11,174.16	+\$30,000.00 (Budget)	\$41,174.16	\$41,102.00	\$72.16
Total	\$155,656.04	\$2,080,355.00	\$2,256,011.04	\$1,350,336.00	\$905,675.04

*(CB) – Community Benefits

*(PAR) – Previous Approval Rescinded

11. In 2022, the CIP grant reserves were replenished by Council, as well as the payment of community benefits associated with active development proposals. Additionally, the City rescinded two previous grant approvals which were issued on May 8, 2020 given that the applicants did not receive a building permit and commence construction within 18 months of the grant approval, in accordance with the requirements of the CIP. The replenishment of the CIP Grant reserves are reflected in Table 2.
12. In early 2022, City Council approved the allocation of \$600,000.00 to the CIP Program. The funds were distributed among the respective grant programs in accordance with the requirements of the CIP. The funds were distributed as follows:
- i. \$330,000.00 to the Affordable Housing Grant Program (55%);
 - ii. \$240,000.00 to the Redevelopment Grant Program (40%); and,
 - iii. \$30,000 to the Preservation of Built Heritage Grant Program (5%).
13. The City received a community benefit in the amount of \$150,000.00 for the creation of affordable housing units, which was associated with a development proposal at 55 Dunlop Street West (Site

Plan File: D11-015-2022). Further, the City rescinded CIP Grant approvals for the HIP and YMCA development proposal at 44 Bradford Street (File: CIP-012-2020) and the Revera Retirement Living Facility at 47 Collier Street (File: CIP-015-2020). Collectively, a total of \$662,235.00 and \$688,120.00 was put back into the Affordable Housing and Redevelopment Grant Reserves.

14. Only the preservation of built heritage grants, development charge grants and per door grants for affordable housing units are funded from the CIP reserve. Incentives for *Planning Act* and building permit application fees and tax increment based grants are absorbed as lost revenue by the City. As such, the calculations in Table 2 do not include any lost revenue that will be absorbed by the City as a result of the CIP Grant Program. Any losses in revenue associated with application fees and tax increment grants will be reported by the Finance and Development Services Department on an annual basis.

Affordable Housing and Preservation of Built Heritage Grant Reserve Considerations

15. As noted in Table 2, the balance of the affordable housing grant reserve is relatively low with only \$54,024.00 remaining, while the preservation of built heritage grant reserve has been depleted.
16. Currently, the City's ability to fund development charge and per door grants for affordable housing projects is limited for the remainder of the calendar year. However, the City may continue funding application fee and tax increment based grants, as they are absorbed by the City as lost revenue. Additionally, the City will not be able to fund heritage preservation projects for the remainder of the calendar year due to a lack of funds in the CIP Reserve.
17. For Planning Committee's reference, the City generally receives a higher volume of applications for affordable housing and preservation of built heritage grants than it does for redevelopment grants. For example, of the nine (9) applications that were received during the first in-take period, two (2) of them were for redevelopment grants; however, these grants were applied for in conjunction with applications for affordable housing grants.
18. Planning staff recommend that Council consider replenishing the affordable housing and preservation of built heritage grant reserves by reallocating funds from the redevelopment grant reserve. This approach would allow the City to continue funding affordable housing and heritage preservation projects in 2022. The reallocation of funds would not require an amendment to the CIP, as the distribution of funds (i.e. percentages) for the respective grant programs are identified in the preamble of the CIP and do not form part of the plan.
19. Staff recommend that 50% (\$425,789.44) of the remaining funds from the redevelopment grant reserve be reallocated to the affordable housing and preservation of built heritage grant reserves for the second intake period in 2022, as identified in Table 3. Of this, Planning staff further recommend that 66.5% of the funding be allocated to affordable housing while the remainder (33.5%) be allocated to heritage preservation. In staff's experience, the costs associated with affordable housing projects are generally higher than those associated with heritage preservation projects. In staff's opinion, allocating a higher percentage of funding to affordable housing would have a greater impact on the community and better advance the objectives and goals of the CIP. If approved, the reallocation of funds is not expected to negatively impact the redevelopment grant reserve. Sufficient funds would remain available to fund eligible redevelopment grant projects for the remainder of 2022.

Table 3: CIP Reserve Balance if Funds are Reallocated

CIP Program	Opening Balance	Approved Funding for Applications – 1 st In-take Period	CIP Reserve Balance After 1 st In-take Period	Council Re-distribution of Funds (Recommended)	CIP Reserve Balance After Reallocation of Funds
Affordable Housing (55%)	\$1,142,235.00	\$1,088,211.00	\$54,024.00	+\$283,149.97	\$337,173.97
Redevelopment (40%)	\$1,072,601.88	\$221,023.00	\$851,578.88	-\$425,789.44	\$425,789.44
Heritage (5%)	\$41,174.16	\$41,102.00	\$72.16	+\$142,639.47	\$142,711.63
Total	\$2,256,011.04	\$1,350,336.00	\$905,675.04	-	\$905,675.04

20. Staff will continue to review the apportionment of funds among the respective grant programs for future years to ensure that CIP funding has an immediate impact on Council's key priority areas. Staff will report back to Planning Committee following the next application in-take period.

Next Steps – Application Processing (First In-take Period)

21. On July 18, 2022, the CIP applicants were notified of the Grant Review Committee's decision respecting their proposals. Planning staff will work with the applicants and the City's Legal Services Department to draft grant agreements for each of the applications. The agreements will establish the terms and conditions of the grant(s) and will be registered on title of the subject properties.

Second Application In-take Period

22. The second and final application in-take period for 2022 will occur from July 1st to October 31st. Planning staff will report back to Planning Committee in December 2022 following the consideration of applications by the CIP Grant Review Committee.

Summary

23. Given the volume of grant applications that have been received by the City, it appears that the City's CIP has continued to be a success. The CIP funding that has been approved to-date will provide support for development projects of all sizes, ranging from minor improvements of heritage properties to high density mixed-use and affordable housing developments throughout the City. The CIP is fulfilling its intended function of acting as a catalyst for new mixed-use and affordable housing development projects in the City's UGC and strategic growth areas.
24. The balance of the affordable housing grant reserve is currently low, while the preservation of built heritage grant reserve has been depleted for 2022. It is recommended that Council consider reallocating funds from the redevelopment grant reserve to replenish the balance of the affordable housing and preservation of built heritage grant reserves. Doing so would allow the City to continue funding affordable housing and heritage preservation projects in 2022.
25. Planning staff expect to receive additional CIP applications in the third quarter of 2022 as developers and property owners continue to express interest in the various incentives offered by the City's CIP program.
26. Planning staff are reviewing the long-term apportionment of funds between the respective grant programs for future years to ensure that the limited funds available have the most immediate impact on Council's key priority areas. Planning staff will report back to Planning Committee following the next application in-take period.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

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

ALTERNATIVES

28. The following alternatives are available for consideration by Planning Committee:

<u>Alternative #1</u>	Planning Committee could choose to reallocate an alternative percentage (i.e. more than or less than the percentages recommended) of funds from the redevelopment grant reserve to replenish the balance of the affordable housing and preservation of built heritage grant reserves. Doing so would allow the City to continue funding development charge and per door grants for affordable housing projects in 2022. The redistribution of funds would also allow the City to continue funding heritage preservation projects in 2022. This alternative is consistent with Council's strategic goals to build stronger neighbourhoods through the preservation of heritage resources; to foster a safe and healthy city by getting more affordable housing built; and, to collaborate to address social issues, especially homelessness.
<u>Alternative #2</u>	<p>Planning Committee could recommend the reallocation of 100% of the current remaining balance from the redevelopment grant reserve within the CIP reserve to the affordable housing and preservation of built heritage grant programs.</p> <p>This alternative is available. It would prioritize affordable housing and heritage preservation over ground-floor commercial or mixed-use developments and brownfield revitalization. It is not currently recommended as the CIP is in its first two years and applications in all three priority areas are generally strong, with the affordable housing and preservation of built heritage portions being the strongest at the moment. Staff are reviewing the percentage allocations between each of the programs funded by the reserve and will report back with longer term recommendations for percentage allocations after the next intake period.</p>
<u>Alternative #3</u>	<p>Planning Committee could recommend not to reallocate funds from the redevelopment grant reserve to replenish the balance of the affordable housing and preservation of built heritage grant reserves.</p> <p>The City will not be able to fund development charge or per door grants for affordable housing projects in 2022. However, the City may continue issuing application fee and tax increment based grants to applicants, as these grants are absorbed by the City as lost revenue.</p> <p>The City will not be able to fund heritage preservation projects for the remainder of 2022, as heritage grants are funded from the CIP reserve.</p>

FINANCIAL

29. There are no direct financial implications associated with the reallocation between the grant programs supported by the CIP reserve as additional funding is not being sought.

30. Given the current balance of the affordable housing and preservation of built heritage grant reserves, if the recommendation is not supported, the City's ability to provide development charge or per door grants for affordable housing projects for the balance of 2022 will be limited. Additionally, the City would not be able to provide grants for heritage preservation projects for the remainder of 2022.
31. Should Council choose to reallocate funds from the redevelopment grant reserve to replenish the affordable housing and preservation of built heritage grant reserves, there would be less funding available to applicants seeking redevelopment grants.

LINKAGE TO 2018–2022 STRATEGIC PLAN

32. The recommendation included in this Staff Report will support the following goal identified in the 2018-2022 Strategic Plan:

Fostering a Safe & Healthy City – Getting more affordable housing built	The reallocation of CIP funds will allow the City to assist with funding the creation of new affordable housing units across the community.
Building Strong Neighbourhoods - Build diverse neighbourhoods	The reallocation of CIP funds will allow the City to assist with funding the preservation of the historic features of heritage buildings across the community. Historic buildings contribute to the diversity in building typologies and contribute to the character of a neighbourhood.

Attached: Appendix "A" - Summary of Complete CIP Applications

APPENDIX "A"

Summary of Complete CIP Applications

Application Type	Application No.	Address	Applicant	Description	Approved (Yes/No)	Approved Grants
Heritage Grant	CIP-001-2022	11 Rodney Street	Jennifer Slykhuis	Window replacements and masonry improvements on the exterior façades of the existing dwelling located on the subject property.	Yes	<u>Preservation of Built Heritage Grant</u> <ul style="list-style-type: none"> \$11,075.00 towards window replacements and masonry improvements on the exterior facades of the existing dwelling.
Heritage Grant	CIP-002-2022	123 Toronto Street	Jarrett Johns	The replacement of all windows and doors to match the original colour and style of the existing dwelling on the subject property.	Yes	<u>Preservation of Built Heritage Grant</u> <ul style="list-style-type: none"> \$12,776.00 towards window and door replacements.
Heritage Grant	CIP-004-2022	105 Cumberland Street	Will Northcote	<p>The construction of an addition to the existing home on the subject property. The scope of the proposed works includes the following:</p> <ul style="list-style-type: none"> Addition of a second storey above the garage, which will include a master bedroom and an ensuite; Replacement of the front porch and second storey balcony; Replacement of the entire roof, including the installation of shingles on the roof of the new addition; Replacement of flooring and renovation of a bathroom in an existing rear addition; Replacement and capping of some windows; and, Replacement of the driveway and landscaping in the front yard of the property. 	No	<p><u>Not approved for the following reasons:</u></p> <ul style="list-style-type: none"> The subject application does not meet the eligibility criteria and/or objectives of the CIP. The proposed works are primarily associated with the construction of a new building addition and do not, in the opinion of the Committee, directly improve the heritage features or contribute to the historic character of the dwelling. While some of the proposed works to the <u>existing</u> dwelling may be eligible for funding through the City's CIP, two (2) detailed quotes itemizing the costs associated with said works were not provided. As such, the minimum submission requirements of the CIP were not met (i.e. the provision of 2 detailed quotes itemizing the costs associated with <u>all</u> eligible works).

Application Type	Application No.	Address	Applicant	Description	Approved (Yes/No)	Approved Grants
Affordable Housing & Redevelopment Grant	CIP-005-2022	236 Dunlop Street West	Cornerstone to Recovery	The renovation of, and addition to, an existing building for the purpose of creating a women's shelter containing ten (10) residential treatment program suites, three (3) transitional suites, and meeting rooms and offices.	Yes	<p><u>Affordable Housing Development Grant</u></p> <ul style="list-style-type: none"> 100 percent of the <i>Planning Act</i> and building permit application fees; \$159,000.00 applied towards the development charges for affordable, transitional, emergency, or social housing units, as defined by the CIP; and, \$18,730.00 to fund newly created affordable, transitional, emergency, or social housing units, as defined by the CIP. <p><u>Redevelopment Grant</u></p> <ul style="list-style-type: none"> \$9,707.00 applied towards the development charges for the ground related commercial, office and/or institutional component of the project; 50 percent of the building permit fees for the ground related commercial, office and/or institutional component of the project; and, 100 percent of the <i>Planning Act</i> application fees for the entire project.
Affordable Housing Grant	CIP-006-2022	10-24 Grove Street West	MHBC Planning on behalf of Skydevco Inc	A multi-residential development consisting of three (3) towers with a shared podium, as well as a stand-alone mid-rise building. The subject application applies to the first phase of the project which consists of two multi-residential buildings and an associated parking structure. The two buildings have heights of 23 and 25 storeys, and contain 509 purpose-built rental units, of which 43 will be affordable subject to the receipt of appropriate funding.	No	<p><u>Not approved for the following reasons:</u></p> <ul style="list-style-type: none"> 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 in-take 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 insituional 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.

Application Type	Application No.	Address	Applicant	Description	Approved (Yes/No)	Approved Grants
Affordable Housing Grant	CIP-007-2022	115 Bayfield Street	Coral Sophia Lane Housing Inc.	An 8-storey infill apartment building containing 108 purpose-built rental units, including 66 affordable units along with shared amenity space and 114 parking spaces.	Yes	<p><u>Affordable Housing Grant</u></p> <ul style="list-style-type: none"> \$396,667.00 towards the development charges for affordable rental units for which the cost of housing does not exceed 30 percent of gross annual household income for low to low-moderate income households in the 40th income percentile; and, A per door grant in the amount of \$200,000.00 to be applied towards the construction of affordable and purpose built-rental units.
Affordable Housing & Redevelopment Grant	CIP-009-2022	440 Essa Road	One Urban Developments	A 9-storey mixed-use building containing 257 purpose-built rental units, of which 39 are to be affordable, and 1,070 square metres of ground floor commercial space.	Yes	<p><u>Affordable Housing Grant</u></p> <ul style="list-style-type: none"> 100 percent of the <i>Planning Act</i> application fees for the entire project; 100 percent of the building permit application fees for affordable housing units; \$313,814.00 applied towards the development charges for affordable housing units geared toward low to low-moderate income households in the 40th income percentile; and, A tax increment based grant for the incremental tax for the residential component of the development over a 5-year period. <p><u>Redevelopment Grant</u></p> <ul style="list-style-type: none"> \$211,316.00 applied towards the development charges for the ground related commercial, office and/or institutional component of the project; 50 percent of the building permit fees for the ground related commercial, office and/or institutional component of the project; 100 percent of the <i>Planning Act</i> application fees for the entire project; A tax increment based grant for the incremental tax on the ground floor related commercial, office and/or institutional portion of the development over a 5-year period; and, A tax increment based grant for the redevelopment of a brownfield site for the lesser value of the total tax increment or the costs of studies and remediation combined, up to a maximum of \$230,000.00, as identified in the CIP.



Application Type	Application No.	Address	Applicant	Description	Approved (Yes/No)	Approved Grants
Heritage Grant	CIP-014-2021	72 High Street	Chapman Law Professional Corporation	The parging of exterior bricks, the sanding and painting of the exterior of the building, and the replacement of a second storey balcony.	Yes	<u>Preservation of Built Heritage Grant</u> \$14,905.00 toward the parking of exterior bricks, the sanding and painting of the exterior of the building, and the replacement of a second storey balcony.
Heritage Grant	CIP-015-2021	94 Clapperton Street	Liz Saul	The replacement of exterior windows to match the original colour and style of the dwelling on the subject property.	Yes	<u>Preservation of Built Heritage Grant</u> \$2,346.00 toward the replacement of exterior windows.

*Applications that were incomplete, ineligible or withdrawn have not been included in the table.