



**DEVELOPMENT SERVICES
MEMORANDUM**

Page: 1
File:
Pending #:

TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: M. KOWALCHUK, SENIOR PLANNER, EXT. 4378

WARD: ALL

NOTED: M. BANFIELD, RPP, DIRECTOR OF DEVELOPMENT SERVICES
B. ARANIYASUNDARAN, P. ENG, PMP, GENERAL MANAGER OF INFRASTRUCTURE, AND GROWTH MANAGEMENT

RE: UPDATE ON THE NEW FOUNDATIONS PROJECT: QUICK START FOR AFFORDABLE HOUSING PROJECTS ON INSTITUTIONAL LANDS

DATE: OCTOBER 4, 2023

The purpose of this Memorandum is to provide members of Council with an update on the 'New Foundations' project and review lessons learned from this initiative.

Background

In March 2021, the Mayor's Affordable Housing Task Force was established to prepare a plan to co-ordinate County, City, and charitable/not-for-profit housing projects and policies to aggressively expand the supply of affordable housing, with particular emphasis on addressing the hardest to house. A variety of recommendations came from this Task Force, one of which was to hire a consultant to prepare feasibility studies for lands zoned 'Institutional' and places of worship, to explore what types of affordable housing developments may be able to be constructed on these sites along with the existing institutional or place of worship use. City Council adopted the following motion (21-G-205) to direct staff and begin this initiative.

"1. That the Development Services Department, supported by the Affordable Housing Task Force, write to all owners of institutionally designated properties in Barrie indicating the intention to allow housing as-of-right on their properties, and inviting them to contact the City to discuss the potential for the construction of affordable housing on their properties and that the Affordable Housing Task Force report back to Council on success of the program in encouraging applications from interested property owners by December, 2021 and further contact places of worship designated residential with the potential developable lands for the same purpose.

2. That once projects are determined, staff in the Development Services Department seek proposals from consultants in accordance with the Procurement By-law to conduct feasibility studies for affordable housing projects on institutionally and residential designated properties owned by non-profit or charitable organizations to be funded by the Community Benefit Reserve for a total of up to 10 studies at a cost of up to \$20,000 each.

3. That staff in the Development Services Department report back to Council by way of a memorandum of other ways to potentially provide financial incentives to institutions providing housing, including the discounting of development charges partial or complete, and other ways of reducing application fees and soft costs."

New Foundations Program

To implement the above motion, the New Foundations Program launched in August 2022. Nine (9) groups applied to the program and a total of eight (8) sites were selected to participate in the New Foundations



**DEVELOPMENT SERVICES
MEMORANDUM**

Page: 2
File:
Pending #:

Program all of which are currently places of worship or long-term care facilities. One site was not eligible as they did not own property in the City, but staff ensured that they were connected to the successful applicants to try and form partnerships to meet the needs of their community members.

Six (6) sites received funding to conduct a feasibility study. The studies were completed by Smart Density and Parcel Economics and provided to the landowners in Q4 of 2022 and Q1 2023.

The purpose of the feasibility studies was to identify the highest and best use of the selected sites, while taking into consideration the type of development each landowner was interested in constructing; the unit type, tenure, how much of their existing site they wanted to provide for development and the neighbourhood context. The studies provide an independent preliminary exploration in determining the merits and viability of development while examining all aspects of the project, including alignment with the City of Barrie policy framework (Zoning By-law and Official Plan), technical, economic, and environmental and site constraints.

Two (2) place of worship sites had already advanced a preliminary development concept for affordable housing. The money that would have been spent on a feasibility study was instead provided to assist the landowners in a way that would expedite their project and was dedicated to preparing a site survey, engineering works and architectural drawings.

To date, eight (8) sites have received funding for a total of \$154,065.56.

Summary of Findings

The chart below outlines the financial findings of Parcel Economics for the six (6) sites with feasibility studies. The approximate building and parking costs are provided with a low and high scenario. The costs are further broken down to a cost per square foot (psf) and cost per parking space (sp).

Soft costs are expenses involved in a construction project that do not deal with the physical construction or process of construction. These can include items such as professional fees (planning/architecture/engineering etc.), financing, one-time municipal charges and fees, and other miscellaneous costs. The City of Barrie has programs in place to reduce soft cost impacts on affordable housing projects, such as the Community Improvement Plan (CIP), were not included in the studies to show the total cost of development without any discounts.

These numbers are not intended to be relied upon as an explicit indication as to the anticipated capital costs required to advance any of these projects but rather as more of a benchmark estimate and point of reference before the project progresses through a more detailed design process.

The total cost excludes the land cost, as it is anticipated that the landowners who received these feasibility studies own the land. Additional costs related to mortgages, property taxes, etc. may also need to be taken into consideration when looking at the total cost.

Site No.	Building Typology	Building Costs		Parking Hard Costs		Soft Costs		Total Costs (Excluding land costs)	
		Low	High	Low	High	Low	High	Low	High
1	Low-Rise Apartments	\$5.3M \$235 psf	\$6.1M \$270 psf	\$0.04M \$3,000/sp	\$0.1M \$8,000/sp	\$2.0M	\$3.0M	\$7.3M \$323 psf	\$9.1M \$402 psf
2	Low-Rise Apartments	\$9.6M \$240 psf	\$13.1M \$325 psf	\$0.04M \$3,000/sp	\$0.1M \$8,000/sp	\$3.0M	\$7.0M	\$12.6M \$315 psf	\$20.1M \$499 psf



**DEVELOPMENT SERVICES
MEMORANDUM**

Page: 3
File:
Pending #:

3	Apartments, Commercial Area, Community Area	\$14.5M \$246 psf	\$20.0M \$338 psf	\$2.25M \$50,000/sp	\$3.38M \$75,000/sp	\$5.0M	\$12.0M	\$19.5M \$330 psf	\$32.0M \$541 psf
4	High-Rise Apartments, Commercial Area	\$225.6M \$239 psf	\$305.5M \$323 psf	\$45.1M \$50,000/sp	\$67.7M \$75,000/sp	\$81.0M	\$187.0M	\$306.6M \$324 psf	\$492.5M \$521 psf
5	Long-Term Care Facility	\$42.6M \$240 psf	\$57.7M \$325 psf	\$0.5M \$3,000/sp	\$1.2M \$8,000/sp	\$13.0M	\$29.0M	\$55.6M \$313 psf	\$86.7M \$488 psf
6	Low-Rise Apartments	\$6.0M \$240 psf	\$8.1M \$325 psf	\$0.0M \$3,000/sp	\$0.1M \$8,000/sp	\$2.0M	\$4.0M	\$8.0M \$320 psf	\$12.2M \$485 psf

Source: Based on 2023 Altus Construction Costs and preliminary development concepts by Smart Density

The chart below outlines the proposed number of units on each site and the proposed built form and use:

Site	Built Form	Type of Units	No. of Units
1	Low Rise Apartment Dwelling (4 storeys)	Rental	22
2	Low Rise Apartment Dwelling (4 storeys)	Rental	54
3	3 Mixed Use Building (Commercial Space, Community Space and Residential Dwelling Units)	Rental	54
4	High Rise Apartment Dwelling with Commercial Space (30 storeys)	Rental	1087
5	Long-Term Care Facility (4 Storey)	Long-Term Care Home	160
6	Low Rise Apartment Dwelling (3 storey)	Rental	28
			1405

The total number of proposed residential units provided in the feasibility studies by Smart Density would be 1245 and 160 long-term care units. The additional two sites which received direct funding have proposed 90 and 30 units for a total of 1335. All residential units are proposed to be rental; however, tenure will not be confirmed until a formal development application is made to the City.

Observations

Through the development and review of the feasibility studies and meetings with landowners, staff have learned that there are significant limitations in cost-effective development types that would provide affordable housing. For example, when looking at construction, there are certain aspects of the building code which may apply when building over four (4) storeys (e.g., requirements for elevators, requirements for concrete construction when building above 6 storeys, and possibly the requirement for additional fire protection measures). It is more cost effective to construct a building under four (4) stories to reduce these construction costs. However, the limitation on building height(s) to improve construction costs may result in less overall affordable units being constructed.

Another cost that is difficult to fully outline, but important to note, is maintenance costs. When looking at establishing deeply affordable units, it may be beneficial to develop less units due to upkeep costs and the

amount of resources required to support residents of these units. For example, long-term care units may need to be constructed barrier-free, or with an elevator, to ensure that residents can live comfortably and safely. These aspects can drive up long-term costs and overall financial commitment needed.

The studies also gave staff and landowners insights into how the existing Zoning By-law may be impacting development of affordable housing. For example, the studies note that parking is a costly aspect of development that can directly impact the ability to provide affordable units. Parking is noted to be a concern as it relates to affordable housing because it is expensive to provide, takes up space that might be better utilized for other uses on these sites (housing, greenspace, communal areas, etc.), and underground parking and parking structures are cost prohibitive. Staff will ensure this is investigated further as part of the ongoing comprehensive Zoning By-law review.

Staff also note that the number of units feasible on a site is largely tied to their tenure/level of affordability; sometimes building more units is necessary for mixed-income developments, where affordable units are subsidized by market units. However, for deeply affordable units, fewer units improve feasibility because of operational costs. Deeply affordable units require continual funding to keep rents low/affordable, staffing, building maintenance costs, and the additional costs of providing much needed additional wrap around supports.

Staff note that providing these reports to the respective landowners does not endorse these projects but rather provides comprehensive information for the landowners and provides a starting point to understand what is possible on their site and estimated costs of development.

When reviewing the feasibility studies and the input received from landowners, staff were able to see exactly how important relationships between landowners, builders, and community partners are in developing, maintaining, and operating affordable housing. These types of partnerships can be found in existing housing projects across the City for both affordable and market units, but it is of the utmost importance to ensure the right groups are around the table when seeking to develop affordable housing.

In an effort to bring partners together to foster collaboration, the City of Barrie hosted an Affordable Housing Symposium on May 4, 2023, a gathering of developers, non-profit organizations, government agencies and members of the public joined together for an evening of education and meaningful discussion. An engaging panel discussion was held with experts in the housing realm, including Naama Blonder from Smart Density, Matt Bennett from N. Barry Lyon Consultants (City of Barrie consultant on the Affordable Housing Strategy Update), Luke Wilson from MDM Developments (recipient of the Affordable Housing CIP) and Mina Fayeze-Bahgat, County of Simcoe. The panel discussion was recorded by Rogers TV and can be viewed [here](#). During the informal portion of the symposium, staff showcased the New Foundations concept plans and the two (2) organizations who received funding/feasibility studies through the initiative hosted booths showcasing their concept plans and had an opportunity to connect with members of the public, builders, developers and other non-profits organizations with the hopes of finding partners and allies for their projects.

The City has shared the feasibility studies with the County of Simcoe in hopes of finding an opportunity to partner or provide financial supports (grants) to move these projects forward. The City continues to look for funding opportunities and partnerships to support the New Foundations initiatives. Should the City be successful with the grant application through the Federal Housing Accelerator Fund (HAF), there may be an opportunity to use the funding received to advance the concept plans to architectural designs for building permit submission.

Overall there has been a lot of interest and outreach in the New Foundations project and many are eagerly awaiting to see the future outcomes of the project.



DEVELOPMENT SERVICES MEMORANDUM

Page: 5
File:
Pending #:

Next Steps

Staff in Development Services will continue to work with the landowners to help facilitate connections with builders, operators or other interested parties to help advance their developments. Staff also continue to develop relationships with service providers and non-profit organizations to further understand issues of affordability and create additional partnerships with landowners to bring affordable housing developments to fruition.

Should any of the landowners wish to proceed with the development concepts identified in the feasibility studies, a pre-consultation with the Development Services Department is the required next step. Pre-consultations will provide landowners with detailed information related to future formal development application requirements, conformity with Provincial and City policies and standards, as well as servicing, design and financial requirements for obtaining appropriate planning approval(s). There are no planning application fees for affordable housing projects.

As staff work to update the Affordable Housing Strategy, the information provided by Smart Density and Parcel Economics helps to frame the economic challenges of providing affordable housing and will assist in developing programs and incentives to include in the strategy. Policy options will be brought to Council later this year for consideration.