



## PLANNING AND BUILDING SERVICES MEMORANDUM

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**TO:** MAYOR J. LEHMAN AND MEMBERS OF COUNCIL **FILE:** D04-AFF

**FROM:** A. BOURRIE, RPP, DIRECTOR OF PLANNING AND BUILDING SERVICES

**NOTED:** R. FORWARD, MBA, M.Sc., P. ENG.  
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

**RE:** ANNUAL AFFORDABLE HOUSING MONITORING REPORT

**DATE:** FEBRUARY 12, 2018

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The purpose of this Memorandum is to advise members of Council concerning the attached second Annual Affordable Housing Monitoring Report for the period of July 2016 to December 2017. Note that reporting has transitioned to correspond with the calendar year.

The City of Barrie Affordable Housing Strategy was approved by Council on February 18, 2015. The first Affordable Housing Monitoring Report was released in June 2016 and this Report continues to represent the initiatives, results and successes which have occurred since the approval of the strategy.

This Monitoring Report also provides a summary review of the 14 Action Items identified in the Affordable Housing Strategy and the Built Form Task Force recommendations as well as identifying opportunities for further improvement.

Moving forward, staff are proposing to develop a standardized annual reporting format for the period of January to December. This will enable the application of consistent affordability price points in any one year, and will allow for year over year comparison. The intention is also to establish measurable performance indicators aligned with the County of Simcoe Affordable Housing reporting framework.

Highlights of the Report include:

- The vacancy rate for the rental housing market has improved as the supply increase outpaced modest demand growth.
- Despite a cooler market, rents increased faster than the provincial average.
- Given the strong growth in primary market supply, the secondary rental market in Barrie continued to support the primary rental market by supplying a sufficient number of units for rent to match demand for secondary rental.
- Out of the 375 new units issued occupancy over the reporting period, 45 units were sold below the affordability threshold of \$304,000, and 2 units were sold below the 2017 affordability threshold of \$305,000.

On the horizon, several high density rental market projects are proposed that could significantly increase the supply of rental units in 2018 through to 2019.

If members of Council have any questions or comments please contact Kathy Brislin, Senior Planner at extension 4440 or Edward Terry, Planner at extension 5135.



# Affordable Housing Monitoring Report



Reporting Period July 2016 to December 2017



## MESSAGE FROM THE MAYOR



On February 18th, 2015 Council approved the City of Barrie Affordable Housing Strategy. The 10-year strategy seeks to increase the supply and range of affordable housing options to meet the needs of our residents, at all income levels and stages of life.

Affordable housing encompasses a range of housing types allowing families and individuals of all income levels to find suitable places to live without spending a disproportionate percentage of their income on housing. It promotes overall health and well-being, increases resident safety and creates a more liveable community. Affordable housing can include ownership, rental, or subsidized accommodation.

The Strategy identifies housing targets—based on the County of Simcoe’s 10 Year Housing and Homelessness Prevention Strategy—and 14 actions. All of the actions have been initiated and most have been completed. But there is still considerable work to be done if we are to ensure Barrie residents have access to safe, affordable and adequate housing.

City Council is committed to increasing Barrie’s supply of affordable housing. To that end this progress report details our achievements over the last 18 months and lays the foundation for our 2018 work program. I am confident that together— Council, staff, community organizations and the development industry—we can make significant strides forward in 2018.

Jeff Lehman, Mayor, City of Barrie



## HIGHLIGHTS – HOUSING TARGETS

The County of Simcoe's 10 Year Housing and Homelessness Prevention Strategy sets a 2025 target for the City of Barrie: to increase the number of affordable housing units by 840. At the end of 2017, 441 units, mostly rental, had been added to the city's affordable housing stock.

### Rental Housing

- 410 affordable rental units and 31 down payment assistance units, for a total of 441 units, have been added to the city's stock of affordable housing.
- Among the 441 units, 54 are for households with an income of \$1,542 to \$2,596/month. This exceeds the 10-year target of 47 units.
- Barrie's rental housing vacancy rate is 2.7%. This has increased since the June 2016 Monitoring Report was published, as the increase in rental housing supply outpaced modest growth in demand. In contrast, the provincial vacancy rate has decreased to 1.6%, the lowest it has been since 2000.
- An active job market in Barrie attracted professionals to the area and helped a number of young people stay in Barrie for work. This strong labour market performance helped sustain demand in a rental housing market that is one of the most expensive in Ontario, only Toronto and Ottawa have higher rents.



- Second suites are an important contributor to the supply of rental housing and there are currently 1126 register second suites in Barrie. Over this monitoring period 223 second suites—200 of them at affordable rents—were added to the rental housing stock. Of these 200 new affordable second suites, 33 received County grant assistance.
- While continuing to ensure that health and safety standards are met, the process for registering new suites has been improved and fees have been reduced.

## HIGHLIGHTS – HOUSING TARGETS

### Home Ownership

- 47 first-time home sales were priced at or below the affordable price point of \$304,840 in 2016 and \$305,000 in 2017.
- 12.5 per cent of all new ownership units are deemed to be affordable. This exceeds the City's Official Plan goal seeking an annual minimum of 10 per cent of all new ownership housing units being affordable.
- Three Habitat for Humanity ownership townhouses were occupied in 2017. Redevelopment Grant applications have been submitted for these units under the new Built Boundary Community Improvement Plan. The grant is for a 50% rebate on development charges and building permit fees and includes a rebate on the increased taxes paid in decreasing percentages over a 5 year period.

### On the Horizon

- Applications for higher density rental housing are under review, and if approved could significantly increase the supply of rental units in the upcoming three years, by well over 1000 units.
- An application is under review to convert a motel into a 17-unit affordable housing complex funded through the Ontario government's Home for Good program.

### Red Flags

- No rental units were built in Barrie for households in the lower income rental category (rents below \$344 per month and household incomes below \$1,149 per month); however, it can be assumed that some of the new secondary suites would fall into this category.
- Barrie has no ownership units, either new or resale, for households making less than \$30,000 per year.



- Staff is exploring opportunities to access the Federal Government's \$11.2-billion program focussed on addressing the urgent housing needs of 530,000 vulnerable families and individuals across Canada.
- Staff is monitoring the results of the provincial consultation on Bill 7, Promoting Affordable Housing Act, 2016 and the regulatory framework to enable municipalities to adopt official plan and zoning provisions for inclusionary zoning.
- The recently announced Development Charges Rebate Program has the potential to incentivize purpose-built rental housing in Barrie.

## INTRODUCTION

The City of Barrie's 10-year Affordable Housing Strategy aims to encourage, stimulate and increase the supply and range of affordable housing options to meet the needs of residents, at all income levels and stages of life.

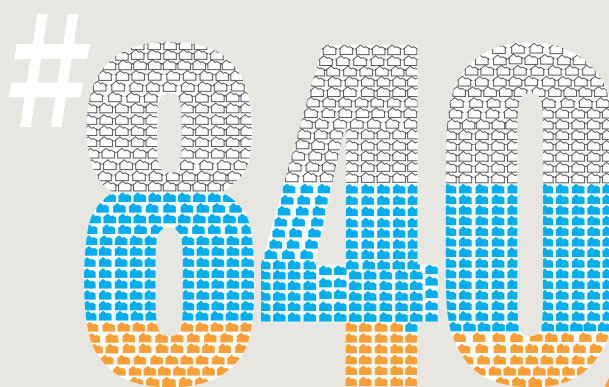
Affordable home ownership is considered to be the lesser of 30 per cent of a household's annual income or 10 per cent below the average market price. Affordable rental housing is considered to be rents which are at or below average market price for rental units in the region.

### What Does That Mean In Barrie?

Based on the definitions above, affordable home ownership in Barrie is calculated as follows below.



### BARRIE'S 10-YEAR PLAN for Affordable Housing 2015–2024



441  
LAST UPDATED  
JAN. 2018

121  
LAST UPDATED  
AUG. 2016

Visit [barrie.ca/AffordableHousing](http://barrie.ca/AffordableHousing)

Affordable Homeownership Definition				
2017 Housing Affordability for Barrie				
	Income	Maximum Affordable House Price		
	Adjusted Median Total Household Income (Based on Stats Can income /Canada revenue Agency (Inflation Increase 2015 to 2017 - 2.67%)	Ministry of Housing/ Simcoe Calculator (30% of annual gross household income	Regional Maximum (CMHC - 10% Below Average Resale Price)	Lower of Calculated House Price or Regional Maximum
Barrie	\$ 79,984	\$305,000	\$ 445,582	\$ 305,000

Source: CMHC Rental Housing Market Report 2017

Similarly, average market rents in Barrie are as follows:

Apartments (Rent per month)	Bachelor	1 bedroom	2 bedroom	3 bedroom	30% of annual gross household income
	\$766	\$1035	\$1205	\$1415	\$1999

Source: CMHC Rental Housing Market Report 2017

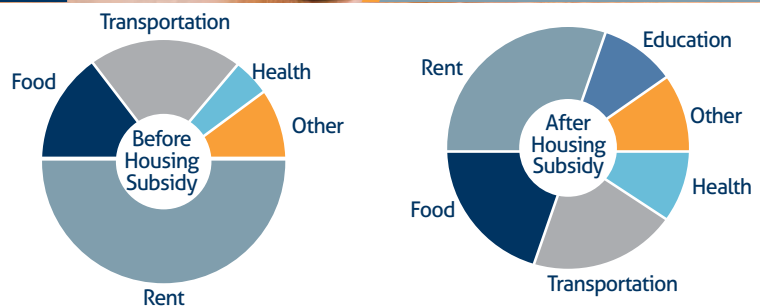
## AFFORDABLE RENTAL HOUSING

A healthy vacancy rate is considered to be 5 per cent or more. Vacancy rates in Barrie increased from 1.3 per cent in October 2015 to 2.7 per cent in October 2017, following two years of decline. By comparison Ontario's vacancy rate decreased from 2.4 per cent in October 2015 to 1.6 per cent in October 2017. This is the lowest the vacancy rate since 2000. In Ontario, only Toronto and Ottawa have rents higher than Barrie, averaging approximately \$1,404.00 and \$1,232 respectively for a 2-bedroom apartment, as compared to rent in Barrie at \$1,205.

An active local job market attracted professionals to the region and helped a number of young people stay in Barrie for work. This helped sustain demand in a rental housing market that is among the most expensive in Ontario. Employment among people aged 15 to 24 years, a demographic with a high proportion of renters, increased significantly year-over-year to the end of September 2017. Rental demand remained strong as some young adults who acquired jobs formed renter households.



### Hypothetical Low Income Family Budget with and without Housing Assistance



## AFFORDABLE RENTAL HOUSING



## AFFORDABLE RENTAL HOUSING

### Second Suites

Second suites are an important component of the secondary rental market, which consists of rented single-detached, semi-detached, row and condominium units.

In Barrie, 7,700 households, or 66 per cent of rental units, were in the secondary rental market in the reporting period.

Given the size and form of second suites, Simcoe County assumes that the majority (90 per cent) of second suites are affordable rental units.

The City expanded permissions for second suites in 2015 to allow them in most low-density low-rise housing forms throughout the City, except in the Georgian College Neighbourhood. Over the past 18 months the City has worked hard to remove barriers and improve the registration process for second suites.

The process for developing a second suite in Barrie requires an application for a building permit to ensure compliance with the Ontario Building Code and the Fire Code prior to registration. There were 223 new second suites registered between July 2016 and December 2017, for a total of 1126 units, including grandfathered secondary suites, at the end of 2017.

### Government Funded Rental Housing

The County of Simcoe is the social housing provider within the Barrie area, and offers a variety of programs to provide financial assistance to residents in the greatest need. Programs range from social housing projects to down payment financial assistance for potential home buyers. The County provided the following rental housing assistance:

- Rent supplement and housing allowance program for low-to-moderate-income households, including recipients of Ontario Works and Ontario Disability Support Program benefits: six new households for a total of 58 households in Barrie.
- Provincial/County funding program to create second suites: 32 new units.

The following two affordable rental housing projects within the City of Barrie received government funding: 33 Brooks Street—Affordable housing project features an addition consisting of 54 one-bedroom units designed for seniors, with accessibility features and energy efficient utilities. This project is now fully occupied.

98 Penetanguishene Road—Seniors rental project owned and operated by Riverbank Homes consists of 38 one-bedroom units of which six are available at market rents, six are barrier-free units, and the remaining 26 are available at 70 per cent of average market rent. The project is now fully occupied.



33 Brooks Street—  
Affordable Housing Project



98 Penetanguishene Road—  
Seniors Rental Project

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### Proposed Government Assisted Housing

The County of Simcoe plans to convert a Barrie motel into a 17-unit affordable housing complex funded through the Ontario government's Home for Good program.

### Proposed Market Built Rental Housing

There have been several proposed rental plans submitted in 2016 -2017. These will add to the supply of rental residential housing, and will have a positive effect on vacancy rates and market rental rates.

## AFFORDABLE RENTAL HOUSING

### These projects are as follows:

**22 Grove Street**—Council approved a rezoning application for three residential towers of 22, 23 and 24 storeys, an eight-storey and a four-storey apartment building, and stacked townhouses with a total of 924 units. Subject to government funding, 10 per cent of the units are targeted for affordable housing.

The implementing zoning by-law which will include a holding provision is anticipated to be submitted for adoption in 2018.

**30 Hanmer Street**—A site plan for a ten-storey rental apartment building with 116 residential units was submitted approved in 2017. The site plan is pending. Registration in 2018 and construction is anticipated to begin in 2018.

### **400-430 Ferndale Drive South**—

A site plan for a four-storey rental apartment building with 64 residential units was submitted in 2017. Site plan conditions have been issued. Construction is anticipated in the spring of 2018.



## AFFORDABLE HOME OWNERSHIP



### Government Assisted Ownership

Nine households received assistance in 2016 and five in 2017 with the Home Ownership Down Payment Assistance Program for households with annual incomes at or below \$72,900, administered by the County of Simcoe.

## AFFORDABLE HOME OWNERSHIP



The City issued approximately 375 occupancy permits for new residential dwelling units across the full spectrum of low-to-medium-density building forms. This includes ground-related housing such as detached, semi-detached and town housing, medium and high density housing such as walk-up and tower apartments. About 45 of these units were sold below the 2016 affordability threshold of \$304,000, and 2 units were sold below the 2017 affordability threshold of \$305,000.

These 47 units represent 12.5 per cent of total new builds over the reporting period, which exceeds the official plan goal of achieving 10 per cent of affordable new housing.

### Not-for-Profit Affordable Ownership Project

Habitat for Humanity built three affordable street townhouse sweat-equity units which were occupied in 2017. Affordable housing grant program applications to have been made for these units under the new Built Boundary Community Improvement Plan. This grant will provide a 50% rebate on

development charges and building permit fees, and will rebate the increased taxes paid in decreasing percentages over a five year period.

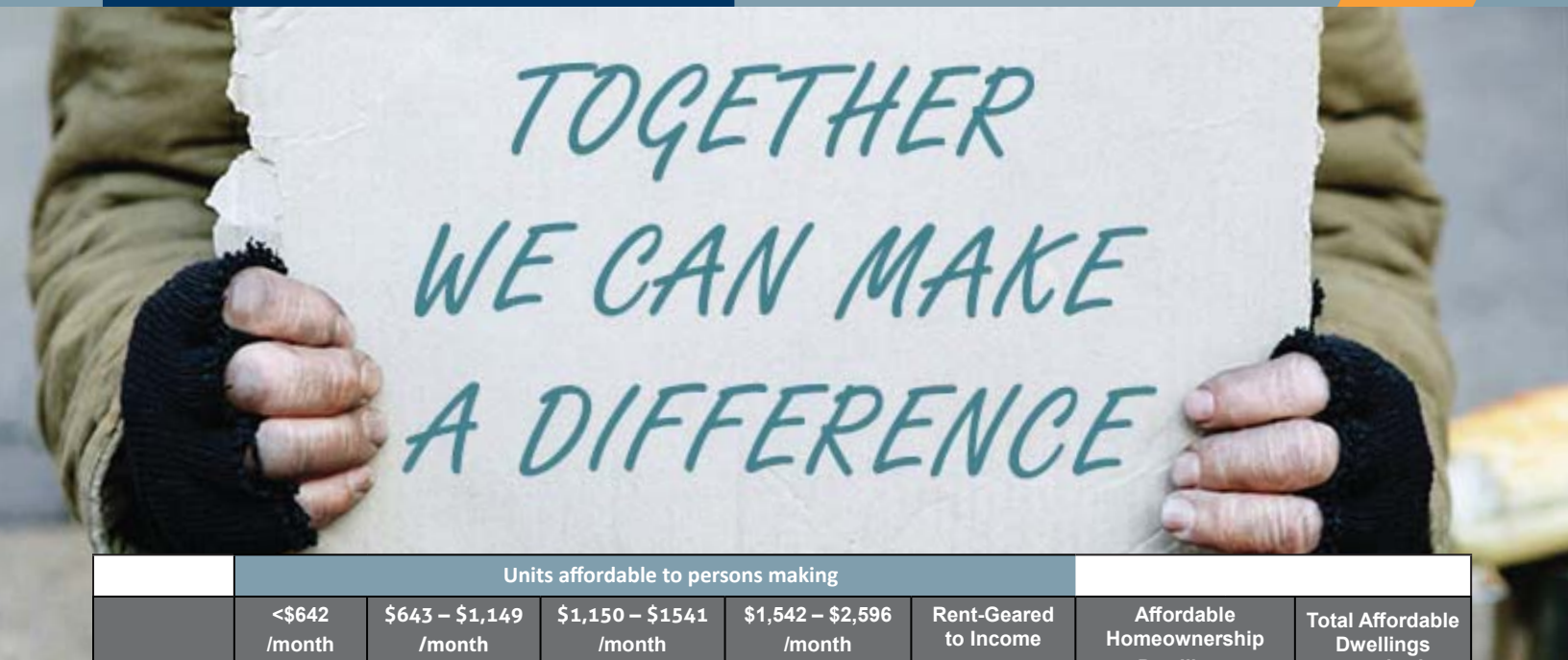
Two additional projects are anticipated to be built by Habitat for Humanity in 2018, with occupancy anticipated in 2019.

## AFFORDABLE HOUSING TARGETS

The City of Barrie Affordable Housing Strategy identifies the following targets based on the County of Simcoe's 10 Year Housing and Homelessness Prevention Strategy. These targets are intended to be achieved over the 10-year period 2015-2025.

Over the reporting period 441 affordable housing units were built in Barrie: 410 rental units, including second suites, without government assistance, and 31 down payment assistance units. This does not include home sales below \$305,000.

Based on the rents and/or purchase price required for housing at these income levels, the 80 units in the two projects at 98 Penetanguishene Road and 33 Brooks Street together exceed the 10 year target of building 47 units for households with an income between \$1,542 and \$2,596/month.



TOGETHER  
WE CAN MAKE  
A DIFFERENCE

	Units affordable to persons making					Affordable Homeownership Dwellings ≤\$30,000 per year	Total Affordable Dwellings required
	<\$642 /month	\$643 – \$1,149 /month	\$1,150 – \$1,541 /month	\$1,542 – \$2,596 /month	Rent-Geared to Income		
Required Rents	\$192	\$192 - \$344	\$344 - \$462	\$462 - \$778		Purchase Price: \$115,000	
City of Barrie	200	123	171	47	252	47	840
Simcoe County	518	341	649	174	805	198	2,685

## OTHER INITIATIVES

### Built Boundary Community Improvement Plan

In 2016, Council approved a Built Boundary Community Improvement Plan (CIP), which includes financial incentives for the development of affordable housing within the built-up area of the City. Affordable housing under the CIP includes emergency shelters, transitional housing, social housing, affordable not for profit “sweat equity” housing, and affordable rental units.

Habitat for Humanity has applied for an Affordable Housing Grant for three not-for-profit sweat-equity units under this Built Boundary CIP. The Grant will provide a rebate for 50% of development charges and building permit fees and includes a rebated on the increased taxes paid in decreasing percentages over a five-year period.

The Built Boundary CIP also provides for Brownfield Redevelopment grants, which can be combined with the affordable housing grants. No applications have been received to date.

In addition, the Built Boundary CIP offers Renovation Grants within the Urban Growth Centre, or for properties listed on the Municipal Heritage Register. Renovations can include a change of use to create a second suite.

### Georgian College Neighbourhood Community Improvement Plan

The Georgian College CIP offers grants for planning fees, a percentage of building permit fees and for multi-unit rental apartments geared to students living in the college area.

The objective is to increase the supply of rental accommodation for students in multi-unit complexes, and thus relieve the pressure to accommodate students in low-density housing near the college. There is no requirement under this program to ensure affordability, as the program targets increased rental availability to for Georgian College students.

A grant is under consideration for a walk-up apartment project, which provides 73 units geared to students on Georgian Drive. This is similar to two building which received City grants in 2010. The project is currently constructed and occupied.

## OTHER INITIATIVES

### Funding Partnerships

The Federal Government has unveiled a national housing strategy that will create 100,000 new housing units and repair another 300,000 over the coming decade. As part of the strategy, the federal government has committed to invest \$11.2-billion to address the urgent housing needs of 530,000 vulnerable families and individuals. The intent is to cut chronic homelessness by 50 per cent.

The strategy marks a significant return to the housing file for the federal government. Combined with investments from other levels of government, total spending could reach \$40billion. Staff is exploring opportunities to access these funds.

The Provincial of Ontario's affordable housing and homelessness programs are administered by municipalities and District Social Services Administration Boards, known as Service Managers. In this case the County of Simcoe is the service manager

The County of Simcoe is designated as the Consolidated Municipal Services Manager (CMSM) for this area by the Province, as such, it is mandated to plan, fund, and manage the County's social housing system, including services to the cities of Barrie and Orillia. This includes responsibility for funding, administering and ensuring compliance of housing programs and providing subsidies to housing providers.

Canada 

 Ontario

 Barrie

 COUNTY OF  
SIMCOE

## ACTION ITEMS REVIEW

**All of the 14 Action items recommended in the Affordable Housing Strategy have been initiated and most have been completed. A summary of the 14 actions is provided below with suggested next steps. A more detailed table outlining the Actions is provided in Appendix "A" of this progress report.**

### **1. Work with other levels of government to extend investment into affordable housing and consider the introduction of new programs. (Action Item 1, 11)**

Funding for repairs and maintenance of municipal not-for-profit housing in Barrie has been allocated through the County of Simcoe.

#### **Opportunities for Improvement:**

- Continue to work with the County of Simcoe and other levels of government to deliver new public housing including not-for profit and subsidized housing particularly for low-income and vulnerable populations, rental housing (for households in the lower income groups and ownership housing for households making less than \$30,000 a year).
- Review opportunities for funding under the National Housing Strategy released in 2017.

### **2. Planning Policy Document Changes: (Action Items 3, 4, 5, 6, 7, 9) Official plan and zoning by-law amendments have been implemented to support and encourage the development of affordable housing, these include:**

- Policies for increased permissions for second suites to be permitted use of right in most low-density housing forms, except for the Georgian College area.
- Policies to fortify Section 37 Benefits (Bonusing) and include the provision of affordable housing.
- Community improvement plan policies and criteria to include the provision of affordable housing.
- Updated zoning standards and remove unnecessary provision that are barriers to creation of second suites and other forms of affordable housing.

#### **Opportunities for Improvement:**

- Further refinement and improvement of the Affordable Housing Policy Framework and accompanying zoning standards through the Official Plan Update, and associated Comprehensive Zoning By-law Review.
- Ongoing Housekeeping Zoning By-law amendments to refine standards associated with the registration of second suites.
- Ensure that application of Section 37 benefits (Bonusing) when applied to affordable housing is over and above the policy goal of 10 per cent of new development to be affordable.
- Improvement of implementation measures such as conditions of site plan or draft plan approval requiring the development of a minimum percentage of affordable units to be committed.

- Explore the potential for receiving cash-in-lieu of the provision of affordable housing.

### **3. Work With other stakeholders and service providers, support new initiatives, provide support through provision of land or other means of support, including financial incentives to developers or affordable housing. (Action items 2, 8, 11, 13, 14)**

#### **A number collaborative, supportive actions have occurred:**

- The Built Form Task Force, which included representatives from the City, the development community and not-for-profit housing sector, met regularly in 2015 and submitted a report to Council with recommendations on November 2015. The recommendations were approved and some of which have been implemented, while others are in the process of being implemented.
- The Built Boundary CIP was approved in October 2016 providing a Redevelopment Grant for the provision of affordable housing, and grants on brownfield sites. These grants apply to all lands within the built-up area.
- The Built Boundary CIP also includes provisions for acquisition and disposal of City-owned land within the Built Boundary CIP area.

## ACTION ITEMS REVIEW

- A report with recommendations for disposition of two surplus City-owned parking lots in the downtown area, was approved and discussions are underway with affordable housing service providers.
  - The Mayor's office supported a research project for Senior Planning Students at the University of Waterloo to look into the use of shipping containers for affordable housing. The general findings were that the per square foot costs of using containers for residential use when compared with normal residential construction is not significantly different.
  - The Barrie District Association of Realtors and the City of Barrie have teamed up to engage the Barrie community in finding solutions to the affordable housing crisis. An Affordable Housing Hackathon held in October 2017, was an intensive 48-hour workshop for participating groups to compete in finding short-term, 5-year solutions for the provision of affordable housing.
- Opportunities for Improvement:**
- Continue to review and implement the recommendations of the Built Form Task Force.
  - Promote the CIP Grants directly to service providers and applicants at the pre-consultation planning stages.
  - Proposed amendments to the CIP to provide for a cash-in-lieu of parkland grant for affordable housing.
- Work with developers to find solutions for affordable housing, including exploring cash-in-lieu payment for affordable housing where units cannot be provided.
  - Follow up on the disposition of two City-owned parking lots to be available to an affordable housing service provider.
  - Undertake a comprehensive review of all City-owned lands and develop policies and a strategy for the acquisition and sale of surplus City-owned land.
  - Continue to work with the School Boards to prioritize any surplus lands for affordable housing.
- 4. Develop a monitoring or tracking system using available sources of data to monitor development, availability and maintenance of affordable housing including achieving a minimum of 10 per cent of new housing to be affordable. (Action Item 12).**
- Continue to provide annual monitoring reports tracking actions from a variety of sources, including County, Provincial, CMHC and local data. This is the second Annual Monitoring Report since the adoption of the Affordable Housing Strategy in 2015.
- Opportunities for Improvement:**
- Use digital application processes for building permits and planning applications to track and maintain up-to-date information on the development of affordable housing.
- Develop a standard annual year-over-year reporting format, January to December, to include measurable performance indicators aligned with the County of Simcoe Affordable Housing and Homelessness Strategy annual reporting to show:
    - how much was done
    - how effective the outcomes were
    - what needs to be improved.

# REVIEW OF THE BUILT FORM TASK FORCE RECOMMENDATIONS

## The Built form Task Force Recommendations include:

- Process Related Tools
- Incentive Tools
- Zoning Tools
- Built form Tools

Many of the Built Form Task Force recommendations overlap with the action items identified in the Affordable Housing Strategy, which have already been implemented. In addition many of the recommendations are being implemented through specific development processes.

## For example:

- Zoning tools and built form tools have been applied in the Salem and Hewitt's zoning framework to reduce standards, and allow for compact, intensive and more efficient forms of development.
- Back-to-back townhouses have been included in the Salem and Hewitt's zoning framework.
- A local road standard of 12m has been considered in City engineering standards and reduced local road widths are also being considered in new subdivisions. This supports active

transportation and liveable communities and reduces development costs thus increasing affordability.

## Opportunities for Improvement: Process Related Tools:

- SR PLN-007-15 Built Form Task Force Report dated November 30, 2015 recommended the Manager of Development Planning be an Affordable Housing Navigator to expedite, co-ordinate, facilitate and champion affordable housing. This role will be reviewed and implemented to align with departmental organizational changes and visioning exercise proposed in 2018.



[barrie.ca/AffordableHousing](http://barrie.ca/AffordableHousing)

Prepared by Planning and Building Services