RECOMMENDED MOTION

1. That the Draft Affordable Housing Strategy Report dated February 2014 be received for the purpose of circulation to the public, stakeholders and applicable agencies for comment prior to the holding of an open house and public meeting.

2. That a public meeting be held pursuant to Sections 17 and 34 of the Planning Act related to proposed amendments to the Official Plan and Zoning By-law 2009-141 intended to implement certain recommendations of the draft Affordable Housing Strategy.

3. That following the circulation of the Draft Affordable Housing Strategy Report and the conducting of the public open house and public meeting that a Final Affordable Housing Strategy be prepared and submitted for Council consideration including the associated Official Plan and Zoning By-law Amendments.

PURPOSE & BACKGROUND

Report Overview

4. The provision of affordable housing has become an issue of increasing significance in Barrie and Simcoe County. The economic downturn in recent years has affected many residents in the area and throughout the Province. Recent provincial initiatives have identified the provision of affordable housing as a matter of provincial interest.

5. The Strong Communities Through Affordable Housing Act, 2011 (Former Bill 140) received Royal Assent on May 4, 2011. The Act forms the basis for the Province's long-term plans for affordable housing, and includes a wide range of actions to improve the provision of affordable housing in Ontario including the adoption of a Provincial Housing Policy Statement; the preparation of Housing and Homelessness Plans by service providers including the County of Simcoe; and amendments to the Planning Act directing municipalities to support the creation of second residential units and garden suites.

6. In response to the provincial legislation, Council adopted Staff Report PLN010-12 approving the Work Program for the preparation of the Affordable Housing Strategy by City staff. The purpose of this staff report is to provide a summary of the work undertaken and the resultant draft
Affordable Housing Strategy. Copies of the draft Affordable Housing Strategy are available in the Councillor’s Lounge.

7. The report is also to seek Council approval to schedule a public meeting pursuant to Sections 17 and 34 of the Planning Act.

ANALYSIS

8. Affordable housing encompasses a range of housing types including low-cost housing for ownership and rental, and subsidized housing. The intended outcome for providing affordable housing is that families and individuals of all income levels and lifestyles can find suitable and adequate places to live without spending a disproportionate percentage of their income on housing.

9. The Ontario Provincial Policy Statement and the City’s Official Plan (Section 3.3.2.2 (a)) provides the following definition for affordable housing:

"i) In the case of home ownership, the least of:

(1) housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or

(2) housing for which the purchase price is at least 10% below the average price of a resale unit in the regional market area.

ii) In the case of rental housing, the least expensive of:

(1) A unit for which the rent does not exceed 30% of the gross annual household income for low and moderate income households; or

(2) A unit for which the rent is at or below the average market rent of a unit in the regional market."

10. The provision of affordable housing requires all four levels of government to work together collaboratively on this important issue.

11. The objective of the Affordable Housing Strategy project has been to review the issue of affordable housing as it affects the City of Barrie and its residents and to determine the role of the City of Barrie within the context of other levels of government, non-government non-profit providers and the private market. A strategy has then been drafted with Affordable Housing Action Items to implement the strategy.

12. As a part of the preparation of the Affordable Housing Strategy, existing legislation was reviewed; practices and strategies of other municipalities were considered; and input received from representatives of the real estate industry; Barrie Accessibility Advisory Committee; Town and Gown Committee; Barrie Municipal Non-Profit Housing Corporation; County of Simcoe Housing Services; Central Mortgage and Housing Corporation; non government non-profit housing providers, other service providers such as the Barrie Food Bank and Simcoe Muskoka District Health Unit; and City staff. This process including backgrounc research, legislative review, consultation and report preparation took considerable staff effort in the preparation of the draft Affordable Housing Strategy.
Highlights of the draft Affordable Housing Strategy Report (November 2013)

13. The draft Affordable Housing Strategy is divided into five Sections entitled 1.0 Introduction; 2.0 Existing Legislative and Policy Framework; 3.0 Community Context, 4.0 Affordable Housing Strategy, and Section 5.0 Affordable Housing Action Items.

14. Section 2 reviews the Existing Legislative and Policy Framework for Affordable Housing and makes recommendations for the City within that context. The legislation and policies reviewed included:
   - National Housing Act and Canada Mortgage and Housing (CMHC)
   - The Strong Communities Through Affordable Housing Act
   - Planning Act
   - Provincial Policy Statement, 2005 (PPS)
   - Growth Plan for The Greater Golden Horseshoe, 2006
   - Municipal Act
   - Development Charges Act
   - City of Barrie Official Plan
   - City of Barrie Zoning By-law
   - City of Barrie Property Standards By-law
   - City of Barrie Registration By-law for Two-Unit Houses

15. Section 3 provides the Community Context indicating the need for affordable housing. Some of the key findings are:
   a) Population Increase
      - The City’s population is forecasted to increase from 144,500 persons in 2013 to 210,000 by 2031 resulting in a corresponding need for housing including affordable housing;
      - An identified need to provide additional senior housing and housing for persons with disabilities.
   b) Ownership
      - CMHC indicates the average resale price of a single detached dwelling in 2012 in Barrie was $298,027 rising to $334,203 in September 2013. In 2012, the average price of a new single detached dwelling in Barrie was $425,776 rising to $460,858 in September 2013.
      - Based on the Provincial Policy Statement (PPS) and the City’s Official Plan with an “affordable” ownership unit being considered at least 10 percent below resale average cost of $334,203, an “affordable” ownership unit would be $300,782 or less in price. A household income of $84,200 is calculated as being needed to sustain the purchase of a dwelling at that price.
   c) Rental Housing
      - The CMHC has indicated the vacancy rate for the City of Barrie was 2.0 percent in 2012 and forecasted to grow to 2.3 percent in 2013. A “healthy” housing market is considered to have at least a 5 per cent vacancy rate.
      - In Barrie, CMHC reports a two bedroom apartment has an average rent of $1,037.00 (sixth highest in Canada south of the 50th Parallel). The forecast rent in 2013 to $1,060.
      - The City has no Demolition Control By-law or Conversion By-law to preserve the existing rental housing stock.
   d) Social Housing
      - Under the Ontario Housing Services Act, the County of Simcoe is the service provider for social housing in Barrie. In the City, there are 1732 rent-geared-to-income dwelling units either owned or provided funding by the County of Simcoe. The County owns 307 of these
units with the balance owned by Barrie Municipal Non-Profit Housing Corporation and other non-profit groups or non-profit co-operative housing associations.

- The County of Simcoe has a waitlist that is divided by Special Priority Applicants (persons suffering family related abuse) and all other applicants who are dealt with chronologically. The waitlist indicates a steady increase in the number of Special Priority Applicants processed each year, with housing received on average in 5.0 months. Of the 287 households successfully housed in 2012, 132 were Special Priority applicants.
- The portion of the 2012 Waitlist attributed to the City of Barrie consisted of 1,501 households, including 516 families with dependents, 557 adults with no dependents and 428 seniors.
- The average wait time in 2012 was 2.7 years for families with dependents, 2.3 years for adults with no dependents and 4.2 years for seniors. The Waitlist data for 2013 is not yet available.
- The County of Simcoe has now approved their 10-Year Affordable Housing Homelessness Prevention Strategy. Related to social housing for persons with incomes of less than $30,000 per year, it was identified there is a need for a minimum of 2,683 units in the County with 840 of those units in Barrie over the next 10 years.

e) Other Housing Issues
- There is an estimated 2,650 Georgian College students that cannot be accommodated in dedicated student housing and must seek accommodation elsewhere in the City.
- CMHC has indicated that this number of students renting in Barrie has affected the market rental housing supply by increasing numbers of renters seeking rental housing.

16. Section 4 proposes the consideration of a number of Affordable Housing Strategies as follows:

a) Second Suites (Two Unit Dwellings)
- Second suites are considered by the federal and provincial governments as a tool to assist in the provision of affordable housing.
- As of November 2013, there were 749 registered two unit dwellings on the City’s registry.
- Other municipalities after extending the permission for second suites have experienced about a 10-15 percent take up rate. Experience of other jurisdictions also indicate minimal municipal servicing impacts on sewer, water and garbage.
- The Province has advised that in accordance to legislation, Official Plans and Zoning By-laws are to authorize the use of second suites in detached houses, semi-detached houses, townhouses or in a building accessory to these types of dwellings.
- The Zoning By-law presently permits second suites in the Residential Multiple Zones as follows:
  
  Residential Multiple Second Suite (SS) Zone  
  Residential Multiple (RM1) Zone  
  Residential Multiple (RM2) Zone – subject to RM1 Zone standards  
  Residential Multiple (RM2-TH) Zone – subject to RM1 Zone standards  
  Residential Apartment (RA1) Zone – if existed prior to August 10, 2009  
  Residential Apartment (RA2) Zone – if existed prior to August 10, 2009  

- Second suites are presently only permitted in the lower density Residential Zones as legal non-conforming existing before the Zoning By-law or if created in 1994-1996 under previous legislation.

- Second suites are also permitted in new residential subdivisions since 2004 if the lands are zoned as Residential Multiple RM1 Second Suite (SS) Zone. There are two subdivisions that have been approved with that Zone involving a total of 44 lots.

- It is proposed that second suites be permitted in the additional Zones:
  - Residential 1 (R1) Zone  
  - Residential 2 (R2) Zone  
  - Residential 3 (R3) Zone  
  - Residential 4 (R4) Zone
• It is also proposed that accessory structures may also be converted or constructed for second suites.
• Detailed zoning standards are proposed for the establishment of second suites in dwellings, second suites in accessory structures and temporary use garden suites for family members.

b) Official Plan
• Policies of the Official Plan related to second suites are proposed to be revised to extend the use of second suites in the lower density residential areas of the City.
• Other related affordable housing policies are proposed to reflect the recommendations of the Affordable Housing Strategy.

c) Zoning By-law
• Detailed amendments to the Comprehensive Zoning By-law are required to identify the Zones where second suites are permitted and to provide related development standards.

d) Other Municipal Initiatives
• Consider passing a Section 99.1 (Municipal Act) by-law to assist in protection of rental housing through demolition control and the control of conversion to condominium tenure.
• Consider passing a Demolition Control By-law under Section 33 of the Planning Act.
• Develop a tracking system to record affordable housing construction in order to monitor the achievement of the 10% new construction affordable housing target of the Official Plan.
• Review opportunities for financial incentives for identified affordable housing applications by not for profit housing providers. This would include a review of financial incentives currently available at all levels of government and their applicability to affordable housing developments in Barrie.
• Include social housing as a service to be funded through development charges as part of the City’s Development Charges By-law update planned for 2014.
• Assess the impacts of development charges discounts for affordable housing projects on the City’s financial conditions and growth plans.

17. The Affordable Housing Strategy would apply to all parts of the City including lands in both the City of Barrie pre January 1, 2010 boundary and the new Annexed lands. Policies are included in the proposed text of the Hewitt's Creek Secondary Plan and Salem Secondary Plan that cross reference affordable housing to Section 3.3 of the parent Official Plan. This would include second suites and the other proposed Official Plan amendments in the Strategy.

18. Prior to the preparation of the draft Affordable Housing Strategy, staff consulted with a number of agencies and other private sector parties. A list has been compiled of other interested persons who have contacted staff during the period of preparation of the draft Affordable Housing Strategy. It is intended that there be further engagement with these parties through the circulation of the draft document prior to the holding of an open house and the public meeting.

19. Upon the completion of this consultation process, the document will be reviewed and a further report prepared for the Committee’s consideration.

20. The Affordable Housing Strategy contains a series of recommended actions. Upon the adoption of the final strategy, staff will commence undertaking and making recommendations on all of these actions which may result in further reports to Council. The initial action to be taken with the adoption of the final strategy will be the preparation of associated Official Plan amendments and Zoning By-law amendments for Council’s consideration.

ENVIRONMENTAL MATTERS

21. There are no environmental matters to be considered as part of the Affordable Housing Strategy.
ALTERNATIVES

22. There are two alternatives available for consideration by General Committee:

Alternative #1  General Committee could recommend revisions to the draft Affordable Housing Strategy.

Staff are intending the draft Affordable Housing Strategy be circulated for public consultation. However, any recommendations or amendments to the strategy could be included at the direction of General Committee and Council prior to the commencement of the consultation period.

Alternative #2  General Committee could choose to not receive the draft Affordable Housing Strategy.

Staff recommend the City adopt an Affordable Housing Strategy. The Strategy will assist in defining the role of the City in affordable housing and providing a policy direction in dealing with the critical issue of affordable housing at this present time and in the future as the City develops.

FINANCIAL

23. In 2013, the City’s share of the social housing program provided by the County of Simcoe was $4.9M. This has increased to $6.7M in 2014 which included a capital contribution for the expansion of a senior citizens’ housing project.

24. Given the current level of financial support that the City is already providing the social housing program, this report is focused on non-financial opportunities using planning tools to contribute to resolving the City’s affordable housing challenges. However, it is the City’s intent to include social housing in the update to the Development Charges By-law scheduled for 2014.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

25. The recommendations included in this staff report directly or indirectly support the following goals identified in the 2010-2014 City Council Strategic Plan:

☐ Manage Growth and Protect the Environment

☐ Create a Vibrant and Healthy City Centre

Affordable housing is not specifically referenced in the 2010-2014 Council Strategic Priorities. However, there are a number of indirect ways that affordable housing supports the goals of the strategy. The provision for affordable housing is also included in the policies of the City’s Official Plan.

As part of managed growth, a component of affordable housing is residential intensification assisting with intensification of the City. Intensification allows for more overall efficient use of the City’s servicing system and transportation systems. Affordable housing can also be a component of the mix of land uses in the downtown.

Attachment: Draft City of Barrie Affordable Housing Strategy February 2014
EXECUTIVE SUMMARY

Affordable Housing Strategy

Affordable housing is becoming an increasingly significant issue in the City of Barrie. Affordable housing has been identified by City Council as a strategic corporate priority for 2014. On Council's direction, staff have prepared this draft Affordable Housing Strategy.

Background

The Strong Communities Through Affordable Housing Act, 2011 (formerly Bill 140) identifies affordable housing as a matter of Provincial Interest. Although the County of Simcoe is the service provider for this region and has prepared a Housing and Homelessness Plan, local municipalities must play a role as well including initiatives such as amending their planning instruments to enlarge permissions for second suites and other forms of affordable housing in accordance with Provincial legislation and policy.

In accordance with Council direction, the City has prepared this Affordable Housing Strategy to address the issue of housing and homelessness within the City. The strategy examines the current (2013) housing situation in Barrie and recommends a series of action items ranging from amendments to the City's Official Plan and Zoning By-law to enacting a demolition control by-law for rental housing.

What is Affordable Housing

Affordable Housing is defined by the Provincial Policy Statement as well as the City’s Official Plan as:

In the case of home ownership, the least expensive of:

- housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross income for low to moderate income households; or

- housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.

In the case of rental housing, the least expensive of:

- a unit for which the rent does not exceed 30% of gross annual income for low to moderate income households; or

- a unit for which rent is at or below the average market rent of a unit within the regional market area.

Policy Framework and Community Context

The study reviews the existing legislative and policy framework associated with the provision of affordable housing including:

- The Planning Act;
- The Strong Communities through Affordable Housing Act;
- The Provincial Policy Statement;
- The County of Simcoe’s Housing and Homelessness Plan; and
- The City of Barrie Official Plan and Zoning By-law.

The City of Barrie population is projected to grow from its 2013 population of 143,000 to approximately 210,000 by 2031, increasing the demand for affordable housing proportionately.
Under the Provincial Policy Statement and Official Plan definitions of affordability, a dwelling unit priced at $280,000 can be considered affordable for the 60th percentile of average incomes. In 2013, there were only 10% of new dwellings and 22% of current resale listings that would be defined as affordable.

The average household income required to purchase an "affordable" home based on the above criteria would be $82,600.

The rental vacancy rate in Barrie has fluctuated between 2.5% and 1.7% over the past four years. A vacancy rate of 5% is considered a "healthy" rental market.

The average monthly rent for a 2 bedroom apartment in Barrie in 2013 was $1,037 which is the 6th highest average monthly rent in Canadian metropolitan areas.

The supply of rental housing in Barrie is also significantly impacted by the demand for housing created by almost 2,700 Georgian College students that cannot be accommodated in dedicated student housing. This number is only expected to increase as the College continues to grow and expand.

Social Housing

Social Housing is defined as subsidized or rent-geared-to-income housing provided by not for profit housing providers. The County of Simcoe is the service provider within the region, however the City also controls its own social housing provider, the Barrie Municipal Non-Profit Housing Corporation.

Of the 1,732 social housing units owned or funded by the County of Simcoe in Barrie, 953 are administered by the Barrie Municipal Non-Profit Housing Corporation. The remainder of the units are administered by other not-for-profit providers such as Collier Street Senior, St. Mary’s, Coral, and Gateway Co-op.

The County’s most recent (2012) statistics shows a significant increase in the demand for social housing in Barrie with approximately 1500 households on the Waitlist. The average wait time for social housing in the County is 2.3 – 4.2 years.

Affordable Housing Strategy

The Affordable Housing Strategy recommends a variety of action items including short, mid and long term items.

The Strategy recommends revisions to the Official Plan including:

- amending the existing Second Suites policies to increase permissions for this housing form;
- the addition of new policies regarding applications for condominium conversions;
- the addition of new policies regarding the purchase and sale of City lands for affordable housing;
- the addition of new policies including affordable housing in Community Improvement Plans; and
- the addition of new policies permitting the temporary use of garden suites for 20 years.

Second Suites

The Strategy recognizes second suites as an option to increase supply of affordable rental housing.

Under the current provisions of the City’s Official Plan and Zoning By-law, second suites in free standing detached dwellings are specifically permitted in the Multiple Family RM1-SS zone, only in plans of subdivision registered after January 1, 2004. Two unit dwellings are permitted in all other multiple family zones.
The Strategy recommends broadening the zones permitted for second suites to be permitted in free standing detached dwellings (including accessory structures to these dwellings) into the R1, R2, R3 & R4 zones.

In order to mitigate the potential impact of this recommendation, the Strategy proposes specific development standards in association with the revised permissions as follows:

- Each dwelling containing a second suite would be required to provide a minimum of 1 parking space per unit.
- Only one second suite would be permitted per detached dwelling.
- Second suites would be restricted to a minimum of $35m^2$ and a maximum of $50m^2$ in either the main or accessory building.

These standards are intended to mitigate the potential impact of second suites by ensuring that adequate off street parking is provided, that multiple units are not provided in a single detached dwelling and that the units would ideally accommodate only one or two tenants.

**Other Strategic Initiatives**

The Strategy also recommends other strategic initiatives intended to preserve rental housing stock and facilitate the development of new affordable housing. These initiatives include:

- Demolition and Conversion By-laws to assist in the retention of existing rental housing.
- A requirement for the provision of lots and blocks to assist in the development of affordable housing in new subdivision developments.
- The development of a tracking system to ensure the Official Plan’s 10% targets for affordable housing is met.
- Assessment of opportunities for financial incentives for not-for-profit providers.
- Inclusion of social housing in the update of the Development Charges By-law in order to allow a portion of Development Charges to fund new capital social housing projects.
- Provision of land by City for the development of affordable housing by not-for-profit housing providers.
- Request the Federal Government to extend funding for the investment in affordable housing to be extended for year 2015 and beyond or introduce new programs with additional funding.