

An aerial photograph of a city, likely Barrie, Ontario, Canada, showing a mix of residential, commercial, and industrial areas. A prominent road runs vertically through the center. The image is overlaid with a semi-transparent blue band across the middle, which contains the title text.

Strategic Direction Options Report

Affordable Housing Strategy

City of Barrie

August 2023

DRAFT

City of Barrie

Strategic Direction Options Report: Affordable Housing Strategy

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Disclaimer:

The conclusions contained in this report have been prepared based on both primary and secondary data sources. NBLC makes every effort to ensure the data is correct but cannot guarantee its accuracy. It is also important to note that it is not possible to fully document all factors or account for all changes that may occur in the future and influence the viability of any development. NBLC, therefore, assumes no responsibility for losses sustained as a result of implementing any recommendation provided in this report.

This report has been prepared solely for the purposes outlined herein and is not to be relied upon, or used for any other purposes, or by any other party without the prior written authorization from N. Barry Lyon Consultants Limited.

1.0 Introduction

The City of Barrie ('the City') retained N. Barry Lyon Consultants Limited ('NBLC') in early 2023 to develop an Affordable Housing Strategy as a new 10-year update to their current strategy.

The updated Affordable Housing Strategy is meant to provide the City with an actionable strategy to address the affordability challenges experienced by current and future residents.

The current strategy was based on Simcoe County's 10-Year Affordable Housing and Homelessness Prevention Strategy (2015). While the City has exceeded the original target of 840 affordable units established in the current strategy, affordability continues to erode as the housing crisis continues to intensify.

The affordability profile and overall housing gaps have also shifted significantly since the current strategy was written in 2015, with both rent and home prices rising significantly over this period, creating significant affordability pressures across a much wider spectrum of the income distribution and housing continuum.

The City has decided to revisit the current strategy and prepare a comprehensive update that is intended to more closely align with current housing needs, affordability pressures, housing targets, affordable housing definitions, development economics, and overall demand characteristics.

Phase 1 of the Affordable Housing Strategy work was to complete a detailed Housing Needs Assessment, a foundational assessment of housing needs and affordability challenges in the City of Barrie

that was meant to establish current conditions and guide the recommendations brought forward through the Affordable Housing Strategy. The Housing Needs Assessment was completed in May 2023.

This Draft Strategic Direction Options report represents the first step of Phase 2 of the Affordable Housing Strategy work, mapping out a list of potential action items and other considerations for the City of Barrie as they look to address the growing affordable housing issues in the community.

We expect that the initial list of options in this report may evolve further as we receive feedback from staff, Council, the public, and other stakeholders.



Source: Ontario Away

2.0 Housing Needs Assessment Summary

A Housing Needs Assessment ('HNA') was completed in May 2023 with the intention of providing a foundational assessment of housing needs and affordability challenges in the City of Barrie to guide the updated Affordable Housing Strategy.

The following are some of the key takeaways from the HNA:

- There are **next to no options in the market for low and moderate-income households** in both ownership and rental tenures.
- **New rental housing development has been stagnant in recent decades** despite renters driving household growth in Barrie. Only 350 net new units have been added to Barrie's rental supply in the past 20 years. Limited new development has required that the secondary market fill the gap between supply and demand, but private leases do not provide tenants with the same security of tenure as purpose-built rentals.
- **Rental rates have been rising rapidly**, with most options now exceeding \$2,000 per month.
- **Renter households are far more likely than owners to be in Core Housing Need** (i.e., living in unaffordable, unsuitable, and/or inadequate housing) in Barrie. There is clearly a more pressing need to address the needs of renter households across a variety of incomes and characteristics.
- While residential building permits are above average for 2023, the **supply of ownership housing is not meeting demand**, particularly from low and moderate-income households.
- Barrie's **ownership housing stock has experienced significant price growth over the last decade** – with average resale prices rising 172%, compared to just 34% for average incomes. Most households, and particularly first-time home buyers, would be challenged to buy a new or resale home in the Barrie market today.
- A lack of affordability in the ownership market is **driving 'would-be' purchasers to the already constrained rental market**.
- To accommodate the forecasted population growth to 2051, **more than 58,000 new homes will be needed**, or about 1,950 homes annually. This will require a significant increase to construction activity relative to recent years (average of 530 housing completions annually since 2006).

The table on the following page synthesizes the market information collected by NBLC as part of the HNA with the income decile data from Statistics Canada to understand the market and non-market housing that is affordable to households in Barrie based on average prices. This helps to visualize what is or is not affordable to different income groups in Barrie's housing market today.

	Unaffordable
	Affordable

Table 1

Ownership Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$117,237	\$175,855	\$230,077	\$283,933	\$340,719	\$399,388	\$472,610	\$517,018	\$728,207
Housing Type	Avg. Purchase Price									
NEW SALE										
Single-Detached	\$1,286,000									
Semi-Detached	\$933,000									
Townhouse	\$817,000									
Condominium Apartment	\$680,000									
RESALE										
Single/Semi-Detached	\$927,000									
Multiplex	\$890,000									
Townhouse	\$705,000									
Condominium Apartment	\$592,000									
Rental Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$635	\$895	\$1,182	\$1,425	\$1,734	\$2,043	\$2,430	\$2,927	\$3,728
Housing Type	Avg. Rental Rate									
Purpose-Built Rental Market										
New Purpose-Built Rental Apartment	\$2,370									
Old Purpose-Built Rental Apartment	\$1,960									
Secondary Rental Market										
Privately Leased Single/Semi-Detached	\$2,680									
Privately Leased Townhouse	\$2,470									
Privately Leased Condominium Apartment	\$2,210									
Privately Leased Basement Apartment	\$1,735									
Community Housing Affordability Gap Analysis, City of Barrie										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$635	\$895	\$1,182	\$1,425	\$1,734	\$2,043	\$2,430	\$2,927	\$3,728
% CMHC Average Market Rent	Avg. Rental Rate									
100% AMR	\$1,487									
80% AMR	\$1,190									
60% AMR	\$892									
Note: Affordability threshold is determined based on 30% of gross household income going towards housing costs. Average prices are based on a survey of available units or recent transactions. Resale prices are from the 2022 calendar year. These prices are point in time and can change based on a variety of economic and market factors.										
Source: N. Barry Lyon Consultants Limited, Altus Data Studio, Canada Mortgage and Housing Corporation, Simcoe County Realtor										

3.0 What is Causing Affordability Gaps?

This section provides an overview of some of the reasons that Barrie and other municipalities are seeing housing affordability gaps. This information helps to set the table for the strategic options included in this report. While the issues causing housing gaps are complex, this section is intended to provide a high-level overview of each identified factor.

We Are Not Building Enough Housing

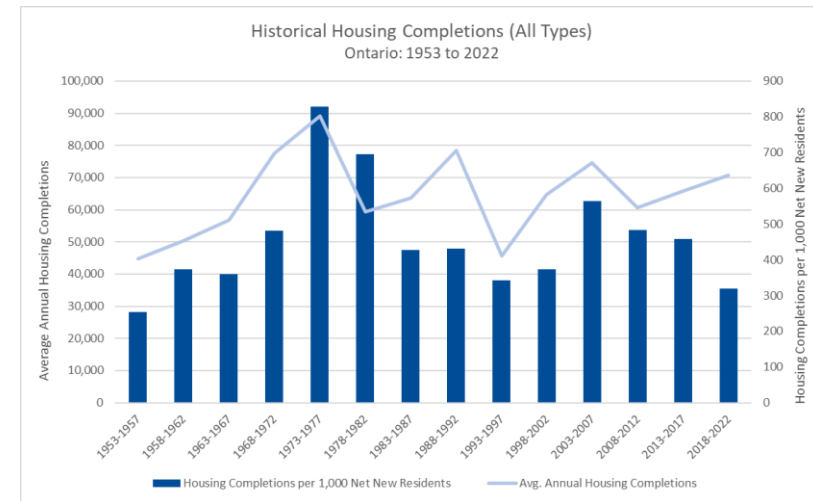
Arguably the biggest factor that has led to affordability gaps across Ontario and Canada is a lack of sufficient housing supply. Simply put, we are not building enough housing to meet the demand from a changing and growing population. As with any commodity, when demand outstrips available supply, availability is reduced, and prices climb.

Figure 1 illustrates the number of housing completions per capita of new residents in Ontario over the past 70 years. Housing completions have been declining over the past 15 years, and over the past five years, construction activity on a per capita basis has been at its lowest point (319 homes per 1,000 new residents) since the mid to late-1950's (254 homes). In fact, the past five years have represented a rate of new construction activity that is less than 40% of peak activity in the mid to late-1970's.

Relative to the rest of Canada, the lack of supply is particularly acute in Ontario. As illustrated in Figure 2, the number of private dwellings per capita in Ontario is lowest of all provinces in Canada, well below both the Canadian and G7 average. According to

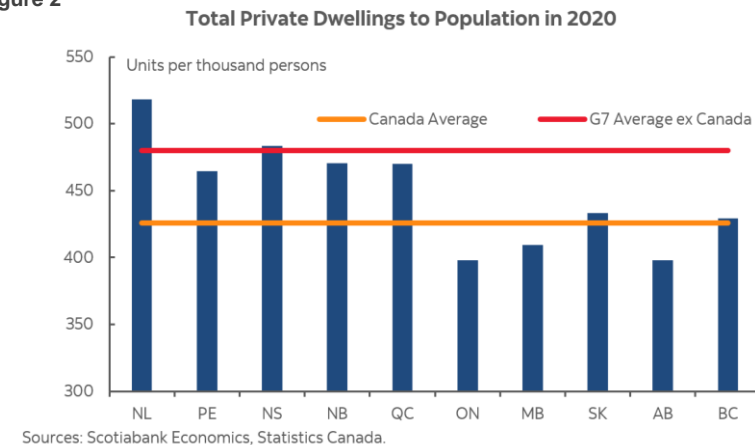
Scotiabank, Ontario would need to add about 650,000 homes to reach the Canadian per capita average.

Figure 1



Source: Statistics Canada

Figure 2



Sources: Scotiabank Economics, Statistics Canada.

CMHC has identified similar shortage, estimating that Canada requires an additional 3.5M homes (above baseline trends) by 2030 to restore housing affordability.

Household Dynamics are Changing

In addition to scarcity of housing, household dynamics are also shifting, putting a further strain on the market. There are two main causes worth noting:

- The aging of the large Baby Boomer generation has resulted in many empty-nester households seeking to downsize; and,
- Younger adults are getting married later and having fewer children than in past decades.

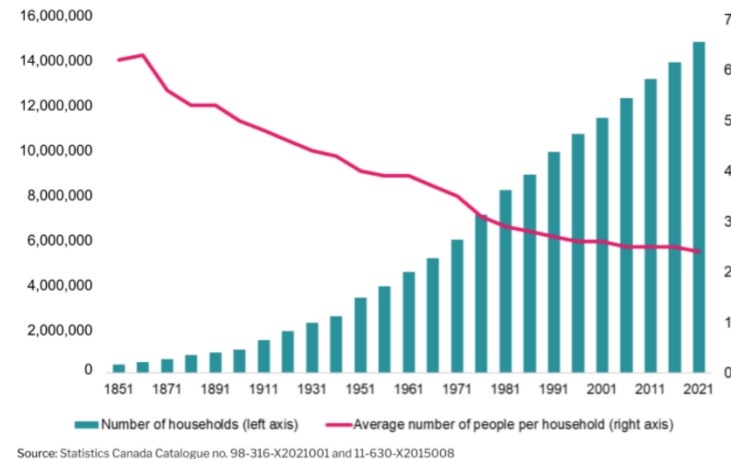
These two factors have combined to reduce the average household size. *As household sizes decline, more housing is needed to serve the same size population.*

For example, if a population of 1,000,000 residents has an average household size of 3.0, a minimum of 333,333 homes are needed. If that average household size declines to 2.5, the same population requires a minimum of 400,000 homes. This does not include additional homes needed to service demand from post-secondary students, temporary foreign workers, and demand for secondary homes or short-term rentals, among others.

Figure 3 illustrates the long-term trend of average household sizes in Canada to 2021. The average household size of 2.43 persons in 2021 represents a significant shift from the 1950's through 1970's

when average household sizes were between 3.0 and 4.0 persons, while Ontario was also building more housing per capita.

Figure 3: Average household size and total households in Canada, 1851 - 2021



Changing Lifestyles / Limited Downsizing Options for Seniors

The large Baby Boomer generation is now into their senior years and are healthier and living longer than past generations. This has had an impact on housing choices, with more seniors choosing to stay in their single-family homes longer, delaying the natural turnover that occurred in previous decades.

Further compounding this is that for many seniors who would like to downsize, there are few options. Outside of some select municipalities in Ontario, most residential options are low-rise, ground-oriented housing types (68% in Ontario, 77% outside

Toronto), which do not meet the needs of many downsizers. At the same time, apartment development that has occurred in recent years often consist of increasingly compact units and high proportions of one-bedroom units.

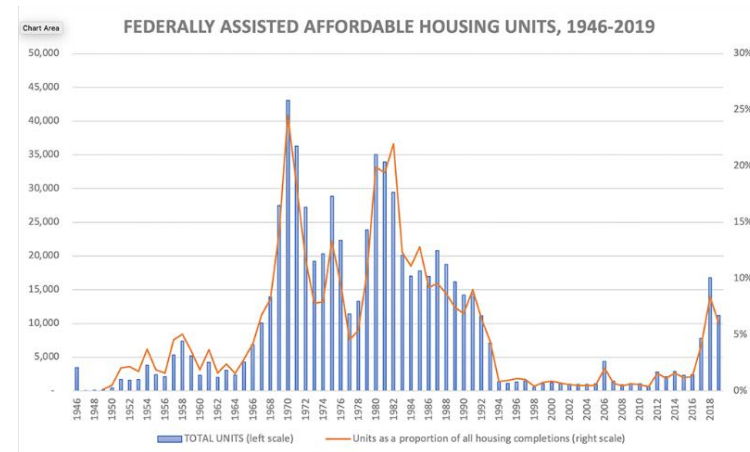
Limited Affordable and Market-Rate Rental Development

The tenure of housing that is being built is also playing a role in the affordability crisis. For several decades, there has been far too little affordable and market-rate rental housing constructed – two housing types that have historically accommodated low and middle-income households.

Canada built a lot of federally-assisted affordable housing units in the 1960s through to the 1980s. Downloading of responsibilities to the provinces and then to municipalities, the end of federal funding for new social housing in the mid-1990s, and the end of social housing as a significant national policy priority all contributed to the steep decline in affordable rental housing supply (Figure 4).

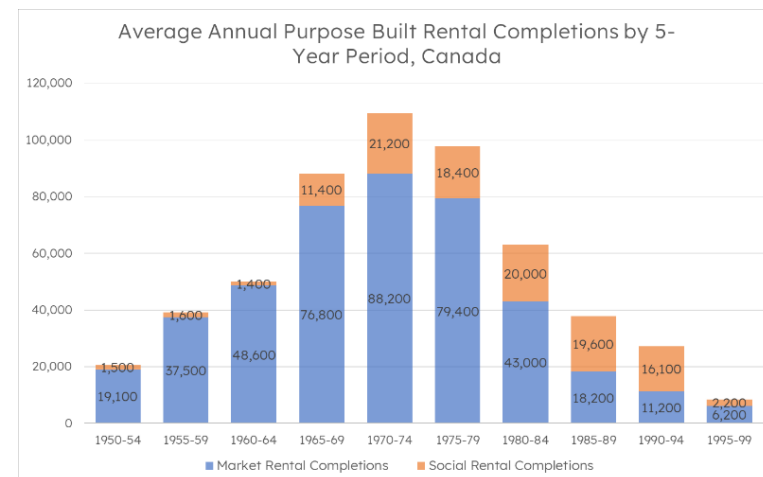
Construction activity has started to improve in recent years in response to initiatives borne out of the Federal government’s National Housing Strategy. However, after 25+ years of relative inaction, and widening affordability gaps, this represents just a small portion of what is needed.

Figure 4



Source: The Yee, "Why Can't We Build Like It's the 1970s?", April 22, 2022

Figure 5



Source: Dr. Mike P. Moffatt

At the same time, changes were also made that impacted the attractiveness of new market-rate purpose-built rental investment. The private sector built a significant amount of new market rentals in the 1960s and 1970s (Figure 5). Policy changes since then around rent control, GST/HST, subsidies, and other measures led to a steep decline of private sector rental investment starting in the 1980's, requiring that the growing base of renters in Canada rely on secondary rentals that do not offer the same security of tenure.

Today, rental development is plagued by high equity requirements and relatively low returns, which has led to most projects pursuing condominium tenure. Condominium projects present less risk, higher and quicker returns, and higher land values, which rental projects struggle to compete with.

Restrictive Planning Policies & Onerous Development Process

Outdated restrictions on new development require that many developers seek amendments to zoning by-laws or Official Plans to build new housing. This delays new development and adds to the costs and risk profile of new housing development. These costs can impact project feasibility and restrict housing supply. Where demand for housing outstrips supply, these dynamics mean that developers can (and need to) charge more for housing in order to maintain viability.

In many municipalities, the development process has become more and more complicated, with design guidelines and other requirements that exert further control over what can and cannot be

built. Appeals, a long list of required studies, peer reviews, public consultation requirements that can go beyond what is set out in the Planning Act, and other factors also play a role in making development process more onerous and creating an environment where it is harder to build new housing.

Restricting where new housing development can be built also creates a premium for developable land. Where few development sites exist, land values increase substantially, which creates many unintended consequences:

- High land values due to competition from developers, requiring high density and premium market positioning for projects to 'pencil'.
- Landowners seeking planning permissions to improve the value of their land, but without near-term plans to build.
- Most development is undertaken by the larger developers who have substantial capital, expertise, resources, and political connections necessary to undertake a complicated and multi-year entitlement and construction process. These groups seek above market profits to justify their investment.

Local Opposition to New Development (NIMBYism)

Residents who are passionate about their communities often want to have a say about what gets built and where it gets built. However, within this space, there is some extreme opposition to change and new development. These individuals or resident groups are often labelled as 'NIMBY' ('not-in-my-backyard').

The impact of opposition voices can delay new development or require compromises from the developer that can risk project feasibility and can reduce affordability. In some communities where the NIMBYism issues are well-known, it may even discourage some developers from trying to build at all, with a belief that opposition to growth and change is so strong that it may not be worth the effort, time, and resources, particularly if they must acquire a site in a new market.

Restrictive planning policies help support opposition to new development, increasing the importance of reforming local land use restrictions and creating a more streamlined approvals process.

Construction and Development Costs

The cost of development has been rising. This includes both hard construction costs and soft costs (soft costs include costs such as municipal fees and charges, consultants, financing, etc.). Table 2 summarizes how hard construction costs have changed in recent years¹, increasing between \$80 to \$130 per square foot, or 45% to 70%, since 2019. At the same time, development charges have increased in many municipalities, and rising interest rates more recently are now also making construction more expensive.

¹ Specific construction cost data was not available for Barrie, however, we would expect similar trends in Barrie as the GTA given their proximity.

Table 2

Change in Per Square Foot Construction Costs GTA, 2019 to 2023				
Housing Type	2019 Average	2023 Average	Change (2019 to 2023)	
Single-Detached	\$165	\$245	\$80	48%
Townhouse	\$133	\$223	\$90	68%
Stacked Townhouse	\$158	\$253	\$95	60%
6-Storey Apartment	\$188	\$283	\$95	51%
12-Storey Apartment	\$225	\$328	\$103	46%
25-Storey Apartment	\$223	\$328	\$105	47%
40-Storey Apartment	\$230	\$360	\$130	57%
Underground Parking	\$138	\$233	\$95	69%
<i>Note: Average pricing per square foot is based on the mid-point of the range provided by Altus Group in their annual construction cost guide.</i> <i>Source: Altus Group</i>				

Delays caused by restrictive planning policies, an onerous development process, and the impacts of NIMBYism also contribute to the rising cost of development in many communities.

As costs increase, developers must either pursue pricing towards the higher end of the market, or not build at all if an adequate profit cannot be achieved. Rising costs mean that most developers now compete at the upper end of the market to achieve the rate of return on investment that will be required by lenders and equity investors in a project. Historically, new housing projects were positioned

towards a broader segment of the population, including middle/moderate-income groups, which was made possible by lower development costs and a strong supply of development-ready greenfield land where low-density housing could be built quickly.

These rising costs also have a significant impact on the delivery of new affordable housing. These developments are often exposed to the same costs as a market-rate project. As such, as costs increase, the required level of subsidy to fund the affordable housing increases, which impacts the scale of housing that can be delivered. Non-profits, in particular, are being affected by this issue, as rising interest rates have reduced the amount of project costs that can be financed, requiring greater upfront equity for projects to advance.

Labour and Material Shortages

Labour supply for new development is a key factor contributing to the housing shortage and may be a limiting factor in the Province reaching its own goal of 1,500,000 new homes over 10 years.

The construction industry is already short an estimated 80,000 workers across Canada according to CIBC, including shortages for both labourers and skilled trades. A coming wave of retirements could make the problem worse over the next decade.

Job vacancies in the construction industry not only limit how much new housing can be delivered on an annual basis, but also drive up building costs, which has a trickle down effect on housing affordability, as noted throughout this section.

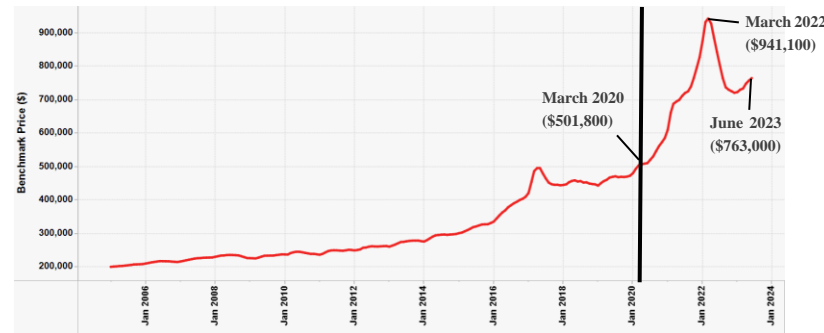
Material shortages – such as lumber, steel, and aggregates – while not as acute as labour shortages today, were also a significant limiting factor during the COVID-19 pandemic, contributing to the recent slowdown of new development. Alternative construction techniques such as modular housing, panelization, shipping containers, and others, could help to reduce the burden on more traditional construction from a materials and labour standpoint.

Impacts of COVID-19

The COVID-19 pandemic changed the way many people live and work, including the lifestyle and housing priorities of many households. Many took this time to leave rental apartments and smaller homes in urban centres like Toronto in favour of larger homes in communities across the GTA, including the City of Barrie. Since 2020, communities such as Barrie, as well as more modest market areas like Woodstock, London, Kingston, Collingwood, and many others all experienced rapid home price appreciation as demand for low-density homes and larger apartments increased.

Figure 6 illustrates the monthly benchmark resale price in Barrie since 2005, which follows a similar trend as most other municipalities in Southern Ontario. At the beginning of the pandemic in March 2020, benchmark resale prices in Barrie were just over \$500,000, but quickly rose to more than \$940,000 in two years (+88%). While prices have since declined due to rising interest rates, they are still up about 52% in just over three years.

Figure 6: Benchmark Resale Prices in Barrie: 2005 to 2023



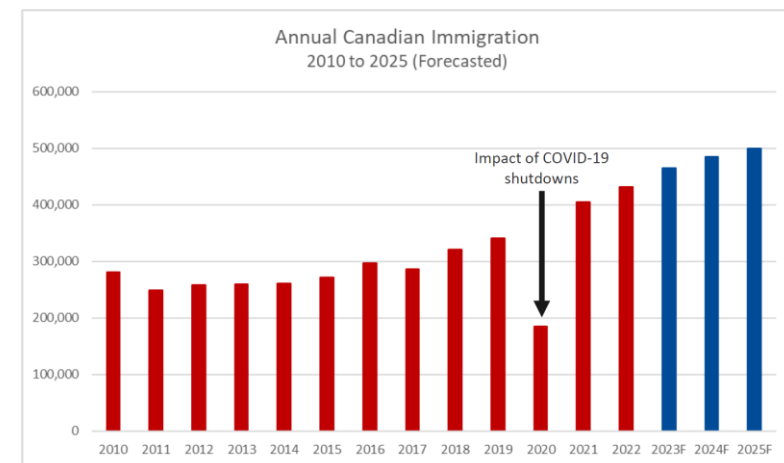
Source: Barrie and District Association of Realtors

Population Growth

Relating back to the subsection on housing supply, population growth also plays a significant role in the shortage of housing, particularly in recent years.

Canada's immigration targets have been ramped up in recent years and are forecasted to reach 500,000 new Canadians annually by 2025 (Figure 7). This has an obvious impact on the housing market. As the population grows, construction activity needs to grow with it. Unfortunately, for a variety of reasons – included many noted within this section – construction activity has not kept pace with the increasing rate of population growth.

Figure 7



Source: Statistics Canada

Post-Secondary Enrollment Pressures

Many students require relatively affordable housing options and often have to compete in the market with low- or moderate-income households, putting a further strain on this increasingly limited segment of the market. As post-secondary enrollment increases, so too does housing demand from students.

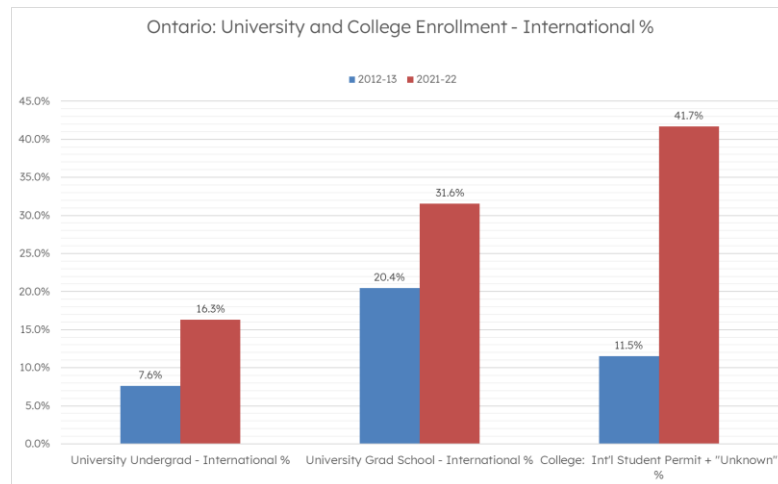
More recently, both Universities and Colleges have expanded their international enrollment – with the increase being particularly dramatic for Colleges, about half of which in Ontario now feature a student body with 40%+ international students (Figure 8).

While many domestic students can live with family if attending school locally, international students cannot. The shift towards a

higher proportion of international students has had a considerable impact on housing markets, particularly those that include Colleges, like Barrie.

At the same time, these schools are not building student housing at a rate that responds to these changes in enrollment – and the housing that is built tends to be unaffordable for most students. This forces students seeking housing to look elsewhere in the housing market and to compete with residents for housing the limited supply of relatively affordable housing in the market. This is putting significant strain on the rental market.

Figure 8



Source: Dr. Mike P. Moffatt

4.0 Recommended Action Items

The analysis underpinning this Strategic Directions Options report indicates that the affordable housing crisis will not be resolved without significant action from all levels of government, including the City of Barrie. While municipalities have many levers available that can meaningfully impact housing affordability, their revenue tools and overall capital budgeting is limited. Greater action and funding from senior levels of government are therefore also necessary to meaningfully address the housing challenges experienced by low- and moderate-income households.

While terms such as ‘the financialization’ or ‘commodification’ of housing are frequently noted as causes of the housing crisis, these are merely symptoms of an undersupplied market. Where demand significantly exceeds supply, for both housing and developable land, prices will increase and actors (e.g., developers, investors, landowners, homeowners) will seek to capitalize on these market conditions. The City of Barrie, along with most communities in Ontario and Canada broadly, require increased housing supply to restore affordability.

While increased supply can restore housing affordability over the longer term, a broader supply of housing is also needed, where more rental apartments, missing middle typologies, and affordable housing are also part of the solution. These solutions can provide more immediate affordability relief, but require more substantial policy and financial intervention from the public sector.

We see four critical levers that should be considered as part of Barrie’s updated Affordable Housing Strategy. These four levers

have guided the recommended options that are provided in this section and we believe these levers will allow the City of Barrie to start to address its growing affordability issues:

- **Policy and Process Reform:** Given existing fiscal constraints, the most active role a municipality can have in delivering housing is through land use planning. Creating a more permissive policy environment and more efficient internal processes to ensure more housing (of all types and prices) is constructed will be critical moving forward to try to bring balance to the market. As outlined in the previous section, and in our HNA, a lack of supply is a significant contributing factor to the affordability gaps being observed today.

Not only does a more permissive policy environment allow more housing to be built, but more efficient internal processes should also reduce delays, which has positive impacts on project costs and development feasibility. Lowering costs and increasing the supply of developable land creates more elasticity in pricing, allowing developers to compete at a wider range of prices while still achieving their required return. It also allows for more varied participation in the development of housing beyond only the largest developers undertaking complicated higher density development with risk adjusted profit expectations.

- **Offer Development Incentives:** The City of Barrie needs to provide various incentives to reduce the cost of development for housing providers who are seeking to build the types of housing that are identified as a priority.

Development incentives improve the feasibility of new housing that is not already being delivered naturally by the market. There are a wide range of incentives that can be provided by the City of Barrie, in addition to the use of City-owned land for new residential development. Senior levels of government must also play a role here.

- **Take a Leadership Role:** While the City of Barrie may not have the ability or resources to construct or fund a significant amount of new housing on their own, they can take a leadership role in the delivery of new housing in other ways. This includes taking the initiative to declare new residential development a priority, educating residents on the benefits of new development, identifying public land for new housing, connecting interested parties to potential partners and funding programs, among other initiatives.
- **Advocate to Upper Levels of Government:** More active participation from the Provincial and Federal governments will be required to have a more significant and lasting impact on housing affordability, particularly when it comes to subsidizing new affordable housing development. As such, advocacy to upper levels of government for help in solving housing affordability issues, ideally with targeted requests, will be a critical part of the go-forward strategy. Notwithstanding this, the Affordable Housing Strategy will primarily be focused on actions the City of Barrie can take, so advocacy initiatives should be a secondary consideration.

Together, our recommendations will create a strategy that couples market-oriented land use planning reforms with a proactive government role – including leveraging public land as well as direct investment – to increase the development of market-rate and affordable housing. The recommendations have been shaped by our research, stakeholder input, and NBLC’s own extensive experience in the housing industry.

Based on our work to date and research on current market conditions, we generally believe that the City should be prioritizing the following housing types, in this order, through the Affordable Housing Strategy:

- Affordable rental housing;
- Market-rate rental housing;
- Affordable ownership housing.

Notwithstanding this, flexibility will be key, particularly when it comes to the use of incentives. An adequate program budget will also be required to achieve the stated goals.

While we understand that City resources are limited in Barrie, like in most municipalities, the affordable housing issue is in desperate need of focused and accelerated action after decades of relatively limited action. Upon completion of the Affordable Housing Strategy in Fall 2023, the City of Barrie should plan to act as soon as possible and utilize lessons learned over time to adjust any programs and policies accordingly to maximize effectiveness.

Table 3, below, provides a summary of NBLC’s 10 recommended action items for the updated Affordable Housing Strategy. For each recommendation in this section, we have provided detailed commentary, in addition to high-level information on estimated impact, potential cost, and timeline to implementation. An explanation of the scoring system for these items can be found on page 15.

The first four items in our list of recommendations relate to planning reforms, development incentives, the use of public land,

and shortening approval timelines. These will be particularly critical and impactful in getting more affordable and market-rate housing supply built in Barrie moving forward.

We expect that this list of options may still evolve in the coming months as we receive feedback and work towards finalizing the updated Affordable Housing Strategy. Additional work will also need to be completed as it relates to costing of these items, understanding available funding, and setting priorities related to groups served, housing tenures, and other key factors.

Table 3

Recommended Action Items City of Barrie Updated Affordable Housing Strategy			
	Impact (1 to 5)	Cost (\$ to \$\$\$)	Timeline (Immediate to Long-Term)
Undertake a Comprehensive Review of the City’s Zoning By-Law	5	\$\$	Medium
Offer Development Incentives for Targeted Projects Through a CIP and/or MCFB	5	\$\$\$	Medium
Prioritize Housing Outcomes on Public Land	5	\$	Medium
Work Towards a Decision Faster (Shorten Approvals Timelines)	4	\$\$	Medium
Create a Funding Stream Specifically for Affordable Housing	4	\$	Near
Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing	4	\$	Near
Enhance the Simcoe County Secondary Suite Program for Barrie (Barrie Bonus)	3	\$\$/\$\$\$	Near
Enact a Rental Replacement By-law to Preserve Existing Rental Stock	3	\$	Near
Continue Shifting the Public Discourse Around Growth, Density, and Affordable Housing	3	\$	Immediate
Explore the Potential for Inclusionary Zoning in Barrie	3	\$\$/\$\$\$	Medium

Methodology

The following explains the scoring system that will be utilized in the coming pages for all of the strategic options in terms of potential impact of the option, the potential cost of its implementation, and the estimated timeline for implementation. This scoring is meant to provide the City of Barrie with additional insight into each of these strategic options, however, this scoring is an estimate. It is possible that in any option, the true impact may be above or below what we have estimated.

Impact: How impactful will the option be in increasing housing options in Barrie, relative to other options?

The level of impact is estimated based on a number of factors such as how scalable the recommendation is, how much new housing supply it is likely to create, how likely it is that the recommendation will produce housing for moderate-income households, and how much control the City has over the that specific recommendation, among others.

- ★ Minimal Impact
- ★★ Low Impact
- ★★★ Moderate Impact
- ★★★★ High Impact
- ★★★★★ Maximum Impact

Cost: How much should the City expect the implementation and/or ongoing administration of the strategic option to cost?

- \$:** Low-Cost (<\$100,000): This may represent no cost to the City, a small one-time cost, or the cost of one new staff member.
- \$\$:** Medium Cost (\$100,000 to <\$1,000,000): This option may require the hiring of consultants, several staff members, and/or ongoing costs.
- \$\$\$:** High-Cost (\$1,000,000+): Options in this category are likely to be most significant from a budget and investment perspective.

Timeline: How long might it take to implement this strategic option?

- Immediate:** These options can be implemented immediately after the Strategy is completed. Implementation could take less than a month.
- Near-Term:** These options can be implemented in less than one year.
- Medium-Term:** These options are likely to take between one and three years to implement.
- Long-Term:** These options are likely to take three or more years to implement.

Undertake a Comprehensive Review of the City's Zoning By-Law

Impact: ★★★★★ **Cost:** \$\$ **Timeline:** Medium-Term

Significant changes to planning policy province-wide are needed to increase housing supply. At the municipal level, this generally means refinements to zoning and Official Plans where they place outdated restrictions on new development. Getting these planning changes correct will be critical in the execution of the other recommendations in this report.

The City of Barrie is in the process of creating a new comprehensive Zoning By-law to support the newly approved Official Plan (2023). To help guide that ongoing work, we would recommend the following be considered to achieve the goals of the affordable housing strategy, many of which are being contemplated in the most recent draft of the new zoning by-law:

- **Upzone along arterial roads:** Where it does not exist already, the City should consider opportunities to upzone along arterial roads where the lot depths and other factors might allow. We would suggest that, at minimum, mid-rise heights should be permitted as-of-right, with taller buildings permitted in strategic locations.
- **Eliminate single-family-only zoning:** Eliminating single-family-only zoning is not meant to restrict the construction or existence of single-detached homes, but rather to end zoning that *only* permits this built form. In any residential 'neighbourhood' – even those that are primarily low-rise homes – semi-detached, townhouses, and multiplex built forms should be permitted as-of-right to increase housing options.
- **Allow more density in neighbourhoods:** The Province through Bill 23 has already required that three units be permitted as-of-right on any serviced residential parcel. There is an opportunity to take this further by ensuring medium-density housing types like traditional, back-to-back and stacked townhouses are allowed as-of-right in all neighbourhoods, as well as denser multiplex homes like four and six-plexes (e.g. encourage more “missing middle”). Legalizing rooming houses (which could even be used as employee housing) in all residential zones would also be beneficial.

We would also recommend that the City of Barrie consider permitting low-rise apartment buildings (3 or 4-storeys) with no required on-site parking in all neighbourhoods as well. These types of apartments already exist in parts of the low-rise neighbourhoods in Barrie and can be integrated easily. These missing middle built forms and low-rise apartments can be constructed more cost effectively, be priced lower, and be undertaken by a wider range of developers/investors relative to larger projects.

Communities often see older single-family homes knocked down and replaced with larger single-family homes. This is partially due to market forces, but it is also because zoning restricts the ability to develop anything denser. Allowing denser forms of housing to be built within neighbourhoods can result in the same labour (e.g., smaller builders, contractors) and investors who are currently redeveloping single-family homes to transition their business model to constructing these higher density outcomes, if the approval process was as straightforward and simple as the process to build a larger single-family home. If these outcomes are not achieved after zoning reform, additional reforms may be necessary, and possibly the provision of financial incentives if the economics are not supportive. Both the City of Toronto and City of Kitchener are currently exploring zoning reforms to allow these types of outcomes in existing low-density neighbourhoods, including the layering of incentives to ensure these outcomes present the highest and best use of these lands.

- **Allow residential development to be integrated into designated commercial areas:** While changes within the commercial-retail sector were already occurring due to the proliferation of digital platforms, e-commerce opportunities, and the decline of the traditional mall, they were accelerated during the COVID-19 pandemic. The nature and need for brick-and-mortar retail has changed. Large-format retail plazas are being re-imagined across Ontario to incorporate a mix of residential uses on existing surface parking lots and create more complete communities.

The City of Barrie should recognize this emerging trend and create a related policy framework that provides flexibility to add housing supply to these commercial properties. Importantly, this would put more housing within walking distance of key commercial amenities. These are also areas that should be considered appropriate for increased maximum building heights – in the range of at least 6 to 12-storeys, with opportunities for taller buildings as well.

- **Eliminate minimum parking requirements:** Parking can add significant costs to apartment developments, particularly if it needs to be located underground. Eliminating minimum parking requirements would allow housing providers to provide parking based on market expectations as opposed to policy requirements, building only what is needed. Consideration should also be given to eliminating parking minimums for the commercial component of mixed-use buildings as well.

We understand that some opponents of no parking minimums are concerned about a potential increase of residents parking on streets. In our view, this is an enforcement issue, not a planning issue. Strong investments in transit can also mitigate any negative externality of reduced on-site parking.

- **Community integration of new housing:** Unless the proposal is in a heritage district, better balance the preservation of the community with the creation of housing supply through the new zoning by-law. It is probable that with careful reconsideration, low-density zones could allow for a broader range of more dense housing formats.

- **Update other zoning permissions to accommodate the above changes:**
The City should review the by-law to make any necessary changes related to setbacks, building depths, minimum lot sizes, lot coverage, etc.

The zoning reforms listed above will encourage development of all housing forms and price points, including those at the upper-end of the market. The goal of these reforms should be to start the process of getting more housing built in general as opposed to just affordable housing, to bring more balance to the market in terms of supply and demand. This is the best strategy for improving overall affordability in the community over the longer term.

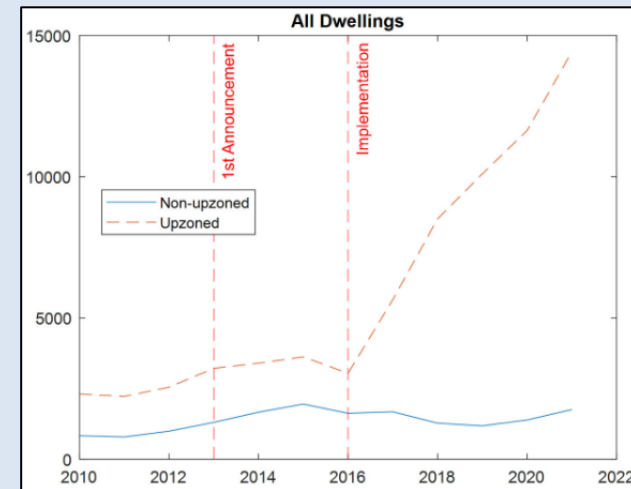
Simplifying the City's zoning by-law could also have a positive impact on getting more housing supply built, making it easier for builders to get to the construction phase quickly and to increase the number of participants in housing delivery. In addition to zoning reforms, there are a number of approaches that the City of Barrie could take to simplify its zoning. Any changes should focus on creating clarity and predictability and could include, among other options:

- Reducing the number of zone categories and expanding the range of permitted uses in each zone;
- Increasing as-of-right opportunities (as noted previously);
- Limiting development by height as opposed to density, number of units, floor space index, or lot coverage;
- Simplifying the language in the by-law;
- Utilizing graphics and images to help explain any complex zone provisions;
- Reviewing all exceptions and determine whether they should be incorporated into general zone categories, carried forward in their current form if still relevant, or deleted entirely.

Impacts of Upzoning in Auckland, New Zealand

In 2016, Auckland implemented large-scale zoning reforms under the Auckland Unitary Plan ("AUP") that eliminated single-family-only zoning and relaxed height and density permissions on about 75% of its residential land area. According to a recent study, Auckland's upzoning reforms led to a significant increase in new housing permits, increasing every year since the AUP was enacted, from approximately 6,000 permits in 2015 to 14,300 permits in 2020 (Figure 9). According to the study, building permits for 26,903 additional residential units have been issued as a direct result of the AUP policies over the first five years since its implementation.

Figure 9



Source: Greenaway-McGrevy & Phillips (2022)

Offer Development Incentives for Targeted Projects Through a CIP and/or MCFB

Impact: ★★★★★ **Cost:** \$\$\$ **Timeline:** Medium-Term

There is no business case for the private sector to build affordable housing on their own. The revenues associated with affordable rental or affordable ownership prices are not sufficient to cover the costs of new development while also providing the developer with a reasonable return. Non-profits do not require a return, but they struggle to secure the financing and equity needed for an affordable housing project to advance. (Figure 10).

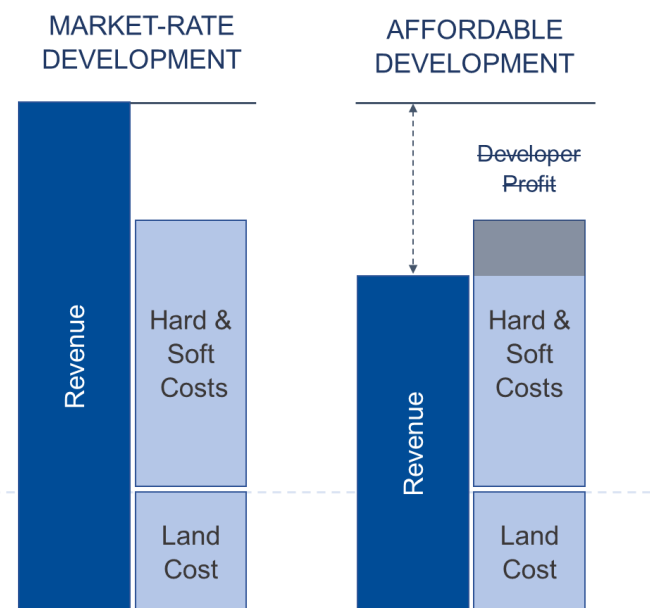
While simplifying and speeding up the development process is one way to reduce development costs in a more indirect way and for all types of housing, there are also options for the City of Barrie to more directly subsidize new development that achieves municipal priorities.

The City of Barrie should aim to reduce the cost of development using development incentives to encourage private sector and non-profit developers to participate in the delivery of affordable and market-rate rental housing.

Affordable housing should be the highest priority for incentives, but market-rate purpose-built rental development should also be considered as a secondary priority given the limited new investment occurring in Barrie over the past 20 years. As noted in our housing needs analysis, condominium tenure development is more economically appealing than purpose-built rental development for a variety of reasons including lower equity requirements, ease of financing, differences in costs, and shorter timeline to achieving profits.

The City can offer incentives through either a City-wide Community Improvement Plan ('CIP') or through Municipal Capital Facility Agreements ('MCFA'). CIPs and MCFAs are similar tools that allow municipalities to offer incentives to achieve specific outcomes.

Figure 10



We understand that the City of Barrie has an existing CIP, the programs for which have been put on hold while the Affordable Housing Strategy is being completed. The following provides an overview of CIPs and MCFAs to help guide the City’s decision-making.

Community Improvement Plan (CIP)

Section 28 of the Planning Act loosely defines the types of incentives that can be used through a CIP. The Act generally allows for the acquisition, preparation, and disposition of land by the municipality as well as the offering of grants and loans. Section 28(7) generally states that “*the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area*”. Grants and loans can be offered to partially or wholly cover eligible costs (but not exceed), which can include anything from site preparation, development, construction, redevelopment, and other related items. Municipalities may also offer property tax relief through a CIP, however, only for eligible heritage and brownfield properties. For other community improvement objectives, property taxes can be addressed through grants (i.e. tax increment equivalency grant), such as the retention or conversion of residential units above existing commercial uses in the Downtown Core.

Common incentives within a CIP includes grants for development charges, capital grants, tax increment equivalent grants (“TIEG”), application and building permit grants, feasibility study grants, façade improvement grants, capital grants to offset construction costs, construction financing, offering municipal land in support of a community improvement, parking rate reductions, fast tracked application reviews, and many others.

Municipal Capital Facilities Agreement / By-Law (MCFA / MCFB)

An MCFA is like a CIP in that it offers a municipality the flexibility to provide financial incentives to the development industry in exchange for affordable housing. While the definition of what constitutes a municipal capital facility is narrow, affordable housing is specifically permitted. As such, an MCFA is commonly used in Ontario as a mechanism to encourage affordable housing, though it is limited in its ability to achieve other planning and economic objectives relative to the flexibility of a CIP. Its use beyond affordable housing is therefore limited.

An MCFA is enabled through Section 110 of the Municipal Act, which states that municipalities can enter into an agreement with non-profit and for-profit developers to provide incentives in exchange for affordable housing. Incentives can include giving or lending money, giving, leasing, or selling property, guaranteeing borrowing, and reducing wholly or partially development charges and property taxes.

To enter into an MCFA, a municipality must first pass a Municipal Capital Facility By-Law (‘MCFB’) that must define affordable housing, define the eligibility requirements, include references to current acts and legislation, include a summary of the provisions that agreements must contain, and other language as required by the Act. Once the by-law is in force, a municipality can then enter into individual agreements, referred to as Municipal Capital Facility Agreements, with selected projects.

Choosing the Right Tool

While these tools are similar, a MCFB can be implemented and amended much more quickly than a CIP. MCFBs require only a single by-law to Council and require almost no administrative burden to change parameters of the program. A CIP on the other hand requires public meetings and can be appealed by a member of the public, both through initial approval and any subsequent amendment. A MCFB can also only be used for affordable housing, whereas a CIP can achieve multiple objectives. Finally, while a MCFB can only be used for affordable housing, recent MCFBs have defined affordable as anywhere from social housing to market rental, given the housing needs in the community, so there is some flexibility in the definition of ‘affordable’.

From the perspective of incenting affordable housing development, many communities across Ontario have increasingly been using the MCFB due to its added flexibility and ease of implementation.

Development Incentive Options

When building an incentive program, we would recommend avoiding those that increase demand for existing housing. The Federal government has introduced several initiatives in recent years to help first-time home buyers, in particular. While these efforts are helpful for some, they also increase demand for ownership housing without policies to create more supply to offset the increase in demand. The City of Barrie should avoid similar demand-side incentives where possible and instead focus their resources on solutions that will create more affordable and market-rate housing supply. The gap between supply and demand has been a key driver of the rapid increase in housing prices and rising unaffordability (see Section 3.0).

Regardless of whether a CIP or MCFB is pursued, we would recommend that the City of Barrie explore the potential for providing the following incentives:

- Development charge grants, waivers, or deferrals (this would represent deeper incentives than what is now required through the Province’s recent Bill 23);
- Property tax grants or reductions;
- Application and building permit grants;
- Study grants for non-profits;
- Capital grants to offset construction costs;
- Construction financing;
- Guaranteeing borrowing or offering no or low-cost loans, particularly for non-profits who often struggle to access traditional financing;
- Renovation credits to create additional housing units or renovate existing units.

Many of these incentives are already provided as part of the Affordable Housing Development Program in the existing CIP, while others would help to build on the existing program to provide deeper subsidy and broaden the interest from housing providers for available incentives.

These types of incentives can have a significant impact on development feasibility and the level of affordability in a new development. Regardless of whether a CIP or MCFB is pursued, we would recommend ‘stacking’ incentives where appropriate to increase affordability and/or the supply of new affordable or rental housing. Stacking incentives helps to further reduce the cost of development and can drive at deeper affordability or expand the number of units that are considered affordable in a new development. Stacking with senior-level funding and financing programs such as the Co-Investment Fund and Rental Housing Financing Initiative are also recommended. A proforma analysis should support the design and funding of the incentive program to ensure enough subsidy is being offered to achieve program goals.

Of note, more recent affordable housing programs have moved away from tying incentives to individual fee and charges. These programs instead pool capital funding and offer grants on a competitive basis through an annual proposal call. For example, the Region of Peel recently (2020) implemented the Peel Affordable Rental Housing Incentive Program that was funded with a budget of \$7.5M in the first year, which has increased to \$10M in 2023. Eligibility criteria require that all applications be rental tenure, a maximum of 135% AMR for 20 years, as well as other requirements related to suite mix and unit sizes that cater to families and larger households. Funding is released each year through an annual proposal call, where applicants request the amount of subsidy they require for their project to be feasible (e.g., \$100,000 per unit). Applications are then scored based on a list of criteria related to length/depth of affordability (more points for longer and deeper affordability),

energy efficiency, subsidy requested, locational amenities, and others. This process is effective because every project is unique in terms of building size, depth/length of affordability, underground vs surface parking, wood vs. concrete construction, return expectations, non-profit vs for-profit builder, etc. There is no single package of incentives that will work for every project, and this process allows the Region to negotiate with individual applicants to ensure that their funding results in a viable project and that valuable municipal funding is allocated on a competitive basis. Peel's program secured 135 affordable units through the first proposal call, with the second round currently underway. The Region of Durham and City of Toronto have similar programs, which are all administered through a MCFB.

Where incentives are tied to individual fees and charges, developers simply will not apply if the funding is insufficient. Alternatively, they may apply and seek other funding sources, often tying up valuable municipal resources as they seek other sources of capital.

Incenting Market-Rate Purpose-Built Rental Development

As noted, affordable housing should be the priority for incentives, but consideration should also be given to providing incentives for market-rate purpose-built rental development given the shortage of new construction in Barrie. This could be in the form of lesser grants or reductions on some of the above noted incentives, as is currently offered through the existing CIP.

Within the context of the Peel Region example noted above, Peel selected a high eligibility target of 135% of AMR, as near market rental housing was also needed in the community. Evaluation criteria, however, identify that significantly more points are available if applicants pursue deeper affordability. This allows the Region to incent housing up to 135% of AMR if that project is competitive relative to the other applications submitted. Alternatively, if more applications are pursuing deeper affordability, Peel can allocate the limited amount of funding to those projects instead. This type of flexibility has resulted in strong uptake in the program.

Deferrals can be particularly effective for market-rate purpose-built rental housing, while not placing the same burden on City finances as a grant or waiver. York Region, for example, currently offers development charge deferrals for up to 20 years on purpose-built rental projects that offer pricing at 175% of Average Market Rent, or less. A similar approach could be considered in Barrie that acknowledges that pricing above 100% AMR can still provide affordable rental rates for income groups that are currently underserved in the market today (e.g. 135% = affordable for 6th income decile, 160% = affordable for 7th income decile).

Changes to property taxes for purpose-built rental buildings could also incent new development. Whether affordable or market-rate, property taxes represent a significant portion of a rental building's operating expenses. A reduced property tax rate for purpose-built rental buildings

could be used to incentivize new market-rate development, while a deeper reduction or waiver could be a key incentive for rental operators looking to maintain affordable rental rates, or to support existing and prospective affordable housing providers.

Prioritize Housing Outcomes on Public Land

Impact: ★★★★★ **Cost:** \$ **Timeline:** Medium-Term

Like development incentives, no-cost or low-cost land is a way to subsidize the development of new affordable housing and can have a significant impact on project affordability.

The City of Barrie should utilize City-owned land for new affordable housing. We would recommend that the City undergo an RFP process for any property that is deemed to be vacant or underutilized and that would be considered appropriate for a new residential or mixed-use development. The RFP process would allow housing providers and/or long-term operators to compete for the opportunity to develop the site based on a list of requirements as set out in the RFP.

We would recommend that on any City-owned property being used for new affordable housing development, the City:

- Maximize the density on the property;
- Maximize the number of affordable housing units delivered. Be open to mixed-income developments as a means of subsidizing the affordable housing units;
- Set clear expectations for depth of affordability, length of affordability, and target income groups;
- Prioritize rental tenure development over ownership. A mixed-income rental tenure development could provide the benefit of delivering two types of housing that are currently in short supply in Barrie;
- Offer the property without cost, or at below market value. We would not recommend selling City-owned lands at full market value and reinvesting profits into other incentives/priorities, unless there is a clear rationale that will allow for the delivery of more affordable units;
- Be open to creative solutions around construction techniques, building design, and housing models that can reduce the cost of development on City-owned land, support more affordable housing delivery, and support the City's housing needs and priorities;
- Identify partners to not only develop the housing, but also operate any affordable housing units after construction completion.

We would recommend the City undertake a portfolio review of publicly-owned land in Barrie. This would allow the City to better understand which properties are best suited for new residential development and what is needed in order to prepare these sites for redevelopment.

As part of this portfolio review, we recommend investigating revitalization of existing Simcoe County social housing properties in Barrie. Many communities across Ontario are reevaluating existing and older social housing sites that are often underutilized and require significant capital repairs to remain viable. These sites can be redeveloped with more density to include more homes and a greater social mix. Examples include redevelopments undertaken at Regent Park in Toronto, Jamesville in Hamilton, Rideau Heights in Kingston, and many others.

Finally, we would recommend against the City of Barrie becoming developers through the creation of a development corporation, land trust, or housing cooperative, or becoming landlords through a housing corporation. Government, in general, is less nimble than the private and/or non-profit sectors, includes more bureaucracy, and does not have the same level of existing expertise. In addition, Simcoe County as Service Manager, is already positioned to operate and build lower income housing.

With any new development on City-owned land, we would recommend that the City utilize partnerships with private and non-profit sector partners to leverage their existing knowledge about market-rate and affordable housing development and operation. These groups are local experts in the types of development that the City of Barrie is likely to want to see moving forward and should be leaned on as much as possible moving forward.

Where public land may not be available, Barrie can consider acquiring new sites as opportunities become available. For example, older school properties can be acquired by municipalities if they are declared surplus, which is a situation occurring more

City of Toronto Housing Now Program

Housing Now is an initiative to activate City-owned sites for the development of affordable housing within mixed-income, mixed-use, transit-oriented communities. Through an annual RFP, the City offers public land at reduced value to the private sector. Sites are released on a competitive basis, where the City pre-zones and details the affordable housing to be included through each property.

Phase 1 of Housing Now launched in 2019 with an initial offering of 11 sites that are expected to deliver over 10,000 new homes, including 3,700 affordable rental units. Phase 2 added six new sites in 2020, and Phase 3 added another four sites in 2021.

Figure 11: Housing Now Proposal at 5207 Dundas St W



Source: Toronto Storeys

frequently in communities across Ontario. The City of Barrie could consider acquiring a surplus school property for the purpose of developing new affordable housing and community uses, as was done by the City of Orillia and Simcoe County at the Orillia District Collegiate and Vocational Institute in the example to follow.

Orillia District Collegiate and Vocational Institute, City of Orillia

The County of Simcoe purchased the surplus school property in 2018 with the intent to transform it into a regional community hub combining social services and affordable housing under one roof. The new 216,000 square foot ('sf') facility will include 130 mixed affordable units capped at 80% of the CMHC Average Market Rent ('AMR') and 60,000 sf of commercial/ community space.

Funding for the project comes from all levels of government including the City of Orillia, County of Simcoe, and the federal and provincial government through the Ontario Priorities Housing Initiative.

Figure 12: Conceptual Design for Orillia Affordable Housing Hub Project



Source: Orillia Matters

Work Towards a Decision Faster (Shorten Approval Timelines)

Impact: ★★★★★ **Cost:** \$\$ **Timeline:** Medium-Term

Delays drive up the cost of housing. Several studies in recent years undertaken by both public sector (e.g. CMHC) and private sector (e.g. BILD) organizations have indicated that delays in the development approvals process have direct impacts on making housing less affordable and can add tens of thousands of dollars to the cost of a single unit.

The City of Barrie should strive to simplify the development approvals process with a goal of speeding up the delivery of new housing supply and increasing efficiency. This could in turn reduce the cost of all new residential development without requiring direct subsidies.

The Province's Bill 109 has implemented requirements for specific timelines for decisions related to site plan and zoning applications. Other recent changes also included allowing projects with 10 or fewer units to be exempt from site plan control. These items should help to speed up development approvals and have all parties work towards delivering new housing faster.

However, the City of Barrie should explore whether there are other changes that can be made to their own internal processes to spur more construction activity. Designing internal processes to match staffing capacity is a key step in ensuring that these processes are efficient. Some of the steps that may allow the City to increase the speed at which housing is delivered include, among others:

- Limiting the number of public consultations beyond what is required, particularly for applications that conform with local planning policies. Utilizing existing technology for additional input (e.g. ensuring that public consultations have a hybrid in-person-virtual approach, allowing for comments through the City's website, etc), as needed, should be considered sufficient;
- Streamline the process for low-risk or uncomplicated development applications;
- Streamline the approval of building permits;
- Streamline pre-application meetings to ensure that a decision can be made quickly once an application has been submitted;
- Critically review and consider reducing the number of required studies for certain residential developments;
- Eliminate peer review requirements, where possible, particularly if initial studies are completed by qualified professionals or firms qualified by the City of Barrie;
- Improve communication and decision-making between departments to support a more efficient approvals process;
- Consider the creation of pre-approved 'off-the-shelf' home designs (see below for further detail).

We would also recommend creating a process whereby priority projects can be fast-tracked. In this case, we would recommend that those priority projects either be ones that provide affordable housing for moderate and low-income households, or market-rate purpose-built rental projects given the lack of rental options in Barrie today. This would help to speed up the delivery of the housing that is most needed in Barrie.

Lastly, it is also notable that through their Housing Supply Challenge, CMHC is funding research on breaking down pre-construction barriers to deliver more affordable housing. Fourteen projects are being funded for this segment of the Housing Supply Challenge. The results of this work should be tracked closely to determine if any solutions are uncovered that could be relevant to Barrie's processes.

The following provides additional details on two other ways to speed up the delivery of new housing.

Community Infrastructure and Housing Accelerator (CIHA)

The Community Infrastructure and Housing Accelerator (‘CIHA’) is a tool that the City of Barrie could consider to speed up the development process for priority projects, particularly those that include an affordable housing component.

A CIHA is similar to (but less controversial than) a Minister’s Zoning Order (‘MZO’) in that it does not have to conform to the local Official Plan and cannot be appealed – avoiding delays, reducing project risk, and providing certainty. However, the CIHA does require some public consultation, unlike an MZO, though less than a typical zoning by-law amendment. CIHAs are meant to expedite priority developments, including housing of all types, and need to be requested by a municipality to the Minister of Municipal Affairs and Housing on a site-by-site basis. The CIHA must be municipally-led and allows for an agreement to be registered on title of a property.

Pre-Approved ‘Off-the-Shelf’ Building Designs

As a means of accelerating the development process, reducing costs, and increasing housing supply, the City of Barrie should consider creating pre-approved ‘off-the-shelf’ building designs. Builders can then choose from the various designs depending on what type of housing is permitted on their property and construct them as-of-right without having to go through a complex approvals process.

This ‘off-the-shelf’ design approach has been taken in municipalities elsewhere, primarily for lower-density housing types, and is a similar idea to CMHC’s ‘Victory Homes’ designs that were utilized to build homes for returning veterans after World War 2.

The City should consider a similar pre-approved ‘off-the-shelf’ approach for building types that are recommended to be permitted as-of-right in neighbourhoods. To do so would require hiring an architect to design some simple home designs for a variety of building scales – multiplexes, townhouses, stacked townhouses, and low-rise apartment buildings (3 and 4-storeys). This approach would allow interested parties to understand quickly what type of development could occur on their lot, reducing risk, cost, and resources necessary to hire an architect and planner individually to then negotiate with City planning and Council.

Ideally this would be something that the Province or even CMHC would undertake. However, in the absence of this, the City of Barrie should take the initiative on this item.

A recent example of another municipality utilizing pre-approved ‘off-the-shelf’ building designs is South Bend, Indiana. Their building designs can be found [here](#), with information on the development process for these buildings found [here](#). This is a good example of a simple, easy to understand process that Barrie could replicate.

Create a Funding Stream Specifically For Affordable Housing

Impact: ★★★★★ **Cost:** \$ **Timeline:** Near-term

As noted previously, adequate and consistent funding will be required to make an impact on the delivery of more affordable housing in Barrie. This will require that the City of Barrie either find new revenue that can be allocated to any programs that come out of the updated Affordable Housing Strategy, or to find room in the existing budget by reallocating funds from elsewhere to housing priorities.

If funding streams are unavailable within the current municipal budget, we would recommend that the City of Barrie explore the feasibility of a modest property tax increase to fund affordable housing priorities as a small increase can have a significant impact on available revenue. The revenues from this tax increase could be utilized to fund the CIP or MCFB incentives, for example.

As an example of the effectiveness of a modest tax increase, with more than 55,000 households, and over 57,000 private dwellings as of the 2021 Census, a \$100 per year increase to property taxes for the average household would raise over \$5,000,000 annually to go towards affordable housing initiatives while costing the average household less than \$10 per month.

If it would help with buy-in from the City’s residents, the increase for affordable housing could even be included as a separate line item on individual tax bills, similar to the City of Toronto’s City Building Fund. For full transparency on why the extra money is being collected, the City could even include a pamphlet as part of its property tax mailers that provides insight on how the funds were used the previous year and plans for which initiatives they will fund in the coming year.

Notwithstanding the above, we would also recommend exploring the limited number of other revenue tools that are available to municipalities as a means of raising revenues that can be used towards housing outcomes and help to reduce the burden on the property tax base where possible. Some of the available municipal revenue tools that could be explored to determine if they could contribute towards affordable housing funding, if they are not already in use by the City of Barrie, include:

- Municipal Accommodation tax;
- Vacant homes tax;
- Landfill levy;
- Licensing fees (e.g. for secondary homes, short-term rentals, etc).

While these tools should be explored, it will be important to consider that their potential to raise significant revenues will be limited compared to property taxes. In some cases, administrative costs may outweigh the revenue that is collected. Finally, we note later in our advocacy recommendations, that the City should advocate to the Province for additional revenue tool options, at the very least in line with what has been permitted for Toronto through the City of Toronto Act.

Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing

Impact: ★★★★★ **Cost:** \$ **Timeline:** Near-term

There are several different parties in any housing market who are interested in participating in the delivery of new housing. However, there are few mechanisms to easily connect these parties, particularly those that may not have sophisticated operations or experience.

For example, there are many non-profits with existing capital that are interested in helping to deliver housing, but who do not have land. We also know that there are many landowners, such as churches, who have surplus land that they wish to use to serve their community in a positive way, but do not have the capacity or expertise to redevelop them on their own.

The City of Barrie should create a ‘concierge’ program whereby interested parties – those with equity/capital, landowners, developers, or others – that otherwise may not cross paths, can be connected to help deliver more housing, both affordable and market-rate.

The program could also help connect potential affordable housing providers to other public funding sources (e.g. CMHC programs) and help them navigate City Hall and the development process. This would essentially be a broader approach to the ‘one-window’ programs many municipalities offer to help guide housing providers through the approvals process.

Some of the existing funding and financing programs that could be advantageous to connect housing providers to, include:

- [Housing Accelerator Fund](#) (Federal);
- [Affordable Housing Innovation Fund](#) (Federal);
- [Rental Construction Financing Initiative](#) (Federal);
- [Rapid Housing Initiative](#) (Federal);
- [National Housing Co-Investment Fund](#) (Federal);
- [Seed Funding](#) (Federal);
- [Housing Supply Challenge](#) (Federal);
- [Canada-Ontario Housing Benefit](#) (Federal-Provincial);
- [Ontario Renovates Program](#) (Provincial);
- [Rental Development Program](#) (Development Charge Rebate) (County);
- [Affordable Homeownership Program](#) (Down Payment Assistance) (County);
- [Secondary Suites Program](#) (Simcoe County).

Whoever oversees this type of concierge program needs to have a deep understanding of all current funding and financing programs – how they work, who they are meant for, what the requirements are, how much funding is available, timelines for funding, etc. Having a deep understanding of the wide variety of funding and financing programs from upper levels of government would allow the City of Barrie to provide advice to housing providers – non-profits, private developers, and others – who are interested in building new affordable housing or purpose-built rental housing in Barrie. The City could direct these housing providers to the programs that would offer their projects the biggest benefit and provide them with guidance on how to apply for and access the available funding/financing through the concierge program.

Finally, we have also heard that it would be beneficial for housing providers to receive letters of support from the municipality as part of their applications for these funding programs. This would be an easy way for the City to support these organizations that would not have budgetary implications in the same way as other means of support.

Enhance the Simcoe County Secondary Suite Program for Barrie (Barrie Bonus)

Impact: ★★☆☆ **Cost:** \$\$ / \$\$\$ **Timeline:** Near-term

As noted above, one of our recommended incentives in a CIP or MCFB would be to provide renovation credits to create additional housing units or renovate existing units.

One way to more easily do this and reduce the administrative burden on the City of Barrie would be to participate in the County of Simcoe's existing Secondary Suites program, providing additional funding for any homeowners in Barrie seeking to add a secondary suite or additional dwelling unit ('ADU'). This would improve the effectiveness of that program in creating new affordable housing options, by increasing the feasibility of adding a secondary suite or ADU to existing homes. Additional funding or even matching the County's incentive could be provided to anyone in Barrie who creates a new secondary suite or ADU under the County's existing program.

The City could also take this one step further by creating their own ADU program, similar to what Collingwood has implemented with their 'Rapid ADU' program. Collingwood's program provides funding of \$5,000 for all secondary suites – regardless of if they qualify for the County's program – with an additional \$5,000 in funding for a limited number of secondary suites that do meet the County's affordability requirements. The program also offers a 'one-window' service that streamlines the approvals process for secondary suites, as well as pre-approved 'off-the-shelf' designs that are meant to save homeowners time, money, and effort. Consultation and analysis should be undertaken to ensure the level of subsidy offered is sufficient to result in adequate take up.

Enact a Rental Replacement By-law in Order to Preserve Existing Rental Stock

Impact: ★★☆☆ **Cost:** \$ **Timeline:** Near-term

As noted in our housing needs analysis, the City of Barrie has seen just 350 net new purpose-built rental apartments constructed over the past two decades. While nearly 1,200 new purpose-built rental units have been completed during this period, the net growth in units is low because the City has also seen a notable amount of rental demolition and conversion to condominium tenure.

Given that many of the older rental buildings in Barrie provide relatively affordable monthly rents, and that new buildings generally do not, it would be beneficial for the City to take action to increase the difficulty at which these units can be removed from the market.

One way to do so is with a rental replacement by-law. Section 99.1 of the Municipal Act grants municipalities the authority to regulate or prohibit the demolition or conversion of residential rental properties with six units or more. While the Province’s Bill 23 gives the Minister of Municipal Affairs and Housing new powers to impose limits and conditions on municipal authority in this area, we still believe it would be worthwhile to implement a rental replacement by-law to avoid further reduction of the existing older rental stock in Barrie, and to protect existing renters from displacement.

In addition to a rental replacement by-law, creating a more permissive development environment through the planning reforms noted earlier should also help to reduce the pressure to demolish or convert these existing buildings. When housing providers have a wide range of development opportunities, they are less likely to pursue the demolition of multi-unit buildings.

Continue Shifting the Public Discourse Around Growth, Density, and Affordable Housing

Impact: ★★☆☆ **Cost:** \$ **Timeline:** Immediate

Most municipalities in Ontario are in need of a shift in how new development, intensification, and affordable housing is viewed by the average resident. The City of Barrie is already making efforts to shift the conversation around these topics through events like the Housing Symposium held in May 2023.

The City should make use of its website and social media pages to educate residents about the importance of increasing housing supply and why certain changes are being undertaken to address affordability challenges. Topics that should be considered as part of any public education on this issue include:

- Who new housing will benefit (e.g. nurses at the hospital, the barista or waiter at your favourite coffee shop or restaurant, etc.);
- How new housing development benefits the City of Barrie and all residents (e.g. supports more retail amenities, drives economic activity, expands tax base, supports attraction and retention of labour for local businesses, etc.);
- Policy changes being made to support more affordable and market-rate residential development (see recent video about zoning from the [City of North Vancouver](#) as an effective example of clear communication on a municipal issue);
- Dispelling myths associated with new development (e.g. affordable housing = increased crime, traffic concerns, ‘too tall’ or ‘too dense’);
- Supply and demand economics (e.g. less housing = higher prices) and the impact of this on younger residents.

Updating the zoning by-law as recommended would also allow Council and staff to avoid compromising on items like height, density, and number of units in a new development to appease NIMBY voices, reducing some risk that these compromises can create around development feasibility.

There are many studies that dispel some of the information pushed by NIMBY groups, including narratives about new development [increasing crime](#), causing traffic chaos, ruining neighbourhood character, and/or having [negative impacts](#) on [property values](#). Council and staff could draw on these studies to push back against anti-change narratives, while also utilizing some of the information from the public education materials noted above to further explain the benefits of growth and new development.

Explore the Potential for Inclusionary Zoning in Barrie

Impact: ★★☆☆ **Cost:** \$\$ / \$\$\$ **Timeline:** Medium-Term

Inclusionary Zoning (“IZ”) is a tool that allows municipalities to require affordable housing within Protected Major Transit Areas (“PMTSA”). The process for implementing IZ is complex and requires numerous studies that evaluate the need for affordable housing, PMTSA plans that dictate minimum densities, a market assessment report that evaluates the impact of the policy on development feasibility, and other similar matters. Barrie has two PMTSAs at the Allendale and Barrie South GO Station and while these geographies are limited, they are also locations where considerable growth and development are directed by the City’s Official Plan.

Since the legislation was approved in 2018, only Toronto and Mississauga have advanced its implementation, with economic support from NBLC. Recently, the Province has also restricted the use of IZ to a maximum of 5% of a building’s gross floor area, a maximum affordability length of 25-years, and municipalities are required to waive development charges, parkland fees, and community benefit charges for the affordable units.

IZ is fundamentally different from incentives in that it requires a developer to deliver affordable housing through zoning, whereas incentive programs are voluntary and require enough subsidy that the private market is incented to participate. However, if the IZ requirements are too onerous, development feasibility can be impacted and projects will not advance, a condition that will make affordability worse as housing is not supplied in strategic growth areas. As such, the regulations require a substantial amount of planning and economic analysis to ensure that development remains viable despite the requirement for affordable housing. It may be possible that a municipality is required to layer on additional incentives for the policy to be implemented.

A common issue that has been identified with IZ in Ontario is the preference of developing condominium buildings over rental tenure. Since IZ cannot dictate tenure, this will remain the choice of developers moving forward. In the absence of incentives that encourage rental housing, it is therefore likely that condominium-tenure buildings will continue to advance in the City's PMTSA's. Condominium-tenure projects will likely choose to satisfy IZ requirements by providing affordable ownership housing, rather than proceeding with the complexity of a mixed-tenure building. Affordable ownership, while needed in the community, are often affordable only to the first household, which can then be sold at market rate upon resale.

The municipality has several options with dealing with this issue:

- Capture a portion of the increase in value upon the future sale of an affordable ownership unit (capped at 50% by O. Reg. 232/18).
- Creating a framework that protects affordability over the long-term by restricting the value increase or future sale of the unit.
- Partnering with non-profit groups like Habitat for Humanity to manage these units.
- The City of Barrie or Simcoe County could also acquire these units and manage them within a housing portfolio. These could be managed as a perpetual affordable ownership model or rented to lower-income households.
- Many households may also qualify for an affordable ownership unit based on their income, but may not have the required downpayment to purchase a home. These units must also be sold in the pre-construction phase of a project, meaning eligible affordable purchasers will need a 20% downpayment. The City could consider a downpayment assistance program to assist the eligible households on the waitlist.

5.0 Additional Considerations and Advocacy Initiatives

In addition to the 10 recommended actions in Section 4.0, NBLC also offers a number of other considerations for the City of Barrie as they seek to address growing housing affordability issues in the community. Some of these items are ones that the City of Barrie can undertake on their own, while others represent advocacy initiatives for the City of Barrie to take as they seek more direct participation from the Provincial and Federal governments on the issue of affordable housing. Table 4, below, provides a summary of these items.

Table 4

Additional Considerations and Advocacy Initiatives City of Barrie Updated Affordable Housing Strategy			
	Impact (1 to 5)	Cost (\$ to \$\$\$)	Timeline (Immediate to Long-Term)
Additional Considerations for the City of Barrie			
Invest Budget Surpluses Into Desired Housing Outcomes	4	\$\$/\$\$\$	Near
Explore the Potential for Density Bonusing for Priority Projects	3	\$	Medium
Ensure the City has Robust Data Collection to Support Good Decision-Making	3	\$	Near
Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models	3	\$ / \$\$	Immediate
Require Housing Above or in Conjunction with New Public / Community Facilities	2	\$\$/\$\$\$	Long
Declare Housing as a Human Right	2	\$	Immediate
Advocacy Initiatives			
Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments	5	\$	Long
Advocate to CMHC for More Streamlined Access to Funding and Financing Programs	4	\$	Long
Advocate for More Revenue Tools to Reduce the Burden on the Property Tax Base	5	\$	Medium / Long
Ask the Province to Define Attainable Housing and Incentivize It	3	\$	Near/Medium
Advocate for Increased Labour Supply for New Development	4	\$	Long
Advocate for More Progressive Property Taxation Options	2	\$\$	Long
Leverage the Collective Power of Municipalities in Advocacy	3	\$	Long

Additional Considerations for the City of Barrie

These additional items are either not as impactful or considered to be less critical than those in the previous section, but are nonetheless still important for the City of Barrie to consider moving forward.

Invest Budget Surpluses Into Desired Housing Outcomes

Impact: ★★★★★ **Cost:** \$\$ / \$\$\$ **Timeline:** Near-term

While it would not be a reliable or consistent source of funding, the City of Barrie should give consideration to investing budget surpluses towards affordable housing initiatives – whether they be those within this list of recommendations or otherwise. This would provide the City with the opportunity to invest more heavily in certain years when more funding is available, or put these surpluses into an affordable housing reserve to be used in future years when additional funding is needed for items like staffing, purchasing land for affordable housing development, increasing the package of incentives, etc.

Explore the Potential for Density Bonusing for Priority Projects

Impact: ★★★ **Cost:** \$ **Timeline:** Medium-Term

The City of Barrie can explore ways to incorporate density bonusing for priority projects or to achieve specific housing outcomes. For example, it could be beneficial if the City provides additional height or density to a project if a certain percentage of the additional units gained were priced within a particular range of affordability. Another option could be to use density bonusing to encourage the development of new purpose-built rental supply instead of condominium tenure projects.

Previously, Section 37 of the Planning Act was the primary mechanism for density bonusing. That has since been changed by the Provincial government. With the City's legal department, we recommend exploring whether there are other mechanisms to incorporate density bonusing to achieve specific housing outcomes. One way to do so may be to add a statement within the City's Official Plan that permits increasing height and density beyond base permissions in exchange for affordable housing.

London, Ontario provides an example of using density bonusing through the Official Plan in the absence of Section 37. London's Official Plan states that *'Building height and densities may be increased, in conformity with the Our Tools part of this Plan, to support the provision*

of affordable housing in planning and development proposals'. The London Plan dictates base densities and bonus densities that are available if certain housing outcomes (i.e., Affordable Housing) and community benefits are realized.

Another consideration to utilize density bonusing could be to offer additional density to existing development applications, particularly those that are already approved, provided a proportion of the additional density is allotted for affordable housing (potentially supported with incentives). Projects already in the application stage – whether approved or not – are further along in the development process, so targeting them in the near-term could be a way to accelerate the delivery of affordable housing in the near to mid-term as opposed to waiting for new applications looking to take advantage of future incentives or planning changes.

Ensure the City has Robust Data Collection to Support Good Decision-Making

Impact: ★★☆☆ **Cost:** \$ **Timeline:** Near-term

Many municipalities have room for improvement when it comes to data collection. The City of Barrie should ensure that their data collection efforts are robust moving forward to help make more informed decisions around housing and to have a better grasp on current and historical market conditions. Data should be collected on a wide variety of items including, but not limited to, monthly resale pricing by housing type, pricing for new construction housing, number of affordable housing units in Barrie and their price points / groups, number of accessory dwelling units / secondary units in Barrie, how Barrie compares to other municipalities on the above items, etc.

Where possible, the City should make an effort to collect historical data on these and other items in order to understand how these things have changed over time. Robust data collection will also be helpful in accurately monitoring progress made as part of the City's Affordable Housing Strategy, and could help to make decision-making more efficient, not just when it comes to housing, but also for many other municipal responsibilities.

Data sources like Statistics Canada, CMHC, the local real estate association(s), and others are a good place to start for this data collection and building up a database.

Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models

Impact: ★★☆☆ **Cost:** \$ / \$\$ **Timeline:** Immediate

The City of Barrie should create an environment that is welcoming to creative ideas related to construction techniques, housing types, building designs, funding models and other elements of the development process. In many cases, there are emerging options that can reduce costs and construction timelines relative to more traditional developments. There is an opportunity to create pilot programs that put the City of Barrie at the leading edge of some of these emerging alternatives.

While specific municipal policy or regulatory barriers have not been identified, these recommendations relate to proactive support and openness to these alternatives. The City of Barrie should ensure that there are enabling policies to allow for these emerging development options and should also be open to using them in new developments on public land, where appropriate, particularly if they deliver additional value in the form of deeper affordability, a higher proportion of affordable housing units, or more rapid delivery of affordable units. The City can also be supportive of these alternative construction options by working to connect housing providers interested in delivering more affordable housing in Barrie – whether non-profit or for-profit – with providers of these alternative options.

Non-Traditional Construction Techniques

The two most common construction materials for new multi-family buildings are wood-frame and concrete. In recent years, the cost of construction associated with both materials has increased dramatically. Over the past five years, concrete and wood-frame construction costs have risen by an estimated 40% to 60%, according to Altus Group.

Alternative construction techniques, like modular housing or panelization, can provide some construction cost relief while also delivering housing quicker – something that cannot be overlooked in a community where there is a significant shortage of affordable housing options.

Based on information provided to NBLC by a modular general contractor, modular housing construction has fewer cost overruns than traditional developments, increased certainty due to off-site and indoor manufacturing, and is generally 30% to 40% faster to deliver than traditional construction, with some 4-storey buildings delivered within 12 months from design through construction completion. It is also highly scalable and provides the advantage of easy replication due to simple floorplates and building designs.

Non-Traditional Housing Tenures / Types

Like alternative construction techniques, we would also recommend that the City create an environment that is open to non-traditional housing tenures, ensuring that local planning policies enable these types of developments to be constructed. Some recent examples of non-traditional housing tenures that are likely to provide more affordability than traditional ones include co-housing, multi-generational housing, dormitory-style workforce housing, and tiny homes.

It is probable that there are already non-traditional housing tenures that exist in Barrie. By creating a policy framework related to these housing tenures, the City can encourage them while also ensuring they are safe.

Non-Traditional Funding Models

The City should consider what they can do to support organizations proposing non-traditional funding models for affordable housing if they were to emerge in the coming years, whether they are designed as a co-op, community land trust, or another model. The most obvious support could be through property tax breaks or other incentives in exchange for affordability guarantees. This could potentially be implemented through the CIP or MCFB noted earlier.

Require Housing Above or in Conjunction with New Public / Community Facilities

Impact: ★★ **Cost:** \$\$ / \$\$\$ **Timeline:** Long-Term

One way to encourage additional affordable housing is to require it above or in conjunction with new public or community facilities, where appropriate. For example, if the City of Barrie were to build a new library or community centre, consideration should be given to constructing the building with housing above the community use. This adds density in proximity to important community amenities and forces the City to take a ‘complete communities’ approach to this type of public building rather than simply constructing a new single-storey facility.

Partnering with a developer on the project could allow the developer to build new market-rate housing as part of the development to help subsidize the cost of any affordable housing units and create a new mixed-income building.

Also worth consideration within this topic is whether there are opportunities to build new housing above existing community facilities. Modular apartments could potentially be constructed on top of these buildings, with separate entrances to the residential units apart from the existing community facilities.

Declare Housing as a Human Right

Impact: ★★ **Cost:** \$ **Timeline:** Immediate

Safe, stable, affordable housing was first recognized as a human right in the United Nations' 1948 Universal Declaration of Human Rights. Since then, many jurisdictions have followed suit, including the Federal government in Canada.

While this may be seen by some as simply a symbolic declaration, it would provide Council with an additional reason to justify and encourage sufficient investments in housing construction and affordability, whether that be policy changes that increase housing supply or the introduction of new subsidies to spur the development of new affordable housing units.

This declaration would be an affirmation that a new direction is required going forward.

Advocacy Initiatives

The City of Barrie – and all other municipalities – have limited resources to deal with the growing shortage of affordable housing. They can only do so much on their own.

More active participation from the Provincial and Federal governments will be required moving forward to have a more significant and lasting impact, particularly when it comes to subsidizing new affordable housing development. As such, the City of Barrie should be advocating to upper levels of government for help in solving their affordability issues, ideally with targeted requests.

Notwithstanding this, advocacy alone will not be enough. The City of Barrie needs to undertake the changes that are within its own control prior to or in tandem with this advocacy work. It will be important for the City to do as much as they can on their own to demonstrate to these upper levels of government that they have ‘skin in the game’.

Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments

Impact: ★★★★★ **Cost:** \$ **Timeline:** Long-Term

One of the most significant differences between the development of a condominium apartment building and a purpose-built rental apartment building is the payment of HST. While in a condominium apartment, the developer can pass the HST off to individual buyers in the purchase price of a unit, the developer is the one who has to pay the HST for a new purpose-built rental development. This adds significant cost to the purpose-built rental development and the difference in cost is one of the reasons that most new apartment development in Ontario is condominium tenure.

To incent more purpose-built rental development, we recommend advocating to upper levels of government to waive or defer the cost of HST on new purpose-built rental buildings. A recent release from CIBC in June 2023 indicated that the contribution to profit margins of waiving HST on a new rental development could be in the range of 7%. The Ontario government has already signalled a potential willingness to consider this, but it will require the Federal government’s participation as well.

Advocate to CMHC for More Streamlined Access to Funding and Financing Programs

Impact: ★★★★★ **Cost:** \$ **Timeline:** Long-Term

We have heard time and again about the challenges for non-profits in accessing CMHC’s funding and financing programs. We would recommend that the City of Barrie advocate CMHC and the Federal government to create a more streamlined process to access these funding and financing programs for these groups to more easily access low-cost financing to create new affordable and market-rate rental housing. The easier it is to access these programs, the more housing these organizations can deliver, and the bigger the benefit it will be for Barrie.

Advocate for More Revenue Tools to Reduce the Burden on the Property Tax Base

Impact: ★★★★★ **Cost:** \$ **Timeline:** Medium-Term / Long-Term

As noted, the revenue tools currently available to the City of Barrie are limited, requiring an over-reliance on the property tax base. The City of Barrie should advocate to the Province of Ontario for greater flexibility in how they collect revenues to pay for municipal priorities like affordable housing.

At the very least, Barrie should be advocating for expanded powers similar to those provided to Toronto through the City of Toronto Act. Additional revenue tools available through the City of Toronto Act include a vehicle registration tax, advertising tax, alcohol and tobacco taxes, a commercial parking levy, and others.

Consideration should also be given to advocating for even more powerful revenue tools like a municipal income tax, municipal sales tax, and others. These items have the potential to raise significant funds.

Ask the Province to Define Attainable Housing and Incentivize It

Impact: ★★★ **Cost:** \$ **Timeline:** Near-term / Medium-Term

Currently, there is no definition in Ontario for attainable housing. The City of Barrie should advocate for the Province to bring forth a clear definition of attainable housing relative to affordable housing, and then request that the Province provides funding to incentivize it, either through new programs or existing ones.

Advocate for Increased Labour Supply for New Development

Impact: ★★☆☆ **Cost:** \$ **Timeline:** Long-Term

As noted in Section 3.0, labour supply for new development is a key factor contributing to the housing shortage – and probably one that is underdiscussed. If there are not enough labourers and skilled trade workers, there is little chance that the Province will be able to reach its own goal of 1,500,000 new homes over 10 years.

Not only is there a shortage of construction and skilled trade labour, but according to CIBC, the existing workers are aging out quickly, with a rising proportion of workers above the age of 55. If these older adults are not replaced with younger workers, the shortage is only going to become more acute over the next decade.

These issues have been identified at upper levels of government, but we would recommend continuing to advocate to the Provincial and Federal governments to remedy the labour shortage issue to keep the pressure on. Some potential solutions could include:

- Prioritizing applications from New Canadians who have experience as skilled trades in the residential construction industry;
- Increase the number of foreign workers and other non-permanent residents that could be lured to Canada to work in the construction industry either as labourers or skilled trades;
- Encourage more young people to attend College and enter the skilled trades – potentially through tuition incentives.

Advocate for More Progressive Property Taxation Options

Impact: ★★☆☆ **Cost:** \$\$ **Timeline:** Long-Term

The City of Barrie should consider advocating to the Province for permission to take a more progressive approach to property taxation.

A property tax system based on housing type would charge the highest tax rate to single-detached homes – generally the most expensive housing type to service – with apartments paying the lowest tax rates, with rental tenure and/or affordable buildings potentially paying a lower rate than condominium apartments. This would essentially create a hierarchy in the property tax system based on the true cost of servicing these homes, with some leeway to reductions for priority housing types.

Alternatively, a system based on property value could take a similar approach to income taxes. Instead of using a flat mill rate across all homes, the tax rate could increase incrementally across multiple tax brackets as the value increases, or a surtax could be applied to properties above certain value thresholds (e.g. 0.25% surtax for properties between \$500K and \$1M, 0.5% for properties between \$1M and \$1.5M, etc).

These would represent significant changes to the standard property tax system. However, they would put Barrie at the leading edge of progressive taxation, would represent a more equitable approach, and could help with affordability of apartments and denser ground-oriented homes like townhouses and stacked townhouses by reducing carrying costs, potentially spurring more investment of these housing types.

Leverage the Collective Power of Municipalities in Advocacy

Impact: ★★☆☆ **Cost:** \$ **Timeline:** Long-Term

On its own, Barrie does not necessarily yield significant power. However, the issues that the City of Barrie faces from a housing perspective are common across many municipalities in Ontario and throughout Canada. Leveraging the collective power of municipalities who are seeking similar outcomes from upper levels of government would be more impactful than attempting to go it alone. Collectively, a large number of Ontario or Canadian municipalities all showing that they are seeking similar changes could go a long way to creating the necessary change that is being advocated for.

The same goes at the County level. The City of Barrie should work with other Simcoe County municipalities to present a united front on any requested policy changes or funding for new affordable housing from the County.



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