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To: **Committee of the Whole**

Agenda Section: Human Services  
Division: Social and Community Services  
Department: Social Housing

Item Number: **CCW - 2023-061**

Meeting Date: April 11, 2023

Subject: **Simcoe County Housing Corporation Development, City of Barrie**

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### **Recommendation**

That Item CCW 2023-061, dated April 11, 2023, regarding Simcoe County Housing Corporation Development at 20 Rose Street, City of Barrie, be received; and

That Council approve one of the following options to proceed with development, as identified within Item CCW 2023-061:

- Option 1: 154 residential affordable housing units,
- Option 2: 154 residential affordable housing and mixed-income unit split,
- Option 3: 176 residential affordable housing and mixed-income unit split; or
- Option 4: defer construction start until such time substantial capital funding is known to reduce debt; and

That, in addition to the previously approved allocation to the project of approximately \$6 million from the 2024/25 Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Housing Initiative (COCHI) combined allocations, a further \$1 million be allocated to the project from the Social Housing Reserve, as well as all proceeds from the sale of scattered units in Barrie; and

That subject to Options 1, 2, or 3 being approved, staff proceed with detailed design, planning approvals, tendering, contract award, site preparation and construction of the mixed-use affordable housing development project, as generally outlined within Item CCW 2023-061; and

That subject to Option 4 being approved, staff proceed with all planning approvals and requisite studies to facilitate the future use of the site for an affordable housing development project, as generally outlined within Item CCW 2023-061; and

That the signing officers for the Simcoe County Housing Corporation execute all required applications, agreements, and documents.

### **Executive Summary**

This Item provides a design update and estimated costing of the proposed Simcoe County Housing Corporation (SCHC) development at 20 Rose Street, Barrie. Staff is seeking Council approval of the proposed development and direction on the preferred affordability combination, and associated costing, as detailed within this Item.

A companion presentation to the Committee of the Whole accompanies this Item and is attached as Schedule 1. The proposed multi-use energy-efficient building includes a combination of affordable housing units, replacement rent-geared-to-income (RGI) units, and community services resources and supports through County of Simcoe services, including Ontario Works, Children Services, Community Services, and Social Housing services. Agency space on the ground floor has also been designed to include leasable commercial units for social and community service partnerships, such as a licensed childcare centre. The 1.9-hectare (4.7-acre) site is centrally located in a built-up urban setting with access to commercial amenities, schools, transit and pedestrian connectivity.

Renderings of the proposed development, contained within Schedule 2, are intended to provide a conceptual representation of the proposed development and do not predetermine the details of construction materials and final design.

This Item includes a detailed business case (Schedule 3) outlining the project description; corporate strategic alignment; situational analysis; SCHC development and operational plan; and alternative options. The business case also includes a project risk assessment and cost/benefit analysis associated with each option from both a capital construction and long-term operating perspective for consideration. Increasing the affordable housing stock in the City of Barrie aligns with the County's 10-Year Affordable Housing and Homelessness Prevention Strategy.

Preliminary discussions have taken place with City of Barrie staff in anticipation of pending planning applications and to ensure early alignment. County staff has worked with City of Barrie staff to ensure the design and draft site plan align with the City of Barrie requirements. Planning Act approvals from the City of Barrie are required for the project to proceed. In addition, a site-specific Zoning By-law Amendment (ZBA) and Site Plan Approval (SPA) will be required. There are also several studies that the City of Barrie requires to support the County's planning applications.

Due to property constraints, a parking structure must be built to accommodate the city's on-site parking standards, even with an expected site-specific zoning by-law amendment for a parking reduction. The proposed parking structure is for approximately 229 parking spaces and is designed as a multi-level parking building. The cost to construct the proposed parking structure is estimated to be approximately \$18 million.

The mixed-use residential building has been costed based on preliminary designs and recent tender results. The estimated cost at this stage is Class 'C,' which is an elemental cost analysis based on a comprehensive list of requirements and assumptions. In addition, a sensitivity analysis was conducted whereby County staff reviewed and compared the Class 'C' cost estimate with the County's long-term business plan and best development practices, which produced a comparable cost estimate. For greater certainty, a Class 'B' cost estimate provides a more substantive estimate; however, it relies on detailed design development and specifications. Generally, detailed design is defined as having finalized space requirements and having the drawings and specifications for all disciplines (architectural, mechanical, electrical and structural) complete.

The project's operational sustainability includes the combination of investing in quality building materials and practices up front, as well as accounting for the necessary capital reserves to ensure that the building will not require additional levy investment for the next 50 years.

Subject to options 1, 2, or 3 being approved by Council, it is recommended that staff proceed with necessary building and site design, planning approvals, tendering, contract award, site preparation and construction of the mixed-use affordable housing development project.

Subject to option 4 being approved by Council, it is recommended that staff obtain all planning approvals and requisite studies to facilitate future use of the site for an affordable housing development project. This would provide a more 'shovel-ready' development project, pending Council approval to proceed with development at a later date. A shovel-ready task simplifies the ability to allocate capital funding promptly. The 2023 budget includes \$1.8 million for pre-construction activities such as planning approvals and design development. It is important to note; Option 4 is based on the current office space needs of the Division in Barrie, which may be subject to change based on the current commercial lease agreement. Accordingly, this option poses a slightly greater risk.

### **Background/Analysis/Options**

Further to Item CCW 2021-213 (October 26, 2021), this Item provides an update on the preliminary design and estimated costing of the proposed Simcoe County Housing Corporation (SCHC) development at 20 Rose Street, Barrie. Demolition of the structures on the property has been completed, and, as per Item CCW 2022-241 (August 9, 2022), the site is currently the location of a temporary homeless shelter facility. However, as per Item CCW 2021-213 (June 22, 2021), the intent of the property acquisition is to ultimately accommodate a mixed-use affordable housing development.

The 1.9-hectare (4.7-acre) site is centrally located in a built-up urban setting with access to commercial amenities, schools, transit and pedestrian connectivity. A combination of outdoor parking and an above-ground parking structure is needed to accommodate parking requirements for the site development.

A formal presentation to Committee of the Whole accompanies this Item and is attached as Schedule 1. The building is designed as two wings-eight and ten storeys, respectively. The proposed multi-use energy-efficient building includes a combination of affordable housing units, replacement rent-geared-to-income (RGI) units, and community services designed for individuals, seniors, and families. The ground floor commercial space has been designed to contain other agencies, such as licenced childcare or other compatible social service providers, pending further design details and discussions with community partners. The development also includes second-floor resources and supports through County of Simcoe services, including Ontario Works, Children Services, Community Services, and Social Housing services. This co-location builds on both the financial advantages and a client-centred approach, which has demonstrated success in the Collingwood development project and is included as a best practice approach in the Orillia and Bradford West Gwillimbury affordable housing developments.

The on-site services and community rooms present partnership opportunities with community agencies to work directly with building and community residents. The proposed design includes a mix of durable building materials, including brick, architectural coatings and finish assemblies (ACF), and precast concrete for an attractive, low-maintenance building. The renderings of the proposed development, contained within Schedule 2, are intended to provide a conceptual representation of the proposed development and do not predetermine the details of construction materials and final design. Increasing the affordable housing stock in the City of Barrie is in alignment with the County's 10-Year Affordable Housing and Homelessness Prevention Strategy.

The proposed preliminary design includes both residential and non-residential uses, as summarized below:

**Residential:**

- Approximately 154 Simcoe County Housing Corporation (SCHC) affordable mixed units for seniors, families and individuals,
- Two guest suites (that can also be used for short-term emergency housing),
- Common room for tenants with adjacent rooftop amenity area, including planter box gardens,
- Outdoor play area,
- Laundry room adjacent to tenant common room,
- Residential elevator lobbies,
- A move-in room,
- Indoor bicycle and electric scooter storage.

**Non-residential:**

- Ontario Works (OW), Children Services (CS), Community Services (COMS), and Social Housing (SH) County offices,
- Licensed childcare centre,
- Agency space for organizations that have expressed stakeholder interest as anchor tenants,

- Community program room,
- Community kitchen.

**Multi-residential construction costs:**

Beginning in 2017, Simcoe County Housing Corporation (SCHC) completed construction on three small to medium-sized multi-residential apartments: 147 units in Collingwood, 99 units in Wasaga Beach, and 41 units in Victoria Harbour. Tendered and currently under construction are 130 residential units in the Orillia hub development and 50 in the Bradford affordable housing development. Further to Item CCW 2021-150 (April 27, 2021), a comparative budgeted cost of residential construction of these projects on a per unit basis has been updated, including 2023 cost comparison information. These figures include soft costs, site costs, materials, equipment, labour, construction management fees, and contingencies. They do not include land costs, as the land was owned or donated to SCHC, except for the Orillia and Barrie properties. In addition, for comparison purposes, the Collingwood, Orillia and Bradford projects' commercial component has been excluded from the construction costs.

The figures also include all fixtures, common room areas and furnishings (i.e., common room, laundry room, patio), and equipment (FFE) such as all appliances, tools, lawn mowers, snow blowers, tractors, garbage cans, window blinds, floor sweepers, etc., to outfit the building for operation completely. There are also costs for tenant move-in kits, including shower curtains and cleaning supplies. Costs for interior common room furniture and all exterior seating, gazebos, and bike racks are included. Also included are labour costs for the County construction supervisors assigned to the build. Costs do not include the work associated with finishing the commercial spaces available for lease. These leasehold improvements will be determined with prospective leases, as tenants often have unique finishing requirements for their specific needs. Staff will bring a report detailing these additional costs at a later date. Costs for these improvements would be fully reimbursed by the leaseholders.

<b>Building</b>	<b>Collingwood A &amp; B (Residential costing only)</b>	<b>Wasaga Beach</b>	<b>Victoria Harbour</b>	<b>Orillia (Residential costing only)</b>	<b>Bradford (Residential costing only)</b>	<b>Barrie (Residential Estimate costing only)</b>
Year of Construction Start/ Tendering	2017	2018	2019	2021	2023	2024
Number of residential units	147	99	41	130	50	154
Hard Cost	\$31,280,669	\$22,933,371	\$12,485,019	\$42,384,309	\$23,360,070	\$94,600,000
Soft Cost	\$5,744,547	\$3,879,113	\$990,714	\$8,446,720	\$8,316,296	\$26,626,000

<b>Building</b>	<b>Collingwood A &amp; B (Residential costing only)</b>	<b>Wasaga Beach</b>	<b>Victoria Harbour</b>	<b>Orillia (Residential costing only)</b>	<b>Bradford (Residential costing only)</b>	<b>Barrie (Residential Estimate costing only)</b>
Total	\$37,025,216	\$26,812,484	\$13,475,733	\$50,831,029	\$31,676,366	\$121,226,000
Total Cost per square foot	\$246.17	\$276.24	\$366.51	\$360.00	\$499.36	\$600.30 *
Total Cost per unit	\$251,872	\$270,833	\$328,676	\$391,008	\$633,527	\$787,181 *
Total Cost per unit - Present Value	\$622,100	\$671,515	\$788,592	\$517,108	\$633,527	\$787,181* * estimated 2024 – 2026 values

\*estimated costing based on 2024 – 2026 values includes a residential percentage of the parking structure and sound wall construction costs.

Similar designs have been incorporated for each progressive development. This improves identified design and/or material issues and mitigation before the next build. County staff has taken pride in ensuring, with the completion of each build, the design of the buildings continues to be refined to ease construction, improve quality, and reduce construction costs and long-term operational costs. This is important to note as some changes can reduce the initial construction costs but increase the long-term operational and maintenance costs, resulting in a costlier building to operate in the long term. In addition, similar construction methods, materials, and contractors have been employed in recent builds. As a result, an apples-to-apples cost comparative analysis can be easily made. Despite ongoing costing and construction efficiencies, the total cost of construction continues to increase.

Many variables impact construction costs, including global and local economic conditions, inflation, building scale, and labour shortages. The cost of various construction materials and labour has significantly increased over the last year. As per Item CCW 2023-053 (February 28, 2023), increased costs incurred with the Bradford development are consistent with residential building construction cost increases experienced throughout the greater Toronto area. Published reports indicate a 15% yearly increase in the greater Toronto area over the last two years. The costing also assumes inflation in the remainder of 2023 and throughout the rest of the project (2024-2026).

Through the design process, staff will continue to engage in value engineering and construction optimization to reduce costs where applicable to lower costs. In addition, the competitive tender process often yields lower pricing, especially if the industry is past peak inflation. However, discussion by industry experts is ongoing around whether we are at or past peak inflation and could see a return to more historical inflation levels and reductions in material and labour.

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**Parking Structure:**

Due to property constraints, a parking structure is required to accommodate the city's on-site parking standards, even with an expected site-specific zoning by-law amendment for parking reduction. The proposed parking structure is for approximately 229 parking spaces and is designed as a multi-level parking building. The first level is partially below grade, and the two levels are above grade. In general, above ground parking is more cost-effective when compared to below-ground by a significant margin. Therefore, the garage has only been sunk one level partially below ground to align with the building and balance costs. The cost to construct the proposed parking structure is estimated to be approximately \$18 million (approximately \$78,600/space). The parking structure construction estimate is based on preliminary costing and conservative assumptions. Parking structure construction costs are affected by the size per space, site conditions, number of levels, aesthetic design, and proximity to labour and materials. Similar to increasing residential construction costs, parking structure construction costs are subject to rising inflation.

Maintenance costs that must also be calculated to ensure long-term sustainable operation of the parking facility include reserve for repairs, cleaning, lighting, security, snow removal, elevator, and fire control. Estimated parking fees for residential and commercial tenants have been included in the operating pro forma. They will be applied to the parking structure-specific reserve to ensure long-term maintenance and repairs do not require additional funding.

Given the structural assembly of the proposed parking structure, the rooftop can be designed for future solar panel capacity, and installation should future funding and/or incentive opportunities be made available.

**Mixed-income development affordability options:**

Mixed-income developments (or mixed housing) comprised of varying affordability levels generally refer to residential settings in which affordable housing is affordable to individuals and families with different income levels of affordable and market-rate units. In addition, the term is often applied to projects with a combination of market-rate and dedicated affordable units (made available to low-income households) in the same building or development. This mixed-income model has proven successful throughout the province and balances affordability and operational sustainability while improving social outcomes. However, the success of this approach will also depend in part on the ability to introduce market-rate residents to the units that are not income-restricted or are from a different income group.

An appropriate combination of affordability provides more significant economic and financial sustainability than traditional social housing for housing providers. The range in operating revenues (rents) decreases the gap between income and expenses for the portion of units that are made available at below average market rents (AMR). This operating model is also commonly practiced by non-profit housing providers.

The appropriate combination of affordability can vary based on the building's operating costs, amenities, location and capital structure when the development is built. This means each development and affordability scenario has a unique pro forma that requires different market mixes to meet operating costs net of any subsidies. Ultimately, the format of mixed-income housing balances the development and operating financial sustainability of the proposed development and the residents it is intended to house.

As per Item CCW 17-253 (October 10, 2017), Simcoe County Housing Corporation (SCHC) Development and Operational Plan, staff had been seeking land opportunities in Barrie to consolidate operations in parallel with the sale of scattered housing units. The site located at 20 Rose Street was identified as an ideal location for redevelopment to provide a mix of affordable housing, including the replacing 64 scattered rent-geared-to-income (RGI units) in the City of Barrie. The proceeds of disposition (the sale of the scattered units) are included as a funding source for this project. In addition, operational cost savings will be realized by consolidating 64 scattered units. Therefore, a minimum of 64 RGI replacement units are planned as part of the affordability combination. A conservative approach has been applied in the affordability valuations, including the assumption that the RGI replacement units will primarily be 3-bedroom and 2-bedroom units to replace the family homes.

In addition, as per Item CCW 2023-062 (February 28, 2023), funding allocated to this project from provincially delivered housing programs such as Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Housing Initiative (COCHI) requires each unit funding to be made available at an average of 80% average market rent (AMR). Therefore, depending on the total funding per unit, a minimum of 24 units will be approximately 80% AMR. The range of 2023 AMRs for private apartments in Barrie, based on Canada Mortgage and Housing Corporation (CMHC) survey data, is identified in the table below:

Table 1: Average Market Rent (AMR) by bedroom type

City of Barrie	1 bedroom	2 bedroom	3 bedroom
120% AMR	\$1,598	\$1,844	\$1,933
100% AMR	\$1,332	\$1,537	\$1,611
80% AMR	\$1,066	\$1,230	\$1,289

The project's operational sustainability includes the combination of investing in quality building materials and practices up front, as well as accounting for the necessary capital reserves to ensure that the building will not require additional levy investment for the next 50 years. This applied method is prudent for long-term building ownership because it creates an operationally self-sustaining building, ultimately minimizing future operating and repair costs.



Table 2: Operating Pro Forma – Option 1

Barrie Affordable Housing Development Operating Pro Forma Option 1 \$ '000						
	2027	2028	2029	2030	2031	50-Year Total 2027 - 2066
<b>Operating Revenue</b>						
Residential Rent	1,499	1,520	1,540	1,561	1,582	106,602
Commercial Rent	1,420	1,448	1,477	1,506	1,536	120,065
Parking Revenue	128	128	128	128	128	6,402
<b>Total Revenue</b>	<b>3,047</b>	<b>3,096</b>	<b>3,145</b>	<b>3,195</b>	<b>3,246</b>	<b>233,069</b>
<b>Operating Expenses</b>						
Administration (Salaries and Insurance)	328	335	342	349	356	27,783
Facilities (Maintenance and Utilities)	1,216	1,245	1,276	1,307	1,339	118,634
Future Capital Asset Management Provision	597	607	616	626	636	46,081
<b>Total Expenses</b>	<b>2,141</b>	<b>2,187</b>	<b>2,234</b>	<b>2,282</b>	<b>2,331</b>	<b>192,498</b>
<b>Total Net Benefit Excluding Debt</b>	<b>906</b>	<b>909</b>	<b>911</b>	<b>913</b>	<b>915</b>	<b>40,571</b>

A conservative operating revenue has been assumed for the combination of affordability calculations, whereby minimal annual rent increases and moderate operating expenses are assumed and applied to calculate the annual expenses and payments over 50 years. The operational expenses, however, do not include debt financing.

A pro forma has been created and included in Schedule 3 for each alternative mixed-income housing option 1, 2 & 3.

- Option 1: 154 residential affordable housing units,
- Option 2: 154 residential affordable housing and mixed-income unit split, or
- Option 3: 176 residential affordable housing and mixed-income unit split.

For comparative analysis, the mixed-income options are summarized in Table 3 below:

TABLE 3

Option	Total # of units	Affordability mix				1 Year Net Income *	50 Year Net Income *
		RGI	80% AMR (funded)	100% AMR	120% AMR	'000	
1. Affordable Housing	154	64	90	-	-	906	40,570

Option	Total # of units	Affordability mix				1 Year Net Income *	50 Year Net Income *
		RGI	80% AMR (funded)	100% AMR	120% AMR	'000	
2. Mixed Income	154	64	24	66	-	1,129	56,924
3. Mixed Income & additional floor per wing	176	64	24	66	22	1,482	79,201

\*does not include debt financing

Option 1 includes replacing the 64 rent-geared-to-income (RGI) units; the remainder of the unit rent amounts are calculated at an average of 80% AMR, consistent with previous affordable housing projects. This provides the most affordable option but results in the least operational sustainability due to reduced rental revenue.

Option 2 includes replacing the 64 RGI units, 24 federal/provincial funded units rent amounts are calculated at an average of 80% AMR, and the remaining unit rent amounts are calculated at 100% AMR. This option improves operational sustainability by increasing rental revenue. However, it is acknowledged that the AMRs published by Canada Mortgage and Housing Corporation (CMHC) do not reflect anecdotal information about current rental amounts, which are usually higher; 100% AMR is still somewhat affordable and considered slightly below market value.

Option 3 includes increasing the total residential units by adding one additional floor per wing. The other 22 units on the top floor of each wing will be rented at 120% AMR, approaching or considered a more accurate market value reflective of a mixed-income development and further increasing the net income. This option generates the most rental revenue with increased units and a mixed-income model. The payback period, however, to gain back the additional construction cost of approximately \$10 million for both floors is about 24 years, not including debt financing.

The preliminary geotechnical investigation conducted on the site to assess subsurface conditions concluded that the site conditions can support the building foundation of an eight and ten-storey building and, reasonably, a nine and 11-storey building. However, increasing the building height further will likely require deeper footings and potential dewatering, adding significant costs to the estimated construction budget that would ultimately outweigh the scale-of-development advantage of adding the additional units.

**Redevelopment Plan, Timelines and Communication:**

Pre-consultation review of the proposed development with City staff has assisted with identifying development options and site plan design layout. In addition, City-specific

requirements concerning planning approvals, site services and engineering have been discussed and incorporated into the preliminary design. At this stage of the initial design process, the City of Barrie staff has not raised significant concerns or issues.

The site is designated 'Institutional' in the City's current Official Plan and 'Community Hub' in the City's adopted but not approved Official Plan, and zoned 'Institutional,' which permits the proposed development and uses. Following the City's pre-consultation review, the requirement for a site-specific zoning by-law amendment (ZBA) to increase the height of the building and reduce parking standards has been confirmed. In addition, the City of Barrie and the Ministry of Transportation (MTO) site plan approval (SPA) and a MTO Building and Land Use Permit will also be required before any construction activities begin on the site.

The City of Barrie requires several studies to support the County's development applications. These studies all need to be completed before ZBA and SPA applications. A more 'shovel-ready' development project would situate the County in an excellent position to take advantage of potential funding opportunities, should those opportunities arise.

Preliminary studies such as Geotechnical Report, Preliminary Servicing Brief, Traffic Impact Study, Geotechnical Report, and Phase 2 Environmental Site Assessment have already been completed. In addition, several additional studies and reports have been identified by City staff as submission requirements to support the planning and site plan applications including, Stormwater Management Plan Functional Servicing Plan, Hydrogeological Study Traffic Impact Study Updates, parking reduction justification, Entrance Analysis, Noise and Vibration Impact Assessment, Urban Design Report, Wind Study, Tall Buildings Block Plan, Photometric Analysis/Illumination Study, Landscaping Plan and Tree Preservation Plan, and Planning Justification Report.

The preparation of studies and reports supporting the planning application submissions is anticipated to take approximately six months. Subsequently, the planning approvals process is subject to legislated public meeting requirements and timeframe. County staff will continue to collaborate and work closely with the City of Barrie.

### **Financial and Resource Implications**

The mixed-use residential building has been costed based on preliminary designs and recent tender results. The estimated cost at this stage is Class 'C,' which is an elemental cost analysis based on a comprehensive list of requirements and assumptions. In addition, sensitivity analysis was conducted whereby County staff reviewed and compared the Class 'C' cost estimate with the County's long-term business plan and best development practices, which produced a comparable cost estimate. For greater certainty, a Class 'B' cost estimate provides a more substantive estimate; however, it relies on detailed design development and specifications. Generally, detailed design is defined as having finalized space requirements and having the drawings and specifications for all disciplines (architectural, mechanical, electrical and structural) complete. To advance to this level of detail will require budget approval.

Table 4 below outlines the total estimated development costs for the Simcoe County Housing Corporation (SCHC) Barrie development options 1 and 2. An approximate development budget for the project is estimated to be approximately \$175.9 million, based upon a 154-unit multi-residential building with commercial space for a County Social and Community Services office, licensed childcare space and other community and social partnership agency space, recent County standard financial assumptions, and long-term financial plan.

Total projected capital revenues/costs with hard, soft, and site cost components summarize the distinct annual contribution during the duration of the construction project, the capital revenue, and the balance of the unfunded net capital portion, as detailed below:  
 Table 4: Projected Capital Project Revenue and Costs - Options 1 and 2 (154 units)

<b>Barrie Affordable Housing Development</b>				
<b>\$ '000</b>				
	<b>Total</b>	<b>Actual 2020 to 2022</b>	<b>Forecast 2023</b>	<b>Future Budgets 2024 to 2026</b>
<b>Capital Funding</b>				
Provincial Funding	6,001	0	0	6,001
Proceeds of Disposition	27,324	2,761	898	23,665
City of Barrie	35,706	730	240	34,735
City of Orillia	7,375	151	50	7,175
County of Simcoe	99,492	1,987	663	96,842
<b>Total Capital Funding</b>	<b>175,898</b>	<b>5,629</b>	<b>1,852</b>	<b>168,418</b>
<b>County of Simcoe Funding</b>				
Development Charges	907	907	0	0
Social Housing Reserve	1,563	563	0	1,000
Unfinanced Capital	97,020	515	663	95,842
Levy	3	3	0	0
<b>Total County of Simcoe Funding</b>	<b>99,492</b>	<b>1,987</b>	<b>663</b>	<b>96,842</b>
<b>Project Cost</b>				
Land	4,862	4,862	0	0
Hard Costs (Construction)	113,340	0	0	113,340
Site Costs	11,657	628	0	11,029
Soft Costs	24,950	139	1,697	23,114
Construction Project Supervisor(s)	960	0	155	805
Parking Garage	17,790	0	0	17,790
Soundwall	2,340	0	0	2,340
<b>Total Project Cost</b>	<b>175,898</b>	<b>5,629</b>	<b>1,852</b>	<b>168,418</b>

Table 5 below outlines the estimated costs for the SCHC Barrie development option 3. An approximate development budget for the project is estimated to be approximately \$185.7 million, based upon a 176-unit multi-residential building with commercial space for a County Social and Community Services office, licensed childcare space and other community and social partnership agency space, recent County standard financial assumptions, and long-term financial plan.

Table 5: Projected Capital Project Revenue and Costs - Option 3 (two extra floors 176 units)

<b>Barrie Affordable Housing Development</b>				
<b>\$ '000</b>				
	<b>Total</b>	<b>Actual 2020 to 2022</b>	<b>Forecast 2023</b>	<b>Future Budgets 2024 to 2026</b>
<b>Capital Funding</b>				
Provincial Funding	6,001	0	0	6,001
Proceeds of Disposition	27,324	2,761	898	23,665
City of Barrie	38,175	730	240	37,204
City of Orillia	7,885	151	50	7,685
County of Simcoe	106,305	1,987	663	103,654
<b>Total Capital Funding</b>	<b>185,690</b>	<b>5,629</b>	<b>1,852</b>	<b>178,209</b>
<b>County of Simcoe Funding</b>				
Development Charges	907	907	0	0
Social Housing Reserve	1,563	563	0	1,000
Unfinanced Capital	103,832	515	663	102,654
Levy	3	3	0	0
<b>Total County of Simcoe Funding</b>	<b>106,305</b>	<b>1,987</b>	<b>663</b>	<b>103,654</b>
<b>Project Cost</b>				
Land	4,862	4,862	0	0
Hard Costs (Construction)	113,340	0	0	113,340
Site Costs	11,657	628	0	11,029
Soft Costs	24,950	139	1,697	23,114
Construction Project Supervisor(s)	960	0	155	805
Parking Garage	17,790	0	0	17,790
Soundwall	2,340	0	0	2,340
Additional Floors	9,791	0	0	9,791
<b>Total Project Cost</b>	<b>185,690</b>	<b>5,629</b>	<b>1,852</b>	<b>178,209</b>

The ability to apply development charge revenue toward the build would have reduced the funding contribution from the shared services partners by approximately \$36M for the 154-unit build and \$40M for the 176-unit build.

Staff will continue pursuing all available funding from federal and provincial programs, including Canada Mortgage and Housing Corporation (CMHC) Co-investment. This national program is a combination of loan and grant contributions.

## **Relationship to Corporate Strategic Plan**

### Strengthen Social, Health, and Educational Opportunities:

Establish partnerships to identify opportunities for strengthened human services and education to support improved health and well-being of our residents

#### Strategic Priority #1:

- Develop a strategy to use current housing stock and future funding opportunities to create a more sustainable housing system.

### Growth Related Service Delivery:

- Identify opportunities to collaborate on the planning and delivery of municipal infrastructure; and,
- Create and strengthen partnerships with key stakeholders to support communities through the delivery of sustainable services.

Specifically, the Social and Community Services strategic initiatives:

- Develop social housing infrastructure and investment responsive to current and growth-related needs across the housing continuum.
- Develop and implement a Long-Term Affordable Housing Strategy.

### Culture of Workplace and Operational Excellence:

- Continue to advance a workplace that promotes efficiencies and effectiveness in fiscal management and service delivery.

Item CCW 2023-061 is consistent with *Our Community 10-Year Affordable Housing and Homelessness Prevention Strategy*.

## **Reference Documents**

- CCW 2021-150 (April 27, 2021) Multi-Residential Construction Costs
- CCW 2021-213 (June 22, 2021)
- CCW 2021-325 (October 26, 2021) Simcoe County Housing Development in the City of Barrie
- CCW 2022-241 (August 9, 2022) Closure of Temporary Motel Shelter Model
- CCW 2023-053 (February 28, 2023) Bradford Affordable Housing Development Update and Leasehold Improvement Costing

- CCW 2023-062 (February 28, 2023) 2023/24 and 2024/25 Planned Funding Allocations for Provincially Delivered Housing Programs

**Attachments**

Schedule 1 – Presentation slide deck

Schedule 2 – Preliminary elevation views, ground floor plan and design renderings

Schedule 3 – Updated 20 Rose Street, Barrie SCHC Development Business Case

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<b>Approvals</b>	<b>Date</b>
John Connell, Implementation Manager	March 23, 2023
Brad Spiewak, Director Social Housing	March 23, 2023
Mina Fayez-Bahgat, General Manager, Social and Community Services	March 29, 2023
Trevor Wilcox, General Manager, Corporate Performance	April 2, 2023
Mark Aitken, Chief Administrative Officer	April 4, 2023