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To: **Committee of the Whole**

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

Item Number: **CCW - 2023-194**

Meeting Date: August 8, 2023

Subject: **Simcoe County Housing Corporation Development, 20 Rose Street  
Additional Units Options**

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### **Recommendation**

That Item CCW 2023-194, dated August 8, 2023, regarding Simcoe County Housing Corporation (SCHC) Development 20 Rose Street Additional Units Options, be received; and

That staff proceed with Option 3 as generally outlined in CCW 2023-194: 215 residential unit mixed-income mixed-use development; and

That the Simcoe County Housing Corporation development project at 20 Rose Street, updated estimated cost of the construction be approved to proceed, as substantively outlined in Item CCW 2023-194; and

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

### **Executive Summary**

This Item provides an update on building and site design options and the estimated cost of the proposed Simcoe County Housing Corporation (SCHC) development at 20 Rose Street, Barrie. Staff was tasked with looking at possibly increasing the number of units in the build within reasonable constraints and are now seeking further Council approval of the proposed development and direction on the preferred development option and the associated costs, as detailed within this Item.

The proposed multi-use energy-efficient building includes 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.

Alternative design considerations include four options that increase unit intensification, parking reduction ratio calculation, proposed affordability mix and associated updated estimated costing.

Although staff can support any of the first three options, staff recommends Option 3 as the preferred balanced option. Option 3 provides an appropriate mix of uses, including commercial, community and social services agency space and 215 residential units for seniors, families and individuals that balance a range of incomes and housing needs and creates a secure, high-quality, well-maintained living environment in a residential neighbourhood.

Option 3 is a competitive balance of a sustainable long-term net benefit and moderate capital construction cost reduction per unit, with the intensification of the top two levels of each wing. This option also incorporates agency space above the parking structure. It replaces the previously allocated space with a mix of residential units, thereby adding 39 units without increasing the building height and/or footprint.

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

Further to Item CCW 2023-061 (April 11, 2023), this Item provides an update on the proposed building and site design affordable housing development at 20 Rose Street, City of Barrie. The proposed mixed-use building includes commercial space for community and social service agencies, such as licenced childcare or other compatible social service providers. The development also provides for the co-location of essential County of Simcoe social services, including Ontario Works, Children Services, Community Services, and Social Housing services. This co-location builds on the financial advantages and a client-centred approach for complete wrap-around services. The County of Simcoe is leasing administrative office space in a privately owned building in Barrie. A lease extension at this location is no longer an option for the Social and Community Services office. Co-locating County services in a County owned facility is an operationally sustainable and cost-effective method of providing services in an accessible and safe community setting. Alternative design considerations include four options that increase unit intensification, parking reduction ratio calculation, proposed affordability mix and associated updated estimated costing.

A formal presentation to Committee of the Whole accompanies this Item and is attached as Schedule 1.

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## Unit Intensification

This report identifies four options for consideration regarding the total number of residential units and associated building and site design modifications.

Option 1, as approved per CCW 2023-061 (April 11, 2023), includes 176 mixed units for seniors, families and individuals in a building with nine and eleven-storey wings.

Option 2 includes intensifying the two top levels of the nine and eleven-storey wings, substituting two- and three-bedroom units with studio and one-bedroom units. This option increases the total number of units without changing the proposed building footprint or site plan. These design modifications result in 188 units (a net increase of 12 units), in the most cost-effectively.

Option 3 includes intensifying the two top levels of the nine and 11-storey wings and converting the second-level agency space into mixed units for seniors, families and individuals. The agency space has been relocated to above the parking structure. No height increase to the parking structure is proposed. The parking structure will go down a partial level below grade to accommodate the agency space above. These design modifications result in 215 units (a net increase of 39 units). The construction of the parking structure would be prioritized to provide the added benefit of allowing the Social and Community Services office to relocate from its current location before lease termination on January 1, 2025. Should this option not be chosen, the Ontario Works office would require a temporary location to be purchased or leased, as the 136 Bayfield Street lease ends without any renewal option before the opening of the new Rose Street site.

Option 4 increases both wings by two levels resulting in an 11- and 13-storey building. The two top levels of eleven and thirteen storey wings comprise primarily one-bedroom units. The second level agency space is a mix of units for seniors, families and individuals. The second-level agency space has been relocated to the space above the parking structure. These design modifications result in 271 units (a net increase of 95 units).

A summary of the unit intensification options and estimated construction costs per unit are noted below in Table 1. The estimated costs shown are using a Class C cost estimate with three years of inflation built in to project the final costs after the project in 2026. These costs include all residential expenditures, including land acquisition, demolition of the old site, soft costs and studies, consultants, staffing, fixtures, furniture and equipment (FFE).

Table 1 - Summary of Additional Unit Options

Option	Total # of Units	Design Updates	Estimated Costs	Estimated Cost/Unit
			(Residential only)	
1.	176	<ul style="list-style-type: none"> <li>9 &amp; 11 storey wings</li> </ul>	\$ 145,642,024	\$ 827,511
2.	188	<ul style="list-style-type: none"> <li>Substitute two and three-bedroom units on the top two levels per wing with mostly one-bedroom units</li> </ul>	\$ 146,087,021	\$ 777,058
3.	215	<ul style="list-style-type: none"> <li>Substitute two and three-bedroom units on top two levels per wing with mostly one-bedroom units,</li> <li>Substitute second-level agency space to mostly one-bedroom units,</li> <li>Relocate agency space above the parking structure</li> </ul>	\$ 161,570,566	\$751,493
4.	271	<ul style="list-style-type: none"> <li>Additional two levels per wing (11 and 13-storey wings),</li> <li>Substitute two and three-bedroom units on top two levels per wing with mostly one-bedroom units,</li> <li>Replace second level agency space with mostly one-bedroom units,</li> <li>Relocate agency space above the parking structure,</li> <li>Additional parking structure level</li> </ul>	\$ 185,714,117	\$ 685,291

A conservative operating revenue has been assumed for the affordability calculations, whereby minimal annual rent increases and moderate operational expenses are assumed and applied to calculate the annual expenses and payments over 50 years. Although the capital construction cost per unit is decreased by intensifying the unit count, operational expenses increase. Estimated increases in operating expenses are

assumed to account for additional administration in site staffing and future capital repair allowances.

The long-term total net benefit for option 1 (176 units) is estimated to be \$79.3 million, which is the highest, followed very closely by option 2 (188 units) at \$77 million. In contrast, the long-term total net benefit for option 3 (215 units) and option 4 (271 units) is estimated to be 63.8 million and \$62.5 million, respectively. Operating costs are included in the operating pro forma to ensure long-term sustainable operation of the development. Total projected operating revenues/costs for both the short-term and 50-year total net benefit operating pro forma has been calculated for options 1, 2, 3, and 4, as detailed below, excluding any costs associated with debt:

Table 2: Operating Pro Forma – Option 1

Barrie Affordable Housing Development						
Operating Pro Forma						
\$ '000						
	2027	2028	2029	2030	2031	50 Year Total 2027 - 2076
<b>Operating Revenue</b>						
Residential Rent	2,208	2,239	2,270	2,301	2,333	158,385
Commercial Rent	1,441	1,470	1,500	1,529	1,560	121,920
Parking Revenue	128	128	128	128	128	6,402
<b>Total Revenue</b>	<b>3,778</b>	<b>3,837</b>	<b>3,897</b>	<b>3,959</b>	<b>4,021</b>	<b>286,707</b>
<b>Operating Expenses</b>						
Administration (Salaries and Insurance)	347	354	361	368	376	29,362
Facilities (Maintenance and Utilities)	1,326	1,358	1,392	1,426	1,461	129,109
Future Capital Asset Management Provision	631	641	651	661	672	48,915
<b>Total Expenses</b>	<b>2,304</b>	<b>2,353</b>	<b>2,404</b>	<b>2,456</b>	<b>2,509</b>	<b>207,386</b>
<b>Total Net Benefit excluding debt</b>	<b>1,474</b>	<b>1,484</b>	<b>1,493</b>	<b>1,503</b>	<b>1,512</b>	<b>79,321</b>

Table 3: Operating Pro Forma – Option 2

Barrie Affordable Housing Development						
Operating Pro Forma						
\$ '000						
	2027	2028	2029	2030	2031	50 Year Total 2027 - 2076
<b>Operating Revenue</b>						
Residential Rent	2,371	2,404	2,437	2,471	2,505	170,247
Commercial Rent	1,441	1,470	1,500	1,529	1,560	121,920
Parking Revenue	128	128	128	128	128	6,402
<b>Total Revenue</b>	<b>3,940</b>	<b>4,002</b>	<b>4,065</b>	<b>4,129</b>	<b>4,193</b>	<b>298,569</b>

Barrie Affordable Housing Development						
Operating Pro Forma						
\$ '000						
	2027	2028	2029	2030	2031	50 Year Total 2027 - 2076
<b>Operating Expenses</b>						
Administration (Salaries and Insurance)	404	412	420	429	437	34,172
Facilities (Maintenance and Utilities)	1,398	1,433	1,468	1,504	1,541	136,171
Future Capital Asset Management Provision	658	669	680	691	702	51,234
<b>Total Expenses</b>	<b>2,460</b>	<b>2,513</b>	<b>2,568</b>	<b>2,623</b>	<b>2,680</b>	<b>221,577</b>
<b>Total Net Benefit excluding debt</b>	<b>1,480</b>	<b>1,489</b>	<b>1,497</b>	<b>1,505</b>	<b>1,513</b>	<b>76,992</b>

Table 4: Operating Pro Forma – Option 3

Barrie Affordable Housing Development						
Operating Pro Forma						
\$ '000						
	2027	2028	2029	2030	2031	50 Year Total 2027 - 2076
<b>Operating Revenue</b>						
Residential Rent	2,856	2,895	2,936	2,977	3,019	205,423
Commercial Rent	1,346	1,373	1,401	1,429	1,457	113,870
Parking Revenue	128	128	128	128	128	6,402
<b>Total Revenue</b>	<b>4,330</b>	<b>4,397</b>	<b>4,464</b>	<b>4,534</b>	<b>4,604</b>	<b>325,695</b>
<b>Operating Expenses</b>						
Administration (Salaries and Insurance)	474	483	493	503	513	40,059
Facilities (Maintenance and Utilities)	1,643	1,683	1,724	1,766	1,810	159,610
Future Capital Asset Management Provision	788	801	814	828	842	62,191
<b>Total Expenses</b>	<b>2,904</b>	<b>2,967</b>	<b>3,031</b>	<b>3,097</b>	<b>3,164</b>	<b>261,860</b>
<b>Total Net Benefit excluding debt</b>	<b>1,426</b>	<b>1,430</b>	<b>1,433</b>	<b>1,437</b>	<b>1,439</b>	<b>63,835</b>

Table 5: Operating Pro Forma – Option 4

Barrie Affordable Housing Development						
Operating Pro Forma						
\$ '000						
	2027	2028	2029	2030	2031	50 Year Total 2027 - 2076
<b>Operating Revenue</b>						
Residential Rent	3,865	3,919	3,974	4,030	4,087	278,777
Commercial Rent	1,346	1,373	1,401	1,429	1,457	113,870
Parking Revenue	128	128	128	128	128	6,402
<b>Total Revenue</b>	<b>5,339</b>	<b>5,420</b>	<b>5,503</b>	<b>5,587</b>	<b>5,672</b>	<b>399,049</b>
<b>Operating Expenses</b>						

Administration (Salaries and Insurance)	661	674	688	702	716	55,923
Facilities (Maintenance and Utilities)	2,100	2,151	2,204	2,258	2,313	204,047
Future Capital Asset Management Provision	958	975	992	1,009	1,027	76,619
<b>Total Expenses</b>	<b>3,719</b>	<b>3,801</b>	<b>3,884</b>	<b>3,969</b>	<b>4,056</b>	<b>336,590</b>
<b>Total Net Benefit excluding debt</b>	<b>1,619</b>	<b>1,619</b>	<b>1,619</b>	<b>1,618</b>	<b>1,616</b>	<b>62,459</b>

Every unit intensification option would require a zoning by-law amendment and potentially an Official Plan amendment to permit the proposed building height.

Reduction to the required parking standard

The range in total residential units and the options to relocate agency space above the parking structure alter the total amount of residential parking spaces required for each option. No reduction to the parking space requirement for the agency (commercial) space has been considered. The City of Barrie’s zoning standard for multi-residential use is one space per unit.

A summary of the potential reduction in the City of Barrie parking requirements is itemized by options 1 – 4 and is noted below in Table 6:

Table 6 - Summary of Parking Reduction Options

Option	# units	# Residential parking spaces required	# Residential parking spaces provided	# Residential space per unit provided
1.	176	176	131	<b>0.74</b>
2.	188	188	131	<b>0.70</b>
3.	215	215	133	<b>0.62</b>
4.	271	271	133	<b>0.49</b>

Every parking provision option would require a zoning by-law amendment to permit the proposed reduced parking space standard.

Parking surveys at County-owned affordable housing facilities demonstrate an average parking per unit ratio of approximately 0.5 spaces per unit. It is acknowledged that many current tenants rely on public transit and/or mobility aids for the majority of their transportation needs. A conservative estimate for a mixed-income building assumes 0.5 parking space for the rent-geared-to-income (RGI) and 80% average market rent (AMR) units and one parking space for 100% and 120% AMR units.

Additional parking may be required, pending City of Barrie parking reduction zoning bylaw amendment approval. For informational purposes, an additional parking level has also been priced out and is estimated to cost an additional \$7 million. A general reduction to the proposed parking ratio has been assumed, and the cost for additional parking has yet to be included in the capital project cost.

Affordability Mix

Increasing housing density can offer a high-impact solution to the growing need for affordable housing, reduce demand on existing municipal infrastructure and can optimize operational sustainability. Conversely, potential drawbacks to higher-density apartment developments include strain on shared amenity areas, deficiency of tenant social cohesion, building shadowing, and negatively perceived neighbourhood compatibility.

Mixed-income rental development provides a mix of deeply affordable (RGI), affordable and market housing units. It is a practical approach to building and operating affordable housing sustainably. It is acknowledged that the average market rent (AMRs) published by Canada Mortgage and Housing Corporation (CMHC) do not reflect other sources of information about current rental amounts, which are generally higher, such as the County’s annual average market rent survey. The 100% AMR is still more affordable and slightly below market value; 120% AMR is approaching or considered a more accurate market value reflective of mixed-income development.

An appropriate mixed-income rental development balances a range of incomes and housing needs to create a secure, high-quality, well-maintained living environment while increasing affordable housing options for lower-and moderate-income households. There is no standard affordability mix, however a balance of 25% very low income, 50% moderate income and a 25% market rate are estimated to be a sustainable affordability mix. A pro forma has been updated for each alternative mixed-income housing option. A summary of the affordability mix options is noted below in Table 7:

Table 7 - Summary of Affordability Mix Options

Option	Total # of units	Affordability mix				1 Year Residential Rent Revenue*
		RGI	80% AMR (funded)	100% AMR	120% AMR	
1.	176	64	24	66	22	\$ 2.2
2.	188	64	24	72	28	\$ 2.4
3.	215	64	24	99	28	\$ 2.8
4.	271	64	24	141	42	\$ 3.8

Option 1 includes 64 rent-geared-to-income (RGI) units, 24 federal/provincial funded units, rent amounts calculated at an average of 80% average market rent (AMR), 66 units proposed at 100% AMR and 22 units on the top level 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 lowest rental revenue with 176 units and a mixed-income model.

Option 2 includes 64 RGI units, 24 federal/provincial funded units, rent amounts calculated at an average of 80% AMR, 72 units proposed at 100% AMR, and 28 studio and one-bedroom units on the top level of each wing will be rented at 120% AMR. This option improves operational sustainability by slightly increasing rental revenue with 188 units and a mixed-income model.

Option 3 includes 64 RGI units, 24 federal/provincial funded units, rent amounts calculated at an average of 80% AMR, 99 units proposed at 100% AMR, and 28 studio and one-bedroom units on the top level of each wing will be rented at 120% AMR. This option increases rental revenue with 215 units and a mixed-income model.

Option 4 includes 64 RGI units, 24 federal/provincial funded units, rent amounts calculated at an average of 80% AMR, 141 units proposed at 100% AMR, and 42 studio and one-bedroom units on the top level of each wing will be rented at 120% AMR. This option generates the most rental revenue with an increased unit count of 271 and a mixed-income model; however, costs also increase to operate sustainably.

### Recommendation

Staff recommend Option 3 for the following reasons:

- creates a mixed-use and mixed-income development, including commercial, community and social services agency space and 215 residential of much needed affordable housing units for seniors, families and individuals;
- delivers a competitive balance of estimated long-term net benefit, moderate capital construction cost reduction per unit with the intensification of the top two levels of each wing with additional one-bedroom units and substitutes the previously allocated agency space on the second level with a mix of residential units, thereby adding 39 units without increasing the building height and/or footprint;
- considers Social and Community Services department cost savings by prioritizing the Ontario Works Barrie office relocation and occupancy in a timely manner;
- 0.62 space per residential unit is a conservative parking estimate that can be accommodated on the site for the proposed mixed-income development without the cost of adding a level in the parking structure; and
- provides an appropriate affordability mix that balances a range of incomes and housing needs and creates a secure, high-quality, well-maintained living environment in a residential neighbourhood.

### Next Steps

Following approval of the preferred option, formal planning pre-consultation of the proposed development will be submitted for review with City of Barrie staff. Land-use planning approvals, site services and engineering requirements will need to be addressed before issuance of a building permit.

The site is designated 'Community Hub' in the City of Barrie's recently 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 will be required. 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 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. Similar to recent Simcoe County Housing Corporation (SCHC) developments, the County will host public information sessions with local residents to gather feedback on the building design and site layout. Public information sessions are anticipated before the site-specific zoning by-law amendment (ZBA) process. County staff will continue collaborating and working closely with the City of Barrie.

### **Financial and Resource Implications**

The mixed-use residential building's updated estimated costs are based on modified preliminary design options, updated inflation estimates and recent tender results. The estimated cost at this stage is a 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.

As per Item CCW 2023-061 (April 11, 2023), approximately \$186 million has been allocated for this project based on 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 8 below outlines the updated total estimated development costs for the Simcoe County Housing Corporation (SCHC) Barrie development options 1, 2, 3, and 4. The revised estimate includes adjustments to inflation estimates and the modified building design options, incorporating a full basement to support a potential height increase.

Total projected capital revenues/costs with hard, soft, and site cost components summarize the contribution of the construction project and the balance of the unfinanced net capital portion, as detailed below:

Table 8: Projected Capital Project Funding and Costs - Options 1, 2, 3 and 4

<b>Barrie Affordable Housing Development</b>				
	<b>\$ '000</b>			
	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
	<b>176 Units</b>	<b>188 Units</b>	<b>215 Units</b>	<b>271 Units</b>
<b>Capital Funding</b>				
Provincial Funding	6,001	6,001	6,001	6,001
Proceeds of Disposition	27,324	27,324	27,324	27,324
City of Barrie	41,253	41,405	45,896	51,580
City of Orillia	8,620	8,652	9,590	10,778
County of Simcoe	115,466	115,889	128,356	144,133
<b>Total Capital Funding</b>	<b>198,664</b>	<b>199,271</b>	<b>217,168</b>	<b>239,817</b>
<b>County of Simcoe Funding</b>				
Development Charges	907	907	907	907
Social Housing Reserve	1,563	1,563	1,563	1,563
Unfinanced Capital	112,994	113,417	125,884	141,661
Levy	3	3	3	3
<b>Total County of Simcoe Funding</b>	<b>115,466</b>	<b>115,889</b>	<b>128,356</b>	<b>144,133</b>
<b>Project Cost</b>				
Land	4,862	4,862	4,862	4,862
Hard Costs (Construction)	130,107	130,568	144,153	161,346
Site Costs	13,296	13,341	14,669	16,350
Soft Costs	28,632	28,733	31,716	35,492
Construction Project Supervisor	960	960	960	960
Parking Structure	18,467	18,467	18,467	18,467
Soundwall	2,340	2,340	2,340	2,340
<b>Total Project Cost</b>	<b>198,664</b>	<b>199,271</b>	<b>217,168</b>	<b>239,817</b>

**Relationship to Corporate Strategic Plan**

Strengthen Social, Health, and Educational Opportunities:

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

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 that is 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 2023-061 (April 11, 2023) Simcoe County Housing Corporation Development, City of Barrie

**Attachments**

Schedule 1 – Presentation slide deck

**Prepared By**                      Rachelle Hamelin, Program Supervisor – Housing Development

**Approvals**

	<b>Date</b>
Brad Horner, Facilities, Maintenance and Development Manager	July 17, 2023
Brad Spiewak, Director Social Housing	July 17, 2023
Mina Fayez-Bahgat, General Manager, Social and Community Services	July 20, 2023
Trevor Wilcox, General Manager, Corporate Performance	July 31, 2023
Mark Aitken, Chief Administrative Officer	August 1, 2023