

An aerial photograph of a coastal town, likely Orillia, Ontario, Canada. The town is built on a peninsula or near a large body of water, with numerous houses and buildings visible. The water is a deep blue-grey color, and there are some small islands or peninsulas in the distance. The overall scene is captured from a high angle, showing the layout of the town and its proximity to the water.

# Housing Attainable Supply Action Plan

## County of Simcoe & City of Orillia

May 2024

Simcoe County & City of Orillia

## Housing Attainable Supply Action Plan

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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

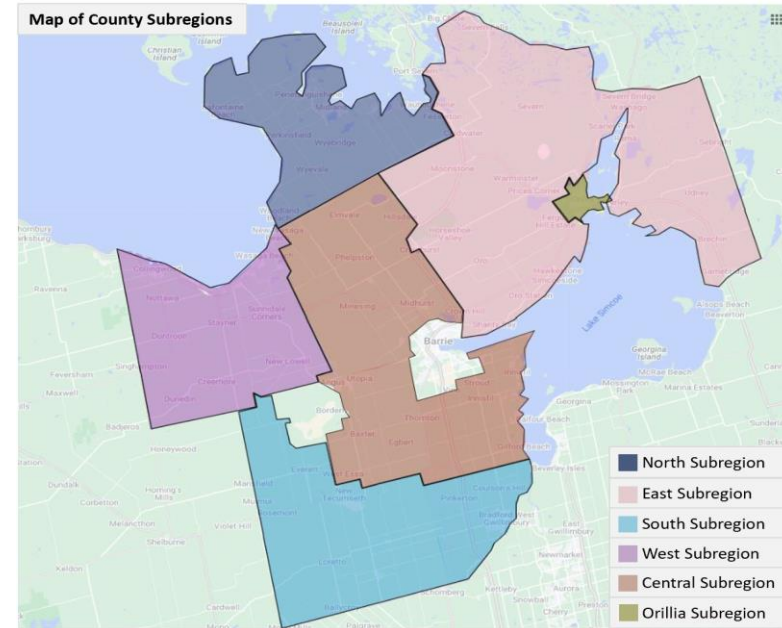
The County of Simcoe and the City of Orillia (combined referred to as the ‘County/City’ throughout this report – **Figure 1**) have retained N. Barry Lyon Consultants Limited (‘NBLC’) to prepare a Housing Attainable Supply Action Plan (‘ASAP’) to identify best practices and recommended implementation actions, advocacy, and partnership approaches that the County/City can take to increase attainable housing provided by the private market.

**Phase 1** of this project was a foundational Housing Needs Analysis (‘HNA’), which was completed by NBLC in August 2023. The HNA provides a foundational assessment of housing needs and affordability challenges by Sub-Region (**Figure 1**), identifies housing gaps, assesses incomes and trends in housing supply, and guides the recommendations brought forward through this ASAP.

**Phase 2** of the project consisted of extensive consultation efforts with Council, County/City staff, local municipalities, stakeholders, and the public. **Phase 3** involved a Potential Solutions Review and Case Studies report that mapped out a list of potential options for the County/City to consider as they look to address growing attainable housing issues.

Through consultation and subsequent analysis, the options presented in Phase 3 have been refined to arrive at this final ASAP report. As per the County/City’s direction, the Housing ASAP focuses on **attainable housing** – defined as market-provided housing that is affordable for households with incomes between 80% - 120% of the County/City’s median household income.

**Figure 1: County of Simcoe (and Orillia) and Identified Subregions**



County Subregions					
North	East	South	West	Central	Orillia
Midland	Oro-Medonte	Bradford West Gwillimbury	Collingwood	Innisfil	Orillia
Penetanguishene	Severn	New Tecumseth	Wasaga Beach	Springwater	
Tay	Ramara	Adjala-Tosorontio	Clearview	Essa	
Tiny					



**Table 1** summarizes household incomes in Simcoe County, including the City of Orillia, by decile group and household tenure in 2022. Using these incomes, the affordable purchase price and rental rate for each decile group is estimated.

The County’s definition of attainable housing generally aligns with the 4<sup>th</sup> to 6<sup>th</sup> income deciles – denoted by the red box in **Table 1**. These households can afford to purchase a home in the range of \$330,000 to \$450,000 or to rent a home that is between \$1,350 and \$1,950 per month. It is the creation and maintenance of housing at

similar price points that the ASAP will strive to achieve. Detailed income and affordability threshold information by Sub-Region can be found in the HNA (Appendix A).

A 10-year Affordable Housing and Homelessness Strategy is being prepared concurrently by the County of Simcoe and addresses deeper levels of affordability for lower income households. The recommendations in the ASAP should be considered alongside this work.

Table 1

Household Income by Decile 2022, Simcoe County (Including Orillia)					
Income Group	Income Decile	All Households Income*	Affordable Purchase Price^	Renter Household Income*	Affordable Monthly Rent^
Low Income	1st	\$43,736	\$146,230	\$24,961	\$624
	2nd	\$62,733	\$209,744	\$32,692	\$817
	3rd	\$80,625	\$269,566	\$43,736	\$1,093
Moderate Income	4th	\$98,297	\$328,649	\$53,897	\$1,347
	5th	\$115,968	\$387,731	\$65,826	\$1,646
	6th	\$134,744	\$450,507	\$78,416	\$1,960
High Income	7th	\$157,937	\$529,394	\$93,879	\$2,347
	8th	\$185,549	\$626,122	\$113,759	\$2,844
	9th	\$236,354	\$804,102	\$146,893	\$3,672

*Note: Income deciles divide the population into 10 equal-sized groups according to total income. Those in the bottom decile group are the ones who fall in the lowest 10% of the total income distribution. Those in the top decile group are the ones who fall in the highest 10% of the total income distribution.*

*\*Incomes from 2021 Census of Canada Custom Tabulation, inflated to 2022 using CPI (Canada)*

*^Affordability thresholds assume shelter costs do not exceed 30% of gross household income. Affordable ownership thresholds include mortgage (25 years, minimum 5% downpayment, 1.16% property tax, 4% of loan amount for CMHC mortgage insurance, 5-year fixed mortgage rate of 6.5%). Affordable rental thresholds based on 30% of gross household income.*

*Source: Statistics Canada, N. Barry Lyon Consultants Ltd.*

## 2.0 Housing Needs Analysis Summary (Phase 1)

A Housing Needs Analysis ('HNA') was completed in August 2023 (**Appendix A**) with the intention of providing a foundational assessment of housing needs and affordability challenges in the County/City to guide the Housing Attainable Supply Action Plan. Overall, there are few attainable housing options in the market in both ownership and rental tenures. The following are some of the key takeaways from the HNA:

### Ownership Market:

- **The supply of ownership housing is not meeting demand**, particularly from low and moderate-income households – just 3% of recent resales collected by NBLC were sold under \$400,000, while half were above \$800,000. New homes are even more expensive.
- The County/City's ownership housing stock has **experienced significant price growth over the last decade (170%+ for resales) that far outpaces income growth (+37%)**. Prices decreased in the last year, but increased borrowing costs have not resulted in improved affordability conditions.
- Many households, particularly first-time home buyers, would be challenged to buy a new or resale home in the County/City without downpayment assistance.
- **Lack of affordability in the ownership market is driving some 'would-be' purchasers to the rental market**, increasing demand within an already constrained market. Options that might have been available to moderate-income renters historically are no longer available in many places.

### Rental Market:

- New purpose-built rental housing development has been stagnant over the last decade, with net new development lagging far behind the need.
- Limited new supply and rising demand means that **vacancy rates have been trending downward**, below 1.5% in three of the past six years.
- Limited availability has created an environment where **rental rates have been rising rapidly**, with most apartment options now above \$1,800 per month and most low-rise rentals exceeding \$2,000 per month. There are very few options for low and moderate-income renter households and what is affordable is limited to more compact housing types.
- Renter households are far more likely than owners to be in Core Housing Need (i.e., living in unaffordable, unsuitable, and/or inadequate housing) and also earn about half the annual salary as owner households, on average. There is clearly a **pressing need to address the needs of renter households** across a variety of incomes and characteristics.

**Table 2** 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 the County/City based on average prices. This helps to visualize what is or is not affordable to different income groups in the County/City's housing market today.

	Unaffordable
	Affordable

Table 2

Ownership Housing Affordability Gap Analysis, Simcoe County & City of Orillia										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$146,230	\$209,744	\$269,566	\$328,649	\$387,731	\$450,507	\$529,394	\$626,122	\$804,102
Housing Type	Avg. Purchase Price									
New Ownership Housing										
Single-Detached	\$1,640,000									
Semi-Detached	\$1,170,000									
Townhouse	\$1,210,000									
Stacked Townhouse	\$625,000									
Condominium Apartment	\$725,000									
Resale Ownership Housing										
Single-Detached	\$935,000									
Semi-Detached	\$715,000									
Townhouse	\$700,000									
Condominium Apartment	\$620,000									
Rental Housing Affordability Gap Analysis, Simcoe County & City of Orillia										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$624	\$817	\$1,093	\$1,347	\$1,646	\$1,960	\$2,347	\$2,844	\$3,672
Housing Type	Average Rental Rate									
Purpose-Built Rental Market										
New Purpose-Built Rental Apartment	\$2,250									
Old Purpose-Built Rental Apartment	\$1,875									
Secondary Rental Market										
Privately Leased Single-Detached	\$2,735									
Privately Leased Semi-Detached	\$2,125									
Privately Leased Townhouse	\$2,500									
Privately Leased Condominium Apartment	\$2,020									
Privately Leased Multiplex Units	\$2,045									
Privately Leased Basement Apartment	\$1,775									
AMR Housing Affordability Gap Analysis, Simcoe County & City of Orillia										
Income Decile		1	2	3	4	5	6	7	8	9
Affordability Threshold		\$624	\$817	\$1,093	\$1,347	\$1,646	\$1,960	\$2,347	\$2,844	\$3,672
% CMHC Average Market Rent (AMR)	Average Rental Rate									
100% AMR	\$1,204									
80% AMR	\$963									
60% AMR (Low-End of Market)	\$722									

*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. These prices are point in time and can change based on a variety of economic and market factors.*

*The 4th to 6th income deciles have been highlighted in this table. They generally line up with the County's definition of attainable housing (e.g. affordable for households between 80% and 120% of household median income).*

*Source: N. Barry Lyon Consultants Limited, Altus Data Studio, Canada Mortgage and Housing Corporation, Simcoe County Realtor*

## 3.0 Public and Stakeholder Consultation Summary (Phase 2)

This section provides a summary of the community and stakeholder engagement efforts that have been undertaken in support of the ASAP. The full Consultation Summary “What We Heard” report is attached as **Appendix B**.

The consultation process included:

- A public engagement meeting.
- Meeting with the County’s Affordable Housing Advisory Committee.
- Seven stakeholder consultations with groups that included non-profit organizations, employers, the Orillia development community, Simcoe development community, non-profit groups, and subject matter experts.
- Presentation to County Council.
- Surveys provided to and completed by local municipal staff, indigenous groups, County Council, and Orillia Council.
- Several meetings with County staff.
- Staff also held separate 1-on-1 meetings with First Nations representatives, local CAOs, and others.

The goals of the consultation efforts were to:

- Introduce the development of the Housing ASAP by educating the public and stakeholders on existing housing issues in the City of Orillia and Simcoe County through the findings of the Housing Needs Assessment.

- Promote awareness of the benefit to a defined attainable housing plan for the County and City of Orillia, and the potential to provide new attainable housing options for moderate-income residents.
- Hear from a wide range of stakeholders including the public about their current experiences and receive feedback, advice, and considerations on the recommended options.
- Reach community members through the process who may benefit from the Attainable Housing Supply Action Plan but may not have awareness of the efforts being made.
- Identify the available solutions to best address housing needs in the community for moderate income households.

### Key Themes from Consultation

The following are some of the key themes that came out of the consultation events.

- More density to accommodate affordable housing in appropriate locations was generally supported. This included general support for amending zoning to increase the diversity of housing options. Exclusionary zoning practices were identified as limiting the housing options available, which limits the ability of households to move to more appropriate housing as they age or their household composition changes.
  - The public consultation also identified that there are few options in most communities for downsizers.

- Employers consistently identified the lack of attainable housing as a key factor impacting their ability to hire and retain employees. This is impacting the County/City’s economic competitiveness and ability to generate employment.
- A need to **increase and broaden** housing supply was raised at almost every consultation event. More rental housing, apartments, missing middle, and gentle density housing forms were identified as important components to be encouraged in Simcoe County / Orillia to improve attainable housing options.
- It was identified by many parties that incentives can be an effective tool to encourage affordable and attainable housing options in the near-term.
  - There was also general agreement that incentives should be offered for affordable/attainable housing over market-rate housing. However, the development community noted that even market rate apartment projects (rental and condo) are difficult to build in Simcoe County/Orillia. The need for rental housing was also identified broadly as a key priority over ownership housing.
- There was strong support to use public land for the development of new attainable or affordable housing.
- The lack of student rentals – for both international and domestic students – was identified as a major problem in communities with post-secondary institutions. Rooming houses and co-living were noted as potentially being appropriate solutions for students.
- The length and unpredictability of the development approval process was a common theme that came up amongst most of the stakeholder groups.
  - Slow approvals, requirements for costly studies and peer reviews, and public consultation / appeals are all major impediments to delivering market and affordable / attainable housing. Zoning and site plan approvals were identified as the most cumbersome issues.
  - In addition to process delays and challenges, many also identified that approvals, achievable density, and known constraints (i.e., environmental overlays) were unpredictable.
  - It was also identified that it is not just planning that causes delays for new development. Engineering departments, Conservation Authorities, and other agencies and departments also contribute.
  - There was therefore strong support for the County/City to take a role in helping to streamline the approvals process, implement more certainty in land use and zoning frameworks through as-of-right permissions, create consistency in planning frameworks and approval processes across the County/City, reduce burdensome site



plan reviews and peer review requirements, better detail environmental impact areas, and other similar considerations. This could be done either through direct action or by creating frameworks for the local municipalities to implement.

- Many also voiced support for a navigator program / affordable housing office. Participants noted the need for a dedicated person with authority to make decisions related to applications with affordable / attainable housing.
- Servicing and infrastructure investments were identified as being needed for new supply to be delivered in coming years.

### **Integrating Consultation Feedback in the ASAP**

The feedback, advice, and considerations shared by participants through the above events are summarized in **Appendix B**.

As identified, consultation occurred as key background analyses were completed by NBLC to ensure public and stakeholder input has been considered and utilized to shape this ASAP report. This allowed for the commentary, feedback, opinions, and advice that was heard to be integrated into the recommended solutions to address the growing affordability issues across Simcoe County and the City of Orillia.

While many of the suggestions from the public and stakeholders were used to shape the ASAP, not all feedback has been included for a variety of reasons (e.g., out of the County/City's control,

feedback was not legal/implementable, better to be undertaken by other groups, lack of funding, etc.).

## 4.0 Potential Solutions Review Summary (Phase 3)

The Potential Solutions Review and Case Studies Report mapped out a long list of potential options for the County and City of Orillia to consider as they look to address growing attainable housing issues. The report also included case studies that explored what other municipalities have done to address similar housing issues.

The list of potential options was divided into four categories or implementation strategies – shaped by the research, stakeholder input, and NBLC’s own extensive experience in the housing industry. The four categories were as follows:

- **Simplifying and Streamlining Policy and Municipal Processes:** Creating a more permissive policy environment and more efficient internal processes to ensure more housing (of all types and price points) is constructed.
- **Coordination and Innovation Initiatives:** Initiatives where the County could take a leadership role by acting as a coordinator of affordable/attainable housing delivery, programs, and partnerships together with the local municipalities. Other initiatives in this category also strive for innovative measures to solving the attainability challenges.
- **Advocacy Initiatives:** These initiatives focused on advocating to the Federal and/or Provincial governments for changes to items that are out of municipal control but would benefit housing attainability and affordability.
- **Financial Initiatives:** These initiatives largely focus on the provision of incentives to reduce the cost of development for

housing providers who are seeking to build housing types that are identified as a priority.

Together, a combination of options related to these four categories were seen as an opportunity to create a strategy that couples market-oriented land use planning reforms with a proactive government role to increase the development of market-rate and attainable housing.

The initial list is presented in **Table 3** to follow, which includes the strategy, the level of government responsible for leading the initiative and its ultimate implementation, its likely impact improving housing affordability/attainability, its estimated cost, and the timeline for implementation. The Phase 3 report, which can be found in **Appendix C**, provides a detailed description of each of the strategies under consideration.

While the initial list was long – with 43 options in total – this was intended to spur discussion and to engage in consultation. The strategies recommended in this ASAP are therefore based on this work, which has been refined and focused to include a number of items that the County can realistically implement in coordination with the updated Affordable Housing and Homelessness Strategy to address both low and moderate-income housing needs.

It is also notable that while the Housing ASAP is focused on ‘attainable housing’, many of the options in the initial list – and the final ASAP – can be utilized for any depth of affordability.

Table 3

Preliminary Strategic Direction Options Housing Attainable Supply Action Plan					
	Lead Role	Implementation Role	Impact (1 to 5)	Cost (\$ to \$\$\$)	Timeline (Immediate to Long-Term)
<b>Simplifying and Streamlining Policy and Municipal Processes</b>					
Update Planning Framework to Support Housing in Local Municipalities	County / Orillia / LM	Orillia / LM	5	\$\$	Medium
<i>Explore Increased Densities in Targeted Areas such as Strategic Growth Areas, Transit Nodes, Post-Secondary Institutions</i>	County / Orillia / LM	Orillia / LM	5	\$\$	Medium
<i>Allow More Density in Neighbourhoods</i>	County / Orillia / LM	Orillia / LM	5	\$\$	Medium
<i>Allow Residential Development to be Integrated into Designated Commercial Areas</i>	County / Orillia / LM	Orillia / LM	5	\$\$	Medium
<i>Reduce / Eliminate Minimum Parking Requirements</i>	County / Orillia / LM	Orillia / LM	3	\$	Medium
<i>County to Provide Support and Lead Best Practice Efforts to Simplify Zoning By-laws to Improve Clarity and Predictability</i>	County	County	4	\$\$	Medium
<i>Clarify Confirmed Boundaries of Constraint Areas in Official Plan and Zoning Area Maps to Extent Possible</i>	County	County	4	\$\$	Medium
Simplify the Development Process and Fast-Track Priority Projects	County / Orillia / LM	Orillia / LM	4	\$\$	Medium
<i>Streamline Approvals Process for Low-Risk/Uncomplicated Development Applications</i>	County / Orillia / LM	Orillia / LM	4	\$\$	Medium
<i>Streamline Building Permit Approvals, Pre-Application Meetings, and Other Processes</i>	County / Orillia / LM	Orillia / LM	4	\$\$	Medium
<i>Critically Review and Consider Reducing the Number of Required Studies</i>	County / Orillia / LM	Orillia / LM	4	\$\$	Medium
<i>Critically Review Peer Review Requirements</i>	County / Orillia / LM	Orillia / LM	4	\$\$	Medium
<i>Improve Communication and Decision-Making Between Departments</i>	County / Orillia / LM	Orillia / LM	4	\$\$	Medium
Leverage Technology to Improve the Approvals Process for all Local Municipalities	County	County	3	\$	Medium
Investigate the Potential for a Community Planning Permit System for the Creation of Attainable Housing	County	Orillia / LM	3	\$\$	Medium
Create Simple Pre-Approved 'Off-the-Shelf' Building Designs for Missing Middle Housing	County	County	3	\$\$	Near
Create a Standard Rental Replacement By-law That Can Be Easily Implemented by All Local Municipalities	County / Orillia / LM	Orillia / LM	3	\$	Near
Explore the Potential for Density Bonusing for Priority Projects	County / Orillia / LM	Orillia / LM	3	\$	Medium
<b>Coordination and Innovation Initiatives</b>					
Create a Navigator Program to Facilitate Priority Housing	County	County	4	\$	Near
Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models	County / Orillia / LM	County / Orillia / LM	3	\$ / \$\$	Immediate
Explore Housing Above or in Conjunction with New Public / Community Facilities	County / Orillia / LM	County / Orillia / LM	3	\$\$ / \$\$\$	Long
Explore Having the County Lead the Implementation and Management of Inclusionary Zoning	County	Orillia / LM	3	\$\$ / \$\$\$	Medium
Partner with Post-Secondary Institutions and Local Industry to Drive Innovative Ways to Build More Housing Faster	County	County	2	\$	Medium
Explore the impact of Restricting or Increasing the Cost to Operate Short-Term Rentals	County	County	2	\$\$	Medium
Ensure the County Has Robust Data Collection to Support Good-Decision Making	County	County	3	\$	Near
<i>Role: which level of government should lead and ultimately implement the initiative. For advocacy initiatives, role indicates which level of government should be advocated to.</i> <i>Impact: Estimate of impact on delivering new attainable housing / new housing supply in general. 1 = Minimal impact, less likely to deliver significant supply, 5 = Maximum impact, can be scaled to deliver a lot</i> <i>Cost: \$ = Low cost (&lt;\$100k), \$\$ = Medium cost (\$100k - &lt;\$1M), \$\$\$ = High cost (\$Millions)</i> <i>Timeline: Indicates how long it may take to implement. Immediate = Within one month, Near = &lt;1 year, Medium = 1-3 years, Long = 3+ years</i>					

Table 3 (continued)

Preliminary Strategic Direction Options Housing Attainable Supply Action Plan					
	Lead Role	Implementation Role	Impact (1 to 5)	Cost (\$ to \$\$\$)	Timeline (Immediate to Long-Term)
<b>Advocacy Initiatives</b>					
Advocate for More Direct Funding for Attainable Housing from Upper Levels of Government	Federal / Provincial		5	\$	Medium / Long
Advocate to CMHC for More Streamlined Access to Funding and Financing Programs	Federal		4	\$	Long
Advocate to CMHC to Offer Lower Cost Financing for All New Rental Development	Federal		5	\$	Long
Advocate for More Revenue Tools to Reduce the Burden on the Tax Base	Provincial		5	\$	Medium / Long
Advocate for Increased Labour Supply for New Development	Federal / Provincial		4	\$	Long
Request Targeted Funding Where it is Not Currently Available	Federal / Provincial		3	\$	Medium / Long
Advocate for More Progressive Property Taxation Options	Provincial		2	\$\$	Long
Advocate for More Tenant and Landlord Protections	Provincial		2	\$	Medium
Advocate for Housing Funding/Investments to Align with Population (Including Student) Growth Targets	Federal / Provincial		5	\$	Medium / Long
Advocate for Streamlined and Predictable Approvals Processes from Other Levels of Government / Governmental Agencies	Federal / Provincial		4	\$	Near / Medium
Leverage the Collective Power of Municipalities in Advocacy	Municipal		3	\$	Long
<b>Financial Initiatives</b>					
Offer Development Incentives for Targeted Projects through a CIP or MCFB	County / Orillia / LM	County / Orillia / LM	5	\$\$\$	Medium
Prioritize Housing Outcomes on Public Land	County / Orillia / LM	County / Orillia / LM	5	\$	Medium
County to take the lead on creating a Candidate Sites Catalogue (mapbook) of municipally supported priority housing sites	County	County	5	\$\$	Immediate
Create an Enhanced and Predictable Funding Stream for Attainable Housing	County / Orillia / LM	County / Orillia / LM	4	\$\$\$	Near / Medium
<i>Explore Alternative Revenue Tools to Reduce the Burden on the Property Tax Base</i>	County	County			
Enhance the Existing Secondary Suite Program to Include Funding for Units that Have Attainable Prices	County	County	3	\$\$	Near
Invest Budget Surpluses Into Desired Housing Outcomes	County / Orillia / LM	County / Orillia / LM	4	\$\$ / \$\$\$	Near
<p><i>Role: which level of government should lead and ultimately implement the initiative. For advocacy initiatives, role indicates which level of government should be advocated to.</i></p> <p><i>Impact: Estimate of impact on delivering new attainable housing / new housing supply in general. 1 = Minimal impact, less likely to deliver significant supply, 5 = Maximum impact, can be scaled to deliver a lot</i></p> <p><i>Cost: \$ = Low cost (&lt;\$100k), \$\$ = Medium cost (\$100k - &lt;\$1M), \$\$\$ = High cost (\$Millions)</i></p> <p><i>Timeline: Indicates how long it may take to implement. Immediate = Within one month, Near = &lt;1 year, Medium = 1-3 years, Long = 3+ years</i></p>					

## 5.0 Housing Attainable Supply Action Plan

The analysis underpinning the research that shaped the Housing ASAP indicates that the affordable housing crisis will not be improved without significant action from all levels of government, including Simcoe County and its local municipalities, and the City of Orillia.

While municipalities have many levers available that can meaningfully impact housing affordability, their revenue tools and overall capital budgeting is limited. Greater action from senior levels of government are therefore also necessary to meaningfully address housing affordability challenges.

While increased supply can help restore housing affordability over the longer term, a broader supply of housing is also needed, where more rental apartments, missing middle typologies, and affordable/attainable 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. Ultimately, the housing crisis is complex with a multitude of factors contributing to the crisis.

Based on the research and consultation undertaken, the Housing ASAP offers a range of strategies that prioritize the following housing types:

- Attainable rental housing for moderate-income households;
- Market-rate rental housing; and
- Attainable ownership housing.

Attainable rental housing should be the highest priority for the strategies noted in the ASAP. However, the shortage of market-rate rental housing and the economic challenges associated with building this housing type justifies making it a secondary priority for any housing programs offered. Attainable ownership housing opportunities through non-profit groups like Habitat for Humanity may also be compelling if they arise, as well as creating policy and process improvements that might allow the market to deliver more attainable housing options over time.

Also important to note is that these action items can be used to create attainable housing for a wide range of residents. In addition to more typical housing that is open to all demographics, these action items can also be utilized to get more workforce housing, student housing, seniors housing, and others. These were key needs identified in the HNA as well as in our consultation efforts.

**Table 4** on the following page provides a summary of the strategies recommended through the ASAP. They are organized in five broad categories as follows:

- Development Navigator Program;
- Coordination Initiatives;
- Innovation Initiatives;
- Financial Initiatives; and
- Advocacy Initiatives.



## Prioritizing the Recommended Action Items

The list of recommended action items is long enough that it is unlikely that Simcoe County, the City of Orillia, and local municipalities will be able to implement all of them immediately. As such, it is important to consider which items should be treated with the highest priority.

Understanding which items are likely to have the biggest impact in getting more attainable housing built, we would recommend that the County/City prioritize the following action items:

1. Create a Development Navigator Program to Facilitate Priority Housing.
2. Create a Public Land Program and Candidate Sites Catalogue.
3. Encourage Local Municipalities to Update Planning Framework to Support New Housing Development.
4. Coordinate with Local Municipalities to Simplify the Development Process and Fast-Track Priority Projects.

While all the action items in the list to follow should be pursued, these are the four items that will have the most sustained impact and should be pursued immediately. Anything that can be done to fast-track their implementation should also be considered, along with the other items identified.

Table 4

<b>Recommended Action Items</b>		
<b>Housing Attainable Supply Action Plan</b>		
	<b>Lead Role</b>	<b>Implementation Role</b>
<b>Development Navigator Program</b>		
Create a Development Navigator Program to Facilitate Priority Housing	County / Orillia	County / Orillia
<b>Coordination Initiatives</b>		
Create a Public Land Program and Candidate Sites Catalogue	County	County / Orillia / Local
Encourage Local Municipalities to Update Planning Framework to Support New Housing Development	County	Orillia / Local
Coordinate with Local Municipalities to Simplify the Development Process and Fast-Track Priority Projects	County	Orillia / Local
Create a Standard Rental Replacement By-law That Can Be Easily Implemented by All Local Municipalities	County	Orillia / Local
<b>Innovation Initiatives</b>		
Create Simple Pre-Approved 'Off-the-Shelf' Building Designs for Missing Middle Housing	County	County
Partner with Post-Secondary Institutions and Local Industry to Drive Innovative Ways to Build More Housing Faster	County	County
Explore Official Plan Policies and/or Zoning Changes that Would Require that New Homes be ADU-Ready	County	Orillia / Local
Ensure the County Has Robust Data Collection to Support Good-Decision Making	County	County
Investigate the Potential for a Community Planning Permit System for Attainable / Priority Housing Types	County	Local
<b>Financial Initiatives</b>		
Enhance the Existing Secondary Suite Program to Include Funding for Units that Have Attainable Prices	County	County
Reduce Property Tax Rates for Purpose-Built Rental Housing	County / Orillia / Local	County / Orillia / Local
Request Province to Prescribe Simcoe County to Increase Future Flexibility for CIP / Incentive Programs	County	County
<b>Advocacy Initiatives</b>		
Advocate for More Direct Funding for Attainable Housing from Upper Levels of Government	County / Orillia / Local	Federal / Provincial
Advocate to CMHC for More Streamlined Access to Funding and Financing Programs and Less Restrictive Qualification Parameters	County / Orillia / Local	Federal
Advocate to CMHC to Offer Lower Cost Financing for All New Rental Development	County / Orillia / Local	Federal
Advocate for More Revenue Tools to Reduce the Burden on the Tax Base	County / Orillia / Local	Provincial
Advocate for Housing Funding/Investments to Align with Population (Including Student) Growth Targets	County / Orillia / Local	Federal / Provincial
Advocate for Streamlined and Predictable Approvals Processes from Other Levels of Government / Governmental Agencies	County / Orillia / Local	Federal / Provincial
Request Targeted Funding Where it is Not Currently Available	County / Orillia / Local	Federal / Provincial
Leverage the Collective Power of Municipalities in Advocacy	County / Orillia / Local	Municipal

## Development Navigator Program

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 non-profits with existing capital that are interested in helping to deliver housing, but who do not have land. There are also many landowners, such as churches, who may seek to deliver affordable housing but do not have the capacity or expertise to redevelop them on their own. Some developers may also want to deliver affordable housing but require funding and connections with non-profit groups as well as guidance from the County on the outcomes desired and where support might be provided.

Simcoe County should create a ‘Development Navigator Program’ where staff bring awareness to relevant funding and financing programs, administer the County’s own incentive and land programs (if created through this ASAP), create partnerships between developers and non-profit groups, fast-track priority affordable housing developments through the development process, help non-profits and others with grant and loan applications or letters of support, and other similar processes.

The staff responsible for overseeing this type of program must 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 County 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 the County. The County 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, while also helping these projects move quickly and efficiently through the development process.

This program should be designed to achieve several interrelated objectives:

- Fasttrack affordable/attainable housing projects through the approvals process by assigning dedicated staff to ensure applications are reviewed and approved in a timely manner;
- Connect market and non-market developers to achieve common affordable/attainable housing objectives; and,
- Connect/educate interested parties with funding, financing, and support from other levels of government while also clearly communicating the County’s desired housing outcomes from an early stage.

The County taking the lead on a program like this would be more efficient and effective than each local municipality doing so on

their own. This would create a ‘single window’ and standardized approach across the entire County.

Key variables for the success of a program like this include:

- Staff that understand development economics, housing policy, and all funding and financing programs available through senior levels of government.
- A strong mandate regarding the County’s housing priorities and desired outcomes.
- Relationships with local/regional developers and non-profits (ownership and rental) to structure partnerships / connect interested parties.
- Establishing a master list of local and regional developers (for-profit and non-profit) who are keen to work on affordable / attainable housing projects in Simcoe County and who have a history of delivering new housing.
- Fast tracking projects that include affordable / attainable housing through the approval process.
- Empowering staff to make decisions, offer direction, and secure partnerships.
- Possibly administering land and incentive programs as well as other policy and process improvements identified in this ASAP (see Option 2 to follow).

Within this context, there are two options for how this navigator program could be established:

- **Option 1** would be that a staff member would be put in charge of the Navigator program. Staff should be deeply familiar with the planning process and any funding programs that are available for attainable and affordable housing. The primary goal of the program in this case would be to help any housing providers that are proposing attainable or affordable housing to move through the development process, secure necessary funding, connect with other key parties, and get the units built faster.
- **Option 2** would be a more extensive program that would include multiple staff members, essentially starting a small department like Toronto’s Housing Secretariat or the Region of Peel’s Affordable Housing Office. Consideration could be given to having staff focus on specific sub-regions within the County. The staff in this office would not only act as ‘navigators’ for the new development applications as noted above in Option 1, but would also be responsible for a number of the other strategies outlined in the ASAP, particularly those related to coordination, innovation, and advocacy. This department could lead some of the coordination on planning reform, create a candidate sites catalogue and oversee a public land program, work to encourage more innovative construction and design opportunities, and take the lead on advocacy initiatives, amongst others.

## Coordination Initiatives

For several decades, all levels of government have generally left the delivery of new housing up to the private market. This needs to change as municipalities and other levels of government seek to address the housing crisis. While Simcoe County and the City of Orillia may not have the ability or resources to construct a significant amount of new attainable housing on their own, they can take a coordinator or leadership role in the delivery of new housing.

Most importantly for Simcoe County, there is an opportunity to act as a leader for the local municipalities, initiating and overseeing a number of strategies. Taking a leadership role in this way and creating County-wide programs and initiatives will be more efficient than having 16 separate ones in each local municipality. This is particularly important given the wide differences in municipalities from a population and staffing perspective.

Lastly, while the County does not have the same planning role as local municipalities, they can provide guidance, direction, and encouragement related to planning and process reforms that can be undertaken by local municipalities. This can even include the creation of some standardized by-laws and policies that local municipalities can then choose to incorporate, if they desire.

There are four coordination initiatives recommended as part of the Housing ASAP:

- Create a Public Land Program and Candidate Sites Catalogue;

- Encourage Local Municipalities to Update Planning Frameworks to Support New Housing Development;
- Coordinate with Local Municipalities to Simplify the Development Process and Fast-Track Priority Projects; and
- Create a Standard Rental Replacement By-law That Can Be Easily Implemented by All Local Municipalities.

The following provides some additional information on these strategies.

### Create a Public Land Program and Candidate Sites Catalogue

No-cost or low-cost land is a way to subsidize the development of new affordable or attainable housing and can have a significant impact on project affordability. There are several examples of the County and its local municipalities already using public land for new affordable or attainable housing, which is recommended to continue in a more formalized and process-oriented manner.

As a first step, the County should create a *Candidate Sites Catalogue* that identifies the location of lands owned by municipalities, the County, Provincial and Federal governments, and other governmental agencies. Private non-profit and/or for-profit lands with housing potential may also be considered as layers, including institutional (e.g., surplus school sites) and/or commercial lands.

Working with the entities that own the properties in this catalogue, the County can take a leadership role to better understand which properties are best suited for new residential development and what



is needed to prepare these sites for redevelopment. This would ease the burden on local municipalities and accelerate the process relative to each municipality creating a catalogue and public land program on their own.

It is understood that Simcoe County, as Service Manager, is currently investigating new social housing developments on existing and new properties through the Simcoe County Housing Corporation (SCHC). There is an opportunity to create a mix of social, affordable, attainable, and market housing on these lands through mixed-income developments.

For sites that are surplus to the needs of SCHC, partnerships with the private and non-profit development community can be pursued. Using the Candidate Sites Catalogue, the County should take the lead administering the Public Land Program. Through a County-wide Public Land Program, it is recommended that an RFP process be undertaken 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 operators to compete for the opportunity to develop the site based on a list of requirements as set out in the RFP.

The following is recommended for any publicly-owned property being used for new attainable housing development:

- Optimize the density on the property.

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

Simcoe County is also investigating the revitalization potential of existing social housing properties. Many communities across Ontario are reevaluating existing and older social housing sites that are underutilized and/or require significant capital repairs to remain viable. These sites can be redeveloped with more density to

include more homes and a greater social mix – potentially including attainable housing options.

Examples of this include Regent Park in Toronto, Jamesville in Hamilton, and Rideau Heights in Kingston. Balancing the use of public lands for new low-income housing through the County’s Housing and Homelessness Plan must also be considered.

### 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.



### City of Orillia, Orillia District Collegiate and Vocational Institute Acquisition

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 several levels of government through the Ontario Priorities Housing Initiative.

While the County ultimately built community housing on this property, they could have also released this site to the private market to develop housing instead. It remains a good example of the County acquiring a surplus school property with a dedicated funding source to support the acquisition.



## **Work With Local Municipalities to Update Planning Frameworks to Support New Housing Development**

The County should work alongside local municipalities to encourage and support planning policy and process efficiencies to create more housing supply.

The County is well positioned to take a leadership role in exploring the implementation of expanded and simplified Official Plan and/or Zoning permissions that are coordinated and consistent across each of the local municipalities (i.e., each community in Simcoe has a consistent approach to zoning and approvals). The County could support its local municipalities to assist with this review as these communities update their Official Plans and Zoning By-Laws.

The goal of these reforms should be to start the process of getting more housing built in general, as opposed to just affordable or attainable housing, to bring more balance to the market in terms of supply and demand. This is the best strategy for improving overall affordability for moderate-income households in the community over the longer term. Investment in affordable housing will also be necessary to fill housing gaps at the lower-end of the income spectrum, which will be explored through the County's Housing and Homelessness Plan.

The County could coordinate with local municipalities to develop a framework on planning and process reform (e.g., establish a working group to explore opportunities for common zoning standards and categories) that could then be provided to and

adapted by local municipalities to best suit their community. This would not only reduce some of the administration and cost burden associated with these changes for local municipalities (i.e., save them from undertaking this exercise individually), but would also make it more predictable for housing providers if there is a consistent approach from municipality to municipality. All of this would be optional for the local municipalities to implement or not.

In addition to the goal of creating a larger and more diverse housing supply, the proposed planning reforms below also have the potential to increase the supply of developable land (i.e., more land beyond large parcels on arterial corridors can accommodate new development). By expanding residential permissions more broadly, there is less scarcity for development sites, and by simplifying the process with as-of-right and straightforward permissions, a much wider variety of housing providers can effectively participate in the delivery of new housing.

The following list includes several recommendations for the types of things the County should be encouraging the local municipalities and City of Orillia to undertake. While not all of these items may be appropriate in every community, if the County acts as a coordinator on this topic, they can essentially create a menu for the local municipalities to choose from based on what makes sense for their communities.

- **Increase as-of-right densities in all Strategic Growth Areas** to eliminate the need for costly and lengthy planning amendments and approval periods.

- **Explore elimination of single-unit zoning in identified areas to allow for more density in neighbourhoods.** The Province has already required that three units be permitted as-of-right on any serviced residential parcel but 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 more neighbourhoods, as well as denser multiplex homes like four and six-plexes. Removing obstacles for the creation of additional residential units should also be explored.
- **Allow residential development to be integrated into designated commercial areas.** This is already happening, so the County and its local municipalities should recognize this emerging trend and create a related policy framework that provides flexibility to add housing supply to these commercial properties if it does not already exist.
- **Eliminate or reduce minimum parking requirements** to allow housing providers to provide parking based on market expectations as opposed to policy requirements, building only what is needed.
- **Update other zoning permissions as necessary to accommodate the above changes.** This includes any necessary changes related to items like setbacks, lot coverage, building depths, minimum lot sizes, etc., to accommodate the noted recommendations. Flexibility should be closely considered in new zoning frameworks.

- **Clarify confirmed boundaries of constraint and environmental areas in Official Plan and Zoning area maps as much as possible.**

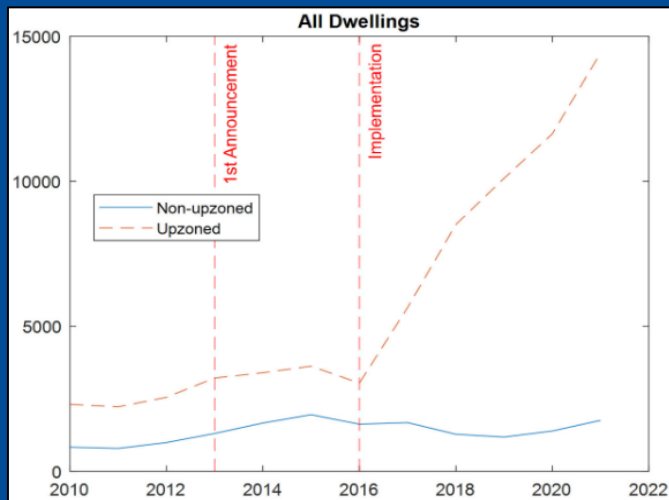
In addition to the items noted above, there are several approaches that could be taken to improve clarity and predictability of local zoning by-laws, some of which have already been completed by the City of Orillia:

- Reducing the number of zone categories and expanding the range of permitted uses in each zone;
- Increasing as-of-right opportunities;
- Limiting development by height as opposed to density, number of units, floor space index, or lot coverage;
- Simplifying the language in the by-law;
- Utilize graphics and images to help explain any complex zone provisions;
- Review 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. Auckland’s upzoning reforms led to a significant increase in new housing permits, from approximately 6,000 permits in 2015 to 14,300 permits in 2020. Building permits for 26,903 additional residential units were issued as a direct result of the AUP policies over the first five years after its implementation.

Similar trends have been noted elsewhere after significant planning reforms have been undertaken including in Austin and Minneapolis, which have led to the creation of more attainable housing forms and market price stabilization.



### **Coordinate with Local Municipalities to Simplify the Development Process and Fast-Track Priority Projects**

The County, City of Orillia, and local municipalities should also consider where changes to internal processes can be made to simplify the development process given that delays drive up the cost of housing, directly impacting affordability. Again, while many of these process changes would need to be implemented at the lower/single-tier municipal level, the County can provide leadership on the issue, potentially providing a framework for the lower-tier municipalities to work towards.

The following should be considered, many of which were identified explicitly during the consultation sessions:

- Limit the number of public consultations beyond what is required for applications that conform with local planning policies.
- 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, if initial studies are completed by qualified professionals.



- 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 for priority housing types not addressed by other levels of government (e.g. 3 to 10-unit designs that would help with site plan process for smaller developments) (see Innovation Initiatives for more detail).

As part of any attempts to speed up and simplify the development approvals process, efforts can also be made to fast-track priority developments that are most needed in Simcoe County/City of Orillia. The County, through the Development Navigator Program, could provide dedicated staff to work with local municipalities to help process priority housing projects and to assist housing providers in becoming aware of funding opportunities.

The County could also take a coordinator role in developing a streamlined process for development applications as well as software solutions to track development application data that can be implemented across all local municipalities and be provided to them at no cost. This could include software for online submissions of applications to increase convenience, predictability, and transparency for all applicants. A streamlined process across all local municipalities could create some additional efficiencies that could help to speed up the delivery of new housing in Simcoe County. It would also leverage the IT expertise and buying power at the County to help local municipalities track their housing data and measure the effectiveness of their efforts and policies.

### **Create a Standard Rental Replacement By-law That Can Be Easily Implemented by All Local Municipalities**

Given that the limited number of older rental buildings in Simcoe County provide relatively affordable monthly rents, and that new buildings generally do not, it would be beneficial for the County to encourage / support local municipalities and the City of Orillia in taking 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.

Simcoe County could create a standard rental replacement by-law that could then be enacted by the local municipalities/City of Orillia, if they choose to do so. Alternatively, Simcoe County could provide background research and analysis supporting the creation of these by-laws. By-laws should have sufficient flexibility to ensure these buildings do not fall into disrepair, which can be achieved by encouraging new development or directing parties to funding programs such as the *Co-Investment Fund Repair and Renewal Stream* that provides funding for older buildings in need of investment.

## Innovation Initiatives

The innovation initiatives in the ASAP are ones that may take additional research and time to implement or see results from. In some cases, these are initiatives that are less common in other jurisdictions and would represent opportunities for Simcoe County and/or the City of Orillia to try something unique to impact the supply of attainable housing.

There are five ‘innovation’ initiatives recommended as part of the Housing ASAP:

- Create or Utilize Simple Pre-Approved ‘Off-the-Shelf’ Building Designs for Missing Middle Housing;
- Partner with Post-Secondary Institutions and Local Industry to Drive Innovative Ways to Build More Housing Faster;
- Explore Official Plan Policies and/or Zoning Changes that Would Require that New Homes be ADU-Ready;
- Ensure the County Has Robust Data Collection to Support Good-Decision Making; and
- Investigate the Potential for a Community Planning Permit System (Simcoe County).

The following provides some additional detail on these strategies.

### Create Simple Pre-Approved ‘Off-the-Shelf’ Building Designs for Missing Middle Housing

As a means of accelerating the development process, reducing costs, and increasing housing supply, the County could consider creating pre-approved ‘off-the-shelf’ building designs for missing middle housing types (e.g. 3 to 10-units). 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 County could adapt this approach for "missing middle" housing types that tend to be more complicated to design and implement than a more standard single-family home.

For any ‘off-the-shelf’ design created, these should be permitted as-of-right through zoning. These designs should therefore be prepared and considered alongside any zoning reform exercises undertaken, to ensure the new zoning frameworks that are created allow these developments without the need for costly and uncertain approvals.

To do so would require hiring an architect to design some simple home designs for a variety of building scales – triplex, fouxplex, sixplex, townhouses, stacked townhouses, and low-rise apartment buildings (3 and 4-storeys). While not all these housing types may

be appropriate in every community in Simcoe County, having a catalogue of options would allow local municipalities to pick and choose which options are best for them.

Simple, modular housing options could also be included to support the creation of an enabling environment for alternative construction techniques and to lower the cost of construction. It could also make sense to use some of these designs as the basis for new development on publicly owned lands.

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 planning staff and Council.

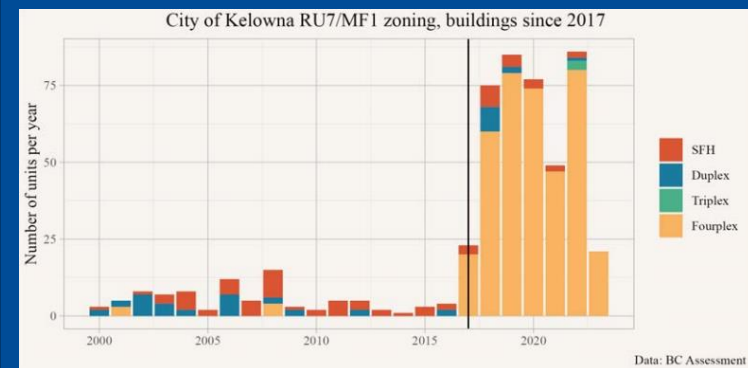
Notably, the Federal government has announced that they will create standard building designs that could be utilized as pre-approved designs in municipalities across Canada. The Provincial government has also announced they will explore standardized building designs. The County can either wait for these to be prepared and add or amend them as necessary, or advance with the creation of these plans on their own. Progress with the Federal and Provincial plans should therefore be monitored closely.

### Pre-Approved Building Designs in Kelowna, BC

The City of Kelowna held a design competition in 2016 for multiple unit housing designs that could be accommodated on single-family properties. The winning designs for a fourplex were then given a fast-track approval process, improving application timelines from over a year to just two to three weeks.

Uptake of the new fourplex designs was rapid, becoming far and away the most common new development type within the permitted areas. Overall, the City of Kelowna reports that more than 150 lots have been redeveloped with some form of new infill housing, creating 500+ new units.

The experience in Kelowna indicates the effectiveness of upzoning for missing middle housing combined with pre-approved designs in areas with pent-up housing demand.



### **Partner with Local Industry or Post-Secondary Institutions to Drive Innovative Ways to Build More Housing Faster**

Simcoe County should explore whether there are any partnership opportunities with local industry, post-secondary institutions, or others to search for innovative ways to build more housing faster.

This could include exploring brand new ideas, or understanding how existing innovations can be better incorporated in Simcoe County (e.g. modular housing, panelization, 3D printing, etc.). This could also include exploration of ways to speed up the development process, among other topics.

Simcoe County could also explore ‘experimenting’ with new techniques and ideas through development on public lands with the development industry and institutions to test new ideas in practice.

### **Explore Official Plan Policies and/or Zoning Changes that Would Require that New Homes be ADU-Ready**

Simcoe County / City of Orillia should explore the potential to create Official Plan policies and/or undertake zoning changes that would require that all new single-detached homes be designed to be Accessory Dwelling Unit (‘ADU’) ready.

Among others, this could include requiring a separate entrance to the basement, backyard access for wider lots, and roughing in plumbing and electrical in basements to allow for easier construction of basement units. Purchasers could decide whether or not to get a basement suite built by the developer when the home is first built. If the choose not to, the house would be designed in a

way that would make it easier to convert to an ADU by a future owner.

An approach like this would be a way of increasing the likelihood of ADUs being built, without forcing them on buyers.

### **Ensure the County Has Robust Data Collection to Support Good-Decision Making**

Many municipalities have room for improvement when it comes to data collection. Simcoe County 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 and attainable housing units and their price points / groups served, number of accessory dwelling units / secondary units, how Simcoe compares to other municipalities on the above items, and other similar considerations.

Where possible, Simcoe County 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 Housing ASAP, and could help to make decision-making more efficient, not just when it comes to housing, but also for many other municipal responsibilities. Better data collection will also make it easier to update the County’s HNA in the future.

Lastly, Simcoe County could take a regional lead on this item, collecting data for all local municipalities to reduce the research burden for each of these communities and to provide one central source for this information.

### **Investigate the Potential for a Community Planning Permit System (Simcoe County)**

A community planning permit system (CPPS) is a planning tool that provides an alternative to the traditional planning approval framework in Ontario. A CPPS can make the development approval processes more streamlined and efficient by allowing zoning adjustments, minor variances, and detailed site plan applications to be processed as one application and approval process, instead of two or three separate processes.

Like a Zoning By-law, a CPPS by-law identifies permitted uses, and minimum and maximum development standards for a site or area. However, a CPPS by-law can set conditions for building to those standards as well as additional conditions for variances from them.

A CPPS therefore attempts to determine specific building standards for an area whereby a developer can simply be issued a permit to construct housing as envisioned by the framework. Flexibility can also be included to allow for minor variances from the approved framework, which can be processed quickly and efficiently. Major variances would require more substantial reform that can be costly and uncertain, meaning that the implemented

vision must be market based and able to respond to changing market conditions.

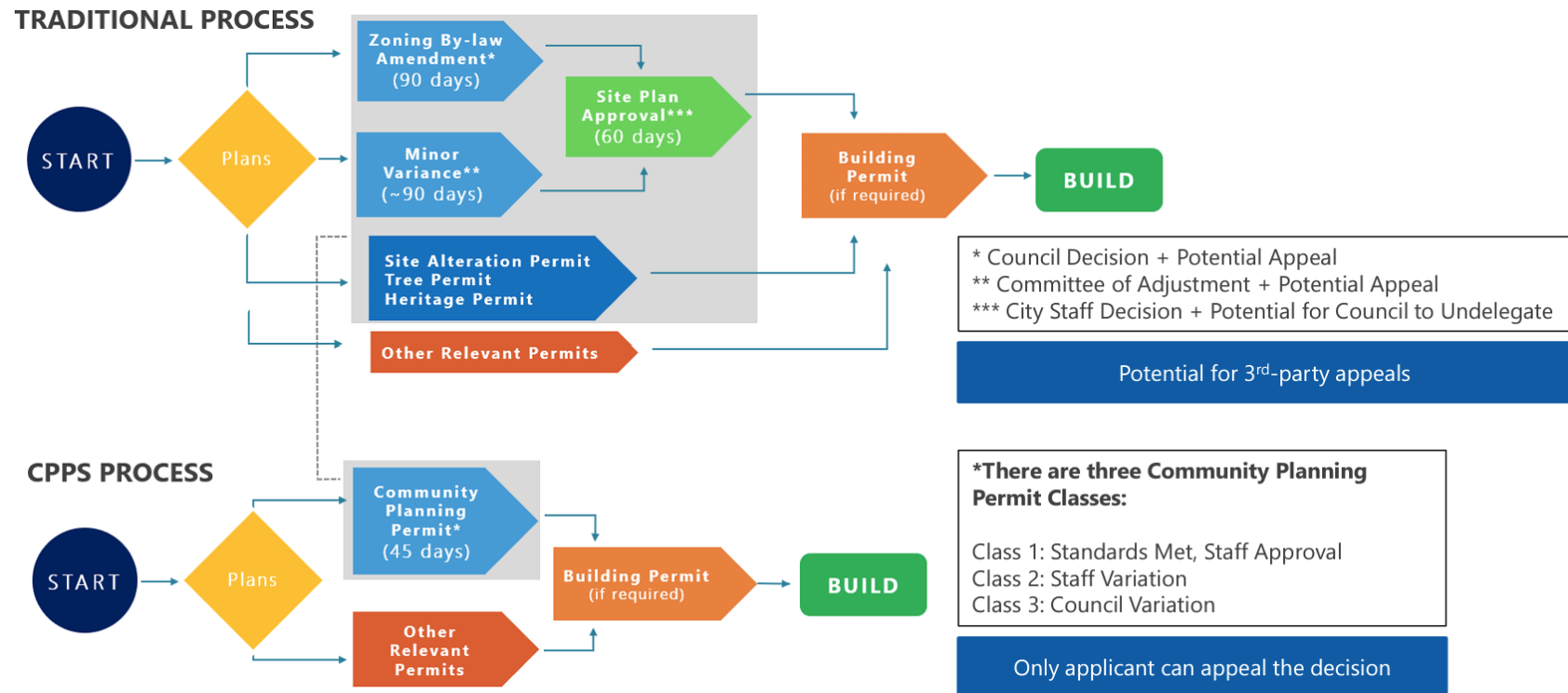
Given the above, the CPPS has been used in smaller municipalities where market dynamics are stable (e.g., small-town downtowns, heritage districts, environmental areas, etc.). For instance, the Town of Innisfil has a CPPS in place to guide shoreline development. Of note, the City of Burlington is in the process of implementing a CPPS in their PMTSAs (i.e., GO Station areas), which will be the first time the tool has been used in a high growth and dynamic market environment (**Figure 2**). When designed appropriately, a CPPS can effectively streamline and speed up the development process. If not designed correctly, it will likely experience significant appeal and resistance from the development community and fail to meet its objectives.

It is also important to note that a CPPS allows a municipality to require affordable housing and other community benefits, the costs of which are to be offset through increased density, quicker approvals, and possible incentives.

Since a CPPS would be implemented at the local municipal level, Simcoe County can conduct the initial background research, location criteria, and overall framework for implementation by the local municipalities as appropriate. The County could also provide staff and resources to support implementation of the CPPS for attainable housing on a pilot project basis. This approach could use County resources to help implement the CPPS without requiring local staff to be diverted to get the program up and running. After

development and implementation of the CPPS, County staff could train local staff to take over the day-to-day management of the CPPS for the long-term.

Figure 2: Streamlined Development Process Proposed Through Burlington CPPS



Source: City of Burlington



## Financial Initiatives

The goal of financial initiatives are to incentivize the creation of new housing that the market will otherwise not deliver on its own. They are meant to reduce the cost of development to aid in making certain priority housing types more feasible.

There are two financial initiatives recommended as part of the Housing ASAP:

- Enhance the Existing Secondary Suite Program to Include Funding for Units that Have Attainable Prices;
- Reduce Property Tax Rates for Purpose-Built Rental Housing;
- Request Province to Prescribe Simcoe County to Increase Future Flexibility for CIP / Incentive Programs.

The following provides some additional detail on these recommendations.

### **Enhance the Existing Secondary Suite Program to Include Funding for Units that Have Attainable Prices**

Simcoe County currently has a secondary suite program that provides incentives to homeowners who wish to add an additional unit to their property, with a forgivable loan up to \$30,000 provided based on specific affordability thresholds. Local communities like Collingwood may also offer an additional incentive to improve take-up and demand for the program.

Through the ASAP, we recommend the County review this program to understand take-up and challenges to improve the effectiveness of creating second suites in existing neighbourhoods.

Currently, the program receives only modest take up because the loan amount is insufficient in the rising construction cost and interest rate environment. Amendments should be made to the program as determined by this review, which will likely necessitate increasing the loan amount, shortening the term of the forgivable loan, or potentially offering grants instead of loans.

The County should also enhance the existing program to include secondary suites that are provided at attainable rent levels as defined through the ASAP.

### **Reduce Property Tax Rates for Purpose-Built Rental Housing**

Through their 2024 Budget, the Provincial government announced that they will allow municipalities to create a new lower property-tax class for purpose-built rentals – with the potential for new purpose-built rental projects to pay as much as 35% less than the property tax rates paid by single-family homes.

It is recommended that the County, City of Orillia, and all local municipalities explore the impact and benefits of this reduced property tax class for purpose-built rentals. The HNA identified rental housing as being a high priority for both Simcoe County and Orillia.

A reduced property tax rate would reduce operating costs for purpose-built rental operators and, along with other recently announced measures such as the removal of HST and increased capital cost allowance measures, would help to encourage more new purpose-built rental housing construction.

### **Request Province to Prescribe Simcoe County to Increase Future Flexibility for CIP / Incentive Programs**

Funding is not currently available to support a robust incentive program for attainable housing. It is anticipated that a significant budget request will come forward through the County's upcoming Housing and Homelessness Plan, which will focus on the development of low-income housing. As such, this ASAP focuses on non-financial incentive strategies (excluding the public land program) to encourage new attainable supply.

Notwithstanding the above, we would recommend that Simcoe County advocate to the Province to be granted the required permissions to create a Community Improvement Plan ('CIP') that could offer financial incentives in the future. This would increase future flexibility for the County in providing these incentives, either through a CIP or their existing Municipal Capital Facilities By-law ('MCFB'), as funding becomes available. We understand that the County has recently amended the definitions of affordable housing in the MCFB to reflect the Housing ASAP. This tool can be used to incentivize development if Simcoe County cannot advance a CIP.

If the County and/or City of Orillia were to pursue an incentive program in the future, the Phase 3 report (Appendix C) has a detailed description of how incentive programs work, best practices for their structure, and examples of other similar programs in Ontario.

## Advocacy Initiatives

Municipalities have limited resources to deal with the growing shortage of attainable 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 and attainable housing development. As such, the County and City of Orillia 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 County, City of Orillia, and Simcoe's local municipalities need to undertake the changes that are within their own control – as outlined in the above sections – prior to or in tandem with this advocacy work.

The recommendations for advocacy initiatives as part of the ASAP strategy include the following:

### **Advocate for More Direct Funding for Attainable Housing from Upper Levels of Government**

The Federal government used to fund new below-market housing directly during the 1960s - 1980s in Canada. While funding for below-market housing from upper levels of government has increased relative to the 1990s/2000s in recent years, more is

needed. Simcoe County, its local municipalities, and the City of Orillia should continue to advocate for more direct financial involvement from both the Federal and Provincial governments in getting new attainable and affordable housing built.

### **Advocate to CMHC for More Streamlined Access to Funding and Financing Programs and Less Restrictive Qualification Parameters**

Housing providers face significant challenges in accessing CMHC's funding and financing programs. The County and City of Orillia should advocate to 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, attainable, and market-rate rental housing. The easier it is to access these programs, the more housing these organizations can deliver, and the more it will benefit the County and City of Orillia.

The Federal budget recently announced updates to the National Housing Strategy Funding programs, indicating that additional flexibility and increased funding may soon be available. This should be closely monitored.

### **Advocate to CMHC to Offer Lower Cost Financing for All New Rental Development**

One of the reasons that condominium apartments have historically been more attractive for developers than purpose-built rental apartments in many markets is ease of financing. It is likely that

purpose-built rental development would increase if developers had predictable access to low-cost financing for these projects. Simcoe County, its local municipalities, and the City of Orillia should advocate to the Federal government to provide low-cost financing for ALL new purpose-built rental development through CMHC, whether affordable, attainable, or market-rate, to encourage a shift towards more rental construction.

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

The revenue tools currently available to the County/City are limited, requiring an over-reliance on the property tax base. The County/City should advocate to the Province of Ontario for greater flexibility in how they collect revenues to pay for municipal priorities like affordable and attainable housing. Consideration could be given to advocating for tools like a municipal income tax, municipal sales tax, commercial parking levy, or others.

### **Advocate for Housing Funding/Investments to Align with Population Growth Targets (Including Student Growth)**

As the Federal and Provincial governments increase population growth targets – including those of the student population – the County/City and local municipalities should advocate that housing funding and investments (including infrastructure to accommodate new development) from these upper levels of government align with population, growth, and housing starts. The Federal government has already started to adjust targets around growth that could reduce some of the very high demand for housing.

### **Advocate for Streamlined/Predictable Approvals Processes from Other Levels of Government/Governmental Agencies**

While municipalities often receive criticism for slowing the development process, there are other levels of government and government agencies that also contribute to the slow development approvals process. As Simcoe County, its local municipalities, and the City of Orillia work to streamline their own processes, they should also advocate for more streamlined and predictable approvals processes from these other agencies to increase the effectiveness of the work being done at the municipal level.

### **Request Targeted Funding Where it is Not Currently Available**

Where it is not currently available, consideration should be given to advocating for direct, targeted funding for priority projects. For example, if the County/City requires new infrastructure funding to support the development of new housing, this could be advocated for if it would support the delivery of more housing.

### **Leverage the Collective Power of Municipalities in Advocacy**

The housing issues that the County and City of Orillia face 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 advocate 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.

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