

## Staff Report CAO2023-13

Special Committee of the Whole 2023-10-30

Council 2023-11-06

Amendments ☐

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**Submitted To:** Council

**Submitted By:** Summer Valentine, Director of Planning, Building and Economic Development

**Prepared By:** Jenn Rae, Housing Development Coordinator

**Subject:** Affordable Housing Master Plan – Analysis and Recommendations

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### Recommendation

**THAT Staff Report CAO2023-13**, Affordable Housing Master Plan – Analysis and Recommendations, dated October 30, 2023 be received;

**AND THAT** the Affordable Housing Master Plan dated October 2023 and prepared by N. Barry Lyon Consultants be endorsed by Council to guide the Town of Collingwood's actions on housing affordability in 2024 and beyond, as budget and resources permit;

**AND THAT** Council support the following amounts in the base budget:

- a) Fast track zoning by-law amendments to increase the supply of housing - \$10,000 funded by the Growth Planning budget;
- b) Enact a Rental Replacement By-law in in order to preserve existing rental stock - \$10,000 funded by the Growth Planning budget;
- c) Shift the public discourse around growth, density, and affordable housing through a public education campaign - \$25,000 funded by the Affordable and Social Housing budget;
- d) Work towards a decision faster (shorten approvals timelines) through the implementation of the Development Process and Fees Review - \$40,000 funded by the Affordable and Social Housing budget; and
- e) Affordable Housing Task Force community engagement budget - \$6,000 funded by the Affordable and Social Housing budget;

**AND THAT** Council support the following amounts in the service enhancement budget:

- a) Expand the rapid ADU program to include more program options to improve uptake - \$212,572.40 funded by the Affordable and Social Housing budget (\$225,000 from the Affordable Housing Reserve Fund) endorsed at the October 16, 2023 Committee of the Whole meeting;

**AND THAT** 29 & 45 Birch Street and 7882-7888 Poplar Side Road be submitted in response to the County of Simcoe's upcoming call for municipal lands for affordable housing development;

**AND THAT** staff be directed to:

- 1) Begin action on any time sensitive Master Plan recommendations outlined in this Report where there are zero budget impacts;
- 2) Return in early 2024 with a detailed and prioritized work program for the implementation of the balance of the Affordable Housing Master Plan recommendations outlined in this Report pending confirmation of an approved budget envelope and including a preliminary outline for future years, as well as an updated Terms of Reference for the Affordable Housing Task Force mandate.

## 1. Executive Summary

The Town of Collingwood initiated an Affordable Housing Master Plan project to prioritize and cost the municipality's best path forward to supporting the community through the affordable housing crisis. The Master Plan was undertaken by N. Barry Lyon Consultants (NBLC), a firm specializing in housing, community renewal, economics, development and real estate strategy. The Master Plan report reflects the consultant's professional opinion, enriched with extensive community and stakeholder consultation.

This Report represents staff's position on the Master Plan, recognizing what actions the Town and taxbase is strategically positioned to support as a municipality with limited resources, focusing on implementation in the 2024 budget. The consultants' selected recommendations fit within the Town's existing jurisdiction and strengths in delivery as a local tier of government and includes calls to action for other community partners and orders of governments to move the yardstick within their sphere of control and expertise. The need for affordable housing ranges from 1,300 to 2,500 units and is simply too great for the municipality to make a meaningful impact by taking on the

construction and operation of units. These functions are best delivered by experts in the private and non-profit sectors and therefore provided focus for the Town to take on other actions that can result a significant gain in units for modest funding.

The Affordable Housing Task Force was a valued and elevated stakeholder throughout the Master Plan process and their collective position on the Master Plan is attached as an appendix to this Report.

## 2. Analysis

### Background

In March 2021, the Town established an Affordable Housing Task Force to advise Council and take leadership action on:

- investigating opportunities and make recommendations regarding the Town owned lands on Birch Street;
- monitor changes to planning policies and provide recommendations to increase affordable housing options;
- explore and make recommendations regarding grant / funding opportunities for affordable housing development; and
- remain connected with and provide support for an action plan for Council regarding Collingwood's commitment to the United Nations Sustainability Goal 11 pertaining to safe and affordable housing.

The term “affordable housing” is often used interchangeably with “social housing” but they are different housing types. The housing continuum (pictured below) shows the range of housing options available for households – from very low to above moderate-income households. As a designated service manager, the County of Simcoe is resourced to provide homelessness supports, emergency shelters, transitional housing and social housing. To avoid overlap with the County and to provide more housing options for people who cannot afford current market rental and home sale prices but who do not qualify for County programs, Council directed the Town's housing efforts to support households earning moderate levels of income (i.e. households between the 4<sup>th</sup> and 6<sup>th</sup> income deciles). See “Master Plan Process” section for specific details on these income deciles.

## THE HOUSING CONTINUUM



The Affordable Housing Task Force (AHTF) worked diligently for eight months with the assistance of NBLC and provided a [comprehensive set of recommendations](#) for Council's consideration at the November 1, 2021 Strategic Initiatives Standing Committee meeting. Some of the recommendations were referred to other ongoing projects (i.e. Official Plan Review), some were actioned (i.e. hiring of a housing development coordinator), and some were referred to staff for review.

At the February 28, 2022 Strategic Initiatives Standing Committee meeting, staff [reported back](#) to Council on the items referred to staff for review. Recognizing the magnitude and nature of the affordability crisis, and acknowledging that it is not unique to Collingwood, staff proposed that a master plan was warranted to guide actions on affordable housing. Master plans are commonly used to support the Community-based Strategic Plan by setting out the Town's vision for a specific service area and outlining the steps to get there. A master plan is particularly valuable for complex problem statements where a multitude of actions are possible. Having a clear, prioritized and costed strategy ensures that resources can be used effectively on key outcomes rather than spreading efforts across many initiatives, making limited gains in any one area. Further, a master plan allows for actions to be appropriately focused, ordered and for synergistic activities to be run concurrently or consecutively to achieve the greatest gains, rather than a scatter-shot approach where the municipality is initiating many different responses to a crisis, without a full understanding of which will provide the desired results in the short, mid or long term time horizons.

On February 28, 2022, Council approved the following (RES-062-2022):

THAT Staff Report CAO2022-03 Affordable Housing Task Force  
Recommendations Review – 3 Month Report back to Council, be received;

AND THAT Council authorize the use of up to \$75,000 from the Affordable  
Housing Reserve Fund to retain a consultant to assist the Town in preparing an  
Affordable Housing Master Plan;



AND FURTHER THAT Council extend the mandate and approve the amended Terms of Reference for the Affordable Housing Task Force to assist in the Affordable Housing Master Plan development process and defer the establishment of a governance body until the Plan is complete and an appropriate structure is identified.

A Housing Development Coordinator was hired in September 2022, with 25% of the role allocated to leading and managing consultants in the preparation of the Affordable Housing Master Plan (AHMP).

In October 2022, a Request for Proposals was issued for the AHMP project, and after a transparent open-market bid process, NBLC was the successful firm.

### **Master Plan Process**

The AHMP attached as Appendix A to this Report was developed over 10 months, with the following phases of work:

#### Project Initiation: January 2023

The AHMP kicked off with a background document review, an assessment of the Affordable Housing Task Force's 2021 recommendations, a best practices jurisdictional scan in Ontario and beyond, and meetings with the AHTF's Affordable Housing Master Plan Sub-Committee and Town staff.

#### Housing Needs Assessment: February – May 2023

NBLC compiled Census data and investigated Collingwood's current housing trends to identify housing gaps and to develop a Housing Needs Assessment – an important baseline from which to build and focus the AHMP. The 4<sup>th</sup> to 6<sup>th</sup> income deciles were updated from the AHTF's 2021 report at this point in the process, using 2020 incomes in the 2021 Census which were then inflated using the Consumer Price Index (CPI). Based on these income deciles, NBLC estimated the maximum purchase price and maximum monthly rental rate that each decile can afford based on the widely accepted definition of affordable housing which states that annual accommodation costs should not exceed 30% of gross annual household income.

| <b>Household Type</b>      | <b>Annual Household Income</b> | <b>Accommodation Costs</b>              |
|----------------------------|--------------------------------|---|
| Moderate income homeowners | \$73,999 - \$109,341           | Purchase price of \$248,173 - \$366,704 |

|                         |                     |                                   |
|-------------------------|---------------------|-----------------------------------|
| Moderate income renters | \$47,712 - \$68,034 | Monthly rent of \$1,193 - \$1,701 |
|-------------------------|---------------------|-----------------------------------|

#### Community and Stakeholder Engagement (Round 1): June – July 2023

NBLC conducted extensive engagement with stakeholders including the local development community, employers, non-profit organizations, community groups and other orders of government. 75 community members participated in the first virtual information session in June, over 55 individuals participated in 15 stakeholder consultation sessions, and 165 people responded to the online affordable housing survey. More details can be found in section 4.0 Public and Stakeholder Consultation of the AHMP.

#### Draft Strategic Options and Community and Stakeholder Engagement (Round 2): August 2023

NBLC released a high-level menu of 42 strategic options for the second stage of community and stakeholder consultation. In August, an additional public meeting was held and had close to 70 participants joined the session (in person and online) to provide input on the options. In their role as an elevated stakeholder and under their mandate to provide a forum for community conversations, the AHTF co-hosted each of the public sessions. More details on both rounds of engagement can be found in section 4.0 Public and Stakeholder Consultation of the AHMP.

#### Final Affordable Housing Master Plan: September – October 2023

Following the close of the public consultation at the end of August, NBLC incorporated community feedback as appropriate and developed the final draft AHMP report with refined, detailed, costed and prioritized recommendations and implementation tools. The AHTF and staff provided feedback on the draft AHMP, but ultimately the report and the recommendations contained within are NBLC's independent and professional opinion on the most appropriate and impactful strategic actions for the Town of Collingwood to take to address the affordable housing crisis at the municipal level.

### **Analysis**

#### **Why does the Town need an Affordable Housing Master Plan?**

Like municipalities across Canada, affordable housing is one of the top issues facing the Collingwood community. The AHMP is a critically important tool, and its strategically costed, focused and prioritized plan will provide the Town with a structured framework to navigate the complexities of addressing affordable housing in a rapidly changing

legislative environment and with limited resources, including a finite burden acceptable to the local taxbase.

The Town of Collingwood took an early leadership role in affordable housing by developing a volunteer citizen-led Task Force and allocating budget to create a dedicated Housing Development Coordinator position. This foresight and investment has put Collingwood ahead of many other municipalities in terms of capacity to drive affordable housing initiatives, however it must be noted that it is a sizable portfolio for one full-time employee, with partial support from one Department Head and other senior staff contributing as required.

There were many ideas generated by stakeholders and the consulting team for how the municipality could address affordable housing, but there is no ‘magic bullet’ or overnight solutions. As such, the Town of Collingwood should expect to support housing for several years, if not decades and provide for an elevated investment, encourage action by other community partners, and/or advocate for funding from other orders of government to close the existing affordability gap. The Town’s affordable housing efforts should be consistent, thoughtful and informed. That’s why the AHMP is of critical importance to guide a response to the housing crisis. It is a tool to give us clarity on our goals, to help us prioritize efforts effectively and take focused action with limited resources. Benefits to a master plan include:

**Resource Allocation:** A costed plan outlines the realistic financial requirements of each proposed solution or action. This enables the municipality to allocate limited resources more efficiently and transparently, directing funds where they are needed most. It prevents wasted spending on ineffective strategies and clearly demonstrates how much can be accomplished at different levels of investment.

**Prioritization:** Prioritization within a plan helps identify which affordable housing initiatives should take precedence, with emphasis on those items within the Town’s jurisdiction, area of expertise and resources. This ensures that the most meaningful steps are addressed first, maximizing the impact of available investments.

**Goal Clarity:** With a prioritized plan, the Town can clearly define its goals and objectives. This clarity is crucial when dealing with a hot-topic issue like affordable housing, as it helps maintain focus amidst the constant introduction of new ideas, yet the plan remains nimble enough to evolve over time by evaluating its effectiveness at achieving the desired results.

**Adaptability:** In a legislative landscape in flux, adaptability is key. A well-structured plan allows for adjustments as new laws and regulations emerge, ensuring that the Town remains compliant and adjusts as new tools or funding sources become available or are refined.

**Transparency:** The Town of Collingwood is committed to transparency and accountability in local government. This plan gives clarity about which actions are being undertaken by the Town and provides a framework for future public-private partnerships. Collingwood citizens can take comfort in knowing that resources are being utilized in accordance with a well-defined and publicly available plan. The plan includes tools to track progress and measure success, which enhances accountability and promotes trust and confidence in resource allocation.

**Community Engagement:** A transparent plan engages the community and demonstrates that residents, employers, those with lived experience, the development community and other stakeholder concerns around housing are being taken seriously. The plan's call to action invites strategic partners to collaborate and use their collective power and skillsets to support affordable housing initiatives that are better delivered by the private or non-profit sectors, rather than by governments.

**Data-Driven Decision-Making:** The plan relies on data and research to prioritize solutions. The Town can track spending against the plan, evaluate the effectiveness of each action, and make data-driven decisions on where to allocate future resources. This data-driven approach is essential in a time when numerous ideas are being proposed, as it ensures decisions are based on evidence rather than responding to political or emotional factors.

## 2022/23 Affordable Housing Efforts

Council, the AHTF, community stakeholders and staff have eagerly anticipated the release of the AHMP. It should be noted that the Town has not rested on its laurels while waiting for the plan to be finalized. The following table illustrates the affordable housing initiatives that have been taken between November 2022 and present, and demonstrates the collaborative efforts of Council, the AHTF, staff and others:

| Action                       | Details  |
|------------------------------|--|
| Rapid ADU Deployment Program | Building on the AHTF's recommendation to accelerate accessory dwelling unit (ADU) approvals as the fastest way |

| Action   | Details   |
|--|---|
|  | <p>to provide more rental housing units in Town, staff developed the multi-pronged Rapid ADU Deployment Program. This program provides one-window service, financial grants, and the first-in-Ontario pre-approved detached ADU designs. As of September 30, 2023, 18 accessory apartments have received building permits, which has more than doubled the 8 ADU permits issued in 2022. Five Rapid ADU grants have been issued. Program participation requires that the units be rented for a minimum of 5 years and more grant dollars are available to ADUs that will be maintained at affordable rental levels. Future forward program enhancements include landlord supports, but due to resource constraints, this component has not yet been actioned.</p> |
| Concierge Program                                    | <p>The Housing Development Coordinator is currently connecting interested parties in the housing market on an ad-hoc basis, including developing strategic partnerships and monitoring available funding. Development applications with considerable affordable housing components are being fast-tracked, and internal teams have initiated accelerated responses to pre-consultation and development review timelines.</p>  |
| Support for the AHTF and the Delivery of Its Mandate | <p>The Housing Development Coordinator works closely with the AHTF Chair and Vice-Chair in the discharge of their duties, including preparing agendas and drafting letters for the AHTF's review and approval. The coordinator also provides the AHTF with weekly updates, and organizes presentations and consultation sessions.</p>   |
| Grants and Funding                                   | <p>Funding opportunities are being monitored continuously for municipal eligibility or that could be matched to community partners. On August 18, 2023, staff applied for the Federal Government's Housing Accelerator Fund.</p> <p>On September 8, 2023, staff applied for the 2023 TD Ready Challenge grant.</p>  |

| Action   | Details   |
|--|---|
|  | <p>When approached by developers investigating CHMC funding, staff have shared a willingness to work collaboratively with the municipality, which is a key requirement for CMHC funding.</p> <p>Staff also share information about grant opportunities with community partners, including funding available through the Ontario Trillium Foundation and a request for expression of interest aimed at profit and non-profit partnerships with Simcoe County, the local housing service manager and provider of deeply affordable options.</p>   |
| Public Engagement and Education                              | <p>Between November 2022 and present, staff have delivered eight presentations to engage and help educate the public about affordable housing and the Town's efforts in this space. These presentations do not include the staff reports or public information/engagement sessions that were hosted to inform the AHMP. Staff have also represented the Town at community forums such as relevant sessions hosted by the Institute of South Georgian Bay, the recent Unlocking Potential seminar for ADUs, and regular West Simcoe Check in on Supports to Address Homelessness roundtable meetings.</p>  |
| Responding to Calls for Action by Other Orders of Government | <p>Staff continuously monitor and respond to policy, legislative and regulatory changes by other orders of government that may impact the delivery of affordable housing. There has been a slate of initiatives at the Provincial level over the past couple of years in particular with Bills 109, 23, 97 and others. Most recently, on September 15, 2023 The Ministry of Municipal Affairs and Housing (MMAH) requested that Councils of municipalities across the Province review the Report of the Ontario Housing Affordability Task Force. Small, remote and rural municipalities were asked to prioritize the top five recommendations for future consideration. Staff quickly prepared a staff report for Council's consideration, including suggestions for the top five priorities, which was presented to Council on October 3, 2023 and served the dual function to provide commentary</p> |

| Action                              | Details   |
|-------------------------------------|---|
|                                     | <p>on the proposed <i>Affordable Homes, Good Jobs Act</i> which is proposing an income-based definition of affordable housing in the <i>Development Charges Act</i>.</p>  |
| Official Plan Update                | <p>The AHTF prepared thoughtful responses to the Official Plan (OP) Draft 1 Review in January 2023 and were pleased to see that many of those changes were reflected in the release of the OP Draft 2 in August 2023. The draft OP is a substantial departure from the current OP and the AHTF comments inform the Town’s commitment to progressive change and enhancing housing options and affordability within the community.</p> <p>Additionally, on March 27, 2023, Council approved a resolution for the designation of key Town-owned parcels in Draft 1 of the OP to support higher densities and a mix of uses. This motion built on the work of the AHTF, which reviewed Town-owned properties for development or redevelopment potential as affordable housing and/or a mix of affordable housing and complementary uses. The second draft of the OP also responded to ongoing transformative change at the Provincial tier, including a new draft Provincial Planning Statement and many legislative and regulatory amendments.</p> |
| Development Process and Fees Review | <p>The Town initiated a Development Process and Fees Review exercise to streamline systems in the Planning, Building and Engineering Departments, translating to efficiencies that will support housing and accelerate development approvals in general. Staff are listening to the development community and are committed to working together, as demonstrated by staff’s proposal to accept Surety Bonds as a form of security to provide more options and flexibility to developers, potentially accelerating the delivery of housing supply, lowered costs or improved affordability or providing some financial relief that could permit developers to run several projects concurrently. This proposal was presented to Council on October 3, 2023. The outcomes of the Development Process and Fees Review</p>  |



| Action                    | Details   |
|---------------------------|---|
|                           | are anticipated by the end of 2023, but implementation will require a budget investment.  |
| Development Wins          | <p>On April 17, 2023, Council approved and authorized a by-law to execute a Site Plan Control Agreement for 655 Hurontario Street. This multi-unit residential development includes two affordable units, which were voluntarily added by the applicant under the Servicing Capacity Allocation Policy merit-based system. The AHTF provided a letter of support for this application.</p> <p>On July 24, 2023, Council conditionally approved and authorized a by-law to execute a Site Plan Control Agreement for the first phase of Blue Fairway Phases 5 and 6. The proponent has committed to include accessory dwelling units in 14.5% of the townhouse dwellings (approximately 25 accessory dwelling units over the 2 phases), which would help provide more rental options in town.</p> <p>On July 19, 2023, an Ontario Land Tribunal settlement resulted in a committed \$1 million contribution to the Town from John Welton of Sunvale Homes. As per the settlement terms, the funds are to be used for affordable housing initiatives.</p> |
| Partnerships and Research | Staff have also participated in investigations around different housing types such as modular and prefabricated homes and housing models like co-ops, land trusts and home sharing solutions that pair over-housed seniors with students. Staff participate at the County of Simcoe's Municipal Liaison Group meetings and maintain regular communications with the County of Simcoe, and the Cities of Barrie and Orillia, as they work through their own housing master plan projects.  |

The progress listed above was undertaken concurrently with the creation of the AHMP, as well as day-to-day legislative development review and approvals functions

(approximately 100 applications per year). It should also be noted that while this work was being completed, staff also had to pivot to absorb and implement changes resulting from new legislation from the Province of Ontario, including: *Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023*, *Bill 109: More Homes for Everyone Act, 2022*, and *Bill 23: More Homes Built Faster Act, 2022*.

All of the initiatives listed above are proposed to continue as part of staff's work plan, in addition to the initiatives approved via the AHMP.

## **Analysis of Proposed Affordable Housing Master Plan**

### **Focused Action**

As previously stated, despite there being many ideas on how to approach the affordable housing crisis, there is no one magic bullet to solve it. A municipality the size of Collingwood has finite resources, jurisdictional constraints, and limited land-use planning tools available to make a tangible impact on affordable housing supply. For that reason, staff were pleased that NBLC's recommendations are focused to those within the Town's scope, authority, and expertise and consider several possible levels of investment.

As such, NBLC's has recommended that the Town of Collingwood **should not become developers or housing operators through the creation of a housing corporation, land trust, or housing cooperative, or becoming landlords because NBLC indicates that it is more efficient and effective for other community partners to deliver these actions, with Town support from the provision of lands, accelerated approvals processes, streamlined land use planning tools, incentives, and assisting with funding applications.** This approach eliminates one major consideration that was suggested by stakeholders and gives the Town a clear path forward with focused policy, process and regulatory changes, financial approaches, coordination and advocacy initiatives.

Staff are also encouraged to see that NBLC's report includes not only actions for the Town to take, but also highlights the important role that community members, employers, and the development community can embrace. **The AHMP has made it very clear that the municipality can't solve this crisis on its own – action needs to come from other partners, all orders of government, and individuals in the community.**

### **Areas of Concern**

Staff have two key areas of concern with the AHMP:

## 1. Land Constraints

Staff are cautious regarding NBLC’s Recommendation 7 “Use Public Land to Deliver new Affordable Housing.” Collingwood is geographically constrained and collective our municipal land needs far exceed the land that the municipality currently owns. The competing corporate priorities for Town-owned lands outside of affordable housing include but are not limited to: an arts centre, a multi-use recreation facility (MURF), a water tower, additional parking and parkland, and active transportation connections.

Three properties have been shortlisted for potential future affordable housing development by the AHTF and a Council resolution was passed on March 27, 2023 for the designation of these Town-owned parcels in Draft 1 of the OP to support higher densities and a mix of uses. While staff agree that offering one or more of these properties at no cost or a reduced rate could be viewed as an investment in the community and economic viability and sustainability of our town, it is important to be transparent about land costs as well as noting that one of the identified properties was also reviewed for the potential purposes of an arts centre. An alternative is to consider an affordable housing component as part of future Town facilities, where compatibility can be addressed. For clarity, even where a Town-owed facility would include residential units, it would not be suggested that the Town retain ownership or operate the rentals. Partnerships with a housing developer and end-operator would still be required.

In October 2023, Cushman & Wakefield National Capital Markets Group completed a Broker Opinion of Value (BOV) for each short-listed site. Should Council decide to offer any of the earmarked municipal lands for affordable housing, they would be shown as negative amounts in the 2024 budget to represent the loss of an asset as follows and would essentially represent an incentive or subsidy to the development partner at the levels identified:

| <b>Town-owned Land</b>        | <b>Broker Opinion of Value</b>          |
|-------------------------------|---|
| 7882 and 7888 Poplar Sideroad | \$8.2 to \$10.2M for the three totalled |
| 29 and 45 Birch Street        |   |
| 201 Ontario Street            |   |

Also of note, offering land at no cost or a reduced cost is simply one piece of the puzzle and, as indicated by NBLC, significant incentives would be required in

addition, at approximately \$100,000 minimum per unit. The land donation is not enough to sufficiently impact pro-formas for the delivery of affordable housing. The per-unit incentives may not be direct cash contributions, other forms of incentives include waivers of fees and charges, taxation related relief, loans, or forgivable grants. No matter the form of the incentive, it shifts the burden of the full cost of the units to the taxbase in the absence of funding from other orders of government. Should Council decide to move forward with a Town-driven RFP process on one or more parcels of Town-owned land, a transformative budget of \$1,000,000 – 3,000,000 annually is recommended by NBLC in order for housing projects to be successful. Offering land without appropriate incentives or internal resources poses a significant risk and will not position the project for success.

Finally, the AHMP report suggests that the Town should also consider acquiring other surplus institutional properties such as school or church sites as they become available. Staff are concerned that this approach could have significant costs and suggest that efforts may be better directed toward working with churches, school boards and other that have land available – not to necessarily acquire the land, but to partner in connecting those landowners to affordable housing developers/operators and offering incentives where possible, as part of the expanded concierge program and/or Municipal Capital Facilities By-law.

## **2. Cost**

Staff are deeply concerned about the feasibility of the funding level that NBLC indicates is required for immediate impact, given the size of the taxbase. To break this down further, every \$370,000 added to the budget equals an additional 1% in taxation. Realistically, the more tangible recommendations in the AHMP, such as undertaking a disposition process to construct and incentivize housing on Town-owned lands are simply not feasible without significant financial and staffing investments that will put strong and likely untenable pressure on the local tax base to fund.

The Town will not be able to lean on incentives alone to solve the housing crisis, and without significant investment from other orders of government, it is unlikely the housing gaps will be fully closed by Collingwood in isolation. There is an economic reality regarding how many units can be built with incentives alone, and the amount of subsidy individual proposals will actually require will vary widely project to project. Depth of affordability, length of affordability, project size, construction costs, unit sizes, parking ratio, underground vs surface parking, funding and financing already secured through other programs, and numerous other factors will all influence what subsidy is needed.

With a tax base of \$38.8M (2023 Budget), it is unlikely that Collingwood can make such bold investments in affordable housing. The top range or ‘fully funded’ proposal of \$3 million annually is equivalent to over 8% of the Town’s annual levee. Staff are concerned that this is nearly impossible in terms of other municipal needs and an over 8% tax increase would put untenable pressure on the local tax base to fund. While other funding sources such as a Municipal Accommodation Tax or taxation on vacant units can be further explored, they will likely be insufficient to close the gap.

It should also be noted that although Council has contributed approximately \$350,000 each year to the Affordable Housing Reserve Fund (AHRF) since 2021, there is no formal resolution to indicate that this is an annual commitment. If this is the level of investment that Council ultimately decides on, it is recommended that they formalize this annual commitment by way of resolution to give stability to the programming.

The fiscal realities uncovered in NBLC’s report have been a challenging reality check for both staff and the AHFT, but it is important to understand that:

- 1) A significant annual budget allocation is required for the most near-term tangible impacts, however an alternative involving a partnership with the County of Simcoe exists;
- 2) There remain many policy reform and coordination actions that the Town is well positioned and appropriately resourced to undertake that will make a transformative difference over the short and longer terms in the delivery of housing supply and affordable units. These recommended initiatives will further complement the progress that has already been made (and will continue) on the affordable housing file; and
- 3) That the AHRF will likely be well positioned to drive effective action on the financial initiatives within two years (more details can be found in the AHRF section of this report).

### **Current Infrastructure and Municipal Servicing Limitations**

While not a direct consideration in the AHMP report, it is important to note the current context of infrastructure and municipal servicing limitations in Collingwood as of fall 2023. This is not addressed within NBLC’s report as it was outside the scope of the project. However, as a living document that will evolve over time, staff believe that

these challenges should be acknowledged through decisions on the AHMP's implementation due to the direct impact water and wastewater limitations have on the Town's ability to service new housing supply.

In September 2023, three pre-qualified contractors submitted bids for the Raymond A. Barker Water Treatment Plan Expansion project – an essential and urgent project for Collingwood, New Tecumseth, and the surrounding area. The total project costs are now estimated to be in the range of \$270M, and the timeline to complete the project has also been extended by about two years longer than originally projected.

The global economy is still adjusting to a new post-pandemic reality. The water/wastewater and construction industries have been hit hard by ongoing supply shortages, increased construction costs, and lack of skilled workers. These factors are out of the Town's sphere of control, and other municipalities have experienced significant budget increases for similar projects. Council and staff have been proactively looking at every option to control costs and reduce the project timeline.

The water treatment plant expansion project is shovel ready. It is the largest investment in Collingwood and New Tecumseth's history and an enormous amount of work has happened to get to this point. However, our community cannot fund the entire cost of the expansion. Without significant infrastructure funding from other orders of government, it will be very difficult for the Town of Collingwood to continue to address the needs of our community without causing additional pressure on taxpayers and we will have limited ability to service new homes or meet provincial growth projections/targets.

While the AHMP is intended to increase housing supply, the reality is that there is a finite amount of water available for housing until the water treatment plant expansion project is completed, anticipated by 2028. This further underscores the need for the Town to focus on measured, consistent initiatives that will support an increase in housing supply at an accelerated yet manageable rate over the long term.

### **Recommended Actions and Investment for 2024**

While the section above speaks to some of the challenges our municipality faces to show near-term large interventions, or the much desired "shovels in the ground" (which are still possible with strategic partnerships), staff are encouraged by the policy and financial strategies that NBLC has recommended, which will help improve affordability over the long term and position the Town of Collingwood to continue to be a leader in affordable housing initiatives, particularly for a municipality of its size.

Many of the policy strategies are already being actioned or are slated to start in 2024 and will be amplified with NBLC's recommendations. Staff believe that these represent the best value for outcomes within the current capacity of the Town, or with modest additional investment. Staff generally support NBLC's recommended approach but acknowledge that undertaking 25 initiatives is daunting for a municipality like Collingwood, with one staff member to execute the AHMP.

Staff would never presume Council's decision, but given the fiscal challenges posed by the Raymond A. Barker Water Treatment Plan Expansion project, coupled with Council's direction at the September 25, 2023 Committee of the Whole meeting to keep base budget spending to a 2% increase while preparing the 2024 Draft Budget, the following actions are those which staff can support corporately within the reasonable scope of the 2024 budget. Please note that the numbering corresponds to the numbering on Table 5 on Page 49 of NBLC's report.

## **Recommended Policy, Process, and Regulatory Changes and 2024 Budget Impacts**

### **1. Fast Track Key Zoning By-Law Amendments**

Staff propose a quick-win Zoning By-Law (ZBL) amendment to review, revise and reduce or eliminate parking requirements for residential developments, particularly higher density dwelling unit forms along transit routes as well as any other identified quick wins such as updating the provisions around ADUs to align with recent *Planning Act* changes that would facilitate such units throughout the Town (up to 2 per property). By reducing the number of parking spaces required, the cost of construction can be reduced and additional land made available for residential units. By removing these priority items from the comprehensive ZBL update process, staff expect to accelerate the timeline from the typical 1 – 2 years of a ZBL update to less than a year, resulting in short-term implementation with long-term results. Staff believe that this can be accomplished with the current full Planning Division staff complement and within the proposed 2024 budget. For clarity, the overarching Zoning By-law Update, which will also addresses provisions that support affordable housing, will be initiated in 2024 as required by the *Planning Act* and has been included in the draft budget. As the update is a legislative requirement and must be done anyway, it is not detailed herein for action.

**Proposed 2024 Budget Allocation: \$10,000**

### **2. Work Towards a Decision Faster (Shorten Approvals Timelines)**



As noted, the Town has initiated a Development Process and Fees Review, to be completed by the end of 2023. Staff had included modest service enhancement funds in the first draft of the 2024 budget to implement some of the recommendations of the Review, with a focus on technological tools and streamlined processes. However, these investments were defeated and removed from the draft budget during the Committee of the Whole meeting on October 16, 2023. Without service enhancement budget allocation to improve the development review and approvals system, staff will attempt to action low-hanging fruit type improvements as resources allow. However, an alternative solution is being proposed, to fund the actions through the Affordable and Social Housing Budget given their importance to the delivery of housing supply.

**Proposed 2024 Budget Allocation: \$40,000**

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

As NBLC suggests, investigating a Rental Replacement By-Law can take place in tandem with the Comprehensive Zoning By-Law Review scheduled for 2024. Staff believe that this can be accomplished with the current full Planning Division staff complement and within the proposed 2024 budget.

**Proposed 2024 Budget Allocation: \$10,000**

**4. Source Simple Pre-Approved ‘Off the Shelf’ Building Designs**

NBLC recommends completing this initiative in parallel with the Town’s Comprehensive Zoning By-Law Review. As a ZBL update typically takes 1 – 2 years to complete, staff may begin work on this project in 2024, with a call for designs to be pre-approved by Building Services, in a similar approach to the Rapid ADU Pre-Approved Design pilot program.

**Proposed 2024 Budget Allocation: None, staff time and advertising costs only**

**5. Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign**

Staff believe the recommended public education campaign can and should start immediately, pending the appropriate procurement process. This initiative can be accomplished by Town staff, in collaboration with the AHTF. Staff recommend allocating \$50,000 to support this campaign over two years. Funds will be used for the marketing firm’s concept as well as production costs (print, film, radio, etc.) and for AHTF-led community engagement initiatives. These investments are beyond the 2% budget guideline and would be subject to Council approval. If no 2024 service enhancement budget is allocated for an education campaign,

staff would work with the AHTF to initiate a deliver a grass-roots communication plan as resources allow and based on volunteer efforts.

**Proposed 2024 Budget Allocation: \$25,000**

## **Recommended Financial Approaches and 2024 Budget Impacts**

### **6. Create a Municipal Capital Facility By-Law – Option 1: Implement a MCFB and Utilize Together with Simcoe County / As Opportunities Arise**

NBLC encourages the Town to establish a Municipal Capital Facilities By-Law (MCFB) to guide future incentives, however they warn that the current budget is not sufficient to justify a formal incentive program with a defined application process and window. Staff are concerned that the limited funding will lead to low uptake and are hesitant to ‘lock-in’ valuable budgetary resources. However, staff recognize that establishing an MCFB will allow the Town to offer financial incentives flexibility and as funds accumulate over time. A MCFB may also stack together with programs that are or will be offered by the County of Simcoe. As such, staff believe that this is a valuable exercise for future benefit. The policy component of the MCFB can be completed in 2024 with current full Planning Division staff complement. Deploying the funding the program appropriately will require additional financial resources as outlined in the AHMP.

**Proposed 2024 Budget Allocation: None, staff time only**

### **7. Use Public Land to Deliver New Affordable Housing – Option 1: Transfer Lands to Simcoe County for New Affordable Housing**

Staff recommend offering 7882 and 7888 Poplar Sideroad and 29 and 45 Birch Street to the County of Simcoe at a reduced or no cost, in accordance with their forthcoming Request for Proposals for municipal land. These Town-owned properties are the most shovel-ready of the three sites identified by the AHTF. The County of Simcoe has significant funding and staff capacity to drive projects forward more expeditiously than the Town and with greater levels of expertise. The County also recently sought interest from local developers and non-profits for future partnerships. Further, as the Service Manager, the County could own and operate the units and could offer greater affordability for some or all of the units, below the 4-6<sup>th</sup> decile household income focus of this Master Plan. Staff are not recommending action on the 201 Ontario Street lands at this time due to existing tenants and as the lands are a potential alternative location for an arts centre. Note that transferring lands (at less than market value) to the County of Simcoe for the development as affordable or mixed income housing still has financial implications to the Town, to an upper range of approximately \$3.2

million at current land values, in that any potential future revenues (for the sales of those lands) will be lost. As Council is aware there are many land needs within the municipality, with limited funds available, one of the options for funding these needs could be to raise funds through the sale of other lands.

**Proposed 2024 Budget Allocation: None, staff time only**

#### **8. Expand Rapid ADU Program to Include More Options**

The Rapid ADU Deployment Program continues to evolve and staff are heartened by the AHMP survey indication that 40% of respondents' housing concerns would be addressed with a larger stock of accessory dwelling units. Staff believe that the recommendation to expand the Rapid ADU program with a focus on vacant or underutilized Downtown properties can be actioned in 2024 with existing staff resources. This recommendation will require a legal opinion to determine if this can be offered through a modification of the existing Rapid ADU Deployment program or if it would require the recommended MCFB.

**Proposed 2024 Budget Allocation: None, staff time only**

Some early feedback from the program indicates that there would be additional interest in the program if the grants were increased. Staff propose re-evaluating grant amounts based on community feedback and current construction costs and will report back to Council with more information. In the meantime, staff request that Council allocates \$212,572.40 to fund the Rapid ADU Deployment Program in 2024. While there will likely be funds carried over from 2023, the program is gaining momentum and staff anticipate increased uptake over the coming months, in particular if grant levels are increased. These investments are beyond the 2% budget guideline and would be subject to Council approval. If no 2024 service enhancement budget is allocated for increased Rapid ADU grants, staff would continue to deliver the program within the existing funding envelope until the allocated 2023 dollars are fully spent.

**Proposed 2024 Budget Allocation: \$212,572.40 (from the AHRF)**

### **Recommended Coordination Initiatives and 2024 Budget Impacts**

NBLC has recommended eight coordination initiatives for the Town to take a coordinator or leadership role in the delivery of new housing. NBLC notes that these initiatives are not as impactful as the planning reform and financial incentives listed above but remain important for the Town to consider as part of the AHMP. Staff are confident that the following recommendations can be actioned by the Housing Development Coordinator within the mandate of their current role:

9. Expand the Existing Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing
12. Treat the Private and Non-Profit Sectors as Partners
13. Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models
14. Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making

**Proposed 2024 Budget Allocation: None, staff time only**

The remaining recommendations in this section (i.e. 10. Explore the Potential for Density Bonusing for Priority Projects, 11. Pursue Economies of Scale by Partnering with Other Municipalities, 15. Consider Housing Above or in Conjunction with New Public / Community Facilities; and 1.: Explore Alternative Revenue Tools) would require additional research and Council direction. Staff recommend investigating item 15 in any municipal facilities being explored in 2024 to ensure that affordable housing opportunities are considered in conjunction with upcoming projects.

**Proposed 2024 Budget Allocation: None, staff time only\***

\* Staff time only for additional research, but action may require investments, which may be presented to Council in-year for consideration.

### **Recommended Advocacy Initiatives and 2024 Budget Impacts**

Staff support NBLC's recommended advocacy initiatives where appropriate and as time allows, given that staff resources will largely be focused on the planning reform, development initiatives, Rapid ADU Deployment programming and enhanced coordination roles, though this mantle may be taken up directly by Council as a whole or individual Council Members as opportunities arise. The AHTF may also be able to play an elevated advocacy role. Existing Council involvement with the Association of Municipalities of Ontario and the Federation of Canadian Municipalities may also be utilized to support these advocacy initiatives, as appropriate. Staff propose prioritizing advocacy efforts for targeted infrastructure funding or support. Staff do not anticipate any budget implications for advocacy initiatives, beyond modest membership fees which are already accounted for as part of departmental budgets.

**Proposed 2024 Budget Allocation: None, staff time only.**

### **Governance Impacts**

While not listed in the Table 5 recommendations, at the beginning of the report, NBLC recommends that: "at the conclusion of this project, the citizen-led Affordable Housing Task Force's terms of reference should be revisited to focus on education and advocacy

to support and champion the new affordable housing initiatives implemented through this AHMP. The Task Force should act as a platform for community discussions and information sharing, in collaboration with the Town’s Housing Development Coordinator. Many of the advocacy and coordination initiatives recommended in this strategy will fall to the Town’s Housing Development Coordinator, who can be supported by the Task Force. This revised mandate will also allow the Task Force to assist in communications specifically related to a public education campaign that supports initiatives stemming from this AHMP as well as supporting grassroots efforts related to the creation of non-profit housing providers and other related forms of social finance and equity.”

Staff express deep gratitude to the AHTF for the elevated role that they have taken in the preparation of this Master Plan. Staff agree that the conclusion of this project is an appropriate time to revisit the AHTF’s Terms of Reference (TOR) and propose bringing forward an updated AHTF TOR in the next staff report to Council, anticipated in early 2024. Additionally, staff propose a modest budget for the AHTF to execute grassroots community engagement and education initiatives.

**Proposed 2024 Budget Allocation: \$6,000 (from the AHRF)**

### **Summary of Recommendations and 2024 Budget Impacts**

| <b>Number</b> | <b>Recommendation</b>  | <b>2024 Budget Impact</b>   |
|---------------|--|---|
| 1             | Fast Track Key Zoning By-Law Amendments  | \$10,000  |
| 2             | Work Towards a Decision Faster (Shorten Approvals Timelines)   | \$40,000  |
| 3             | Enact a Rental Replacement By-law in Order to Preserve Existing Rental Stock   | \$10,000  |
| 4             | Source Simple Pre-Approved ‘Off the Shelf’ Building Designs  | \$0   |
| 5             | Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign                            | \$25,000  |
| 6             | Create a Municipal Capital Facility By-Law – Option 1: Implement a MCFB and Utilize Together with Simcoe County / As Opportunities Arise | \$0   |
| 7             | Use Public Land to Deliver New Affordable Housing – Option 1: Transfer Lands to Simcoe County for New Affordable Housing                 | \$0*<br>(*loss of potential future revenues from the sale of those lands) |

| Number | Recommendation   | 2024 Budget Impact  |
|--------|--|---|
|        |  | to an upper range of approximately \$3.2 million at current land values)                      |
| 8      | Expand Rapid ADU Program to Include More Options   | \$212,572.40  |
| 9      | Expand the Existing Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing | \$0   |
| 10     | Explore the Potential for Density Bonusing for Priority Projects   | \$0   |
| 11     | Pursue Economies of Scale by Partnering with Other Municipalities  | \$0   |
| 12     | Treat the Private and Non-Profit Sectors as Partners   | \$0   |
| 13     | Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models                   | \$0   |
| 14     | Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making                        | \$0   |
| 15     | Consider Housing Above or in Conjunction with New Public/Community Facilities                                    | \$0 at this time, may require investment to be presented to Council in-year for consideration |
| 16     | Explore Alternative Revenue Tools  | \$0   |
| 17     | Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments                         | \$0   |
| 18     | Advocate for More Revenue Tools to Reduce the Burden on the Tax Base   | \$0   |
| 19     | Advocate for the County to Participate in any Local Incentive Programs   | \$0   |
| 20     | Advocate to CMHC for More Streamlined Access to Funding and Financing Programs                                   | \$0   |
| 21     | Ask the Province to Define Attainable Housing and Incentivize It   | \$0   |

| Number | Recommendation   | 2024 Budget Impact  |
|--------|--|---------------------|
| 22     | Advocate for Increased Labour Supply for New Development     | \$0                 |
| 23     | Request Targeted Funding Where it is Not Currently Available | \$0                 |
| 24     | Advocate for More Progressive Property Taxation Options      | \$0                 |
| 25     | Leverage the Collective Power of Municipalities in Advocacy  | \$0                 |
| 26     | Advocate for the Use of Inclusionary Zoning                  | \$0                 |
| 27     | AHTF Engagement Budget                                       | \$6,000             |
|        | <b>Total 2024 Operating Budget Impact</b>                    | <b>\$91,000</b>     |
|        | <b>Total 2024 AHRF Budget Impact</b>                         | <b>\$212,572.40</b> |

To summarize the financial details above:

- 1) Recommendations 1 and 3 have been included in the Growth Planning base budget - \$20,000;
- 2) Recommendation 2 was a Service Enhancement request provided to Council at the October 16, 2023 Committee of the Whole meeting which was not approved to move forward. With the information included in this Report, staff are recommending that the \$40,000 now be funded through the \$125,000 included in the Affordable and Social Housing base budget;
- 3) Recommendation 5 is to be included within the Affordable and Social Housing base budget - \$25,000;
- 4) Recommendation 8 is included within the Affordable and Social Housing service enhancement budget (\$225,000 from the AHRF) approved at the October 16, 2023 Committee of the Whole meeting - \$212,572.40; and
- 5) Recommendation 27 is also proposed to be included within the Affordable and Social Housing base budget - \$6,000.

Council's level of investment will ultimately determine which items staff includes as part of the 2024 Budget. Pending budget negotiations, a full workplan within the approved investment level will be brought to Council in early 2024, with exact timing to be determined as staff hope to align with the County of Simcoe's Attainable Housing



Actions Supply Plan which is expected to provide some further clarity on funding and partnership options. While many of NBLC's recommendations indicate that there is no direct budget impact, it is important to understand that they do require significant staff time and effort. Staff will need to develop a phased and prioritized approach to these initiatives via a workplan which will reflect the order of priority as indicated in NBLC's report and would include a preliminary program outline for 2025 and future years. This approach will enable staff to allocate resources appropriately, ensuring the successful execution of the proposed initiatives. It would also be the intent that future investments accumulate in the reserve fund until it is sufficient enough to offer incentives through a Municipal Capital Facilities By-law.

### **Affordable Housing Reserve Fund**

To provide some additional context and details, the AHRF was established in 2022. An initial investment was made within the 2022 tax base of \$350,000 and an additional \$225,000 was included at the end of the 2022 financial year. Based on a forecast of a total spend of \$125,000 in 2023 the reserve funds will remain whole at \$576,000. Additionally, a \$1,000,000 contribution to affordable housing will be received by the Town from Sunvale Homes as a result of an Ontario Land Tribunal Settlement (funds are received upon sale of homes – anticipated in 2024/2025). Finally, the Town expects to receive an additional boost of approximately \$250,000 in funding upon the sale of an estate. This means that, although the AHRF does not currently hold significant funding to support a formalized incentive program, within the next two years the reserve could grow to approximately \$1,800,000 and may be sufficient to be available to move forward with a more robust incentive program. Therefor and in accordance with the NBCL and staff recommendations, it is critical to establish the Municipal Capital Facilities By-law in the near-term to be in a position to move forward with some type of incentive program as funding allows.

### **Alternative Options**

Staff understand that there is significant pressure on Council to take action and 'get shovels in the ground'. If Council decides to move forward on the near-term, larger intervention initiatives as outlined in the AHMP (including seeking partnerships to construct, operate and incentivize housing on Town-owned lands) without significant financial and staffing investments, they must be prepared for limited success and delays in the delivery of other priority projects led or supported by the Planning Division, unless the recommended partnership with the County of Simcoe is pursued. However, should the cost of inaction spur a discussion of increased investment of between \$1,000,000-3,000,000 annually and an additional position, staff would proceed with the

corresponding option in the AHMP and go out to market with the transparent procurement processes.

Additionally, Council may consider the AHTF's request for the Town to provide seed funding to develop a not-for-profit to spearhead social finance initiatives. NBLC's report advises that there are existing alternative funding sources to support these initiatives, however in the ever-evolving landscape of social finance, Council may wish to provide leadership and embrace an innovative approach by allocating \$20,000 – 25,000 to kickstart a not-for-profit organization to act as the avenue to build and utilize community wealth to influence local investment, local ownership of land and property, and local spending by anchor institutions. Should Council choose to proceed with this funding, it is recommended that staff and the AHTF work collaboratively to develop the seed funding criteria.

### **Climate Impacts**

Staff utilized the Clean Air Partnership Municipal Climate Lens Tool to consider climate impacts as a result of the AHMP. The results of this tool are included as an attachment to this Report as Appendix B. While the AHMP does not have a direct impact on climate impacts, there is a clear tie between climate and housing affordability in UN Sustainability Goal 11: "Make cities and human settlements inclusive, safe, resilient and sustainable." The Town's Housing Development Coordinator and Climate Change Specialist are in regular contact and will continue to have an open dialogue as staff move to implement recommendations of the AHMP, including any potential synergies with the Corporate and Community Climate Change Action Plans.

### **Financial Impacts**

In addition to the tax implications and financial considerations mentioned earlier in this Report, there are additional items in the AHMP that may not be supportable from a municipal finance perspective.

Regardless of the annual funding level approved by Council, staff will continue to seek alternative revenue sources via grants, government funding and alternative taxation tools to help alleviate the financial burden on the tax base. As noted in [Staff Report P2023-08](#) staff are investigating creating a Municipal Accommodation Tax (MAT), a revenue tool commonly used by Ontario municipalities to fund tourism activities and general municipal revenues. A minimum of 50% of MAT funds must be applied to tourism-related activities. The percentage that does not directly support tourism can be used by the municipality without restriction for any other purpose, such as affordable

housing. A follow up report will be coming to Council with more detail on the financial scenarios and recommendations on potential governance structures and processes, how MAT revenues might be applied to tourism most effectively, and where the municipal portion could be spent. Notably, in their draft Strategic Options Report of August 2023, NBLC advises the Town to be cautious when looking at revenue tools as the administrative costs of tools such as a vacant homes tax may outweigh the revenue that is collected.

While Council allocated \$225,000 of the 2022 surplus to the AHRF in 2023, staff are not able to support the allocation of funding surpluses as an annual or long-term affordable housing funding strategy. The Town takes a conservative approach to budgeting and the limited annual surplus is critical for the Town's financial lifecycle. Surpluses are used to renew capital assets such as repaving roads, and without access to these finances, capital and infrastructure maintenance will suffer.

While this does not have direct implications on municipal finance, of note, staff also have concerns about some of the recommended advocacy initiatives – particularly around Recommendation 23 “Advocate for More Progressive Property Taxation Options” as it is the Treasurer's position that the suggestion to advocate for property tax incentives has broader implications on fairness, which is a guiding principle of the *Assessment Act*. In addition to this there would likely be a monitoring component for any tax incentives which would require additional financial resources.

## **Conclusion**

Thanks to the investment of former and current Town Councils, the dedication of the AHTF and the continued support of Department Heads and a wide variety of staff, the Town of Collingwood has earned a reputation as a municipal leader in affordable housing and this can continue through the implementation of the AHMP recommendations. Our efforts and investment in affordable housing are unprecedented for a municipality our size and Council should be proud of their accomplishments to date.

Staff support continuing on that leadership path to eradicate this issue from our community but recognize that a ‘magic bullet’ solution simply does not exist. We must stay committed to making measured and consistent efforts that will produce transformative results over the long-term, while remaining flexible and nimble enough to respond to opportunities. It's undeniable that the path toward affordable housing is a challenging one, and it's become increasingly apparent that our municipality cannot shoulder the costs alone, yet we can make significant progress on policy, regulatory,

coordination and advocacy fronts as well as modest incentives where important gains can be made with reasonable continued investment.

Council should be prepared to be supporting affordable housing initiatives for years, if not decades. As such, the Town's affordable housing efforts should be approached as a marathon, not a sprint. The AHMP provides a clear path forward and, as a living document it is flexible and will evolve over time, giving us the greatest on-the-ground impact within the Town's current legislative and funding abilities.

### 3. Input from Other Sources

In addition to the extensive community and stakeholder consultation throughout the preparation of the AHMP, as listed in Section 4.0 of NBLC's report, the consultant and staff worked closely with the AHTF throughout the process. The majority of the AHTF meetings on August 28, 2023, September 13, 2023 and October 11, 2023 included robust discussions about the options/draft report and frank conversations about proposed levels of investment in relation to the Town's fiscal realities. The AHTF has provided their collective comments on the AHMP in a letter attached to this Report as Appendix C.

The Town's internal Housing Steering Committee, consisting of senior staff, reviewed a draft of NBLC's Draft AHMP on September 29, 2023, providing input from a corporate priority and financial responsibility lens, which helped inform this staff report.

Finally, NBLC's AHMP and this Report were reviewed by Department Heads on October 17, 2023 and the content responds to the advice received.

### 4. Applicable Policy or Legislation

Key applicable legislation:

[Bill 97: Helping Homebuyers, Protecting Tenants Act, 2023](#)

[Bill 109: More Homes for Everyone Act, 2022](#)

[Bill 23: More Homes Built Faster Act, 2022](#)

[Bill 3: Strong Mayors, Building Homes Act, 2022](#)

[Planning Act, RSO 1990](#)

[Development Charges Act, SO 1997](#)

[Municipal Act, SO 2001](#)

[Residential Tenancies Act, SO 2006](#)

[Provincial Policy Statement, 2020](#)

[A Place to Grow: Growth plan for the Greater Golden Horseshoe, 2020](#)

## 5. Considerations

- ☒ Community Based Strategic Plan: Consistent with CBSP
- ☐ Services adjusted if any
- ☐ Climate Change / Sustainability: [Choose an item.](#)
- ☐ Communication / Engagement: Public Engagement has occurred
- ☐ Accessibility / Equity, Diversity, Inclusion: [Choose an item.](#)
- ☐ Registered Lobbyist(s) relating to content: [\[add content and meeting dates\]](#)

Next steps and future action required following endorsement:

Move endorsed recommendations forward to 2024 Draft Budget deliberations and being implementation of the AHMP.

## 6. Appendices and Other Resources

**Appendix A:** Affordable Housing Master Plan Report

**Appendix A1:** Housing Needs Assessment

**Appendix A2:** Strategic Direction Options Report

**Appendix B:** Clean Air Partnership Municipal Climate Lens Tool Report

**Appendix C:** Letter from the Affordable Housing Task Force

## 7. Approval

**Prepared By:**

Summer Valentine, Director of Planning, Building and Economic Development

**Reviewed By:**

Sonya Skinner, CAO

**CAO Comments:**

Endorsed on Oct. 25th proceed to COW





# Affordable Housing Master Plan

## Town of Collingwood



October 2023

## Town of Collingwood

# Affordable Housing Master 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 Town of Collingwood ('the Town') retained N. Barry Lyon Consultants Limited ('NBLC') in early 2023 to prepare an Affordable Housing Master Plan ('AHMP'). The AHMP builds on the recommendations provided by the Town's Affordable Housing Task Force in 2021. The work is meant to provide the Town with an actionable strategy to address the affordability challenges experienced by current and future residents.

Phase 1 of the AHMP was the completion (June 2023) of a detailed Housing Needs Assessment ('HNA') that provides a foundational assessment of housing needs and affordability challenges in Collingwood. The HNA establishes current conditions and guides the recommendations brought forward through the AHMP.

Phase 2 of the AHMP was a Strategic Direction Options report, which provided a list of potential options for the Town to consider as they look to address the affordable housing issues in the community. While the initial list of options was extensive, it was refined through public and stakeholder consultation, as well as collaboration with Town staff, to create the basis of the recommendations in this AHMP.

As per the Town's direction, the AHMP focuses on the housing needs of *moderate-income households* (i.e.,

those in the 4<sup>th</sup> to 6<sup>th</sup> income deciles). It is understood that low-income housing is the responsibility of Simcoe County as Service Manager, as well as senior levels of government, supported by the Town where possible.



Source: Chris Gardiner Photography

**Table 1** summarizes household incomes in the Town of Collingwood by decile group and household type in 2022. Using these incomes, the affordable purchase price and rental rate for each decile group is estimated. Moderate-income households are highlighted in the red box.

Moderate-income households in Collingwood can afford to purchase a home in the range of \$250,000 to \$370,000 or to rent a home that is between \$1,200 and \$1,700 per month. It is the creation and maintenance of housing at these price points that this AHMP strives to achieve.

**Table 1**

| Household Incomes by Decile 2022, Town of Collingwood |               |                                   |  |                                      |                                      |
|---|---------------|-----------------------------------|--|--------------------------------------|--------------------------------------|
| Income Group  | Income Decile | All Household Income <sup>^</sup> | Affordable Purchase Price <sup>*</sup> | Renter Household Income <sup>^</sup> | Affordable Monthly Rent <sup>*</sup> |
| Low Income  | 1st           | \$30,483                          | \$102,233                              | \$22,531                             | \$563                                |
|   | 2nd           | \$45,062                          | \$151,126                              | \$29,379                             | \$734                                |
|   | 3rd           | \$58,757                          | \$197,057                              | \$38,877                             | \$972                                |
| Moderate Income                                       | 4th           | <b>\$73,999</b>                   | <b>\$248,173</b>                       | <b>\$47,712</b>                      | <b>\$1,193</b>                       |
|   | 5th           | <b>\$90,565</b>                   | <b>\$303,734</b>                       | <b>\$56,990</b>                      | <b>\$1,425</b>                       |
|   | 6th           | <b>\$109,341</b>                  | <b>\$366,704</b>                       | <b>\$68,034</b>                      | <b>\$1,701</b>                       |
| High Income   | 7th           | \$130,326                         | \$437,081                              | \$80,625                             | \$2,016                              |
|   | 8th           | \$161,251                         | \$542,713                              | \$98,297                             | \$2,457                              |
|   | 9th           | \$214,264                         | \$728,864                              | \$129,221                            | \$3,231                              |

*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.*

*<sup>^</sup>Incomes from 2021 Census of Canada Custom Tabulation, inflated to 2022 using CPI (Canada).*

*<sup>\*</sup>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 payment, 4% of loan amount for CMHC mortgage insurance, five year fixed mortgage rate 6.5%). Affordable rental thresholds based on 30% of gross household income.*

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

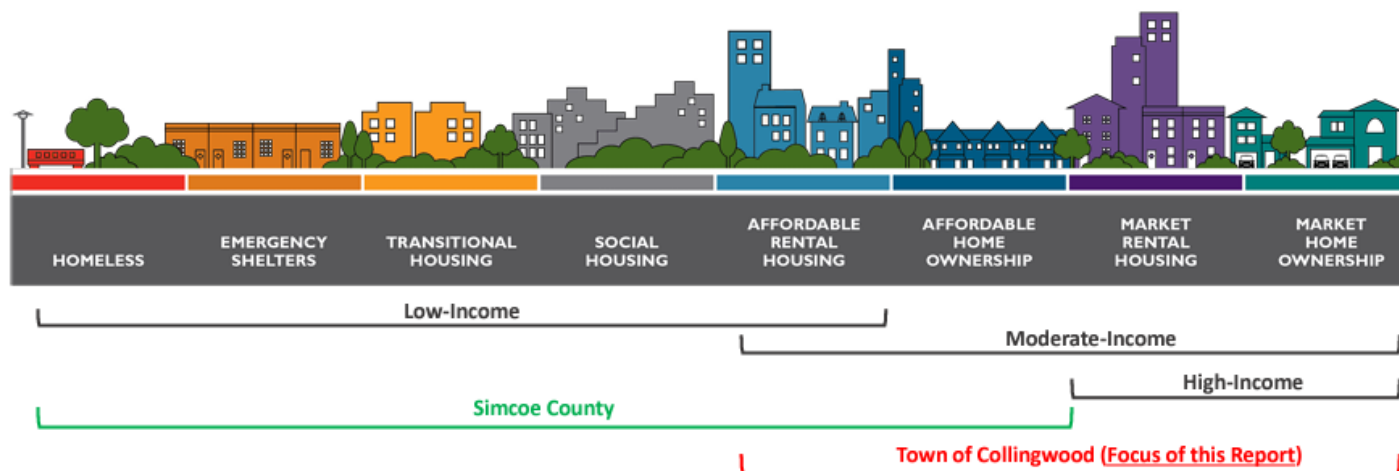
## 1.1 Roles and Responsibilities Across the Housing Continuum

This AHMP focuses on moderate-income households, which generally includes affordable rental and ownership housing as well as market rental and ownership housing (**Figure 1**). Simcoe County, in their role as Service Manager, is responsible for the needs of both low- and moderate-income households. Of note, Simcoe County is currently completing their own Attainable Housing Action Plan that is investigating ways to support moderate-income households, as well as an update to the Housing and Homeless Plan that

will support low-income household needs. Opportunities to collaborate with Simcoe County are therefore offered throughout this strategy.

Senior levels of government, including agencies such as the Canada Mortgage and Housing Corporation (CMHC), also play a role in addressing housing needs through the provision of funding and financing for new housing projects through the National Housing Strategy and other relevant programs.

**Figure 1: Housing Continuum**



## 1.2 AHMP Call to Action

**Private developers** provide most of the housing in Collingwood. The housing provided is at market value, which is increasingly beyond what moderate-income household can afford to pay. As will be explored throughout this report, there are opportunities to leverage the private sector to deliver a broader range of housing outcomes and pricing levels through strategic policy and financial interventions.

While **non-profit housing providers** can play a major role in the delivery of affordable housing and services, these actors are largely absent in the Collingwood market at a larger scale beyond the Simcoe County Housing Corporation that manages the supply of social housing in the County. This strategy intends to offer opportunities to enhance the presence and participation of non-profits in the Collingwood market.

**Residents and Employers** also play a role as advocates for safe and appropriate housing for all residents. Collingwood residents and employers should be more open to new development in the community to begin to address the current shortage of housing of all types. Residents can also create rental housing

opportunities within their home through participation in the Town's Rapid Accessory Dwelling Unit incentive program. Further, residents and employers can invest in social financing networks and take bolder action such as creating a land trust or housing co-ops.

There is also a role for the citizen-led **Affordable Housing Task Force** to continue in their role as advocates for new affordable housing initiatives implemented through this AHMP.

**This AHMP issues a Call to Action to all these stakeholders.**

It is recommended that at the conclusion of this project, the citizen-led Affordable Housing Task Force's terms of reference should be revisited to focus on education and advocacy to support and champion the new affordable housing initiatives implemented through this AHMP. The Task Force should act as a platform for community discussions and information sharing, in collaboration with the Town's Housing Development Coordinator. Many of the advocacy and coordination initiatives recommended in this strategy will fall to the Town's Housing Development Coordinator, who can be

supported by the Task Force. This revised mandate will also allow the Task Force to assist in communications specifically related to a public education campaign that supports initiatives stemming from this AHMP as well as supporting grassroots efforts related to the creation of non-profit housing providers and other related forms of social finance and equity.

This Call to Action also applies to developers in the community, where the Town's Housing Development Coordinator will link groups with available incentive and funding programs as well as non-profit partners.

## 2.0 Housing Needs Assessment Summary

A Housing Needs Assessment ('HNA') was completed in June 2023 with the intention of providing a foundational assessment of housing needs and affordability challenges in the Town of Collingwood to guide the Affordable Housing Master Plan. The following are key takeaways from the HNA:

- There are **next to no options in the market for moderate income households** in both ownership and rental tenures.
- There is an **acute shortage of rental housing** in Collingwood, with the purpose-built rental supply declining over the past decade due to insufficient new rental development.
- **Rental rates have been rising rapidly**, with most options now exceeding \$2,000 per month.
- **Renter households are far more likely than owners to be in Core Housing Need** (i.e., living in unaffordable, unsuitable, and/or inadequate housing). There is clearly a more pressing need to address the needs of renter households across a variety of incomes and characteristics.
- The **supply of ownership housing is also not meeting demand**, particularly from low and moderate-income households. Collingwood is attracting an increasing share of higher income households, and new supply is focused on this demographic.
- The Town of Collingwood's **ownership housing stock has experienced significant price growth over the last decade**. Many households, and particularly first-time home buyers, would be challenged to buy a new or resale home in the Collingwood market today.
- A lack of affordability in the ownership market is **driving 'would-be' purchasers to the already constrained rental market**.
- To accommodate the forecasted population growth to 2051, **more than 10,000 new housing units will be required**, at a variety of forms and price points.

**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 Collingwood. This helps to visualize what is or is not affordable to different income groups in Collingwood's housing market today.

The full Housing Needs Assessment report can be found in Appendix A.



Table 2

| Ownership Housing Affordability Gap Analysis, Town of Collingwood  |                     |           |           |           |           |           |           |           |           |           |
|--|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Income Decile  |                     | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold  |                     | \$102,233 | \$151,126 | \$197,057 | \$248,173 | \$303,734 | \$366,704 | \$437,081 | \$542,713 | \$728,864 |
| Housing Type   | Avg. Purchase Price |           |           |           |           |           |           |           |           |           |
| NEW SALE   |                     |           |           |           |           |           |           |           |           |           |
| Single-Detached  | \$1,000,000         |           |           |           |           |           |           |           |           |           |
| Semi-Detached  | \$705,000           |           |           |           |           |           |           |           |           |           |
| Townhouse  | \$725,000           |           |           |           |           |           |           |           |           |           |
| Condominium Apartment  | \$720,000           |           |           |           |           |           |           |           |           |           |
| RESALE   |                     |           |           |           |           |           |           |           |           |           |
| Single/Semi-Detached   | \$1,085,000         |           |           |           |           |           |           |           |           |           |
| Townhouse  | \$820,000           |           |           |           |           |           |           |           |           |           |
| Condominium Apartment  | \$640,000           |           |           |           |           |           |           |           |           |           |
| Rental Housing Affordability Gap Analysis, Town of Collingwood   |                     |           |           |           |           |           |           |           |           |           |
| Income Decile  |                     | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold  |                     | \$563     | \$734     | \$972     | \$1,193   | \$1,425   | \$1,701   | \$2,016   | \$2,457   | \$3,231   |
| Housing Type   | Average Rental Rate |           |           |           |           |           |           |           |           |           |
| Purpose-Built Rental Market  |                     |           |           |           |           |           |           |           |           |           |
| New Purpose-Built Rental Apartment   | \$2,125             |           |           |           |           |           |           |           |           |           |
| Old Purpose-Built Rental Apartment   | \$1,935             |           |           |           |           |           |           |           |           |           |
| Secondary Rental Market  |                     |           |           |           |           |           |           |           |           |           |
| Privately Leased Single/Semi-Detached  | \$2,950             |           |           |           |           |           |           |           |           |           |
| Privately Leased Townhouse   | \$2,700             |           |           |           |           |           |           |           |           |           |
| Privately Leased Condominium Apartment   | \$2,300             |           |           |           |           |           |           |           |           |           |
| Privately Leased Basement Apartment  | \$1,725             |           |           |           |           |           |           |           |           |           |
| Community Housing Affordability Gap Analysis, Town of Collingwood  |                     |           |           |           |           |           |           |           |           |           |
| Income Decile  |                     | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold  |                     | \$563     | \$734     | \$972     | \$1,193   | \$1,425   | \$1,701   | \$2,016   | \$2,457   | \$3,231   |
| % CMHC Average Market Rent   | Average Rental Rate |           |           |           |           |           |           |           |           |           |
| 100% AMR   | \$1,235             |           |           |           |           |           |           |           |           |           |
| 80% AMR  | \$988               |           |           |           |           |           |           |           |           |           |
| 60% AMR (Low-End of Market)  | \$741               |           |           |           |           |           |           |           |           |           |
| 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. |                     |           |           |           |           |           |           |           |           |           |
| Source: N. Barry Lyon Consultants Limited, Altus Data Studio, Canada Mortgage and Housing Corporation, Simcoe County Realtor   |                     |           |           |           |           |           |           |           |           |           |

### 3.0 What is Causing Affordability Challenges?

In addition to NBLC's HNA, the University of British Columbia has developed The Housing Assessment Resource Tool (HART). HART is powered by Census data and meant to provide an estimate of the affordable housing deficit in communities across Canada. The tool primarily utilizes the Core Housing Need data from the Census to understand the affordable housing deficit and which groups or household types are most impacted.

As of the 2021 Census, HART estimates an affordable housing deficit of more than **1,300 units** in the Town of Collingwood and mostly for lower income households. However, HART's methodology acknowledges that **this estimate is a floor that likely underestimates housing needs**, meaning the actual need will almost always be higher. Based on the Town's forecasted growth to 2051, if no action is taken, the current deficit will nearly double to 2,500 affordable housing units.

Without action, there are likely to be serious economic and social consequences related to the ability of employers to staff businesses, increased homelessness, reduced growth potential and economic competitiveness, further lack of housing options for low- and moderate-income households, among other problematic outcomes. See Section 4 of this report for

further discussion of the feedback received from a range of stakeholders and the public through this study.

The Regional/National nature of the affordable housing challenge further complicates the ability of any single municipality to solve the problem. A lack of affordable and suitable housing is not isolated to Collingwood or even the Province of Ontario. Coordinated efforts are therefore needed across the entire County of Simcoe, Greater Golden Horseshoe, Province of Ontario, and Canada. If adequate housing is built in one location, but not another, demand for this housing will shift across a larger Region.

It is therefore important to recognize the current deficit and forecast of housing within Collingwood, while also identifying that this deficit and target will shift significantly over time. It is recommended that monitoring and reporting of this Affordable Housing Master Plan include broader metrics beyond a simple point-in-time housing target, which is presented in Section 7 of this report.

This section provides an overview of some of the reasons that Collingwood and other municipalities across Ontario and Canada are seeing housing affordability gaps. While the issues causing housing

gaps are complex, this section is intended to provide a high-level overview of some of the identified factors and provide support for the recommendations to follow.

## We Are Not Building Enough Housing

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

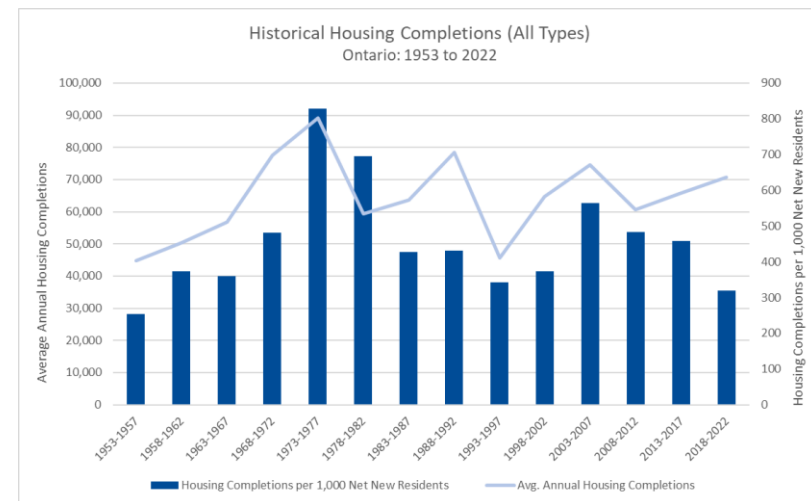
**Figure 2** illustrates the number of housing completions per capita of new residents in Ontario over the past 70 years. Housing completions have been declining over the past 15 years, and over the past five years, construction activity on a per capita basis has been at its lowest point (319 homes per 1,000 new residents) since the mid to late-1950's (254 homes). In fact, the past five years have represented a rate of new construction activity that is less than 40% of peak activity in the mid to late-1970's.

Relative to the rest of Canada, the lack of supply is particularly acute in Ontario. As illustrated in **Figure 3**, the number of private dwellings per person in Ontario is

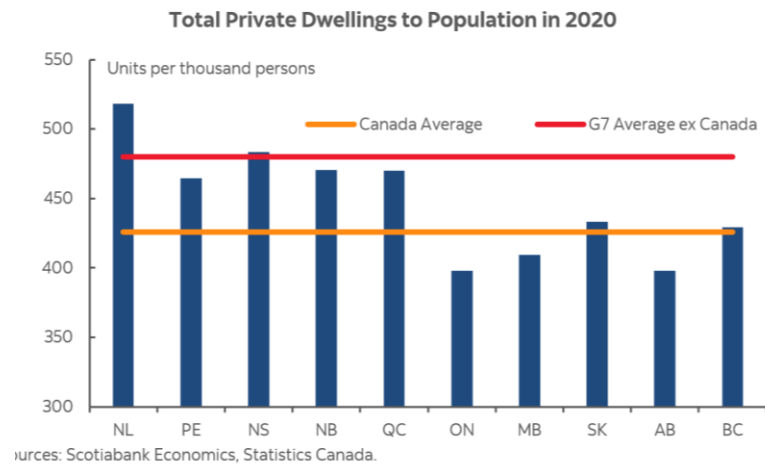
lowest of all provinces in Canada, well below both the Canadian and G7 average. According to Scotiabank, Ontario would need to add about 650,000 homes to reach the Canadian per capita average.

CMHC has identified a similar shortage, estimating that Canada requires an additional 3,500,000 homes (above baseline trends) by 2030 to restore housing affordability.

**Figure 2**



Source: Statistics Canada

**Figure 3**

## Household Dynamics are Changing

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

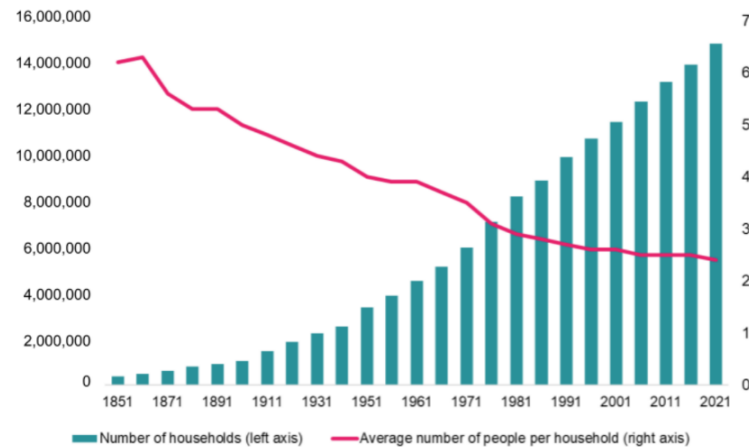
- The aging of the large Baby Boomer generation has resulted in many empty-nester households seeking to downsize; and,
- Younger adults are getting married later and having fewer children than in past decades.

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

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

**Figure 4** illustrates the long-term trend of average household sizes in Canada to 2021. The average household size of 2.43 persons in 2021 represents a significant shift from the 1950's through 1970's when average household sizes were between 3.0 and 4.0 persons, all the while more housing was being built on a per capita basis.

**Figure 4: Average household size and total households in Canada, 1851 - 2021**



## Changing Lifestyles / Limited Downsizing Options for Seniors

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

Further compounding this is that for many seniors who would like to downsize, there are few options. Outside of some select municipalities in Ontario, most

residential options are low-rise, ground-oriented housing types (68% in Ontario, 77% outside Toronto), which do not meet the needs of many downsizers. At the same time, apartment development that has occurred in recent years often consists of increasingly compact units and high proportions of one-bedroom units.

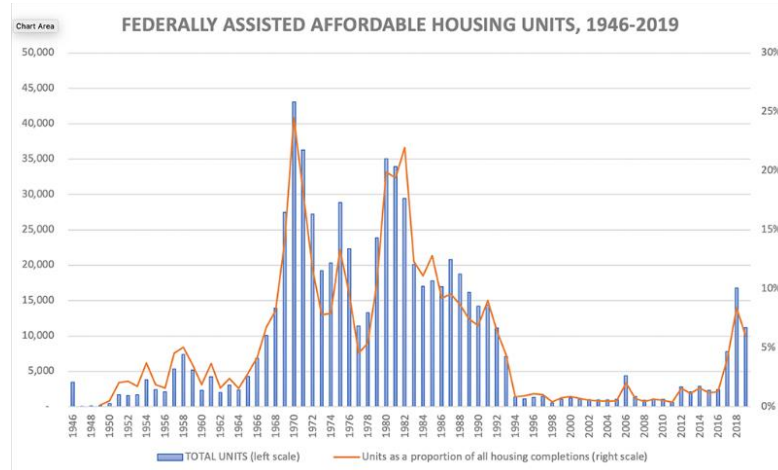
## Limited Affordable and Market-Rate Rental Development

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

Canada built a lot of federally assisted affordable housing units in the 1960s through to the 1980s. Downloading of responsibilities to the provinces and then to municipalities, the end of federal funding for new social housing in the mid-1990s, and the end of social housing as a significant national policy priority all contributed to the steep decline in affordable rental housing supply (**Figure 5**).

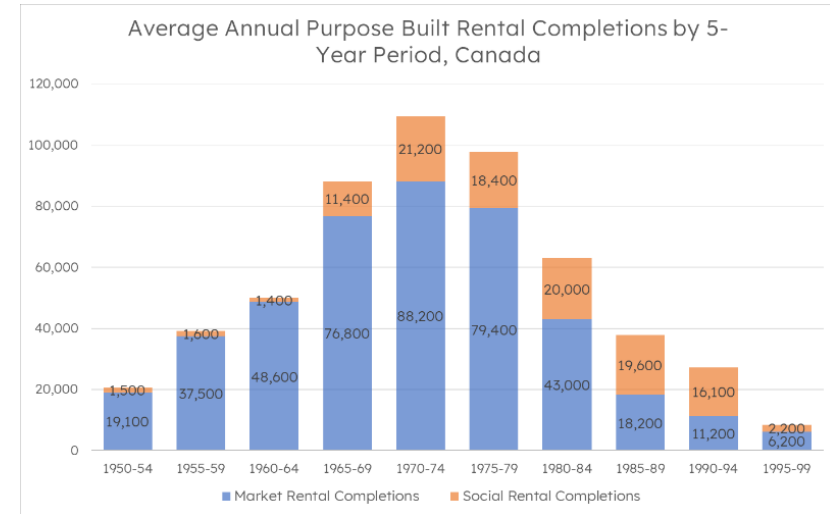
Construction activity has started to improve in recent years in response to initiatives borne out of the Federal government's National Housing Strategy. However, after 25+ years of relative inaction, and widening affordability gaps, this represents just a small portion of what is needed.

**Figure 5**



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

**Figure 6**



Source: Dr. Mike P. Moffatt

At the same time, changes were also made that impacted the attractiveness of new market-rate purpose-built rental investment. The private sector built a significant amount of new market rentals in the 1960s and 1970s (**Figure 6**). Policy changes since then around rent control, GST/HST, subsidies, and other measures, led to a steep decline of private sector rental investment starting in the 1980's, requiring that the growing base of renters in Canada rely on secondary rentals that do not offer the same security of tenure.

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

## **Restrictive Planning Policies & Onerous Development Process**

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

In many municipalities, the development process has become more and more complicated, with design guidelines and other requirements that exert further control over what can and cannot be built. Appeals, a long list of required studies, peer reviews, public consultation requirements that can go beyond what is

set out in the Planning Act, and other factors also play a role in making development process more onerous and creating an environment where it is harder to build new housing.

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

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

## Local Opposition to New Development (NIMBYism)

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

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

Restrictive planning policies help support opposition to new development, increasing the importance of

reforming local land use restrictions and creating a more streamlined approvals process.

## Construction and Development Costs

The cost of development has been rising. This includes both hard construction costs and soft costs. **Table 3** summarizes how hard construction costs have changed in recent years<sup>1</sup>, indicating an increase of \$80 to \$130 per square foot, or 45% to 70%, since 2019. At the same time, development charges have increased in many municipalities, and rising interest rates more recently are now also making construction more expensive.

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

As costs go up, developers need to raise their prices in order to ensure they receive a return, otherwise the project is no longer feasible. Rising costs mean that most developers now compete at the upper end of the

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



market to achieve the rate of return on investment that will be required by lenders and equity investors in a project. Historically, new housing projects were positioned towards a broader segment of the population, including middle/ moderate-income groups, which was made possible by lower development costs and a strong supply of development-ready greenfield land where low-density housing could be built quickly.

**Table 3**

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

These rising costs also have a significant impact on the delivery of new affordable housing. These developments are often exposed to the same costs as a market-rate project. As such, as costs increase, the

required level of subsidy to fund the affordable housing increases, which impacts the scale of housing that can be delivered. Non-profits, in particular, are being affected by this issue, as rising interest rates have reduced the amount of project costs that can be financed, requiring greater upfront equity for projects to advance.

## Labour and Material Shortages

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

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

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

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

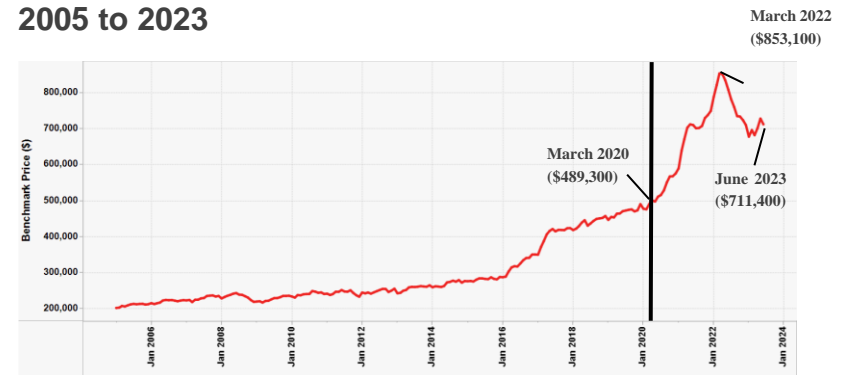
## Impacts of COVID-19

The COVID-19 pandemic changed the way many people work and also changed people's priorities when it came to lifestyle and housing. In 2020, after initial economic lockdowns, many households chose to move – seeking more space, or seeking a home outside of larger cities. Locations like Collingwood therefore became very popular.

The increased demand for low-rise homes during the pandemic contributed to a significant spike in home prices. **Figure 7** illustrates the monthly benchmark resale price in Collingwood since 2005, which follows a similar trend as most other municipalities in Southern Ontario. At the beginning of the pandemic in March

2020, benchmark prices were under \$500,000 in Collingwood but quickly rose to more than \$850,000 in two years (+74%). While prices have since declined due to the impacts of rising mortgage rates, they are still up about 45% in just over three years. Rising interest rates have also meant that affordability has not improved, despite price compression in the market.

**Figure 7: Benchmark Resale Prices in Collingwood: 2005 to 2023**



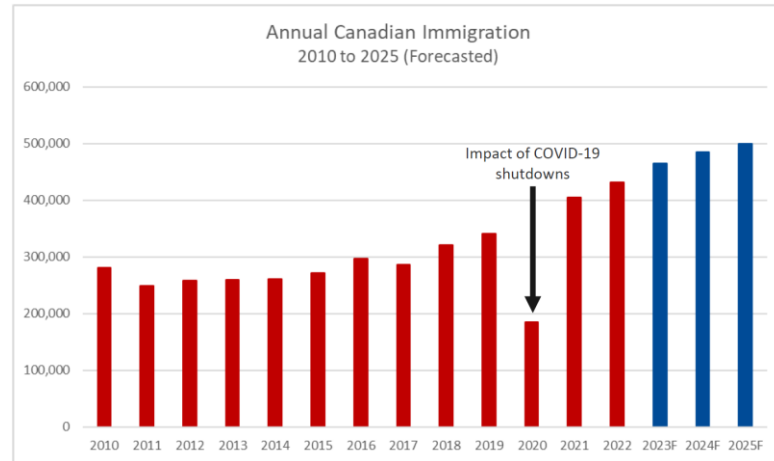
Source: The Lakelands Association of Realtors

## Population Growth

Relating back to the subsection on housing supply, population growth also plays a significant role in the shortage of housing, particularly in recent years. Canada's immigration targets have been ramped up in

recent years and are forecasted to reach 500,000 new Canadians annually by 2025 (**Figure 8**).

**Figure 8**



Source: Statistics Canada

This has an obvious impact on the housing market. As the population grows, construction activity needs to grow with it. Unfortunately, for a variety of reasons – including many noted within this section – construction activity has not kept pace with the increasing rate of population growth.

## Post-Secondary Enrollment Pressures

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

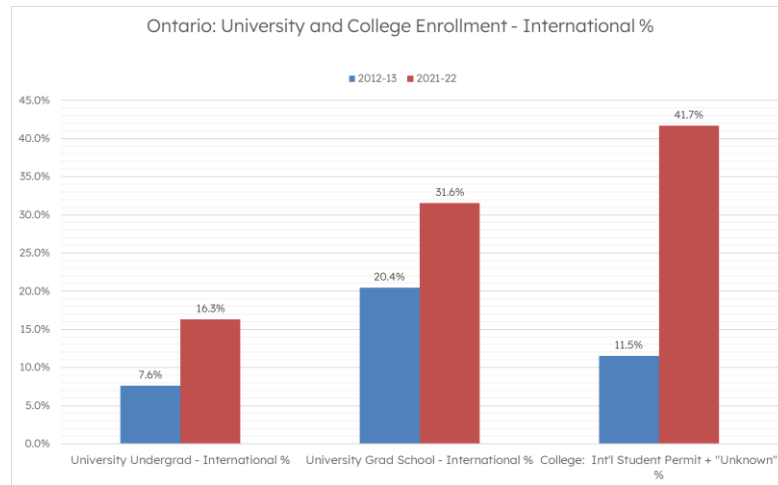
More recently, both Universities and Colleges have expanded their international enrollment – with the increase being particularly dramatic for Colleges, about half of which in Ontario now feature a student body with 40%+ international students (**Figure 9**).

While many domestic students can live with family if attending school locally, international students cannot. The shift towards a higher proportion of international students has had a considerable impact on housing markets, particularly those that include Colleges.

At the same time, these schools are not building student housing at a rate that responds to these changes in enrollment – and the housing that is built tends to be unaffordable for most students. This forces students who are seeking housing to look elsewhere in the housing market and to compete with residents for the

limited supply of relatively affordable housing in the market. This is putting significant strain on the rental market.

**Figure 9**



Source: Dr. Mike P. Moffatt

## Secondary Homes and Short-Term Rentals

Secondary homes and homes used as short-term rentals are also likely having an impact on housing affordability in Collingwood.

In Collingwood, in addition to those that have been purchased as secondary / vacation homes, there are also more than 300 homes that are listed on short-term

rental websites, according to AirDNA (**Figure 10**). This is a region-wide trend with Blue Mountains (850) and Wasaga Beach (450) featuring even higher numbers of short-term rental homes. While it is possible that not all these homes are leased out as short-term rentals year-round, these figures are still notable.

Secondary homes and short-term rentals remove homes from the market that could otherwise be used for a full-time resident household. In communities like Collingwood, the demand for secondary homes / short-term rentals needs to be considered when forecasting housing need as more dwelling units will be required to accommodate the local and seasonal populations.

Notwithstanding the above, it is important to also consider that the tourism industry is critical to Collingwood's economy, and to that of the wider South Georgian Bay region. Consideration should therefore focus on how to reduce the impact of secondary homes / short-term rentals on local housing affordability while also understanding that these dwelling units may also serve an important economic purpose from a tourism perspective. Surveys completed by the Town have also indicated that some residents have rented their homes

through short-term rental arrangements to ease rising mortgage costs.

The Town of Collingwood has embarked on a regulatory review for short-term rentals, which attempts to balance the positive aspects and challenges of these units.

This section provides a summary of the community and stakeholder engagement efforts that have been undertaken in support of the Affordable Housing Master Plan. The consultation process included a total of two meetings with the public that were co-hosted by the Town's Affordable Housing Task Force, an online survey, and more than 10 meetings with key stakeholder groups, as well as select individual interviews.

The following factors were of utmost importance to NBLC when conducting the consultations:

- **Equity, Diversity & Inclusion:** The need to be equitable in engagement and include a diversity of voices is increasingly recognized as paramount to successful engagement processes.
- **Establishing Trust:** Clearly articulating to participants how their input is helping to shape the evolution of the AHMP helps to close the 'feedback loop' and builds trust between stakeholders and the public.
- **Education as Part of Engagement:** Providing people with the knowledge and context they need to be adequately informed to engage in municipal processes is both a challenge and a critical success

factor. An educational element to consultation helps to allow more people to feel comfortable with sharing ideas.

### 4.1 Purpose of Consultation

As part of the development of this AHMP, NBLC engaged with the public and key stakeholders to achieve the following goals:

- Introduce the development of the AHMP by educating the public and stakeholders on existing housing issues in the Town of Collingwood through the findings from NBLC's Housing Needs Assessment.
- Promote awareness of the benefit to a defined Affordable Housing Master Plan for the Town and the potential it has to provide new housing options to create affordable housing for moderate-income residents.
- Hear from residents, as well as employers, about their current housing situations and receive feedback, advice and considerations on the recommended Strategic Direction Options and Implementation Strategies developed by NBLC to improve housing affordability in Collingwood.

- Hear from targeted stakeholder groups composed of key members of the community about their experiences and challenges related to housing affordability and receive feedback, advice and considerations on the recommended Strategic Direction Options and Implementation Strategies developed by NBLC.
- Consult with the Town's Affordable Housing Task Force on solutions to the affordable housing crisis as an elevated stakeholder group.

## 4.2 Public and Stakeholder Engagement

An online survey was developed and made available to the public through the Engage Collingwood website to allow for online engagement about current housing conditions in Collingwood and to generate ideas to help improve housing options. The survey was available for two months and was completed by 165 participants. Just under 300 people viewed the survey on the Engage Collingwood online page.

The following consultation events took place in support of the Affordable Housing Master Plan:

- **Public Consultation #1 (June 6<sup>th</sup>, 2023):** The first public consultation meeting was conducted virtually with approximately 75 participants attending. The meeting included a shared story from a local Collingwood resident, a presentation from NBLC on the Housing Needs Assessment, and a question-and-answer period where NBLC and the Town responded to comments and questions about the findings of the Housing Needs Assessment, the overall AHMP process, and affordable housing in Collingwood in general.
- **Stakeholder Meetings (June 14<sup>th</sup> - June 30<sup>th</sup>, 2023):** NBLC conducted a series of stakeholder meetings over two weeks in June 2023. An initial ten meetings were conducted, each with a different stakeholder group made up of multiple members. In some instances, follow-up meetings were conducted where the AHMP would benefit from one-on-one conversations with specific individuals. Close to 70 individuals participated and the stakeholder groups that were consulted included:
  1. The Town of Collingwood's Affordable Housing Task Force;
  2. Non-profit groups;

3. Housing providers;
4. Indigenous groups;
5. Community groups;
6. The development community;
7. Local employers;
8. Town of Collingwood Council;
9. Town staff; and,
10. Government groups (other levels of government).

- **Public Consultation #2 (August 15<sup>th</sup>, 2023):** The second public consultation meeting was conducted through a hybrid format, with the meeting occurring in-person at the Collingwood Public Library and also being available live in online webinar format. Approximately 80 participants attended the session. The meeting included a presentation from NBLC on the Strategic Direction Options report, as well as a question-and-answer period where attendees voiced their opinions, provided feedback and inquired about the Strategic Direction Options and overall AHMP.

### 4.3 'What We Heard' Summary

The feedback, advice and considerations shared by participants through the online survey and the above events are captured below. This summary reflects the key points shared by participants through these engagements and is not intended to be a verbatim transcript or to attribute specific comments to any single individual or group (confidentiality was a key component of the stakeholder engagement that allowed for frank and transparent discussions to occur). The star symbol denotes areas where the Town is already taking action.

### Survey Results

- Homeownership is a goal for nearly 70% of respondents.
- Over half of respondents (55%) would not consider adding an accessory dwelling unit to their current home or on their property.
- Many respondents (65%) are not satisfied or only somewhat satisfied with their current housing situation and how it suits their needs.
- Over 40% of respondents are not satisfied with their current housing situation because of the cost of rent, mortgage, and/or utilities.



- An accessory dwelling unit would suit the needs of 40% of respondents.
- Housing affordability is a barrier to over 60% of respondents living in Collingwood, with the biggest challenge being unaffordable pricing (88%).

## Public Consultation

- The future of Collingwood is at stake if action is not taken on the affordable housing issue. It is critically important that municipal processes (e.g., development approvals, funding strategies, etc.) are set to be quicker, faster and better.
- The Town should look to regulate vacation rental units. They should also consider incentives to encourage these short-term rental units to become long-term rental units. \*
- The Town should undertake an exercise to create an inventory of surplus municipally owned properties for affordable housing development. \*
- Recent changes to the Planning Act that allow up to three units on a property will help the issue of affordability but is not a silver bullet. Off the shelf designs for ADU's could be leveraged through this legislative change to help improve affordability. \*

- Finding ways to reduce costs to developers is an extremely effective tool the municipality can do to ensure affordable units get built, however it is only one tool in the toolbox.
- The Town should look at ways to streamline the municipal approvals process. \*
- Reaction to the idea of raising taxes for the purpose of affordable housing was mixed, with some participants noting opposition and others being in favour.
- We need to look long-term and ensure that new affordable housing developments stay affordable longer than 15 to 20 years.
- Residents emphasize the importance to differentiate between affordable and social housing.

## Stakeholder Consultation

- NIMBYism is an issue in the Town of Collingwood. The Town needs to communicate effectively and positively with the public on the topic of affordable housing. \*
- Successful models for developing new affordable housing in the Town will need support from other levels of government.

- One of the main barriers for housing providers and non-profits building affordable housing is financing and equity requirements.
- Local employers are buying houses and renting them out to employees to ensure that they have an affordable place to live that meets their needs. Some others are providing down payment assistance.
- A concierge program to pair developers or non-profit housing providers with groups that have land would help in getting more affordable units built. A program that pairs these partnerships with funding and financing programs will also be important. \*
- Social financing tools should be explored including community bonds, community land trusts, and cooperative housing models. The Town could seed fund the financing of establishing a community land trust.
- Municipalities need enhanced partnerships with private and public groups that can be shared regionally to discuss common affordable housing goals. \*
- The development community cannot operate at a loss and needs the Town to look at a wide mix of options to help. Strategies can include removing development charges, fast tracking approvals, connecting developers with groups that have land, among other options to help units get built at affordable prices.
- Renovation incentives for old housing stock should be provided to readapt or reuse assets.
- Pilot programs are an effective tool for measuring the effectiveness and impact of new affordable housing policy.
- Simcoe County is issuing a 'call for land' for the explicit purpose of building new affordable housing.
- The Town should leverage CMHC's Rapid Housing Initiative and the Housing Accelerator Fund to increase funding for affordable housing. \*
- Alternative housing forms like modular or container housing should be explored as low-cost design options. \*
- Single-family zoning should be eliminated entirely, and zoning should be simplified.

#### **4.4 Integrating Community Engagement with the AHMP**

Aside from the second public consultation event, all the public and stakeholder consultations occurred prior to the development of NBLC's Strategic Direction Options report. This allowed for the commentary, feedback, opinions, and advice that was heard to be integrated into the recommended solutions developed to address the growing affordability issues in the Town.

While many of the suggestions from the public and stakeholders were used to shape the inclusion and direction of the recommended strategies in this plan, not all feedback has been included for a variety of factors (e.g., out of the Town's control, feedback was not legal/implementable, better to be undertaken by other groups, etc.).

## 5.0 Strategic Direction Options

A Strategic Direction Options report was completed in August 2023 (see Appendix B) that laid out a long list of options for the Town of Collingwood to consider as it looks to address growing affordability issues for moderate-income households. This report contained a total of 42 strategic direction options for the Town to consider, organized into the following four categories:

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

A more permissive policy environment will ensure that more housing will be built, and more efficient internal processes should reduce delays, which has positive impacts on project costs and development feasibility. Lowering costs and increasing the supply of developable land creates more elasticity in pricing, allowing developers to compete at a wider

range of prices while still achieving their required return. It also helps affordable housing providers to advance more quickly through the process and with increased certainty.

- **Offer Development Incentives:** The Town of Collingwood needs to provide various incentives to reduce the cost of development for housing providers who are seeking to build the types of housing that are identified as a priority. Development incentives improve the feasibility of new housing that is not already being delivered naturally by the market. There are a wide range of incentives that can be provided by the Town of Collingwood, in addition to the use of Town-owned land for new residential development. Senior levels of government must also play a role here.
- **Act as a Coordinator to Get Affordable Housing Built:** While the Town of Collingwood may not have the ability or resources to construct or fund a significant amount of new housing on their own, they can be a leader in the delivery of new housing in other ways. This includes taking the initiative to declare new residential development and the infrastructure needed to support it as a priority, educating residents, identifying public land for new

- housing, connecting interested parties to potential partners and funding programs, among other initiatives.
- **Advocate to Other Levels of Government:** More active participation from the Provincial and Federal governments will be required to have a more significant and lasting impact on housing affordability, particularly in subsidizing affordable housing development. Advocacy to other levels of government to help in solving housing affordability issues, ideally with targeted requests, will be critical for the go-forward strategy.

The initial list of 42 items from August 2023 has been refined through consultation with Town staff, key stakeholders, Council, and the public, as well as considering best practices, lessons learned in other municipalities, and NBLC's internal expertise. This refined list of options is presented in **Table 4** and represents the recommended strategies for implementation through this AHMP.

This combination of strategies creates an implementable master plan that couples market-oriented land use planning reforms with a proactive government role, including leveraging public land as well as direct investment, to increase the development

of housing that meets the needs of moderate-income households.

When evaluating the original 42-item list, as well as the diversity of feedback received, the following considerations were applied to refine the options presented in this AHMP:

- Does the municipality control the outcome?
- Through consultation with Town staff and legal representatives, is the option legally possible for the Town to implement?
- Can the Town realistically implement an action given current or reasonably projected financial and staffing resources?
- Is the proposed action a duplication of funding / processes / programs already in place with senior level government programs (e.g., National Housing Strategy, County Housing and Homelessness Plan, etc.)?
- Is a proposed action more easily delivered by another level of government or business/non-profit sectors?

- Which actions can be taken-on efficiently by the Town with limited additional financial or administrative burden?
- Which actions will have the biggest impact on housing affordability and supply?
- Can the items be combined in this AHMP to obtain the same result?
- Other similar considerations.

Some of the feedback received has therefore been fully assessed but not recommended for implementation through the AHMP, has been included as something the Town can advocate for or through coordination with neighbouring municipalities and Simcoe County, or are included in the call to action for other community partners who can more effectively and efficiently deliver the desired outcome.

## Methodology

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

### **Impact: How impactful will the direction be in increasing housing options in Collingwood, relative to others?**

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

★ **Minimal Impact**

★★ **Low Impact**

★★★ **Moderate Impact**

★★★★ **High Impact**

★★★★★ **Maximum Impact**

### **Cost: How much should the Town expect the implementation and/or ongoing administration of the strategic direction to cost?**

**\$:** Low-Cost (<\$100,000): This may represent no cost to the Town, a small one-time cost, or the cost of one new staff member.

**\$\$:** Medium Cost (\$100,000 to <\$1,000,000): This may require the hiring of consultants, several staff members, and/or ongoing costs.

**\$\$\$:** High-Cost (\$1,000,000+): Directions in this category are likely to be most significant from a budget and investment perspective.

**Timeline: How long might it take to implement the strategic direction?**

**Immediate:** These can be implemented immediately after the Master Plan is completed. Implementation could take less than a month.

**Near-Term:** These directions can be implemented in less than one year.

**Medium-Term:** These directions are likely to take between one and three years to implement.

**Long-Term:** These directions are likely to take three or more years to implement.



Table 4

| Recommended Approach<br>Town of Collingwood Affordable Housing Master Plan  |                 |                     |                                   |
|---|-----------------|---------------------|-----------------------------------|
|   | Impact (1 to 5) | Cost (\$ to \$\$\$) | Timeline (Immediate to Long-Term) |
| <b>Recommended Policy, Process, and Regulatory Changes</b>  |                 |                     |                                   |
| 1. Refine the Upcoming Comprehensive Review of the Town's Zoning By-Law   | 5               | \$\$                | Near                              |
| 2. Work Towards a Decision Faster (Shorten Approvals Timelines)   | 4               | \$\$                | Near                              |
| 3. Enact a Rental Replacement By-law in Order to Preserve Existing Rental Stock                                     | 3               | \$                  | Near                              |
| 4. Source Simple Pre-Approved 'Off-the-Shelf' Building Designs  | 3               | \$                  | Near                              |
| 5. Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign    | 3               | \$                  | Near                              |
| <b>Recommended Financial Approaches</b>   |                 |                     |                                   |
| 6. Create a Municipal Capital Facility By-law to Offer Incentives for Targeted Projects                             | 5               | \$\$\$              | Medium                            |
| 7. Use Public Land to Deliver new Affordable Housing  | 5               | \$\$\$              | Medium                            |
| 8. Expand Rapid ADU Program to Include More Options   | 2               | \$\$                | Near                              |
| <b>Recommended Coordination Initiatives</b>   |                 |                     |                                   |
| 9. Expand the Existing Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing | 4               | \$                  | Near                              |
| 10. Explore the Potential for Density Bonusing for Priority Projects  | 3               | \$                  | Medium                            |
| 11. Pursue Economies of Scale by Partnering with Other Municipalities   | 4               | \$                  | Medium                            |
| 12. Treat the Private and Non-Profit Sectors as Partners  | 3               | \$                  | Immediate                         |
| 13. Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models                  | 3               | \$                  | Immediate                         |
| 14. Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making                       | 3               | \$                  | Near                              |
| 15. Consider Housing Above or in Conjunction with New Public / Community Facilities                                 | 2               | \$/\$\$             | Immediate                         |
| 16. Explore Alternative Revenue Tools   | 2               | \$\$                | Medium                            |
| <b>Recommended Advocacy Initiatives</b>   |                 |                     |                                   |
| 17. Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments                        | 5               | \$                  | Near                              |
| 18. Advocate for More Revenue Tools to Reduce the Burden on the Tax Base  | 5               | \$                  | Medium/Long                       |
| 19. Advocate for the County to Participate in any Local Incentive Programs  | 4               | \$                  | Medium                            |
| 20. Advocate to CMHC for More Streamlined Access to Funding and Financing Programs                                  | 4               | \$                  | Long                              |
| 21. Ask the Province to Define Attainable Housing and Incentivize It  | 3               | \$                  | Near/Medium                       |
| 22. Advocate for Increased Labour Supply for New Development  | 4               | \$                  | Long                              |
| 23. Request Targeted Funding Where it is Not Currently Available  | 5               | \$                  | Medium / Long                     |
| 24. Advocate for More Progressive Property Taxation Options   | 2               | \$\$                | Long                              |
| 25. Leverage the Collective Power of Municipalities in Advocacy   | 3               | \$                  | Long                              |
| 26. Advocate for the Use of Inclusionary Zoning   | 3               | \$                  | Long                              |

The affordable housing crisis will not be improved without significant action from all levels of government, including the Town of Collingwood. While municipalities have many levers available that can meaningfully impact housing affordability, their revenue tools and overall capital budgeting is limited. Greater action and funding from other levels of government are therefore also necessary to meaningfully address current housing challenges. Participation from the private and non-profit sectors will also be critical in ensuring that new affordable housing supply gets built.

While Town resources are limited, affordable housing is in desperate need of focused and accelerated attention. The Town of Collingwood should therefore plan to allocate as many resources as possible to this file while also leveraging increased support and funding from Simcoe County and senior levels of government. It is not possible for Collingwood, in isolation, to meaningfully influence affordable housing delivery without this collaboration and stacking of financial resources.

Depending on the number of implementation strategies advanced, and the level of involvement from Simcoe County, additional staff resources may be required to

assist the Town's Housing Development Coordinator. Given the limited budget for funding affordable housing, efforts should be made to ensure that any new staff salary is not funded through the affordable housing reserve fund.

It is also highly recommended that the Town report on affordable housing issues annually and utilize lessons learned over time to adjust any programs and policies to maximize effectiveness. The strategies incorporated in this report should be a 'living document' that are constantly being refined as the market, funding, and policies shift over time. Section 7.0 of this report to follow provides recommendations for reporting and monitoring on the AHMP.

### 6.1 Priorities for the AHMP

The HNA, Strategic Direction Options Report, and consultation / feedback throughout the AHMP process has identified the following housing types to be prioritized, in this order:

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

Affordable rental housing should be the highest priority in the Town of Collingwood. However, the shortage of market-rate rental housing in Collingwood, as noted in the HNA, and the economic challenges associated with building this housing type justifies making it a secondary priority for any housing programs offered by the Town.

## 6.2 Financial and Staff Resources

A key variable impacting the implementation of this AHMP is the capacity of current Town staff and the budget available to fund the identified actions.

The Town has recently hired a Housing Development Coordinator who will be the primary individual responsible for the implementation of this AHMP, with assistance from the wider Planning Division and a variety of senior managers. Beyond the Housing Development Coordinator, the Town has indicated that staffing resources are currently limited in their ability to absorb administrative responsibilities resulting from the implementation of the AHMP. While some of the initiatives recommended for implementation can be handled by the Housing Development Coordinator, additional staff may also be necessary as identified in the sections to follow.

Affordable ownership housing opportunities through non-profit groups like Habitat for Humanity may also be compelling. Flexibility for the Town will be key. Interest in housing programs can vary from year-to-year, so flexibility in what is available and to who will allow the Town to be nimble and be as impactful as possible.

The Town has been budgeting \$350,000 annually in recent years to fund affordable housing programs and strategies. It is recommended that this budget be increased to at least \$1.0M, and ideally \$3.0M annually to more effectively implement the strategies identified.

While Sections 6.3 to 6.6 of this Plan highlight the specific actions recommended for implementation, Section 6.7 offers guidance as to how the Town might proceed depending on the budget and staffing provided.

The following presents the strategies recommended for implementation through the AHMP:

## 6.3 Policy, Process & Regulatory Changes

Significant changes to planning policy province-wide are needed to increase housing supply. The Town of Collingwood is currently completing an update to its Official Plan, which is making strong progress towards

creating a more permissive planning environment for new housing.

Beyond the Official Plan, we recommend that the Town of Collingwood review the zoning by-law to assess areas where the delivery of housing could be streamlined. A review of the zoning by-law is budgeted to begin in 2024 after the new Official Plan is adopted and should not therefore utilize any significant amount of the Town's financial resources being dedicated towards the implementation of the AHMP strategies to follow. A caveat is that some of the recommendations may extend project timelines and increase the likelihood of appeal, both of which have financial ramifications. Ensuring a robust public education campaign will be critical and budget should be allocated to support this effort.

The creation of a more permissive planning environment, where housing outcomes are permitted as-of-right, will allow development of all types (e.g., affordable and market) to advance more quickly and with greater certainty and reduced risk. It will also allow for gentle intensification within neighbourhoods, which zoning currently restricts.

Other by-laws are also recommended in this strategy to protect the existing supply of rental housing. The rental housing stock in Collingwood has shrunk over the past two decades at a time when demand has never been higher.

## #1: Refine the Upcoming Comprehensive Review of the Town's Zoning By-Law

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

The following are key housing outcomes that should be strongly considered by the Town as the Zoning By-Law review begins:

- **Upzone along arterial roads:** Where it does not exist already, the Town should consider opportunities to upzone along arterial roads where the lot depths and other factors might allow. We understand the new Official Plan is proposing heights up to 8 to 12-storeys in some areas.
- **Eliminate single-family-only zoning:** Eliminating single-family-only zoning is not meant to restrict the construction or existence of single-detached homes, but rather to end zoning that only permits this built form. In any residential 'neighbourhood' – even

those that are primarily low-rise homes – semi-detached, townhouses, and multiplex built forms should be permitted as-of-right to increase housing options. The Town of Collingwood should eliminate its R1 zoning category. The R2 category should also be expanded to include, at minimum, permissions for townhouses and denser multiplexes than just duplexes.

- **Allow more density in neighbourhoods:** The Province through Bill 23 has already required that three units be permitted as-of-right on any serviced residential parcel. There is an opportunity to take this further by ensuring medium-density housing types like traditional, back-to-back and stacked townhouses are allowed as-of-right in neighbourhoods, as well as denser multiplex homes like four and six-plexes (e.g. encourage more “missing middle”). Legalizing rooming houses (which could even be used as employee housing) in all residential zones would also be beneficial, as well as other apartment typologies where appropriate. We understand the new Official Plan is proposing heights between 3 and 8-storeys in existing established neighbourhoods to promote intensification and conversion of single unit

dwelling to higher density housing types while maintaining character and compatibility.

- **Allow residential development to be integrated into designated commercial areas:** The nature and need for brick-and-mortar retail has changed. Large-format retail plazas are being re-imagined across Ontario to incorporate a mix of residential uses on existing surface parking lots and create more complete communities. The Town of Collingwood should recognize this emerging trend and create a related policy framework that provides flexibility to add housing supply to these commercial properties. Importantly, this would put more housing within walking distance of key commercial amenities. We understand the new Official Plan sets the groundwork for this change in the future by eliminating all stand-alone commercial designations.
- **Eliminate minimum parking requirements:** Parking can add significant costs to apartment developments, particularly if it needs to be located underground. Eliminating minimum parking requirements for mid and high-density developments would allow housing providers to provide parking based on market expectations as

opposed to policy requirements, building only what is needed. We understand that some opponents of no parking minimums are concerned about a potential increase of residents parking on streets. In our view, this is an enforcement issue, not a planning issue.

- **Avoid protecting stability at the expense of new housing:** Unless the proposal is in a heritage district, better balance the preservation of the community with the creation of housing supply through an amended zoning by-law. It is probable that with careful reconsideration, low-density zones could allow for a broader range of more dense housing formats while still protecting the character of the local area. In particular, any future updates to the Town's Urban Design Manual should aim to simplify requirements, focus on aspects of design within the municipality's control, and reinforce those elements that support sustainable development forms.
- **Update other zoning permissions as necessary to accommodate the above changes:** The Town should review the by-law to make any necessary changes related to items like setbacks, building depths, minimum lot sizes, floor space index, and

others to accommodate the noted recommendations.

- **Simplify the Zoning By-Law:** Simplifying the Town's zoning by-law could also have a positive impact on getting more housing supply built, making it easier for prospective housing providers, particularly smaller groups and residents, to get to the construction phase more quickly and/or to increase the number of participants in housing delivery.

**The Town should implement these changes through the Comprehensive Zoning By-Law Review that will take place in 2024.**

**Of note, some of these items, particularly those related to parking reforms, can be advanced more quickly and ahead of the zoning by-law review. It is recommended that these be initiated immediately, if possible.**

## #2: Work Towards a Decision Faster

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

The Town of Collingwood should strive to speed up and simplify the development approvals process to increase housing supply. This could in turn reduce the cost of all new residential development without requiring direct subsidies. We understand the Town of Collingwood has embarked on a Development Process and Fees Review and the recommendations in this Master Plan should be provided to the lead consultant for consideration. Recommendations from the Review project have not been confirmed in the Town's budget and investment would be required in 2024 and beyond to implement the desired program enhancements that are currently over and above existing capacity.

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

However, the Town of Collingwood should explore whether there are other ways that they can speed up their own internal processes to spur more construction activity. Designing internal processes to match staffing capacity is a key step in ensuring that those processes are efficient.

In addition to the reforms noted in the previous section, some other steps that may allow the Town to increase the speed at which housing is delivered include, among others:

- Limiting the number of public consultations to only what is required by the Planning Act, particularly for applications that conform with local planning policies. Utilizing existing technology for additional input (e.g. ensuring that public consultations have a hybrid in-person-virtual approach, allowing for comments through the Town's website, etc.), as needed, should be sufficient.
- Streamline the process for low-risk or uncomplicated development applications.
- Streamline the approval of building permits.



- Streamline pre-application meetings to ensure that a decision can be made quickly once an application has been submitted.
- Critically review and consider reducing the number of required studies for certain residential developments.
- Eliminate peer review requirements, where possible, if initial studies are completed by qualified professionals or firms qualified by the Town.
- Improve communication and decision-making between departments to support a more efficient approvals process, primarily through investment in tracking technology as a one-stop shop for all communications and review related activity of a file.

We would also recommend fast-tracking priority projects. In this case, we would recommend that those priority projects either be ones that provide affordable housing for moderate and low-income households, or market-rate purpose-built rental units. This would help speed up the delivery of the housing that is most needed in Collingwood. The Town has made initial process changes that would support this recommendation by assigning the Housing Development Coordinator as a concierge, advocate,

and “one window” contact for affordable housing projects.

The Town is currently completing a Development Process and Fees Review. In addition to the zoning changes, which can have a significant impact on reducing approval timelines, the Town should also investigate the strategies identified here to reduce timelines and increase the speed at which housing can be delivered.

**The Town should investigate these changes through the implementation of the Development Process and Fees Review, which is currently underway and expected to be completed in 2023. The Town should also monitor approval timelines to ensure applications are advancing more quickly through the process as changes are implemented.**



### #3: Enact a Rental Replacement By-Law in Order to Preserve Existing Rental Stock

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

As identified by the HNA, the Town of Collingwood has seen a decline in its purpose-built rental stock over the past several decades, declining from a high of 782 units in 1991 to just 562 units in 2022. The reason for the decline is that rental demolition and conversion to condominium tenure housing has outpaced the construction of new purpose-built rental housing in Collingwood over the past 30+ years.

Given that many of the older rental buildings in Collingwood provide relatively affordable monthly rents, it would be beneficial for the Town to take action to increase the difficulty at which these units can be removed from the market. One way to do so is with a rental replacement by-law. Section 99.1 of the Municipal Act grants municipalities the authority to regulate or prohibit the demolition or conversion of residential rental properties with six units or more. The City's of Toronto and Mississauga currently have a rental replacement by-law in force.

While the Province's Bill 23 gives the Minister of Municipal Affairs and Housing new powers to impose limits and conditions on municipal authority in this area, it is still worthwhile to implement a rental replacement by-law to avoid further reduction of the already limited rental supply in Collingwood, and to protect existing renters from displacement.

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

To support landlords in maintaining these buildings in a state of good repair, the Town's Housing Development Coordinator should become familiar with and direct interested parties to funding programs that support the renovation of older rental buildings, such as the Co-Investment Fund Repair and Renewal program offered through the National Housing Strategy.

The Town should investigate a Rental Replacement By-Law in tandem with the Comprehensive Zoning By-Law Review that will take place in 2024. This will also allow time for greater clarity from the Province on some of the proposed changes to the Municipal Act. Staff resourcing may be required beyond what has been estimated for the Zoning By-law Review to draft the by-law.

#### #4: Source Simple Pre-Approved ‘Off the Shelf’ Building Designs

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

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

program. This would represent an expansion of something that Collingwood is already doing.

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 Town should consider a similar pre-approved ‘off-the-shelf’ approach but adapt it for medium-density building types that are recommended to be permitted across Collingwood. To do so would require hiring an architect to design some simple home designs for a variety of building scales – duplex, triplex, fourplex, sixplex, townhouses, stacked townhouses, and low-rise apartment buildings (3 and 4-storeys).

Simple, modular housing options could even be included to lower the cost of construction and further support our later recommendation on creating an enabling environment for alternative construction techniques. It could also make sense to use some of these designs as the basis for new development on Town-owned lands.

This should be completed in parallel with the Town's Comprehensive Zoning By-Law Review, which will also ensure that the new zoning regulations permit these types of built forms without the need for costly amendments. A financial investment will be required beyond the baseline Zoning By-law Review.

### #5: Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign

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

The Town of Collingwood is in need of a paradigm shift in terms of how new development, intensification, and affordable housing is viewed. Through the Comprehensive Zoning By-Law process, significant public consultation is expected to occur, which will begin this process.

Beyond the Zoning review, Town Council and staff should hire a communications / marketing firm to move forward with a new communications strategy / public education campaign with the goal of shifting public

opinion on the importance of increasing housing supply and creating more housing options in the market.

This campaign should have a positive tone, should be utilized to teach residents why new housing investment and growth is beneficial to them, and help to dispel some of the myths around new development. This public education campaign should also be used to push back against local NIMBYism and better inform community members to reduce delays in the approvals process. There is a clear role for the Town's Affordable Housing Task Force in helping to spread the message of the campaign within the Town of Collingwood at a more grassroots level.

Should the funds for a professionally created and delivered campaign not be available, the Town could continue to rely on the Task Force to lead education initiatives and develop a more targeted NIMBY to YIMBY (Yes In My Back Yard) campaign. This Task Force led educational campaign would require alignment with Town communication standards and policies and would therefore require resources, in some form, from Corporate Communications.

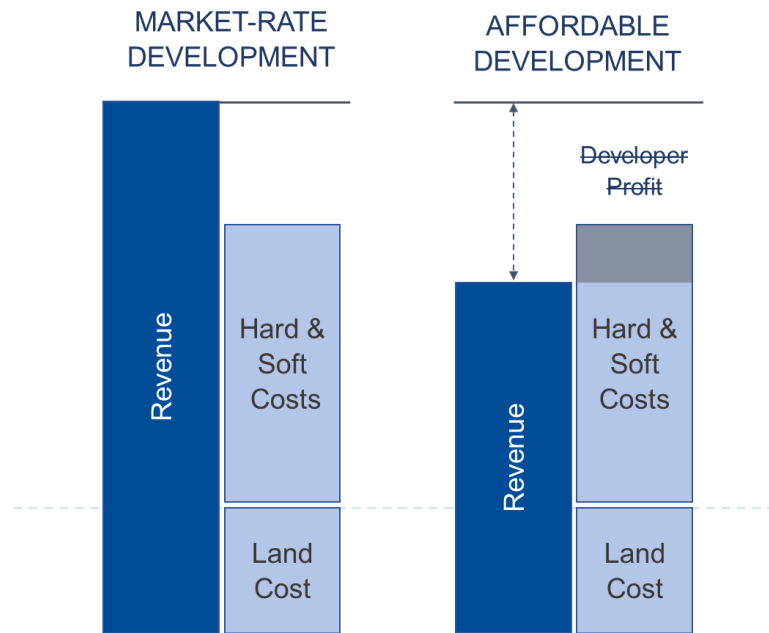
During the Town's Comprehensive Zoning By-Law Review, the Town should hire a marketing firm to undertake this campaign. Such a campaign is likely to cost in the range of ~~\$30,000 - \$50,000~~ and can come from the Affordable Housing Reserve Fund if a separate funding source cannot be found.

Should those funds not be available, the Town could continue to rely on the Task Force to lead education initiatives and develop a more targeted NIMBY to YIMBY (Yes In My Back Yard) campaign. This Task Force led educational campaign would require alignment with Town communication standards and policies and would therefore require resources, in some form, from Corporate Communications. It would also require collaboration with the Town's Zoning By-Law consultant team.

## 6.4 Financial Approaches

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

**Figure 10: Affordable Housing Example**



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

The Town of Collingwood should aim to reduce the cost of development using development incentives (e.g., capital subsidy, property tax breaks, free/discounted

land, etc.) to encourage private sector and non-profit developers to participate in the delivery of affordable and market-rate rental housing. Affordable housing should be the highest priority for incentives, but market-rate purpose-built rental development should also be considered as a secondary priority given the limited new investment occurring in Collingwood. Combining both objectives (i.e., mixed-income development) that includes both affordable and market rental housing on public lands would be an effective strategy that also reduces the amount of subsidy that might be required.

Notwithstanding the above, it must be identified that subsidizing affordable housing is expensive. Most programs offer incentives in the range of \$85,000 - \$300,000 per unit for moderately affordable housing between 80% and 120% of Average Market Rent ('AMR'). The affordability range for moderate-income households in Collingwood ranges from 95% - 140% of AMR. While the Town will be required to waive development charges, parkland fees, and community benefit charges for housing below 80% AMR when recent changes through Bill 23 come into effect (unless the definition of "affordable housing" under the Development Charges Act is amended), in addition to senior government waiving of HST on new rental

investment, significant subsidies remain for new housing that is affordable for moderate-income households to be viable.

It is therefore paramount that should the Town wish to implement an incentive program as recommended in this Master Plan, Council find ways to increase the annual affordable housing budget, while also leveraging increased funding and support from Simcoe County and other levels of government. It is important to identify that Simcoe County is also advancing an Attainable Housing Action Plan that is also focusing on strategies to meet the needs of moderate-income households.

Any incentive program implemented through this AHMP should align with and have the capacity to easily stack with funding that might be made available through the County. It is also important that the Town coordinate funding and financing through the National Housing Strategy programs that provide grants and lower cost financing to affordable rental housing projects. Coordination efforts can include educating interested parties on funding programs, identifying how local and County initiatives can stack with other programs available, and help applicants apply to programs where necessary/appropriate.

## #6: Create a Municipal Capital Facility By-Law

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

We recommend that the Town create a Municipal Capital Facility By-Law ('MCFB') under Section 110(9) of the Municipal Act. A MCFB is almost identical to a Community Improvement Plan (CIP) but has additional flexibility and is easier to implement. Many communities have been using a MCFB over a CIP for this reason, and there are no identified challenges of using a MCFB over a CIP. A MCFB allows both the Town and the County to offer a range of incentives to the private and non-profit development community in exchange for affordable housing. Incentives can include:

- Capital grant (i.e., not tied to any fee or charge);
- Grants tied to specific fees and charges (e.g., development charges, planning applications fees, building permits, parkland fees, etc.);
- Low-cost or forgivable loans;
- Tax Increment Equivalency Grants for property taxes (TIEG);

- Public land at discounted or no cost;
- Exemption or reduction from property taxes; and
- Exemption or reduction from development charges.

To enact a MCFB, a municipality must define affordable housing, define the eligibility requirements, including references to current acts and legislation, prepare a summary of the provisions that agreements must contain, and other language as required by the Act. The approval or amendment of the by-law requires Council endorsement but does not carry appeal rights or consultation requirements and can therefore be enacted more quickly than a Community Improvement Plan under the Planning Act.

Once the by-law is enacted, a municipality can then enter into individual agreements, referred to as Municipal Capital Facility Agreements, with selected projects. These agreements will explicitly characterize the project, if the project is meeting or exceeding the definition of affordable housing in the by-law, detail the incentives being offered, and other similar items. An agreement with the development, including the number of units, length/depth of affordability, and other conditions are registered against the title of the property. Through annual reporting to the municipality,

if a project does not comply with these requirements, the owner will pay back the prorated incentive provided. This ensures compliance, over the long-term, with any conditions placed on the provision of municipal funding.

The implementation of the overarching MCFB will therefore enable the Town to offer incentives, including low or no-cost public land, in exchange for affordable housing. It is recommended that the Town implement the MCFB, regardless of the budget or staffing resources made available.

Given the limited financial resources currently available, flexibility in both program structure and implementation will be important:

- Affordable housing should be defined based on the needs in the HNA, but also include flexibility to ensure the by-law does not require constant updates. It should also include both affordable ownership and rental, allowing flexibility to incentivize outcomes as opportunities become available:
  - Affordable Rental Housing: Housing Units offered for rent, for which the monthly rent is at or below 170% of the Average Market Rent ('AMR') as determined by CMHC each year for



the Town of Collingwood for a period of no less than 20-years<sup>2</sup>.

- Affordable Ownership Housing: Housing units offered for sale by Affordable Non-Profit groups serving moderate income households.
- The above definitions will allow the Town to incent a wide variety of outcomes, including affordable ownership non-profit groups such as Habitat for Humanity, Options for Homes, Trillium Housing, and others. While 140% of AMR is the current benchmark affordable to groups in the 6<sup>th</sup> income decile in Collingwood, including a higher benchmark in the overarching MCFB will allow the Town to incentivize market-rate rental as well as mixed-income projects, if desired.
- The by-law should also permit the Town to use, at their discretion, all of the incentives available under the Act.
- In addition to creating new housing, the by-law should also allow the Town to offer incentives, and

particularly property tax abatements, to assist non-profit groups with the acquisition of existing older apartment buildings as a means of protecting older and relatively affordable rental supply from being gentrified.

- A sample MCFB is provided in **Appendix C** of this report. As the Town looks to implement a MCFB, this by-law should be refined in consultation with Simcoe County and Town legal. Agreements that are registered on the title of land should also be created by the Town's legal staff.

Having a MCFB in place will allow the Town to offer financial incentives, including discounted or free land (see following sub-section of this report) as opportunities arise and program budget allows. Should Simcoe County advance a similar program, the Town could either allocate budget to the County program or offer incentives through their MCFB, which can stack efficiently with any County MCFB or CIP.

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<sup>2</sup> 170% of AMR, as defined by CMHC, represents market or near market rental housing. Setting a high baseline eligibility criterion allows the municipality to be flexible, incent both affordable and market rate housing if desired, enables the incentivizing of mixed-income development on public land, and provides enough flexibility that the by-law should not need updating. It does not prevent the municipality from only incenting more deeply affordable housing. Similar benchmarks have been used in both Peel and York Region. The affordability benchmark of Moderate Income Households in Collingwood related to approximately 95% - 140% of AMR.



In terms of establishing a program structure, the following is recommended.

### **Option 1: Current Annual Budget Contribution to the Affordable Housing Reserve Fund is Maintained**

- The Town does not currently have a sufficient budget, or staffing resources, to justify a formal incentive program with a defined application and approval process.
- As such, the Town should advance the MCFB recommended in this AHMP and seek to partner with Simcoe County. If the County advances their own incentive program, the Town can use the MCFB to offer additional financial assistance to projects selected by the County that are within the Town of Collingwood. Participation in a County-led program will largely eliminate the administrative burden to the Town of operating their own program, while also improving the available budget and funding available.
- If Simcoe County does not advance an incentive program, the Town should create a webpage that highlights the MCFB and the depth of affordability

that is eligible for incentives. The Town's Housing Development Coordinator can then respond to inquiries and recommend to Council that incentives be provided to identified projects if budget is available and the project aligns with municipal objectives / this AHMP. These conversations can also advance through the Housing Development Coordinator's role in the concierge program.

- In addition to offering free and discounted land, the Town can also use the MCFB to stack financial incentives to secure housing outcomes, which will likely be necessary in addition to funding from Simcoe County and other levels of government.

### **Option 2: Budget is Increased to \$3M or More Annually**

- If a larger annual budget can be secured, the Town can consider advancing a more formal incentive program where developers apply, and applications are reviewed and approved by Town staff based on criteria approved by Council or on a first-come, first-served basis through a time limited application window. Funding can then be allocated to projects that are approved through the application process.

- With this more substantial budget, which might create around 30 units annually assuming an average subsidy of \$100,000 per unit, creating a formal incentive program with a defined application process would allow for the efficient review and approval of applications<sup>3</sup>.
  - To undertake the above, the Town will require additional staff with expertise in affordable housing, development economics, and real estate analysis.
  - The Town will also need to allocate staff resources or hire a consultant to prepare a program webpage, program description, application forms, and application review criteria.
- Without this more substantial budget, creating this formal incentive program is likely to only ‘lock-in’ valuable budgetary resources with very little up-take.

**The MCFB should be created and implemented upon approval of this AHMP. The Program’s structure should be determined once the Town’s budget is confirmed, and the Simcoe County Housing Attainable Supply Action Plan is approved.**

## **#7: Use Public Land to Deliver New Affordable Housing**

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

Like incentives, no-cost or low-cost land is a way to subsidize the development of new affordable housing and can have a significant impact on project affordability, but also has a significant financial impact on the Town by essentially negating any future revenues from the sale of the lands.

<sup>3</sup> Examples of current best practice programs include:

The Region of Peel: <https://www.peelregion.ca/housing/development/affordable-housing-incentives/program-details/>

City of Toronto: <https://www.toronto.ca/community-people/community-partners/housing-partners/housing-initiatives/open-door-affordable-housing-program/>

Region of Durham: <https://www.durham.ca/en/regional-government/regional-incentives.aspx#AHIP>

The Town of Collingwood should utilize Town-owned land for new affordable housing or mixed affordable and market-rate housing as a means of lowering the cost of delivery and retaining a measure of control over development outcomes.

It is not recommended that the Town either develop the sites on their own or own/operate the affordable units. Rather the Town should leverage the expertise in the private and non-profit sectors, or alternatively Simcoe County as service manager, to select the developer and long-term owner/operator partners through the process described to follow.

The Town's Affordable Housing Task Force has already short-listed three Town-owned properties for new affordable housing development, with Council having resolved to recognize and champion the Task Force's recommendations for the properties in March 2023 and to ensure that Official Plan designations on those properties are appropriate to support higher density, mixed use development.

While the Town and Simcoe County has already conducted a portfolio review of public lands to identify additional properties that can be made available, this should be done periodically to create a 'pipeline' of

properties that can be used for affordable housing. In addition to these properties, the Town should consider acquiring other surplus institutional properties such as surplus school or church sites as they become available, or alternatively supporting non-profits and other groups to acquire these lands for new affordable housing delivery. Lastly, any Town project related to other municipal land needs or uses such as an Arts Centre or Multi Use Recreational Facility should consider the integration of affordable housing within those projects where possible.

As will be explored to follow, considerable costs and resources can be encountered when disposing of public land in exchange for affordable housing. Like the incentive program, the following options are provided:

### **Option 1: Current Annual Budget for Affordable Housing Initiatives is Maintained**

Simcoe County is issuing a call for land later in 2023. Given the limited budget available, the Town should transfer lands to Simcoe County, who would undertake the disposition process. This could be an attractive option given that Simcoe County has larger resources than the Town and has significant experience carrying

out these processes in their role as Service Manager. Simcoe may also build on these lands directly with affordable or mixed-income rental housing.

While the Town may lose some control over project outcomes and timing, this would be an effective strategy to transfer much of the anticipated administrative and financial burden to Simcoe County while enabling Town staff to focus on other priorities identified in the Plan.

## **Option 2: Budget is Increased to \$3M or More**

With an increased budget, the Town could allocate more resources (including the additional staff member identified previously) to undertaking the land disposition process internally. Alternatively, the Town can transfer lands to Simcoe County, while directing more funds to the incentive program.

The following process is recommended for any future Town-owned property being used for new affordable housing development:

- Create certainty in development entitlements and maximize achievable density on the property.

- Maximize the number of affordable housing units that can be delivered by remaining open to mixed-income developments as a means of subsidizing the affordable housing units.
- Set preliminary criteria related to depth of affordability, length of affordability, and target income groups. These criteria should be refined as analysis is undertaken on the site and funding requirements are better understood.
- Prioritize rental tenure development over ownership. A mixed-income rental tenure development could provide the benefit of delivering two types of housing that are currently in short supply in Collingwood.
- Notwithstanding the above, some sites may be appropriate for non-profit affordable ownership groups such as Habitat for Humanity, particularly if properties are likely to only accommodate lower-density housing types.
- Offer the property without cost, or at below market value. It is not recommended that Town-owned lands be sold at full market value, later reinvesting proceeds into other incentives/priorities, unless there is a clear rationale that will allow for the delivery of more affordable units. It is also not

recommended that the Town retain ownership and operation of the affordable housing developments, as this can be more efficiently and effectively provided by a not-for-profit, private housing operator, or Simcoe County as Service Manager.

- The Town can also investigate the possibility of a low-cost land lease option rather than disposition; however, this must be evaluated through a proforma and economic analysis to ensure the economics are aligned with project feasibility.
- Be open to creative solutions around construction techniques, building design, and housing models that can reduce the cost of development on Town-owned land, support more affordable housing delivery, and support the Town's housing needs and priorities.
- Identify partners to not only develop the housing, but also operate any affordable housing units after construction is completed.

To ensure transparency and that the best project with the largest number of affordable units, greatest affordability depth, best value for money, or meeting other community benefit criteria is selected, for any site identified for new affordable housing, the Town should

undertake a Request for Expression of Interest ('RFEOI') and Request for Proposal ('RFP') process to select a development partner. While a RFEOI may not be necessary for every property, it helps the Town understand interest in the property, the availability of partners and funding, and if preliminary expectations / requirements need to be adjusted.

### **Disposition Preparation:**

- Identification of property to be offered in exchange for affordable housing.
- Initial due diligence on the property to uncover any known issues.
- Preparation of an initial concept plan for the property, including an initial list of minimum required criteria related to number of affordable units, affordability depth and length, tenure, and other similar items.
- The Town should advance planning approvals if required and recommended by the Town's project team.
- Investigation into the value of the land relative to the requested affordability through proforma and economic modelling. Land lease vs land sale can

also be investigated at this time. This analysis should also determine whether additional incentives/ funding in addition to discounted/free land is required for a project to advance.

- If it is not already in place, it is recommended that the Town establish a Vendor of Record roster of required expertise including planners, architects, financial experts, and a firm experienced in disposition and proposal call management. This will allow the Town to retain a team quickly to evaluate these issues as sites become available.
- While every site is different, this roster of site development expertise may require between \$50,000 and \$125,000 or more per property.
- Prepare required RFEOI and RFP documents with a careful evaluation of potential risks and mitigation strategies thereof. Retain a process advisor and solicitor or assemble an internal team with appropriate skillsets to execute the proposal call.

### **In-Market: Two-Stage RFEOI and RFP Process:**

- Issue an expression of interest to the development and non-profit community to gauge interest in the site and begin an initial ground truthing of the property and the requested affordability component. This could also be used to evaluate the capacity and track record of potential proponents and to shortlist groups for a subsequent stage of a disposition process.
- The Town should begin initial conversations with CMHC around financing and funding through the National Housing Strategy, as well as discussions with Simcoe County around funding availability and resources they could provide.
- The Town would then initiate an RFP process and allow groups to compete for the property, including both a developer and operator of the affordable units. Evaluation criteria should be established to evaluate proposals as they come in. The RFP process could be structured in a manner that incents proponent performance by measuring key performance metrics like the number of affordable units, desired mix of unit types, depth, and duration of affordability, among others.

Once the approach to Town-owned land is confirmed, the Town should act on at least one of the identified properties immediately, once resources to run the project are secured. This includes either transferring identified sites to Simcoe County or retaining a roster of experts and carrying out the identified disposition process.

The Town should also begin to work with other community partners to identify lands available within the municipality immediately (e.g. school board, churches, private donors, etc.).

## #8: Expand the Rapid ADU Program to Include More Options

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

The Town of Collingwood's existing Rapid ADU ('Accessory Dwelling Unit') Deployment Program – along with the additional financial incentives provided through Simcoe County's Second Suites Program – has successfully led to the creation of a number of new secondary suites with relatively affordable rental rates.

It is recommended that the Town of Collingwood consider expanding the Rapid ADU program to include more options, particularly in consideration of the survey results which indicate that 40% of respondents would have their housing needs met by ADUs. It was noted during stakeholder engagement that there are properties within the Downtown, in particular, that have upper levels that are sitting vacant or underutilized and could otherwise be used as residential units. It is therefore recommended that the owners of these properties be able to access funding through the Rapid ADU program if they wish to convert the upper level of their buildings to residential, or to make any necessary renovations to improve these spaces as residential opportunities in the community. These incentives can either be offered through the Town's existing ADU program, through modest modification, or through the MCFB recommended for implementation.

We would also recommend lobbying Simcoe County to extend the eligibility of their funding to match any expansion of the Town's program to improve effectiveness and potential take-up.



**The Town should implement these changes upon approval of the AHMP.**

## 6.5 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 solve the affordable housing crisis. While the Town of Collingwood may not have the ability or resources to construct a significant amount of new housing on their own, they can take a coordinator or leadership role in the delivery of new housing.

The recommended coordination initiatives are not as impactful as planning reform and development incentives but are nonetheless still important for the Town of Collingwood to consider as part of the AHMP.

Our recommendations for coordination initiatives as part of the AHMP include:

- **#9: Expand the Existing Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing:** 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. The Town of Collingwood should expand the existing ‘concierge’ program whereby interested parties – those with equity/capital, landowners, developers, or others – that otherwise may not cross paths, can be connected to help deliver more housing, both affordable and market-rate. The Town’s Housing Development Coordinator should undertake this role.

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

- **#10: Explore the Potential for Density Bonusing for Priority Projects:** The Town of Collingwood should explore ways to incorporate density bonusing for priority projects or to achieve specific housing outcomes. For example, it could be beneficial if the Town could provide additional height or density to a project if a certain percentage of the additional units gained were priced within a particular range of affordability. While density bonusing was removed as a statutory option under the Planning Act, there may be other tools available to achieve the same



goals, such as through the Community Planning Permit System or Community Benefits Charges. Legal advice is required prior to action on this recommendation.

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

- **#11: Pursue Economies of Scale by Partnering with Other Municipalities:** Recommendations like the expanded concierge program and ‘off-the-shelf’ building designs could benefit from economies of scale if several municipalities come together to work on the initiative together as partners. These types of items could also benefit from the County taking a leadership role and overseeing these programs, partnerships, or services. This could be accomplished within the existing mandate of the Housing Development Coordinator to explore and foster partnerships.

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

- **#12: Treat the Private and Non-Profit Sectors as Partners:** Partnerships are going to be a key part of the successful execution of the recommendations in this Master Plan and of the delivery of new

affordable and market-rate housing in Collingwood. The Town is going to need to lean on a wide variety of partners in the coming years ranging from private sector developers, non-profit organizations, housing operators, other local municipalities, and other levels of government. Speeding up the approval process, combatting NIMBYism, advancing market based as-of-right zoning efforts, implementing the expanded concierge program, working with the development community on incentive programs and public land, and other recommendations in this plan will all advance this effort.

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

- **#13: Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models:** The Town of Collingwood should create an environment that is welcoming to creative ideas related to construction techniques, housing types, building designs, funding models and other elements of the development process. In many cases, there are emerging options that can reduce costs and construction timelines relative to more traditional developments. Though no specific barriers to these innovative housing forms have been identified, there is an opportunity to utilize

some of these creative options on Town-owned land or to create pilot programs that put the Town of Collingwood at the leading edge of some of these emerging alternatives.

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

- **#14: Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making:** The Town of Collingwood 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. Recommendations are provided in Section 7.0 on collecting market data for the purpose of monitoring the AHMP. Depending on the type of data, the assistance of an outside expert consultant may be required.

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

- **#15: Consider Housing Above or in Conjunction with New Public / Community Facilities:** This would add density in proximity to important community amenities, in addition to using public lands more effectively and efficiently.

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

- **#16: Explore Alternative Revenue Tools:** Property taxes provide the highest potential for raising revenue to allocate towards development incentives, though most municipalities are likely to prefer to look elsewhere to reduce the burden on the property tax base. Given this, we would recommend exploring the limited number of other revenue tools that are available to municipalities as a means of raising revenues that can be used towards housing outcomes. This could include a municipal accommodation tax, vacant homes tax, ridesharing fees, landfill levy, or licensing fees (e.g. for short-term rentals).

While these tools should be explored, it will be important to consider that their potential to raise significant revenues will be limited compared to property taxes. In some cases, administrative costs may outweigh the revenue that is collected. We note later in our recommendations that the Town should advocate to the Province for additional revenue tool options.

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

## 6.6 Advocacy Initiatives

The Town of Collingwood has limited resources to deal with the growing shortage of affordable housing and can only do so much on their own. More active participation from the Provincial and Federal governments will be required moving forward to have a more significant and lasting impact, particularly when it comes to subsidizing new affordable housing development. As such, the Town of Collingwood should be advocating to other levels of government for help in solving their affordability issues, ideally with targeted requests.

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

Our recommendations for advocacy initiatives as part of the AHMP include:

- **#17: Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments:** While in a condominium apartment,

the developer can pass HST off to individual buyers in the purchase price of a unit, the developer is the one who has to pay the HST for a new purpose-built rental development. This adds significant cost to the purpose-built rental development and the difference in cost is one of the reasons that most new apartment development in Ontario is condominium tenure. Advocacy by the Town on this front has already started in response to the Minister of Municipal Affairs and Housing to prioritize the recommendations of the Province’s Housing Affordability Task Force report.

As of the writing of this report, the Federal government has announced that the Federal portion (GST) of HST will be waived for new rental housing. While the Province has noted their intention to waive the Provincial portion (PST), a formal announcement has not yet been made.

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

- **#18: Advocate for More Revenue Tools to Reduce the Burden on the Tax Base:** The revenue tools currently available to the Town of Collingwood are limited, requiring an over-reliance on the

property tax base. The Town of Collingwood should advocate to the Province of Ontario for greater flexibility in how they collect revenues to pay for municipal priorities like affordable housing. Specific suggestions are provided in the Strategic Direction Options Report in Appendix B.

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

- **#19: Advocate for the County to Participate in any Local Incentive Programs:** As the Town of Collingwood pursues a MCFB to implement new incentives for housing providers, we recommend advocating to the County to participate in any new incentive programs. Alternatively, the Town may advocate that the County take the lead on an incentive and land program, with Collingwood participating in a County-led program. As the County advanced their own Attainable Housing Supply Action Plan, the time for advocacy is now.

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

- **#20: Advocate to CMHC for More Streamlined Access to Funding and Financing Programs:** We have heard time and again about the challenges for

housing providers in accessing CMHC's funding and financing programs. We would recommend that the Town of Collingwood advocate CMHC and the Federal government to create a more streamlined process to access these funding and financing programs for these groups to more easily access low-cost financing to create new affordable and market-rate rental housing.

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

- **#21: Ask the Province to Define Affordable and Attainable Housing and Incentivize Both:** Currently, there is no definition in Ontario for attainable housing and there are evolving or inconsistent definitions of affordable housing. The Town of Collingwood should advocate for the Province to bring forth a clear and income-based definition of attainable housing relative to affordable housing to be reflected consistently across legislation and policy in Ontario, and then request that the Province provides funding to incentivize it, either through new programs or existing ones. Advocacy by the Town on this front has already started in response to the Minister of Municipal Affairs and Housing to prioritize the recommendations of the Province's Housing

Affordability Task Force report. Included in the correspondence was a further request to provide municipalities with more tools to compel the delivery of affordable units by the private sector through inclusionary zoning or similar mechanisms.

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

- **#22: Advocate for Increased Labour Supply for New Development:** A shortage of construction and skilled trade labour is a key factor contributing to the housing shortage. While this issue has been identified at other levels of government, we would recommend continuing to advocate to the Provincial and Federal governments to remedy the labour shortage issue.

Some initiatives to increase the labour supply for these jobs could be for the Federal government to prioritize applications from immigrants who have relevant work experience, increase the number of foreign workers and other non-permanent residents that are being attracted to Canada to work in the construction industry, and encourage more young people domestically to attend College and enter skilled trades. Advocacy on this front has also been initiated by the Town in response to the Minister of

Municipal Affairs and Housing to prioritize the recommendations of the Province's Housing Affordability Task Force report.

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

- **#23: Request Targeted Funding Where it is Not Currently Available:** Where it is not currently available, advocate for direct, targeted funding for priority projects such as new infrastructure to support increased housing development.

**Impact:** ★★☆☆ **Cost:** \$ **Timeline:** Medium/Long

- **#24: Advocate for More Progressive Property Taxation Options:** The Town should consider advocating to the Province for permission to take a more progressive approach to property taxation such as taxation based on housing type or an approach like income tax whereby the mill rate increases incrementally at different values. This would create a fairer property tax system.

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

- **#25: Leverage the Collective Power of Municipalities in Advocacy:** On its own, Collingwood does not yield significant power. However, the issues that Collingwood faces from a

housing perspective are common across many municipalities in Ontario and throughout Canada.

Leveraging the collective power of municipalities who are seeking similar outcomes from other levels of government would be more impactful than attempting to go it alone, such as advocacy through the Association of Municipalities of Ontario, the Federation of Canadian Municipalities, professional organizations (e.g. OPPI, OBOA, etc.), or collective responses (e.g. Simcoe County Planning Directors letters related to Bills 109 and 23).

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

**#26: Advocate for the Use of Inclusionary Zoning:** While a municipality may set targets in their Official Plan for affordable housing, this alone cannot be enforced. Inclusionary Zoning (IZ) allows a municipality to require a developer to provide affordable housing in new development, but can only be implemented in Protected Major Transit Stations, which Collingwood does not currently have. Many communities are currently asking the Province to shift this geographical constraint. Advocacy on this front has also been initiated by the Town in response to the Minister of Municipal Affairs and Housing to prioritize the recommendations of

the Province's Housing Affordability Task Force report.

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

## 6.7 Summary of Recommended Actions within the Context of Staff and Budgetary Resources

**Table 5** on page 49 includes a summary of the action items presented in the sections above. As identified, it is not possible to proceed with a robust incentive and public land program without increased financial and staffing investments. The following offers guidance as to how the Town might proceed depending on the budget and staffing provided.

### 6.7.1 Maintain Current Budget (~\$350,000 Annual Commitment)

Referring to **Table 5**, budget and staffing resource limitations are not anticipated to affect the implementation of any of the Coordination or Advocacy initiatives. The Housing Development Coordinator will continue in their role through the expanded concierge program. The remaining initiatives will either be small one-time or annual efforts to be undertaken by the Housing Development Coordinator or other staff.



The recommended Policy, Process, and Regulatory changes will largely be implemented through ongoing (i.e., Development Process and Fees Review) or planned and budgeted (i.e., Comprehensive Zoning Review) processes. Some of the recommendations stemming from this AHMP may result in higher study/consultant fees and/or a longer timeline for these processes to complete. It is not recommended that any budget impacts resulting from the need for additional consulting fees or prolonged timelines come from the Affordable Housing Reserve Fund.

The Public Education Campaign (item 5 in **Table 5**) will however require additional budget to hire a marketing firm, which can be taken from the Affordable Housing Reserve Fund if necessary and implemented under the guidance of the Housing Development Coordinator and in consultation with the Affordable Housing Task Force. The cost of this item is estimated within Section 6.3 (\$30,000 - \$50,000).

The Financial Approaches identified in this AHMP are both expensive to implement and will require resources beyond the Town's Housing Development Coordinator. While the recommendations to expand the existing Rapid ADU Development Program can be activated

without impacts to budget or staff, the incentive program and public land initiative cannot.

Without an increased budget, it is recommended that the Town implement the MCFB and seek to partner with Simcoe County on both an incentive and public land program.

Where budget is not used, this fund should be allowed to accumulate over time and be deployed strategically as opportunities arise. It is also recommended that the Town review the Rapid ADU Development Program over time to understand if current grant amounts are sufficient to achieve desired outcomes, with this program continuing to be funded through the Affordable Housing Reserve Fund.

The Town should prioritize the following items with existing budget and staff levels:

- All of the Policy, Process, and Regulatory changes, which are either currently underway or expected to begin shortly.
- Expand the concierge program.
- Implement the MCFB.

- Coordinate with Simcoe County on a shared incentive program. Also coordinate with the County on their call for land program and/or determine the path forward for the Town's identified public land.
- Expand the Rapid ADU Program.
- Implement the remaining coordination initiatives identified.
- Begin advancing the advocacy initiatives that represent smaller commitments from staff that should be advanced incrementally as appropriate and as resources permit.

#### **6.7.2 Increase Current Budget (Minimum \$1.0 - \$3.0M Annual Commitment)**

If a larger budget can be secured, the Town should create a formal incentive program where developers apply and are reviewed by staff through a formal

process. Further, the Town could also lead due diligence and disposition efforts on identified public sites that will accommodate new affordable housing.

The Town should also hire an additional staff member to run these processes. This new hire will ideally have expertise in affordable housing, development economics, and real estate analysis. In addition to this new staff hire, a committee of Town staff should be created that includes individuals from a broad range of departments to review applications for incentives and public land.

With an increased budget and additional staff, the Town should seek to implement all of the strategies identified in the AHMP.



Table 5

| Recommended Approach<br>Town of Collingwood Affordable Housing Master Plan           |  |                                    |                                  |   |
|--|--|------------------------------------|----------------------------------|---|
|  |  | Maintain Existing Budget (~\$350k) | Increase Budget to \$3M annually | Funding to Come from Affordable Housing Reserve |
| Recommended Policy, Process, and Regulatory Changes                                  |  |                                    |                                  |   |
| 1  | Refine the Upcoming Comprehensive Review of the Town’s Zoning By-Law   | ✓                                  | ✓                                | NO  |
| 2  | Work Towards a Decision Faster (Shorten Approvals Timelines)   |                                    |                                  |   |
| 3  | Enact a Rental Replacement By-law in Order to Preserve Existing Rental Stock                                     |                                    |                                  |   |
| 4  | Source Simple Pre-Approved ‘Off-the-Shelf’ Building Designs  |                                    |                                  |   |
| 5  | Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign    |                                    |                                  | YES   |
| Recommended Financial Approaches   |  |                                    |                                  |   |
| Create a Municipal Capital Facility By-law to Offer Incentives for Targeted Projects |  |                                    |                                  |   |
| 6  | Option 1: Implement a MCFB and Utilize Together with Simcoe County / As Opportunities Arise                      | ✓                                  | ✓                                | YES   |
|  | Option 2: Implement a MCFB and a Formal Town-Led Incentive Program   | ✗                                  | ✓                                | YES   |
| Use Public Land to Deliver New Affordable Housing                                    |  |                                    |                                  |   |
| 7  | Option 1: Transfer Lands to Simcoe County for New Affordable Housing   | ✓                                  | ✓                                | YES   |
|  | Option 2: Town Undertakes Own Internal Disposition Process   | ✗                                  | ✓                                | YES   |
| 8  | Expand the Rapid ADU Program to Include More Options   | ✓                                  | ✓                                | YES   |
| Recommended Coordination Initiatives   |  |                                    |                                  |   |
| 9  | Expand the Existing Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing | ✓                                  | ✓                                | NO  |
| 10   | Explore the Potential for Density Bonusing for Priority Projects   |                                    |                                  | NO  |
| 11   | Pursue Economies of Scale by Partnering with Other Municipalities  |                                    |                                  | NO  |
| 12   | Treat the Private and Non-Profit Sectors as Partners   |                                    |                                  | NO  |
| 13   | Be Encouraging of Non-Traditional Construction Techniques, Housing Tenures, and Funding Models                   |                                    |                                  | NO  |
| 14   | Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making                        |                                    |                                  | NO  |
| 15   | Consider Housing Above or in Conjunction with New Public / Community Facilities                                  |                                    |                                  | NO  |
| 16   | Explore Alternative Revenue Tools  |                                    |                                  | NO  |
| Recommended Advocacy Initiatives   |  |                                    |                                  |   |
| 17   | Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments                         | ✓                                  | ✓                                | NO  |
| 18   | Advocate for More Revenue Tools to Reduce the Burden on the Tax Base   |                                    |                                  | NO  |
| 19   | Advocate for the County to Participate in any Local Incentive Programs   |                                    |                                  | NO  |
| 20   | Advocate to CMHC for More Streamlined Access to Funding and Financing Programs                                   |                                    |                                  | NO  |
| 21   | Ask the Province to Define Attainable Housing and Incentivize It   |                                    |                                  | NO  |
| 22   | Advocate for Increased Labour Supply for New Development   |                                    |                                  | NO  |
| 23   | Request Targeted Funding Where it is Not Currently Available   |                                    |                                  | NO  |
| 24   | Advocate for More Progressive Property Taxation Options  |                                    |                                  | NO  |
| 25   | Leverage the Collective Power of Municipalities in Advocacy  |                                    |                                  | NO  |
| 26   | Advocate for the Use of Inclusionary Zoning  |                                    |                                  | NO  |

This AHMP is a snapshot in time and will require consistent monitoring by the Town. As with any long-term strategy, a wide variety of market, policy, funding, political, and other shifts will undoubtedly require changes in direction as the Plan evolves.

It is also important that the Town monitor the effectiveness of budget amounts and the recommended strategies themselves to ensure they are achieving desired outcomes. If outcomes are not being achieved, the Town must uncover the factors limiting success and recommend changes for Council to consider.

Town staff should report to Council every year on the implementation of the AHMP. It is recommended that the Town report to Council in two ways: 1) overall housing market indicators, and 2) progress and monitoring of specific strategies.

The first group of reporting metrics should include market indicators that illustrate to Council whether market affordability is improving or worsening. This is preferred over the selection of an arbitrary housing target, which would become out of date within a year of this AHMP being approved. Recommended indicators include:

- Number of housing starts and mix of housing units by type relative to the Town's forecasted growth documented in the Official Plan.
- Changes in the rental housing universe to understand if more rental housing is being delivered as follows:
  - % change in the rental vacancy rate.
  - % change in the average market rent.
  - % change in the average resale price in Collingwood.
  - # of affordable ownership units created

The second group of reporting metrics should include monitoring of specific strategies recommended through this AHMP. Monitoring will include different measures, depending on the initiative in question. Examples include:

- Once the zoning update has taken place, the Town should be monitoring how much intensification is occurring, the number of second suites created, the number of multi-unit buildings, etc. Where targeted outcomes are not being achieved, investigation should occur to uncover whether the limiting factor is the regulatory regime (i.e., zoning standards are

- limiting) or the outcome is not economical and may require subsidy. Recommendations to Council on recommended changes should then occur.
- Review of take-up in the incentive and public land program, with specific recommendations to Council to improve effectiveness if required, through increased funding or other measures.

A template of a sample monitoring report is provided in **Appendix D**.

# Appendix A – Housing Needs Assessment

Provided under separate cover.

# Appendix B – Strategic Direction Options Report

Provided under separate cover.

## THE TOWN OF COLLINGWOOD

### BY-LAW NUMBER xx-xxxx

A by-law to govern the provision of municipal housing project facilities

NOW THEREFORE, Council enacts as follows:

#### **Affordable Housing**

1. Affordable Housing for the purpose of this By-law and all Municipal Housing Project Facility agreements means either of:
  - a. Affordable Rental Housing: Housing Units offered for rent, for which the monthly rent is at or below 170% of the Average Market Rent ('AMR') as determined by CMHC each year for the Town of Collingwood.
  - b. Affordable Ownership Housing: Housing units offered for sale by Affordable Non-Profit groups serving moderate income households.
  - c. Existing Affordable Housing: Existing purpose-built rental housing in the Town in excess of ten-years of age.

#### **Municipal Housing Project Facility Agreements**

2. In accordance with section 110 of the Act, Council may pass by-laws permitting the Town to enter into Municipal Housing Project Facility Agreements with Housing Providers allowing for the provision of assistance despite section 106 of the Act and to allow for tax and development charge exemptions.

#### **Conditions for a Municipal Housing Project Facility.**

1. Notwithstanding anything else in this By-law, prior to entering into a Municipal Housing Project Facility Agreement, the following conditions must be met:
  - a. Council has enacted a By-law authorizing the entering into of the Municipal Housing Project Facility Agreement for the provision of the Municipal Housing Project Facility;

The Municipal Housing Project Facilities Agreement meets the requirements set out in section 6

### **Housing Unit Household Eligibility**

2. Eligible Households for Housing Units to be provided as part of a Municipal Housing Project Facility will be selected by the Housing Provider in collaboration with the Town and Simcoe County as Service Manager.
3. Where the Average Market Rent is under 100% AMR, available Affordable Housing Units subject to a Municipal Housing Project Facilities Agreement shall be made available first to eligible Households on the Waiting List through Simcoe County or another wait list determined by the Town. If there are no eligible Households on the Waiting List, a Housing Unit may be made available to an eligible Household that is not on the Waiting List

### **Municipal Housing Project Facility Agreement Requirements**

4. Municipal Housing Project Facility Agreements for Affordable Housing shall include but shall not be limited to the following terms and conditions:
  - a. A definition of Affordable Housing as found in section 1;
  - b. That all of the Housing Units to be provided as part of the Municipal Housing Project Facility meet the applicable definition of Affordable Housing as set out in section 1;
  - c. A requirement that each unit in the Municipal Housing Project Facility shall fall within the definition of Affordable Housing in section 1;

- d. The term of the agreement, which shall not be less than twenty (20) years in the case of rental Affordable Housing Units;
- e. That public eligibility for the Housing Units to be provided as part of the Municipal Housing Project Facility shall be determined in accordance with section 4-5;
- f. A list of the benefits accruing to the Housing Provider under the Municipal Housing Project Facility Agreement, including the monetary value of such benefits;
- g. That the Housing Provider shall only provide Affordable Housing Units to individuals who are at Arm's Length to the Housing Provider, its shareholders, officers, directors and employees;
- h. For Affordable Housing Units offered for rent, the rents to be charged per unit, the method by which the rents may be increased during the term of the agreement and the limits on such increases;
- i. For Affordable Housing Units offered for sale, the sale price;
- j. That the Region may register the Municipal Housing Project Facilities Agreement on title;
- k. Any conditions attached to financial or other assistance given to the Housing Provider, including any such condition or requirements set forth as part of arrangements or obligations assumed by the Town with the federal or provincial government to provide Affordable Housing;
- l. The conditions respecting the sale, transfer, mortgage, encumbrance, or assignment, of any interest in the Municipal Housing Project Facility;
- m. That the Housing Provider shall be required to report annually and submit documentation therefor to the satisfaction of the Town's affordable Housing Coordinator, in the manner specified in the Municipal Housing Project Facilities Agreement;
- n. The consequences if the Housing Provider fails to comply with the terms and conditions of the Municipal Housing Project Facilities Agreement, which may include that the Housing Provider pay to the Town the financial assistance that has been provided to the Housing Provider; and
- o. Other terms and conditions satisfactory to the Town, which may include, but which are not limited to any and all forms of property transactions together with any and all general or specific security as the Town consider necessary and desirable.



# Appendix D – Sample AHMP Monitoring Template

| Reporting Status 1: Housing Market Indicators  |  |
|--|--|
| # of Housing Starts                            |  |
| # of Housing Starts Forecasted                 |  |
| (+/-) Target                                   |  |
| (+/-) Change in Rental Housing Stock           |  |
| (+/-) % Change in Rental Vacancy Rate          |  |
| (+/-) % Change in Average Market Rent          |  |
| (+/-) % Change in Affordable Housing Wait List |  |
| (+/-) % Change in Average Resale Price         |  |

| Reporting Status 2: AHMP Strategies |        |                |        |                     |
|-------------------------------------|--------|----------------|--------|---------------------|
| AHMP Strategy                       | Status | Responsibility | Update | Recommended Actions |
|                                     |        |                |        |                     |



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# Housing Needs Assessment: Affordable Housing Master Plan Town of Collingwood

June 2023



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# Housing Needs Assessment – Introduction

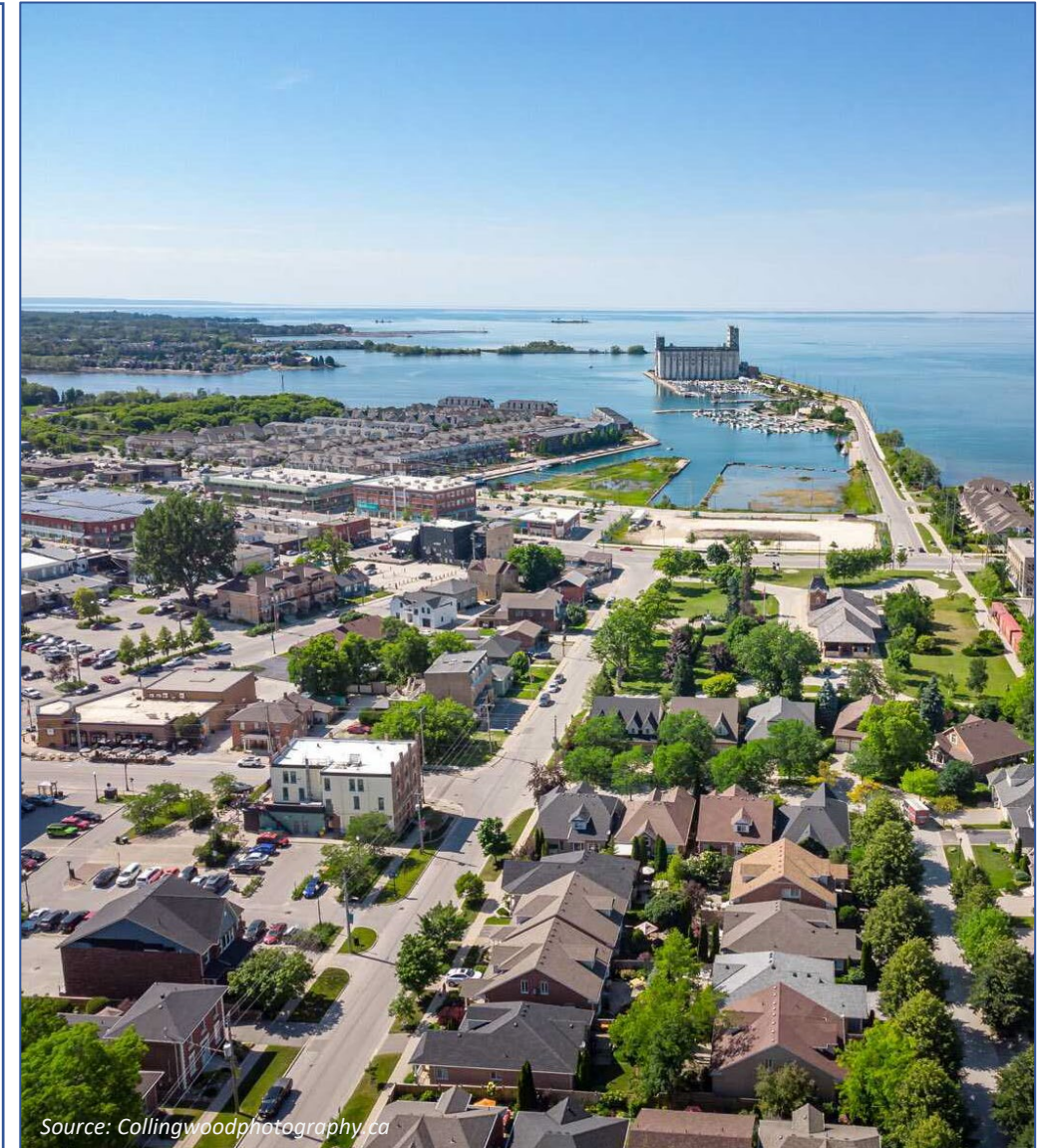
## Introduction

The Town of Collingwood ('the Town') established an Affordable Housing Task Force ('the Task Force') in 2021 to provide analysis, guidance, and advice to Town Council on affordable housing. The Task Force presented to Council on November 1, 2021 and provided several recommendations and strategies for the Town to consider in addressing current and projected affordable housing challenges. N. Barry Lyon Consultants Limited ('NBLC') was retained by the Task Force to prepare a Housing Needs Analysis that provided greater clarity on the specific housing gaps in the Town and the characteristics of households facing the greatest affordability challenges.

To continue advancing the recommendations brought forward by the Task Force, the Town retained NBLC in January 2023 to prepare an Affordable Housing Master Plan. This Master Plan will update the previous Housing Needs Analysis and will build on the recommendations provided by the Task Force in 2021. The work will provide the Town with an actionable strategy to address the affordability challenges experienced by current and future residents.

This Housing Needs Analysis provides a foundational assessment of housing needs and affordability challenges in the Town that will guide the recommendations brought forward through the Affordable Housing Master Plan. These documents will assess the major market, planning, and macro-economic changes observed since the previous Housing Needs Analysis (e.g., interest rate increases, shifts in demand, release of new Census and income data, Bill 23 and Bill 39, the Simcoe County Municipal Comprehensive Review, among other similar items).

As per the Town's direction, this report focuses on the housing needs of moderate-income households (i.e., those in the 4<sup>th</sup> to 6<sup>th</sup> income decile). It is understood that low-income housing is the responsibility of Simcoe County as Service Manager, as well as senior levels of government.



Source: Collingwoodphotography.ca

# Summary and Key Findings

This housing needs assessment has set out to provide a foundational assessment of housing needs and affordability challenges in the Town of Collingwood to guide the recommendations that will be brought forward through the Affordable Housing Master Plan.

The following are the key takeaways from the housing needs assessment:

- Our analysis of affordability gaps demonstrates that ***there are essentially no options in the market for moderate income households*** in both ownership and rental tenures.
- ***There is an acute shortage of rental housing in Collingwood***, with the rental universe actually declining over the past decade. With a lack of new purpose-built rental development, the secondary market has had to fill some of the gap between supply and demand, but private leases do not provide tenants with the same security of tenure as purpose-built rentals, nor is there suitable/ sufficient supply on the secondary market.
- ***Rental rates have been rising rapidly***, with most options now exceeding \$2,000 per month.
- Renter households are far more likely than owners to be in Core Housing Need (i.e., living in unaffordable, unsuitable, and/or inadequate housing). There is clearly a ***more pressing need to address the needs of renter households*** across a variety of incomes and characteristics.
- ***The supply of ownership housing is not meeting demand***, particularly from low and moderate-income households. Collingwood is attracting an increasing share of higher income households, and new supply is focused on this upper end of the market.

- The Town of Collingwood's ownership housing stock has experienced ***significant price growth over the last decade***. Many households, and particularly first-time home buyers, would be challenged to buy a new or resale home in the Collingwood Market.
- Lack of affordability in the ownership market is driving 'would-be' purchasers to the rental market.
- An outcome of this work is that ***Collingwood should be planning for and encouraging a greater supply of ownership housing***. The Town should also continue to ***encourage a broader supply of ownership housing***, particularly more compact and lower-cost product types such as townhomes, stacked townhouses, and condominium apartments that would be more attainable to a wider range of households. Affordable ownership programs (i.e., second mortgage programs) should also be investigated.
- The Town should ***investigate strategies to improve the supply of new rental housing*** (80% AMR through to market rate). Strategies can include incentive programs, advertising of government financing programs, providing as-of-right planning permissions for new rental supply, and other approaches that will be investigated in the next phase of this work.
- While new purpose-built rental investment may be the most desirable outcome, ***smaller strategies*** such as the encouragement of second suites, basement apartments, and 'plex' buildings can also be impactful and require less capital and expertise to deliver.

**Average Market Rent (AMR):** Average market rent, as defined by CMHC. This average takes into account all units in the purpose-built rental universe in the local market.

**Canada Mortgage and Housing Corporation (CMHC):** CMHC is Canada's national housing agency, providing funding, research and expertise to help make affordable housing a reality.

**Housing Completion:** The stage at which all proposed construction has been performed.

**Housing Start:** The beginning of construction on a dwelling unit.

**Income Decile:** 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.

**Moderate Income Households:** Households that fall within the 4<sup>th</sup> to 6<sup>th</sup> income decile. Housing for these households is the focus of this report.

**New Sale Homes:** New homes being purchased from actively marketing projects. The purchaser is the first owner of these homes.

**Per Square Foot (psf):** A home's price per square foot is equal to the list price divided by its total above-ground square footage. This standard unit of measurement is referred to by the acronym 'psf' throughout this report.

**Primary Rental Market:** Purpose-built rental housing.

**Provincial Policy Statement (PPS):** The PPS is issued under the Planning Act and is the primary provincial land use planning policy document, applying across Ontario. As of April 2, 2023, the PPS is under review.

**Purpose-Built Rental:** Units within a building or development that have been constructed with the explicit intention of being used as rental tenure homes.

**Rental Universe:** All units of rental tenure in the market area. The universe is presented as a sum of all rental units.

**Resale Homes:** Existing homes being purchased to own that are not newly constructed. These homes have previously been lived in by another owner or their tenant.

**Rent-Geared-to-Income (RGI):** Includes the 'community' or 'social' housing stock. This is permanent housing typically made available to the lowest income households and most vulnerable groups, often being administered by non-profits and co-operatives as well as municipalities through a Local Housing Corporation. Rents are determined based on household income.

**Secondary Rental:** All renter-occupied housing units that do not fall in the purpose-built rental market. These are largely investor-owned rental units. This includes condominium apartments, townhouses, single-detached homes, basement apartments, and other housing types that are leased on the private rental market.

**Square Foot (sf):** A square foot is a unit of area equal to a square one foot long on each side. This standard unit of measurement is referred to by the acronym 'sf' throughout this report.

**Tenure:** The conditions under which land or buildings are held or occupied. In the case of this report, the two tenures we are analyzing are rental and ownership.





# 1.0 Income and Affordability Thresholds





## Introduction

The following section provides an overview of income and housing affordability thresholds in Collingwood.

The section starts by reviewing definitions of affordable housing before analyzing household incomes – both historical and current (as of the 2021 Census) in Collingwood. The income data is then utilized to determine affordability thresholds by income decile for both owners and renters in Collingwood using the definitions of affordable housing.

The purpose of this section is to set the stage on affordability and understand what households with different income levels in Collingwood can afford, informing our market survey later in this report to understand whether the market is currently delivering housing to meet the community's needs.

## Key Findings

The following are key findings from this section:

- While average household incomes have grown over the last several Census periods, much of this income growth is attributed to an increasing share of high-income households in Collingwood.
- Incomes for low and moderate-income households have not increased measurably in recent years.
- While renter incomes have increased at a higher pace than ownership incomes, owners have consistently earned double the income of renters since 2006.
- Nearly three-quarters of renter households earn less than \$60,000 annually, with only 7% earning more than \$100,000 annually. The inverse is true for owners.
- The availability of homes at pricing levels affordable to moderate income households (i.e., 4<sup>th</sup>-6<sup>th</sup> income decile and the focus of this report) are limited in the marketplace.
- Affordable purchase price thresholds for moderate income households range from approximately \$248,000 to \$367,000.
- Affordable rent thresholds for moderate-income rental households range from about \$1,200 to \$1,700 per month in Collingwood.

*The definition of affordable housing in Ontario is changing. The Provincial government has proposed a new definition, through Bill 23, that ties affordability to a specific price point as opposed to income and what individual households can actually afford. This new definition is useful in some circumstances, but is less relevant for this Housing Needs Assessment as we uncover where the affordability gaps are in the Town of Collingwood. As such, for the purposes of this report, we will continue to utilize the former Provincial Policy Statement definition for affordable housing for this work.*

The following definitions of affordable housing have been used throughout this report, based on the **Provincial Policy Statement (PPS)**:

**Affordable Ownership Housing** is the least expensive of:

- Housing for which the purchase price results in annual accommodation costs which do not exceed 30% of gross annual household income for low and moderate income households; or
- Housing for which the purchase price is at least 10% below the average purchase price of a resale unit in the regional market area.
- *Bill 23 has proposed a revised definition of affordable ownership housing as 80% of the average resale purchase price in the regional market area.*

**Affordable Rental Housing** is the least expensive of:

- A unit for which the rent does not exceed 30% of gross annual household income for low and moderate income households; or
- A unit for which the rent is at or below average market rent of a unit in the regional market area (i.e., 100% of the CMHC Average Market Rent 'AMR').
- *Bill 23 has proposed a revised definition of affordable rental housing as 80% of the CMHC AMR.*

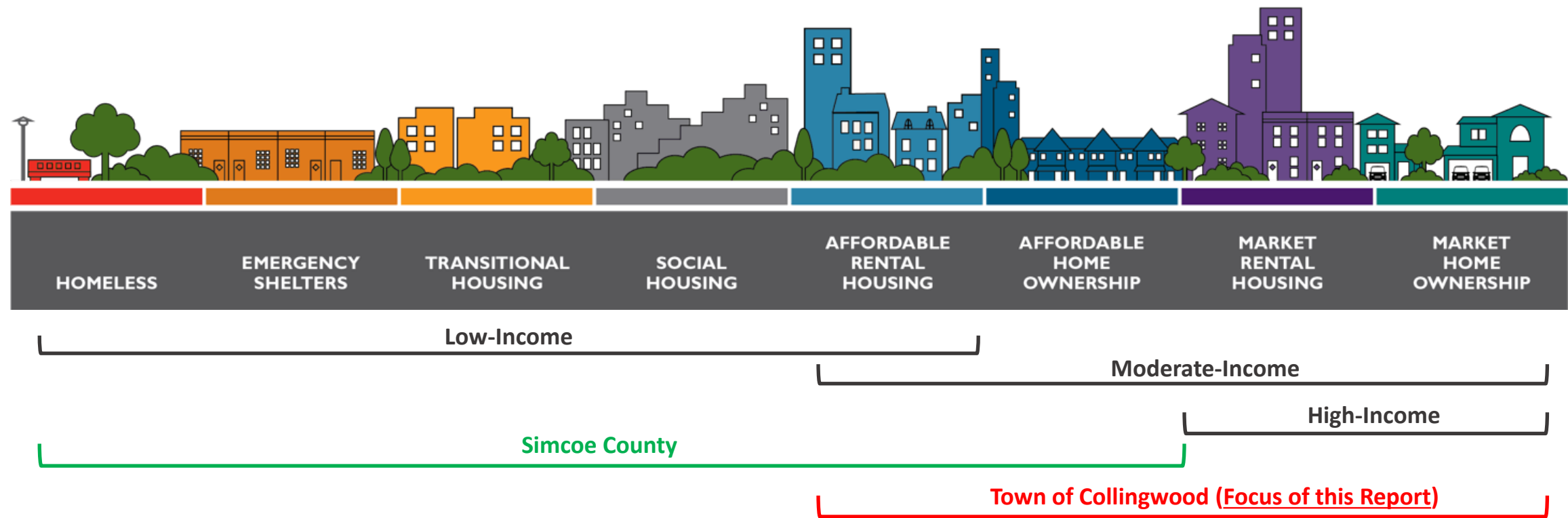
**Low and Moderate Income Households:**

- Low Income: Households in the 3<sup>rd</sup> income decile or lower.
- Moderate Income: Households between the 4<sup>th</sup> and 6<sup>th</sup> income decile.
- Affordable Rental Housing: Considers income distribution for **renter households only**.
- Affordable Ownership Housing: Provincial & Municipal policy for affordable ownership housing is based on the income distribution for **all households**.  
*Note: Income data for all households is used for affordable ownership instead of only owner households because everyone (renters and owners) should be able to afford a home and policy should not be created to make housing more affordable just for owners.*

**Collingwood Official Plan:**

- Official Plan definitions of affordable housing match the Provincial Policy Statement definitions. The Official Plan is currently under review.

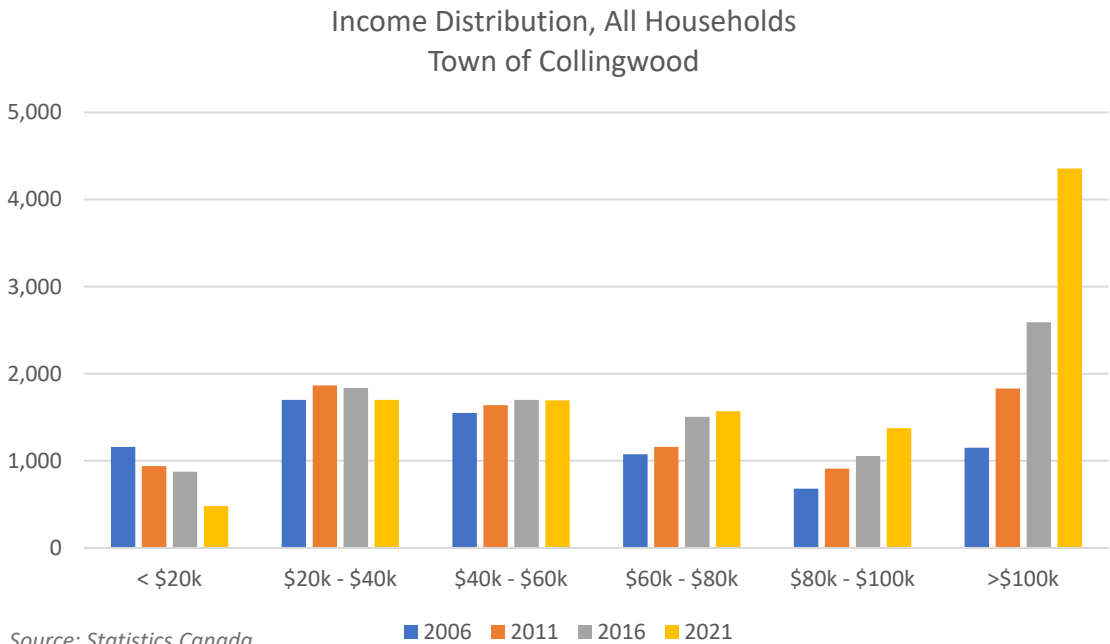
# Typical Income Distribution Along the Housing Continuum



- Between 2006 and 2021, the average household income in Collingwood increased by nearly 64%, from \$68,500 to \$112,000. The majority of this growth has occurred between 2016 and 2021, with average incomes increasing by over 36% during this period.
- Most of this income growth can be attributed to an increasing share of high-income households – those earning above \$100,000 annually. As illustrated in the Figure to the right, the number of households earning above \$100,000 annually has almost tripled since 2006, from 1,150 households to 3,205 households. As a percentage of total households, those earning above \$100,000 has gone from composing 16% of total households in 2006 to almost 40% of total households as of 2021.
- The number of households earning between \$60,000 and \$100,000 annually have also been increasing, although at a more moderate pace relative to those earning more than \$100,000 annually.
- The share of households earning less than \$20,000 annually, on the other hand, has been steadily decreasing over each census period. The proportion of these households decreased from 16% in 2006 to 9% in 2016. In 2021, only 4% of all households earned less than \$20,000 annually.
- The share of households earning between \$20,000 and \$60,000 annually was relatively stable between the 2006 and 2021 Censuses.
- While incomes are increasing, and the proportion of households earning less than \$20,000 annually has decreased, these trends do not signal improving affordability as income growth for low and moderate income households has not measurably increased. Inflation, combined with rapid price appreciation in both rental and ownership markets, also continues to put downward pressure on affordability despite recent income growth.

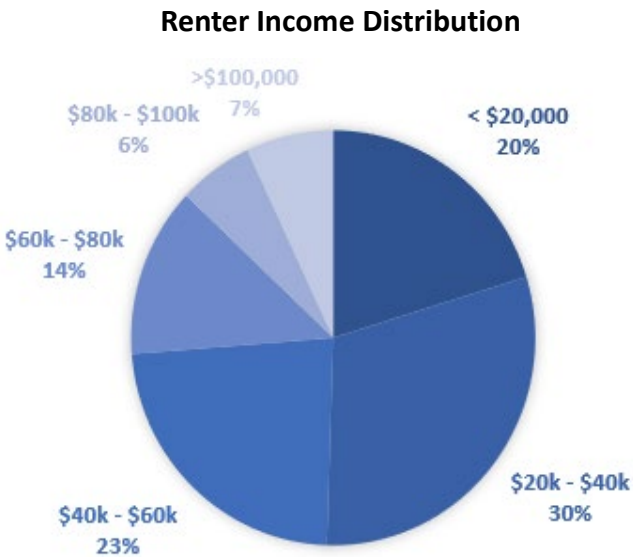
| Average Household Income Before Taxes, Collingwood |           |          |                    |
|--|-----------|----------|--------------------|
| Year   | Income    | % Change | % Change '06 - '21 |
| All Households                                     |           |          |                    |
| 2006   | \$68,479  | -        | 63.9%              |
| 2011   | \$72,915  | 6.5%     |                    |
| 2016   | \$82,216  | 12.8%    |                    |
| 2021   | \$112,200 | 36.5%    |                    |

Source: Statistics Canada.

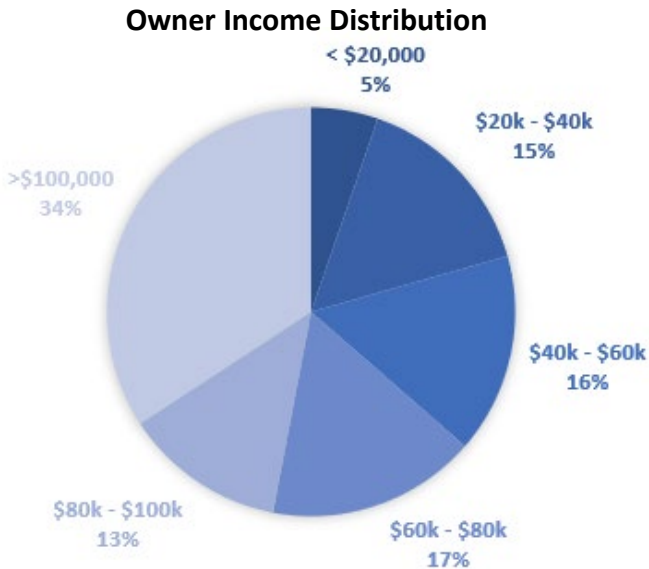


# Income Distribution by Tenure (Renter and Owner Households)

- As of 2016 (2021 income data by tenure unavailable), owner households earned **\$94,314** annually whereas renters earned **\$48,271** annually, on average.
- While renter incomes have increased at a higher pace between 2006 and 2016 relative to owners, it is important to note that owners have consistently earned approximately double the income of renters since at least 2006.
- Nearly 75% of renter households earned less than \$60,000 annually in 2016, with 20% earning less than \$20,000 annually. Less than 13% of renter households earned more than \$80,000 annually, and only 7% had incomes above \$100,000 annually. The inverse was true for ownership households, with just 36% of households earning below \$60,000 annually in 2016, and 34% earning more than \$100,000 annually.
- These income distributions are not uncommon in municipalities across Ontario, with renters typically earning significantly less than owners.
- Incomes by tenure and decile group for 2021 are assessed to follow.



Source: CMHC & Statistics Canada



Source: CMHC & Statistics Canada

| Average Household Income Before Taxes, Collingwood |          |                    |
|--|----------|--------------------|
| Year   | Income   | % Change '06 - '16 |
| Ownership Households                               |          |                    |
| 2006   | \$80,225 | 18%                |
| 2011   | \$83,120 |                    |
| 2016   | \$94,314 |                    |
| Renter Households                                  |          |                    |
| 2006   | \$38,242 | 26%                |
| 2011   | \$41,280 |                    |
| 2016   | \$48,271 |                    |

Source: Statistics Canada.

Source: Statistics Canada.

# Income by Decile Group and Affordability Thresholds

- The data displayed to the right sorts the income of **All Households** and **Renter Households** in Collingwood by income deciles. The data is based on 2020 incomes in the 2021 Census that are then inflated using the Consumer Price Index (CPI).
- Given that these incomes are inflated from 2020, they do not account for income changes caused by additional migration to and from Collingwood between 2020 and 2022.
- The data further demonstrates that owner households earn significantly more than renters – with much higher household incomes associated with each decile. When looking at ‘all households’, incomes range from \$30,483 annually in the bottom decile to \$214,264 annually in the top decile. Renter incomes range from \$22,530 at the bottom decile to \$129,221 at the top.
- Based on these income deciles, we have estimated the maximum purchase price (based on all household incomes) and maximum monthly rental rate (based on renter incomes) that each decile can afford based on the definitions highlighted earlier and standard ownership costs.
- These thresholds do not account for additional factors that further erode affordability, such as mortgage and down payment structure, maintenance fees, closing costs, requirement for first and last month’s rent, inflationary impacts, etc. Availability of units at these prices is another limiting factor.
- Additionally, those who already own a home and have experienced strong equity gains or those gaining from an intergenerational wealth transfer would be able to afford a higher purchase price compared to a first-time buyer without these advantages.
- Relative to our 2021 report, the affordable rental thresholds have increased due to rising rental incomes. While the income of all households has also increased, affordable ownership thresholds have not risen significantly due to rising interest rates (to be assessed further later in this report).

| Household Incomes by Decile 2022, Town of Collingwood |              |                      |                         |
|---|--------------|----------------------|-------------------------|
| Income Group  | Decile Group | All Household Income | Renter Household Income |
| Low Income  | 1st          | \$30,483             | \$22,531                |
|   | 2nd          | \$45,062             | \$29,379                |
|   | 3rd          | \$58,757             | \$38,877                |
| Moderate Income                                       | 4th          | \$73,999             | \$47,712                |
|   | 5th          | \$90,565             | \$56,990                |
|   | 6th          | \$109,341            | \$68,034                |
| High Income   | 7th          | \$130,326            | \$80,625                |
|   | 8th          | \$161,251            | \$98,297                |
|   | 9th          | \$214,264            | \$129,221               |

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

| Affordability Thresholds, Town of Collingwood |              |  |                                      |
|---|--------------|--|--------------------------------------|
| Income Group                                  | Decile Group | Affordable Purchase Price <sup>1</sup> | Affordable Monthly Rent <sup>2</sup> |
| Low Income                                    | 1st          | \$102,233                              | \$563                                |
|   | 2nd          | \$151,126                              | \$734                                |
|   | 3rd          | \$197,057                              | \$972                                |
| Moderate Income                               | 4th          | \$248,173                              | \$1,193                              |
|   | 5th          | \$303,734                              | \$1,425                              |
|   | 6th          | \$366,704                              | \$1,701                              |
| High Income                                   | 7th          | \$437,081                              | \$2,016                              |
|   | 8th          | \$542,713                              | \$2,457                              |
|   | 9th          | \$728,864                              | \$3,231                              |

*Notes: 1. Assumes shelter costs do not exceed 30% of gross household income. Shelter costs include mortgage (25 years, minimum 5% down payment, 1.16% property tax payment, 4% of loan amount for CMHC mortgage insurance, five-year fixed mortgage rate 6.5%). 2. Assumes shelter costs do not exceed 30% of gross household income.*

# Affordability by Ownership Income Deciles

- As per the PPS, Affordable *Ownership* Housing is defined as the least expensive of:
  - Housing that is affordable for those below the 6<sup>th</sup> income decile or housing which is 10% below the average resale home. Bill 23 has revised this to housing which equates to 80% of the average resale home price.
- As reported by The Lakelands Association of Realtors, the average resale price in Collingwood as of January 2023 was \$676,900.
  - The above would translate into an affordable purchase price of **\$609,210** based on the former PPS definition and **\$541,520** based on the Bill 23 definition.
  - Notwithstanding the above, **\$366,704** is the price affordable to someone earning in the 6<sup>th</sup> income decile.

| Ownership Affordability Thresholds, Town of Collingwood |              |                      |  |
|---|--------------|----------------------|--|
| Income Group  | Decile Group | All Household Income | Affordable Purchase Price <sup>1</sup> |
| Low Income  | 1st          | \$30,483             | \$102,233                              |
|   | 2nd          | \$45,062             | \$151,126                              |
|   | 3rd          | \$58,757             | \$197,057                              |
| Moderate Income   | 4th          | \$73,999             | \$248,173                              |
|   | 5th          | \$90,565             | \$303,734                              |
|   | 6th          | \$109,341            | \$366,704                              |
| High Income   | 7th          | \$130,326            | \$437,081                              |
|   | 8th          | \$161,251            | \$542,713                              |
|   | 9th          | \$214,264            | \$728,864                              |

Notes: 1. Incomes from 2021 Census of Canada Custom Tabulation, inflated to 2022 using CPI (Canada). Assumes shelter costs do not exceed 30% of gross household income. Shelter costs include mortgage (25 years, minimum 5% down payment, 1.16% property tax payment, 4% of loan amount for CMHC mortgage insurance, five-year fixed mortgage rate 6.5%).

Affordable to 6<sup>th</sup>  
Income Decile

Bill 23 Definition (80% of average)

Former PPS Definition (90% of average)

# Affordability by Rental Income Deciles

- Affordable *Rental* Housing is the least expensive of:
  - Housing with a rental rate not exceeding 30% of gross household income below the 6<sup>th</sup> income decile or housing that is rented at or below the average market rent in the region. Bill 23 has revised this definition to 80% of average market rent.
- Average Market Rents (‘AMR’) by unit type as determined by CMHC are identified below right. AMR is below the rental affordability thresholds for those in the 6<sup>th</sup> income decile, meaning that these average market rents would be affordable for moderate income households to some degree.

| Rental Affordability Thresholds, Town of Collingwood |              |                         |                                      |
|--|--------------|-------------------------|--------------------------------------|
| Income Group   | Decile Group | Renter Household Income | Affordable Monthly Rent <sup>1</sup> |
| Low Income   | 1st          | \$22,531                | \$563                                |
|  | 2nd          | \$29,379                | \$734                                |
|  | 3rd          | \$38,877                | \$972                                |
| Moderate Income                                      | 4th          | \$47,712                | \$1,193                              |
|  | 5th          | \$56,990                | \$1,425                              |
|  | 6th          | \$68,034                | \$1,701                              |
| High Income  | 7th          | \$80,625                | \$2,016                              |
|  | 8th          | \$98,297                | \$2,457                              |
|  | 9th          | \$129,221               | \$3,231                              |

→ 1BR (80% AMR)

→ 2BR (80% AMR)

→ 1BR (100% AMR)

→ 2BR (100% AMR)

Notes: 1. Incomes from 2021 Census of Canada Custom Tabulation, inflated to 2022 using CPI (Canada). Assumes shelter costs do not exceed 30% of gross household income.

| Average Market Rent (AMR), Collingwood 2022 |          |             |             |               |         |
|---|----------|-------------|-------------|---------------|---------|
|   | Bachelor | One-Bedroom | Two-Bedroom | Three-Bedroom | Total   |
| AMR   | -        | \$1,163     | \$1,299     | -             | \$1,235 |
| 80% AMR                                     | -        | \$930       | \$1,039     | -             | \$988   |

Source: CMHC





## 2.0 Collingwood Housing Market



## Introduction

This section analyzes the housing market in Collingwood on a macro level. As an introduction to the Collingwood housing market, this section begins with high-level information on housing completion trends and population and household growth (both historical and projected).

The subsections to follow profile the local ownership resale market, ownership new sale market, and rental market to understand what is currently available to current and prospective Collingwood residents as they seek out housing options.

It is important to consider that our market survey is a point in time analysis, having been completed in February 2023. Availability of units, pricing, and the number of marketing projects will vary over time.

*It should be noted that this report uses 'average' pricing rather than 'median' pricing. While we understand that median pricing can provide more accurate results as sales/leases at the high or low-end of the market can skew averages, the Province of Ontario and the Collingwood Official Plan define affordable rental and ownership housing based on averages. It is important that the findings throughout this report align with current definitions of affordability to ensure alignment with Provincial funding programs. These funding programs will be explored in later phases of the Affordable Housing Master Plan.*

## Key Findings

The following are key findings from this section:

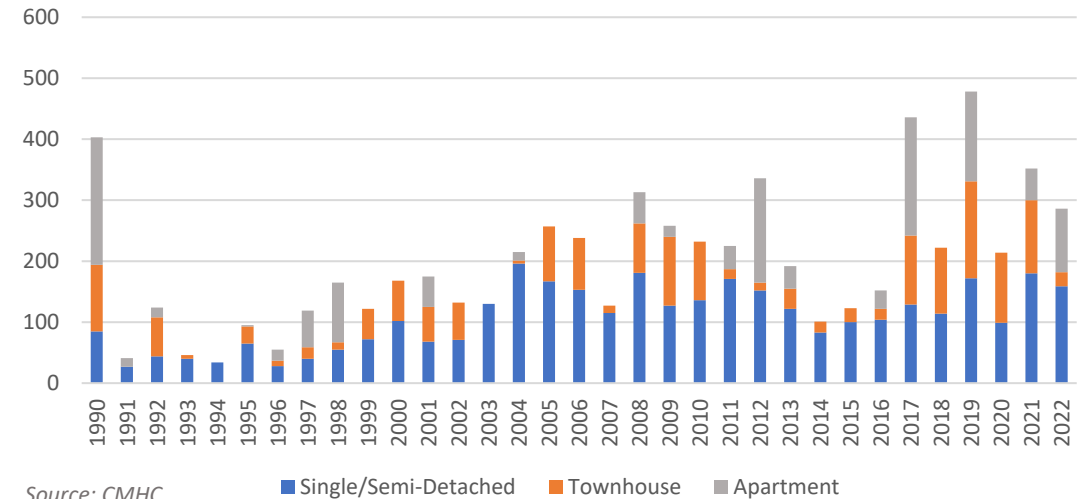
- Housing completions in Collingwood have fluctuated widely over the last three decades but have generally been increasing in recent years.
- Nearly all housing completions since 1990 have been ownership tenure, with more than half being single/semi-detached homes.
- Collingwood's population has grown at more than double the rate observed in Ontario between 2001 and 2021.
- Collectively, those over the age of 55 have experienced the highest rate of change in Collingwood since 2001, signifying the natural aging of the existing population. However, younger groups have also seen positive growth.
- Mobility data indicates that nearly all of Collingwood's population growth has come from internal migration from other areas of Ontario. Individuals aged 55+ have made up the largest share of new internal migrants since 2002 (32%). Individuals aged 20-39 also make up a sizable share (29%).
- Collingwood is expected to grow by 17,220 persons to 2051 (+68%), requiring an additional 10,200 new housing units to accommodate the growing population. This future housing growth is expected to include 40% single and semi-detached homes, 30% townhouses, and 30% apartments.



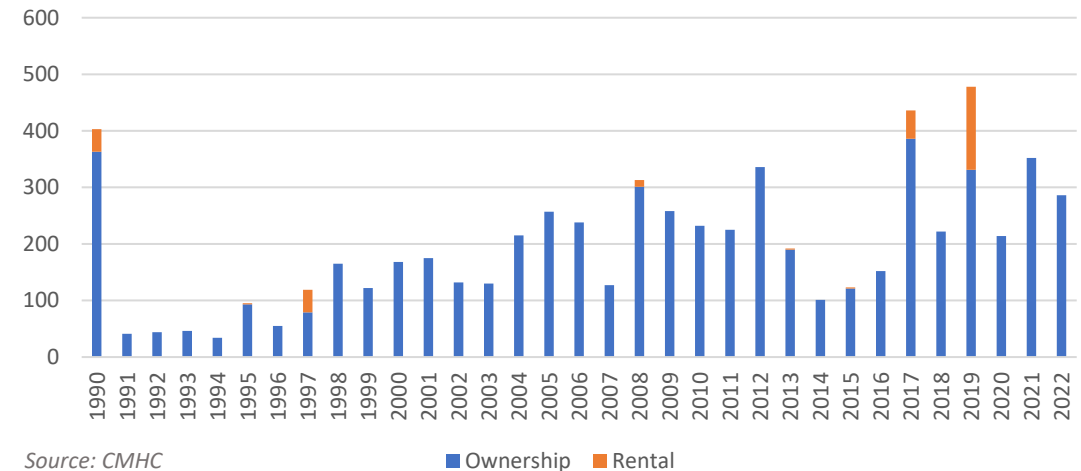
# Housing Completion Trends

- Housing completions in Collingwood have fluctuated widely since 1990, averaging 200 new units per year over this period.
- While year-to-year numbers fluctuate, Collingwood has seen housing completions increase in recent years, averaging 256 units annually over the past decade and 310 units over the past five years.
- Low-rise homes (single-detached, semi-detached, townhouses) accounted for more than 80% of housing completions in Collingwood since 1990, with single and semi-detached homes representing the largest share (54%).
- In recent years this trend has been shifting, with townhouses and apartments seeing an increased share of housing activity:
  - Single/Semi Detached:
    - 1990 – 2016: 58% of all housing completions
    - 2017 – 2022: 43% of all housing completions
  - Rows:
    - 1990 – 2016: 24% of all housing completions
    - 2017 – 2022: 32% of all housing completions
  - Apartments:
    - 1990 – 2016: 18% of all housing completions
    - 2017 – 2022: 25% of all housing completions
- As illustrated to the right, the vast majority of housing completions (96%) in Collingwood have been ownership tenure since 1990. Over this period, less than 300 rental units have been delivered, of which 147 were affordable rental units developed by the County of Simcoe for lower income residents. With this development removed, there have been only 148 market-rate rental units delivered by the private sector since 1990.

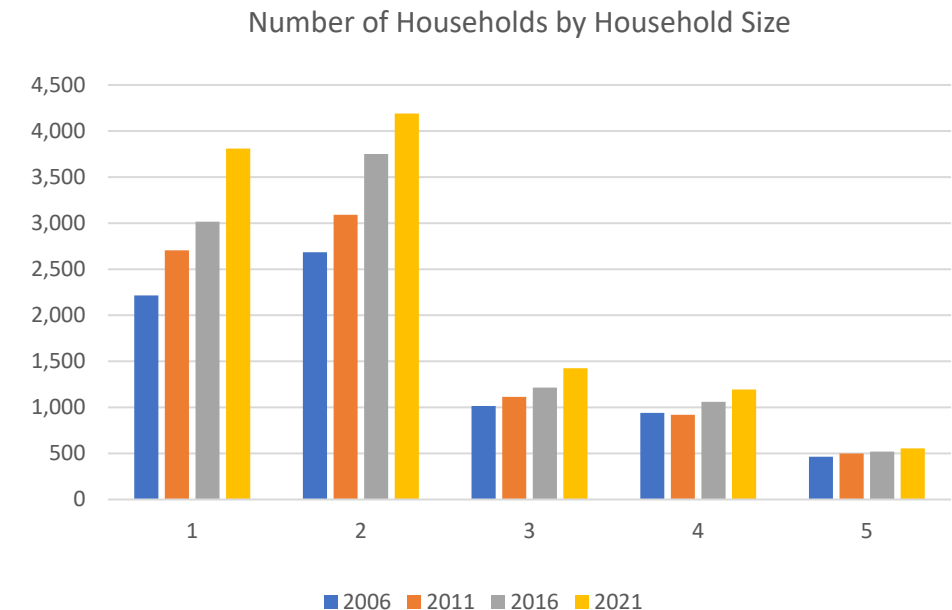
Collingwood Housing Completions by Housing Type



Collingwood Housing Completions by Tenure



- Since the early 2000s, the natural appeal of the South Georgian Bay area, combined with a growing range of commercial, employment, tourism, and recreational amenities, has led to strong population growth in Collingwood.
- Between 2001 and 2021, the population of Collingwood increased by 55%, growing from 16,000 persons to nearly 25,000 persons over this period. This is more than double the growth rate observed in Ontario as a whole (+25%).
- As shown in the table on the next page, downsizers, retirees, and elderly individuals (collectively, those over the age of 55) have experienced the highest rate of change in Collingwood since 2001. Signifying the natural aging of the existing population, this group has grown significantly over the last 20 years, and at a quicker rate than in the Province.
- Other groups have experienced more modest, albeit positive growth, with several groups outpacing Provincial growth rates including children, young adults, and middle-aged adults.
- The aging population observed in Collingwood, and Ontario more broadly, will have an impact on housing demand and needs in the future.
- The aging population is also apparent when looking at household size (figure to right), with the number of one and two person households increasing significantly since 2006. A declining average household size will drive increased demand for different housing types, and may also indicate that many existing households are over housed.
- As household sizes shrink, more dwelling units are required to house the same population.
- Collingwood's population change since 2001 appears to come from the following sources (see pages 18-19 and market discussion to follow):
  - The existing population aging;
  - Affluent retirees migrating (primarily from the GTA);
  - Young adults who have grown up in Collingwood staying within the community; and,
  - Young adults and families, moving to the area for employment reasons, more affordable housing than areas of the GTA, lifestyle appeal, etc.



# Census Data on Population and Household Growth

## Change in Population Age Groups

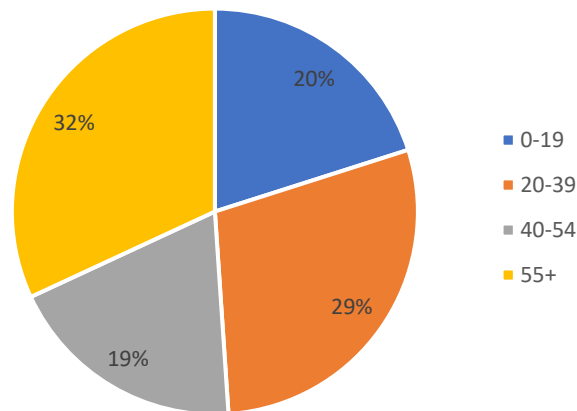
Town of Collingwood and Province of Ontario, 2001 to 2021

| Age Group                       | Collingwood   |             |               |             |                           |            | Ontario           |             |                   |             |                           |            |
|---------------------------------|---------------|-------------|---------------|-------------|---------------------------|------------|-------------------|-------------|-------------------|-------------|---------------------------|------------|
|                                 | 2021          |             | 2001          |             | Total Change<br>2001-2021 |            | 2021              |             | 2001              |             | Total Change<br>2001-2021 |            |
| 0-19<br>(Children)              | 4,460         | 18%         | 3,975         | 25%         | 485                       | 12%        | 3,053,250         | 21%         | 3,002,170         | 26%         | 51,080                    | 2%         |
| 20-24<br>(Students / New Grads) | 1,060         | 4%          | 860           | 5%          | 200                       | 23%        | 895,600           | 6%          | 718,420           | 6%          | 177,180                   | 25%        |
| 25-44<br>(Young Adults)         | 5,255         | 21%         | 4,165         | 26%         | 1,090                     | 26%        | 3,794,800         | 27%         | 3,518,010         | 31%         | 276,790                   | 8%         |
| 45-54<br>(Middle-Aged Adults)   | 2,770         | 11%         | 2,235         | 14%         | 535                       | 24%        | 1,835,850         | 13%         | 1,635,280         | 14%         | 200,570                   | 12%        |
| 55-64<br>(Young Downsizees)     | 3,835         | 15%         | 1,755         | 11%         | 2,080                     | 119%       | 2,006,735         | 14%         | 1,064,000         | 9%          | 942,735                   | 89%        |
| 65-74<br>(Mature Downsizees)    | 4,015         | 16%         | 1,640         | 10%         | 2,375                     | 145%       | 1,504,495         | 11%         | 818,165           | 7%          | 686,330                   | 84%        |
| 75+<br>(Older / Elderly)        | 3,415         | 14%         | 1,400         | 9%          | 2,015                     | 144%       | 1,133,215         | 8%          | 654,005           | 6%          | 479,210                   | 73%        |
| <b>Total / Average:</b>         | <b>24,810</b> | <b>100%</b> | <b>16,030</b> | <b>100%</b> | <b>8,780</b>              | <b>55%</b> | <b>14,223,945</b> | <b>100%</b> | <b>11,410,050</b> | <b>100%</b> | <b>2,813,895</b>          | <b>25%</b> |

Source: Statistics Canada.

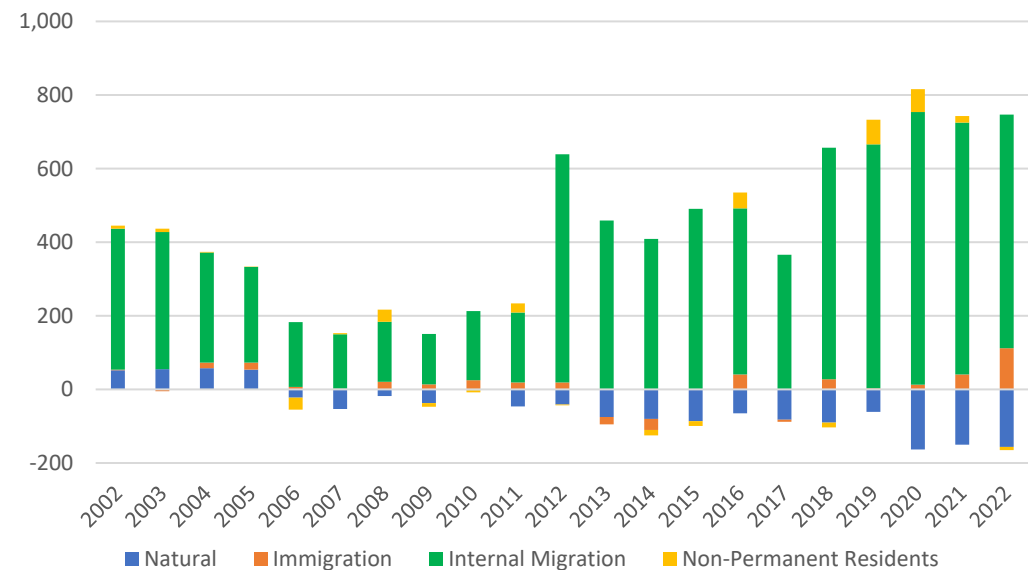
- Mobility data indicates that nearly all of Collingwood’s population growth over the past two decades has come from internal migration – persons moving to Collingwood from elsewhere in Ontario and Canada. The scale of this internal migration has increased in recent years, with average net growth of 670 persons annually over the past 5 years, compared to 315 persons annually in the 15 years prior.
- Statistics Canada data shows that of the recent internal migrants moving to Collingwood, 43% have come from the Greater Toronto and Hamilton Area.
- As shown in the figure below, individuals aged 55+ have on average made up the largest share of new internal migrants since 2002, at 32%.
- While retirees and downsizers make up the largest share, there is also a sizeable share of young adults aged 20 to 39 (29%). Middle-aged adults (40 to 54 years) and children (19 years and younger) make up a similar proportion of the population growth, in the range of 20% each.
- While the older groups are indicative of Collingwood’s attractiveness to affluent retirees, the influx of younger adults is also notable and indicates that couples and families moving to the area for more affordable homes, employment reasons, or lifestyle appeal.
- Lastly, growth from immigration and non-permanent residents has mostly been modest in Collingwood, while natural increase (births minus deaths) has been negative most years since 2006.

Average Annual Migration by Age (2002-2022)  
% of Internal Migrants



Source: Statistics Canada

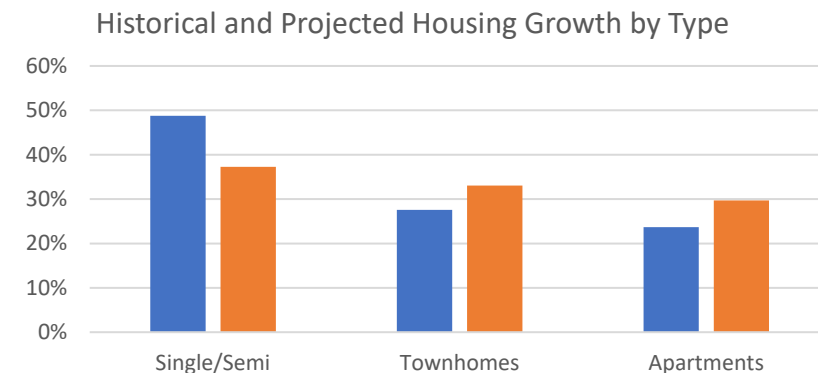
Components of Population Growth  
Town of Collingwood, 2002 to 2022



Source: Statistics Canada

# Projections and Growth Outlook

- The population of Simcoe County is expected to grow by 194,340 or 54% over the next 30 years. About 79% of all population growth in Simcoe County is expected to occur in Primary Settlement Areas, which includes Collingwood. These are the locations in the County where growth is directed given the availability of employment, services, servicing, and established real estate markets.
- Looking forward, the Town of Collingwood's population is forecasted to grow by 17,220 people between 2021 and 2051, reaching a population of 42,690 persons. This represents an annual growth rate of approximately 1.7% over these 30 years. The fastest pace of growth is expected to occur between 2021 and 2036.
- To accommodate this growth, a total of 10,200 homes are forecasted to be required (340 new homes per year), which is driven by both population growth as well as socio-economic factors such as an aging population and shrinking household sizes. This is similar to the level of growth experienced since 2018. At least half of Collingwood's housing growth is expected to occur through intensification.
- Of the 10,200 new homes, approximately 40% are forecasted to be single/semi-detached, 30% townhomes, and 30% apartments. As illustrated below, the mix of housing is expected to shift towards a lower proportion of single and semi-detached homes, however, low-rise housing (single, semi, townhouse) is expected to remain the primary housing form looking forward.



Source: Hemson Consulting ■ 2011-2021 ■ 2021-2051

| Population Forecast for Collingwood |            |               |             |
|-------------------------------------|------------|---------------|-------------|
| Year                                | Population |               |             |
|                                     | Total      | Growth        | Annual Rate |
| 2011                                | 19,750     | -             | -           |
| 2016                                | 22,370     | 2,620         | 2.5%        |
| 2021                                | 25,470     | 3,100         | 2.6%        |
| 2026                                | 28,000     | 2,530         | 1.9%        |
| 2031                                | 31,410     | 3,410         | 2.3%        |
| 2036                                | 34,680     | 3,270         | 2.0%        |
| 2041                                | 37,590     | 2,910         | 1.6%        |
| 2046                                | 40,150     | 2,560         | 1.3%        |
| 2051                                | 42,690     | 2,540         | 1.2%        |
| <b>2021-2051 Growth</b>             |            | <b>17,220</b> | <b>1.7%</b> |

Source: Hemson Consulting Simcoe County MCR Reference Scenario

| Housing Forecast for Collingwood |                 |              |              |               |        |
|----------------------------------|-----------------|--------------|--------------|---------------|--------|
| Year                             | Housing by Type |              |              |               |        |
|                                  | Single/Semi     | Townhomes    | Apartments   | Total         | Growth |
| 2011                             | 5,480           | 840          | 2,020        | 8,340         | -      |
| 2016                             | 6,150           | 1,090        | 2,310        | 9,550         | 1,210  |
| 2021                             | 6,860           | 1,620        | 2,690        | 11,170        | 1,620  |
| 2026                             | 7,130           | 2,270        | 3,170        | 12,570        | 1,400  |
| 2031                             | 7,990           | 2,870        | 3,640        | 14,500        | 1,930  |
| 2036                             | 8,830           | 3,480        | 4,140        | 16,450        | 1,950  |
| 2041                             | 9,590           | 4,080        | 4,680        | 18,350        | 1,900  |
| 2046                             | 10,140          | 4,540        | 5,180        | 19,860        | 1,510  |
| 2051                             | 10,660          | 4,990        | 5,720        | 21,370        | 1,510  |
| <b>2021-2051 Growth</b>          | <b>3,800</b>    | <b>3,370</b> | <b>3,030</b> | <b>10,200</b> |        |

Source: Hemson Consulting Simcoe County MCR Reference Scenario





## 2.1 Ownership Resale Market





## Introduction

The following section analyzes the ownership resale housing market in Collingwood. The ownership resale market consists of existing homes being purchased to own in Collingwood.

Most homebuyers look to the resale market as opposed to the new sale market in Collingwood. Resale pricing is typically more affordable than new sale homes.

Macro-level data in this section comes from the Lakelands Association of Realtors, and NBLC also collected data on individual resales by housing type in Collingwood to better understand the range of pricing in the resale market.

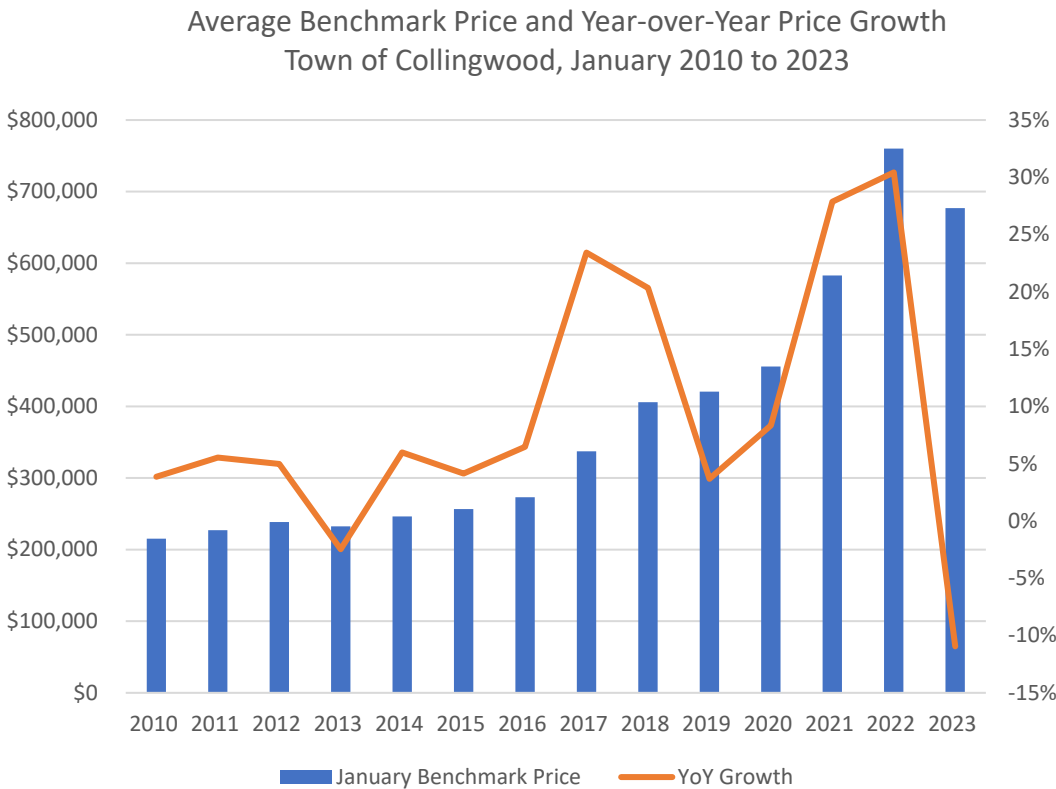
## Key Findings

The following are key findings from this section:

- Resale pricing in the Town of Collingwood has been rapidly increasing in recent years. However, pricing has declined over the past year as a result of unprecedented interest rate increases by the Bank of Canada throughout 2022 in response to high levels of inflation.
- While average resale prices declined, current prices remain unaffordable as the increased borrowing costs have offset the drop in purchase prices.
- A sample of resale transactions within the last year shows a high proportion of homes in Collingwood selling for above \$800,000 (56%) in 2022, with 30% of homes selling for above \$1M.
- Homes priced below \$400,000, which would be affordable to moderate income households in Collingwood, composed only 2% of resales in our 2022 survey.
- Average pricing for all housing types – including townhouses and condominium apartments – far exceeds the affordability thresholds for moderate income households.

# Resale Price Growth: Town of Collingwood

- Like many municipalities in Ontario, average resale pricing in the Town of Collingwood has been rapidly increasing in recent years. As illustrated to the right, average resale pricing was increasing modestly between 2010 and 2016 (about 3% to 6% annually), and then began to increase more rapidly in 2017. Average prices increased by 28% between January 2020 and January 2021, and 30% between January 2021 and 2022.
- Between January 2022 and 2023, however, resale pricing has decreased by 11%. This price correction was a result of unprecedented interest rate increases by the Bank of Canada beginning in February 2022:
  - In order to tackle rising inflation, the Bank of Canada increased the overnight lending rate seven times in 2022, and once more in January 2023. This accounted for an overall increase from 0.25% to 4.5%. This has had a significant impact on borrowing costs, leading to softening across most residential sectors. Purchaser buying power was reduced and overall consumer confidence weakened, resulting in a decline in both supply and pricing.
  - However, though average home prices have declined, pricing remains unaffordable. Higher interest rates have generally offset any drop in average purchase prices, causing overall mortgage carrying costs to be within a similar range or even higher (see Table to bottom right).
  - Additionally, though pricing has declined over the past year, the January 2023 price remains 16% higher than the average January 2021 price, and 48% higher than the 2020 price.
- Rapid price appreciation across Ontario since 2016 has been driven by a number of factors including a sustained low-interest rate environment (prior to 2022), historically low levels of housing supply relative to demand, strong annual immigration, financialization of housing, and other factors.

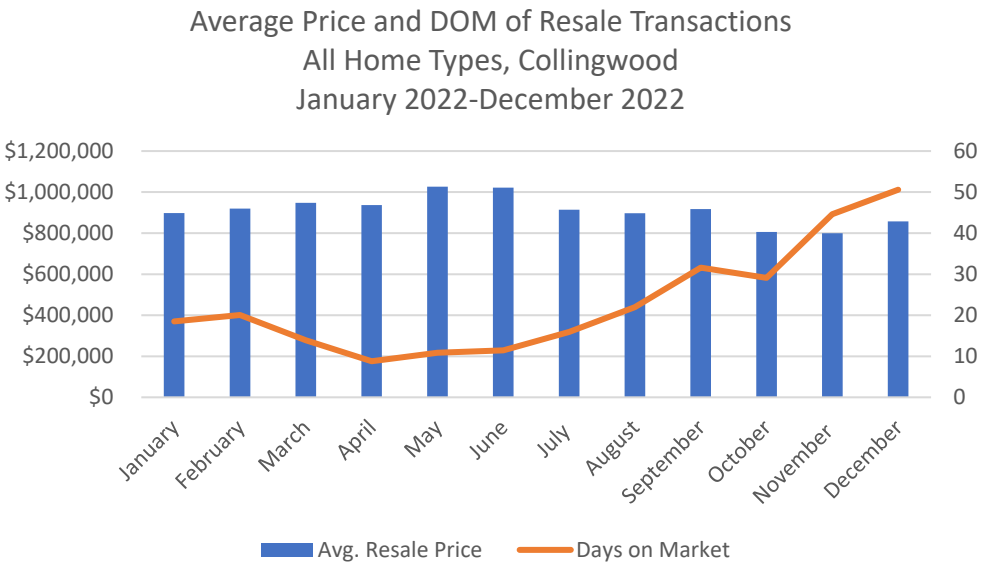


Source: The Lakelands Association of Realtors

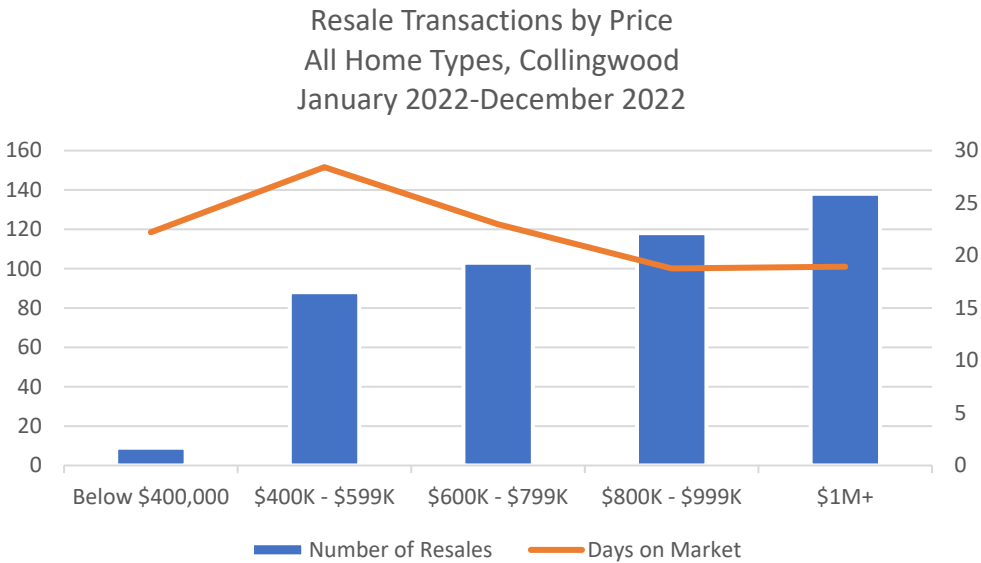
| Mortgage Payment Sensitivity Analysis |           |           |
|---------------------------------------|-----------|-----------|
| Mortgage Amount                       | \$760,000 | \$675,000 |
| Interest Rate                         | 3%        | 5.5%      |
| Mortgage Length                       | 25        | 25        |
| Mortgage Payment                      | \$3,531   | \$3,975   |

# Resale Market: Town of Collingwood

- The following observations are based on a sample of resales in the Town of Collingwood over the past year. All resale transactions in the Town of Collingwood listed on MLS for the year of 2022 were surveyed, totalling 457 resales between January and December 2022.
- The figures below illustrate a more nuanced view of the impact of rising interest rates since the beginning of 2022. As illustrated, the average resale price continued to rise through the Spring, before declining in the Summer.
- Homes also began to take longer to sell once interest rates began increasing, moving from less than 10 days on market on average in April to about 30 days on market in the Fall and 50 days on market by the end of the year.
- While pricing has dropped and homes are taking longer to sell, the majority of transactions remain within a high price point. Throughout 2022, the number of homes sold above \$800,000 accounted for more than half of all resales (56%), and properties priced above \$1,000,000 accounted for 30% of all resale transactions.
- This recent market data indicates the limited number of homes being sold at an affordable price. Homes priced below \$400,000, which would be affordable to Collingwood households in moderate income deciles, only composed 2% of total resales in 2022.
- Local households will likely continue to face affordability challenges in the resale ownership market as housing supply is affected by upward pressures on housing costs due to higher mortgage rates, stricter qualification requirements, and as the population grows.



Source: Simcoe County Realtor



Source: Simcoe County Realtor

# Average Resale Listings: Town of Collingwood

- Based on our sample survey of resale listings in the Town of Collingwood, resale prices by housing type occurred in the following ranges:
  - Single/Semi-Detached House: \$400,000 to \$3.5M
  - Apartment: \$325,000 to \$1.4M
  - Townhouse: \$380,000 to \$1.9M
- As illustrated in the table to the right, the majority of resales (55%) were single and semi-detached homes, averaging nearly \$1.1M. Townhouses (\$818,000) and condominium apartments (\$642,000) are available at lower average price points, though still well above the affordable thresholds for moderate income households. Of note, maintenance fees would also be applicable to the condominium apartments as well as condominium tenure or common element townhouses or single/semi-detached homes.
- Three bedroom units were the most commonly transacted suite type of both the resale townhouses and single/semi-detached homes. Three-bedroom townhouses sold for just under \$825,000 on average, and single/semi-detached homes sold for around \$1M on average.
- Two bedroom units were the most commonly transacted suite type of the condominium apartments, averaging just over \$615,000 for a 990 square foot unit (\$620 per square foot).
- Over the course of 2022, the observed resale transactions sold for around the same price as asking on average (about 1% to 2% over or under list price). While this trend was consistent across all housing types, it is unclear whether or not it will prevail across all price ranges and unit types as the market shifts away from the current high-interest environment.

| Resale Transactions - All Housing Types       |         |                 |             |                |            |                       |                  |
|---|---------|-----------------|-------------|----------------|------------|-----------------------|------------------|
| Town of Collingwood, January to December 2022 |         |                 |             |                |            |                       |                  |
| Unit Type                                     | Resales | Avg. List Price | Sold Units  |                |            |                       | SLP <sup>1</sup> |
|   |         |                 | Avg. Price  | Avg. Size (sf) | Avg. \$PSF | Avg. DOM <sup>2</sup> |                  |
| Single & Semi-Detached Homes                  |         |                 |             |                |            |                       |                  |
| 1-Bedroom                                     | 2       | \$999,461       | \$971,500   | 1,222          | \$795      | 20                    | 97%              |
| 2-Bedroom                                     | 49      | \$890,964       | \$899,149   | 1,249          | \$720      | 24                    | 101%             |
| 3-Bedroom                                     | 139     | \$1,009,954     | \$1,016,411 | 1,616          | \$629      | 22                    | 101%             |
| 4-Bedroom                                     | 49      | \$1,272,551     | \$1,295,837 | 2,342          | \$553      | 15                    | 102%             |
| 5-Bedroom                                     | 10      | \$1,678,986     | \$1,623,500 | 2,933          | \$554      | 24                    | 97%              |
| 6-Bedroom                                     | 2       | \$2,969,100     | \$2,875,000 | 3,700          | \$777      | 48                    | 97%              |
| Average:                                      | 251     | \$1,080,171     | \$1,086,707 | 1,752          | \$620      | 21                    | 101%             |
| Condominium Apartments                        |         |                 |             |                |            |                       |                  |
| 1-Bedroom                                     | 13      | \$394,370       | \$420,984   | 713            | \$590      | 31                    | 107%             |
| 2-Bedroom                                     | 79      | \$605,485       | \$615,100   | 992            | \$620      | 26                    | 102%             |
| 3-Bedroom                                     | 16      | \$857,329       | \$856,993   | 1,326          | \$646      | 18                    | 100%             |
| 4-Bedroom                                     | 4       | \$1,032,245     | \$1,026,250 | 1,935          | \$530      | 9                     | 99%              |
| Average:                                      | 112     | \$632,200       | \$641,809   | 1,041          | \$617      | 24                    | 102%             |
| Townhouses                                    |         |                 |             |                |            |                       |                  |
| 1-Bedroom                                     | 2       | \$761,462       | \$693,250   | 1,168          | \$594      | 25                    | 91%              |
| 2-Bedroom                                     | 19      | \$838,284       | \$836,600   | 1,288          | \$650      | 34                    | 100%             |
| 3-Bedroom                                     | 69      | \$806,849       | \$822,706   | 1,494          | \$551      | 17                    | 102%             |
| 4-Bedroom                                     | 2       | \$687,443       | \$643,250   | 1,823          | \$353      | 47                    | 94%              |
| Average:                                      | 92      | \$809,758       | \$818,860   | 1,451          | \$564      | 21                    | 101%             |
| Average:                                      | 457     | \$918,613       | \$926,622   | 1,522          | \$609      | 22                    | 101%             |
| 1. Sales-to-Listing Price Ratio.              |         |                 |             |                |            |                       |                  |
| 2. Days on Market.                            |         |                 |             |                |            |                       |                  |
| Source: Simcoe County Realtor.                |         |                 |             |                |            |                       |                  |





## 2.2 Ownership New Sale Market



## Introduction

The following section analyzes the ownership new sale housing market in Collingwood. The ownership new sale market consists of new homes being purchased from actively marketing pre-construction or under construction projects. These include new subdivisions, condominium apartment buildings, infill development and other similar projects.

This section includes housing start data collected from the Canada Mortgage and Housing Corporation along with data collected on actively marketing residential projects in Collingwood to understand pricing, absorption, and home sizing trends in the new sale market as of early-2023.

Summary tables of actively marketing projects can be found in the Appendix.

## Key Findings

The following are key findings from this section:

- There have been an average of 257 new ownership housing starts annually in Collingwood since 2010. About three-quarters of these ownership units have been freehold tenure, two-thirds of which have been single and semi-detached homes.
- Three single/semi-detached projects and two condominium apartment projects were actively marketing in Collingwood as of early-2023.
- On average, new single-detached homes were priced around \$1,000,000, with semi-detached and townhouses offering a more affordable price point, in the range of \$700,000 to \$725,000 on average. These homes appeal primarily to families and secondary home purchasers, with bungalows also appealing to downsizers / retirees.
- New condominium apartments are estimated to be priced in a similar range to semi-detached and townhouse units, on average. These units appeal to a range of buyers including downsizers/retirees, investors, secondary home purchasers, and families priced out of the low-rise market.



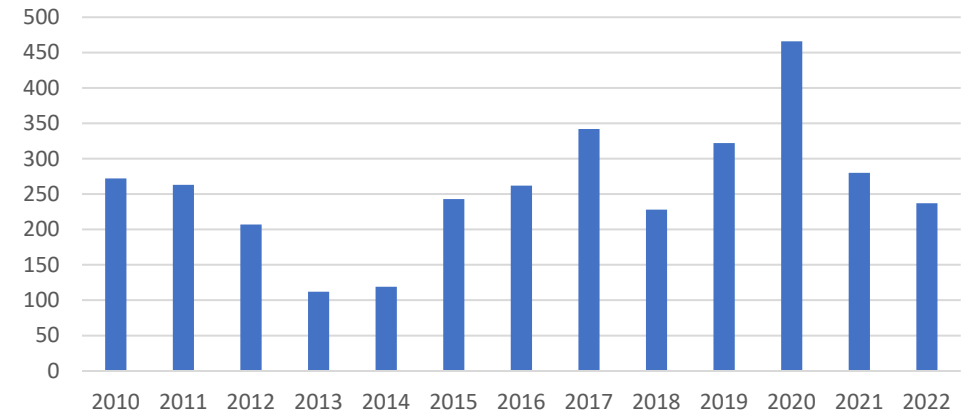
# New Ownership Housing: Town of Collingwood

- A review of housing start data for new ownership housing (freehold and condominium) shows an average of 258 housing starts per year in Collingwood since 2010.
- The majority of these ownership housing starts are freehold units (76%) – two-thirds of which are single or semi-detached homes. Amongst the condominium tenure starts, about 55% are apartments and 45% are townhouses.
- Total ownership housing starts spiked in 2020 at 466 units – the highest number of ownership starts on record according to CMHC – before returning to a more typical level of construction activity in 2021 and 2022.

## AVAILABLE OWNERSHIP HOUSING – Single/Semi-Detached Homes

- As of early-2023, new single-detached homes in Collingwood averaged just over \$1,000,000, ranging from \$800,000 for a small 1,300 sf bungalow to more than \$1,500,000. Most of the available product was over 2,000 sf.
- At the time of writing, there were three actively marketing single-detached projects in Collingwood with a total of five product offerings. These three projects averaged about 2 sales per project offering per month.
- Semi-detached homes account for a smaller proportion of the local new housing market and offer a discount relative to single-detached homes – averaging just over \$700,000 for available homes in early 2023 and ranging from \$700,000 to \$720,000. These are smaller homes in the 1,450 to 1,600 square feet range and tend to sell slower than single-detached homes – averaging less than 1 sale per product offering per month.
- Single-detached homes often advertise custom design and high-end finishes and are usually located in newer family-oriented neighbourhoods that cater to higher-income households.

New Ownership Housing Starts (All Housing Types)  
Town of Collingwood



Source: CMHC



### Single-Detached

Grandeur at Indigo Estates (2019)

Average Price \$1.12M

Min: \$1.05M

Max: \$1.3M



### Semi-Detached

Summit View (2018)

Average Price \$707,000

Min: \$700,000

Max: \$720,000

Source: Project Marketing Materials

# New Ownership Housing: Town of Collingwood

## AVAILABLE OWNERSHIP HOUSING – Townhouses

- There were no actively marketing townhouse projects in Collingwood as of February 2023. However, there are two projects that recently sold out (January 2023 and March 2022), which had a combined 207 units.
- Units sold in 2022 and 2023 in these projects had an average price of \$725,000, ranging from \$670,000 to \$900,000.
- Summit View offered smaller units under 1,500 sf, which came with a lower price under \$700,000.
- Indigo Estates meanwhile had some larger units above 1,700 sf which were priced in the range of \$900,000.
- These townhouse projects have sold at a rate of 4.5 sales per project per month, faster than both single and semi-detached projects, largely on account of their more affordable price point.



**Summit View Townhomes (Sold Out February 2023) – Completed**

*Source: Project Marketing Materials*

Average Price: \$685,000 (Units Sold 2022-2023)

Units: 87



**Indigo Estates Townhomes (Sold Out March 2022) – Completed**

*Source: Project Marketing Materials*

Average Price: \$900,000 (Units Sold 2022)

Units: 120



# New Ownership Housing: Town of Collingwood

## AVAILABLE OWNERSHIP HOUSING – Condominium Apartments

- Like most small communities in Ontario, grade related housing forms have dominated the residential marketplace in Collingwood. Notwithstanding this, condominium apartments have gained a strong foothold in Collingwood over the last two decades. Since 2003, condominium apartments have accounted for about 22% of all ownership housing starts in Collingwood.
- This market interest in condominium apartments is being driven by Collingwood's aging population, with downsizers and seniors increasingly seeking the maintenance free lifestyle that apartments can accommodate. This demand is also being driven by affordability constraints in the low-density market, as well as the attractiveness of Collingwood as a market for secondary homes. Investors are also starting to show some interest in the Collingwood condominium apartment market due to the shortage of long-term rental supply and potential for short-term rentals.
- As of early 2023, there were two condominium apartment projects actively marketing in Collingwood. These two projects had an estimated average price of about \$720,000.
- More than half of all units at the actively marketing projects are multi-bedroom units. One-bedroom units were priced in the \$450,000 to \$850,000 range and two-bedroom units were priced within the \$650,000 to \$1.2M range.
- There was one project that sold out in 2022 (Monaco), which averaged \$820,000 at the time of project sell out. The slightly higher average pricing for this project is due to a variety of factors including the project's location, luxury positioning, and larger unit sizing, among other considerations.



**Harbour House (Opened April 2021) – Actively Marketing**

Average Price \$750,000, \$770 PSF

Units: 130, Storeys: 6



**Royal Windsor at Balmoral Village (Opened November 2019) – Actively Marketing**

Average Price \$700,000, \$510 PSF

Units: 132, Storeys: 5



**Monaco (Sold Out February 2022) - Completed**

Average Price \$820,000, \$545 PSF

Units: 128, Storeys: 6







## 2.3 Rental Market



## Introduction

The following section provides an overview of the rental housing market in Collingwood. This includes commentary on macro-level data from CMHC, as well as a survey of available rental inventory in the primary (purpose-built) and secondary (privately-owned) rental markets.

The purpose of this section is to establish the types of rental options that are available to current and prospective residents in Collingwood. This section considers the full range of rental housing types – including both low-rise and apartment options, both new and older product.

## Key Findings

The following are key findings from this section:

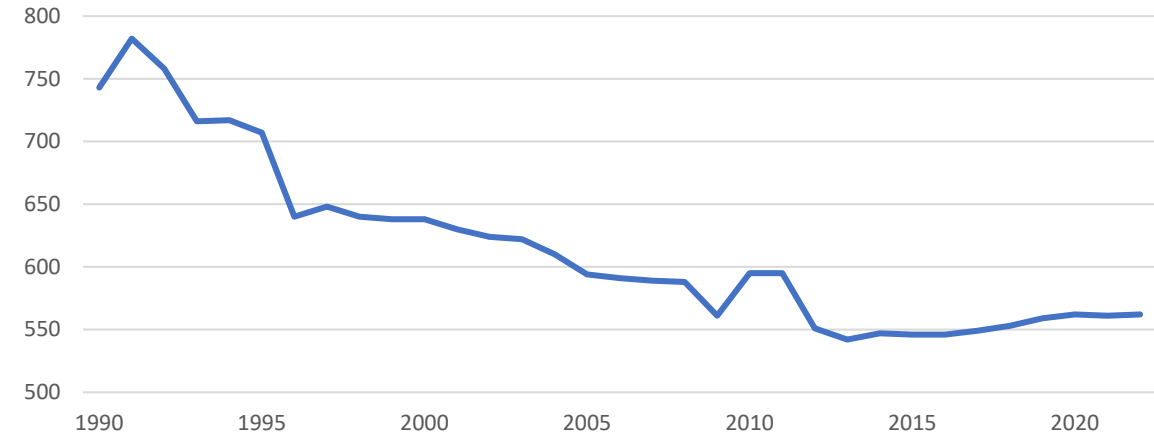
- The Town of Collingwood has very limited purpose-built rental supply, with only 562 units as of 2022.
- The rental universe in Collingwood has been declining over the past several decades from a high of 782 units in 1991 as the rate of conversion to condominiums and demolition has far outpaced new rental development.
- Purpose-built rental rates have been increasing annually over the last two decades, with more substantial growth in the last five years. Today, rents for available purpose-built rental units often exceed \$2,000 per month, even for some one-bedroom apartments.
- A lack of new purpose-built rental development has meant that the secondary market – privately leased units – has had to fill the gap between demand and supply for rental housing.
- There are a wide range of rental options on the secondary rental market. Our survey of recent private leases in Collingwood noted average pricing of over \$1,700 per month for basement apartments, close to \$2,300 per month for condominium apartments, more than \$2,700 per month for townhouses and nearly \$3,000 per month for rented single or semi-detached homes.



# Collingwood Purpose-Built Rental Market

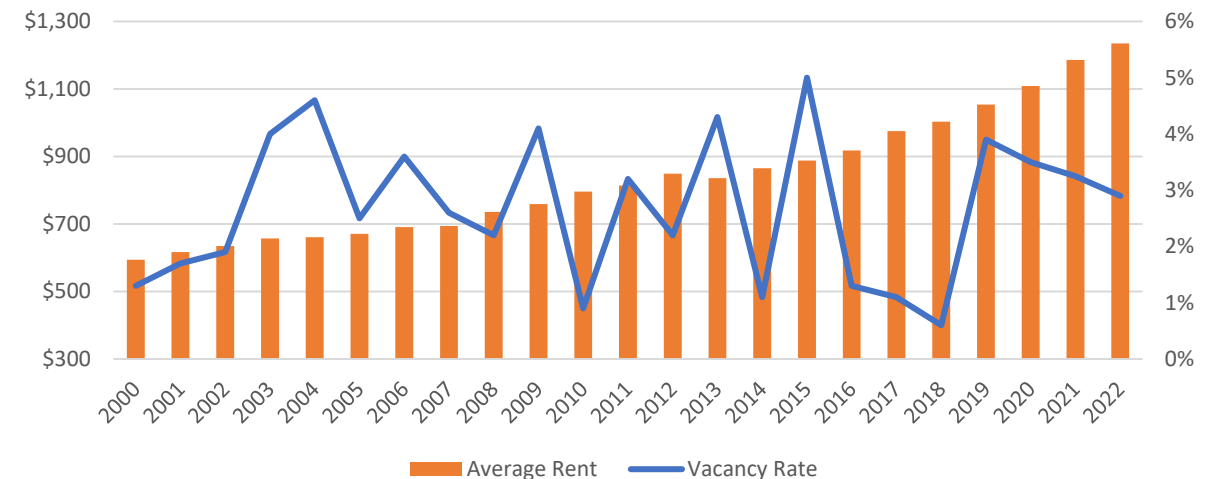
- The Town of Collingwood has very limited purpose-built rental supply with only 562 purpose-built rental units as of 2022.
- The inventory of purpose-built rental units in Collingwood has actually been on the decline over the past 30 years, dropping from a high of 782 units in 1991. The reason for this decline is that the rate of conversion to condominium tenure, or demolition of existing stock, has outpaced the construction of new rental inventory.
- Condominium apartments have become more appealing than rental projects for high-density developers for a variety of reasons including lower equity requirements, ease of financing, and shorter timeline to achieving profits, contributing to a lack of new rental construction.
- Between 2000 and 2022, the average monthly rent reported by CMHC for all units in the rental universe has grown by 2% annually. This rent growth has been more substantial in recent years, growing by an average of 5% annually since 2017.
- The CMHC average market rent in 2022 was \$1,235 per month, an increase of 27% from the 2017 average rate of \$975 per month. However, CMHC average rents are below actual market rates due to a large proportion of older rent-controlled units in the sample. Therefore, the asking market rate for a newly advertised unit available for occupancy is likely to be significantly higher than the prices reported by CMHC. This is confirmed by our rental survey in the coming pages.
- The vacancy rate in Collingwood has averaged 2.6% over the last 10 years. Annual vacancy rates can be volatile in Collingwood given the low supply of units. As such, over the past two decades, the vacancy rate has ranged from 0.6% in 2018 to 5% in 2015.

Purpose Built Rental Inventory All Housing Types, Collingwood



Source: CMHC

Average Monthly Rents and Vacancy Rates – All Rental Housing Types  
Town of Collingwood, 2000-2022



Source: CMHC

# Rental Survey: Town of Collingwood

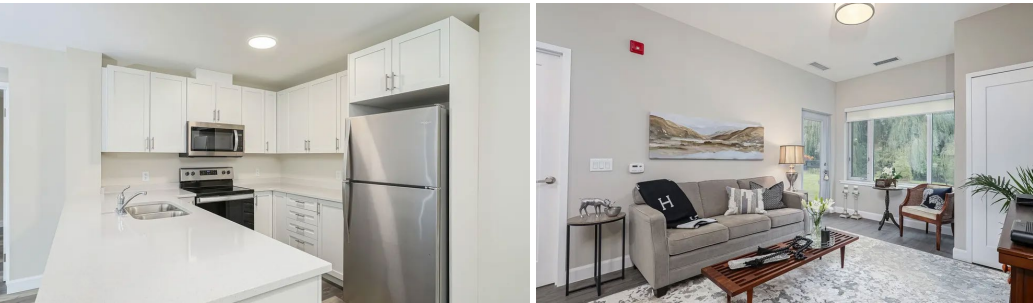
- To understand the price of apartments currently available for rent in Collingwood, NBLC completed a survey of rental buildings in Collingwood in February 2023.
- Overall, the average rent from our survey was approximately \$2,125 per month for a new purpose-built rental apartment unit, and about \$1,935 for older purpose-built rental apartment units.
- These average rental rates are well above the market rent reported by CMHC (\$1,235 per month). This disparity should be recognized if CMHC rates are referenced in the future, as they do not accurately represent what is available to renters and underestimates the affordability gap in the rental market. They therefore represent an affordable benchmark and not actual market rental rates.
- The following summarizes NBLC’s survey of available purpose-built rental units in Collingwood, as of February 2023.

## AVAILABLE PURPOSE-BUILT RENTAL HOUSING – New Apartments

- There is currently only one recently constructed purpose-built rental apartment building in Collingwood. Riverside Apartments completed in 2022 and includes 156 units. Pricing at this project averages \$2,125 per month, ranging between \$1,700 per month for a one-bedroom unit to nearly \$2,500 per month for a two-bedroom.
- Riverside Apartments offers a higher quality of units than other purpose-built rental apartment buildings in Collingwood. Only privately leased condominium apartment units would provide a similar quality – though without the on-site management and security of tenure that comes with a purpose-built rental building.
- Riverside Apartments had leased 128 units as of February 2023 (82%), representing a lease-up rate in the range of 9 to 10 units per month. For a community the size of Collingwood, this is considered a healthy lease-up rate that should ensure that the building has reached stabilized occupancy within 15 to 18 months.

| Available Units by Unit Type<br>Riverside Apartments, As of February 2023 |              |                 |            |               |
|---|--------------|-----------------|------------|---------------|
| Unit Type   | Vacant Units | Available Units |            |               |
|   |              | Avg. Rent       | Avg. Size  | Avg. \$PSF    |
| 1-Bedroom   | 12           | \$1,700         | 600        | \$2.83        |
| 1-Bedroom + Den   | 0            | \$1,985         | 725        | \$2.74        |
| 2-Bedroom   | 16           | \$2,453         | 862        | \$2.85        |
| <b>Total/Average:</b>   | <b>28</b>    | <b>\$2,125</b>  | <b>749</b> | <b>\$2.84</b> |

Source: On-Site Leasing Agents and Project Marketing Materials.



**Riverside Apartments – Only New Purpose-Built Rental Apartment in Collingwood**  
Average Rent: \$2,125  
Units: 156, Storeys: 4

**AVAILABLE PURPOSE-BUILT RENTAL HOUSING – Old Apartments**

- NBLC surveyed five older purpose-built rental apartment buildings in Collingwood. Only three of the projects had units available at the time of the survey. This included one project which was built in the early 2000s, as well as two buildings constructed in the 1990s.
- Availability was limited to just six units across the three buildings – five of which were one-bedroom units, with one two-bedroom unit. The one-bedroom units averaged \$1,911 per month, ranging from \$1,720 to \$2,045 per month. The lone two-bedroom unit was priced at \$2,060 per month.
- The limited availability at these three buildings equated to an average vacancy rate of just 1.5%, well below the ten-year market average of 2.6%.
- Anecdotally, leasing agents noted that many tenants in these older buildings have lived in their units long-term. With such a small rental universe, and very little turnover in the existing rental stock, options for new renters in Collingwood are very limited.

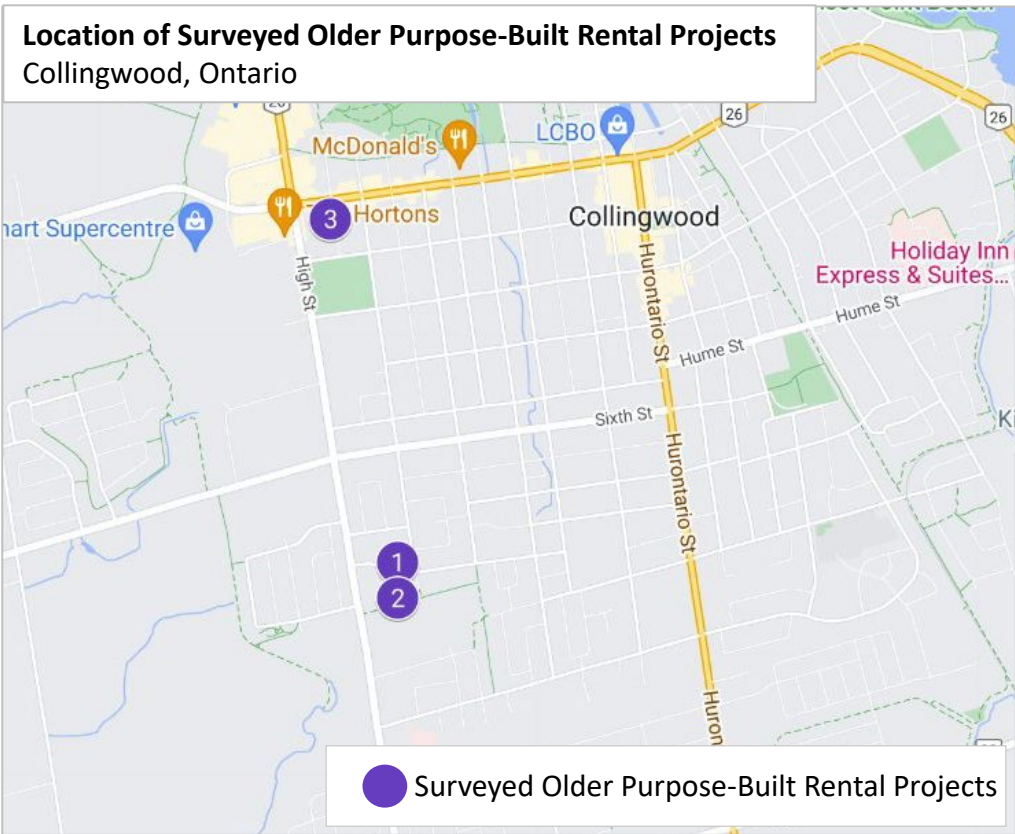
**Available Units by Unit Type**  
**Older Purpose-Built Rental Apartment Projects**  
**As of February 2023**

| Unit Type       | Available Units |              |               |
|-----------------|-----------------|--------------|---------------|
|                 | Avg. Rent       | Avg. Size    | Avg. \$PSF    |
| 1-Bedroom       | \$1,911         | 654          | \$2.92        |
| 2-Bedroom       | \$2,060         | 902          | \$2.28        |
| <b>Average:</b> | <b>\$1,936</b>  | <b>\$696</b> | <b>\$2.78</b> |

*\$PSF = Price per square foot*

*Source: On-Site Leasing Agents and Project Marketing Materials.*

**Location of Surveyed Older Purpose-Built Rental Projects**  
Collingwood, Ontario



● Surveyed Older Purpose-Built Rental Projects



# Typical Older PBR Apartment Buildings: Town of Collingwood

nblc

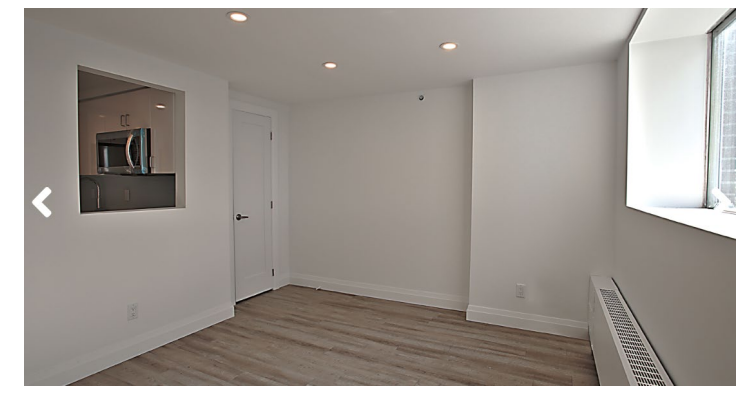
**L'Alpin Apartments (2007):** Average \$1,975



**Shannon Towers (1990):** Average \$1,980



**Collingwood Place (1990) :** Average \$1,720





# Secondary Rental Market: Town of Collingwood

- As in most Ontario markets, privately leased units are filling the gap between supply and demand that has been created as a result of the lack of new rental construction. This is known as the 'secondary rental market'.
- In many markets, these privately leased units provide the most modern rental accommodations in the community.
- Data on a sample of privately leased units was collected by NBLC through a local realtor. This consisted of 115 units leased on the secondary market in 2022, including condominium apartments, as well as single-detached homes, semi-detached homes, townhouse units and basement apartments.
- Single and semi-detached units accounted for the largest proportion of these privately leased units at 33%, followed by apartments (30%), townhouses (24%), and basement apartments (12%).
- Average rents were \$2,292 per month for condominium apartments, \$2,716 per month for townhouses, \$2,946 per month for single/semi-detached.
- For condominium apartments, one-bedroom units averaged just over \$1,800 per month, two-bedrooms close to \$2,400 per month, and three-bedrooms over \$2,500 per month.
- The majority of privately leased units were three-bedroom layouts given the high proportion of low-rise homes. The majority of private apartment leases were two-bedroom layouts.
- Basement apartments provided the most affordable rental option in Collingwood, though pricing ranged widely from about \$1,000 per month for a small 450 sf one-bedroom unit to nearly \$2,200 per month for a larger two-bedroom basement apartment.
- It should be noted that Collingwood's Town Council has approved a Rapid Accessory Dwelling Unit Deployment Program to motivate homeowners to investigate the addition of an accessory dwelling unit on their property. This will be explored further in the Affordable Housing Master Plan report.

## Town-Wide Private Leases - All Housing Types

### Town of Collingwood, January to December 2022

| Unit Type                   | Leases     | Avg. List Rent | Leased Units   |                     |                         |                       | LLP <sup>3</sup> |
|-----------------------------|------------|----------------|----------------|---------------------|-------------------------|-----------------------|------------------|
|                             |            |                | Avg. Rent      | Avg. Size (sq. ft.) | Avg. \$PSF <sup>1</sup> | Avg. DOM <sup>2</sup> |                  |
| Condominium Apartment       | 35         | \$2,325        | \$2,292        | 945                 | \$2.42                  | 30                    | 99%              |
| Townhouses                  | 28         | \$2,752        | \$2,716        | 1,464               | \$1.86                  | 20                    | 99%              |
| Single/Semi-Detached Houses | 38         | \$2,969        | \$2,946        | 1,626               | \$1.81                  | 24                    | 99%              |
| Basement Apartments         | 14         | \$1,710        | \$1,721        | 598                 | \$2.59                  | 38                    | 101%             |
| <b>Total/Average:</b>       | <b>115</b> | <b>\$2,518</b> | <b>\$2,474</b> | <b>1,251</b>        | <b>\$2.13</b>           | <b>27</b>             | <b>101%</b>      |

1. \$PSF = price per square foot. 2. DOM = Days on Market. 3. LLP = Lease to List Price Ratio

Source: Simcoe County Realtor.

## Examples of Basement Apartment Units in Collingwood



Source: realtor.ca







## 3.0 Affordable Housing Supply



## Introduction

The following section provides a high-level overview of the existing affordable housing supply and characteristics of existing programs in Collingwood and Simcoe County. It also provides information on income limits for the existing affordable housing stock, and general price points.

While low-income housing is the responsibility of Simcoe County as the Service Manager, as well as senior levels of government, it is still important to understand what currently exists in the Town today to have a full view of the housing continuum and to understand where current efforts and programs are focused.

## Key Findings

The following are key findings from this section:

- There are 2,802 Rent-Geared-to-Income ('RGI') units in Simcoe County, 8% of which are located in the Town of Collingwood (235 units).
- The County of Simcoe has 2,775 affordable housing units (affordable rental, affordable ownership, secondary suites, rent supplements), with 8% of these units located in Collingwood (233 units).
- The County's waitlist for social housing includes 4,877 households. Nearly 30% of these waitlist households are in Collingwood (1,333 households) – meaning Collingwood has one of the longest waitlists in the County despite very little existing affordable housing stock.
- The County has a target of 2,685 new affordable housing units by 2024, having surpassed this target with 2,775 affordable homes created as of December 31, 2022.
- Recent affordable housing development includes a project in Collingwood located at 475/285 Second Street with a total of 147 below market units for seniors, families, and singles. Pricing at this project ranges from \$648 per month for a 1-bedroom to \$847 per month for a 3-bedroom.
- Homelessness in Simcoe County has increased by 28% since 2020.
- While the purpose of this report is to focus on moderate income households, there is a need for increased social and low-income housing in the Town of Collingwood as well.



# Affordable Housing Mandates and Responsibility

There are many definitions of affordable housing that are pertinent to this work:

**Shelters and Transitional Housing:** Provide temporary housing and shelter to vulnerable groups.

**RGI:** Rent-Geared-to-Income (RGI) includes the ‘community’ or ‘social’ housing stock. This is permanent housing made available to the lowest income households and most vulnerable groups, often being administered by non-profits and co-operatives as well as municipalities through a Local Housing Corporation.

**LEM:** Low End of Market (LEM) is a term often applied to the legacy affordable housing stock operated by non-profits and co-operative groups. This housing is often rented at affordable rates well below the Average Market Rent (AMR) reported by CMHC.

**Affordable:** New affordable housing is often rented between 80% to 100% of the CMHC AMR, in compliance with current definitions of affordable housing and senior level government funding programs (e.g., National Housing Strategy). This also includes rent supplements and housing benefits, which are paid directly to households or landlords that bridge the gap between market and affordable rents.

| Household Income Limits for Community Housing (RGI), Collingwood County of Simcoe (Collingwood Service Area) (Housing Services Act, 2011) |          |             |             |               |                |
|---|----------|-------------|-------------|---------------|----------------|
| Location  | Bachelor | One Bedroom | Two Bedroom | Three Bedroom | Four Bedroom + |
| Collingwood Service Area  | \$27,000 | \$36,000    | \$42,500    | \$48,000      | \$59,500       |
| Max Income Decile Served  | 1st      | 1st         | 2nd         | 2nd           | 3rd            |

Source: Housing Services Act, 2011

| Typical* Rental Rates for Community/Affordable Housing, 2022 |  |          |             |             |               |
|--|--|----------|-------------|-------------|---------------|
| % AMR  | Typical Program  | Bachelor | One-Bedroom | Two-Bedroom | Three-Bedroom |
| 100% AMR   | New Affordable Housing/Housing Benefits/Rent Supplements | -        | \$1,163     | \$1,299     | -             |
| 80% AMR  |  | -        | \$930       | \$1,039     | -             |
| 60% AMR  | LEM  | -        | \$697       | \$779       | -             |
| RGI  | Community Housing  | ~\$350   |             |             |               |

\*Actual rates may vary.  
Source: Town of Collingwood, County of Simcoe, CMHC

Income Limits are established for RGI housing in the Housing Services Act, 2011. The income limits for all unit types fall within the 3<sup>rd</sup> to 7<sup>th</sup> income decile. Given that these are maximum income limits, the range appears to be appropriate for the Town. The actual affordability of RGI, LEM, and AMR relative to the Town’s income deciles will be explored later in this report. As identified earlier in this report, low-income affordable housing is the responsibility of Simcoe County as Service Manager.

# Homelessness, Social Housing and Affordable Housing

## Simcoe County Housing Mandate

### Homelessness

- 722 people experiencing homelessness as of January 2022 (28% increase since 2020).
- 82% were singles, 11% were singles with dependant(s), 5% were couples, 1% were couples with dependant(s).
- 50% of this population was in Barrie. Only 6% was in South Georgian Bay.
- 60% were adults, even split of youth and seniors.
- 57% are male.
- 10% lost housing due to COVID-19.
- 60% experience chronic homelessness, mostly due to interpersonal/family and financial issues.
- 67% experience mental health issues.

### Social Housing

- There are 2,802 RGI units in Simcoe County. This includes 235 units in Collingwood. There are also 978 affordable and 1,007 LEM units across Simcoe County.
- Simcoe County has 4,877 households on the wait list for social housing, which continues to rise:
  - Seniors 40%;
  - Adults, no dependants 35%;
  - Adults, with dependants 25%.
- Wait times have increased 50% between 2019 and 2020 as the wait list continues to grow.
- Collingwood has one of the highest wait lists in all of Simcoe County for social housing units with 1,333 of the 4,877 households on the County list.
- Ongoing operating and capital subsidies to Simcoe County Housing Corporation and legacy non-profit and cooperative housing providers.
- Assisting with end of operating agreements to ensure long-term affordability and availability of units.

### Affordable Housing

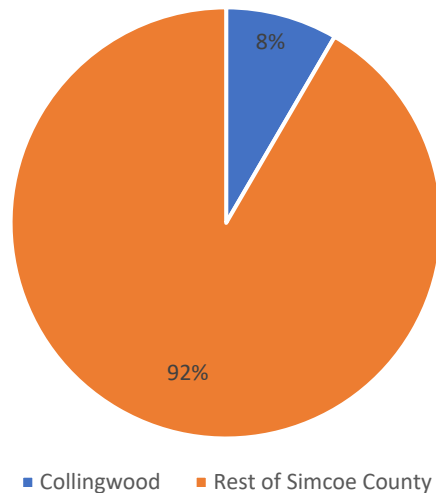
- Target of 2,685 new affordable housing units by 2024 has been surpassed with 2,775 affordable homes created.
  - Rent supplements/housing allowances (\$1.86M in 2020) | 845 households since 2014);
  - Homeownership down payment assistance (\$347K in 2020 | 126 households since 2014);
  - Creation of secondary suites (~1.0M in 2020 | 169 secondary suites created since 2014);
  - Urgent home repair (\$360K in 2020 | 304 units supported since 2014).
- There are currently 233 affordable units created in Collingwood (as of December 31, 2022) under Simcoe County's current affordable housing strategy.
- Recent/Upcoming Development:
  - \$26.8M investment in Wasaga Beach (with municipal incentives) for 99 affordable units.
  - \$13.5M investment in Tay for 41 affordable units.
  - County approved \$80M investment in Orillia.
  - New Project in Collingwood at 475/485 Second Street – 147 'below market' units. One building for seniors, one for families/singles. Buildings are full with a waitlist.



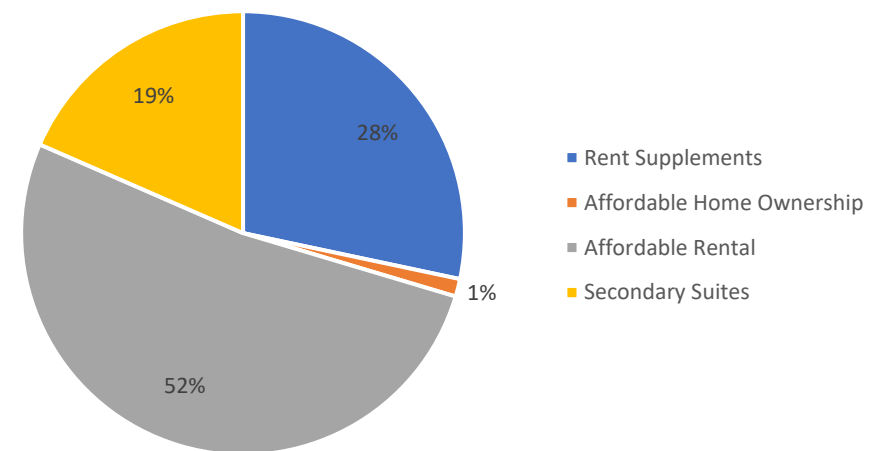
# Affordable Housing In Collingwood

- As of 2021, Collingwood represents 6.8% of Simcoe County's total population and is expected to account for 7.7% by 2051. Collingwood is expected to account for nearly 10% of the County's total growth between 2021 and 2051.
- Of the affordable housing stock created in Simcoe County under the current affordable housing strategy, Collingwood accounts for 8% of the County's overall units (233 units of 2,775 units as of December 31, 2022)
- The figure to the bottom right illustrates the breakdown of rent supplements, affordable home ownership, funded second suites, and affordable rental implemented in the Town of Collingwood's affordable housing supply.
- Of the 233 units in Collingwood in the current strategy, 28% are rent supplements, 1% are affordable ownership units, 18% are second suites, and 52% are affordable rental housing (Second Street project highlighted earlier).
- The total units in Collingwood represent 174% of the minimum target for affordable units in Collingwood set out in the current Simcoe County affordable housing strategy (134 units), but still clearly falls short of the need in Collingwood given the lengthy waitlist.

Proportion of Simcoe County Units Created Under Current Strategy in the Town of Collingwood  
As of December 31, 2022



Breakdown of Affordable Housing Created in the Town of Collingwood Under Current County Strategy  
As of December 31, 2022





## 4.0 Affordability Gap Analysis





## Introduction

The following section synthesizes the market information collected by NBLC with the income decile data from Statistics Canada to understand the market and non-market housing that is affordable to households in Collingwood. This allows for an understanding of the affordability gaps the Town of Collingwood.

This information is presented in several tables in order to visualize what is or is not affordable to different income groups.

This section includes a look at both ownership and rental tenures, low-rise and high-rise built forms, and where available, pricing by total bedrooms. Additionally, we also consider how the existing affordable housing stock, and various levels of AMR, relate to the various income decile groups in the Town of Collingwood in terms of their effectiveness in providing affordable options for each income group.

In the tables on the following pages, cells shaded in **Red** indicate a housing option is unaffordable for that income decile, on average, while those shaded **Green** indicate the home is affordable.

## Key Findings

The following are key findings from this section:

- Average prices for both ownership and rental housing are almost entirely unaffordable to households below the 7<sup>th</sup> income decile regardless of built form or number of bedrooms.
- Amongst ownership options, only resale one-bedroom condominium apartments offer an average price point that is affordable for groups below the 9<sup>th</sup> income decile (7<sup>th</sup> and 8<sup>th</sup> only). The price of single-detached homes exceed all income deciles.
- While some market-rate rental housing is affordable to those in the 7<sup>th</sup> and 8<sup>th</sup> income decile, this is largely limited to apartments as rental townhouses and rental single/semi-detached homes were priced at a level that was only affordable to the 9<sup>th</sup> decile. Only one rental option was found to be affordable for the 6<sup>th</sup> income decile – one-bedroom basement apartments.
- ***Based on the above, we can conclude that both ownership and rental affordability is very strained across the Town of Collingwood.*** This is a common situation across most of Southern Ontario.
- Finally, rental housing at or below 100% AMR as defined by CMHC was found to be affordable for moderate income households (4<sup>th</sup> to 6<sup>th</sup> income deciles), as are other affordable housing options such as RGI and low-end of market (60% AMR).

# Ownership Housing Affordability Gaps

|  |              |
|--|--------------|
|  | Unaffordable |
|  | Affordable   |

| Ownership Housing Affordability Gap Analysis, Town of Collingwood |                        |           |           |           |           |           |           |           |           |           |
|---|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Income Decile   |                        | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold   |                        | \$102,233 | \$151,126 | \$197,057 | \$248,173 | \$303,734 | \$366,704 | \$437,081 | \$542,713 | \$728,864 |
| Housing Type  | Average Purchase Price |           |           |           |           |           |           |           |           |           |
| NEW SALE  |                        |           |           |           |           |           |           |           |           |           |
| <b>Single-Detached</b>  |                        |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$935,000              |           |           |           |           |           |           |           |           |           |
| 4-Bedroom   | \$1,100,000            |           |           |           |           |           |           |           |           |           |
| <b>Semi-Detached</b>  |                        |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$707,000              |           |           |           |           |           |           |           |           |           |
| <b>Condominium Apartment</b>                                      |                        |           |           |           |           |           |           |           |           |           |
| 1-Bedroom   | \$590,000              |           |           |           |           |           |           |           |           |           |
| 2-Bedroom   | \$840,000              |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$1,040,000            |           |           |           |           |           |           |           |           |           |
| <b>Townhouse</b>  |                        |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$725,000              |           |           |           |           |           |           |           |           |           |
| RESALE  |                        |           |           |           |           |           |           |           |           |           |
| <b>Single/Semi-Detached<sup>1</sup></b>                           |                        |           |           |           |           |           |           |           |           |           |
| 2-Bedroom   | \$900,000              |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$1,016,000            |           |           |           |           |           |           |           |           |           |
| 4-Bedroom   | \$1,300,000            |           |           |           |           |           |           |           |           |           |
| 5-Bedroom   | \$1,600,000            |           |           |           |           |           |           |           |           |           |
| <b>Condominium Apartment</b>                                      |                        |           |           |           |           |           |           |           |           |           |
| 1-Bedroom   | \$421,000              |           |           |           |           |           |           |           |           |           |
| 2-Bedroom   | \$615,000              |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$857,000              |           |           |           |           |           |           |           |           |           |
| <b>Townhouse</b>  |                        |           |           |           |           |           |           |           |           |           |
| 2-Bedroom   | \$823,000              |           |           |           |           |           |           |           |           |           |
| 3-Bedroom   | \$837,000              |           |           |           |           |           |           |           |           |           |

1. Resale data for single/semi-detached homes is not broken down by single-detached versus semi-detached.

Note: Limited data available for certain housing types, particularly new sale given lack of available supply at the time of survey. Pricing is rounded.

Source: Simcoe County Realtor, Altus Data Studio, NBLC.

# Rental Housing Affordability Gaps

|  |              |
|--|--------------|
|  | Unaffordable |
|  | Affordable   |

| Rental Housing Affordability Gap Analysis, Town of Collingwood |                     |       |       |       |         |         |         |         |         |         |
|--|---------------------|-------|-------|-------|---------|---------|---------|---------|---------|---------|
| Income Decile  |                     | 1     | 2     | 3     | 4       | 5       | 6       | 7       | 8       | 9       |
| Affordability Threshold  |                     | \$563 | \$734 | \$972 | \$1,193 | \$1,425 | \$1,701 | \$2,016 | \$2,457 | \$3,231 |
| Housing Type   | Average Rental Rate |       |       |       |         |         |         |         |         |         |
| <b>New Purpose-Built Rental Apartments</b>                     |                     |       |       |       |         |         |         |         |         |         |
| 1-Bedroom  | \$1,842             |       |       |       |         |         |         |         |         |         |
| 2-Bedroom  | \$2,153             |       |       |       |         |         |         |         |         |         |
| <b>Older Purpose-Built Rental Apartments</b>                   |                     |       |       |       |         |         |         |         |         |         |
| 1-Bedroom  | \$1,911             |       |       |       |         |         |         |         |         |         |
| 2-Bedroom  | \$2,060             |       |       |       |         |         |         |         |         |         |
| <b>Privately Leased Condominium Apartments</b>                 |                     |       |       |       |         |         |         |         |         |         |
| 1-Bedroom  | \$1,832             |       |       |       |         |         |         |         |         |         |
| 2-Bedroom  | \$2,387             |       |       |       |         |         |         |         |         |         |
| 3-Bedroom  | \$2,525             |       |       |       |         |         |         |         |         |         |
| <b>Privately Leased Townhouses</b>                             |                     |       |       |       |         |         |         |         |         |         |
| 2-Bedroom  | \$2,900             |       |       |       |         |         |         |         |         |         |
| 3-Bedroom  | \$2,717             |       |       |       |         |         |         |         |         |         |
| 4-Bedroom  | \$2,500             |       |       |       |         |         |         |         |         |         |
| <b>Privately Leased Single/Semi-Detached Homes<sup>1</sup></b> |                     |       |       |       |         |         |         |         |         |         |
| 2-Bedroom  | \$2,858             |       |       |       |         |         |         |         |         |         |
| 3-Bedroom  | \$2,845             |       |       |       |         |         |         |         |         |         |
| 4-Bedroom  | \$3,137             |       |       |       |         |         |         |         |         |         |
| <b>Privately Leased Basement Apartments</b>                    |                     |       |       |       |         |         |         |         |         |         |
| 1-Bedroom  | \$1,521             |       |       |       |         |         |         |         |         |         |
| 2-Bedroom  | \$1,833             |       |       |       |         |         |         |         |         |         |

1. Private lease data for single/semi-detached homes is not broken down by single-detached versus semi-detached.  
 Note: Limited data available for certain housing types, purpose-built rental prices based on point-in-time survey in February 2023.  
 Source: Simcoe County Realtor, Altus Data Studio, NBLC.



# Affordable & Social Housing Affordability Gaps

|  |              |
|--|--------------|
|  | Unaffordable |
|  | Affordable   |

| Affordable/Social Housing Affordability Gap Analysis, Town of Collingwood |  |           |                     |       |       |       |         |         |         |         |         |         |
|---|--|-----------|---------------------|-------|-------|-------|---------|---------|---------|---------|---------|---------|
| Income Decile   |  |           |                     | 1     | 2     | 3     | 4       | 5       | 6       | 7       | 8       | 9       |
| Affordability Threshold   |  |           |                     | \$563 | \$734 | \$972 | \$1,193 | \$1,425 | \$1,701 | \$2,016 | \$2,457 | \$3,231 |
| % CMHC AMR  | Program  | Type      | Monthly Rental Rate |       |       |       |         |         |         |         |         |         |
| 100% AMR  | New Affordable Housing/Housing Benefits/Rent Supplements | 1-Bedroom | \$1,163             |       |       |       |         |         |         |         |         |         |
|   |  | 2-Bedroom | \$1,299             |       |       |       |         |         |         |         |         |         |
| 80% AMR   |  | 1-Bedroom | \$930               |       |       |       |         |         |         |         |         |         |
|   |  | 2-Bedroom | \$1,039             |       |       |       |         |         |         |         |         |         |
| 60% AMR   | Low-End of Market  | 1-Bedroom | \$698               |       |       |       |         |         |         |         |         |         |
|   |  | 2-Bedroom | \$779               |       |       |       |         |         |         |         |         |         |
| RGI   | Community Housing  |           | ~\$350              |       |       |       |         |         |         |         |         |         |



## 5.0 Households in Core Housing Need



## Introduction

The following section begins to identify more specifically which types of households in Collingwood are most likely to be facing affordability challenges. These households are identified by CMHC as being in Core Housing Need.

According to CMHC, a household is considered to be in Core Housing Need if it meets one or more of the following standards:

- **Affordability:** Household is spending more than 30% of gross income on shelter costs.
- **Adequacy:** Home requires major repairs.
- **Suitability:** Household lives in a home not suitable for its household size and composition (i.e., home is crowded).

## Key Findings

The following are key findings from this section:

- Almost 40% of renter households in Collingwood were in Core Housing Need in 2016 (nearly 1,000 households), along with about 10% of owner households.
- While affordability is the primary cause of Core Housing Need in Collingwood, adequacy and suitability are also major challenges.
- For both renter and owner households in Core Housing Need, the average amount of gross income spent on housing is nearly 50%.
- While the proportion of owner households in Core Housing Need has been consistent since 2006, the proportion of renter households has grown from 32%.
- Most households in Core Housing Need fall within lower income deciles, which have historically experienced modest income growth.



- In 2016 (2021 not available), almost 40% of all renter households and about 10% of all owner households in Collingwood were in Core Housing Need.
- Affordability is the primary cause of Core Housing Need in Collingwood. Adequacy of housing is the next most common standard for all household types.
- Considering the pace of housing price appreciation observed in Collingwood in recent years, it is possible that these proportions have increased since 2016.
- As noted in the table to the right, renter households in Core Housing Need spent 49.8% of their gross income on shelter, on average. Owner households in Core Housing Need similarly spent 49.9% of income on shelter. When a household is forced to spend so much on shelter, there is less money available for other necessities like food and it can have adverse impacts on health, family welfare, etc.
- The proportion of renter households in Core Housing Need has increased from 32% in 2006 to 39% in 2016 while the proportion of owner households in Core Housing Need has been fairly stable.
- For rental households in Core Housing Need, suitability and adequacy are major challenges in addition to affordability. Many renter households are likely paying too much for housing, in addition to living in a home that requires major repairs and/or is not suitable to their needs.
- While certain owner groups also face affordability challenges, there is clearly a more pressing need to address renter households across a variety of incomes and characteristics. Many owners are also willing to pay more than 30% of their gross income on housing with the assumption that the equity in their home will increase.
- Most of these Core Housing Need households fall in the lower income deciles, which have historically experienced very modest income growth. With rental rates and purchase prices increasing at high rates in recent years, it is possible that these ratios have continued to worsen over the most recent census period.
- The following page provides more detail on which Core Housing Need by various household characteristics.

## Who Are the Households in Core Housing Need?

- ❖ Renter households
- ❖ One-person households
- ❖ Households with at least one senior
- ❖ Households with at least one person with activity limitations
- ❖ Households with the primary maintainer over 55
- ❖ Lone-parent households
- ❖ Aboriginal owner households
- ❖ Non-permanent resident owner households

| Core Housing Need Households, Collingwood (2016) |                         |                               |                            |                        |                              |                           |
|--|-------------------------|-------------------------------|----------------------------|------------------------|------------------------------|---------------------------|
| Tenure   | Average Gross HH Income | Average Monthly Shelter Costs | Average STIR* Before Taxes | Median Gross HH Income | Median Monthly Shelter Costs | Median STIR* Before Taxes |
| Owner  | \$25,301                | \$1,018                       | 49.9                       | \$25,355               | \$943                        | 44.6                      |
| Renter   | \$25,367                | \$999                         | 49.8                       | \$23,568               | \$958                        | 49.1                      |
| *STIR = Shelter-Cost-to-Income-Ratio             |                         |                               |                            |                        |                              |                           |
| Source: CMHC, Statistics Canada                  |                         |                               |                            |                        |                              |                           |

# Core Housing Need: Household Characteristics

Red = Higher than Average

| Households in Core Housing Need, Collingwood (2016) |        |         |
|---|--------|---------|
|   | Owners | Renters |
| # of Households in Core Housing Need                | 680    | 915     |
| % of Households in Core Housing Need                | 10.0%  | 38.8%   |
| <b>Household Type</b>                               |        |         |
| Couples With Children                               | 3.0%   | 25.7%   |
| Couples Without Children                            | 4.7%   | 17.0%   |
| Lone Parent Households                              | 15.1%  | 47.1%   |
| Multifamily Households                              | 0.0%   | 28.6%   |
| One-Person Households                               | 54.8%  | 54.8%   |
| Other Non-Family                                    | 4.3%   | 22.0%   |
| <b>Age of Primary Household Maintainer</b>          |        |         |
| 15-24   | 0.0%   | 36.7%   |
| 25-34   | 7.6%   | 30.0%   |
| 35-44   | 7.7%   | 37.8%   |
| 45-54   | 7.9%   | 32.8%   |
| 55-64   | 9.2%   | 40.0%   |
| 65+   | 12.3%  | 49.2%   |
| Source: CMHC, Statistics Canada                     |        |         |

| Households in Core Housing Need, Collingwood (2016) |        |         |
|---|--------|---------|
| Household Characteristics                           | Total  |         |
|   | Owners | Renters |
| # of Households in Core Housing Need                | 680    | 915     |
| % of Households in Core Housing Need                | 10.0%  | 38.8%   |
| <b>Households With Seniors</b>                      |        |         |
| At Least One Senior (65 or Older)                   | 11.9%  | 47.4%   |
| Other Households                                    | 8.5%   | 35.6%   |
| <b>Households With Children Under 18</b>            |        |         |
| At Least One Child Under 18                         | 6.2%   | 42.5%   |
| Other Households                                    | 11%    | 37.2%   |
| <b>Immigrant Households</b>                         |        |         |
| Non-Immigrant                                       | 9.1%   | 39.0%   |
| Non-Permanent Resident                              | 100.0% | 0%      |
| Immigrant   | 14.2%  | 37.3%   |
| Recent Immigrant                                    | 67.7%  | 67.7%   |
| <b>Activity Limitations</b>                         |        |         |
| At Least One Person with Activity Limitations       | 11.3%  | 44.0%   |
| Other Household Type                                | 8.5%   | 30.2%   |
| <b>Aboriginal Households</b>                        |        |         |
| Aboriginal Households                               | 8.6%   | 37.5%   |
| Non-Aboriginal Households                           | 10.0%  | 38.8%   |
| Source: CMHC, Statistics Canada                     |        |         |



- While the data on the characteristics of households in Core Housing Need was not available for 2021, there is 2021 data available for the proportion of renter and owner households in Core Housing Need.
- In 2021, 26.8% of renter households and 7.3% of owner households in Collingwood were in Core Housing Need, which is a decrease from 2016 numbers.
- This decrease is particularly significant for renter households, who dropped by 12 percentage points in this time frame. Owner households decreased by less than 3 percentage points between Census periods.
- This represents a reversal of the trends noted over the previous decade, though it is notable that the total number of renter households in Core Housing Need remained well above 2011 and 2006 despite the drop in proportional share (see table to right).
- The decline in the proportion of households in Core Housing Need was noted across Canada, with Core Housing Need rates falling across all Canadian provinces and territories between 2016 and 2021. The decrease in households in Core Housing Need can be attributed to the following:
  - The 2021 Census uses 2020 incomes, which were impacted by the COVID-19 pandemic. The Federal government provided many households with emergency income supplements/support programs. These supports temporarily increased household incomes and had more significant impact on low to moderate-income households who are more likely to be disproportionately impacted by layoffs and income loss. This temporary boost in income may have helped households of both tenures out of Core Housing Need in the short term.

- The pandemic provided temporary relief in the rental housing market, with vacancies increasing and rents dropping. This led to rental housing becoming slightly more affordable on a macro-scale, which may have temporarily taken some rental households out of Core Housing Need.
- Both factors create some statistical irregularities in the 2021 Census income data, making it difficult to determine if the decline in Core Housing Need households will continue as a trend into the next Census, or if is just an anomaly specific to the 2021 Census.

**% of Households in Core Housing Need, Collingwood**

| Year                            | % of Owners | # of Owners | % of Renters | # of Renters |
|---------------------------------|-------------|-------------|--------------|--------------|
| 2006                            | 9.6%        | 490         | 31.8%        | 615          |
| 2011                            | 10.3%       | 630         | 36.5%        | 690          |
| 2016                            | 10.0%       | 680         | 38.8%        | 915          |
| 2021                            | 7.3%        | 593         | 26.8%        | 816          |
| Source: CMHC, Statistics Canada |             |             |              |              |



# APPENDIX – Market Data Tables





# Ownership Market Data Tables

## Surveyed Actively Marketing (New) Single and Semi-Detached Projects As of February 2023

| Map ID  | Project Name / Builder  | Open Date | Lot Size (ft) | # Lots | # Sold | % Sold | Size (sf) <sup>2</sup> |       |       | Price Range <sup>2</sup> |             |             | Avg. \$PSF | Abs. Rate |
|---|---|-----------|---------------|--------|--------|--------|------------------------|-------|-------|--------------------------|-------------|-------------|------------|-----------|
|   |   |           |               |        |        |        | Min                    | Max   | Avg   | Min                      | Max         | Avg         |            |           |
| Single-Detached                                 |   |           |               |        |        |        |                        |       |       |                          |             |             |            |           |
| 1   | Grandeur at Indigo Estates <sup>1</sup><br><i>Sunvale Homes</i> | Nov-19    | 55            | 4      | 4      | 100%   | 2,212                  | 2,212 | 2,212 | \$1,290,900              | \$1,290,900 | \$1,290,900 | \$584      | 0.3       |
|   |   | Jun-19    | 36            | 34     | 33     | 97%    | 1,687                  | 1,947 | 1,860 | \$1,049,900              | \$1,079,900 | \$1,059,900 | \$570      | 0.9       |
| 2   | Summit View<br><i>Devonleigh Homes Inc.</i>                     | Jul-18    | 43            | 171    | 133    | 78%    | 1,330                  | 2,600 | 1,890 | \$799,900                | \$989,900   | \$894,900   | \$473      | 3.9       |
| 3   | Indigo Estates<br><i>Eden Oak Homes</i>                         | Nov-16    | 46            | 62     | 61     | 98%    | 2,325                  | 2,325 | 2,325 | \$1,479,900              | \$1,479,900 | \$1,479,900 | \$637      | 1.7       |
|   |   | Nov-16    | 46            | 49     | 48     | 98%    | 2,333                  | 2,333 | 2,333 | \$1,555,900              | \$1,555,900 | \$1,555,900 | \$667      | 1.9       |
| Total/Average (3 Projects/5 Product Offerings): |   |           | 45            | 320    | 279    | 87%    | 1,322                  | 2,600 | 1,946 | \$584,900                | \$1,555,900 | \$1,001,750 | \$515      | 1.9       |
| Semi-Detached                                   |   |           |               |        |        |        |                        |       |       |                          |             |             |            |           |
| 2   | Summit View<br><i>Devonleigh Homes Inc.</i>                     | Jul-18    | 30            | 42     | 31     | 74%    | 1,583                  | 1,583 | 1,583 | \$719,900                | \$719,900   | \$719,900   | \$455      | 0.7       |
|   |   | Jul-18    | 30            | 48     | 31     | 65%    | 1,449                  | 1,449 | 1,449 | \$699,900                | \$699,900   | \$699,900   | \$483      | 0.6       |
| Total/Average (1 Project/2 Product Offerings):  |   |           | 30            | 90     | 62     | 69%    | 1,449                  | 1,583 | 1,494 | \$699,900                | \$719,900   | \$706,567   | \$473      | 0.7       |
| Total/Average (3 Projects/7 Project Offerings): |   |           | 41            | 410    | 341    | 83%    | 1,330                  | 2,600 | 1,907 | \$699,900                | \$1,555,900 | \$975,218   | \$511      | 1.4       |

1. Pricing at Grandeur at Indigo Estates has not been updated since October 2021 for 55-foot lots.

2. Based on currently available inventory.

Source: Altus Data Studio

# Ownership Market Data Tables

## Surveyed Recently Sold Out Townhouse Projects As of February 2023

| Map ID  | Project Name / Builder                       | Open Date | Sold Out Date | Lot Size (ft) | Units | # Sold | % Sold | Size (sf) |       |       | Price Range |           |           | Avg. \$PSF | Abs. Rate |
|---|--|-----------|---------------|---------------|-------|--------|--------|-----------|-------|-------|-------------|-----------|-----------|------------|-----------|
|   |  |           |               |               |       |        |        | Min       | Max   | Avg   | Min         | Max       | Avg       |            |           |
| 1   | Summit View<br><i>Devonleight Homes Inc.</i> | Jul-18    | Jan-23        | 20            | 87    | 87     | 100%   | 1,382     | 1,436 | 1,409 | \$669,900   | \$694,900 | \$682,400 | \$484      | 2.9       |
| 2   | Indigo Estates<br><i>Eden Oak Homes</i>      | Jan-17    | Mar-22        | 23            | 120   | 120    | 100%   | 1,763     | 1,763 | 1,763 | \$899,900   | \$899,900 | \$899,900 | \$510      | 7.8       |
| Total/Average (2 Projects/2 Product Offerings): |  |           |               | 22            | 207   | 207    | 100%   | 1,382     | 1,763 | 1,480 | \$669,900   | \$899,900 | \$725,900 | \$428      | 4.5       |

Source: Altus Data Studio

## Surveyed Actively Marketing (New) and Recently Sold Out Condominium Apartment Projects Town of Collingwood, as of February 28, 2023

| Map ID  | Project Name  | Open Date | Status <sup>1</sup> | Storeys | Total Units | Released Units | Total Sales | % Sold | Available Sizing (sf) |       | Available Unit Pricing |             | Avg. \$PSF <sup>2</sup> |       | Abs. <sup>3</sup> |           |
|---|---|-----------|---------------------|---------|-------------|----------------|-------------|--------|-----------------------|-------|------------------------|-------------|-------------------------|-------|-------------------|-----------|
|   |   |           |                     |         |             |                |             |        | Min                   | Max   | Min                    | Max         | Org.                    | Curr. | 70%               | Overall   |
| Actively Marketing Condominium Apartment Projects |   |           |                     |         |             |                |             |        |                       |       |                        |             |                         |       |                   |           |
| 1   | Harbour House<br><i>Streetcar Developments Inc.</i>                   | Apr-21    | UC                  | 6       | 130         | 124            | 108         | 87%    | 675                   | 1,020 | \$634,900              | \$1,039,900 | \$771                   | \$779 | 11.8<br>8         | 4.8<br>23 |
| 2   | Royal Windsor at Balmoral Village<br><i>Sherwood Homes</i>            | Nov-19    | UC                  | 5       | 132         | 117            | 117         | 100%   | 900                   | 1,927 | \$684,900              | \$1,174,900 | \$507                   | \$621 | 4.1<br>23         | 4.0<br>27 |
| Total / Average 2 Projects):                      |   |           |                     | 6       | 262         | 241            | 225         | 93%    | 675                   | 1,927 | \$634,900              | \$1,174,900 | \$643                   | \$779 | 6.1               | 4.5       |
| Recently Sold Out Condominium Apartment Projects  |   |           |                     |         |             |                |             |        |                       |       |                        |             |                         |       |                   |           |
| 3   | Monaco<br><i>Stonebrook Developments and YYZed Project Management</i> | Oct-17    | Complete            | 6       | 128         | 128            | 128         | 100%   | 635                   | 1,400 | 419,400                | \$1,059,400 | \$546                   | \$779 | 5.1<br>18         | 2.5<br>52 |
| Total / Average (1 Projects):                     |   |           |                     | 6       | 128         | 128            | 128         | 100%   | 635                   | 1,400 | \$419,400              | \$1,059,400 | \$546                   | \$779 | 5.7               | 2.5       |
| Total / Average (3 Projects):                     |   |           |                     | 6       | 390         | 369            | 353         | 96%    | 675                   | 1,927 | \$634,900              | \$1,174,900 | \$609                   | \$779 | 5.7               | 3.5       |

1. Pre = Pre-Construction and UC = Under Construction.

2. Avg. \$PSF = Original values are based on total inventory, current values are based on remaining inventory.

3. Average number of unit sales per month up to 70% sold and current date (top number). Number of months to current date or 70% sold threshold (bottom number).

Source: Altus Data Studio, Project Marketing Materials.

# Location of Actively Marketing Residential Projects





# Purpose-Built Rental Market Data

## Surveyed Purpose-Built Rental Apartment Projects As of February 2023

### New Purpose-Built Rental Apartment Projects

| Map ID | Project Name         | Date Built   | Storeys | Units | Vacant Units | Lease-Up Rate | Available Units <sup>1</sup> | Availability Rate | Available Units <sup>2</sup> |          |           |
|--------|----------------------|--------------|---------|-------|--------------|---------------|------------------------------|-------------------|------------------------------|----------|-----------|
|        |                      |              |         |       |              |               |                              |                   | Avg Rent                     | Avg Size | Avg \$PSF |
| 1      | Riverside Apartments | January 2022 | 4       | 156   | 28           | 8.4           | 29                           | 18.6%             | \$2,125                      | 749      | \$2.84    |

### Old Purpose-Built Rental Apartment Projects

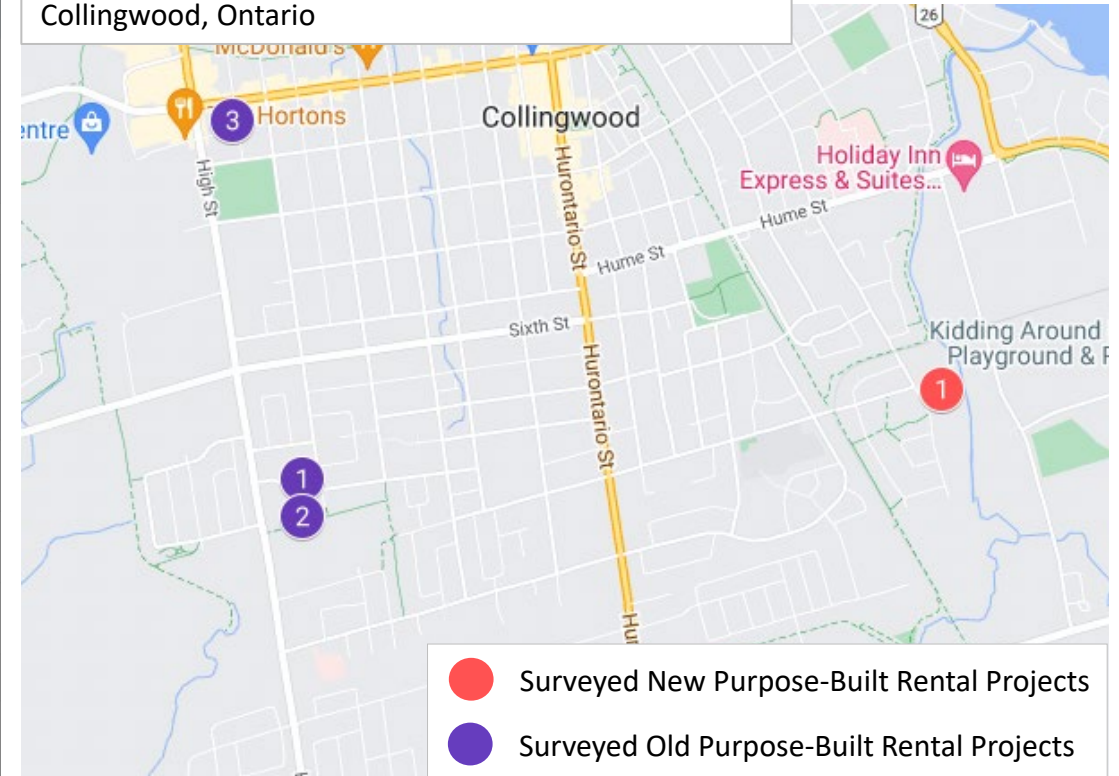
| Map ID                             | Project Name       | Date Built | Storeys | Units      | Vacant Units | Vacancy Rate | Available Units <sup>1</sup> | Availability Rate | Available Units <sup>2</sup> |            |               |
|------------------------------------|--------------------|------------|---------|------------|--------------|--------------|------------------------------|-------------------|------------------------------|------------|---------------|
|                                    |                    |            |         |            |              |              |                              |                   | Avg Rent                     | Avg Size   | Avg \$PSF     |
| 1                                  | L'Alpin Apartments | 2007       | 4       | 37         | 1            | 2.7%         | 1                            | 2.7%              | \$1,975                      | 557        | \$3.55        |
| 2                                  | Shannon Towers     | 1990       | 4       | 37         | 0            | 0.0%         | 4                            | 10.8%             | \$1,980                      | 723        | \$2.74        |
| 3                                  | Collingwood Place  | 1990       | 6       | 62         | 1            | 1.6%         | 1                            | 1.6%              | \$1,720                      | 724        | \$2.38        |
| <b>Total/Average (3 Projects):</b> |                    |            |         | <b>136</b> | <b>2</b>     | <b>1.5%</b>  | <b>6</b>                     | <b>4.4%</b>       | <b>\$1,936</b>               | <b>696</b> | <b>\$2.78</b> |

1. Available units refers to units that are vacant or will be vacant in the coming months (e.g., currently occupied but tenant has given notice, undergoing renovations, etc.)

2. Average monthly and per square foot rents have been adjusted to include heat and exclude water and hydro.

Source: On-Site Leasing Agents and Project Marketing Materials.

## Location of Surveyed Purpose-Built Rental Projects Collingwood, Ontario



- Surveyed New Purpose-Built Rental Projects
- Surveyed Old Purpose-Built Rental Projects

## Secondary Rental Market Data Tables

### Town-Wide Private Leases - Single and Semi-Detached Homes

Town of Collingwood, January to December 2022

| Unit Type             | Leases    | Avg. List Rent | Leased Units   |                |               |                       | LLP <sup>1</sup> |
|-----------------------|-----------|----------------|----------------|----------------|---------------|-----------------------|------------------|
|                       |           |                | Avg. Rent      | Avg. Size (sf) | Avg. \$PSF    | Avg. DOM <sup>2</sup> |                  |
| Two-Bedroom           | 5         | \$2,858        | \$2,858        | 1,076          | \$2.66        | 30                    | 100%             |
| Three-Bedroom         | 20        | \$2,881        | \$2,845        | 1,464          | \$1.94        | 20                    | 99%              |
| Four-Bedroom          | 13        | \$3,148        | \$3,137        | 2,088          | \$1.50        | 28                    | 100%             |
| <b>Total/Average:</b> | <b>38</b> | <b>\$2,969</b> | <b>\$2,946</b> | <b>1,626</b>   | <b>\$1.81</b> | <b>24</b>             | <b>99%</b>       |

1. Lease-to-Listing Price Ratio.

2. Days on Market.

Source: Simcoe County Realtor.

### Town-Wide Private Leases - Townhouses

Town of Collingwood, January to December 2022

| Unit Type             | Leases    | Avg. List Rent | Leased Units   |                |               |                       | LLP <sup>1</sup> |
|-----------------------|-----------|----------------|----------------|----------------|---------------|-----------------------|------------------|
|                       |           |                | Avg. Rent      | Avg. Size (sf) | Avg. \$PSF    | Avg. DOM <sup>2</sup> |                  |
| One-Bedroom           | 2         | \$2,625        | \$2,625        | 1,339          | \$1.96        | 12                    | 100%             |
| Two-Bedroom           | 2         | \$2,900        | \$2,900        | 1,156          | \$2.51        | 23                    | 100%             |
| Three-Bedroom         | 23        | \$2,752        | \$2,717        | 1,493          | \$1.82        | 21                    | 99%              |
| Four-Bedroom          | 1         | \$2,700        | \$2,500        | 1,644          | \$1.52        | 29                    | 93%              |
| <b>Total/Average:</b> | <b>28</b> | <b>\$2,752</b> | <b>\$2,716</b> | <b>1,464</b>   | <b>\$1.86</b> | <b>20</b>             | <b>99%</b>       |

1. Lease-to-Listing Price Ratio.

2. Days on Market.

Source: Simcoe County Realtor.

### Town-Wide Private Condominium Leases - Apartments

Town of Collingwood, January to December 2022

| Unit Type             | Leases    | Avg. List Rent | Leased Units   |                |               |                       | LLP <sup>1</sup> |
|-----------------------|-----------|----------------|----------------|----------------|---------------|-----------------------|------------------|
|                       |           |                | Avg. Rent      | Avg. Size (sf) | Avg. \$PSF    | Avg. DOM <sup>2</sup> |                  |
| One-Bedroom           | 7         | \$1,846        | \$1,832        | 748            | \$2.45        | 8                     | 99%              |
| Two-Bedroom           | 24        | \$2,431        | \$2,387        | 948            | \$2.52        | 36                    | 98%              |
| Three-Bedroom         | 4         | \$2,525        | \$2,525        | 1,275          | \$1.98        | 30                    | 100%             |
| <b>Total/Average:</b> | <b>35</b> | <b>\$2,325</b> | <b>\$2,292</b> | <b>945</b>     | <b>\$2.42</b> | <b>30</b>             | <b>99%</b>       |

1. Lease-to-Listing Price Ratio.

2. Days on Market.

Source: Simcoe County Realtor.

### Town-Wide Private Condominium Leases – Basement Apartments

Town of Collingwood, January to December 2022

| Unit Type             | Size       |            |            | Price          |                |                | \$PSF         |
|-----------------------|------------|------------|------------|----------------|----------------|----------------|---------------|
|                       | Min        | Max        | Avg.       | Min            | Max            | Avg.           |               |
| 1-Bedroom             | 413        | 800        | 548        | \$1,003        | \$1,900        | \$1,521        | \$2.71        |
| 2-Bedroom             | 800        | 800        | 800        | \$1,650        | \$2,195        | \$1,833        | \$2.25        |
| <b>Total/Average:</b> | <b>413</b> | <b>800</b> | <b>599</b> | <b>\$1,003</b> | <b>\$2,195</b> | <b>\$1,721</b> | <b>\$2.59</b> |

Source: kijiji.ca, realtor.ca & rentals.ca.





# Strategic Direction Options Report

## Affordable Housing Master Plan

### Town of Collingwood

August 2023

Town of Collingwood

## Strategic Direction Options Report

### Affordable Housing Master Plan

#### Table of Contents

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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.

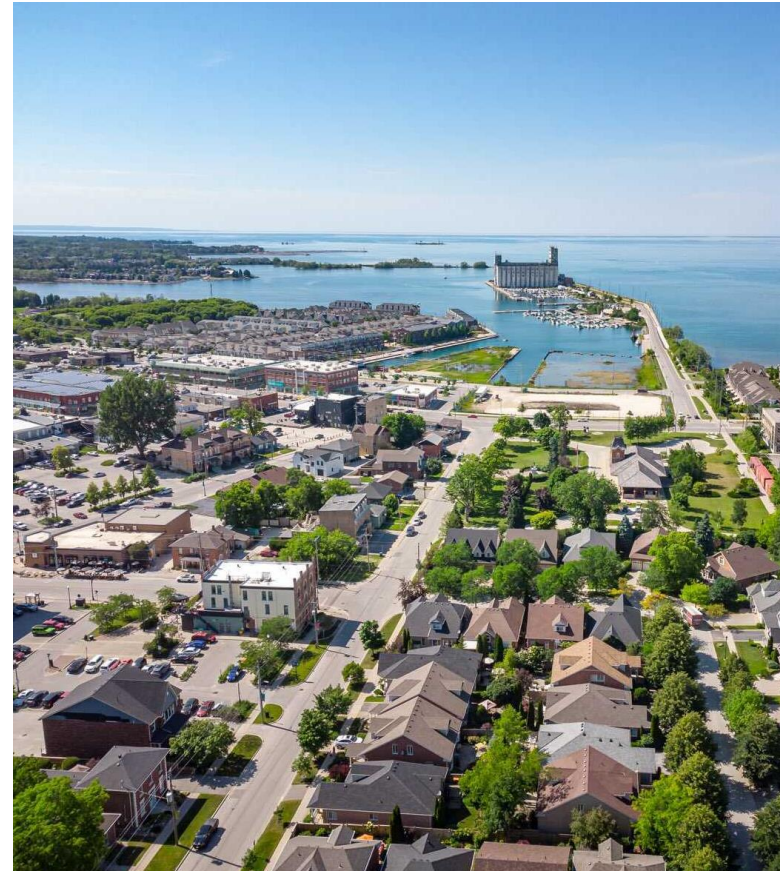


# 1.0 Introduction

The Town of Collingwood ('the Town') retained N. Barry Lyon Consultants Limited ('N.B.L.C') in early 2023 to prepare an Affordable Housing Master Plan ('A.H.M.P'). The AHMP will update the previous Housing Needs Analysis and will build on the recommendations provided by the Town's Affordable Housing Task Force in 2021. The work is meant to provide the Town with an actionable strategy to address the affordability challenges experienced by current and future residents.

As per the Town's direction, the A.H.M.P focuses on the housing needs of *moderate-income households* (i.e., those in the 4th to 6th income deciles). It is understood that low-income housing is the responsibility of Simcoe County as Service Manager, as well as senior levels of government, supported by the Town where possible.

Phase 1 of the A.H.M.P. work was to complete a detailed Housing Needs Assessment, a foundational assessment of housing needs and affordability challenges in the Town that was meant to establish current conditions and guide the recommendations brought forward through the AHMP. The Housing Needs Assessment was completed in June 2023.



*Source: Chris Gardiner Photography*



This Draft Strategic Direction Options report represents the first step of Phase 2 of the A.H.M.P. work, mapping out the list of potential options for the Town to consider as they look to address the affordable housing issues in the community.

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

## 3.0 Housing Needs Assessment

A Housing Needs Assessment ('H.N.A.') was completed in June 2023 with the intention of providing a foundational assessment of housing needs and affordability challenges in the Town of Collingwood to guide the Affordable Housing Master Plan.

The following are key takeaways from the H.N.A:

- There are **next to no options in the market for moderate income households** in both ownership and rental tenures.
- There is an **acute shortage of rental housing** in Collingwood, with the purpose-built rental universe actually declining over the past decade due to insufficient new rental development.
- **Rental rates have been rising rapidly**, with most options now exceeding \$2,000 per month.
- **Renter households are far more likely than owners to be in Core Housing Need** (i.e., living in unaffordable, unsuitable, and/or inadequate housing). There is clearly a more pressing need to address the needs of renter households across a variety of incomes and characteristics.
- The **supply of ownership housing is also not meeting demand**, particularly from low and moderate-income households. Collingwood is attracting an increasing share of higher income households, and new supply is focused on this demographic.
- The Town of Collingwood's **ownership housing stock has experienced significant price growth over the last decade**. Many households, and particularly first-time home buyers, would be challenged to buy a new or resale home in the Collingwood market today.
- A lack of affordability in the ownership market is **driving 'would-be' purchasers to the already constrained rental market**.
- To accommodate the forecasted population growth to 2051, **more than 10,000 new housing units will be required**.

The table on the following page synthesizes the market information collected by N.B.L.C. as part of the .H.N.A with the income decile data from Statistics Canada to understand the market and non-market housing that is affordable to households in Collingwood. This helps to visualize what is or is not affordable to different income groups in Collingwood's housing market today.

Table 1

| Ownership Housing Affordability Gap Analysis, Town of Collingwood   |                     |           |           |           |           |           |           |           |           |           |
|---|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Income Decile   |                     | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold   |                     | \$102,233 | \$151,126 | \$197,057 | \$248,173 | \$303,734 | \$366,704 | \$437,081 | \$542,713 | \$728,864 |
| Housing Type  | Avg. Purchase Price |           |           |           |           |           |           |           |           |           |
| NEW SALE  |                     |           |           |           |           |           |           |           |           |           |
| Single-Detached   | \$1,000,000         |           |           |           |           |           |           |           |           |           |
| Semi-Detached   | \$705,000           |           |           |           |           |           |           |           |           |           |
| Townhouse   | \$725,000           |           |           |           |           |           |           |           |           |           |
| Condominium Apartment   | \$720,000           |           |           |           |           |           |           |           |           |           |
| RESALE  |                     |           |           |           |           |           |           |           |           |           |
| Single/Semi-Detached  | \$1,085,000         |           |           |           |           |           |           |           |           |           |
| Townhouse   | \$820,000           |           |           |           |           |           |           |           |           |           |
| Condominium Apartment   | \$640,000           |           |           |           |           |           |           |           |           |           |
| Rental Housing Affordability Gap Analysis, Town of Collingwood  |                     |           |           |           |           |           |           |           |           |           |
| Income Decile   |                     | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold   |                     | \$563     | \$734     | \$972     | \$1,193   | \$1,425   | \$1,701   | \$2,016   | \$2,457   | \$3,231   |
| Housing Type  | Average Rental Rate |           |           |           |           |           |           |           |           |           |
| Purpose-Built Rental Market   |                     |           |           |           |           |           |           |           |           |           |
| New Purpose-Built Rental Apartment  | \$2,125             |           |           |           |           |           |           |           |           |           |
| Old Purpose-Built Rental Apartment  | \$1,935             |           |           |           |           |           |           |           |           |           |
| Secondary Rental Market   |                     |           |           |           |           |           |           |           |           |           |
| Privately Leased Single/Semi-Detached   | \$2,950             |           |           |           |           |           |           |           |           |           |
| Privately Leased Townhouse  | \$2,700             |           |           |           |           |           |           |           |           |           |
| Privately Leased Condominium Apartment  | \$2,300             |           |           |           |           |           |           |           |           |           |
| Privately Leased Basement Apartment   | \$1,725             |           |           |           |           |           |           |           |           |           |
| Community Housing Affordability Gap Analysis, Town of Collingwood   |                     |           |           |           |           |           |           |           |           |           |
| Income Decile   |                     | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         |
| Affordability Threshold   |                     | \$563     | \$734     | \$972     | \$1,193   | \$1,425   | \$1,701   | \$2,016   | \$2,457   | \$3,231   |
| % CMHC Average Market Rent  | Average Rental Rate |           |           |           |           |           |           |           |           |           |
| 100% AMR  | \$1,235             |           |           |           |           |           |           |           |           |           |
| 80% AMR   | \$988               |           |           |           |           |           |           |           |           |           |
| 60% AMR (Low-End of Market)   | \$741               |           |           |           |           |           |           |           |           |           |
| <p>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.</p> <p>Source: N. Barry Lyon Consultants Limited, Altus Data Studio, Canada Mortgage and Housing Corporation, Simcoe County Realtor</p> |                     |           |           |           |           |           |           |           |           |           |

## 2.0 Strategic Direction Options

The affordable housing crisis will not be resolved without significant action from all levels of government, including the Town of Collingwood. While municipalities have many levers available that can meaningfully impact housing affordability, their revenue tools and overall capital budgeting is limited. Greater action and funding from senior levels of government are therefore also necessary to meaningfully address current housing challenges. Participation from the private and non-profit sectors will also be critical in ensuring that new affordable housing supply gets built.

While terms such as ‘financialization’ or ‘commodification’ of housing are frequently noted as causes of the housing crisis, these and others are merely symptoms of an imbalance between supply and demand. Where demand significantly exceeds supply, for both housing and developable land, prices will increase and actors (e.g., developers, investors, landowners, homeowners) will seek to capitalize on these market conditions.

While increased supply can restore housing affordability over the longer term, a broader supply of housing is also needed, where more rental apartments, missing middle typologies, and affordable housing are also part of the

solution. These solutions can provide more immediate affordability relief but require more substantial policy and financial intervention from the public sector.

We see four critical levers / implementation strategies for the Town to consider. We believe these levers will allow the Town of Collingwood to begin to address its growing affordability issues:

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

A more permissive policy environment will ensure that more housing will be built, and more efficient internal processes should reduce delays, which has positive impacts on project costs and development feasibility. Lowering costs and increasing the supply of developable land creates more elasticity in pricing, allowing developers to compete at a wider



range of prices while still achieving their required return.

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

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

- **Take a Leadership Role:** While the Town of Collingwood may not have the ability or resources to construct or fund a significant amount of new housing on their own, they can be a leader in the delivery of new housing in other ways. This includes taking the initiative to declare new residential development a priority, educating residents, identifying public land for new housing, connecting interested parties to potential partners and funding programs, among other initiatives.

- **Advocate to Other Levels of Government:** More active participation from the Provincial and Federal governments will be required to have a more significant and lasting impact on housing affordability, particularly in subsidizing affordable housing development. Advocacy to other levels of government to help in solving housing affordability issues, ideally with targeted requests, will be critical for the go-forward strategy.

To this end, the strategic options outlined in the pages to follow have been organized within these four categories. Our list of strategic options is extensive and has been shaped by our research, stakeholder and public input, and N.B.L.C.'s own extensive experience in the housing industry. Information on some of the factors causing affordability gaps in Collingwood and elsewhere in Ontario and Canada can be found in the Appendix of this report.

Together, a combination of these options will create a strategy that couples market-oriented land use planning reforms with a proactive government role, including leveraging public land as well as direct investment, to increase the development of market-rate and affordable housing.

For each strategic option, we have provided a short explanation, in addition to high-level estimates on the impact, potential cost, and timeline. An explanation of the scoring system for these items can be found on page 7. A summary table of the options is on page 8.

We expect that this list of options will become more focused in the coming months as the AHMP is finalized. Additional work will need to be completed around costing, available funding, and priorities related to groups served, tenures, governance, and other key factors.

Notwithstanding this, based on our work to date and research on current market conditions, we generally believe that the Town should be prioritizing the following housing types, in this order, when making decisions related to development incentives:

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

Flexibility in the use of incentives will also be key moving forward. Interest in any incentive program can vary from year-to-year, so flexibility in which incentives

are available and to who will allow the Town to be nimble and be as impactful as possible.

An adequate program budget will also be required to achieve the stated goals. While the Town's establishment of the Affordable Housing Reserve Fund and its recent contributions of approximately \$350,000 per year in 2022 and 2023 is a commendable start, it will take a much more significant investment for the Town of Collingwood to take meaningful action to address the housing crisis.

Finally, while we understand that Town resources are limited, like in most municipalities, the affordable housing issue is in desperate need of focused and accelerated action after decades of limited action. The Town of Collingwood should plan to act as soon as possible and utilize lessons learned over time to adjust any programs and policies accordingly to maximize effectiveness.

## Methodology

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

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

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

★ **Minimal Impact**

★★ **Low Impact**

★★★ **Moderate Impact**

★★★★ **High Impact**

★★★★★ **Maximum Impact**

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

**\$:** Low-Cost (<\$100,000): This may represent no cost to the Town, a small one-time cost, or the cost of one new staff member.

**\$\$:** Medium Cost (\$100,000 to <\$1,000,000): This option may require the hiring of consultants, several staff members, and/or ongoing costs.

**\$\$\$:** High-Cost (\$1,000,000+): Options in this category are likely to be most significant from a budget and investment perspective.

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

**Immediate:** These options can be implemented immediately after the Master Plan is completed. Implementation could take less than a month.

**Near-Term:** These options can be implemented in less than one year.

**Medium-Term:** These options are likely to take between one and three years to implement.

**Long-Term:** These options are likely to take three or more years to implement.

The table below provides a summary of the list of options on the coming pages. *This represents a first draft of strategic options for the Town of Collingwood. We expect that this list will evolve further as we receive feedback throughout the remainder of the Affordable Housing Master Plan process.*

**Table 2**

| Preliminary Strategic Direction Options<br>Town of Collingwood Affordable Housing Master Plan                 |                 |                     |                                   |
|---|-----------------|---------------------|-----------------------------------|
|   | Impact (1 to 5) | Cost (\$ to \$\$\$) | Timeline (Immediate to Long-Term) |
| <b>1. Reform Local Planning Policies and Internal Processes to Increase Housing Supply</b>                    |                 |                     |                                   |
| Undertake a Comprehensive Review of the Town's Zoning By-Law  | 5               | \$\$                | Medium                            |
| Simplify the Zoning By-Law  | 4               | \$\$                | Medium                            |
| Work Towards a Decision Faster (Shorten Approvals Timelines)  | 4               | \$\$                | Medium                            |
| Fast-Track Priority Developments  | 4               | \$                  | Near                              |
| Explore the Potential for Density Bonusing for Priority Projects  | 3               | \$                  | Medium                            |
| Explore the Use of CIHA's and/or MZO's for Priority Projects, Where Appropriate                               | 3               | \$                  | Near                              |
| Create Simple Pre-Approved 'Off-the-Shelf' Building Designs   | 3               | \$\$                | Near                              |
| <b>2. Offer Incentives and Direct Subsidies to Reduce the Cost of Priority Developments</b>                   |                 |                     |                                   |
| Offer Development Incentives for Targeted Projects Through a CIP and/or MCFB                                  | 5               | \$\$\$              | Medium                            |
| Prioritize Housing Outcomes on Public Land  | 5               | \$                  | Medium                            |
| Consider Guaranteeing or Offering Low or No-Interest Loans to Help Advance Affordable Housing Development     | 4               | \$\$/\$\$\$         | Near                              |
| Consider a Property Tax Increase Targeted Specifically at Funding Affordable Housing                          | 4               | \$                  | Near                              |
| Consider How Changes to Property Taxes Could Benefit New Rental Development                                   | 4               | \$\$                | Medium                            |
| Invest Budget Surpluses into Desired Housing Outcomes   | 4               | \$\$/\$\$\$         | Near                              |
| Expand Rapid ADU Program to Include More Options  | 2               | \$\$                | Near                              |
| Explore Alternative Revenue Tools   | 2               | \$\$                | Medium                            |
| Explore Whether Rent Supplements Could be a Near-Term Measure to Support Renter Households                    | 2               | \$\$                | Near                              |
| Avoid Demand-Side Incentives, Where Possible  | 2               | \$                  | Immediate                         |
| <b>3. Take a Leadership Role in the Delivery of Housing</b>   |                 |                     |                                   |
| Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing         | 4               | \$                  | Near                              |
| Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign | 3               | \$\$                | Immediate                         |
| Push Back Against Local NIMBYism  | 3               | \$                  | Immediate                         |
| Declare Housing as a Human Right  | 2               | \$                  | Immediate                         |
| Pursue Economies of Scale by Partnering with Other Municipalities   | 5               | \$/\$\$             | Medium                            |
| Treat the Private and Non-Profit Sectors as Partners  | 3               | \$                  | Immediate                         |
| Leverage Knowledge and Experience of Private and Non-Profit Sectors   | 4               | \$                  | Near                              |
| Enact a Rental Replacement By-law in Order to Preserve Existing Rental Stock                                  | 3               | \$                  | Near                              |
| Take Advantage of Federal, Provincial, and County Funding Programs  | 3               | \$/\$\$             | Near                              |
| Connect Housing Providers to Funding Programs That Could Encourage Affordability in New Developments          | 3               | \$                  | Near                              |
| Be Encouraging of Non-Traditional Construction Techniques   | 3               | \$                  | Immediate                         |
| Enable Opportunities for Non-Traditional Housing Types  | 2               | \$                  | Immediate                         |
| Support Housing Providers Proposing Non-Traditional Funding Models, Where Possible                            | 2               | \$                  | Immediate                         |
| Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making                     | 3               | \$                  | Near                              |
| Require Housing Above or in Conjunction with New Public / Community Facilities                                | 2               | \$\$/\$\$\$         | Long                              |
| <b>4. Advocate to Other Levels of Government – This Issue Cannot be Solved Without Them!</b>                  |                 |                     |                                   |
| Advocate for the Elimination or Deferral of HST on New Purpose-Built Rental Developments                      | 5               | \$                  | Long                              |
| Advocate for More Revenue Tools to Reduce the Burden on the Tax Base  | 5               | \$                  | Medium/Long                       |
| Advocate for the County to Participate in any Local Incentive Programs  | 4               | \$                  | Medium                            |
| Advocate for a 'Fair Share' of Affordable Housing Funding from the County                                     | 4               | \$                  | Medium                            |
| Advocate to CMHC for More Streamlined Access to Funding and Financing Programs                                | 4               | \$                  | Long                              |
| Ask the Province to Define Attainable Housing and Incentivize It  | 3               | \$                  | Near/Medium                       |
| Advocate for Increased Labour Supply for New Development  | 4               | \$                  | Long                              |
| Request Targeted Funding Where it is Not Currently Available  | 5               | \$                  | Medium / Long                     |
| Advocate for More Progressive Property Taxation Options   | 2               | \$\$                | Long                              |
| Leverage the Collective Power of Municipalities in Advocacy   | 3               | \$                  | Long                              |



### 3.1 Reform Local Planning Policies and Internal Processes to Increase Housing Supply

Significant changes to planning policy province-wide are needed to increase housing supply. At the municipal level, this generally means refinements to zoning and Official Plans where they place outdated restrictions on new development. We recommend that the Town of Collingwood review the zoning by-law to assess areas where the delivery of housing could be streamlined through modest changes summarized below. We understand that a review of the zoning by-law is budgeted to begin in 2024 after the new Official Plan is adopted.

The Town should also consider where changes to internal processes should be made to simplify the development process given that delays drive up the cost of housing. A number of studies in recent years undertaken by both public sector (e.g. C.M.H.C.) and private sector (e.g. B.I.L.D.) organizations have indicated that delays in the development approvals process have direct impacts on making housing less affordable and can add tens of thousands of dollars to the cost of a single unit.

Planning tools can be complex and challenging for the public to understand. Generally, the land use planning system in Ontario is policy-based and Provincially-led. Essentially, what this means is that the Ontario government sets the overarching framework within which municipalities must work, and enables tools through legislation or regulations. Municipalities cannot use tools that are not activated by the Province nor can they contravene upper level government policies or plans.

At the municipal level, supporting affordable housing or overall housing supply through land use planning tools would involve setting supportive and high-level policies through the Official Plan. The Official Plan, as a policy document can be flexible and open to interpretation. Those policies are then implemented primarily through the more detailed and regulatory zoning by-laws, along with other tools such as urban design guidelines, engineering standards, and related master plans. Therefore, the planning reform recommendations in this report are focused on zoning improvements that can be made, recognizing that there is no tool available to the Town to compel the private sector to deliver affordable housing, either through policies or regulations.

Further, while it is the municipality's role to set the local policy and regulatory context, it is challenging to address every possible scenario and developers may require site-specific amendments to facilitate their projects and must apply to the Town for approval. Though the Town could fast-track priority applications that would result in affordable housing (as is recommended in this section), there are certain non-optional processes under the Planning Act, such as circulation to commenting agencies, technical review, public meetings and appeals, that take time. If planning applications are required, this would typically add 6 months to one year to project timelines, and many more months or even years if there is an appeal. Some of the recommendations in this report are intended to streamline development approvals and add flexibility to zoning, where possible, to limit the number of applications required.

For all of the recommendations in this section, we would recommend exploring how the Town of Collingwood can utilize the Housing Accelerator Fund, or other funding programs, to help pay for some of these changes. However, any lack of success in securing funding from these programs in the near-term should not be used as a reason for inaction. If the planning reforms recommended in this section cannot be carried out with current staffing capacity, the Town should find room in the budget to hire more staff to take this work on.

The following are the strategic options listed in this section:

- Undertake a Comprehensive Review of the Town's Zoning By-Law;
- Simplify the Zoning By-Law;
- Work Towards a Decision Faster;
- Fast-Track Priority Developments;
- Explore the Potential for Density Bonusing for Priority Projects;
- Explore the Use of C.I.H.A.'s and/or M.Z.O.'s for Priority Projects, Where Appropriate;
- Create Simple Pre-Approved 'Off-the-Shelf' Building Designs

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

The Town should undertake a comprehensive review of its zoning by-law to encourage more housing supply. As part of this review, we would recommend the following as a starting point, acknowledging that work has started on some of these items already:

- **Upzone along arterial roads:** Where it does not exist already, the Town should consider opportunities to upzone along arterial roads where the lot depths and other factors might allow. We understand the new Official Plan is proposing heights up to 8 to 12-storeys in some areas.
- **Eliminate single-family-only zoning:** Eliminating single-family-only zoning is not meant to restrict the construction or existence of single-detached homes, but rather to end zoning that **only** permits this built form. In any residential 'neighbourhood' – even those that are primarily low-rise homes – semi-detached, townhouses, and multiplex built forms should be permitted as-of-right to increase housing options. The Town of Collingwood should eliminate its R1 zoning category. The R2 category should also be expanded to include, at minimum, permissions for townhouses and denser multiplexes than just duplexes.
- **Allow more density in neighbourhoods:** The Province through Bill 23 has already required that three units be permitted as-of-right on any serviced residential parcel. There is an opportunity to take this further by ensuring medium-density housing types like traditional, back-to-back and stacked townhouses are allowed as-of-right in neighbourhoods, as well as denser multiplex homes like four and six-plexes (e.g. encourage more "missing middle"). Legalizing rooming houses (which could even be used as employee housing) in all residential zones would also be beneficial.
- **Allow residential development to be integrated into designated commercial areas:** While changes within the commercial-retail sector were already occurring due to the proliferation of digital platforms, e-commerce opportunities, and the decline of the traditional mall, they were accelerated during the COVID-19 pandemic. The nature and need for brick-and-mortar retail has changed. Large-format retail plazas are being re-imagined across Ontario to incorporate a mix of residential uses on existing surface parking lots and create more complete

communities. The Town of Collingwood should recognize this emerging trend and create a related policy framework that provides flexibility to add housing supply to these commercial properties. Importantly, this would put more housing within walking distance of key commercial amenities. We understand the new Official Plan sets the groundwork for this change in the future.

- **Eliminate minimum parking requirements:** Parking can add significant costs to apartment developments, particularly if it needs to be located underground. Eliminating minimum parking requirements for mid and high-density developments would allow housing providers to provide parking based on market expectations as opposed to policy requirements, building only what is needed. We understand that some opponents of no parking minimums are concerned about a potential increase of residents parking on streets. In our view, this is an enforcement issue, not a planning issue.
- **Avoid protecting stability at the expense of new housing:** Unless the proposal is in a heritage district, better balance the preservation of the community with the creation of housing supply through an amended zoning by-law. It is probable that with careful reconsideration, low-density zones could allow for a broader range of more dense housing formats while still protecting the character of the local area.
- **Update other zoning permissions as necessary to accommodate the above changes:** The Town should review the by-law to make any necessary changes related to items like setbacks, building depths, minimum lot sizes, etc, to accommodate the noted recommendations.

Official Plan policies should also be updated where necessary to reflect this change in direction from a zoning perspective and to be more encouraging of accommodating population growth and new housing supply in Collingwood.

Finally, it should be noted that these reforms will encourage development of all housing forms, and at a variety of price points, including those that would primarily serve upper-income households. However, the goal of these reforms should be to start the process of getting more housing built in general as opposed to just affordable housing, in order to bring more balance to the market in terms of supply and demand.

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

## Simplify the Zoning By-Law

Simplifying the Town's zoning by-law could also have a positive impact on getting more housing supply built, making it easier for prospective housing providers to get to the construction phase more quickly and/or to increase the number of participants in housing delivery.

In addition to the reforms noted above, there are a number of approaches that the Town could take to simplifying its zoning. Any changes should focus on creating clarity and predictability. Changes could include, among other options:

- Reducing the number of zone categories and expanding the range of permitted uses in each zone;
- Increasing as-of-right opportunities (as noted previously);
- Limiting development by height as opposed to density, number of units, floor space index, or lot coverage. We understand policies in the new Official Plan set the groundwork for this type of change;
- Simplifying the language in the by-law so it is easier to understand for non-experts;
- 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.

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

## Work Towards a Decision Faster

The Town of Collingwood should strive to speed up and simplify the development approvals process to increase housing supply. This could in turn reduce the cost of all new residential development without requiring direct subsidies. We understand the Town is currently undertaking a development process and fees review, expected to conclude in 2023, with budget required in 2024 for implementation.



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

However, the Town of Collingwood should explore whether there are other ways that they can speed up their own internal processes to spur more construction activity. Designing internal processes to match staffing capacity is a key step in ensuring that those processes are efficient. In addition to the reforms noted in the previous section, some other steps that may allow the Town to increase the speed at which housing is delivered include, among others:

- Limiting the number of public consultations beyond what is required, particularly for applications that conform with local planning policies. Utilizing existing technology for additional input (e.g. ensuring that public consultations have a hybrid in-person-virtual approach, allowing for comments through the Town's website, etc), as needed, should be considered sufficient;
- Streamline the process for low-risk or uncomplicated development applications;
- Streamline the approval of building permits;
- Streamline pre-application meetings to ensure that a decision can be made quickly once an application has been submitted;
- Critically review and consider reducing the number of required studies for certain residential developments;
- Eliminate peer review requirements, where possible, if initial studies are completed by qualified professionals or firms qualified by the Town;
- 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. This is already being done through the Rapid ADU program, but could be expanded to include a wider range of housing types.

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

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

### **Fast-Track Priority Developments**

As part of the Town's attempts to speed up and simplify the development approvals process, we would recommend creating a process whereby priority projects can be fast-tracked. In this case, we would recommend that those priority projects either be ones that provide affordable housing for moderate and low-income households, or market-rate purpose-built rental projects given the lack of rental options in the Town today. This would help to speed up the delivery of the housing that is most needed in Collingwood. The Town has made initial process changes that would support this recommendation by assigning the Housing Development Coordinator as a concierge, advocate, and "one window" Town contact for affordable housing projects.

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

### **Explore the Potential for Density Bonusing in Priority Projects**

The Town of Collingwood should explore ways to incorporate density bonusing for priority projects or to achieve specific housing outcomes. For example, it could be beneficial if the Town could provide additional height or density to a project if a certain percentage of the additional units gained were priced within a particular range of affordability. Another option could be to use density bonusing to encourage the development of new purpose-built rental supply instead of condominium tenure projects. Previously, Section 37 of the Planning Act was the primary mechanism for density bonusing. That has since been changed by the Provincial government. With the Town's legal representatives,

we recommend exploring whether there are other mechanisms to incorporate density bonusing to achieve specific housing outcomes.

One related incentive that the Town has successfully employed is points awarded through the Servicing Capacity Allocation Policy for housing affordability, rental housing, or other innovative housing forms. While the Town has no legal mechanism to compel developers to achieve points in these categories, many have voluntarily chosen to do so to improve their chances of capacity allocation under the Town's merit-based system.

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

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

### **Explore the Use of CIHA's and/or MZO's for Priority Projects, Where Appropriate**

Two tools available from the Provincial government could be explored to speed up the development process for priority projects – particularly those that include an affordable housing component.

The Community Infrastructure and Housing Accelerator ('CIHA') is a tool that the Town should consider. A C.I.H.A. is similar to (but less controversial than) a Minister's Zoning Order ('MZO') in that it does not have to conform to the local Official Plan and cannot be appealed – avoiding delays, reducing project risk, and providing certainty. However, the CIHA does require some public consultation, unlike an M.Z.O., though less than a typical zoning by-law amendment. CIHAs are meant to expedite priority developments, including housing of all types, and need to be requested by a

municipality to the Minister of Municipal Affairs and Housing on a site-by-site basis. The CIHA must be municipally-led and allows for an agreement to be registered on title of a property.

A Minister's Zoning Order (M.Z.O.) is meant for situations of extraordinary urgency. M.Z.O.s override local planning authority to approve development without expert analysis, public input, or any chance of appeal. This is a blunt policy tool that is likely to be met with controversy in Collingwood. Most municipalities avoid its use where possible, though it is very effective in moving the development process forward. However, the C.I.H.A. tool should be considered first.

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

### **Create Simple Pre-Approved 'Off-the-Shelf' Building Designs**

As a means of accelerating the development process, reducing costs, and increasing housing supply, the Town of Collingwood should consider creating pre-approved 'off-the-shelf' building designs. Builders can then choose from the various designs depending on what type of housing is permitted on their property and construct them as-of-right without having to go through a complex approvals process. Collingwood already provides 'off-the-shelf' pre-approved building designs for accessory dwelling units through the Rapid A.D.U. program. This would represent an expansion of something that Collingwood is already doing.

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

The Town should consider a similar pre-approved 'off-the-shelf' approach, but adapt it for medium and high-density building types. To do so would require hiring an architect to design some simple home designs for a variety of building scales – duplex, triplex, fourplex, sixplex, townhouses, stacked townhouses, and low-rise apartment buildings (3 and 4-storeys). Simple, modular housing options could even be included to further support the earlier recommendation on

creating an enabling environment for alternative construction techniques and to lower the cost construction. It could also make sense to use some of these designs as the basis for new development on Town-owned lands.

Ideally this would be something that the Province, or even C.M.H.C., would undertake. However, in the absence of this, the Town of Collingwood should take the initiative on this item. Partnering with Simcoe County or other neighbouring municipalities could also reduce the cost burden on the Town and increase the effectiveness of this option. We would also recommend pursuing funding through the Housing Accelerator Fund for this type of initiative.

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

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



### 3.2 Offer Incentives and Direct Subsidies to Reduce the Cost of Priority Developments

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

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

The Town of Collingwood should aim to reduce the cost of development using development incentives to encourage private sector and non-profit developers to participate in the delivery of affordable and market-rate rental housing. Affordable housing should be the highest priority for incentives, but market-rate purpose-built rental development should also be considered as a secondary priority given the limited new investment occurring in Collingwood. As noted in our housing needs analysis, condominium tenure development is more economically appealing than purpose-built rental development for a variety of reasons including equity requirements, ease of financing, differences in costs, and shorter timeline to achieving profits, contributing to a lack of new rental construction.

The following are the strategic options listed in this section:

- Offer Development Incentives for Targeted Projects Through a CIP and/or M.C.F.B.;
- Prioritize Housing Outcomes on Public Land;
- Consider Guaranteeing or Offering Low or No-Interest Loans to Help Advance Affordable Housing Development;
- Consider a Property Tax Increase Targeted Specifically at Funding Affordable Housing;
- Consider How Changes to Property Taxes Could Benefit New Rental Development ;

- Invest Budget Surpluses into Desired Housing Outcomes;
- Expand Rapid ADU Program to Include More Options;
- Explore Alternative Revenue Tools;
- Explore Whether Rent Supplements Could be a Near-Term Measure to Support Renter Households;
- Avoid Demand-Side Incentives, Where Possible.

### **Offer Development Incentives for Targeted Projects Through a CIP and/or M.C.F.B.**

The Town of Collingwood should offer development incentives for priority projects. This could be accomplished through the creation of a Town-wide Community Improvement Plan ('C.I.P.') and/or through Municipal Capital Facility Agreements ('M.C.F.A.'). C.I.P.s and M.C.F.A.s are similar tools that allow municipalities to offer incentives to achieve specific outcomes.

#### *Community Improvement Plan (C.I.P.)*

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

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

### *Municipal Capital Facilities Agreement / By-Law*

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

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

To enter into an M.C.F.A., a municipality must first pass a Municipal Capital Facility By-Law (‘M.C.F.B.’) that must define affordable housing, define the eligibility requirements, include references to current acts and legislation, include a summary of the provisions that agreements must contain, and other language as required by the Act. Once the by-law is in force, a municipality can then enter into individual agreements, referred to as Municipal Capital Facility Agreements, with selected projects. It is also noted that unlike a C.I.P., a Municipal Capital Facility By-Law must be municipality-wide and cannot be restricted to a specific location.

### *Choosing the Right Incentive Tool*

While these tools are similar, a M.C.F.B. can be amended much more quickly than a C.I.P., but can only be implemented by single and upper-tier municipalities that are designated as a service manager under the Housing Services Act, 2011. MCFBs require only a single by-law to Council to repeal and replace/amend the by-law, and require almost no administrative burden to change parameters of the program. A C.I.P. on the other hand requires public meetings and can be appealed by a member of the public or the development community, both through initial approval and any subsequent amendment. A MCFB can also only be used for affordable housing, whereas a C.I.P. can achieve multiple objectives. Finally, while a M.C.F.B. can only be used for affordable housing, recent M.C.F.B. have defined affordable as anywhere from social housing to market rental, given the housing needs in the community so there is some flexibility in the definition of 'affordable'.

From the perspective of incenting affordable housing development, the MCFB is likely to be the best option due to its added flexibility.

However, given the restriction of M.C.F.B.'s to upper and single-tier municipalities who are service managers, the Town of Collingwood would have to participate within Simcoe County's M.C.F.B. While this provides the benefit of less administration for the Town, it does remove some control and adds a layer of bureaucracy given the need to get approval from County Council for any new M.C.F.A.

As part of either tool, we would recommend that the Town of Collingwood explore the potential for providing the following incentives:

- Development charge grants, waivers, or deferrals – this would represent deeper incentives than what is now required through the Province's recent Bill 23;
- Property tax grants or reductions;
- Application and building permit grants;
- Study grants for non-profits;

- Capital grants to offset construction costs;
- Construction financing;
- Guaranteeing borrowing;
- Renovation credits to create additional housing units or renovate existing units, including units above existing commercial uses in the Downtown Core.

These types of development incentives can have a significant impact on development feasibility and the level of affordability in a new development. Regardless of whether a C.I.P. or M.C.F.B. is pursued, we would recommend ‘stacking’ incentives where appropriate to increase affordability and/or the supply of new affordable or rental housing. Stacking incentives helps to further reduce the cost of development and can drive at deeper affordability or expand the number of units that are considered affordable in a project. Stacking with senior-level funding and financing programs such as the Co-Investment Fund and Rental Housing Financing Initiative are also recommended.

Additional information on the financial impacts of development incentives on development feasibility will be provided in the final Affordable Housing Master Plan.

These incentives can also be used in other non-traditional ways. For example, during our stakeholder consultations, we heard from a group called Union Co-op in Waterloo who are working to purchase and maintain ‘naturally occurring affordable housing’ – older buildings with below market rents. This group was able to compete with well-funded R.E.I.T.’s in purchasing two buildings in Waterloo because the City of Waterloo had offered them a property tax break that lowers their operating costs beyond that of a typical property manager and allows them to maintain the affordable rental rates.

We also heard from several non-profit groups in our stakeholder consultations about the challenges of securing financing for new housing from traditional lenders. Guaranteeing borrowing for some of these groups could go a long way to helping them deploy their capital to increase the affordable housing options in Collingwood.



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

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

### **Prioritize Housing Outcomes on Public Land**

Like the incentives noted earlier, no-cost or low-cost land is a way to subsidize the development of new affordable housing and can have a significant impact on project affordability. The Town of Collingwood should utilize Town-owned land for new affordable housing. We would recommend that the Town undergo an R.F.P. process for any property that is deemed to be vacant or underutilized and that would be considered appropriate for a new residential or mixed-use development. The R.F.P. process would allow housing providers and/or long-term operators to compete for the opportunity to develop the site based on a list of requirements as set out in the R.F.P.

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

- Maximize the density on the property;
- Maximize the number of affordable housing units delivered. Be open to mixed-income developments as a means of subsidizing the affordable housing units;
- Set clear expectations for depth of affordability, length of affordability, and target income groups;

- Prioritize rental tenure development over ownership. A mixed-income rental tenure development could provide the benefit of delivering two types of housing that are currently in short supply in Collingwood;
- Offer the property without cost, or at below market value. We would not recommend selling Town-owned lands at full market value and reinvesting profits into other incentives/priorities, unless there is a clear rationale that will allow for the delivery of more affordable units. We would also not recommend that the Town retain ownership and operation of the affordable housing developments, as this can likely be more efficiently and effectively provided by community-based or private entities;
- Be open to creative solutions around construction techniques, building design, and housing models that can reduce the cost of development on Town-owned land, support more affordable housing delivery, and support the Town's housing needs and priorities;
- Identify partners to not only develop the housing, but also operate any affordable housing units after construction completion.

We understand that the Town's Affordable Housing Task Force has already short-listed three Town-owned properties for new affordable housing development, with Council having resolved to recognize and champion the Task Force's recommendations for the properties in March 2023. This is a great first step in having new affordable housing delivered on Town-owned land in Collingwood and should allow the Town to 'hit the ground running' on this recommendation prior to or shortly after completion of the Affordable Housing Master Plan.

Recommendations on structuring an RFP for Town-owned land will be included in the implementation section of the final AHMP.

We also recommend advocating for revitalization on existing Simcoe County social housing properties. Many communities across Ontario are re-evaluating existing and older social housing sites that are often underutilized and require significant capital repairs to remain viable. These communities can be redeveloped with more density to include more homes and a greater social mix. Examples include redevelopments undertaken at Regent Park in Toronto, Jamesville in Hamilton, Rideau Heights in Kingston, and many others.

Lastly, we understand that Simcoe County is issuing a call for land later in 2023. This could be an additional way for the Town to get more affordable housing built either on publicly-owned land beyond those that are owned by the Town of Collingwood or through subsidies from sources other than the Town. With Simcoe County being the service manager for social housing, it is possible that any housing on the lands brought forth through this call would have deeper affordability than what is targeted through the Town's Affordable Housing Master Plan.

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

### **Consider Guaranteeing or Offering Low or No-Interest Loans to Help Advance Affordable Housing Development**

We are aware that non-profit organizations who are interested in creating new affordable housing in Collingwood and the wider Simcoe County are often unable to access financing from traditional lending sources.

The Town should consider whether they would have the capacity to support these organizations by either guaranteeing loans from these traditional lending sources, or even offering low or no-interest loans to help advance the creation of new affordable housing in Collingwood. This could also be beneficial for these organizations as they await for funding/financing approval from C.M.H.C. This could be something that is funded through a modest tax increase as noted in the previous recommendation above.

This is a recommendation that could have a positive impact even on a smaller scale and on an infrequent basis as funds and debt capacity are available. Given the size of loans required for large new construction buildings, consideration could be given to utilizing this recommendation more for smaller-scale projects like non-profits who purchase an existing house to convert to affordable housing units for specific groups that they serve (e.g. individuals with activity limitations, indigenous groups, etc).

This incentive could potentially be provided through a C.I.P. or M.C.F.B. However, for larger projects, we recommend petitioning C.M.H.C. and other levels of government to support affordable and rental housing projects with cheaper sources of financing.

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

### **Consider a Property Tax Increase Targeted Specifically at Funding Affordable Housing**

A modest increase in property taxes can have a significant impact on funding for new priorities.

We would recommend exploring the feasibility of a modest tax increase to fund affordable housing priorities. The revenues from this tax increase could be utilized to fund the C.I.P. or M.C.F.B. incentives, for example.

As an example of the effectiveness of a modest tax increase, with more than 11,000 households, and over 13,000 private dwellings as of the 2021 Census, a \$100 per year increase to property taxes for the average household would raise well over \$1,000,000 annually to go towards affordable housing initiatives while costing the average household less than \$10 per month.

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

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

## Consider How Changes to Property Taxes Could Benefit New Rental Development

Property taxes are the most significant revenue tool available to municipalities. However, how they are collected is not always equitable, and can discourage some types of investment over others.

For purpose-built rental buildings, whether affordable or market-rate, property taxes represent a significant portion of their operating expenses. The Town of Collingwood should consider a reduction or waiver of property taxes for purpose-built rental buildings. A reduced property tax rate could be used to incentivize new market-rate purpose-built rental development, while a deeper reduction or waiver could be a key incentive for rental operators to maintain affordable rental rates, or to support existing and prospective affordable housing providers. This type of property tax incentive could be provided through a C.I.P. or M.C.F.B.

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

## Invest Budget Surpluses Into Desired Housing Outcomes

Based on feedback from our stakeholder consultation sessions, we understand that the Town of Collingwood has done a good job from a budgetary perspective in recent years, to the point that they have even had budget surpluses in some years.

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

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



## Expand the Rapid ADU Program to Include More Options

The Town of Collingwood's existing Rapid A.D.U. ('Accessory Dwelling Unit') program – along with the additional financial incentives provided through Simcoe County's Second Suites Program – has successfully led to the creation of a number of new secondary suites with relatively affordable rental rates.

With changes to incentive programs likely coming as a result of the Affordable Housing Master Plan, we would recommend that the Town of Collingwood consider expanding the Rapid A.D.U. program to include more options. We heard through our stakeholder engagement that there are properties within the Downtown, in particular, that have upper levels that are sitting vacant or underutilized and could otherwise be used as residential units. We would recommend allowing the owners of these properties to access funding through the Rapid A.D.U. program if they wish to convert the upper level of their buildings to residential, or to make any necessary renovations to improve these spaces as residential opportunities in the community. This could potentially be expanded through a C.I.P. Oshawa and Hamilton both have similar programs offering incentives for the conversion of upper-level commercial spaces to residential uses in their C.I.P.'s.

We would also recommend lobbying Simcoe County to extend the eligibility of their funding to match any expansion of the Town's program to improve effectiveness and potential take-up. Lastly, the Town could also consider rolling the Rapid ADU program into a new CIP to keep all incentive programs in one place.

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

## Explore Alternative Revenue Tools

Property taxes provide the highest potential for raising revenue to allocate towards development incentives, though most municipalities are likely to prefer to look elsewhere to reduce the burden on the property tax base.

Given this, we would recommend exploring the limited number of other revenue tools that are available to municipalities as a means of raising revenues that can be used towards housing outcomes. Some of the available

municipal revenue tools that could be reviewed to determine if they could contribute towards affordable housing funding, if they are not already in use by the Town of Collingwood, include:

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

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

Lastly, as part of this revenue tool work, the Town should explore how the Community Benefits Charge could be utilized to help fund affordable housing initiatives. We understand the Town is currently undertaking an update to the Development Charges Background Study, which will include work related to Community Benefits Charges.

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

### **Explore Whether Rent Supplements Could be a Near-Term Measure to Support Renter Households**

Building new housing takes time, often several years just for a single building given approval and construction timelines. Given this, it will potentially be several years from the completion of this Affordable Housing Master Plan before the first new building is delivered from these recommendations. As such, the Town should explore how they can help provide some affordability relief in the near-term.

One option to explore would be whether rent supplements could be utilized to support moderate-income renter households facing affordability challenges in Collingwood today. Rent supplements are a relatively simple tool that can be deployed quickly and effectively. However, it will be important for the Town to determine what the effectiveness of rent supplements would be in Collingwood given the shortage of rental options today.

We understand that the County already has a rent supplement program for low-income residents. The program suggested for exploration here could serve households in Collingwood who are struggling to find affordable rental options but are not eligible for the County's program.

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

### **Avoid Demand-Side Incentives, Where Possible**

The Federal government has come out with a number of initiatives to help first-time home buyers in recent years, largely around helping with down payments. While these efforts are helpful for some, they also increase demand for ownership housing without following with policies to create more supply to offset the increase in demand. In general, we would recommend that the Town of Collingwood avoid similar demand-side incentives where possible and instead focus their limited resources on solutions that will create more market-rate and affordable housing supply instead of driving further demand for existing housing. The gap between supply and demand has been a key driver of the rapid increase in housing costs and rising unaffordability.

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

### 3.3 Take a Leadership Role in the Delivery of Housing

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 solve the affordable housing crisis. While the Town of Collingwood may not have the ability or resources to construct new housing on their own, they can take a leadership role in the delivery of new housing in other ways.

These items are not as impactful as planning reform and development incentives but are nonetheless still important for the Town of Collingwood to consider. While they may not have the same impact, they are generally less costly, particularly relative to the provision of development incentives.

The following are the recommendations listed in this section:

- Create a Concierge Program to Connect Parties Who are Interested in Partnering to Deliver New Housing;
- Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign;
- Push Back Against Local NIMBYism;
- Declare Housing as a Human Right;
- Pursue Economies of Scale by Partnering with Other Municipalities;
- Treat the Private and Non-Profit Sectors as Partners;
- Leverage Knowledge and Experience of Private and Non-Profit Sectors;
- Enact a Rental Replacement By-law in Order to Preserve Existing Rental Stock;
- Take Advantage of Federal, Provincial, and County Funding Programs;
- Connect Housing Providers to Funding Programs That Could Encourage Affordability in New Developments;
- Be Encouraging of Non-Traditional Construction Techniques;

- Enable Opportunities for Non-Traditional Housing Types;
- Support Housing Providers Proposing Non-Traditional Funding Models, Where Possible;
- Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making;
- Require Housing Above or in Conjunction with New Public / Community Facilities.

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

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

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

The Town of Collingwood should create a ‘concierge’ program whereby interested parties – those with equity/capital, landowners, developers, or others – that otherwise may not cross paths, can be connected to help deliver more housing, both affordable and market-rate. The program could also help connect potential affordable housing providers to other public funding sources (e.g. C.M.H.C. programs) and help them navigate Town Hall and the development process. While the Housing Development Coordinator partially fills this mandate, administration of a wider or more coordinated program may be possible with the addition of a single staff member as part of a wider job description in a department like Economic Development. Consideration should also be given to connecting with other municipalities in South Georgian Bay or Simcoe County to expand this type of program more widely and increase its effectiveness.

The Town’s Affordable Housing Task Force could also play a role in the concierge program at a grassroots level, helping to get the word out about the program in early days, and informing the many individuals and parties that they



have interacted with since their inception that have noted an interest in helping to deliver more affordable housing in Collingwood.

We also heard through our stakeholder consultations that the community could benefit from a rental database that allows prospective renters to look up available rental units in Collingwood. This would be a database where landlords that have been vetted by the Town can list available units, helping prospective tenants find good quality, safe rental accommodations. This could also be a means of directing tenants to newly created secondary units, and matching homeowners and renters who are interested in various co-housing arrangements (e.g. over-housed senior providing a room for a student or contract worker). This program may also be a good opportunity for the Town to educate renters on their rights to avoid things like above-guideline rent increases or illegal evictions. However, this rental database should only be undertaken in addition to the above noted concierge program, not in place of it.

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

### **Shift the Public Discourse Around Growth, Density, and Affordable Housing Through a Public Education Campaign**

The Town of Collingwood is in need of a paradigm shift in terms of how new development, intensification, and affordable housing is viewed. Town Council and staff need to take a leadership role in pushing for a shift in public opinion on these topics and can start by undertaking a communications strategy / public education campaign. Without it, getting new housing of all types built will continue to be challenging.

Town Council and staff should move forward with a new communications strategy / public education campaign with the goal of shifting public opinion on the importance of increasing housing supply and creating more housing options in the market. This campaign should have a positive tone, should be utilized to teach residents why new housing investment and growth is beneficial to them, and help to dispel some of the myths around new development.

The campaign should take a multi-pronged approach to ensure that it is maximizing how many people in the community see it. This could include advertising in local newspapers, on social media, the Town's website, on local radio, or in public spaces (e.g. bus shelter, in transit vehicles, at local library or hospital, bench advertisements, etc).

At a more grassroots level, the Town's Affordable Housing Task Force could also act as a champion for this public education campaign, helping to spread the message through the community. Part of their existing mandate is to advocate for and promote the Town's goals related to affordable housing.

Notwithstanding the important role of the Task Force in communication, a targeted, evidence-based and outcome-oriented education campaign addressing the following issues, among others, would require dedicated budget and resources:

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

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

## Push Back Against Local NIMBYism

While local N.I.M.B.Y. ('not-in-my-backyard') voices are loud in most communities, we have heard through our stakeholder engagement that they are particularly so in Collingwood. Almost all new developments – whether a 6-storey apartment building or new single-detached subdivision – are met with loud opposition from members of the Collingwood community who are opposing change.

It will be important for Council and Town staff to utilize the aforementioned public education campaign to push back against local NIMBYism and better inform community members if they are to truly start to accelerate the development process, increase housing supply of all types in Collingwood, and shift the narrative around growth and housing.

Council should be prepared to answer to these groups when making decisions on development approvals, and staff should be prepared to push back in public consultation meetings on many of the points that are brought up to oppose new development. Updating the zoning by-law as recommended previously would also allow Council and staff to avoid compromising on items like height, density, and number of units in a new development in order to appease these voices, reducing some risk that these compromises can create around development feasibility.

There are many studies that dispel some of the information pushed by N.I.M.B.Y. groups in all communities including narratives about new development [increasing crime](#) causing traffic chaos, ruining neighbourhood character, and/or having [negative impacts](#) on [property values](#). Council and staff should draw on these studies where possible to push back against some of the anti-change narratives, while also utilizing some of the information from their communications strategy / public education campaign to further explain the benefits of growth and new development.

We also understand that Council currently allows for public comment on every report on a Committee agenda. Though this is laudable from a transparency perspective, when applied to development-related reports, it provides additional platforms for N.I.M.B.Y. voices. Consideration could be given to ceasing this practice as it relates to planning application reports, particularly for applications that have already had a formal public meeting under the Planning Act and/or conform with local planning policies, and where a public meeting is not required under the Act. This is similar

to what was previously recommended in Section 3.1 related to limiting the number of public consultations to legislated requirements, while using existing technology to provide additional input.

Other items in our list of recommendations (e.g. simplifying the zoning process, moving to an as-of-right zoning model, making use of C.I.H.A.'s for priority projects, declaring housing as a human right, etc) could also act as an additional way to combat some of the N.I.M.B.Y. issues the Town currently faces.

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

### **Declare Housing as a Human Right**

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

While this may be seen by some as simply a symbolic declaration, it would provide Town Council with an additional reason to justify and encourage sufficient investments in housing construction and affordability, whether that be policy changes that increase housing supply or the introduction of new subsidies to spur the development of new affordable housing units. It would be an affirmation that a new direction is required going forward, but may have limited effect unless other levels of government and surrounding municipalities do likewise.

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

### **Pursue Economies of Scale by Partnering with Other Municipalities**

There are a number of recommendations in this report that could be more effective and cost-efficient if Collingwood pursues partnerships with other municipalities in Simcoe County or the South Georgian Bay area. This is particularly true of the neighbouring municipalities of Wasaga Beach, the Town of Blue Mountains, and Clearview. Community

organizations like the Institute of Southern Georgian Bay are already undertaking this type of regional organization amongst municipalities. The Town of Collingwood should be supportive of those efforts where relevant to this work.

Recommendations like the concierge program and 'off-the-shelf' building designs could benefit from economies of scale if several municipalities come together to work on the initiative together as partners. These types of items could also benefit from the County taking a leadership role and overseeing these programs, partnerships, or services.

There may also be an opportunity to pursue mutually beneficial arrangements between municipalities related to new development on publicly or privately-owned land. For example, a new Health and Wellness Village has been approved at the south end of Collingwood, bordering Clearview. It could be beneficial for Collingwood and Clearview to coordinate on pursuing redevelopment of the lands within Clearview's boundaries across from the new village. Clearview and the landowners could take advantage of the servicing that is being extended to the new village, while helping to increase the critical mass of residential uses in the area. While Clearview would be the beneficiary of an expanded tax base, this new development just beyond Collingwood's borders would undoubtedly provide benefits for Collingwood as well by giving more housing options to the workforce in Collingwood.

Working together on advocacy initiatives to other levels of government could also make the Town's advocacy efforts more effective.

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

### **Treat the Private and Non-Profit Sectors as Partners**

Partnerships are going to be a key part of the successful execution of the recommendations in this report and of the delivery of new affordable and market-rate housing in Collingwood. The Town is going to need to lean on a wide variety of partners in the coming years ranging from private sector developers, non-profit organizations, housing operators, other local municipalities, and other levels of government.



We understand that there is some tension between the Town of Collingwood and some members of the development community, as is the case in many other communities. The tension is rooted in a certain level of distrust and frustration between both sides.

We believe it will be important for the Town of Collingwood to maintain productive working relationships with key members of the local development community, particularly given that the importance of public-private partnerships related to the delivery of new housing is only going to increase as the recommendations in this report are implemented.

We recommend the following, acknowledging that some or all of these items are already ongoing or under consideration as part of the Town's Development Process and Fees Review:

- Meet as soon as possible with members of the Georgian Triangle Development Institute or other appropriate representatives of the development community to determine the best approach to improve the municipal development process (Section 3.1) in a way that benefits both the Town and housing providers;
- Establish a master list of regional developers who are keen to work on affordable housing projects in Collingwood and who have a history of delivering new housing in Collingwood or the wider region;
- Meet with members of the development community several times a year to discuss current municipal processes, development approval timelines, and how the private sector can contribute in the delivery of affordable housing.

Following the same steps with non-profit housing providers will also be worthwhile given that they will also be important partners in housing delivery and face many of the same development process obstacles as the private sector.

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

## Leverage the Knowledge and Experience of Private and Non-Profit Sectors

The Town of Collingwood needs to be a leader on the housing file to have any impact on current affordability challenges. However, good leaders recognize that they do not know everything and cannot accomplish big things alone.

We would recommend against the Town of Collingwood becoming developers through the creation of a development corporation, land trust, or housing cooperative, or becoming landlords through a housing corporation. Government, in general, is less nimble than the private and/or non-profit sectors and does not have the same level of existing expertise. This is particularly true in a smaller community like Collingwood where lower staffing levels would make development and/or property management/operation more challenging and potentially more expensive than for the private / non-profit sectors.

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

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

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

As noted in our housing needs analysis, the Town of Collingwood has seen a decline in their purpose-built rental stock over the past several decades, declining from a high of 782 units in 1991 to just 562 units in 2022. The reason for the decline is that rental demolition and conversion to condominium tenure housing has outpaced the construction of new purpose-built rental housing in Collingwood over the past 30+ years.

Given that many of the older rental buildings in Collingwood provide relatively affordable monthly rents, it would be beneficial for the Town of Collingwood to take action to increase the difficulty at which these units can be removed

from the market. One way to do so is with a rental replacement by-law. Section 99.1 of the Municipal Act grants municipalities the authority to regulate or prohibit the demolition or conversion of residential rental properties with six units or more.

While the Province's Bill 23 gives the Minister of Municipal Affairs and Housing new powers to impose limits and conditions on municipal authority in this area, we still believe it would be worthwhile to implement a rental replacement by-law to avoid further reduction of the already limited rental supply in Collingwood, and to protect existing renters from displacement.

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

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

### **Take Advantage of Federal, Provincial, and County Funding Programs**

While new and creative solutions to complex problems like the affordability housing crisis may be exciting, it is important for the Town of Collingwood to consider that they do not necessarily have to 're-invent the wheel' to make progress on affordability and to increase housing supply. There are a wide variety of existing funding and financing programs and policies that should be utilized where possible to maximize the Town's efforts on the topic of housing and to reduce their own financial burden.

Some of the existing programs that could be advantageous, include:

- Housing Accelerator Fund (Federal);
- Affordable Housing Innovation Fund (Federal);
- Rental Construction Financing Initiative (Federal);

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

Whoever is in charge of the housing file at the Town of Collingwood needs to have a deep understanding of all current funding and financing programs – how they work, who they are meant for, what the requirements are, how much funding is available, timelines for funding, etc – in order to ensure the Town is nimble and able to take advantage of any existing and future funding sources for affordable and market-rate rental housing initiatives.

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

### **Connect Housing Providers to Funding Programs That Could Encourage Affordability in New Developments**

Having a deep understanding of the wide variety of funding and financing programs from other levels of government would allow the Town of Collingwood 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 Collingwood. The Town 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.

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

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

### **Be Encouraging of Non-Traditional Construction Techniques**

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

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

Alternative construction techniques, like modular housing, can provide some construction cost relief while also delivering housing quicker – something that cannot be overlooked in a community where there is a significant shortage of affordable housing options. While specific Town policy or regulatory barriers to non-traditional construction have not been identified, the recommendations relate to proactive support and openness to these alternatives. The Town should ensure that there are enabling policies to allow for these emerging development options where they are required, and should also be open to using them in new developments on Town-owned land, particularly if they deliver additional value in the form of deeper affordability, a higher proportion of affordable housing units, or more rapid delivery of affordable units.

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

The Town should have openness in any RFP process to selecting a proponent who proposes modular or other construction techniques, particularly if they are able to deliver more affordable housing, quicker. Additionally, alternative construction techniques like modular housing are also an option for non-profit and for-profit developers looking to deliver more affordable housing options in Collingwood, and the Town should work to connect any interested parties with providers of modular or other alternative construction options.

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

### Enable Opportunities for Non-Traditional Housing Tenures

Like alternative construction techniques, we would also recommend that the Town of Collingwood create an environment that is open to non-traditional housing tenures, ensuring that the Town's planning policies enable these types of developments to be constructed. Some recent examples of non-traditional housing tenures that are likely to provide more affordability than traditional ones include:

- **Cohousing:** Cohousing combines the autonomy of compact, self-contained private dwellings with the benefits of shared, spacious community amenities that typically include shared dining areas, kitchens, recreation spaces, and outdoor spaces. These developments can be built at a variety of scales and can be beneficial to young adults or families seeking a more affordable housing option, as well as single seniors who otherwise may feel isolated living in a traditional housing type.
- **Multi-Generational Housing:** This is a household that consists of two or more adult generations living under the same roof, existing somewhere between a single-family home and multi-family building. It is possible that these



types of living arrangements could become more popular as affordability of traditional housing types continues to erode and as the baby boomer generation seeks to downsize. A recent development in Niagara ('Splendour' by Pinewood Niagara Builders) is offering single-detached homes designed specifically with multi-generational living in mind.

- **Dormitory-Style Workforce Housing:** Dormitory-style buildings typically used as models for student housing can be an effective housing model for more affordable workforce housing, particularly in communities that have many seasonal workers, or lower paying service jobs. The design of these buildings could include larger four or five-bedroom apartment units, or more traditional dorm-style single or shared rooms with common kitchens, bathroom facilities, and social areas.

Again, while specific Town policy or regulatory barriers to non-traditional housing tenure models have not been identified, the recommendations relate to proactive support and openness to these alternatives.

Beyond considering these housing options for their own lands, the Town could also play a leadership role in connecting parties who are interested in building these types of developments in Collingwood if there are any expressions of interest from non-profits or other groups.

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

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

### **Support Housing Providers Proposing Non-Traditional Funding Models, Where Possible**

We noted an organization out of Waterloo called Union Co-op earlier in Section 3.2 who is working to preserve naturally occurring affordable housing units by purchasing existing apartment buildings and maintaining affordable rental rates. The Union Co-op model is an example of a non-traditional funding approach to preserving and/or delivering affordable housing. The Town should consider what they can do to support similar organizations if they were to emerge in

Collingwood in the coming years, whether they are designed as a co-op, community land trust, or another model. The most obvious support could be through property tax breaks or other incentives in exchange for affordability guarantees. This could potentially be implemented through the C.I.P. or M.C.F.B. noted earlier.

While the Town could start their own co-op program using a similar social financing model as Union Co-op, we believe it would be best left to community members to undertake this type of initiative on a volunteer basis (as Union Co-op has done), with the Town supporting them with incentives where possible. Given the likelihood that the Town will have limited resources, we believe the municipality's energy should be focused on planning reform and incenting new housing supply that achieves municipal priorities.

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

### **Ensure the Town of Collingwood has Robust Data Collection to Support Good Decision-Making**

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

Where possible, the Town 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 Town's Affordable Housing Master Plan, 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 Town's Housing Needs Assessment in the future.

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

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

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

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

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

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

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

### 3.4 Advocate to Other Levels of Government – This Issue Cannot be Solved Without Them!

The Town of Collingwood – and all other municipalities – have limited resources to deal with the growing shortage of affordable housing. They can only do so much on their own. More active participation from the Provincial and Federal governments will be required moving forward to have a more significant and lasting impact, particularly when it comes to subsidizing new affordable housing development. As such, the Town of Collingwood should be advocating to other levels of government for help in solving their affordability issues, ideally with targeted requests.

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

As the Town works to implement the recommendations in this report, if it is found that some other items cannot be implemented without new permissions or changes from other levels of government, those items should be added to the initial advocacy list found in this section.

The following are the recommendations listed in this section:

- Advocate for the Elimination or Deferral of H.S.T. on New Purpose-Built Rental Developments;
- Advocate for More Revenue Tools to Reduce the Burden on the Tax Base;
- Advocate for the County to Participate in any Local Incentive Programs;
- Advocate for a 'Fair Share' of Affordable Housing Funding from the County;
- Advocate to C.M.H.C. for More Streamlined Access to Funding and Financing Programs;
- Ask the Province to Define Attainable Housing and Incentivize It;
- Advocate for Increased Labour Supply for New Development;
- Request Targeted Funding Where it is Not Currently Available;

- Advocate for More Progressive Property Taxation Options;
- Leverage the Collective Power of Municipalities in Advocacy.

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

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

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

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

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

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

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

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

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

### **Advocate for the County to Participate in any Local Incentive Programs**

As the Town of Collingwood pursues a C.I.P. or M.C.F.B. to implement new incentives for housing providers, we recommend advocating to the County to participate in any new incentive programs. By providing financial incentives from both the County and the Town – whether it be development charge waivers, property tax breaks or other mechanisms – the incentives will become all the more impactful, helping to generate more units and potentially deeper levels of affordability.

However, in the case of a C.I.P., Simcoe County will first need to be prescribed by the Province of Ontario to participate in any lower-tier C.I.P.

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

### **Advocate for a ‘Fair Share’ of Affordable Housing Funding from the County**

Simcoe County is the service provider for social housing in Collingwood. While social housing is outside the scope of our work, we would still recommend that the Town advocate for a fair share of funding for this segment of the market from the County moving forward.

As noted in our Housing Needs Assessment, Collingwood has about 8% of the County’s rent-geared-to-income (‘R.G.I.’) units, and has benefitted from about 9% of the affordable housing units that have been delivered under the County’s 2014 strategy. However, the waitlist for affordable housing in Collingwood is very long – reported at more than 25% of all waitlist households in the County, second only to the City of Barrie.



Clearly, the need is high in Collingwood based on the waitlist numbers. The Town should advocate for more funding based on need.

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

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

Throughout our stakeholder consultations, we heard time and again about the challenges for non-profits in accessing C.M.H.C.'s funding and financing programs. We would recommend that the Town of Collingwood advocate C.M.H.C. and the Federal government to create a more streamlined process to access these funding and financing programs in order for these groups to more easily access low-cost financing to create new affordable and market-rate rental housing.

The easier it is to access these programs, the more housing these organizations can deliver, and the bigger the benefit it will be for Collingwood.

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

### **Ask the Province to Define Attainable Housing and Incentivize It**

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

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

## Advocate for Increased Labour Supply for New Development

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

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

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

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

We understand that the Town of Collingwood is also facing their own labour shortage for planning, engineering, building inspection, and other positions due at least partially to the lack of affordable housing, which could impact the ability to implement some of the recommendations in this report. Consideration needs to be given to how the Town can better recruit and retain employees for these crucial positions.

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

## Request Targeted Funding Where it is Not Currently Available

Where it is not currently available, advocate for direct, targeted funding for priority projects. For example, the Town requires new infrastructure funding to support the development of new housing. It is also possible that a new development on a piece of Town-owned land may not meet the criteria of existing funding and financing programs, so the Town should advocate for financial help from the County, Province, and/or Federal government to help fund the project to ensure that it can become a reality. Having specific plans in place that any of the other levels of government can contribute to is going to be more appealing than simply asking for general funding.

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

## Advocate for More Progressive Property Taxation Options

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

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

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

These would represent significant changes to the standard property tax system. However, they would put Collingwood at the leading edge of progressive taxation, would represent a more equitable approach, and could help with

affordability of apartments and denser ground-oriented homes like townhouses and stacked townhouses by reducing carrying costs, potentially spurring more investment of these housing types.

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

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

Collingwood is the 71<sup>st</sup> largest municipality in Ontario and in the range of 225<sup>th</sup> in Canada. On its own, it does not yield significant power. However, the issues that Collingwood faces from a housing perspective are common across many municipalities in Ontario and throughout Canada. Leveraging the collective power of municipalities who are seeking similar outcomes from other levels of government would be more impactful than attempting to go it alone. Collectively, a large number of Ontario or Canadian municipalities all showing that they are seeking similar changes could go a long way to creating the necessary change that is being advocated for.

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

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

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

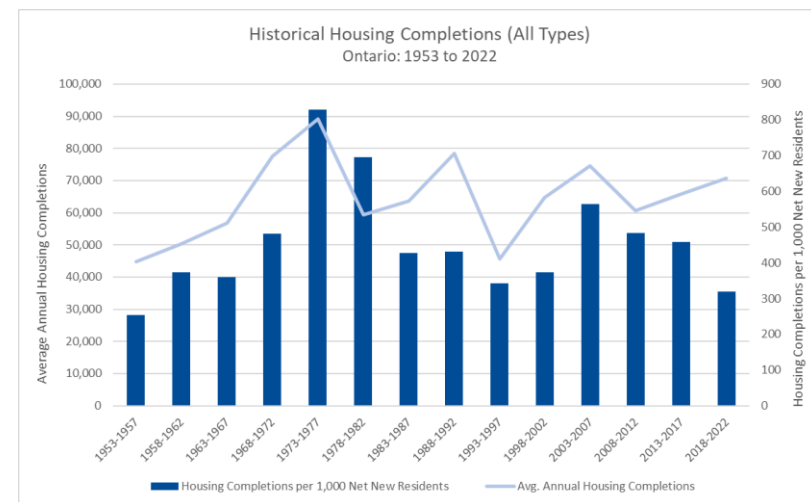
## We Are Not Building Enough Housing

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

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

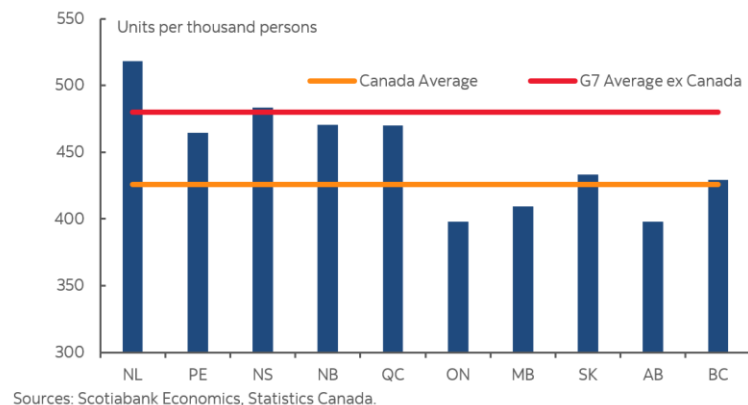
Relative to the rest of Canada, the lack of supply is particularly acute in Ontario. As illustrated in Figure 2, the number of private dwellings per person in Ontario is lowest of all provinces in Canada, well below both the Canadian and G7 average. According to Scotiabank, Ontario would need to add about 650,000 homes to reach the Canadian per capita average.

Figure 1



Source: Statistics Canada

**Figure 2** Total Private Dwellings to Population in 2020



C.M.H.C. has identified similar shortage, estimating that Canada requires an additional 3,500,000 homes (above baseline trends) by 2030 to restore housing affordability.

### Household Dynamics are Changing

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

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

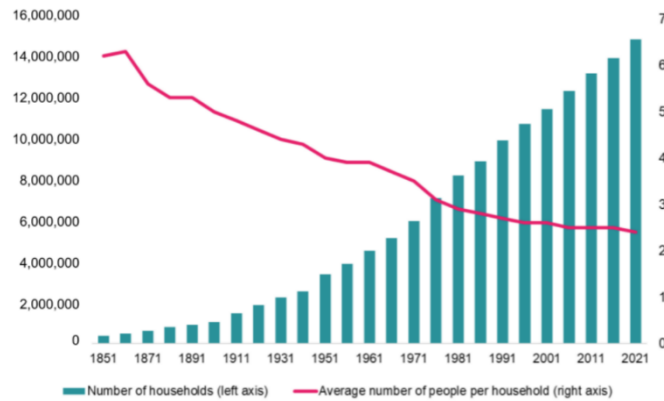
These two things have combined to reduce the average household size. *As household sizes decline, more housing is needed to serve the same size population.*

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

Figure 3 illustrates the long-term trend of average household sizes in Canada to 2021. The average household size of 2.43 persons in 2021 represents a significant shift from the 1950's through 1970's when averages household sizes were between 3.0 and 4.0 persons, while Ontario was also building more housing per capita.



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



Source: Statistics Canada Catalogue no. 98-316-X2021001 and 11-630-X2015008

### Changing Lifestyles / Limited Downsizing Options for Seniors

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

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

housing types (68% in Ontario, 77% outside Toronto), which do not meet the needs of many downsizers. At the same time, apartment development that has occurred in recent years often consist of increasingly compact units and high proportions of one-bedroom units.

### Limited Affordable and Market-Rate Rental Development

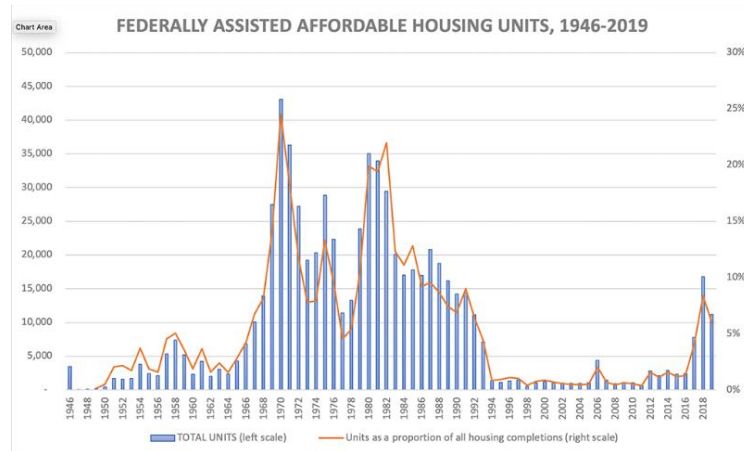
The tenure of housing that is being built is also playing a role in the affordability crisis. For several decades, there has been far too little affordable and market-rate rental housing constructed – two housing types that have historically accommodated low and middle-income households.

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

Construction activity has started to improve in recent years in response to initiatives borne out of the Federal

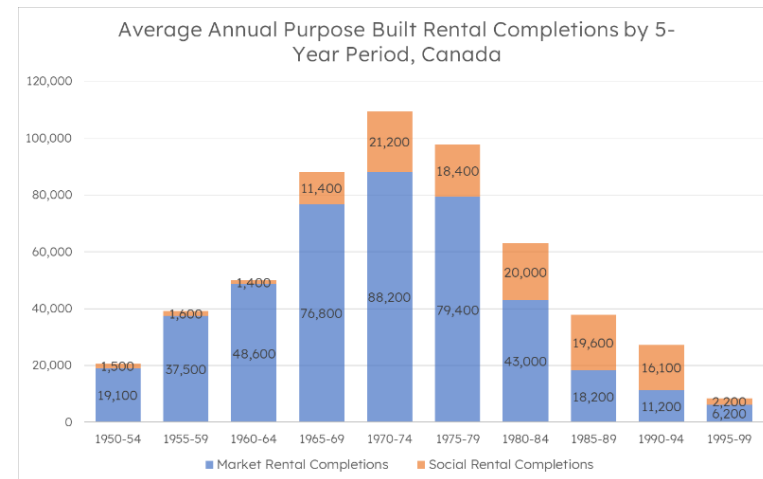
government's National Housing Strategy. However, after 25+ years of relative inaction, and widening affordability gaps, this represents just a small portion of what is needed.

**Figure 4**



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

**Figure 5**



Source: Dr. Mike P. Moffatt

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

Today, rental development is plagued by high equity requirements and relatively low returns, which has led

to most projects pursuing condominium tenure. Condominium projects present less risk, higher and quicker returns, and higher land values, which rental projects struggle to compete with.

### **Restrictive Planning Policies & Onerous Development Process**

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

In many municipalities, the development process has become more and more complicated, with design guidelines and other requirements that exert further control over what can and cannot be built. Appeals, a long list of required studies, peer reviews, public consultation requirements that can go beyond what is set out in the Planning Act, and other factors also play a role in making development process more onerous

and creating an environment where it is harder to build new housing.

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

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

### **Local Opposition to New Development (N.I.M.B.Y.ism)**

Residents who are passionate about their communities often want to have a say about what gets built and where it gets built. However, within this space, there is

some extreme opposition to change and new development. These individuals or resident groups are often labelled as ‘N.I.M.B.Y’ (‘not-in-my-backyard’).

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

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

### **Construction and Development Costs**

The cost of development has been rising. This includes both hard construction costs and soft costs. Table 3 summarizes how hard construction costs have changed

in recent years<sup>1</sup>, indicating increase of \$80 to \$130 per square foot, or 45% to 70%, since 2019. At the same time, development charges have increased in many municipalities, and rising interest rates more recently are now also making construction more expensive.

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

As costs go up, developers need to raise their prices in order to ensure they receive a return, otherwise the project is no longer feasible. Rising costs mean that most developers now compete at the upper end of the market to achieve the rate of return on investment that will be required by lenders and equity investors in a project. Historically, new housing projects were positioned towards a broader segment of the population, including middle/ moderate-income groups, which was made possible by lower development costs and a strong supply of development-ready greenfield land where low-density housing could be built quickly.

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

**Table 3**

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

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

## Labour and Material Shortages

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

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

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

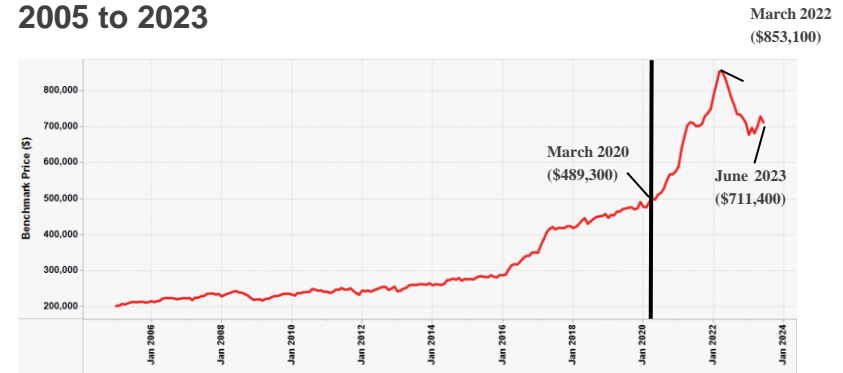
Material shortages – such as lumber, steel, and aggregates – while not as acute as labour shortages today, were also a significant limiting factor during the COVID-19 pandemic in particular, contributing to the recent slowdown of new development. Alternative construction techniques such as modular housing,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

## Impacts of COVID-19

The COVID-19 pandemic changed the way many people work and also changed people's priorities when it came to lifestyle and housing. In 2020, after initial economic lockdowns, many households chose to move – seeking more space, or seeking a home outside of larger cities, often moving to places like Collingwood.

The increased demand for low-rise homes during the pandemic contributed to a significant spike in home prices. Figure 6 illustrates the monthly benchmark resale price in Collingwood since 2005, which follows a similar trend as most other municipalities in Southern Ontario. At the beginning of the pandemic in March 2020, benchmark prices were under \$500,000 but quickly rose to more than \$850,000 within two years (+74%). While prices have since declined due to the impacts of rising mortgage rates, they are still up about 45% in just over three years.

**Figure 6: Benchmark Resale Prices in Collingwood: 2005 to 2023**



Source: The Lakelands Association of Realtors

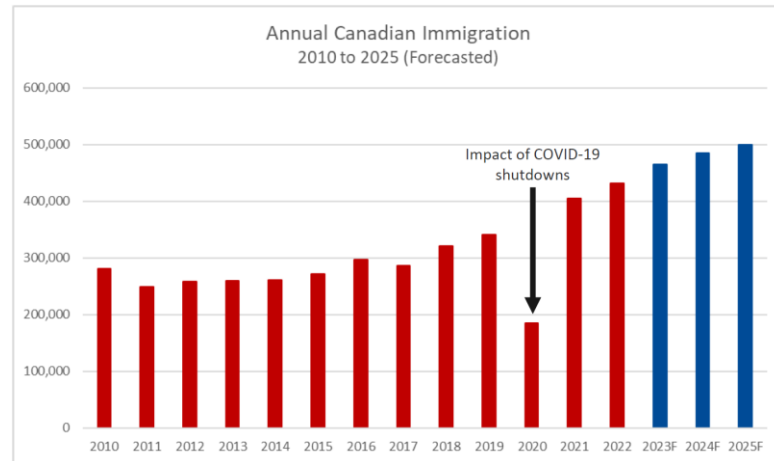
## Population Growth

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

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



**Figure 7**



Source: Statistics Canada

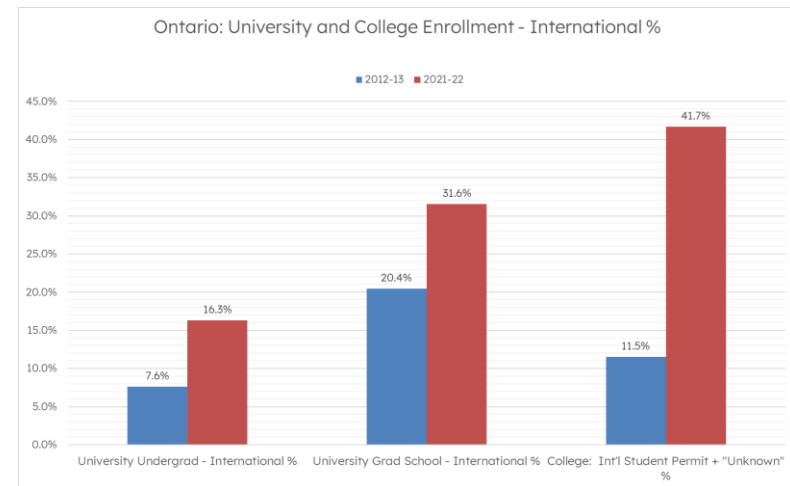
## Post-Secondary Enrollment Pressures

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

More recently, both Universities and Colleges have expanded their international enrollment – with the increase being particularly dramatic for Colleges, about

half of which in Ontario now feature a student body with 40%+ international students (Figure 8).

**Figure 8**



Source: Dr. Mike P. Moffatt

While many domestic students can live with family if attending school locally, international students cannot. The shift towards a higher proportion of international students has had a considerable impact on housing markets, particularly those that include Colleges.

At the same time, these schools are not building student housing at a rate that responds to these changes in enrollment – and the housing that is built tends to be unaffordable for most students. This forces students seeking housing to look elsewhere in the housing

market and to compete with residents for housing the limited supply of relatively affordable housing in the market. This is putting significant strain on the rental market.



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## **Clean Air Partnership Municipal Climate Lens Tool**

The Municipal Climate Lens Tool was developed by Clean Air Partnership in conjunction with Ontario municipalities. It provides a preliminary, qualitative understanding of whether a municipal decision will affect climate (through greenhouse gases production) or be affected by climate (through increased exposure to temperature or precipitation). The Tool is designed to be used by all staff in a municipality, and can be broadly applied to any decision. For staff unfamiliar with climate change concepts, a range of informational resources are supplied here. Additionally, please contact your climate/energy staff where they exist. Municipalities must decide individually the scope of decisions it should be applied to, and how to enforce its use.

### **Name**

Jenn Rae

### **Email**

[jrae@collingwood.ca](mailto:jrae@collingwood.ca)

### **Decision name**

Affordable Housing Master Plan

### **Will this project result in the production of greenhouse gases (GHGs)?**

Yes

### **Can this project be affected by temperature?**

Yes

### **Can this project be affected by precipitation?**

Yes

## Mitigation

**Does the project lead to a reduction in GHGs from the current scenario?**

No

**Will the project be modified to reduce GHGs?**

No

**Are there other options that would have resulted in higher GHGs?**

No

**Please add any relevant notes regarding this decision**

While the Affordable Housing Master Plan does not specifically address a reduction in greenhouse gases, some of the recommended policy, process and regulatory changes encourage increased mixed-use development and gentle density in existing neighbourhoods. When people live closer to work and amenities, they are more likely to use public transportation or walk, reducing the carbon emissions associated with daily commuting.

Project results in most intensive GHG outcome.

## Temperature

**Does the project lead to a reduction in temperature-related exposure?**

No

**Will the project be modified to reduce temperature-related exposure?**

No

**Are there alternative projects that would have increased temperature-related exposure compared to what is being proposed?**

No

**Please add any relevant notes regarding this decision**

While the Affordable Housing Master Plan does directly lead to a reduction in temperature-related exposure, it does encourage non-traditional construction techniques which may include sustainable and environment-friendly construction methods.

Project results in most temperature intensive outcome.



## Precipitation

**Does the project lead to a reduction in precipitation-related exposure?**

No

**Will the project be modified to reduce precipitation-related exposure?**

No

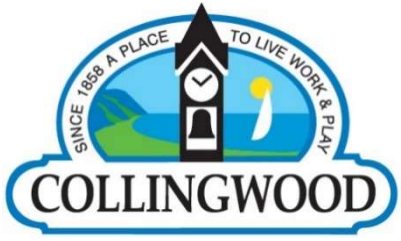
**Are there alternative projects that would have increased precipitation-related exposure compared to what is being proposed?**

No

**Please add any relevant notes regarding this decision**

The Affordable Housing Master Plan does not directly lead to a reduction in precipitation-related exposure.

Project results in most precipitation intensive outcome.



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**Date:** October 20, 2023  
**To:** Council  
**From:** **Affordable Housing Task Force**  
**Subject:** **Response to the Town of Collingwood's Affordable Housing Master Plan**

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Dear Mayor Hamlin, Deputy Mayor Fryer, and Town of Collingwood Council:

The Affordable Housing Task Force (AHTF) wishes to formally provide our collective response to the proposed Affordable Housing Master Plan (AHMP) for the Town of Collingwood.

We want to express our appreciation in having the opportunity to closely collaborate with dedicated Town staff and N. Barry Lyon Consultants (NBLC) in the development of the Affordable Housing Master Plan. We acknowledge that this approach goes beyond the conventional norms for municipal master plans and appreciate the value that Council and staff have placed in our AHTF, asking us to undertake this elevated role.

We commend the collaborative efforts of the staff, AHTF, and consultants who have contributed to the development of this comprehensive master plan. It is exceptionally well-executed, comprehensive, and clearly the product of NBLC's considerable expertise. It also reflects the various stakeholders' strong interest and contributions to housing affordability. Clearly NBLC listened to public input and incorporated a broad range of feedback. The prioritization of rental housing is an essential aspect of the plan that deeply resonates with the prevailing needs and expectations of our community.

While our admiration for the AHMP's overall strength remains, we would like to see a more comprehensive exploration of alternative revenue streams in the financial approaches section. For example, social finance is an emerging field and while the AHMP acknowledges its significance, we would like to see a bolder recommendation urging the Town to provide seed funding to an organization that could spearhead this vital work. This is a step we believe would enhance our community's affordable housing efforts through community engagement and investment. Furthermore, we would like to have seen greater emphasis on alternative revenue tools, such as a Municipal Accommodation Tax, to help meet the AHMP's optimal financial requirements without disproportionately burdening our taxpayers. We firmly believe that these enhancements could have elevated the plan even further. Nevertheless, we stand behind our endorsement of the AHMP.

We eagerly await a revised Terms of Reference for the AHTF, as recommended in the AHMP, and believe that our citizen-led group can continue to play a pivotal role in reshaping the community's perspective on growth, density, and issues pertaining to affordable housing. The cornerstone of our mission lies in educating our residents and actively engaging them in meaningful conversations, thereby ensuring the resounding success of the AHMP initiatives. Another role could be to undertake research into best practices and continue to bring to the community and staff's attention important events, documents, plans, and tools that may assist with augmenting the Town's approach to affordable housing over time. We support the AHMP recommendation to shift the public discourse around growth, density and affordable housing through a public education campaign and believe that this vital initiative must be adequately funded to be successful.

We wish to underscore one final, yet profoundly critical, consideration. The AHTF is acutely aware of staff's requirement to present fiscally responsible recommendations that align with the municipal budget's parameters. However, as a dedicated citizen-led task force of housing advocates, it is our duty to encourage Council to be bold in your decision to take action on this matter. At minimum, we urge Council to commit 1% of the

annual operating budget to the Affordable Housing Reserve Fund. In addition, we would like to see Council continue Collingwood's leadership role in supporting affordable housing by increasing that amount to the \$1 – 3 million NBLC suggests within the AHMP. This commitment would provide the optimal annual budget to fully action and successfully execute all of the AHMP initiatives. Notwithstanding the above, we also endorse the plan's recommendation to collaborate and lobby higher levels of government to increase their funding for affordable housing in smaller communities as that is where growth is occurring. We recognize that our smaller communities simply do not have the funding required to meet this growth. Hence the request for additional funding so as to minimize the tax burden on our local residents.

The consistent message we've received is that we are facing a housing affordability crisis. Addressing this crisis comes with a financial cost, and while it is natural to be concerned about those costs, it's equally necessary to consider the crushing price of inaction. The repercussions of inadequately funding affordable housing initiatives are far-reaching and have dire consequences for the social and economic fabric of our community. We've already witnessed the closure of vital facilities, a reduction in hospital services, and struggles in recruiting essential personnel for crucial services such as our police and fire departments. Employers across all industries are struggling to recruit and retain the workforce needed to grow and prosper.

The health, safety, diversity and social cohesion of our community will suffer if we continue on a path where only the most affluent and privileged citizens can thrive. Thank you for allowing our task force to participate in this important work with the overall goal to showcase our community which has housing for all.

Sincerely,

Doug Linton  
Chair, Affordable Housing Task Force