



# Strategic Direction Options Report

## Affordable Housing Master Plan

### Town of Collingwood

August 2023

Town of Collingwood

## Strategic Direction Options Report 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.

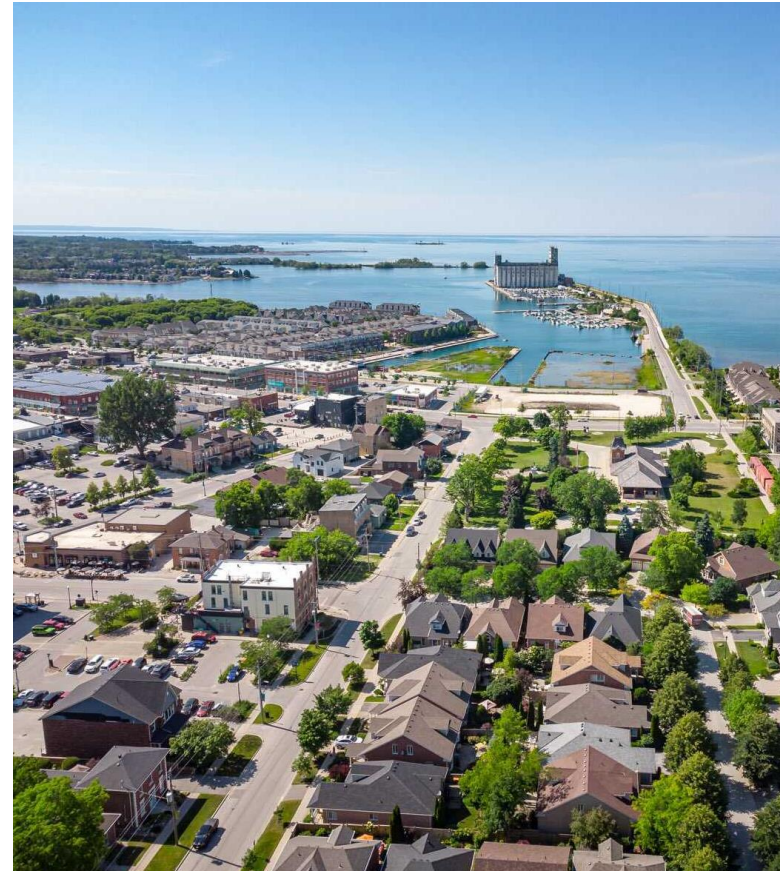


# 1.0 Introduction

The Town of Collingwood ('the Town') retained N. Barry Lyon Consultants Limited ('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									
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										

## 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 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.

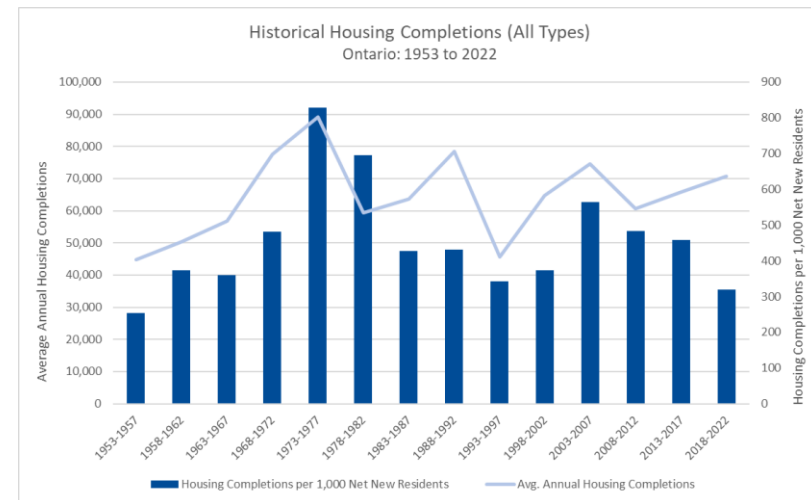
## We Are Not Building Enough Housing

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.

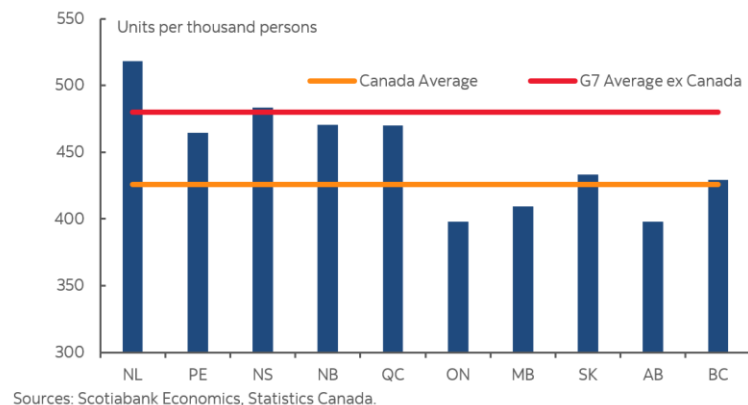
Relative to the rest of Canada, the lack of supply is particularly acute in Ontario. As illustrated in Figure 2, the number of private dwellings per person in Ontario is lowest of all provinces in Canada, well below both the Canadian and G7 average. According to Scotiabank, Ontario would need to add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

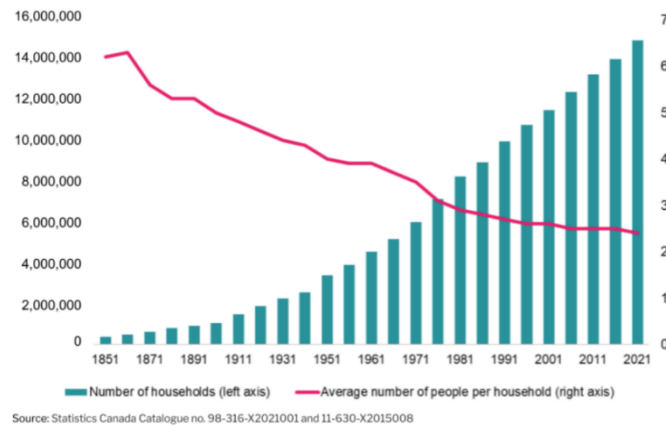
- The aging of the large Baby Boomer generation has resulted in many empty-nester households seeking to downsize; and,
- Younger adults are getting married later and having fewer children than in past decades.

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**



### 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.

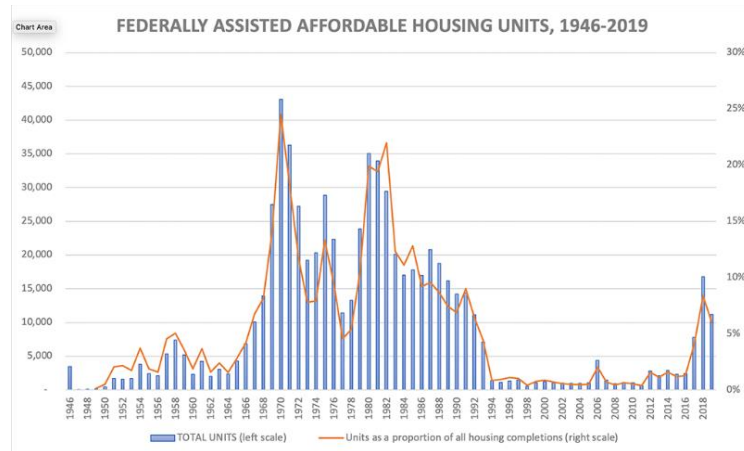
Canada built a lot of federally-assisted affordable housing units in the 1960s through to the 1980s. Downloading of responsibilities to the provinces and then to municipalities, the end of federal funding for new social housing in the mid-1990s, and the end of social housing as a significant national 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



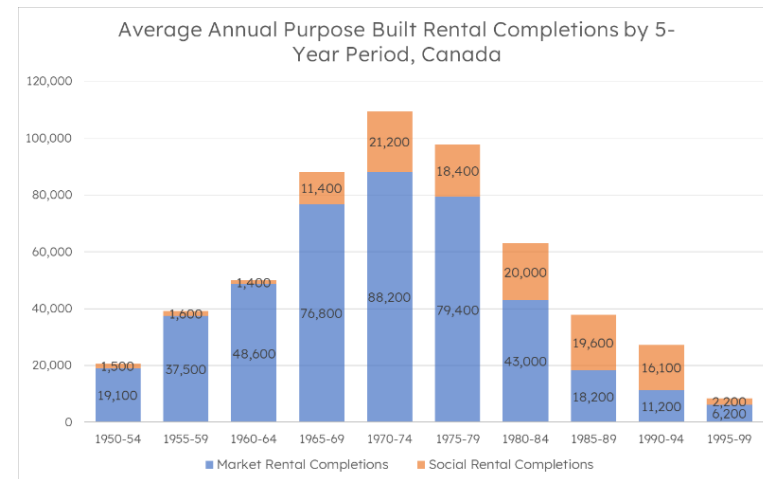
government's National Housing Strategy. However, after 25+ years of relative inaction, and widening affordability gaps, this represents just a small portion of what is needed.

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

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.

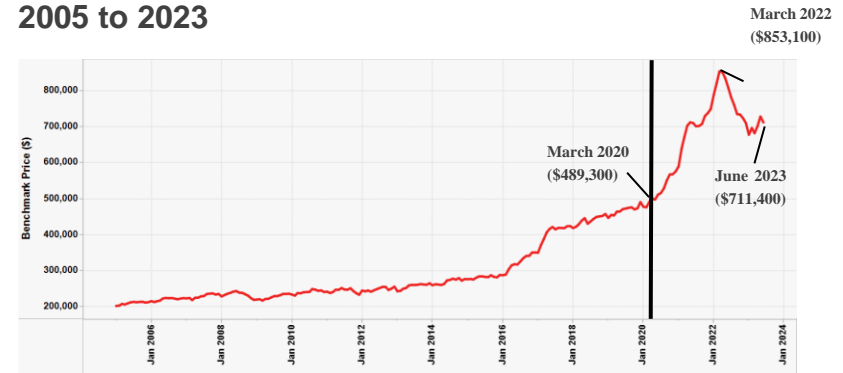
Material shortages – such as lumber, steel, and aggregates – while not as acute as labour shortages today, were also a significant limiting factor during the COVID-19 pandemic in particular, contributing to the recent slowdown of new development. Alternative construction techniques such as modular housing, 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**



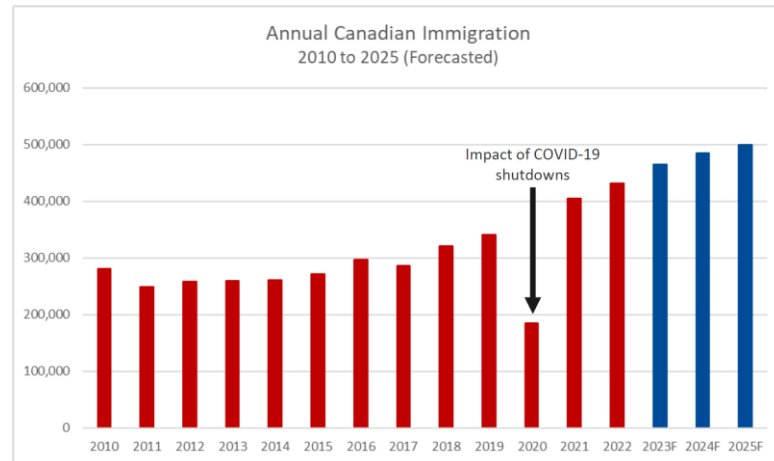
Source: The Lakelands Association of Realtors

## 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

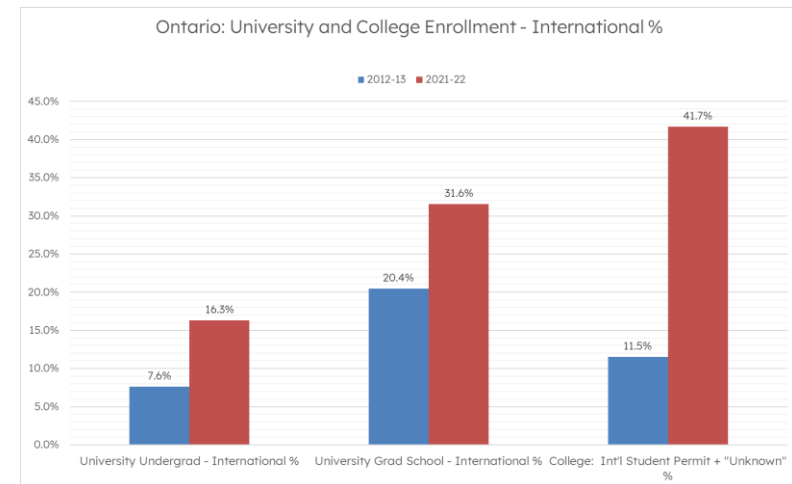
## Post-Secondary Enrollment Pressures

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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