Community Improvement Plan Project

The Town of The Blue Mountains

Draft Background Review and Approach | September 2020

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Contents

Figures

Appendix

1 Introduction

1.1 Background

The Town of The Blue Mountains (the "Town") is undertaking a Community Improvement Plan Project (the "Project"). The Project has two objectives:

1. Develop a strategy to incentivize, facilitate and encourage the development of attainable housing through an Attainable Housing Community Improvement Plan ("AHCIP").
2. Undertake a review and critical evaluation of the 2011 Commercial Core Community Improvement Plan ("CCCIP").

A Community Improvement Plan ("CIP") is a tool afforded to municipalities under Section 28 of the *Planning Act*. It enables municipalities to administer focused financial incentive based programs to achieve desired revitalization goals within a geographically defined area. Under a CIP, municipalities may facilitate the implementation of a range of community improvement goals and objectives, including, but not limited to:

- Establishing a vision, goals and objectives to direct community improvement;
- Establishing financial incentive based programs available to land owners, developers or business tenants, typically administered as a grant, loan, or both;
- Provide or direct funds to facilitate the development of attainable housing; and,
- Encourage economic revitalization of traditional downtown areas.

Once adopted, a CIP provides a framework to guide community improvement within a municipality over the Plan's intended horizon. A CIP typically includes various components to achieve this, incentive programs, eligibility criteria, and administrative and monitoring policies, among others. A CIP is applicable to a defined area within a municipality, formally referred to as a Community Improvement Project Area ("CIPA").

1.2 Purpose

The purpose of this Project is two-fold:

1. Evaluate a range of incentive based programs to facilitate the development of attainable housing within the Town; and,
2. To review the Town's existing Commercial Core CIP, which was adopted in 2011. The broad objective of the CCCIP is to facilitate economic revitalization of the commercial core areas of the Town. These areas include Thornbury, Clarksburg and Craigleith.

More specifically, the purpose of the Project as it related to the AHCIP is to:

- Identify specific community objectives as they relate to attainable housing;
- Establish CIP incentive programs to support the development of attainable housing;
- Define attainable housing for the purpose of administering the CIP; and,
- Develop a framework for administering and monitoring the CIP over the Plan's horizon.

As such, the AHCIP aims to provide context responsive solutions to address the challenge of providing attainable housing. Through a CIP, the Town will be able to facilitate additional attainable housing stock through financial incentives.

1.3 Study Context

The Town of Blue Mountains is a lower-tier municipality located along the southern shore of Georgian Bay. The Town is located within the County of Grey, which is comprised of the City of Owen Sound, Municipality of West Grey, Municipality of Meaford, Township of Georgian Bluffs, Municipality of Grey Highlands, Town of Hanover, Township of Southgate, Township of Chatsworth as well as the Town of Blue Mountains itself.

The Town is located 170 kilometers northwest of the City of Toronto and has a permanent population of approximately 7,400 residents, with another approximate 3,200 dwellings being occupied by non-permanent residents[1]. Primary access to the Town is provided by County Road 2 and Highway 26, which extends from Highway 400, being part of the TransCanada Highway system.

The Town is best known for its range of recreational opportunities due to its diverse natural landscape, most notably its numerous ski facilities that span the Niagara Escarpment. Although best known for its ski and recreational facilities, the Town is a destination for all seasons with an abundance of unique culinary and cultural features as well as agriculture. The Town's small-town character along with proximity to larger urban areas has made it an attractive year round destination. As such, the Town has become a desirable place to own property or live permanently, and with this demand has created a housing attainability issue for those looking to live and/or work locally. Over the past several years, property values continue to appreciate above the regional average.

1.4 Study Area

This Report concerns both the proposed AHCIP and the existing CCCIP. The Study Area applicable to each CIP differs, as follows:

- The financial incentive programs that will be established through the AHCIP are intended to apply Town-wide. Therefore, the Study Area is the entire Town of The Blue Mountains. It is anticipated that the financial incentive programs developed through this Project will apply to a range of land uses and be responsive to various conditions that exist throughout the Town.
- The financial incentive programs contained in the CCCIP are tailored towards the core commercial areas of the Town, including the communities of Thornbury, Clarksburg and Craigleith. These are areas of the Town where there is a concentration of land uses that will likely benefit the most from incentive programs administered though the CCCIP. These areas

[1] Statistics Canada. Census of Population, 2016.

generally include lands designated by the Town's Official Plan as the Downtown Area, the Bruce St. / Marsh St. Corridor, Harbour Area, Craigleith Village Commercial and Craigleith Village Residential.

1.4.1 Community Improvement Project Area

Through this Project, a formal CIPA will be delineated. A CIPA is designated by Town By-law and passed by Council under Section 28 of the *Planning Act*. Lands within a CIPA are deemed to be eligible for the financial incentive programs administered through a CIP.

Although both the AHCIP and the CCIP will facilitate broad community development goals, it is anticipated that each will have a unique CIPA. Therefore, the CIPA's for each plan will be further evaluated as the Project evolves and in consultation with the community. It will account for various considerations such as local planning policy, previous and ongoing Town initiatives, and lands where the benefits of a CIP are determined to be most effective. It should be noted that a CIPA for the CCCIP was adopted in 2011, but it will be reviewed through this Project.

The Study Area for this Project is shown in **Appendix A**. It is presented for information and consultation purposes only and is subject to modification as consultation with the community continues throughout the Project, and as a CIPA applicable to both the AHCIP and CCIP is formally delineated.

2 Authority

This section establishes the authority granted to municipalities by the Province to prepare, adopt and administer a CIP and CIPA. This principally includes the *Municipal Act*, the *Planning Act* and the *Heritage Act*.

2.1 Municipal Act

The *Municipal Act* is legislation that establishes the framework for municipalities to operate and govern as responsible local governments with a broad range of powers. With regard to CIPs, Subsection 106(1) and (2) of the Act prohibits municipalities from providing assistance either directly or indirectly to any manufacturing business or other industrial or commercial enterprise through the granting of bonuses. Specifically, municipalities shall not grant assistance by:

- Giving or lending any property of the municipality, including money;
- Guaranteeing borrowing or leasing or selling any property of the municipality below fair market value; or,
- Giving a total or partial exemption from any levy, charge or fee.

The *Municipal Act* makes exception to these prohibitions where Council exercises its authority to adopt a CIP under Section 28 of the *Planning Act*. Additional exceptions are also granted when related to environmental remediation under Subjection 256(1) of the *Municipal Act*. This exception affords municipalities the authority to provide tax assistance for remediation costs and enables participation in the Province's Brownfield's Financial Tax Incentive Program (BFTIB), which is intended to offset the "costs of rehabilitation."

2.2 Planning Act

The *Planning Act* authorizes municipalities the authority to prepare CIPs for the purpose of community revitalization, provided there are enabling policies in the local Official Plan. CIPs are intended to facilitate community revitalization and rehabilitation initiatives and may also include incentive programs to encourage development. Section 28(1) of the *Planning Act* describes community improvement as:

> "The planning or replanning, design or redesign, subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary"

Section 28(2) of the *Planning Act* permits municipalities to pass a by-law to adopt a CIP and designate a Community Improvement Project Area. A CIPA is the area to which a CIP applies, and is passed as a by-law by Council.

Section 28(7) of the *Planning Act* permits municipalities to issue grants and loans to property owners and tenants through the incentive programs of a CIP. Eligible costs are broadly defined by the Planning as those related to environmental site assessment and remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes, energy efficiency, building structures, works, improvements or facilities, and affordable housing. However, the *Planning Act* stipulates that the amount of an individual grant or loan shall not exceed the total eligible cost of the community improvement plan.

The *Planning Act* also enables municipalities to enter into agreements pertaining to any issued grants or loans and enables these agreements to be registered against the title of the land. Through a CIP, upper-tier municipalities may also transfer grants to lower-tier municipalities for the purpose of funding a CIP. Specifically, Section 28 (7.2) states:

> “The council of an upper-tier municipality may make grants or loans to the council of a lower-tier municipality and the council of a lower-tier municipality may make grants or loans to the council of the upper-tier municipality, for the purposes of carrying out a community improvement plan that has come into effect, on such terms as to security and otherwise as the council considers appropriate, but only if the official plan of the municipality making the grant or loan contains provisions relating to the making of such grants or loans.”

Community Improvement Plans are typically intended to be administered over a defined period of time. Should Council consider the objectives and goals of the financial incentive programs of a CIP to be generally achieved, Council may pass a by-law to dissolve the CIPA, which renders any applicable CIP to be no longer in-effect.

Lastly, changes to the *Planning Act* (Section 28) under the *Brownfields Statute Law Amendment Act* allows municipalities to implement tax assistance within a CIP framework. As part of the permitted CIP framework, municipalities may develop tax assistance policies and criteria to stimulate the cleanup of contaminated properties.

2.3 Ontario Heritage Act

The *Ontario Heritage Act, 1990* establishes the legal framework through which municipalities and the provincial government are granted the authority to conserve, protect and preserve heritage buildings and archeological sites in Ontario. Subsection 39(1) of the *Ontario Heritage Act* empowers a municipality to provide grants or loans to owners of designated heritage properties. This financial assistance may be provided to pay for a range of costs incurred by a landowner for works associated with restoration or improvement, as deemed appropriate by Council.

Similarly, grants and loans related to heritage restoration or improvement may be administered by a municipality through a CIP. Providing financial incentives related to heritage properties through a CIP provides the benefit of administering grants or loans to tenants, whereas this is not contemplated through the *Ontario Heritage Act*.

3 Guiding Policies

The Guiding Principles establish the policy framework for preparing a CIP. The Guiding Principles also include various key Town planning documents and initiatives. These various Principles help to inform the financial incentive programs to ensure they are consistent with Provincial interests, conform to applicable land use planning policy and are responsive to the needs and initiatives that are specific to the County and the Town.

3.1 Provincial Policy Statement (2020)

The Provincial Policy Statement (2020) provides municipalities with guidance on land use planning and development. Generally, the Provincial Policy Statement supports and encourages the revitalization and improvement of existing communities, along with a wide range of other planning objectives, such as promoting affordable housing, encouraging more efficient development through intensification, a mix of uses, promoting energy and water efficient development and other matters to achieve resilient and healthy communities.

A CIP is a planning tool that provides municipalities with an opportunity to implement the Provincial Policy Statement, including how the Provincial policy contemplates redevelopment, the efficient use of land and resources, remediation, sustainability, the vitality of downtown areas, and long-term economic prosperity.

3.2 Grey County Official Plan (2018)

The 2018 Grey County Official Plan (in-effect as of June 7, 2019) establishes policy direction to local municipalities on a range of land use planning matters, including Community Improvement. Policy 6.16 of the County Official Plan permits local municipalities the ability to prepare a CIP. Specifically, the Policy states:

> "Identifying a Community Improvement Area shall be carried out through a by-law designating the whole, or any part of the local municipality as a Community Improvement Area. The goal of any Community Improvement Area shall be to foster and co-ordinate the physical improvements and maintenance of older or dilapidated areas of a community for environmental, social or community economic reasons."

Policy 6.16 also establishes that CIPs shall be prepared to contemplate one or more of the following objectives:

- To encourage the efficient provision and maintenance of physical infrastructure, public services and utilities to serve present and future needs on a local and regional scale;
- To ensure the maintenance and renewal of older housing stock, including the creation of affordable housing units;
- To foster redevelopment, reuse and/or maintenance of existing brownfield sites, vacant sites, greyfield sites, and/or current commercial and industrial sites;
- To enhance the visual appeal of downtown core areas and neighbourhoods and to encourage the

preservation and adaptive re-use of built heritage;

To foster economic growth within designated areas and promote intensification in targeted areas;

- To encourage local participation in funding programs for local development which may also be eligible for Provincial or Federal funding.

The County's Official Plan also establishes that grants, loans or other assistance may be provided by Council where deemed appropriate for the purposes of administering CIP incentive programs that may be adopted by a local municipality (Policy 6.16).

3.3 Town of The Blue Mountains Official Plan (2016)

The Town of The Blue Mountains Official Plan (2016) establishes policy direction to Council regarding the management of change and growth over the planning horizon.

3.3.1 Community Vision, Guiding Principles

The Official Plan establishes the Community Vision and Guiding Principles. Many of these statements have bearing on the broad community revitalization objectives that can be facilitated through a CIP. For example, the Vision states that the Town is a community that should continue to:

- Provide opportunities for economic diversification and support small businesses;
- Provide an appropriate mix of commercial and employment opportunities;
- Provide "housing for all" which includes providing housing options for residents at each stage of their life and local housing for those in the service industry; and,
- Enable residents to walk or cycle to work or shop.

Further, the Official Plan offers several Guiding Principles that contemplate the "type of healthy and complete community" the Town is and aspires to be. Some of the relevant guiding principles include:

- To recognize that the Town is made up of a number of desirable, safe and vibrant neighbourhoods that all combine to make this four season recreational resort community a desirable place to live, establish roots, learn, visit and create diverse economic opportunities;
- To provide the opportunity to create compact neighbourhoods with a range of services that includes necessary amenities and transportation options and affords equitable access to the ingredients of what makes for economically and socially viable neighbourhoods.
- To ensure that housing is available to all ages, abilities, incomes, and household sizes and be located near public transportation where possible, jobs, and essential goods and services; and,

- To encourage the continued revitalization of the Thornbury and Clarksburg Downtowns, which reflects their heritage significance and promotes a mix of uses and attractions for community activities that reinforce the function of the two Downtown areas as cultural, administrative, entertainment, retail and social focal points of the community; and,
- To require that local decision-making processes are transparent and evident to the public through the provision of information, participatory tools, education, and an open process.

3.3.2 Community Improvement

Part E: Plan Implementation and Administration contains policies that enable Council with the powers to adopt a CIP and CIPA. Policy E3.5.1 states that the purpose of community improvement in the Town shall be:

> "Community Improvement within the Town is intended to provide for the maintenance, rehabilitation, redevelopment and revitalization of the existing built environment to improve the safety and quality of buildings, structures and facilities, maximize the efficient use of existing services and facilities, create attractive and safe pedestrian-oriented streetscapes and public spaces, and improve infrastructure where deficiencies or deteriorating conditions exist."

The Official Plan supports community improvement with a range of goals, including the broad preservation, rehabilitation and redevelopment of the built environment, and setting municipal budget priorities for community improvement projects, for example.

The Official Plan also contemplates CIPs to address broad objectives related to community improvement, including:

- Encourage residential and other types of infill and intensification on lands which are already serviced with municipal services;
- Improve and maintain the physical and aesthetic amenities of the streetscape, especially in the commercial core areas of Thornbury, Clarksburg and Craigleith;
- Encourage, support and co-ordinate both public and private investment opportunities in the rehabilitation and improvement of property and facilities which will result in stability in the community;
- Establish an atmosphere through revitalization and improvements within the commercial core areas of Thornbury, Clarksburg and Craigleith that will encourage existing business and property owners to make improvements to their facilities and new business to locate in these areas; and,
- Facilitate and promote community economic development.

The Official Plan also directs Council that the Town may adopt a by-law to designate one or more CIPA(s), which may include part or all of the municipality. The boundaries of the CIPA shall be determined based on a set of existing and specific conditions (Policy. E3.5.4.b)). These conditions include buildings and building facades that are in need of restoration, rehabilitation or repair, vacant lots and/or underutilized properties and buildings, commercial areas with high vacancy rates, or other significant social or community economic development reasons for community improvement, for example.

3.3.3 Land Use Designations

The Study Area for the Project includes the entire Town of The Blue Mountains. The Official Plan directs the majority of residential and/or commercial land uses to the following designations:

- **Downtown Area:** This designation applies to both the AHCIP and the CCCIP. The Downtown Area land use designation is intended to maintain and promote Downtown Thornbury and Downtown Clarksburg as the focal points for commerce in the Town, for residents, businesses and the travelling public. A full range of uses are permitted, including commercial, office and residential uses (subject to specific conditions). The Official Plan recognizes that a strong residential component contributes to maintaining the Downtown Area as vibrant places and the focal point of community activity.

  On King Street, Bridge Street, Arthur Street, Bruce Street and Marsh Street, the Official Plan directs new residential uses, including apartments, to the upper levels of buildings. On side streets within this area, new residential uses are permitted at street level. The Official Plan establishes a maximum height of 3-storeys within the Downtown Area land use designation.
- **Bruce Street / Marsh Street Corridor:** This designation applies to both the AHCIP and the CCCIP. The Official Plan contemplates opportunities to support small-scale businesses within the Community Living Area designation within the Bruce Street / Marsh Street Corridor, as shown on Schedule A-2 to the Official Plan. The policy is intended to support the connection between the downtown areas of Thornbury and Clarksburg, by accommodating small-scale, commercial uses in existing single detached residential buildings, while maintaining the character and built form of the surrounding area.
- **Craigleith Village Community:** This designation applies to both the AHCIP and the CCCIP. This land use designation recognizes an existing community within the Town that is intended to be redeveloped. The redevelopment of this area is contemplated as a compact mixed-use built form, while protecting the existing character of the surrounding area. A range of commercial, residential, recreational and institutional uses are permitted. There are three area specific designations, including Craigleith Village Commercial, Craigleith Village Residential and Hazard Lands, Shoreline Floodplain and Provincially Significant Wetlands.

Land uses permitted in the Craigleith Village Commercial are contemplated as primarily commercial, with residential dwellings permitted in the upper-portion of mixed-use buildings, attached dwellings or stacked multi dwelling unit buildings only. The Craigleith Village Residential designation is contemplated as an ancillary development as part of an overall sustainable community. Residential uses are the primary type of development permitted, including a range of housing typologies such as single-detached, semi-detached, link and attached.

- **Harbour Area:** This land use designation only applies to the CCCIP. It is contemplated as a recreational focal point with a mix of public and recreation oriented uses. The Harbour Area is planned as a pedestrian oriented environment with linkages between the Harbour and Downtown areas. A limited range of commercial (including hotels and restaurants), recreation, open space, and community uses are permitted in the Harbour Area designation.
- **Community Living Area:** This land use designation only applies to the AHCIP, where lands are located in the Thornbury-Clarksburg settlement area and where full municipal services are available or proposed. The land use objectives of the Community Living designation include maintaining and enhancing the character of the existing residential areas, encouraging a full range of housing opportunities to meet the Town's housing needs, and creating opportunity for residential intensification, where appropriate.
- **Residential/Recreational Area:** This land use designation only applies to the AHCIP and generally extends along the Georgian Bay shoreline providing a seasonal and permanent residential and recreational function. The land use objectives of this designation include recognizing areas within the Town where there is a mix of seasonal and permanent residential and recreational uses, and to recognize where some residential uses are located to support resort and recreational amenities.

Overall, the Official Plan establishes a range of land use designations that contemplate a sustainable, compact and mixed-use built form. These are where the incentive programs administered through a CIP are likely to be the most effective, and where other municipal land use planning policies, such as the provision of municipal servicing, can be satisfied. As part of this Project, the applicability of CIP of the incentive programs to the various land use designations will continue to be evaluated.

3.3.4 Housing

Section A3.10 of the Official Plan provides direction to Council regarding housing. The Town's housing goal is to provide an appropriate supply and range of choices to meet the needs of present and future residents. This policy is supported by several strategic objectives, including:

- Ensuring there is an appropriate supply of land for residential development subject to the availability of water and wastewater capacity;
- Assisting in the achievement of residential intensification and affordable housing by encouraging opportunities for mixed-use development in appropriate locations;
- Ensuring that a full range of housing opportunities is available for residents in the Town;
- Ensuring that a viable amount of rental housing continues to be available; and,
- Participating in County, Provincial and/or Federal housing programs that support appropriate housing development in the Town.

The strategic housing objectives also contemplate the development of seniors housing and are supportive of universal physical access and design.

3.4 Zoning By-law 2018-65 (2018)

The Town of The Blue Mountains Zoning By-law 2018-65 (the "Zoning By-law") implements the policies of the Town's Official Plan. The Zoning By-law does this by regulating the use and character of lands, buildings and structures within the Town in conformity with the policies of the Official Plan.

3.4.1 Applicable Zones

The following zones and associated requirements are established within the preliminary CIPA and generally align with the various land use designations located in the Thornbury, Clarksburg and Craigleith areas:

- **Residential Zones:** The Zoning By-law establishes three residential parent zones that generally implement the Community Living and the Residential/Recreation Area designations. The Residential Zones permit a range of residential dwelling typologies and complementary residential uses, such as accessory apartments and home businesses, for example. With regards to residential dwellings, the Residential One (R1) Zone only permits single-detached dwellings; Residential Zone Two (R2) permits medium density development such as duplexes, triplexes and townhouses; Residential Zone Three (R3) permits apartment buildings.

  The R1 Zone contains a series of sub-zones that each establish varying standards based on minimum lot area. The standards are generally consistent with zoning practice for single detached dwellings and are representative of the existing built character of these neighbourhoods. The R2 and R3 Zones establish one set of zone standards for each of the applicable residential uses permitted in each zone. Individual standards are established for semi-detached dwellings, duplexes and triplexes, multiple dwellings, apartment dwellings, rowhouses and townhouses. Again, the zone standards are generally representative of the existing built form.
- **Village Commercial (C1) Zone:** The Village Commercial (C1) Zone generally

aligns with the Downtown Area land use designation of the Official Plan. The C1 Zone permits a very broad range of land uses. This includes permissions for various retail, office, restaurant, and community related uses. Residential uses are permitted but are restricted non-residential buildings only and must be located on upper levels (i.e., dwelling units are not permitted on the ground floor). The C1 Zone requires a minimum front yard of 3.0m, but this requirement is relaxed for buildings fronting onto Arthur Street West, Bridge Street East, King Street East and Bruce Street, where a minimum 50% of the building frontage shall be permitted to be located up to 1.0m from the lot line. For buildings fronting Bruce Street North and Bruce Street South between King Street and Louisa Street, the minimum front yard is 0.0m. All buildings within this Zone are restricted to 11.0m in height.

- **Bruce Street / Marsh Street Small Scale Commercial Uses:** Section 4.10 of the Zoning By-law regulates small scale commercial uses within the Bruce Street / Marsh Street corridor (the "Corridor"). The Corridor is shown as an overlay on Schedule A-1. The Zoning By-law places restrictions on commercial uses within the Bruce Street / Marsh Street corridor, including a maximum number of employees, restricting the gross floor area of the small scale commercial area to the first storey of a dwelling up to a maximum of 250.0 m^2, a minimum 1.0 m planting strip along a side lot line or rear lot line in the rear yard, and requiring that all small scale commercial uses shall be subject to site plan approval.

  The Corridor is primarily zoned Residential One, where accessory residential uses are restricted to single detached dwellings and accessory apartments. The minimum lot frontage is 18.0m, the minimum front yard is 7.5m and the maximum height is 9.5m or 2.5 storeys.

- **Development (D) Zone:** The Craigleith Village land use designation is subject to the Development (D) Zone. Lands zoned Development within the Town are exempt from the Zoning By-law, and are instead subject to Town's former zoning by-laws, being either the Town of Thornbury By-law 10-77 or Township of Collingwood Zoning By-law 83-40. The Development (D) Zone generally applies to lands where active development applications under the *Planning Act* are proposed and as a result significant development or redevelopment is anticipated. The requirements of the former by-laws shall be in-force until such time that the active planning applications are approved and in-effect, therefore updating the land use planning framework applicable to the subject lands.

3.4.2 Accessory Dwellings

The Zoning By-law treats accessory dwellings through two different defined terms. The first is "Accessory Apartment", defined as a secondary dwelling unit, which is accessory to the principal use on the lot. The second is “Accessory Dwelling”, meaning a self-contained dwelling unit accessory to a non-residential use.

Section 4.1 establishes a range of provisions to regulate accessory apartment dwellings. Such provisions include a maximum of accessory apartment unit in a single detached, semi-detached, or townhouse dwelling, or within an accessory building to single detached, semi-detached or duplex dwelling. An accessory apartment dwelling is not permitted on the same lot used for short term accommodation. Section 4.2 establishes provisions for accessory apartment dwellings in a commercial zone, where they are only permitted above the first storey or rear of a commercial building.

Accessory apartment dwellings are permitted in each of the three Residential Zones (R1, R2 and R3), and in the Village Commercial (C1) Zone, but are restricted to the upper floors. Accessory apartments are also permitted in the Agriculture (A) Zone, the Special Agricultural (SA) Zone and the Rural (RU) Zone.

3.4.3 Parking and General Provisions

Parking regulations are established through Part 5 of the Zoning By-law. The downtown areas of Thornbury and Clarksburg are exempt from the parking requirements where there is any change of a non-residential use to an existing building, provided the existing parking and loading spaces are maintained. For all other areas of the Town, parking requirements are established for a range of retail, service commercial, hotel, office, residential and other uses. Provisions for barrier-free parking, bicycle parking and loading spaces are also established.

3.5 The Town of The Blue Mountains Community Design Guidelines (2012)

The Town of The Blue Mountains Community Design Guidelines (the “Design Guidelines”) were prepared in 2012. The Design Guidelines are recognized as an important planning tool to recognize and enhance a distinct image for the Town, enhance quality of life, and promote economic vitality. The Design Guidelines are described as a “mid-level” guidance for design, further augmented by the Town’s Official Plan, Zoning By-law and the development application review process. The Design Guidelines capture design expectations for new development or redevelopment and are intended to facilitate high quality design within the Town.

The Design Guidelines apply to all lands within the Town, subject to the nature of the development. They are intended to be applied on a case-by-case basis to encourage flexibility and creativity in the design process. The Design Guidelines are principally applied under the following circumstances:

- By property owners and developers when planning and designing their projects and developments;
- By the Town when reviewing applications for planning and development approvals;

- By property and business owners when preparing, and by the Town when evaluating, applications for financial incentive programs that may be offered as part of a Community Improvement Plan; and
- By the Town when undertaking streetscape improvement projects and other public projects throughout the municipality.

The Design Guidelines are organized into five topic areas, with four being applicable to this Project. The following is a summary of the Design Guidelines:

1. **Commercial Design Guidelines:** These guidelines generally encourage buildings to reflect the historic character and theme of the respective commercial area. Heightened design considerations are contemplated for buildings situated in higher profile locations. The Design Guidelines also give consideration to building facades, façade materials, storefront elements, awnings and signage, public art, parking, plantings, and sidewalk patios, among others.
2. **Greenfield Design Guidelines:** These guidelines give consideration to lands within the Town that represent significant opportunities for economic development and residential intensification. The Greenfield Design Guidelines consider various design elements such as a range of residential building typologies, lot configuration, natural areas, parking, pedestrians, cyclists, and architectural control of commercial development, among others.
3. **Streetscape Design Guidelines:** These guidelines apply to the public realm within commercial areas of the Town. The guidelines are intended to foster a vibrant, comfortable and visually interesting main street environment. The guidelines give consideration to design elements such as boulevards, planting strips, flora, lighting, furnishings, public art and gateway features, among others.
4. **Sustainability Design Guidelines:** The Sustainability Design Guidelines are intended to augment and be applied in conjunction with the others. These guidelines apply to three categories: new and significantly renovated public buildings, private developments and minor renovations to buildings. The Sustainability Design Guideline give consideration to such elements as site infrastructure, environmental preservation and enhancement, wastewater, building operation optimization, carbon impact, plantings, and operation and maintenance, among others.

The fifth topic area of the Design Guidelines is applicable to industrial activities and uses. However, it is not anticipated that this Project will evaluate financial incentive programs applicable to those uses within the Town, and therefore the applicable guidelines are not reviewed in this Report.

3.6 Other Key Municipal Initiatives

3.6.1 Grey County Housing and Homeless Plan – 5 Year Review (2019)

The Grey County Housing and Homeless Plan (the "GCHHP") establishes the County's long-term vision for providing housing services to meet the needs of the community. The vision of the GCHHP states:

> "That everyone in Grey County has access to stable and affordable housing that is suitable to their needs. That everyone in Grey County has access to supports to assist them to remain housed or locate alternate housing as quick as possible.
>
> The key principles are early intervention, housing supports, strong community partnerships and innovative local housing solutions."

The GCHHP benefited from consultation and input from the community and service agencies. Through this consultation, the community identified that the GCHHP needed to: create more housing stock, maintain existing housing stock and create incentives for private developers to build more types of housing, townhouses, semi-detached and purpose-built rentals.

The GCHHP identifies the housing objectives and targets to support the vision of affordable housing for all. The 5 Year Review measures the progress of the GCHHP since it was first introduced in 2014. The GCHHP was also developed in response to a Provincial requirement stating that housing and homeless must be addressed by:

- Providing measures to prevent homelessness by supporting people to stay in their homes, including eviction prevention measures and the provision of supports appropriate to the clients needs;
- Adopting a housing first philosophy, developed in collaboration with a broad range of stakeholders and people with lived experience;
- Support innovative strategies to address homelessness; and
- Include provisions of supports before and after obtaining housing.

The 5 Year Review, completed in 2019, includes an evaluation of local demographic and housing trends. The following observations are noted:

- **Population:** The County's population grew by 1.4% between 2011 to 2016, to a total population of 93, 830. 30% of the County's residents are over 60 years old.
- **Core Housing Need:** The Core Housing Need (CHN) describes households that fail at least one of three criteria: affordability, suitability or adequacy standards. These households would need to spend 30% or more of their household income on median rent for housing that meet all three criteria. Between 2011 to 2016 households in Grey County with a Critical Housing Need rose from 8.4% to 11.4%. Removing homeowners from this data and, the CHN represents

30.5% of all renter households, an increase of 7% between 2011 and 2016.

- **Affordable Home Ownership:** In July 2019, the average resale price for a home peaked at $410,439. This represented an increase of more than 15% from the same month a year prior. In 2014 the average resale price in the was $242,000. As of June 2020, the median residential resale price in the Western District of the South Georgian Bay Association of Realtors, which includes the Town, was $560,000.00. This represents an 8.3% increase in the year-over-year change from 2019 for residential home sales[2]. The Grey County Housing and Homeless Plan notes that the rapid appreciation of residential property values has led to unaffordability for many households. For households at or below the 60th percentile with a gross household income totalling less than $80,200 an affordable purchase price would be $284,200. This represents a significant discrepancy between the affordable purchase price and the average market price.
- **Vacancy Rates and Rental Cost:** A five year review of vacancy rates and Average Market Rent (AMR) in Grey County demonstrated a correlation between vacancy rate and rental cost. For a household to spend 30% or less of their gross household income on the AMR of $869 rental unit, the household would need to earn a minimum of $2,985 per month. This results in over 8,000 households within the County falling into an income bracket in which the AMR is unaffordable.

In conclusion, the 5 Year Review identifies a number of action items, including:

- Collaborate with local municipalities to develop local CIP's using the County CIP Program as a guide;
- Local municipalities to consult with developers, Downtown Improvement Areas, Chambers of Commerce, Ministry of Municipal Affairs, and the public on the proposed local CIP's.
- Update the County's Development Charges By-law to exempt new rental housing, non-profit housing, and more types of secondary suites from having to pay County Development Charges.
- Update the County's Fees and Services By-law to allow for planning application fees to be reduced or waived for affordable housing projects that are eligible for incentives under the local CIP's.

The County's Housing and Homeless Plan for 2020 to 2024 establishes several outcomes, notably a need to increase the availability of affordable housing for low and middle income earners.

[2] According to the South Georgian Bay Association of Realtors, Residential Activity, 2020.

3.6.2 Blue Mountains Attainable Housing Corporation

In 2014, the Blue Mountains Attainable Housing Corporation (the "Corporation") was founded with a mandate to facilitate the supply of suitable, adequate, attainable and sustainable ownership and rental units within the Town. The aim of this initiative is to bridge the gap of growing inequality between those who work and live in the Town by providing quality housing that is affordable and available for rent or purchase to eligible households whose housing needs are not being met through the private sector.

To date, the Corporation has launched two programs that are available to eligible applicants. The first is a grant for establishing a secondary suite (referred to as the "Secondary Suite Program") and the second is providing interest free loans to purchase a home (referred to as the "Down Payment Assistance Program").

The Town is also undertaking The Gateway Attainable Housing Project, which is the redevelopment of 171 King Street East to create attainable rental housing units. This project is currently in the formal planning and public consultation process to permit the proposed development. It is anticipated that a builder will be selected for the project in late 2020.

3.6.3 Blue Mountains Attainable Housing Corporation Business Model (2019)

The Blue Mountains Attainable Housing Corporation Business Model outlines the long term design of the Corporation's operations. The business model establishes the context on which the Corporation's future operations will be modeled. Largely informed by economic trends, the following considerations are specifically noted:

- **Income Inequality:** Average income substantially grew between 2011 and 2016 (35% growth), where as median income experienced less substantial growth during the same timeframe (18% growth). Further, the proportion of the Town's population with an annual income over $150,000.00 is 20%, compared to the region's, which is approximately 12%.
- **Tourism Employees:** Tourism employees in Town are facing housing attainability issues. As a result, tourism related businesses are finding it challenging to fill job vacancies. Housing attainability issues are negatively impacting the sector and local economy.
- **Seniors:** The average age of the Town's population is nearly 52 years, almost 11 years older than the provincial average. Much of the region's population growth can be attributed to older, affluent populations moving to the area. However, for lower income seniors in who live in the Town, the influx of affluent community members may make securing appropriate housing more challenging.
- **Working Population:** 81% of the Town of The Blue Mountain's working population remains in the South Georgian Bay area for their place of work. However, the Region has seen an outflow of the working age population.

If real income growth continues to vastly lag behind increasing housing prices, the Business Model notes that this outflow will continue, potentially further straining the labour market and overall community profile.

Overall, some of the Town's population, including the working population and seniors, are having difficulty accessing the housing market due to the Town's desirability as place to reside and growing income inequality. Notably, this is observed to be negatively affecting the local economy.

The Business Plan is also informed by the Town's evolving housing market that has experienced significant appreciation in value over recent years. Additionally, the proportion of secondary homes and short-term rentals (which combined equal 49% of the Town's total housing stock) is creating additional pressure on the housing market. In the Town, 51% of homes are primary residences, compared to 76% on a regional basis. Additional considerations noted by the Business Plan include:

- **Housing Burden:** A general market determinant of housing affordability is if the resident is spending 30% or less of their income on housing. In 2019, over 23% of the Town's population exceeded the 30% threshold. When examining tenants specifically, nearly 42% of the Town's tenants were over this threshold, demonstrating attainability issues.
- **Housing Price:** At the time the Business Model was prepared in 2019, the average price for house in the Town was $726,000 for the period of August 12, 2019 to September 9, 2019. During this period, the Town saw a 32% increase over the previous year (2017 – 2018). In addition, 96% of the Town's listings were receiving their asking price or above. The Business Model notes that the price increase is vastly outpacing the median income increase in the area.
- **Housing Pipeline:** Currently, there are 906 single detached dwellings, 148 semi-detached dwellings, 252 row housing dwellings and 0 apartment units approved for development in the Town and there are over 2,300 proposed units. As outlined in the South Georgian Bay report, developers in the region are incentivized to create luxury units because of the influx of affluent community members. As a result, it is unlikely that these projects contain attainable housing units.

The Business Model also establishes a definition of attainable that is consistent with Federal and Provincial definition, while reflecting the local context. The Ministry defines attainable housing as a household that spends less than 30% of its gross income on acceptable shelter. However, the costs of attainable housing differ between rental units and ownership units.

To reflect the local context, the Corporation calculates the cost of attainable housing based on local average market rate, as opposed to the Service

Manager Area (SMA). In 2018, this meant that:

- For rental units, an attainable one bedroom unit in the Town cost $734.00 per month, where as the Service Manager Area cost was $579.00. A two bedroom unit cost $865.00 per month, where as Service Manager Area cost was $696.00.
- For ownership rates, an attainable apartment condo cost is $300,000.00, and a townhouse is $340,000.00. The attainable cost of a single detached dwelling is under evaluation by the Corporation.

Over the next five years, the Corporation is anticipated to build between 100 and 200 rental units, followed by 50 ownership units starting in 2021. The Corporation notes that these attainable housing developments are targeted towards the tourism workforce, working population and seniors. The corporation also notes that attainable housing will also result in a more inclusive community that attracts families and younger people, while creating better economic opportunities for local businesses.

To support these objectives, various policies and tools are identified to facilitate the development of attainable housing. This includes relief from development charges, community benefit considerations, rental rate restrictions, resale restrictions, secondary suite incentives, land banking for attainable housing, and private-public partnerships, for example.

3.6.4 South Georgian Bay Tourism Labour Industry Workforce Housing Research and Business Case (2018)

The South Georgian Bay Tourism Labour Industry Workforce Housing Research and Business Case (the “Business Case”) was a study prepared in 2018 to examine tourism workforce housing issues in South Georgian Bay, including the Town of The Blue Mountains. The Business Case was prepared with the intent to identify key issues and opportunities for the private and public sectors across the region to collaborate on innovative approaches to improve the supply of attainable housing.

The Business Case determined that the shortage of employee housing and the associated detrimental impacts to the region are likely to continue given the area’s high desirability as a place to live, work and play. The Business Case determined that these conditions are likely to continue unless there is an intervention in the market. Some of the negative impacts due to a shortage of employee housing identified by the Business Case are:

- The weakening of existing businesses and stagnating economic growth;
- Weakened appeal of the region in terms of attracting new investment;
- Negative impacts on municipal / regional tourism brand;
- Loss of tax assessment;
- Social impacts associated with individual’s sense of shelter security and wellness; and,

- Continued out migration of young people from the region, and the continued decline in community diversity.

The Business Case ultimately determined that a range of financial incentives would encourage developers to build attainable housing as part of a public-private partnership. Some of the financial incentive programs identified by the Business Case include:

- **Development Charge Waivers:** The Business Case notes that the waiver of development charges can have a significant positive impact on a developer's financial pro forma and are commonly used throughout Southern Ontario as the primary program towards incenting private sector investment towards a range of community objectives.
- **Development Charge Deferrals:** A development charge deferral would allow developers to delay the payment of development charges until the time of registration in a condominium apartment development, lease-up in a rental-tenure project, or some other pre-determined period.
- **Planning and Development Fee Waivers:** The waiver of fees relating to applications for plans of subdivision and condominium, rezoning applications, site plan approval, and building permits can have a measurable positive impact on a developer's financial pro forma.
- **Deferral of Property Taxes to Occupancy:** To limit a developer's exposure to upfront development costs, another potential incentive tool would involve the waiver or deferral of property taxes until the development is occupied or registered and its residents assume the payment of property taxes.
- **Municipal Loans:** This is a model that could be considered in order to support the development of higher density residential uses in targeted geographic locations in South Georgian Bay. In the City of Hamilton, for example, developers can apply for a low interest loan of up to $5 million once the project has received a building permit. This can significantly reduce interest costs and expedite development. The City debt is secured against the development.

The Business Case ultimately recommends a public-private partnership model that would build on the various financial incentive programs. The Business Case recommends that municipalities consider developing programs that administer municipal incentives in exchange for affordability in housing. Based on the findings of the Business Case, this approach was determined to provide the best opportunity to deliver workforce housing, while catering to the housing needs of the local community, and at the least cost to the public sector.

3.6.5 Economic Development Strategy

Over the last decade, the Town of Blue Mountains has experienced significant growth and development, establishing itself as a destination for all seasons with a variety of recreational, cultural and culinary appeals.

The Town is presently in the process of developing a five-year Economic Development Strategy to ensure growth continues in an economically viable and sustainable manner. The public and stakeholder engagement component of the project was completed in early-2020 and is being analyzed. The next and final stage of the project is the development of the final report. Once the report is finished, the official Economic Development Strategy will be presented to Council for adoption.

3.6.6 Corporate Strategic Plan

The Corporate Strategic Plan is a guiding document that provides direction to the Town on decision-making over the next four years (2020 to 2024). The Plan identifies multiple strategic priorities and actions the Town will focus their efforts on to reach their overall vision of becoming: "An approachable Council and Staff serving an engaged and well informed community." The Plan established four strategic priorities:

1. Communications and Engagement;
2. Organizational Excellence;
3. Community; and,
4. Quality of Life.

Under the priority of Communications and Engagement, the Plan directs the Town to deliver a Community Improvement Plan for attainable housing to promote revitalization and place-making to attract tourism, business investment and economic development opportunities. This action item directs the Town to provide grants and loans to stimulate private sector investment in targeted areas of the community. This is a strategic priority action that will be achieved through the development of a CIP.

3.6.7 Grey County Community Improvement Program (2019)

The Grey County Community Improvement Program (the "Program") was prepared in 2019. The CIP Program is a template that can be used by member municipalities to prepare and adopt a CIP. The template includes the applicable legislation and policy basis, priority areas, eligibility and the procedure for adopting and implementing a local CIP. The Program also includes a suite of financial incentive programs, administration, monitoring and evaluation tactics, as well as draft by-law templates.

The financial incentive programs contained in the Program support five revitalization objectives:

1. Increase attainable housing stock, including secondary suites, multi-unit housing, purpose built rental housing, rooming house developments and apartment dormitory style developments;
2. Promote the development, redevelopment and/or conversion of brownfield, vacant and grey field properties;
3. Support for downtown revitalization of store fronts, publicly-used frontages, and streetscapes;

4. Support adaptive re-use of commercial, industrial and institutional buildings; and,
5. Increase value added agricultural uses.

A June 2019 Staff Report indicates that the approved 10 year capital plan allocates $20,000.00 per municipality for a period of 5 years from 2019 to 2024. In addition to funding, the Staff Report notes that the County may participate in the tax portion of any tax increment grant and provide relief to planning application fees and development charges as determined by the CIP and subject to the County Development Charges By-law. The disposition of surplus land may also be considered.

3.6.8 Town of The Blue Mountains Development Activity (September 2020)

Residential development activity is an important indicator of new dwellings that are proposed or approved to be constructed, increasing the Town's housing supply. The following is a summary of residential development activity in the Town, as of September 2020:

- **Approved residential development:** There is a total of 25 approved development applications totaling 1,673 residential dwellings. 619 are single detached dwellings, 512 are semi-detached dwellings and 412 are apartment dwellings, and 130 are row house dwellings. The number of approved residential dwellings as of September 2020 are summarized in Figure 1.

Figure 1: Number of Approved Residential Dwellings as of September 2020

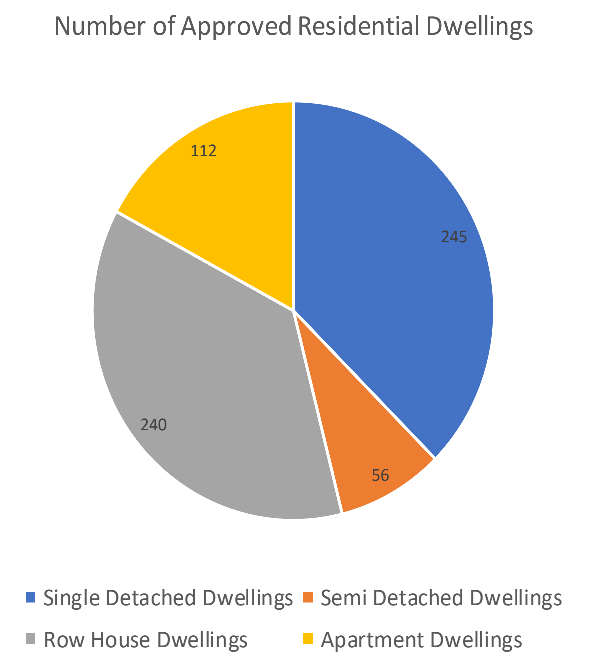
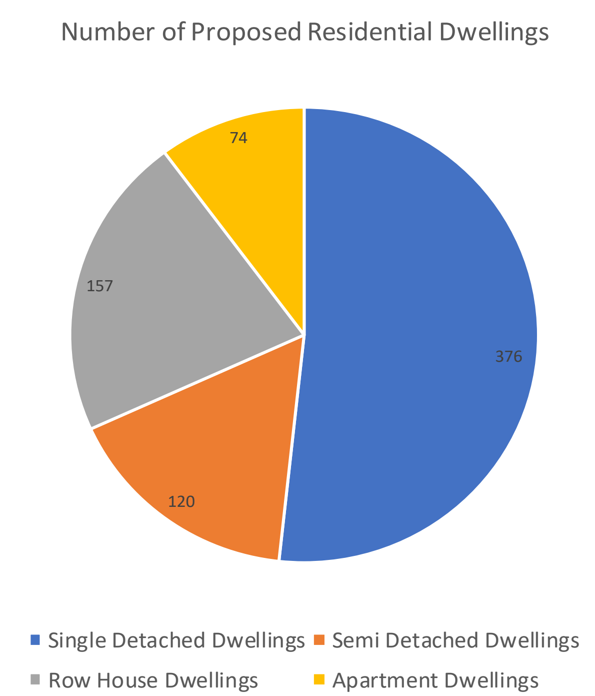


Figure 2: Number of Proposed Residential Dwellings as of September 2020



- **Proposed residential developments:** There is a total of 15 development applications that are in various stages of progress, totalling 727 dwelling units. 376 of these proposed residential dwellings units are single detached dwellings, 120 are semi-detached dwellings, 157 are row house dwellings, and 74 are apartment dwellings. The number of proposed residential dwellings as of September 2020 are summarized in Figure 2.

- **Timing:** Within the next four years, a total of 531 single detached dwellings, 412 apartment dwellings, 372 row house dwellings and 130 semi-detached dwellings are anticipated to start construction. In five years or more, a total of 420 single detached dwellings, 121 row house dwellings, 118 semi-detached dwellings and 74 apartment dwellings are anticipated to start construction. As of September 2020, the greatest number of dwellings to be constructed over the next five years will be single detached dwellings and row house dwellings, followed by apartment dwellings and semi-detached dwellings.
- **Location of Residential Development Activity:** The location of residential development activity is largely concentrated in the Thornbury, Craigleith, and Camperdown areas. There is a particular concentration of residential development activity in the immediate vicinity of the Town's various ski resorts, being near the municipal boundary with Collingwood.

3.6.9 Commercial Core CIP (2011)

The CCIP was adopted by the Town in 2011. The CCCIP provides a basis and policy framework to guide public realm improvements, incentive programs and other initiatives needed to achieve the vision for the commercial cores of Thornbury, Clarksburg and Craigleith.

The CIP establishes the following vision for these areas:

1. Be the active and vibrant gathering places of the Town.
2. Have a clear and definable character and identity in both their public realm and its private realm.
3. Have a healthy, sustainable and mixed commercial environment.
4. Have strong connection between the different commercial core areas linking users.
5. Have strong connections within the respective commercial core areas linking different areas and different uses.
6. Have an affordable residential housing base in support of the commercial core areas.
7. Be sustainable in approach to transportation and public works.
8. Capitalize on the natural and cultural heritage assets.
9. Have an attractive, accessible and clean public realm.
10. Have new developments that complement the existing character.

The CIPA includes the commercial core areas of Thornbury, Clarksburg and Craigleith. The CIP establishes a range of financial incentive programs designed to achieve the vision and guiding principles. These include:

- Design Study Grant Program;
- Commercial Building Façade Grant Program;
- Commercial Building Improvement Loan Program;
- Residential Intensification Grant/Loan Program;
- Revitalization Tax Increment Grant Program; and,
- Brownfields Property Tax Assistance Program (TAP).

The CIP also includes an implementation strategy, monitoring program and marketing strategy, as well as a planning, design and sustainability strategy. **Section 7** of this Report reviews the CCCIP in greater detail.

4 Critical Needs Assessment

A key component of this Project is the critical needs assessment. For the purpose of this Project, the critical needs assessment focuses exclusively on the attainable housing needs of the Town. The analysis is fundamental to informing the financial incentive programs that will be administered through the CIP, and in turn, help the Town realize its community revitalization goals and objectives in this regard.

The following preliminary critical needs have been prepared. They are presented in this Report in draft form, with an expectation that additional consultation with the community will help inform and confirm the analysis. Accordingly, the analysis may be modified as the Project evolves, and as this Report is finalized.

4.1.1 Strengths

- The Town is located in a beautiful setting, with an abundance of amenities and recreational opportunities, making it a desirable location for new investment and residential growth;
- The County has identified housing as a critical need, and has identified several opportunities, tools and plans to address this, such as the County's Community Improvement Program and the Grey County Housing and Homelessness Plan. The Town's stated priority to address attainable housing is generally supported by the County in this regard;
- The Town is committed to developing more attainable housing, as evidenced by many recent initiatives and actions, including the establishment of the Attainable Housing Corporation. A number of iterative actions by the Town has built broad momentum to encourage and facilitate addressing the housing need generally, and facilitating the development of attainable housing more specifically;
- The Town's Official Plan directs Council to prepare a Community Improvement Plan to address a broad range of revitalization objectives, including attainable housing;
- The Town has an updated land use planning framework, including a Zoning By-law which was passed by Council in 2018;
- The policies of the Official Plan and regulations of the Zoning By-law establish land use permissions to permit new development and some appropriate intensification (e.g., additional dwelling units and infill);
- The Town is comprised of different core areas, each with a distinct and desirable character and a range of amenities;
- The Town is an attractive place for new development and has recently experienced modest population growth. New growth and development can be used to encourage the development of attainable housing through the financial incentive programs offered under a CIP; and,

- While the Downtown Areas are generally compact and mixed-use, there are vacant or underutilized lands that may be appropriate for appropriate infill.

4.1.2 Weaknesses

- The diversity and range of housing needs of the Town may present a challenge in developing and administering financial incentive programs through a CIP that address each and every condition;
- While there has been some population growth within the Town, the growth can largely be attributed to the in-migration of an older population. The Town needs to encourage the retention or addition of young people and families to support community revitalization and economic growth. Conversely, the out migration of some cohorts of the population has, at least in part, been directly correlated with a lack of attainable housing; and,
- Municipal servicing is not available throughout the Town, including portions of the Downtown Areas. The provision of municipal servicing has been confirmed by study to be very expensive and this may deter new development and investment that is desirable for the creation of attainable housing;
- While tourism is an economic pillar of the Town, the advent of Short-term Rentals and seasonal vacation properties is impacting the local housing market by driving up real estate values and exacerbating the attainable housing needs of the Town.

4.1.3 Opportunities

- Targeted financial incentive programs administered through a CIP may provide an opportunity to leverage development activity within the Town to secure new attainable housing;
- There are some vacant and/or underutilized lands within the Town that may be appropriate locations for new attainable housing;
- New development and a growing tax assessment base may be used to expand municipal servicing to new or growing areas of the Town;
- The County is committed to working with local municipalities in the development of attainable housing. For example, the County administers a Community Improvement Plan Program and has identified funding to support local initiatives;
- Some economic development objectives may be achieved through the provision of new attainable housing. This may provide an added benefit of attracting and/or retaining young people and families;
- The financial incentive programs administered through a CIP may augment the Attainable Housing Corporation’s current programs to further encourage access to attainable housing, Certain incentive programs, such as those relating to Development Charges, may provide a more direct benefit to the Corporation iteself;

- New residential development in the Town may be leveraged to address a range of desirable housing considerations, such as cost, location and diversity; and
- The establishment of The Blue Mountains Attainable Housing Corporation is an important opportunity for the not-for-profit sector to augment private sector investment in the development of attainable housing.

4.1.4 Threats

- There is rising income inequality within the Town. Meanwhile, housing costs continue to rise above the regional average. This is a compounding relationship that is a threat to accessing and/or developing attainable housing;
- Similarly, housing prices are outpacing the median income increase in the surrounding area, further demonstrating attainability issues;
- There is a housing burden within the Town, whereby 23% of the Town's residents spend more than 30% of household income on home ownership. For tenants, 42% of the Town's residents exceed this threshold;
- Not all residents of the Town are affected by the rising cost of housing equally. The tourism workforce and low income seniors are particularly vulnerable to rising attainable housing costs;
- The cost of attainable housing may be one causation of the "outflow" of the working population (as determined by the BMAHC Business Case, 2019), ultimately having a detrimental impact on economic growth. Consequently, new businesses to the Town may also be deterred where qualified employees cannot secure housing in the area;
- Income growth within the Town is not keeping pace with the rising cost of housing. This is a compounding factor to the attainable housing challenge;
- Without public-private sector collaboration, and the provision of municipal led financial incentive programs, the cost of development may be experienced as a significant barrier to the creation of new attainable housing;
- A deficiency of attainable housing inventory is observed as a risk to economic growth, including tourism activity and service based businesses. As a result, this could lead to additional challenges, such as decreased municipal revenue from tax assessments;
- Without the creation of new attainable housing, it may discourage new investment in the Town from prospective businesses and employers;
- Given the desirability of the area as a place to live, work and play, developers are generally encouraged to build higher-end housing that is not attainable;

- The Town is experiencing significant development growth, but there is limited new attainable housing being constructed. Attainable housing that is being constructed is largely being developed by the BMAHC, and not the private sector. This does not represent an appropriate proportion of attainable housing relative to new housing construction given the stated attainable housing objectives of the Town; and,
- The financial incentive programs administered through the CIP may require significant and sustained funding to make meaningful change over the long-term.

5 Review of CIP Practices

Many municipalities have prepared CIPs related to affordable or attainable housing over the last decade, and particularly within the last several years. A review of CIPs offers an opportunity to explore different approaches that may be considered for implementation through this CIP. The following section reviews several recently adopted CIPs, and two that are currently being prepared.

5.1 City of Barrie Community Improvement Plan (2019)

The purpose of the City of Barrie Community Improvement Plan is to facilitate and support key planning and growth management objectives, including the development of affordable housing units as well as a mix of uses within the Urban Growth Centre and heritage preservation. With regards to affordable housing, the CIP's objective is to support the provision of a variety of affordable housing units by offering financial support based on a continuum of housing options. The continuum of housing options gives specific consideration towards providing housing opportunities to low and moderate income households.

The financial incentive program related to affordable housing is administered as a grant to facilitate the development of purpose-built rental units, affordable housing units (rental or ownership) or the provision of a minimum of 25% of units within a development that are provided at market rates. Affordable units are required to be registered and maintained as such for a minimum of 20 years.

Eligibility criteria applicable to the Affordable Housing Development Grant are as follows:

- The project is proposing to provide greater than three affordable housing units.
- The project is providing emergency housing, transitional housing, social housing or affordable not-for-profit charitable home ownership or is providing other creative housing solutions to help house the hardest to house of Barrie's population.
- The project is proposing affordable housing units with pricing geared entirely to the low and low to moderate income (i.e. households with an annual household income in the lowest 40th percentiles) to address the current gap in the housing spectrum in Barrie.
- The project is proposing purpose-built rental residential units.

Eligible costs that the grant is applicable to include the following:

- Eligible *Planning Act* application fees;
- Eligible building permit fees;
- Tax increment based funding for the incremental tax increase paid back over a five year period, except where the properties are exempt from taxes; and,
- Applicable development charges.

The value of the grants are determined based on the percentage of affordable housing units within the development. The value is calculated as follows:

- For emergency housing, transitional housing, social housing and purpose-built rental housing, a grant equalling 100% of the development charges based on the percentage of affordable units within the development.

- Purpose built rental units not provided as affordable units quality for 25% of the development charges to a maximum of $250,000.00, provided the units are offered and kept at a rate geared not to exceed 30% of gross annual household income for the 60th income percentile.
- All projects associated with emergency housing, transitional housing, social housing, purpose built affordable rental housing and purpose built rental housing are eligible for 100% of the building permit fees and planning application fees for the entire residential project.

Affordable home ownership offered by Not-For-Profit service providers, charitable service providers offering a sweat-equity type of ownership model, or other innovative partnerships or models which offer affordable home ownership units within the development and which have processes and/or mechanisms in place to ensure the continued affordability of the unit for a specified period of time. The value of the grant for this form of affordable housing would be the same as those applicable to emergency housing, transitional housing, social housing and purpose built rental housing, except that the building fee portion of the grant is only applicable to units that are affordable.

A second affordable housing incentive that is administered through the Barrie CIP is the "Additional Affordable Residential Units Incentives (Per Door Grant)". The intent of this incentive is to "jump start" the inventory of affordable housing units within the City. The value of the grant is calculated at $10.00 per square foot of newly created affordable housing residential space to a maximum of $20,000.00 per affordable housing unit. The maximum mount of incentive provided through the Per Door Grant is $200,000.00 for any approved eligible property.

For all incentives administered through the Affordable Housing Development Grant and the Per Door Grant are subject to a legal agreement between a successful applicant and the City. The overall intent of the agreement is to ensure that the eligible affordable housing units remain affordable in accordance with the definition prescribed by the CIP for a period of not less than 20 years.

5.2 Housing for Hamilton Community Improvement Plan (2019)

The Housing for Hamilton Community Improvement Plan was prepared in 2019. The purpose of the CIP is to provide incentives to minimize financial barriers and facilitate private sector investment in housing to meet the needs of the City's residents. The CIP is intended to facilitate the following outcomes:

- New housing opportunities for residents with heightened social or economic vulnerability;
- Increased housing supply on under utilized properties; and,

- Provide new or revitalized affordable housing stock.

The CIPA includes specific areas of Hamilton where lands are in transition, are underutilized and/or are in need or repair, and where there is opportunity to provide housing that is tailored towards mixed income, mixed tenure and is affordable. There are two incentive programs administered through the CIP: The Roxborough Access to Homeownership Grant Program ("RAHGP") and the Roxborough Rental Housing Loan Program ("RRHLP").

5.2.1 Roxborough Access to Homeownership Grant Program

The Roxborough Access to Homeownership Grant Program provides grants equal to the value of the municipal development charges applicable to the below-market homeownership units at the time a building permit is issued. Grants under the RAHGP are only available to the owner of the property registered on title. Successful applicants are required to enter into an agreement with the City and construction must commence no later than five-years once an application has been approved. All other costs associated with the applicable development and the requirements of the RAHGP (including construction, design, development charges, administration fees, appraisals, inspections, legal and registration fees) shall be borne by the applicant.

5.2.2 Roxborough Rental Housing Loan Program

The Roxborough Rental Housing Loan Program (RRHLP) provides forgivable loans equal to the value of the municipal development charges owed. The RRHLP is available to property owners who create residential rental buildings which meet specific affordability criteria. Loans administered under the RRHLP are forgiven on a pro-rated basis. Loan forgiveness occurs on the annual anniversary date on which occupancy was granted by the City for the last eligible unit and where the following conditions of forgiveness have been satisfied:

- Rents for eligible units do not exceed 175% of the Average Market Rent (AMR) for the Hamilton Census Metropolitan Area, as stated by Canadian Mortgage and Housing Corporation (CMHC);
- Rents for eligible units are maintained at the level identified in a) above for a period of no less than 10 years from the date building occupancy is granted by the City; and,
- The applicant is in compliance with the loan agreement and all the terms and conditions of the program.

Loans administered under the RRHLP have an interest rate of 15% per annum, with both the interest and the principal being forgiven in accordance with the stated conditions. Where the above conditions have not been satisfied or resolved within 30 days notice from the City, then the entire loan value becomes payable to the City in monthly payments at 15% interest per annum, or an interest amount determined by Council.

Successful applicants are required to enter into an agreement with the City, including that the affordable units shall be maintained in accordance with the conditions over the entire loan period. Loans have 10 year terms and are provided once a building permit has been issued for all eligible units.

5.3 City of Sudbury Affordable Housing Community Improvement Plan (2018)

The purpose of the City of Sudbury Affordable Housing Community Improvement Plan is to assist in the development of affordable housing by providing incentive based programs which encourage the creation of affordable housing units. The principal goal of the CIP is to create a mix of affordable housing options and increase the inventory of available affordable housing units. The specific goals of the CIP are as follows:

- Increase the number of affordable housing units in the City;
- Create a mix of unit types, including those suitable for seniors;
- Grow the municipal assessment base;
- Grow municipal property tax revenue
- Enhance and intensify the existing urban fabric with compatible projects; and,
- Take advantage of existing municipal services and infrastructure.

A key component of the CIP is the “landbanking” provision. This provision establishes that Council, at its sole discretion, may acquire, sell, lease, prepare or dispose of property at or below fair market value to facilitate the desired implementation of the CIP.

In addition to landbanking, the following financial incentive programs are administered through the CIP:

5.3.1 Tax Increment Equivalent Grant

This incentive provides a grant that is equivalent to the incremental increase in municipal property tax assessment and revenue resulting from property improvements. The maximum number of years that any individual application can benefit from is five years. In years one through three, the grant to the property owner or tenant is equal to 100% of the tax increment. In years four through five, the grant decreases to 50% of the tax increment. The grant is not applicable after five years.

5.3.2 Planning and Building Fee Rebate Program

This incentive provides financial relief to property owners who undertake development or redevelopment projects within eligible areas. The rebate applies to most municipal fees related to development or redevelopment includes amendments to the Official Plan or Zoning By-law, Minor Variances, consents to sever lands, Site Plan Control, building and demolition permits, and sign applications. The total amount of the planning fee incentive is $25,000.00 annually for all applications, while the maximum amount for a single application is $5,000.00. For the building fee components of the incentive, the maximum budget is $100,000.00 annually. The maximum incentive value for a single application is $30,000.00.

5.3.3 Feasibility Grant Program

This incentive provides financial assistance for feasibility studies, building renovation design, or business plans related to matters such as structural analysis, soil studies, evaluation of mechanical systems, concept or design plans or market analysis. The maximum grant value for a single application is $5,000.00.

5.3.4 Residential Incentive Program (Per Door Grant):

The incentive provides efficient access to funding to encourage affordable housing. The value of the grant is equivalent to $10.00 per square foot of newly created affordable and habitable residential space, or $20,000.000 per affordable dwelling unit, whichever is lesser. The total annual budget of this incentive is $800,000.00, with the maximum value amount for a single property of $200,000.00.

5.3.5 Second Unit Incentive Program

This incentive is intended to encourage the creation of second units by a non-profit or charitable organization or institution. The incentive is administered as a grant, with the value equivalent to 50% of the approved project costs to a maximum of $50,000.00. The sum of all other charges on the property (e.g., mortgages) that are registered on title and program funding cannot exceed the market value of the principal dwelling (i.e., the home).

The provisions of the CIP also establish locational criteria that are used to evaluate an application. Preferred locations are those areas of the City that serve the needs of the tenants and reduce other costs of living such as transportation.

5.4 City of Cambridge Affordable Housing Community Improvement Plan (2016)

The purpose of this CIP is to assist in the development of affordable housing within the City of Cambridge. A range of financial incentive based programs facilitate the creation of affordable housing units. The CIP recognizes that the primary barrier to providing affordable housing is financial, such as costs associated with fees for planning approvals, building permits, development charges and increased taxes.

The specific goal of this CIP is to minimize the financial barrier to the creation of affordable housing projects. The following financial incentive based programs are established through the CIP:

- Exempting eligible projects of planning application fees;
- Exempting eligible projects from building permit fees, including sign permit fees;
- Deferring development charges for eligible projects for a period of 20 years, at which time the development charges are payable; and,
- Providing a tax increment grant for eligible projects, whereby tax increases are deferred for a period of 15 years.

Specific criteria and conditions apply to each of the financial incentive programs, including that the projects must meet the definition of affordable, agreements are registered on title, and that in the event of a sale or transfer of property, the subsequent owner is also required to enter into an agreement with the City, for example.

5.5 City of London Affordable Housing Community Improvement Plan (In Progress)

The City of London is in the process of developing a CIP to facilitate the development of affordable housing.

5.5.1 Affordable Housing Loan Program

The Affordable Housing Loan Program is intended to encourage the creation of new affordable housing units and to off-set the up-front costs of affordable housing development. Eligible works broadly include any development or redevelopment that creates new affordable housing units, though there are certain restrictions. For example, provisions stipulate that the minimum number of new affordable units must be five, and that through an agreement, the units must be rented below Average Market Rent (AMR) for a minimum period of twenty years. Other provisions include, for example:

- Loans will only apply to units that are deemed affordable, where there is a mix of affordable and market value units;
- Loans are interest free;
- Loans must be paid back over a ten-year schedule;
- A lien is placed on title against the property in an amount that is equal to the loan;
- Loans may be administered in conjunction with other financial incentive programs of the CIP.

Notably, the loans are intended to offset the upfront costs of development charges. The loan amount varies depending on three variables, as follows:

1. Level of affordability of the units relative to the AMR;
2. Whether the applicant pays property tax; and,
3. Alignment with geographic location targets for the creation of affordable housing (i.e., intensification areas or alignment with the planned rapid transit network).

Based on these criteria, there are three loan value categories which may be administered through the CIP: high, with a value of $20,000.00; medium, with a value of $15,000.00; or, low, with a value of $10,000.00.

To facilitate the Affordable Housing Loan Program, the City is proposing an "Affordable Housing Development Reserve Fund", through which a revolving loan fund would be managed. The intent is that the reserve fund would be continually "topped up" as the loans are repaid over the repayment schedule.

5.5.2 Secondary Dwelling Unit Loan Program

The Secondary Dwelling Unit Loan Program is intended to support the affordability of home ownership and to also enhance the City's rental housing supply. This Program is applicable exclusively where a new secondary unit is located within an existing residence. The loan would be administered under the following framework:

- The value of the loan would be up to a maximum of $20,000.00, depending on the works proposed;
- The loan is interest free;
- 25% of the loan would be forgivable; and,
- Loans must be paid back over a ten-year schedule.

Loans administered through this Program would be subject to specific conditions, including:

- Owner-occupancy of the principal dwelling is required;
- A loan would only be issued when the work is completed;
- Short-term rentals of the secondary unit would be prohibited; and,
- A rental licence (administered by the City) would be required.

The City has identified that the Secondary Dwelling Unit Program would be funded by $250,000.00 per year.

5.6 Town of Cobourg Community Improvement Plan (In Progress)

The Town of Cobourg is undertaking the preparation of the Affordable and Rental Housing CIP. Both increasing the supply of purpose-built rental housing and promoting the development of second units are identified as priority objectives for the CIP.

At the time of preparing this Report, the following financial incentive based programs are proposed to facilitate the Town's inventory of affordable and rental housing:

5.6.1 Rental Housing Planning and Building Fee Waiver Program:

Grant equal to up to 100% of the fees paid on specified planning and development applications for an affordable rental (primary market) or purpose built (primary market) rental housing project.

5.6.2 Rental Housing Development Charge Grant Program

Grant equal to a percentage of the Town development charge normally payable on an eligible project proposing affordable rental (primary market) or purpose built (primary market) rental housing project. The program is based on a sliding scale, where demonstrating achievement of certain criteria would result in a higher proportion of a development charge grant (i.e. a 'tiered' approach).

5.6.3 Rental Housing Property Tax Increment Grant Program

Grant equal to the incremental increase in municipal property tax assessment and revenue resulting from improvements to existing developments or the development of new buildings containing affordable rental (primary market) or purpose built (primary market) rental housing project for a period of five years.

5.6.4 Second Unit Planning and Building Fee Reduction Program:

Grant equal to up to 50% of the fees paid on specified planning and development applications for second unit or coach houses.

5.6.5 Second Unit Renovation and Construction Grant / Loan Program

Grant equal to 50% of eligible costs to homeowners who retrofit their dwelling to include a second unit or construct a new coach house as an accessory dwelling or to a homeowner who as an existing unregistered second unit that is legalized and brought up to Code to a maximum of $10,000, or a loan equal to 70% of eligible costs to homeowners who retrofit their dwelling to include a second unit or construct a new coach house as an accessory dwelling or to a homeowner who as an existing unregistered second unit that is legalized and brought up to Code to a maximum of $50,000 and minimum of $5,000.

5.6.6 Emergency and Transitional Housing Planning and Building Fee Waiver Program

Grant equal to up to 100% of the fees paid on specified planning and development applications for new emergency or transitional housing developments or renovations/ upgrades to existing emergency or transitional housing uses.

5.6.7 Emergency and Transitional Housing Development Charge Grant Program

Grant equal to a percentage of the Town development charge normally payable on an eligible project proposing an emergency or transitional housing project.

5.6.8 Affordable Housing and Home Ownership Planning and Building Fee Reduction Program

Grant equal to up to 50% of the fees paid on specified planning and development applications for new affordable housing or home ownership developments or renovations/ upgrades to existing affordable housing or home ownership uses.

5.6.9 Affordable Housing and Home Ownership Development Charge Grant Program

Grant equal to a percentage of the Town development charge normally payable on an eligible project proposing an affordable housing or home ownership project.

Specific eligibility criteria and conditions have not been made available at the time of preparing this Report.

5.7 Key Considerations

A review of other community improvement practices demonstrates the range of incentive frameworks available to municipalities to facilitate the development of attainable or affordable housing. The following key considerations were observed through this review:

- The financial incentive programs are directly informed by, and respond to, the critical housing needs and opportunities of a community.
- The financial incentive programs provide a portion of the total cost, which fosters partnership in the provision of attainable or affordable housing.

- Attainable and affordable housing CIPs generally include financial incentive programs that facilitate the development of both purpose built affordable or attainable housing units (regardless of tenure) and second units or equivalent.
- The financial incentive programs are typically provided as both a grant and a loan, generally with different incentive values and somewhat different eligibility criteria established for each.
- There is a full range of financial incentive program options, but they generally include incentives that provide relief from development charges, municipal administrative fees associated with the development application process or building permits, increased taxes due to the appreciation of property value, or the real cost of construction (including professional fees, studies, or building materials), for example.
- The CIPs either explicitly include or at least reference a definition of affordable or attainable to ensure that the local municipality, upper-tier municipality or Provincial interests in housing are being met in this regard.
- Some CIPs establish criteria that give preference to specific locations within a municipality that are desirable for the development of affordable or attainable housing. For example, this includes areas that have full municipal servicing, that are located near transit, or that are in close proximity to employment, retail or healthcare, for example.
- There is some evidence that incentive programs are administered differently depending on the applicant. For example, in the City of Barrie, regard is made for applications made by not-for-profit organizations, whereas in the City of Sudbury, the Second Unit Incentive Program is only available to non-profit or charitable organizations or institutions.
- Municipalities typically apply very robust eligibility criteria and conditions. For example, requirements usually include a minimum horizon for which the units must be kept as attainable or affordable, and this agreement between a successful applicant and the municipality is typically placed on title. Financial incentive programs also typically include a sunset clause, whereby if construction does not commence over a set period of time, the grant or loan is revoked by the municipality.
- The payment of a grant or loan to a successful applicant typically occurs only when building permits have been issued to ensure the incentives are used appropriately and the proposed development has received the necessary approvals to proceed.
- Loans and grants require a defined repayment period, typically over a 10 or 20 year period.

Establishing a definition for “attainability” also emerged as a key consideration through the review of other CIP practices.

Defining attainability through the CIP ensures the incentive programs support the established intent of a local or upper-tier municipality's housing goals and objectives, and/or address Provincial interests. In this regard, the following approaches were observed:

- Consistent with the defined term in an Official Plan;
- In reference to regional market rates, whereby attainable or affordable is generally defined to be below these rates;
- In reference to statistics, typically prepared by an upper-tier municipality, the Province, or Statistics Canada, in relation to a definition for attainable or affordable purchase price and rental cost; or,
- Consistent with the Provincial Policy Statement's definition of attainable or affordable, which references gross annual household income and the purchase price or rental cost in a specific regional market area.

6 Attainable Housing CIP Program Options

Based on the critical analysis and a review of Town and County land use planning policy, as well as the *Municipal Act*, *Planning Act* and the 2020 Provincial Policy Statement, there is an opportunity to prepare a CIP related to attainable housing. There is also an opportunity to review the Town's 2011 Commercial Core CIP. This section will evaluate various considerations to be made through this Project and propose focused direction for the CIP, including financial incentive programs, administration considerations and the CIPA. Together, these various considerations generally seek to facilitate community revitalization within the Town through private or non-profit sector investment.

6.1 Purpose of the Attainable Housing CIP

Attainable housing is identified as a key priority by both the County and the Town. This is supported by various documents and plans, such as the Blue Mountains Attainable Housing Corporation Business Model, the South Georgian Bay Tourism Labour Industry Workforce Housing Research and Business Case, and the Corporate Strategic Plan. The Provincial government has also identified housing as a matter of Provincial interest, but it is ultimately the responsibility of the County and the Town to develop a strategy and various implementation tools to address this priority.

The range of financial incentive programs will also need to complement and augment other existing initiatives, such as the County's Community Improvement Plan Program and the programs administered by the Attainable Housing Corporation. The range of programs should also reflect best practice but be responsive to the Town's specific needs and priorities.

A range of appropriate and applicable financial incentive programs are proposed for further consideration on this basis. These programs are further reviewed in the following section and are subject to consultation with Town staff and the community.

For the purpose of identifying financial incentive program options, the following goals are identified for the attainable housing CIP:

1. Increase the Town's inventory of attainable housing and therefore improve access to attainable housing for those who are in need or will benefit the most;
2. Incentivize the development of attainable housing through the private and not-for-profit sectors;
3. Encourage a mix of housing unit types, including those that are suitable for the tourism workforce, young families and seniors;
4. Create attainable housing units that offer both purpose built rental units and purpose built ownership units;
5. Grow the municipal tax assessment base and augment other key economic development initiatives at both the County and Town levels; and,

6. Encourage the development of attainable housing in appropriate areas of the Town, such as the existing community areas and where municipal services and infrastructure are available or planned for.

By administering these programs through a CIP, the Town can address many of the housing barriers that have been identified by various reports, studies and cases. The financial incentives are able to lower the cost of development redevelopment and direct growth to appropriate areas.

The overall intent is to create a full range of attainable housing options, including location, format and tenure, while encouraging desirable development and improving access to attainable housing. On this basis, each of the financial incentive programs would have specific eligibility criteria that establish conditions related to attainable housing, such as a minimum number of attainable units, tenure or ensuring the unit(s) remain attainable for a defined period of time. These types of administrative considerations are further explored subsequent to a review of the various financial incentive program options, which are discussed in the following section.

6.2 Attainable Housing CIP Program Options

6.2.1 Development Charges Rebate Program

This incentive seeks to provide financial relief from applicable development charges. This is identified as a barrier to the development of new attainable housing. Similar to planning application and building permit fees, development charges are often a significant impediment to new development. The Town's Development Charges By-law currently exempts certain classes of development, such as additional dwelling units (subject to conditions) but does not exempt other types of developments that include attainable housing units (unless the development is classified as a municipal capital facility, as an example). Amending the Development Charges By-law to exempt attainable housing would subject to a public process

On this basis, the Development Charges Rebate Program would administer an incentive equal to the total value of the development charges but would only be applicable to the new attainable housing units. This program would apply to new development only. The value of the incentive can be provided to an eligible applicant in accordance with at least three schemes:

- The total value of the applicable development charges are provided as a rebate to an eligible applicant once building permits have been issued;
- The total value of the applicable development charges are provided as a rebate, repaid in equal installments made annually, over a defined period of time (e.g., 5, 10 or 20 years); or,
- The total value of the applicable development charges are deferred for an established period of time (e.g., 5, 10 or 20 years), at which time the value of the development charges is owed. The value of the development charges

would be equal to when the applicable building permits were issued.

6.2.2 Planning and Building Permit Fee Rebate Program

The financial cost of planning approvals and/or building permits that are required for development is recognized as a barrier to the creation of new attainable housing. This program seeks to provide financial relief in that regard. The value of the incentive may be used to offset the costs of planning application and building permit fees. Given that the Town recently updated its Zoning By-law, and that the Town's Official Plan was adopted in 2016, it is not anticipated that the planning fee portion of this program will need to be applied regularly. However, it may facilitate the development of housing when this need does occur. The Building Fee portion of the program may experience heightened uptake as the Town experiences growth over the Plan's intended horizon.

6.2.3 Tax Increment Equivalent Program

This incentive seeks to further reduce financial barriers to major property investment and can be administered as either a grant or a loan. The incentive provides financial relief from heighted property taxes that result from land appreciation due to significant new development or redevelopment. The value of the incentive is equal to or less than the increase in tax assessment (referred to as the tax increment). The Tax Increment Equivalent Program is typically paid out over a defined period of time, usually 5 or 10 years. The value of the incentive normally starts at 90% or 100% of the value of the tax increment, and incrementally reduces to 0% over the agreement period (i.e., 5 to 10 years). The incentive is typically applied as a rebate on paid taxes each year or can be provided as an up-front loan equal to the value of future tax revenue. The latter format of this financial incentive program may be more desirable to a developer who's business model is to "build and sell", as opposed to a "builder-operator".

This tool can be used to promote major improvements to existing buildings or new development altogether. Given that this may represent a significant investment by the Town, any development facilitated by this incentive may be subject to heightened criteria that satisfy the Town's Design Guidelines and objectives.

6.2.4 Upper Storey Apartment Improvement or Conversion Program

This program seeks to facilitate the revitalization of dwelling units that are accessory to a non-residential use and located above the first storey of an existing mixed-use building. The program would also apply to the conversion of upper-storey portions of a mixed-use building from a non-residential to a residential dwelling unit. This incentive can be applied as either a grant or a loan and would only apply where accessory apartments are legally existing. The intent of the incentive is to facilitate renovations that satisfy the Ontario Building Code (where the existing dwelling unit may otherwise be deficient), make improvements that enhance accessibility and universal design, or make aesthetic improvements to the dwelling unit itself. Similar to the Additional Dwelling Unit Construction Program, this incentive program may be combined with the Planning and Building Permit Fee Program to offset building permit fees, or where the services of a qualified professional are required.

6.2.5 Secondary Dwelling Unit Program

This program seeks to encourage the construction or renovation of a secondary dwelling unit that is accessory to the principal dwelling on a lot. The incentive would only apply where an accessory dwelling is permitted by the Town's Official Plan and Zoning By-law.

In the case of a new accessory dwelling, the incentive may be applied to include the services of a qualified professional (e.g., engineer, planner, or architect) or the costs of construction material and associated labour. Eligible costs under this incentive program would not include any planning or building fees, but applicants may combine this incentive with the Planning and Building Permit Fee Program, for example.

Where a dwelling is being improved or renovated, the intent of the incentive is to facilitate those improvements that satisfy the Ontario Building Code (where the existing dwelling unit may otherwise be deficient), make improvements that enhance accessibility and universal design, or make aesthetic improvements to the dwelling unit itself. Both incentives may be combined with the Planning and Building Permit Fee Program to offset building permit fees, or where the services of a qualified professional are required.

6.2.6 Feasibility Grant Program

This program seeks to encourage the study or evaluation of potential adaptive re-use or redevelopment of existing buildings or vacant land. Eligible costs would be restricted to studies that evaluate the feasibility of a potential development, such as business plan matters, structural analysis, environmental or remediation studies, mechanical systems, concept or design plans and market analysis. The incentive would have a maximum value and would be allocated in two shares. The first share would be provided once the study is complete and the qualified consultant is paid, and the second share would be allocated once the development is complete and the building is occupied. Given that a study may determine that a proposed development is not feasible, particular consideration should be given to the total value of this incentive and the eligibility criteria.

6.2.7 Surplus Land Grant Program

This program is identified in the Grey County Community Improvement Plan Program (2019). This incentive seeks to identify lands that are surplus and to determine the best use for those lands, with first priority being given to developments that include attainable housing units. Under this program, land would be awarded at a reduced cost or no cost at all. The eligibility criteria would be developed on a case-by-case basis and established through a request for proposals. For example, lands to be offered for an attainable housing development could include developing a dormitory style housing development to serve a specific need in the community such as for student housing or housing to address labour shortage.

6.2.8 Landbanking Policy

Although not a financial incentive program, there may be an opportunity for the Town to implement a landbanking policy through the CIP. The policy would give Council discretion to acquire, sell, lease, prepare or dispose of property at or below fair market value to further achieve the attainable housing goals and objectives of the Town. This policy may provide an added benefit to augment other financial incentive programs administered through the CIP. The authority to so is established through Section 28(3) of the *Planning Act*.

6.3 Administrative Considerations

Consideration must be given to a range of administrative matters regarding the CIP. The administrative policies of a CIP, including eligibility criteria and conditions, have an important role in the effectiveness of the various financial incentive programs. Some key administrative considerations that must be further evaluated include the following:

- **Defining Attainability:** Attainability must be defined through the CIP to give affect to the Town's, County's and/or Province's interest in housing, and to ensure the financial incentive programs are addressing the community's goals and objectives in this regard. The review of other CIP practices identified a range of definitions and interpretations of attainability that could be applied within the context of this CIP. The Corporation has developed eligibility criteria for future clients. This could be adopted by Council as the basis for a definition of attainable. This will be considered by Council later in the CIP Project.
- **Minimum Attainability Period:** Many of the proposed financial incentive programs would require significant investment from the Town. In exchange, it is a reasonable and well established practice to require attainable housing that is developed with the assistance of municipal funds be maintained as such for a minimum period of time. It is likely that this requirement may vary depending on the value of the incentive. For example, it may be appropriate to require attainable housing to be maintained as such for a longer period of time through the Development Charges Deferral Program. Where one or more programs are combined, the program with the longer attainability period would typically apply.
- **Tenure:** The financial incentive programs could provide flexibility regarding the tenure of the attainable housing units being developed. Some municipalities in Ontario have crafted financial incentive programs that specifically require purpose built rentals, while other CIPs provide

flexibility and permit either purpose built rental units or purpose built ownership units; and some CIPs are silent. Where financial incentive programs permit both purpose built rental units and purpose built ownership units, priority can be given to one or the other if desired. Ultimately, the intended tenure of the attainable housing units must respond to the needs of the community, while providing some flexibility to ensure the CIP is responsive to changing market conditions over the Plan's horizon.

- **Number of Units:** It is likely desirable to require a minimum number of attainable housing units for certain financial incentive programs. Similar to the rationale provided for minimum attainability period, it is appropriate for municipalities to request a minimum number of attainable units where municipal resources are being invested through the private or non-profit sector to facilitate the development of attainable housing. For example, a minimum number of attainable units may be informed through the BMAHC's goal to build between 100 and 200 rental units, followed by 50 ownership units starting in 2021.
- **Application Process:** Consideration should be given to the application process and timeline. For example, the Town can establish an "application window", whereby all applications are required to be submitted during a specific timeframe. Alternatively, applications may be received throughout the year and be evaluated on first-come, first-serve basis until a financial incentive program's budget has been expended. Each approach has merit and drawbacks. Further consultation with the Town and the community will help to inform a desirable approach in this regard.
- **Funding:** The CIP and its financial incentive programs must be funded on an annual basis to be activated. The policies of a CIP provide Council with flexibility to determine which financial incentive programs are funded from year to year. However, consideration must be given to evaluating which programs will provide the greatest community benefit, or have performed particularly well, and therefore should be funded. The revitalization priorities of the Town may evolve over the CIPs horizon, and the ability to adjust the budget of individual financial incentive programs enables the Town to be responsive to changing market demands.
- **Loans and Grants:** Consideration will need to be given to how the financial incentive programs are administered with regards to being provided as either a grant, loan or both. If programs are administered as both a grant and a loan, it provides some flexibility to both the Town and a prospective participant, depending on the nature of the development or works. There may be different program requirement considerations for each format, and usually the value of an

incentive program administered as a loan is notably higher than a grant. It may also be desirable to consider portions of a loan as forgivable, provided certain conditions are satisfied (e.g., that the units are maintained as attainable for a minimum period of time, usually equal to the term length of the loan). It is noted that the Town's 2011 CIP contains incentive programs administered as both grants and loans, and that under the Residential Intensification Grant/Loan Program, a portion of a loan is forgivable for all units developed as attainable.

6.4 Attainable Housing Community Improvement Project Area Options

For ongoing consultation purposes, a preliminary Study Area has been identified. The Study Area includes the entire Tow, as shown in **Appendix A**. Through the Project, a formal CIPA will be prepared which delineates properties within a defined geographical area that are deemed eligible for the financial incentive programs administered through the CIP.

It may be determined that certain financial incentive programs are only appropriate or desirable in specific areas of the Town. In this case, the CIPA can be subdivided into distinct sub-areas or "precincts", where certain financial incentive programs are applied, or different eligibility criteria is established, depending on the desired form and function of the development as contemplated by the Town's land use planning framework, notably the Official Plan.

On this basis, the preliminary CIPA for the AHCIP includes the entire Town, as shown in **Appendix A**. Further evaluation and subsequent delineation of the CIPA will greatly benefit from further consultation with the community.

In any case, it is noted that the CIPA boundary may be modified by Council by an amending By-law and at any time, provided the CIPA is administered as a separate by-law from the CIP. This provides an administrative benefit should the applicable Official Plan land use designations be modified (thereby requiring modification to the CIPA), but the CIP financial incentive programs themselves are determined to still be relevant, effective and appropriate to carry forward.

7 Review of the Commercial Core CIP

The Commercial Core CIP was adopted by Council in 2011. In light of recent economic challenges facing many smaller and rural communities throughout Ontario, the development of an attainable housing CIP is an appropriate opportunity to also review and evaluate the 2011 CIP. The intent of this review is to consider if the financial incentive programs remain relevant, applicable and responsive to current economic development considerations and conditions.

7.1.1 Review of the Commercial Core CIP

The Commercial Core CIP applies to the commercial core areas of Thornbury, Clarksburg and Craigleith. The primary purpose of this CIP is to provide an inventory of financial incentive programs to facilitate private sector investment in the revitalization and redevelopment of the three commercial core areas.

It is understood through preliminary consultation with Town staff that the CIP has never been funded and therefore its financial incentive programs have not been activated. Given that the CIP was prepared nearly a decade ago, and in light of recent and unprecedented economic uncertainty, the Town has identified an opportunity to review and evaluate the financial incentive programs at this critical time. This is being undertaken with the intent to provide a means to support local businesses and stimulate economic revitalization within the Town.

It is also acknowledged that this task is being undertaken with an understanding that Thornbury, Clarksburg and Craigleith may have evolved since 2011, and that the Town has since adopted a new official plan and implementing zoning by-law. On this basis, the review of the 2011 Commercial Core CIP will include a focused evaluation of the CIPA, the financial incentive programs and the implementation policies. The review will conclude with some preliminary recommendations that are subject to further consultation with the community.

7.1.2 Review of the Community Improvement Project Area

The CIPA was identified through a Strengths, Weaknesses, Opportunities and Threats Analysis, as well as based on the following stated principles:

- Properties with existing buildings in need of physical improvement (e.g., building revitalization, or façade improvement/restoration) were included;
- Underutilized properties and vacant properties in need of redevelopment, infill or intensification, or conversion to commercial or mixed uses were included;
- Areas where public realm improvements would be installed were included; and,
- Vacant and underutilized agricultural and/or residential lands near the boundaries of the study area whose development would impact on the commercial core, and whose development should also be guided by

the Design Guidelines in the PUDS Strategy were included.

The 2011 Commercial Core CIPA contains two components; the CIPA boundary, and a sub-area that further delineates specific properties that are eligible for the CIP's financial incentive programs. Notably, the sub-area does not apply to the full spatial extent of the CIPA.

7.1.3 Financial Incentive Programs

The financial incentive programs of the 2011 Commercial Core CIP were developed to address a range of identified critical needs in each of the three commercial areas. These critical needs principally include improving building facades, redevelopment of derelict or underutilized lots and buildings, remediate and redevelop brownfield sites, and promote building accessibility, among others.

The following financial incentive programs are administered through the CIP:

- **Design Study Grant:** This incentive seeks to offsets costs associated with preparing professional urban design studies and/or professional architectural and design drawings required by the Town. The grant value is equal to 50% of the cost of the professional services to a maximum grant of $2,500 per property or project.
- **Commercial Building Façade Grant:** This incentive seeks to encourage the rehabilitation, restoration and improvement of the front, rear and side facades of commercial, institutional and mixed-use buildings, including retail storefront display areas and signage. The grant value is equal to 50% of the cost of eligible facade and storefront improvement and restoration works to commercial, institutional and mixed use buildings up to a maximum grant of $10,000.00 per property or project.

  At the discretion of Council, the grant can be increased by up to $5,000 per property or project for properties designated under the Ontario Heritage Act. Also, at the discretion of Council, a separate grant equal to 50% of the cost of eligible side and/or rear facade improvement and restoration works up to a maximum grant per property or project of $5,000.00 may be provided where said rear and/or side facades are highly visible.
- **Commercial Building Improvement Loan:** This incentive seeks to encourage the maintenance and physical improvement of existing commercial, institutional and mixed-use buildings and properties in order to improve the attractiveness of the project areas and provide side and usable commercial, institutional and mixed use space. The loan is administered interest fee in an amount equivalent of up to 70% of the cost of eligible interior and exterior building maintenance and improvement works to commercial, institutional and mixed use buildings. The maximum value of the loan per property or project is $20,000.00 and the minimum is $5,000.00. 30% of loan is forgivable if the project achieves LEED certification

or conforms to the Town's Sustainable Design Guidelines.

- **Residential Intensification Grant or Loan:** This incentive seeks to encourage the construction of new residential units and the renovation of existing residential units through: Renovations to existing residential units in mixed use buildings; conversion of excess commercial and vacant space on upper stories of commercial and mixed use buildings to residential units; residential intensification; and, the infilling of vacant lots with new residential units.

  The value of the grant is equal to \$15.00 per ft^2 of residential space created or rehabilitated to a maximum of \$15,000.00 per unit. The maximum number of units per property or project is four (i.e., the maximum grant per property/project is \$60,000.00).

  The value of the loan is equal to \$20.00 per ft^2 of residential space created or rehabilitated to a maximum loan of \$20,000 per unit. The maximum number of units per property or project is four (i.e., the maximum grant per property/project is \$80,000.00). If a residential unit created is "affordable", the loan is 30% forgivable.

- **Revitalization Tax Increment Grant:** This incentive seeks to encourage and support rehabilitation, redevelopment, infill and intensification projects by providing a financial incentive that reduces the property tax increase that can result from these various types of development. This incentive is also designed to assist in securing project financing. The value of the annual grant is equal to 60% of the municipal property tax increase generated by the project for up to 10 years after project completion.

  The annual grant is equal to 80% of the municipal property tax increase if project is on a brownfield site that requires environmental remediation and/or risk management. A Record of Site Condition must be filed and acknowledged for such projects on brownfield sites

  Further, the annual grant is equal to 100% of the municipal property tax increase if the project achieves LEED certification or conforms to the Town's Sustainable Design Guidelines. In all cases, the maximum value of a grant is \$500,000.00.

- **Brownfields Property Tax Assistance:** This incentive seeks to encourage the remediation and rehabilitation of brownfield sites by providing a cancellation of the property tax increase on a property that is undergoing or has undergone remediation and development to assist with payment of the cost of environmental remediation. This program applies only to properties requiring environmental remediation and/or assessment and management. Under this incentive, the municipal property tax increase and the education property tax increase will be deferred for up to three years.

The CIP states that the incentive programs are considered a “toolkit” to be administered at Council’s discretion. Council may implement one or more of the incentive programs at a time, subject to the availability of funding. The incentive programs, once activated, can also be used individually or together by an applicant.

7.1.4 Implementation Policies

The 2011 CIP contains a detailed implementation strategy, monitoring program and marketing strategy. The implementation strategy contains four elements:

1. Public realm improvements for Thornbury, Clarksburg and Craigleith;
2. Town-wide initiatives;
3. Policy and regulatory initiatives; and,
4. The financial incentive programs.

The public realm improvements contain a detailed inventory of prioritized Town initiatives to improve or enhance various elements of the public realm, such as gateway features, parks, trails and streetscaping, for example. The public realm improvements are shown on a map for each of the three core areas.

The monitoring program is stated as serving several purposes. It is specifically designed to monitor:

1. Funds dispersed through the CIP incentive programs so as to determine which programs are being most utilized, and use this information to adjust the programs, as required;
2. Feedback from applicants to the incentive programs so that adjustments can be made to the incentive programs, as required; and,
3. The economic impact associated with projects taking advantage of the CIP incentives programs.

The monitoring program notes that the CIP is not intended to be a static planning document; rather, it is intended as a proactive plan for economic and community renewal and revitalization in the commercial core areas of the Town. A number of monitoring variables are identified for each of the financial incentive programs.

Lastly, the CIP establishes a marketing strategy for the Plan itself. The purpose of the marketing strategy is to “proactively and regularly advertise and market the Town’s incentive programs and the planned improvements and actions being taken by the Town to actively support revitalization within the community improvement project area”. The following action items are identified by the marketing strategy:

1. provide direction on how to obtain information on available incentive programs, including program guides and application forms, as well as assistance and advice from Town staff on making application for the incentive programs;
2. Inform property and business owners and developers with regard to actions planned by the Town to improve the investment environment within the community improvement project areas; and,

3. Publicize recent development and business activity and success stories within the community improvement project area.

The marketing strategy also contains a range of identified marketing tools available to the Town to promote the CIP's financial incentive programs. These tools range from publications, profiling success stories, publishing stories in local media, utilizing the Town's website, presentations to target audiences and regular media releases.

7.1.5 Preliminary Recommendations

Based on a review of the 2011 Commercial Core CIP, the critical analysis presented in this Report, and preliminary consultation with Town staff, the following recommendations are offered:

- **Community Improvement Project Area:** As noted previously, the Town has adopted a new official plan and implementing zoning by-law since 2011. The land use designations of an official plan and associated policies are typically a principal means to informing the preliminary boundaries of a CIPA, which further benefits from consultation with the community. In this regard, the extent of the 2011 Commercial Core CIPA remains generally appropriate as it applies to Thornbury, Clarksburg and Craigleith. An exception is that the CIPA does not apply to the Marsh Street / Bruce Street Corridor, which is an area identified by this Report as possibly benefiting from the financial incentive programs provided through a CIP.

  Given the methodology to identify the CIPA boundaries and the "Areas Eligible for Financial Incentive Programs" in the 2011 CIP, any update would benefit from consultation with the community in this regard. This may result in modifications to the CIPA boundary or properties identified in the "Areas Eligible for Financial Incentive Programs". This may include an opportunity to incorporate the Bruce Street / Marsh Street Corridor area within the CIPA.
- **Financial Incentive Programs:** The range of financial incentive programs are generally appropriate and address the critical needs identified in the CIP. However, there may be an opportunity to consider additional incentives, such as a landscaping and property improvement program. This type of incentive seeks to enhance the public realm through improvements to landscaping, parking areas, bicycle parking, laneways and other similar private property elements. Eligible costs may include professional landscaping, tree planting, improvements to parking areas or the creation of permanent outdoor seating areas, for example. Additional financial incentive programs may be considered through further consultation with the community.
- **Program and Eligibility Requirements:** The program and eligibility requirements are generally appropriate and provide sufficient administrative flexibility, while

ensuring various interests of the Town are protected. This includes, for example, requiring applicants to enter an agreement with the Town (as deemed appropriate), that existing or proposed land uses must conform to the Town's land use planning documents, that all works must satisfy the Ontario Building Code, and that property taxes must be in good standing. Further, the program requirements specific to each financial incentive are generally consistent with best practice. There may be an additional opportunity to refine or modify the eligible costs subsequent to further consultation with business owners, tenants and the broader community.

- **Funding and Incentive Values:** As noted previously, the 2011 Commercial Core CIP has not been funded and therefore the incentive programs have never been activated. On this basis, monitoring data is not available and therefore it is difficult to determine if the incentive values are appropriate and responsive to the revitalization needs of the community. However, the respective incentive values are generally consistent with other CIP programs and best practices., but there may be an opportunity to modify the incentive values or consider an opportunity to offer each program as both a grant and a loan. Again, the incentive values will benefit from further consultation with Council, Town staff, prospective applicants and the broader community.
- **Grey County Community Improvement Plan Program (2019):** There may be an opportunity to review the 2011 CIP against the Grey County Community Improvement Plan Program to evaluate or consider additional opportunities to introduce new financial incentive programs or modify existing ones.
- **Formatting:** The overall accessibility and "user friendliness" of a CIP document can be an important factor that contributes to its effectiveness and general uptake. The 2011 Commercial Core CIP is both thorough and comprehensive in its content, analysis and recommendations. However, there may be an opportunity to streamline the document in a manner that focuses exclusively on the aspects such as the vision, goals and objectives, the financial incentive programs, eligibility criteria and conditions, as well as the administrative and monitoring policies. Other components of the 2011 CIP could be moved to a separate stand alone document that is similar to a "Background Review". Streamlining and/or updating the document format may have administrative and interpretation benefits for Council, staff, the community and applicants.

A final consideration is ensuring harmonization between the CCCIP and the AHCIP. For example, it may not be appropriate to fund incentive programs under the CCCIP that has been allocated to support the AHCIP. However, consideration should be given to how development associated with attainable housing may leverage some of the programs administered through a future Commercial Core CIP, such as the Brownfields Property Tax Assistance Program or the Design Study Grant, for example. The Town will want to ensure that the municipal resources and programs offered through each CIP are optimized to the extent possible in this regard, while continuing to facilitate broad community revitalization as contemplated by the two Plan’s.

8 Conclusion and Next Steps

8.1.1 Attainable Housing CIP

Consideration must be made regarding the extent of applicability of the AHCIP and its financial incentive programs. Under Section 28 of the *Planning Act*, a Community Improvement Project Area must be adopted by Council by by-law before a CIP can be adopted. Only properties within the CIPA would be eligible for the AHCIPs financial incentive programs.

Through this Project, consideration should be given to the applicability of the various options for financial incentive programs. Within the CIPA, there is an option to establish precincts where there is a desire or clear basis to only apply certain programs to certain areas. Alternatively, all of the financial incentive program options can be made available to all areas within a CIPA and criteria can be established with regard to eligibility.

Based on the financial incentive program options reviewed in Section 6 of this Report:

- A development charges rebate program is likely applicable to the areas of Thornbury, Clarksburg and Craigleith, where most of the Town's intensification is to planned to occur as contemplated by the Official Plan. The development charges rebate program would generally only apply to new development, and therefore these areas of the Town would benefit the most from this program option.
- A planning and building permit fee rebate program has broad applicability throughout the Town. It may be applied to new development as well as redevelopment where these fees would be incurred. Most areas of the Study Area where residential intensification is contemplated by the Official Plan, including the development of accessory dwellings and accessory apartments, would benefit from this program.
- A tax increment equivalent program also has applicability to the areas of Thornbury, Clarksburg and Craigleith, where most of the Town's growth is directed to by the Official Plan. However, the program may serve different functions depending on where it is applied. For example, it may service to facilitate appropriate infill development within the Downtown Area (noting that there is some opportunity here for the utilization and development of vacant lots), whereas in Craigleith, it will likely be applied within the context of significant new development and intensification.
- An upper storey apartment improvement program would likely have applicability only in the downtown areas of Thornbury, Clarksburg and the Marsh Street / Bruce Street Corridor, and to existing low-rise mixed-use buildings with commercial uses at grade. The intent of this program is to facilitate the improvement or development of new attainable housing units above first

storey commercial uses, as contemplated the Official Plan and permitted by the Zoning By-law.

- A secondary dwelling unit program may have limited applicability, namely areas where accessory dwellings are permitted.
- A feasibility study program similarly has applicability in various areas of the Town, as discussed in relation to a development charges rebate program or a tax increment program.
- A surplus land grant program may have limited applicability and largely depend on where the County or the Town has surplus lands within their real estate portfolio.

8.1.2 2011 Commercial Core CIP

The CCCIP is nearly a decade old and it is likely appropriate to re-evaluate the Plan's goals, objectives and financial incentive programs. This consideration is particularly heightened given the current challenges many commercial core areas of Downtown's throughout Ontario are experiencing due to COVID-19. Section 7 of this Report offered a number of preliminary recommendations that can be used to focus the review of the CCIP. This review will also benefit from continued consultation with the community, particularly local business owners, associations and committees.

Particular focus will be placed on the following key considerations:

- Delineation of the CIPA;
- Evaluation of the financial incentive programs; and,
- The value of the financial incentive programs.

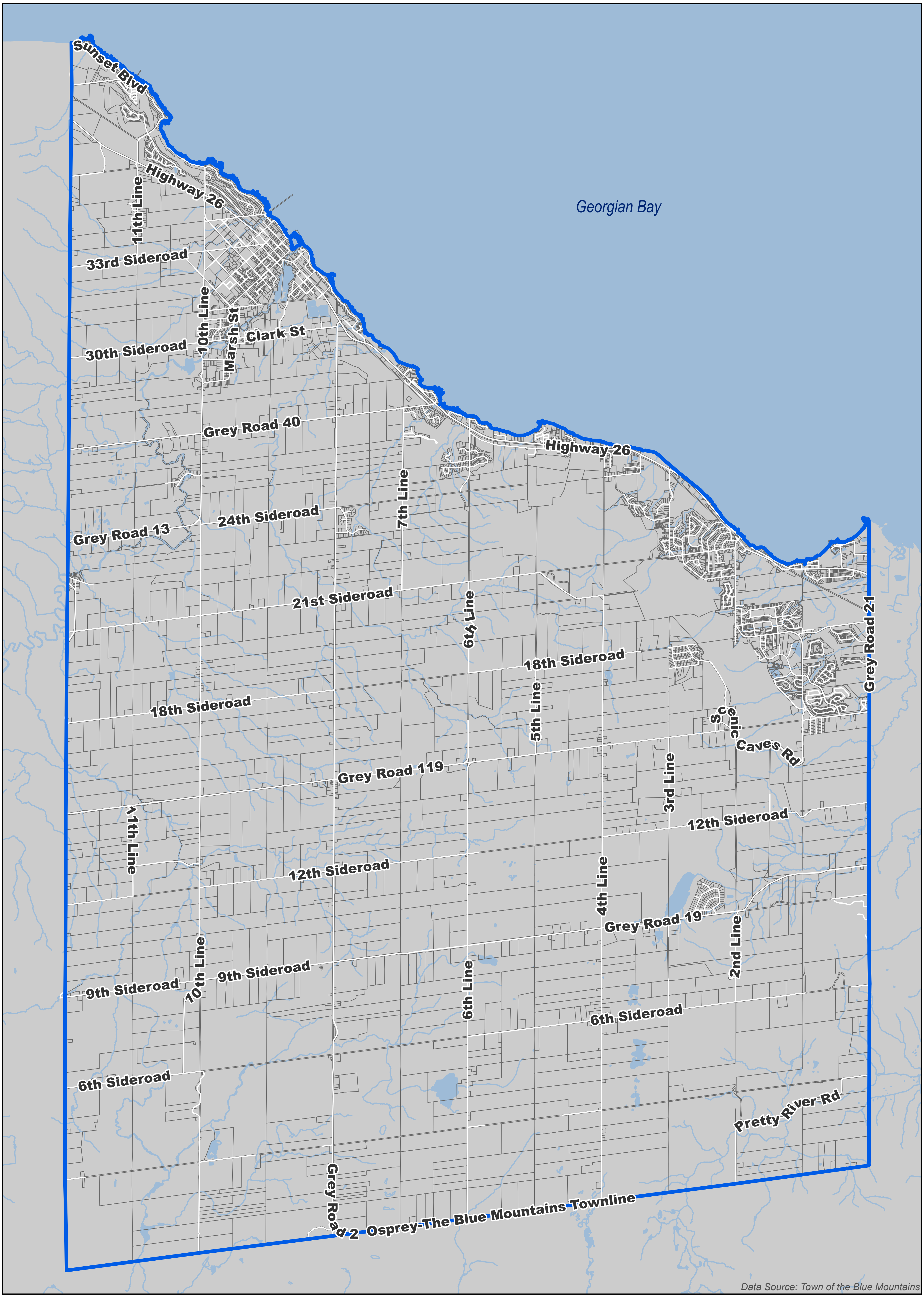
8.1.3 Concluding Thoughts

This Project, which includes the development of an attainable housing CIP and a review of the CCCIP, will benefit from continued consultation with Town staff, Council, the key stakeholders and the community. The CIP will be prepared through a thoughtful approach that is responsive to the Town's needs.

As a community revitalization strategy, the CIP will include an approach that is consistent with local planning policy, ongoing municipal programs and initiatives, identified critical needs, and community input. Prior to adoption by Council, a draft CIP will be presented to the public for input and feedback.

Appendix A:

Community Improvement Study Area



Community Improvement Project Study Area

Town of the Blue Mountains Community Improvement Plan

Data Source: Town of the Blue Mountains

Municipal Boundary

Parcels