



# STRATFORD HOUSING PROJECT

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A Road Map for Attainable Market Housing Development

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## About the Report

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The Stratford Housing Project (SHP) was established by the Stratford Economic Enterprise Development Corporation (SEEDCo/investStratford) in partnership with the City of Stratford and partially funded by the Rural Economic Development Program (RED) through the Ontario Ministry of Agriculture, Food and Rural Affairs.

A review of City by-laws, processes and procedures was undertaken for this report with the goal of identifying and recommending options and solutions designed to increase and encourage additional attainable market housing rental and ownership units in the City of Stratford. This report also identifies opportunities and includes recommendations for pilot projects for two City-owned parcels of land that incorporate many of the recommended options and solutions.

The approach to this report was to consult with key stakeholders, review primary and secondary sources, compile qualitative and quantitative data and review other jurisdictional processes and procedures. There were also site visits to various housing developments and an exploration of development designs.



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# Introduction



Like most communities across Canada, Stratford needs attainable market housing. The project aligns with the workforce development priorities of SEEDCo/investStratford and the following Strategic Priorities of the City of Stratford including:

- Increasing attainable market housing.
- Increasing residential development at all levels of affordability.
- Balancing supply and demand of the available labour force.

The recommendations in this report are intended to work in tandem with the recently completed five-year review of the Stratford, Perth County and St. Marys 10-Year Housing and Homelessness Plan, Five-year Update (2020-2024). Specifically, within strategic Objective #2, referred to as “Creating Attainable Housing Options: Increasing the range of housing options that are available, affordable, appropriate and achievable to meet people’s needs, situations and choice.”

Attainable housing is not to be confused with affordable housing as defined by the Provincial Policy Statement 2020, which is more often associated with housing options offered by Social Services in the City of Stratford. For the purposes of this report an ‘attainable market housing’ incorporates, but is not limited to, the following definition of affordable;

- In the case of ownership housing, housing for which the purchase price results in annual accommodation costs not exceeding 30% of gross annual household income for low- to moderate-income households. Annual household income is based on the most recent Census of Canada statistics for the City of Stratford, which are updated every five years.
- In the case of rental housing, a unit for which the rent does not exceed 30% of gross annual household income for low to moderate-income households. Annual household income is based on the most recent Census of Canada statistics for the City of Stratford, which are updated every five years.



In both cases, low- to moderate-income shall mean households with an annual household income in the lowest 40th percentile<sup>1</sup>. Attainable market housing must also be:



**Suitable:** Appropriate to the circumstances of the individual or family ensuring there are enough bedrooms for the size and make-up of resident households. This is measured according to the National Occupancy Standard (NOS).



**Adequate:** Housing that does not need any major repairs as reported by residents is adequate housing. Major repairs include defective plumbing, electrical wiring, structural repairs to walls, floors and ceilings.



**Available:** Accessible in a timely manner when an individual or family needs it.

# Executive Summary



Growth in the demand for homes has led to historical lows in housing inventory and the number of listed homes available compared to the rate of transactions. This surge in demand and prices may be driven by record-low mortgage rates and increased flexibility, enabling more people to buy more expensive homes with the same monthly payments. In addition, the impact of COVID-19 has been mitigated by the Government of Canada's financial programs (i.e. CERB and CEWS), which have supported Canadian household employment and incomes, along with factors of salary and a Living Wage.<sup>2</sup>

In developing and advanced economies, the challenge of providing housing for low- to middle-income citizens at a reasonable cost remains problematic. There is an identified lack of 'missing middle' housing, meaning the missing range of middle density housing options accommodating different lifestyles such as intergenerational living, new families young professionals, and seniors aging in place. 'Missing middle' housing also refers to housing attainable by middle-income earners.<sup>3</sup> Paying over 30% of income and sometimes up to 50% of income for shelter<sup>4</sup> means families are unable to save for their children's education or afford extra-curricular activities. Families may have to make impossible choices between paying rent and buying enough food. Saving for a down payment on a home is impossible when housing prices are on the rise and income is not increasing at the same rate. In response to the COVID-19 pandemic, the CMHC announced changes to the eligibility rules for mortgage insurance in June of 2020 requiring a 20% down payment of the purchase price and if a down payment is less than 20% of the purchase price then purchasing mortgage default insurance is required.<sup>5</sup>

## Existing Approval Processes and Considerations

In early 2020, the Canadian Home Builders Association (CHBA)<sup>6</sup> retained the Altus Group to study factors contributing to housing affordability, such as municipal approval processes, timelines for approvals and government charges levied by municipalities. Many of the findings of this report indicate significant delays in approval processes, adding time and costs to development.



With consideration of the findings in the CHBA report, informational consultations with public and private stakeholders were completed to determine efficiencies and deficiencies in the local development approval processes. The CHBA report and the consolidated information were used to review the City of Stratford development application processes. Processes were reviewed to determine if modifications could expedite processes and reduce barriers to the development of attainable market housing, while maintaining planning policies and protecting public involvement in the decision-making process.

The development application processes are reviewed in two categories. The first being development applications with Public Consultation including Official Plan Amendments, Zoning By-Law Amendment Applications, Draft Plan of Subdivision/Draft Plan of Condominium, Consent and Minor Variance applications. These applications require modifications to the existing zoning be processed through an approval process requiring additional supporting information and City and public consultation prior to approval. The supporting information, depending on the complexity of the development, can add significant costs and time to the project.

The second category is Development Applications with Modified Public Consultation, including site plan applications. These applications meet existing Official Plan and Zoning By-law requirements, are greater than three dwelling units and are subject to Site Plan Control under the City of Stratford Site Plan Control By-Law. The site plan approval process approves site plans based on the complexity of the development in one of three categories: new site plans, site plan amendments and minor changes to existing plans (also known as letter amendments).

Based on the review of processes, and considerations from the public and private stakeholders, innovative ways to expedite the approval processes and cost-effective solutions need to be developed to help with the creation of attainable market housing. A recommendation is to create a Community Improvement Plan as defined under the Planning Act and Community Incentives Toolkit as described in the following paragraphs:

## **COMMUNITY IMPROVEMENT PLAN**

A Community Improvement Plan (CIP) is legislated under Section 28 of the Planning Act and is recommended in this report to facilitate and encourage the development of additional attainable market housing. The CIP is a tool where municipal planners and economic developers can work hand in hand to develop policies and provide incentives targeting specific types of growth and investment that work towards broad community revitalization and development considerations. It is meant to serve as a long-term strategy to revitalize the community, improve the quality of life of the community's residents, better utilize underdeveloped properties and promote private investment in land and buildings. A CIP would facilitate attainable housing development through the permitted legislated incentives while recognizing existing and evolving challenges. It is one component of a broader economic development strategy, intended to function as a complementary economic tool along with other relevant City initiatives. A CIP would also provide leadership by offering financial incentives encouraging and facilitating private sector investment in the development of attainable housing.





## COMMUNITY INCENTIVES TOOLKIT

The Community Incentive Toolkit (CIT) is recommended in this report to provide greater incentive for developers to consider attainable market housing developments. The CIT is proposed as a component of the CIP discussed previously. This is a collaborative process and requires cooperation amongst a broad spectrum of potential participants including the private sector, non-profit sector and other levels of government. Incentives should be a mechanism to express purpose and motivate activity for residential development to aid the City of Stratford in meeting the requirement for attainable market housing.

The CIT is a predetermined list of incentives and other implementation options such as funding sources, fiscal incentives, regulatory measures and programs. Eligibility criteria must be developed to permit the use of the incentives within the CIT. The eligibility criteria are summarized below and further described in [Section 3.0](#).

- All incentive program applications must include completed application forms as well as supporting materials such as detailed work plans, cost estimates and contracts, applicable reports and any additional information and/or reports, studies as required by the City.
- Project to be in accordance with all City by-law policies, procedures, standards and guidelines in order to be approved.
- The owner must be in good tax standing at the time of application and through the incentive benefit periods.
- Incentive programs may be used individually or in combination, subject to the exceptions outlined within the specific program details in the CIP.
- The total of all incentive benefits (including grants and loans) provided to each applicant for each community improvement proposal for buildings or lands must not exceed the project's costs or maximum amount set out in the CIP.
- Applicants shall disclose all other funding and incentives for the project, including commercial or other loans.
- Attainable units developed under the CIP must be maintained as attainable with an agreed upon minimum period of time through an agreement with the City on title.

The items in the CIT noted above, options, programs and the definition of attainable housing should be reviewed and amended annually by Council due to the continuously evolving state of the economy and attainable market housing.



## DEVELOPMENT OF CITY OWNED LAND

It is proposed that two City owned vacant parcels of land be utilized to pilot development projects helping fulfil the gap for attainable market housing. The development recommendations are briefly described below and will require developers to demonstrate the use of the CIP through the RFP process for the purchase of the lands and meet the criteria of the CIT as mentioned above and as may be further defined by the City.

The recommendation to re-zoning to a mixed-use community, including a wide range of housing types, mix of retail, office, commercial opportunities that would create a complete community concept. The variety of housing types will assist in achieving attainable market housing targets by incorporating and piloting.

The first site is 3188 Vivian Line 37 (Site #1), a 5.72 acre parcel of vacant land ready for development and the second site is 150 McCarthy Road West (Site #2), a 15.2 acre parcel of vacant land. Site #1 and Site #2 both offer opportunities for private, public and not-for-profit partnership enterprises, providing the City with unique financial situations that are further reviewed in [Section 3.0](#). The development sites would promote both mixed income housing and attainable market housing.

Development by private enterprise provides a hands-off approach by the City and is recommended to be approved through plan of subdivision or plan of condominium. This development process would recommend the City provide a 50% reduction of land value, parkland dedication and development charges to help minimize costs of the development and ultimately the housing units.

Development by the City is a hands-on approach and recommended to be approved through a plan of subdivision or plan of condominium, creating fully serviced residential blocks for the purpose of sale. Development and construction costs associated with attainable market housing development will initially be incurred by the City and recuperated through the sale of land or long-term tax revenues. This development provides equal opportunity to all developers through an RFP process and provides development exposure for attraction of new development.

Diversifying partnerships provides an opportunity for the City to obtain the greatest impact to community through various models, in this case the Habitat for Humanity not-for-profit model that provides a transformational approach, changing the lives of families for generations and contributing to economic prosperity within communities. Taking this approach also addresses the NIMBYism communities often experience around the diversification of housing development through community education and public engagement; allowing individuals to address concerns and attend open houses showcasing Habitat for Humanity's fifty years of housing development experience in communities ([Section 4.0](#)). Offering a partnership model between the City in support of the Habitat for Humanity model to develop up to 50% of the land, the remaining land would be deemed surplus, and an RFP process established for private sector development. Currently this parcel of land is not serviced and would require piloting the CIP to achieve attainable market housing development. Including a mixed income housing development would help support costs, and heighten the diversification of housing types, create a sense of belonging in the community and achieve an increase of attainable market housing.



The 3188 Vivian Line 37 and 150 McCarthy Road pilot sites both provide the City with varying financial options while providing support for attainable market housing supply. It is recommended that the City consider the following:

- 1.** Declare 3188 Vivian Line 37 surplus land in accordance with the City's policy and propose the sale of the land through an RFP utilizing the CIP incentives. Set conditions on the land to remain attainable market housing for 25 years. This provides the City with immediate development movement for increasing housing supply while ensuring it remains attainable.
- 2.** Utilize capital gains from 3188 Vivian Line 37 land sale to fund CIP program incentives throughout the City with new development applications as well as for infrastructure improvements to 150 McCarthy Road West.
- 3.** Rezone 150 McCarthy Road West to Medium Residential Density Special through a City initiated zoning by-law amendment.
- 4.** Develop partnership with a not-for-profit and consideration be given to gifting lands, reduction in development charges for up to 50% of the site.
- 5.** Declare remaining 50% of 150 McCarthy Road West as surplus land and propose the sale in accordance with the City's policy and of land through an RFP process while utilizing CIP incentives. Set conditions on the land to remain attainable market housing for 25 years. This capital gain from the surplus lands should be used to recoup the not-for-profit partnership costs and fund future CIP program applications while ensuring access to attainable market housing for years to come.

This recommendation should provide the City with an expedited increased supply of attainable market housing by utilizing the development ready 3188 Vivian Line 37 site. This recommendation also utilizes financial gains to provide necessary infrastructure improvements for 150 McCarthy Road West to allow development on the site as well as future CIP program funding applications.



## Summary of Actions & Next Steps

In addition to and including the three Key Actions described previously, the following is a summary of other actions for consideration:

### ACTION 1

Identify a new Project Manager position that can execute on the recommendations of this report, support builders, non-profits and identify Best Practices, liaise and provide data supports to Infrastructure Development Services for continuous improvements.

**Tactics:** Resource and hire/contract Project Manager to lead the implementation of this report's recommendations.

**Next Steps:** Budget review, develop a job description, hire and supervise staff. (June/July 2021)

### ACTION 2

Project Manager develop Implementation Work Plan in consultation with City Departments and relevant stakeholders.

**Tactics:** Project Manager develop and lead Implementation Work Plan.

**Next Steps:** Budget review, develop a 3-year Implementation Plan. (July 2021)

**Estimated Cost:** \$95,000

### ACTION 3

Develop and adopt a Community Improvement Plan identifying a Community Incentives Toolbox to promote attainable housing creation and other objectives. As part of this Community Improvement Plan project, consider improvements to and streamlining of existing development approval processes.

**Tactics:** Develop a Community Improvement Plan including Urban Design Guidelines and refresh the existing draft Comprehensive Zoning By-law to consider opportunities for expanding approvals (e.g., Pre-zoning, as reviewed in this Report).

**Next Steps:** Project Manager to lead this process. (September 2021)

**Estimated Cost:**

1-3% City Budget Annually

**Tactics:** Develop a toolbox of possible incentives for review and alignment with the Development Charges Review and the Official Plan Review Process.

**Next Steps:** Project Manager to lead this process. (September 2021)



#### **ACTION 4**

Establish a “Yes in My Backyard” initiative to address any public concerns relating to the ‘missing middle’ and diversified attainable housing developments.

**Tactics:** Develop an awareness and education campaign to promote diversified housing development for positive social impact and community engagement.

**Next Steps:** Project Manager leads process. (February 2022)

#### **ACTION 5**

Develop and adopt a Communications Plan

**Tactics:** Develop a communications strategy to increase transparent, effective and efficient communications with the private and public sectors including but not limited to:

- Restructure relevant Development webpages for effectiveness and efficiencies, ease of use and a public-facing tracking system of permits and consultation when required.
- Improved access to application documentation and submission standards.

**Next Steps:** Project Manager to lead this process. (February 2022)

**Estimated Cost:** \$75,000

#### **ACTION 6**

Pilot innovative housing opportunities for attainable home ownership/rental development on two City-owned parcels of land on Vivian Line and McCarthy Road while continuing to meet the application standards and all applicable laws.

**Tactics:** Pilot One: Vivian Private Development RFP

**Next Steps:** Project Manager to develop RFP. (June 2022)

**Tactics:** Pilot Two: McCarthy with non-profit partnership. Work with, for example, Habitat for Humanity to design and develop a concept for attainable housing development.

**Next Steps:** Project Manager to develop partnership memorandum of understanding with a non-profit, seek funding to offset costs of service requirements through CMHC. (June 2022)

**Estimated Cost:** TBD



### **ACTION 7**

Integration of technology in public consultation processes, improve/expand e-permitting and cross-departmental utilization of the existing GIS system.

**Estimated Cost:** TBD

**Tactics:** Consider optimizing the existing GIS system to be utilized by all City departments as well as the public with the following:

- Provide the ability to recognize underutilized lands for City use.
- Provide data links to zoning and approval process information with parcel identification selection.
- Provide additional property parameter filtering capabilities for public use to identify infill opportunities.
- Provide the ability to identify current development applications.

**Next Steps:** Budget review, Infrastructure Development Services staff to lead and execute, Project Manager supports timeline and implementation. (April 2022)

### **ACTION 8**

Increase City staffing levels in departments administering the development process and identify relevant professional development opportunities and succession strategies to ensure continued employment of well-qualified staff.

**Estimated Cost:** TBD

**Tactics:** Assess staffing capacity and structure in current and future opportunities and adjust accordingly (as needed):

- Continuous education and training of staff and development of a succession plan.

**Next Steps:** Review and recommend next steps in partnership with Infrastructure Development Services staff and Project Manager. (July 2021)

### **ACTION 9**

Encourage more innovation and creativity in housing, including but not limited to housing design, materials and creative approaches to more attainable housing units.

**Estimated Cost:** TBD

**Tactics:** New partnerships, processes improvements, minimizing wait times and development of the Community Improvement Plan.

**Tactics:** Consider a revision to the existing by-law to permit secondary dwelling units in accordance with the Planning Act.

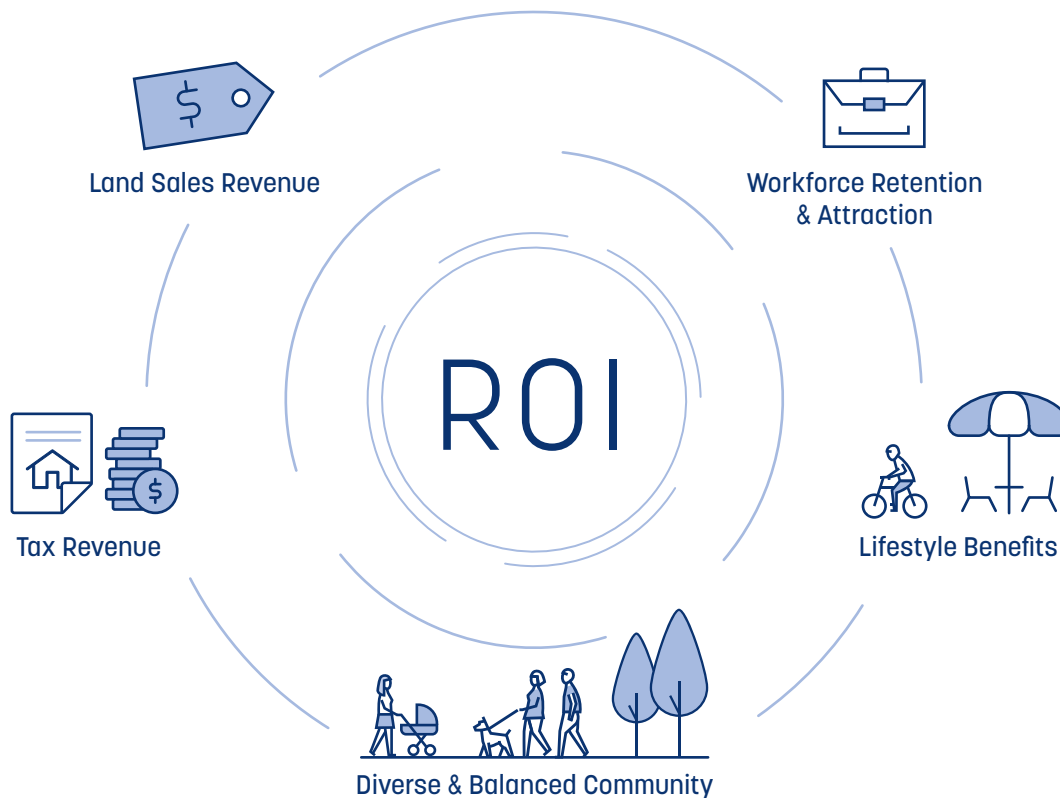
**Tactics:** Consider Official Plan review:

- Review “Heritage Area” policies in central area.
- Consider removing the current policies in the Official Plan that address Stable Residential Areas and infill intensification.

**Next Steps:** Project Manager to identify partnership opportunities and tracking tool. (July/August 2021)



## Return on Investment



There are both tangible and intangible returns to the City for the proposed actions and financial aspects of this report.

An overview of preliminary and estimated costs of incentives proposed through the recommended CIP and CIT are outlined in [Section 3.0](#). Incentivizing additional attainable market housing projects throughout the City will lead to further assessment growth. Preliminary financial modeling of each of the two proposed pilot projects is included in [Section 4.0](#). As an example, tangible returns on investment include estimated land sales revenues of \$5.2M and estimated annual tax revenues of \$600,000 once each pilot project is fully built out.

More intangible social-economic returns that are equally important, but more difficult to measure, include enhanced workforce retention and attraction; pride and associated lifestyle benefits of affordable rent and home ownership for individuals and families; and a more diverse and balanced community mix.

There are a significant number of financing options requiring further review to provide an optimized financial solution to balance the budget for attainable market housing and return on investment for the City. Further financial modelling, budget development and detailed cost benefit analysis will be a key component of project implementation.



# 1.0 Statistical Housing Overview

## 1.1 Summary

Many factors contribute to the lack of attainable housing. The Canadian Home Builders' Association released the first Municipal Benchmarking Study examining how local development processes, approvals and charges contribute to housing affordability and supply issues in housing markets across Canada. In addition, a study by the Association of Municipalities of Ontario entitled "Fixing the Housing Affordability Crisis" identified low vacancy rates, inadequate supply, modest employment and labour markets as issues.

Research has shown that access and availability of attainable market housing is a barrier directly related to the ability of companies to retain and attract a quality workforce. For individuals and families struggling to pay for housing, the need for attainable market housing is pressing.

This overview of the state of attainable market housing, workforce demands and income in Stratford will help outline the existing housing situation. The housing-related research will assist in improving government's and housing providers' ability to make decisions on building attainable housing.

Stratford is in the unique position of having employment available in specific sectors; however, housing is unavailable for many income levels. Attainable housing supports the labour market, which in turn supports the local economy. Whether renting, owning or in market housing, the breadth of research contributes to a better understanding of the challenges and solutions and provides the ability to create better policies, decisions and actions that help meet individual and community needs.





An overview of housing in Stratford is highlighted here:

### **RISING HOUSE PRICES<sup>7</sup>**

The City of Stratford is an attractive retirement community. There continues to be an increase in the number of seniors who have sold their homes in higher-priced urban markets to fund their retirement and are purchasing homes in smaller communities such as Stratford.

While the influx of new residents has advantages, the side effects include an increase in the price of homes in the community, a negative impact on the housing supply and added strain on the rental market. Bidding wars, offers with no conditions and a general decrease in the number of listings and days on the market — unheard of in this area a few years ago— have become commonplace.

The COVID-19 crisis also stands to exacerbate the nation's sizable affordable housing shortage thanks to a convergence of factors. COVID-related construction slowdowns and material shortages have made projects more expensive, as has an influx of homebuyers from more expensive markets moving to Stratford with its comparatively lower housing prices and better quality of life. The growing pressure of renters/owners seeing job losses while trying to maintain rent payments, places significant financial pressure on landlords or non-profits operating such buildings.

According to the Huron-Perth Association of Realtors,<sup>8</sup> in October 2020<sup>9</sup> the average price of residential properties sold was \$478,674, rising 13.9% from October 2019. There were 231 units sold in October, setting sale activity at a record high for the fifth straight month.

Overall supply continues to run at record low levels with active residential listings numbering 214 units at the end of October, a 47.8% decline from October 2019. Residential months of inventory numbered 0.9 at the end of October 2020, down from 2.4 months recorded at the end of October 2019 and below the long-run average of 4.8 months for this time of year. The number of months of inventory is the number of months it would take to sell current inventories at the current rate of sales activity.

The dollar value of all home sales in October 2020 in Stratford was \$110.6 million, an increase of 51.2% compared to October 2019. With more people looking for housing, demand remains high and looks to continue. However, almost none of the available listings are attainable.

Figure 1 identifies the dwelling type and percentage breakdown of housing in Stratford and Ontario. Figure 2 outlines the household composition. Notably, 69% of dwellings are composed of large single detached homes with two or less people residing in them. Stratford also exemplifies an 'over-housed' situation and is an area of opportunity as older demographics continue to grow and aging in place is more desirable as services become readily available. To address the 'over-housed' situation, consideration opportunities for secondary suites or apartments, multigenerational dwellings will become viable options. In Figure 3 the disbursement of ownership and renters is comparable to the province as a whole.

Figure 1: Statistic Canada Data 2016, Census Profile. Dwelling Type<sup>10</sup>

| Dwelling Type <sup>11</sup>      | Stratford | Ontario |
|----------------------------------|-----------|---------|
| Single-detached house            | 39%       | 42%     |
| Apartment (5 or more stories)    | 3%        | 13%     |
| Other attached dwelling          | 29%       | 22%     |
| Semi-detached house              | 8%        | 4%      |
| Row House                        | 4%        | 7%      |
| Apartment or flat in a duplex    | 4%        | 3%      |
| Apartment (fewer than 5 stories) | 14%       | 8%      |
| Other single-attached house      | -         | -       |
| Movable dwelling                 | -         | -       |

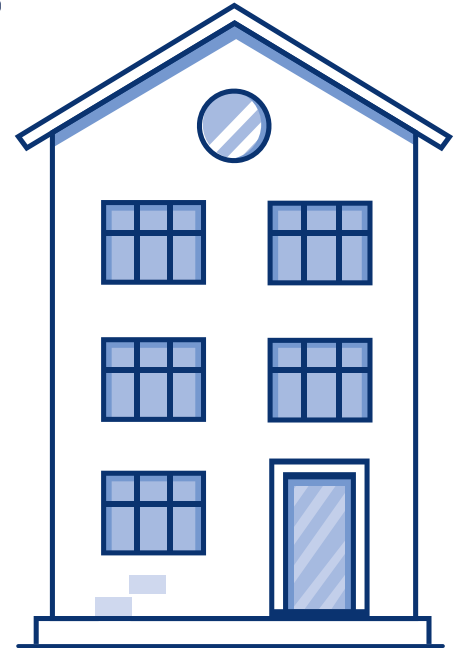
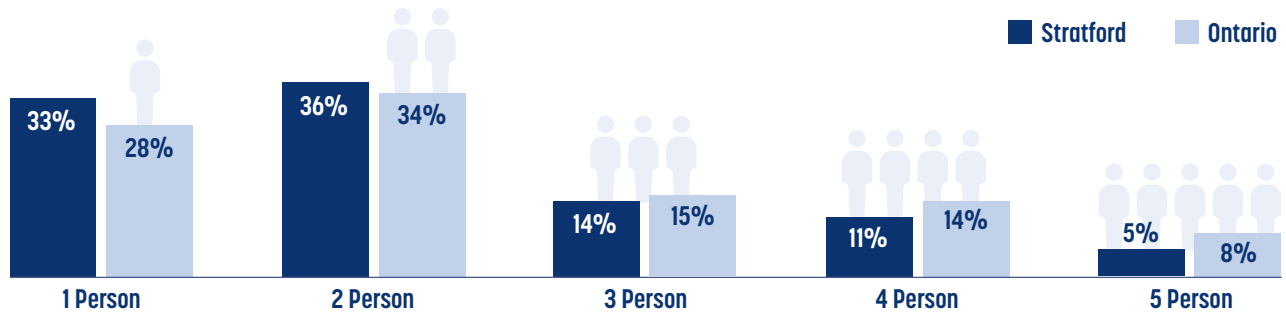


Figure 2: Household Compositions<sup>12</sup>



### INCREASING RENTAL COSTS<sup>13</sup>

The City of Stratford Social Services Department<sup>14</sup> completed a rental market scan to better understand availability and attainability, utilizing rental housing advertisements from online sources and a neighbourhood audit. This scan occurred from the week of March 9 to the week of April 20, 2020. Online sources included Kijiji.ca and RentBoard. Identified Average Market Rent (AMR) Figure 4 and 5 details the average rental cost by unit type for each of the municipalities located in the service area of Stratford, Perth County and St. Marys. Statistically, the majority of available rental units and highest average rental costs were located in Stratford, the largest centre in the region offering employment opportunities, education, recreation and commercial services.

Figure 3: Owner and Renter

| Type   | Stratford | Ontario |
|--------|-----------|---------|
| Owner  | 67%       | 68%     |
| Renter | 33%       | 32%     |



The findings of the market scan show a continued rise in local rental market rates in the past year, with the highest increase for 1-bedroom units at 21% as indicated in Figure 5.

### AFFORDABILITY

For renters,<sup>15</sup> Figure 6 identifies the population divided into percentiles based on household income with each percentile containing a tenth of all total households (deciles); exactly a tenth of households earning the lowest income make up the first decile, the next tenth represents the next highest set of income earners and so on.

In an ideal housing market, households in or below the 30th income decile would be eligible for rent-gear-to-income (RGI) housing. Households in the 40th–60th income decile would be accessing rental market housing. Households in or above the 70th income decile would be homeowners.

Figure 4: Average Rental Price by Bedroom Size - Stratford

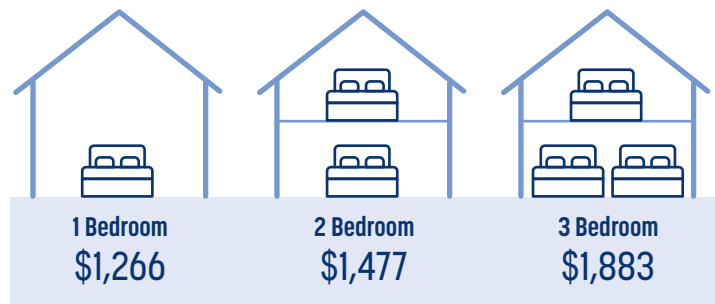
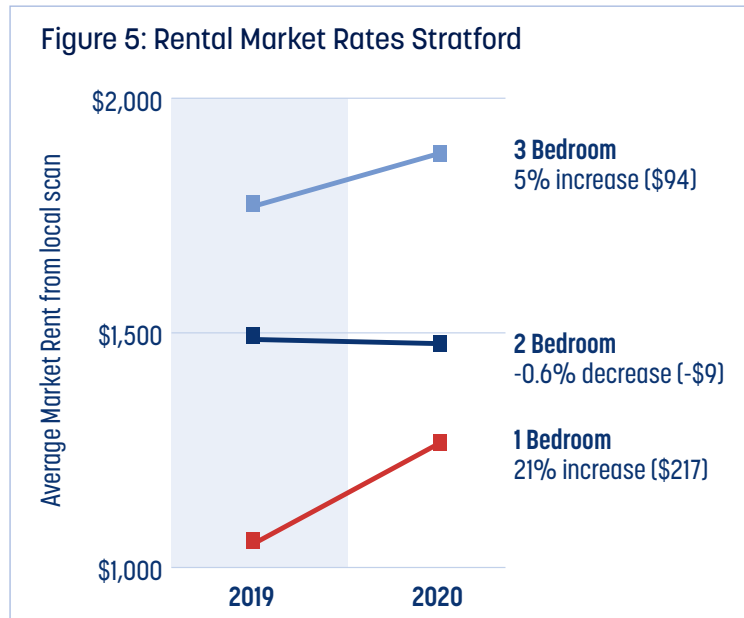


Figure 5: Rental Market Rates Stratford



Based on 2018 CMHC Average Market Rents (AMR), households would require an annual income of between \$28,900 and \$44,600 (30th to 50th income percentiles) to rent in the private market depending on the size of the unit. For households in the 10th, 20th and 30th income percentiles, earning less than \$28,500, there are no private market options in the area meeting the report definition of attainable market housing.

A local rental scan conducted in early 2019 showed that rental rates in the area were higher than the CMHC rates, ranging from \$910 for a bachelor to \$2,010 for 4+ bedrooms.<sup>16</sup>

For ownership<sup>17</sup> in 2018, households required an annual income of \$106,000 (70th income percentile) to buy a condominium or single-detached house in Stratford. Households in the 50th income percentile (earning \$74,000) could purchase a semi-detached house while those in the 60th income percentile (earning \$88,400) could buy a townhouse.

Figure 6: Rental Housing Affordable in Perth (Source: MMAH Service Manager Profiles 2018)

| Income Percentile | Annual Household Income | Affordable Monthly Rent | Unit Type and Alternate AMRs |                |                |                |                 |
|-------------------|-------------------------|-------------------------|------------------------------|----------------|----------------|----------------|-----------------|
|                   |                         |                         | Bachelor \$910               | 1 Bdrm \$1,032 | 2 Bdrm \$1,351 | 3 Bdrm \$1,663 | 4+ Bdrm \$2,010 |
| 10th              | \$14,800                | \$370                   |                              |                |                |                |                 |
| 20th              | \$21,600                | \$540                   |                              |                |                |                |                 |
| 30th              | \$28,900                | \$720                   |                              |                |                |                |                 |
| 40th              | \$36,600                | \$920                   |                              |                |                |                |                 |
| 50th              | \$44,600                | \$1,120                 |                              |                |                |                |                 |
| 60th              | \$53,300                | \$1,330                 |                              |                |                |                |                 |
| 70th              | \$62,800                | \$1,570                 |                              |                |                |                |                 |
| 80th              | \$75,100                | \$1,880                 |                              |                |                |                |                 |
| 90th              | \$97,800                | \$2,450                 |                              |                |                |                |                 |
| 100th             | N/A                     | N/A                     |                              |                |                |                |                 |

Figure 7 Home Ownership Affordability in Perth (St. Marys, Stratford, Perth County)

(Source: MMAH Service Manager Profiles 2018)

| Income Percentile | Annual Household Income | Affordable Purchase Price | Dwelling Type and Average Resale Price |                     |                 |                  |
|-------------------|-------------------------|---------------------------|--|---------------------|-----------------|------------------|
|                   |                         |                           | Semi \$268,600                         | Townhouse \$300,591 | Condo \$356,969 | Single \$372,917 |
| 10th              | \$24,300                | \$95,300                  |  |                     |                 |                  |
| 20th              | \$37,800                | \$148,300                 |  |                     |                 |                  |
| 30th              | \$49,300                | \$193,400                 |  |                     |                 |                  |
| 40th              | \$61,600                | \$241,600                 |  |                     |                 |                  |
| 50th              | \$74,600                | \$292,600                 |  |                     |                 |                  |
| 60th              | \$88,400                | \$346,700                 |  |                     |                 |                  |
| 70th              | \$106,000               | \$415,800                 |  |                     |                 |                  |
| 80th              | \$128,800               | \$505,200                 |  |                     |                 |                  |
| 90th              | \$166,100               | \$651,500                 |  |                     |                 |                  |
| 100th             | N/A                     | N/A                       |  |                     |                 |                  |



## BEDROOM SHORTFALL<sup>18</sup>

Bedroom Shortfall Figure 8 measures the minimum number of additional bedrooms a community needs to house all renters suitably based on the Canada Mortgage and Housing Corporation’s National Occupancy Standard. Employers are finding a significant percentage of employees live outside the City and commute into Stratford for work. Employers have identified available attainable market housing as a barrier to the retention of staff.

Figure 8: Canada Mortgage and Housing Corporation’s National Occupancy Standard

| Quartile | Household Income Range | Average Income | Dwelling Type and Average Resale Price |        |        |        |        | All Units |
|----------|------------------------|----------------|--|--------|--------|--------|--------|-----------|
|          |                        |                | Studio                                 | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm |           |
| Q1       | \$0-\$23,777           | \$15,152       | -                                      | -      | -      | -      | -      | 25        |
| Q2       | \$23,777-\$41,687      | \$32,667       | -                                      | -      | -      | -      | -      | 65        |
| Q3       | \$41,687-\$63,676      | \$52,185       | -                                      | -      | -      | -      | -      | 70        |
| Q4       | \$63,676 +             | \$95,924       | -                                      | -      | -      | -      | -      | 190       |
| All      |                        |                | -                                      | 65     | 110    | 95     | 15     | 355       |

## ECONOMIC

The Stratford census region consistently has one of the lowest unemployment rates in the Province (November 2020 5.4% in Stratford region and the Province at 8.7%).<sup>19</sup> In the 2019 EmployerOne survey conducted by the Four County Labour Market Planning Board, 50% of all businesses reported the available workforce as poor; over 70% reported having hard-to-fill positions; and 37% had been trying for more than a year to find desirable candidates.

As we review the economics of the region, there is a wide range of income levels<sup>20</sup> represented in Stratford that fall below provincial medians. In 2016, the median total household income in Stratford was \$70,336, compared to \$74,287 in Ontario. The economy in Stratford is vibrant, with a basis in tourism, agriculture, manufacturing, healthcare, professional services, construction and retail.



# 2.0 Existing Approval Processes and Considerations

## 2.1 Summary

This report reviewed the City of Stratford development application and approval process to determine if there are potential modifications that could expedite processes and reduce barriers to the development of attainable market housing, while maintaining planning policies meeting statutory requirements and protecting public involvement in the decision-making process.

Under the current statutory framework planning policies and zoning by-law requirements, the City of Stratford requires proposed developments requesting modifications to existing zoning be processed through an approval process requiring additional supporting information and City and statutory public consultation prior to approval. The supporting information, depending on the complexity of the development, can add significant costs and time to the project.

An analysis of development applications requiring public consultations and development applications requiring modified public consultations was completed.

Proposed developments meeting existing Zoning By-law requirements that are greater than three dwelling units are subject to Site Plan Control under the City of Stratford Site Plan Control By-Law. The site plan approval process approves plans in one of three categories based on the complexity of the development:

- new site plans
- site plan amendments
- minor changes to existing plans (also known as letter amendments)

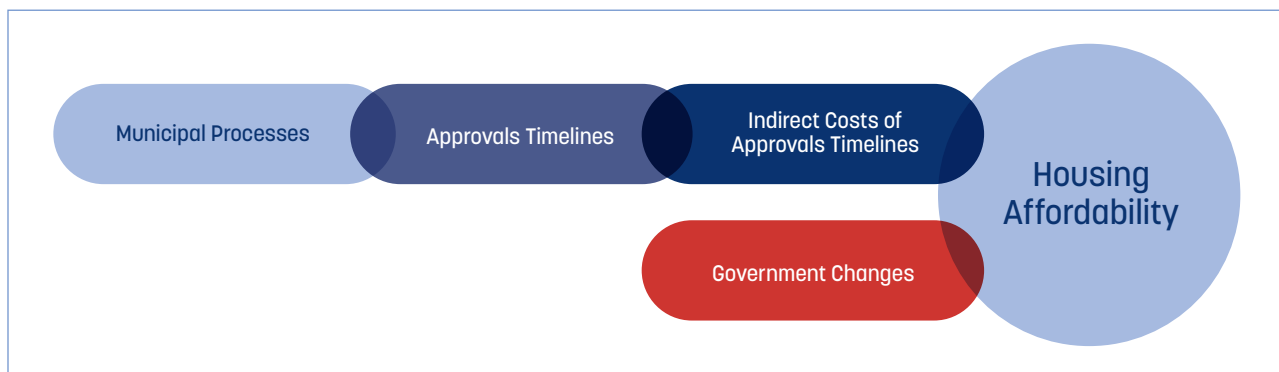
The applications are reviewed by the Site Plan Review Committee to ensure the application is in general conformance with applicable by-laws, public safety, site functioning, aesthetics and do not require public consultation.



Informational consultations were completed with public and private stakeholders to determine efficiencies and deficiencies in the approval processes. The information from the consultations was categorized into “what is working” and “what requires improvement” and then analyzed to aid in providing recommendations. Additionally, approval processes from larger cities, such as the City of London and the City of Kitchener, were reviewed for structure and costs associated with development applications.

Findings were reviewed and analyzed in coordination with potential development incentives to provide recommendations on improving the approval process for development applications. Figure 9 demonstrates the current process to attainable housing from a municipal approval’s standpoint.

**Figure 9: Current Attainable Housing Process, Gateway Attainable Housing Project Blue Mountain**



## 2.2 Development Applications with Public Consultation

The following provides a summary of the potential applications required under the Planning Act to accommodate development or redevelopment. Each type of application has varying degrees of submission requirements, review processes and public involvement; some dictated by the Planning Act (provincially mandated) which may further impact processing timelines. For all applications, except for Minor Variance and Consent Applications, formal Pre-Consultation with the City of Stratford is required to review the proposed development, identify submission requirements and provide the early identification of issues. This pre-consultation assists in expediting the process.

### OFFICIAL PLAN AMENDMENT

The OP establishes the overarching goals, objectives and policies established primarily to manage and direct physical change and the effects on the social, economic and natural environment of the municipality and any requested change to the policies must be consistent with provincial policy. Typically, technical studies are required in support of an Official Plan Amendment, including a Planning Justification Report.

Official Plan Amendments must be processed within 120 days under the Planning Act if a complete application is submitted or the Applicant has the authority to appeal to the Local Planning Appeal Tribunal.



## **ZONING BY-LAW AMENDMENT APPLICATION**

A Zoning By-law Amendment is required when a proposed use within the existing zone is not permitted or when the number of modifications to development regulations are not considered ‘minor’. The rezoning process is approximately four to six months in length, independent of any appeal to the Local Planning Appeal Tribunal. Refer to [Appendix A](#) for detailed process review and flow chart of the Zoning By-law Amendment process.

## **DRAFT PLAN OF SUBDIVISION/DRAFT PLAN OF CONDOMINIUM**

Should the proposed development include the need to create/change the form of tenure, a Draft Plan of Subdivision or Draft Plan of Condominium is required. Where five or more lots and/or a new municipal road are proposed, the City shall require a Draft Plan of Subdivision as opposed to a Consent Application.

Draft Plan of Condominium can include Standard Condominium, Vacant Land Condominium and Common Elements Condominium. A Condominium can be a useful form of tenure, particularly in more urban areas where a municipal road within a subdivision will consume a large portion of land area and homeowners are looking for reduced home maintenance. It is noted the City has the authority to exempt an applicant from Draft Plan of Condominium Approval, which would assist in expediting the approval process and associated costs. A structure would be required to consider the exemption process and typically, municipalities utilize this approach when the development project has recently completed other Planning Act applications (e.g. Zone Change, Site Plan, etc.).

Neither a Draft Plan of Subdivision nor Draft Plan of Condominium are subject to a third-party appeal, per the Planning Act.

## **CONSENT AND MINOR VARIANCE APPLICATION – COMMITTEE OF ADJUSTMENT**

The Committee of Adjustment reviews and approves two types of applications known as Consent (severance) and Minor Variance. Consent application is required where the creation of a new parcel of land is proposed and a Minor Variance application requests relief from the Zoning By-Law, provided it is considered minor in nature and desirable for the development of the land in accordance with the Planning Act. The Minor Variance application process is approximately three months and subject to appeals. Consent Applications are also processed in three months; however, it can take an extra time to clear conditions of approval (1 year to meet conditions).

[Appendix A](#) illustrates the flow diagram of the application process and is further described on the next page.

## **KEY STAKEHOLDER FINDINGS**

Public and private stakeholder consultations were completed to review the City of Stratford approval process. The information collected through stakeholder consultations was reviewed and consolidated into two categories, “what is working” and “what requires improvement”. The categories and information are summarized on the following page.





| <i>WHAT IS WORKING</i>   |  |
|--|--|
| <p><b>Public Stakeholder</b></p> <ul style="list-style-type: none"> <li>• Pre-consultation meeting to determine project approval requirements.</li> </ul>  | <p><b>Private Stakeholder</b></p> <ul style="list-style-type: none"> <li>• Pre-consultation meeting to determine project approval requirements.</li> </ul>   |
| <i>WHAT REQUIRES IMPROVEMENT</i>   |  |
| <p><b>Public Stakeholder</b></p> <ul style="list-style-type: none"> <li>• Improved communication between the file manager and the applicant.</li> <li>• Receiving ‘complete’ applications from the applicant as define under the Planning Act.</li> <li>• Improved timelines with Planning and Heritage Committees prior to decision.</li> </ul> | <p><b>Private Stakeholder</b></p> <ul style="list-style-type: none"> <li>• Improved communication between the file manager and the applicant.</li> <li>• Improved access to application documentation and submission standards.</li> <li>• Improved approval timeline.</li> <li>• Educating staff with reviewing applications.</li> <li>• Improved definition to Heritage Area within the Official Plan.</li> <li>• Development Charges</li> <li>• Parkland dedication calculation.</li> <li>• Administrative fees associated with obtaining as-recorded information.</li> </ul> |

### 2.2.1 Considerations

The information consolidated from stakeholder consultations was reviewed and analyzed against other approving agencies to provide a recommendation. The recommendations for this section are to improve access and communications for applicants during the approval process as follows:

#### DEVELOPMENT APPLICATION UPDATES

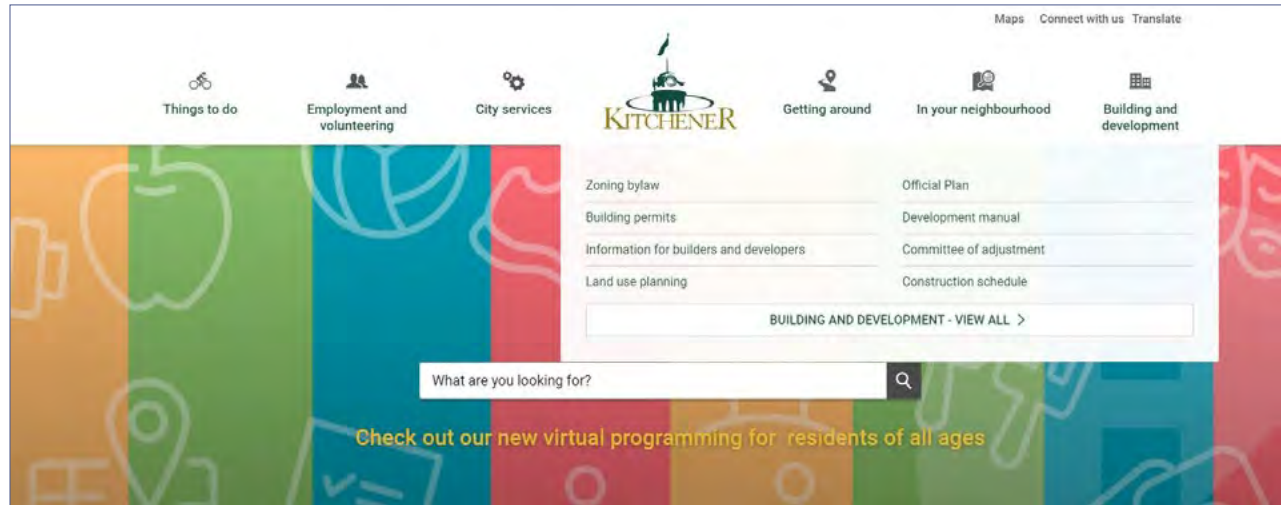
Improving communication between the Applicant and the file manager can be facilitated by the addition of a digital application-tracking platform. The City of Stratford Building Department utilizes the CityWide<sup>21</sup> database system for tracking permits and the program can be adjusted to track development applications. The platform would be used to provide applicants with information regarding the file manager assigned to the application, file received information, status of application and updates to the application through the process.

The digital application-tracking platform should help optimize City staff working hours by minimizing phone and email correspondence with applicants related to submitted applications.

## ACCESS TO DEVELOPMENT INFORMATION

It is recommended the City of Stratford restructure relevant pages on the City website to allow for improved access to development standards and process information, similar to the City of Kitchener digital structure for internal staff and Applicant use. The recommendation is to provide a designated tab on the City of Stratford homepage named “Building and Development”. The recommended tab would provide links to all zoning information, development standards and development applications and processes.

Figure 10: City of Kitchener - Homepage



## PRE-ZONING

It is common for new residential development applications to go through a site-specific rezoning process in order to permit development. A site-specific rezoning process can be accompanied by a significant approval timeline and potential constraints due to the risk of appeals, or other issues. Additionally, the need to complete a rezoning process may represent an unacceptable risk to a developer or interested attainable housing partner if the outcome of the rezoning process is uncertain.

Some municipalities undertake “pre-zoning” as a means of overcoming some of these risks. Pre-zoning involves modifying the zoning within an area of a municipality to directly implement the policies of the Official Plan. When lands are pre-zoned, there is no need for a site-specific rezoning process to permit the development to proceed, as the zoning is modified to permit the various form(s) of development contemplated by the Official Plan on an as-of-right basis. This removes some of the process and time required to permit development, although pre-zoning also removes opportunity to develop site-specific zoning and limits consultation at the site-specific level. Generally, pre-zoned development will still be subject to other City approvals, such as a Site Plan or Plan of Subdivision. As such, pre-zoning does not eliminate these requirements. A rezoning process is usually conducted in conjunction with other approvals such as a Site Plan application. Pre-zoning can also be associated with the implementation of a Holding symbol on the lands in accordance with Section 36 of the Planning Act, in order to require technical assessments to be conducted prior to development being permitted (e.g., servicing, traffic impact, etc.).



Pre-zoning works best when the new zoning can be established with minimal risk of changes being required. If pre-zoning is implemented and the pre-zoning does not match developer expectations, then the developer would likely want to further amend the zoning. This would eliminate the benefits of pre-zoning. As such, pre-zoning is usually implemented in conjunction with, or as an outcome of, a detailed planning and design study for a specific area so the ultimate configuration of land and the built form vision can be precisely understood. Pre-zoning is more effective when conducted as an outcome of such a study. As an example, the City of Guelph and the City of Pickering both recently conducted detailed Secondary Plan studies for their downtown areas and pre-zoning these areas emerged as an outcome.

Where rezoning applications are required and public appeals presented, time and costs associated with the development increase and are ultimately passed on to the unit owner or renter. Re-zoning applications are a normal process associated with administering a zoning by-law. However, the need to conduct a site-specific amendment for each development application can be reduced through consideration of pre-zoning the requirements of the Official Plan.


It is recommended the City review options for pre-zoning lands to produce development-ready lands and provide investment in attainable housing. This may include a Citywide review of zoning. A pre-zoning study or process should consider the following:

- Assess the appropriateness of pre-zoning in the context of the Official Plan.
- Consider opportunities to incorporate as-of-right permissions for a variety of housing typologies.
- Consider second unit policy permissions across all residential zones to provide additional dwelling units throughout the City without a significant number of approvals and allow density to be created with minimal streetscape impact.
- Consider the need to implement any urban design objectives, holding symbol requirements or other tools to mitigate risks associated with pre-zoning.
- Ensure an appropriate consultation approach is undertaken as part of considering pre-zoning, since the process of pre-zoning land will eliminate the need for site-specific rezoning processes that would otherwise include consultation with both developers and the public.

It is also recommended the City consider implementing inclusionary zoning. The City would require a series of amendments to the Zoning By-laws in accordance with a Community Improvement Plan; the cumulative impact being a shift to a more inclusionary zoning framework for housing intensification to help limit the number of public appeals and minimize time and costs associated with development.

## **COMMUNITY PLANNING PERMIT SYSTEM**

The Province has also recently introduced a new planning system replacing Zoning By-laws, Minor Variance approvals and the Site Plan Control process with a single, harmonized approval process. Municipalities can enact a Community Planning Permit System on a municipality-wide basis, or



for defined area(s) in accordance with the requirements of the *Planning Act*. The process enables a streamlining of required approvals, with permitted uses being subject to a more streamlined approval delegated to staff. More complex developments or discretionary uses can involve a more thorough process. In order to implement a Community Planning Permit System, the City would be required to incorporate policies into the Official Plan, which has not yet been undertaken. As part of its next Official Plan Review, the City should consider the appropriateness of a Community Planning Permit System. To date, the system has largely been adopted by more rural municipalities. From the perspective of facilitating attainable housing opportunities, a Community Planning Permit System can help harmonize and reduce overall approval timelines, a noted constraint to the development of attainable housing in Stratford.

### **INCLUSIONARY ZONING**

It is also recommended the City review and consider implementing inclusionary zoning as part of a future Official Plan Review or separate study. Inclusionary zoning is a new tool enabled under the Planning Act allowing municipalities to require the provision of attainable housing units in conjunction with proposed residential development. Inclusionary zoning by-laws would be passed requiring a certain percentage of attainable units be maintained over time. Prior to passing inclusionary zoning requirements, the City must have Official Plan policies in place. Currently, the City does not administer any such policies. It is noted the Planning Act limits which municipalities can utilize inclusionary zoning. Only prescribed municipalities and municipalities that have either delineated major transit station areas or implemented a Community Planning Permit System (as discussed previously), are permitted to enact inclusionary zoning policies and zoning by-laws. At this time, it is suggested the potential for inclusionary zoning be considered in conjunction with the City's Official Plan Review and/or through an initiated separate study. To date, no municipalities in Ontario have incorporated these policies and passed associated inclusionary zoning by-laws.

### **OTHER ZONING BY-LAW AND OFFICIAL PLAN UPDATES TO PROMOTE ATTAINABLE HOUSING CREATION**

In addition to the zoning modifications previously described, other aspects of the zoning by-law may function as a barrier to the creation of attainable housing units. For example, some municipalities have considered reducing minimum parking requirements for attainable housing units in order to promote transit usage and reflect actual vehicle ownership rates. It is also important to ensure the zoning by-law contains standards to address a wide range of housing typologies so developers can have a clear understanding of the City's expectations for a proposed development. If the zoning by-law contains gaps with respect to addressing newer and more innovative forms of housing, the lack of standards can represent a risk to a potential developer. Although these matters can be addressed through a site-specific minor variance or a rezoning process, the need to make changes to the zoning may pose an unacceptable risk to a potential attainable housing developer.



## **OFFICIAL PLAN — HERITAGE AND STABLE RESIDENTIAL AREA**

The Official Plan is designed to provide policies for the development of the City. Through private stakeholder consultation, it was noted additional clarification and definition is requested for the ‘Heritage Area’ and ‘Stable Residential Areas’ designations, overlays and policies.

It is recommended that the City of Stratford review the “Heritage Area” policies in the central area and consider removing or updating the policies in the Official Plan that speak to Stable Residential Areas relating to policies. Providing additional flexibility within the Official Plan for the areas noted should be considered to provide additional opportunity for infill and intensification. These considerations may be addressed through the City’s next Official Plan Review.

## **PLANNING AND HERITAGE COMMITTEE**

The City of Stratford rezoning process requires the Planning and Heritage Committee have a separate review meeting for applications, potentially adding a minimum of 14 days depending on council agendas. It is recommended the City consider structuring the approval process to have the Planning and Heritage Committee provide necessary comments, concerns and support at the first Council meeting. This should alleviate Council commitments, decrease City and Committee hours and expedite decisions on the application.

## **FEES: DEVELOPMENT CHARGES**

The City of Stratford in accordance to By-Law 45-2017, requires developers to provide payment for development charges. Development charges are required on all lands, buildings or structures that are developed for residential or non-residential uses with exceptions as listed in the by-law. Development charges provide for the recovery of growth-related capital expenditures from new development., while these costs do support City-wide and infrastructure services, costs are ultimately absorbed by the purchaser. For residential unit’s, development charges range from approximately \$14,500 for single family dwellings to between \$5,000 and \$10,000 per unit in multi residential unit developments.

Consideration to waiving or modify development charges for the affordable and attainable market developments that meet set criteria within the proposed Community Improvement Plan is an opportunity to encourage further development. Refer to [Section 3](#) and [Appendix C](#) for additional incentive information.

## **FEES: PARKLAND DEDICATION CALCULATION**

The City of Stratford, in accordance to section 7.7.13 of the Official Plan, requires parkland dedication fees as a condition of approval for plans of subdivision, site plans and consent applications. This condition requires 5% of the land dedicated to parkland or 5% cash-in-lieu based on the land value on the date prior to issuance of a building permit. Refer to [Appendix C](#) for further details from the Official Plan about the parkland dedication.

The current parkland calculation is determined by receiving a land value appraisal by a certified appraiser and provided to the City Infrastructure and Development Services Department for review



and approval. A certified appraisal and the City’s department review opinion often vary significantly and provide unnecessary disputes between the City department and the developer.

In addition, consideration should be given to waiving or modifying parkland dedication fees for the affordable and attainable market developments that meet set criteria within the proposed Community Improvement Plan. Refer to [Section 3](#) and [Appendix C](#) for additional incentive information.

## 2.3 Development Applications with Modified Public Consultation

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The only application type under the Planning Act that does not typically require a public process and/or approval from Council and the Committee of Adjustment is Site Plan Approval. The City of Stratford requires any development with greater than three residential units within the City limits to be subject to Site Plan Control under the Site Plan Control By-Law. The By-law identifies three types of applications:

- new site plans
- site plan amendments
- minor changes to existing plans (also known as letter amendments)

These processes are subject to review by the Site Plan Review Committee and do not require public consultation as the development meets all the requirements set out in the Zoning By-law for the proposed development. The Site Plan Review Committee reviews and approves the three types of applications under the Site Plan Control By-law. The site plan approval process requires approximately two to six months from the time it is deemed a complete application depending on the complexity of the application.

The Site Plan Review Committee consists of the Building & Planning Divisions, Festival Hydro, Engineering & Public Works Department, Community Services Department, Economic Development (investStratford) and Fire Department. Representing the public, the committee reviews applications for conformity to applicable by-laws, public safety, site functioning and aesthetics.

### KEY STAKEHOLDER FINDINGS

Public and private stakeholder consultations were completed to review the existing site plan approval process. The information collected through stakeholder consultations was reviewed and consolidated into two categories, “what is working” and “what requires improvement.” The categories and information are summarized on the following page.



## WHAT IS WORKING

### Public Stakeholder

- Pre-consultation meeting to determine project approval requirements.
- Concurrent review of the building permit and site plan application.
- Site Plan committee internal meeting prior to applicant meeting.
- 10-day internal review for site plan review committee.

### Private Stakeholder

- Pre-consultation meeting to determine project approval requirements.
- Concurrent review of the building permit and site plan application.

## WHAT REQUIRES IMPROVEMENT

### Public Stakeholder

- Improved communication between Site Plan Review Committee and the applicant.
- Receiving 'complete' applications from the applicant.
- Improved location of development applications and development standard information.

### Private Stakeholder

- Improved communication between the Site Plan Review Committee and the applicant.
- Improved access to application documentation and submission standards.
- Improved approval timeline.
- Ongoing staff education and learning opportunities.
- Development Charges.
- Site Plan security calculation.
- Administrative fees associated with obtaining as-recorded information.
- Coordination by the Planning Department in managing competing comments from different City departments and providing direction and resolution.



### 2.3.1 Considerations

The information consolidated from the stakeholder consultations was reviewed and analyzed against other approving agencies to provide a recommendation. Delays in approvals, and ultimately the project, provide unexpected increases in the overall project costs absorbed by the purchaser. The recommendations for this section focus on effective and efficient communications to avoid unexpected project delays during the process and provide improved cost control. The recommendations from the stakeholder consultations are as follows:

#### **DEVELOPMENT APPLICATION UPDATES**

Improving communication between the applicant and the file manager can be facilitated by the addition of a digital application-tracking platform. The City of Stratford Building Department utilizes the CityWide database system for tracking permits and the program can be adjusted to track site plan applications. The platform would be used to provide applicants with information regarding the file manager assigned to the application, file received information and deemed complete, as well as updates to the application through the process. Refer to [Appendix A](#) for further details of the CityWide permit tracking program.

The digital application-tracking platform should help optimize City staff working hours by minimizing phone and email correspondence from applicants requesting updates to the submitted application.

#### **SITE PLAN REVIEW COMMENT CLARIFICATION**

It is recommended the Site Plan Review Committee implement a redline drawing pickup for the applicant. The redline drawing will provide clarification and illustration of the review comments provided by the Site Plan Review Committee. The redline drawing should be made available two days prior to the Site Plan Review Committee meeting.

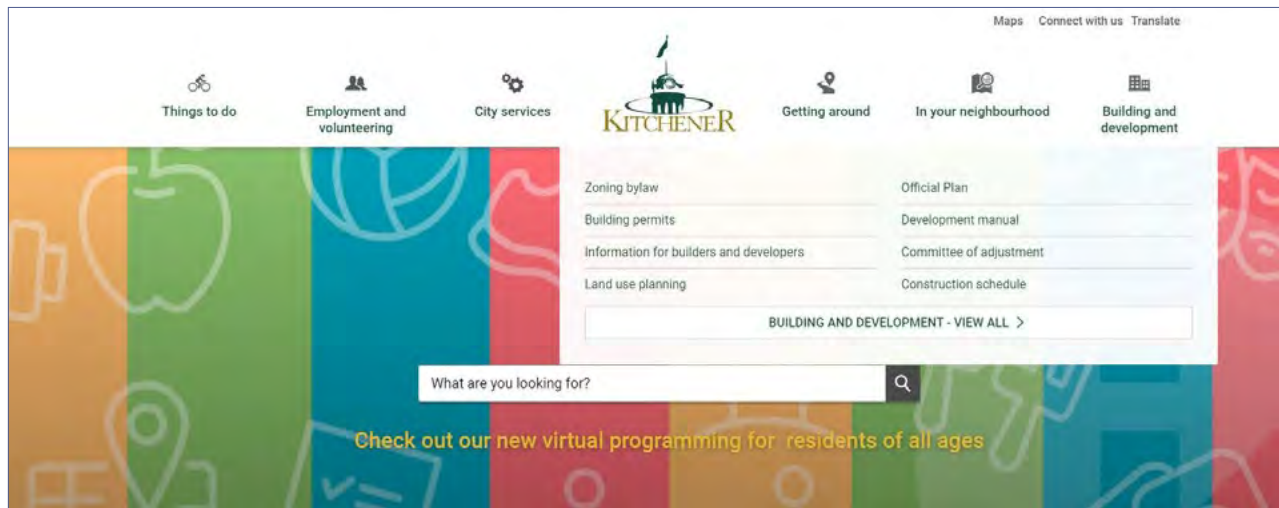
#### **ACCESS TO DEVELOPMENT INFORMATION**

It is recommended the City of Stratford restructure relevant pages on the City website to allow for improved access to development standards and process information similar to the City of Kitchener digital structure for internal staff and applicant use. The recommendation is to provide a designated tab on the City of Stratford homepage named “Building and Development”. The recommended tab will provide links to all zoning information, development standards and development applications and processes.





Figure 11: City of Kitchener - Homepage



## COMMUNITY IMPROVEMENT PLAN (CIP) APPROACH

refer to [Section 3.0](#) for details

It is recommended the City of Stratford consider the implementation of a CIP. Refer to Public Consultation — Development Application, Improved Approval Timeline for additional information.

## SITE PLAN AGREEMENT CLASSIFICATIONS

Like larger local cities such as the City of London and the City of Kitchener, it is recommended the site plan approval process classify developments into different levels of site plan approval based on the complexity of the application. In accordance with the Site Plan Control By-law, all site plan applications will require mandatory site plan consultations that will be used to determine the classification of the site plan approval process for the application. Until the application is classified by the planner of record, applications will be considered to require full site plan approval (Class 3). The three classifications recommended for the site plan application process are as follows:

### CLASS 1 - SITE PLAN APPROVAL

This classification would apply to minor additions to existing buildings, minor site works, parking lots with less than 10 parking spaces, construction works not requiring building permit and townhouses fronting municipal streets.

This application process would only be reviewed by the City of Stratford Infrastructure and Development Services Department and should take approximately two to four weeks after a complete submission to receive approval documents, pending the applicant completing the required revisions and providing all necessary documentation to the satisfaction of the City of Stratford.



Currently, the application fee is approximately \$400 for minor applications. The fee structure for this application is recommended to remain this amount with yearly review for increases. For proposed developments directed to attainable housing meeting the requirements within the proposed CIT [Section 3.0](#) for attainable market housing, it is recommended application fees be waived for developments meeting the criteria of an attainable market housing development.

Presently, site plan securities are required for minor site plan applications and are calculated by an estimate for private project construction works. The calculated security estimate is provided to the City for review and upon acceptance, 50% of the estimate is required to be held as a deposit and refunded fully upon project completion. The current site plan security deposit calculation does not provide the ability for the developer to budget for the project and therefore it is recommended that a standard Class 1 site plan provide a fixed \$5,000 security deposit. The site security deposit would be released upon project completion with verification of the constructed works in accordance with the site plan associated and the appropriate certifications provided by a Professional Engineer.

#### **CLASS 2 - SITE PLAN APPROVAL**

This classification would apply to a minor amendment (redline) to an approved site plan, building conversions that require minimum external site work and residential developments of four units or less.

This application process would only be reviewed by the City of Stratford Infrastructure and Development Services Department and should take approximately two to four weeks after formal submission to receive approval documents, pending the applicant completing the required revisions and providing all necessary documentation to the satisfactory of the Site Plan Review Committee.

The application fee is currently between \$1,700 and \$2,200 for minor applications and should remain at this amount pending yearly review for increases. For proposed developments directed to attainable housing, and that meet the requirements within the proposed CIT in [Section 3.0](#) for attainable market housing, it is recommended that application fees be waived.

Presently, site plan securities are required for minor site plan applications and are calculated by a site plan security estimate. The calculated security estimate is provided to the City for review and upon acceptance, 50% of the estimate is required to be held as a deposit and refunded fully upon project completion. The site plan security deposit calculation does not provide the ability to budget for the project and therefore it is recommended that a standard Class 2 site plan provide a fixed \$10,000 deposit refunded upon project completion and the receipt of appropriate certifications. The site security deposit would be released upon project completion with verification of the constructed works in accordance with the site plan associated and the appropriate certifications provided by a Professional Engineer.



### CLASS 3 - SITE PLAN APPROVAL

This classification would apply to major additions, major building renovations requiring major external site works, major site works construction requiring building permits and residential developments of five units or more.

This class of application process will require full review by the Site Plan Review Committee, consisting of the City Building & Planning Divisions, Festival Hydro, Engineering & Public Works Department, Community Services Department, Economic Development (investStratford) and Fire Department.

The application process should be approved, and an executable site plan agreement document created within four to six weeks, pending the applicant completing required revisions and providing all necessary documentation to the satisfaction of the Site Plan Review Committee.

For major applications, the approximate application fee is currently \$3,300 and should remain at this amount pending yearly review for increases. For proposed developments directed to attainable housing meeting the requirements within the proposed CIT [Section 3.0](#) for attainable market housing, it is recommended that application fees be waived for those meeting the criteria.

Presently, site plan securities are required for a full site plan application and are calculated by an estimate for private project construction works. The calculated security estimate is provided to the City for review and upon acceptance, 50% of the estimate is required to be held as a deposit and refunded fully upon project completion.

The site plan security deposit calculation does not provide the ability to budget for the project. Therefore, it is recommended the site plan security estimate be calculated by a unit rate per hectare plus the linear meter of property frontage. This calculation has been adopted by the City of Hamilton (refer to [Appendix A](#)). The unit rate security calculation provides the developer the ability to predetermine a budget to be included in the development cost prior to construction. The site security estimate would be calculated by the City and provided to the applicant at the pre-consultation meeting. The recommended calculation structure follows and is reduced for developments qualifying with the attainable housing criteria as per the CIP:

Figure 12: Recommended Class 3 New Development Security Calculation

| City of Stratford Zone | Unit Rate Per Hectare |           | Unit Rate Per Metre of Property Frontage |           |
|------------------------|-----------------------|-----------|--|-----------|
|                        | Unqualified           | Qualified | Unqualified                              | Qualified |
| Residential Zone       | \$75,000              | \$37,500  | \$800                                    | \$400     |
| Industrial Zone        | \$25,000              | N/A       | \$200                                    | N/A       |
| Institutional Zone     | \$30,000              | N/A       | \$600                                    | N/A       |
| Commercial Zone        | \$75,000              | N/A       | \$600                                    | N/A       |

Figure 13: Recommended Class 3 Additions, Alterations or Additional Buildings on Developed Site Security Calculation

| City of Stratford Zone | Unit Rate Per Hectare |           | Unit Rate Per Metre of Property Frontage |           |
|------------------------|-----------------------|-----------|--|-----------|
|                        | Unqualified           | Qualified | Unqualified                              | Qualified |
| Residential Zone       | \$38,000              | \$19,000  | \$400                                    | \$200     |
| Industrial Zone        | \$13,000              | N/A       | \$100                                    | N/A       |
| Institutional Zone     | \$15,000              | N/A       | \$300                                    | N/A       |
| Commercial Zone        | \$38,000              | N/A       | \$300                                    | N/A       |

The site security deposit would be released in construction stages with verification of the constructed works in accordance with the site plan associated and the appropriate certifications by a Professional Engineer as noted in Site Plan Security Payment and Release of Security section below.

### SITE PLAN SECURITY PAYMENT AND RELEASE OF SECURITY

Currently site security deposits are required to be paid in full prior to executing the site plan agreement. The existing payment requirement and payment forms are recommended to remain.

The existing practice for releasing securities requires a calculation of works completed and works remaining. The applicant must verify that a minimum of 80% of the work is completed to release a maximum of 50% of the security with a minimum security of \$10,000.00 to remain until the project is complete.

The existing practice is an efficient process; however, the following is recommended in accordance to the recommended site plan approval classifications:

#### CLASS 1 SITE PLAN APPROVAL

Securities to be released upon project completion with verification of the constructed works in accordance with the site plan associated and the appropriate certifications by a Professional Engineer.

#### CLASS 2 SITE PLAN APPROVAL

Securities to be released upon project completion with verification of the constructed works in accordance with the site plan associated and the appropriate certifications by a Professional Engineer.



### CLASS 3 SITE PLAN APPROVAL

Partial request for security release with a maximum of two requests are recommended as follows.

- **First request** — Release 50% of security deposit when sanitary, storm and water services are installed and certifications provided by a Professional Engineer with minimum security requirement.
- **Second request** — Release 50% of remaining security deposit held (75% of the total security) when rough grading to base asphalt is complete and certifications provided by a Professional Engineer with minimum security requirement.

Minimum security held by the City of Stratford.

- Attainable Market Housing developments \$5,000.
- Non-Attainable Market Housing developments \$10,000.

The recommendations above promote cash flow and minimize carrying costs to the developer.

### INCREASE STAFFING

It is recommended internal staffing requirements be reviewed in the Infrastructure and Development Services Department. During our industry consultations, stakeholders expressed concerns that under-staffing and turnover in the Department is an issue and suggested that increased staffing will provide the ability for development and construction projects to move through the approval and permit process at an increased rate. Succession planning for Infrastructure and Development Service staff should also be considered to ensure ongoing skill development and retention. Also, consider opportunities to engage consultants to address busy times of year on a contractual basis.

### CONTINUOUS EDUCATION AND TRAINING OPPORTUNITIES

It is recommended that continuous staff education be implemented for internal operations and review processes. The continuous education should minimize application review errors, which ultimately cause delays in obtaining approvals and incur unexpected costs.

Additionally, continuous education for City staff is a way to attract, retain and promote staff while supporting requirements of professional associations for professional development.

Implementation of additional training will also promote internal development and succession strategies for departments.

The recommendation to hiring a coordinator to evaluate staffing gaps and onboard additional staffing supports for Infrastructure and Development Services Department and develop a staffing matrix for ongoing training and advancement opportunities.



## FEES: DEVELOPMENT CHARGES

The City of Stratford in accordance to By-Law 45-2017, requires developers to provide payment for development charges. Development charges are required on all lands, buildings or structures that are developed for residential or non-residential uses with exceptions as listed in the by-law. Development charges provide for the recovery of growth-related capital expenditures from new development., while these costs do support City-wide and infrastructure services, costs are ultimately absorbed by the purchaser. For residential unit's, development charges range from approximately \$14,500 for single family dwellings to between \$5,000 and \$10,000 per unit in multi residential unit developments.

Consideration to waiving or modify development charges for the affordable and attainable market developments that meet set criteria within the proposed Community Improvement Plan is an opportunity to encourage further development. Refer to [Section 3](#) and [Appendix C](#) for additional incentive information.

## FEES: PARKLAND DEDICATION CALCULATION

The City of Stratford, in accordance to section 7.7.13 of the Official Plan, requires parkland dedication fees as a condition of approval for plans of subdivision, site plans and consent applications. This condition requires 5% of the land dedicated to parkland or 5% cash-in-lieu based on the land value on the date prior to issuance of a building permit. Refer to [Appendix C](#) for further details from the Official Plan about the parkland dedication.

The current parkland calculation is determined by receiving a land value appraisal by a certified appraiser and provided to the City Infrastructure and Development Services Department for review and approval. A certified appraisal and the City's department review opinion often vary significantly and provide unnecessary disputes between the City department and the developer.

It is recommended the City of Stratford implement a standard rate calculation to determine the value of parkland dedication fees. This will allow the developer to properly budget for the development as additional unconsidered fees are added to rent or ownership cost. The standard rate calculation should relieve disputes and provide an improved development experience and better utilized time for Infrastructure and Development Services staff.

In addition, consideration should be given to waiving or modifying parkland dedication fees for the affordable and attainable market developments that meet set criteria within the proposed Community Improvement Plan. Refer to [Section 3](#) and [Appendix C](#) for additional incentive information.

## 2.4. Summary

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The recommendations for development applications with public consultation and development applications with modified consultations are summarized in Figures 14 and 15 to aid in increasing the supply of attainable market housing.



Figure 14: Summary of Recommendations for Development Applications with **Public Consultation**

| Consideration Item   | Recommendation   | Next Step/Estimated Cost   |
|--|--|--|
| Application Updates  | Recommend utilizing the existing City-wide <sup>22</sup> database system for tracking permits; the program can be adjusted to track development applications.  | City of Stratford to review and implement digital tracking.<br><br>\$5,000 allowance for program training. |
| Access to Development Information  | Recommend restructuring relevant pages on the City website allowing for improved access to development standards and process information. The recommended tab would provide links to all zoning information, development standards and development applications and processes.   | City of Stratford to retain website designer.<br><br>\$15,000 allowance for website redesign.              |
| Pre-Zoning   | Recommend City review options for pre-zoning to produce development-ready lands providing investment in attainable housing. This may include a City-wide review of zoning.   | City of Stratford review pre-zoning lands.<br><br>\$0 (complete internally)                                |
| Community Planning Permit System   | Recommend the City of Stratford, with the next Official Plan, review the appropriateness of a Community Planning Permit System which is a new planning system that replaces Zoning By-laws, Minor Variance approvals and the Site Plan Control process with a single, harmonized approval process to reduce approval timelines.  | City of Stratford review official plans.<br><br>\$0 (complete internally)                                  |
| Inclusionary Zoning  | Recommended the City review and consider implementing inclusionary zoning as part of a future Official Plan Review or separate study. Inclusionary zoning under the Planning Act allows municipalities to require the provision of attainable housing units in conjunction with proposed residential development.  | City of Stratford review inclusionary zoning.<br><br>\$0 (complete internally)                             |
| Other Zoning By-Law and Official Plan Updates to Promote attainable housing creation | Recommend the City review zoning by-laws functioning as a barrier to the creation of attainable housing units in addition to pre-zoning, the community planning permit system and inclusionary zoning. For example, some municipalities have considered reducing minimum parking requirements for attainable housing units in order to promote transit usage and reflect actual vehicle ownership rates. | City of Stratford review pre-zoning lands.<br><br>\$0 (complete internally)                                |

Figure 14 continues on the next page.



| Consideration Item                                   | Recommendation  | Next Step/Estimated Cost  |
|--|---|---|
| Official Plan – Heritage and Stable Residential Area | Recommended the City of Stratford review the “Heritage Area” policies in central area and consider removing or updating the policies in the Official Plan that speak to Stable Residential Areas only allowing new infill/intensification that “reflects” existing development. | City of Stratford review the Heritage Area policies.<br>\$0 (complete internally)   |
| Planning and Heritage Committee                      | Recommended the City consider structuring the approval process to have the Planning and Heritage Committee provide the necessary comments, concern and support at the first council meeting.  | City of Stratford review the structure to have a separate meeting for Planning and Heritage Committee for rezoning and consent applications.<br>\$0 (complete internally) |
| Fees: Development Charges                            | Recommend the City of Stratford review the development charges and fees be waived for qualifying attainable market housing projects.  | City of Stratford review development charges.<br>\$ (complete internally)   |
| Fees: Park Land Dedication                           | Recommend the City of Stratford implement a standard rate calculation to determine the value of parkland dedication fees and fees be waived for qualifying attainable market housing projects.  | City of Stratford review and implement a fee structure for parkland dedication fees.<br>\$ (complete internally)  |

Figure 15: Summary of Recommendations for Development Applications with **Modified Consultation**

| Consideration Item                     | Recommendation   | Next Step/Estimated Cost   |
|--|--|--|
| Site plan review comment clarification | Recommend the Site Plan Review Committee implement a redline drawing pickup for the applicant to provide clear comment. This would provide more complete resubmission and should provide more efficient approval timelines.  | City of Stratford to review internal site plan reviewing structure and implement a redline drawing pick up.<br>\$0 (complete internally) |
| Access to development information      | Recommend restructuring relevant pages on the City website allowing for improved access to development standards and process information. The recommended tab would provide links to all zoning information, development standards and development applications and processes. | City of Stratford to retain website designer.<br>\$15,000 allowance for website redesign.  |





| Consideration Item                            | Recommendation  | Next Step/Estimated Cost  |
|---|---|---|
| Community Improvement Plan (CIP)              | Refer to <a href="#">Section 3.0</a>  | Refer to <a href="#">Section 3.0</a>  |
| Increase Staffing                             | Recommend increasing City staffing levels in departments administering the development process and identify relevant professional development opportunities and succession strategies to ensure continued employment of well-qualified staff.   | City of Stratford to assess staffing capacity and structure in current and future opportunities and adjust accordingly (as needed).<br><br>\$TBD    |
| Continuous Education and Training Opportunity | Recommend implementing additional continuous education and training of staff and development of a succession plan.  | City of Stratford to review internal training structure and implement further investing in employees.<br><br>TBD (budget per employee per year)     |
| Site Plan Agreement Classification            | <p>Recommended the existing site plan approval process be restructured to classify developments into 3 different levels of site plan approval based on the complexity of the application:</p> <ul style="list-style-type: none"> <li>• <b>Class 1</b> - minor additions to existing buildings, minor site works, parking lots with less than 10 parking spaces, construction works not requiring building permit and townhouses fronting municipal streets.</li> <li>• <b>Class 2</b> - minor amendment (redline) to an approved site plan, building conversions that require minimum external site work and residential developments of four units or less.</li> <li>• <b>Class 3</b> - major additions, major building renovations requiring major external site works, major site works construction requiring building permits and residential developments of five units or more.</li> </ul> <p>Recommend waiving site plan application fees for qualifying attainable market housing projects.</p> <p>Recommend the site security calculation be reviewed to be restructured to provide improved budgeting for construction projects and reduced for qualifying attainable market housing projects.</p> | City of Stratford to review internal site plan approval classification structure and implement modified structure.<br><br>\$0 (complete internally) |

Figure 15 continues on the next page.



| Consideration Item         | Recommendation  | Next Step/Estimated Cost   |
|----------------------------|---|--|
| Release Security           | <p>Recommend restructuring the existing security release.</p> <p><b>Class 1 Site Plan Approval</b></p> <ul style="list-style-type: none"> <li>• Securities to be released upon project completion with verification of the constructed works in accordance with the site plan associated and the appropriate certifications by a Professional Engineer.</li> </ul> <p><b>Class 2 Site Plan Approval</b></p> <ul style="list-style-type: none"> <li>• Securities to be released upon project completion with verification of the constructed works in accordance with the site plan associated and the appropriate certifications by a Professional Engineer.</li> </ul> <p><b>Class 3 Site Plan Approval</b></p> <ul style="list-style-type: none"> <li>• Partial request for security release with a maximum of two requests are recommended as follows. <ul style="list-style-type: none"> <li>◦ <b>First request</b> — Release 50% of security deposit when sanitary, storm and water services are installed and certifications provided by a Professional Engineer with minimum security requirement.</li> <li>◦ <b>Second request</b> — Release 50% of remaining security deposit held (75% of the total security) when rough grading to base asphalt is complete and certifications provided by a Professional Engineer with minimum security requirement.</li> </ul> </li> <li>• Minimum security held by the City of Stratford. <ul style="list-style-type: none"> <li>◦ Attainable Market Housing developments \$5,000.</li> <li>◦ Non-Attainable Market Housing developments \$10,000.</li> </ul> </li> </ul> | <p>City of Stratford to review internal site plan approval classification structure and implement modified structure.</p> <p>\$0 (complete internally)</p> |
| Fees: Development Charges  | <p>Recommend the City of Stratford review the development charges and fees be waived for qualifying attainable market housing projects.</p>   | <p>City of Stratford review development charges.</p> <p>\$ (complete internally)</p>   |
| Fees: Park Land Dedication | <p>Recommend the City of Stratford implement a standard rate calculation to determine the value of parkland dedication fees and fees be waived for qualifying attainable market housing projects.</p>   | <p>City of Stratford review and implement a fee structure for parkland dedication fees.</p> <p>\$ (complete internally)</p>                                |



# 3.0 Community Improvement Approach

## 3.1 Summary

As the economic, social, demographic and environmental pressures differ from region to region and municipality to municipality, what is common is the need to build, reinforce or reshape ourselves to meet current challenges as well as residents' future needs in a sustainable community delivering a high quality of life. There are many existing and evolving challenges to the development of attainable housing within the City of Stratford. To aid in mitigating challenges, two opportunities will be reviewed in this section to encourage and facilitate the development of attainable market housing.

The first opportunity will be a Community Improvement Plan (CIP), a plan designed to address intensification, energy efficiency, mixed-use and transit/bicycle-oriented development, affordable housing creation, urban design, accessibility and the emerging needs of an aging baby boom generation. Some municipalities are using community improvement plans to enable incentives encouraging development that meets recognized environmental standards, such as LEED<sup>®</sup>, net-zero while others use them to attract certain kinds of employment uses. Regional (upper tier) community improvement plans can facilitate the development of regional infrastructure, including transportation corridors and attainable housing.

The second opportunity will be to offer a Community Incentives Toolbox (CIT) within the Community Improvement Plan, providing a predetermined list of development incentives to promote intensification and attainable market housing. Incentives and considerations are a useful mechanism created for the express purpose of motivating activity to higher achievement levels and targeting various types of desired development in specific location. The toolbox addresses potential incentives and other implementation matters such as funding sources, fiscal incentives, regulatory measures and programs. The City's primary role is to set the stage for cooperation amongst a broad spectrum of potential participants including private, non-profit sector and other levels of government. There are a number of proven implementation tools designed to facilitate and encourage attainable housing development by reducing process time and costs and offer financial incentives.



The CIP and CIT will be designed to recommend financial incentives encouraging and facilitating private sector investment in the development of attainable housing through this plan and program.

### 3.2 Develop Community Improvement Plan (CIP)<sup>23</sup>

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Community improvement planning is one of the many sustainable tools found in the Planning Act. A CIP can help mitigate the need for attainable housing and help municipalities address challenges as it provides a means of planning and financing development activities that effectively use, reuse and restore lands, buildings and infrastructure.

The CIP would provide Stratford with the opportunity to focus on attainable housing through grants, loans and other tools. A CIP is a planning and economic development tool municipalities may use to facilitate broad community revitalization goals through grants or loans to private property owners and tenants. This Project will consider opportunities for the City to administer grants or loans encouraging private sector investment in attainable housing.

A CIP can function as an overall revitalization strategy, containing a range of incentive programs and other municipally led initiatives addressing the various objectives of the Plan. The CIP's incentive programs are its main operative component. A CIP can also enable land acquisition and improvement in accordance with the Planning Act. Further, under the CIP, a series of other actions and programs that complement the incentives may be proposed. To this end, the CIP will also consider opportunities to integrate Stratford's Urban Design Guidelines and update the existing draft Comprehensive Zoning Bylaw considering recent delays due to the COVID-19 pandemic. A CIP establishes a toolbox of incentive initiatives (see [Section 3.0](#) and [Appendix B](#) for details) offered by the City to directly stimulate private sector investment increasing the City's inventory of attainable housing to meet community needs. The incentive programs would encompass a Community Incentives Toolbox, as discussed later.

The City's authority to prepare and administer the CIP is legislated under Section 28 of the Planning Act, which sets out broad powers and tools that can be leveraged once a CIP is in effect. A Community Improvement Plan for the City can be prepared to serve as a long-term strategy to revitalize the community, improve the quality of life of community residents and better utilize underdeveloped properties to promote private investment in land and buildings. A CIP could be used as one of the components of a broader economic development strategy intended to function as a complementary economic tool along with other City initiatives.

Community Improvement Plan activities are shaped by local needs, priorities and circumstances. Cities can:

- Focus public attention on local priorities and municipal initiatives.
- Target areas in transition or in need of repair, rehabilitation and redevelopment.
- Facilitate and encourage community change in a co-ordinated manner.
- Stimulate private sector investment through municipal incentive-based programs.



A community improvement approach is a flexible, comprehensive, coordinated and strategic framework for dealing with lands and buildings, which can address many physical, social, economic or environmental matters. Over the years, community improvement plans have been used for a broad array of priorities aimed at rehabilitating and revitalizing targeted areas. Project areas may range from specific properties and employment areas to streets, neighbourhoods and entire communities, while program coverage can span a wide spectrum of a city's priorities.

## **COMMUNITY INCENTIVES TOOLBOX**

The Community Incentives Toolbox (CIT) is the menu of potential incentives offered by the City of Stratford to directly stimulate an increase of attainable housing and meet community needs. The CIT falls under the CIP, which is the broader revitalization strategy. The CIP would provide a list of potential incentives to promote an increase in attainable housing stock, both rental and home ownership including second units, multi-unit housing, purpose built rental housing and other forms of housing.

These options will require confirmation through the preparation of a Community Improvement Plan and the CIP study that will go through a public process to identify the programs in detail and assess accordingly. The CIT can provide the City with numerous incentives to encourage and facilitate the development of attainable housing, including but not limited to:

- A Tax Increment Equivalent Program.
- Incentives to reduce development charges. (i.e. Waterloo, Niagara, Cambridge)
- Incentives to reduce other permit fees. (i.e. Kitchener, Guelph)
- Consideration for land acquisition or other Community Improvement Plan powers under the Planning Act and subject to the Official Plan's policies.

Once developed, the Toolbox should be piloted in conjunction with the Vivian Line and McCarthy Road pilots (see [Section 4.0](#)) with the eventual goal of being used to incentivize other private sector driven attainable housing projects.

The following potential incentive [Appendix B](#) programs are subject to Council approval of detailed Implementation Guidelines for the program and a budget:

## **TAX INCREMENT EQUIVALENT GRANTS OR LOANS<sup>24</sup>**

### [Appendix C](#)

The Tax Increment Equivalent Grant or Loan is a program offering tax exemptions for market and non-market housing projects including three or more attached units (single-family dwellings are not eligible). The City could consider long-term tax increment financing (TIF) where the base property tax of a targeted development property or district is frozen, and the anticipated increase in the property tax resulting from redevelopment is used to finance the development project. The TIF program eventually expires, at which time the property taxes begin to flow to the municipality.

The program's goals would include:

- Creating a wider variety of housing options to serve all residents.
- Developing housing that is more accessible for attainable market housing.
- Creating walkable neighbourhoods by developing multi-family housing in areas served by transit and close to amenities.
- Reducing barriers to non-profit housing providers developing attainable housing projects.

Tax Increment Financing in Ontario usually takes the form of a Tax Increment Equivalent Grant, implemented by the municipality in a Community Improvement Plan. This is typically paid as a rebate on taxes owed in an amount equal to or less than the tax increment and is usually paid over time for a period of up to 10 years. This is not a direct exemption or use of future tax revenue but must be budgeted as lost revenue. A tax increment grant or loan program could also be made available up-front as a payment of future tax increases to help with the capital cost of the development, as opposed to receiving tax increment grant payments over a period of time. However, this would come with increased risk, as the calculation of the up-front grant or loan would need to be made on the basis of a projection of future tax revenue on the lands subject to the development.

**Development Charges Incentive Program:** Program designed to provide a grant (or partial grant) of Development Charges paid for the developments meeting eligibility criteria.

**Development (Planning and Building) Application Permit Fee Equivalent Grant Program:** Payment of a grant (from taxes) to offset the cost of planning application fees for development proposals. The program would be tailored to support specified smaller developments and be subject to limitations set out in the program (such as a cap on the reduction in fees).





**Façade, Signage and/or Property Improvement Program:** Provide a loan or grant (depending on details in Implementation Guidelines) or combination loan/grant to offset façade maintenance, restoration and improvement costs for residential and mixed-use buildings in specified locations in the Stratford Area. Consideration could be made to incorporate a wide range of eligible costs, from building material restoration and architectural articulation to landscape and parking area improvements.

**Second Suite Development Incentives<sup>25</sup>:** Provide financial incentives to homeowners, in the form of “forgivable” loans to add legal second suites. These programs are designed to encourage homeowners to add well-constructed and safe second suites that contribute to the limited current supply of attainable market housing.

**Incentives can be a loan or forgivable loan:** Depending on the location, the value of any grants or loans is established in the CIP. This will vary based on the program, the objectives of the Plan and anticipated available funding. All of these should be fed into the desired grant/loan value, after a defined time.

**Parkland Dedication Calculation Rebate Program:** Consideration of a rebate offsetting all or a portion of cash-in-lieu parkland contributions.

**Building Code Upgrade / Building Conversion Program:** A grant or loan may be considered to assist with upgrading existing buildings to meet the Ontario Building Code and/or assist in converting existing underutilized building space into new housing units or commercial space. This program could help bring existing buildings back into a productive use that meets other planning and economic development objectives.

An example of a fulsome Community Improvement Toolkit for the encouragement of Attainable housing is the Financial Incentives Program Value Guide<sup>26</sup> from the Town of Blue Mountain Report, the ‘Housing Within Reach, Draft Community Improvement Plan, dated Oct 2020’ includes a wide range of different programs. The programs take the form of both grants and loans, as listed in Figure 16.



Figure 16: Grant and Loan Programs

| Financial Incentive Program                             | Grant Value  | Loan Value   |
|---|--|--|
| Feasibility Grant Program                               | The value of a grant shall be 100% of eligible costs to a maximum of \$10,000 per property. Where a minimum of two attainable dwelling units are proposed as purpose-built attainable rental units, the value of a grant shall increase by \$5,000, for a cumulative grant value of \$15,000 per property. | The value of a loan shall be 100% of eligible costs to a maximum of \$30,000 per property. Where a minimum of four attainable dwelling units are proposed as purpose-built rental units, the value of a loan shall be increased by \$10,000, for a cumulative total of \$40,000 per property.  |
| Development Charges Rebate Program                      | The program is available as a grant. The value of the grant is based on the value of development charges applicable to the number of attainable dwelling units in a development. The maximum value of the grant shall be 100% of the value of the applicable development charges.                          | The Development Charges Rebate Program is not offered as a loan.   |
| Tax Increment Equivalent Program                        | The maximum value of a grant shall be equivalent up to 25% of eligible costs to a maximum of \$50,000 for up to 10 years following completion of an eligible project.  | <p>The maximum value of a loan shall be equivalent up to 40% of eligible costs to a maximum of \$75,000 for up to 10 years following completion of an eligible project.</p> <p>Where 50% of the total number of new attainable dwelling units are proposed as purpose-built attainable rental units, the maximum value of a loan shall be equivalent up to 50% of the municipal property tax increase to a maximum of \$100,000 for up to 10 years following completion of the eligible project.</p> |
| Downtown Apartment Rehabilitation or Conversion Program | The maximum value of a grant shall be 50% of eligible costs to a maximum of \$12,500 per attainable dwelling unit. The maximum number of eligible attainable dwelling units per property shall be four.  | The maximum value of a loan shall be 50% of eligible costs to a maximum of \$25,000 per dwelling unit. The maximum number of eligible attainable dwelling units per property shall be six.   |
| Second Dwelling Unit Program                            | The maximum value of a grant shall be 50% of eligible costs to a maximum of \$7,500.   | The maximum value of a loan shall be 50% of eligible costs to a maximum of \$15,000.   |





| Financial Incentive Program   | Grant Value   | Loan Value   |
|-------------------------------|---|--|
| Municipal Fees Rebate Program | The maximum grant value shall be 100% of fees related to building permits, demolition permits, sign permits, amendments to the City's zoning by-law, applications for minor variance, applications for plan of subdivision, and site plan application, or any combination thereof, or \$2,500, whichever is less. Where a minimum of 50% of the attainable housing units are purpose-built rentals, the maximum value of the grant shall be increased to \$5,000. | The maximum loan value shall be 100% of fees related to building permits, demolition permits, sign permits, amendments to the Town's zoning by-law, applications for minor variance, applications for plan of subdivision, and site plan application, or any combination thereof, or \$10,000, whichever is less. Where a minimum of 50% of the attainable housing units are purpose-built rental units, the maximum value of the loan shall be increased to \$15,000. |
| Surplus Land Grant Program    | The City and the County will work together to determine the value of a surplus property. As an outcome of the RFP process, surplus land may be granted at a significantly reduced value or at no cost.  |  |
| Landbanking Policy            | Grant or loan values are not applicable to the Landbanking Policy.  |  |

## APPLICATION

Under the Planning Act, a bylaw must be adopted along with a Statutory Public Meeting to establish the Community Incentives Toolbox (CIT) and meet the requirements for completing Community Improvement Plans. This process also involves conducting a study and process in order to ensure the Planning Act's requirements are fulfilled. In addition, it is recommended the City implement yearly reviews of the items within the CIT. This review would be completed by a newly formed Community Improvement Plan Committee and would be permitted to authorize minor adjustments without the requirements to be reviewed, approved and adopted by City Council. The CIT provides the City with numerous incentive options to encourage and facilitate the development of attainable housing. It recognizes there are many existing and evolving challenges to the development of attainable housing within Stratford.

For development of attainable housing to qualify for the CIT, criteria must be set to ensure clarity on the kinds of projects eligible for incentives. This may include both general criteria, which would be applicable to all grant or loan applications, as well as program-specific criteria, which would apply to individual programs as needed.

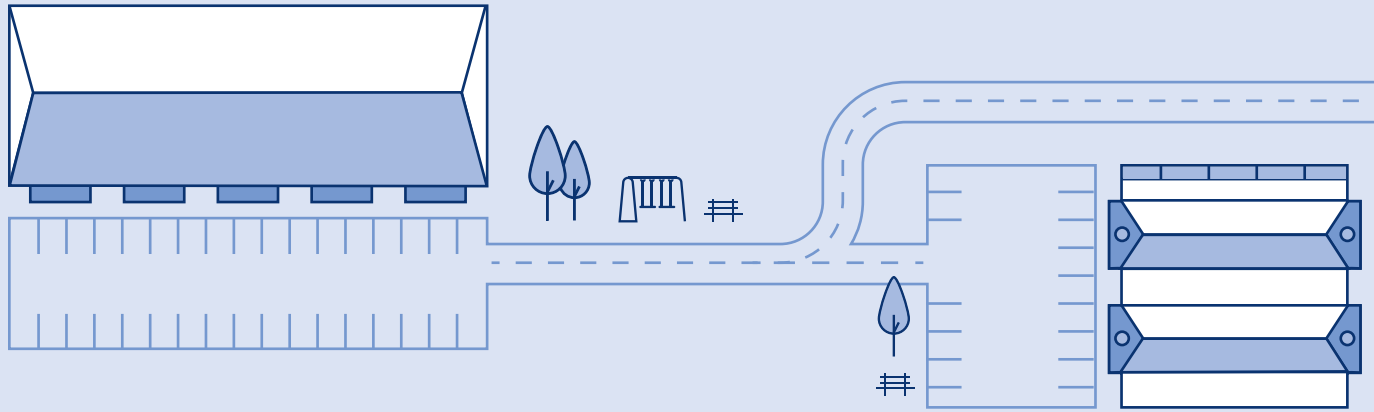
The following proposed general eligibility requirements are applicable to all incentive programs and would need to be met in order for an applicant to be considered eligible for any of the financial incentive programs. The general eligibility requirements must be met by the applicant in association with program-specific eligibility requirements and details. Eligibility requirements would be established in more detail when the CIT is prepared.



The incentive programs made available under this Plan may be used individually or in combination, subject to the exceptions outlined within the specific program details and eligibility criteria in the Community Improvement Plan. The total of all incentive benefits (including grants and loans) provided to each applicant for each community improvement proposal for buildings or lands must not exceed the project's costs related to the planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment and/or reconstruction and rehabilitation associated with the application.

- The property owner must not have outstanding property tax arrears and must be in good standing regarding taxation at the time of application and through the duration of the incentive benefit period, as identified within this Plan.
- Applicants shall disclose all other funding and incentives received for the project as part of the application for financial incentives in this Plan, including commercial or other loans. At the discretion of the City, other grants or incentives may be deducted from the eligible grant or loan amount.
- Attainable units developed under the Plan must be maintained as attainable for a minimum period of time. An agreement between the City and the owner will be required and the agreement will be registered on title. The minimum period of time will be established by the City or at Council's discretion and will be confirmed through the application and approval process.
- If a property or building containing purpose-built attainable dwelling units developed through the financial incentive programs of this Plan is sold, in whole or in part, the new owner of the property or building must enter into an agreement with the City ensuring the dwelling unit(s) remain attainable for the duration in accordance with the original agreement. For clarity, the registered owner will remain entitled to the program incentives. In addition, any outstanding payments owed to the City will be the responsibility of the current owner(s) regardless of the original applicant. Failure to do so may result in cancellation of the financial incentive program benefits and any outstanding or deferred fees in favour of the landowner will be collected by the City.
- In order to be eligible, all incentive program applications must include completed application forms and supporting materials, such as detailed work plans, cost estimates and contracts, applicable reports and any additional information as required by the City.

Community improvement works associated with an incentive program application must be in accordance with all City bylaws, policies, procedures, standards and guidelines in order to be approved.



## 4.0 Pilot Site Development

### 4.1 Summary

The City of Stratford has identified two City-owned vacant land parcels, municipally known as 3188 Vivian Line 37 and 150 McCarthy Road West. These two subject sites are both zoned 'Future Residential' and will be reviewed for potential development utilizing the tools and recommendations noted in previous sections as well as the identified processes and tools designed to provide development incentives to help with increasing the supply of attainable market housing.

The Provincial Policy Statement (2020), the City of Stratford Official Plan (2016) and the City of Stratford Zoning By-law (2000) will be used to review and understand the development opportunities and constraints for the subject sites. These land use planning documents will provide the necessary information regarding required studies, residential densities, permitted uses and the overall development. This information will be used to:

1. generate a preliminary conceptual design for visualization purposes only;
2. to understand the level of municipal approval required;
3. to understand the development potential of the subject sites;
4. ultimately reduce the costs and/or barriers to providing attainable housing.

As part of the assessment on development opportunity, discussions were conducted with the City's Infrastructure and Development Services Department to review the availability of City infrastructure (e.g. water, sanitary and storm sewers). The servicing information identifies the availability and constraints for City sanitary sewer, storm sewer and watermain infrastructure for the subject sites.

Lastly, the background information provided in this section will be used and evaluated in coordination with development incentives from [Section 3.0](#) and [Appendix C](#) to provide recommendations for each subject site, as well as next steps. The recommendations for each subject site should be considered to help increase the supply of attainable market housing.



## 4.2 Pilot: 3188 Vivian Line 37 (Site #1)

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### 4.2.1 Site Overview

#### BACKGROUND INFORMATION

3188 Vivian Line (“Site 1”) is located on the north side of Vivian Line and east of Romeo Street North in the north-eastern area of the City of Stratford. Site #1 is 2.31 hectares in size, vacant and currently leased for agricultural purposes as an interim use. Site #1 has access to a City road that is maintained all year, has available City infrastructure and is located between two residential properties.

This site is located within the airport regulation limits and a source water protection Dense Non-Aqueous Phase Liquids (DNAPL) Policy area.

Site #1 is designated as “Residential Area” in the City of Stratford Official Plan (OP) and is subject to policies related to land use compatibility. As per section 4.5.2 of the Official Plan, lands designated “Residential Area” shall permit low residential density and medium residential development opportunity. Site #1 formed part of the Northeast Secondary Plan and the associated policies are provided in Section 8.13 of the OP and require a density between 30 and 100 units per hectare.

Within the Residential Area, both low density and medium density residential uses are permitted. The low-density requirements in the OP provide for the parcel to be developed with a minimum density of 12 units per hectare and a maximum density of 25 units per hectare and include single dwelling, semi-detached and duplex dwellings. Medium density uses have a density range between 25 units per hectare and 65 units per hectare and are subject to the development criteria in Section 4.5.3 of the OP. Permitted medium density uses include small lot single detached, semi-detached, duplex, triplex, townhouse dwelling, small rise apartment, back-to-back and stacked towns. Site #1 is also subject to Policy 4.5.3.2, which outlines the policies for residential development in new residential areas.

The City of Stratford Zoning By-law zones Site #1 as Future Residential (“FR”). The intent is the land within the Northeast Secondary Plan would require a Zoning By-law Amendment prior to any development proceeding. The appropriate residential zone will be based on the proposed development, an assessment of provincial policy and the OP.

#### EXISTING INFRASTRUCTURE

The review of the existing infrastructure and information provided by the City of Stratford Infrastructure and Development Services Department is summarized as follows and illustrated in Figure 17:

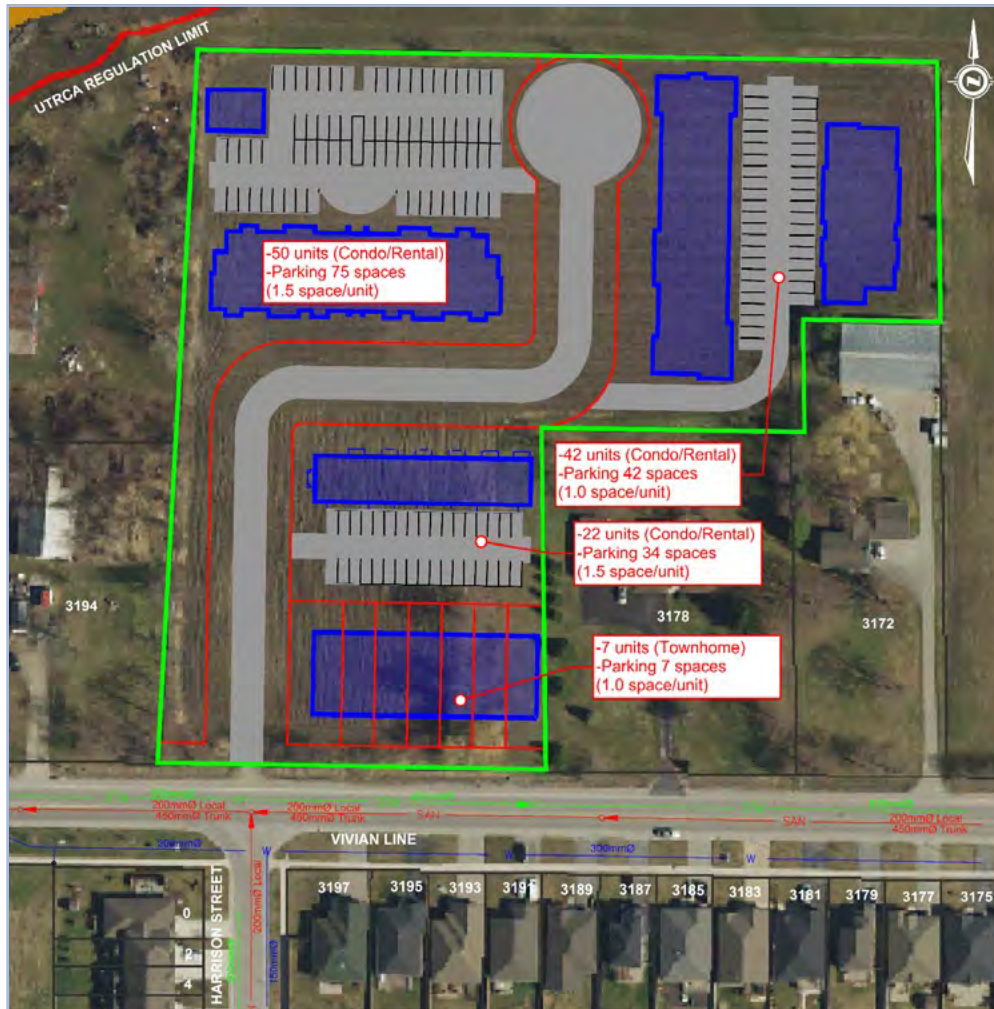
- Watermain infrastructure is available and provides available capacity subject to City approval.
- Sanitary infrastructure is available and provides available capacity subject to City approval.
- Storm infrastructure is available and provides immediate available capacity for approximately 1.25 hectares of the site as part of an existing stormwater management plan. The remaining area is intended to drain north to the Bannerman Drain in accordance with the Northeast Secondary Plan.



## SUMMARY OF EXISTING CONDITIONS

Based on the planning and engineering assessment, Site #1 will require a Zoning By-law Amendment to rezone the land from Future Residential to Medium Density Residential. Existing municipal infrastructure provides Site #1 with available servicing and is ready for development. Refer to Figure 17 below for a preliminary development concept drawing of the subject site to understand the development potential.

Figure 17: 3188 Vivian Line 37 Preliminary Development Concept Plan



### 4.2.2 Site 1 Development

#### PRELIMINARY CONCEPT PLAN

A preliminary concept plan was completed to provide an illustration of the development potential of the site. The preliminary concept plan illustrates a standard 20-metre City right-of-way with medium density developments. This concept provides alignment with Harrison Street and public access to future development lands to the north.



## DEVELOPMENT CONSIDERATIONS

The site was reviewed for development processes and two industry standard options were considered. The first option of development is to declare the lands as surplus in accordance with the City's policy and sell to a developer via Request For Proposal (RFP), similar to the Stratford Fairgrounds sale and development. The second development option would see the City of Stratford act as the developer, similar to the Wright Boulevard Industrial Park Subdivision. These two options are summarized and preliminarily analyzed financially.

For the purpose of the report, the following financial assumptions will be used:

- Land value will be approximated based on vacant 1.19 acre parcel of land on Vivian Line 37 that was provided a 2020 market value of approximately \$600,000 (\$504,000/acre).
- Unit Construction will be averaged to be \$225,000 (Minimal Profit) for a 1,000 square foot unit.
- Private site works will be averaged to be \$25,000 per unit.
- Development charges will be averaged to be \$10,000 per unit.
- Taxes per unit will be averaged to be \$1,600 per unit.
- Number of units will be assumed to be condominium ownership and in accordance to Figure 17, preliminary design concept.

## DEVELOP LANDS – PRIVATE DEVELOPER

This option requires the City of Stratford to declare the subject lands as surplus in accordance with City policy and prepare an RFP to developers of interest, a similar process to the Stratford Fairgrounds development project. The following describes the recommended process for this option:

- **Request for Proposal and Award of Surplus Lands:** The City of Stratford to prepare and issue an RFP for the purchase of the unzoned lands. The RFP should utilize a two-envelope system in accordance with the City's procurement policy; the first envelope proposing the development information and a financial plan utilizing the CIT with bonusing for attainable units; the second envelope providing detailed development concept information with consideration of future development. The submitted proposals will be reviewed and considered for approval by Council.

This option provides the developer with flexibility and creativity to propose a development meeting the requirements of attainable market housing, utilize the tools within the CIT and maximize unit yield for profit. Costs associated with approvals and construction would be incurred by the developer. This option provides the City with a hands-off approach, income from the sale of the land, an increased tax base and a City road asset.



## DEVELOP LANDS – CITY OF STRATFORD

This option requires the City of Stratford to act as the developer to sell pre-serviced residential blocks, a similar process and outcome to the Wright Boulevard Industrial Subdivision. The following describes the recommended process for this option:

- **Rezoning Application and Process:** The City of Stratford to initiate a City Zoning By-law Amendment to rezone the subject site to Medium Residential Density, optimizing the use of the land in accordance with the Official Plan to provide flexibility to the development site.
- **Draft Plan of Subdivision, Engineering Design and Construction:** The City of Stratford to prepare and issue an RFP in accordance with its procurement policy for draft plan of subdivision, engineering design and construction administration services of the subdivision.
- **Request for Proposal and Award for Development Blocks:** The City of Stratford to prepare and issue an RFP in accordance with its procurement policy for the purchase of the residential blocks in the subdivision. The RFP should utilize a two-envelope system for consideration of purchase; the first envelope proposing the development information and a financial plan utilizing the CIT, with incentives for attainable units; the second envelope providing detailed development concept information. Submitted proposals will be reviewed and considered for approval by Council.

This development option should allow the City to be the decision makers of the development. Costs associated with the design, development and construction of the subdivision will initially be incurred by the City to reduce development costs. Cost recovery from the development would be expected from the sale of the residential blocks and/or through potential long-term tax incentives. Lastly, this option provides control of the proposed development — a desired outcome — opportunity for various developers to provide variation and should help increase the attainable market housing supply.

## DEVELOP LANDS – FINANCIAL ASSESSMENT

The development options of public and private enterprises were reviewed for financial outcomes. The table on the following page provides an estimated financial overview and outcome of the two recommended options for consideration based on Figure 18 preliminary development concept plan.

Figure 18: 3188 Vivian Line 37 Financial Assessment

| Development Items   | Estimated Full Budget (Market Value) | Development (Private Enterprise)      | Development (City of Stratford)  |
|---|--------------------------------------|---------------------------------------|----------------------------------|
| Approximated Land Value (5.72 Acres)  | \$2,900,000                          | \$1,450,000 (50%)                     | \$0                              |
| Zoning Application Process  | \$50,000<br>(RFP) (External)         | \$50,000<br>(RFP) (External)          | \$0<br>(Internal)                |
| Park Land Dedication<br>(5.0% of appraised land value)  | \$145,000                            | \$72,500<br>(50%)                     | \$0                              |
| Development Charges (DC) (121 units)  | \$1,210,000                          | \$605,000 (50%)                       | \$0                              |
| Zoning Studies<br>• Traffic Impact Study<br>• Archaeological Study  | \$25,000<br>(RFP) (External)         | \$25,000<br>(RFP) (External)          | \$25,000<br>(RFP) (External)     |
| Design & Construction Services<br>• Draft Plan of Subdivision<br>• Engineering<br>• Construction Administration | \$150,000<br>(RFP) (External)        | \$150,000<br>(RFP) (External)         | \$150,000<br>(RFP) (External)    |
| Road Construction Costs (265m)  | \$800,000<br>(Tender) (External)     | \$800,000<br>(Tender) (External)      | \$800,000<br>(Tender) (External) |
| <b>Subtotal</b>   | <b>\$5,280,000</b>                   | <b>\$3,152,500</b>                    | <b>\$975,000</b>                 |
| <b>Contingency (10%)</b>  | <b>\$528,000</b>                     | <b>\$315,300</b>                      | <b>\$97,500</b>                  |
| <b>(1) Total (excluding HST)</b>  | <b>\$5,808,000</b>                   | <b>\$3,467,800 +/-</b>                | <b>\$1,072,500</b>               |
| Minimum Recovery Sale Price per Acre<br>(4.41 Acre, development land)   | \$1,317,000 +/-                      | \$786,400 +/-                         | \$243,000 +/-                    |
| <b>Market Sale Price per acre</b>   | <b>\$504,000</b>                     | <b>\$504,000</b>                      | <b>\$504,000</b>                 |
| Project Profit per acre (10%)   | \$131,700 +/-                        | \$78,600                              | \$24,300                         |
| <b>(2) Total Land Sale Profit (4.41 acre)</b>   | <b>\$580,800 +/-</b>                 | <b>\$346,600 +/-</b>                  | <b>\$107,200 +/-</b>             |
| Projected Sale Price per Acre   | \$1,448,700                          | \$865,000 +/-                         | \$350,000                        |
| Market Sale Price per Acre (Difference)   | +\$944,700                           | +\$361,000                            | -\$154,000                       |
| <b>Total (1) + (2)</b>  | <b>\$6,388,800</b>                   | <b>\$3,814,400</b>                    | <b>\$1,179,700</b>               |
| <b>(A) Recovery Sale Price per Unit (121 units)</b>   | <b>\$52,800 +/-</b>                  | <b>\$31,500 +/-</b>                   | <b>\$9,750 +/-</b>               |
| <b>(B) Average Construction Cost Per Unit (1,000ft<sup>2</sup>)</b>   | <b>\$225,000 +/-</b>                 | <b>\$225,000 +/-</b>                  | <b>\$225,000 +/-</b>             |
| <b>(C) Average External Site Works Cost Per Unit</b>  | <b>\$25,000 +/-</b>                  | <b>\$25,000 +/-</b>                   | <b>\$25,000 +/-</b>              |
| <b>Total Unit Cost (A) + (B) + (C)</b>  | <b>\$302,800 +/-</b>                 | <b>\$281,500 +/-</b>                  | <b>\$259,750 +/-</b>             |
| <b>Cost Reduction per Unit</b>  | <b>N/A</b>                           | <b>-\$21,300</b>                      | <b>-\$39,000</b>                 |
| <b>City Capital Increase (Land Sale, DC's, Park Land)</b>   | <b>\$4,255,000</b>                   | <b>\$2,127,500</b>                    | <b>\$107,200 +/-</b>             |
| <b>City Road Asset</b>  | <b>\$800,000</b>                     | <b>\$800,000</b>                      | <b>\$800,000</b>                 |
| <b>Yearly City Tax Base Increase</b>  | <b>\$193,600</b>                     | <b>\$193,600 (TBD Tax Incentives)</b> | <b>\$193,600</b>                 |





The findings of the Financial Assessment table on the previous page suggest the following:

#### **DEVELOP LANDS – PRIVATE DEVELOPER**

- Provides an average unit cost of approximately \$281,500.
- Provides a cost reduction from market value per unit of approximately \$21,300.
- Provides the City with an \$800,000 City road asset.
- Provides a substantial capital increase of approximately \$2,127,500 for future funding.
- Provides a yearly tax base increase of approximately \$193,600 with consideration of tax incentives.

#### **DEVELOP LANDS – CITY OF STRATFORD**

- Provides an average unit cost of approximately \$259,750.
- Provides the greatest cost reduction from market value per unit at approximately \$39,000.
- Provides the City with an \$800,000 City road asset.
- Provides a minimal capital increase of approximately \$107,200 for future funding.
- Provides a yearly tax base increase of approximately \$193,600.
- Minimizes the carrying cost to the developer.

There are a significant number of financing options requiring further review to provide an optimized financial solution balancing the budget for attainable market housing and City benefit.

## **4.3 Pilot: 150 McCarthy Road West (Site #2)**

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### **4.3.1 Site Overview**

#### **BACKGROUND INFORMATION**

150 McCarthy Road West (“Site #2”) is located at the northwest corner of the Deacon Street and McCarthy Road West intersection. Site #2 is 15.38 acres in size, vacant and currently leased for agricultural purposes. Site #2 has substantial road frontage and is conveniently located near various recreation opportunities. McCarthy Road is a transit route, providing for enhanced connections across the City.

This site is located near the Upper Thames River Conservation Authority (UTRCA) regulation limit. The small northeastern area of the site as illustrated in Figure 19 is regulated and will require approval from the UTRCA.



Site #2 is designated as “Medium Density Residential Special” in the City of Stratford Official Plan and is subject to the policies of the Stratford West Secondary Plan. Section 11.2 of the OP permits a range of residential uses with a minimum density of 23 units per hectare and a maximum density of 100 units per hectare. Considering the minimum and maximum residential densities designated per the Official Plan, the parcel would permit between 143 units (minimum) and 622 units (maximum).

The City of Stratford Zoning By-law zones Site #2 as Future Residential (FR). The intent is the land within the Stratford West Secondary Plan would require a Zoning By-law Amendment prior to any development proceeding. The appropriate residential zone will be based on the proposed development, an assessment of provincial policy and the OP.

## **EXISTING INFRASTRUCTURE**

Site #2 was reviewed for available servicing and servicing constraints. The review of the existing infrastructure and information provided by the City of Stratford Infrastructure and Development Services Department is as follows:

- Watermain infrastructure is available and provides available capacity subject to City review and approval.
- Storm sewer infrastructure is available on McCarthy Road West, however significant quantity and quality SWM controls will be required prior to entering the existing City infrastructure. Alternately, the site could be serviced by a future regional stormwater management facility in accordance with the Northwest Secondary Plan.
- Sanitary infrastructure is available but does not provide available capacity. These lands will be serviced by a future sanitary trunk sewer extension of Bradshaw Drive north of McCarthy. At this time, it is unknown when the future westerly lands will be developed to construct the required sanitary trunk sewer. However, with the current development growth rate it could be within a minimum of 10 years. If the lands require servicing, expedited servicing agreement measures should be considered.

## **EXISTING CONDITIONS**

In summary of the background information and existing infrastructure, Site #2 will require a Zoning By-law Amendment, Draft Plan of Subdivision Approval, Site Plan Approval for rental unit buildings and/or Draft Plan of Condominium for ownership within multi-unit buildings. The Zoning By-law Amendment would need an appropriate residential zone to implement the development proposal and conform to the OP. While the OP permits a significant density range, a portion of Site #2 is within the UTRCA Regulation Limit and is subject to flood hazards. In combination with sanitary capacity constraints, significant investment in site works and infrastructure upgrades will be required.

Refer to Figure 19 on the opposite page for a preliminary development concept drawing of Site #2.

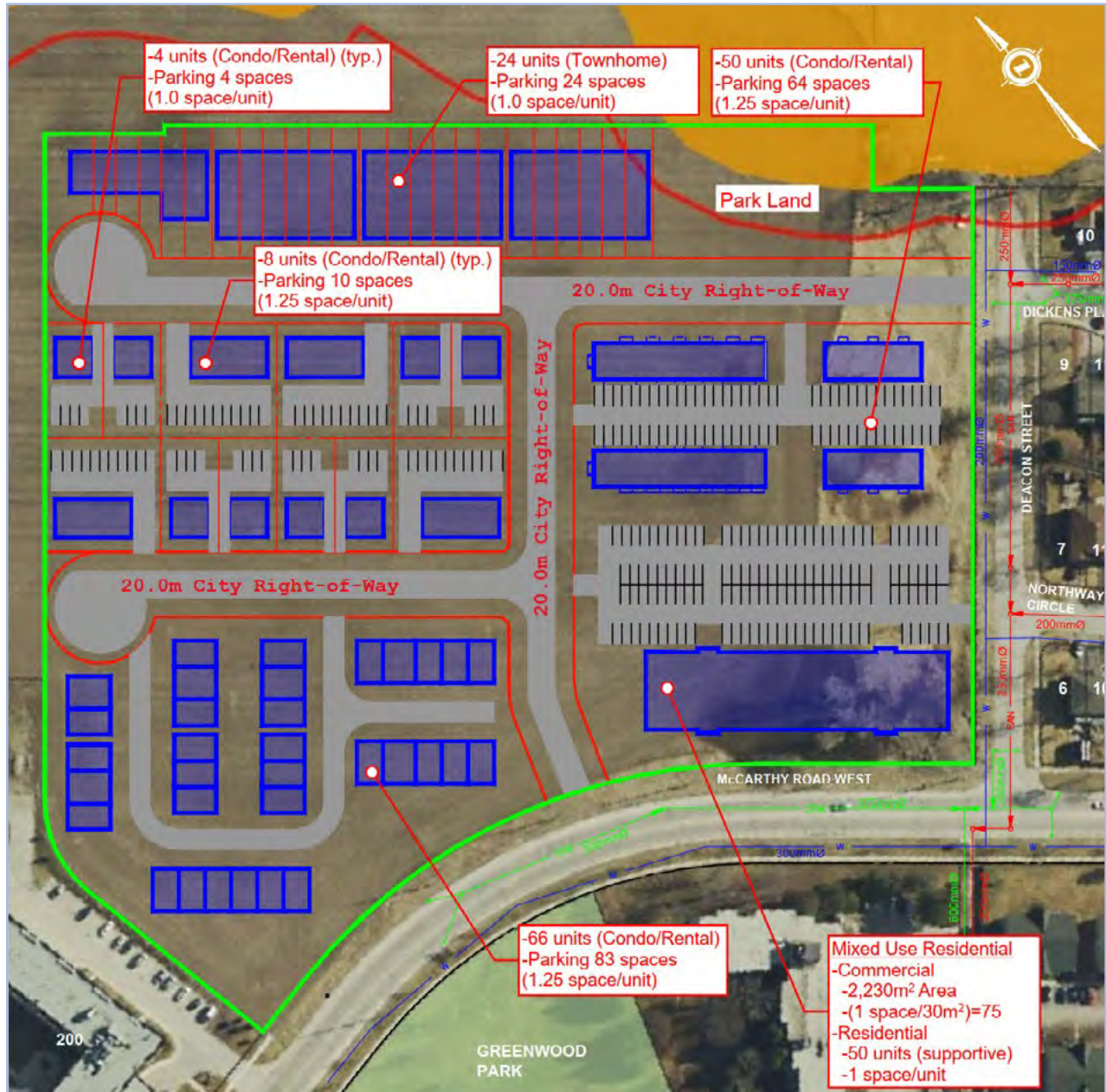


### 4.3.2. Site 2 Development

#### PRELIMINARY CONCEPT PLAN

A preliminary concept plan was completed to provide an illustration of the development potential of the site. The preliminary concept plan illustrates a standard 20-metre City right-of-way with medium density and mixed-use developments. The conceptual road pattern provides access to future development lands and two access points to the development.

Figure 19: 150 McCarthy Road West Preliminary Development Concept Plan





## DEVELOPMENT CONSIDERATION

The site was reviewed for development processes and three options were considered. The first development option is to declare the lands as surplus in accordance with City policy and sell them to a developer via Request For Proposal (RFP), similar to the Stratford Fairgrounds sale and development. The second development option would see the City of Stratford act as the developer, similar to the Wright Boulevard Industrial Park Subdivision. The third option would see a combination of a partnership development with a not-for-profit up to 50% of the land, gifted by the City of Stratford, and the remaining land declared as surplus for RFP purposes for private development. These three options are summarized and preliminarily analyzed financially.

For the purpose of the report, the following financial assumptions will be used:

- Land value will be approximated based on vacant 1.19 acre parcel of land on Vivian Line 37 that was provided a 2020 market value of \$7,750,000 (\$504,000/acre).
- Unit Construction will be averaged to be \$225,000 (minimal profit) for a 1,000 square foot unit.
- Private site works will be averaged to be \$25,000 per unit.
- Development charges will be averaged to be \$10,000 per unit.
- Taxes per unit will be averaged to be \$1,600 per unit.
- Number of units will be assumed to be condominium ownership and in accordance with Figure 19, preliminary design concept.

## DEVELOP LANDS — PRIVATE DEVELOPER

This option requires the City of Stratford to declare the subject lands as surplus in accordance with City policy and prepare an RFP to developers of interest, a similar process to the Stratford Fairgrounds development project. The following describes the recommended process for this option:

- Request for Proposal and Award and Surplus Lands: The City of Stratford to prepare and issue an RFP in accordance with its procurement policy, for the purchase of the unzoned lands. The RFP should be a two-envelope system for consideration of purchase; the first envelope proposing the development information and a financial plan utilizing the CIT, with bonusing for attainable units; the second envelope providing detailed development concept information with consideration of future development. Submitted proposals will be reviewed and considered for approval by Council.

This option provides the developer with flexibility and creativity to propose a development that can meet the requirements of the attainable market housing, utilize the tools within the CIT, and maximize unit yield for profit. Costs associated with approvals and construction would be incurred by the developer. This option provides the City with a hands-off approach, income from the sale of the land, an increased tax base and a City road asset.



## DEVELOP LANDS – CITY OF STRATFORD

This option requires the City of Stratford to act as the developer to sell pre-serviced residential blocks, a similar process and outcome for the Wright Boulevard Industrial Subdivision. The following describes the recommended process for this option:

- **Rezoning Application and Process:** The City of Stratford initiate a zoning by-law amendment to rezone the entire subject site to Medium Residential Density Special in accordance with the Official Plan to optimize the use of the land and provide planning flexibility. The rezoning process is expected to require a Traffic Impact Study and Archaeological assessment and approvals from the Upper Thames River Conservation Authority (UTRCA). The City should expect to have these studies competed by consultants and awarded through an RFP process.
- **Draft Plan of Subdivision, Engineering Design and Construction:** The City of Stratford to prepare and issue an RFP in accordance with its procurement policy for draft plan of subdivision, engineering design and construction administration services of the subdivision.
- **Request for Proposal and Award for Development Blocks:** The City of Stratford to prepare and issue an RFP in accordance with its procurement policy for the purchase of the residential blocks in the subdivision. The RFP should be a two-envelope system for consideration of purchase; the first envelope proposing the development information and a financial plan utilizing the CIT, with incentives for attainable units; the second envelope providing detailed development concept information. Submitted proposals will be reviewed and considered for approval by Council.

This option for the development should allow the City to be the decision makers of the development. Costs associated with the design, development and construction of the subdivision will initially be incurred by the City to reduce development costs. Cost recovery from the development would be expected from the sale of the residential blocks and/or through potential long-term tax incentives. Lastly, this option provides control of the proposed development — a desired outcome — opportunity for various developers to provide variation and should help increase the attainable market housing supply.



## DEVELOP LANDS – CITY OF STRATFORD AND NOT-FOR-PROFIT PARTNERSHIP

A partnership with a not-for-profit would see the City recoup costs associated with the not-for-profit partnership development through sale of surplus lands. The financial assessment illustrated in Figure 20 provides a balanced approach of costs savings, costs recovery and capital gains and can be reviewed and further analyzed to provide the optimized outcome.

- **Rezoning Application and Process:** The City of Stratford initiate a zoning by-law Amendment to rezone the entire subject site to Medium Residential Density Special in accordance with the Official Plan, optimizing the use of the land and providing planning flexibility. The rezoning process is expected to require a Traffic Impact Study and Archaeological Assessment and approvals from the Upper Thames River Conservation Authority (UTRCA). The City should expect to have these studies completed by consultants and awarded through an RFP process in accordance with its procurement policy.
- **50% Land Partnership with Not-For-Profit:** The City of Stratford to partner with a not-for-profit organization, providing significantly reduced land and development costs for up to 50% of the site.
- **Request for Proposal and Award and Surplus Lands:** The City of Stratford to prepare and issue an RFP in accordance with its procurement policy for the purchase of approximately 50% of the pre-zoned lands. The RFP should be a two-envelope system for consideration of purchase; the first envelope proposing the development information and a financial plan utilizing the CIT with incentives for constructing attainable units; the second envelope providing detailed development concept information with consideration of future development. Submitted proposals will be reviewed and considered for approval by Council.

This option provides the developer with flexibility and creativity to propose a development that can meet the requirements of attainable market housing, utilize the tools within the CIT and maximize unit yield for profit. Costs associated with the approvals and construction would be incurred by the developer. This option provides the City with a hands-off approach, income from the sale of the land to offset costs for the not-for-profit development, an increased tax base and a City road and sanitary asset.



Figure 20: 150 McCarthy Road West Financial Assessment

| Development Items   | Estimated Full Budget (Market Value) | Development (Private Enterprise) | Development (City of Stratford) | Partnership                      |                                 |
|---|--------------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|   |                                      |                                  |                                 | Private 50% land                 | Not-for-profit 50% land         |
| Approximated Land Value (15.38 Acres)   | \$7,750,000                          | \$3,875,000 (50%)                | \$0                             | \$3,875,000                      | \$0                             |
| Zoning Application Process  | \$35,000 (RFP) (External)            | \$35,000 (RFP) (External)        | \$0 (Internal)                  | \$0                              | \$0                             |
| Park Land Dedication (5.0% of appraised land value)   | \$387,500.00                         | \$193,750 (50% reduction)        | \$0                             | \$193,750                        | \$0                             |
| Development Charges (DC) (254 units)  | \$2,540,000                          | \$1,270,000 (50% reduction)      | \$0                             | \$1,270,000                      | \$0                             |
| Zoning Studies<br>• Traffic Impact Study<br>• Archaeological Study  | \$75,000 (RFP) (External)            | \$75,000 (RFP) (External)        | \$75,000 (RFP) (External)       | \$37,500 (RFP)(External)         | \$0 (\$37,500 City Funded)      |
| Design & Construction Services<br>• Draft Plan of Subdivision<br>• Engineering<br>• Construction Administration | \$250,000 (RFP) (External)           | \$250,000 (RFP) (External)       | \$250,000 (RFP) (External)      | \$125,000 (RFP)(External)        | \$125,000 (RFP)(External)       |
| Road Construction Costs (600m)  | \$2,000,000 (Tender) (External)      | \$2,000,000 (Tender) (External)  | \$2,000,000 (Tender) (External) | \$1,000,000 (Tender) (External)  | \$1,000,000 (Tender) (External) |
| External Construction Works (Sanitary)  | \$900,000 (Tender) (External)        | \$900,000 (Tender) (External)    | \$900,000 (Tender) (External)   | \$450,000 (Tender) (External)    | \$0 (\$450,000 City Funded)     |
| <b>Subtotal</b>   | <b>\$13,937,500</b>                  | <b>\$8,598,800 +/-</b>           | <b>\$3,225,000</b>              | <b>\$6,963,800</b>               | <b>\$1,125,000</b>              |
| <b>Contingency (10%)</b>  | <b>\$1,393,800</b>                   | <b>\$859,900 +/-</b>             | <b>\$322,500</b>                | <b>\$696,400 +/-</b>             | <b>\$112,500</b>                |
| <b>(1) Total (excluding HST)</b>  | <b>\$15,331,300</b>                  | <b>\$9,458,700 +/-</b>           | <b>\$3,547,500</b>              | <b>\$7,660,200 +/-</b>           | <b>\$1,237,500</b>              |
| Minimum Recovery Sale Price per Acre (12.41 Acre, development land)   | \$1,235,400 +/-                      | \$762,200 +/-                    | \$285,900 +/-                   | \$1,235,500 +/- (6.2 acres)      | \$199,600 +/- (6.2 Acres)       |
| <b>Market Sale Price per acre</b>   | <b>\$504,000</b>                     | <b>\$504,000</b>                 | <b>\$504,000</b>                | <b>\$504,000</b>                 | <b>\$504,000</b>                |
| Project Profit per acre (10%)   | \$123,500 +/-                        | \$76,200 +/-                     | \$28,600                        | \$123,600 +/-                    | \$0                             |
| <b>(2) Total Land Sale Profit (12.41 acre)</b>  | <b>\$1,532,600 +/-</b>               | <b>\$941,600 +/-</b>             | <b>\$354,900 +/-</b>            | <b>\$766,300 +/- (6.2 Acres)</b> | <b>\$0 +/- (6.2 Acres)</b>      |

Figure 20 continues on the following page.

| Development Items   | Estimated Full Budget (Market Value) | Development (Private Enterprise) | Development (City of Stratford) | Partnership                 |                                      |
|---|--------------------------------------|----------------------------------|---------------------------------|-----------------------------|--------------------------------------|
|   |                                      |                                  |                                 | Private 50% land            | Not-for-profit 50% land              |
| Projected Sale Price per Acre                                       | \$1,358,900                          | \$838,400 +/-                    | \$314,500 +/-                   | \$1,359,100 +/-             | \$199,600 +/-                        |
| Market Sale Price per Acre (Difference)                             | +\$854,900                           | +\$334,400                       | -\$189,500 +/-                  | +\$855,100 +/-              | -\$304,400 +/-                       |
| <b>Total (1) + (2)</b>  | <b>\$16,863,900 +/-</b>              | <b>\$10,400,300 +/-</b>          | <b>\$3,902,400 +/-</b>          | <b>\$8,426,500 +/-</b>      | <b>\$1,237,500 +/-</b>               |
| <b>(A) Market Sale Price per Unit (254 units)</b>                   | <b>\$66,400 +/-</b>                  | <b>\$40,900 +/-</b>              | <b>\$15,400 +/-</b>             | <b>\$66,400 (127 units)</b> | <b>\$9,800 +/- (127 units)</b>       |
| <b>(B) Average Construction Cost Per Unit (1,000ft<sup>2</sup>)</b> | <b>\$225,000</b>                     | <b>\$225,000</b>                 | <b>\$225,000</b>                | <b>\$225,000</b>            | <b>\$225,000</b>                     |
| <b>(C) Average External Site Works Cost Per Unit</b>                | <b>\$25,000</b>                      | <b>\$25,000</b>                  | <b>\$25,000</b>                 | <b>\$25,000</b>             | <b>\$25,000</b>                      |
| <b>Total Unit Cost (A) + (B) + (C)</b>                              | <b>\$316,400 +/-</b>                 | <b>\$290,900 +/-</b>             | <b>\$265,400 +/-</b>            | <b>\$316,400 +/-</b>        | <b>\$259,800 +/-</b>                 |
| <b>Cost Reduction per Unit</b>                                      | <b>N/A</b>                           | <b>-\$25,500 +/-</b>             | <b>-\$51,000 +/-</b>            | <b>\$0</b>                  | <b>-\$56,400 +/-</b>                 |
| <b>City Capital Increase (Land Sale, DC's, Park Land)</b>           | <b>\$10,677,500</b>                  | <b>\$5,338,800</b>               | <b>\$349,200 +/-</b>            | <b>\$5,338,800 +/-</b>      | <b>\$0</b>                           |
| <b>City Asset (Estimated)</b>                                       | <b>\$2,900,000</b>                   | <b>\$2,900,000</b>               | <b>\$2,900,000</b>              | <b>\$1,450,000 +/-</b>      | <b>\$1,450,000 +/-</b>               |
| <b>Yearly City Tax Base Increase</b>                                | <b>\$406,400</b>                     | <b>\$406,400</b>                 | <b>\$406,400</b>                | <b>\$203,200</b>            | <b>\$203,200 (TBD Tax incentive)</b> |





The findings of the Financial Assessment table suggest the following:

#### *DEVELOP LANDS – PRIVATE DEVELOPER*

- Provides an average unit cost of approximately \$290,900.
- Provides a cost reduction from market value per unit of approximately \$25,500.
- Provides the City with a \$2,900,000 City road and sanitary trunk asset.
- Provides a substantial capital increase of approximately \$5,338,800 for future funding.
- Provides a yearly tax base increase of approximately \$406,400.

#### *DEVELOP LANDS – CITY OF STRATFORD*

- Provides an average unit cost of approximately \$265,000.
- Provides a cost reduction from market value per unit of approximately \$51,000.
- Provides the City with a \$2,900,000 City road and sanitary trunk asset.
- Provides a minimal capital increase of approximately \$349,200 for future funding.
- Provides a yearly tax base increase of approximately \$406,400.
- Minimizes the carrying cost to the developer.

#### *DEVELOP LANDS – CITY OF STRATFORD AND NOT-FOR-PROFIT PARTNERSHIP*

- Provides an average unit cost of approximately \$316,400 for private development and \$259,800 for the not-for-profit.
- Provides the greatest cost reduction from market value per unit, at approximately \$56,400 for the partnership.
- Provides the City with total approximate asset of \$2,900,000 from the roads and sanitary trunk.
- Provides a capital increase of approximately \$5,338,000 from the sale and development of the surplus lands to offset the partnership costs and future funding.
- Provides a yearly tax base increase of approximately \$406,400 with consideration of tax incentives.

There are a significant number of financing options in need of further review to provide an optimized financial solution balancing the budget for attainable market housing and City benefit, including but not limited to utilizing existing grant and loan programs through, for example the Canada Mortgage and Housing Corporation (CMHC).<sup>27</sup>



## HABITAT FOR HUMANITY

Over the past decade, the price of housing has steadily increased while income levels have struggled to keep pace.

Habitat for Humanity has an alternate housing strategy providing homes to low-middle-income families by utilizing what they can comfortably afford, taking into account the need for permanent shelter, subsidized prices and purchasing flexibility for prospective homeowners. Habitat combines the most significant factors from most, if not all, of the housing models identified below:

- Houses are provided to individuals and families with no required down payment and interest-free mortgage, allowing families with lower finances to afford a home.
- Mortgage payment amounts are set individually, depending primarily on household income rather than a fixed, uniform rate.
- Monthly installments are no more than 25% of the gross household income, including the principal repayment and property tax amounts.
- This mortgage is reinvested in a revolving fund used to develop more houses in the community, creating self-reinforced and sustainable development of accessible and attainable units.

While the Habitat housing model does involve finance, it also utilizes an equally valuable contribution of time in the form of volunteering. Habitat homeowners are required to commit at least 500 hours as a volunteer with the organization, leveraging their skills and time into a meaningful contribution to the Habitat community by enabling more people to afford secure housing. Habitat homes help create \$175,000 worth of benefits for the local community.<sup>28</sup>

Ultimately, the Habitat housing model ensures individuals and households have the flexibility to pay based on how much they can afford. The model utilizes a combination of money, time and skills so low- to middle-income families and individuals can live in a safe and attainable market house without compromising on other necessities. Habitat's goals are to make sure everyone needing a home can afford one and with their established homeownership model, they are successfully fulfilling the basic definition of attainable housing.

Other models researched for this report identified excellence in one aspect or another of the development process, for example (see [Appendix C](#)) the financing concept of;

- **Options International:** Built on a cooperative business model. No one company/agency/group can do it alone. This approach leverages CMHC, Infrastructure Ontario and municipal loans. It takes a holistic approach to economic development through scalable efforts, grows over time, continues building more housing and investing in the community, is focused on moving people to housing ownership and builds equity and wealth.
- **Land Leasing:** Homeowners buy and own the building but lease the land it sits on. When you buy a house on leased land, you can get a mortgage as usual.



- **Cooperative:** A housing cooperative or “co-op” is a corporation whereby the owners do not own their units outright. Instead, each resident is a shareholder in the corporation based in part on the relative size of the unit they live in.
- **Affordable Homeownership Loan Program:** This program is offered to qualified low-to moderate-income households with down payment assistance loans of up to 5% of the purchase price of a home.

By comparison, the Habitat for Humanity model offers the expertise and attainable homeownership that residents take pride in, creating more confidence and community engagement among homeowners. The Habitat model also provides the opportunity to ‘pay it forward’ providing more families with a safe place to live.

### *HABITAT FOR HUMANITY HOMEOWNERSHIP MODEL*

Habitat for Humanity is a national non-profit organization working towards a world where everyone has a safe and decent place to live. Habitat operates a social enterprise ReStore, an environmentally conscious home and building supply store reselling quality new and used building materials. The model and approach can be summarized as follows:

**Building Homes:** Utilizing volunteers, contractors and skilled tradespeople, Habitat builds appropriate and attainable market homes providing a solid foundation for families to build better, healthier lives.

**Fundraising:** Funds are raised to build Habitat homes through cash donations, ReStore sales, gifts of goods and labour and mortgage payments from families, which are reinvested back into the organizations to build more homes.

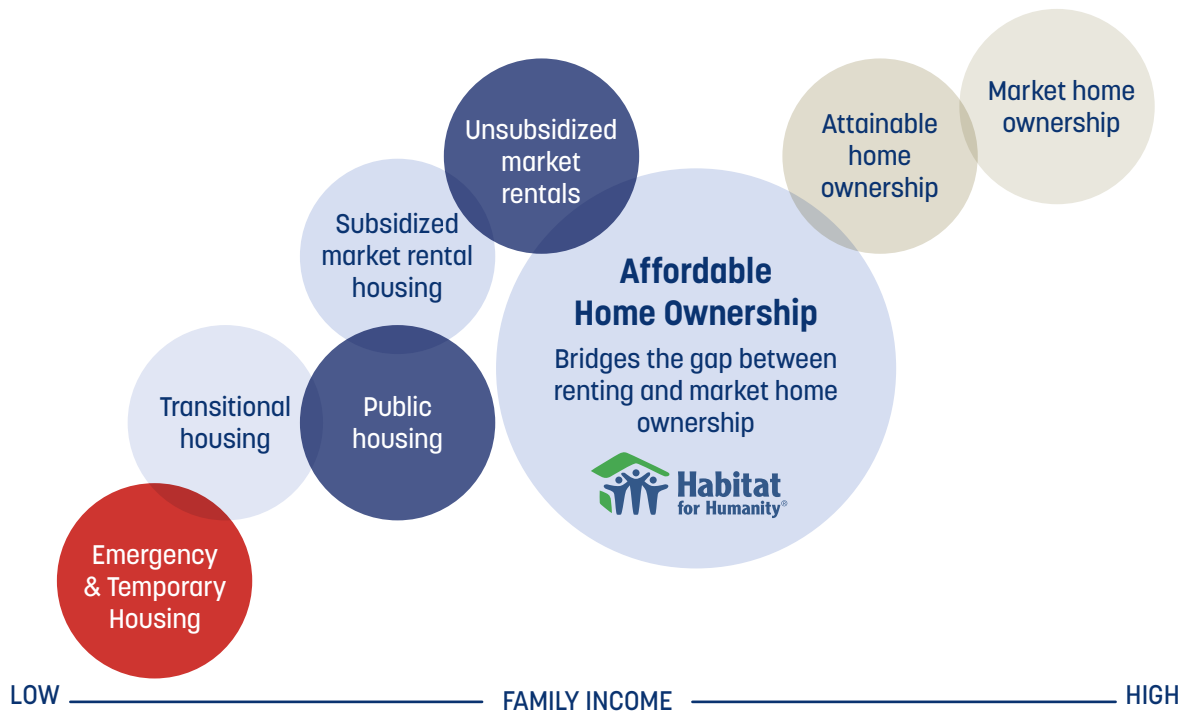
**Attainable Homeownership:** Applicant families accepted to become Habitat homeowners purchase their home with no down payment. Families pay an interest free mortgage and make payments that never exceed 30% of their household income. Families must also contribute at least 500 volunteer hours to Habitat to be eligible to move into the home.

**Attainable Mortgage:** Attainable market housing homeownership is accessible by removing barriers that make owning a home impossible for many working families and individuals. Although Habitat homes are sold at fair market value, Habitat homeowners’ monthly mortgage payments are set at no more than 30% of their gross household income, including principal repayment and property tax. Gross household income is reviewed annually and adjustments to the monthly mortgage payment are made.

**How you buy:** Homeownership is intended to be permanent and stable and Habitat’s financial eligibility range is in place to ensure that. The gross annual household income must be between \$33,600 and \$64,500 and demonstrated as coming from a stable, ongoing source for at least the previous two years. Applicants also must show stable or improving credit with no items currently in collections.

Should the homeowner decide to sell their Habitat home before the full amount of the mortgage has been paid, Habitat for Humanity has the first right of refusal to buy the home back. Homeowners selling their home back to Habitat are entitled to the principal they paid, less a percentage of the fair market value specified in the mortgage documents. This percentage is used to bring the house up to the standards required for re-sale. The homeowners will also share in a portion of the appreciation in the fair market value of the home over the original purchase price at the time of sale to Habitat.

Figure 21: Habitat for Humanity Service Model



Once families move in, they are responsible for maintaining their own home. The goal is to help families and individuals prepare for homeownership by providing classes ranging from financial literacy and budgeting to home repair and maintenance.

**BUILDING GREEN “BUILDING GREEN, BUILDING TOGETHER”**

- 22% reduced overall waste to landfill.
- Over 500,000 lbs metal recycled.
- 25% more energy efficient than building code regulations.
- 364,730 lbs of e-waste recycled.



## 4.4 Pilot Project Consolidated Recommendations

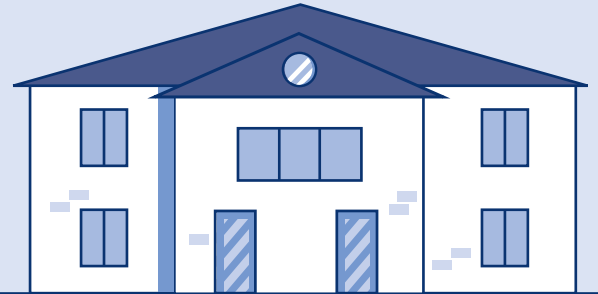
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The 3188 Vivian Line 37 and 150 McCarthy Road pilot sites both provide the City with varying financial options while supporting the supply of attainable market housing. It is recommended the City consider the following:

1. Declare 3188 Vivian Line 37 surplus land in accordance with the City's policy and propose the sale of the land through an RFP utilizing the CIP incentives. Set conditions on the land to remain attainable market housing for 25 years, thereby providing the City with immediate development movement for increasing housing supply while ensuring it remains attainable.
2. Utilize capital gains from 3188 Vivian Line 37 land sale to fund CIP program incentives throughout the city with new development applications as well as for infrastructure improvements to 150 McCarthy Road West.
3. Rezone 150 McCarthy Road West to Medium Residential Density Special completed by the City of Stratford.
4. Develop partnership with not-for-profit by gifting lands, development charges and parkland dedication fees for up to 50% of the site.
5. Declare remaining 50% of 150 McCarthy Road West as surplus land in accordance with the City's policy and propose the sale of land through an RFP process and utilize the CIP and CIT incentives for the sale of the land. Set conditions on the land to remain attainable market housing for 25 years. This capital gain from the surplus lands should be used to recoup the not-for-profit partnership costs and fund future CIP program applications while ensuring access to attainable market housing for years to come.

This recommendation should provide the City with an expedited increased supply of attainable market housing by utilizing the development ready 3188 Vivian Line 37 site. This recommendation also utilizes the financial gains to provide necessary infrastructure improvements required for the development of 150 McCarthy Road West as well as for future CIP program funding applications.

# 5.0 Development and Redevelopment



## 5.1 Summary

Development and redevelopment in a city have the potential to create mixed-income communities with attainable market housing integrated into larger communities with other housing options.

The City of Stratford recognizes the need for infill, intensification and redevelopment. This form of development encourages the creation of additional housing units without the need to provide significant upgrades to municipal infrastructure.

The City of Stratford utilizes a Geographical Information System (GIS) database to provide City service information to public residents. The existing GIS system was reviewed for its capabilities and available information compared to larger cities such as the City of London and the City of Kitchener. The review led to a recommendation to provide additional information on the GIS system identifying potential infill development sites.

### **RESIDENTIAL INFILL DEVELOPMENT**

Infill and intensification are recognized as developing underutilized properties within existing developed areas. The City of Stratford contains an abundance of aging residential dwellings sought after by developers and home renovators (house flippers). The aged dwellings typically require upgrading, maintenance or demolition and are generally priced between \$300,000 and \$350,000. These properties provide two types of opportunity:

#### *1. HOME RENOVATING (HOUSE FLIPPER)*

A home renovator recognizes the high value housing market and utilizes the attainable market housing to invest into renovating the existing dwelling and reselling the newly renovated dwelling substantially over the purchase price. This type of construction does not require development charges and only requires building permit fees associated with renovation. In addition to a house flipper increasing the value of the renovated dwelling, in most circumstances the value of surrounding dwellings will also increase, reducing affordability.



## **2. REDEVELOPMENT FOR INCREASED DENSITY**

A developer utilizes the “low priced” housing to increase residential density and obtain rental units by demolishing the existing dwelling. The developer is typically required to complete a rezoning and site plan application process to increase density and develop the site. The processes require developers to pay development charges and any additional costs associated with the site plan approval process such as fencing, site and servicing requirements, etc. The additional costs associated with these types of developments can be upwards of \$250,000 and require substantial capital financing. Unfortunately, additional costs are ultimately added to the expense of the unit, leading to increased rents.

### **CONSIDERATIONS:**

#### **MINIMIZE THE ABILITY FOR HOUSE FLIPPING**

It is recommended the City of Stratford consider implementing a permit process directed at house flippers. The permit fees should be structured to minimize the profitability of the projects that hold ownership less than a year that are not creating additional dwelling units. The fee structure should consider a scaled fee approach comparing the purchase price to the resale price. This would minimize the profit margins, increase the number of dwelling units, reduce the opportunity for house flippers and increase supply of attainable market housing.

#### **DEVELOPER INCENTIVES FOR INCREASED DENSITY**

Refer to “[Incentives](#)” section of this report for recommended incentives for increased density development for attainable units.

## **IDENTIFYING INFILL OPPORTUNITIES FOR MULTI-RESIDENTIAL AND RENOVATED DWELLINGS**

As previously mentioned, the City of Stratford is saturated with aging dwellings on large lots. The existing dwellings and large lot sizes provide opportunity for developers to demolish the existing building and redevelop the site to increase residential density through the development approval process.

All properties are subject to identification as potential infill development. The following page provides recommendations to identify underutilized lands and provide simplified navigation to zoning by-law information for land parcels with considerations to maintaining tree canopy where possible.



### ***CONSIDERATIONS:***

As noted in the previous section, all properties can be recognized for potential infill and therefore it is recommended the City of Stratford implement digital filtering tools and zoning information links in the existing GIS system and identify underutilized and redevelopment lands.

#### ***GIS FILTERING TOOLS***

It is recommended a filtering tool be added to the existing GIS system to identify parcels by lot frontage. This tool would be available to the public.

#### ***LINK TO ZONING AND DEVELOPMENT INFORMATION***

It is recommended site-specific zoning and development information be linked to each identified parcel when selected on the GIS program and be made publicly accessible. Providing information more accessibly should allow the public to review property information and limit the verbal and digital correspondence with City staff, promoting more efficient use of staff hours.

#### ***IDENTIFYING UNDERUTILIZED LANDS***

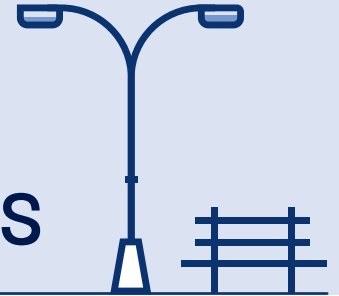
It is recommended an internal layer within the existing GIS database be implemented to identify underutilized lands in existing residential zoning and redevelopment sites for Staff use only. The implemented GIS layers will only be available internally for the following reasons:

- Property owners would recognize the development potential and increase the selling price.
- Developers are educated to recognize infill property and opportunity.





# 6.0 Actions and Next Steps



## 6.1 Summary

Attainable market housing is a global challenge requiring all levels of government, the private and non-profit sector to work together to address the need. The current economic and social climate requires action on the development of attainable market housing. Identified below are areas of excellence as well as actions and next steps for consideration.

### AREAS OF EXCELLENCE

- The site plan pre-consultation with the Site Plan Review Committee.
- Allowing the building permit to be reviewed concurrently with the site plan approval process.
- Site Plan Committee review meeting one day prior to applicant consultation.
- 10-day building permit application review.
- Affordable Homeownership Loan Program.



Figure 22: Prioritized Actions

|   |   |
|---|---|
| <p><b>ACTION 1</b><br/>Identify a new Project Manager position that can execute on the recommendations of this report, support builders, non-profits and identify Best Practices, liaise and provide data supports to Infrastructure Development Services for continuous improvements.</p>                                  | <p><b>Tactics:</b> Resource and hire/contract Project Manager to lead the implementation of this report’s recommendations.</p> <p><b>Next Steps:</b> Budget review, develop a job description, hire and supervise staff. (June/July 2021)</p>   |
| <p><b>ACTION 2</b><br/>Project Manager develop Implementation Work Plan in consultation with City Departments and relevant stakeholders.</p>  | <p><b>Tactics:</b> Project Manager develop and lead Implementation Work Plan.</p> <p><b>Next Steps:</b> Budget review, develop a 3-year Implementation Plan. (July 2021)</p>  |
| <p><b>Estimated Cost:</b> \$95,000</p>  |   |
| <p><b>ACTION 3</b><br/>Develop and adopt a Community Improvement Plan identifying a Community Incentives Toolbox to promote attainable housing creation and other objectives. As part of this Community Improvement Plan project, consider improvements to and streamlining of existing development approval processes.</p> | <p><b>Tactics:</b> Develop a Community Improvement Plan including Urban Design Guidelines and refresh the existing draft Comprehensive Zoning By-law to consider opportunities for expanding approvals (e.g., Pre-zoning, as reviewed in this Report).</p> <p><b>Next Steps:</b> Project Manager to lead this process. (September 2021)</p> |
| <p><b>Estimated Cost:</b><br/>1–3% City Budget Annually</p>   | <p><b>Tactics:</b> Develop a toolbox of possible incentives for review and alignment with the Development Charges Review and the Official Plan Review Process.</p> <p><b>Next Steps:</b> Project Manager to lead this process. (September 2021)</p>   |



#### **ACTION 4**

Establish a “Yes in My Backyard” initiative to address any public concerns relating to the ‘missing middle’ and diversified attainable housing developments.

**Tactics:** Develop an awareness and education campaign to promote diversified housing development for positive social impact and community engagement.

**Next Steps:** Project Manager leads process. (February 2022)

#### **ACTION 5**

Develop and adopt a Communications Plan

**Tactics:** Develop a communications strategy to increase transparent, effective and efficient communications with the private and public sectors including but not limited to:

- Restructure relevant Development webpages for effectiveness and efficiencies, ease of use and a public-facing tracking system of permits and consultation when required.
- Improved access to application documentation and submission standards.

**Next Steps:** Project Manager to lead this process. (February 2022)

**Estimated Cost:** \$75,000

#### **ACTION 6**

Pilot innovative housing opportunities for attainable home ownership/rental development on two City-owned parcels of land on Vivian Line and McCarthy Road while continuing to meet the application standards and all applicable laws.

**Tactics:** Pilot One: Vivian Private Development RFP

**Next Steps:** Project Manager to develop RFP. (June 2022)

**Tactics:** Pilot Two: McCarthy with non-profit partnership. Work with, for example, Habitat for Humanity to design and develop a concept for attainable housing development.

**Next Steps:** Project Manager to develop partnership memorandum of understanding with a non-profit, seek funding to offset costs of service requirements through CMHC. (June 2022)

**Estimated Cost:** TBD



### **ACTION 7**

Integration of technology in public consultation processes, improve/expand e-permitting and cross-departmental utilization of the existing GIS system.

---

**Estimated Cost:** TBD

**Tactics:** Consider optimizing the existing GIS system to be utilized by all City departments as well as the public with the following:

- Provide the ability to recognize underutilized lands for City use.
- Provide data links to zoning and approval process information with parcel identification selection.
- Provide additional property parameter filtering capabilities for public use to identify infill opportunities.
- Provide the ability to identify current development applications.

**Next Steps:** Budget review, Infrastructure Development Services staff to lead and execute, Project Manager supports timeline and implementation. (April 2022)

### **ACTION 8**

Increase City staffing levels in departments administering the development process and identify relevant professional development opportunities and succession strategies to ensure continued employment of well-qualified staff.

---

**Estimated Cost:** TBD

**Tactics:** Assess staffing capacity and structure in current and future opportunities and adjust accordingly (as needed):

- Continuous education and training of staff and development of a succession plan.

**Next Steps:** Review and recommend next steps in partnership with Infrastructure Development Services staff and Project Manager. (July 2021)

### **ACTION 9**

Encourage more innovation and creativity in housing, including but not limited to housing design, materials and creative approaches to more attainable housing units.

---

**Estimated Cost:** TBD

**Tactics:** New partnerships, processes improvements, minimizing wait times and development of the Community Improvement Plan.

**Tactics:** Consider a revision to the existing by-law to permit secondary dwelling units in accordance with the Planning Act.

**Tactics:** Consider Official Plan review:

- Review “Heritage Area” policies in central area.
- Consider removing the current policies in the Official Plan that address Stable Residential Areas and infill intensification.

**Next Steps:** Project Manager to identify partnership opportunities and tracking tool. (July/August 2021)



## 6.2 Conclusion

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Adding attainable housing requires systematic changes including planning reform, streamlining of regulations, shifting toward inclusionary/permissive zoning and the development of a community improvement plan with a toolbox of incentives.

New attainable housing is critical in meeting community needs. The public and private sectors must find innovative ways to finance development, invest in sustainable design concepts to create energy-efficient housing and help those looking to improve their housing situation. The non-profit sector also has a key role to play in working with housing providers to implement alternative tenure models, while supporting advocacy efforts, formulating policy and providing technical support, information and expertise to developers and homeowners.

# Appendix





# Appendix A: Process Information and Recommendations Supporting Information



## CityWide Permits Proposal August, 2020

SUBMITTED BY:

**Gabe Metron, Regional Director**

148 FULLARTON ST, 9<sup>TH</sup> FLOOR  
LONDON, ON N6A 5P3



### CITYWIDE PERMITS AND INSPECTIONS

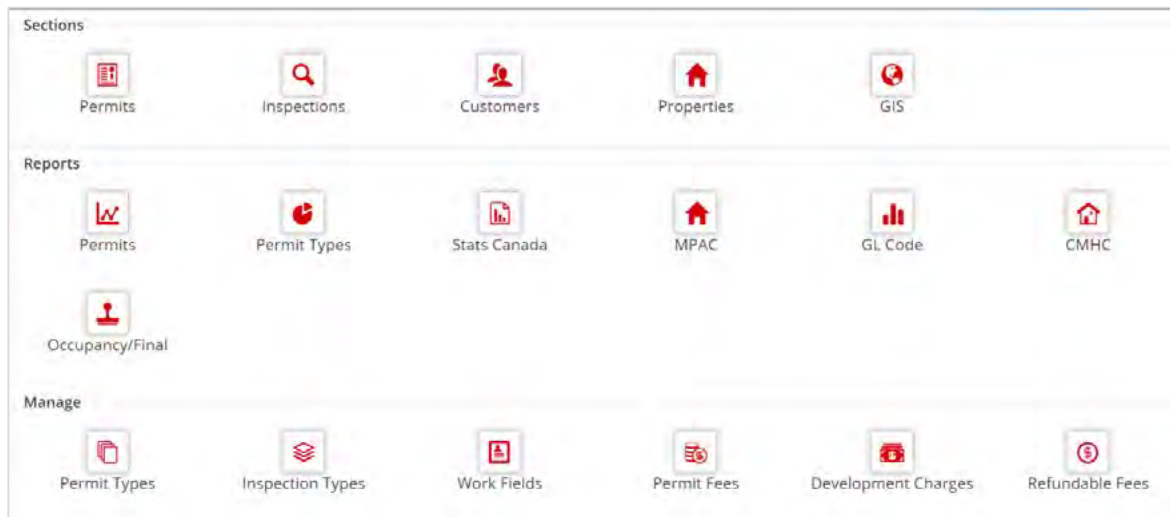
CityWide Permits and Inspection module automates and simplifies the process of permit application, review, approval and inspection. Beginning from the building permit application to the completion of the final inspection, information must be tracked and approved. Municipalities and inspectors can stay organized in the process by using CityWide Permits application to manage both permits and inspections.

Allow the complete record of a building permit to be stored in one system along with digital drawings, payment information, applicant information, and property information.

Access information quickly and conveniently in the field as your inspectors access their personal task-lists, violation histories, property records, and previous inspection results. Complete inspections from the field, attach pictures, and capture signatures electronically from your Smartphone or Tablet.

#### **CITYWIDE PERMITS AND INSPECTION FEATURES:**

- Centralize documents relating to permits and inspection
- Process permits and inspections faster and easier
- Mobile Application for in-field use by inspectors
- Inspection reports include pass/fail, pictures, and notes
- Track properties, owners, roll numbers, current usage
- Manage Permit fees, development charges, refundable fees
- Customized inspection and permit types
- Retain full permit history and property owner history
- Comprehensive reporting to meet legislative requirements (Stats Canada, MPAC, Tarion)







### PROPERTIES

- Owners, address, roll number, assessed values, PIN numbers, zoning, sq ft., current use

### APPLICATIONS/PERMITS

- Find existing property
- Applicant (property owner, builder/contractor, designer, other)
- Project info – status, application date, permit type, days to issue permit, construction type, current use vs intended use, plans, project value, sq ft.
- Permit fees, development charges

| Permit #  | Permit Type                      | Construction Type | Project Address | Applicant | Permit Status | Work Description          | Project Value | # of Water |
|-----------|----------------------------------|-------------------|-----------------|-----------|---------------|---------------------------|---------------|------------|
| 2019-0010 | New Single Family Dwelling (SFD) | New               | 123 Main Street |           | Application   | 2 Storey, Attached Garag. | \$400,000.00  |            |
| 2019-0009 | New Single Family Dwelling (SFD) | New               | 19 Antrim Cres  |           | Permit Issued |                           | \$25,000.00   |            |
| 2019-0008 | New Single Family Dwelling (SFD) | New               |                 |           | Application   |                           | \$75,000.00   |            |
| 2019-0007 | New Single Family Dwelling (SFD) | New               |                 |           | Application   |                           | \$5,000.00    |            |
| 2019-0006 | New Single Family Dwelling (SFD) | New               |                 |           | Application   |                           |               |            |
| 2019-0005 | New Single Family Dwelling (SFD) | New               |                 |           | Application   |                           |               |            |
| 2019-0004 | Residential SDD Addition         | Addition          |                 |           | Application   |                           |               |            |
| 2019-0003 | New Single Family Dwelling (SFD) | New               |                 |           | Application   |                           |               |            |
| 2019-0002 | New Single Family Dwelling (SFD) | New               |                 |           | Application   |                           |               |            |
| 2019-0001 | New Single Family Dwelling (SFD) | New               |                 |           | Permit Issued |                           |               |            |

### INSPECTIONS

- Permit ID
- Property
- Inspection Type
- Inspected By, date, time, status
- Check in/out

| Inspection # | Permit #  | Inspection Type  | Property       | Status      | Re-inspection Required | Inspected By | Actions |
|--------------|-----------|--|----------------|-------------|------------------------|--------------|---------|
| INSP.0066    | 2019-0009 | Substantial Completion of the Structural Framing         | 19 Antrim Cres | Not Started | No                     |              |         |
| INSP.0065    | 2019-0009 | Substantial Completion of the HVAC and Plumbing Rough In | 19 Antrim Cres | Not Started | No                     |              |         |
| INSP.0064    | 2019-0009 | Readiness to Construct Footings                          | 19 Antrim Cres | Not Started | No                     |              |         |
| INSP.0063    | 2019-0001 | Substantial Completion of the Structural Framing         |                | Not Started | No                     |              |         |
| INSP.0062    | 2019-0001 | Substantial Completion of the HVAC and Plumbing Rough In |                | Not Started | No                     |              |         |
| INSP.0061    | 2019-0001 | Readiness to Construct Footings                          |                | Not Started | No                     |              |         |

#### Schedule/Complete Inspection

**Schedule**

Inspected By:

Date:

Start Time:

End Time:

**Result**

Enter Result:

Inspection Passed:

Re-inspection Required:

**Notes**



### PERMIT TYPES

| Name                             | Construction Type | Current Use   | Intended Use             | Building Code | Work Code | Days To Issue | Actions         |
|----------------------------------|-------------------|---------------|--------------------------|---------------|-----------|---------------|-----------------|
| Residential SDD Addition         | Addition          | Accessory Use | Accessory Use            | 110           | 01        | 10            | [Edit] [Delete] |
| New Single Family Dwelling (SFD) | New               | Vacant Lot    | Single Detached Dwelling | 110           | 01        | 10            | [Edit] [Delete] |
| Commercial Addition              | Addition          |               | Accessory Use            | 150           | 09        | 10            | [Edit] [Delete] |

Save [H] | Details [M] | Required Fields [3] | Inspections [6] | Attached Files [0] | Permits [0] | Fees [A] | Permit Fees [4] | Development Charges [10] | Refundable Fees [1]

#### Permit Type

Name:  Construction Type:

Current Use:  Intended Use:

Building Code:  Work Code:

Days To Issue:

#### Required Checks

Zoning/Planning:  Yes  No Building Review:  Yes  No Other Check:  Yes  No

### MANAGE FEES

- Permit Fees
- Development Charges
- Refundable Fees

| Name                         | GL Code    | Construction Types          | Fee Type               | Fee   | Actions         |
|------------------------------|------------|-----------------------------|------------------------|---|-----------------|
| Test fixed                   | 146339602  | Addition                    | Fixed Cost             | \$250.00  | [Edit] [Delete] |
| Test percent of all          | 1467726022 | Alteration/Renovation, A... | % Of Other Fee(s)      | 100.00% Of All Other Fees   | [Edit] [Delete] |
| Plumbing Fixtures            | GL Code 1  | All                         | Per # of Fixtures      | \$25.00 Per   | [Edit] [Delete] |
| Test per 1st floor           | GL Code-2  | Demolition                  | Per 1st Floor          | \$100.00 Minimum + \$0.25 Per Sq Ft under 1,000 + \$0.35 Per Sq Ft over | [Edit] [Delete] |
| Test percent of other        |            | All                         | % Of Other Fee(s)      | 75.00% Of Plumbing Fixtures   | [Edit] [Delete] |
| Single Family Dwelling House |            | New                         | Per Building/Work Area | \$1,800.00 Minimum + \$0.70 Per Sq Ft                                   | [Edit] [Delete] |
| Water Meter                  |            |                             | Fixed Cost             | \$305.00  | [Edit] [Delete] |
| Sewer Connection             |            | New                         | Fixed Cost             | \$50.00   | [Edit] [Delete] |

#### New Fee

Details

Year:

Name:

GL Code:

Construction Type:

Fee

Fee Type:

Work Field:

Flat/Tiered:  Flat  Tiered

Fee:

Minimum/Maximum

Minimum Plus:  Yes  No

PERMIT INFORMATION

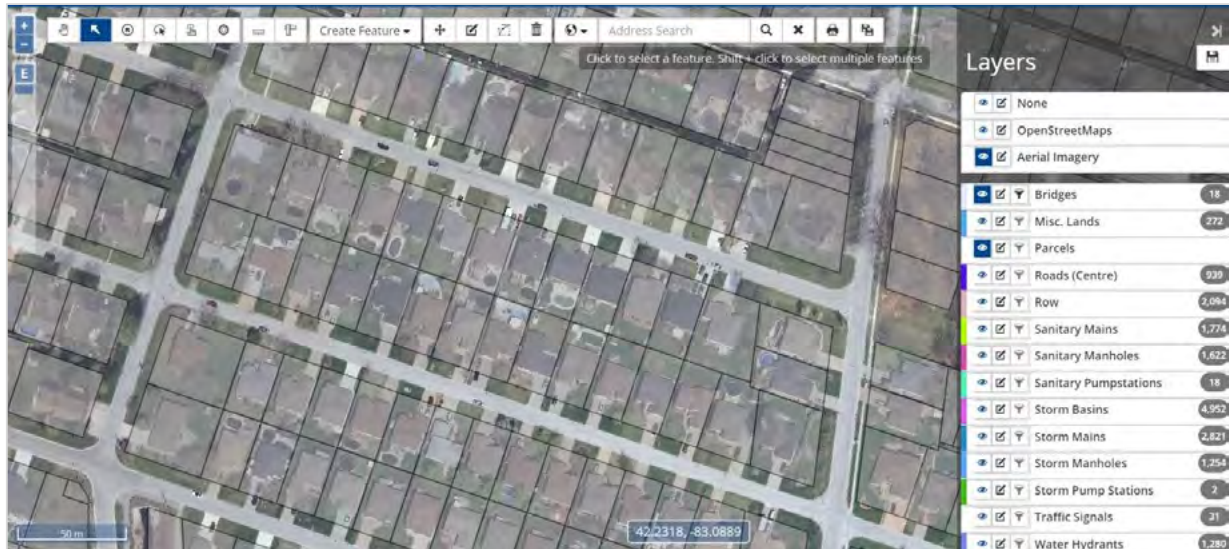
|  |   |   |  |
|--|---|---|--|
| Save<br>Details<br>Work To Be Done<br>Checks<br>Notes<br>Attached Files<br>Variances<br>Attached<br>Contacts<br>Property<br>Inspections<br>Fee Summary<br>Permit Fees<br>Development Charges<br>Refundable Fees<br>Log | <b>Permit Type</b><br>Permit Type: New Single Family Dwelling (SFD)<br>Current Use: Aircraft Hanger<br>Building Code: 115                       | Construction Type: New<br>Intended Use: Aircraft Hanger<br>Work Code: 02            |  |
|  | <b>Details</b><br>Permit Number: 2019-0009<br>Permit Status: Permit Issued<br>Total Fees: \$700.00  | Project Address: 19 Antrim Cres<br>Plans Status: Not Submitted<br>Paid Fees: Yes No |  |
|  | <b>Dates</b><br>Application Date: 2019-02-26<br>Approved Date: 2019-03-11<br>Issued Date: 2019-03-13<br>Last Activity Date: 2019-03-26 13:44:12 | Created By: supportadm<br>Approved By: supportadm<br>Issued By: supportadm          |  |
|  | <b>Permit Flags</b><br>Construction Without Permit: Yes No<br>Second Dwelling Unit: Yes No  |   |  |
|  | <b>Actions</b><br>Class Permit Decline Application Permit Summary Receipt   | <b>Map</b>  |  |

CUSTOMER INFORMATION

|  |  |
|--|--|
| Save<br>Details<br>Notes<br>Properties<br>Service Requests<br>Work Orders<br>Permits | <b>Name</b><br>Name: John Smith<br>Staff: Yes<br>Company: PSD<br>Import ID: import id  |
|  | <b>Address</b><br>Address 1: 123 Lovely Street<br>Unit Number: 11<br>City: London<br>Postal Code: N6H1G0<br>Address 2: address 2<br>P.O. Box: 1111<br>Province/State: Alberta<br>Country: Canada |
|  | <b>Contact Information</b><br>Phone Number: (519) 123-1234<br>Email: derekmads7@gmail.com<br>Fax: (519) 123-1235<br>Extension: ext<br>Mobile Number: (519) 123-1234                              |
|  | <b>Builder/Designer</b><br>Is Builder: Yes No<br>Is Designer: Yes No   |
|  | <b>Actions</b><br>Add Service Request Add Work Order   |



### MAPPING



### PERMITS REPORTS DASHBOARD



### REPORT SAMPLE

| Permit #  | Application Date | Work Description | Status        | Work Value | Permit Fee | Development Charges | Refundable Fees | Total       |
|-----------|------------------|------------------|---------------|------------|------------|---------------------|-----------------|-------------|
| 2019-0001 | 2019-01-21       |                  | Permit issued | \$0.00     | \$700.00   | \$100.00            | \$0.00          | \$800.00    |
| 2019-0002 | 2019-02-14       |                  | Application   | \$0.00     | \$700.00   | \$950.00            | \$0.00          | \$1,650.00  |
| 2019-0003 | 2019-02-19       |                  | Application   | \$0.00     | \$700.00   | \$1,955.00          | \$0.00          | \$2,655.00  |
| 2019-0004 | 2019-02-20       |                  | Application   | \$0.00     | \$0.00     | \$0.00              | \$0.00          | \$0.00      |
| 2019-0005 | 2019-02-25       |                  | Application   | \$0.00     | \$700.00   | \$0.00              | \$0.00          | \$700.00    |
| 2019-0006 | 2019-02-25       |                  | Application   | \$0.00     | \$700.00   | \$0.00              | \$0.00          | \$700.00    |
| 2019-0007 | 2019-02-25       |                  | Application   | \$0.00     | \$700.00   | \$0.00              | \$0.00          | \$700.00    |
| 2019-0008 | 2019-02-26       |                  | Application   | \$0.00     | \$700.00   | \$0.00              | \$0.00          | \$700.00    |
| 2019-0009 | 2019-02-26       |                  | Permit issued | \$0.00     | \$700.00   | \$0.00              | \$0.00          | \$700.00    |
| 2019-0010 | 2019-03-13       |                  | Application   | \$0.00     | \$5,005.00 | \$12,184.00         | \$300.00        | \$17,489.00 |

**COST BREAKDOWN – CITYWIDE PERMITS**

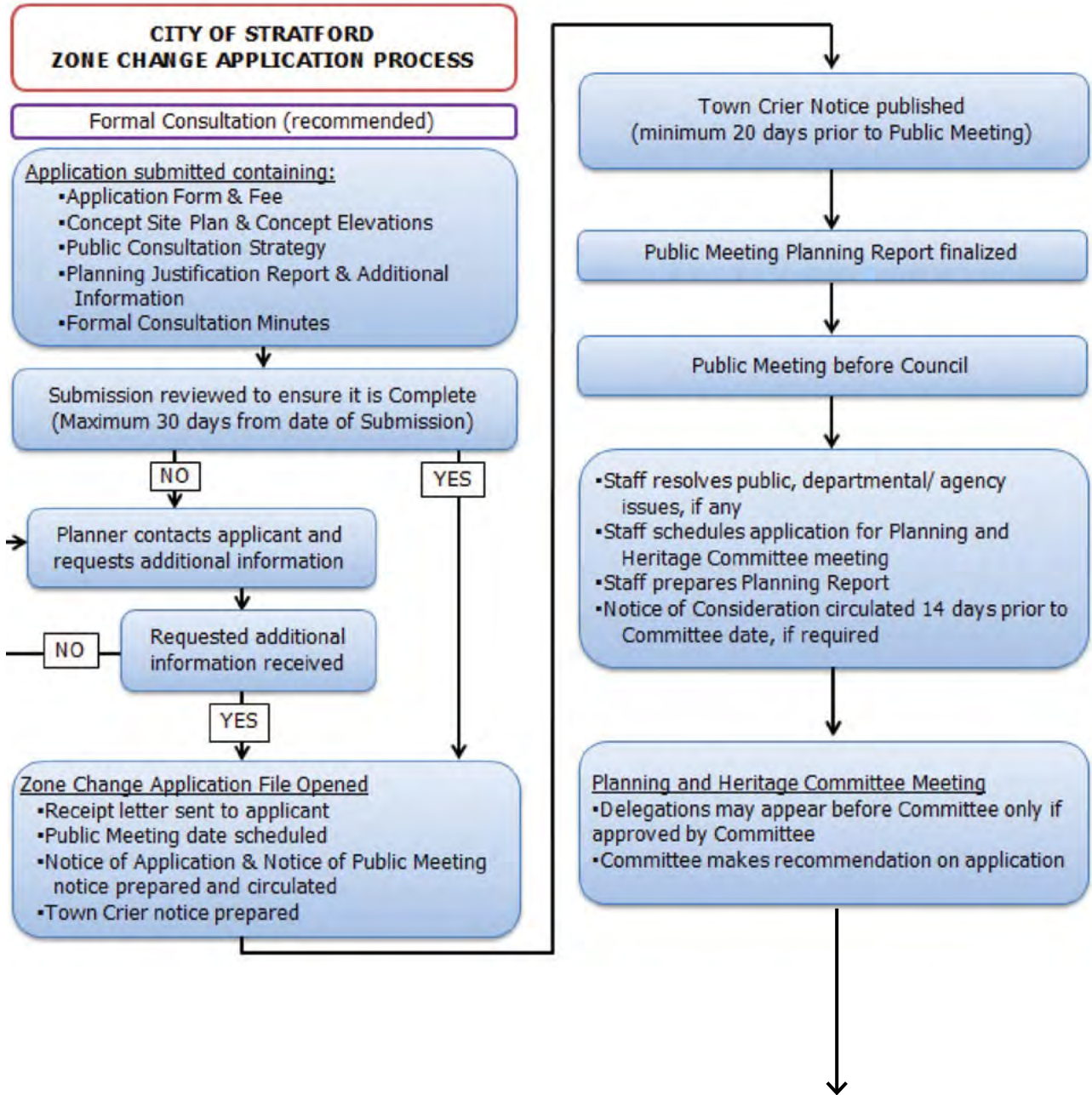
| CityWide Permits Software License     |  |
|---------------------------------------|--|
| Enterprise Software License           |  |
| Existing CityWide Client Discount 25% |  |
| <b>Total Software</b>                 |  |

| Implementation Professional Services                                 |   |   |
|--|---|---|
| Project Management   | Pre-implementation Needs Assessment               |   |
|  | Standard Project Management                       |   |
|  | <b>Total Project Management</b>                   |   |
| Standard Data Migration & Implementation                             | Permit Types                                      |   |
|  | Inspection Types                                  |   |
|  | Customers and Properties                          |   |
|  | Fees Structures (Permits, DC's, Refundable, etc.) |   |
|  | Notification Processes                            |   |
|  | Reporting   |   |
|  | Testing   |   |
|  | Go- Live Support                                  |   |
| <b>Total Data Migration &amp; Implementation</b>                     |   |   |
| Training   | Admin Training Days                               | 1 |
|  | End User Training Days                            | 2 |
|  | <b>Total Training</b>                             |   |
| Value Added Services   | Custom Reporting Services                         |   |
|  | Custom Training                                   |   |
|  | Customized Address Search                         |   |
|  | Process Mapping and Improvement                   |   |
|  | Legacy Data Analysis & Upload                     |   |
|  | Asset Data Analysis                               |   |
|  | 3rd Party Integration (Adelaide Metcalfe GIS)     |   |
| <b>Total Value Added Services</b>                                    |   |   |
| <b>Total Implementation Costs</b>                                    |   |   |
| <b>Total CityWide Permits Software &amp; Implementation Services</b> |   |   |

| Annual Support/Maintenance              |  |
|---|--|
| CityWide Permits Module                 |  |
| <b>Total Annual Support/Maintenance</b> |  |



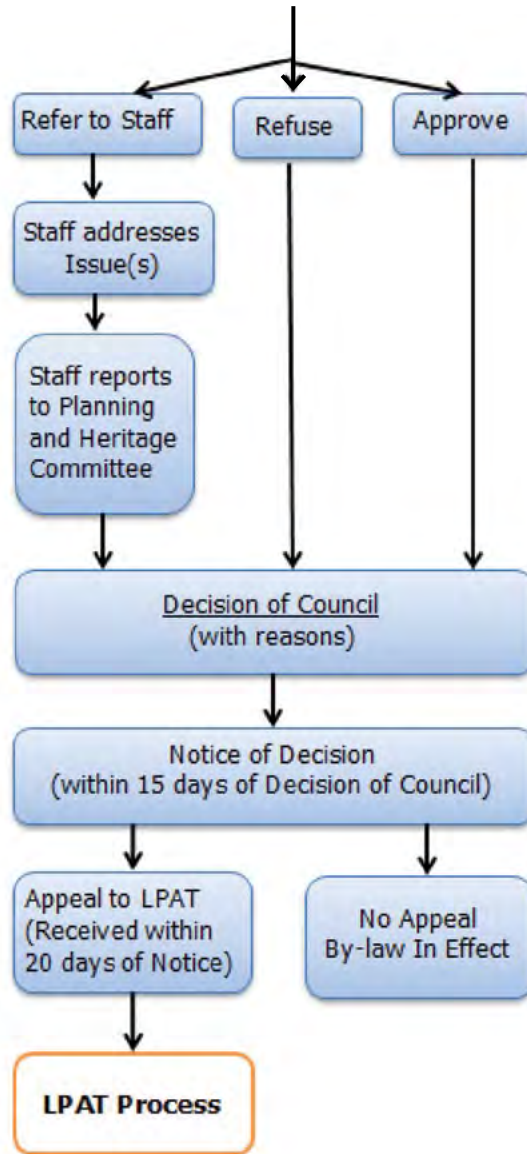
# City of Stratford Zone Change Process



Process diagram continues on the next page.



Process diagram continues from previous page.

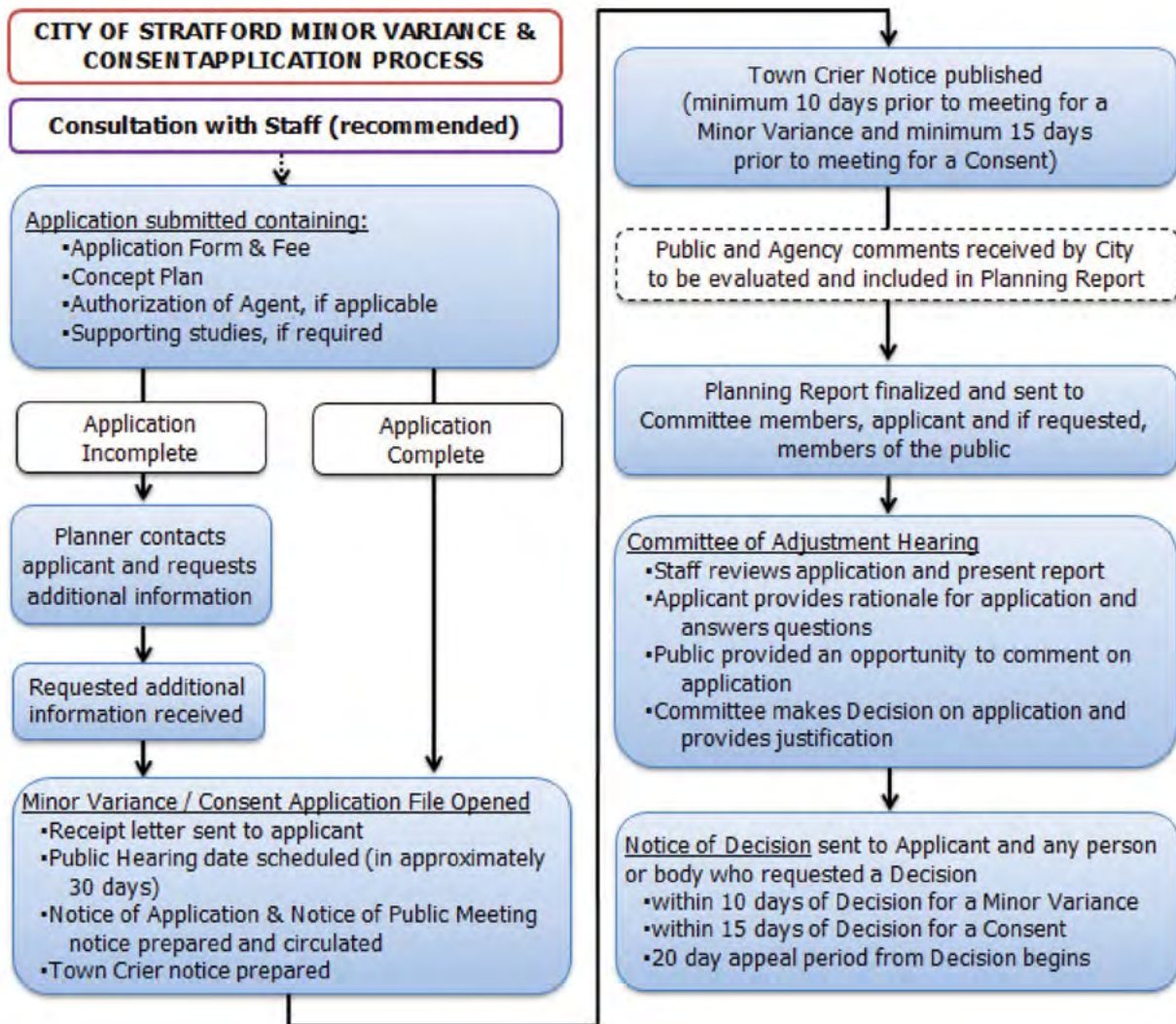


[View the full document](#) on the City of Stratford website.



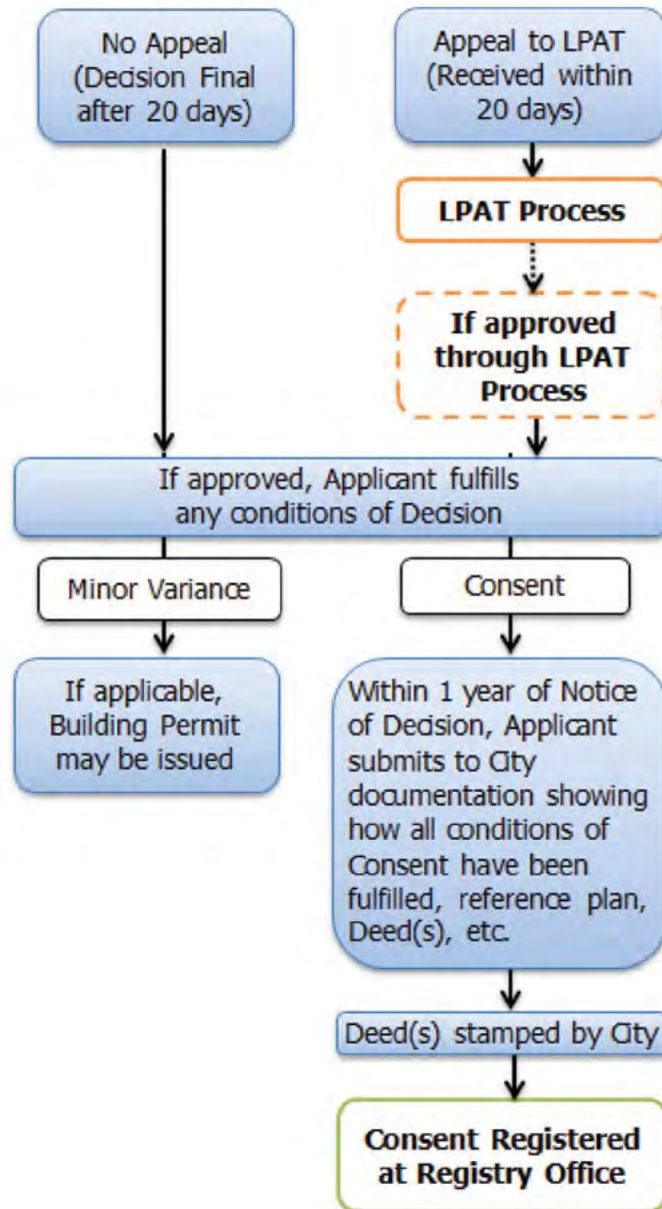


# City of Stratford Consent Process



Process diagram continues on the next page.

City of Stratford Consent Process continued.

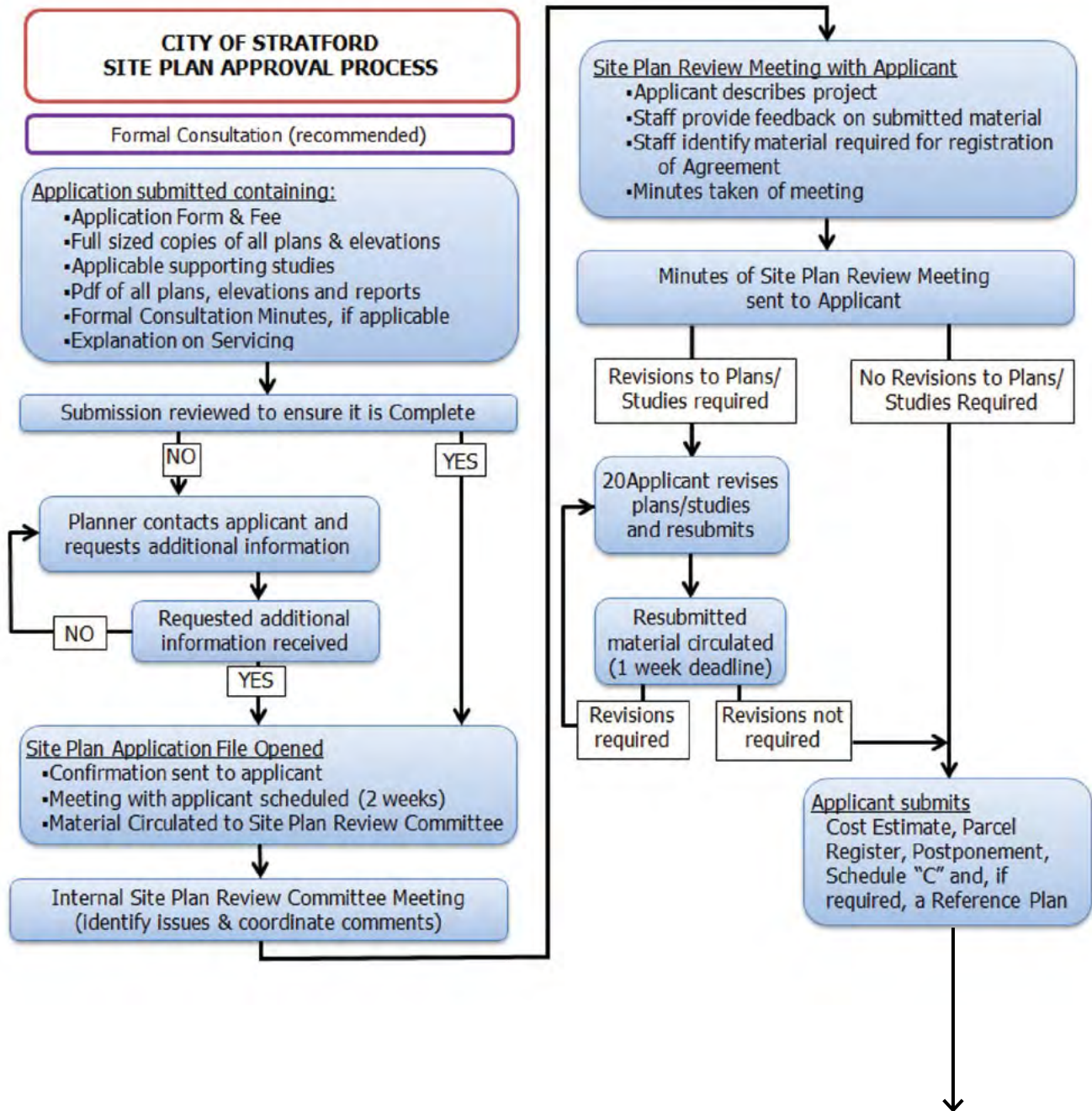


Visit the full documents on the City of Stratford website:

- [Committee of Adjustment Process](#)
- [Committee of Adjustment Guideline](#)



# City of Stratford Site Plan Process



Process diagram continues on the next page.



Process diagram continues from previous page.



Visit the City of Stratford website for the full documents:

[Site Plan Application Guideline](#)

[Site Plan Approval Process](#)



## City of Hamilton Site Plan Security Calculation

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An example of an Irrevocable Letter of Credit is attached as SCHEDULE "3". (October 15, 2003)

### 5.2 Lump Sum Payment

The amount of the Letter of Credit is calculated based on the area and frontage of the lot, and the type of land use. The following formulas shall be used for calculating the value of the required Letter of Credit:

**For new development**, the amount of the letter of credit shall be based on the following, which may or may not represent 75% of the estimated cost of exterior site works, but in no case shall the amount be less than \$50,000.00

Residential: \$75,000 per hectare + \$800 per metre frontage  
Industrial: \$25,000 per hectare + \$200 per metre frontage  
Institutional: \$30,000 per hectare + \$600 per metre frontage  
Commercial: \$75,000 per hectare + \$600 per metre frontage

**For additions, alterations or additional buildings on developed sites**, the amount of the letter of credit shall be based on the following, which may or may not represent 75% of the total cost of all site development works, but in no case shall the amount be less than \$25,000.00

Residential: \$38,000 per hectare + \$400 per metre frontage  
Industrial: \$12,500 per hectare + \$100 per metre frontage  
Institutional: \$15,000 per hectare + \$300 per metre frontage  
Commercial: \$38,000 per hectare + \$300 per metre frontage

After satisfactory completion of **all exterior site works** and receipt of **all required certifications**, the total amount of the security held by the City shall be released except for landscaping which shall be held until June following the end of the first growing season. Securities can be reduced as the works are completed.

## 6. SITE PLAN AGREEMENT/UNDERTAKING

One original copy of the Site Plan Undertaking must accompany the final Site Plan submission. The undertaking must be signed by the owner and where the owner is a corporation, must be signed by the authorized signing officer(s) and the corporate seal affixed. The names of the persons signing must also be typed or printed below the signature line. The Site Plan Undertaking Format is attached as SCHEDULE "4"

At the discretion of the Manager, Development Planning, the owner may be required to register a Site Plan Agreement on title.

## 7. SITE PLAN APPROVAL

Site Plan approval is valid for one (1) year from the date of approval by the Manager, Development Planning. If a Building Permit is not issued during this time, Site Plan approval is void.

A request for extension of Site Plan approval may be made directly to the Manager, Development Planning, prior to the lapsing of the one (1) year approval. Written justification for the extension and the required fee shall be provided with the request for extension. The Manager of Development Planning will consider the request in light of current requirements and:



## Appendix B: Incentives Summary

### ELIMINATE DEVELOPMENT CHARGES

A program that eliminates development charges for attainable market housing and non-market housing development, see above the CIT.

#### *SUITE DEVELOPMENT INCENTIVE<sup>29</sup>*

Reduction of DCC's (to \$0) for the development of either a living or garden suite. For homeowners, a secondary suite can generate extra income, help them care for aging parents or give their kids some independence. It's also something the City could help with. When you add a living or garden suite to your property, you could qualify for a 100% discount of your Development Cost Charges. I.e. if you qualify for this City incentive, to grant up to \$10,000 through a Municipal Matching Rental Construction Program.

#### **Available Incentive:**

- 3 years Preferred Tax Grant—a yearly monetary grant in the amount the developer paid in municipal tax as a result of the assessed value of improvements relating to a principal residence on the property.
- Waiver of Load Capacity Charge.
- Waiver of Development Fees.
- Waiver of parking requirements for the secondary suite.

#### *NEIGHBOURHOOD DENSITY DEVELOPMENT INCENTIVE*

Reduction of DCC's (to \$0 - maximum value of \$50,000) for residential development:

- In identified city zones.
- Outside Downtown or in zones that are within 400 metres of a neighbourhood facility (schools, commercial areas, rec or health buildings, community gardens or parks).
- In the zones where 90% of maximum density is achieved.

#### *IDENTIFIED ZONE DEVELOPMENT INCENTIVE*

Reduction of DCC's (to \$0) for residential development in a specific zone where density achieved is 50% higher than the minimum requirement.

#### *NON-PROFIT OR NON-GOVERNMENTAL ORGANIZATION INCENTIVE*

Further financial incentives are offered for projects undertaken by non-profit and/or non-governmental organizations as follows:

- Grant equal to the cost of development fees (maximum of \$20,000).
- Deferral of payment on property purchased from the City.
- Cash grants for purpose-built attainable market and non-market housing rental and ownership projects.



### *RENTAL AND SUPPORTIVE HOUSING DEVELOPMENT INCENTIVE*

Reduction of DCC's (to \$0) and a 10-year Tax Grant (total value of \$500,000) for development of one or both of the following:

- A minimum of four rental housing units maintained for a minimum of 10 years.
- A minimum of four supportive housing units owned/operated by a non-profit agency or non-government organization.

Other notable considerations of the new Housing Development Incentives Policy include:

- Only the residential portion of a building will receive an incentive.
- Residential units (excluding rental/supportive housing) must be apartments with two or less bedrooms.
- Applications will not be processed until a Development Permit is issued.

### *TAX INCREMENT FINANCING (TIF)<sup>30</sup>*

Tax Increment Financing as a means of financing community revitalization projects in municipalities. In a TIF financing scheme, the base property tax of a targeted development property or district is frozen and the anticipated increase in the property tax resulting from redevelopment — that is, the increment — is used to finance the development project. The TIF scheme eventually expires, at which time the property taxes begin to flow to the municipality.

- Tax increment financing subsidizes companies/residents by refunding or diverting a portion of their taxes to help finance development in an area or (less frequently) on a project site. Usually, TIF helps pay for infrastructure improvements (streets, sewers, parking lots) in the area near a new development.
- Annual grant equal to 60% of the municipal property tax increase generated by the project for up to 10 years after project completion. Annual grant is equal to 80% of the municipal property tax increase if the project is an attainable housing development. Annual grant is equal to 100% of the municipal property tax increase if the project achieves LEED certification. Maximum grant limit of \$500,000.

### *TAX EXEMPTION FOR ATTAINABLE HOUSING COMPLEXES: ONTARIO PROPERTY TAX EXEMPTIONS FOR APARTMENT BUILDINGS.*

Under Ontario law, all properties are liable to assessment and taxation unless an organization can show its property is exempt. Section 3 of the Assessment Act (the “Act”) lists several exemptions, and, in each case, the Applicant must prove it satisfies the required elements to claim the exemption.



Section 3(1)(12)(iii) grants an exemption from property taxation for:

- Land owned, used and occupied by any charitable, non-profit philanthropic corporation organized for the relief of the poor if the corporation is supported in part by public funds.
- Providing relief from taxation to those organizations satisfying the criteria for a full/partial tax exemption for up to 25 years.

#### **LOW-INCOME HOUSING TAX CREDIT (LIHTC)<sup>31</sup>**

Provides a tax incentive to construct or rehabilitate attainable rental housing for low-income households.

- The Low/Moderate Income Housing Tax Credit (LIHTC) subsidizes the acquisition, construction and rehabilitation of attainable housing (rental and ownership) for lower- and moderate-income tenants.
- Provides tax credits to for-profit or non-profit owners of rental housing used for long-term low/moderate-income housing over a 10+ year period.
- Encourages better location and maintenance of moderate-income housing by enabling competition between developers for tax credits and creating a market test for the viability and need for moderate/low-income housing. This tax credit can be used to complement other government programs helping renters, such as rent supplements, co-operative housing programs, housing allowances and local government programs.

#### **NON-PROFIT OWNED LAND**

Some land in communities is owned by non-profit organizations or faith-based groups. These organizations may be able to make land available for housing through low-cost long-term leases, donating land or providing the land at below market value. In each case, the housing is made more attainable by separating the cost of the buildings from the cost of the land and subsequently reducing or eliminating the latter. Similarly, the non-profit may be able to develop their land, if they have the capacity to do so; partnerships in this case can be very useful. Benefits:

- Because land is donated, this approach requires fewer resources and energy to undertake than other strategies.
- Potential for lower cost housing due to low cost of land.
- Providing land can give private developers an incentive to build attainable market housing.

#### **RESIDENTIAL CONVERSION, REHABILITATION AND INTENSIFICATION PROGRAM: INGERSOLL**

This program provides a loan or grant to encourage property owners to create one or more new residential dwelling units within and near the Downtown core through the rehabilitation, renovation or addition to an existing building(s). The purpose of this program is to encourage an increase in the residential population living in and around the downtown. Proposals may include the demolition of existing buildings to make way for new buildings containing multi-unit residential development,





including registered condominium units. Programs encouraging residential development in the downtown area are important to promote a mix of housing types, tenures and affordability. Renovations that add one or more new residential dwelling units within the existing building. Purpose:

- Assist property owners with the creation of new residential dwelling units within eligible areas.
- Encourage an increase in residential population living in eligible areas.

The town will grant back 50% of the building permit fees associated with residential conversion, rehabilitation and intensification. The town will provide a tax increment grant on improvements creating an increase in assessment over a five-year period with 80% of the tax increase granted back in year one, 70% in year two, 60% in year three, 40% in year four and 20% in year five. The grant will be awarded upon successful completion of all program requirements.

### **REDUCING COSTS BY STREAMLINING APPROVALS AND OTHER INCENTIVES**

As planning and approval processes can add to the cost of developing housing, it makes sense that streamlining these processes for attainable market housing projects will reduce costs to those developing housing. Other incentives encouraging development may include funding support for secondary suite development or other types of land intensification. Some techniques used for lower approval costs include; ‘one stop shopping’ for builders and residents or priority placement in permitting queues.

- Expediting approvals means construction can start sooner, lowering financing costs and risks.
- Providing minor funding or relaxation on charges for creating new units such as secondary suites, lot splits or rental can catalyze housing that might not otherwise occur.

### **DEVELOPER INCENTIVES**

As with most manufacturers, housing developers want to maximize their profits, so the costs of producing a housing unit are passed on to consumers in the form of sale prices and monthly rents. Therefore, any costs the developer incurs during development will impact the price local households pay for their housing.

Developer incentives lower the cost of residential construction and make attainable market housing development more feasible. Incentives, such as density bonuses and impact fee waivers, can be provided to developers at no cost to local jurisdictions while infrastructure and public amenity improvements require financial investments by localities. The Developer Incentives section of this report will focus on the following programs:

- Density Bonuses
- Impact Fee Waiver & Proportional Impact Fees



## **DEVELOPMENT INCENTIVES FOR ATTAINABLE MARKET RENTAL HOUSING**

Development of a minimum of four attainable market housing units in the Historic Townsite. Rents must be kept attainable for the entire duration of the Standard Tax Grant. Rents shall be compared on an annual basis. Rents must be reduced if found to exceed median market rates, whereas owners are encouraged to maintain current rents should they be below median market rates. Recipients are to provide this information with their grant request on an annual basis. Available Incentive:

- Ten years of a Standard Tax Grant — a monetary grant in the amount the developer would have paid in annual municipal taxes as a result of the improvements to the property.
- A waiver of the Load Capacity Charge.
- A waiver of Development Fees.

## **DEVELOPMENT INCENTIVES FOR VACANT AND/OR UNDERDEVELOPED PROPERTY**

Development with a minimum construction value of \$75,000 in the city.

- Five years of a Standard Tax Grant — a monetary grant in the amount the developer would have paid in annual municipal taxes as a result of improvements to the property.

## **DEVELOPMENT INCENTIVES FOR MARKET RENTAL HOUSING**

Development of a minimum of four Market Rental Housing units in the City.

- Ten years of a Standard Tax Grant — a monetary grant in the amount that the developer would have paid in annual municipal taxes as a result of the improvements to the property.

## **DENSITY BONUSES**

Zoning incentives allowing developers to build additional units if a residential project includes a certain number of attainable market housing units. By increasing the allowable density in a given location, density bonuses allow developers to increase profits and can improve the feasibility of underutilized sites. They also result in attainable market housing without requiring public subsidies. Bonuses are commonly targeted to specific districts where a jurisdiction wants to encourage high-density development, such as redevelopment or transit station areas. Density bonuses are a key feature of inclusionary zoning policies. Inclusionary zoning ordinances typically offer density bonuses as the primary incentive to encourage developers to include attainable housing in their residential projects. Highlights:

- Permits developers to build more units at a site than regular zoning allows.
- Provided in exchange for the developer's agreement to build attainable market housing on site.
- Density thresholds (such as 20% of total density) are set by local jurisdictions.
- Bonuses can be provided at no cost to local governments.



## **EXPEDITED PERMITTING**

Delays during any stage of the development process increase the costs of new housing. Expedited permitting for projects with an attainable market housing component can reduce land holding times before development begins and provide greater certainty to the development process. Expedited permitting can include prioritized permit review and approval or creation of a one-stop centre for multi-agency reviews and permitting. As with density bonuses, offering expedited permitting can reduce development costs for attainable market housing without requiring public subsidies. Highlights:

- Fast-tracking review and permitting processes for residential development that include attainable market housing units.
- Helps developers of such projects retain profit margin.
- The program can be employed at no cost to local jurisdictions.

## **IMPACT FEE WAIVER AND PROPORTIONAL IMPACT FEES**

Impact fees are one-time charges assessed on new developments to help pay for new or expanded infrastructure to serve them. Revenue collected through impact fees helps fund the expansion of water and sewer lines to the new development, the building of new or improvement of existing roads or sidewalks in the area and the creation of public amenities such as parks or new schools. Like all other development costs, impact fees add to the final cost of housing. To make attainable market housing projects more attractive to developers, many localities offer to waive the impact fees associated with developments including attainable market housing units. Alternatively, a “proportional” impact fee program may be developed in which impact fees are adjusted according to the size of the housing unit or the location of the new housing. Larger homes and those located in outlying areas where infrastructure does not currently exist usually command a higher fee than smaller, in-town units. Highlights:

- Encourages attainable market housing development by lowering developer costs.
- Makes attainable market housing development more feasible in high-cost areas.
- Impact fees based on housing size may encourage the development of smaller, less expensive housing units.

## **HOUSING ORGANIZATION AND CAPACITY BUILDING**

Whistler Housing Authority (WHA) and Banff Housing Corporation (BHC)

A housing organization is a non-profit entity dedicated to providing and managing non-market housing stock for rent or purchase by qualified individuals and families. In addition to being a repository for attainable market housing units, a housing organization can house expert advisors on attainable market housing, ongoing champions for attainable market housing and in some cases leverage expert skills and knowledge to support other needs such as property management. Housing organizations can also serve specific projects, a municipality or a greater region.



Benefits:

- Attainable market housing is more likely to be produced and effectively managed when a high functioning organization is dedicated to that goal.
- Acts as a community resource for housing.
- Can monitor the process of rentals and resales to ensure individuals and families qualify.
- Can hold housing funds and act as project managers for new developments.

**HOUSING INCENTIVE PROGRAM<sup>32</sup>**

Encourages the building of attainable market housing units and helps stimulate the economy.

- The City provides a grant of up to \$50,000 towards pre-development activities for an attainable market housing project.
- A rebate on eligible City development fees for an attainable market housing project.

This program is only available to non-profit organizations for attainable market housing projects. Both attainable rental and homeownership projects are eligible.



## Appendix C: Financial and Development Models

There are several factors influencing the selection of land uses, heights and appropriate densities for development including community acceptance, existing community character, urban design objectives, transportation requirements, servicing capacity and the ability of the area to absorb new population and employment. However, a key consideration is the mix of uses and the density of new development needed to make redevelopment of existing properties financially viable.

It is important to explore various financial models for different types of development such as:

### **FINANCING: URBAN WEALTH FUND — HAMBURG AND COPENHAGEN**

Hamburg and Copenhagen have improved housing supply by pooling publicly owned assets into an “Urban Wealth Fund”<sup>33</sup> that partners with the private sector to deliver projects. Sharing risks and benefits align the interests of stakeholders and can streamline infrastructure development, planning and land-use regulations.

### **LAND TRUST: (MUNICIPAL LAND AND LAND TRUSTS)**

A real estate land trust is one of many types of trusts.<sup>34</sup> In legal terms, a trust is any arrangement in which one party holds property for another party’s benefit. The property owner never gives up control of the assets — cash, stocks, bonds, real estate — but the trustee becomes the owner for legal purposes.

The function of all trusts is shielding the asset owner from certain legal proceedings and tax exposure. In the case of real estate land trusts, the trust greatly simplifies the process of passing on the real estate to heirs or new owners.

### **LAND BANK<sup>35,36</sup>**

A quasi-governmental entity created by counties or municipalities to effectively manage and repurpose an inventory of underused, abandoned and foreclosed property.

Vacant land is bought and investors may sit on purchased land. The term “land banking” implies almost exactly what it is. Rather than putting cash into a savings account, some entrepreneurs have acquired land, parking their cash in a tangible, fixed asset that cannot be broken, stolen or destroyed.

Often overlooked by investors, land banking is a buy-and-hold technique that, when done correctly, is also relatively low-risk. (i.e.: Manhattan, USA; Shenzhen, China; Dubai, United Arab Emirates; Tokyo, Japan).

### **LAND LEASE HOME OWNERSHIP: COLLINGWOOD, PARKBRIDGE<sup>37</sup>**

Land lease is one approach that can reduce the cost of home ownership. Using the land lease model, you buy and own the building but lease the land it sits on. When you buy a house on leased land, you can get a mortgage as usual.



For families moving into a land lease community, this arrangement offers an opportunity to be homeowners much earlier. For retirees, land lease allows them to live in a house that's equal to — or better than — the home they left and still leaves them with money to maintain their lifestyle. In both situations, the purchase of a land lease home frees up inventory in the overcrowded rental market.

Land lease dwellings offer much more than an attainable entrée into the housing market. Many land lease communities come with amenities you wouldn't get in many traditional communities — swimming pools, community centres, walking trails, clubhouses, and in some cases, the maintenance of the grounds — often for less than you would pay for a typical condominium maintenance fee. As developers, the Parkbridge model of land leasing creates an environment including amenities, management and facilitated benefits long-term, something that can't be done in a traditional build-to-sell development. Parkbridge has a long-term shared equity partnership with homeowners. Each supports the other because of the mutual benefits of creating active, vibrant communities and bringing a new, better model of attainable, achievable housing to Canada, thereby disrupting the status quo.<sup>38</sup>

### **DENSITY BY DESIGN: KINGSTON<sup>39</sup>**

Working on Mid-rise and Tall Buildings Policy to increase density and commitment to smart growth as a city. The planning department is looking at new alternatives for densification allowing for more responsible growth. While still looking at development of detached homes and secondary units to increase housing options in low-rise subdivisions, mid-rise and tall buildings allow for more people, greater affordability and green energy options for a range of lifestyles. Mid-rise and tall buildings use less energy per household and can provide the option to walk, bike or take the bus to work and live a healthier lifestyle. This option makes good use of city infrastructure, prevents urban sprawl and re-directs money to other necessary projects. Mid-rise and tall buildings can be designed to enrich the local streetscape, responding to local natural surroundings, heritage, stable neighbourhoods and the waterfront.

### **AFFORDABLE HOMEOWNERSHIP LOAN PROGRAM<sup>40</sup>**

The City of Stratford Social Services Department recently re-launched its Affordable Homeownership Loan Program, which provides qualified low- to moderate-income households with down payment assistance loans of up to 5% of the purchase price of a home.

The maximum household income limit for applications to the 2020 Affordable Homeownership Loan Program is \$88,400 if applying as a couple or family and \$74,600 if applying as an individual. The current maximum purchase price of an eligible residential property for 2020 is \$396,045. A home inspection is also a mandatory condition of receiving a loan.

### **CO-OPERATIVES**

*See Below (1)*



## **STAKEHOLDER SUPPORT HOUSING FUND (SSHF) HURON COUNTY**

*See Below (2)*

## **HOME OWNERSHIP: OPTIONS INTERNATIONAL<sup>41</sup>**

*See Below (3)*

## **HABITAT FOR HUMANITY**

*See Below (4)*

### **1. Co-operatives**

A housing cooperative or “co-op” is a type of residential housing option that is actually a corporation whereby owners do not own their units outright. Instead, each resident is a shareholder in the corporation based in part on the relative size of their unit.

#### **HOW HOUSING COOPERATIVES WORK**

Owners of a co-op own shares of the cooperative instead of owning their unit outright, unlike a condominium. With some co-ops, owners can sell their co-op shares on the open market, subject to approval by the co-op board and depending on the market rate for co-ops in that location.

Co-ops are often less expensive than rental apartments because they operate on an at-cost basis, collecting money from residents to pay outstanding bills. In areas where the cost of living is high, co-ops may be an attractive option from a financial perspective. However, common fees paid to a co-op may be quite a bit higher than those paid to a condominium association.

In addition to the financial aspect of co-op ownership, there are also social aspects that must be taken into account. Smaller co-ops are run by residents, with everyone contributing to maintenance, landscaping and setting rules. By contrast, larger co-ops may be run by a board of directors consisting of selected residents.

#### **TYPES OF CO-OPS**

The structure of housing co-ops varies. The most popular options include:

- **Market Rate Co-ops:** Allows co-op members to buy and sell shares at whatever rate the market will bear.
- **Limited Equity Co-ops:** Sets restrictions on the price at which shares can be bought and sold.
- **Leasing Co-ops:** The co-op corporation leases the building rather than owning it and accumulates no equity value. In this case, the co-op may have a cash reserve on hand if the building ever goes up for sale.



## **COSTS TO PURCHASE A CO-OP**

Since you are essentially buying shares of a company, look at the co-op's financial situation and meet other residents. They will be both your business associates and your future neighbors.

Before buying, consider the following:

- Location
- Amenities
- Costs
- Ability to lease your unit
- Pets policy
- Insurance requirements

To purchase shares in a co-op, each buyer takes out a share loan instead of a traditional mortgage. These loans operate much like mortgages, but co-op residents are also responsible for paying a pro-rated share of the common costs of maintaining the building.

Known as maintenance, these costs are generally paid monthly and billed on an at-cost basis. Maintenance may or may not include real estate taxes, and the annual maintenance fees tend to go up each year with inflation.

The cost of the property's mortgage may also be included in the monthly fee. Even if an individual tenant has paid off his or her share of the loan, it's possible for the building itself to have a mortgage on it, held by the corporation instead of an individual partner. The share loan pays the cost of buying into the partnership and has nothing to do with the underlying mortgage on the property itself. Buyers are entitled to all of the tax deductions enjoyed by homeowners, including deductions for interest and real estate taxes.

Additional expenses include monthly utility bills for each buyer's residence and insurance costs. While the building itself should be covered under a blanket insurance policy, the contents of each individual residence are not. A personal insurance policy, known as an HO-6, is required to protect personal possessions from water damage, fire, theft and other calamities.

## **SPECIAL CONSIDERATIONS FOR CO-OPS**

Co-ops must abide by the laws governing fair housing, but they can be more restrictive than other housing options when it comes to ownership requirements. Because there is no landlord or tenants, the rules for purchasing shares in the partnership are set by the partners.

When you buy into a co-op, you become a shareholder in a corporation that owns the property. As a shareholder, you are entitled to exclusive use of a housing unit in the property.





## KEY TAKEAWAYS

- A co-op is a way to own a primary residence where homeowners don't own their units outright; instead, each resident is a shareholder in the co-op itself.
- Some co-op owners can sell their co-op shares on the open market, subject to the market rate for co-ops in that location.
- Co-ops can be less expensive than apartments since they operate on an at-cost basis, collecting money from residents to pay expenses.
- Before buying shares of a co-op, be sure to check out the financial situation and fees involved.

## HOUSING FUNDS: CAPITAL REGIONAL DISTRICT (CRD) HOUSING TRUST FUND

There are a number of mechanisms for municipalities to raise funds for attainable market housing and it is important those funds are aggregated into a Housing Fund set up by a municipality, regional government or housing organization. Funding can come from property taxes, works and service charges for new development or from cash-in-lieu contributions from developers using a density bonus or rezoning agreement.


Housing funds provide secure equity assistance, leverage or funds to be applied to any attainable market housing project. This fund can aggregate smaller contributions for greater impact and is easy to set up.

## DESIGN AND OPERATIONAL SAVINGS: BAKER GARDENS, CRANBROOK AND WHISTLER HOUSING AUTHORITY (WHA), PASSIVE HOUSE

The design of housing as well as the construction approach and commitment to energy efficiency can reduce the investment required for housing as well as the ongoing operational costs. Lot sizes, dwelling size/density, the use of common spaces and smart design all impact costs. Construction techniques such as modular housing or prefab housing constructed offsite in a warm, dry environment keep costs down by reducing higher onsite labour costs and weather dependent building conditions. Once design and construction approaches are applied, energy efficient building techniques will reduce operating costs over the life of the building. Benefits:

- More attainable market housing construction and operation costs for housing organizations, renters and homeowners.
- Prefab and modular homes can often be built faster than onsite construction homes.
- Healthier and more comfortable homes.
- Potential economic development opportunity for local builders.

*Example:* Baker Gardens, Cranbrook is a modular housing development with 36 one-story, one-bedroom rental homes. While meant for seniors with disabilities, the model is applicable to other tenants. In partnership with BC Housing, who purchased the modular housing, the development is managed by the Canadian Mental Health Association, Kootenays. Other partners include Columbia Basin Trust (grants) and the City of Cranbrook (land and waived development fees). Modular housing is built with a high energy rating, one of 20 modular home developments across BC.



*Example:* Whistler Housing Authority (WHA), Passive House, has a goal of dramatically reducing the energy use of a dwelling by employing air tightness, increased insulation and better openings and heat exchange ventilation. Energy costs are reduced by close to 2/3 compared to a traditional home and building costs are estimated at 5% above traditional homes. Currently there are three Whistler homes with attainable market housing covenants utilizing a prefabricated passive house approach to speed up construction, reduce operating costs and improve building comfort. The passive homes are also relatively efficiently designed. They are built on small lots, with two of the homes in a duplex configuration and single-family homes housing a suite. The WHA also built a 25-unit passive house rental apartment building on municipally owned land and passed on operating cost savings to tenants.

## 2. Stakeholder Support Housing Fund (SSHF): Huron County

The Stakeholder-Supported Housing Fund model was developed by Huron County Economic Development in response to the acute shortage of attainable market housing observed in 2019 and 2020 across Southwestern Ontario. Home prices throughout the region soared in recent years thanks to the simple economic logic of supply and demand. Many people want inexpensive homes, but such units are in short supply. Rising prices and intense competition for available properties, especially in the sub-\$300,000 market, are driving away workers and having a negative impact on the workforce. Many employers struggle to grow, or even meet existing orders, because they can't find staff.

The Stakeholder-Supported Housing Fund model closes the loop, bringing Huron County's business community on board as key partners in solving housing challenges and ensuring they make a modest profit in the process. Under the SSHF model, business owners who have identified the labour force shortage as a barrier to growth are the initial investors/lenders to a new development company. The development company acquires land and builds homes. These homes are made available as rent-to-own units, with 15–20% of rents being held in escrow, building a nest egg for the tenant. After five to seven years (depending on the type of unit), tenants will have accumulated sufficient capital to take out a mortgage and buy their unit from the development company. Once all units sell, the development company is liquidated and capital returned to investors. Our initial estimates, assuming no major shifts in interest rates or inflation, show investors receiving a CAGR of 2.5–4% over the life of the project — hardly windfall profits, but ahead of inflation.

The toolkit Huron County Economic Development designed allows prospective investors to input a desired number (and type) of units and specify a timeline for development. The model returns calculations of the overall capital costs of the project including how much initial investment will be required, how much funding can be leveraged, how much will be paid out in interest over the lifetime of the project and return on investment/CAGR. The toolkit allows calculations to be based on combinations of single-family detached or semi-detached homes, four- and eight-unit row houses, and 10-unit condominiums. Entry prices for tenants vary slightly depending on location (due to differences in land prices and development charges), with condominium units starting around \$150,000. Monthly rental prices for the equivalent units would be about \$1,000 in the starting year.



The Stakeholder-Support Housing Fund will increase the supply of inexpensive, attainable market housing in Huron County. The fund involves no commitment of public funds and opens up a path to home ownership for people who might otherwise have become lifelong renters. This will help ease labour force challenges, allow Huron County businesses to pursue new opportunities and reach their full growth potential.

### 3. Home Ownership: Options International<sup>42</sup>

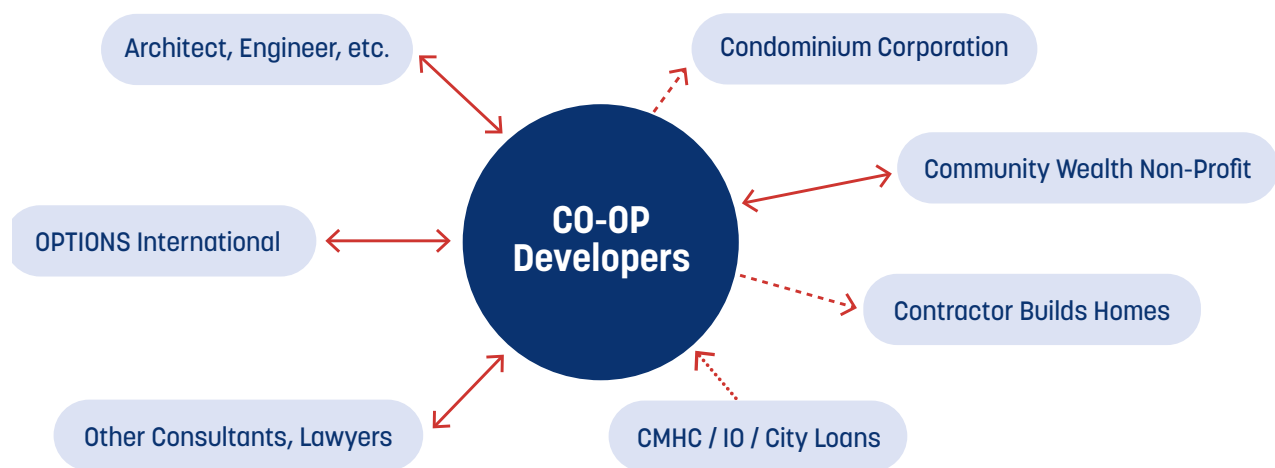
A vibrant and effective housing market is a key ingredient to building a country's economy.

The Options' model presents an opportunity to address housing demand and economic development in a way that is both respectful of local culture and inclusive of a broad spectrum of the population with a goal of delivering 10,000 units of housing and transforming the economy for the better through jobs created.

Model:

- Built on a cooperative business model. No one company/agency/group can do it alone.
- Leverage CMHC, Infrastructure Ontario and municipal loans.
- Takes sustainable numbers of families and individuals off the attainable market housing wait lists.
- Takes a holistic approach to economic development through scalable efforts. The fund grows over time and continues building more housing and investing in the community.
- Focused on moving people to housing ownership and building equity and wealth.

#### KEY FEATURE #1: A NOT-FOR-PROFIT PARTNERSHIP MODEL



## KEY FEATURE #2: COST SAVINGS THROUGHOUT

### CONSTRUCTION COST IS LOWER

- Fewer “frills” and building amenities but maintain high standards of construction quality.
- No complicated design elements.
- Further opportunity to reduce cost and scale with modular/factory construction.

### PROFESSIONAL SERVICES AT A DISCOUNT

- The more units built, the lower the cost for planning, architecture, etc.

### VERY LOW COST FOR MARKETING

- The housing wait lists are the “marketing” list.
- 110,000 households on the Toronto wait list alone.
- Sales commission of \$800-\$1,000/unit.
- No sales office.

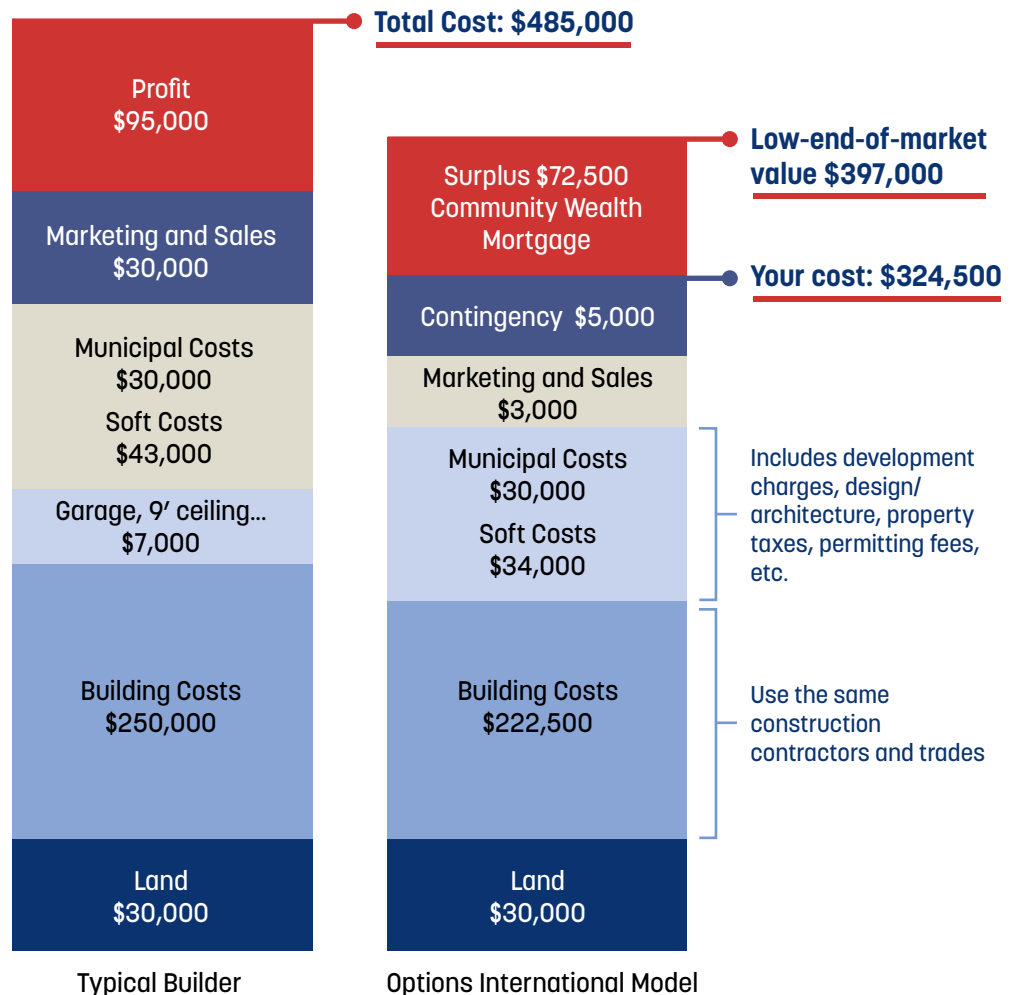
“PROFITS” ARE SURPLUSES USED TO CREATE JOBS AND BUILD EVEN MORE HOMES

### How It’s Done: High Quality Construction, Lower Cost

Calculations based on a 1,100 sq. ft. 3 Bedroom townhouse.

Market cost for land and construction—everything else, especially the profit, is lower.

Market cost for land; if it can be secured for less for increase density, housing can be even more affordable



## KEY FEATURE #3: INNOVATIVE FINANCING MODEL

This is the real secret sauce.

### *1<sup>ST</sup> MORTGAGE IS A CMHC BULK MORTGAGE THAT IS FRACTURED PER UNIT*

- CMHC offers a bulk construction mortgage to build “attainable rentals” administered by Community Wealth and Meridian Credit Union for a modest fee.
- CMHC financing is at 10- or 15-year bond rate (>1%).

### *INFRASTRUCTURE ONTARIO LOAN FOR LAND AND INFRASTRUCTURE-RELATED MUNICIPAL COSTS*

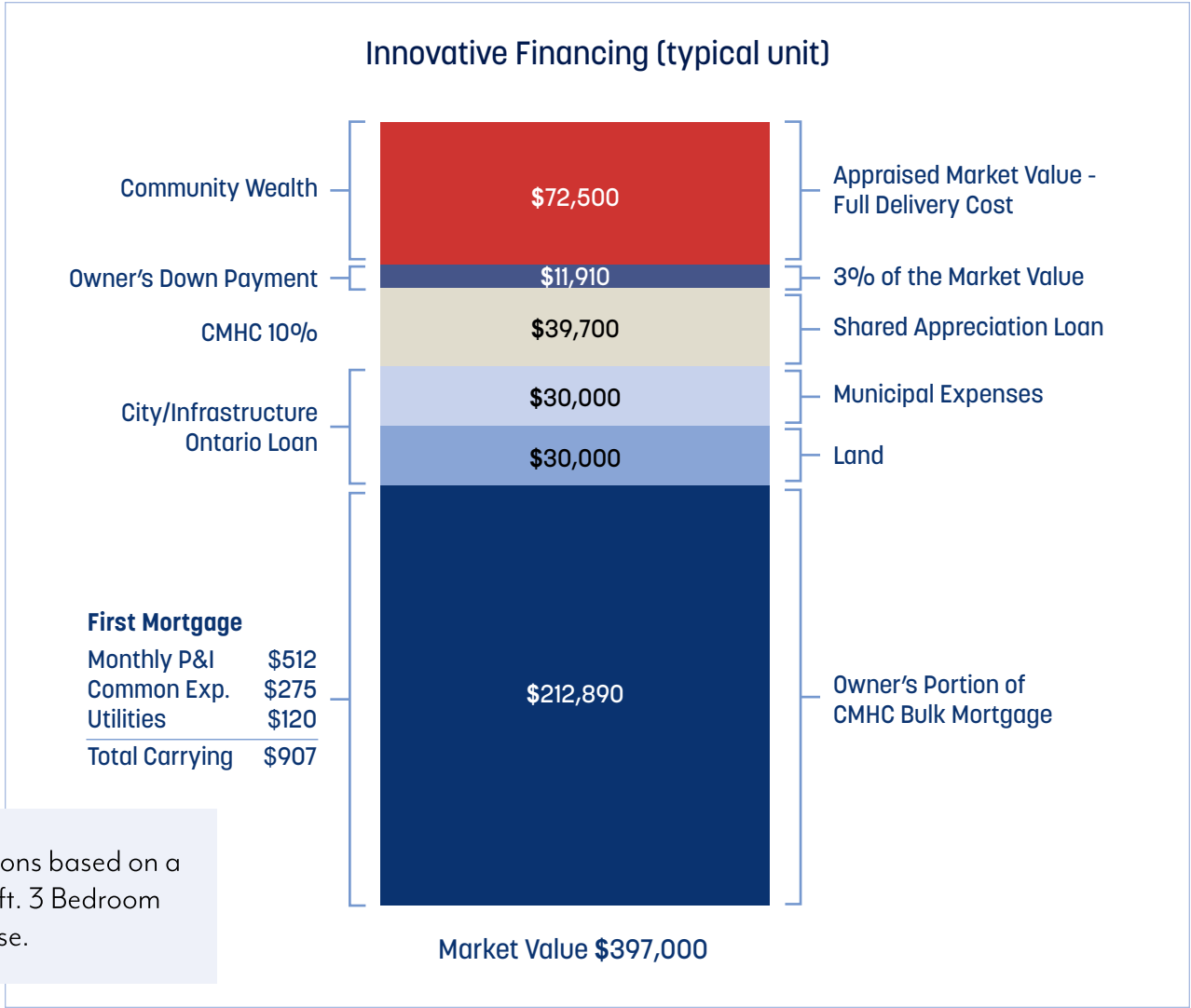
- Provides a loan (guaranteed or borrowed by the municipality) covering municipal expenses such as development charges, permit fees, property tax during construction, etc.
- Ensures the municipality remains “whole.”
- Held as a community wealth second mortgage and paid back on sale of units.
- If municipality or other public entity wishes to lend the land value, an opportunity exists to lower the price or build more units.
- Municipal loan can be included as an equity contribution.
- Property taxes can be deferred (as they are on the construction of attainable market housing rental) and recovered on re-sale + interest.

### *CMHC FIRST TIME HOME BUYERS INCENTIVE – 10%*

- Up to 10% shared equity loan contributing to down payment relief.
- Uptake on this program has been slow so far... offering a bulk opportunity.
- Repaid upon sale or refinancing of the unit using shared appreciation of equity.

### *OWNERS DOWN PAYMENT IS MODEST*

- The pool of those on the wait list who can afford “some” down payment is large.
- Partners (such as Meridian CU) will assist with savings planning and coaching where needed.
- Rent-to-own models can be applied to help transition.
- “Incentivize honesty” — the more you put in, the more equity you get out.



## THE GROWTH OF COMMUNITY WEALTH

### COMMUNITY WEALTH GROWTH FUND

- 60% for additional housing developments.
- 30% for job creation through social enterprises.
- 10% for capacity building.

### COMMUNITY WEALTH MORTGAGE FUND

- Becomes the equity that can be used to build the next project and so on.

### 60% OF SOCIETY'S WEALTH IS GENERATED THROUGH REAL ESTATE

- This program helps modest income families build equity and join the wealth-creation generator enjoyed by so many others.



## 4. Habitat for Humanity Model Overview

### IT STARTS WITH YOU

Everyone deserves a safe and decent place to live. People in our community partner with Habitat Heartland to build homes for families and individuals in need of decent, attainable housing.

### BUILDING HOMES

With the help of volunteers, contractors and skilled tradespeople, Habitat builds decent and attainable homes providing a solid foundation for families to build better, healthier lives.

### FUNDRAISING

Funds are raised to build Habitat homes through cash donations, ReStore sales, gifts of goods and labour and mortgage payments from families and are invested back into the organization to build more homes.

### ATTAINABLE HOME OWNERSHIP

Habitat Heartland homeowners purchase a home at fair market value with no down payment. Families pay an interest-free mortgage and make payments that never exceed 25% of their household income. Families also contribute 500 volunteer hours helping build their own home and the homes of others.

### HABITAT HOMEOWNERS

Families must demonstrate a need for decent, attainable housing. They partner with Habitat to become homeowners by volunteering, attending education workshops on home maintenance and financial literacy (among other subjects) and by making attainable mortgage payments on their home.

### BUILDING FUTURES, STRENGTHENING COMMUNITY

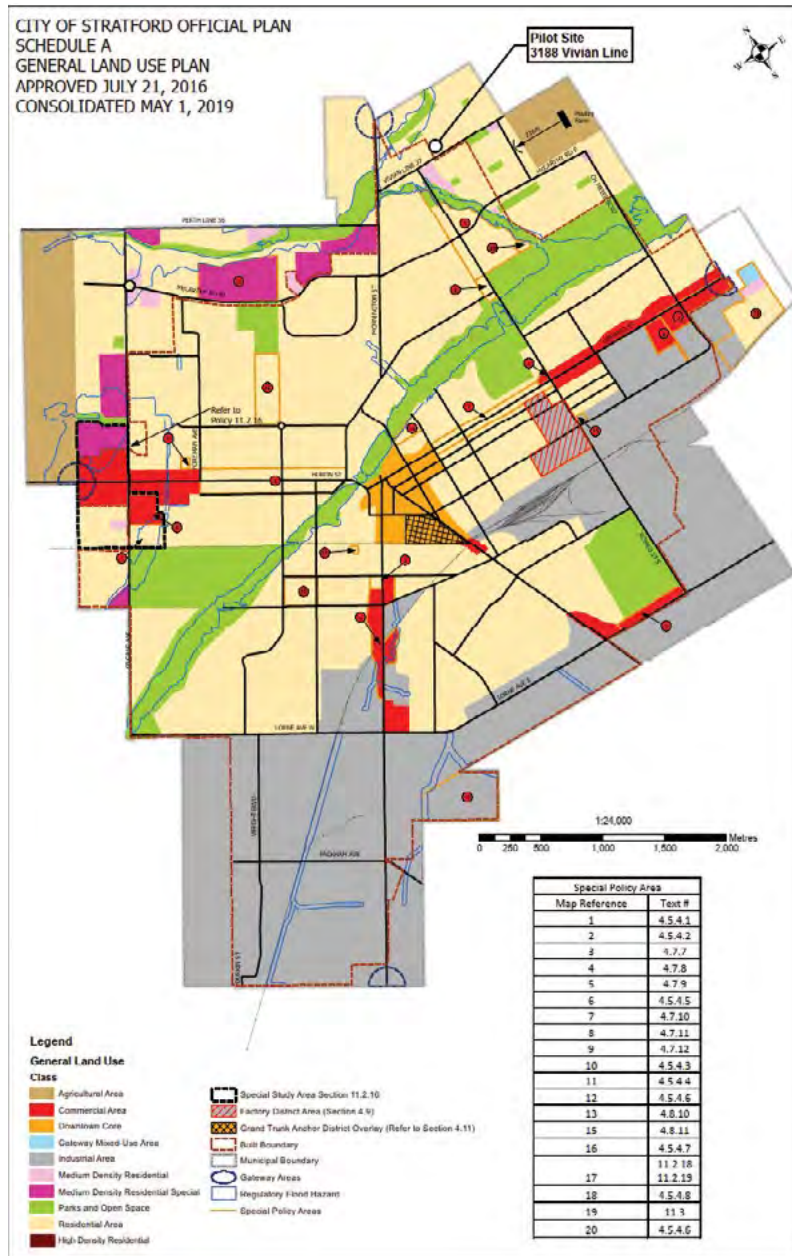
There is a direct correlation between Habitat homeownership and the health and well-being of families. Children see improvements in grades, it relieves financial stress and parents, and children feel safer in their homes and live healthier lives. Wherever Habitat builds, there is tangible evidence that strong, stable homes help build stronger communities.

**Habitat for Humanity Heartland Ontario** partners with families and individuals who cannot afford a conventional mortgage to build and buy simple, decent quality, attainable homes through a no-interest, no down payment mortgage. With monthly payments set at up to 30% of the total household income, the Habitat homeownership solution not only helps provide attainable housing for people in need, it enables low-income earners to build assets, reduce their dependence on social assistance and break the cycle of poverty. Homeowners who own a Habitat Heartland Ontario home are part of a selection process based on a need for housing, an ability to pay a mortgage and a willingness to contribute 500 volunteer hours.

# Appendix D: City Owned Lands

## Site #1: 3188 Vivian Line 37

Schedule A - City of Stratford Official Land Use Plan



### EXISTING INFRASTRUCTURE

The subject site was reviewed for available servicing and servicing constraints. In review of the existing infrastructure and information provided from the City of Stratford Infrastructure and Development Services Department the following is understood:

#### WATER SERVICING

The subject site has an existing 300mm diameter watermain on Vivian Line. As per information provided by the City of Stratford Infrastructure and Development Services, the existing watermain infrastructure on Vivian Line has available capacity to service the future development.

#### SANITARY SERVICING

The subject site has an existing 200mm diameter local sanitary sewer and a 450mm diameter sanitary trunk sewer on Vivian Line. As per information provided by the City of Stratford Infrastructure and Development Services, the existing sanitary infrastructure does not have available capacity and are unable to service the future development.





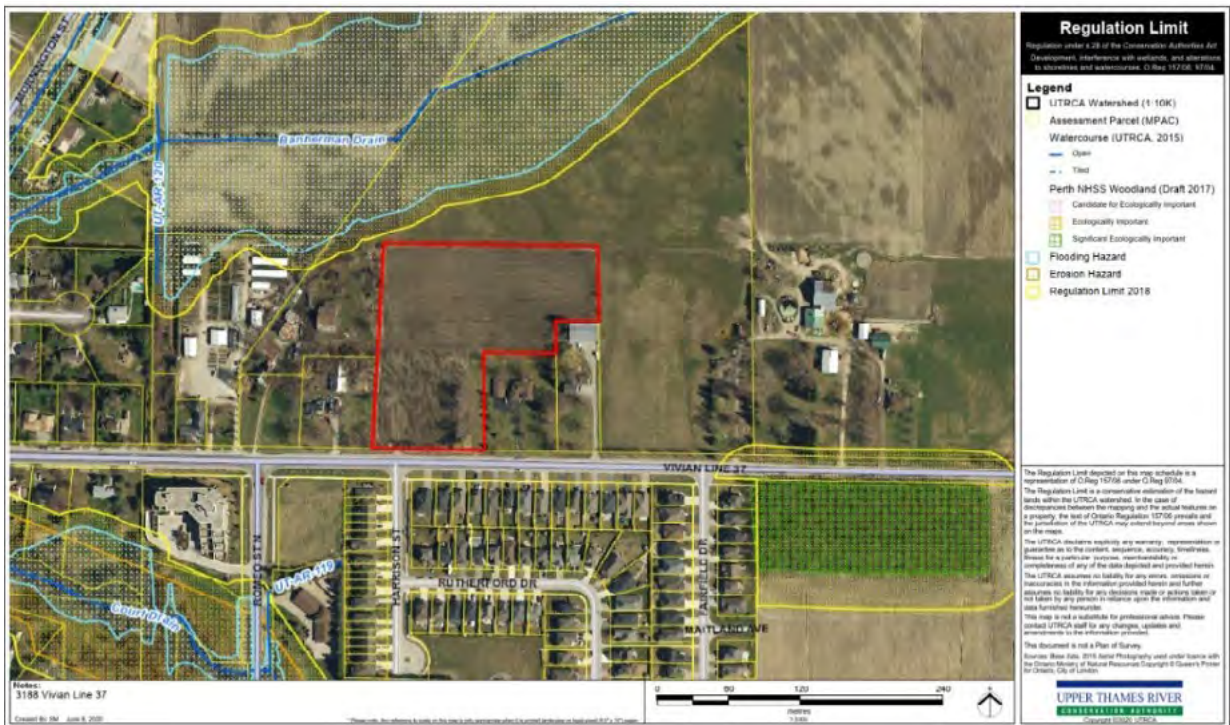
### STORMWATER SERVICE / STORMWATER MANAGEMENT SERVICING

The subject site has an existing 300mm diameter storm sewer and 450mm diameter storm sewer on Vivian Line. As per information provided by the City of Stratford Infrastructure and Development Services, the existing 450mm diameter storm sewer on Vivian Line is considered within the existing stormwater management plan and includes approximately 1.25 hectares of the subject site.

Stormwater management quantity and quality controls will be required for the subject site. Quantity controls for the post development condition of the 1.25 hectares area contributing to the existing stormwater management facility be controlled to the allowable runoff coefficient of C=0.55. Quantity control for the remaining 1.06 hectares is expected to be directed north to the Bannerman Drain and control post development to the predevelopment flow rate. Quality controls will be for post development flows to obtain a Ministry of Environment, Conservation and Parks enhanced level of control.

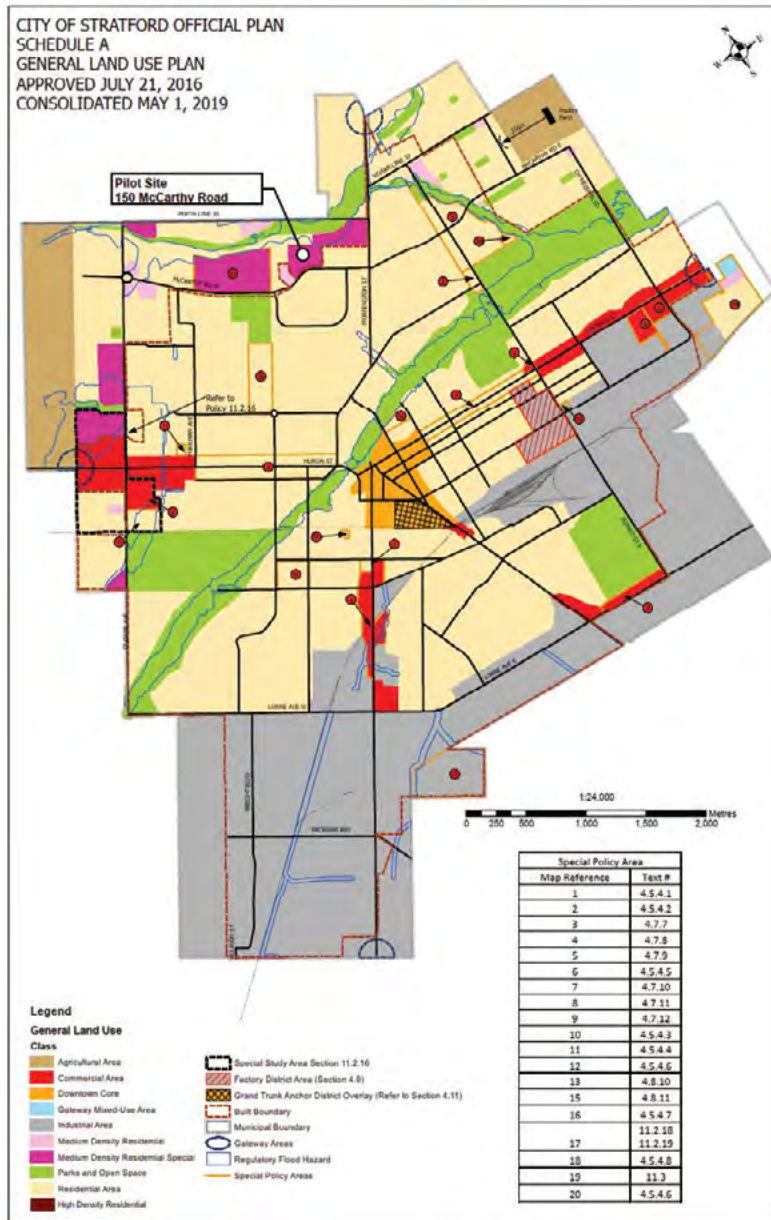
### UPPER THAMES RIVER CONSERVATION AUTHORITY

In accordance with the Upper Thames River Conservation Authority (UTRCA) digital mapping, there are no floodplain hazards and are not subject to regulation requirements and approval.



## Site #2: 150 McCarthy Road West

Schedule A - City of Stratford Official Land Use Plan



### EXISTING INFRASTRUCTURE

The subject site was reviewed for available servicing and servicing constraints. In review of the existing infrastructure and information provided from the City of Stratford Infrastructure and Development Services Department, the following is understood:

#### WATER SERVICING

The subject site has an existing 300mm diameter watermain on McCarthy Road West and an existing 200mm diameter watermain on Deacon Street. As per information provided by the City of Stratford Infrastructure and Development Services, the existing watermain infrastructure on McCarthy Road West and Deacon Street, both have available capacity to service the future development.

#### SANITARY SERVICING

The subject site has an existing 250mm diameter sanitary sewer on Deacon Street and a 250mm diameter sanitary sewer on McCarthy Road West. As per

information provided by the City of Stratford Infrastructure and Development Services, the existing sanitary infrastructure does not have available capacity and are unable to service the future development.

In accordance with the master servicing strategy, the subject site is to be serviced by a future sanitary sewer trunk extension of Bradshaw Drive. To service this site will require approximately 500m of sanitary sewer to be installed through private undeveloped lands. It is expected that



the future development of the vacant lands will provide the subject site with a sanitary service however at this time, it is unknown the expected time of development and ultimately the construction of the trunk sewer to service the subject site.

**STORMWATER SERVICE / STORMWATER MANAGEMENT SERVICING**

The subject site has an existing 300mm diameter storm sewer on Deacon Street and a 375mm diameter storm sewer on McCarthy Road which outlets to an existing 600mm diameter storm sewer at the existing storm maintenance hole. As per information provided by the City of Stratford Infrastructure and Development Services, the existing 375mm diameter storm sewer on McCarthy provides minimal available capacity and will require stormwater management if the development is proposed to be serviced by McCarthy Road West.

Alternatively, stormwater servicing may be proposed to be directed to a preliminarily located regional stormwater management facility in accordance with the City of Stratford West Secondary Plan.

Stormwater management quantity and quality controls will be required for the subject site. Quantity controls for the subject site will be to control the 250-year post development flow rate to the 5-year predevelopment (existing) flow rate. Quality controls will be for post development flows to obtain a Ministry of Environment, Conservation and Parks enhanced level of control.

**UPPER THAMES RIVER CONSERVATION AUTHORITY**

In accordance to the Upper Thames River Conservation Authority (UTRCA) digital mapping, minor floodplain hazards are illustrated and therefore subject to regulation limit and approval.



## Endnotes

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