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<b>TO:</b>	<b>GENERAL COMMITTEE</b>
<b>SUBJECT:</b>	<b>AFFORDABLE HOUSING WATER SERVICE UPGRADE GRANT – ACCESSORY SUITES</b>
<b>WARD:</b>	<b>ALL</b>
<b>PREPARED BY AND KEY CONTACT:</b>	<b>M. JANOTTA, P.ENG., CBCO, CHIEF BUILDING OFFICIAL EXT. 4501</b>  <b>C. MARCHANT, MANAGER OF WATER OPERATIONS EXT. 6145</b>
<b>SUBMITTED BY:</b>	<b>M. JANOTTA, P.ENG, CBCO CHIEF BUILDING OFFICIAL</b>
<b>GENERAL MANAGER APPROVAL:</b>	<b>A. MILLER, RPP GENERAL MANAGER, INFRASTRUCTURE AND GROWTH MANAGEMENT</b>
<b>CHIEF ADMINISTRATIVE OFFICER APPROVAL:</b>	<b>M. PROWSE, CHIEF ADMINISTRATIVE OFFICER</b>

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### **RECOMMENDED MOTION**

1. That the upgrading of water service within the municipal right of way to a one inch diameter or larger, as required by the Infrastructure Department's Water Transmission and Distribution Policies and Design Guideline, for new accessory suites that meet the City's eligibility criteria for affordable housing be supported.
2. That an Affordable Housing Water Service Upgrade Grant in the amount 50% of the cost to upgrade the water service within the municipal right of way, with an upset limit of \$5,000.00 per property, be funded from the Water Capital Reserve and that the annual grant allocation does not exceed \$50,000.

### **PURPOSE & BACKGROUND**

#### **Report Overview**

3. The Province of Ontario has passed legislation (More Homes, More Choices Act, 2019, Bill 108) to encourage the creation of affordable housing. One of the ways this is done in the legislation is to allow accessory suites in addition to a house (which in itself can contain two units) on lots that are zoned for single detached, semi-detached and rowhouse dwelling units. The City of Barrie has included these provisions within the Zoning By-law to allow for the construction of accessory suites (must be detached from the primary dwelling unit), resulting in up to three residential units permitted on lands permitting single detached, semi-detached and rowhouse dwelling units.
4. Creating three residential units on a single property typically requires an upgrade to the water line servicing the property, as the original servicing likely only contemplated one residential unit on the property. The result of using the original service line is very often inadequate water pressure and flows to each unit.

5. The City of Barrie is currently processing several applications for accessory suites. The size of water service has become a noticeable challenge. The Building and Infrastructure Departments have prepared a Standard Operating Procedure describing how to effectively process and coordinate these applications, specifically with regard to the servicing component (refer to Appendix 'A' attached).
6. The cost of upgrading the municipal water service within the municipal right of way can have significant financial implications, potentially prohibitive, to the development of these suites as affordable housing. A Grant Program presents an opportunity to support opportunities for affordable housing within the City of Barrie.
7. The City of Barrie's definition of "affordable" rental is: A unit for which the rent does not exceed 30 percent of gross annual household income for low to moderate income households. Annual household income will be based upon the most recent Census of Canada statistics for the City of Barrie which is updated every five years. Low to moderate income: means households with an annual household income in the lowest 40th percentiles. This definition is also used in the CIP to confirm eligibility for affordable housing grants.
8. Accessory suites that meet the affordable housing criteria at the time of application will be considered eligible for the grant.

#### **ANALYSIS**

9. The Ontario Building Code requires the water service be sized in order to provide adequate water pressure and flow for residential occupancies. Frequently this requires an upgrade of the existing water service, which must extend to the watermain within the municipal right of way.
10. The cost of upgrading the water service within the municipal right of way varies between \$5,000.00 and \$15,000.00. A Grant providing 50% of this cost (with an upset grant of \$5,000.00 per property) will help make this new form of development, which was intended to provide increased housing opportunities, more affordable if improved water service is required.
11. A potential volume of 10 accessory suite applications per year (based on projected application rates), requiring water service upgrades and meeting the affordable housing criteria, would result in a cost to the City of Barrie on average of \$50,000 annually.
12. Applicants would have to demonstrate that the accessory unit meets the affordable housing criteria at the time of application. An agreement to keep the suite affordable for 20 years (similar to CIP grant requirements) would be entered into and registered on title. Should the suite not remain affordable, the Affordable Housing Water Service Upgrade Grant would be repayable.
13. The grant is intended to support affordable housing proposals where servicing upgrades make it challenging to keep costs within the affordable range. For proposals that are not "affordable", servicing upgrades are part of the cost of development and should be incorporated into any business proforma.

#### **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

14. There are no environmental and climate change impact matters related to the recommendation.

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## **ALTERNATIVES**

15. The following alternatives are available for consideration by General Committee:

**Alternative #1**

General Committee could decide not to endorse this program resulting in the applicant bearing 100% of the cost to upgrade the water service infrastructure within the municipal right of way.

This alternative is not recommended as it does not support Council's strategic goals related to affordable housing within the City of Barrie.

**Alternative #2**

General Committee could alter the proposed recommendation by agreeing to a lesser amount of the Grant or having a different upset limit to the total Grant money available for the Program.

While still supporting an affordable housing initiative, this alternative may result in fewer/more affordable units being created within the City.

## **FINANCIAL**

16. The costs associated with this Program will need to be included in the 2021 Business Plan. Costs to upgrade water are estimated at \$10,000.00 per project, on average. The cost to the City of Barrie is estimated to be approximately \$50,000 annually. This is based on a 50% Grant for infrastructure upgrading (up to a \$5,000.00 maximum per property) for up to 10 applications.
17. Funding requirements will be from the Water capital reserve.

## **LINKAGE TO 2018–2022 STRATEGIC PLAN**

18. The recommendations included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:
- ☒ Growing Our Economy;
  - ☒ Fostering a Safe and Healthy City; and
  - ☒ Building Strong Neighbourhoods.

APPENDIX "A"  
Standard Operating Practice

