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NEW MUNICIPAL HOUSING FACILITIES BY-LAW

The Community and Health Services Committee recommends the adoption of the recommendations contained in the following report dated March 26, 2010, from the Commissioner of Community and Health Services and the Regional Solicitor.

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council enact a new Municipal Housing Facilities By-law.

2. By-law No. A-0314-2002-096, as amended by By-law No. A-0314(a)-2007-028, be repealed, effective the date of enactment of the new Municipal Housing Facilities By-law.

2. PURPOSE

The purpose of this report is to request that Regional Council enact a new Municipal Housing Facilities By-law. A new Municipal Housing Facilities By-law will:

(i) consolidate amendments made to By-law No. A-0314-2002-096 enacted by Regional Council in December 2002;
(ii) provide that eligibility for affordable housing is determined by the applicable provincially mandated program criteria, or in the absence of provincial criteria, by such Regional criteria as may be established by Regional Council;
(iii) expand the scope of assistance that the Region can provide to its' Housing Providers.

3. BACKGROUND

Municipal Capital Facilities Agreements encourage new affordable rental housing development

Section 110 of the *Municipal Act, 2001* (the Act) grants municipalities the authority to enter into agreements in respect of municipal capital facilities with private and non-profit sector partners, and to provide financial and other forms of assistance to such partners without violating the "bonusing" provisions of the Act.

In 2001, the class of "municipal housing project facilities" was added to the classes of municipal capital facilities for which municipalities can enter into agreements pursuant to section 110 of the Act. The purpose of this addition was to encourage new affordable rental housing development.

In the context of affordable housing, these agreements are referred to as Municipal Housing Project Facilities Agreements. Assistance granted by a municipality pursuant to a Municipal Housing Project Facilities Agreement may include: exemptions from municipal and school property taxes; exemptions from municipal development charges; and financial assistance including giving or lending money, and giving, lending, leasing, or selling property at or below market rates. In exchange, the housing provider contracts with the Region to provide a specified number of affordable housing units for a period of at least 20 years.

Municipal Housing Facilities By-law must comply with the *Municipal Act, 2001*

In order to enter into a Municipal Housing Project Facilities Agreement municipalities are first required by the Act to enact a Municipal Housing Facilities By-law that complies with prescribed criteria. Ontario Regulation 603/06 provides that a Municipal Housing Facilities By-law shall at least contain a definition of "affordable housing", policies regarding public eligibility for housing units to be provided, and a list of provisions that Municipal Capital Facilities Agreement's are required to contain.

First Municipal Housing Facilities By-law enacted December, 2002

In December 2002, Regional Council enacted its first Municipal Housing Facilities By-law (A-0314-2002-096) to permit the Region to enter into municipal housing project facilities agreements with housing providers for the purpose of encouraging the development of affordable rental housing. (Clause No. 8 of Report No. 5 of the Community Services and Housing Committee, November 8, 2001).

Municipal Housing Facilities By-law amended February, 2007

In February 2007, Regional Council approved certain technical amendments to the Municipal Housing Facilities By-law (Clause No. 2 of Report No. 2 of the Community Services and Housing Committee, January 24, 2007) including, most significantly, amendments to confirm Council's right to grant development charge relief to housing providers without a corresponding requirement to grant property tax relief.

4. ANALYSIS AND OPTIONS

Staff recommend two amendments to the Municipal Housing Facilities By-law: (a) Change the eligibility criteria; and (b) Expand the scope of assistance available to housing providers

Eligibility would be based on the household's acceptance to the centralized wait list rather than specific income limits

Under the existing Municipal Housing Facilities By-law, a household is eligible for affordable housing, if its household income is at or below a specific threshold amount that is determined in accordance with a formula set out in the Municipal Housing Facilities By-law. The formula specified in the By-law is problematic because it is static and requires By-law amendment in order to reflect changes in eligibility criteria made, from time to time, as a condition of participation in Federal/Provincial affordable housing funding initiatives.

It is proposed that references to income limits be deleted from the Municipal Housing Facilities By-law and that instead household eligibility for affordable housing be determined by a household's acceptance to the centralized wait list maintained by the Region and/or wait lists maintained by housing providers in accordance with Provincial and/or Regional criteria. Under proposed criteria, households on the centralized wait list, or a housing provider wait list, will be eligible for unsubsidized affordable housing provided that household income is at or below the 50th income percentile applicable to households in York Region as determined by Statistics Canada. Programs that reduce rents through rent-geared-to-income or other forms of assistance are subject to their respective funding rules and distinct from the By-law eligibility requirements.

The proposed change to eligibility criteria in the new Municipal Housing Facilities By-law will permit the Region to respond to changing Provincial and Federal affordable housing eligibility criteria without the necessity of returning to Council for repeated By-law amendments.

Amended By-law would permit additional assistance for housing providers, including loan guarantees and the provision of services by Regional employees

The existing Municipal Housing Facilities By-law does not empower the Region to grant housing providers the full range of assistance permitted by the Act. The Act presently provides that a municipality may give a housing provider the following additional assistance: (i) loan guarantees; and (ii) services provided by municipal employees. If enacted, the new Municipal Housing Facilities By-law would give Council the option of providing this additional assistance to housing providers when Council considers appropriate.

5. FINANCIAL IMPLICATIONS

There are no immediate financial implications for the Region arising from enactment of the new Municipal Housing Facilities By-law. However, in the event that Council considers exercising its discretion to provide financial assistance, tax relief or development charge relief to assist in the development of a particular affordable housing project the associated costs can be assessed at the time of request.

6. LOCAL MUNICIPAL IMPACT

Local municipalities will benefit to the extent that the Municipal Housing Facilities By-law is used as a tool to encourage the construction of affordable housing in their communities.

7. CONCLUSION

The new Municipal Housing Facilities By-law will permit the Region to participate in Provincial and Federal affordable housing initiatives, assist affordable housing projects in attaining financial viability, and advance the Region’s principle of promoting income integration in its housing communities.

While the new By-law permits additional actions that would include the provision of loan guarantees and provision of services by Regional employees, the provision of any assistance will be determined on a case by case basis based on what is appropriate and desirable for the project and the Region, at the time application is made. All such assistance would continue to be presented before Council for approval.
For more information on this report, please contact Dean Horner, Senior Counsel, Legal Services Branch at Extension 1408 or Sylvia Patterson, General Manager, Housing and Long Term Care Branch at Extension 2091.

The Senior Management Group has reviewed this report.