

7

CONDITIONAL GRANTS EQUAL TO DEVELOPMENT CHARGES FOR AFFORDABLE HOUSING PROJECTS

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated February 24, 2010, from the Commissioner of Finance and Commissioner of Community and Health Services.

1. RECOMMENDATIONS

It is recommended that:

1. A site specific by-law, as set out in *Attachment 1* and 2, be enacted pursuant to the Municipal Housing Facilities By-law, to permit the Region to enter into a municipal housing project facilities agreement for the affordable housing project for each of the following community groups:
 - Voice of the Vedas Cultural Sabha Inc.
 - DeafBlind Ontario Services
2. Council authorize conditional grants equal to the amount of Regional development charges payable on the affordable housing projects listed above, which shall be paid from the Social Housing Reserve Fund, subject to confirmation that the project has received all necessary municipal approvals and meets the criteria outlined in this report.
3. The Commissioner of Community and Health Services be authorized to execute municipal housing project facilities agreements and other ancillary documents, including security documents, to give effect to the above recommendations.
4. Regional Clerk forward a copy of this report to the Town of Richmond Hill and the Town of Georgina to facilitate consideration of off-setting or waiving the local development charges for the project(s) in their respective municipality.

2. PURPOSE

Site-specific by-law required for affordable housing projects

This report requests enactment of site-specific by-laws to permit the Region to enter into municipal housing project facilities agreements with two community agencies in order to provide a conditional grant equal to the Regional development charges for their projects.

3. BACKGROUND

Region's conditional grant equal to development charges policy

On March 28, 2002, through the adoption of Clause No. 2 of Report No. 3 of the Finance and Administration Committee, Regional Council adopted the policy of providing conditional grants equal to Regional development charges for non-profit groups who are building affordable housing in York Region.

Regional Council also passed a Municipal Housing Facilities (MHF) By-law on December 19, 2002, outlining in detail the terms by which applicants must abide, including non-profit corporations, to receive benefits from the Region in respect to building affordable housing. These terms included the length of the agreement, the ongoing definition of rent affordability, household income limits, and the ability of the Region to enter into rent supplement agreements at its discretion with the landlord. The MHF By-law requires that the Region and the housing provider enter into a municipal housing project facilities agreement that provides for these terms and conditions.

On June 12, 2003, through the adoption of Clause No. 12 of Report No. 6 of the Community Services and Housing Committee, Regional Council approved an application process with respect to its policy of providing conditional grants equal to Regional development charges paid by eligible organizations developing affordable housing. Essentially the process requires that the applicant complies with the provisions of the MHF By-law.

Council recommended to the Province a list of affordable housing projects for funding under the Canada-Ontario Affordable Housing Program (AHP) 2009 Extension

In September 2009, following the completion of a Request for Proposals (RFP) process, Regional Council approved, through the adoption of the recommendations of the private report, "Recommendations for Funding under the Canada-Ontario Affordable Housing Program 2009 Extension" of the Community and Health Services Committee, a list of community affordable housing projects to be recommended to the Minister of Municipal Affairs and Housing to receive funding under the Canada-Ontario Affordable Housing Program (AHP) 2009 Extension. The Minister has provided a conditional letter of commitment to provide AHP 2009 Extension funding to the following agencies.

- Voice of the Vedas Cultural Sabha Inc. – 25 units.
- DeafBlind Ontario Services – 4 bed Group Home

Contribution agreements have been executed for each affordable housing project

The Region has executed a Contribution Agreement with Voice of Vedas Cultural Sabha Inc. and DeafBlind Ontario Services regarding their affordable housing projects. These agreements set out the terms and conditions pertaining to their rights and obligations under the AHP 2009 Extension. These terms and conditions include compliance with the MHF By-law in terms of affordable rents, length of agreement, eligibility for affordable rental units, security provisions and assignment provisions. Generally speaking, the Contribution Agreement contains those provisions that would be contained in a municipal housing project facilities agreement which is required under the MHF By-law.

4. ANALYSIS AND OPTIONS

Process to give effect to the conditional grants equal to development charges

Both community agencies have asked for relief from the payment of Regional development charges on their projects. Development charges are payable upon the issuance of a building permit. In the case of the Voice of the Vedas Cultural Sabha Inc. project the group has already paid the Regional development charges therefore the Region would provide a grant equal to the amount they paid at that time. The amount of development charges for the housing projects for which a conditional grant is sought is set forth in Table 1 based upon the current project information.

Table 1
Conditional Grants Requested

Agency Developing Affordable Housing Project	Amount
Voice of the Vedas Cultural Sabha Inc.	\$153,194.09 (1)
DeafBlind Ontario Services	24,181.00 (2)
Total	\$177,375.09

(1) The Region received payment from the group on June 17, 2009.

(2) The amounts may change if the development charge rates in effect at the time of issuance of the building permit have changed from current rates.

To provide a conditional grant the Region must enter into a municipal housing project facilities agreement with the group

As required by the MHF By-law, the Region must enter into a municipal housing project facilities agreement with each group in order to provide the conditional grant. As stated previously, this agreement will include the terms and conditions set forth in the MHF By-law including but not limited to the term of the agreement being not less than 20 years,

each housing unit shall meet the definition of affordable rental housing, and the Region may register the agreement on title.

Prior to entering into a municipal housing project facilities agreement, the MHF By-law requires Council to enact a site-specific by-law for each housing project.

5. FINANCIAL IMPLICATIONS

Regional contribution will leverage over \$5.4 million in affordable rental housing in York Region

The Regional development charges for these projects are estimated, in total, to be \$177,375.09. These development charges have been and will be paid to the Region upon building permit issuance. The offsetting conditional grant in the same amount will be funded by the Region's Social Housing Reserve Fund. Adequate funds remain in the Region's Social Housing Reserve Fund.

The Region's contribution will leverage over \$5.4 million in construction for much needed affordable rental housing in York Region.

6. LOCAL MUNICIPAL IMPACT

The local municipality in which a new affordable housing project is built provides York Region residents with affordable alternatives in meeting their housing needs.

Recent projects have come forward and been approved where the local municipalities have offset development charges or other associated fees. It has been suggested that perhaps this course of action is something to be done on a routine basis given the precedent that had been set. Recommendation #4 is put forth in response to this possible action.

7. CONCLUSION

This report asks Regional Council to provide conditional grants equal to the development charges to two approved affordable housing projects under the Affordable Housing Program (AHP) 2009 Extension. It requires that Regional Council enact a site-specific by-law for each housing project, pursuant to the Region's Municipal Housing Facilities By-law.

Report No. 3 of the Finance and Administration Committee
Regional Council Meeting of March 25, 2010

For more information on this report, please contact Dean Horner, Senior Counsel at Ext. 1408 or Sylvia Patterson, General Manager of Housing and Long Term Care at Ext. 2091.

The Senior Management Group has reviewed this report.

(The two attachments referred to in this clause were included in the agenda for the March 4, 2010 Committee meeting).

THE REGIONAL MUNICIPALITY OF YORK

BILL NO. 17

BY-LAW NO. XXXX-XX

A By-law to authorize the entering into of municipal housing project facilities agreements for the provision of affordable housing.

WHEREAS subsection 110(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25 provides that the council of a municipality may enter into agreements for the provision of municipal capital facilities with any person;

AND WHEREAS, Regional Council enacted By-law No. A-0314-2002-096, as amended by By-law No. A-0314(a)-2007-028 (collectively, the “Municipal Housing Facilities By-law”) to permit the Region to enter into municipal housing project facilities agreements under subsection 110(1) of the *Municipal Act, 2001*;

AND WHEREAS the Municipal Housing Facilities By-law sets out the terms and conditions to be included in a municipal housing project facilities agreement;

AND WHEREAS a municipal housing project facilities agreement may provide financial assistance to a housing provider with respect to the provision of facilities that are subject to the agreement;

AND WHEREAS prior to entering into a municipal housing project facilities agreement, the Municipal Housing Facilities By-law requires that Regional Council enact a site specific by-law in respect of those facilities;

AND WHEREAS Regional Council is desirous of entering into a municipal housing project facilities agreement with Voice of the Vedas Cultural Sabha Inc. for the provision of municipal housing project facilities, namely, a municipal affordable housing project called Anand Bhawan, to be located at 15 Garden Avenue, in the Town of Richmond Hill.

NOW THEREFORE, Council of The Regional Municipality of York HEREBY ENACTS as follows:

1. The Regional Municipality of York is authorized to enter into a municipal housing project facilities agreement pursuant to subsection 110(1) of the *Municipal Act, 2001* with Voice of the Vedas Cultural Sabha Inc. for the provision of municipal housing project facilities, namely, a municipal

affordable housing project called Anand Bhawan, to be located at 15 Garden Avenue, in the Town of Richmond Hill.

ENACTED AND PASSED this 25th day of March, 2010.

Denis Kelly
Regional Clerk

Bill Fisch
Regional Chair

Authorized by Clause , Report , of the Finance and Administration Committee on the 25th day of March, 2010.

YORK#1588225

THE REGIONAL MUNICIPALITY OF YORK

BILL NO. 18

BY-LAW NO. XXXX-XX

A By-law to authorize the entering into of municipal housing project facilities agreements for the provision of affordable housing.

WHEREAS subsection 110(1) of the *Municipal Act, 2001*, S.O. 2001, c. 25 provides that the council of a municipality may enter into agreements for the provision of municipal capital facilities with any person;

AND WHEREAS, Regional Council enacted By-law No. A-0314-2002-096, as amended by By-law No. A-0314(a)-2007-028 (collectively, the “Municipal Housing Facilities By-law”) to permit the Region to enter into municipal housing project facilities agreements under subsection 110(1) of the *Municipal Act, 2001*;

AND WHEREAS the Municipal Housing Facilities By-law sets out the terms and conditions to be included in a municipal housing project facilities agreement;

AND WHEREAS a municipal housing project facilities agreement may provide financial assistance to a housing provider with respect to the provision of facilities that are subject to the agreement;

AND WHEREAS prior to entering into a municipal housing project facilities agreement, the Municipal Housing Facilities By-law requires that Regional Council enact a site specific by-law in respect of those facilities;

AND WHEREAS Regional Council is desirous of entering into a municipal housing project facilities agreement with DeafBlind Ontario Services for the provision of municipal housing project facilities, namely, a municipal affordable housing project called Hurtick House, to be located at 65 Alexander Blvd., in the Town of Georgina.

NOW THEREFORE, Council of The Regional Municipality of York HEREBY ENACTS as follows:

1. The Regional Municipality of York is authorized to enter into a municipal housing project facilities agreement pursuant to subsection 110(1) of the *Municipal Act, 2001* with DeafBlind Ontario Services for the provision of municipal housing project facilities, namely, a municipal affordable housing

project called Hurtick House, to be located at 65 Alexander Blvd., in the Town of Georgina.

ENACTED AND PASSED this 25th day of March, 2010.

Denis Kelly
Regional Clerk

Bill Fisch
Regional Chair

Authorized by Clause , Report , of the Finance and Administration Committee on the 25th day of March, 2010.

YORK#1588386