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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, May 26, 2008, from the Commissioner of Finance and the Commissioner of Community and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. A site-specific by-law as set out in *Attachments 1 through 4* 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 of each of the following community agencies:
 - Hesperus Fellowship Community of Ontario/Hesperus Fellowship Village.
 - Kehilla Residential Programme/REENA.
 - Markham Interchurch Committee for Affordable Housing/East Markham Non-Profit Homes Inc..
 - Mount Albert United Church/Mount Albert United Church Senior Citizens Foundation.
2. Council authorize conditional grants equal to the amount of Regional development charges payable on each of these four affordable housing projects, 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, subject to the prior review of Legal Services.
4. A copy of this report be forwarded to the Town of East Gwillimbury, the Town of Markham and the City of Vaughan to encourage them to consider 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 is to enact site-specific by-laws for four affordable housing projects to permit the Region to enter into municipal housing project facilities agreements with four community agencies in order to provide a conditional grant equal to the Regional development charges for that project.

3. BACKGROUND

Council approves four affordable housing projects for recommendation for funding under the Canada-Ontario Affordable Housing Program

In April 2007 (Private Report, April 11, 2007, Community Services and Housing Committee), following the completion of a Request for Proposals process, Regional Council approved four affordable housing projects to recommend them to the Minister of Municipal Affairs and Housing to receive conditional funding commitments under the Rental and Supportive Housing component of the Canada-Ontario Affordable Housing Program. The Minister has provided a conditional letter of commitment to provide Affordable Housing Program funding for the projects of each of the following agencies:

- Hesperus Fellowship Community of Ontario/Hesperus Fellowship Village - 60 units (City of Vaughan).
- Kehilla Residential Programme/REENA - 60 units (City of Vaughan).
- Markham Interchurch Committee for Affordable Housing/East Markham Non-Profit Homes Inc. - 120 units (Town of Markham).
- Mount Albert United Church/Mount Albert United Church Senior Citizens Foundation - 30 units (Town of East Gwillimbury).

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 approved the provision of 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 By-law on December 19, 2002 through the adoption of Clause No. 7 of Report No. 6 of the Community Services and Housing Committee, 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 Municipal Housing Facilities 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 Municipal Housing Facilities By-law.

Contribution agreements executed for each affordable housing project

During the course of the last 8 months, the Region has executed a Contribution Agreement with each of these four community agencies in respect of their respective affordable housing projects, which agreements set out the terms and conditions pertaining to their rights and obligations under the Affordable Housing Program. These terms and conditions include compliance with the Municipal Housing Facilities 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 Municipal Housing Facilities By-law.

4. ANALYSIS AND OPTIONS

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

Each of the four community agencies has asked for relief from the payment of development charges on their projects. Development charges are payable upon the issuance of a building permit. The amount of development charges for each housing project for which a conditional grant is sought is set forth in Table 1 based upon the current project information:

Table 1
Development Charges

Agency Developing Affordable Housing Project	Amount (1)
Hesperus Fellowship Village	\$ 666,966
REENA	623,064
East Markham Non-Profit Homes Inc.	1,382,712
Mount Albert Senior Citizens	326,166
Total	\$2,998,908

(1) 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.

As required by the Municipal Housing Facilities By-law, the Region must enter into a municipal housing project facilities agreement with each agency in order to provide the conditional grant. As stated previously, this agreement will include the terms and conditions set forth in the Municipal Housing Facilities 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 Municipal Housing Facilities By-law requires Council to enact a site-specific by-law for each housing project.

5. FINANCIAL IMPLICATIONS

The Regional development charges for these projects are estimated, in total, to be approximately \$3 million and will be funded by the Region's Social Housing Reserve Fund.

6. LOCAL MUNICIPAL IMPACT

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

7. CONCLUSION

This report asks Regional Council to provide conditional grants equal to the development charges to four approved affordable housing projects under the Affordable Housing Program. 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.

For more information on this report, please contact Janis Vanderburgh, Senior Counsel at Ext.1408.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause were included in the agenda for the June 5, 2008 Committee meeting.)