

- 5. HABITAT FOR HUMANITY GREATER OTTAWA DEFERRAL OF DEVELOPMENT CHARGES AND HOMEOWNERSHIP DOWN PAYMENT ASSISTANCE FOR 6208 JEANNE D'ARC BOULEVARD**
- REPORT DES REDEVANCES D'AMÉNAGEMENT ET PRÊT-SUBVENTION D'AIDE POUR LA MISE DE FONDS POUR L'ACCÈS À LA PROPRIÉTÉ POUR LE 6208, BOULEVARD JEANNE D'ARC**

### **COMMITTEE RECOMMENDATIONS**

That Council approve:

- 1. a deferral and forgiveness after 35 years of the non-transit component of the development charges in the estimated amount of \$340,000 for 6208 Jeanne D'Arc Boulevard, subject to Habitat for Humanity Greater Ottawa entering into an agreement as set out in this report, pursuant to Section 107 of the *Municipal Act, 2001*;**
- 2. a forgivable loan of \$400,000 under the Investment for Affordable Housing for Ontario (IAH) 2014 Extension Program - Homeownership Down Payment Assistance component subject to Habitat for Humanity Greater Ottawa entering into an agreement as set out in this report.**

### **RECOMMANDATIONS DU COMITÉ**

Que le Conseil approuve :

- 1. qu'un report et une annulation après 35 ans des redevances d'aménagement (autre le volet sur le transport en commun), d'un montant estimé à 340 000 \$, soit accordé pour le 6208, boulevard Jeanne D'Arc, pourvu que Habitat pour l'humanité de la grande région d'Ottawa conclue une entente comme le précise le présent rapport, en vertu de l'article 107 de la *Loi de 2001 sur les municipalités*;**

2. **qu'un prêt-subvention de 400 000 \$ soit accordé à Habitat pour l'humanité de la grande région d'Ottawa dans le cadre du Programme d'aide pour la mise de fonds pour l'accès à la propriété de la prolongation 2014 de l'Entente concernant l'Investissement dans le logement abordable (IDLA), pourvu que l'organisme conclue une entente comme le précise le présent rapport.**

DOCUMENTATION / DOCUMENTATION

1. Manager Housing Services, dated 4 April 2017 (ACS2017-CCS-GEN-0003)  
  
Rapport de la Gestionnaire Services de logement daté le 4 avril 2017 (ACS2017-CCS-GEN-0003)
2. Extract of draft Minutes, Planning Committee, 11 April 2017.  
  
Extrait de l'ébauche du procès-verbal, Comité de l'urbanisme, le 11 avril 2017

**Report to  
Rapport au:**

**Planning Committee  
Comité de l'urbanisme  
11 April 2017 / 11 avril 2017**

**and Council  
et au Conseil  
26 April 2017 / 26 avril 2017**

**Submitted on April 4, 2017  
Soumis le 4 avril 2017**

**Submitted by  
Soumis par:  
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**Ward: ORLÉANS (1)**

**File Number: ACS2017-CSS-GEN-0003**

**SUBJECT: Habitat for Humanity Greater Ottawa Deferral of Development  
Charges and Homeownership Down Payment Assistance for 6208  
Jeanne D'Arc Boulevard**

**OBJET: Report des redevances d'aménagement et prêt-subvention d'aide  
pour la mise de fonds pour l'accès à la propriété pour le 6208,  
boulevard Jeanne D'Arc**

## REPORT RECOMMENDATIONS

That the Planning Committee recommend Council approve:

1. A deferral and forgiveness after 35 years of the non-transit component of the development charges in the estimated amount of \$340,000 for 6208 Jeanne D'Arc Boulevard, subject to Habitat for Humanity Greater Ottawa entering into an agreement as set out in this report, pursuant to Section 107 of the *Municipal Act, 2001*.
2. A forgivable loan of \$400,000 under the Investment for Affordable Housing for Ontario (IAH) 2014 Extension Program - Homeownership Down Payment Assistance component subject to Habitat for Humanity Greater Ottawa entering into an agreement as set out in this report.

## RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil d'approuver :

1. Qu'un report et une annulation après 35 ans des redevances d'aménagement (autre le volet sur le transport en commun), d'un montant estimé à 340 000 \$, soit accordé pour le 6208, boulevard Jeanne D'Arc, pourvu que Habitat pour l'humanité de la grande région d'Ottawa conclue une entente comme le précise le présent rapport, en vertu de l'article 107 de la *Loi de 2001 sur les municipalités*.
2. Qu'un prêt-subvention de 400 000 \$ soit accordé à Habitat pour l'humanité de la grande région d'Ottawa dans le cadre du Programme d'aide pour la mise de fonds pour l'accès à la propriété de la prolongation 2014 de l'Entente concernant l'Investissement dans le logement abordable (IDLA), pourvu que l'organisme conclue une entente comme le précise le présent rapport.

## BACKGROUND

Habitat for Humanity National Capital Region (currently undergoing a name change to become Habitat for Humanity Greater Ottawa and hereinafter referred to as "**Habitat for Humanity**") is a non-profit organization that builds affordable housing and promotes homeownership as a means to breaking the cycle of poverty.

Habitat for Humanity wishes to build 16 affordable units and sell them to households whose annual gross income ranges within the City's 20<sup>th</sup> to 40<sup>th</sup> income percentiles (\$43,560 to \$65,313). The households would have an interest-free mortgage with Habitat for Humanity and monthly mortgage payments would fluctuate based on the household's income.

Under the current Development Charges By-law, By-law 2014-229, exemption of the non-transit component of development charges for affordable housing extends only to units that are owned by non-profit or charitable housing organizations. It does not extend to units that are developed by a non-profit organization and subsequently sold to private individuals, which is how Habitat for Humanity is structuring this project.

Recognizing Habitat for Humanity's unique approach to offering affordable housing, Council has in the past provided a deferral and eventual forgiveness of development charges to assist them in providing affordable housing for low income households. In particular, Council approved a deferral/forgiveness of the non-transit portion of development charges for similar projects at 979 Eve Street and 1277 & 1279 Cousineau Street on June 24, 2015 ([ACS2015-COS-CSS-0009](#)). In addition to the deferral/forgiveness of the non-transit portion of development charges, the Housing Services Branch (HSB) is recommending that funding from the Investment in Affordable Housing for Ontario (IAH) 2014-Extension Program Homeownership Down Payment Assistance component be provided.

The Homeownership Down Payment Assistance Funding aims to assist low to moderate income renter households to purchase affordable homes by providing down payment assistance in the form of a forgivable loan. In accordance with the IAH Program, the City maintains a revolving loan fund to provide ongoing down payment assistance as loans are repaid back to the City. Staff is recommending that \$400,000 from the revolving loan fund be provided to Habitat for Humanity in order for them to administer eight forgivable loans of \$50,000 each on behalf of the City, to eight qualified purchasers over the next two to three years.

## **DISCUSSION**

Habitat for Humanity is planning to construct 16 affordable housing units on 6208 Jeanne D'Arc Boulevard and sell those units to households whose annual gross income ranges within the City's 20<sup>th</sup> to 40<sup>th</sup> income percentiles (\$43,560 to \$65,313). The proposed development will consist of four blocks of townhouses that, when completed, will be known as 6190-6204 Fortune Drive and 21-35 Leacross Private. Habitat for

Humanity will provide interest-free loans (mortgages) to the purchasers. The monthly payments for the mortgages will fluctuate based on the household's income, which will result in improved longer term housing stability for the families who purchase homes. (See Document 1 for sample mortgage structure)

Staff recommends that Habitat for Humanity receive a 35 year deferral of the non-transit portion of development charges in the approximate amount of \$340,000 (\$21,250 for each of the 16 units). Unless Habitat for Humanity defaults on the deferral agreement, the development charges, including any interest, would be forgiven at the end of the 35 years. The deferral/forgiveness excludes the transit portion of \$4,970 per unit, for a total of \$79,520, that will be payable by Habitat for Humanity upon issuance of building permits.

Staff also recommends that Homeownership Down Payment Assistance Funding of \$50,000 per unit, for the first eight of the 16 units built (totalling of \$400,000), be provided to assist qualified purchasers. The IAH Program allows municipalities to provide down payment assistance to Habitat for Humanity up to a maximum of \$50,000 per household, exceeding the usual maximum 10% down payment requirement. The \$400,000 is available from the revolving loan fund that the City maintains as required under the IAH Program.

Habitat for Humanity's anticipated timeline to build the units is as follows:

1. four units in 2017-18;
2. four units in 2018-19; and
3. the remaining eight units in 2020.

The HSB would provide the \$400,000 Homeownership Down Payment Assistance Funding directly to Habitat for Humanity and require them to administer and issue the funding in accordance with the IAH Program requirements.

Both the relief of development charges and Homeownership Down Payment Assistance Funding will be subject to Habitat for Humanity entering into agreement(s) with the City that provide as follows:

- (i) Development of 16 affordable housing units (12-3 bedrooms and 4- 4 bedrooms) at 6190-6204 Fortune Drive and 21-35 Leacross Private to be sold to households whose annual gross income ranges within the City's 20th to 40th income percentiles (\$43,560 to \$65,313);

- (ii) Provision of the deferral/forgiveness of the non-transit portion of development charges in the amount of \$340,000 (\$21,250/unit), to be secured and/or registered on title to the properties municipally known as 6190-6204 Fortune Drive and 21-35 Leacross Private for a term of 35 years; and
- (iii) Provision of down payment assistance in the amount of \$50,000 for each of the first eight qualified households, to be administered and secured on title by Habitat for Humanity for a term of 35 years in accordance with the IAH Program Guidelines;

If units are sold before the 35 year period and not retained as affordable as defined in the Official Plan, the estimated development charges of \$21,250/unit (plus interest) and homeownership down payment assistance of \$50,000/unit (plus a percentage of the capital appreciation as per IAH Program Guidelines) would be repayable to the City.

#### **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

#### **CONSULTATION**

Not applicable.

#### **COMMENTS BY THE WARD COUNCILLOR(S)**

The Councillor is aware of the report and its recommendations

#### **ADVISORY COMMITTEE(S) COMMENTS**

Not applicable

#### **LEGAL IMPLICATIONS**

There are no legal impediments to the implementation of the report recommendations.

#### **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications associated with this report.

#### **FINANCIAL IMPLICATIONS**

The deferral agreement between the City and Habitat for Humanity provides for a delay in, and potential eventual forgiveness of, the collection of approximately \$340,000 in non-transit development fees. The forgivable loan of \$400,000 for down payment

assistance is available from the revolving loan fund established for this purpose. If the units are not retained as affordable throughout the 35 year period of the agreement with Habitat for Humanity, the development charges and down payment loan would be repayable to the City.

### **ACCESSIBILITY IMPACTS**

Affordable Housing developed with funds collected through the AHLF is required to meet minimum standards for accessibility (barrier free access) and visitable as outlined in Section 6.13 of the City's Accessibility Design Standards and individual Requests for Proposals that targeted specific accessibility needs.

### **ENVIRONMENTAL IMPLICATIONS**

On November 9<sup>th</sup>, 2016, Council granted Habitat for Humanity Greater Ottawa a grant under the Brownfield Redevelopment Community Plan Program not to exceed \$488,132 to assist with the remediation of the subject property. ([ACS2016-PIE-PGM-0161](#))

### **TERM OF COUNCIL PRIORITIES**

The recommendations in this report are aligned with the 2015-2018 Term of Council Strategic Plan and address Strategic Initiative #40, the 10 Year Housing and Homelessness Plan, under the Strategic Priority of Healthy and Caring Communities, specifically Strategic Objective HC3: create new affordable housing options; ensuring access to, and availability of, a range of housing options to meet the needs of our vulnerable residents for today and tomorrow.

### **SUPPORTING DOCUMENTATION**

Document 1 - Sample Mortgage Structure

Document 2 - Site Plan

### **DISPOSITION**

The HSB will work with Building Services to determine the exact amount of the non-transit portion of the development charges.

Legal Services will review and approve the form and content of the agreement(s) to provide for the deferral/forgiveness of the amount of the development charges in the estimated amount of \$340,000 (\$21,250/unit) and the forgivable loan of \$400,000



(\$50,000/unit) from the revolving loan fund under the Home Ownership Down Payment Assistance Component of the IAH Program.

Legal Services will register any required security documents on title to the properties.