

# Community Improvement Plan Area (CIP) for Affordable Housing

City of Brampton

*Presentation to the Planning and Development  
Committee*

*June 17, 2024*

# Key Topics

## Presentation Overview

- Project overview
- Goals and objectives of the CIP
- Financial analysis methodology
- CIP program area and components
- Monitoring and evaluation framework
- Next steps

# Project Overview

## Context

The City's first housing strategy – '*Housing Brampton*' – was endorsed in May 2021 and proposes a range of solutions and approaches that are based on housing affordability, choice, smart density, and equitable access to housing.

The City also recently approved its new Official Plan - *Brampton Plan* - in November of 2023. *Brampton Plan* provides a path forward to implement *Brampton's 2040 Vision* and achieve a sustainable and vibrant urban future for the city.

This **City-wide Community Improvement Plan (CIP)** for Affordable Housing aims to incentivize and attract various forms of new affordable housing to the city.

## Project Team

### SHS Consulting

SHS consulting is acting as the project manager for the Housing Incentive project.

### WSP Canada Inc.

WSP Canada Inc. is leading the public engagement components of the project and advising on development of an incentive framework.



# Project Plan

## Work Program



**We are here**

# Goal and Objectives

## Goal of the CIP

- The goal of the Affordable Housing CIP is to **increase the supply of affordable rental and ownership housing units** throughout the City of Brampton by **minimizing the financial barriers** to the creation of affordable units.
- A second goal is to create the **legislative framework** for the City to fund private and non-profit development of affordable housing to address the need for more affordable housing in Brampton.

## Objectives of the CIP

The objectives of the Affordable Housing CIP are as follows:

1. Facilitate the development of affordable rental and ownership housing by providing financial support;
2. Increase the access and supply of new affordable housing units in Brampton by incentivizing and attracting purpose-built rental and affordable housing, as well as other desired housing types identified in Housing Brampton; and,
3. To fulfill priorities set out in the Brampton 2040 Vision, specifically, to create sustainable urban places and create characterful and complete neighbourhoods.

# Enabling Legislation

Community Improvement Plan Areas (CIPs) must be generally enabled through the Official Plan and then through area-specific by-laws.

## Community Improvement Project Areas

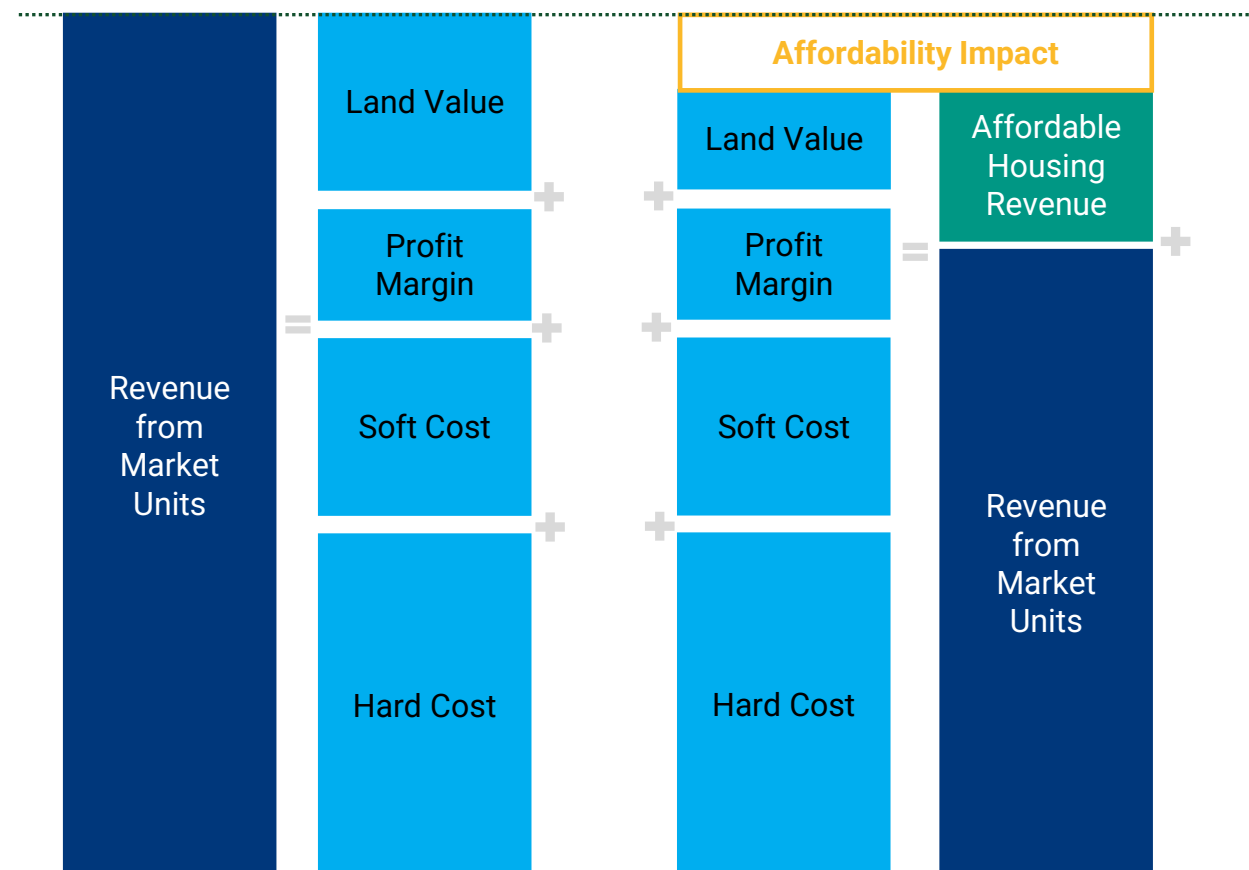
- The legislative authority to prepare an Affordable Housing CIP is established under Section 28 of the *Planning Act*. The authority to provide financial incentives is established in Sections 106 and 365.1 of the *Municipal Act* and Sections 28(6) and 28(7) of the *Planning Act*.
- A municipality must have provisions in their Official Plan relating to community improvement for the authority to establish a Community Improvement Project Area by-law and implement a CIP. In Brampton Plan, the City's recently adopted new Official Plan, Section 5.14 outlines the City's policies for CIPs, including the processes and criteria for designating Community Improvement Project Areas and establishing CIPs.

# Financial Analysis Methodology

The approach was to test the impact of including affordable housing in new development through a **Residual Land Value (RLV)** analysis.

The incentives for new affordable housing construction is sized to offset the revenue impact of the affordable housing.

Market price = maximum the market can bear



# Financial Analysis Results

The amount of the incentive for new affordable housing construction is based on providing a grant or fee waiver that offsets the approximate project revenue loss.

Four types of projects were modelled.

The residual land value reduction is assumed to be the minimum amount of revenue loss.

The largest impact amount was selected as the incentive amount to improve the financial attractiveness of the program.

## Incentive Per Affordable Unit to Offset RLV Loss

	Highrise	Midrise	Wood Midrise	Small Apartment
Grants	\$324,700	<b>\$341,500</b>	\$336,400	\$254,200
Fee reimbursements	\$434,400	\$402,200	\$397,000	\$294,800
Fee waivers	Same as grants			

## Total Construction Cost Per Unit

Tenure	High Rise	Midrise	Wood Midrise	Small Apartment
Ownership	\$878,392	\$832,170	\$769,901	\$733,291
Purpose Built Rental (HST Changes)	\$817,935	\$765,961	\$692,261	\$644,297



# Community Improvement Project Area

As affordable housing is needed throughout the City, to effectively provide for a mix of affordable rental and ownership housing, for the Affordable Housing CIP the entire City of Brampton is identified as the Community Improvement Project Area.

The **City of Brampton Affordable Housing Community Improvement Project Area** is shown to the right and forms part of this Plan.

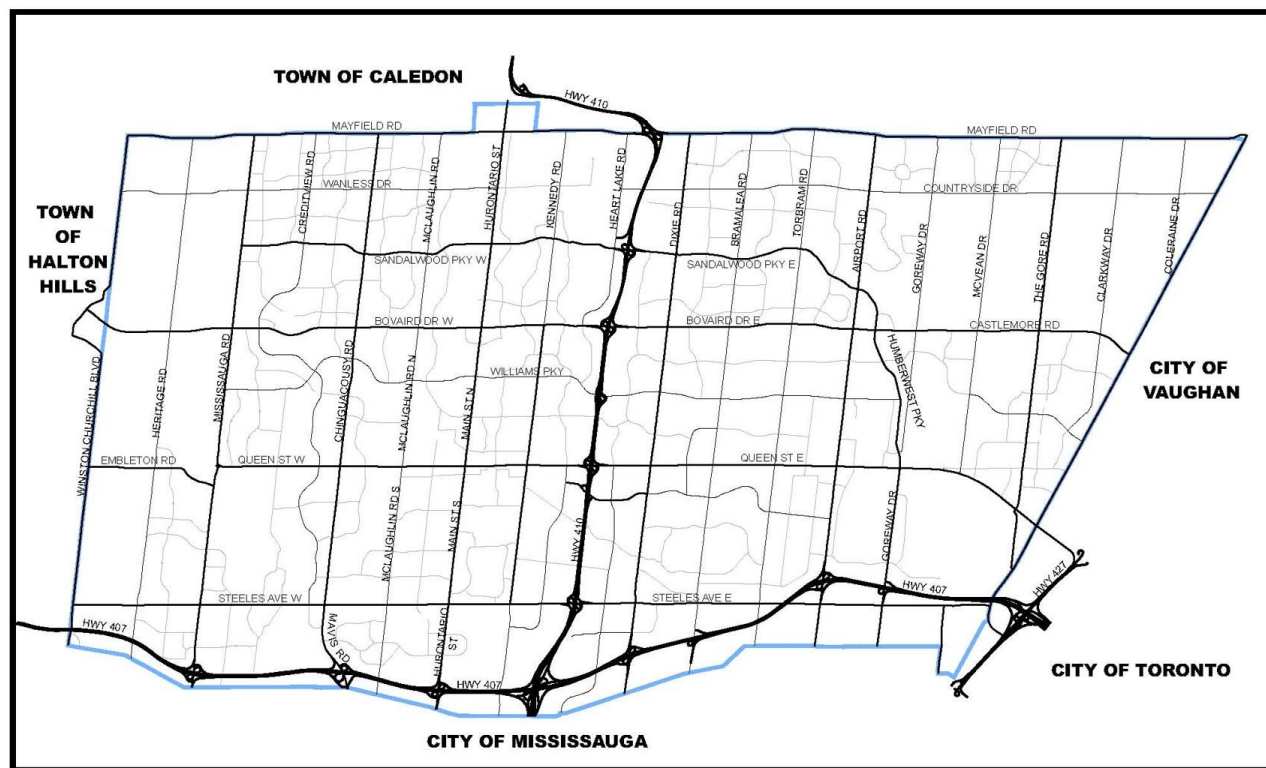
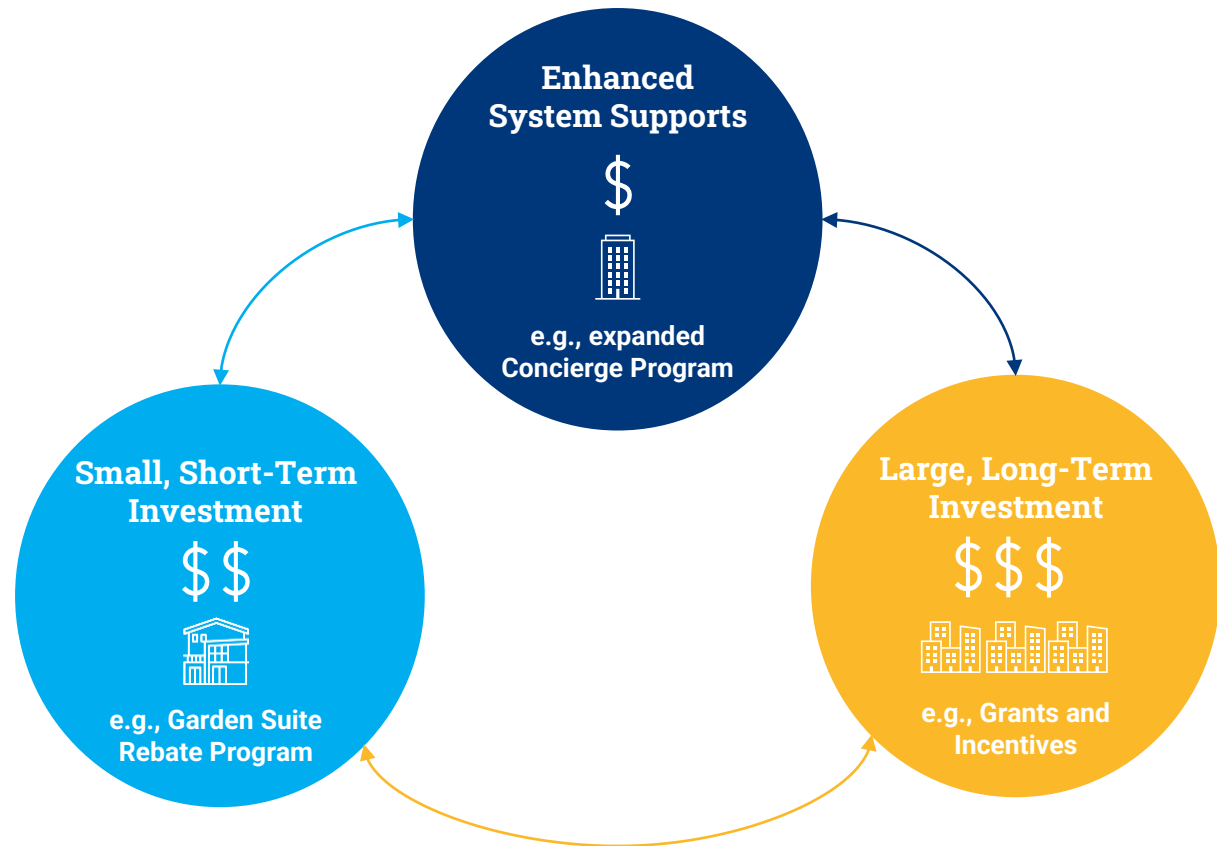


Figure 1: Community Improvement Project Area

# Program Descriptions

The CIPs includes **three components**:

1. Enhanced system supports to facilitate new affordable housing projects,
2. Short term investments to get rapid creation of new units, and
3. Longer-term larger investments through capital grants and development charge waivers.



# Program Descriptions

## New Affordable Housing Incentive



### Affordable Housing Capital Grant Program

To incentivize new affordable rental or ownership housing development in Brampton, this program will provide a maximum up-front grant of \$340,000 per new affordable unit built.

The amount of funding is determined on a sliding scale.

A minimum of 10% of the units in the project must be affordable.

Affordability is based on the Province of Ontario in the Affordable Residential Units Bulletin.

- **Rental:** The lesser of Average Market Rent (AMR) and what is affordable to the 60th percentile household.
- **Ownership:** The lesser of what is considered affordable for the 60th percentile household in Brampton and 90% of the average purchase price.

Affordability to be maintained for 25 years or longer.

The affordable units may also qualify for the parking reductions recommended in the Brampton Parking Plan.

### Funding

Of the \$6 million allocated to the CIP for 2024, approximately \$5 million is intended for this incentive.

# Program Descriptions

## Concierge Program



### Concierge Program

This portion of the City of Brampton Affordable Housing CIP allocates funding for dedicated staff for the City's Concierge Program.

Funding from the Housing Accelerator Fund will enable ongoing staffing to create a centralized resource for developers of affordable housing projects to access.

### Funding

Salary for one position per year to perform the concierge program activities and CIP administration.

# Program Descriptions

## Rebate Program for Garden Suites



### Rebate Program for Garden Suites

The City of Brampton has a well-established policy for creation of new additional residential units (ARUs). This program will provide rebates of the municipal fees for new garden suites.

The primary goal of the Garden Suite Program is the creation of new units, there is no requirement for the units to be rented at an affordable rate or to report to the City on the rents that are charged.

### Funding

Up to 10% of annual funding per year for garden suite fee reimbursements.

This is approximately \$600,000.

# Monitoring and Evaluation Framework

The Affordable Housing CIP will be monitored on an ongoing basis to track progress relative to the intended goal and objectives, and is structured around the following indicators:

- Number of applications received;
- Number of new affordable residential units and unit types created; and,
- Estimate and actual amount of municipal assistance/grants provided.

Applications for the New Affordable Housing incentive will be assessed according to the level at which the project meets the following criteria and objectives:

1. Project Funding
2. Affordability Delivered
3. Organizational Capacity and Experience
4. Project Maturity
5. Funding Phasing
6. Community Amenities
7. Community Benefits Beyond Affordable Housing

Funding will be provided on a sliding scale based on how the project achieves these outcomes with the maximum amount being \$340,000 per unit.

## Next Steps

