



**Report**  
**Staff Report**  
**The Corporation of the City of Brampton**  
**6/26/2024**

**Date:** 2024-06-21

**Subject:** **Habitat for Humanity Contribution Agreement – 25 William Street**

**Contact:** Steve Ganesh, Commissioner  
Planning, Building & Growth Management

Nash Damer, Treasurer  
Corporate Support Services

**Report number:** Planning, Bld & Growth Mgt-2024-562

**RECOMMENDATIONS:**

1. That the report from Melinda Yogendran, Principal Planner/Supervisor, Integrated City Planning to the City Council Meeting of June 26, 2024, re: **Habitat for Humanity Contribution Agreement – 25 William Street**, be received;
2. That Council approve the Contribution Agreement between the City of Brampton and Habitat for Humanity GTA for 25 William Street, included in this report as Attachment 1;
3. That Council delegate authority to the Commissioner, Planning, Building & Growth Management and Treasurer to execute on behalf of the City the Contribution Agreement (Attachment 1) with Habitat for Humanity GTA for 25 William Street;
4. That Council approve the Contribution Agreement between the City of Brampton and Habitat for Humanity GTA for the City's contribution in respect of 1524 Countryside Drive to be in the same form and content as Council may approve for the City's contribution in respect of 25 William Street, subject to all necessary changes including those outlined in this report and as may otherwise be approved by the Commissioner, Planning, Building & Growth Management; and
5. That Council delegate authority to the Commissioner, Planning, Building & Growth Management and Treasurer to execute on behalf of the City the Contribution Agreement with Habitat for Humanity GTA for 1524 Countryside Drive on such terms and conditions as approved by Council and otherwise as may be satisfactory to the Commissioner, Planning, Building & Growth Management and in a form acceptable to the City Solicitor.

**OVERVIEW:**

- On November 1, 2023, City Council approved the financial grant of \$6,057,839 for two Habitat for Humanity projects located at 25 William Street and 1524 Countryside Drive, with the full amount to be funded through the Housing Accelerator Fund.
- The purpose of this report is to present the draft Contribution Agreement between the City of Brampton and Habitat for Humanity GTA (HGTA) for the 25 William Street project for Council approval.
- The maximum amount of funding that may be granted to Habitat for Humanity GTA for the 25 William Street project is \$1,541,054.
- HGTA will maintain as many of the units as is reasonable as affordable housing for a period of not less than 25 years.
- HGTA will prioritize the sale of the units to Brampton residents, in accordance with the 'Brampton Residency Requirement' outlined in the Agreement.
- HGTA will be required to report to the City periodically on the use of City funding and the status of the units and purchasers.
- This report also recommends that the terms of the 25 William Street Agreement be approved to be used for the 1524 Countryside Drive Agreement.
- Following Council direction at the City Council meeting of November 1, 2023, a budget amendment was made to create a new capital project #237830 - Habitat for Humanity Grant in the amount of \$6,057,839 and funded from the Housing Accelerator Fund. The \$6,057,839 that has already been approved and allocated is sufficient to fund both the grant to Habitat for Humanity and the waiver of development charges.

**BACKGROUND:****Funding Approved for Habitat for Humanity**

At the City Council meeting of October 18, 2023, Council received a delegation from Habitat for Humanity GTA requesting the following financial support to ensure delivery of their affordable housing projects in Brampton amidst increased interest rates and construction costs.

Address	Development Proposal	Capital Funding	Development Charges <sup>1</sup>	Total Funding Request
25 William Street	12 stacked townhouse units	\$1,541,054	\$379,590	\$1,920,644
1524 Countryside Drive	15 stacked townhouse units	\$3,657,549	\$479,646 <sup>2</sup>	\$4,137,195
<b>Total</b>				<b>\$6,057,839</b> <b>(\$6,058,000 Rounded)</b>

Notes:

1. The DC calculations are based on currently available information and subject to change if building permits are not issued within the two-year validity period stipulated in the Development Charges Act for the rate freeze provision.
2. Interest calculation is based on an estimated building permit issuance date of June 30, 2024.

Council referred the matter back to staff to review the request and assess potential funding programs to support the funding shortfall for the delivery of the Habitat for Humanity projects. Staff [reported back to Council at the City Council](#) meeting of November 1, 2023. City Council approved the financial grant of \$6,057,839 for Habitat for Humanity, with the full amount to be funded through the Housing Accelerator Fund ([C262-2023](#)).

The purpose of this report is to present the draft Contribution Agreement between the City of Brampton and Habitat for Humanity GTA for the 25 William Street project for Council approval.

## CURRENT SITUATION:

### Summary of Terms of the 25 William Street Contribution Agreement

1. Total Funding Amount: The maximum amount of funding that may be granted to Habitat for Humanity GTA for the 25 William Street project is \$1,541,054. Upon execution of the Agreement, the City will disburse \$1,232,843.20. The remaining \$308,210.80 will be disbursed upon full completion and final inspection of the roof of the project. Following the completion of the project, any City of Brampton funding that has not been utilized towards the development and funding of the construction of the affordable housing units in the project shall be returned to the City.
2. Affordability Period: Habitat's affordable home ownership program maintains long-term affordability through Habitat's position as a second mortgagee of the units. The main mechanism by which Habitat maintains long term affordability is via the Buy-Back Option. In the event that the owner of the unit wants to sell, lease or transfer their unit, they are first required to provide notice to Habitat to sell the unit to Habitat first (the "Buy-Back Option").

The Contribution Agreement between the City and HGTA states that HGTA will commit to maintain as many of the units as is reasonable as affordable housing

units through repurchasing of the units through the Buy-Back Option and reselling them as affordable housing units **for a period of not less than 25 years**.

If it is not commercially viable for Habitat GTA to exercise the Buy-Back Option for a unit, HGTA must provide notice to the Commissioner of Planning, Building & Growth Management for approval of the unit for sale on the market for fair market value. If the sale of the unit is approved by the Commissioner, any funds received by Habitat GTA from the sale shall be distributed either:

- a) Entirely to Habitat GTA to be re-invested in the affordable housing units in the project or within the City of Brampton; or
- b) To the City and Habitat GTA, where the City would receive the amount equal to the portion of City funding attributed to the specific unit and Habitat GTA would receive any excess available funds on closing of the sale.

### 3. Purchaser Requirements:

- a) Affordable Purchasers – HGTA will ensure that each purchaser of an affordable housing unit has a **household income in or below income Decile 6**. Habitat's project will provide homeownership opportunities for households with a household income between \$88,000 to \$133,000, meeting the needs of households in or below the 6<sup>th</sup> income decile in Brampton.
- b) Owner-Occupied Units – HGTA will ensure that the affordable housing units are **owner-occupied** during the 25-year affordability period and are not rented on the secondary rental market.
- c) Brampton Residency Requirement – Three of the units in the 25 William Street project have already been sold to Brampton residents. Four of the units in the 25 William Street project have been sold to non-Brampton residents. HGTA will be required to sell the remaining 5 units to purchasers who are **residents of the City of Brampton**, or purchasers who **work primarily within the City of Brampton** for an employer that is located within the city. If it is not viable to sell a unit to a Brampton resident, HGTA must provide notice to the Commissioner of Planning, Building & Growth Management for approval of the unit for sale to a non-Brampton resident.

A copy of HGTA's Marketing Plan to recruit Brampton residents for the sale of the units is attached to the Contribution Agreement as Schedule B.

- 4. Reporting and Accountability: During the construction period, Habitat for Humanity GTA will submit a bi-annual progress report providing updates on the use of City funding, project schedules, and the sale of the units. Following the completion of construction, for the remainder of the 25-year affordability period, Habitat GTA will submit an annual report providing updates on any sales of the units, any new purchasers, and confirmation of compliance with all conditions laid out in the Agreement.

## 1524 Countryside Drive Contribution Agreement

Habitat for Humanity GTA has two developments approved for funding with the City, as follows:

1. *Municipal Address:* 25 William Street  
*Development Proposal:* 12 stacked townhouses with a mix of 3 and 4 bedrooms  
*Application Status:* Building permit issued; Ready for construction
2. *Municipal Address:* 1524 Countryside Drive  
*Development Proposal:* 15 3-bedroom stacked townhouses  
*Application Status:* Site Plan approved in principle; Building Permit submission planned for Q3 2024

Currently, only the Contribution Agreement for the 25 William Street project has been drafted, as this project is further along in the development process and is planned to begin construction in July 2024. Staff recommend that Council approve the terms of the 25 William Street Agreement to be used for the 1524 Countryside Drive Agreement, subject to the following necessary changes:

- Updated Dates: All dates will be updated to align with the 1524 Countryside Drive schedule;
- Advance Schedule: All milestones and funding installments will be updated to align with the 1524 Countryside Drive schedule; and
- Residency Requirement: All units will be required to adhere to the Brampton Residency Requirement (removal of section 8.3 in the William Street Agreement exempting 4 units from the Residency Requirement).

It should be noted that the 'Advance Schedule' in the 1524 Countryside Drive Agreement will include additional milestones and funding installment periods in comparison to the William Street Agreement, as the Countryside Drive project is not as far along in the development process.

## CORPORATE IMPLICATIONS:

### Financial Implications:

Following Council direction at the City Council meeting of November 1, 2023, a budget amendment was made to create a new capital project #237830 - Habitat for Humanity Grant in the amount of \$6,057,839 and funded from the Housing Accelerator Fund. The \$6,057,839 that has already been approved and allocated is sufficient to fund both the grant to Habitat for Humanity and the waiver of development charges.

## STRATEGIC FOCUS AREA:

This report directly aligns with the strategic focus area "Growing Urban Centres & Neighbourhoods" as the projects proposed by Habitat for Humanity focus on delivering affordable housing supply, creating complete communities, and improving livability and

prosperity in Brampton. This report also directly aligns with the strategic focus area “Government & Leadership” by proposing effective management of municipal resources.

## **CONCLUSION:**

The City of Brampton is committed to providing supports to non-profit organizations that provide affordable housing in Brampton. This report provides an overview of the terms of the draft Contribution Agreement with Habitat for Humanity GTA based on Council direction at the City Council meeting of November 1, 2023. The City is utilizing the Housing Accelerator Funds to grow housing supply and increase the number of affordable housing units available in Brampton.

Authored by:

Reviewed by:

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Melinda Yogendran, RPP MCIP  
Principal Planner/Supervisor  
Integrated City Planning

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Nash Damer, Treasurer

Approved by:

Approved by:

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Steve Ganesh, RPP MCIP  
Commissioner  
Planning, Building & Growth  
Management

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Marlon Kallideen  
Chief Administrative Officer

## **Attachments:**

- Attachment 1 – Contribution Agreement – Habitat for Humanity – 25 William Street