

Date: 2022-05-09

Subject: Habitat for Humanity GTA – Financial Relief Associated for 1524 Countryside Drive (15 Stacked Townhouses) and 25 William Street (12 Stacked Townhouses)

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Report Number: Corporate Support Services-2022-516

Recommendations:

1. That the report titled: **Habitat for Humanity GTA – Financial Relief Associated for 1524 Countryside Drive (15 Stacked Townhouses) and 25 William Street (12 Stacked Townhouses)**, to the Committee of Council meeting on June 8, 2022, be received.

Overview:

- At its meeting on March 9, 2022, Committee of Council received a delegation from Habitat for Humanity GTA requesting a grant-in-lieu of development charges (DCs) for two developments; 12 stacked townhouse units at 25 William Street and 15 stacked townhouse units at 1524 Countryside Drive.
- This report outlines the financial and legal implications of providing the requested grant along with the outstanding cumulative monetary impact of previously approved DC and CIL grants.
- The report also advises of potential next steps should Council wish to provide a grant-in-lieu of DCs typically due at building permit issuance.
- Should Council wish to provide the full requested amount of \$730,000 in financial relief, staff recommend that the amount is made available through internal borrowing against the applicable Development Charges Reserves, to be repaid through a 10 year tax levy of approximately 0.02% on the City's portion of the tax bill.

Background:

Habitat for Humanity GTA is a non-profit organization whose mission is to organize volunteers and community partners in building affordable housing and promoting home ownership. Founded in 1976, Habitat for Humanity International has since grown to become a global non-profit working in more than 70 countries, including Canada. Their clients that partner with Habitat for Humanity pay an affordable mortgage geared to their income and volunteer 500 hours of their time. Their model of affordable homeownership bridges a gap for low-income, working families, by providing them with the opportunity to purchase their own home.

Habitat for Humanity has completed several projects within the City of Brampton, below is a table summarizing past projects and Council's financial support:

Address	Project Proposal	Financial Relief from City			
		Development Charges	Cash-in-lieu of Parkland	Building Permit Fees	Total
8600 Torbram Road	18 townhouse units	\$391,068	\$21,462	\$28,344	\$440,874
20A, 20B, 20C Hoskins Square	3 single detached units	\$75,245	\$7,167	\$3,513	\$85,925
59 McLaughlin Road North	13 townhouse units	\$304,590	\$127,750	\$21,319	\$453,659
Total		\$770,903	\$156,379	\$53,176	\$999,764

Previous to the above-mentioned projects, Habitat also completed 1 unit located at 88A Castlehill Road and 2 units at 120 and 122 Sled Dog Road through their legacy affiliate, Habitat for Humanity, Brampton.

Currently, Habitat for Humanity GTA has submitted two development applications to the City, as follows:

1. Municipal Address: 25 William Street
Development Proposal: 12 stacked townhouses
City File No.: SPA-2019-0076
2. Municipal Address: 1524 Countryside Drive
Development Proposal: 15 stacked townhouses
City File No.: OZS-2021-0025

At its meeting on March 9, 2022, Committee of Council received a delegation from Habitat for Humanity GTA requesting a grant-in-lieu of developments charges (DCs) for two developments; 1524 Countryside Drive and 25 William Street. Council referred the matter back to staff for review. Subsequently, a report was brought forward to the March 30 Committee of Council meeting, in which Committee adopted motion CW123-2022 which stated, "That Council direct staff to continue with a case-by-case basis evaluation of requests consistent with a Council endorsed Protocol for Evaluation of Requests for Incentives as an interim approach, until a City-wide CIP for Housing is established as per Council direction from the City's housing strategy 'Housing Brampton'". Housing Brampton, the City's newly endorsed housing strategy and action plan, identifies a city-wide need for a range of housing choices and tenure, including purpose-built rental housing, affordable rental housing and affordable ownership housing. The strategy recommends various financial and non-financial supports for housing that meets these needs.

Current Situation:

There is no legal basis to waive DCs as the payment of DCs are applicable law under clause 8 (2) (a) of the *Building Code Act, 1992* as defined in *O. Reg. 332/12*. Furthermore, the DC By-law states that no building permit shall be issued until the development charges have been paid in full. As such, in order to provide Habitat for Humanity GTA with any financial relief in respect of DCs, a grant equal to the DCs must be made using the grant power under section 107 of the *Municipal Act, 2001*.

City Council has discretion to authorize a grant to provide relief from DCs if Council is satisfied that it would be unreasonable to require payment of all, or a portion of the DCs due to the not-for-profit status of Habitat for Humanity GTA, and in furtherance of the development of affordable housing objective articulated in the Official Plan.

As Habitat for Humanity GTA is a not-for-profit Corporation, City Council does not need to be concerned about the bonusing prohibition in section 106 of the *Municipal Act, 2001* in considering providing Habitat with relief from the various fees.

Finally, it is important to note that because Habitat for Humanity GTA provides affordable homeownership, they do not take in any revenue that could offset the cost of DCs, etc. This is a distinct difference between recent affordable housing applications before Council that provided rental units at average market rent. As well, Habitat for Humanity GTA has the ability to offer its homes to residents of Brampton by creating an outreach program that targets Brampton residents first, then Peel Region residents and then GTA residents.

Corporate Implications:

Financial Implications:

The estimated impact of providing financial relief for the Habitat for Humanity GTA request is \$730,000 and is summarized in the table below.

Address	Project Proposal	Development Charges ¹
25 William Street	12 stacked townhouse units	\$315,000
1524 Countryside Drive	15 stacked townhouse units	\$415,000
Total		\$730,000

Notes:

1. The DC calculations are estimates based on currently available information and estimates from Habitat for Humanity GTA, and will need to be verified and finalized prior to building permit issuance.

Should Council wish to provide Habitat for Humanity GTA with the requested financial relief, staff recommend that the full amount initially be funded though the applicable Development Charges (DC) Reserves, and subsequently replenished through internal borrowing over a 10 year period at an interest rate consistent with the rate of return on the City’s investment portfolio, which is currently 2.3%. This internal loan would require an annual repayment amount of approximately \$82,000 in the 2023 budget submission, subject to Council

approval, which is equivalent to a tax levy of approximately 0.02% on the City’s portion of the tax bill.

The cumulative impact of financial relief provided to the organizations below to be repaid through internal borrowing amounts to approximately \$1,430,000 over a 10 year period.

Financial Relief to be Repaid Through Internal Borrowing	2023 Budget Impact	Cumulative Future Years Budget Impact (2024 - 2032)	TOTAL
Previously Approved Cash in Lieu (CIL) of Parkland Relief for Region of Peel Affordable Housing	\$ 61,000	\$ 549,000	\$ 610,000
DC Relief Identified in this Report for Habitat for Humanity GTA	\$ 82,000	\$ 738,000	\$ 820,000
TOTAL	\$ 143,000	\$ 1,287,000	\$ 1,430,000

It should be noted that all other DCs and fees levied by the Region of Peel and the School Boards would still apply unless Habitat for Humanity GTA requests and is granted relief directly from those agencies.

Term of Council Priorities:

This report achieves the Term of Council Priority of Brampton as a Well-run City through strict adherence to effective financial management policies and supports Brampton’s 2040 Vision by ensuring sustainable financial revenues.

Conclusion:

Should Council decide to provide Habitat for Humanity GTA with financial relief from all fees and charges associated with the developments on 1524 Countryside Drive and 25 William Street, staff have prepared the following resolution for consideration:

1. *That Council authorize a grant to Habitat for Humanity GTA in an amount equal to the payment of the Development Charges in respect of Habitat’s proposals for development of 15 stacked townhouse units at 1524 Countryside Drive and 12 stacked townhouse units at 25 William Street. The full amount shall be funded through a draw from the applicable Development Charges Reserves on a unit by unit basis prior to the issuance of building permits, once Habitat for Humanity GTA has obtained all required planning and building approvals for its project;*
2. *That the grant be funded from internal borrowing from the applicable Development Charges Reserves with repayment terms of 10 years at a rate*

of return consistent with the City's investment portfolio, currently at 2.3% interest;

3. *That the annual internal loan repayment amount of approximately \$82,000 be included in the 2023 budget submission, subject to Council approval.*

Authored by:

Reviewed by:

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Nash Damer, Treasurer

Approved by:

Cynthia Ogbarmey-Tetteh,
Commissioner, Corporate Support
Services (Acting)

Paul Morrison, Chief Administrative Officer
(Interim)

Attachments:

- Appendix A Habitat for Humanity GTA Presentation from March 9, 2022 Committee of Council Meeting
- Appendix B Recommendation approved by Council at a Special Meeting on March 9, 2022