

Date: 2022-06-08

Subject: (Supplementary Report) Habitat for Humanity GTA – Financial Relief

Secondary Title: Associated for 1524 Countryside Drive (15 Stacked Townhouses) and 25 William Street (12 Stacked Townhouses)

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Report Number: Corporate Support Services-2022-652

Recommendations:

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

Overview:

- At its meeting on June 8, 2022, Committee of Council received a supplementary delegation from Habitat for Humanity GTA requesting a grant-in-lieu of development charges (DCs), cash-in-lieu of parkland (CIL parkland), building permit fees and relief from planning application fees for two developments; 12 stacked townhouse units at 25 William Street and 15 stacked townhouse units at 1524 Countryside Drive.
- This report updates the previously submitted report for the same subject on June 8, 2022 to include updated request Habitat for Humanity GTA made in their delegation on June 8, 2022.
- This report outlines the financial and legal implications of providing the requested grant along with the cumulative monetary impact of previously approved grants for Habitat for Humanity GTA.
- The combined DCs, fees and charges, at the prevailing rates, amount to roughly \$1.25 million.
- The report also advises of potential next steps should Council wish to provide a grant-in-lieu of DCs and fees and charges.

- **Should Council wish to provide a grant-in-lieu of DCs and CIL parkland in the amount of \$1,093,585, staff recommend that the amount is made available through internal borrowing against the applicable DC and CIL parkland reserve funds, to be repaid through a 10 year tax levy of approximately 0.03% on the City's portion of the tax bill.**
- **Should Council wish to provide financial relief from the payment of \$60,000 in building permit fees, that it be funded by the Building Division.**
- **Should Council wish to provide financial relief from the payment of \$95,600 in planning application fees, that the fees be waived and treated as forgone revenue.**

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. Their clients that partner with Habitat for Humanity pay an affordable mortgage geared to their income and volunteer 500 hours of their time.

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

Year	Address	Project Proposal	Financial Relief from City			
			Development Charges	Cash-in-lieu of Parkland	Building Permit Fees	Total
2008	8600 Torbram Road	18 townhouse units	\$391,068	\$21,462	\$28,344	\$440,874
2012	20A, 20B, 20C Hoskins Square	3 single detached units	\$75,245	\$7,167	\$3,513	\$85,925
2017	59 McLaughlin Road North	13 townhouse units	\$304,590	\$127,750	\$21,319	\$453,659
Total			\$770,903	\$156,379	\$53,176	\$999,764

Currently, Habitat for Humanity GTA has submitted two development applications to the City, that being:

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

Current Situation:

At its meeting on June 8, 2022, Committee of Council received a supplementary delegation from Habitat for Humanity GTA requesting a grant-in-lieu of development

charges (DCs), cash-in-lieu of parkland (CIL parkland), building permit fees and planning application fees for two developments; 1524 Countryside Drive and 25 William Street. Council referred the matter back to staff for a supplementary report.

With respect to planning application fees, it is open to City Council to pass a Resolution waiving the planning application fees. The authority is provided under subsection 69 (2) of the *Planning Act*.

However, there is no legal basis to waive the payment of DCs, cash-in-lieu of parkland (CIL Parkland) nor building permit fees. As such, in order to provide Habitat for Humanity GTA with any financial relief in respect of the aforementioned fees and charges, a grant equal to the fees 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, CIL Parkland and building permit fees if Council is satisfied that it would be unreasonable to require payment of all, or a portion these fees and charges 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, fees and charges. This is a distinct difference between recent affordable housing applications before Council that provided rental units at average market rent.

Corporate Implications:

Financial Implications:

The estimated impact of providing financial relief for the Habitat for Humanity GTA request is \$1,248,546 and is summarized in the table below:

Address	Project Proposal	Estimated Financial Relief from City				
		Development Charges ¹	Cash-in-lieu of Parkland ²	Building Permit Fees ³	Planning Application Fees	Total
25 William Street	12 stacked townhouse units	\$315,000	\$135,135	\$30,000	\$36,469	\$516,604
1524 Countryside Drive	15 stacked townhouse units	\$445,000	\$198,450	\$30,000	\$58,492	\$731,942
Total		\$760,000	\$333,585	\$60,000	\$94,961	\$1,248,546

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.

2. The CIL parkland is based on a land valuation exercise completed on April 28, 2022 and its valuation is in effect until October 28, 2022.
3. The building permit fee 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 for DCs and CIL parkland initially be funded through the applicable DC and CIL parkland reserve funds, 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 \$122,550 in the 2023 budget submission, subject to Council approval, which is equivalent to a tax levy of approximately 0.03% on the City's portion of the tax bill.

The Building Permit totaling \$60,000 will be funded by the Building division and the Planning Application fees totaling \$94,961 will be treated as forgone revenue.

The cumulative impact of financial relief provided to the various organizations below to be repaid through internal borrowing amounts to approximately \$1,835,500 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	\$85,150	\$766,350	\$851,500
CIL Relief Identified in this Report for Habitat for Humanity GTA	\$37,400	\$336,600	\$374,000
TOTAL	\$183,550	\$1,651,950	\$1,835,500

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 and Cash-in-Lieu of Parkland 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 and Cash-in-Lieu Parkland reserve funds 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 and Cash-in-Lieu reserve funds 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 \$122,550 be included in the 2023 budget submission, subject to Council approval.
4. That the Building Permit fees associated with this development be funded by the Building division.
5. That the Planning Application Fees associated with this development be waived and treated as forgone revenue.

Authored by:

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Approved by:

Cynthia Ogbarmey-Tetteh,
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Paul Morrison, Chief Administrative
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Attachments:

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| Appendix A | Habitat for Humanity GTA Presentation from June 8, 2022 Committee of Council Meeting |
| Appendix B | Report: Habitat for Humanity GTA – Financial Relief Associated for 1524 Countryside Drive (15 Stacked Townhouses) and 25 William Street (12 Stacked Townhouses) from June 8, 2022 Committee of Council Meeting |