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Subject: **Protocol for Evaluation of Incentives to Non-Profit Affordable Housing and Long Term Care Projects**

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Recommendations:

1. **THAT** the Recommendation Report titled **Protocol for Evaluation of Incentives to Non-Profit Affordable Housing and Long Term Care Projects** to the City Council meeting of August 10, 2022, be received;
2. **THAT** Council approve the “Protocol for Evaluation of Incentives to Non-Profit Affordable Housing and Long Term Care Projects”, outlined in this report.

Overview:

- On February 2, 2022, Council directed staff to prepare a report including general considerations for requests to support non-profit affordable housing and long-term care projects.
- Staff reviewed all previously received requests for financial and land support, and undertook a jurisdictional scan for approaches taken by municipalities in addressing such requests. This information was presented to Committee of Council with a preliminary draft “Protocol for Evaluation of Requests for Incentives”.

- Currently, the City evaluates each request on a case-by-case basis. On March 30, 2022, Council directed staff to bring forward a final “Protocol for Evaluation of Requests for Incentives”, and continue with a case-by-case evaluation as an interim approach, until such time as the City-wide CIP for Housing is established. The final protocol for evaluation of financial and other requests for assistance is included in this report.

Background:

At the February 2, 2022 Committee of Council meeting, Dr. Quynh Huynh, Vice Chair External, Golden Age Village for the Elderly (GAVE), provided a presentation on the status of the GAVE Campus of Care project, including financial concerns, and a request for financial relief from the payment of development charges to address the funding gap to complete this project. Committee discussion on this matter included the need for more long-term care beds in Brampton, and the need to consider the delegation's request with those received from other long-term care organizations to ensure comparable support is provided. Council motion [CW031-2022](#) directed staff to prepare a report thereon, including general considerations for similar development charge waivers, for other non-profit affordable housing projects, and other similar long-term care requests for support.

At the March 30, 2022 Committee of Council meeting, staff brought forward the Recommendation Report titled **Considerations for Incentives to Non-Profit Affordable Housing and Long Term Care Projects in Brampton**. As part of this report, staff reviewed all previously received requests for financial and land support for various affordable housing and long term care projects. Previously, each request has been evaluated on a case-by-case basis.

Staff also undertook a jurisdictional scan for approaches taken by municipalities in addressing such requests. A wide variety of tools are used including Community Improvement Plans (CIPs), protocols, processes and policies. However, in some instances, case-by-case evaluation of requests continues while protocols and tools are established. Background work for the City-wide CIP for Housing (which will be completed by Q4 2022 and subject to Council approval) has already commenced. The CIP will include a toolkit of incentives for both non-profit and for-profit housing projects in the city, while taking a comprehensive look at the City's financial and other resources.

Council motion [CW123-2022](#) at the March 30, 2022 Committee of Council meeting directed staff to bring forward a “Protocol for Evaluation of Requests for Incentives”, and continue with a case-by-case evaluation of land and financial requests, with clear evaluation criteria established through a Council endorsed protocol, as an interim approach, until such time as the City-wide CIP for Housing is established.

Recommended protocols for evaluating requests for incentives are included in the next section of this report.

The current (2022) requests for affordable housing and Long Term Care (LTCs) include:

- a) GAVE LTC: Development Charge (DC) grants;
- b) Habitat for Humanity: Grant in-lieu of DCs for long term affordability or a deferral of DCs with no payments until year 21 for 20 years of affordability;
- c) Guru Nanak LTC: Relief from Permit Fees and DCs ; and
- d) Region of Peel: Relief from Parkland Dedication, including cash-in-lieu, by waiving or providing a grant to offset such charges.

Current Situation:

On July 7, 2022, Peel Regional Council approved the Peel Affordable Rental Incentives Program (PARIP) as an annual program. The PARIP was also endorsed as the preferred mechanism through which requests for Regional financial incentives from developers are considered. The PARIP will provide capital grants (structured as a forgivable loan) to support the provision of affordable units. PARIP funding may be combined with other sources of available funding and incentives from other levels of government.

City staff are working on establishing a City-wide CIP for Housing, anticipated to be completed and ready for Council consideration by Q4, 2022. The following are some of the anticipated highlights of the City-Wide CIP for Housing:

- is a deliverable of the Council endorsed “Housing Brampton”;
- can apply to both non-profits and for-profit developments;
- will include clear criteria for eligibility and evaluation of applications;
- will target desired type of housing based on the City’s needs (e.g. unit size, level of affordability, new housing types);
- may cap a ‘per unit’ support to the housing or LTC unit;
- can be used for both ownership and rental formats;
- can offer full or partial DC grants, waiver of application fees, land acquisition and lease options, tax increment grants, and many other incentives;
- will be a dedicated financial commitment by the City;
- can stack other levels of governmental incentives on to City’s portion;
- will be easy to implement, administer and monitor by staff;
- will provide surety to housing developers; and
- May take the format of a Municipal Capital Facility, which is easier to manage and administer.

As an interim measure, until the upcoming City-wide CIP for Housing is established, a Council-endorsed “Protocol for Evaluation of Requests for Incentives” for non-profit affordable housing and LTCs is proposed. Such a protocol and streamlined process will ensure that applications are reviewed in a fair and equitable manner, based on performance, locational and other criteria. This will also provide certainty to applicants when applying for other levels of funding.

Based on the preliminary draft of the proposed criteria brought forward to Council on March 30, 2022, staff have finalized the evaluation protocol as follows for Council consideration:

Protocol for Evaluation of Financial and Other Requests for Assistance (Affordable Housing and LTCs)

Evaluation Criteria

1. Non-profit status of the proponent preferred.
2. Status of provincial license for Long Term Care (LTC).
3. Does the proponent have experience both developing and operating affordable housing/LTC or have partners with experience in these areas?
4. Project characteristics (concept plan + description of the project)
 - i. Minimum project size;
 - ii. Length of affordability;
 - iii. Locational attributes (transit, walkable services/retail, etc.); and
 - iv. Does the project meet the needs of the community (depth of affordability, seniors, suite mix/unit sizes, accessibility, energy efficiency as determined by Housing Brampton, the Official Plan, and Secondary Plans)?
5. Project/construction timeline
 - a. The project can be at any stage of the development process, however, projects that are closer to occupancy will be prioritized. The Applicant should provide a description of approvals necessary, status of applications/approvals, and approval/construction schedule.
6. Other sources of funding received
 - a. Requirement that the applicant has other sources of funding secured, as funding from Brampton alone is unlikely to be sufficient. This also assures staff that CMHC (co-investment fund) has reviewed and vetted the materials.
7. Full capital and operating budget/pro-forma to help the City determine:
 - i. Is the project viable?

- ii. How does the requested subsidy stack with other sources of funding?
 - iii. Is the requested subsidy necessary for the project to advance?
 - a. Proponents will be required to fill in a template, similar to one created for the Region of Peel's Incentives Program.
 - b. As noted above, this will need construction cost estimates (hard and soft costs), land price, and an operating budget showing the cash flow, financing, where equity will come from, existing funding commitments, and funding being requested (including land).
 - c. Financial equivalency of land supports provided or committed to by the City will be factored in.
8. Property tax implication, if any, of offering incentives.
- a. To be calculated for the particular project by City staff.
9. Finance staff's evaluation of appropriate sources of funding from City reserves for the particular subsidy request
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Corporate Implications:

Financial Implications:

There are no financial implications associated with this report. Staff will report back to Council on a case by case basis and identify any financial implications for eligible projects accordingly.

Other Implications:

There are no other implications with this report.

Term of Council Priorities:

This report directly aligns with the Council priorities of 'Creating Complete Communities' by focusing incentives for strategic residential growth; and the priority that 'Brampton is a Well-Run City' by proposing effective management of municipal finances.

Conclusion:

The City of Brampton is committed to providing supports to affordable housing and LTC projects that meet the needs of residents. This report addresses Council direction for an equitable approach to the review and allocation of incentives; and recommends a protocol to evaluate and allocate incentives to non-profit affordable housing and long term care projects in Brampton.

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