



City of
Peterborough

To: Members of the Finance Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: January 13, 2020

Subject: Report CSSS20-004
Affordable Housing, 1545 Monaghan Road Peterborough (The Mount Community Centre)

Purpose

A report seeking approval for capital funding and municipal incentives to create affordable rental units.

Recommendations

That Council approve the recommendations outlined in Report CSSS20-004 dated January 13, 2020, of the Commissioner of Community Services, as follows:

- a) That up to \$280,000 in federal-provincial funding be provided under the Ontario Priorities Housing Initiative for two (2) units of affordable rental housing at 1545 Monaghan Road, Peterborough;
- b) That up to \$51,000, that represents the Building Permit fees charged in excess of previously approved estimates for the affordable housing portion only, be paid from the Partnership Reserve; and
- c) That the Mayor and Clerk be authorized to execute agreements with The Mount Community Centre in forms acceptable to the City Solicitor and the Commissioner of Community Services.

Budget and Financial Implications

The \$280,000 from the Ontario Priorities Housing Initiative (OPHI) is 100% federal-provincial funding and therefore no budgetary implications for this portion of the recommendation. Under Report PLHD14-004, Incentives for Affordable Rental Housing, 1545 Monaghan Road (The Mount Community Centre), the affordable housing portion of The Mount Community Centre project was designated a Municipal Housing Facility. It provided approval for approximately \$3.5 million in municipal incentives, of which \$1.5 million is made up of City and federal-provincial grants. Report CSSS19-003, The Mount Community Centre Update, provides a full description of funding provided to The Mount Community Centre to date. It should be emphasized that the funding recommended in this report is to fund an additional two units from what was previously approved for the site. A summary of the funding provided to The Mount Community Centre is provided in Table 1 below:

Table 1 Funding Committed to Develop 65-units at The Mount Community Centre (Reports PLHD14-004 and PLHD18-002)

Incentive	Estimated Value
1. Development Charge Credit	\$520,630
2. Affordable Housing Community Improvement Plan <ul style="list-style-type: none"> • Planning Application Fee \$2,560* • Parkland \$23,400* • Cash-in-Lieu of Parking \$TBD • Tax Increment Based Grant \$235,200* 	\$261,160
3. Municipal Housing Facility (MHF) <ul style="list-style-type: none"> • 10-year MHF Property Tax Exemption (Municipal \$550,990, School Board \$99,100) \$650,000* • Development Charges Exemption (full charge less credit) \$240,000* 	\$890,000
4. Building Permit Fee Refund	\$47,000

Table continues on next page.

Table 1 continued
Funding Committed to Develop 65-units at The Mount Community Centre
(Reports PLHD14-004 and PLHD18-002)

5. Capital <ul style="list-style-type: none">Investment in Affordable Housing (IAH) \$600,000Social Infrastructure Fund (SIF) for “Shared Dreams” \$500,000Municipal Capital Grant \$400,000	\$1,500,000
6. Project Development Grant Refund	\$120,000
7. Project Management	\$75,000
8. Property/Tenant Management (over 5 years)	\$100,000
Total (over 20 years)	\$3,513,790
Per Unit (over 20 years)	\$54,058

The refund of the Building Permit fees related to the affordable housing is drawn from the Housing Services’ Partnership Reserve.

Background

Affordable Housing at The Mount Community Centre

The Mount Community Centre has committed to building 65 units of affordable housing under a Municipal Housing Facilities Agreement with the City of Peterborough. To date, 53 units are occupied, 5 are under construction, and a further 8 are construction ready. When complete, The Mount will have created 76 new housing units.

The housing units have been developed in a phased approach, beginning with the newest portions of the existing buildings, and working into the older wings. Five units for the Shared Dreams project are near completion. Shared Dreams will provide supportive housing to men with developmental disabilities in a semi-independent model with fully accessible suites, shared dining and communal space. Occupancy for these suites is expected in the spring. It is expected that The Mount Community Centre will be in attendance at the public meeting on January 13th to present and answer questions on their plan.

Ontario Priorities Housing Initiative (OPHI)

The OPHI is a new federal-provincial funding program and is similar to the Investment in Affordable Housing program, which ends March 31, 2020. Funding under OPHI can be used for development of new affordable housing, repairs to homeownership and rental housing, homeownership loans and rent supplements. Capital funding from the OPHI is in the Investment Plan, as approved by City Council through Report C55519-005, Housing and Homelessness – April 2019 Provincial Budget Update and Funding Approval.

A key difference in the OPHI from previous programs is that funding for new developments must be directed to non-profit/municipal/co-operative developers, or private developers in an equity partnership with a non-profit organization. This change means that non-profit housing developers are no longer in competition with the private sector for affordable housing funding, but it also limits the City's options for expending funds within program timelines. For the 2019-20 funding year (Year 1), the City must commit funding for new housing developments by January 31, 2020 to comply with the provincial deadline. If funding is not committed to a project by the January 31st deadline, the funding will be lost to the City. The funding as recommended in this report will use the entire allocation for the 2019-20 year.

Rents and Income Levels

Units funded by Federal-Provincial programs must have rents set at 80% of Average Market Rent (AMR). This means that, in 2019, rent charged for a one-bedroom unit including utilities would be \$733 per month. The Canada Mortgage and Housing Corporation (CMHC) sets the AMR for Peterborough annually. The City annually reviews and publishes income threshold and rents in its Annual Rent Setting Memo. Actual rents charged will be determined in the year the units are occupied.

Tenant Selection

Tenants for The Mount Community Centre's affordable housing are selected by a Tenant Selection Committee, which includes members from The Mount's Board of Directors, who work to balance the needs of vulnerable tenants with overall fit with the emerging community. The Mount will work with the Housing Locator to connect to applicants based on fit, and availability of appropriate supports where necessary. The Housing Locator is a position that connects with landlords and housing providers to staff who are working to support vulnerable households.

10-year Housing and Homelessness Plan

The Review of the 10-year Housing and Homelessness Plan was completed at the end of 2019. A key recommendation in the 2019 Plan is to develop 2,680 units of affordable housing in the next 10 years. Units funded through municipal and federal-provincial funding will contribute to reaching this goal.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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