



City of  
**Peterborough**

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**To:** **Members of the General Committee**

**From:** **W. H. Jackson,  
Commissioner of Infrastructure and Planning Services**

**Meeting Date:** **June 25, 2018**

**Subject:** **Report IPSHD18-004  
Municipal Incentives for Affordable Rental Housing, DeafBlind  
Ontario Services, 86 Earlwood Drive Peterborough**

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## **Purpose**

A report to recommend approval of specific municipal incentives and capital funding for affordable rental housing in response to the Affordable Housing Community Improvement Plan program application submitted by DeafBlind Ontario Services regarding 86 Earlwood Drive, Peterborough.

## **Recommendations**

That Council approve the recommendations outlined in Report IPSHD18-004 dated June 25, 2018, of the Commissioner of Infrastructure and Planning Services, as follows:

- a) That the Affordable Housing Community Improvement Plan program application be approved for the proposed two unit affordable rental housing project at 86 Earlwood Drive Peterborough, in accordance with Report IPSHD18-004;
- b) That the project be approved for \$250,000 in capital funding for two affordable rental units using Investment in Affordable Housing - Extension program funding; and
- c) That a By-law be adopted authorizing City Council to designate the portion of the property related to affordable rental housing (two units) at 86 Earlwood Drive Peterborough as a Municipal Housing Facility, in accordance with By-law Number 12-094, and authorizing the Mayor and Clerk to sign agreements and other documents so necessary to provide municipal incentives in accordance with Report IPSHD18-004.

## Budget and Financial Implications

The capital funding from the Investment in Affordable Housing - Extension program is in the multi-year Program Delivery Fiscal Plan and is 100% federal-provincial funding, as approved by City Council (Report PLHD15-002 dated March 30, 2015).

The value of the municipal incentives for affordable housing is largely derived from forgone revenue from fees, charges and property tax (although this property is not applying for property tax relief) that would normally be charges by the City. Table 1 below summarizes the estimated values of recommended incentives based on a project with two bachelor units.

Incentive	Estimated Value
<b>Municipal Housing Facility</b>	<b>\$2,100</b>
Building Permit Fee	
<b>Investment in Affordable Housing Extension Program</b>	<b>\$250,000</b>
IAH-E Capital (2 accessible units)	
<b>Total</b>	<b>\$252,100</b>
<b>Per Unit</b>	<b>\$126,050</b>

Only the Building Permit Fee is a direct cost (lost revenue) to the City

## Background

An application for Affordable Housing Community Improvement Plan (CIP) area incentives has been received from DeafBlind Ontario Services (DeafBlind) for a two unit affordable housing rental project at 86 Earlwood Drive. This report is recommending approval of incentives as outlined herein.

Council has the authority to offer incentives by designating the project as a Municipal Housing Facility (MHF) under By-law 12-094 which was adopted on June 25, 2012. Council approval is required for every affordable rental housing project receiving incentives.

A Review Committee for applications under the Affordable Housing CIP consists of City staff from Housing, Building, Planning, Heritage and Tax Divisions. This Committee has received a presentation from DeafBlind Ontario Services and understands the details of the proposed project. DeafBlind has appropriate zoning in place for this project and is not applying for the property tax incentives. The Review Committee supports the recommendations to provide incentives described in this report.

The property, 86 Earlwood Drive, is in the Community Improvement Area, as per Schedule H of the City of Peterborough's Official Plan. It is located in west-central Peterborough, north of Sherbrooke Street and south of Peterborough Regional Health Centre. Residential dwellings in this neighbourhood include a variety of single detached, semi-detached, townhouse, and apartment dwellings, though the majority of neighbouring properties are single-detached dwellings. Aside from the presence of a grocery store at Medical Drive and Sherbrooke Street, the majority of non-residential uses in the area are institutional uses such as PRHC, clinics and supporting services.

The proposed addition will be compatible with other buildings in the neighbourhood. There will be a total of two accessible and barrier free bachelor units created. The applicant has submitted an application for a building permit. Support through the Ministry of Community and Social Services will help the clients of DeafBlind to live in their own homes successfully.

### **The Cumulative Impact of Financial Incentives**

This project will provide affordable rental housing and as such is recommended to be designated as a Municipal Housing Facility. A refund of the Building Permit Fee for the development of 2 units is recommended for this project. The estimated value, based on 2 units at 2018 rates is \$2,100.

The Investment in Affordable Housing Extension (IAH-E) program enables the City to offer 100% federal and provincial funds to support the development of affordable housing and drive down rents. IAH-E capital is recommended at \$125,000/unit. The total capital investment of IAH-E funds into the 2 units is \$250,000.

### **About the Project Developer**

DeafBlind Ontario Services has developed similar projects in Ontario with Federal-Provincial capital funding. The model is successful in London, Simcoe County and York Region, combining funding from the agency, multiple levels of government and then layering on the addition of supports for the individuals through the Ministry of Community and Social Services. DeafBlind is a not-for-profit that helps individuals who are deafblind to increase their independence and improve their quality of life through specialized services. Their service model ensures clients' goals are met through a person-centred approach delivered by specially trained Intervenors.

This proposed project will be built onto an existing residence, "Earlwood House". Earlwood House is a congregate home with supports for people with physical and sensory impairments, operated by DeafBlind. The addition will allow DeafBlind to utilize support resources better: residents from two homes will be together at one site. The addition will be added to the side of the building at ground level, providing a barrier free, fully accessible home with specialized features for two residents. Funding for operations and supports are already in place.

## **Accessibility Features**

Some of the specialized accessibility features in this project will include:

- wide doorways and hallways;
- accessible bathroom;
- distinguishable flooring in each room;
- lowered countertops in the kitchen;
- appropriate lighting for vision loss; and
- colour contrasting paint and ceiling track lift systems to ensure clients of this home have safe access to bathing, furniture, exercise equipment, physiotherapy, etc.

## **Rent and Income Levels**

Units funded by Federal-Provincial programs must have rents set at 80% of Average Market Rent (AMR). Due to the semi-independent layout of the project, the rents will be set at 80% of AMR for a bachelor unit. This means that, in 2018, rent charged to a tenant would be \$564 per month. The Canada Mortgage and Housing Corporation (CMHC) sets the AMR for Peterborough annually. The City annually reviews and publishes the information as the Annual Rent Setting Memo.

The maximum annual household income levels for tenants directly correlates with the rent level of a unit. For units with rents at levels lower than 80% of AMR, the total annual household income maximum also decreases.

## **10-year Housing and Homelessness Plan and Targets for Priority Groups**

Peterborough's 10-year Housing and Homelessness plan commits to achieving the outcome that "500 new affordable rental homes are created using new and existing resources including senior government funding, municipal incentives, non-profit and private equity and publicly-owned land." Providing incentives to enable the development of affordable rental housing is consistent with the City's intentional shift from providing emergency responses to providing long-term, sustainable housing solutions.

This project will facilitate the development of purpose-built units for people with disabilities. The IAH-E program requires that funding be provided to units for specific target populations; people with disabilities are specifically targeted. DeafBlind will be responsible to selecting tenants that are eligible for the supports through MCSS-funded programs and for the affordable rental units, based on income levels.

## **Terms and Conditions of the City's Agreement for 86 Earlwood Drive**

The legal agreement, which will be registered on title, will contain the following terms and conditions:

- A 20 year Affordability Period – period that rents must remain at or below 80% of Average Market Rent, calculated annually by Canada Mortgage and Housing Corporation;

- Process for Income Screening for new tenants – the method and criteria for selecting in-coming tenants and the maximum income for those tenants;
- Adherence to Property Standards By-law;
- Insurance – City approval of insurers and the insurance policies carried by the owner/landlord, including the limits of coverage and the provisions thereof;
- Initial and Annual Occupancy Reporting – the information required from the owner/landlord to ensure compliance with programs;
- Consequences of Sale or Default – the steps to be followed should the property be sold or should default occur; and
- The City will take a mortgage on title for the value of the capital funding of \$250,000.

The legal agreement will contain the following terms and conditions:

- A 20 year Affordability Period – period that rents must remain at or below 80% of Average Market Rent, calculated annually by CMHC;
- Process for Income Screening for new tenants – the method and criteria for selecting in-coming tenants and the maximum income for those tenants;
- Adherence to Property Standards By-law;
- Insurance – City approval of insurers and the insurance policies carried by the owner/landlord, including the limits of coverage and the provisions thereof;
- Initial and Annual Occupancy Reporting – the information required from the owner/landlord to ensure compliance with programs; and
- Consequences of Sale or Default – the steps to be followed should the property be sold or should default occur.

## Summary

The innovative project proposal at 86 Earlwood Drive Peterborough will help two individuals with unique needs to live in their own home. Intensification of this property will enable more renters to live in safe, secure and appropriate housing, with 24/7 support. This project is aligned with the objectives of the 10-year Housing and Homelessness Plan for Peterborough.

Submitted by,

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Commissioner of Infrastructure and Planning Services

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