

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON March 20, 2018
FROM:	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME
SUBJECT:	PROVINCIAL DEVELOPMENT CHARGES REBATE PROGRAM

RECOMMENDATION

That, on the recommendation of the Managing Director, Housing, Social Services and Dearness Home, the following actions be taken with respect to participation in the Province of Ontario's Development Charges (DC) Rebate Program;

- a) the attached Development Charges Rebate Program Guidelines (Appendix "B") and Development Charges Rebate Program Expression of Interest document (Appendix "C") **BE RECEIVED**;
- b) the Managing Director, Housing, Social Services and Dearness Home **BE DIRECTED** to submit an Expression of Interest for the Province's DC Rebate Program;
- c) the Service Manager **BE DESIGNATED** as the DC Rebate Program Administrator;
- d) the proposed by-law attached as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting to be held on March 27, 2018 to:
 - i) authorize and approve a Transfer Payment Agreement between The Corporation of the City of London (the "City") and the Minister of Housing substantially in the form satisfactory to the City Solicitor;
 - ii) to authorize the Mayor and the City Clerk to execute the said Agreement;
 - iii) to delegate City's duties as Service Manager for the administration of the DC Rebate Program to Housing Development Corporation, London, subject to certain powers and conditions; and
- e) the Managing Director, Housing, Social Services and Dearness Home **BE DIRECTED** to work with other City service areas to design local program parameters.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Link to Corporate Strategic Plan

Administering the Province's DC Rebate Program links to the Corporate Strategic Plan's key area of focus of Growing our Economy and the strategy of Urban Regeneration specifically:

2B "Create New Partnerships to Build, and Support the Building of, New Affordable Housing"

BACKGROUND

Intent of this Report

1. Provide background on Province's DC Rebate Program;
2. To inform Council that Civic Administration has submit an Expression of Interest for the Province's DC Rebate Program;
3. Designate the Service Manager as the DC Rebate Program Administrator;

4. Approve the Transfer Payment Agreement between the City and the Minister of Housing in the form satisfactory to the City Solicitor, and to authorize the Mayor and City Clerk to execute the agreement on the City's behalf,
5. Delegate DC Rebate Program Administration duties to the Housing Development Corporation, London; and
6. Direct the Service Manager to work with other Civic Administration service areas in program design.

Background

In April, 2017, the Province introduced the *Fair Housing Plan* as a set of 16 measures to help advance affordable housing, increase the supply of available affordable housing, and provide increased stability to the Ontario housing market. The *Fair Housing Plan* included a focus on increasing the housing supply by introducing a targeted \$125-million, five-year program to encourage the construction of new rental apartment buildings

The DC Rebate program is an initiative under Ontario's Fair Housing Plan to increase the supply of purpose-built market rental housing. Through the program, up to a total of \$125 million over five years is available to support municipalities, starting with \$25 million in 2018-19.

On December 20, 2017, London received information regarding the Development Charges Rebate Program. (Program Guidelines are attached as Appendix "B"). The program targets purpose-built market rental developments and units in municipalities with low vacancy rates and high tenant populations. This includes the City of London and the Municipality of Strathroy-Caradoc in the London Service Management Area along with 86 other municipalities identified.

The intent of the program is to encourage and assist in building complete communities that are accessible, livable, walkable, and close to transit and other services by offsetting development charges for residential rental units that are not otherwise directly incented. This can include market units in affordable developments, or units in full-market developments that are not able to take advantage of other DC related programs.

To secure access to participate in the DC program over the next five years, the required Expression of Interest (EOI), attached as Appendix "C" has been submitted within the Ministry's **due date of March 2, 2018**. This is London's single opportunity to participate in the five-year program. The EOI was submitted to meet the Ministry's submission deadline, with the provision that Committee and Council review and approval would be sought thereafter.

Delegation to Service Manager

Municipalities can enter into the Province's DC Rebate Program directly or designate their Housing Service Manager as the administrator of the Program.

Civic Administration recommends **designating** the Housing Service Manager as the DC Rebate Program Administrator and to align with the delegation of the Housing Service Manager responsibilities for Affordable Housing activities to the Housing Development Corporation (HDC), London, Civic Administration recommends **delegating** the Province's DC Rebate Program Administration responsibilities to the HDC.

Administrative staff from the Municipality of Strathroy-Caradoc has provided Council resolution confirming endorsement to participate in the Province's DC Rebate Program as well as to take advantage of the allowable program parameter to deliver the Province's DC Rebate Program through the Housing Service Manager.

This approach allows the HDC to act as a central access point for delivery of the Province's DC Rebate Program along with other complementary programs and services (provided in coordination with City service areas, Canadian Mortgage Housing Corporation (CMHC) programs, and other supports to creating affordable housing).

Why Participate In This Program

The Province's DC Rebate Program provides the opportunity to:

1. Provide further financial incentives to developers for market units which lowers construction costs and results in lower rents (greater affordability);

2. Create lower rents that are required to be secured through a Contribution Agreement for a minimum of 20 years;
3. Combine the Province's DC Rebates for the market rental units within existing affordable housing development projects and incentives to create further overall affordability; and
4. This Expression of Interest represents a one-time opportunity to participate in the program.

Work Completed To Date

In an effort to review the to the Province's DC Rebate Program EOI opportunity, Civic Administration established a Stakeholder Working Group (consisting of Planning, Finance, Development Services, Housing Services and HDC) to participate in determining the Program Administrator, development of the EOI submission and future program design.

Through the Stakeholder Working Group, Civic Administration recommends delegating responsibility to the HDC as the Program Administrator.

The Stakeholder Working Group has also engaged the municipality of Strathroy-Caradoc to solicit their municipal council direction regarding participation in the Program.

FINANCIAL IMPACT

Funding for Province's DC Rebate Program is funded 100% by the Province and is not subject to any cost sharing requirements by the City. No municipal contribution is required to fund the rebate development charges for projects that receive this incentive.

It should be reiterated that this is a time-limited program for a period of up to five (5) years and subject to timing and program guidelines should the City be successful in receiving any allocated funding.

Service Managers will be allocated 5% of the total funding received to assist with the administration cost of the Service Manager's program responsibilities.

PREPARED BY:	RECOMMENDED BY:
DAVE PURDY MANAGER, HOUSING SERVICES HOUSING, SOCIAL SERVICES AND DEARNESS HOME	SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES AND DEARNESS HOME

- C: David Munteer, Solicitor II
 Kyle Murray, Senior Financial Business Administrator
 Jason Wills, Manager III, Risk Management
 Stephen Giustizia, Chief Executive Officer, Housing Development Corporation, London