

To: COUNCIL
Meeting Date: 11/26/2024
Subject: **Templated Agreements - HAF Initiative 5**
Submitted By: Tanya Gies, Housing Accelerator Fund Program Manager
Prepared By: Tanya Gies, Housing Accelerator Fund Program Manager
Report No.: 24-150-CD
File No.: C1101
Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 24-150-CD HAF Initiative 5 Templated Agreements be received;
AND THAT Council approve the Template Agreement attached as Appendix A;
AND FURTHER THAT staff be directed to develop additional template agreements and/or enhancements subject to approval by the HAF Steering Committee.

EXECUTIVE SUMMARY:

Purpose

- This report has been prepared to seek Council approval for Housing Accelerator Fund (“HAF”) Program projects, an Affordable Housing Template Agreement.

Key Findings

- One of the HAF Program enhancements approved by Council on December 19th, 2023 (“HAF Project 5”), and agreed to by the Corporation of the City of Cambridge (the “City”) and the Canada Mortgage and Housing Corporation (CMHC) as part of the HAF Program contribution agreement, was to prepare an Affordable Housing Agreement Template to be entered into by the City and a developer to secure a long term affordable housing development. This tool will assist with the rapid issuance of approvals and financial incentives for these types of housing developments.
- Additional enhancements to the template will be explored to improve integration with affordable housing providers.

- Approval of this template will make it available to use but does not commit council to use it for any particular site.
- Council approval of this template agreement is needed before December 1, 2024, to be eligible for the HAF funding approved for this project.

Financial Implications

- There are no financial implications for approving the HAF Project 5 Template Agreement. This is one of the HAF funded projects and any future use of the agreement as part of the land sale would come to council for approval in a dedicated report.

STRATEGIC ALIGNMENT:

Strategic Action

Objective(s): PLANNING FOR GROWTH - Provide for a mix of development, uses and amenities in order to meet the needs of a changing and diverse population

Strategic Action: Increase housing options

OR

Core Service

Program: Not Applicable

Core Service: Not Applicable

BACKGROUND:

- Council directed staff to proceed with the template agreement based on a model that the land was being sold not leased.
- Based on that direction, external legal counsel was retained to draft the template agreement.
- The draft template agreement before council for approval has been reviewed by the HAF Project 5 staff team and stakeholders.

ANALYSIS:

The template agreement consists of two parts. The first is an agreement of purchase and sale, which transfers the land from the City to the purchaser subject to certain conditions. The second part, the supplemental agreement, sets out the tools that the

City can use to ensure the units built on the property remain affordable rental units for a set period.

The agreement sets out the following tools to ensure that the units built remain affordable:

- An inhibiting order will be registered on title this prevents the sale of the land without the City's consent.
- A restrictive covenant is proposed to be registered on title, which would restrict the use of the land to providing affordable units.
- An option to repurchase is included, which can be triggered by the City if the property is not maintained as affordable units.
- A Development Charges (DC) Deferral agreement is required to ensure any DCs are paid back should the property not remain affordable.

As with any template agreement, it will need to be reviewed and adapted to each situation. In particular, the exact price of the land, specific building details and the role of the affordable housing provider will need to be negotiated and approved by council for each sale.

In addition, there are other mechanisms being explored in other jurisdictions to ensure that units remain affordable long-term, and staff will continue to monitor this issue and will return to Council with updates or enhancements to the template agreement once more information becomes available.

EXISTING POLICY / BY-LAW(S):

By-Law No. 74-95

FINANCIAL IMPACT:

The development of the Template Agreement, as part of HAF Initiative No. 5, was HAF funded. Any future use of the agreement as part of land sale would come to council for approval in a dedicated report.

PUBLIC VALUE:

This agreement will enable an efficient and repeatable process for the generation of affordable housing units on former city owned lands that have been disposed of, to address the housing needs of residents.

ADVISORY COMMITTEE INPUT:

Not Applicable

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

The Template Agreement was drafted by external legal counsel based on the requirements set out by staff and the HAF contribution agreement. The draft Template Agreement and Supplementary Agreement have been reviewed by the HAF Project 5 Staff team, including staff from Financial Services, Planning Services and Legal Services. Feedback from staff has been incorporated into the Template Agreement.

CONCLUSION:

As part of HAF Project 5, the City committed to developing a template agreement to be endorsed by Council to improve internal process efficiencies. Based on the contribution agreement with CMHC, this template agreement must be approved by Council by December 1, 2024, to be eligible for the HAF funding approved for this project. This agreement will be a tool for the City to use when entering into an agreement with a developer for the generation of affordable units on disposed municipal properties. The tools outlined in the agreement will help mitigate the risk that the resulting project would not meet the City's requirements for the set period of time the project must remain affordable. This agreement will be a tool for the City to use with a developer for the creation of affordable units on disposed of municipal properties. The terms and conditions outlined in the agreement provide legal recourse to the City, if any of the projects fail to meet the City's requirements for affordability during the required affordability period set out in the agreement.

REPORT IMPACTS:

Agreement: **Yes**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

1. 24-150-CD- Appendix A – Template Agreement (HAF Initiative No. 5)