

Date: 02/03/2023 **Internal Memo #:** IM23-002(CD)

To: Mayor and Council

Circulated to: David Calder, Hardy Bromberg, Sheryl Ayres & Lisa Prime

Department: Community Development

Division: Planning

From: Joan Jylanne – Manager of Policy Planning

Subject: Affordable Housing Reserve Fund Information

Comments

Background and Responsibility for Affordable Housing

The Planning Act sets out matters of provincial interest that Planners are required to consider for any planning decision. Section 2(j) in particular obligates, in part, “the council of a municipality ... in carrying out their responsibilities under this Act, shall have regard to, ...: (j) the adequate provision of a full range of housing, including affordable housing”.

In providing “housing for all” each level of government has responsibilities to ensure that new housing stock is provided across the housing continuum not just at one end or the other.

City staff work closely with Regional staff, the development community and not-for-profit housing providers to facilitate the creation of units at the affordable end of the housing continuum.

THE HOUSING CONTINUUM



The Region of Waterloo is generally responsible for homelessness through to Community Housing on the image of the housing spectrum above. As an upper-tier municipality in

1 The Regional affordable housing waiting list places people in units ranging from Community Housing through to Affordable Housing units. Supportive Housing placements are done through a different system.

Ontario, the Region of Waterloo is a Consolidated Municipal Service Manager responsible for housing services in the Region. They own a number of subsidized housing units across the Region, administer the waiting list¹ for residents trying to gain access to affordable housing, assist the not-for-profit organizations in accessing funding to construct and maintain additional affordable units and support homelessness services. If you were to visually split the spectrum showing Regional and City responsibility it would split in the middle of 'Affordable Housing' with the Region responsible for the left portion of the spectrum and the City responsible for the right side.

Policy Planning staff work in conjunction with Development Planning staff to help facilitate the provision of affordable units and/or a cash-in-lieu donations to the Affordable Housing Reserve Fund in 'Market Rate' development projects and work to create and maintain partnerships between the development community and not-for-profit organizations on projects that contain only affordable units in an effort to maximize the potential for affordable housing units.

The City of Cambridge Official Plan contains policies that support the creation of affordable housing. In particular, Policy 8.4.1.3 states that "New residential development **will include** (emphasis added) a minimum number of affordable housing units based on the targets established in the Region's Community Action Plan for Housing." The development community has indicated that there are situations and locations where it is more difficult or cost prohibitive to provide affordable units. To address this, a condition of draft approval for plans of subdivision requiring developers to provide cash-in-lieu of affordable housing was introduced. The condition is approved by Council through the staff recommendation report when a plan of subdivision is brought to Council for draft approval. The upcoming work on the City's housing strategy will provide further policy basis for these conditions as well as some more specific direction on when the condition should be applied and what rate (\$ per unit) should be recommended for Council approval. The condition also requires that the money be dedicated to the Affordable Housing Reserve Fund. Funds are accessed through a staff report to Council.

The Affordable Housing Reserve Fund is one of a number of tools available to staff and Council to assist in the creation of affordable units. There is a Community Improvement Plan (CIP) which encompasses the three Core Areas and the Regeneration Areas as set out in the Official Plan. The CIP allows Council to refund or waive application fees for development applications up to and including building permit fees. To qualify for these incentives, the developer needs to be a known affordable housing developer or needs to partner with a known affordable housing provider. As noted above, a staff report needs to be brought forward to Council for consideration and approval.

The Affordable Housing Reserve Fund and Other Sources of Funding

Question of Council: Does the Affordable Housing Reserve Fund extend into Regional responsibilities?

The Affordable Housing Reserve Fund was established as an additional tool to help facilitate the development of affordable housing and can be used in conjunction with funding from Canadian Mortgage and Housing Corporation (CMHC) as well as any funding received from the Region. One of the questions on the application to access the Housing Reserve Fund asks the proponent to identify any and all sources of funding to assist staff in providing the best advice to Council.

Contributions into the Affordable Housing Reserve Fund

Question of Council: Will the Affordable Housing Reserve Fund rely on voluntary contributions from the development community going forward?

The intent of the fund is that developers through their development applications will provide the majority of the moneys contributed towards the fund.

The change in wording in the draft Reserve Fund by-law is a result of recent changes to the Planning Act which removed Density Bonusing thus the housekeeping updates to the Reserve Fund by-law.

Question of Council: What will happen to contributions to the Reserve Fund with the removal of Density Bonusing from the Planning Act?

The projects that have gone through Density Bonusing in Cambridge have not included financial contributions to the Affordable Housing Reserve Fund as part of the density bonusing request. There are projects that have provided affordable units as their community benefit. The housing strategy work planned in 2023 will help to provide a policy framework to support the provision of affordable housing.

Question of Council: Are the contributions to the Reserve Fund 'double dipping' from tax payers?

Finance staff explained that Council had decided previously to dedicate a portion of a budget surplus to the reserve fund. Specifically motion 22-118 passed on April 19, 2022 read:

AND THAT the tax-supported operating surplus as a result of waived development charges being lower than budgeted in 2021 in the amount of \$800,000 be transferred to the Affordable Housing Reserve Fund for the implementation of a policy to waive Development Charges for affordable housing developments.

Bill 23 in 2022 included exemptions for affordable housing developments, as well as attainable housing, to be incorporated directly within the Development Charges Act, thereby not requiring a local policy to waive the development charges for these projects. The associated sections of the Development Charges Act, however, have not yet been proclaimed as the Province continues to review the definitions of affordable and attainable housing developments. Further information on this will be provided to Council as it becomes available.

Use of Funding out of the Affordable Housing Reserve Fund

The Affordable Housing Reserve Fund was established by Council in 2019 alongside a policy toward supporting affordable housing initiatives (report 19-053(CD) on May 14, 2019 attached below). The purpose of the reserve fund stated in that report is “to provide City funding to non-profit and/or private sector organizations toward the provision of affordable rental housing.” The moneys can be used for the acquisition of lands and construction costs directly related to the creation of affordable rental units but cannot be used for costs associated with operation, maintenance or repairs of units or for any studies or consultant fees.

Question of Council: are there any examples that could be presented to Council to clarify the process?

There have not been any applications submitted to date requesting access to the reserve fund. There are a number of affordable housing projects that are currently under construction or recently finished construction within the city including, but not limited to, the KW Urban Native Wigwam Project development on Cambridge Street (behind City Hall) as well as projects at 195 & 197 Hespeler Road.

For context, staff have attached copies of the Affordable Housing Community Improvement Plan (CIP) application form and the Affordable Housing Reserve Fund application form.

Attachments

IM23-002(CD) Attachment A - Affordable Housing Community Improvement Plan (CIP) Application Form

IM23-002(CD) Attachment B - Affordable Housing Reserve Fund Application Form

IM23-002(CD) – Attachment C – Report 19-053(CD) – Establishment of an Affordable Housing Sub-Reserve Fund

Approvals:

Manager/Supervisor

Deputy City Manager

City Manager



Affordable Housing Community Improvement Plan Application

Policy Planning Section
Development & Infrastructure Department
50 Dickson Street, 3rd Floor, P.O. Box 669
Cambridge, Ontario N1R 5W8
(519) 621-0740

This application is for (please select all that apply):

- Affordable Housing Incentive Program (municipal fee exemptions)
 Affordable Housing City of Cambridge Development Charges Deferral Program
 Affordable Housing Tax Increment Grant Program

Note: Eligibility for Affordable Housing Community Improvement Plan must be confirmed prior to the submission of any Planning Application(s), Building Permit(s) and Sign Permit(s) to be considered eligible for fee exemptions, deferral of development charges and/or Tax Increment Grant(s).

Please confirm eligibility requirements with the Senior Planner – Reurbanization, ext. 4213.

1.0 General Information	
Municipal Address: _____	
Assessment Roll No. _____	
Lot: _____	Concession: _____
Registered Plan No. _____	Lot(s): _____
Reference Plan No. _____	Part(s): _____
Is the proposed affordable housing project within the areas identified on Schedule A? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If no , is this the project proposed by Habitat for Humanity? Yes <input type="checkbox"/> No <input type="checkbox"/>	

2.0 Registered Owner*	
Name: _____	
Address: _____	
City: _____	Postal Code: _____

Phone: _____ Ext. _____
 Email: _____

*If a numbered company, also give the name and address of the principal owner. If more than one owner, complete an additional page for each owner.

3.0 Applicant (If Different Than Owner)

Name: _____
 Address: _____
 City: _____ Postal Code: _____
 Phone: _____ Ext. _____
 Email: _____

4.0 Primary Contact

All contact with the City of Cambridge regarding this application will go through a single point person. Please indicate who the primary point of contact is:

Registered Owner Applicant

5.0 Existing Conditions

Existing use of the Property: _____

Are there any buildings on or adjacent to the subject land that are designated under the Ontario Heritage Act or are identified as Properties of Interest? Yes No

Are there any outstanding work orders or requests to comply from the City's Fire Department or Building Divisions on the subject lands? Yes No

If **yes**, all outstanding work orders and requests to comply must be addressed prior to grant approval.

Are the subject lands a known or suspected contaminated site? Yes No

If **yes**, is environmental remediation anticipated as part of the proposed project? Yes No

6.0 Proposed Affordable Housing Project

Anticipated construction start date: _____

Anticipated construction end date: _____

Please provide a description of the proposed affordable housing project, including detailed information on the new housing units and any public benefits that will be provided as part of the proposed project. _____

Please attach any additional documents and drawings that support the proposal to this application and complete **Table A** below.

Table A

No. of Units	Dwelling Type (i.e. Apartment, Duplex, Townhomes)	Unit Type (i.e. Bachelor, 1-Bedroom, 2-Bedroom, etc.)	Unit Size (m ²)	Tenure (Rental/ Ownership)	Unit Rent/ Price (\$)

7.0 Related Applications

Have you attended a Pre-consultation meeting with Planning staff regarding to discuss the proposal and confirm submission requirements? Yes No

Are any Development Charges expected to be incurred as part of the proposed project? Yes No

Are any Building Permit(s) expected to be required as part of the proposed project? Yes No

Are any applications under the Planning Act expected to be required as part of the proposed project (i.e. Zoning By-law Amendment, Official Plan Amendment, Minor Variance, Consent, Site Plan Application)? Yes No

If **yes**, please indicate the type and status of any related planning application(s):

8.0 Property Tax Information

Current assessed value of the subject lands: _____ Year: _____

Current annual property taxes: _____ Year: _____

Will the proposed development/redevelopment of the property for affordable housing prompt a reassessment? Yes No

If **yes**, and if known, please indicate the annual property tax amount upon project completion: _____

Are all current property taxes paid in full for the subject lands? Yes No
Eligible project **shall not** be in property tax arrears.

If **no**, specify the amount of tax arrears for the subject lands: _____

9.0 Source of Funds

Will the proposed project receive any grants, loans, or other financial assistance from the City of Cambridge, Region of Waterloo, or other level(s) of government? Yes No

If **yes**, please specify the all types and amounts of financial assistance anticipated: _____

10.0 Submission Checklist

- Completed Application Form
- Cover Letter (brief overview of the proposal)
- Photographs of existing building/site
- Historical photographs/drawings (if applicable)
- Site Plan
- Detailed description of the proposed works, including a work plan and construction drawings
- Project schedule
- Project capital and operating budget
- Environmental Site Assessment(s), Record of Site Condition, Certificate of Property Use and any other relevant environmental reports (if applicable)
- Compact Disk (CD) or USB Stick of the digital PDFs
- Two (2) paper copies** folded and collated 8.5 x 14



Authorization of Owner for Agent to Make the Application

If the applicant is not the owner of the subject land, the written authorization of the owner that the applicant is authorized to make the application must be completed by the owner.

I, _____, am the owner of the land that is the subject of this application, and I authorize _____ to make this application on my behalf.

Signature of Applicant/Owner

Date

The personal information contained on this form is collected pursuant to the Planning Act, R.S.O., 1990, Chapter 13, as amended. This information is required in order to process this development application and forms part of the public record. If you have any questions on the gathering of personal information, please contact the City's Deputy City Clerk/Manager of Information Management and Archives, who can be reached through the Clerk's Division of Corporate Services Department at (519) 740-4680, ext. 4583.



Affordable Housing Reserve Fund Application Form

Applicant Information:

PLEASE PRINT

Applicant Name*: _____

Applicant Contact Information: _____

Organization: _____

Legal Signing Officers:

Title _____ Name _____

Phone _____ Signature _____

Title _____ Name _____

Phone _____ Signature _____

Title _____ Name _____

Phone _____ Signature _____

Mailing Address: _____

Phone number: _____ Email _____

When was your organization established? _____

***This will be the primary contact for City staff**

What other projects have you completed in Cambridge or elsewhere? (address & number of units)

Project Partners:

Name: _____ Contact Information: _____

Name: _____ Contact Information: _____

Name: _____ Contact Information: _____

Project Property Address : _____

Legal Description: _____

How Much Money Are You Seeking from the Fund? _____

Is This The First Time Receiving Funds from the Fund? _____ Yes _____ No

If No, Please List Project Address and Funds Received _____

Description of Project Property and Proposed Work (photos &/or drawings can be attached). Please include the following information: number and size of units; rental rates and what is included in the rent; number of units designed to be accessible; and describe how this project is integrated into the neighbourhood.

Has the Project received approval of all City of Cambridge planning applications?

Does the Project require GRCA and/or Region approval?

Provide a timeline for the Project. When you hope to start the Project? When do you hope to complete the Project?

Total estimated budget for the Project _____

Have any funds been requested/received from other sources? ____yes ____no

If yes, provide details of amount received and for what part of the project.

How will the funds be used? _____

How will the units be maintained as affordable rental units? _____

Are you prepared to provide yearly statements to the City of Cambridge , indicating the units remains affordable based on current CMHC data? _____

Names and Contact Information of all Professionals associated with the Project:

Architect(s): _____

Contact Information:

Company: _____

Phone: _____ Email: _____

Engineer(s): _____

Contact Information:

Company: _____

Phone: _____ Email: _____

Planner(s): _____

Contact Information

Company: _____

Phone: _____ Email: _____

Builder(s): _____

Contact Information

Company: _____

Phone: _____ Email _____

Signature: _____ Date Submitted _____

I have the authority to bind the organization



To: PLANNING & DEVELOPMENT COMMITTEE

Meeting Date: 05/14/2019

Subject: Establishment of an Affordable Housing Sub-Reserve Fund

From: Valerie Spring, MCIP, RPP, Senior Planner - Reurbanization

Report No.: 19-053 (CD)

File No.: D04.01.02

Recommendation

THAT Cambridge Council receive Report No. 19-053 (CD) – Establishment of an Affordable Housing Sub-Reserve Fund for information;

AND THAT Cambridge Council directs that Finance staff rename the Density Bonusing Reserve Fund to Affordable Housing Reserve Fund through a future amendment to the City's Reserve Fund By-law 2-17.

AND FURTHER THAT Cambridge Council approve the Affordable Housing Sub-Reserve Fund Implementation Policy attached to Report No. 19-053 (CD) and directs Finance staff to make the future required minor name changes to the Reserve Fund references in this Policy once the Reserve Fund By-law amendment has been completed.

Executive Summary

Purpose

The purpose of an Affordable Housing Sub-Reserve Fund is to provide City funding to non-profit and/or private sector organizations toward the provision of affordable rental housing.

Council approval of the Affordable Housing Reserve Sub-Fund Implementation Policy will provide clear direction to City staff and applicants regarding the administration of the Fund in the future. The Implementation Policy outlines the eligibility requirements the City will use to evaluate each application and how the monies will be released and to whom. (Attachment No. 1).

The City's reserve fund by-law (2-17) includes a reserve fund for density bonusing for the purpose of holding funds when the City grants a developer additional height or density in exchange for the provision of community benefits, including affordable

housing. To date this reserve fund has had no activity. To date, monies being provided to the City as community benefits for increases in development height and/or density are being directed to other reserve funds (e.g. public art, parkland) so that the monies are used for specific purposes. Based upon this, Staff proposes to rename the Density Bonusing Reserve Fund as the Affordable Housing Reserve Fund through an amendment to Reserve Fund By-law 2-17.

Key Findings

- Monies to the Affordable Housing Sub-Reserve Fund could come from at least three sources: as part of a negotiated density bonusing agreement with the City; conditions of plans of subdivisions/site plans; and/or philanthropic donations.
- Funding from the Sub-Reserve Fund would supplement the funding available through the Affordable Housing Community Improvement Plan. Funding from the Sub-Reserve Fund may be directed to the acquisition of land and construction costs directly related to the creation of affordable rental units.
- Funding from the Sub-Reserve Fund would not be used for any costs associated with the operation, maintenance or repairs of existing or planned future affordable rental units. Also, monies in this reserve are not intended to be used to finance any studies or consultant fees.
- The proposed Implementation Policy as attached outlines the process for which the monies from the Affordable Housing Sub-Reserve Fund could be distributed to affordable rental housing projects. At this point it is recommended the fund not be used to create affordable units for home ownership because: there is a significant need for additional affordable rental units in Cambridge; and the City can only ensure owned units are affordable at the point of first purchase of the unit. After someone owns a unit, renovations to the unit can result in the unit being sold at a higher resale value than Canada Mortgage and Housing's affordable home ownership rates.

Financial Implications

- Currently a Density Bonusing Reserve Fund is in place to receive funds through density bonusing agreements. Staff from the Finance Division will be conducting a review of reserve accounts and proposing future amendments to By-law 2-17 for Reserve Funds. Through this amendment, the Density Bonusing Reserve Fund can be renamed as the Affordable Housing Reserve Fund.
- The Affordable Housing Sub-Reserve Fund would be financed by contributions negotiated with developers through density bonusing agreements; conditions of plans of subdivisions/site plans; and/or philanthropic donations. Having a sub-reserve fund will allow the tracking and reporting of contributions to, and payments from, the fund over time.

Background

In 2016, Council adopted the Affordable Housing Community Improvement Plan (AHCIP) which is designed to incentivize the development of affordable housing in the city. The incentives offered through the AHCIP supplement the existing programs offered by the Region of Waterloo who is the area Service Manager for social housing.

The AHCIP attempts to reduce the financial barriers to the creation of affordable housing projects by exempting eligible projects from: planning application fees; building permit fees; sign permit fees; deferring development charges; and providing a Tax Increment Grant. To date, two projects have benefitted from these incentives. The project at 175 Hespeler Road represents 34 new affordable units and the project at 195 Hespeler Road will see the construction of 40 units for an overall total of 74 new affordable rental units so far.

Section 37 of the Planning Act permits Council to allow increased height and density through an amendment to the Zoning By-law, where acceptable community benefits are provided. In 2018, staff prepared guidelines for the implementation of bonusing based on this section of the Planning Act. While these guidelines are still in draft form, they recommend a priority list of community benefits with the creation of affordable or special needs housing as the first priority. The proposed guidelines recommend the affordable housing units could be constructed for the Region of Waterloo or a non-profit group to own or operate. Contributions from developers can be made to an affordable housing reserve fund, as an acceptable community benefit for bonusing. Staff intends to bring the bonusing guidelines to Council for information in future.

To prepare to receive funds through bonusing, a sub-reserve fund needs to be created. Along with establishing the Affordable Housing Sub-Reserve Fund, implementation policies have been prepared, which provide the procedures for the administration of the Fund. An annual report of the contributions to, and/or withdrawals from, the reserve fund will be provided to Council by Finance in accordance with the requirements of the Planning Act, R.S.O. 1990 section 37(7).

Analysis

Strategic Alignment:

PEOPLE To actively engage, inform and create opportunities for people to participate in community building – making Cambridge a better place to live, work, play and learn for all.

Goal #2 - Governance and Leadership

Objective 1.4 Promote, facilitate and participate in the development of affordable, welcoming and vibrant neighbourhoods.

The Affordable Housing Sub-Reserve Fund is one facet of the City's assistance in addressing the financial barriers associated with building affordable rental units.

Comments

Municipalities across Canada have successfully used affordable housing reserve funds to incentivize the development of affordable housing units. In some municipalities where the developer has not included affordable housing in the proposal, the developer is required to provide a contribution towards affordable housing at the issuance of each residential building permit. As an example, the City of Coquitlam in British Columbia has received contributions that range from \$250 per door to \$1250 per door depending on the size of the project.

In some municipalities with affordable housing reserve funds, the monies are not used for studies, consultants, and operating costs. Planning staff recommends monies from affordable housing reserve funds be used for the capital costs associated with the construction of affordable housing units and land acquisition only.

Cambridge staff will negotiate with developers to receive contributions to the Affordable Housing Sub-Reserve Fund based on an appropriate cost per door which can vary based upon the number of units proposed.

The proposed Implementation Policy as attached outlines the process for which the monies from the Affordable Housing Sub-Reserve Fund could be distributed to affordable rental housing projects. At this point it is recommended the fund not be used to create affordable units for home ownership because: there is a significant need for additional affordable rental units in Cambridge; and the City can only ensure owned units are affordable at the point of first purchase of the unit.

Waterloo Region has experienced relatively low vacancy rates over the past 20 years. A three per cent vacancy rate is generally considered the target for a healthy rental market. Lower vacancy rates indicate higher demand for apartment units, which adds

pressure of finding affordable rental units. Canada Mortgage and Housing Corporation (CMHC) prepares an annual Rental Market Report for the Kitchener-Cambridge-Waterloo area. In the Report released in the fall of 2018, CMHC indicated the overall vacancy rate in Cambridge is for one and two bedroom units is 1.4%, far below the ideal rate of 3%.

In the table below, the most recent vacancy and rental rates as contained in the 2018 CMHC Rental Market Report for this area and what would be considered an affordable rent:

Apartment Size	Vacancy Rate	Average Market Rent (AMR)	Affordable Rent Based on 80% AMR
Bachelor	poor	\$732	\$585
1 Bedroom	1.4%	\$966	\$772
2 Bedroom	1.4%	\$1,181	\$944
3 Bedroom	2.9%	\$1,043	\$834

Existing Policy/By-Laws

The vision for Ontario as stated in the Provincial Policy Statement is to plan for strong, sustainable and resilient communities and promotes land use patterns that support a mix of housing including affordable housing. The Growth Plan for the Greater Golden Horseshoe (2017), the Regional Official Plan and the City's Official Plan also encourage a range and mix of housing that includes affordable housing.

Section 8.4.1 of the City's Official Plan addresses the issue of affordable housing and encourages the construction of housing aimed at meeting the needs of lower income residents. This section also states that: "where a development application proposing residential uses is submitted for a site containing two hectares or more of developable land, the City will require, wherever appropriate, a minimum of 30% of new residential units to be planned in forms other than single-detached and semi-detached units, such as town homes and multi-unit residential buildings."

Section 10.16 of the Official Plan allows the City to permit increased height and density for community benefits, including affordable housing.

By-law 2 -17 includes a reserve fund for density bonusing which can include affordable housing. A sub-reserve fund specific to affordable housing will ensure funding collected by developers will finance affordable units and will assist in the monitoring of any funding collected.

An Affordable Housing Sub-Reserve Fund is one way in which the City can facilitate the development of affordable housing units.

Financial Impact

Staff would be responsible for the administration of the Sub-Reserve Fund in accordance with the Implementation Policy. The financial contributions to the fund would come from the developer and/or philanthropic donors. The amount of funding from an individual developer would have to be negotiated and an agreement would be put in place.

Public Input

Staff has discussed the concept of a sub-reserve fund with members of the Affordable Housing Roundtable who fully support creating a reserve fund that will contribute to the construction of new affordable rental units.

Internal/External Consultation

Staff from the Finance Division has been consulted about the process to create a sub-reserve fund and support the process as described in this report.

Conclusion

Affordable housing can contribute significant economic impacts to the local community including an increase in purchasing power, job creation and new tax revenues. Affordable housing has been shown to have a neutral or positive effect on surrounding neighbourhoods and be an integral part of a complete community.

The demand for affordable housing units continues to be high in Cambridge and the rest of the Waterloo Region. The City of Cambridge has recognized the need for affordable housing and through the Affordable Housing Community Improvement Plan provides incentives for creating affordable housing units.

The Region of Waterloo, as the social housing service provider, will continue to provide financial support to affordable housing providers in the city. However, the rate at which affordable housing units are constructed does not meet the demand and the waitlist of units continues to grow. The establishment of an affordable housing sub-reserve fund is an additional way for the City to incentivize the construction of affordable rental housing units.

Signature

Prepared by



Name: Valerie Spring, MCIP, RPP

Title: Senior Planner, Reurbanization

Departmental Approval



Name: Hardy Bromberg

Title: Deputy City Manager, Community Development

ATTACHMENTS

Attachment 1 – Affordable Housing Reserve Fund Implementation Policy

Attachment 1

Affordable Housing Reserve Fund Implementation Policy

1. Policy Statement

The purpose of the Reserve Fund is twofold: to provide capital grants for the construction/rehabilitation of affordable rental units; and/or to allow the City to use funds for its own affordable rental housing initiatives.

The capital grants would be provided on a per unit basis to eligible non-profit organizations or partnerships with non-profit organizations and the private sector to assist in the development of affordable rental housing targeted to low income individuals or families determined to be in core housing need. A household in core housing need is one where the dwelling is considered unsuitable, inadequate or unaffordable and whose residents' income levels are such that they could not afford alternative suitable and adequate housing in their community. The intent of the funding is to encourage both the private sector and non-profit organizations to create affordable rental housing.

It is not the intent of monies from the Reserve Fund to be the only source of funding for an affordable rental housing project. Any monies from the Reserve Fund are to supplement funding from other levels of government, businesses, private donors, community groups, etc. The Reserve Fund is structured in such a way to receive funds through conditions of plans of subdivisions/site plans; and/or donations from individuals; or as a requirement of development agreements.

The City may wish to use the Fund for its own affordable rental housing initiatives. The initiatives may include: acquiring lands to redevelop for affordable housing projects; or leasing City-owned land at below market rates to a non-profit managed affordable housing corporation. The use of the fund by the City would be in response to current housing needs and trends where City involvement was deemed appropriate. Planning Staff would prepare a report to Council providing justification for any initiative.

The objectives of the Reserve Fund are to:

- Increase the inventory of affordable rental housing in the City of Cambridge for those individuals/families most in need.
- Encourage partnerships to support the development of affordable rental housing.
- Incent projects which will remain affordable wherein annual written reporting is provided to the City to confirm that affordability.

2. Application process:

The Reserve Fund will be used for proposals that include: the construction of new affordable rental housing and the conversion of a residential or non-residential building to affordable rental units. When the application is deemed to be complete and has been reviewed by the Review Committee, a report recommending the requested funding: not be approved; be partially approved; or approved in full will be forwarded to Council. The applicant can anticipate receiving a decision about funding within 6 – 9 months of submitting a complete application.

- i) The projects must be located in the City of Cambridge and within the areas identified for funding through the Affordable Housing Community Improvement Plan (Appendix “A” - maps);
- ii) The application form must be completed along with any other information the applicant and City staff deems necessary for a fulsome understanding of the project (Appendix “B”);
- iii) The completed application is submitted to the Senior Policy Planner – Reurbanization who review the application for completeness;
- iv) The application will be circulated to members of the Affordable Housing Reserve Fund – Application Review Committee (“Review Committee”). The Review Committee consists of: City staff from the Planning Services and Finance divisions; a representative from Regional of Waterloo Housing Division along with a member nominated by the Affordable Housing Roundtable;
- v) The Review Committee may request additional information from the applicant;
- vi) Planning Services staff will prepare a report recommending to Council the level of funding.
- vii) In cases where Council approves funding for the application, the approval will be subject to the preparation of a funding agreement;
- viii) The applicant will be advised of Council’s decision; and
- ix) City staff will prepare a funding agreement to be registered on the property title. The funding agreement will include items such as, but not limited to:
 - a. City and Regional property taxes must not be in arrears;
 - b. Prior to the commencement of construction of Buildings, structures or other improvements on the Site, the Owner shall at its sole cost and expense, unless fees have been waived through a City financial incentives program:
 - i. obtain Site Plan Approval in respect of the Site Plan Application and Plans and Drawings;

- ii. enter into an undertaking or Site Plan Agreement required as a condition of the Site Plan Approval including the submission of all required Letter(s) of Credit;
 - iii. obtain all required Buildings Permits under the *Building Code Act* and Building Code
 - iv. pay to the City all required fees and charges including building permit fees development charges, cash in lieu of parkland payments, engineering fees and all planning application and processing fees; and
 - v. satisfy any and all other conditions, requirements, by-laws, policies and standards of the City and the Region, and obtain all permits or authorizations required thereunder in relation to the Development.
- c. The Owner agrees, for a specified period (e.g. 20 years) from the date of occupancy of the first Affordable Unit within the Building to provide rent rolls to the City of Cambridge, Community Development Department on annual basis by January 31st of each year over the specified period in order to demonstrate that rental rates for the Affordable Units remain at or below the Affordable Rate.

“Affordable Rate” means at or below the average rental rate established by the Canadian Mortgage and Housing Corporation (CMHC) Rental Market Report for the Kitchener-Cambridge-Waterloo CMA or such other successor annual report published by a government agency or similar agency to CMHC for the most recent calendar year.

3. The application will be assessed on the following basis:

- a) The applicant has the experience and qualifications to develop, manage and maintain affordable rental housing;
- b) The applicant has a mandate that relates to the provision of affordable rental housing;
- c) The applicant must commit to maintaining the units as affordable rental housing for a period of 20 years based on affordable rents adjusted year to year as provided by the Canada Mortgage and Housing Corporation (CMHC);

- d) Financing for the project is in place and outlined in the application with proof provided through commitment letters from financial institutions and/or other funders;
- e) The cost per unit is realistic and reasonable;
- f) A practical and reasonable timeline from planning approvals to construction as provided by the project manager (for example, 2 years);
- g) The neighbourhood context and the proximity/access to services including transit; and
- h) A management plan is provided which includes staffing and operating costs.

4. Eligible Costs

Grants from the Reserve Fund are a “one-time” grant, that is, one project will only receive funding once. Grants from the Reserve Fund are to be applied to capital costs only which can include the cost of acquiring land.

5. Ineligible Costs

Funding from the Reserve Fund will not be used for any costs associated with the operation, maintenance or repairs of existing or new proposed affordable rental units. Funding will not be used to finance any studies or consultant fees. In no circumstances will the total grants, including funding from other sources, exceed the cost of the project.

6. Assistance Levels

Contributions from the Reserve Fund for approved projects will be based on the total cost of the project and will/may vary from project to project. The grant will be in addition to any financial incentives received through the Affordable Housing Community Improvement Plan. These incentives include: the exempting of planning application fees; building and sign permit fees; deferral of development charges for up to 20 years; and/or a Tax Increment Grant.

7. Affordability Criteria

The maximum rent levels for affordable rental units will be based on the Canada Mortgage and Housing Corporation (CMHC) average market rent for rental housing within the City of Cambridge. The applicant will confirm the maximum

affordable rents based on unit type. The City of Cambridge will confirm the proposed rents are acceptable.

8. Monitoring/Reporting

The applicant will commit, through the funding agreement, to submit a report identifying how the monies from this program were used. The applicant will also commit, through the funding agreement, to submit an annual report to the City of Cambridge confirming the rental rates conform to the affordable rental rates as established by the Canada Mortgage and Housing Corporation.

9. Communication Strategy

Information regarding the funding available from the Affordable Housing Reserve Fund will be posted to the City's website. The City of Cambridge will meet on a one-to-one basis with applicants wishing to submit a funding proposal. As funding will be limited, applications will be considered on a first come first served basis.



Township Of Woolwich

Township Of Puslinch

City Of Kitchener

Township Of North Dumfries

Legend

- General Location of Community Improvement Project Area



Affordable Housing Community Improvement Project Area

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Affordable Housing Reserve Fund Application Form

Applicant Information:

PLEASE PRINT

Applicant Name*: _____

Applicant Contact Information: _____

Organization: _____

Legal Signing Officers:

Title _____ Name _____

Phone _____ Signature _____

Title _____ Name _____

Phone _____ Signature _____

Title _____ Name _____

Phone _____ Signature _____

Mailing Address: _____

Phone number: _____ Email _____

When was your organization established? _____

***This will be the primary contact for City staff**

What other projects have you completed in Cambridge or elsewhere? (address & number of units)

Project Partners:

Name: _____ Contact Information: _____

Name: _____ Contact Information: _____

Name: _____ Contact Information: _____

Project Property Address : _____

Legal Description: _____

How Much Money Are You Seeking from the Fund? _____

Is This The First Time Receiving Funds from the Fund? _____ Yes _____ No

If No, Please List Project Address and Funds Received _____

Description of Project Property and Proposed Work (photos &/or drawings can be attached). Please include the following information: number and size of units; rental rates and what is included in the rent; number of units designed to be accessible; and describe how this project is integrated into the neighbourhood.

Has the Project received approval of all City of Cambridge planning applications?

Does the Project require GRCA and/or Region approval?

Provide a timeline for the Project. When you hope to start the Project? When do you hope to complete the Project?

Total estimated budget for the Project _____

Have any funds been requested/received from other sources? ____yes ____no

If yes, provide details of amount received and for what part of the project.

How will the funds be used? _____

How will the units be maintained as affordable rental units? _____

Are you prepared to provide yearly statements to the City of Cambridge , indicating the units remains affordable based on current CMHC data? _____

Names and Contact Information of all Professionals associated with the Project:

Architect(s): _____

Contact Information:

Company: _____

Phone: _____ Email: _____

Engineer(s): _____

Contact Information:

Company: _____

Phone: _____ Email: _____

Planner(s): _____

Contact Information

Company: _____

Phone: _____ Email: _____

Builder(s): _____

Contact Information

Company: _____

Phone: _____ Email _____

Signature: _____ Date Submitted _____

I have the authority to bind the organization