



AFFORDABILITY POLICY

PUBLIC INFORMATION SESSION

JUNE 3, 2017 – BEAVER VALLEY COMMUNITY CENTRE



BACKGROUND

- The Town retained Hemson Consulting Ltd to review and update the Affordability Guidelines that had been in place since 2006.
- Affordability needs to be viewed from different perspectives, including affordability for the Town and benefitting land owners
- Staff will proceed with Public engagement on the Draft Affordability Policy

HIGHLIGHTS OF DRAFT POLICY

- Service extensions will restore the road to its pre-existing condition and be recovered from benefitting property owners
- A full range of funding and financing tools will be reviewed for each service extension
- All capital charges will have priority lien status

HIGHLIGHTS – BENEFITTING OWNERS

- All benefiting owners contribute equally on an equivalent unit basis
- All benefiting property owners will contribute towards Treatment Plants and related infrastructure costs as equivalent units based on the current Development Charges.
- If the property is sold, the balance shall be paid to the Town as part of the sale closing process

HIGHLIGHTS - AFFORDABILITY

- The cost of a service extension will not exceed the appropriate limits of Town debt to fund the works
- The current census data will be used to determine the median household income and the after-tax income of a single household
- If the annual household cost of extending a service is equal to, or less and 5% of the median after-tax single household income, the project would be considered affordable

HIGHLIGHTS - AFFORDABILITY

- If the annual household cost is greater than 5% but less than 10% of the median after tax single household income, the project would require additional analysis, including:
 - Consideration of local support of servicing extension,
 - health and safety that may impact the necessity of the works,
 - additional financial support from the Town for the project to proceed.
- If the annual household of extending a service is equal to or greater than the 10% of the after tax single household income, the project would be deemed unaffordable

AFFORDABILITY

Description	Single Household Income	Share of Household Income (%)	Share of Household Income (\$/year)	Maximum Service Extension Charge ¹	Interest Paid
Affordable per service	\$34,004	<5%	\$1,700	\$21,190	\$12,810
Unaffordable per service	\$34,004	>10%	\$3,400	\$42,375	\$25,625

¹ Calculated assuming a 20-year financing with a 5% annual interest rate

HIGHLIGHTS – PAYMENT OPTIONS

- Payment Options include 100% up front, or costs financed and paid over a defined period (10, 15, 20 years)
- Deferral of payment for up to ten years or until the property is sold for recent installation of septic systems or well (recent has been defined as within 5 years)

NEXT STEPS

Date	Description
June 3, 2017	Public Information Session at the Beaver Valley Community Centre from 9:00 am to 12:00 p.m.
June 19, 2017	Public Information Session in the Council Chambers at Town Hall from 6:00 p.m. to 7:00 p.m.
June 19, 2017	Public Meeting in the Council Chambers at Town Hall at 7:00 p.m.
September 11, 2017	Staff bring back a report to the Committee of the Whole with comments received from the Public Meeting and written responses.
September 25, 2017	Council to consider adoption of the Policy during the Council Meeting.