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COMMITTEE REPORT: The Blue Mountains Housing Committee



REPORT TO: Council
MEETING DATE: April 11, 2012
REPORT NO.: BMHC.12.01
SUBJECT: Delivery of Attainable Housing Through the establishment of a Not-for-Profit Housing Corporation
PREPARED BY: Bruce Taylor, Chair
The Blue Mountains Housing Committee

A. Recommendations

THAT Council receive report BMHC.12.01, Delivery of Attainable Housing through the establishment of a Not-for-Profit Housing Corporation,

THAT Council adopt the Housing Committee's Strategic and Business Plan as the basis for the operation of a not-for-profit housing corporation,

THAT Council direct staff and the Housing Committee to provide a short term option for attainable housing in The Town of Blue Mountains by establishing a Not-for-Profit Housing Corporation in accordance with the Housing Committee's Strategic and Business Plan following these principles

- 1. The Housing Corporation shall be a not-for-profit corporation wholly owned by the Corporation of the Town of The Blue Mountains**
- 2. The Not-for-Profit Housing Corporation shall act independently from the Corporation of the Town of The Blue Mountains to create attainable ownership housing units.**
- 3. The Corporation of the Town of The Blue Mountains shall provide start-up funding up to \$25,000 in 2012, and up to \$10,000 in each of 2013, 2014 and 2015.**
- 4. The Corporation of the Town of The Blue Mountains shall work with the Not-for-Profit Housing Corporation to implement the sustainable funding method described in the business plan.**

THAT Council direct staff to advertise for applicants to fill the four directors' positions allocated to members of the general community and prepare a report to allow Council to select and appoint said directors.

B. Background

In 2004 The Blue Mountains' Council adopted staff report SRC.04.04 Community Affordable Housing Committee Terms of Reference Housing Committee (Appendix A). Its mandate was to investigate information and resources for implementation of affordable housing practices and construction within The Blue Mountains and make recommendations to Council with regard to same.

Currently, The Housing Committee is comprised of

Chair	Bruce Taylor
Members	Bill Chapman, George Cornfield, Pam Leeb, Carolyn Letourneau, John McGee, Rob Potter
Councillors	Bob Gamble, Michael Martin
Staff Resource	Shawn Postma

In 2010 the Housing Committee reported to council that a model based on a community land trust was its recommendation and independently the Housing Needs Study also recommended the same model. Council authorized a report on community land trusts as a housing delivery vehicle. This report from Mr. David Tang of the firm of Gowlings, Lafleur, Henderson was received by council as part of staff report SPS.11.7 in July of 2011(Appendix B) and it recommended a not-for-profit corporation as the preferred delivery vehicle for attainable housing.

As the Housing Committee prepared to move from study to implementation it was determined that the Terms of Reference for the housing committee needed to be updated. Staff Report SPS.11.6 dated May 17, 2011 provided the background information and a recommendation to replace the Terms of Reference which now included a mandate to provide a long term plan as well as an initial 5 year business plan for a housing corporation. (See Appendix C: SPS.11.6 Housing Committee Terms of Reference).

Affordable and attainable housing has been a collective concern for many years as it is an important part of the social and economic health of the Town of The Blue Mountains. The Housing Committee has reviewed the Town commissioned studies for direction as it prepared the attached Strategic and Business Plan.

The “**Blue Mountains Strategic Plan**” provides an overall vision and mission statement for the Town that offers a healthy and supportive lifestyle to a diverse range of residents, businesses and visitors” with a specific action to “Develop an action plan to support the provision of affordable housing”

The “**Blue Mountains Sustainable Path**” document was endorsed by Council in June 2010. The Sustainable Path provides a 50-year local action plan developed by the community for the community. The Plan identifies an overall vision as well as themes, goals & objectives, and strategies & actions in the areas of the environment, the economy and the community. *Built Environment and Housing For All* is a strong theme within the Plan that identifies a need to encourage a mix of housing types and uses accommodating the need for attainable housing. The Plan identifies the work of the Housing Committee as a Town priority with focus on increasing the attainable housing stock. Housing affordability is identified as a key issue in the community with actions required to assess various housing options and programs. The proposed Strategic and Business Plan provides one program in our work to providing attainable housing.

The “**Blue Mountains Red Hot & Blue**” document was endorsed by Council in September 2010. Red Hot & Blue provides a plan for economic prosperity in The Blue

Mountains. In developing this Plan, housing affordability and diversity was one of the most commonly cited issues in interviews with The Blue Mountains stakeholders and residents. One of the core principles within the plan identifies a need to build strong communities which include attainable housing, and that attainable housing across all age groups is necessary for the future prosperity of our community.

The “**Housing Needs Study**” was received by Council and works off of the themes identified in the documents above. The Housing Needs Study provides additional direction and recommends a housing strategy be created following these overriding principles

- Initiatives be largely focused in Thornbury
- Any strategy must work within the capabilities of TBM
- Any strategy should leverage the skills of the private sector
- The strategy preserve the uniqueness of the community
- The strategy must include public education on the importance of attainable housing

It goes on to recommend that Council

- Establish a housing delivery structure
- Establish funding mechanisms
- Establish housing programmes
- Create a 5 year work programme

In January of 2011 a new Housing Committee was established by the newly elected Council. The Committee set three goals to be brought back to Council for consideration:

1. Determine a Vision,
2. Set a Strategic Plan, and
3. Develop a business plan to support both the Vision and Strategic Plan.

The following is a summary of the Strategic and Business Plan developed by the Housing Committee:

Purpose / Mission

To augment the supply of healthy and sustainable ownership housing units over the next twenty years in The Town of Blue Mountains which are affordable to a larger portion of the population.

Vision

Address the goals of the Sustainable Path and meet in large part the overriding principles of the housing strategy called for in the 2010 Housing Needs Study.

Goals /Objectives

1. To create a self sustaining Housing Corporation.
2. To supply twenty attainable ownership housing units by 2020

Business Model

Provide a variety of housing types by establishing housing units built by private sector partners on land owned by the Not-for-Profit Housing Corporation and leased to the home owners. It is anticipated that the Not-for-Profit Housing Corporation would be self sustaining providing between twenty and twenty five units to the targeted groups.

The targeted groups will be defined through a set of eligibility criteria as established by Not-for-Profit Housing Corporation. Eligibility criteria may be based on some or all of the following: income, assets, home must be a primary residence, applicant being a current TBM resident, applicant having employment within TBM. The intent of these criteria is to establish a minimum set of criteria that all applicants must meet to be considered for the programme, with the Not-for-Profit Housing Corporation making the final determination on successful applicants. Legal Counsel has been obtained to identify what types of eligibility criteria the Not-for-Profit Housing Corporation may and may not establish without infringing the Human Rights Code.

Funding and Budget

It is anticipated that a private-sector partner would be recruited to provide the capital necessary for construction; therefore there will not be a need for a large infusion of public funds. The Not-for-Profit Housing Corporation would need start-up funding from the municipality over the next four years. The funding requirements for 2012 will cover legal costs and staff time required to set up the Corporation, establish policy and procedures, identify potential projects, and complete templates for legal contracts, leases, etc.

The Not-for-Profit Housing Corporation would work with a model that is capable of meeting these goals and providing virtually any number of units while remaining sustainable. There are six principles upon which the model is based:

1. All costs associated with the programme are paid by the home owning participants in the programme
2. The municipality provides the initial working capital as a forgivable loan.
3. The municipality funds the capital required though interest only repayable loans to the Not-for-Profit Housing Corporation to a maximum amount set in conjunction with the finance department.
4. The programme provides short term (less than 30 years) assistance to targeted purchasers trying to find attainable housing.
5. The housing units remain attainable for a limited time and the home owner is able to accrue limited equity in the land over time.
6. All costs, the purchase price of the land, the incidental costs associated with the purchase, the cost of preparing and executing the land lease, the administrative costs of the Not-for-Profit Housing Corporation and the costs associated with the final sale of the land to the then current homeowner, are built into the value of the land for land leasing purposes.

Implementation Plan

1. Council would need to establish a Housing Authority, a not-for profit

- corporation.
2. Internal borrowing would facilitate the purchase of building lots.
 3. The newly formed Not-for-Profit Housing Corporation would put builder in contact with successful applicant and financial institution.
 4. The construction phase would have all design, approvals, construction and sale of final product by builder developer.

We believe that the Strategic and Business Plan (Appendix D) that is being presented provides clear direction to meet these strategies and actions as recommended by The TBM Strategic Plan, The Sustainable Path, Red Hot and Blue and The Housing Needs Study.

The Housing Committee's Strategic and Business Plan is intended to provide one component of the larger goal of providing attainable housing in our community. We ask you to adopt the recommendations within this report.

C. The Blue Mountains' Strategic Plan

The Housing Committee's Strategic and Business Plan for Attainable Housing specifically addresses the action item "Develop an action plan to support the provision of affordable housing"

D. Environmental Impacts

Utilizing existing serviced lots will address the PPS goal of intensification, make efficient use of existing water and wastewater infrastructure and provide energy efficient housing for young working families and seniors.

E. Financial Impact

Included in the 2012 budget is Project 1-810-8008 for the setting up of a Not-for-Profit Housing Corporation and acquisition of land or buildings which budgets \$25,000 in 2012 and \$50,000 in each of 2013, 2014 and 2015 for a total of \$175,000. The current business plan seeks funding of \$25,000 in 2012 and \$10,000 in each of 2013, 2014 and 2015 for a net reduction of \$120,000 over the next 4 years.

Internal borrowing provided for in this business plan does not impact the budget directly but will provide an improved rate of return on the Town's GIC investments.

F. In Consultation With

Troy Speck, Town of The Blue Mountains CAO
Robert Cummings, Director of Finance & IT Services
Town of The Blue Mountains Senior Management Team
Grey County Housing Department
John Metras, Municipal Solicitor

David Tang, Gowling, LaFleur, Henderson LLP
Local Builder
TD Canada Trust
Canada Mortgage and Housing Corporation (CMHC)
Beaver Valley Outreach (BVO)

G. Attached

Appendix D: Town of Blue Mountains Housing Committee Strategic and
Business Plan – March 30, 2102

Respectfully submitted, on behalf of The Blue Mountains Housing Committee

Bruce Taylor, Chair

For more information, please contact:

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Town of Blue Mountains Attainable Housing

Business Plan

Executive Summary

In January of 2010 a new Housing Committee was established by the newly elected Council. The Committee set three goals with which to set a programme which could be brought to Council for consideration, determine a Vision, set a Strategic Plan, and now this document, a business plan to support both the Vision and Strategic Plan.

The Purpose / Mission

To augment the supply of healthy and sustainable ownership housing units over the next twenty years in The Town of Blue Mountains which are affordable to a larger portion of the population.

Vision

Address the goals of the Sustainable Path and meet in large part the overriding principles of the housing strategy called for in the 2010 Housing Needs Study.

Goals /Objectives

1. To create a self sustaining Not-for-Profit Housing Corporation.
2. To supply twenty attainable ownership housing units by 2020

Business Model

Provide a variety of housing types by establishing housing units built by private sector partners on land owned by the Not-for- Profit Housing Corporation and leased to own to the home owners. It is anticipated that the Not-for-Profit Housing Corporation would be self sustaining providing between twenty and twenty five units to the targeted groups.

The targeted groups will be defined through a set of eligibility criteria as established by Not-for- Profit Housing Corporation. Eligibility criteria may be based on some or all of the following: income, assets, home must be a primary residence, applicant being a current TBM resident, applicant having employment within TBM. The intent of these criteria is to establish a minimum set of criteria that all applicants must meet to be considered for the programme, with the Not-for-Profit Housing Corporation making the final determination on successful applicants. Legal Counsel has been obtained to identify what types of eligibility criteria the Not-for-Profit Housing Corporation may and may not establish without infringing the Human Rights Code.

Funding and Budget

It is anticipated that a private-sector partner would be recruited to provide the capital necessary for construction; therefore there will not be a need for a large infusion of public funds. The Not-for-Profit Housing Corporation would need start-up funding from the municipality over the next four years.

The Not-for-Profit Housing Corporation would work with a model that is capable of meeting these goals and providing virtually any number of units while remaining sustainable. There are six principles upon which the model is based:

1. All costs associated with the programme are paid by the home owning participants in the programme
2. The municipality provides the initial working capital as a forgivable loan.
3. The municipality funds the capital required through interest only repayable loans to the Not-for-Profit Housing Corporation to a maximum amount set in conjunction with the finance department.
4. The programme provides short term (less than 30 years) assistance to targeted purchasers trying to find attainable housing.
5. The housing units remain attainable for a limited time and the home owner is able to accrue limited equity in the land over time.
6. All costs, the purchase price of the land, the incidental costs associated with the purchase, the cost of preparing and executing the land lease, the administrative costs of the Not-for-Profit Housing Corporation and the costs associated with the final sale of the land to the then current homeowner, are built into the value of the land for land leasing to own purposes.

Implementation Plan

1. Council would need to establish a Housing Authority, a not-for profit corporation.
2. Internal borrowing would facilitate the purchase of building lots.
3. The newly formed Not-for-Profit Housing Corporation would put a builder / developer in contact with successful applicants. Developer / builder and successful applicant would enter into contractual agreement to design, provide approvals, and construct home.
4. The construction phase would have all design, approvals, construction and sale of final product by builder developer.

Town of Blue Mountains Attainable Housing

Detailed Business Plan

In January of 2010 a new Housing Committee was established by the newly elected Council.

The Committee in reviewing the strengths, weaknesses, opportunities and threats inherent with The Town of Blue Mountains entering the area of affordable and attainable housing determined the following:

Strengths

- Facilitation
- Regulation
- Planning expertise
- Community vision i.e. The Blue Mountains Sustainable Path 2010
- Current housing needs study

Weaknesses

- Building things
- Speed of response
- Public process
- Financial pressures
- Lack of legislative authority
- Multiple levels of government in affordable housing
- Property management

Opportunities

- Official Plan Review
- Zoning By-law review
- Housing Needs Study
- Strong development environment
- Education of the community

Threats

- Lack of understanding by the community
- Lack of commitment to the long term
- Other levels of government control most aspects of affordable housing

The Housing Committee in addressing this SWOT analysis have formulated a Strategic Position for a “not-for-profit housing corporation”.

The Not-for-Profit Housing Corporation would be uniquely positioned to deliver attainable housing units because of its community based leadership, the knowledge base in planning and zoning, and a municipal resources that can be utilized as a starting point for action. The responsibility for social housing in The Blue Mountains would remain as dictated by Provincial Policy, with Grey County. The Housing Committee would continue its role as the advocate for affordable housing. Social housing is not the mandate of this Corporation.

With this in mind the Committee set three goals with which to set a programme which could be brought to Council for consideration, determine a Vision, set a Strategic Plan, and now this document, a business plan to support both the Vision and Strategic Plan.

1. Determine a Purpose and a Vision

The Purpose / Mission

To augment the supply of healthy and sustainable ownership housing units in The Blue Mountains which are affordable to a larger portion of the population.

Vision

Address the goals of the Sustainable Path and meet in large part the overriding principles of the housing strategy called for in the 2010 Housing Needs Study.

2. Set a Strategic plan

Goals /Objectives

1. To create a self sustaining Not-for-Profit Housing Corporation.
2. To supply twenty attainable ownership housing units by 2020

Strategies / Action Plan

1. Establish a mechanism through the creation of a Not-for-profit Housing Corporation as the municipal housing delivery structure to deliver attainable home ownership units.
 1. The Town would form a Housing Corporation which would be incorporated as a non-profit corporation.

2. Through the Official Plan Review process promote housing policies to facilitate growth in attainable home ownership.
 3. The Town would continue to lobby for the passage of an “Inclusionary” Legislative Bill with the County and Province.
2. Establish a funding mechanism to support the Not-for-profit Housing Corporation.
 1. Establish the ability of the Not-for-Profit Housing Corporation to receive municipal capital, and/or land, private land and/or cash donations.
 2. Establish the ability of the Not-for-Profit Housing Corporation to sell land under its control.
 3. Ensure that funds are included in subsequent municipal budgets to fund operations of the Not-for-Profit Housing Corporation.
 3. Use communications to gain community acceptance of attainable initiatives.
 1. Develop a communication plan for attainable housing in general and specific project proposals.
 4. Use the public/private partnership model to deliver units.
 1. Work with local builders and developers.
 5. Establish an exit mechanism to enable the Not-for-profit Corporation to wrap up its operations in an orderly way.

3. Establish a Business plan to support Strategic Plan

Purpose of TBM Attainable Housing Business Plan

The purpose of this plan is to identify and outline the steps to be taken to establish, over a five-year period, a housing program in the Town of The Blue Mountains. This plan attempts to meet the mandate set by The Blue Mountains Council in adopting the Committee's Terms of Reference (May 25, 2011) and the Town's Strategic Plan. As well, it attempts to address community visions and objectives gathered through various studies in the past two years.

Introduction

The Blue Mountains is a municipal corporation with a full-time population of about 10,000 and part- time/seasonal population of about 8,000. Over the past 30 years, the Town has become a popular destination for active retirees, those looking to spend their retirement years in a smaller community that offers a wide range of recreational opportunities.

Managing growth has been a challenge for the municipality over the past three decades. The mix of small-town lifestyle and recreational amenities appeals to retirees and, in lesser numbers, to young families. Private development interests have been eager to take advantage of market demand for housing. The Town has seen substantial growth since the late 1970s.

Most of this growth and most of the market demand has been for housing in the medium- to high-end range. Prices for older housing stock have been pushed dramatically upward during this growth period, and Town policies promoted lower-density residential development to preserve the town's character.

As a result, very little lower-cost housing is available. Virtually no development of significance has taken place to serve this market.

The Not-for-Profit Housing Corporation is seen as a short term solution (25 – 30 years) to solve this need for lower cost housing in The Town of Blue Mountain while the Province, County and Municipality address the issue of “inclusionary housing” which will make this programme redundant over the course of time. This is a short term programme to fill a niche need.

Business Model

Provide a variety of housing types by establishing housing units built by private sector partners on land owned by the Not-for-Profit Housing Corporation and leased to own to the home owners. It is anticipated that the Not-for-Profit Housing Corporation would be self sustaining providing between twenty and twenty five units to the targeted groups.

Developers / builders would be sought to build specified housing for target market, for their profit without the cost of land as part of the purchase price.

Developer / builder and successful applicant would enter into contractual agreement to design, provide approvals, and construct home.

Organizational Structure

Type of Organization

The Town would form a Not-for-Profit Housing Corporation which would be incorporated as a non-profit corporation. The incorporation process takes several months so it is suggested that this begin immediately so that the new corporation can be in place early in 2012.

The Not-for-Profit Housing Corporation's main purpose would be oversight of a municipal housing program as further defined for The Town of Blue Mountains.

Legal advice would be required in setting up this new corporation. It is anticipated that independent legal counsel would be retained to provide this assistance.

Since the Not-for-Profit Housing Corporation's purpose does not involve social housing, it is not expected that an agreement with Grey County will be necessary. The Committee does have the assurance of support from the County's Director of Housing.

Location of Corporation

It is anticipated that the Not-for-Profit Housing Corporation would be located at New Town Hall location, 32 Mill Street, P.O. Box 310, Thornbury, ON N0H 2P0

Governance

(Governance is the set of processes, customs, policies, laws, and institutions affecting the way a non-profit corporation is directed, administered or controlled.)

The structure and governance of the Not-for-Profit Housing Corporation including membership would follow the recently enacted Ontario Provincial Bill 65, Not-for-Profit Corporations Act, 2010.

The Committee recommends that the regulations and policies contain an adequate degree of flexibility to allow this new corporation to be able to deal with unforeseen issues. Over time, the regulations and policies could be refined as needed.

Recommended Profile of Board of Directors for Not-for-Profit Housing Corporation

The Committee recommends that the Not-for-Profit Housing Corporation be administered by a Board of Directors which should include a mix of council

members and community residents as well as a representative of Beaver Valley Outreach, an organization which serves local families. A Board of seven members could, for example, include two members of Town Council, four members of the general community and one representative of Beaver Valley Outreach.

It is also recommended that at least one of the Town's representatives on Grey County Council should be appointed to the Board of Directors to ensure liaison with the County.

Linkages and Partnerships

Public Sector: Town of Blue Mountains, Grey County

Non-Profit Sector: charitable foundations, fraternal or service organizations, faith based organizations

Private Sector: developers, builders, financial institutions, local industries such as tourism, agricultural

Continued existence of Housing Committee

The existing Housing Committee would continue to function as a liaison with Grey county housing authority and advocacy group for affordable housing action in The Blue Mountains.

Market Analysis – Marketing Plan

Identifying the Need

The Town has undertaken various studies to look at present situations and develop a community vision for the future.

These include:

- The Blue Mountains Sustainable Path (2010)
- Red Hot and Blue - Economic Development for The Blue Mountains (2010)
- The Blue Mountains Community Improvement Plan (2010)
- The Blue Mountains Housing Needs Study (2010)

In each of these studies, the need for more attainable housing was clearly identified as a challenge that needs to be met to assure the long-term social, economic, cultural and recreational health of the community. The Housing Study, for example, noted that young families, even those with average incomes, find it difficult to either rent or buy even a modest home in The Blue

Mountains. Many of the young people who grow up in The Blue Mountains are forced to move to other communities to buy or rent their first home as adults. Young entrepreneurs interested in starting a new business are discouraged by the cost of a home here in combination with the financial challenges of starting a new business.

Likewise, existing residents who have completed their careers and are moving into the retirement years no longer have need of larger homes in which they raised families. They also would like to move into smaller more modest homes within the Town more suitable to their current lifestyles.

This lack has further impacts on community institutions and services such as schools, transportation, recreation programs for both youth and seniors alike.

It should be noted that affordable housing is a broad term which encompasses a range of housing types. It includes both low-cost market housing for homeowners and renters, and non-market housing available at subsidised rates. Providing affordable housing in a community means that families and individuals of all income levels and lifestyles can find suitable and adequate places to live without spending a disproportionate percentage of their income on housing. It can be seen from the TBM Housing Needs Study (2010) the need for a wide variety of affordable housing in TBM, however this business plan addresses the immediate need to take action on attainable housing for targeted groups without infringing the Human Rights Code.

The targeted groups will be defined through a set of eligibility criteria as established by Not-for-Profit Housing Corporation. Eligibility criteria may be based on some or all of the following: income, assets, home must be a primary residence, applicant being a current TBM resident, applicant having employment within TBM. The intent of these criteria is to establish a minimum set of criteria that all applicants must meet to be considered for the programme, with the Not-for-Profit Housing Corporation making the final determination on successful applicants. Legal Counsel has been obtained to identify what types of eligibility criteria the Not-for-Profit Housing Corporation may and may not establish without infringing the Human Rights Code.

Selection Criteria for Purchase of Attainable Homes in TBM

The Not-for-Profit Housing Corporation board would establish the criteria consistent with the vision for the target group for participation in the programme.

Community Relations

An extensive effort must be made to have the Community understand that the Attainable Housing programme is not social housing. Social housing responsibility remains with Grey County.

The Not-for-Profit Housing Corporation will provide attainable accommodation for the above mentioned target group which meet the selection criteria, only to maintain a good social balance in our community.

Project Concept for delivering Attainable Homes to Target Markets

Additional Goals of the Attainable Housing Strategy

1. Inclusivity not segregation
2. Diversity of housing types
3. Diversity of income groups
4. Reduce the cost of purchasing a home in TBM to become attainable for target markets through the leasing of land

Management Plan

1. Staffing of the Not-for-Profit Housing Corporation

This business plan is for five years and therefore it is covering an early stage of development of an attainable housing programme for TBM, therefore staffing and or staff time requirements may be several hours a week in additional to any committee meeting time.

2. Partnership Agreements

To be determined – future inclusionary housing, possible funding from Province through Grey County.

Financial Plan

Funding and Budget

Since it is anticipated that a private-sector partner would provide the capital necessary for construction, the Committee does not believe there will be a need for financial subsidy from public funds.

The Not-for-Profit Housing Corporation would need start up funding

from the municipality over the next four years.

The goal is that the Not-for-Profit Housing Corporation would become a self-sustaining corporation, with funds obtained from sale, lease or rental of properties and or donations being used to fund operations. At the wrap up of the Not-for-Profit Housing Corporation the working capital accumulated from the lease to own land after the last lot has been added to the property inventory could be used to repay the municipality for the initial capital transferred to it.

It is anticipated that the funding requirements for 2012 will cover legal costs and staff time required to set up the Corporation, identify potential projects, and complete template legal contracts, leases, and so on. A maximum of \$25,000 will be needed in 2012. Funding in 2013, 2014 and 2015 should not exceed \$10,000 each year.

Funding Model for the Not-for-Profit Housing Corporation

The goals of the yet to be established Not-for-Profit Housing Corporation are:

- to create a self sustaining Not-for-Profit housing corporation
- to supply twenty attainable ownership housing units by 2020

The Not-for-Profit Housing Corporation would work with a model that is capable of meeting these goals and providing virtually any number of units while remaining sustainable. There are six principles upon which the model is based:

1. All costs associated with the programme are paid by the home owning participants in the programme.
2. The municipality provides the initial working capital as a forgivable loan.
3. The municipality funds the capital required though interest only repayable loans to the Not-for-Profit Housing Corporation to a maximum amount set in conjunction with the finance department.
4. The programme provides short term (less than 30 years) assistance to targeted purchasers trying to find attainable housing.
5. The housing units remain attainable for a limited time and the home owner is able to accrue limited equity in the land over time.
6. All costs, the purchase price of the land, the incidental costs associated with the purchase, the cost of preparing and executing the land lease to own, the administrative costs of the Not-for-Profit Housing Corporation and the costs associated with the final sale of the land to the then current homeowner, are built into the value of the land for land leasing purposes.

The lease to own cost would cover the interest paid on the loan plus taxes due on the land portion. The lease to own cost paid by the home owner to the Not-for-Profit Housing Corporation would be fixed for a five year term and reset every five years based on the town's current interest rate. The taxes due on the land portion would be adjusted yearly.

The home owner has the obligation to purchase the land for the initial principal of the loan at the end of the lease to own agreement. The home owner also has the right to purchase the land for the initial principal of the loan at any time after a set period, estimated to be ten years but to be established by the Not-for-Profit Housing Corporation.

Implementation Plan

Municipal Approvals Phase

- Establish a Not-for-Profit Housing Corporation
 - Committee to work with staff and independent legal counsel to prepare articles of incorporation
- Prior to setting up the Corporation, the Town would need to pass a by-law and/or policies which cover:
 - A clear statement of the Corporation's purpose, goals and mission
 - A clear statement outlining the authority and responsibilities of the Corporation
 - Funding and revenue streams
 - Land transfer conditions

Development Phase

- Land acquisition
- The size and scope of the first project will be determined by the funding available and the recruiting of a private sector partner

- Legal agreements
- Not-for-Profit Housing Corporation would put home builder / developers in contact with successful applicants

Construction Phase

- All design, approvals and construction sale of final product by builder developer.

Long Term Governance Phase

- Sustainability of the Not-for-Profit Housing Corporation
- Adaptability to changing economic times
- Adaptability to changing demographics
- Ensuring success of programme and minimizing abuse