

STAFF REPORT: Planning



REPORT TO: Mayor & Members of Council
MEETING DATE: January 22, 2007
REPORT NO.: #PL.07.11
SUBJECT: SEED Funding Application -
Affordable Housing Committee
PREPARED BY: Peter Tollefsen, Director of
Planning and Cindy Welsh,
Senior Policy Planner

A. Recommendations

THAT Council does receive Staff Report #PL.07.11, "SEED Funding Application – Affordable Housing Committee"; and

THAT Council does hereby approve the hiring of Tim Welch Consulting Incorporated to undertake a number of functions on behalf of the Town pertaining to affordable housing, including a housing needs and demand study, development of a business plan and exploration of additional funding sources at a cost of \$8,500 plus GST, which will be paid for by funds secured by a \$10,000 grant made available to the Town of The Blue Mountains through Canada Mortgage and Housing Corporation’s SEED Funding program; and

THAT the Mayor and Clerk be authorized to sign the Canada Mortgage and Housing Corporation SEED Funding Contribution Agreement.

B. Background

As a result of the Visioning Session held on June 5, 2006, the Affordable Housing Committee presented to Council as a delegation at the September 18, 2006, meeting making a number of recommendations.

Council then passed the following resolution:

“NOW THEREFORE Council directs that Finance, Planning and Administration Staff review the Recommendations made by The Blue Mountains Affordable Housing Committee for report and recommendation back to Council prior to the 2006 year-end for consideration in the 2007 municipal budget program”.

At the December 18, 2006, Council meeting, a staff report stated that the Town of The Blue Mountains Affordable Housing Committee applied on November 27, 2006, to Canada Mortgage and Housing Corporation (CMHC) for \$17,000 in SEED Funding. The Committee received a letter dated December 11, 2006,

from CMHC stating that the application for funding has been approved and requesting the Town to enter into a contribution agreement.

This agreement is for the first \$10,000 SEED Funding which will cover eligible activities including the need and demand study and development of a business plan. Once these eligible activities have been completed and are acceptable to CMHC, the remaining loan portion of \$7,000 will be advanced to the Town. The municipality will then need to enter into a SEED Funding loan agreement with CMHC.

The Town has received an estimate of \$8,500 plus GST from Tim Welch Consulting Incorporated to do the first part of the work outlined in the CMHC agreement. Part of this work will include a need and demand study and a business plan for a housing proposal and models of non-profit housing authorities.

Further work to be undertaken by Mr. Welch will be commenting and reporting on Recommendations # 1 (studying the creation of a non-profit housing corporation) and # 3 (exploring the development of an affordable housing fund from municipal taxes) that were brought forward to Council in September, 2006. Recommendations # 2 (development of municipal affordable housing policies) and # 4 (implementation of affordable housing initiatives through the Zoning By-law review process) are currently being studied by municipal staff with future reports to Council being planned.

In November 2006, Mr. Welch was retained by the County of Grey to assist the Town of The Blue Mountains Affordable Housing Committee in completing the CMHC SEED Funding application. Mr. Welch has also been hired by the County of Grey to deliver the current Canada-Ontario Affordable Housing Program, thus providing him with a sound understanding of the housing needs in the County, as well as knowledge of the local government decision-making process.

At the January 12, 2007 Affordable Housing Committee meeting, it was agreed that the following resolution be brought forward to Council for consideration.

“THAT Council does hereby approve the hiring of Tim Welch Consulting Incorporated to undertake a number of functions on behalf of the Town pertaining to affordable housing, including a housing needs and demand study, development of a business plan and exploration of additional funding sources at a cost of \$8,500 plus GST, which will be paid for by funds secured by a \$10,000 grant made available to the Town of The Blue Mountains through Canada Mortgage and Housing Corporation’s SEED Funding program”.

It would be appropriate and expedient for the same consultant who is involved at the County level to provide assistance to the Town. It would also be more cost effective to have this consultant rather than a different firm on this issue and re-

do the groundwork already done.

The Town's Purchasing By-law calls for formal quotations, however, Section 8 addresses circumstances, where it is practical, to exempt the requirement for inviting quotations, with approval from Council. By adopting the recommendation of this report, this brings the approval from Council required in Section 8, into meeting conformity with the Purchasing By-law.

B1. Conformity With Town Strategic Plan

Although this is SEED money to assist the Town to begin the investigation into a possible affordable housing project, we are working towards the Community Vision and Corporate Mission of being "progressive" by "offering a healthy and supportive lifestyle to a diverse range of residents..." and "...to provide sustainable services in the future."

The 4th goal of the Strategic Plan is "Supporting the development of social and recreational programs to meet the broad range of needs in the community." Strategic Action # 4.2 is "Develop an action plan to support the provision of affordable housing." By adopting the recommendations in this report Council will be in conformity with the Strategic Plan.

C. Budget Impact

To undertake the first stage of work there will be no budget impact to the Town. Canada Mortgage and Housing Corporation SEED Funding will be used to retain Tim Welch Consulting Incorporated for the first part of the study. The first \$10,000 of the SEED Funding is a grant. The remaining interest free loan portion of \$7,000 will then be advanced to the Town and will have to be repaid to CMHC if a housing project identified in the first phase proceeds.

There may be two separate budget impacts that Council may have to consider. One is the setting up of a non-profit housing corporation. A Capital Budget request form is submitted as part of the 2007 Budget process for funds to cover the start-up costs of a non-profit housing corporation.

The second and more significant, is the Town's potential contribution to an affordable housing building project. Costs, such as land purchase, building and construction may be need to be incurred by the Municipality. These costs are unknown at this time, however, in-kind contributions from key stakeholders and the type of housing program may help off-set potential costs.

Council should note that a number of municipalities have provided contributions and incentive programs to assist in the development of an affordable housing project, such as providing relief from: development charges, planning application fees, building permit fees, parkland levies and provision of land. An example is the City of Peterborough who contributed \$993,650 (mostly in the form of waving

of fees and tax reduction) towards a \$6.5 million project which will provide 50 affordable housing units.

Before proceeding with any housing project and related costs, there would be future reports to Council with appropriate recommendations.

D. Attachment

1. Canada Mortgage and Housing Corporation letter dated December 11, 2006, regarding Town of The Blue Mountains Affordable Housing Committee, SEED Funding Application.
2. Copy of CMHC SEED Funding Contribution Agreement between Canada Mortgage and Housing Corporation and the Corporation of the Town of The Blue Mountains.
3. Letter from Tim Welch Consulting Inc. dated January 5, 2007, outlining consultant's services.
4. Page 6 of the Town of The Blue Mountains Strategic Plan, October 11, 2005.

Submitted by:

Peter Tollefsen
Director of Planning

Cindy Welsh, MCIP, RPP
Senior Policy Planner

Robert Cummings, CMA
Acting Director of Finance