

## Schedule “A” – Amended Policy 4.2.1.4

Part	4	<b>Finance</b>	<b>4.2.1.4.</b>
Section	2	Grants	
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### STATEMENT and PURPOSE

The provision of incentives for affordable housing demonstrates Council's commitment to building more affordable housing units in the City. Limited resources impact the City's ability to support all affordable housing projects. The purpose of this policy is to outline parameters for reviewing requests for financial support for affordable housing.

### ELIGIBILITY CRITERIA

To be eligible for financial incentives to assist with affordable housing, the following criteria must be satisfied:

- Affordable housing project is located within the City of Orillia; and
- The affordable housing project shall be situated on lands that are pre-zoned to permit the use(s) contained in the proposed development; and
- Must be a government or not-for-profit organization managing the affordable housing project; and
- Must provide affordable housing for a minimum of 20 years; and
- For rental housing, the affordable housing project must also be approved to receive funds from Canada Mortgage and Housing Corporation (CMHC) and/or the County of Simcoe by way of Federal and/or Provincial and/or County funding; and
- The affordable housing project proponent / financial assistance applicant shall not be involved in litigation or other legal actions against the City of Orillia; and
- For rental housing, the affordable housing project must offer all units at rents which will not exceed 80% of the Average Market Rent for a unit in Orillia based on CMHC's most recent Rental Market Report; or
- For homeownership, the purchase price will result in annual accommodation costs (comprised of mortgage and taxes) of not more than 30% of the gross annual household income of the occupants and the occupants' gross annual household income must not exceed the Median Household Income for Orillia (as determined by the County of Simcoe).

To be eligible for financial assistance for new affordable housing, the project must conform to all the above criteria as it relates to the form of housing (rental vs. homeownership). The City is not obligated to provide financial assistance just because CMHC or another level of government has committed to providing assistance contingent on the City also making a financial contribution.

### MUNICIPAL FINANCIAL INCENTIVES

The following municipal financial incentives to support the construction of more affordable housing are offered:

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- Donate City-owned Land (provided the City has available land and the Affordable Housing Reserve has a balance that is sufficient to offset the full land value of the donated land) including a grant from the Affordable Housing Reserve for the Application Fee for disposal of lands and legal fees associated with the transfer.
- Grant in an amount equal to all or part of the Purchase Price of Land to be funded from the Affordable Housing Reserve.
- Grant in the amount equal to all or part of the applicable Building, Planning and Engineering Review Fees to be funded from the Affordable Housing Reserve
  - Planning Application Fees (but not including any additional resubmission or recirculation fees)
  - Building Permit Fees
  - Engineering Review Fees (i.e. Municipal Control Fee, Service Connection Fee, Stormwater Recovery Fee, etc.)
  - Lot Grading Fees (deposit will still be required)
- Grant in the amount equal to all or part of the applicable Cash-in-Lieu of Parking to be funded from the Affordable Housing Reserve.
- Grant in the amount of \$10,000 per eligible affordable housing unit to be funded from the Affordable Housing Reserve.
- Reduced Securities to no less than 30% of the total value of the securities required to be posted with the City.

### APPLICATION TIERS

- Tier 1 applications include:
  - Requests for Reduced Securities.
  - Applications do not involve a grant from the Affordable Housing Reserve.
- Tier 2 applications include:
  - Requests for Donation of City Land.
  - Requests for Grant of \$10,000 per eligible affordable housing unit.
  - Applications require a grant from the Affordable Housing Reserve to cover the grant of \$10,000 per unit and the following costs associated with the donation of land:
    - Grant for the Application Fee for disposal of lands.
    - Grant for the legal fees associated with the transfer of land.
    - Grant for the most current MPAC value of the land<sup>1</sup>.
- Tier 3 applications include:
  - Requests for Grant in an amount equal to all or part of Purchase Price of Land

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<sup>1</sup> This process of land donation is exempt from the City's Real Property Policy 1.7.1.1's requirement for an Opinion of Value in favour of the most current MPAC assessment.

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- Requests for Grant in an amount equal to all or part of Building, Planning and Engineering Review Fees
- Requests for Grant in an amount equal to all or part of Cash-in-Lieu of Parking.
- Applications all require grants to be funded from the Affordable Housing Reserve.

### **REVIEW PROCESS FOR TIER 1 APPLICATIONS (REDUCED SECURITIES)**

- Applications can be submitted at any time with no application deadline.
- A completed application form and supporting materials are required to be submitted to City staff in the Planning and Housing Division of Development Services and Engineering Department. The application form must be completed and signed by the signing officers of the organization. The applicant must confirm ownership of the property proposed for development or must submit authorization from the owner of the property to submit the application.
- City staff will review each application for completeness and may request further information from the applicant prior to deeming the application complete.
- If the application is incomplete, or the application does not meet all the eligibility criteria, the application will not be accepted. If it has been determined that the application is not acceptable, then City staff in the Planning and Housing Division of Development Services and Engineering Department will issue a letter to the applicant explaining the reasons for not accepting the application with a copy of the letter provided to the Affordable Housing Committee.
- For Tier 1 applications, no evaluation scale will be utilized. If all the eligibility criteria are met, then the Tier 1 application will be recommended by City staff for approval of financial assistance for affordable housing.
- City staff in the Planning and Housing Division of Development Services and Engineering Department will bring forward eligible Tier 1 applications to the Affordable Housing Committee for their review and recommendation to Council. The Affordable Housing Committee will write a report to Council with their recommendation for Council with respect to the issuance of Tier 1 financial assistance for affordable housing.
- Following Council's decision on the Tier 1 financial assistance for affordable housing, City staff will advise the applicant, in writing, of the outcome.

### **REVIEW PROCESS FOR TIER 2 APPLICATIONS (LAND DONATION AND \$10,000 PER UNIT)**

- Applications can be submitted at any time with no application deadline.
- A completed application form and supporting materials are required to be submitted to City staff in the Planning and Housing Division of Development Services and Engineering Department. The application form must be completed

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and signed by the signing officers of the organization. With exception for a request for land donation from the City, the applicant must confirm ownership of the property proposed for development or must submit authorization from the owner of the property to submit the application.

- City staff will review each application for completeness and may request further information from the applicant prior to deeming the application complete.
- If the application is incomplete, or the application does not meet all the eligibility criteria, the application will not be accepted. If it has been determined that the application is not acceptable or there are insufficient funds in the Affordable Housing Reserve, then City staff in the Planning and Housing Division of Development Services and Engineering Department will issue a letter to the applicant explaining the reasons for not accepting the application with a copy of the letter provided to the Affordable Housing Committee.
- For Tier 2 applications, no evaluation scale will be utilized. If all the eligibility criteria are met, then the Tier 2 application will be recommended by City staff for approval of financial assistance for affordable housing provided there are sufficient funds in the Affordable Housing Reserve to cover the costs associated with the donation of land. However, no single application can be granted financial assistance that would consume more than 50% of the available funds in the Affordable Housing Reserve at the time of Council’s decision on the application.
- City staff in the Planning and Housing Division of Development Services and Engineering Department will bring forward eligible Tier 2 applications to the Affordable Housing Committee for their review and recommendation to Council. The Affordable Housing Committee will write a report to Council with their recommendation for Council with respect to the issuance of Tier 2 financial assistance for affordable housing.
- Following Council’s decision on the Tier 2 financial assistance for affordable housing, City staff will advise the applicant, in writing, of the outcome.

### **REVIEW PROCESS FOR TIER 3 APPLICATIONS (GRANTS):**

- Applications can be submitted at any time with no application deadline.
- A completed application form and supporting materials are required to be submitted to City staff in the Planning and Housing Division of Development Services and Engineering Department. The application form must be completed and signed by the signing officers of the organization. The applicant must confirm ownership of the property proposed for development or must submit authorization from the owner of the property to submit the application.
- City staff will review each application for completeness and may request further information from the applicant prior to deeming the application complete.
- If the application is incomplete, or the application does not meet all the eligibility criteria, the application will not be accepted. If it has been determined that the application is not acceptable or there are insufficient funds in the Affordable

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Housing Reserve, then City staff in the Planning and Housing Division of Development Services and Engineering Department will issue a letter to the applicant explaining the reasons for not accepting the application with a copy of the letter provided to the Affordable Housing Committee.

- For Tier 3 applications, the following evaluation scale will be utilized:

Criteria	Crucial Considerations	Eligible Points	Score
City Support in the Past for this Housing Project	First Time	2	
	Previously Received Support from the City for the same Housing Project	1	
Proven Track Record	Established, well known organization with proven track record for providing quality affordable housing	2	
	New organization to the City	1	
Financial Support	Significant funding support from multiple sources	2	
	Some funding support from other sources	1	
Significant funding is defined as receiving more than \$500,000 in other government grants and fundraising. Multiple sources is defined as receiving funding support from more than 2 organizations and does not include individual donations from fundraising efforts			
Need for that type of housing	High demand/need in the City (i.e. accessible or 1-bedroom)	2	
	Less demand/need in the City	1	
Magnitude of the Project	Greater than 50 units	3	
	Between 10 and 50 units	2	
	Fewer than 10 units	1	
<b>Maximum Eligible Points</b>		<b>11</b>	

Note: Funding would be based on a percentage of points received. For example, if a project received the full score of 11 points, then they would be eligible for 100% of the funding support available. If a project received 9 points out of 11, then it would be eligible to receive up to 82% of available funding.

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- In accordance with the evaluation scale, Tier 3 application will be recommended by City staff for approval of financial assistance for affordable housing provided there are sufficient funds in the Affordable Housing Reserve to cover the costs associated with the donation of land. However, no single application can be granted financial assistance that would consume more than 50% of the available funds in the Affordable Housing Reserve at the time of Council's decision on the application.
- City staff in the Planning and Housing Division of Development Services and Engineering Department will bring forward eligible Tier 3 applications to the Affordable Housing Committee for their review, scoring and recommendation to Council. The Affordable Housing Committee will write a report to Council with their recommendation for Council with respect to the amount, if any, of Tier 3 financial assistance for affordable housing to be offered.
- Following Council's decision on the Tier 3 financial assistance for affordable housing, City staff will advise the applicant, in writing, of the outcome.

### FUNDING AVAILABILITY

- Financial Assistance for affordable housing will be funded from the City's Affordable Housing Reserve.
- Financial assistance will be awarded on a "first come, first serve basis".
- All financial assistance for affordable housing is subject to availability of funds. Once the Affordable Housing Reserve has been exhausted, no additional funding can be given.
- No single application can consume more than 50% of the available funds in the Affordable Housing Reserve at the time of Council's decision on the said application.

### RELEASE OF FUNDS

- Organizations awarded funding will receive confirmation from City staff in the Planning and Housing Division of the Development Services and Engineering Department.
- Financial assistance will be awarded prior to construction of the affordable housing project, but the recipient is subject to the requirements of Policy 4.2.1.4 Provision For Defaults in the event the project is not successfully completed.
- Cheques will be addressed as it appears on the application.
- Cheques shall be presented through the Mayor's Office with a member of the Affordable Housing Committee present, and all members of Council shall be advised of the presentation details in advance. The City will issue a News Release timed with the cheque ceremony outlining the totality of the City's financial assistance (which includes cash grants and internal transfers between City accounts).

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- Financial assistance with respect to costs associated with donation of land, grant for Building, Planning and Engineering Review Fees, and grant for Cash-in-Lieu of Parking will be via an internal transfer from the Affordable Housing Reserve to the appropriate department account (i.e. Development Charge Reserve, Departmental Operating Revenue Account, Land Acquisition Reserve, Cash-in-Lieu (CIL) Parking Reserve, etc.)
- Financial assistance with respect to grants for \$10,000 per unit and purchase price of land will only be payable once full Building Permits for the proposed development have been issued by the City.

### ACKNOWLEDGEMENT OF SUPPORT

- Suitable recognition for the City's level of investment is valued through print materials and social media feeds, using the City of Orillia's logo or making a written or verbal acknowledgement. At minimum, the proponent must post a sign at the development site during construction indicating the project was made possible due to the financial assistance provided by the City of Orillia, together with a permanent plaque in the building acknowledging the City's financial assistance.
- An electronic version of the City logo can be obtained from the City's Department of Business Development and Communications.

### PROVISIONS FOR DEFAULTS

The recipient shall repay the whole or any part of any grant for financial assistance of affordable housing, as determined by the City, if the recipient:

- Fails to construct the affordable housing as set out in the requirements in Policy 4.2.1.4 under Eligibility Criteria.
- Ceases operations or ceases to meet the affordable housing requirements set out in Policy 4.2.1.4 under Eligibility Criteria within 20 years from the date of occupancy;
- Ceases to operate as a not-for-profit organization within 20 years from the date of occupancy;
- Sells the property for which the grant for financial assistance has been approved within 20 years from the date of occupancy for a purpose that does not comply with the City of Orillia's financial assistance for affordable housing requirements as set out in Policy 4.2.1.4 under Eligibility Criteria;
- Has knowingly provided false information in its application; or
- Uses funds for purposes not approved by Council.

Any unused portion of the financial assistance provided by the City remains the property of the City of Orillia. If any unused portion has already been paid to the recipient, it shall be repaid by the recipient upon request from the City.

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With respect to donation of City land, the recipient shall repay the City the current appraised value of the land and any costs incurred by the City during the land donation process if the land is sold within 20 years from the date of occupancy for a non-affordable housing purpose that does not meet the affordable housing requirements as set out in Policy 4.2.1.4 under the Eligibility Criteria. As part of the land donation process, the City will require that a Restrictive Covenant be registered on the title restricting the use of the property to affordable housing pursuant to the requirements of City of Orillia’s financial assistance for affordable housing program as set out in Policy 4.2.1.4. City Council would need to approve the release of the restrictive covenant if the property were to no longer be used for affordable housing within 20 years thus triggering the requirement for the recipient to repay the City the current appraised value of the land and any costs incurred by the City during the land donation process. To ensure the City is notified of a sale and that the City can interject itself prior to the sale of land (not with the intent the City purchase the land back), the City will also require First Right of Refusal clauses in the purchase and sale agreement.

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