

Kawartha Lakes and the County of Haliburton Affordable Housing Targets Program

Information Session



Outline

- Introductions
- Service Manager Role
- Housing & Homelessness Plan and Targets
- The 2020 Area Context
- The 2020 Affordable Housing Target Program
- Understanding Each Program Type
- Timelines and Next Steps

Service Manager Role

As Service Manager under the *Housing Services Act (HSA)*, the City of Kawartha Lakes role is to administer and fund housing and homelessness programs in both the Kawartha Lakes & the County of Haliburton including:

- Regulate and fund community housing providers in our service area
- Maintain Service Level Standards
- Administer the centralized housing waiting list
- Set policies where local rules can be established
- Deliver and ensure ongoing compliance for new housing programs
- Deliver and ensure ongoing compliance for homelessness programs and services
- 10 year Housing & Homelessness Plans

Housing & Homelessness Plans and Targets

Housing & Homelessness Plan (HHP)

- Housing Services Act requires each Service Manager to have a plan to address housing and homelessness
- Service Manager HHP adopted by both the City and County in 2014 (2014-2023)
- First legislated periodic review due no later than December 31st, 2019
- Project coordinating committee worked on new plan
- HHP 2020-2029 adopted by councils in November 2019
- HHP requires targets based on local housing need

Definition of Affordable Housing

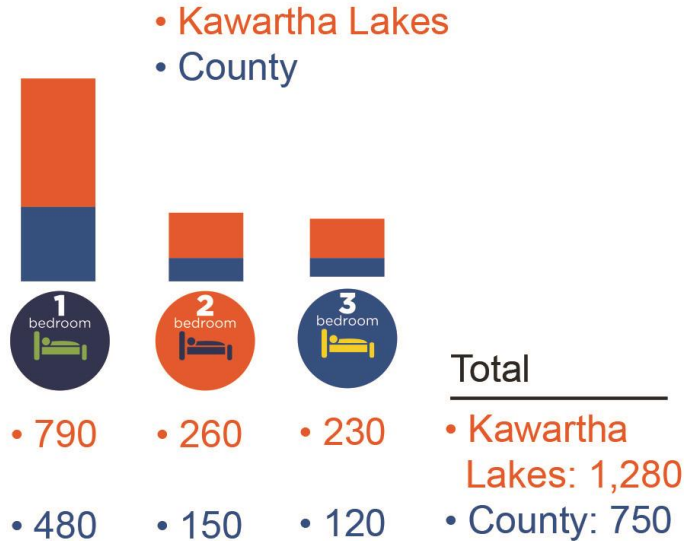
- Other City and County plans or strategies are overarching of all income brackets
- Service Manager and HHP focus is specific for low to moderate (middle) income households
- Targets are striving to create housing, both rental and ownership to meet approved definition
- Rent or accommodation costs not to exceed 30% of the gross annual household income for low to moderate income households

Approaches for Ownership

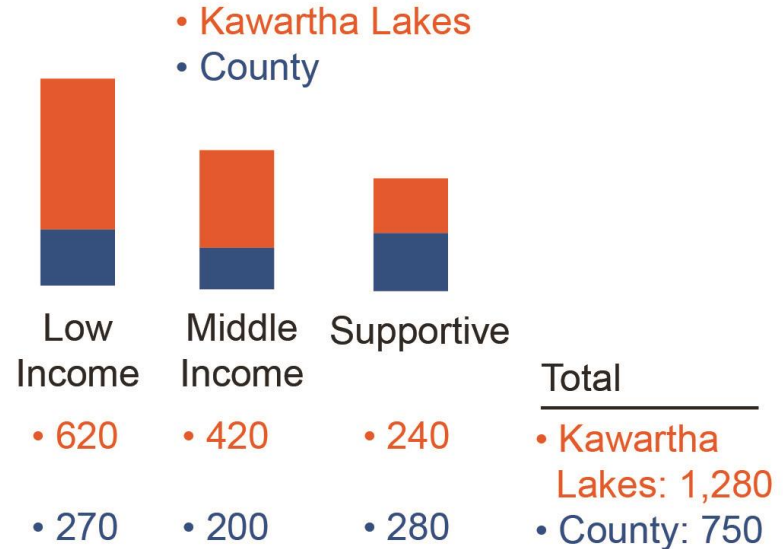
- Continue to support Homeowner down payment assistance program in resale homes
- Municipal incentives for new ownership developments
- Actively pursue ownership options with not for profits like Habitat for Humanity

Targets for Rental

Additional Rental Units to be Created Over 10 Years (2020-2029) by Bedroom Size



Additional Rental Units to be Created Over 10 Years (2020-2029) by Category



Variety of Options

Each additional affordable unit is not always the result of new construction

- Resale of existing ownership
- Subsidy to a tenant to use in an existing market rental
- Rehabilitation of spaces not currently residential rental or inhabitable
- Secondary suite in new construction or in an existing dwelling
- Purpose built rental and ownership

Key considerations

- Continued, ongoing and sustainable funding and policy support at all three levels of government
- Participation of multiple partners and partnerships
- Continued and ongoing education and information for all partners
- Affordable Housing Incentives Policy
- Affordable Housing Target Program
 - Annual process including information sessions, expression of interest submissions and recommendations, approvals and agreements

The 2020 Area Context

The Rental Situation

- The overall vacancy rate is 1.4%
- There are almost 1,800 households on the waiting list for an affordable unit (80% live in or have a connection to Kawartha Lakes or the County)
- There are almost 60 chronically homeless individuals on the by name list (all of which have a connection to Kawartha Lakes or the County)
- Roughly 50% of all renters are spending more than 30% of their income on rent

Rental Affordability

Affordable rental for low income households
(at or below the 30th income percentile)

Affordable rental for moderate income households
(30th to 60th income percentile)



City



County



City



County

The Ownership Situation

- Average sale price is \$400,507
- While the majority of the housing stock created are single family (83% KL, 90% County) limited options available for the low to moderate income households
- Roughly 20% of home owners are spending more than 30% on accommodation costs

Ownership Affordability

Affordable ownership for low income households
(at or below the 30th income percentile)



Affordable ownership for moderate income households
(30th to 60th income percentile)



The 2020 Affordable Housing Target Program

Program Outline

- Steps
 - Information Sessions
 - Pre-Submission
 - Expression of Interest
 - Evaluation
 - Recommendations
 - Approvals and agreements
- Coordination with other regulatory approval processes such as rezoning, building permits, etc

Information Sessions

- Annually each year prior to pre-submission
 - In person session in both Kawartha Lakes and the County
 - Presentation slides and information packages
 - Possibility of webinars
- Not mandatory to participate however is intended to help understand the program prior to a pre-submission

Pre-Submission

- Period of time to submit basic information
- Allows for eligibility determination
- Gives the applicant time to consider ways to address items
 - For example property tax arrears or outstanding code violations
- Pre-submission eligibility will result in a meeting with the Program Coordinator (and possibility other municipal departments) to assist with completing the Expression of Interest

Expression of Interest

- Expression of Interest (EOI) submissions accepted from eligible pre-submission applicants only
- Express interest within program types
 - Rent Supplement
 - Secondary Suite
 - Multi-Unit Rehabilitation
 - New Rental Development
 - New Home Development
- Program type will determine the information and documents required
- Requests the incentives and funding
- Sliding scale provides examples of level and length affordability based on requested incentives and funding

AHTP Incentives and Funding

- Municipal incentives are provided under the authority of the Municipal Housing Facilities Bylaw 2018-057
- Council Policy CP2019-004 (KL) and PL-01 (County) outlines the list of incentives that can be requested
- Expression of Interest will allow proponents to select incentives they would like to be considered for based on proponent type and program type
- No established minimum or maximum annual contribution by the municipality to this program, will be approved annually based on the EOI submission received
- In addition to the incentives for 2020 there is a limited amount of funding through the Ontario Priorities Housing Initiative (OPHI) applicable to second suites and rehabilitation projects to assist with construction costs (up to \$25,000 per unit towards renovation costs)

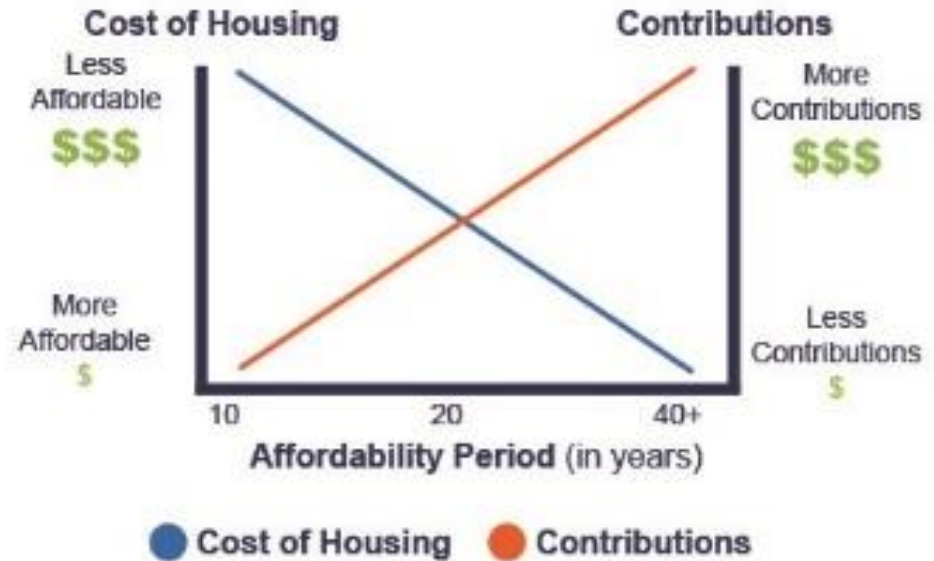
Incentives Policy

Policy broken down as follows:

- Incentive – identifies what it is (land, application fees, charges, waivers, property tax, rent supplement, etc)
- Method – how it will be provided
 - Land could be donation, lease or below market value depending on the applicant type and program types
 - Fees or charges would be waived at the time you are required to pay or grant provided to pay them
 - Relief from security
 - Property tax and rent supplement are ongoing and operational
- Eligible Proponent – who can request this (some incentives or methods are different such as land for a private developer versus a non profit)
- Program Type – what can be requested based on how the unit is being created (new rental, new homes, secondary suite, rehabilitation, rent supplement)

Sliding Scale

- Sliding Scale to assist in determining Rent Level and Affordability Period for Contribution Levels
- If receiving more than one type of incentive, the lowest affordability level and longest affordability period will apply overall



Sliding Scale - Land

Incentive Type	Building / Unit Type	Proponent KLH – KLH Housing CHP – existing provider PNP – new non profit PD – private developer HO – Homeowner HH – Habitat for Humanity	Affordability Level (Minimum Level)	Affordability Period (Minimum Length)
Land Donation	All	<ul style="list-style-type: none"> – KL – CHP – HH 	Rental – at least 50% of the units must be at or below 100% of the maximum rent Ownership – all homes sold initially at or below maximum sale price	KLH: indefinitely CHP: Minimum of 20 years HH: point of initial sale
Land Lease	All	<ul style="list-style-type: none"> – KLH – CHP – PNP 	Rental – at least 50% of the units must be at or below 100% of the maximum rent	KLH: indefinitely CHP/PNP: Minimum 20 year with specific lease conditions for further terms
Land offered below market value (per unit reduction based on the number that meet affordability level)	All	<ul style="list-style-type: none"> – KLH – CHP – PNP – PD – HH 	Rental – at least 25% of the units must be at or below 100% of the maximum rent Ownership – at least 25% of homes sold initially at or below maximum sale price	KLH: indefinitely CHP/PNP: rental - min. 20 years PD: rental – 10 years PNP/PD/HH: ownership – point of initial sale

Sliding Scale – Fees/Charges

Incentive Type	Building / Unit Type	Proponent KLH – KLH Housing CHP – existing provider PNP – new non profit PD – private developer HO – Homeowner HH – Habitat for Humanity	Affordability Level (Minimum Level)	Affordability Period (Minimum Length)
Up to \$15K Per-unit of Municipal Contribution from fees & charges (from Council Policy list)	1 bedroom apt– rental	All	Units receiving must be at or below 100% of the maximum rent	KLH: indefinitely All others: 10 years
Up to \$25K Per-unit of Municipal Contribution from fees & charges (from Council Policy list)	1+ bedroom apt – rental	All	Units receiving must be at or below 80% of the maximum rent	KLH: indefinitely All others: 15 years
Up to \$20K Per-unit of Municipal Contribution from fees & charges (from list in Council Policy)	2+ bedroom – apt – rental	All	Units receiving must be at or below 100% of the maximum rent	KLH – indefinitely All others – 10 years
Up to \$35K Per-unit of Municipal Contribution from fees & charges (from list in Council Policy)	2+ bedroom Row or townhouse – rental or ownership	All	Rental units at or below 100% of the maximum rent Ownership – at or below average maximum house price	KLH – indefinitely Other Rental – 10 years Ownership – initial sale

Sliding Scale – OPHI Funding

Incentive Type	Building / Unit Type	Proponent PD – private developer HO – Homeowner	Affordability Level (Minimum Level)	Affordability Period (Minimum Length)
OPHI Investment (per unit) up to \$25k	1+ bedroom apt (MURP) – rental	– PD	Units receiving must be at or below 80% of the maximum rent	15 years
OPHI Investment (per unit) up to \$25k	1+ bedroom (SS) – rental	– HO	Units receiving must be at or below 80% of the maximum rent	15 years

Sliding Scale – Property Tax, Rent Supplement and Financing

Incentive Type	Building / Unit Type	Proponent KLH – KLH Housing CHP – existing provider PNP – new non profit PD – private developer HO – Homeowner HH – Habitat for Humanity	Affordability Level (Minimum Level)	Affordability Period (Minimum Length)
Property Tax Exemption	All	– KLH – CHP – PNP	At least 75% of units at or below 100% of the maximum rent	KLH – indefinitely CHP/PNP – 25 years
Property Tax Deferral	All	– KLH – CHP – PNP – PD	Units at or below 100% of the maximum rent	25-49% units at or below 100% AMR - 5-year deferral 50-100% units at or below 100% AMR – 10 years
Rent Supplement	All	– KLH – CHP – PNP – PD	Units at or below 100% of the maximum rent	20 years – based on 5 year renewal periods
Financing (secured through municipality, repaid by housing provider through rental revenue)	All	– KLH – CHP	At least 50% of the units must be at or below 100% the maximum rent	KLH – indefinitely CHP – 30 years

Maximum Rents and Incomes

- Rent amounts and sale prices are determined and set each year prior to the program commencing by the Service Manager
- Established by looking at local averages and other data collections like Canada Mortgage and Housing Corporation (CMHC)
- Some program types based on certain incentives and funding will require a lower percentage of the maximum amounts to be met

2020 AHTP Maximum Rents and Renter Incomes

Kawartha Lakes



County of Haliburton



2020 AHTP Maximum Sale Price and First Purchaser Income

Kawartha Lakes



Income up to
\$84,600

County of Haliburton



Income up to
\$73,200

Evaluation & Recommendation

- Technical Team reviews and provides comments on each EOI submission
 - Local planning, building, bylaw, etc
- Steering Committee reviews and makes recommendations to Council
- Each EOI submission is evaluated on its own merit and how it assists in meeting the targets
- Not a competitive process
- Council makes decisions

Approvals and Agreements

- Approvals and Agreements will differ by program type
- Draft of agreement provided to successful applicants in order to review and seek independent legal advise
- Process being developed to be able to approve both current year and future year projects
- All agreements registered on title

Understanding Each Program Type

New Rental Development Program (NRDP)

What it is

The program provides financial assistance to developers of new rental projects to achieve affordable rents in some or all of the units by way of providing certain incentives. The financial assistance applies only to the units that achieve the affordable rent.

How it works

In return for the funding or incentives, the unit(s) will be offered to applicants on the City's waiting lists at an agreed upon market rent for an agreed upon number of years. An agreement for the value of the funding or incentives is registered on title. As long as the requirements are met, the value of the funding and incentives is forgiven.

Benefits

The program benefits the developer by reducing costs and benefits a low to moderate income household with access to a unit at or below the average market rent for the area (inclusive of utilities).

NRDP Requests

Pre-Submission Requirements	EOI Submission Requirements
Information about the applicant (company or legal name if applicable, name, address, phone, email)	Information contained in Pre-Submission (applicant and property information)
Information about the property (address, existing use, owner if different than applicant)	Project Information (total number of units, number of affordable units, rents, development timeline, operation of project following occupancy)
Program Type (new rental, new home, rent supplement, secondary suite or multi-unit rehabilitation)	Conceptual Drawings (site plan at minimum)
Project information (total value, brief description)	Approvals Already in Place (land ownership, zoning, site plan, building permit, financing, other sources of funding)
	Financial Plan (capital, financial contributions and five year operating)
	Incentives Requested

New Home Development Program (NHDP)

What is this

The program provides financial assistance to developers of new homes to achieve affordable sale prices in some or all of the homes by way of providing certain incentives. The financial assistance applies only to the units that achieve the affordable rent.

How it works

In return for the funding or incentives, the first purchaser will be a low to moderate income household. An agreement for the value of the funding or incentives is registered on title. As long as the requirements are met, the value of the funding and incentives is forgiven.

Benefits

The program benefits the developer by reducing costs and benefits a low to moderate income household with access to a home at or below the average sale price for the area.

NHDP Requests

Pre-Submission Requirements	EOI Submission Requirements
Information about the applicant (company or legal name if applicable, name, address, phone, email)	Information contained in Pre-Submission (applicant and property information)
Information about the property (address, existing use, owner if different than applicant)	Project Details (number of homes, sizes of homes, sale price, development timeline)
Program Type (new rental, new home, rent supplement, secondary suite or multi-unit rehabilitation)	Conceptual Drawings (site plan at minimum)
Project information (total value, brief description)	Approvals Already in Place (land ownership, zoning, site plan, building permit, other sources of funding)
	Incentives requested

Secondary Suite Program (SSP)

What it is

The program provides financial assistance to homeowners to create a rental unit in their home with an affordable rent by providing certain incentives.

How it works

In return for the funding or incentives, the unit created will be offered to tenants with a low to moderate income at an agreed upon market rent for an agreed upon number of years. An agreement for the value of the funding or incentives is registered on title. As long as the requirements are met, the value of the funding and incentives is forgiven.

Benefits

The program benefits the homeowner by reducing costs and providing a monthly revenue and benefits a low to moderate income household with access to a unit at or below the average market rent for the area (inclusive of utilities).

SS Requests

Pre-Submission Requirements	EOI Submission Requirements
Information about the applicant (name, address, phone, email, income verification)	Information contained in Pre-Submission (applicant and property information)
Information about the property (address)	Project Details (renovations required, two quotes for the work required from qualified contractors, construction timeline, unit size, rents)
Program Type (new rental, new home, rent supplement, secondary suite or multi-unit rehabilitation)	Photos (existing space)
Project information (total value, brief description)	Approvals Already in Place (zoning, building permit, other sources of funding)
	Incentives Requested

Multi-Unit Rehabilitation Program (MURP)

What it is

The program provides financial assistance to a landlord or building owner to rehabilitate former rental or open space to achieve affordable rents in some or all of the units by way of providing certain incentives. The financial assistance applies only to the units that achieve the affordable rent.

How it works

In return for the funding or incentives, the unit(s) will be offered to applicants on the City's waiting lists at an agreed upon market rent for an agreed upon number of years. An agreement for the value of the funding or incentives is registered on title. As long as the requirements are met, the value of the funding and incentives is forgiven.

Benefits

The program benefits the developer by reducing costs and benefits a low to moderate income household with access to a unit at or below the average market rent for the area (inclusive of utilities).

MURP Requests

Pre-Submission Requirements	EOI Submission Requirements
Information about the applicant (name, address, phone, email, income verification)	Information contained in Pre-Submission (applicant and property information)
Information about the property (address)	Project Details (renovations required, two quotes for the work required from qualified contractors, construction timeline, number of units, size of units, rents)
Program Type (new rental, new home, rent supplement, secondary suite or multi-unit rehabilitation)	Photos (existing space)
Project information (total value, brief description)	Approvals Already in Place (zoning, building permit, other sources of funding)
	Incentives Requested

Rent Supplement Program (RSP)

What it is

The program provides a supplement to landlords, non-profits and community housing providers by way of a monthly payment which addresses the gap between what the tenant pays and the established market rent for the unit.

How it works

The unit(s) will be offered to applicants on the City's waiting lists at an agreed upon market rent for an agreed upon number of years. The City will calculate the portion of rent that tenant will pay to the landlord and monthly the City will pay the landlord the difference between what the tenant pays and the established market rent for the unit.

Benefits

The program will benefit the landlord, non-profit or community housing provider in several ways including: receiving full rental income (to the maximum level approved by the SM), potential damage expenses and a connection to support services for their tenants. The program will benefit a low to moderate income household with access to a unit at or below the average rent for the area (inclusive of utilities).

RSP Requests

Pre-Submission Requirements	EOI Submission Requirements
Information about the applicant (name, address, phone, email, income verification)	Information contained in Pre-Submission (applicant and property information)
Information about the property (address)	Unit Details (number of units, size of units, estimated occupancy dates, rents, copy of head lease if applicable)
Program Type (new rental, new home, rent supplement, secondary suite or multi-unit rehabilitation)	Photos (typical unit)
Project information (brief description)	Incentives Requested

Timelines and Next Steps

Timeline



Questions and Answers