



Report

Report to: Mayor and Council
Date: April 9, 2024
Title: **Financial Assistance request for a 100-112 unit affordable housing project on 8055 McLeod Road**

Recommendation(s)

1. THAT Council **APPROVE** the Planning fee waivers totaling \$35,700.00, subject to Niagara Falls Not for Profit entering into an agreement with Niagara Regional Housing to provide rental subsidy for 45 units in a 9 storey building or 50 units in a 10 storey building that will be between 65-70% of the CHMC MMR;

2. THAT Council **APPROVE** a grant equivalent to the Building Permit Fees of \$165,311.91 for a 9 storey building or \$183,679.90 for a 10 storey building subject to Niagara Falls Not for Profit entering into an agreement with Niagara Regional Housing to provide rental subsidy for 45 units in a 9 storey building or 50 units in a 10 storey building that will be between 65-70% of the CHMC MMR; and

3. THAT Council **APPROVE** a discretionary exemption to Community Benefit totaling \$160,000.00, subject to Niagara Falls Not for Profit entering into an agreement with Niagara Regional Housing to provide rental subsidy for 45 units in a 9 storey building or 50 units in a 10 storey building that will be between 65-70% of the CHMC MMR.

Executive Summary

On February 27, 2024 City Council received a presentation from the Niagara Falls Non-Profit Housing (NFNP) who are planning on building 100 -112 affordable housing units on McLeod Road. The proposed project is to be developed by NFNP who will enter into an agreement with Niagara Regional Housing on the Rent Geared to Income Units (RGI). In order to increase affordability, the NFNP are seeking funding from the Canadian Mortgage Housing Corporation (CMHC) and are requesting that City Council consider planning fee waivers, building fee waivers, development charges and expedited approvals.

The requested waivers and their applicable fees have been broken down below:

Waiver Request	100 unit (9 storey building)	112 unit (10 storey building)
-----------------------	-------------------------------------	--------------------------------------

Planning Fees	\$35,700	\$35,700
Building Fees	\$165,311.91	\$183,679.90
Development Charges (Statutory Exemption)	\$819,400	\$917,728
*Community Benefit	\$160,000	\$160,000
Total	\$1,180,411.91	\$1,297,107.90

*Community Benefit exemption not requested by presenter but needs to be considered by Council.

The only exemption that does not need to be considered by Council is the Development Charges as a not for profit development would qualify as a statutory exemption under the Development Charges Act.

In 2022, the City passed a Community Benefit Charge (CBC) By-law 2022-119. The Community Benefit Charge is applicable to the proposed development, but which was not included in the request to Council. Staff have added this charge to be considered with the other requested waivers.

Lastly, NFNP has requested that the City expedite the approvals for the project. The City was hoping to put in place an expedited development team with the Federal Housing Accelerator Fund monies that would have reduced timelines for affordable housing projects by 50% for all planning and building applications. Unfortunately, we were not successful in this request. With the City's current staffing levels, it is not possible to commit to an expedited timeline, however the City staff will make every attempt to move the applications along as quickly as possible.

Background

NFNP made a presentation to City Council on February 27, 2024 and has requested that the Council consider planning, building and development charge waivers for a proposed apartment building at 8055 McLeod Road. The proposed development is based on two scenarios:

- a 9441m2100 unit 9-storey building; or
- a 10,490m2112 units 10-storey building.

A representative from Niagara Regional Housing has been assisting the NFNP and he has provided the following breakdown for the proposed 9 storey, 100 unit model scenario:

1. Deep Affordable Rent Geared to Income #1: 20 x 1-bed units @ \$840 / month, which is 70% of CMHC MMR Oct. 2023 rate of \$1,200
2. Deep Affordable Rent Geared to Income #2: 25 x 1-bed units @ \$770 / month, which is 64% of CMHC MMR Oct. 2023 rate of \$1,200

The above noted units will receive a subsidy per month through Niagara Regional Housing (NRH) and would target people in the 10th & 20th income deciles (annual income up to \$28,300).

3. Affordable: #3: 21 x 1-bed units @ \$1,200 / month, which is 100% of CMHC MMR Oct. 2023 rate targeting people in the 30th and 40th income deciles (annual income \$28,301 to \$53,900)

4. Attainable: #4: 34 x 2-bed units @ \$1,610 / month, which is 115% of CMHC MMR Oct. 2023 rate of \$1,400 targeting people in the 50th & 60th income deciles (annual income \$53,901 to \$64,500)

The City's Housing Strategy identified a goal to construct 270 affordable units annually (40% of 2020 rates). The housing strategy recognized the need for both high to moderate and low to moderate rent levels and the target was broken up equally to 135 units in the high to moderate category and 135 units in the low to moderate category. The proposed NFNP building will contribute 45-50 (9 storey versus 10 storey) units at the low to moderate end which partially addresses the harder to achieve rental target for the City. It will also provide an additional 55-62 affordable units at the moderate to high end of the rental target which again will contribute to the City's goal.

Requested Waivers

NFNP's request entails:

- a planning fee waiver of \$35,700;
- a building permit fee grant of \$165,311.91 for a 9 storey building or a \$183,679.90 for the 10 storey building;
- a statutory development charge fee exemption totaling \$819,400 or \$917,728.

NFNP did not request the exemption for the Community Benefit Charge (CBC) of \$160,000 but this exemption has been factored into the overall request as it appears the project would qualify for the exemption based on the definition in the CBC By-law.

The City does have a fee waiver policy, but the proposed project does not meet the scope of that policy which is meant to help offset the fees that would have been charged by the City related to the delivery or presentation of a festival or event. Therefore, Council must consider the fee waiver requests presented by NFNP.

Analysis

In a recent council presentation, a not-for-profit affordable housing provider, NFNP submitted a request for planning, building and development charge fee waivers to facilitate the construction of a 100-112 unit affordable housing project within the

community. In addition, they requested that City Council consider expediting approval of the applications.

The request applicable fees and their totals have been broken down below:

Waiver Request	100 unit 9 storey building	112 unit 10 storey building
Planning Fees	\$35,700	\$35,700
Building Fees	\$165,311.91	\$183,679.90
Development Charges (Statutory Exemption)	\$819,400	\$917,728
*Community Benefit	\$160,000	\$160,000
Total	\$1,180,411.91	\$1,297,107.90

*Community Benefit exemption not requested by presenter but needs to be considered by Council.

Planning and Building Permit Fees

Planning fees charged by the City under the authority of the *Planning Act* are to cover costs under a fee for service model. Currently, the City’s Planning fees do not completely fund the cost of the work, but they do cover a significant portion. The applicant is requesting consideration to waive \$35,700 in planning fees. Waiving the planning fees could result in a negative variance at the end of 2024 in the Planning User Fees accounts.

The Planning Fee waivers would not include waivers for other disciplines or agencies to review the applications such as the Niagara Peninsula Conservation Authority or the Niagara Region. For example, the Niagara Region planning review fees for this project would be \$6280.00 and the NPCA fees would be \$25,071.

Building permit fees are charged and collected to recoup the cost of the service under the Ontario Building Code Act and should the building permit fees of \$165,311.91 or \$183,679.90 be waived they would need to be funded. The current budget line item for building permit fee waivers is in place to cover previously approved waivers. The previously approved waivers take up this entire budget, thus the additional fee waiver proposed above could result in a negative variance in the Building Permit Fee Waiver account that may require funding from the Tax Rate Stabilization Reserve at the year end.

Development Charges

The More Homes Built Faster Act was granted royal assent on November 28, 2022. This Act made changes to the Development Charges Act which includes a new exemption for non-profit housing developments. The Niagara Regional Housing representative has confirmed that the NFNP meets the definition in the Development Charges Act listed below.

- “non-profit housing development” means the development of a building or structure intended for use as a residential premises and developed by,
- (a) a corporation to which the [Not-for-Profit Corporations Act, 2010](#) applies, that is in good standing under that Act and whose primary object is to provide housing,
 - (b) a corporation without share capital to which the [Canada Not-for-profit Corporations Act](#) applies, that is in good standing under that Act and whose primary object is to provide housing, or
 - (c) a non-profit housing co-operative that is in good standing under the [Co-operative Corporations Act, 2022, c. 21](#), Sched. 3, s. 4.

The province provides the statutory exemption of Development Charges (DC's) for a non-profit housing provider. Council does not have to contemplate the exemption as the City has been advised that the provider meets the exemption.

Community Benefit Charge

In 2022, the City passed a Community Benefit Charge (CBC) By-law 2022-119 which exempts CBC's for “Attainable Housing” and “Purpose-built Attainable Housing” as defined in the by-law. The land value on their budget sheet notes a land value of \$4,000,000 which would mean a \$160,000 exemption. This would be a discretionary exemption that would be treated as a waiver as there is no requirement in the Planning Act legislation to fund discretionary Community Benefit Charges.

Expedited approval

While staff acknowledges the urgency and importance of affordable housing projects, particularly those proposed by non-profit organizations, it must balance this with an assessment of existing staffing and resources and regulatory requirements. The City was planning to put in place an expedited planning and permitting team with our Housing Accelerator Fund application that would have reduced timelines for affordable housing projects by 50%. Unfortunately, we were not successful in this request. With the City's current staffing levels, it is not possible for City staff to commit to an expedited timeline, however the City staff will make every attempt to move the applications along as quickly as possible. I would like to note that if feasible any attempt to move the applications along quickly will require commitment from external agencies as well.

Conclusion

Waivers to be considered by Council	100 unit 9 storey building	112 unit 10 storey building
Planning Fees	\$35,700	\$35,700
Building Fees	\$165,311.91	\$183,679.90
*Community Benefit	\$160,000	\$160,000
Total	\$361,011.91	\$379,379.90

*Community Benefit exemption not requested by presenter but needs to be considered by Council.

After careful consideration, staff recommend the waiver request subject to the entrance into an agreement with the Region to provide 45 -50 (9 storey versus 10 storey) of the units at a rate of between 65-70% of the CHMC MMR. Staff recognize the critical role these affordable housing units play in addressing the city's affordable housing challenges. By granting these waivers, the Council can demonstrate its commitment to supporting initiatives outlined in the City's housing strategy for low and moderate-income individuals and families.

Operational Implications and Risk Analysis

The operational risk associated with this request was the request by NFNP to expedite approvals. As noted above this is not currently possible with current staffing levels.

Financial Implications/Budget Impact

Staff have contemplated the financial implications throughout the report under the various fee waiver requests.

Strategic/Departmental Alignment

To assess the proposal staff relied on the Council's Financial and Social sustainability pillars. The key focus of these pillars, as they relate to this proposal, is to increase quality affordable housing while ensuring responsible financial management of the City's funds.

Contributor(s)

Tiffany Clark
Matt Greenfield

Written by:

Kira Dolch, General Manager, Planning, Building & Development

Submitted by:

Andrew Bryce, Director of Planning

Kira Dolch, General Manager, Planning, Building & Development

Jason Burgess, CAO

Status:

Approved
- 03 Apr
2024

Approved
- 03 Apr
2024

Approved
- 03 Apr
2024