



## PLANNING AND BUILDING SERVICES MEMORANDUM

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**TO:** MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

**FROM:** K. BRISLIN, SENIOR PLANNER

**NOTED:** A. BOURRIE, RPP, DIRECTOR OF PLANNING AND BUILDING SERVICES  
R. FORWARD, MBA, M.Sc., P. ENG.  
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT  
M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

**RE:** REDEVELOPMENT GRANT APPROVED FOR THREE AFFORDABLE HOUSING  
UNITS (All WARDS)

**DATE:** MARCH 19, 2018

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The purpose of this Memorandum is to advise members of Council that the Redevelopment Grant Review Group approved a Redevelopment Grant application received from Habitat for Humanity for three affordable *not-for-profit sweat equity home ownership units*. The units, located on Anne Street South, were completed and occupied in 2017.

In accordance with the Built Boundary Community Improvement Plan (CIP), the grant consists of a payment of 50% of fees and charges and a Tax Increment Based Grant. The grant for fees and charges for *not-for-profit sweat equity home ownership units* may, per the program details, be paid at the time of building permit application. The Tax Increment Based Grant is paid over a five year period (in decreasing percentages) starting after the first increased tax bill is paid.

The grant amount for the fees and charges is \$17,008 for each unit. The total amount for the three units combined is \$51,024. Given that the units are now occupied as affordable ownership units, this component of the approved grant is now payable.

The Tax Increment Grant payment for each unit may vary. Assuming a tax increment estimate of \$2,126, the total amount to be paid over five years in decreasing percentages each year is approximately \$7,443 per unit, with a total of \$22,328 for the combined units paid over five years. The Tax Increment Grant payments will be based on the actual tax increment and payment will start after the first increased property tax bill is paid and an agreement with Habitat for Humanity is executed and registered.

The agreement will include provisions to ensure that:

- The units will remain affordable home ownership units for at least 10 years.
- The Tax Increment Grant payment will benefit the respective property owners who are paying for property taxes.
- Payments in any one year are subject to compliance and funding availability.

Habitat for Humanity's agreements with owners extend for 20 years. They propose to develop two similar affordable home ownership units in the Allandale area, and have indicated their intention to invest the fees grant payment toward this proposed project if successful. Habitat for Humanity have also indicated that they propose to apply the Tax Increment Grant payments toward the principal of mortgage financing. The amount paid toward the principal is refunded to the owner should circumstances change and they no longer need the affordable unit. This is set out in Habitat for Humanity's agreements with the respective home owners. In this way, the Tax Increment Grant payment will benefit the home owner.



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This is the first Redevelopment Grant approved under the Built Boundary CIP, and the first grant for affordable housing under the Built Boundary CIP. Staff Report PLN016-16, dated September 26, 2016, which recommended approval of the Built Boundary CIP noted this affordable housing project in the financial section of the report (paragraphs 37-46). This project was included as a potential project in the 2017 CIP Budget, and staff have confirmed that there are sufficient funds in the 2018 CIP account to pay for this grant in full.

The funding for the fees and charges component will be processed and forwarded to Habitat for Humanity after this memo has been circulated to Council. Staff will prepare a grant agreement for execution before the first installments on the Tax Increment Based Grant payment is paid out. It is anticipated the increased taxes will be billed at some time in 2018.

The attached table outlines the payment schedule for the fees and charges component and the estimated tax increment component based in the highest tax increment estimate for the 3 units. The table also includes tax increment payments toward the CIP account in years 3, 4, and 5 in accordance with the Built Boundary CIP provisions.

Should council have any questions in this regard please contact Kathy Brislin, Senior Planner at extension 4440 or [Kathy.brislin@barrie.ca](mailto:Kathy.brislin@barrie.ca)

Attachment: Appendix A - Anne Street Affordable Home Ownership Units Grant Payment Schedule



## PLANNING AND BUILDING SERVICES MEMORANDUM

### APPENDIX "A"

#### ANNE STREET AFFORDABLE HOME OWNERSHIP UNITS GRANT PAYMENT SCHEDULE

##### Fees and Charges Payment

Per unit fees and charges payment	\$17,008
<b>Total for 3 Units</b>	<b>\$51,024</b>

##### Tax Increment Payment Estimate

Estimated Tax Increment:					3 Units Payment to Applicant	3 Units Payment to CIP fund
Year 1	2018	100% ( pro-rated)	\$2,126.50	X 3	\$6,379.50	
Year 2	2019	100%	\$2,126.50		\$6,379.50	
Year 3	2020	75%	\$1,594.88		\$4,784.63	\$1,594.88
Year 4	2021	50%	\$1,063.25		\$3,189.75	\$3,189.75
Year 5	2022	25%	\$531.63		\$1,594.88	\$4,784.63
			\$7,442.75		<b>\$22,328.26</b>	<b>\$9,569.26</b>