

# **The Corporation of the City of Kawartha Lakes**

## **By-Law 2018-**

### **A By-law to Amend By-Law 2006-262 to Provide For Municipal Housing Facilities and Grants for the City of Kawartha Lakes**

#### **Recitals**

1. Whereas By-law 2006-262 was passed by the Council of The Corporation of the City of Kawartha Lakes on September 26, 2006 to provide for municipal housing facilities for its service area, as defined in the Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1.
2. And Whereas council wishes to amend By-law 2006-262 to enable The Corporation of the City of Kawartha Lakes to provide municipal housing facilities and grants in a manner not already contemplated in By-law 2006-262.
3. And Whereas the provisions of By-law 2006-262 approved by council prior to this amendment will continue in full force and effect and apply to those existing municipal housing facilities already approved pursuant to By-law 2006-262.
4. And Whereas from the effective date hereof, Schedule "A" attached to this By-law 2018-           shall apply to any and all municipal housing facilities and grants for the City of Kawartha Lakes unless otherwise specifically provided in a housing facilities agreement or by-law approving a municipal housing facilities agreement.
5. And Whereas the provisions identified in Schedule "A", attached hereto, shall be included and considered an amendment to By-law 2006-262 to provide for municipal housing facilities and grants for the City of Kawartha Lakes.

**Accordingly, the Council of The Corporation of the City of Kawartha Lakes enacts this amendment to By-Law 2006-262, as By-law 2018-          .**

#### **Section 1.00: Amendment Details**

- 1.01 **Amendment:** Section 2.12 is added to the General Terms of By-law 2006-262 as follows:

2.12 From the effective date of the passing of By-law 2018-          , Schedule "A" attached to this by-law shall apply to any and all municipal housing facilities and grants for the City of Kawartha Lakes unless otherwise specifically provided in a housing facilities agreement or by-law approving a municipal housing facilities agreement and shall be included and considered an amendment to By-law 2006-262 to provide for municipal housing facilities and grants for the City of Kawartha Lakes.

- 1.02 **Amendment:** Schedule “A”, attached to this By-law shall be added as Schedule “A” to By-law 2006-262.

## **Section 2.00: Administration and Effective Date**

- 2.01 **Administration of the By-law:** The Director is responsible for the administration of this by-law.
- 2.02 **Effective Date:** This By-law shall come into force on the date it is finally passed and may be cited as the Municipal Housing Facilities By-Law, as amended.

By-law read a first, second and third time, and finally passed, this 10<sup>th</sup> day of April, 2018.

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Andy Letham, Mayor

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Cathie Ritchie, City Clerk

## Schedule "A"

1. Whereas By-law 2006-262 was passed to provide for municipal housing facilities in the service area of the Corporation of the City of Kawartha Lakes, as defined in the Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1.
2. And Whereas Council consider it advisable to amend By-law 2006-262 to continue to provide municipal housing facilities and grants for the City of Kawartha Lakes in respect of municipal housing facilities approved by the City after the date of this By-law.
3. And Whereas the *Municipal Act*, S.O. 2001, c.25, subsection 107, as amended, allows municipalities to give grants or aid, on such terms as to security and otherwise that council considers to be in the interest of the municipality.
4. And Whereas the *Municipal Act*, subsection 110(1), as amended, allows municipalities to enter into agreements for the provision of municipalities facilities by any person.
5. And Whereas Ontario Regulation 603/06, as amended by Ontario Regulation 151/16, made under the *Municipal Act* allows the council of a municipality to enter into an agreement under subsection 110(1) of the *Municipal Act* for the provision of a variety of enumerated classes of municipal capital facilities.
6. And Whereas one of those enumerated classes is municipal housing project facilities for the purpose of exempting land from taxation under subsection 110(6) of the *Municipal Act*.
7. And Whereas Ontario Regulation 603/06, subsection 7(1)(a), as amended, requires that before a By-law authorizing an agreement respecting municipal housing project facilities is entered into a municipal housing facilities By-law must be enacted, which must comply with requirements set out in that Regulation.
8. And Whereas Council is of the opinion that making use of subsection 110(1) of the *Municipal Act* is a desirable means of increasing the supply of affordable rental and ownership housing by providing financial or other assistance at less than fair market value to private and non-profit housing providers on the criteria set out in this By-law.
9. And Whereas from the effective date hereof, the terms and provisions set out in this By-law 2018-\_\_\_\_ shall be the terms and provisions referenced and applied for any and all municipal housing facilities and grants for the City of Kawartha Lakes approved by the City after the date of this By-law.

## **Section 1.00: Definitions and Interpretation**

### **1.01 Definitions:** In this by-law,

**“Act”** means the Municipal Act, S.O. 2001, c.25, as amended, and its regulations;

**“affordable housing”** means for the purpose of a municipal housing project facilities agreement shall be municipal housing project facilities in which,

- (a) Ownership housing with a purchase price resulting in annual accommodation costs not exceeding 30% of the gross annual household income of the lowest 60% of households within the service area or is at least 10% below the average resale price of a housing unit within the service area, whichever is the lesser,
- (b) Rental housing with a rental rate not exceeding 30% of the gross annual household income of the lowest 60% of renter households within the service area, or is at or below the average rental rate within the service area, whichever is the lesser.

**“annual accommodation costs”** means the sum of principal and interest payments, or equivalent financing payments, due and payable by a household on the first occasion that such payment is due following purchase of a unit that is subject to an agreement under this By-law and calculated based upon the following assumptions: (i) a 25-year amortization period; (ii) 5% interest rate; and (iii) a 10% down payment on the purchase price of a housing unit.

**“average market rent”** for municipal housing project facilities at any one time means the average market unit rent in the City of Kawartha Lakes as determined and amended from time-to-time by CMHC.

**“City”, “City of Kawartha Lakes”, or “Kawartha Lakes”** means The Corporation of the City of Kawartha Lakes and includes its entire geographical area.

**“City Clerk”** means the person appointed by Council to carry out the duties of the clerk described in section 228 of the Municipal Act, 2001.

**“CMHC”** means the Canada Mortgage and Housing Corporation.

**“Council” or “City Council”** means the municipal council for the City.

**“Director”** means the Director of Human Services, the person that holds that position and his or her delegate(s) or, in the event of organizational changes, another person designated by Council.

**“housing provider”** means a corporation or individual legally entitled to own real property in the City of Kawartha Lakes or the County of Haliburton.

**“low and moderate income households”** means those households with incomes falling at or below the 60th income percentile as published by the City in its role as service manager for the service area.

**“municipal housing project facilities”** means the municipal housing project facilities class of municipal capital facilities, as set out in Section 2(1) of Ontario Regulation 603/06, as amended;

**“municipal housing project facilities agreement”** means a municipal housing project facilities agreement as set out in Section 2.06(a) of this By-law;

**“municipal housing project facilities By-law”** means a By-law enacted by council pursuant to paragraph 18 of section 2 of Ontario regulation 603/06, as amended.

**“unit size”** means the size of a unit within a municipal housing project facility or potential municipal housing project facility, measured by the number of bedrooms.

**“waiting list”** means the City of Kawartha Lakes Centralized Waiting List or City’s Homeless By Name List, or successor waiting list, or any other waiting list as agreed to be Council in the municipal housing project facilities agreement.

**“service area”** means the City of Kawartha Lakes or the County of Haliburton.

#### **1.02 Interpretation Rules:**

- (a) The Schedules attached to this by-law form part of the by-law, and are enforceable as such.
- (b) The words “include” and “including” are not to be read as limiting the meaning of a word or term to the phrases or descriptions that follow.

**1.03 Statutes:** References to laws in this by-law are meant to refer to the statutes, as amended from time to time, that are applicable within the Province of Ontario.

**1.04 Severability:** If a court or tribunal of competent jurisdiction declares any portion of this by-law to be illegal or unenforceable, that portion of this by-law shall be considered to be severed from the balance of the by-law, which shall continue to operate in full force and effect.

### **Section 2.00: General Terms**

**2.01** The City may provide grants or aid in accordance with subsection 1.07(1) of the Act, on such terms as to security approved by the Director of Human Services of the City of Kawartha Lakes.

- 2.02 The City shall not provide a grant or aid to any person or group in accordance with subsection 107 of the Act unless it has determined that the housing units to be provided fall within the definition of affordable housing.
- 2.03 A grant or aid by the City pursuant to subsection 2.01 of this by-law shall be in the form of a forgivable interest free loan over a period.
- 2.04 For particular municipal housing project facilities, (a) in respect of rental housing, the housing units shall be made available only to individuals and families on the waiting list, subject to their ability to pay the affordable rent for the available unit and (b) in respect of ownership housing, the housing units shall be made available to individuals and families who acquire it as an affordable housing unit.
- 2.05 Under no circumstances shall a housing unit be made available,
- (a) at rent or at a price that is not within the definition of affordable housing; or
  - (b) to individuals or families who, if at the time the housing unit is to be sold to them or initially rented to them, would already own a residential property.
- 2.06
- (a) Council may pass By-laws permitting the City to enter into municipal housing project facilities agreements with housing providers pursuant to subsection 110(1) of the Act, as amended, for the provision of any of the classes of municipal capital facilities set out in subsection 110(1) of the Act.
  - (b) Upon passing a By-law referred to in Section 2.06, the clerk of the municipality shall give written notice of the By-law to the Minister of Finance or successor, as set out in subsection 110(5) of the Act.
- 2.07 In respect of the classes of municipal capital facilities set out in subsection 110(1) of the Act, but without limitation, a municipal housing project facilities agreement may:
- (a) provide for the provision of land, which can be provided through the following methods: (i) leasing municipal land, (ii) donating municipal land, or (iii) providing municipal land at below market value;
  - (b) provide for exemption for any applicable fee, charge or required security related to the development of all new affordable housing units;
  - (c) provide for exemption or reduction from real property tax of all new affordable rental housing developments with four or more units;
  - (d) waive or provide grants in lieu of parkland dedication fees for affordable housing developments;

- (e) provide a reduction in real property taxes for vacant homes that are donated or leased at below market value to community agencies for affordable housing;
- (f) provide capital loans and grants for affordable housing; and
- (g) provide a full or partial exemption for the affordable housing development from the payment of development charges imposed by the City under the *Development Charges Act*, 1997, S.O. 1997, c.27.

2.08 The municipal housing project facilities agreements shall include the following together with such other terms and provisions approved by the Director of Human Services of the City of Kawartha Lakes:

- (a) each unit in the municipal housing project facilities shall meet the definition of affordable housing;
- (b) provisions reflecting those matters set out in Sections 2.04 and 2.05;
- (c) units subject to the agreement are not to be rented or sold to the housing provider, or any individual not at arm's length to the housing provider or shareholders or directors of the housing provider;
- (d) the municipal housing project facilities agreement shall be binding on the housing provider's heirs, successors and assigns;
- (e) during the time period in which the municipal housing project facilities agreement is in force, the housing provider shall, as a condition precedent to a sale to a subsequent purchaser (save and except for the sale to eligible purchasers of individual ownership units), require the subsequent purchaser to enter into an agreement with the city, and that agreement shall impose the terms of the municipal housing project facilities agreement on that subsequent purchaser;
- (f) in addition to a general indemnity, the housing provider shall specifically indemnify the City if the provision set out in the municipal housing facilities agreement is breached;
- (g) a list of the benefits being conveyed to the housing provider under this By-law, including their estimated present day monetary value;
- (h) if the housing provider or any subsequent purchaser or successor in title (save and except for the sale to eligible purchasers of individual ownership units) for as long as it meets the definition of affordable housing does not carry out its obligations under the agreement, the housing provider shall pay to the City the entire amount of benefits conveyed under the agreement, together with any applicable costs and interest; and

- (i) such other contractual provisions which are required to be inserted based on fundamental contractual and drafting principles satisfactory to the City of Kawartha Lakes.