

7. Habitat for Humanity Greater Ottawa Homeownership Down Payment Assistance for 6208 Jeanne d'Arc Boulevard

Report des redevances d'aménagement et prêt-subvention d'aide pour la mise de fonds pour l'accès à la propriété pour le 6208, boulevard Jeanne d'Arc

COMMITTEE RECOMMENDATION

That Council approve the allocation of \$400,000, in the form of a revolving loan, to Habitat for Humanity Greater Ottawa under the Provincial Investment for Affordable Housing for Ontario 2014 Extension Program - Homeownership Component as set out in this report.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve qu'un prêt-subvention de 400 000 \$ soit accordé à Habitat pour l'humanité de la grande région d'Ottawa dans le cadre du Programme d'aide pour la mise de fonds pour l'accès à la propriété de la prolongation 2014 de l'Entente concernant l'Investissement dans le logement abordable), pourvu que l'organisme conclue une entente comme le précise le présent rapport.

DOCUMENTATION/DOCUMENTATION

1. Director's Report, Housing Services, Community and Social Services department, dated March 18, 2019 (ACS2019-CCS-GEN-0004)

Rapport de la directrice, Services de logement, Direction générale des services sociaux et communautaires, daté le 18 mars 2019 (ACS2019-CCS-GEN-0004)

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
March 28 2019 / 28 mars 2019**

**and Council
et au Conseil
April 10 2019 / 10 avril 2019**

**Submitted on March 18 2019
Soumis le 18 mars 2019**

**Submitted by
Soumis par:
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Ward: ORLÉANS (1)

File Number: ACS2019-CSS-GEN-0004

**SUBJECT: Habitat for Humanity Greater Ottawa Homeownership Down Payment
Assistance for 6208 Jeanne d'Arc Boulevard**

**OBJET: Report des redevances d'aménagement et prêt-subvention d'aide
pour la mise de fonds pour l'accès à la propriété pour le 6208,
boulevard Jeanne d'Arc.**

REPORT RECOMMENDATIONS

That the Planning Committee recommend Council approve:

1. The allocation of \$400,000, in the form of a revolving loan, to Habitat for Humanity Greater Ottawa under the Provincial Investment for Affordable Housing for Ontario 2014 Extension Program - Homeownership Component as set out in this report.

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil d'approuver :

1. Qu'un prêt-subvention de 400 000 \$ soit accordé à Habitat pour l'humanité de la grande région d'Ottawa dans le cadre du Programme d'aide pour la mise de fonds pour l'accès à la propriété de la prolongation 2014 de l'Entente concernant l'Investissement dans le logement abordable), pourvu que l'organisme conclue une entente comme le précise le présent rapport.

BACKGROUND

Habitat for Humanity Greater Ottawa ("**Habitat for Humanity**") is a non-profit organization that builds affordable housing and promotes homeownership as a means to break the cycle of poverty.

Habitat for Humanity is in the process of building 16 affordable housing units at the property municipally known as 6208 Jeanne D'Arc Boulevard. Phase 1 consisted of the first eight of 16 units, and Habitat for Humanity is now proceeding with Phase 2, the remaining eight units.

On April 26, 2017, Council approved a deferral and forgiveness after 35 years of the non-transit component of the development charges for the entire project and a forgivable \$400,000 revolving loan for the first eight of 16 units from the Homeownership Component of the Provincial Investment for Affordable Housing for Ontario 2014 Extension Program - Homeownership Component ("**the Homeownership Down Payment Assistance Program**") for Phase I of the Jeanne D'Arc, Orleans project ([ACS2017-CSS-GEN-0003](#)).

Housing Services is recommending an additional \$400,000 be allocated to Habitat for Humanity from the revolving loan of the Homeownership Down Payment Assistance Program. The Homeownership Down Payment Assistance Program assists low to moderate income renter households to purchase affordable homes by providing down

payment assistance in the form of a forgivable loan. In accordance with the Provincial program requirements, the City maintains a revolving loan fund to provide ongoing down payment assistance as loans are repaid. The loans are repaid back to the City in the event of a default or if the homeowner sells the property prior to the end of the 35-year forgiveness period unless it is retained as affordable to a household between the 20th and 40th income percentiles.

DISCUSSION

Habitat for Humanity is building 16 affordable units and selling them to households whose annual gross income ranges within the City's 20th to 40th income percentiles (\$43,560 to \$65,313) in two construction phases.

The proposed development will consist of an additional two blocks of townhouses that, when completed, will be known as 6190-6204 Fortune Drive and 21-35 Leacross Private. Habitat for Humanity will provide interest-free loans (mortgages) to the purchasers. The monthly payments for the mortgages will fluctuate based on the household's income, which will result in improved longer-term housing stability for the families who purchase these homes. (See Document 1 for sample mortgage structure)

Staff recommends that Homeownership Down Payment Assistance funding of \$50,000 per unit, for the final eight of the 16 units built (totaling of \$400,000), be provided to assist qualified purchasers. The Investment for Affordable Housing Program allows municipalities to provide down payment assistance to Habitat for Humanity up to a maximum of \$50,000 per household, exceeding the usual maximum 10% down payment requirement. The \$400,000 is available from the revolving loan fund that the City maintains as required under the Investment for Affordable Housing Program.

Housing Services would provide the \$400,000 Homeownership Down Payment Assistance funding directly to Habitat for Humanity and require them to administer and issue the funding in accordance with the Investment for Affordable Housing Program requirements and subject to Habitat for Humanity entering into agreement(s) with the City that provide as follows:

- i. Development of the eight affordable housing units (at 6190-6204 Fortune Drive and 21-35 Leacross Private) to be sold to households at or below the City's 40th income percentile; and

- ii. Provision of down payment assistance in the amount of \$50,000 for each of the remaining eight qualified households, to be secured on title for a term of 35 years in accordance with the Investing in Affordable Housing Program Guidelines;

If units are sold before the 35-year period and not retained as affordable to a household between the 20th and 40th income percentiles, the homeownership down payment assistance of \$50,000 per unit (plus a percentage of the capital appreciation as per the Investment for Affordable Housing Program Guidelines) would be repayable to the City.

Housing staff will work with Legal Services to finalize the terms of the agreement with Habitat for Humanity to ensure the funds are secured and reinvested in the revolving loan fund as required under the Provincial rules for the Homeownership Down Payment Assistance Program.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

Not applicable.

COMMENTS BY THE WARD COUNCILLOR(S)

The Councillor is aware of the report and its recommendations.

ADVISORY COMMITTEE(S) COMMENTS

Not applicable

LEGAL IMPLICATIONS

There are no legal impediments to the implementation of the report recommendations.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

FINANCIAL IMPLICATIONS

The forgivable loan of \$400,000 for down payment assistance is available from the revolving loan fund established for this purpose. If the units are not retained as

affordable throughout the 35-year period of the agreement with Habitat for Humanity, the down payment loan would be repayable to the City.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with the approval of this report.

ENVIRONMENTAL IMPLICATIONS

On November 9th, 2016, Council granted Habitat for Humanity Greater Ottawa a grant under the Brownfield Redevelopment Community Plan Program not to exceed \$488,132 to assist with the remediation of the subject property. ([ACS2016-PIE-PGM-0161](#))

TERM OF COUNCIL PRIORITIES

The recommendations in this report are aligned with the 2015-2018 Term of Council

Strategic Plan and address Strategic Initiative #40, the 10 Year Housing and Homelessness Plan, under the Strategic Priority of Healthy and Caring Communities, specifically Strategic Objective HC3: create new affordable housing options; ensuring access to, and availability of, a range of housing options to meet the needs of our vulnerable residents for today and tomorrow.

SUPPORTING DOCUMENTATION

Document 1 - Sample Mortgage Structure

Document 2 - Site Plan

DISPOSITION

Legal Services will review and approve the form and content of the agreement(s) to provide for the Phase 2 loan of \$400,000 (\$50,000 per unit) from the revolving loan fund under the Homeownership Down Payment Assistance Program.

Legal Services will register any required security documents on title to the properties.