

# Affordable Housing Reserve Fund Implementation Policy

## 1. Policy Statement

The purpose of the Reserve Fund is to provide capital grants on a per unit basis to eligible not-for-profit organization or partnerships of not-for-profit organizations and the private sector to assist in the development of affordable rental housing targeted to low income individuals or families determined to be in core housing need. A household in core housing need is one whose dwelling is considered unsuitable, inadequate or unaffordable and whose income levels are such that they could not afford alternative suitable and adequate housing in their community. The intent of the funding is to encourage both the private sector and community providers to create affordable rental housing.

It is not the intent of monies from the Reserve Fund to be the only source of funding for an affordable rental housing project. Any monies from the Reserve Fund are to supplement funding from other levels of government, businesses, private donors, community groups, etc. The Reserve Fund is structured in such a way to receive funds through conditions of plans of subdivisions/site plans; and/or donations from the private sector and individuals.

The objectives of the Reserve Fund are to:

- Increase the inventory of affordable rental housing in the City of Cambridge for those individuals/families most in need.
- Encourage partnerships to support the development of affordable rental housing.
- Incent projects which will remain affordable.

## 2. Application process:

The Reserve Fund will be used for proposals that include: the construction of new affordable rental housing and the conversion of a non-residential building to affordable rental units. The applicant can anticipate receiving City of Cambridge Council funding confirmation within 6 – 9 months of submitting a complete application.

- i) The projects must be located in the City of Cambridge and within the areas identified for funding through the Affordable Housing Community Improvement Plan (Appendix “A” - maps);
- ii) The application form must be completed along with any other information the applicant deems necessary for a fulsome understanding of the project (Appendix “B”);
- iii) The completed application is submitted to the Senior Policy Planner – Reurbanization who will ensure completeness of the application;

- iv) The application will be circulated to members of the Review Committee. The Review Committee consists of: City staff from the Planning Services and Finance divisions; a representative from Regional of Waterloo Housing Division along with a member nominated by the Affordable Housing Roundtable;
- v) The Review Committee may request additional information from the applicant;
- vi) Planning Services staff will prepare a report recommending to Council the approval of funding subject to the preparation of the funding agreement;
- vii) The applicant will be advised of Council's decision; and
- viii) City staff will prepare a funding agreement to be registered on the property title.

The application will be accessed on the following basis:

- a) The applicant has the experience and qualifications to develop, manage and maintain affordable rental housing;
- b) The applicant has a mandate that relates to the provision of affordable rental housing;
- c) The applicant must commit to maintaining the units as affordable rental housing for a period of 20 years based on affordable rents adjusted year to year as provided by the Canada Mortgage and Housing Corporation (CMHC);
- d) Financing for the project is in place and outlined in the application with proof provided through commitment letters from financial institutions and/or other funders;
- e) The cost per unit is realistic and reasonable;
- f) A realistic and reasonable timeline from planning approvals to construction as provided by the project manager (for example, 2 years);
- g) The neighbourhood context and the proximity/access to services including transit; and
- h) A management plan is provided which includes staffing and operating costs.

### 3. Eligible Costs

Grants from the Reserve Fund are a “one-time” grant, that is, one project will only receive funding once. Grants from the Reserve Fund are to be applied to capital costs only which can include the cost of acquiring land.

### 4. Ineligible Costs

Funding from the Reserve Fund will not be used for any costs associated with the operation, maintenance or repairs of existing or new proposed affordable

rental units. Funding will not be used to finance any studies or consultant fees. In no circumstances will the total grants, including funding from other sources, exceed the cost of the project.

#### 5. Assistance Levels

Contributions from the Reserve Fund for approved projects will be based on the total cost of the project and will vary from project to project. The grant will be in addition to any financial incentives received through the Affordable Housing Community Improvement Plan. These incentives include: the exempting of planning application fees; building and sign permit fees; deferral of development charges for up to 20 years and/or a Tax Increment Grant.

#### 6. Affordability Criteria

The maximum rent levels for affordable rental units will be based on the Canada Mortgage and Housing Corporation (CMHC) average market rent for rental housing within the City of Cambridge. The applicant will confirm the maximum affordable rents based on unit type. The City of Cambridge will confirm the proposed rents are acceptable.

#### 7. Monitoring/Reporting

The applicant will commit, through the funding agreement, to submit a report identifying how the monies from this program were used. The applicant will also commit, through the funding agreement, to submit an annual report to the City of Cambridge confirming the rental rates conform to the affordable rental rates as established by the Canada Mortgage and Housing Corporation.

#### 8. Communication Strategy

Information regarding the funding available from the Affordable Housing Reserve Fund will be posted to the City's website. The City of Cambridge will meet on a one-to-one basis with applicants wishing to submit a funding proposal. As funding will be limited, applications will be considered on a first come first served basis.