



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	May 17, 2016
SUBJECT/REPORT NO:	Tariff of Fees - Exempting Charitable and Non-Profit Organizations from Planning Application Fees Relating to Affordable Housing (PED16098) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Edward John Senior Project Manager (905) 546-2424 Ext. 5803 Steve Robichaud Director of Planning and Chief Planner (905) 546-2424 Ext. 4281
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- a) That Appendix “A” to Report PED16098, which authorizes reduced planning application fees for charitable and not-for-profit organizations proposing affordable housing projects, be approved and added to Schedule “A” of the User Fees and Charges By-law as a Note at the end of the Planning and Economic Development – Planning Fee list;
- b) That staff be authorized and directed to prepare and implement the necessary application process and form, and approve said applications for an exemption from Planning Application Fees for applications for an Official Plan Amendment, Draft Plan of Subdivision, Draft Plan of Condominium, Zoning By-law Amendment and / or Site Plan Approval;
- c) That the costs of this initiative be absorbed by the Planning and Economic Development Department, Planning Division, in 2016, and the permanent funding accommodated through an adjustment to the 2017 Planning Division’s Base Budget.

- d) That the item respecting Planning Application Fees be identified as complete and removed from the Planning Committee Outstanding Business List.

EXECUTIVE SUMMARY

In response to the Council motion of January 13, 2015, staff has reviewed best practices and the options with respect to the collection of Planning Application Fees applicable to charitable organizations and not-for-profit affordable housing providers.

Based on a review of best practices and assessment of the options, this Report recommends providing the necessary discretion to the General Manager of Planning and Economic Development, or designates, to prepare and maintain an application process to reduce the applicable fees for charities and not-for-profit organizations, which are proposing development or redevelopment that provides housing and incidental facilities primarily for persons of low and moderate income, consistent with strategies outlined in the Housing and Homelessness Action Plan. In order to implement this direction that the General Manager of Planning and Economic Development Department be authorized to approve said applications for an exemption of Planning Fees, staff recommend an application process and subsequent application form be prepared.

Alternatives for Consideration – See Page 19

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The exemption as proposed has been assessed with respect to the number of applications that would be eligible for the fee reduction over the past five years. The reduction in fees received would affect the amount of revenue currently generated through the application fees collected for *Planning Act* applications paid to the Planning and Economic Development Department. The cost to process applications would be funded from the levy on an annual basis and for 2016 can be absorbed by the Planning Division Budget. The costs of this initiative will require an adjustment to the Planning Division's Base Budget as part of the 2017 Budget process depending on the option approved by Council. An analysis of the financial implications is addressed on Page 14 of this Report.

Staffing: Staff will be required to implement the process and prepare the application form.

Legal: Section 69 of the *Planning Act* enables municipalities to establish a tariff of fees for the processing of applications under the *Planning Act*. Municipalities

have the discretion as to what percentage of costs to process applications is recovered and / or to exempt classes of development from said fees.

HISTORICAL BACKGROUND

January 13, 2015: Council Motion

Following requests for the return of fees, and in light of the growing concern with the provision of affordable housing within the City of Hamilton, the following motion was made on January 13, 2015:

Whereas the Development Charges By-law provides for a DC Exemption for affordable housing projects from the requirement to pay Development Charges;

And Whereas the Parkland Dedication By-law provides for an exemption for charitable non-profit organizations from the cash-in-lieu payments;

And Whereas the Planning Application and Growth Management tariff of fees by-law does not provide any exemption for charitable organizations or affordable housing providers from the requirements of the fee by-law;

And Whereas charitable organizations and affordable housing providers provide a public benefit to the broader community;

Therefore, be it resolved that Planning and Economic Development Department staff be directed to investigate and report back to the Planning Committee on options, including an assessment of the financial implications and funding sources, to amend the applicable Planning and Growth Management fee by-law to provide discretion for the General Manager, or designate, to waive the applicable fees for charities and not-for-profit organizations.

December 2015 / Consultation with Not-for-Profits / Other Municipalities
January 2016:

This Report provides the requested options, assessment of options and financial implications and proposes a method of implementation.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Planning Act

Statutory authority to impose fees under planning applications is granted to the City through Section 69 of the *Planning Act*. Municipalities are required to pass By-laws for

the purpose of collecting fees related to the processing of planning applications. No notice is required to be given under the *Planning Act* to pass or amend a fee by-law, however, an applicant may pay the fee under protest and appeal to the OMB. The Council of a Municipality may reduce the amount or waive the requirement of a fee where the Council are satisfied that it would be unreasonable to require payment.

Notwithstanding the above, under the City of Hamilton Public Notice Policy By-law 07-351, public notice of enactment of a Fee or Charge By-law is required to be provided 14 days in advance of the Committee meeting to consider the proposed fee and / or fee change.

There is no specific direction regarding the waiving of fees for specific circumstances within the *Planning Act*, but staff note that broad support is given to encourage projects for affordable housing particularly through amendments that were made to the *Planning Act* by the *Strong Communities through Affordable Housing Act, 2011* which among other matters, provided greater emphasis upon affordable housing matters as a Provincial interest in Section 2 of the *Planning Act*.

Provincial Policy Statement (2014)

Policy 1.1 - Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns – identifies that healthy, liveable and safe communities are sustained by an appropriate range and mix of residential uses including second units, affordable housing and housing for older persons uses. The proposed fee exemption would assist in removing some of the financial barriers that encumber existing not-for-profit and charitable organizations in implementing affordable housing projects.

Furthermore, Policy 1.4.3 specifically directs planning authorities to provide for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents of the *regional market area* by:

“b) permitting and facilitating:

- 1) all forms of housing required to meet the social, health and well-being requirements of current and future residents, including *special needs* requirements;”

It is anticipated that the proposed fee reductions, subject to the appropriate means testing would assist in facilitating affordable housing City wide by allowing proponents to reduced funds to securing sites and / or developing sites for affordable housing.

Growth Plan for the Greater Golden Horseshoe (2006) - Places to Grow

Under Policy 2.2.3 General Intensification, the Places to Grow Plan identifies the need to plan for a range and mix of housing, taking into account *affordable* housing needs. This Provincial interest is further refined through Policy 3.2.6 – Community Infrastructure, which states:

“3.2.6 Community Infrastructure

1. Upper- and single-tier municipalities will develop a housing strategy in consultation with lower-tier municipalities, the Minister of Municipal Affairs and Housing and other appropriate stakeholders. The housing strategy will set out a plan, including policies for official plans, to meet the needs of all residents, including the need for *affordable* housing – both home ownership and rental housing. The housing strategy will include the planning and development of a range of housing types and densities to support the achievement of the *intensification target* and *density targets*.”

As detailed further in review of the City’s Housing and Homelessness Action Plan, the proposed fee exemptions would contribute to the overall affordable housing strategy, consistent with the above direction.

Ontario’s Long-Term Affordable Housing Strategy

The Strategy reflects new research and best practices that support Ontario’s transformation towards a better housing system. The vision is to ensure:

“Every person has an affordable, suitable and adequate home to provide the foundation to secure employment, raise a family and build strong communities.”

The fee exemptions, if approved by Council, would assist in contributing to the appropriate and sustainable supply of housing through focusing financial incentives to those eligible housing providers proposing affordable housing.

The City of Hamilton Strategic Plan (2012 – 2015)

As per the vision statement, the Strategic Plan sets out a number of core objectives and actions intended to ensure Hamilton is:

“the best place in Canada to raise a child, promote innovation, engage citizens and provide economic opportunities.”

Strategic Objective 1.5 states:

“1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.”

Implementation of this Objective is in part to be secured through Action item (xi) which states:

“Strategic Action

(xi) Implement a ten year Housing and Homelessness Action Plan with Strategies to support:

- Increasing the supply of affordable rental and ownership housing.”

This strategy is currently being implemented and is discussed under the relevant heading below.

Urban Hamilton Official Plan (UHOP) and Rural Hamilton Official Plan (RHOP):

Both the UHOP and RHOP implement the Provincial interest with respect to the policies that support the implementation of affordable housing. Of particular relevance to this proposal is contained within Policy B.3.2.1.1. within the RHOP states:

“Policy B.3.2.1.1 The City shall endeavour to provide a facilitative land use planning process for development applications for *affordable* housing and *housing with supports*.”

Furthermore, the direction to provide assistance, including financial assistance, is contained in Policy B.3.2.1.2, which states:

“Policy 3.2.1.2 Where appropriate, assistance shall be provided, either by the City and / or by senior governments, to encourage the *development* of *affordable* housing, with priority given to projects in areas of the City that are lacking in *affordable* housing. City assistance may include selling or leasing of surplus City land or financial assistance.”

It is noted that the UHOP has the identical polices pertaining to supporting affordable housing (Volume 1, Chapter B, Policy 3.2.3.1 and Policy 3.2.3.2).

The recommendation to reduce and / or waive fees for those charitable and not-for-profit housing providers proposing affordable housing projects can therefore be

considered to be an important step in facilitating and providing support and encouragement for the provision of affordable housing throughout Hamilton. It would assist in providing indirect financial assistance by allowing housing providers to reallocate funding previously required for *Planning Act* fees, and instead utilize this funding for other purposes, such as, to secure sites, and to retain professional services required to implement various programs and proposals.

On this basis, the proposed recommendations comply with the applicable policies of the Urban Hamilton Official Plan and Rural Hamilton Official Plan.

Hamilton's Housing and Homelessness Action Plan

The ten year Housing and Homelessness Action Plan was adopted by Council December 2013, and is intended to guide the City of Hamilton in making decisions about affordable housing and homelessness issues in Hamilton. The plan provides both a strategy and implementation component. With respect to strategy, it is noted that Strategy 1.2 specifically relates to the proposed recommendation, stating:

“Strategy 1.2 Explore potential for new incentive and funding programs and expand and promote more broadly existing City incentive programs to increase the supply of affordable housing (e.g., capital grants / loans, tax deferrals, waived development and other charges, etc.).”

The proposed recommendation would be one measure in which the City of Hamilton can provide incentives and encourage the supply of affordable housing, consistent with the above strategy.

RELEVANT CONSULTATION

- Seven municipalities contacted and / or researched;
- Three Not-for-Profit / Charitable organizations contacted;
- City of Hamilton Housing Services;
- Legal Services; and,
- Corporate Services (Finance).

The Municipalities of Burlington, Toronto, Ottawa, Kitchener, Cambridge, St. Catharines and Oakville were either contacted and interviewed or alternatively research conducted online through their respective websites to identify best practices on this matter. The results are discussed in further detail in the Analysis and Rationale for Recommendation Section.

With respect to the not-for-profit housing providers, informal discussions were held with representatives from Habitat for Humanity, Indwell and Good Shepherd.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

1. Current Process – Planning Fees

Currently, there are no fee reductions contained within the Planning and Economic Development Department Fee Structure with respect to applications that are submitted on behalf of charitable or not-for-profit organizations and which concern the provision of affordable housing. Applicants are required to pay the requisite fee, have the applications processed, and to then subsequently petition Council for a reduction / refund of the application fees.

It is noted that deductions with respect to the municipal component of Development Charges and Parkland Dedication are available for affordable housing and / or non-profit organizations.

In the past five years, three applications have been granted return of fees paid, consisting of one Zoning By-law Amendment Application and two Site Plan Applications. The fee amounts and implications are discussed later within this Report under the heading – Financial Implications.

As is discussed within this Report, the ability to avoid paying the initial fees provides a substantial advantage to the housing provider. There is no guarantee under the current process that the fees will be returned, and even if they are returned, the fee is often not refunded until the applicant makes a delegation towards the end of the review process. The time in which the money resides within the City of Hamilton has been identified by those organizations contacted, as better suited to implementing on-going financial requirements of other projects that are under construction.

With respect to the current process for the exemption of development charges and parkland fees, implementation of the waiver of the municipal component of development charges and parkland dedication for affordable housing developments have primarily been tied to the process of awarding funds from the Canada-Ontario Affordable Housing Program and its successor, the Investment in Affordable Housing Program. However, one waiver has also been granted to a social housing co-operative developing new affordable rental units with funds from the Social Housing Capital Reserve Fund.

2. Current Fee Exemptions Supporting Affordable Housing

The process of awarding the waivers for Development Charges and Parkland Dedication fees is as follows:

- As part of the request for proposals and funding process for affordable rental housing, proponents must meet a series of criteria, one of which is affordability. Program criteria defines affordability as at or below 80% of average market rent for at least 20 years, though as part of the request for proposals process, proponents obtain more points for committing to greater affordability and for a longer period of time.
- The project funded through the Social Housing Capital Reserve Fund underwent a different process. This process awarded funds based on an assessment of projects submitted to the Housing Services Division in response to a request for social housing providers to submit business cases for projects that would result in more units with three or more bedrooms.
- Once the successful project has been determined, Housing Services obtains information on the dollar amount of the development charge and parkland dedication waivers for the project from the Taxation Division of the Corporate Services Department. These figures are then included in the Council Report awarding the funding for Council approval. To date all of the units of the projects have been affordable so the fees were completely waived for the projects. If there are future projects where some of the units are to be rented or sold at market rate, those units would not qualify for the waivers.
- Once the Report is approved by Council and the project is ready to move forward, the proponents request the waiver. The Tax Division then requests confirmation from the Housing Services Division that the project qualifies for the waivers. The Housing Services Division provides confirmation that the project qualifies for the waivers.

Should the proposal to waive *Planning Act* application fees be supported, it is the intent of staff to create a more simplified process than that which currently is required in order to waive Development Charges and Parkland Dedication fees. In order to determine an appropriate process, a review of other municipality practices was conducted.

3. Best Practices / Comparable Municipalities

Several of the municipalities researched and / or contacted did not have a formal program in place to waive planning application fees, but noted that requests were made by proponents on a case-by-case basis, and decisions made by Committee and Council on the individual merits.

These Municipalities included: Burlington, Cambridge, Oakville and St. Catharines.

It is noted however, that Burlington and Oakville were in the process of assessing their approach and options with respect to potential future fee reductions for developments relating to affordable housing.

It is further noted that recent updates to Ontario’s Long Term Affordable Housing Strategy (2016) emphasised the need for municipalities to be equipped and be able to implement financial tools to assist the appropriate and sustainable supply of housing. As such, it is considered prudent to review in greater detail the option of fee reductions, as a means to facilitate and encourage this Provincial mandate.

Those Municipalities that do have a formal process in place include Toronto, Ottawa, and Kitchener. The programs vary and are a component of larger strategies directed towards Community Improvement Plans and Affordable Housing Strategies. Some programs provide only partial reduction in fees (50% reduction for planning and building permit fees in Ottawa), while others identify strategic locations (Downtown Community Improvement Plan (CIP) area in Kitchener), in which the program is offered.

A table highlighting the various approaches is detailed below.

Table 1.1 Table of Municipalities and the incentives offered with respect to development application fees

	<i>Planning Act Fees Program</i>	City Wide	CIP	Waive or partial reduction (%)
Toronto	Yes	Yes	N/A	Waive
St. Catharines	No	N/A	N/A	N/A
Ottawa	Yes	Yes	N/A	50%
Burlington	No	N/A	N/A	N/A
Oakville	No	N/A	N/A	N/A
Cambridge	No	N/A	N/A	N/A
Kitchener	Yes	No	Yes	Waive

Of those municipalities that currently have active programs for the waiving of development fees, the below table illustrates the applications applicable.

Table 1.2 Table of the applications offered for fee reduction at the applicable Municipalities

	Zoning	OPA	Sub/Condo	Site Plan	Variations
Toronto	Yes	Yes	Yes	Yes	Yes
Ottawa	Yes (50%)	No	No	Yes (50%)	No
Kitchener	Yes (CIP only)	Yes (CIP only)	Yes (CIP only)	Yes (CIP only)	Yes (CIP only)

As detailed above, City of Toronto provide the most universally available program with respect to the waiving of all building permit and planning application fees, provided they satisfy certain criteria. It is noted that while the Toronto program is extensive, it also requires a more substantive and rigorous application process, including but not limited to detailed justification of the projects financial viability.

The Kitchener approach is more accessible, providing opportunities for all residential development within the CIP area. As it is only based on planned geographical areas, fewer eligibility requirements and no application form is required.

Finally, Ottawa provides a simplified approach which is limited to partial refunds of both zoning and site plan applications. The applicant, as detailed on the City of Ottawa website, is required to pay the required fee and then subsequently make a request in writing for the partial return, but can only receive the return of fees once occupancy of the development has taken place.

With regard to the above, staff reviewed in greater detail the current application process implemented by the City of Toronto.

Definitions:

Firstly, the City of Toronto determines eligibility by defining both the proponent and the proposed development to ensure the exemption is used only by those who are charitable / non-profits and who are proposing new affordable housing projects.

Criteria:

In addition to defining terms, the City of Toronto also ensures that the project is financially viable and is proposed on land that is either owned or under a long-term lease arrangement.

Application:

Finally, in order to apply the criteria and demonstrate that the project and organization comply with the adopted definitions, the City of Toronto require the submission of an application form (attached as Appendix “B” to Report PED16098).

Consultation with Not-for-profits

In assessing the various programs offered by other Municipalities, staff consulted with existing not-for-profit affordable housing providers.

With particular regard to the application approach adopted by City of Toronto, the not-for-profit organizations contacted raised concern over the potential ambiguity in satisfying the first criteria regarding financial viability. The concerns include the complicated nature of the funding sources available, as well as the indiscriminate timing of such funding. For many projects, full funding is contingent on all applicable zoning matters being resolved, and as such, demonstrating such funding would not be possible prior to the Site Plan stage of development.

The intent of the comprehensive application approach employed by the City of Toronto is to ensure the project is viable and that the affordable component of the development is realised. In order to balance these objectives, it is staff’s opinion that viability of the project be determined by the Director of Planning and Chief Planner and Director of Housing Services, with all information to substantiate this criterion addressed through the submission of a brief application. In particular, it is anticipated that such viability would be demonstrated through the submission of a robust planning opinion presented through a Planning Justification Report prepared by a Registered Professional Planner.

As discussed earlier within this Report, the return of fees at the end of the process, as currently practised by Ottawa, was also raised as a concern by the organizations interviewed. These organizations indicated that such funds were better suited to implementing on-going financial requirements of other projects that are under construction. As such, staff are recommending the waiving of applicable fees at the application submission stage.

Evaluation

Should it be determined that the City of Hamilton implement a similar development fee incentive, staff consider that a hybrid approach to the ones highlighted above should be adopted. Firstly, that an application process ensure clarity and consistency in eligibility requirements and to allow the reduced fees to be determined at the time of submission; Secondly, that the program be offered to only certain development applications, and, thirdly, that it should be applied City wide. The rationale behind electing this hybrid approach is detailed below.

4. Determination of Eligible Applications

In determining the approach to fee reduction, each individual Planning and Growth Management fee has been considered below.

Through discussions with affordable housing providers, staff noted that a concern often raised regarded the risk associated with the submissions of rezoning and official plan amendments applications. The risk was both with the timing and less predictable outcome inherent in the process. Whereas the intent of this Report is to explore the waiving of fees, it was considered that a focus on these particular applications was prudent, and could mitigate, in part, the economic risk associated with the rezoning and official plan amendment process.

Official Plan Amendments: Fees Waived

As detailed in this Report, in order to assist in encouraging and facilitating affordable housing projects, and given the inherently unpredictable nature of the application (both in terms of timing and outcome), staff are recommending a full reduction in the fee associated with this type of application.

Rezoning Application: Fees Waived

Similar to the rationale given for official plan amendments, staff recommend a full reduction in the fee associated with this application.

Plans of Subdivisions: 25% Reduction

Given the significant amount of processing and technical review involved within the subdivision process, a reduction in fees in the amount of 25% is proposed. This reduction is reflective of the reduction that currently exists for joint application submissions, and on this basis is considered an appropriate reduction. Furthermore, as detailed in the Financial Implications portion of this Report, currently few, if any, applications that meet the necessary criteria would benefit from this reduction.

Plans of Condominium: 25% Reduction

Similar to the rationale given for Draft Plans of Subdivisions, staff recommend a reduction in fees in the amount of 25% associated with this application.

Formal Consultation: No Reduction

Fees to remain as per the fee structure, however, currently the practice is to deduct the formal consultation fee from any subsequent complete formal *Planning Act* application (Rezoning / Official Plan Amendment) submitted within one year following the issuance of the Formal Consultation Document. If the recommendation within this Report is supported, there would be no fee associated with the submission of a Rezoning application or Official Plan Amendment, under these circumstances, it is recommended the formal consultation fee be returned to the applicant following the submission and

deeming complete of the said applications provided it falls within the one-year time frame. It is considered that this approach avoids potential speculative proposals.

The Formal Consultation fee will continue to be deducted from any of the remaining *Planning Act* applications (subdivision / condominium) which continue to incur a fee should the application be submitted within one year of the issuance of the Formal Consultation Document.

Site Plan: Fees Waived

Site Plan application fees are recommended to be waived. It is considered that given that the land use component of the process has been determined, Site Plan Approval process should be encouraged in order to ensure development is realised. Unlike the rationale for waiving the OPA / Rezoning fees - which seeks to assist in the reduction of risk, the intent within waiving the fees for the Site Plan process rest in an attempt to more readily facilitate the construction of affordable housing projects.

Variances: No Reduction

In consideration of exempting fees for variances, staff noted from consultation with various not-for-profits that due to the difficulties inherent within their Committee of Adjustment applications (characterizing the use / timing of funding) they often have to apply several times on the same project. As such, it was noted that exemptions in fees for variances would be beneficial.

Staff however recommend the fees for Committee of Adjustment applications remain, and that further review is required to fully determine the implications and rationale for a reduction as well as to ensure the integrity of by-law provisions, where reasonable, are maintained.

All other fees as per the fee schedule are to remain unaffected by the proposed recommendation.

Applicable City Wide

In accordance with Provincial and local housing policy direction, a diverse and varied provision of housing opportunities is encouraged throughout the City of Hamilton. As such, the applicability of fee waivers for affordable housing projects is recommended on a City-wide basis.

Financial Implications

In order to determine the potential financial implications of the proposed fee waiver, the volume of applications submitted for consideration by the City's Planning and Economic Development application over the past five years was conducted. The following table

summarizes the type of application and the overall number and associated fees submitted. It should be noted that the following information was gathered through reviewing known charitable and not-for-profit organizations and, as such, there is a potential that not all applications that would be eligible for fee reduction have been identified and calculated within this table.

Table: 1.3 Charitable and Non-profit applications submitted to City of Hamilton since 2010

Type	Total Number	Application Fees
Zoning By-Law	8	\$52,230
Official Plan Amendment	1	\$17,655
Subdivision	0	\$0
Condominium	0	\$0
Site Plan	23	\$75,155
Formal Consultation	14	\$8,590
Total Average Fees per Year		\$30,726

As detailed in the above Table 1.1, site plans represent the largest amount of applications submitted by volume, and also generated the most dollar amount in application fees received. As discussed above, under the preferred option, it is suggested that fees for this type of application be waived in addition to applications for Zoning By-law Amendment, Official Plan Amendments, Subdivision and Condominium applications. The rationale behind reserving fee exemptions to these applications only is discussed in further detail within the Options for Consideration section of this Report.

On this basis, based on the past five years, this would have resulted in a total return of fees of \$69,885 (\$29,008 per year). It is noted that these figures would be significantly higher if indexed to the current fee schedule, understanding that fee increases have taken place over the past five years.

Given that most development applications submitted for affordable housing projects are small scale, it is not surprising that no Condominiums or Subdivisions were submitted over the five-year review period. With respect to rezoning and official plan amendments, less than two a year on average were received. On this basis, it is not considered that the waiving of fees for these applications would represent a significant economic impact or staffing related issue.

5. Options for Consideration

There are four identified options that could be adopted in order to implement a fee waiving / reduction approach. Whereas Option 1 is the preferred option of staff, it is noted that all options below would be appropriate and assist in increasing the supply and sustainability of affordable housing in Hamilton:

Option 1

In order to implement and qualify for these reductions, staff consider it prudent to prepare a brief application form, not dissimilar to the City of Toronto approach. The application form would set out the eligibility criteria and applicable definitions of key terms. The suggested criteria would require the following in order to be deemed eligible:

- The proposal is for a new *affordable housing* project;
- The applicant is either a *Charitable or Not-for-Profit* Organization;
- Demonstration of project viability; and,
- Demonstration the subject lands are owned / secured.

The criteria are contingent on establishing definitions on a number of key terms applicable to this particular application only. These consist of:

- Affordable Housing;
- Not-for-Profit;
- Charitable;
- Project; and,
- New.

Staff note that it is difficult to define what constitutes an 'affordable housing project' given the numerous definitions that already exist. It is the opinion of staff that for the proposed exemptions, it would be prudent to rely, where possible, on existing definitions. Should adoption of the process be approved, further research and determination of these definitions are required and will be made in conjunction with Housing Services Division.

In addition to the above, the application form would gather other relevant information regarding the project, the types of applications to be considered for fee reduction / waiving, break down of the units, address and other pertinent information.

Application Process

Staff suggest that similar to the approach adopted by the City of Toronto, an application form be created and submitted in support of any application wishing to have the applicable fees reduced and / or exempted. The application would provide details of the project, type of fees to be exempted or reduced, and confirmation of the authorization to submit the applications from the applicable board of directors governing the Charitable organization or Not-for-profit.

While relevant as a guideline, it is noted that the City of Toronto process is more comprehensive, exempting all planning applications and building permit fees. It is the opinion of staff, that should direction be given to proceed with the application form process that, given the smaller scale of exemptions, a more simplified process is warranted.

Based on the above, staff are satisfied that an appropriate and responsive process could be implemented, which both encourages and secures affordable housing developments within the City of Hamilton.

Option 2

The second option would consist of Council creating and maintaining an approved list of “affordable housing providers” with staff authorized to exempt projects submitted by providers contained within the list. This is the most simplified process, however, does not clarify or provide the ability to define the nature of the provider and the project that would be available through Option 1.

Option 3

Under either of the preceding options, Council may consider to exempt all *Planning Act* application fees. As detailed earlier within the Report, staff prefer initially limiting the applications eligible for waiving and review at a future date additional options such as extending the fee waive program to other applications. This would provide the opportunity to more thoroughly review economic implications.

Option 4

Finally, the timing of the fee return could be provided at Building Permit Stage as opposed to the preferred option of the fee being waived at the time of application submission. This approach would be consistent with the manner in which Ottawa implements its fee waiver program, and provides an incentive to ensure the project is constructed in a timely fashion. The concern with this approach, as detailed within this report, is the time in which the funds reside with the City. Those housing providers

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interviewed stressed the importance of having funds available in order to continue and encourage other projects at various stages of implementation.

Summary of Options

Any of the proposed options would represent a meaningful attempt to facilitate affordable housing projects. Staff prefers that consideration be given to Option 1, as this option provides the greatest clarity and provides a robust and defensible process which can be expanded and improved over time. A summary of the financial implications of each option is detailed below.

Table 2.1 Summary of Options based on yearly averages at current application costs

Option	Application (Type) Waived / Reduced	Volume (avg. per year)	Cost / Revenue Forgone (per year)
1	Official Plan Amendment / Rezoning / Site Plan / Draft Plan of Subdivision and Draft Plan of Condominium	7	\$85,732
2	Official Plan Amendment / Rezoning / Site Plan / Draft Plan of Subdivision and Draft Plan of Condominium	7	Same as Option 1 however eligibility is determined by approved list as opposed to application process
3	All Applications (excluding Variances)	9	\$88,714
4	Official Plan Amendment / Rezoning / Site Plan / Draft Plan of Subdivision and Draft Plan of Condominium	7	Same as Option 1 however funds are received and returned following issuance of building permit.

Future Considerations

The Report highlights both current and possible future financial tools that can be implemented in order to encourage proposals for affordable housing including, but not limited to, reduction in Development Charges, Parkland Dedication Rates and *Planning Act* application fees. Future considerations worthy of note could consist of the expansion of the *Planning Act* fee reductions to include applications such as variance.

In addition, a review of building permit fees and municipal taxation could also be reviewed and evaluated in order to provide further meaningful incentives to encourage the appropriate and sustainable supply of affordable housing in Hamilton.

Conclusion

The fee exemption would be consistent with Provincial interest, satisfy identified Corporate objectives, fulfil Official Plan policies and implement strategic measures identified in the Hamilton's Housing and Homelessness Action Plan.

ALTERNATIVES FOR CONSIDERATION

- 1) No fee exemptions are approved and the current Fee Schedule remains in effect;
- 2) Exempt all Development Planning Application fees;
- 3) Council maintain a list of approved "Affordable Housing Providers" and staff exempt projects on this basis; or,
- 4) Provide a fee refund at Building Permit Stage upon receipt of request.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.5 Support the development and implementation of neighbourhood and City-wide strategies that will improve the health and well-being of residents.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES AND SCHEDULES ATTACHED

- Appendix "A" – User Fee By-law Note
Appendix "B" – City of Toronto Fee Exemption Form

EJ:mo