

**ROXBOROUGH HOUSING INCENTIVE PILOT PROGRAM****Program Guidelines****Background**

Located in the McQueston Neighbourhood, the Roxborough Community Improvement Project Area (CIPA), is intended to encourage revitalization initiatives and stimulate development in what has been identified as a vulnerable area with acute housing needs. The CIPA allows municipalities to provide incentives to assist in the revitalization of lands and/or building within the defined Community Improvement Project Area.

Through Community Improvement Plans, municipalities can:

- focus public attention on local priorities and municipal initiatives
- target areas in transition or in need of repair, rehabilitation and redevelopment
- facilitate and encourage community change in a co-ordinated manner
- stimulate private sector investment through municipal incentive-based programs

The goal of the Roxborough Housing Incentive Pilot Program is to minimize the financial barriers to create affordable housing in the existing Roxborough CIPA by introducing incentives in the form of providing exemptions in the forms of forgivable loans for development charges and parkland dedication fees. The intent of this Pilot project is to demonstrate how a mixed tenure, mixed income development can produce positive outcomes and be used as a model for future incentive programs to promote the development of affordable housing across Hamilton including outside of the downtown.

**1. Program Details**

The Roxborough Housing Incentive Program (the “RHIPP”) is available to property owners within the Roxborough CIPA. It allows developers of affordable rental or ownership housing units to receive exemptions of the City of Hamilton’s development charges and parkland dedication fees for 10 years after the issuance of a building permit.

Developers of rental units will be required to enter into an agreement with the City, registered on Title, to maintain that unit prices and rents meet the City’s definition of affordable for a minimum period of 10 years.

Developers of affordable homeownership units will be required to enter into an agreement with the City stating that the funding will be provided to off-set development charges and parkland dedication fees. This funding is then converted by housing providers/developers into reductions in the purchase price of newly created units. The program is modelled after the existing federal/provincial down payment assistance program so that funds can potentially be combined for even deeper affordability.

**2. Program Terms & Criteria**

Approval is at the absolute discretion of the City and subject to the availability of funds

**Eligibility Criteria**

All projects must meet these minimum requirements:

- have primary use as residential
- be located in the Roxborough CIPA
- For rental units, not exceed 175% of the average market rent, by unit size in the applicable rental market zone
- For affordable homeownership units, exemptions provided the homes are sold for a minimum 20% below average sale price of new construction and individual purchasers have demonstrated moderate to low income and do not own any other residential property.

**2.1 – Unit Price Thresholds**

Rental

**175% - Average Market Rent (2018)**

Unit Size	175% AMR
Bachelor	\$1,337
1 Bedroom	\$1,617
2 Bedroom	\$1,904
3+ Bedroom	\$2,401

Affordable Homeownership

**10% Below Median Sale Price of new construction, Homes Sold, Hamilton (2019)**

Year	10% Below Median Sale Price
2019	\$397,000*

\*to be indexed annually

**2.2.- Affordability Period**

Rental Units

The development charge and parkland dedication fee exemptions will act as a forgivable loan provided rents remain affordable for 10 years after the issuance of a building permit. The loan is secured on Title throughout the affordability period ensuring rents remain affordable for the full period regardless of a transfer of property ownership.

Affordable Homeownership

Funding will be provided to off-set development charges and parkland dedication fees. This funding is then converted by housing providers/developers into down payment

assistance loans to make the homes more affordable for eligible purchasers.

### **2.3 – Eligible Proponents**

The RHIPP is open to:

- community housing providers (i.e. public or private non-profit housing organizations or rental co-operatives)
- municipalities
- Indigenous groups and organizations
- private sector organizations

### **2.4 - Location**

Developments shall be located within the City of Hamilton, Roxborough CIPA Map (attached as Appendix “B” to Report HSC19034)

### **3. Maximum Grant Amount**

Grants are up to a total maximum of 100% of the municipal development charge and parkland dedication fees. Educational development charges are out of scope as part of this program and will be due at the time of building permit issuance.

### **4. Repayment Terms**

Repayment of the loan is not required unless there is a violation of any program terms and conditions.

### **5. Application Process and Approvals**

Developers will complete the application package, submit the completed package to the Housing Services Division in advance of obtaining a building permit. The full amount of the development charge and parkland dedication fee will be exempted at the time of payment of the initial building permit. Agreements securing the exemptions will be signed with the City in advance of permit issuance.

### **6. Documentation Required for Records**

The Housing Services Division is responsible for retaining the following documents seven years beyond the life of the program:

- Signed application package, including all required accompanying documentation
- Letter of approval to proponent from City of Hamilton
- All invoices and internal journals for all eligible expenditures
- Records of all payments and defaults
- Copies of rent rolls, unit information
- For affordable homeownership units, personal information about prospective unit owners confirming income, age, ability to pay and confirmation purchasers do not own other residential property. This information is gathered through a supplemental application package completed by the prospective home buyer.

## 7. Remedies

In the event there is a violation of the terms of the pilot program at any point during the affordability period, the value of the development charge incentive and parkland fees are due to the City on a pro-rated basis. The City has the authority to collect debts through a variety of measures including adding outstanding accounts to the tax roll of the property and collect them in the same manner as municipal taxes.

### For Rental Units

The property owner must provide an annual statement and information package to the City confirming that each unit remains affordable. Rents may increase annually in accordance with market prices as long as they continue to meet the City’s definition of affordable.

The 10-year affordability period is secured on Title ensuring rents remain affordable regardless of a transfer of property ownership. If at any point during the 10-year affordability period, the units are no longer deemed affordable by the City or the developer fails to meet program criteria, the developer or subsequent property owner will be required to pay the City development charges and parkland fees.

Proportional expiry – for each year the rental property conforms to the affordability requirements of the plan the cost of violation is reduced by 10% of the original investment.

### For Homeownership

The development charges and parkland waivers will be secured through an agreement between the City and the Developer. This agreement will ensure the following eligibility of future purchasers is secured prior to final purchase and sale:

- The purchaser is of moderate to low income;
- The purchaser shall not own any other residential property; and,
- The purchaser is not a business or entity.