

SCHEDULE A TO BY-LAW XX-2021

THE TOWN OF CARLETON PLACE

AFFORDABLE HOUSING DEVELOPMENT CHARGE REBATE POLICY

1. Purpose

The purpose of this Policy is to provide a local definition of affordable housing for proponents seeking relief from the Town's Development Charges.

2. Application and Scope

This Policy relates to the 2021 Development Charges By-law No. 41-2021 passed on March 9, 2021.

Subsection 6 (4) and 6 (5) of Development Charge By-law No. 41-2021 provides that the person to whom the building permit was issued who has sold or rented a newly constructed dwelling as an "Affordable Housing Unit" may apply to the Chief Building Official for a refund based on satisfactory documentary evidence being provided. This refund may be issued as a sum equal to the Development Charge originally paid upon issuance of the building permit.

3. Definitions

3.1 Ownership Housing

For the purpose of freehold ownership housing, "affordable housing" shall be calculated using the Provincial Policy Statement definition of affordable housing as the lesser of the following:

- a) Where the purchase price results in an annual accommodation cost of less than 30% of the gross annual household income for low and moderate income households;
- b) Where the purchase price is at least 10% below the average purchase

price for a resale unit in the regional market.

The Ministry of Municipal Affairs and Housing reports this statistic annually.

For example, in 2019, the annual accommodation cost was reported as \$368,000 and the purchase price 10% below the average re-sale value was \$323,700.

3.2 Rental Housing

For the purpose of rental housing, “affordable housing” shall be calculated using the following local calculator on an annual basis. For illustration purposes, a calculation using the existing rates is shown below:

- a. Utilize the most recent census figure on average shelter cost for rent which is produced every four (4) years and includes all rentals in Lanark County (e.g. in the 2016 census this was \$ 1,047 based on data gathered in 2015);
- b. Gross this figure up (step a.) using the Consumer Price Index (CPI) unadjusted “all items” basket for Ontario (e.g. for 2020 the CPI factor since 2015 is 1.84, resulting in an average shelter cost of \$1,147.19);
- c. Establish a ratio of how much rent by bedroom types differs off the average rents in Carleton Place using Canada Mortgage and Housing Corporation’s (CMHC) annual market survey (e.g. in 2018 CMHC determined the average market rent in Carleton Place was \$915; the average market rent ratio for a one bedroom 0.888, two bedroom 1.094);
- d. Multiply this ratio (step c.) by the 2020 average shelter costs for Carleton Place (step b.) to produce an average market rent for Carleton Place for various bedroom types (e.g. one bedroom \$1,018.70, two bedroom \$1,255.03);
- e. Apply an 80% affordability threshold (which is what Lanark County uses to establish affordable rents) to the result of step d) to establish affordable rents (e.g. for 2020 one-bedroom \$814.96; two-bedroom \$1,004.02); and
- f. Calculate the percent change between one-bedroom and two-bedroom units (i.e. 19%) and apply the change value to calculate the affordability for bachelor and three-bedroom units (e.g. for 2020 bachelor unit \$661.79; three bedroom unit \$1,194.85)

4.0 Documentation of Affordability:

Proponents shall demonstrate eligibility for the Development Charge rebate by submitting the following information to the Town of Carleton Place:

4.1 Ownership Housing

Immediately prior to the time of transfer of the property, the seller shall execute an Agreement with the Town of Carleton Place and register said agreement on title. Proof of registration on title and proof of transfer of property shall be provided prior to receipt of the rebate.

4.2 Rental Housing

Following the execution of the rental agreement, the property owner shall provide a certified true copy of a signed lease agreement with the tenant identifying the following:

- Number of legal bedrooms in the unit;
- Rental rate and rent increase terms over the life of the lease;
- Incidental expenses not included in the lease including but not limited to: deposits, parking, utilities, maintenance fees, multiple resident premiums or subletting surcharges;
- Rent supplemental agreements with the County (if applicable)

Rental properties shall be eligible for a proportional refund of Development Charges equal to the ratio of affordable units within the development (i.e. a 4-unit rental with one unit which meets the affordability threshold will result in a 25% refund of the Development Charge).

5.0 Agreement:

All eligible properties will be required to execute a Development Agreement with the Town of Carleton Place.

Upon the submission and acceptance of documentation of affordability, the proponent shall be required to execute a Development Agreement to the satisfaction of the Town of Carleton Place for a period of 20 years less 1 day.

The Development Agreement shall be registered on title of the property and shall enure to future owners, tenants and successors. Registration shall occur prior to the transfer of the property.

The cost of the preparation and registration of the Agreement shall be borne by the Town.

Schedule A
Draft Development Agreement