

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 12 October 1999

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **REGIONAL DEVELOPMENT CHARGES:
 HABITAT FOR HUMANITY GRANT REQUEST**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee consider, for recommendation to Council, the grant request for \$42,000 from Habitat for Humanity.

BACKGROUND

Habitat for Humanity has submitted a grant request for \$42,000 representing the amount of Regional Development Charges (RDC's) applicable on the construction of 6 residential units in the City of Nepean on the lands referred to as CFRA Place. A copy of the letter from Habitat for Humanity to the Regional Chair is attached for the information of Committee and Council.

These six units have been constructed in three phases. Phase 1 was completed in 1997 with the construction of 2 units. The RDC's of \$14,000 were paid on October 15, 1997. In 1998, Phase 2 resulted in the completion of two more units. A deferral agreement between Habitat for Humanity and the Region for the payment of the \$14,000 in RDC's was registered on these two units. The RDC's are due on December 2, 1999. A similar deferral agreement has been registered on the remaining two units of Phase 3. The RDC's are due and payable on April 14, 2000.

In the new Regional Development Charge By-law (By-law 64 of 1999) as adopted by Council on July 14th, 1999, no exemption for non profit housing organizations was included. The Region's Legal Department advised Council that it was not possible to include specific language in the by-law which would allow non profit organizations, such as Habitat for Humanity, to be exempt

from RDC's without allowing other "for profit" organizations from potentially taking advantage of the exemption. This dilemma arose from the fact that the units created do not remain the property of the non-profit organization. The units are sold to individuals, much like the situation when a developer constructs and sells units in a sub-division. The new owners are then responsible for the monthly mortgage payments, property taxes, utilities and general maintenance.

Therefore, if Committee and Council wishes to provide financial assistance to organizations such as Habitat for Humanity, it must do so by providing a grant to cover the payment of the applicable RDC's.

Should the Corporate Services and Economic Development Committee and Council wish to provide a grant of \$42,000 to Habitat for Humanity in payment for the RDC's, it is recommended that this grant be made from the Region Wide Capital Reserve Fund. The uncommitted balance of this Reserve Fund as of September 30, 1999 is approximately \$2.9M.

Approved by J. C. LeBelle
Finance Commissioner

Attach.



NATIONAL CAPITAL REGION
RÉGION DE LA CAPITALE NATIONALE

habitat for humanity

May 29, 1999

Mr. Bob Chiarelli
Chair
Regional Municipality of Ottawa-Carleton
111 Lisgar Street
Ottawa, ON K2P 2L7

Dear Mr Chiarelli,

Thank you very much for taking the time to meet with me and Mr. Robert Stanton, Executive Director of Habitat for Humanity – National Capital Region on May 13, 1999.. I am pleased to give you more information on Habitat for Humanity.

Habitat for Humanity is a non-profit housing organization which builds simple decent and affordable housing for low-income working families needing adequate shelter. These homes are built with the support of people and organizations that donate their time, money, building materials and land to Habitat.

The homes are then built with the use of volunteer labour. The homes are sold to families at *no-interest* and at *no-profit*. The families who qualify, presently live in inadequate or unaffordable housing and must agree to invest a minimum of 500 hours of their own time into the building of their house and the houses of others. This we call *sweat equity*. As well, the family must be able to pay back a 20 year interest and profit free mortgage. The mortgage money is 'recycled' back into the program to build more homes in our community.

For over 23 years, and in over 60 countries, Habitat for Humanity has been building homes for low income families the world over. So far, over 80,000 homes have been built making Habitat the third largest homebuilder in the world and the second largest in the United States. Here in Canada, over 375 homes have been built with many more planned for this year.

Habitat for Humanity - National Capital Region (NCR) has been working in the Ottawa-Carleton and Wet Quebec region since 1994, building 9 houses and renovating two others.

P.O. Box 20148, Ottawa, Ontario K1N 9P4
Tel: (613) 228-1951 Fax: (613) 228-1357

749-9950

What Habitat for Humanity - National Capital Region provides families, is a sense of homeownership, pride and a sense of community. As well, we give families a chance at a brighter future since they now have 'capital' not 'charity' to help develop their family unit and of course, to allow their children to pursue a normal life through this equity situation.

Our program asks the community to donate materials, building services, money and land. Funds raised go to pay for items not donated. Typically, a Habitat house in our community costs approximately \$25,000 to \$35,000, plus the cost of land and site services. Over and above this total are Regional Development Charges of \$7,000 - \$8,000 per house.

We would like to make a formal request at this time for the Regional Municipality of Ottawa-Carleton to consider a partnership with Habitat for Humanity by providing grants to off-set the development charges for our existing development charges owing and on all future Habitat home building projects. Your investment in this program will help us to build more homes and to give more families the opportunity of getting out of community housing or high rent situations and homes which are not safe to live in.

As an example, a family of five living in Ottawa-Carleton, the maximum income from this family cannot exceed \$34,000 in order to be considered as a partner family. We are truly helping those who are in need of our assistance.

With the Provincial downloading to the Region of many services, we appreciate the strain of more responsibility placed on the Region., and in particular, social housing responsibility. With the support and partnership of the Region through grants in lieu of development charges, Habitat and the RMOC would help more families and thus, help the Region by offering alternatives to social housing. If we were to make this arrangement, consider this:

- the RMOC invests \$7,000 - \$8,000 per house in grants, a family would become homeowners under the Habitat model, would not need to rely on social housing, and with the expense involved in construction of social housing units, annual maintenance, repair plus the administration costs to run the housing program at the Region., we could truly help save the Region from having to invest much more to house this family.
- the family pays property taxes, instead of 'surplus' land not generating any revenue
- the Habitat family relies less on social programs, saves substantially from moving from a rental situation to homeownership, because monthly mortgage, property taxes, and insurance would cost a family between \$500-\$632 per month. Once

they are in the homes, they are responsible for all aspects of normal homeownership and upkeep.

If we considered our current project in Nepean where we are building 6 homes on land secured from Minto Developments called CFRA Place, named after radio station 580 CFRA who has become a major partner with us, the Regional Development charges associated with this 6 house community are approximately \$42,000. This equates to the cost of one house under the Habitat for Humanity model. For every 5 – 6 homes built, and with support from the RMOC, we could build a house for someone in need of affordable and decent shelter.

We are asking for you and councils' consideration and support for:

1. provide a grant in lieu of Development Charges for all 6 homes in Nepean (approximately \$42,000)
2. establish a policy for future Habitat built homes to provide a grant in lieu of development charges for each home built

In the past we have had tremendous support from our civic leaders in a number of municipalities. For instance, in 1994 two homes were built in Vanier and council provided grants to Habitat in lieu of permits and service charges. The same in Ottawa in 1995 as well, the land for that home was sold to Habitat by the City of Ottawa for \$1.00. In 1997, 2 homes in Nepean were built, Phase I of CFRA Place, the City of Nepean provided a \$2,500 grant to cover permits and service charges. In Aylmer, Quebec in 1997, the City of Aylmer provided the land to Habitat and grants to cover all service charges, inspection fees and etc. In 1998, The City of Nepean provided a \$2,500 grant again for Phase II of CFRA Place, and the town of Mississippi Mills in Almonte provided grants for the development charges, permits, fees and etc.

Elsewhere across the country other municipal and regional governments have 'partnered' with Habitat for Humanity in a similar fashion. Today we are asking for the RMOC to join with us in making affordable and decent shelter available to more people in need.

Beginning in mid-July, we will be building Phase III of CFRA Place, a semi-detached house for two families. This year will complete this 6 house community.

Habitat for Humanity National Capital Region has well over 600 volunteers, and over 6,000 names on our mailing list. Next year we are planning to build 4 homes. Three by groups in the community who have come forward and are taking on their own project such as Clement Marchand Natural Gas, the God's Love in Action Project, (Christian people joining forces to help build homes with Habitat starting next year), and the Ontario Catholic Teachers Federation of Ottawa-Carleton.

In partnering with us, they are raising the funds required, finding the land, organizing volunteers and securing materials. Together working with us, they will be ready to build their homes next year. This will not only help house more families in the region, but it will encourage more people to participate and make a more tangible and larger impact in our community. Wouldn't it be wonderful if we could inform them that the Regional Municipality of Ottawa-Carleton supports their efforts by providing grants for their project. This would send a very positive message to the volunteers, donors and supporters and would assist them by not having to seek donations from the community to donate money to pay development charges for their house.

As one of 46 affiliates offices across Canada, we rely solely on the generosity and support from our community, which includes government.

We operate with a small administrative budget, two staff people and many office and committee volunteers. Therefore, your support would be a great achievement in allowing more homes to be built using the Habitat model.

What a testament to the good work volunteers and businesses do in this community to have the RMOC support their involvement and take a leadership role. On Friday, June 25th, the 3rd Annual Habitat for Humanity Radiothon on CFRA will take place.

We would love to take this opportunity to communicate the Regional Governments support of our program and the volunteers, donors and suppliers who believe in Habitat for Humanity's model of providing a 'hand-up' not a 'hand-out' as a true way of helping families in need.

I thank you for your consideration of our above request. Should you have any questions or wish more information please do not hesitate to contact the undersigned, or our Executive Director, Robert Stanton at the Habitat office at (613) 749-9950.

In the Spirit of Partnership,



Kensel J. Tracy

President

Volunteer Board of Directors

Habitat for Humanity-National Capital Region