



Staff Report

Administration – Chief Administrative Officer

Report To: Committee of the Whole
Meeting Date: April 20, 2021
Report Number: FAF.21.058
Title: The Blue Mountains Attainable Housing Corporation Request for Funding from the Town of The Blue Mountains
Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF.21.058, entitled “The Blue Mountains Attainable Housing Corporation Request for Funding from the Town of The Blue Mountains”;

AND THAT Council consider the following options provided by staff as a follow up to The Blue Mountains Attainable Housing Corporation deputation to Committee of the Whole on March 9, 2021;

AND THAT Council endorse and approve Option 2 as outlined in Attachment 3 of this report and identified as the preferred option by Town staff.

OR

THAT Council endorse and approve Option ____ as outlined in Attachment ____ of this report;

AND THAT Council direct staff to bring forward a Staff Report to a future Committee of the Whole meeting providing an overview of the proposed Terms and Conditions with regards to the consideration of the potential waiving/deferring of Development Charge Fees and any other Municipal Fees that may be considered;

AND THAT Council direct staff to bring a Staff Report to a future Committee of the Whole meeting that provides the details of the Terms and Conditions of the Operating Loan and the specific reporting requirements that will be provided to the community on a quarterly basis for the duration of the Operating Loan.

B. Overview

This report is a follow up to the formal requests that were made by The Blue Mountains Attainable Housing Corporation at the March 9, 2021 Committee of the Whole meeting.

C. Background

A series of reports that are related to The Blue Mountains Attainable Housing Corporation are being presented for information and Council consideration.

The Town has provided financial assistance to The Blue Mountains Attainable Housing Corporation over the past 7 years. This report is being presented to Council for consideration after a detailed request was presented by The Blue Mountains Attainable Housing Corporation at the March 9, 2021 Committee of the Whole meeting. At that time, Town staff suggested that a report be prepared to provide options related to the request for consideration by Council.

This report presents five (5) options and discusses the risks and opportunities with each option.

During The Blue Mountains Attainable Housing Corporation March 9, 2021 deputation, the potential need for additional communications relating to the requests for financial contributions and consideration of waiving specific municipal fees for the Gateway project as well as extension of the existing interest bearing operating loan was discussed. Council may wish to consider this option further and provide direction to staff on how Council wishes to proceed.

D. Analysis

The key areas of focus from the formal asks by The Blue Mountains Attainable Housing Corporation are as follows:

1. Operating Loan (Repayable)
2. Consideration of Waiving of Municipal Fees and Development Charges and deferment of development charges to be collected at building permit stage
3. Contribution of 171 King Street (Staff Report FAF.21.059 speaks to options of ownership for Council consideration)

Repayable Loan

It is important to note that the Operational Loans being considered through these requests are based on loans being funded by the Town as the Lender to The Blue Mountains Attainable Housing Corporation as the Borrower. The repayable loan essentially has the Town charging interest on the basis of 200 points and therefore creates revenue for the Town. The Blue Mountains Attainable Housing Executive Director identified to Town staff during the drafting of this report that the need for working capital is typical in real estate development and has been identified for repayment on permanent financing within the Build Cash Flows presented by The Blue Mountains Attainable Housing Corporation. Town staff note that there is a risk that The Blue Mountains Attainable Housing Corporation could default on its obligations, however the risk versus reward being the perspective of creating a significant increase of attainable housing units suggests a very viable and worthy opportunity with the full expectation of success.

Waiving of Municipal Fees and Development Charge Fees

The concept of waiving a range of fees has been a great topic of discussion and debate and, at this point in the process, staff suggest that the concept of whether Council wishes to consider the waiving of fees would suffice and would allow staff to work on a future report that would outline the appropriate fees that may be considered. Staff have focused on potential waiving of fees at this point to be exclusively tied to Attainable Units.

To outline the financial elements of this report, staff have provided five (5) options, including the financial details of this report, in Attachments 2, 3, 4, 5 and 6 of this report.

Town staff have sourced an opinion from Hemson Consulting Ltd that provides information regarding the processes relating to the options outlined in this report and supports the concepts and options of waiving of fee's as outlined in the Attachment 7 of this report.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

None at this time.

G. Financial Impacts

In this report, Staff make a distinction between financial assistance in the form of either:

- Repayable loans, and
- Cash investments to fund Corporation programs or cash or real property investments in the Corporation

Current Repayable Loans:

Total Repayable Operating Loans provided by the Town to The Blue Mountains Attainable Housing Corporation during this Council Term	Funding Provided
Cash Outlay (original operating Loan)	\$100,000
March 22, 2021 Extension of 2021 Loan Agreement	\$170,000
Total Repayable Loans	\$270,000

In addition to the above, in 2016 the Town received a contribution of \$120,000.00 from a developer as part of a development agreement settlement for the exclusive use by The Blue Mountains Attainable Housing Corporation.

Attachments 2, 3, 4, 5 and 6 provide a series of options for Council to consider for future funding assistance to The Blue Mountains Attainable Housing Corporation from the Town.

H. In Consultation With

Ruth Prince, Director of Financial and IT Services

Sam Dinsmore, Manager of Budgets and Accounting

Will Thomson, Director of Legal Services

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Everitt at cao@thebluemountains.ca.

J. Attached

1. Staff Report FAF.20.169
2. Funding Option 1
3. Funding Option 2
4. Funding Option 3
5. Funding Option 4

6. Funding Option 5
7. Hemson Consulting Ltd Opinion
8. Terms of Operating Loan Agreement Presented by the BMAHC

Respectfully submitted,

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
Shawn Everitt, Chief Administrative Officer
cao@thebluemountains.ca
519-599-3131 extension 234

Report Approval Details

Document Title:	The Blue Mountains Attainable Housing Corporation Request for Funding from the Town of The Blue Mountains FAF.21.058.docx
Attachments:	<ul style="list-style-type: none">- Att 1 - Staff Report FAF.20.169.pdf- Att 2 - Funding Option 1.pdf- Att 3 - Funding Option 2.pdf- Att 4 - Funding Option 3.pdf- Att 5 - Funding Option 4.pdf- Att 6 - Funding Option 5.pdf- Att 7 - Hemson Consulting Ltd Opinion.pdf- Att 8 - Terms of Operating Loan Agreement Presented by BMAHC.pdf
Final Approval Date:	Apr 9, 2021

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Apr 9, 2021 - 1:10 PM

Report Approval Details

Document Title:	BMAHC Request for Funding from the Town of The Blue Mountains FAF.21.058.docx
Attachments:	<ul style="list-style-type: none">- Att 1 - Staff Report FAF.20.169.pdf- Att 2 - Funding Option 1.pdf- Att 3 - Funding Option 2.pdf- Att 4 - Funding Option 3.pdf- Att 5 - Funding Option 4.pdf- Att 6 - Funding Option 5.pdf- Att 7 - Hemson Consulting Ltd Opinion.pdf- Att 8 - Terms of Operating Loan Agreement Presented by BMAHC.pdf
Final Approval Date:	Apr 14, 2021

This report and all of its attachments were approved and signed as outlined below:

Shawn Everitt - Apr 14, 2021 - 10:26 AM