

**Municipality Of Chatham-Kent**  
**Community Development**

**To:** Mayor and Members of Council  
**From:** John Norton, General Manager, Community Development  
**Date:** December 3, 2019  
**Subject:** Opportunity Villages Community Land Trust

---

**Recommendations**

It is recommended that:

1. The Opportunity Villages Community Land Trust project, to be located at 10 Taylor Avenue in the Community of Chatham, be approved for a series of grants or benefits described below:
  - a) Grant of \$380,000 to assist with payment of construction costs, planning application fees, building permit fees, and PUC development charges (estimated municipally related fees are \$180,000)
  - b) Property Tax Increment Equivalent (Grants to be paid over a ten year period at 100% per year of Municipal portion of property taxes and to be paid only after the Land Trust has paid all property taxes owing)
  - c) Cash-In-Lieu of Parkland waived

subject to the Opportunity Villages Community Land Trust entering into an overall agreement between the Municipality and the Opportunity Villages Community Land Trust, as prepared by Legal Services. This agreement will require milestones be achieved before funding is provided, including provision of a Business Plan, Governance Plan, and other terms and conditions, to be reviewed and signed off by the CAO, CLO, and CFO.

2. The grants be funded from the Strategic Reserve.

**Background**

The Opportunity Villages Community Land Trust has been formed to address the shortage of affordable home ownership options in Chatham-Kent and Southwestern Ontario, which is also making it difficult for local businesses to attract and retain entry-level employees.

Based on background information provided by the Opportunity Villages Community Land Trust, the volunteer board brings together citizens with experience in engineering, architecture, entrepreneurship, non-profit governance and municipal administration to address the following structural challenges in the current housing ecosystem, without ongoing government subsidy:

- The widening gap between social housing and home ownership, which is leaving social housing providers with many units occupied at market rent by working families.
- The trap of the “rental economy” leaving younger people with little equity accumulation, and less of a stake in their communities.
- The one-shot nature of many of the subsidized affordable home ownership programs currently available.
- The siloed nature of many affordable housing projects, serving one type of resident rather than building inclusive neighbourhoods.
- The increasing size and cost of new homes, which runs contrary to the desire for affordable living and a reduced environmental footprint.
- The family home as the household’s primary or sole investment vehicle leaves retirement plans exposed to the property market cycle.

Opportunity Villages is proposing to offer housing as a home rather than as an investment vehicle, including:

- Smaller, energy-efficient buildings
- Priced well below average
- Available to a wide variety of households
- Shared amenities in each development

The homes will be sold with the freehold tenure of land being held in a Community Land Trust. This type of ownership has been successfully used in developments. They do not permit renting of units and protect units from being resold at full market prices, while providing secure ownership and residency, allowing for long-term financing and some capital appreciation over time. Owners must reside in their unit. Owners will pay a common fee to the Land Trust for maintenance of the common lands, property taxes, and other expenses.

The Community Land Trust (CLT) model has been used successfully in the United Kingdom to secure real estate for community uses and affordable housing; and is beginning to be applied in Canada. Specifically, CLTs are private non-profit corporations established for the purpose of acquiring and holding land for affordable housing. The CLT maintains ownership of the land and the land is leased, usually to low- and

moderate-income residents, through a long-term lease. Resale value is limited to the CLT to ensure housing remains affordable. The CLT ensures that shared service costs of the development like parking and snow removal remain modest, and prevents the whole development being resold and subject to speculative investment in the future. Municipalities can establish policies that commit the municipality to supporting the creation of a CLT, and once established, the Municipality could contribute land and financial resources to the CLT. In the longer term, the Opportunity Villages CLT will complete multiple developments around the region, and nurture similar developments across Canada.

The most important factor is that the CLT needs to have a strong governance model with an effective Board of Directors who must remain active in management of the property.

### **Comments**

The proposed initial project of the Opportunity Villages CLT is targeting the affordable home ownership segment of the Canada Mortgage and Housing Corporation (CHMC) housing continuum, which is an emerging need in Chatham-Kent as our economy grows and market housing prices rise. The first development would be thirty or more smaller one and two bedroom houses, including several barrier-free fully accessible homes.

Opportunity Villages CLT has secured its first development site of 1 hectare (2.6 acres) in Chatham and expects to build 30 or more homes starting in the Spring of 2020, ranging in size from 600 sq. ft. to 1,000 sq. ft. and with a proposed price range of \$130,000 to \$180,000, which is around 25% below current market prices.

Specifically, the site is a vacant property located at 10 Taylor Avenue, just north of Grand Avenue East. It is zoned RM2, Residential Medium Density, which permits a range of medium density residential uses. However, it is anticipated that a Zoning By-law Amendment application will still be required to accommodate the unique nature of the proposed development once detailed plans are available, which would require public consultation under the Planning Act. An application for Site Plan Control would also eventually be required.

Once the first project is complete, it will enable the Opportunity Villages CLT to work on additional projects around Chatham-Kent to provide a wider range of affordable and community housing options. The Opportunity Villages CLT will also seek future donations of suitable land and funds with which to acquire additional land, in addition to financing from CMHC, Infrastructure Ontario, the Housing Investment Corporation and other investment partners.

Specifically, for this initial project, Opportunity Villages CLT has secured \$300,000 so far and is seeking an additional \$200,000, plus waiving of permit and other fees, from the Municipality to contribute to land purchase and site improvement costs. Therefore,

the Opportunity Villages CLT has reached out to the Municipality to inquire about potential funding programs or incentives that might be available to support the project.

The Chatham-Kent Official Plan states that the Municipality should: “plan for a diverse range of housing choices to ensure that the housing stock can accommodate an aging population, a variety of household types and sizes, a greater diversity of culture and a range of physical and mental disabilities, and that the housing stock can respond to fluctuations in these needs and increase the supply of affordable housing”.

In addition to this, the Provincial Government has introduced several amendments to the *Planning Act* over the past year and is proposing several changes to the Provincial Policy Statement (PPS). The comment period on proposed changes to the PPS closed on October 21, 2019, but it is not known what the final changes will entail or when they will come into force. The most significant change put forward in the proposed housing policies of the PPS is the provision of housing options rather than types, in order to address an appropriate range and mix of housing, and specifically meeting market-based needs of current and future residents. Providing for housing options adds broader considerations like ownership structures and housing program planning to built-form considerations. Housing options are defined in the proposed P.P.S. as:

“a range of housing types such as, but not limited to single detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, multi- residential buildings and uses such as, but not limited to life lease housing, co- ownership housing, co-operative housing, community land trusts, affordable housing, housing for people with special needs, and housing related to employment, institutional or educational uses.”

In addition, the recent Municipal Comprehensive Review Report, prepared by Watson & Associates, also noted that housing preferences are anticipated to gradually shift to medium and high density housing forms driven by diverse demands from younger and older demographic groups.

The Official Plan defines Affordable Ownership Housing as “housing where monthly housing expenses (including mortgage principle, interest and property tax but excluding insurance or utilities expense) do not exceed 30% of gross monthly household income and where the purchase price is at least 10% below the average purchase price of a home in Chatham-Kent”.

Therefore, the Opportunity Villages CLT proposal would certainly address a need in the community and conform to the policies of the Official Plan.

### **Areas of Strategic Focus and Critical Success Factors**

The recommendation(s) in this report support(s) the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation(s) in this report support(s) the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

### **Consultation**

The Community Human Services and Finance, Budget & Information Technology Departments were consulted.

### **Financial Implications**

It is recommended that the grants be funded from the Strategic Reserve. There are no direct costs to the tax increment grant, rather it is a delay on receiving the benefit of the new and existing assessment as the grant progresses over the 10 year term.

Prepared by:

Prepared by:

---

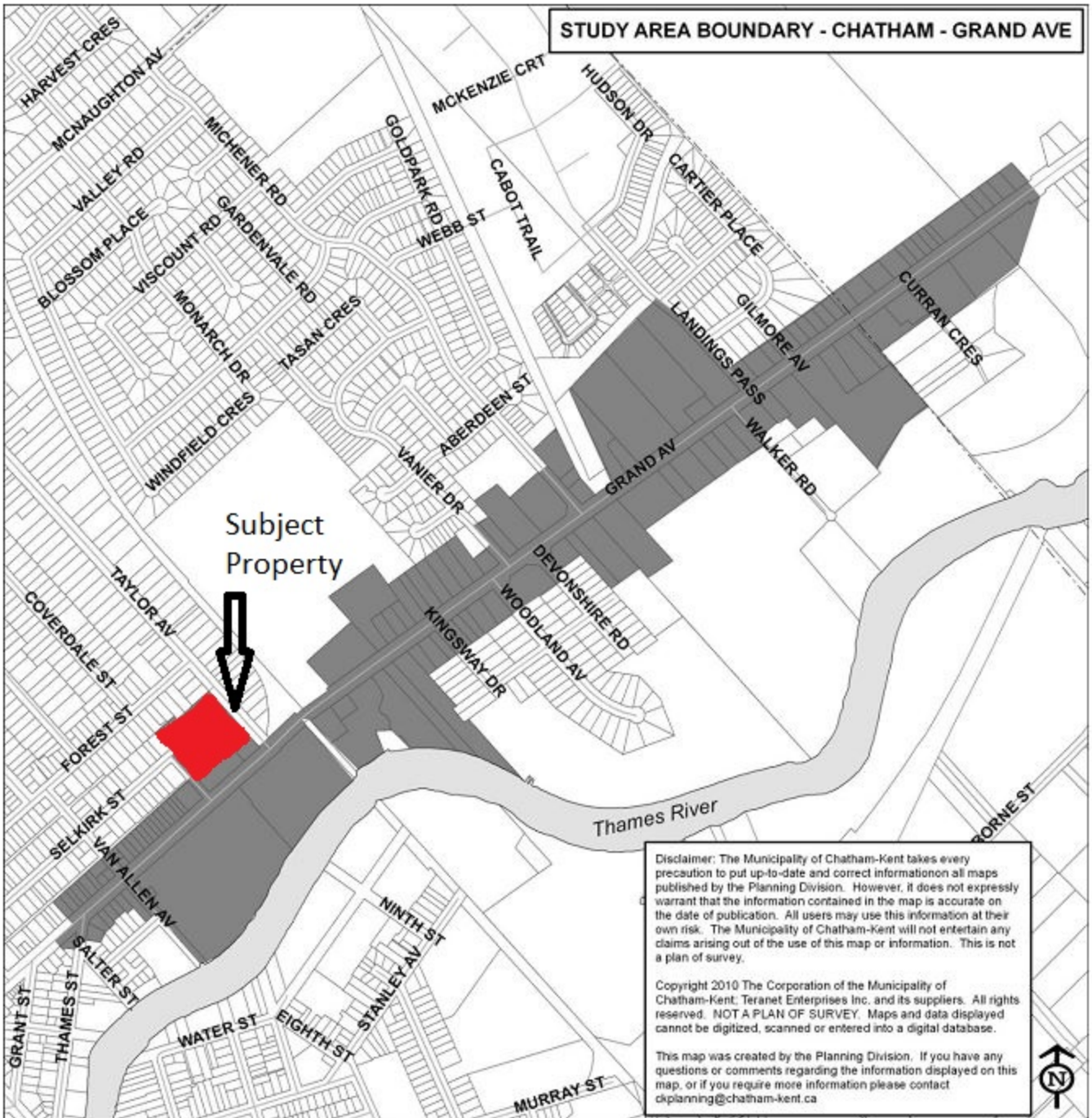
John Norton, General Manager  
Community Development

---

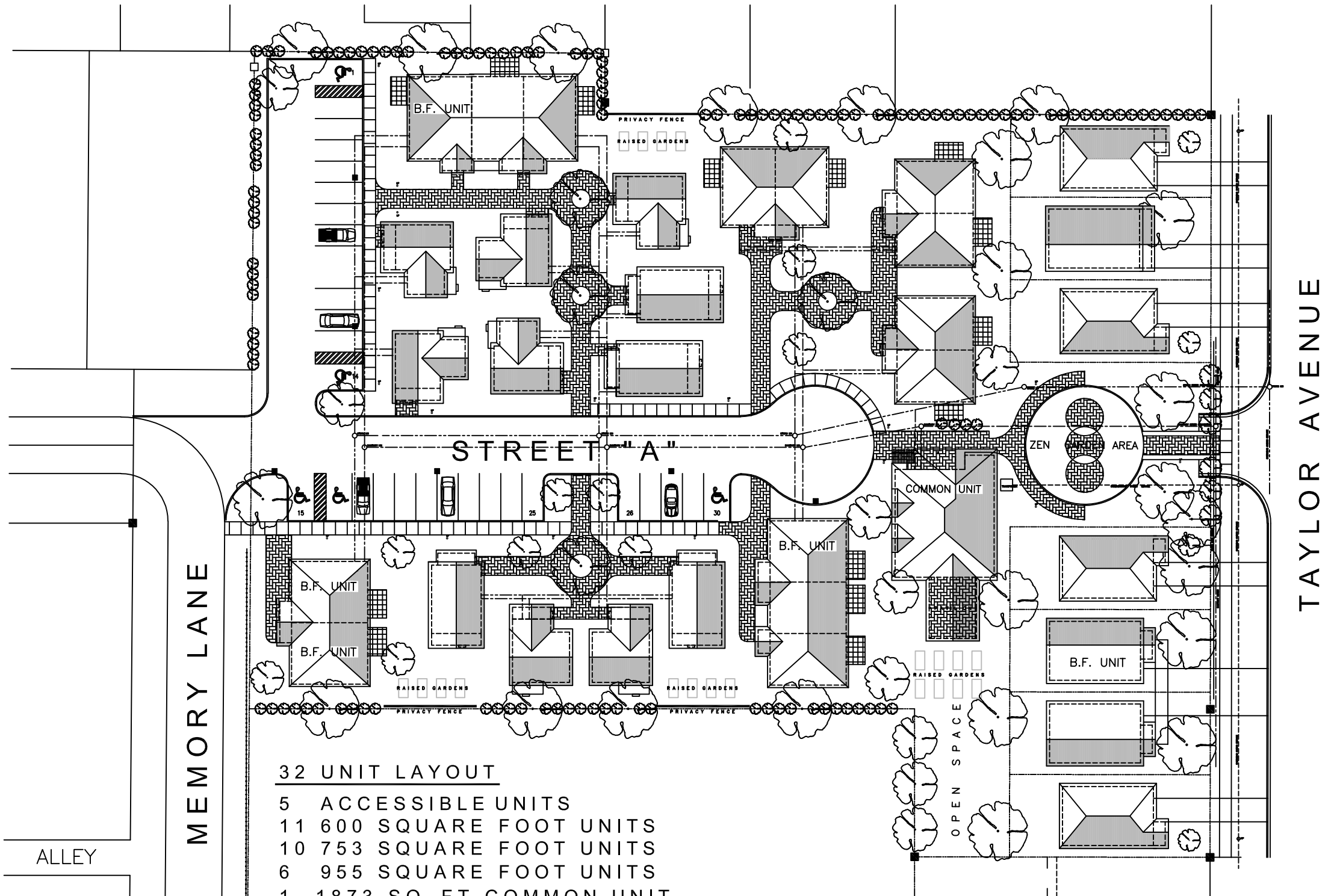
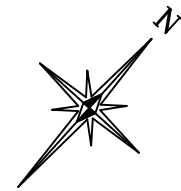
Gord Quinton  
Chief Financial Officer

P:\RTC\Community Development\2019\Planning Services\Dec 9 -19 Opportunity Villages Report.docx

## APPENDIX A



# A COMMUNITY BUILDING INITIATIVE OF OPPORTUNITY VILLAGES COMMUNITY LAND TRUST



- 32 UNIT LAYOUT**
- 5 ACCESSIBLE UNITS
  - 11 600 SQUARE FOOT UNITS
  - 10 753 SQUARE FOOT UNITS
  - 6 955 SQUARE FOOT UNITS
  - 1 1873 SQ. FT. COMMON UNIT

DRAFT PLAN



**REM Computer Solutions**  
DESIGN CONSULTANTS  
SERVING SOUTHWEST KENT FOR OVER 25 YEARS  
LET US BE PART OF YOUR DESIGN AND BUILDING EXPERIENCE