



**Township of Southgate  
Affordable Attainable Housing Committee**

**September 28, 2021**

**7:00 PM**

**Electronic Participation**

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	<b>Pages</b>
<b>1. Electronic Access Information</b>	
If you wish to listen to the Seniors Advisory meeting electronically please wait until the start time of the meeting, then dial in with your phone using the following information: Phone Number: <b>1 (647) 497-9373</b> Access Code: <b>523-831-101</b>	
<b>2. Call to Order</b>	
<b>3. Introductions and Goals of the Committee Members</b>	
<b>4. Review of Affordable - Attainable Housing Committee Terms of Reference Document</b>	<b>1 - 10</b>
<b>5. Election of Committee Chair and Vice Chair</b>	
Be it resolved that the committee elect _____ to the chair for the Affordable-Attainable Housing Committee until the end of term, 2022; and; <b>That</b> the committee elect _____ to be the Vice Chair for the Affordable-Attainable Housing Committee until the end of term, 2022.	
<b>6. Confirmation of Agenda</b>	
Be it resolved that the Committee confirm the agenda as presented.	
<b>7. Declaration of Pecuniary Interest</b>	
<b>8. Delegations &amp; Presentations</b>	
None	

9. Adoption of Minutes

None

10. Staff Updates

10.1. Staff Presentation for Discussion

11 - 57

11. New Business

12. Next Meeting

13. Adjournment

**Be it resolved that** the Committee adjourn the meeting at [TIME].

## **Southgate Affordable-Attainable Housing Advisory Committee Terms of Reference**

### **Purpose:**

The Southgate Affordable-Attainable Housing Advisory Committee will provide recommendations and an overall strategy for Council's consideration regarding the implementation of a Community Affordable-Attainable Housing Plans to support homelessness prevention in the Township of Southgate.

### **Responsibilities:**

1. Develop a strategy for Southgate Council to address the present community challenges of Affordable-Attainable Housing and the Prevention of Homelessness to consider as recommendations and specific actions to be taken.
2. Create a detailed strategy with the recommended implementation timelines.
3. Identify the possible resources, programs and support services required to achieve each strategy and recommendation.
4. Establish a schedule for providing and communicating an Affordable Housing strategy and recommendations reporting should be presented for discussion to Southgate Council.
5. Promote awareness about the importance and benefits of affordable housing in a proactive manner to address some community attitudes.
6. Consider, engage with and advocate to other levels of government for increased funding as well as changes in legislation and regulations that support the Southgate strategy.
7. The Southgate Affordable-Attainable Housing Advisory Committee will be required to engage with public, private and not-for-profit sector experts to develop an Affordable-Attainable Housing Strategy that will ensure sustainable outcomes.

### **Membership:**

The Southgate Affordable-Attainable Housing Advisory Committee will be comprised of:

#### **Voting members:**

- Four (4) representatives from the public, private and non-profit sectors
- Two (2) municipal council representatives, and
- The Mayor as an ex-officio member.

Non-voting County and Southgate Staff Member as frequent or infrequent support and advisory resources:

- Southgate CAO
- Southgate Clerk's Department staff to act as the Committee's Recording Secretary
- Grey County Director of Planning or designate (as required)
- Southgate Planner (as required)
- Southgate Chief Building Official (as required)
- Southgate Economic Development Officer (as required)

- Grey County Director of Housing or designate (as required)
- Grey County Social Services or designate (as required)

Other Non-voting Committee Advisors:

- Building Industry
- Financial Advisory Services
- Landlord/Property Management
- Mental Health Care
- South East Grey Community Health Centre

### **Chair/Vice-Chair:**

The Committee shall, at its first meeting elect one from among Advisory Committee members to be Chair, and one member to be Vice-Chair.

### **Quorum:**

A majority of members, including at least one elected official, are required to be present to constitute a quorum.

### **Reporting:**

The Affordable-Attainable Housing Advisory Committee (AHAC) shall report to Council through Special Committee of the Whole (COW) meetings to discuss issues and confirm alignment with the goals of the Terms of Reference document. The Committee's reporting to Council may be through a written report, presentation by the Committee's Chair or by way of a joint COW meeting with the AHAC attending.

### **Resources:**

The Township Clerk's Department shall prepare the agendas and provide reports for the Affordable-Attainable Housing Advisory Committee. Staff from Administration, Building, Clerk and Planning Department will provide resources to support the Advisory Committee; additional support may be sought from other departments as required.

### **Meeting Schedule:**

The Affordable-Attainable Housing Advisory Committee will meet monthly or as determined by the Committee, at a date to be determined by the members. Meetings will be held virtually until such times as it is safe to meet in person at a Southgate Municipal building.

### **Term of Committee:**

The Southgate Affordable-Attainable Housing Advisory Committee is appointed by Council for the remainder of this term of 2021 and 2022, ending November 30, 2022.

### **Remuneration:**

The Southgate Affordable-Attainable Housing Advisory Committee members will be reimbursed at a rate of \$35.00 per committee meeting and travel costs at the municipal rate per km.

## Appendix A

### Glossary of Terms

**Accessibility for Ontarians with Disabilities Act, 2005 (AODA):** legislations governing accessibility requirements and standards with a progressive timeline of implementation.

**Affordable Housing:** Housing is deemed to be affordable when a household at or below the median income of its local community can consistently meet all of its basic needs (food, utilities, clothing, transportation, telephone, school supplies) and also cover the cost of accommodation. In most instances, households at or below the median income should not be spending more than one-third of its gross (before tax) monthly income on housing costs - if both housing and basic needs are to be sustainable. For further clarification, affordable housing occurs along a broad continuum that includes, but is not limited to, social housing.

**Association of Municipalities of Ontario (AMO):** AMO works to make municipal governments stronger and more effective. Through AMO, Ontario's 444 municipalities work together to achieve shared goals and meet common challenges. [www.amo.on.ca](http://www.amo.on.ca)

**At risk of homelessness:** Households that have difficulty maintaining appropriate housing that is safe, adequate, affordable and secure. A range of factors can put housing security at risk, including: low income, health issues/illness (including mental health issues), substance use, incarceration or other legal issues, hospitalization, family breakdown, violence, discrimination, inadequate and/or unsafe housing.

**Attainable Housing:** The industry definition of attainable, for-sale housing is unsubsidized, profitable housing developments that meet the needs of those with incomes between 80% and 120% of the Area Median Income.

**Average Market Rent (AMR):** Rental rates that are determined by the Canada Mortgage and Housing Corporation which are comparable to the average rent amount for similar units in the same neighbourhood.

**Canada Mortgage and Housing Corporation (CMHC):** A national housing agency appointed by the federal government of Canada. CMHC is responsible for distributing all federal funding programs for housing, as well as carrying out the current responsibilities of the federal government with regard to affordable housing.

**Canadian Housing & Renewal Association (CHRA):** An organization that provides advocacy, policy, research, and training on affordable housing issues and homelessness at the national level.

**Capital reserves:** Housing providers are required to set aside a pre-determined percentage of their revenue/income into a separate capital reserve fund; this money is used for capital repair and replacement costs of their housing property.

**Community Homelessness Prevention Initiative (CHPI):** combines funding from former separate housing and homelessness programs into a single flexible program. Funding from MMAH can be used by CMSM to address local priorities and better meet the needs of individuals and families who are homeless or at risk of becoming homeless in their local communities. For example, funding that previously had to be used for emergency shelter beds can now be used to provide more long-term housing solutions.

### **Consolidated Municipal Service Manager/District Social Services**

**Administration Boards (CMSM/DSSAB):** A municipal government responsible for carrying out the funding and administrative responsibilities of the Housing Services Act. CMSM's/DSSAB's are also responsible for administering other social service programs such as Ontario Works and Children's Services. There are 47 CMSM's and DSSAB's in Ontario.

**Co-operative Housing (Co-ops):** A form of Social Housing. Residents who live in coops are considered "members" of the corporation that owns the building they live in. Members have an obligation to participate in running and maintaining the co-op community. Members elect a board of directors amongst themselves who are responsible for overseeing the management of the co-op. Members must follow the Co-operative Corporations Act, not the Residential Tenancies Act.

**Co-operative Housing Federation of Canada (CHF):** This organization represents non-profit co-operative housing in the region, and advocates on behalf of its members.

**Devolution:** Devolution means the handing over of social housing administration and funding, from the Province to the CMSM. The exception is providers transferred to Ministry of Health and Long Term Care or Ministry of Community and Social Services. Devolution also refers to handing over the federal responsibilities for non-profit housing to the Province - the funding responsibility was transferred in 1998, the administration was implemented under the Social Housing Reform Act in 2000.

**Emergency Shelter:** Short-term accommodation intended for 30 days or less for individuals experiencing homelessness.

**End of Operating Agreements/ Mortgages (EOA/M):** Refers to both the expiry of federally-signed operating agreements as well as the expiry of mortgages and capital financing obligations in social housing under the Housing Services Act (HSA).  
**40th Income Percentile:** The 40th income percentile is a measure of households whose income falls in the bottom 40% of average incomes in a certain geographic area.

**Homelessness Partnership Strategy:** Federal strategy to address homelessness. Initiatives include access to multi-year matching funds to designated communities, funding to support single projects in Outreach Communities, including smaller cities, rural and outlying areas, including the North, and partnerships with Aboriginal communities.

**Homelessness:** The condition of being without long-term stable accommodation.

**Homelessness Prevention:** Activities that help prevent those who are currently housed from housing loss through services such as utility payments, loan programs, rent banks and landlord/tenant mediation. This also includes helping people move to more appropriate housing when needed.

**Housing Allowance:** A fixed partial rent payment made to a tenant to support affordability. The rent payment is made directly to the tenant, making rent more affordable for the tenant. This program is available for use with private rentals, and nonprofit and cooperative housing providers; similar to a Rent Supplement.

**Housing First:** An evidenced-based best practice or program in which homeless individuals are assisted first to meet their housing needs before they are required to meet other treatment expectations or other supports are implemented. 'Housing First' refers to a specific program with unique approaches and resources; whereas 'housing first' is a philosophy based on meeting a person's most basic needs for housing unconditionally that is not tied to one specific program.

**Grey County Housing Corporation:** properties owned and operated by the County of Grey.

**Housing Development Incentive:** Funding offered to property developers, non-profits, co-ops and private landlords, to create more affordable rental housing in the community.

**Housing Service Act, 2011 (HSA):** legislation that outlines the duties and responsibilities for the Consolidated Municipal Service Managers (CMSM) and prescribed non-profit housing providers. Replaced the Social Housing Reform Act, 2000; prescribes mandated services and eligibility requirements in mandated social housing programs and allows some local flexibility.

**Housing Services Corporation (HSC):** Delivers relevant, cost-effective products and services to its housing sector clients, including CMSMs/DSSABs. With more than 10 years of experience in working with different levels of government, different types of social housing and national and international housing organizations, HSC has access to wide-ranging networks that enable Ontario's housing sector to exchange leading and best practices, to direct province-wide findings and to make coordinated recommendations. HSC also partners with public, private and non-profit organizations beyond the housing sector to develop and deliver integrated, cost-effective programs and services and to attract greater investment and to advance social innovation in affordable housing. [www.hscorp.ca](http://www.hscorp.ca)

**Imminent risk of homelessness:** Risk of losing housing within the month.

**Investment in Affordable Housing Program (IAH):** Under the current Investment in Affordable Housing for Ontario (IAH), formerly Canada/Ontario Affordable Housing Program (AHP), federal and provincial funding will go towards the creation and repair of affordable housing over four years. These funds may be used in five different components: Rent Supplement, Housing Allowance, Homeownership Program, Rental Housing, and Ontario Renovates.

**Landlord:** An owner of rental housing that must follow the Residential Tenancies Act, 2006 (RTA).

**Local Health Integration Networks:** Organizations created by the Provincial government to facilitate effective and efficient integration of health care services. LHINs possess significant decision-making power at the community level including the funding of support services to transferred housing providers providing supports to people with mental illness and the frail elderly.

**Local Housing Corporation (LHC):** With devolution under the Social Housing Reform Act in the 1990s and the transfer of Ontario Housing Corporation's public housing stock to the municipal level in 2001, the public housing asset was transformed into 47 different Local Housing Corporations with varying management structures and operational functions. Some LHCs are a department of the municipal body having jurisdiction, while other LHCs operate at arm's length from the municipality even though the Service Manager (SM) is the sole shareholder of the LHC.

**Low Income Cut Off (LICO):** A threshold to determine levels of poverty within a given geographic area. Those who fall below the threshold likely spend a larger share of their income on food, shelter, and clothing. This approach estimates the amount of households who spend 20% more of their household income than the average percentage of income spent by households on food, shelter and clothing. LICO thresholds vary by household size, and community size.

**Low Income Measures (LIM):** While many low-income measures, including the LICO, are well suited to the analysis of trends in low income, the after-tax Low Income Measure (LIM-AT) is now a more popular measure. LIM measures the number and percent of people living in households with income that is less than 50% of the median adjusted household income. Due in part to the methodological changes from the mandatory long-form census to the voluntary National Household Survey; the LIM has become the more widely used and more appropriate measure of low-income.

**Ministry of Children and Youth Services (MCYS):** [www.children.gov.on.ca](http://www.children.gov.on.ca)

**Ministry of Community and Social Services (MCSS):** [www.mcss.gov.on.ca](http://www.mcss.gov.on.ca)

**Ministry of Health and Long-Term Care (MOH/LTC):** [www.health.gov.on.ca](http://www.health.gov.on.ca)



**Ministry of Municipal Affairs and Housing (MMAH):** [www.mah.gov.on.ca](http://www.mah.gov.on.ca)

**Non-Profit Housing:** Community-based affordable rental housing provided by nonprofit corporations, overseen by volunteer boards of directors. A percentage of nonprofit housing tenants pay rents geared to their incomes (known as RGI housing), and the remaining pay market rents. The percentage of tenants paying RGI ranges from 25% to 100% of tenants in the project; generally the ratio is around 60% RGI: 40% market.

**Ontario Municipal Social Services Association (OMSSA):** Established in 1950, the Ontario Municipal Social Services Association (OMSSA) is a non-profit organization whose members are the Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) across Ontario. OMSSA works to support leadership in integrated human services through strong local service system management in all municipalities. [www.omssa.com](http://www.omssa.com)

**Ontario Non-Profit Housing Association (ONPHA):** A non-profit sector organization that represents non-profit housing providers in Ontario, and offers education and resource materials to non-profit housing providers.

**Operating Subsidy:** Government subsidy under the Housing Services Act (HSA), which the CMSM provides to mandated social housing providers; guaranteed for the life of the mortgage (usually 25 years) to bridge the gap between revenue from market rents and the total cost of mortgage and operations. Public Housing: Housing developed predominantly by the Ontario Housing Corporation (OHC) in the 1960s after CMHC's mandate broadened to housing for low income families. Managed by Local Housing Authorities with local boards; OHC set policy and provided services (such as legal and technical support). The projects were 100% RGI housing. Ownership was downloaded from the Province to the Municipal Service Managers in 2001. The Social Housing Reform Act renamed public housing "Local Housing Corporations" (see Local Housing Corporations--LHCs).

**Rapid Re-Housing:** Is a provision of housing relocation and stabilization services, and short- and/or medium-term rental assistance, as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. (National Alliance to End Homelessness, 2014)

**Rent Supplements:** Programs that provide a rent "top-up" to make renting in full market rate units more affordable. A rent supplement is an amount of money that is given to a landlord to make up the difference between a tenant's payment, and what the actual cost of monthly rent is for that unit; similar to a Housing Allowance.

**Rent-Geared-to-Income (RGI) Subsidy:** The subsidy paid from the CMSM to a social housing provider named under the Housing Services Act, 2011 to allow a defined number of units to be rented to low-income tenants on a rent-geared-to-income basis. The formula for calculating the RGI Subsidy equals the difference between the actual rent paid by the qualifying tenant (paying approximately 30% of their income), and the government-approved market rent of a unit.

**Residential Tenancies Act (RTA):** The provincial legislation that governs the relationship between tenants and landlords in Ontario. The RTA outlines the roles and responsibilities of both the tenant and the landlord.

**Social Housing:** One part of the affordable housing continuum, social housing refers to the range of non-profit, cooperative, and public housing that are funded by regular government operating subsidies; includes Grey County Housing Corporation, nonprofits, and cooperatives under HSA, and federal providers with operating agreements.

**Social Housing Agreement (SHA):** An agreement between CMHC and the Province of Ontario established in 1999 that transferred the administrative responsibility of most federally-assisted housing to the provincial government. It also allowed the Province of Ontario to transfer the administration to municipal government. **Social Housing Reform Act, 2000 (SHRA):** This legislation, proclaimed in December 2000, gave the Province of Ontario the power to transfer responsibility for social housing administration to the municipal level. This legislation has been replaced with HSA 2011.

**Special Priority:** Social Housing applicants who are victims of domestic violence can apply for a special priority status. Applicants and tenants/members with a special priority status are placed higher on the centralized waiting list.

**Support Services:** Services provided to tenants to enable them to live independently in the community.

**Supported Housing:** Social Housing units that offer tenants/members support to live independently, e.g. seniors, people with mental health disabilities, addictions or developmental disabilities. Support staff is not on-site, but will travel to the tenant/member's unit to provide services.

**Supportive Housing:** Non-profit housing for people who need support to live independently e.g. the frail elderly, people with mental health problems, addictions or developmental disabilities. Administration and funding of supportive housing providers were not downloaded to the CMSM in 2001; rather, the responsibilities were transferred to the provincial ministry that funded the support services, either the Ministry of Health/Long-Term Care or the Ministry of Community and Social Services.

**Transitional Housing:** Temporary housing which includes the provision of on- or off-site support services to help individuals move towards independence and self-sufficiency.

### **Planning Terminology:**

**Demolition Control Areas:** Section 33 of the Planning Act permits municipalities to establish demolition control areas by by-law and to require that property owners seeking to demolish a building obtain a permit. Section 99.1 of the Municipal Act (2001) also grants the specific powers to prohibit and regulate the demolition of

residential rental properties that contain more than six dwelling units, and to prohibit and regulate the conversion of such residential rental properties to another use.

**Development Charges Exemptions:** Municipalities may exempt or reduce development charges for specified types of development, such as affordable housing, or in areas where development is to be encouraged.

**Development Charges Discounts:** Discounting the development charges for housing providers to construct new affordable units is a direct form of financial support; discounting development charges in a specified area, such as an area designated for intensification, can indirectly result in more affordable housing by encouraging more compact and dense residential construction.

**Development Charges Revenue:** Revenue for affordable housing may also be raised through a dedicated portion of development charges.

**Garden Suites:** Garden suites are detached units that may be portable or constructed from pre-fabricated materials on-site, and can be removed when they are no longer required.

**Height & Density Bonuses:** Section 37 of Ontario's Planning Act permits "height and density bonusing" to allow municipalities to authorize increases in the height and/or density of development that would otherwise not be permitted in exchange for the provision of facilities, services, or other matters that are specified by by-law. The inclusion or designation of funding for new affordable housing units is one possible benefit.

**Modification of Development Standards:** Municipalities can facilitate affordable housing construction by adopting alternate or flexible development standards, provided safety and building quality are not compromised. For example, they may permit dwelling units that are smaller or constructed on smaller lots, or reduce standards such as parking requirements; all of these modifications serve to reduce the cost of development.

**Municipal Capital Facilities Agreements:** Municipal Capital Facilities Agreements allow municipalities to enter into agreements with other parties, including private sector and not-for-profit organizations, to deliver affordable housing. Municipalities must pass municipal housing facilities by-law, which must include a definition of affordable housing and establish policies regarding eligibility for the housing. Municipalities may agree to provide financing assistance such as directly giving or lending money or property, guaranteeing borrowing by the other party, and providing property tax exemptions or reductions and development charge exemptions.

**Ontario Provincial Planning Act:** The Planning Act sets out the ground rules for land use planning in Ontario, and describes how land uses may be controlled, and who may control them.

**Official Plans:** an official plan is a document which sets out the municipality's general planning goals and policies that will guide future land use.

**Secondary units** (also known as accessory units or second suites): Secondary units are self-contained residential units located in dwellings or accessory structures such as laneway garages, with their own kitchen and bathroom facilities. Basement apartments are a typical example.

# **SOUTHGATE AFFORDABLE ATTAINABLE HOUSING COMMITTEE**

## **STAFF PRESENTATION**



September 28, 2021



# HOUSING SECTORS DISCUSSION

## **Establish the Focus of the Committee**

- Rental
- Starter Homes
- Senior Options





# RENTAL OPTIONS

## Rental Focus of the Committee

- Secondary suites in residential supports an affordable rental option and helping the owner make the mortgage payments.
- Granny suites for larger properties:
  - ❖ Generational; or
  - ❖ Employee housing options
- Multi-unit development projects:
  - ❖ Flato Seniors Apts.
  - ❖ Flato Ida & Main Street apartment project



# STARTER HOME OPTIONS

## Starter Options

- Tiny Home development with shared servicing
- Housing Park Development
- New Construction options:
  - ❖ **FLEX Modulr** (5 Keppel St)
  - ❖ **Casa Terre Corp.** – Eco Park development
  - ❖ Builders of modular housing options with cargo container and floor/roof/wall panel type construction.
- Full property ownership on a smaller scale.





# PROPERTY OWNERSHIP OPTIONS

## Property Ownership Options

- Tiny Home
- Back to Back home with front & side yards outdoor space
- Smaller footprint homes
- Second floor condos
- Townhomes



# HOUSING PURCHASING PRESSURES

## Housing Purchasing Pressures

- Residential property demands (offers over asking price)
- Market prices
- Travel time to GTA and larger communities
- Lack of local job options adds extra costs to living expenses



# PLANNING & HOUSING DISCUSSION

## **Planning Guidance**

- Southgate Official Plan Review
- County Official Plan
- Grey County Affordable Housing Strategy
- Tiny Homes
- Building size policies
- Life Leases



# PLANNING & HOUSING DISCUSSION

Planning Consultant  
Ron Davidson has been  
hired by Southgate to  
complete the  
New Official Plan Review.

On August 25, 2021  
Mr. Davidson presented to  
Council his project plan and  
specifically detail  
the scope of his  
Affordable Housing  
work, discussions required  
and to provide a  
definition for what is  
“Affordable Housing” and  
“Inclusionary Housing”.



## **Affordable Housing:**

Affordability of housing is a major issue in Canada, and this problem has worsened in the last 18 months.

The new OP will encourage affordable housing and provide targets for new home construction in this regard. The PPS defines “affordable” as the least expensive of the following:

- 1) housing where the purchase price is at least 10 percent below the average purchase price of a resale unit; or
- 2) annual housing expenses do not exceed 30% of gross household income (i.e. before tax household income).

The new County OP supports, but does require, lower tier municipalities adopting inclusionary zoning practices which require a certain percentage of new homes to be sold in the “affordable” range. Inclusionary zoning is a complicated matter as it requires the price of the house to remain affordable as the house is sold from owner to owner to owner. It is recommended that inclusionary zoning not be applied but that other policies be included in the OP that give support and provide strong encouragement to the construction of affordable housing.

**Council needs to discuss this matter.**





## **Residential Developments**

- Flato North & nearing completion
- White Rose Phase I & II nearing completion
- Flato Senior Apartments
- Flato East starting construction
- Flato Glenelg Carriage House starting construction



# HOUSING PROJECTS IN THE PLANNING PHASE

## **Planning Phase Housing Projects**

- Flato Glenelg Phase II
- White Rose Phase III
- Flato Eco Park possibly economical residential next to Ida Street South
- Flato Ida Street Apartments
- Ida Street South Housing Development
- Flato Rowe Project



# FUTURE HOUSING PROJECTS



## **Future Housing Projects**

- Senior subdivision
- Downtown development





**Questions  
&  
Answers**



**Establishing the  
Committee's  
Future Focus  
& Goals**  
(Terms of Reference)



RON DAVIDSON  
LAND USE PLANNING CONSULTANT INC.

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August 19, 2021

Township of Southgate  
185667 Grey County Rd 9  
RR 1  
Dundalk, ON  
N0C 1B0

Attention: Mayor John Woodbury and Members of Council

Dear Sirs and Madame:

**Re: New Township of Southgate Official Plan**

The following is an update on the work completed to date and an overview of some of the issues that require attention from Council at this time. Please consider the following:

**County Involvement:**

Clinton and I have met with the County's Planning Director and Senior Planner regarding the new Official Plan (OP). Our intention is to maintain a close working relationship with County staff throughout the process because ultimately the County (i.e. County Council) is the approval authority for the new OP. County Planning Staff are also a valuable resource.

Also, the County's Information Technology Department will be assisting in preparing the new mapping. On that note, the Saugeen Valley Conservation Authority (SVCA) and the Grand River Conservation Authority (GRCA) have been asked for up-to-date hazard mapping. SVCA has provided their latest mapping, but we're waiting to hear back from GRCA.

### **Consolidating the Current Official Plan:**

At the present time, we are consolidating the current Official Plan with the 27 amendments that have been approved since its adoption in 2006. These amendments need to be carried over into the new Official Plan.

### **Avoiding Duplication in the Mapping and Text:**

The level of detail that goes into OP schedules has changed substantially over the years, mostly due to requirements of the Provincial Policy Statement (PPS) to protect an increasing list of features. The current Southgate OP includes the following:

- Schedule A: Land Use
- Schedule B: Transportation
- Schedule C: Environmental Constraints (landfill sites; Areas of Natural and Scientific Interest; primary aggregate resource areas and deer wintering yards).

Compare this to the new County OP which now contains eight maps, as follows:

- Schedule A: Land Use
- Schedule B: Mineral Extraction Areas and Aggregate Resource Area
- Schedule C: Natural Heritage Core and Natural Heritage Linkage
- Appendix A: Wildfires, Karst Topography, Landfills, Wellhead Protection Areas, Petroleum Wells and Intake Protection Zones.
- Appendix B: ANSIs, Other Wetlands, Significant Valleylands, Significant Woodlands
- Appendix C: Treaty and Traditional Territories
- Appendix D: Roads Classifications
- Appendix E: Shale Drift

Our new OP is required to address these same issues; however, to avoid major redundancy, it is recommended that the text of the new OP make reference to the County mapping and not actually include all the same schedules and appendices listed

above. The mapping for the new OP can likely be limited to a Land Use schedule and a Transportation schedule if this approach is taken. A third schedule providing better mapping for the Wellhead Protect Areas may be also necessary if recommended by the Source Water Protection officials.

In a similar manner, there is a considerable amount of text in the County OP that accompanies the mapping; and, that text needs to be carried forward into the new Southgate OP. Conversely, the Township OP can make reference to the County Official Plan without actually stating the policy verbatim. This approach would work where there isn't the opportunity for the Southgate OP to be more restrictive, such as with the policies pertaining to natural heritage, wildfire, treaty and traditional territories, etc. This approach would reduce the amount of redundancy between the two plans considerably. The County Official Plan is 244 page in length. The hope is to come up with a clearer and more concise local OP. It would also mean that the Township would not need to update its OP every time the Province introduces a new policy on any of these issues. If the County changes its OP, then essentially Southgate's OP would be automatically changed without a local OPA. **Council's position on this matter is required.**

### **'Agricultural' Designation:**

The 'Agricultural' designation applies to areas that are considered to be prime agricultural land. The 'Agricultural' areas shown on Schedule A of the current OP will not change.

The severance policies in the new OP will continue to be fairly restrictive. The minimum lot area requirement will be 40 hectares, with the exception that a surplus farmhouse on a small lot can be severed by a bona fide farmer. The current OP allows for this. In the new County OP, however, there is a policy that also allows for a severance involving an agricultural-related use, e.g. apple storage and distribution; flour or grain mill; produce or auction yard; abattoir; stockyard; etc. **Council needs to decide if the new Township OP should also allow for this severance opportunity.**

The terms "small-scale commercial" and "small-scale industrial uses" are currently used in the Southgate OP but will be replaced with "agricultural uses", "agricultural-related uses" and "on-farm diversified". These new terms come from the Provincially Policy Statement and are now contained in the new County OP. There are no restrictions in the PPS with regard to size of operations that qualify as "agricultural uses" or "agricultural-related uses", whereas "on-farm diversified uses" – which are permitted only on lots of at least 20 hectares in size - are limited in floor area and lot coverage based on the site of the property. The largest on-farm diversified use would involve 8000 square metres of land and contain a 1600 square metre building. Under the

current Township OP policies, small-scale commercial and industrial uses are limited to a building size of 750 square metres and 500 square metres of outdoor storage areas on lots exceeding 20 hectares in size, or 250 square metres of floor area and 750 square metres of outdoor storage area for lots under 20 hectares. **Council needs to decide if they want the new OP to reflect the PPS and the County OP or only allow for smaller operations.** To be clear, an amendment to the Comprehensive Zoning By-law will be required for any commercial or industrial use that exceeds the definition of “home industry” or “home occupation” found in the Zoning By-law.

### **‘Rural’ Designation:**

The PPS isn’t overly concerned about the size of on-farm diversified uses on non-prime agricultural land. Such lands are designated ‘Rural’ in the Official Plan. As such, the PPS doesn’t require limitations on the size of the operation, although the County OP has placed restrictions on such uses. On lots over 20 hectares in size, the same policies that are found in the ‘Agricultural’ designation apply. Whereas the ‘Agricultural’ policies don’t allow for on-farm diversified uses on lots under 20 hectares, the ‘Rural’ policies of the County OP do allow for such uses on smaller lots. The size of the operation depends on the size of the property. A building up to 400 square metres in size could be located on a ‘Rural’ designated property that is just under 20 hectares in size. **Council needs to decide if the policies of the new County OP are to be carried forward into the new Township OP or if the new OP is to be more restrictive.** Again, a Zoning By-law Amendment will be required where the use exceeds the size restrictions of a “home industry” or “home occupation” as stipulated in the Comprehensive Zoning By-law.

With regard to the severances in the ‘Rural’ designation, the new County OP allow for the following:

- 2 lots (including the retained parcel) per 20 hectare original Township lot;
- 4 lots (including the retained parcel) per 40 hectare original Township lot;
- 5 lots (including the retained parcel) per 60 hectare original Township lot;
- 6 lots (including the retained parcel) per 80 hectare original Township lot;

The number of lots is prorated to fit an original lot of a different size.

At the present time, the Southgate OP allows for one lot to be severed for every 40 hectares of land in the ‘Rural’ designation, which is quite restrictive compared to the new County OP. **Council needs to decide if the new OP policies are to be as permissive as the County OP with regard to lot creation in the ‘Rural’ designation.**

### **Dundalk:**

Over the last several years, approximately 90% of the building activity in the entire Township has occurred in Dundalk; and, there's no doubt this trend will continue. This will be recognized in the new OP. The new OP should provide policies that strive toward making Dundalk a complete community and not just a bedroom community. It would appear that sufficient land will be available to meet the long-term residential needs, at least for now, but additional employment lands beyond the current urban boundaries may be necessary. The first draft of the new OP will identify that expansion area. This would require an amendment to the County of Grey Official Plan. No direction from Council is required at this time.

Future expansion areas for residential development beyond the current limits of Dundalk could also be recognized. An Official Plan Amendment will still be required when there's a demonstrated need to expand the boundaries, but choosing that preferred expansion area now does have merit. This was suggested by the County Planning Department. The future expansion area will be shown in the first draft of the OP and discussed by Council.

### **Other Settlement Areas:**

Schedule A identifies the boundaries of the other settlement areas within the Township. There will be some minor tweaking on these boundaries to reflect the Grey County mapping. The mapping for both Official Plans must be identical in this regard.

Conn is no longer recognized as a settlement area in the County OP and therefore it will lose its 'Village Community' designation in the new Southgate OP.

The policies for these settlement areas will be updated but significant changes are not required.

### **Second Dwelling Units:**

The Planning Act requires municipalities to include policies and provisions in their Official Plans and Zoning By-laws allowing for second dwellings. Such units are to be allowed

- in a detached, semi-detached and townhouses; or
- in a separate accessory building.



Municipalities are required to develop policies and zoning regulations that establish appropriate standards which protect neighbourhood character, public health and safety, and enjoyment of abutting properties without unduly restricting the creation of such dwelling units.

The finer details pertaining to second dwellings are best provided in the Comprehensive Zoning By-law; however, some general policies that give direction on this matter should be contained in the new OP. In this regard, please consider the following:

Second dwellings within detached dwellings (i.e. as an apartment) would seem appropriate in every zone where a detached dwelling is permitted provided full municipal services are available or where communal services can accommodate the extra unit.

Second dwellings within semi-detached dwellings and townhouses can lead to congestion in a neighbourhood with regard to parking. There may be more pavement and very little lawn in front of each unit. Nevertheless, the Planning Act requires us to allow for this, at least in certain designated areas. It may be appropriate for the Official Plan to include a policy that states that the Comprehensive Zoning By-law will identify areas of Dundalk (the only fully-serviced urban area in Southgate) where a second dwelling within a semi or townhouse may be permitted. **Council should discuss this matter.**

Second dwellings within an accessory building (i.e. as a separate house or within a garage or other type of accessory building) should be limited to larger lots in the countryside, given the space requirements; however, allowing for them in Dundalk where land isn't taken up by septic systems could also be given consideration. Allowing for the latter would certainly be supported by the Province, although there may be issues regarding land use compatibility. **Council should provide their thoughts on this matter.**

Where second units within an accessory building are permitted in the countryside, provisions in the Zoning By-law will be necessary to make sure that the two dwellings are clustered so as to limit the impact on the neighbouring farming operations and to avoid future problems regarding severing the second dwelling on a separate lot. The Zoning By-law should also include provisions regulating the maximum size of the secondary dwelling units, as the second unit is supposed to be an ancillary use.

### **Affordable Housing:**

Affordability of housing is a major issue in Canada, and this problem has worsened in the last 18 months.



The new OP will encourage affordable housing and provide targets for new home construction in this regard.

The PPS defines “affordable” as the least expensive of the following:

- 1) housing where the purchase price is at least 10 percent below the average purchase price of a resale unit; or
- 2) annual housing expenses do not exceed 30% of gross household income (i.e. before tax household income).

The new County OP supports, but does require, lower tier municipalities adopting inclusionary zoning practices which require a certain percentage of new homes to be sold in the “affordable” range. Inclusionary zoning is a complicated matter as it requires the price of the house to remain affordable as the house is sold from owner to owner to owner. It is recommended that inclusionary zoning not be applied but that other policies be included in the OP that give support and provide strong encouragement to the construction of affordable housing. **Council needs to discuss this matter.**

### **Minimum Dwelling Size:**

Most municipal Zoning By-laws in Grey County, including Southgate’s Zoning By-law, require a minimum floor area of at least 105 square metres (1,130 square feet). With the increasing price of land and home construction, considerable interest has been expressed recently in reducing this minimum floor area requirement, or even eliminating it completely as encouraged by the County OP. By eliminating the floor area requirement, the minimum standard would be set by the Ontario Building Code.

The current floor area provisions, which have generally been consistent in most municipalities throughout Grey and Bruce Counties over the last 30 years, were likely seen at one point in time as a reasonable house size. Times have changed and there’s no doubt that the minimum standards need to be reduced.

Regulations of this nature are typically found in the Comprehensive Zoning By-law and not in an Official Plan. The new OP, however, should include a general policy that provides direction to the Zoning By-law. **Council should provide their thoughts on this matter.**

“Tiny homes” is a loosely-worded term that can be used to describe homes of various sizes. I would suggest that the Township not allow for a house that is smaller than what the Ontario Building Code allows, which is about 28 square metres (300 square feet).

### **Short-Term Accommodation**

Some municipalities in Grey and Bruce Counties are now licensing places offering short-term accommodation (STA). Licensing helps to minimize land use conflicts with neighbouring land owners. A 4% tax can be collected; however, having a licensing system in effect can substantially increase the workload of the By-law Enforcement Officer.

If Southgate Council wishes to establish a licensing system for STA's, the Comprehensive Zoning By-law needs to be amended to provide a definition of this term and possibly identify areas of the Township where such uses are permitted, along with other provisions. The Official Plan doesn't need to contain any specific policies in this regard, but rather just a clause stating that Council wishes for such uses to be licensed, if in fact this is Council's desire. **Council should comment on this matter.**

### **Cannabis Production Facilities:**

The growing of cannabis is considered an agricultural use; however, the other uses associated with production such as laboratories, processing, shipping, etc. goes beyond an agricultural use. The County OP is suggesting that such a facility be treated as an on-farm diversified use and that the local municipalities include criteria in their Official Plans and Zoning By-laws for establishing this type of operation.

Some municipalities in Grey County have identified the processing component as an industrial use and therefore allow for this activity on lands zoned industrial, which are usually found within an urban area. It should be noted that the processing of cannabis emits a very strong odour and can cause complaints from the neighbouring property owners. In some municipalities, a cannabis processing facility isn't permitted within 150 metres of any sensitive receptor (e.g. dwellings, schools, etc.) due to odour issues. Some people, however, argue that a proper exhaust system would eliminate odours. **Council should discuss this matter and decide if a cannabis production facility would simply be best suited only in the countryside, away from the populated areas.**

### **Source Water Protection**

The new County OP contains policies for wellhead protection areas and intake protection zones. If the Source Water Protection officials suggest that more detailed policies be provided at the local level, such policies will be included in the new OP; otherwise, the new OP will simply make reference to the source water protection policies currently found in the local Official Plan.

**Climate Change:**

The new OP will include policies regarding climate change. These policies will be fairly general and similar to those contained in the new Official Plan.

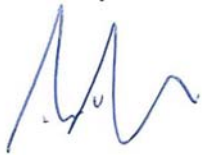
**Next Steps:**

The County will begin preparing the new OP schedules.

The writing of the OP text will now begin, and will take into account Council's comments on the issues mentioned in this report.

Once the first draft of the OP has been completed, it will be discussed with Council. Changes stemming from Council's review will then be made to the draft document, following which the first Open House will be held with the general public.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ron Davidson', with a stylized, flowing script.

Ron Davidson, BES, RPP, MCIP

# Life lease housing

Practical information  
about owning a life lease

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**Disclaimer:** The terms of each life lease agreement may vary from one project to another. This guide covers the common practices with a focus on the market value model (see section for models of life lease housing).

Please read a life lease agreement closely before signing it. If you are considering a life lease purchase, you should seek the advice of qualified professionals, including legal counsel.

This guide is for information only and offers a summary of legislation that is subject to change. It is not a legal interpretation of the legislation. The guide, as well as any links or information from other sources, is not a substitute for specialized legal or professional advice. The user is solely responsible for any use or application of this guide.



# Introduction

In life lease housing, the buyer purchases an interest in that property—which gives the buyer the right to occupy a unit for a long period of time, often for their lifetime.

Like condo owners, the buyer pays a lump-sum purchase price, and then continues to pay:

- property taxes
- monthly fees for maintenance

Life leases are usually priced lower than similarly sized condominiums in the area. This could be due to the lack of availability of conventional mortgages and the exemption from land transfer taxes.

Life lease housing is usually developed and operated by non-profit or charitable organizations called “sponsors.”

Life lease buyers are often seniors looking to move into smaller homes.

## Benefits

People choose life lease housing for:

- affordability
- fewer home maintenance responsibilities
- access to social and recreational programs

- a sense of community (for example, seniors, religious or cultural groups)
- care and meal services offered by the sponsor on site, if available

## Life lease interest

In life lease housing, the buyer does not own the property. The life lease holder holds an interest in that property.

The life lease interest gives the holder the right to occupy (live in) a unit, rather than own the unit itself. The life lease sponsor owns the property.

## If a life lease holder passes away

If the holder passes away, their inheritor gets the life lease interest, but not the right to occupy the unit. The inheritor can benefit from the sale of the life lease, but they cannot automatically move into the home.

The inheritor may be able to apply to move into the life lease unit—the decision is up to the sponsor.

**Example:** Veronika, a 72-year-old, has passed away and her son Shawn, aged 53, inherits her life lease interest. As the sole inheritor of Veronika's estate, Shawn applies to live in the life lease unit, but does not satisfy the age eligibility (65 years).

Shawn decides to sell the life lease interest. He plans to purchase his own life lease unit when he's old enough to satisfy the age eligibility requirement.

# Types of life lease housing

Life lease housing can take on a variety of forms. Each model is based on how the initial price is set and how the life lease interest is then resold. The five basic models are:

- market value
- price index
- fixed value
- declining balance
- zero balance

## Market value

Market value life lease projects are popular in Ontario. If the holder sells the life lease interest for more than they originally paid for it, the holder (or their estate) makes a profit. If the holder sells the interest for less, then the holder (or their estate) incurs a loss.

Most market value life lease agreements allow the holder to transfer the life lease interest to their estate. This means that, technically, the lease lasts longer than “life.” While the holder’s inheritors may profit on the sale of the lease, they may not move into the unit without first

applying to the sponsor and meeting the sponsor’s eligibility criteria.

The holder (or their estate) is responsible for selling the life lease at a rate the market will bear. The sponsor may assist by assessing unit value, contacting prospective buyers from the waiting list and brokering the sale. The sponsor retains a percentage of the sale price as an administrative fee. If the holder also retains a real estate agent, their fee is additional.

## Benefits

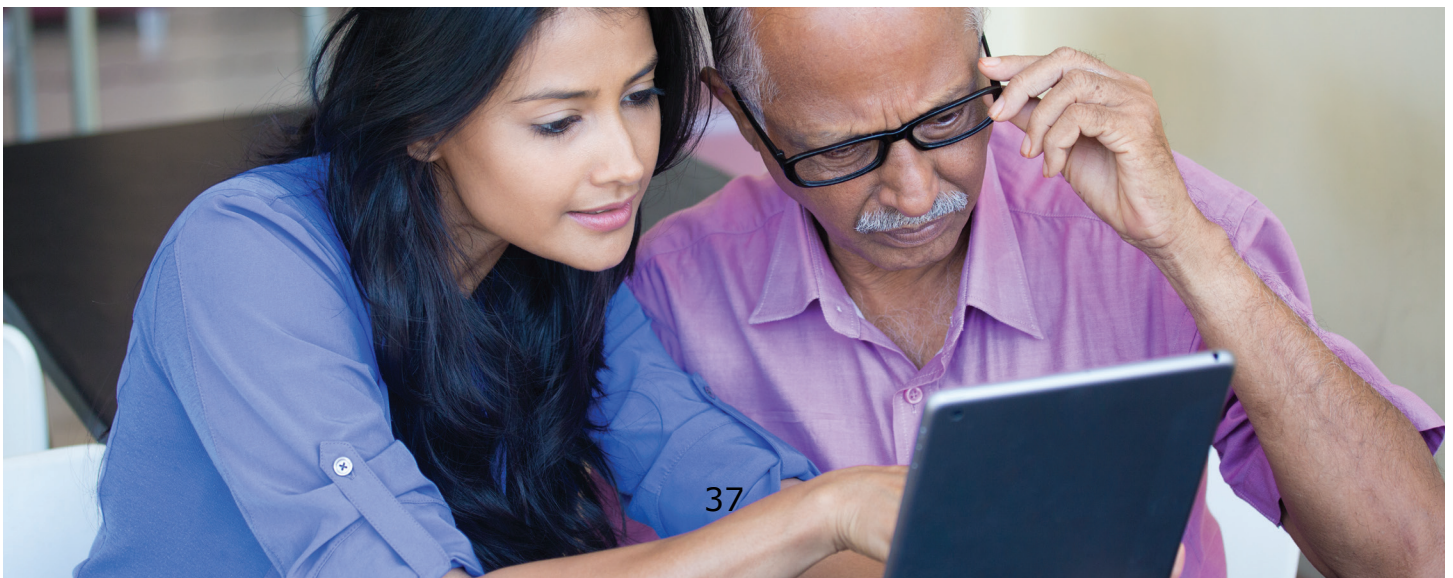
If real estate values go up, the holder can make a profit on the sale.

The value of the life lease is not tied to the age or length of occupancy of the resident.

## Considerations

If real estate values go down, the holder can lose money.

If the holder passes away, their inheritors will have to sell the unit and pay monthly fees until the unit is sold. This may be an important consideration if they live far away.





## Price index

The sponsor purchases the life lease back from the holder (or their estate) over the length of their occupancy. The sponsor increases the original amount paid by an annual price index factor, usually the Consumer Price Index. The sponsor retains a percentage of the sale price as an administrative fee.

## Benefits

Even if real estate values go down, the holder is guaranteed not to lose money.

If the holder passes away, their inheritors do not have to worry about selling the home or paying monthly fees.

## Considerations

The holder's estate will no longer hold the life lease interest once it is fully repaid by the sponsor.

If real estate values go up, the holder (and their estate) will not profit.

## Fixed value

This is also called the "no gain" model. The sponsor purchases the life lease back from the holder (or their estate) for the same amount originally paid when the holder purchased the life lease. The sponsor retains a percentage of the amount as an administrative and refurbishing fee.

## Benefits

Even if real estate values go down, the holder is guaranteed not to lose money.

If the holder passes away, their inheritors do not have to worry about selling the home or paying monthly fees.

## Considerations

The holder's estate will no longer hold the life lease interest once it is fully repaid by the sponsor.

If real estate values go up, the holder (and their estate) will not profit.

Since this model does not take inflation or market value into account, the money the holder invested loses its value over time.



## Declining balance

The amount the holder pays up front is based on the value of the unit and their life expectancy. The amount the holder or their estate will receive declines by a specific amount each year until it reaches zero. As with the zero balance model, this model may be thought of as prepaid rent.

### Benefits

The initial payment is typically lower than it is for market value, price index, or fixed value models.

The holder's right to occupy the unit lasts for their lifetime, even after the redemption value declines to zero.

If the holder passes away, their inheritors do not have to worry about selling their home or paying their monthly fees.

### Considerations

The holder's estate will no longer hold the life lease interest once it is fully repaid by the sponsor.

If real estate values go up, the holder will not profit.

If a health issue forces the holder to leave earlier than they expected, this may or may not impact the amount of money that the holder or their inheritors receive back from their initial payment.

## Zero balance

The holder pays an amount upfront designed to prepay rent for the rest of their expected remaining life. The amount paid is based on the value of the unit and the holder's life expectancy.

### Benefits

This is the least expensive form of life lease housing.

If the holder passes away, their inheritors do not have to worry about selling the home or paying monthly fees.

### Considerations

The holder's estate does not inherit the life lease interest, which returns to the sponsor at the end of their occupancy.

No residual value is paid to the holder or their estate if the holder passes away or decides to move elsewhere.

If a health issue forces the holder to leave earlier than expected, this may or may not impact the amount of money that the holder or their inheritors receive back from their initial payment.



# Features and differences

## Services offered

Most sponsors provide a basic level of maintenance that includes mowing lawns and shovelling snow. Some sponsors also change furnace filters, fix plumbing or electrical wiring, or monitor both the interior and exterior of the home while lease holders are away.

Other sponsors offer a wider range of services including laundry, housekeeping and meals, and help with bathing, transportation and reminders to take medication. These additional services may be included in the monthly fees or may be offered on an optional basis for an extra fee.

## Religious or cultural community

Some projects offer a specific religious or cultural environment. Buyers of these life lease interests are often attracted by the option of living somewhere that offers:

- services in a language other than English or French
- programs that are specific to a culture

## Length of lease

A life lease typically lasts until:

- the end of the lease holder's life
- the lease holder decides to move

## Fixed term lease

A small minority of projects set a fixed term (for example, 49 years). The life lease does not expire at the end of the term—it is meant to be renewed if the occupancy goes past the term.

Carefully review the life lease agreement to see how the duration of occupancy is defined. If a fixed term is specified, ask about the renewal process.

## Spouse takeover

If a lease holder who passes away has a spouse, then the life lease is usually extended for the term of the life of the spouse.

The surviving spouse must meet the sponsor's eligibility criteria. They may also have to pay a transfer fee.

**Example:** Kai, a 68-year-old life lease holder, dies and is survived by his spouse Lin, aged 63. The eligibility for residing in the life lease community is having a minimum age of 65.

Lin applies to the life lease sponsor to be allowed to live in the unit. The life lease sponsor decides to be flexible and allow Lin to continue residing in the unit.

Lin is required to pay a transfer fee and sign a new life lease agreement with the sponsor.

# Difference between rental, ownership and life leases

All models of life lease housing share some characteristics of both rental and ownership.

See table 1 for some of the similarities and differences between rental, condominium ownership and market value life lease housing models.

**Table 1: Life lease compared to other housing forms**

Features	Rental	Condominium ownership	Market value life lease
Own property	No	Yes	No
Have equity	No	Yes	Yes
Registered on title to land	No	Yes	Sometimes but rarely.
Pay monthly fee	Yes	Yes	Yes
Participate in management	No	Yes	Sometimes. Usually a residents' council makes recommendations to the board.



# Difference between life leases and land leases

There is another form of housing with a similar name, land lease housing, which may be

confused with life lease housing. To help you understand the similarities and differences between life leases and land leases, please see table 2.

Table 2: Difference between life leases and land leases

Topic	Land lease	Life lease
Ownership	In a land lease, the dwelling is owned by the resident and the land on which the dwelling sits is leased.	Life lease ownership means holding an “interest in property” providing the right to live in the unit, usually for the duration of the lease holder's life or until the lease holder decides to move.
Payment	Rent is paid to the land owner (landlord) of the land lease community, and landlords may provide services and facilities to the community that are intended for the common use and enjoyment of the tenants and that are included in their rent.	Life lease holders purchase their units by paying a lump sum upfront and then pay monthly fees for maintenance and property taxes.
Transfer	Owned homes can be bought and sold by successive residents who, in turn, rent the lot from the landlord.	Life leases can be sold by the life lease holder and inherited by heirs. However, while inheritors may profit from a sale of the lease, they cannot move into the unit without first applying to the sponsor and meeting their eligibility criteria.
<i>The Residential Tenancies Act (RTA)</i>	The RTA applies to mobile home parks and land lease communities.	The RTA does not apply to life lease housing, when there is a direct relationship between a lease holder and the project sponsor.

# Housing providers and residents

## Housing providers

Most life lease housing projects in Ontario are owned and operated by established non-profit and charitable organizations, including:

- faith-based groups
- cultural associations
- service clubs
- seniors' organizations
- housing providers

Many of these organizations provide other forms of accommodation as well. For example, a sponsor may also offer long-term care, retirement homes and/or social housing. Many life lease projects are located on the same land as these other forms of accommodation.

Most non-profit developers of life lease housing continue to own and manage the project after construction is completed.

## Housing residents

Life lease housing is generally marketed to seniors and older adults. Different sponsors have different ways of defining this age group.

### Ability to live independently

Residents in life lease housing must be able to live independently.

Once a resident begins to need a higher level of care than is available (from the sponsor, family members, live-in caregivers, and/or visiting support workers), the resident is often no longer able to stay in the life lease unit.

Sponsors may work with the resident to help them identify options for a new home in long-term care or another type of accommodation that provides support to seniors. Discuss these options and any other eligibility criteria with the sponsor before purchasing a life lease interest.

### Assessment

When assessing a resident's ability to live independently, sponsors consider the person's individual needs and circumstances.

Sponsors look at whether residents:

- can do basic tasks on their own (for example, cooking, eating, dressing, bathing)
- have access to supports that enable them to live independently (for example, regular visits by family members or support workers who help with basic tasks, ability to hire a live-in caregiver, etc.)
- pose a potential danger to themselves or to others in the building (for example, forgetting that the oven is on, leaving a tap running)

The sponsor will discuss concerns directly with the resident. The sponsor may also request a meeting with the resident's family and/or a formal assessment by a doctor, occupational therapist or social worker.



## Ending the lease

Life lease agreements usually give the sponsor the ability to end the resident's lease with only 30 days notice if the sponsor determines that the resident is no longer able to live independently. In practice, this is rarely used.

Under the Ontario Human Rights Code, life lease sponsors have a duty to accommodate

any physical and mental disabilities up to the point of undue hardship. Some sponsors may:

- help the resident connect with external support workers or community support service agencies
- provide services such as meal delivery, phone reminders to take medications, and assistance with bathing (additional fees may apply)

**Example:** Farval is a 73-year-old woman who has lived in Henlin Gardens Housing, a life lease project, for the past 15 years. Two years ago, her health started to fail.

Henlin Gardens Housing staff provided her with a phone call each morning to remind her to take her medication. Henlin Gardens Housing did not have a meal program, so Farval's family began to bring her meals. A home care worker came three times a week to assist Farval with bathing and personal care.

One month ago, Farval accidentally left the stove on and a roll of paper towels caught fire. A community support service agency worked with Farval and her family to find her a room in a nearby long-term care (LTC) home. The LTC home estimated that the wait would be two months. The family has hired a live-in caregiver and the sponsor has agreed to let her stay until a room becomes available at the LTC home.

When residents come to the point where they need more care than they can access in their current home, sponsors may work with them (and their families, where appropriate) to help them identify more suitable accommodations.

## Living arrangements

### Age

Your spouse's age should not affect your ability to buy the life lease if you are both planning to live there. In most life lease projects, either you or your spouse must meet the age criteria.

### Children

Sponsors generally do not permit life lease holders to invite their children or grandchildren

to live with them. Sponsors may make exceptions to this rule.

### Care-givers

Most life lease projects allow caregivers to move into a resident's home. The caregiver may be a:

- family member over the age of 18
- professional support worker

The sponsor's approval is needed for this.



## Other factors to consider

As an informed consumer, consider the following factors before deciding to buy a life lease:

### Income and assets

Buying a life lease requires a large upfront payment. When considering whether this payment is affordable, the potential buyer should also consider whether the additional ongoing costs are also affordable. These costs include the monthly fees charged by the sponsor.

Property taxes and utility bills may also need to be paid separately, as well as any costs for care and meal services.

### Lifestyle

All life lease projects have their own community environment. Before buying a life lease, a person should consider whether the existing community at a life lease project is a good match with their interests and lifestyle.

A person may buy a life lease in a project even if they are not a member of the ethnic, cultural, linguistic or religious community it serves.

## Rules

All sponsors have rules that govern residents' behaviour. For example, sponsors may place restrictions on smoking or limits to the number, type or size of pets that residents may have.

### Subletting

Most life lease sponsors do not allow residents to sublet their units. This is another aspect to consider when deciding whether to purchase a life lease interest.

In instances where sponsors do allow subletting, they usually require that the person subletting the unit:

- meets the eligibility criteria established by the sponsor
- can live independently
- is aware of and agrees to follow the terms and conditions of the life lease agreement

To make sure that everyone is bound by the same terms, the sponsor may ask the life lease holder and the person subletting to sign a new agreement or an amending agreement.

# General rules and procedures

Each life lease housing project is different. For example, living in a life lease townhouse is different from living in a life lease apartment.

The marketing materials received from the sponsor usually give a good sense of what life would be like in a specific life lease community.

All life lease projects provide residents with a “rules and regulations” document that addresses the way residents are to treat the property.

## Smoking

Many life lease projects place limitations on smoking. This is more common in apartment-style buildings than in townhouse-style developments.

## Pets

Most life lease projects permit residents to keep pets, but they often impose certain restrictions.



The resident may need permission from staff before moving a pet into their home. The life lease project may also have rules about the size, type and number of pets.

Service animals are exempt from these types of restrictions under the Ontario Human Rights Code and the *Accessibility for Ontarians with Disabilities Act, 2005*. This means that if a resident has a visual impairment, the sponsor must accept their seeing-eye dog even if it is larger than what the rules normally allow.

## Renovations

If you are planning to renovate, it is a good idea to start by checking the rules.

Most sponsors will require you to submit a request outlining your renovation plans. They will check that proposed renovations will not negatively impact the property's structure, electrical wiring or plumbing. You must wait until you receive written permission to start renovations.

Some sponsors may have a list of pre-approved contractors to choose from.

## Finances

Some sponsors provide regular updates about the finances of the project, others do not. Most will share this information with lease holders who request it.

Sponsors may share financial information with residents by:



- presenting the information at a meeting to which all residents are invited
- providing documents to the residents' committee
- delivering documents to each life lease holder's mailbox

## Operations

### Board of directors

Often, a life lease board is responsible for the life lease project and other services the

non-profit organization offers. In some cases, residents may serve on the board of directors.

### Residents' committee

Life lease projects have some form of residents' committee or advisory council. This group may organize activities or raise issues with staff or the board on behalf of residents.

Residents' committees play an advisory role, while the final decision rests with the board of directors.

## Monthly fees

Life lease residents pay a fee each month for the provision of certain services. Sponsors may refer to these fees by names such as:

- maintenance fee
- common fee
- occupancy fee
- occupant charge
- monthly operating expense

These will vary from project to project. It is a good idea to ask a sponsor for a written statement of what the monthly fees cover and do not cover.

### What is usually covered

- reserve fund contributions (to repair or replace common elements)
- regular reserve fund studies
- property management (for example, garbage disposal, lawn mowing and snow shoveling)

- cleaning and maintenance of common areas and common elements (for example, hallways, parking lots, offices, street lights, pool or worship space, etc.)
- insurance on the life lease project's common elements
- services such as recreational activities, chaplain services and health and wellness programs

### What is usually not covered

- property taxes
- personal contents insurance
- cable television and internet
- utilities used in your suite or townhouse (for example, heat, electricity, water and air conditioning)
- services such as housekeeping, personal support and bus trips to local shopping centres
- repairs, renovations, or replacements of specific elements of your home

(for example, fixing appliances, paint, installing a grab bar, or replacing the refrigerator)

## Calculating monthly fees

The monthly fee is typically based on an annual operating budget that establishes the break-even cost of operating the project.

The amount of the monthly fee is determined by three main factors:

- size of the home: a life lease sponsor will often calculate the cost of each resident's monthly fee by charging a certain amount per square foot
- expenses related to the common areas: the costs associated with the common areas are normally distributed among all units
- number of support services and operating expenses included: the monthly fee will be higher or lower depending on whether:
  - services are included or optional (for example, daily meals and housekeeping services)
  - expenses are included or billed separately (for example, utilities and property taxes)

**Example:** Inga is interested in purchasing a life lease and is advised that in addition to the purchase price, there is a monthly fee calculated at 50 cents per square foot.

Inga's monthly fee for an 800 square-foot unit would therefore be \$400 per month.

## Fee increases

Unlike rental housing, there is no law in Ontario that limits how much a life lease project can charge for monthly fees.

Most life lease sponsors are non-profit organizations whose goal is to maintain a stable, happy, and healthy community, and raising fees dramatically would work against this goal.

Like rental housing or condominium housing, monthly fees in life lease projects are usually raised by a small amount each year to pass along the increased costs of operation.

The sponsor usually gives residents advance notice of an increase in the monthly fee.

On rare occasions, the monthly fee is raised by a more substantial amount to cover significant increases in costs of operation or to cover new or unexpected costs, such as major repair work.

## Cost of support services and activities

Some life lease projects provide many support services and recreational activities, others provide only a few and some provide no support services. Some of these services and activities are included in the monthly fee and others the resident pays for if they choose to use them.

Some programs are a blend of these two types. For example, a life lease project may include a

certain number of meals in the monthly fee but give the resident the option of buying additional meals if they wish.

The sponsor will usually provide a brochure that lists the kinds of programs and services a resident can expect if they move in.

**Example: Michel's monthly fee of \$675 includes daily breakfast and he usually cooks the rest of his meals. When necessary, Michel has the option of buying lunch and dinner from the life lease dining room at \$15 per meal, paid monthly.**

## Reserve fund

Like the reserve fund of a condominium corporation, the reserve fund of a life lease corporation is an account set aside by the life lease sponsor for future capital repairs and replacements to the building.

Most common elements of a building can be expected to wear out and require replacement over time. To ensure they have the money to pay for these capital projects, most organizations put money into a reserve fund each month.

The sponsor works to keep the reserve fund at a level that can cover expected replacements,

with some additional money to cover unexpected repairs.

## Reserve fund study

To determine how much money needs to be put aside each year, many organizations hire a professional to carry out a reserve fund study.

Reserve fund studies are usually prepared after three to five years of occupancy and then updated every three to five years.

While condominiums are required by law to conduct regular reserve fund studies, life lease sponsors are not required to conduct reserve fund studies—though many sponsors do conduct such studies.



# Buy a unit

## Unit that is already built

If you are considering buying a life lease unit that has already been built, you may want to consult your lawyer or real estate agent to help you obtain and understand the following information.

## Sale and resale process

Make sure you understand what model the project adopts. For example, market value price index or declining balance models.

If you are purchasing a life lease interest in the project, make sure you understand any applicable land transfer tax payment requirements.

You should also be clear on the resale process. For example, find out:

- the percentage of the resale price retained by the sponsor as a transfer fee (also called an administrative fee)
- if the sponsor retains any other fees from the resale price, such as refurbishing charges

## Monthly expenses

Make sure to confirm:

- cost of monthly maintenance fees
- how changes to monthly fees are determined
- if there is a limit to annual increases

Request a breakdown of what the monthly fees cover, how the fees are calculated and if there

are other bills to be paid in addition to your monthly fees.

## Reserve fund

Confirm how much money is currently held in the reserve fund and find out:

- whether a professional outside of your organization was hired to conduct a regular reserve fund study
- when the last study was conducted, what it found and request a copy
- whether the last reserve fund study identified needed repairs
- if the current reserve fund is adequate to cover needed repairs
- any restrictions on the use of the reserve fund

## Financial information

Request a copy of the life lease project budget for the current year and, if available, the next year. Confirm that residents can obtain a copy of the budget each year.

Request the last annual audited financial statements and the auditor's report on the statements and information about any borrowings of the life lease corporation or sponsor.

Find out the policy on the use of surplus funds and if there are opportunities for residents to provide input prior to decisions on major expenditures, such as:

- capital repairs

- replacements
- remodeling
- expansions

## Liabilities

Find out whether the corporation (life lease project or sponsor) is involved in any legal actions.

Request information on any anticipated substantial changes in the corporation's assets or liabilities.

## Insurance

Request a document confirming the insurance on the property and confirm details about the insurance coverage for the life lease project, such as:

- what is covered and what is not covered by the sponsor
- whether residents need to carry insurance for the contents of their unit (for example, furniture, personal possessions)
- whether residents need to cover any accidental damages that residents may cause
- any other types of insurance that residents need to carry
- if residents will be notified of any changes in the insurance coverage for the building

## Repairs

Confirm which building features the life lease sponsor is responsible for:

- maintaining

- repairing
- replacing

Confirm which building features residents are responsible for, if any.

## Rules and regulations

Request a copy of any by-laws or rules, find out how the rules and regulations are developed and learn what input residents have into setting them.

Determine whether a residents' committee or advisory council is in place, and if residents sit on the board of directors.

Find out what level of input residents have in the operations of the life lease project.

Ask for information on the process in place for resolving disputes between residents or between residents and the life lease project's managers.

## Services and programs

Request information on the kinds of services provided at the life lease project. Find out what is mandatory and what is optional.

Ask about the kinds of recreational activities provided.

## Getting a mortgage

Loans may be available, but they may be different from a mortgage because the life lease holder does not own the property.

In some cases, lenders may require that the life lease interest be registered on the title of the life lease property.



To find out about lenders in your community that are willing to make loans to life lease purchasers, get in touch with:

- your current banking institution
- the life lease sponsor
- other life lease owners

## Home inspections

Many home buyers will hire a home inspector to examine the property and identify any physical problems that may require repairs. A realtor may be able to recommend a home inspector.

## Unit that is not yet built

If you are considering buying a life lease unit that is still in development, you may want to consult your lawyer or real estate agent to help you obtain and understand the following information.

### Unit description

Request floor plans and a description of the unit. Ask about:

- square footage
- parking spots
- storage lockers
- security system
- any other features

### Construction schedule

Find out the number of other life lease interests in the building that have been sold and the percentages of life lease interests that remain to be sold before construction can begin.

Ask about the date the sponsor intends to begin construction and whether a full refund of the reservation deposit is available if construction does not start by that date.

Make sure to confirm:

- the expected completion date for the project
- the maximum period that a sponsor can postpone the completion date
- if a full refund of the reservation deposit is available if the project is delayed past the latest-allowed postponed completion date

Ask about the sponsor's cancellation policy, the penalty for withdrawing and the conditions for accessing the refund.

## Insurance

Confirm:

- the type of insurance the sponsor carries
- if the sponsor carries a minimum in-general liability insurance
- if the builder has all-risk insurance

## Deposits

Confirm the amount and timing of initial deposits. Life lease project sponsors usually request two deposits from purchasers while the project is in development:

- an initial deposit prior to construction
- a deposit when the project is ready to begin

Using deposits to fund construction exposes purchasers to the risk of losing their money



if the project does not get completed or the developer goes bankrupt.

Before making a large deposit on a life lease:

- request information on the conditions for the sponsor to use the deposit
- ask the sponsor to detail how the deposit will be protected

### End a contract before construction is complete

Some sponsors may have a voluntary cancellation policy that allows the holder to end the contract before moving in.

Some sponsors do not have this kind of policy in place. In these cases, the holder must wait until the project is built and then sell the life lease.

### Cooling-off period

Some life lease sponsors offer purchasers a "cooling-off period" after the buyer signs the purchase agreement.

During this time-limited period, the buyer may change their mind and get back the full deposit.

If there is no cooling-off period, it is a good idea to avoid signing a life lease agreement on the spot.

As with any major purchase, read the agreement closely and consult with family members as appropriate. Consider getting advice from a lawyer who understands life lease housing before making a financial commitment.

# Life leases and the law

Unlike rental housing (governed by the [Residential Tenancies Act, 2006](#)) and condominiums (governed by the [Condominium Act, 1998](#)), there is no legislation in Ontario that specifically regulates life lease housing.

The terms and conditions of occupancy are governed by contract law, and any provisions set out in individual life-lease agreements would apply in the event of a dispute before the courts.

## Applicable regulations

Many existing pieces of legislation apply to life lease housing in the same way they apply to other forms of housing, including:

- [Fire Code](#)
- [Building Code](#)
- [Planning Act, 1990](#)
- [Ontario Human Rights Code](#)

Two Ontario laws specifically mention life lease housing:

- [the Assessment Act, 1990](#) clarifies that life lease housing is considered residential for tax purposes (as opposed to a business, for example), as are houses and condominiums
- [the Land Transfer Tax Act, 1990](#) says that life lease buyers do not have to pay land transfer tax if the:
  - buyer plans to live in the residence
  - project is built and operated by a non-profit organization
- [the Retirement Homes Act, 2010](#) may apply to some life lease sponsors who

provide services such as preparing meals and assisting residents with feeding, bathing and personal hygiene

## Life lease agreement

The main legal document for this type of housing is the life lease agreement that the buyer and project sponsor sign. The agreement does not give the buyer property. Instead, it gives the buyer the right to occupy the unit until they sell the life lease or pass away.

The life lease agreement is referred to by many names, such as:

- right to occupy agreement
- life lease occupancy agreement
- life equity agreement
- life lease contract

## Binding contract

This agreement is a binding contract that can be enforced in a court of law, if necessary. Be sure to read it carefully before buying a life lease interest. It is a good idea to seek legal advice — you will want a lawyer that has experience with life lease agreements.

## Termination of a life lease agreement

The agreement spells out the terms under which a life lease may be ended early.

For example, the lease may be ended early if the lease holder:

- does not pay monthly maintenance fees



- does not follow the project's rules and regulations (for example continually makes excessive noise late in the evening)
- is unable to live independently without presenting a health or safety risk to self or neighbours

Life lease agreements usually give the sponsor the ability to end the resident's lease with only 30 days notice, if the sponsor determines that the resident is no longer able to live independently.

### Dispute a termination

There is no formal process to dispute the termination of a lease, unless one is outlined in the agreement. A life lease holder may negotiate with the sponsor or lodge a complaint with the board of directors.

Depending on the circumstances, the holder may also decide to take their case to a lawyer or file a complaint with the [Human Rights Tribunal of Ontario](#).

### Dispute resolution

In life lease housing, disputes may arise between the sponsor and a resident regarding rules or services. Some sponsors have a resident's committee or dispute resolution policy in place, while others do not.

The board of directors is not involved in the day-to-day operations of a life lease project. However, residents may raise an issue with the board if they are not happy with the way their concerns are being addressed by the management staff. The board's decision is final.

If the resident is still not satisfied with the process or the resolution, they may be able to seek outside assistance. Depending on the nature of their complaint, they may choose to contact a lawyer, a senior's advocacy group or the Human Rights Tribunal of Ontario.

### Consult with a lawyer

Some life lease sponsors require buyers to show that they have consulted a lawyer of their own choosing before they sign a life lease agreement.

Others will recommend that purchasers get legal advice but will not require it. In these cases, you may make a personal decision based on your research into the sponsor's track record and your level of familiarity with the specific life lease project.

When seeking independent legal advice, ask the lawyer:

- if they have experience with life lease agreements (choose one who is familiar with life lease housing)
- to review the life lease agreement
- to review any additional information provided by the life lease sponsor

### Lawyer referral service

The Law Society Referral Service can provide the name of a lawyer who practises in the relevant legal area. That lawyer will provide a free consultation of up to 30 minutes.

You can [request a referral online](#) or reach them by telephone at 1-855-947-5255 toll-free (416-947-5255 within the GTA).

# Quick tips and glossary

## Tips

- make sure the life lease sponsor or organization is reputable
- read the terms of the life lease agreement closely and get professional advice
- review the life lease organization's rules and regulations
- if you are buying a pre-construction life lease interest, make sure your deposit is protected
- consider monthly fees and other expenses in your decision to buy a life lease
- make sure you fully understand the processes for resolving disputes at your life lease project
- review the resale process in the event you decide to move from your life lease unit

## Glossary of terms

### Life lease agreement

The contract that gives the life lease holder (the buyer) the right to occupy the life lease unit.

### Life lease holder

The person who buys and owns the right to occupy a life lease unit.

### Life lease interest

The right to occupy a life lease unit, which is what a life lease holder owns rather than the unit property. When you buy real estate, you

own the title to the property. When you buy a life lease, you own an interest in that property. Some lease holders register their interest on the land title, but most do not.

### Life lease unit

The home. It may be a detached house, a row house or a suite in an apartment-style building.

### Project

The collection of all life lease units managed by a sponsor on a parcel of land (houses) or inside an apartment-style building or buildings (suites).

### Resident

An individual living in a life lease unit (whether the individual is the lease holder or not).

### Right to occupy

What the life lease holder owns. When a person buys a life lease interest, they do not buy property. Ownership of the unit remains with the sponsor. The life lease agreement gives the buyer the right to occupy (live in) the unit for a long period of time, usually for their lifetime.

### Sponsor

The organization that develops and/or operates a life lease project and usually has title to (owns) the land on which the project is built. Usually, the sponsor is a non-profit or charitable housing provider, seniors' organization, church or faith group, service club or ethnic association.

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