



Frontenac Communal Services

Leeds and Grenville Affordable Housing Summit

September 29th, 2023

Frontenac

- Why Are We Doing This?
- Two Community Projects Ready with Affordability Potential
- Municipal Service Corporation / Regional Utility
- Next Steps

Communal Services

Why Are We Doing This?

Frontenac – Villages and Hamlets

- No municipal water or sewer services
- Historical settlement areas -- building lots in village cores too small.
- Significant Public Infrastructure Investment
- Majority of Commercial Assessment

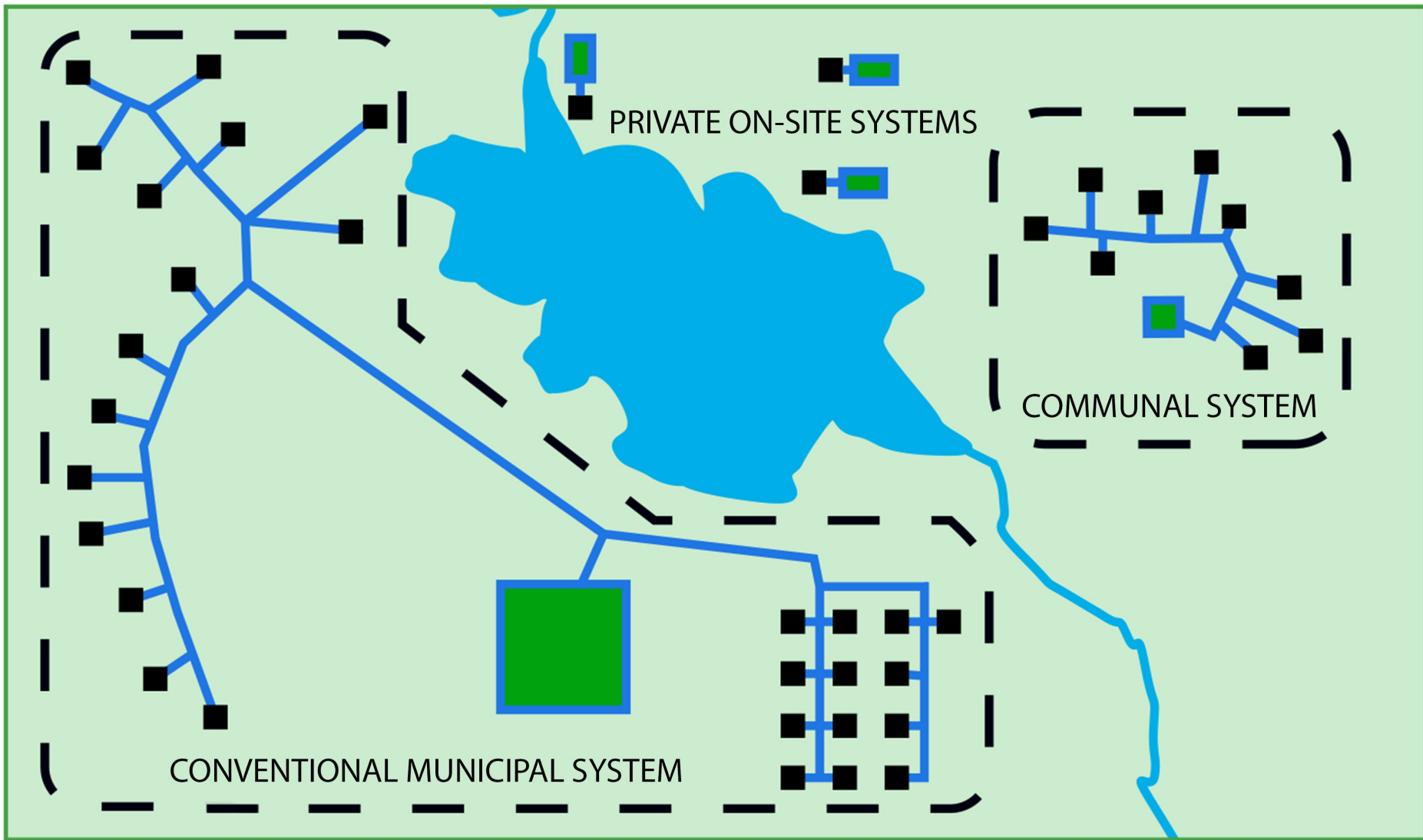
Current State of Communal Services in Ontario

- While communal services are the preferred Provincial planning and environmental option, private implementation requires the developer to enter into a Municipal Responsibility Agreement (MRA) – which essentially doubles the cost of the installation

Frontenac – Villages and Hamlets

- *“Lack of municipal services in our villages challenges future community viability.”*

Source: Frontenac County Official Plan (2016)



Communal Services - 1

Environmental Advantages

- Better environmental protection and public health than private on-site services
 - Fewer malfunctions, longer life
 - Regular maintenance – measure performance, monitor impact, fix problems early

Communal Services - 2

Community Planning Advantages

- Smaller lots = better fit into village/hamlet
- Strengthen local economy and community infrastructure (e.g., schools)
- “walkable communities”

COUNTY OF FRONTENAC

AUGUST 30, 2018

COMMUNAL SERVICES STUDY DRAFT



2611 QUEENSVIEW DRIVE
SUITE 300
OTTAWA, ON K2B 8K2
T: 613.829.2800



Project Description

- Evaluate measures to promote / reduce risk of communal systems
- Regional and Lower Tier Official Plan policies
- planning tools / phasing programs
- settlement areas
- case studies in Ontario – best practices
- **financial model** is the ‘make or break’

Inverary



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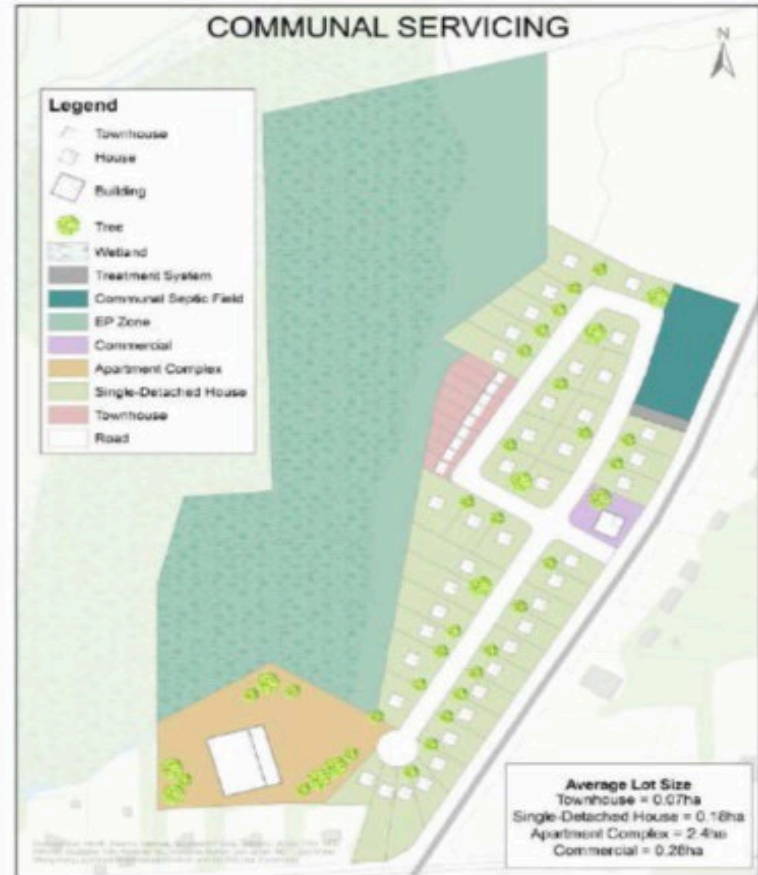
Leeds and Grenville Affordable Housing Summit - September 29th, 2023



Inverary



Development Potential





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Global Installations



Communal Services

2 Projects Ready to Go
with Affordability Potential

REPORT ON BUSINESS

ONTARIO EDITION ■ MONDAY, SEPTEMBER 18, 2023 ■ GLOBEANDMAIL.COM

Ottawa's tax break will spark rental construction: builders

Industry had been lobbying for the GST elimination to reduce development costs



Many developers put construction of rental units on hold or turned them into condominiums as costs of materials and competition for workers rose during the pandemic, making the rental segment unprofitable. STEPHEN MACGILLIVRAY/THE CANADIAN PRESS

BMO winds down retail auto finance unit in bid to cut costs

ANDREW WILLIS

Bank of Montreal is exiting a segment of the auto loan business dominated by two rivals in a move at the country's third largest lender that reflects a drive to cut costs and limit exposure to one consumer debt sector.

On Friday, BMO told dealerships it is winding down its retail auto finance unit, which provides loans to car and truck buyers that are arranged through showrooms by the dealers' sales teams.

In an e-mail on Sunday, BMO spokesperson Jeff Roman said: "By winding down the indirect retail auto finance business, we have the ability to focus our resources on areas where we believe our competitive positioning is strongest."

BMO will continue to offer auto loans to customers in Canada and the U.S. through a range of personal banking options," said Mr. Roman. The bank will also continue to lend directly to dealerships.

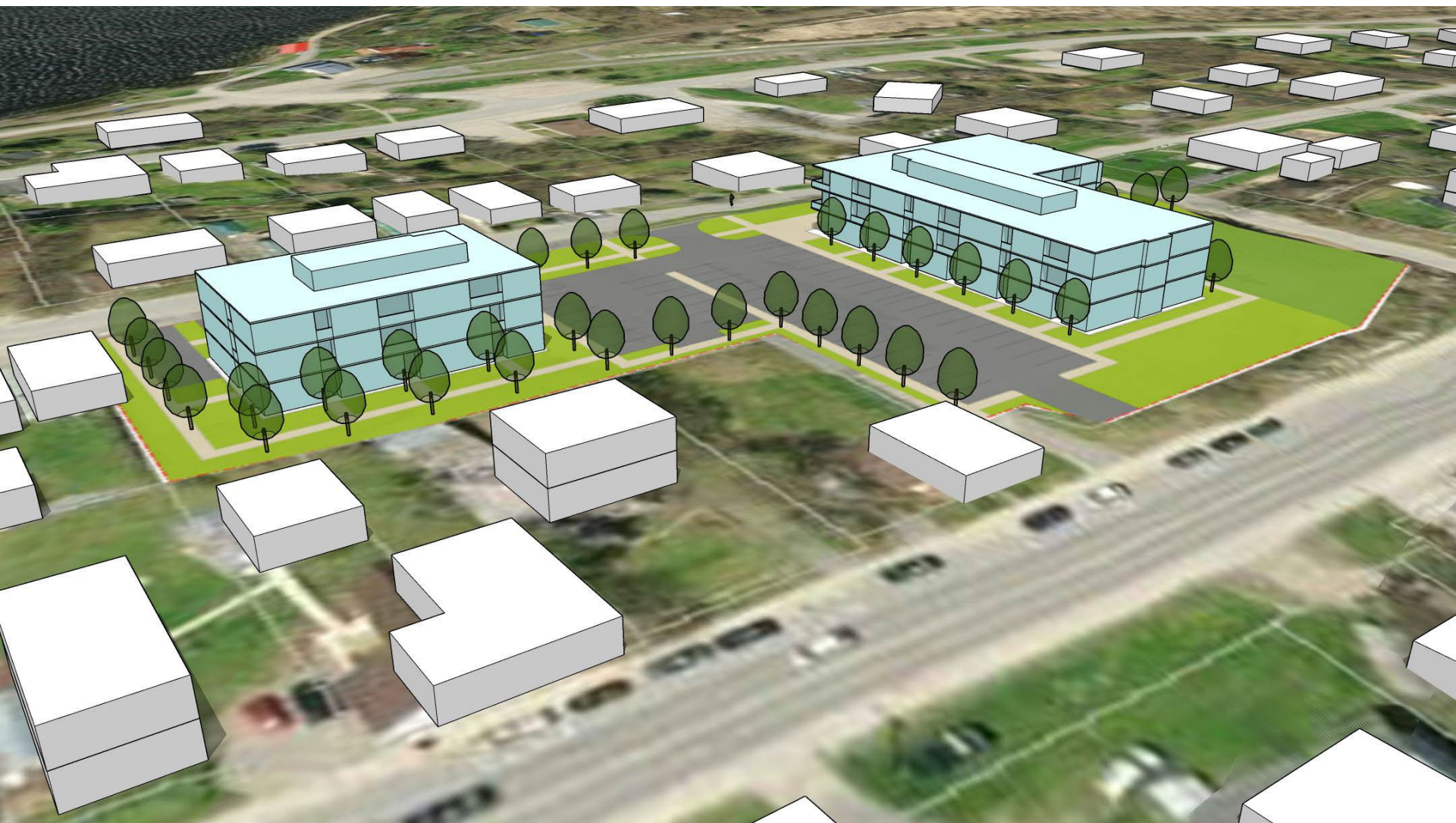
BMO had \$17.4-billion of auto loans outstanding at the end of the most recent quarter, which was 2.7 per cent of its total portfolio. None of the Ca

Sharbot Lake
Communal Services Feasibility Study
2021 - current



Communal Service Feasibility Study (2022)

- mixed housing
- potential for two 3-story apartment buildings
- 40 – 50 units
- surface water (Sharbot Lake) for drinking water and septage
- additional potential to ‘hook up’ other nearby uses (e.g., village community hall)



Modelling: Fotenn Consultants



Public Site Design Session – Sharbot Lake - 18 September 2023

Leeds and Grenville Affordable Housing Summit - September 28th, 2023

Village of Verona Housing Master Plan 2021 – current

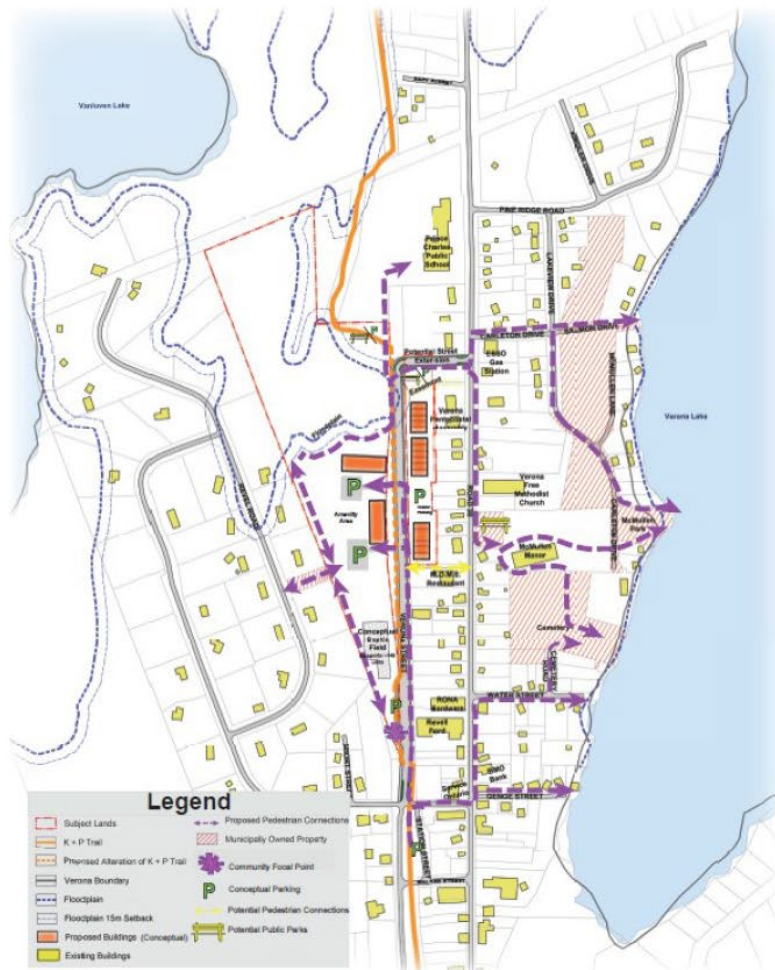


Verona Housing Master Plan Public Information Meeting

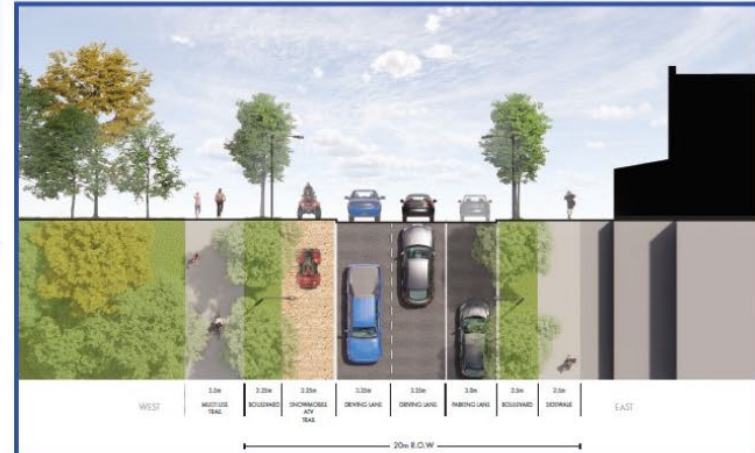
Tuesday November 30, 2021
Township of South Frontenac



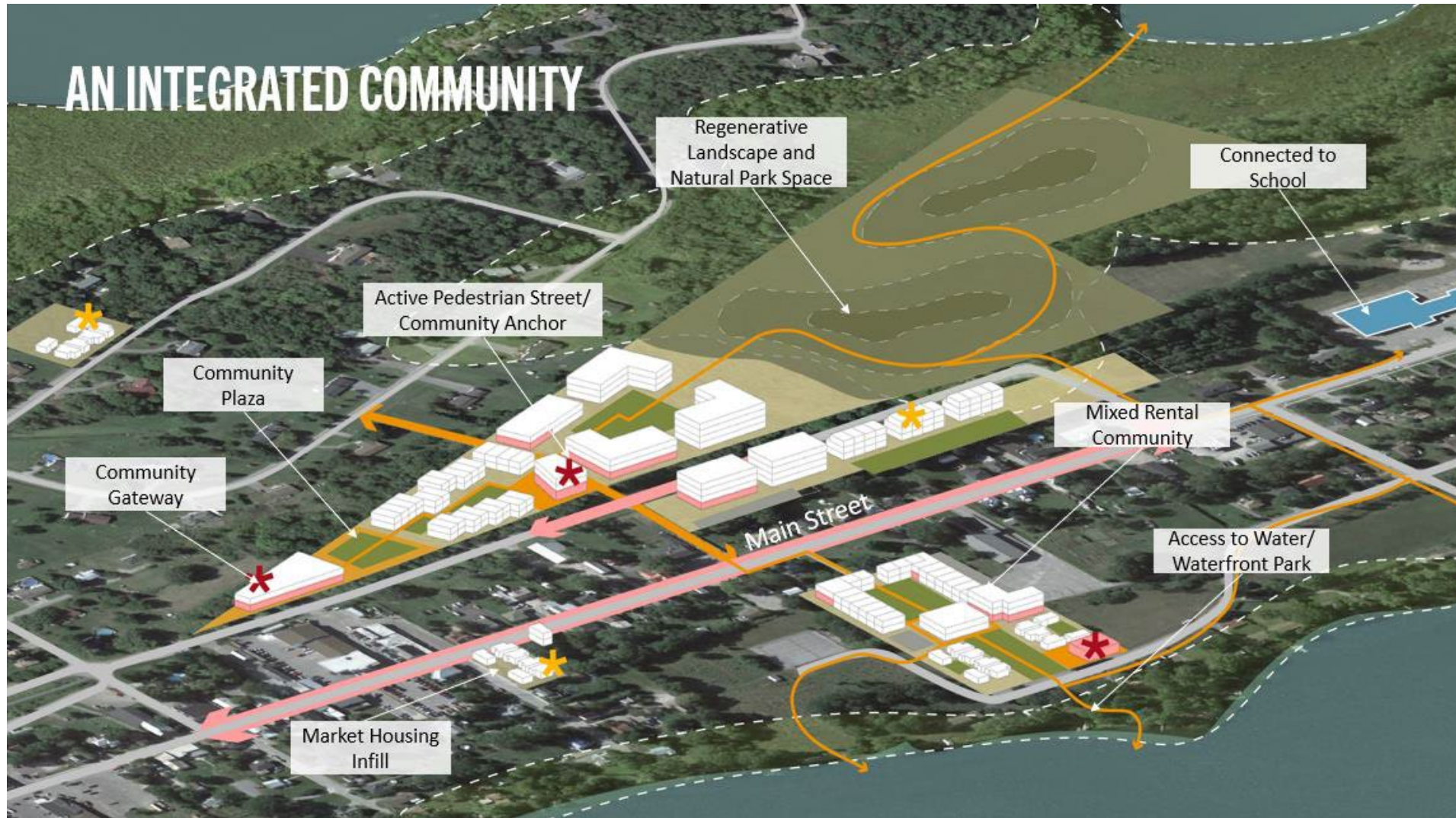
Conceptual Design



- Townhomes
- Multi-storey buildings
- Trails
- Parking
- Amenity Areas
- New connection from Verona Street to Road 38
- Connections to other community destinations

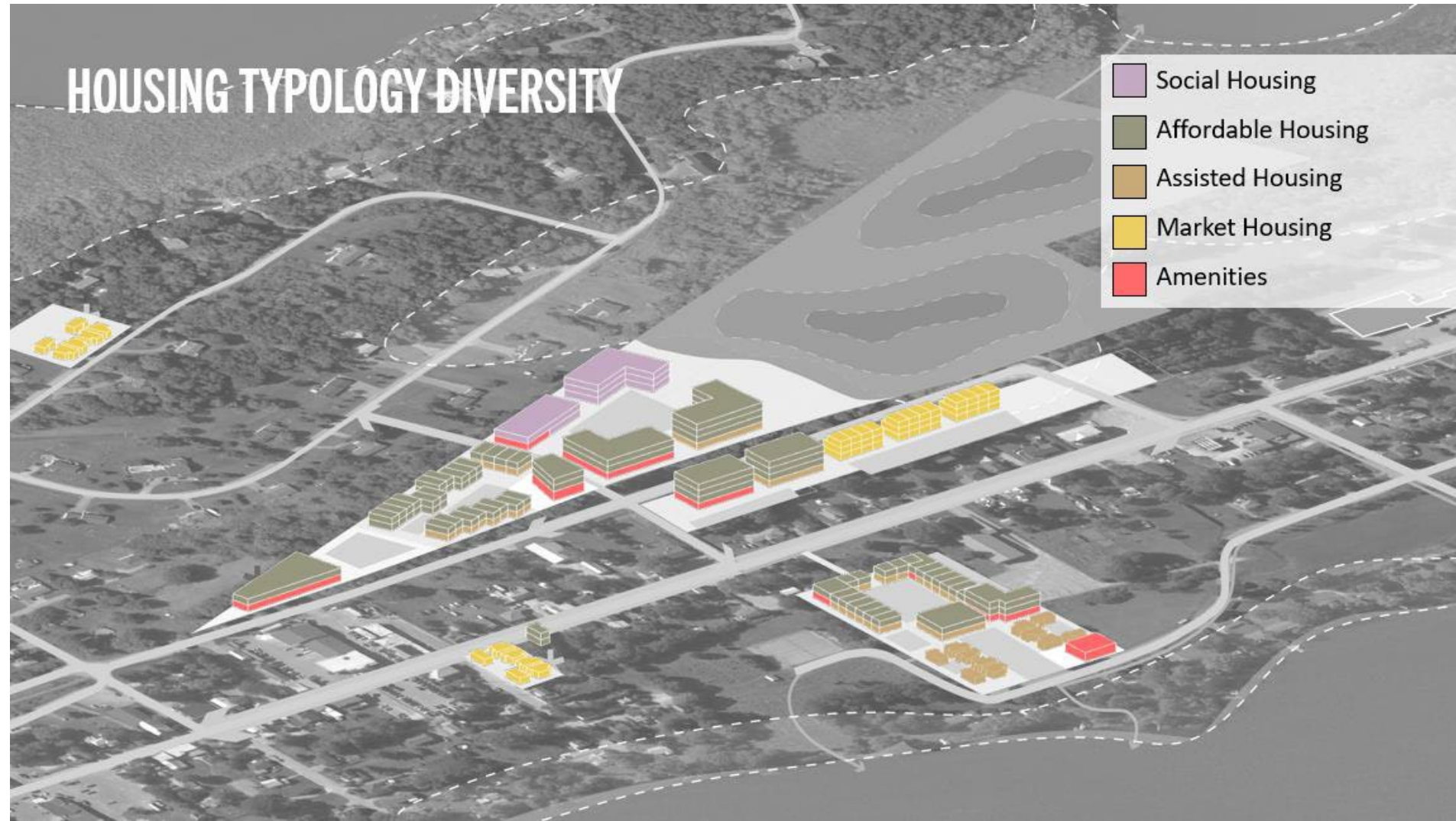


AN INTEGRATED COMMUNITY



HOUSING TYPOLOGY DIVERSITY

-  Social Housing
-  Affordable Housing
-  Assisted Housing
-  Market Housing
-  Amenities



Verona Housing Master Plan

- Purpose: “the development of a Housing Master Plan for lands within the Village of Verona, with a particular focus on the provision of seniors and affordable housing.”
- Potential for two multi-storey apartment buildings (74-116 units) as well as townhouses.
- “In order to realize the full development potential of the Township lands, **communal services will be required.**”

Source: Verona Housing Master Plan

COMMUNAL SERVICING WORKS FOR THE COUNTY

Communal servicing enables:

- Increased development potential, growing the tax base;
- More water-sensitive design and other approaches to meet sustainability objectives;
- A broader range of housing typologies and commercial development to allow for complete communities;
- Reduced municipal service delivery costs to residents (e.g. garbage collection, snow removal); and
- A new approach to managing risk.

COMMUNAL SERVICING WORKS FOR DEVELOPERS

Through communal servicing, developers have more:

- Flexibility to address different market segments;
- Feasible servicing approaches for developments in hard-to-service areas; and
- Guidance and certainty on servicing.

COMMUNAL SERVICING WORKS FOR RESIDENTS

Residents on communal servicing can:

- Be confident in their water and wastewater treatment systems;
- Have a wider choice of housing options, allowing for aging in place; and
- Be confident that water resources are being appropriately stewarded.

Communal Services

Municipal Service Corporation (Regional Utility)



Communal Services Governance Model Study

Summary of Findings

21 April 2021



Governance Model Recommendation

- The **Municipal Services Corporation model** presents benefits that are better aligned with growth and long-term objectives than other assessed models



MSC Structure Description - Structure Benefits

- **Limits Political Influence:** Facilitates the separation of politics from service provision & facilitates technical board
- **Business Oriented:** Business/financial viability-oriented (business case required) & allows flexible risk management
- **Allows Profit:** Only model from the assessed that allows profit and profit sharing if desired
- **Separate Finances:**
 - *Can finance outside municipal budgets and constraints (i.e., may borrow and secure independently)*
 - *Limits cross-subsidization and frees municipal borrow capacity*
- **Consistent Approach:** Allows consistent implementation and approach across townships & operates as a separate entity



MSC Structure Description - Implementation Benefits

- **Ownership:** Services and the corporations remain 100% publicly owned by participating municipalities
- **Transitional Impact:** Opportunity for smooth launch since no existing system in place
- **Corporation Control & Flexibility:** Shareholder Declarations can be used to limit MSC's authority and outline responsibilities & operating philosophy
- **Management:** Management could be in-house, third-party, or municipally contracted

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Why an MSC – Vehicle Insurance Analogy

- If you self insure one car, you need \$5M in the bank in the event of a catastrophic accident
- If you insure a million cars, you don't need 1M x \$5M to ensure for catastrophic accidents
- Same theory holds for communal services. Municipalities currently hold all 100% assurance for each system
 - » This creates an unfair burden for the developer and home owner and deters developers

Advantages

1. Communal services is the only economical way to service land in much of Frontenac County. It is modular (as little as five units at a time) and can be installed in difficult terrain.
2. Environmental Protection – fully regulated and fewer holes in the aquifers.
3. MSC brings consistent professional management to the system, rather than ad hoc management/oversight.
4. Each Township remains in full control of their planning process.
5. The MSC will speed up the approval process for appropriate development (e.g., pre-approved systems).
6. Aligns with the Provincial Housing Task Force recommendation #44 regarding regional utilities. (<https://files.ontario.ca/mmah-housing-affordability-task-force-report-en-2022-02-07-v2.pdf>) .
7. Removes liability from individual Townships and spreads the risk across participating municipalities.
8. MSC can borrow without affecting local taxes or local borrowing capacity.
9. The MSC will be eligible for grants.
10. The direction of MSC will be controlled by the Board of Directors (i.e., the Shareholders).
11. The potential for a Community Benefit/Dividend is possible in 7 years.

Next Steps

- All 4 Townships and the County have agreed to join the new municipal utility.
- Apply for incorporation (in progress).
- Establish municipal utility before end of 2023.
- County Official Plan Amendment to recognize communal services supported across Frontenac (November 2023)

Questions ?

<https://engagefrontenac.ca/communal-services>