

THE REGIONAL MUNICIPALITY OF YORK

Housing York Inc.
November 12, 2008
Report of the
General Manager

VAUGHAN CIVIC CENTRE CAMPUS AFFORDABLE RENTAL HOUSING PROJECT - SELECTION OF PROPERTY NAME AND EXECUTION OF AFFORDABLE HOUSING PROGRAM LEGAL AGREEMENTS

1. RECOMMENDATIONS

It is recommended that:

1. The Board of Directors approve the name “Mapleglen Residences” for the new affordable rental apartments located at the Vaughan Civic Centre Campus in the City of Vaughan.
2. The Corporation be authorized to enter into a sub-lease with The Regional Municipality of York for its premises in the Vaughan Civic Centre Campus housing project, and the Board Chair and Secretary be authorized to sign the sub-lease on the Corporation’s behalf, subject to the prior review of the Corporation’s solicitor.
3. The Corporation provide security which may include and not be limited to an Assignment of Rents Agreement and a General Security Agreement in order to secure \$5,880,000 in Canada-Ontario Affordable Housing Program funding, subject to the prior review of the Corporation’s solicitor.

2. PURPOSE

This report provides information about a new 84 unit affordable housing development in the City of Vaughan and proposes a name for the facility. This project will be developed by York Region, and will become part of the Housing York Inc. portfolio.

In addition, this report seeks approval to execute a sub-lease between the Region and Housing York Inc. and provide security to obtain the Affordable Housing Program funding in the form of Assignment of Rents and General Security Agreements.

3. BACKGROUND

In early 2005, representatives from the City of Vaughan advised regional staff of a development opportunity on a site as part of the planned Vaughan Civic Centre Campus. The City of Vaughan proposed that the Region construct a new facility and the residents from the existing Maple Manor property, owned by The City of Vaughan Non-Profit Housing Corporation, be relocated. The City plans to demolish the existing facility and wind-down their non-profit housing corporation.

The City of Vaughan has contributed a parcel of land at the Civic Centre site under a 99-year Ground Lease, at no cost to the project. Funding for the construction of the project is the responsibility of the Region.

On April 21, 2005, Council approved the necessary applications for funding to be made to the federal and provincial governments to secure capital funding for this project, through the adoption of Clause No. 7 of Report No. 3 of the Community Services and Housing Committee. Council also approved an architectural firm to develop conceptual building drawings.

In March 2007, the federal government announced that this project was approved for up to \$5.95 million of capital funding under the Affordable Housing Program.

On March 28, 2007, the Chair and Secretary of the Corporation executed the Contribution Agreement between the Region and Housing York Inc. to enable the Province to flow funding in that fiscal year. The Contribution Agreement sets out the terms and conditions for the Region to flow funding under the Affordable Housing Program to Housing York Inc. for this project.

The firm of Allen & Sheriff Architects, Inc. was the successful proponent following a request for proposal for architectural and planning services completed by the Region's Supplies and Services Department.

The preliminary design drawings are underway and the site plan application has been submitted to the City of Vaughan.

4. ANALYSIS AND OPTIONS

Proposed project name is "Mapleglen Residences"

A property name is important to the character of the building, resident pride, community belonging and the strengthening of marketing efforts within the community. The name of a property may consider such attributes as the characteristics of the property, location, and historical aspects of the site.

In the case of this new affordable housing development, the location of the property is in the Village of Maple. It is proposed that the property be named “Mapleglen Residences”, a name which distinguishes the facility from the older Maple Manor property, but retains an important community connection.

Sub-lease between The Regional Municipality of York and Housing York Inc.

While ownership of the land will continue to reside with the City of Vaughan, the Region and the City will execute a Ground Lease under which the Region will own the building throughout the 99-year term. The Region will sub-lease the building to Housing York Inc.

A sub-lease is required between Housing York Inc. and the Region to enable Housing York Inc. to operate the new project. The sub-lease shall be for a term of not more than 99 years less a day; it will be net to the Region, in that Housing York Inc. will be responsible for all costs associated with the leased premises. The rents charged by Housing York Inc. to the tenants will cover the operating and financing costs of the project.

Required security

Housing York Inc. must provide security to secure provincial funding. The security documents required are:

1. Assignment of Rents

In the event of default under the Contribution Agreement, the rental income from the project is reassigned from Housing York Inc. to the Region until the Affordable Housing Program funding is repaid under the Regional Guarantee (discussed below).

2. General Security Agreement

This agreement is a lien against the chattels contained in the project such as appliances, furniture, and maintenance equipment.

3. Provincial Contribution Agreement

Housing York Inc. has executed a Contribution Agreement with the Region, under which Housing York Inc. agreed to certain terms and provisions including:

- The requirement to use the Affordable Housing Program funding only for the construction of this project.
- The requirement to maintain affordable rent levels for a minimum term of years with annual rent increases limited to those allowed under provincial regulations.
- Reporting and accountability requirements.

Next steps

Below is a list of development activities required over the next several months in order to complete the building within the prescribed Affordable Housing Program timelines:

- Complete municipal approvals.
- Complete design documents.
- Support Vaughan staff in developing and communicating transition plans for the existing residents of Maple Manor.
- Prepare final working drawings and updated costing.
- Pre-qualify general contractors.
- Issue a Tender for the construction.
- Complete construction and ready building for occupancy in 2010.

5. FINANCIAL IMPLICATIONS

The provision of the security documents will permit the release to the Region of \$5,880,000 in Affordable Housing Program funding from the federal and provincial governments in the form of a fully forgivable loan. The Federal portion of this funding (\$2,234,400) will be received during the capital development and be used to fund the capital costs of the project. The provincial portion of this funding (\$3,645,600) will be provided over 20 years (plus interest) to offset the principal and interest costs for a debenture to be issued by the Region in this amount.

The operating budget will be structured to ensure that the rental revenue will carry the operating costs. Sufficient provincially-funded rent supplement units have been set aside to meet the needs of this project. This project is designed to be financially self sustaining through the annual tenant rents derived from operations.

The Region's approved 2008 Capital Budget and Business Plan includes this project with a total estimated capital cost of \$19.7 million. The Financing Sources identified include \$5.9 million in Affordable Housing Program funding, \$7.3 million in equity contributions from the Social Housing Reserve Fund, and \$6.5 million in debenture proceeds which will be repaid by Housing York Inc. through the tenant rents.

6. LOCAL MUNICIPAL IMPACT

The creation of an additional 84 units of affordable rental housing on this site located in the City of Vaughan will assist in alleviating some pressure for affordable rental housing in York Region.

7. CONCLUSION

The selection of a project name for the proposed affordable rental apartments in the City of Vaughan is another important step in the development of this affordable housing initiative. The housing initiative provides an excellent opportunity for the City of Vaughan and the Region to work together to address some of the goals identified in the Housing Supply Strategy. These include working with local municipalities, utilizing government-owned land, and integrating affordable housing with enhanced sustainable features in existing communities.

For more information on this report, please contact Sylvia Patterson, Assistant General Manager at Ext. 2091.

The Senior Management Group has reviewed this report.

Recommended by:

Approved for Submission:

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General Manager

October 30, 2008

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