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## **VAUGHAN CIVIC CENTRE CAMPUS HOUSING PROJECT DEVELOPMENT UPDATE**

**The Community Services and Housing Committee recommends that:**

- 1. The presentation from Sylvia Patterson, Director of Housing Services be received;**
- 2. The recommendations contained in the following report, November 21, 2007, from the Commissioner of Community and Health Services be adopted.**

### **1. RECOMMENDATIONS**

It is recommended that:

1. The Region enter into a 99 year ground lease with the City of Vaughan and ancillary agreements and documents to accommodate 84 apartments on a City owned site within the Vaughan Civic Centre Campus at Major Mackenzie Drive and Keele Street in the City of Vaughan, subject to the prior review of Legal Services.
2. The Regional Chair and Regional Clerk be authorized to execute the ground lease and ancillary agreements and documents on behalf of the Region.
3. The Region work toward the Principles of Leadership in Energy and Environmental Design (LEED) Silver Certification for this project.
4. The Region explore opportunities to incorporate a three-stream waste collection system for this new housing development in consultation with the City of Vaughan.
5. This report be circulated by the Regional Clerk to the City of Vaughan.

### **2. PURPOSE**

This report provides a status update of the Vaughan Civic Centre housing project and obtain authority for a ground lease between York Region and the City of Vaughan for the housing site.

### **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 Non-Profit Housing Corporation has a 31 unit seniors building (Maple Manor) which is immediately adjacent to the existing Civic Centre and as part of the overall campus plan the City wishes to relocate this facility.

The City of Vaughan has proposed that the Region construct a new facility, which Housing York Inc. would operate. Tenants of Maple Manor will be given first right of refusal to relocate to the new facility. The City will then demolish the existing Maple Manor building.

The City has contributed the two acre parcel of land under a 99 year Ground Lease, at no cost to the project. Funding for the construction of the project is to be the responsibility of the Region.

In April 2005, Regional Council approved a pre-development study to explore options for developing up to 90 affordable rental apartments on the Vaughan Civic Centre Campus in response to a request from the City of Vaughan.

In March 2007, the Province approved funding in the amount of \$5.95 million for up to 85 units for this project under the Affordable Housing Program.

In June 2007, a Memorandum of Understanding outlining the roles and responsibilities between the Region and the City was executed.

In July 2007, the architectural firm of Allen Sherriff Inc. was engaged by the Region to design the project.

The Region continues to work with staff from the City of Vaughan to ensure development of the proposed low rise building is in keeping with the development and construction schedule of the overall campus plan.

### **4. ANALYSIS AND OPTIONS**

#### **The Housing Development will be a Sustainable Building**

##### **4.1 The design will incorporate enhanced accessibility features**

Given the architectural plan for the overall Vaughan Civic Centre Campus development and the available site (up to 2.5 acres), the Region has developed a project building design concept for a four storey apartment building of approximately 80,000 square feet (*see Attachment 1*). The building will accommodate 84 apartments including 65 one

bedroom, 14 two bedroom apartments and five apartments designed with enhanced accessibility features for persons with physical disabilities.

#### **4.2 The building will be LEED Silver Certified**

This new housing development supports the principles of the Region's Sustainability Strategy. The building design will incorporate a comprehensive list of guidelines to improve the environmental and energy performance detailed in the Canada Green Building Council LEED Building Rating System. The building is being designed to achieve LEED Silver certification.

In addition, the design team is working with regional staff from the Housing Services Branch and the Property Services Branch to incorporate building features to minimize operating expenses to Housing York Inc., as Building Manager. (i.e. the building automation system offers off-site control of heating, cooling and alarm systems).

#### **4.3 The building will incorporate a three-stream waste management system**

In support of the Region's Sustainability Strategy, a three-stream waste management system is proposed in this building's design program. The waste management system in this building will separate the recyclables, organics, waste and garbage residue.

The Region will consult with the City of Vaughan to explore opportunities to incorporate a three-stream waste collection system for this new housing development.

In addition, a Tenant Awareness Program will be introduced for this building to promote participation in this initiative.

#### **4.4 Maple Manor residents will be informed of timing/progress of the new development**

Tenants of Maple Manor will be invited to an information meeting in early 2008 to learn about the new housing proposal. Regional staff will be in attendance to discuss the progress of this development, general timelines and next steps.

#### **4.5 Moving forward with legal agreements with the City of Vaughan**

As stipulated in the Memorandum of Understanding, a ground lease will be executed between the City, as landlord, and the Region, as tenant. The ground lease will stipulate that any buildings constructed on the project lands will be owned by the Region during the term of the lease. At the end of the ground lease (99 years), the legal ownership of both the land and the building will be held by the City.

In addition, an exclusive use lease is required between the Region, as landlord, and HYI, as building manager for the project.

#### **4.6 Preliminary project capital cost has been identified**

The proposed 2008 Capital Business Plan and Budget includes a budget estimate of \$19.7 million for this project. Total project costs include construction costs, architectural services, fees and permits, external site servicing and other related costs.

As this project moves through the development process, the construction cost estimates will be updated to reflect more current market conditions and will be presented to Regional Council in subsequent reports.

#### **4.7 Funding sources have been identified**

On March 29, 2007, the Province announced that this project had been approved for up to \$5.95 million of funding under the Canada-Ontario Affordable Housing Program. About \$2.26 million would be provided during project construction and the remaining \$3.69 million (plus interest) received over 20 years. The Region will be required to issue debt for the \$3.69 million in funding not received during construction, which would be repaid from the funds received over the subsequent 20 year period.

The Region's portion of the project costs will be financed through debentures issued by the Region and funding provided from the Social Housing Reserve Fund (as outlined in Table 1 in Section 5 – Financial Implications). It is expected that tenant rents will cover the Region's debenture repayment costs.

In addition, the City of Vaughan has contributed the two acre parcel of land at no cost to the Region, under a 99 year ground lease.

#### **4.8 Schedule to meet Affordable Housing Program timelines**

The proposed development schedule for this project is as follows:

- Completion of design development (4<sup>th</sup> Quarter 2007).
- Maple Manor Tenant Meeting (1<sup>st</sup> Quarter 2008).
- Completion of drawings and specifications/municipal approval process (2<sup>nd</sup> Quarter 2008).
- Council review final project design, estimates of capital and operating budget (2<sup>nd</sup> Quarter 2008).
- Building Permit Application (2<sup>nd</sup> Quarter 2008).
- Tender construction (3rd Quarter 2008).
- Start construction (4<sup>th</sup> Quarter 2008).
- Completion of construction (4<sup>th</sup> Quarter 2009).

#### **4.9 Next Steps**

With Council's approval, the development process will move forward as follows:

- Continue to work with the architect to complete the project design.
- Consult with the City on co-ordination issues and execute the ground lease.
- Prepare project capital cost estimates and draft operating budgets.

- Co-ordinate with City staff for the Maple Manor resident information meeting.
- Report progress to Council and the Housing York Inc. Board on the above matters.

## 5. FINANCIAL IMPLICATIONS

The proposed 2008 Capital Budget and Business Plan includes the following cost and funding estimates for this project:

**Table 1**  
Estimated Total Project Costs and Funding Sources  
(\$ million)

| <b>Project Costs and Funding Sources</b>                               | <b>Total</b> |
|------------------------------------------------------------------------|--------------|
| Estimated Project Capital Cost                                         | 19.7         |
|                                                                        |              |
| <b><u>Sources of Financing and Equity</u></b>                          |              |
| Equity contribution from Social Housing Reserve                        | 7.3          |
| Contribution from Federal Government<br>(Affordable Housing Program)   | 2.3          |
| Debenture Repaid by Provincial Funding<br>(Affordable Housing Program) | 3.7          |
| Debenture funded by tenants                                            | 6.4          |
| <b>Total</b>                                                           | <b>19.7</b>  |

## 6. LOCAL MUNICIPAL IMPACT

The creation of the proposed 84 affordable rental housing units in the City of Vaughan will assist in alleviating some of the pressures for housing in York Region. The inclusion of this affordable rental apartment building will enhance the overall plan for the new Vaughan Civic Centre Campus.

## 7. CONCLUSION

This affordable rental housing development provides an excellent opportunity for the City and the Region to address some of the goals identified in the Housing Supply Strategy. These include the development of partnerships, the use of government-owned land and the integration of affordable housing in existing communities. In addition, this new housing development supports the Region's Sustainability Strategy by integrating building materials and methods to promote sustainable natural environment, economic vitality and healthy communities through the design, construction and operation of the built environment.

For more information on this report contact Sylvia Patterson, Director, Housing Services Branch in the Community and Health Services Department.

The Senior Management Group has reviewed this report.

*(The attachment to this report was circulated with the December 5, 2007 Agenda package.)*