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MAPLEGLEN RESIDENCES AFFORDABLE HOUSING PROJECT

The Community and Health Services Committee recommends the adoption of the recommendation contained in the following report dated February 18, 2011, from the Commissioner of Community and Health Services and the Commissioner of Finance.

1. RECOMMENDATION

It is recommended that:

1. The Region, on behalf of Housing York Inc., issue long term financing for Mapleglen Residences located at 2185 Major Mackenzie Drive in the City of Vaughan. The Region and Housing York Inc. must enter into two long term loan agreements for up to $9.72 million, subject to the following terms:
   i. interest bearing at rates equivalent to those that would be incurred for long term debt financing by the Region
   ii. up to $6.073 million of the total repayable by Housing York Inc. over a term not to exceed 30 years, through project operating income
   iii. $3.646 million of the total repayable over a term not to exceed 20 years through funding from the Ministry of Municipal Affairs and Housing

2. PURPOSE

The purpose of this report is to request approval for the Region to issue long term debt financing on behalf of Housing York Inc. (Housing York) for Mapleglen Residences in the City of Vaughan. The report will also provide information regarding the targeting plan for Mapleglen Residences.

3. BACKGROUND

Mapleglen Residences is currently under construction with occupancy expected in June 2011

Mapleglen Residences is a four storey, 82,400 square foot building designed to achieve a Leadership in Energy and Environmental Design (LEED) Silver Certification. The building will accommodate 84 units in total with 69 one-bedroom apartments and 15 two-bedroom apartments. Construction of the building commenced in January 2010. The City owned site, under lease to the Region, is located at the southeast corner of Major Mackenzie Drive and Keele Street in the City of Vaughan. Once completed, the building will become part of Housing York's portfolio. Occupancy is expected in June 2011. The attached map illustrates the location of Mapleglen Residences (*See Attachment 1*).

4. ANALYSIS AND OPTIONS

Agreements required for long term project financing for Mapleglen Residences

Two long term loan agreements between the Region and Housing York are required to provide up to $9.72 million of long term debt financing. The agreements will be repaid through the provincial portion of the Canada-Ontario Affordable Housing Program (AHP) Wave 1 funding and through project operating income. These agreements are subject to the following terms:

- interest bearing at rates equivalent to those that would be incurred for long term debt financing by the Region
- up to $6. 073 million of the total repayable over a term not to exceed 30 years
- Provincial funding responsible for $3.646 million of the total repayable over a term not to exceed 20 years

Rent- geared-to-income (RGI) units will be available in Mapleglen Residences

It is proposed that 50 units, or approximately sixty percent, of the apartments at Mapleglen Residences be RGI. The balance of the units will have market rents which currently range from $971 to $1,144 per month as established through the 2010 Canada Mortgage and Housing Corporation Annual Average Market Rent survey. These rates are adjusted annually.

As the majority of units in the building are mainly one- and two-bedroom units, low and moderate income seniors and the disabled will be the target market.

5. FINANCIAL IMPLICATIONS

Developing Opportunities for Ontario Renters (DOOR) funding has significantly reduced the need for Regional contributions for Mapleglen Residences

The Region's approved 2008 Capital Budget and Business Plan included a capital budget of $19.7 million for Mapleglen residences. It was estimated that in addition to $5.9 million in AHP funding and $6.5 million in debentures, the project would require an equity contribution of $7.3 million from the Social Housing Reserve Fund. With the contribution of DOOR funding for Mapleglen Residences from the Province, the Region's equity contribution through the Social Housing Development Reserve Fund has been reduced to $2.6 million.

The execution of the two loan agreements between Housing York and the Region will provide up to $9.72 million in long term debt financing for the new development. The agreements will be repaid through operating income and through AHP funding.

6. LOCAL MUNICIPAL IMPACT

The 84 units of affordable housing created with the development of Mapleglen Residences will assist in alleviating some of the pressure for affordable and stable rental housing in the City of Vaughan.

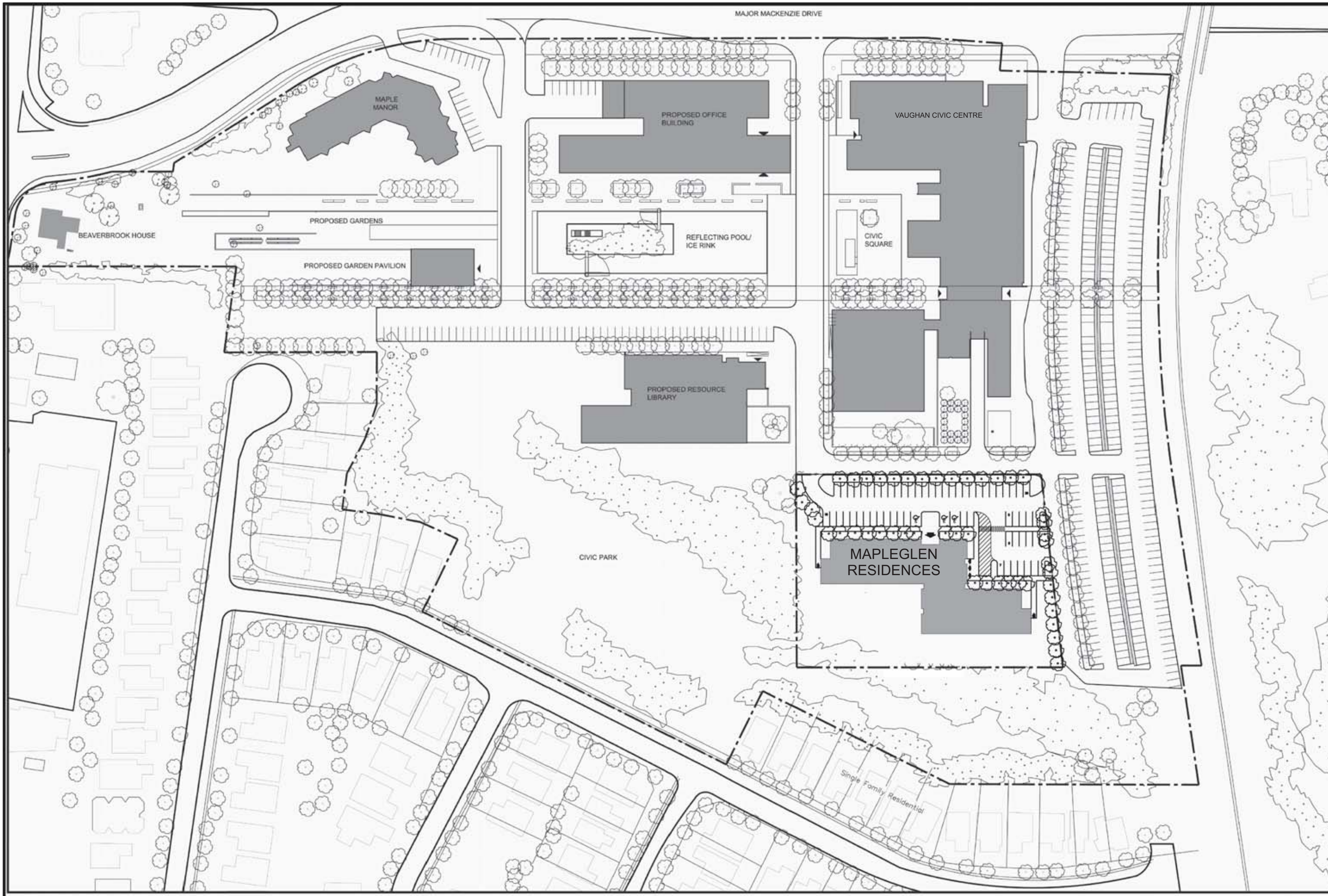
7. CONCLUSION

As noted in previous Council reports, Mapleglen Residences provides an excellent opportunity for the Region to address some of the goals identified in the Region's sustainability strategy, *Towards a Sustainable Region*. These include providing increased affordable housing options and building quality communities to meet the diverse needs of York Region residents. Supporting the Region's sustainability and energy management initiatives will be achieved by incorporating environmentally responsible and resource efficient practices in the building's design.

For more information on this report, please contact Sylvia Patterson, General Manager, Housing and Long Term Care at Ext. 2091.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the March 9, 2011 Committee meeting.)



York Region

MAPLEGLEN RESIDENCES

Major Mackenzie Drive Vaughan, Ontario

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ATTACHMENT 1