

7

CITY OF VAUGHAN-HOUSING DEVELOPMENT OPPORTUNITY VAUGHAN CIVIC CENTRE CAMPUS

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, March 18, 2005, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. Staff be authorized to undertake a pre-development study for developing up to 90 affordable rental units on the City of Vaughan Civic Centre Campus and report findings back to Regional Council for further direction.
2. The Commissioner of Community Services and Housing be authorized to apply to the Province of Ontario for funding under the Federal/Provincial Community Rental Housing Program (CRHP) for this project at the earliest opportunity.
3. Staff be authorized to take the necessary actions to give effect hereto.
4. The Regional Clerk's Office send a copy of this report to the City of Vaughan Council.

2. PURPOSE

This report seeks Council approval for staff to complete a pre-development study to explore the options for developing up to 90 affordable rental housing apartments on the Vaughan Civic Centre Campus in response to a request by the City of Vaughan.

3. BACKGROUND

Recently, 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. Currently, the City of Vaughan Non-Profit Housing Corporation has a 31-unit seniors building which is immediately adjacent to the existing Civic Centre and as part of the overall campus plan the City wishes to relocate this facility. At the same time, the City has indicated that it no longer wishes to remain in the housing business and that it would be their preference that York Region, through its housing corporation, Housing York Inc., be the owner and operator of the new facility.

The City has offered the site based on a long-term land lease agreement between the City of Vaughan and the Region for a nominal fee. Funding for the project is to be the responsibility

of York Region. The City of Vaughan has offered \$60,000 to assist with pre-development costs.

4. ANALYSIS AND OPTIONS

4.1 Proposed Site and Project Details

The Vaughan Civic Centre Campus is approximately 27 acres and is ideally located on the south side of Major Mackenzie Drive, in the Community of Maple, close to transportation and all community amenities. The attached site map (*see Attachment 1*) illustrates the proposed location.

The project is proposed to be a low rise building designed in keeping with the overall architectural plan for the site. Parking would be at grade. The proposed 90-unit building would be designed to focus on seniors, but may, as well, accommodate singles who are under age 60.

4.2 City of Vaughan Non-Profit/Maple Manor Issues

This project is predicated on a plan to demolish the existing 31-unit seniors building on the site and relocate the residents to the new facility. Vaughan has been advised that in their own project planning they must consider relocation costs for the residents, as well as the costs of paying off the existing mortgage on the facility and any demolition or related site costs. These would not be costs that the Region would consider as part of its involvement in the Vaughan Civic Centre development.

Maple Manor has 31 units, of which 15 are rent-geared-to-income and 16 are market rent units. One of the challenges for residents moving to the new facility will be the necessary increase in market rents from what they have been accustomed to. Currently market rents at Maple Manor are \$690 per month for one bedroom units and \$778 per month for two bedroom units. Under current housing programs, market rental rates are set at Canada Mortgage and Housing Corporation (CMHC) average rents, which in 2004 dollars would produce market rents of \$899 and \$1,069 per month for a one bedroom and two bedroom units.

Additionally, there are numerous legal and program matters to be resolved prior to any demolition of this project as per the Region and the City's responsibilities under the *Social Housing Reform Act, 2000*, and the encumbrances placed on the property by the Social Housing Program. The project is currently encumbered by a social housing mortgage that is closed to discharge, prepayment or amendment during its 35 year term, as well as a tri-partite operating agreement between the Province, CMHC and the City of Vaughan Non-Profit Housing Corporation.

The mortgage balance is \$721,658 and the agreement expires in 2016. This project currently receives \$34,000 in annual operating subsidy, which is a flow through of federal funding.

York Region does not currently provide direct subsidy to this project. The balance of the operating costs is covered by tenant rents.

Any arrangement to change these agreements or remove the mortgage encumbrance will be subject to the consent of the Minister of Municipal Affairs and Housing (MMAH) and CMHC. The next step would be a meeting between Vaughan representatives and Provincial and Regional staff to determine a process for reviewing the matter. Regional Council will be asked to approve any plan in this regard prior to the Province agreeing to a resolution.

4.3 Pre-development Study

The first step in the process of consideration of this site would be to conduct a pre-development study to look at potential costs and design options. It will be important to plan for increased energy efficiency standards and accessibility for those with disabilities. The Region typically would also consider the appropriateness of the facility for community partnerships such as Alternative Community Living (ACL) through Long Term Care, or leasing of space to other community agencies to provide supported housing. Part of this plan will also look to a strategy to manage the issues related to Maple Manor within the overall approach.

The recommendations of the pre-development study will be reviewed by staff and brought forward to Council at a future meeting.

5. FINANCIAL IMPLICATIONS

Costs of the pre-development study are expected to be modest and will be managed through the Community Services and Housing Department's budget. Cost projections and funding options for the project will be presented as part of the pre-development study. It should be noted that Vaughan has made a significant financial commitment to this facility by committing to lease the land at nominal cost. It is also anticipated that a request would be made to Vaughan to waive Development Charges as they have done in the case of the Blue Willow Terrace project.

While there are not currently funding opportunities available in terms of provincial or federal government support, it is anticipated that the Province will soon be releasing the next phase of the Community Rental Housing Program and this project could be eligible for that funding. While the potential amount of this funding is unknown at this time, it is expected that it will be in the form of capital grants to offset capital costs. It is anticipated that this project will require an equity contribution from the Region in order to make it viable. As with other social housing projects, the project's feasibility will be considered from the perspective of the operating costs and debt that can be carried by tenant rents, ensuring that ongoing operating subsidies are not required from the Region.

This project will, like all other housing projects, also require rent supplement funding in order to create affordability for low income households. Currently, the Region has some

funding which could be directed to this site; however this funding will diminish over time unless new provincial or federal dollars are provided. Ongoing funding for Rent Supplement Programs will continue to be a pressure for the Region to consider.

There is no cumulative impact on the 2006 Operating Budget. Any operating impact on the 2007 Budget will be identified in subsequent reports.

6. LOCAL MUNICIPAL IMPACT

The delivery of a new project on this site would enhance affordable housing options for residents in the City of Vaughan and across the Region, as well as support the City in meeting its overall objectives for the Civic Centre Campus site.

7. CONCLUSION

The success of the Region's Housing Supply Strategy relies on investigating new opportunities for much needed affordable rental housing with the assistance of our partner area municipalities. This proposal is an illustration of how local contributions can support affordable housing development while meeting other local objectives. There is also an opportunity to leverage other funding sources such as the Federal/Provincial Community Rental Housing Program to reduce the overall capital and operating costs to the Region.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the April 13, 2005 Committee meeting.)