

Rideau Lakes Affordable Housing Strategy



Rideau Lakes

Rideau Lakes Affordable Housing Committee 2022

Contents

CHAIR’S MESSAGE.....	3
EXECUTIVE SUMMARY.....	4
CONTEXT.....	6
AFFORDABILITY DEFINITIONS	6
AFFORDABLE HOME OWNERSHIP IN RIDEAU LAKES	6
AFFORDABLE RENTALS IN RIDEAU LAKES	6
ROLES AND RESPONSIBILITIES.....	7
RIDEAU LAKES.....	7
UNITED COUNTIES OF LEEDS AND GRENVILLE.....	8
ONTARIO GOVERNMENT.....	8
FEDERAL GOVERNMENT	9
LOCAL NON-PROFIT HOUSING PROVIDERS.....	9
SERVICE ORGANIZATIONS.....	10
PRIVATE SECTOR	10
RESIDENTS	10
WHAT WE’VE LEARNED.....	10
DOCUMENTS REVIEWED	10
REPORTS FROM STAFF	11
PRESENTATIONS.....	11
NEEDS	11
AUDIENCE	11
HOUSING STOCK	12
QUALITY OF LIFE	12
CONSIDERATIONS AND ANALYSIS.....	13
DEVELOPMENT OPTIONS.....	13
FUNDING APPROACH.....	15
REPORT RECOMMENDATIONS.....	18
REPORT ACTION ITEMS.....	21
APPENDIX A.....	22

Chair's Message

Housing is the heart of vibrant and resilient communities, and affordable housing is an important municipal issue, affecting the ability of established residents to stay in the community through changes in circumstances, and playing a major role in the decision to settle here for new residents. Rideau Lakes Council has identified housing affordability as an evolving and key policy issue as local housing prices and rental rates have rapidly increased and demand is outstripping the supply available for rent and purchase.

The Affordable Housing Ad Hoc Committee was formed in April 2021 with a one-year mandate to develop recommendations for actions, programs, policies or projects the Township can undertake to help meet the community's needs. We were tasked with generating an understanding of the current housing landscape and the range of future needs and opportunities, and worked to identify potential development models, grant programs and administration models that can be used to support the sustainable supply and evolution of affordable housing.

Our review of the local housing landscape has revealed a definite need for a broad range of housing options including affordable ownership and rental, subsidized affordable and low market rent, single unit and family sized rentals, and accessible housing. Affordable housing is particularly needed for seniors and single parents, key service workers, and people with accessibility challenges, groups whose options are limited by a severe lack of rental housing in Rideau Lakes. There is a role for everyone to play in meeting these gaps: from all levels of government and the private and non-profit sectors to private homeowners who may want to create a secondary rental suite, and partnerships will be key.

This report provides a suite of 21 Recommendations and 5 Action Items with specific timelines for implementation. The intention of this Committee, and the will of Council, is to take concrete steps to improve options for affordability so that current and future residents can continue to call Rideau Lakes home.

Meg McCallum
Chair, Affordable Housing Committee
Chair, South Crosby Non-Profit Housing Corporation

Executive Summary

This report details the need and challenges in addressing affordable housing in our community. Key takeaway points include:

- The focus on provision of housing should be in our villages where there are co-located services and social opportunities.
- Affordable housing developments can be a tool to address community need, but to also drive private sector development and community renewal.
- Rural municipalities are at a disadvantage in that economies of scale achieved through density and/or mixed use or market/affordable rent developments have limited viability.
- Deep affordability targets suggest that new affordable housing developments cannot be self-funding. Rents can only contribute to a mortgage equal to 25-40% of the development costs.
- Sources of capital and/or revenue, equal to 60-75% of the cost of the project need to be identified to be able to proceed with a project. Early pro-forma work suggests this would equate to approximately \$123,000 per unit.
- While incentives can be developed to drive private investment in affordable housing, the economics remain the same in terms of the extent of likely subsidy need. Beyond this, a profit and/or return on investment will be expected.
- Accordingly, private investment can support the provision of housing and, if done thoughtfully, can provide some affordable units, but likely not the deep affordability needed to address the most housing-vulnerable populations.
- Housing that meets deep affordability thresholds will therefore need to be a non-profit and/or public endeavour.
- The United Counties of Leeds and Grenville (UCLG) is the level of government provincially mandated to provide affordable housing. UCLG must be a key part of any solution, even if driven locally by the Township to meet local needs.
- Rideau Lakes is home to several mature non-profit housing providers who may benefit from coordination and/or consolidation as we look towards new developments.
- The Township must play a leading role in driving a project forward in coordination with established or new non-profits or on its own.
- To do so will take a significant resource commitment on the part of the Township, including professional support, in-kind contributions, and potentially material financial resources.

- Every effort should be made to expedite a development with deep affordability as our community continues to face an ongoing housing affordability crisis.

The report has resulted in the following Action Items and timelines:

Action Item #1: That the Mayor, on behalf of Council, immediately engage the United Counties, Provincial Government and Federal Government in seeking financial support to facilitate the development of an affordable housing project in Rideau Lakes, using the figures in this report as a guide to identify need.

Action Item #2: That, within 45 days, the Township determine lands surplus to its need that may be suitable for affordable housing projects and/or could be sold to generate capital for an affordable housing development.

Action Item #3: That, within 3 months, the Township issue a request for proposal to the private market as well as non-profits soliciting interest in publicly-owned surplus lands for the purpose of an affordable housing development and/or a market development with co-located affordable units.

Action Item #4: That, within 4 months, the Township host a facilitated session for local non-profit housing and related service providers, and seek to expedite any coordination and/or consolidation efforts that may result from the session.

Action Item #5: That, by January 1, 2023, the Township have developed, adopted and resourced a Community Improvement Plan (CIP), applicable to all villages, that offers material financial incentives for the redevelopment of underutilized properties for affordable housing and/or the creation of secondary units.

Action Item #6: That, by 2024, the Township have built and/or facilitated the development of a minimum of 12 units that meet the deep affordability targets.

Context

Affordability definitions

Affordable housing is a broad term that includes a wide array of shelter and housing types based on the varied needs of individuals and families. Affordable housing can range from emergency shelters and social housing to non-market and market rental housing and home ownership.

Affordable Home Ownership in Rideau Lakes

The Provincial Policy Statement of the *Provincial Planning Act* defines affordable home ownership as “the least expensive of:

1. Housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or
2. Housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area.”

Data from the United Counties of Leeds and Grenville Housing Affordability Plan is used here to calculate affordable home ownership in Rideau Lakes.

- Average resale price (2020) in Rideau Lakes was \$466,201
- Purchase price at or below \$419,580 (10% below average resale price) calculated as the 2020 threshold for affordable home ownership
- The gross household income needed to afford a home at \$420,000 is approximately \$98,000
- 23% of households in Rideau Lakes have incomes above \$100,000 (Figure 9 – Statistics Canada, 2017)
- 43% of households in Rideau Lakes have incomes below \$50,000 (Figure 9 – Statistics Canada, 2017)
- Median total income in 2015 was \$34,595 (2016 Census)

Recommendation #1: That the Municipality use the calculations set out in provincial policy to determine the annual threshold for affordable home ownership.

Affordable Rentals in Rideau Lakes

The Provincial Policy Statement of the *Provincial Planning Act* defines affordable rental housing as “the least expensive of:

1. A unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or
2. A unit for which the rent is at or below the average market rent of a unit in the regional market area.”

Of note, both the Province and the United Counties of Leeds and Grenville (UCLG) determine affordable rentals using average market rent for different size rental units. UCLG then applies an 80% affordability threshold.

Staff at the United Counties of Leeds and Grenville have identified challenges in calculating affordable rental housing in Rideau Lakes. Specifically, data is not published for market rents for different size rental units within Rideau Lakes and local sample sizes are too small to determine a reliable average rent. They have adopted a formula to address these challenges.

1. Utilize the most recent census figure on average shelter cost for rent which is produced every 4 years and includes all rentals in Rideau Lakes;
2. Gross this figure up (step 1) using the consumer price index unadjusted “all items” basket for Ontario;
3. Establish a ratio of how much rents by bedroom types differ off the average rents in Eastern Ontario using Canada Mortgage and Housing Corporation’s annual market survey;
4. Multiply this ratio (step 3) by the previous year average shelter costs (step 2) to produce an average market rent for various bedroom types; and
5. Apply an 80% affordability threshold to the result of step 4 to establish Rideau Lakes affordable rents.

For 2021, the affordable rental thresholds by unit type are: (source: Table 4 – Housing Affordability Discussion Brief)

Bachelor:	\$581
1-bedroom:	\$673
2-bedroom:	\$757
3-bedroom:	\$742

Recommendation #2: That the Municipality use The United Counties Housing Affordability Discussion Brief Table 4 (2021) to determine the annual threshold for affordable home rentals by unit type.

Roles and Responsibilities

Rideau Lakes

The Township of Rideau Lakes is one of 10 lower-tier (local) municipalities comprising the upper-tier municipality of the United Counties of Leeds and Grenville (UCLG). The municipal responsibilities set out under the *Municipal Act*, *Planning Act* and other provincial legislation are split between the UCLG and each respective lower-tier government. UCLG is the provincially designated Consolidated Service Manager and, as such, has the responsibility for the administration of social housing and other social services programs as directed by the province.

In its local government role, Rideau Lakes' responsibilities and authorities, including land use planning and financial incentives, provide for strong leadership opportunities in tackling the challenging issue of affordable housing. It is well positioned to understand local needs, identify and engage community members and subject matter experts, and partner with local non-profit and private sector organizations. Further, working strategically with all three levels of government – federal, provincial, and county – Rideau Lakes can enhance its access to affordable housing program and funding opportunities.

United Counties of Leeds and Grenville

The United Counties of Leeds and Grenville (UCLG) is an upper-tier municipality comprising 10 lower-tier municipalities, including the Township of Rideau Lakes. The *Ontario Municipal Act, Planning Act* and other provincial legislation designate the respective responsibilities of upper- and lower-tier governments.

Both levels of municipal government are responsible for developing an Official Plan in order to set out the broad vision of a community's plans and goals governing land use. This includes UCLG's policy approach to "providing a range and mix of housing types and densities, specifying measures and procedures for attaining housing objectives, and establishing targets to provide housing that is affordable to low- and moderate-income households." UCLG's Official Plan explicitly states that the "provision of housing that is affordable and accessible to low- and moderate-income households will be a priority", and lays out specific policies to achieve that objective (Official Plan for the United Counties of Leeds and Grenville 2015, p 29).

As the provincially designated Consolidated Municipal Service Manager under the Housing Services Act, UCLG has responsibility for the administration and delivery of social housing and housing and homelessness programs, as well as a requirement to develop a 10-year Housing and Homelessness Plan. In 2020, the Joint Services Committee of the United Counties of Leeds and Grenville launched a Task Force on Affordable Housing to examine housing affordability throughout Leeds and Grenville. A Housing Affordability Plan was approved in August 2021 with recommendations for the Counties and member municipalities.

Ontario Government

The Ministry of Municipal Affairs and Housing defines its mandate as "working with local governments and partners across Ontario to build safe and strong urban and rural communities with dynamic local economies, a high quality of life and affordable and suitable homes for everyone." *

Introduced by the Ontario Government in the spring of 2019, *Bill 108, The More Homes, More Choice Act*, came into effect on September 3, 2019 and amends 13 statutes across multiple ministries that impact municipalities and reform the land use planning process, including amendments to the *Provincial Planning Act*.

The *Provincial Planning Act* sets out the parameters for land use planning and development in Ontario and provides a range of planning tools that municipalities can use to address community housing needs, including affordable housing. Included in the changes are requirements for municipalities to lessen restrictions to secondary dwelling units.

Federal Government

The National Housing Strategy was launched by the Federal Government in November 2017 and is a 10-year, \$40-billion plan to expand and sustain the supply of affordable housing in Canada. The Canada Mortgage and Housing Corporation (CMHC) is the Federal Crown Corporation responsible to undertake the range of initiatives under the strategy:

- The Seed Funding Program supports affordable housing through interest-free loans and/or non-repayable contributions and is designed to cover the pre-development costs.
- The National Housing Co-Investment Fund provides low-cost loans and capital contributions for the construction, repair, and renewal of affordable housing.
- The Rental Construction Financing Initiative (RCF) is a rental housing supply program financing new construction rental projects that are financially viable without requiring ongoing operating subsidies.
- The Federal Lands Initiative is a \$200-million fund that supports the transfer of surplus federal lands and buildings to eligible applicants for the development of affordable housing.

Local Non-Profit Housing Providers

Bastard & South Burgess Non-Profit Housing Corporation, Elgin Seniors Housing Board, and the South Crosby Non-Profit Housing Corporation all provide affordable rental housing in Rideau Lakes through a number of programs and with the support of different government funding partners. These organizations are locally based. Further, the province-wide Ontario Aboriginal Housing Corporation maintains a number of housing units within Rideau Lakes with a focus on providing affordable housing to First Nations peoples as a mandate priority, but not exclusively.

As detailed above, there are a number of local non-profit housing corporations that predate the Township's amalgamation. These organizations are volunteered and maintain a diverse portfolio of housing stock. New housing development has been limited for some time. This may point to the need for both organization renewal and capacity building. This could be led and coordinated by the Township though an external facilitator.

Recommendation #3: That the Township of Rideau Lakes engage local non-profit housing and related service organizations in an independently

and professional led facilitation exercise that would explore opportunities for capacity building and expanded mandates through partnership, coordination and/or consolidation.

Service Organizations

Country Roads Community Health Centre, churches, and service clubs like Lions and Legions, etc. can help with supports to maintain independent housing, including food banks, medical devices/assistance, mental health, addictions, and social supports.

Private Sector

The private sector is responsible for developing, maintaining, and providing private rental housing stock. Private developers can access grants and funding to create new housing or to redevelop existing buildings.

Residents

Local residents may be the audience for affordable housing need. They may also be a part of the solution. Residents can engage on the matter, and champion development on affordable housing in their community. Residents can also be providers of affordable housing through secondary suites.

Recommendation #4: That the Township of Rideau Lakes take a leading role in developing and enabling affordable housing, in concert with the United Counties, local Non-Profits and the Private Sector.

Recommendation #5: That the Township of Rideau Lakes lobby the Provincial and Federal governments for funding, programs, and regulatory and policy changes that make a material difference in the provision of affordable housing in a rural/non-urban setting.

What We've Learned

Documents Reviewed

- County Affordability Task Force: Summary of Municipal Planning Staff Consultation (March 2021)
- County Housing Affordability Discussion Paper (August 2021)
- County Housing Affordability Plan (August 2021)
- Province of Ontario: Increasing Affordable Housing Supply in Ontario: Leading Practices of Non-Profit Housing Sector (2020)
- Province of Ontario: Municipal Tools for Affordable Housing (2011)
- Grey County: Affordable and Attainable Housing Strategies in Grey County – presentation to UCLG Housing Affordability Task Force (April 2021)

- North Grenville: Final Report: Mayor’s Task Force on Affordable Housing (March 2020)

Reports from Staff

- Township Available Lands
- Affordable Housing Survey
- Community Statistics
- Housing Policy in Official Plan Update

Presentations

- Cahdco: Affordable Housing Development 101
- Country Roads Community Health Centre: Housing Support Services
- Ontario Provincial Police and Brockville General Hospital: Local Housing Needs
- United Counties of Leeds and Grenville: Housing Programs and Services

Needs

Audience

There is a wide array of audience for affordable housing. Rideau Lakes, in delivering on it, will be best served to focus in on one or two particular audiences we wish to prioritize for potential project and incentive programs. In determining these priority audiences, some factors we considered.

- More than half of Rideau Lakes’ population is over the age of 50 (2.2.1 Key Issue #1 HAP)
- **18.6%** of the population spend 30% or more of income on shelter costs (Figure 3 HAP)
 - 3.0% ages 0-14
 - 5.8% ages 15-49
 - 9.1% ages 50-84
 - 0.7% ages 85+
- **8.2%** of the population are households with children spending 30% or more of income on shelter costs (Figure 4 HAP)
 - 3.0% with one child
 - 4.7% with two children
 - 0.5% with three or more children

Recommendation #6: That the Township identify low-income seniors and low-income families as the target audiences, including those potentially marginalized due to other factors.

Housing Stock

The United Counties maintains and/or administers 87 units within Rideau Lakes, with 25 being market rent, 12 affordable, and 50 rent geared to income. The Township's housing stock is predominantly single detached, and only 10% is rental tenure. This means, aside from existing units administered by the United Counties, there is a limited stock of rental units within the Township, particularly those in a multi-unit apartment setting.

Recommendation #7: That the Township should seek to add rental tenure units, with a focus being on multi-unit apartment developments and/or secondary suite apartments within single detached dwellings.

The Township has identified village and hamlet renewal as a key strategic priority. Villages provide a convenient and walkable location for residents to gain access to commercial and institutional services and personal and community opportunities. This assists low-income households in meeting their basic needs without the need for vehicular transportation.

Recommendation #8: Future development of affordable housing should be directed to the villages, and incentive programs to develop affordable rental tenure units should be implemented in villages through permissive zoning and Community Improvement Plans.

Recommendation #9: That the Township consider renewal and redevelopment of existing distressed or otherwise suitable structures within villages on equal standing with greenfield development as a means to support village renewal.

Recommendation #10: That the Township identify and actively pursue appropriate land parcels within villages as a part of a land banking strategy for the purposes of future affordable housing.

Quality of Life

Affordable housing cannot be just affordable. It needs to provide a high quality of life for those who reside there and the surrounding community. We heard this from CRCHC who stressed the need for residents to have a space and place where they can be themselves and pursue passions and interest individually and as a part of the community.

This is further supported by the recent work of the Community Training and Development Centre, in a CMHC-funded project, which identified that seniors housing should allow people to age with a purpose, including opportunities for social engagement and social enterprise. (cite).

Recommendation #11: That the Township ensure it creates a sense of community and provide opportunity for social engagement, co-located support services / enterprise within owned/operated developments.

Recommendation #12: That the Township ensure it provides high quality public space near/adjacent to affordable housing, such as parks, libraries, community halls.

Considerations and Analysis

Development Options

There are numerous development options available for the development of affordable housing. While the exact details may vary from project to project, they generally fall into the following categories. This report focuses on development models in which the municipality can or does play a role. Projects led independent of the municipality are more fully facilitated by policy approaches, which are detailed later in this report.

Municipally-Owned and Operated Development

Under this model, the local municipality acts as the developer, including project design, financing, and management. This development can be a greenfield (new build) or renovation/repurposing of an existing asset.

Following completion, the local municipality operates the facility, acting as the landlord. Commonly the facility is operated by an independent Board of the municipality, but draws on municipal staff for administration and operation support.

This is the structure of the Township's existing housing development – the Elgin Seniors Housing on Harry Seeley Street in Elgin. It has proven to be an effective model. This in-kind subsidy of municipal staff resources often helps support the financial sustainability of the project.

Some of the benefits of this approach include greater opportunity for upper-level government grant support, significant borrowing capacity and highly competitive lending rates, and the ability to build a multi-unit system without the need for a MOECP Municipal Responsibility Agreement (MRA).

Some drawbacks of this approach include the water system falling within municipal public water systems regulations, meaning increased testing and associated costs; required annual audit for Board as a municipal operation; borrowing by the Board impacts Township's future capacity and debt reporting; the in-kind subsidy of staff resources is often unaccounted for and impacts availability for other municipal services.

Recommendation #13: That, should the Township develop another municipally-owned and operated affordable housing project, the project should be overseen by the established Housing Board.

Municipal Partnership Development

A partnership development can take a variety of forms in terms of type of partner and scope of municipal involvement. The most likely partners would be a non-profit housing corporation, a private business, and possibly another municipality.

Under this model, the municipality plays a role in the development process and maintains some element of equity in the development as a majority or minority partner.

Some benefits of this approach include mitigating individual project risk by increasing parties, gaining access to expertise unavailable or limited within the municipality.

Some drawbacks include the added complexity of partnership structures and decision-making processes, and having limited control over the project if a minority partner.

One hybrid of this model that may be worth considering is a partnership wherein the municipality is the majority owner, but that ownership is transitioned over time by way of a transition of share capital to the other parties. This allows the municipality to front end the development and set its trajectory, but then transition to a minor partner and get equity invested returned over time.

Recommendation #14: That the Township actively seek out opportunities to partner with organizations, preferably non-profits with capacity and operational experience, but not exclusively, to develop affordable housing projects.

Municipally-Enabled/Supported Development

Under this model the municipality plays an important role in facilitating the development, but is not an equity partner within the development or its ongoing operation.

The benefit of this model is that it allows the municipality to help shape the trajectory of the project early on, to ensure it aligns with the community need or meets the public interest, but does not carry development or operational risk as an equity partner.

This can be accomplished by a number of processes, such as supplying the land at no cost or below market value to allow for some say in the future development. Alternatively, through programs like CIPs, grants can be offered to facilitate the development, and conditions on those grants used to ensure the project aligns with what the municipality wishes to see.

A drawback of this approach is that the interest of developers may be more limited, absent a more formal partnership and associated municipal contribution. The key is to ensure the incentives are significant enough to drive interest and to enable adequate leverage to help shape the development in the way the municipality would like.

Recommendation #15: That the Township actively develop programs and incentives, such as village Community Improvement Plans or below-market surplus land which materially promote and draw in investment and reinvestment with affordable housing as the focus or a material component.

Recommendation #16: That the Township issue a call for proposals related to the provision of affordable housing.

Funding Approach

Funding approaches for affordable housing can range widely. Again, the intent of this report is to detail some of the more applicable options that can be considered at the municipal level. It is important that the Township recognize that grants and other subsidies, such as low interest and loans from high orders of government can be unlocked with modest contribution at municipal level.

One of the most straightforward approaches to funding the development of affordable housing would be to take a dedicated loan for the project. Based on the Elgin Seniors project, for which a major provincial grant was received that covered approximately 2/3 of the costs, it is questionable if a fully debt-financed project would be financially sustainable, while maintaining affordability criteria. While developments could be completed with a lesser degree of finish quality and amenities, this would impact the quality-of-life objectives detailed above.

To assess the degree to which various forms of development could be self-funding, proformas were completed for three sample projects. The detailed proformas can be found in Appendix A. The results indicate that projects viable in a rural setting, with associated density and services, cannot be self-funding at

strictly affordable rents. The sample projects illustrated a need to subsidize the development of the project between 63 and 74 percent. With cost per door ranging from \$145,000 to \$215,000 across the sample projects, it is reasonable to assume supplementary funding in the amount of \$123,000 per door will be required.

The general inability of an affordable housing project to be fully self-funding means a supplemental source of funds to offset debt requirements and future debt serving is likely required. Recognizing the public interest involved, this could come in the form of a direct subsidy by the municipality towards the capital costs, that it provides knowing it will not be recovered via operations. A project funded in this manner will need to be prioritized within other municipal capital needs.

There are potential opportunities to generate funds to offset debt financing that do not impact taxation. This could include the sale of surplus or underutilized lands owned by the municipality, with the funds being dedicated for affordable housing.

Another option to raise a pool of funds dedicated to making an affordable housing project viable would be through donations. The municipality has the ability to issue charitable receipts for donations. A fundraising campaign could be established to highlight the need and value of affordable housing to potential corporate and individual donors. While small donations would be welcomed, the focus should be on major donations and estates.

Further, the housing development could have some form of revenue generation on site to increase revenue, allowing it to service a higher debt load without the need to raise rents above affordable thresholds. The considerations of this form of development were studied in the 2018 report by the municipality called the Municipal Pro Forma Toolkit.

Recommendation #17: That the Township actively pursue grant and foundation funding opportunities what will allow a local municipally-led or partnership development to be financially viable and sustainable, targeting \$123,000 in supplemental funding per unit.

Recommendation #18: That the Township establish an Affordable Housing Project Fund (reserve) with the goal of establishing a pool of funds that can be used to support a municipally-led or partnership development, or to fund affordable housing elements of a CIP or other third-party incentives. Specific non-taxation sources of funds should be identified and directed to this pool – including proceeds from the sale of assets and surplus lands.

Recommendation #19: That the Township commence an awareness and solicitation campaign for private and/or community donations to the

Affordable Housing Fund, highlighting the community benefit and charitable status.

Recommendation #20: That the Township consider the co-location of revenue-generating parts of a municipally-led or partnership affordable housing development to support financial viability and sustainability. The Municipal Pro Forma Toolkit should be used as a guide in this regard.

Regardless of the funding source, it is critical that due consideration and analysis be done on the business case or feasibility of a project. These early estimates of development costs and operating revenue will assist the municipality in prioritizing projects based on financial viability.

Recommendation #21: That the Township perform early and ongoing project costing estimates as it progresses from project idea to development, and adjust as required to ensure operating revenue will cover costs plus any debt servicing while meeting affordability objectives.

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Report Recommendations

Recommendation #1: That the Municipality use the calculations set out in provincial policy to determine the annual threshold for affordable home ownership.

Recommendation #2: That the Municipality use The United Counties Housing Affordability Discussion Brief Table 4 (2021) to determine the annual threshold for affordable home rentals by unit type.

Recommendation #3: That the Township of Rideau Lakes engage local non-profit housing and related service organizations in an independently- and professional-led facilitation exercise that would explore opportunities for capacity building and expanded mandates through partnership, coordination and/or consolidation.

Recommendation #4: That the Township of Rideau Lakes take a leading role in developing and enabling affordable housing, in concert with the United Counties, local Non-Profits and the Private Sector.

Recommendation #5: That the Township of Rideau Lakes lobby the Provincial and Federal governments for funding, programs and regulatory and policy changes that make a material difference in the provision of affordable housing in a rural/non-urban setting.

Recommendation #6: That the Township identify low-income seniors and low-income families as the target audiences, including those potentially marginalized due to other factors.

Recommendation #7: That the Township seek to add rental tenure units, with a focus on multi-unit apartment developments and/or secondary suite apartments within single detached dwellings.

Recommendation #8: That the Township direct future development of affordable housing to the villages, and implement incentive programs to develop affordable rental tenure units in villages through permissive zoning and Community Improvement Plans.

Recommendation #9: That the Township consider renewal and redevelopment of existing distressed or otherwise suitable structures within villages on equal standing with greenfield development as a means to support village renewal.

Recommendation #10: That the Township identify and actively pursue appropriate land parcels within villages as a part of a land banking strategy for the purposes of future affordable housing.

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Recommendation #12: That the Township ensure it provides high quality public space near/adjacent to affordable housing, such as parks, libraries, community halls.

Recommendation #13: That, should the Township develop another municipally-owned and operated affordable housing project, the project should be overseen by the established Housing Board.

Recommendation #14: That the Township actively seek out opportunities to partner with organizations, preferably non-profits with capacity and operational experience, but not exclusively, to develop affordable housing projects.

Recommendation #15: That the Township actively develop programs and incentives, such as village Community Improvement Plans or below-market surplus land which materially promote and draw in investment and reinvestment with affordable housing as the focus or a material component.

Recommendation #16: That the Township issue a call for proposals related to the provision of affordable housing.

Recommendation #17: That the Township actively pursue grant and foundation founding opportunities what will allow a local municipally-led or partnership development to be financially viable and sustainable, targeting \$123,000 in supplemental funding per unit.

Recommendation #18: That the Township establish an Affordable Housing Project Fund (reserve) with the goal of establishing a pool of funds that can be used to support a municipally-led or partnership development, or to fund affordable housing elements of a CIP or other third-party incentives. Specific non-taxation sources of funds should be identified and directed to this pool – including proceeds from the sale of assets and surplus lands.

Recommendation #19: That the Township commence an awareness and solicitation campaign for private and/or community donations to the Affordable Housing Fund, highlighting the community benefit and charitable status.

Recommendation #20: That the Township consider the co-location of revenue-generating parts of a municipally-led or partnership affordable housing development to support financial viability and sustainability. The Municipal Pro Forma Toolkit should be used as a guide in this regard.

Recommendation #21: That the Township perform early and ongoing project costing estimates as it progresses from project idea to development, and adjust

as required to ensure operating revenue will cover costs plus any debt servicing while meeting affordability objectives.

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Report Action Items

Action Item #1: That the Mayor, on behalf of Council, immediately engage the United Counties, Provincial Government and Federal Government in seeking financial support to facilitate the development of an affordable housing project in Rideau Lakes, using the figures in this report as a guide to identify need.

Action Item #2: That, within 45 days, the Township determine lands surplus to its need that may be suitable for affordable housing projects and/or could be sold to generate capital for an affordable housing development.

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Action Item #4: That, within 4 months, the Township host the facilitated session for local non-profit housing and related service providers, and seek to expedite any coordination and/or consolidation efforts that may result from the session.

Action Item #5: That, by January 1, 2023, the Township have developed, adopted and resourced a Community Improvement Plan (CIP), applicable to all villages, that offers material financial incentives for the redevelopment of underutilized properties for affordable housing and/or the creation of secondary units.

Action Item #6: That, by 2024, the Township have built and/or facilitated the development of a minimum of 12 units that meet the deep affordability targets.

Appendix A

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Rideau Lakes Affordable Housing Pro-Forma

Development Type: 12 Units, 3 standalone buildings each containing 4 one bedroom units Percent Self Funding 29% Cost per Unit \$ 187,636.67

Development Parameters		
Total Square Footage	12 units at 646sqft each	7752
Total Acreage		3

Development Costs		
Land Acquisition	\$20,000 per acre	\$ 60,000.00
Land Clearing Grading	Lump Sum - clearing/grading	\$ 20,000.00
Water Supply System	\$20,000 per unit - well, storage, treatment	\$ 60,000.00
Wastewater System	Lump Sum - MOE approval >10,000 common system	\$ 100,000.00
Access, Parking, Landscaping	Lump Sum - Driveway \$15,000/unit; Landscaping \$10,000/unit	\$ 300,000.00
Soft Costs	Lump Sum - Studies, Architect Design and Contract Administration	\$ 200,000.00
Building(s) Cost	\$195 per sq. foot (Altus, 2021)	\$ 1,511,640.00
Total Development Costs		\$ 2,251,640.00

Development Revenue		
Maximum Carriable Mortgage	3% interest rate; 25 year amortization	\$ 650,000.00
Subsidy Required		\$ 1,601,640.00
Total Development Revenue		

Annual Operating Costs		
Utilities		\$ 22,500.00
Water Testing		\$ 4,400.00
Maintenance		\$ 10,000.00
Insurance		\$ 4,300.00
Management		\$ 9,700.00
Mortgage		\$ 36,913.00
Total Annual Operating Costs		\$ 87,813.00

Annual Operating Revenue		
Unit Rents	Monthly 1BDR @ \$673	\$ 96,912.00
Vacancy Discount	-5%	\$ 4,845.60
Transfer to Reserve	5%	\$ 4,845.60
Total Annual Operating Revenue		\$ 87,220.80

Net Operating Position	Should equal zero to maximize loan	\$ (592.20)
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Notes:
 Affordable rents based on 80% of Leeds Genville Alternative Average Market Rent Table 2021
 Minimum unit size based on Rideau Lakes Zoning By-law - Apartment 646sqft; Dwelling 807sqft
 Construction Costs base don Altus Group Canadian Cost Guide 2020 'Ottawa/Gatineau'

Rideau Lakes Affordable Housing Pro-Forma

Development Type: 12 Units, 2 building each with 6 townhouse style units, single story, common parking Percent Self Funding 37% Cost per Unit \$ 145,860.00

Development Parameters		
Total Square Footage	12 units at 646sqft each	7752
Total Acreage		2

Development Costs		
Land Acquisition	\$20,000 per acre	\$ 40,000.00
Land Clearing Grading	Lump Sum - clearing/grading	\$ 20,000.00
Water Supply System	\$20,000 per unit - well, storage, treatment	\$ 30,000.00
Wastewater System	Lump Sum - MOE approval >10,000 common system	\$ 100,000.00
Access, Parking, Landscaping	Lump Sum - Driveway \$5,000/unit; Landscaping \$5,000/unit	\$ 120,000.00
Soft Costs	Lump Sum - Studies, Architect Design and Contract Administration	\$ 200,000.00
Building(s) Cost	\$160 per sq. foot (Altus, 2021)	\$ 1,240,320.00
Total Development Costs		\$ 1,750,320.00

Development Revenue		
Maximum Carriable Mortgage	3% interest rate; 25 year amortization	\$ 650,000.00
Subsidy Required		\$ 1,100,320.00
Total Development Revenue		

Annual Operating Costs		
Utilities		\$ 22,500.00
Water Testing		\$ 4,400.00
Maintenance		\$ 10,000.00
Insurance		\$ 4,300.00
Management		\$ 9,700.00
Mortgage		\$ 36,913.00
Total Annual Operating Costs		\$ 87,813.00

Annual Operating Revenue		
Unit Rents	Monthly 1BDR @ \$673	\$ 96,912.00
Vacancy Discount	-5%	\$ 4,845.60
Transfer to Reserve	5%	\$ 4,845.60
Total Annual Operating Revenue		\$ 87,220.80

Net Operating Position	Should equal zero to maximize loan	\$ (592.20)
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Notes:

Affordable rents based on 80% of Leeds Genville Alternative Average Market Rent Table 2021
 Minimum unit size based on Rideau Lakes Zoning By-law - Apartment 646sqft; Dwelling 807sqft
 Construction Costs base don Altus Group Canadian Cost Guide 2020 'Ottawa/Gatineau'

Rideau Lakes Affordable Housing Pro-Forma

Development Type: 24 unit apartment, 12 one bedroom, 12 three bedroom, multi-storey, common parking Percent Self Funding 26% Cost per Unit \$ 215,568.33

Development Parameters		
Total Square Footage	24 units 12@ 646sqft each (1bdr), 12 @ 1200sqft (3bdr)	22152
Total Acreage		4

Development Costs		
Land Acquisition	\$20,000 per acre	\$ 80,000.00
Land Clearing Grading	Lump Sum - clearing/grading	\$ 30,000.00
Water Supply System	\$20,000 per unit - well, storage, treatment	\$ 50,000.00
Wastewater System	Lump Sum - MOE approval >10,000 common system	\$ 200,000.00
Access, Parking, Landscaping	Lump Sum - Driveway \$5,000/unit; Landscaping \$1,000/unit	\$ 144,000.00
Soft Costs	Lump Sum - Studies, Architect Design and Contract Administration	\$ 350,000.00
Building(s) Cost	\$195 per sq. foot (Altus, 2021)	\$ 4,319,640.00
Total Development Costs		\$ 5,173,640.00

Development Revenue		
Maximum Carriable Mortgage	3% interest rate; 25 year amortization	\$ 1,325,000.00
Subsidy Required		\$ 3,848,640.00
Total Development Revenue		

Annual Operating Costs		
Utilities		\$ 50,000.00
Water Testing		\$ 4,400.00
Maintenance		\$ 25,000.00
Insurance		\$ 7,500.00
Management		\$ 22,000.00
Mortgage		\$ 75,246.00
Total Annual Operating Costs		\$ 184,146.00

Annual Operating Revenue		
Unit Rents	Monthly 1BDR @ \$673; 3bdr @ \$742	\$ 203,760.00
Vacancy Discount	-5%	\$ 10,188.00
Transfer to Reserve	5%	\$ 10,188.00
Total Annual Operating Revenue		\$ 183,384.00

Net Operating Position	Should equal zero to maximize loan	\$ (762.00)
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Notes:

Affordable rents based on 80% of Leeds Genville Alternative Average Market Rent Table 2021
 Minimum unit size based on Rideau Lakes Zoning By-law - Apartment 646sqft; Dwelling 807sqft
 Construction Costs based on Altus Group Canadian Cost Guide 2020 'Ottawa/Gatineau'