

HS- A1-1

DATE: April 25, 2011

REPORT TITLE: **AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT**

FROM: Janet Menard, Commissioner of Human Services

RECOMMENDATION

That the Capital Project 09-5032 for Creditview and Eglinton Housing Project, in the amount of \$52,600,000 be increased by an additional \$584,000, for a combined total budget amount of \$53,184,000;

And further, that Capital Project 07-5050 for Snelgrove Housing Project, in the amount of \$19,550,000 be increased by an additional \$426,000, for a combined total budget amount of \$19,976,000;

And further, that Capital Project 07-5045 for Royal Canadian Legion, in the amount of \$40,710,000 be increased by an additional \$5,331,000, for a combined total budget amount of \$46,041,000;

And further, that the proposed financing plans for Capital Project 09-5032, 07-5050, and 07-5045 be approved, as detailed in the report of the Commissioner of Human Services, dated April 25, 2011 titled "Affordable Housing Program Update: Rental and Supportive Component";

And further, that participation by the Region of Peel in the Canada-Ontario Affordable Housing Program Rental and Supportive Component be modified to include the reallocation of 25 units of Affordable Housing Program funding from the Royal Canadian Legion II Project, to the Royal Canadian Legion I Project and the reallocation of Affordable Housing Program funding for one unit to the Creditview and Eglinton Project;

And further, that \$3.3 million be redeployed from Capital Project 10-5035, Villa Polonia, to Capital Project 07-5045 Royal Canadian Legion;

And further, that authority be granted to the Director, Purchasing to increase contracts in accordance with these recommendations and the Purchasing By-law 63-2008.

April 25, 2011

AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT**REPORT HIGHLIGHTS**

- The Region of Peel's commitment to provide safe, quality, affordable housing continues through four provincial Affordable Housing Program (AHP) projects currently underway: Creditview and Eglinton, Snelgrove (Coptic Church), the Royal Canadian Legion and Villa Polonia.
- Amendments to these projects are required to bring them into compliance with Peel's Affordable Housing Design Guidelines that include legislative requirements to finalize contract details.
- In collaboration with the Accessibility Advisory Committee and in order to support universal accessibility requirements, it was determined that additional accessibility units and items be incorporated into these current projects.
- Compliance to new legislation and enhancement to fire and life safety, energy management and building operations is necessary.
- The loss of AHP Rental and Supportive Component funding will be avoided through the reallocation of funding between several projects.

DISCUSSION**1. Background**

The Region of Peel is committed to providing quality affordable housing through four Affordable Housing Program Rental and Supportive Component (AHP) Projects currently underway: Creditview and Eglinton, Snelgrove (Coptic Church), the Royal Canadian Legion and Villa Polonia. All four projects have received Council approval, however, as the Region of Peel is required to fully comply with new legislation and guidelines, changes to existing contracts is required.

Changes to accessibility requirements under the *Accessibility for Ontarians with Disabilities Act (AODA)* are needed. In addition to guideline compliance, the recommended changes and upgrades to accessibility items will ensure that the Region is providing high quality, accessible housing to those who require it. Requirements under the *Fire Protection and Prevention Act* and the *Ontario Fire Code* will enhance fire and life safety for residents of affordable housing buildings in the Region and ensure that residents have a safe place to live. These changes include full building sprinkler systems (including suite sprinklers) and stove Safe-T-Elements which are a standard feature in all new buildings to help prevent stove top fires. New legislation under the *Energy Consumer Protection Act, 2010 (ECPA)* and regulation changes to the *Residential Tenancies Act (RTA) 2006* took effect on January 1, 2011, and hydro sub-metering for individual suites is now required. This new legislation, along with corporate energy requirements, is intended to enhance energy management and reduce operating costs. All of these required changes have been incorporated into the 2010 Affordable Housing Design Guidelines, of which only Villa Polonia has incorporated. As a result, staff recommends the following project and budget amendments.

2. Affordable Housing Program (AHP) Project Updates**1. Creditview and Eglinton, Ward 6 Mississauga (09-5032)**

The Creditview and Eglinton Project was approved by Regional Council on December 10, 2009 (Resolution 2009-1365). This 250 unit apartment for families and seniors in Mississauga contains 115 units which are funded by AHP. This project will include 100 rent-geared-to-income units and approximately 6,000 square feet of community space.

April 25, 2011

AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT**a) Accessibility**

As part of the site plan approval process for the Creditview and Eglinton Project, the Region's Accessibility Advisory Committee (AAC) was approached to provide comment and approval. Based on further discussion, recommendations and budget review, it was determined that 12 units be converted to meet universal design criteria to provide a total of 14 full barrier free units. To accommodate this, door openers, strobe lights and appliance upgrades are required at a cost of \$204,000. In collaboration with the City of Mississauga and the Ontario Fire Marshall, these additions have been approved.

Key-fobs for suite entry doors are recommended to increase accessibility at a cost of \$147,000.

b) Fire and Safety

Funding for the installation of a full building sprinkler system (including suite sprinklers) was included in the project budget. An additional increase in budget of \$54,000 is requested to allow for the installation of stove Safe-T-Elements.

c) Energy Management

As a result of the requirement for hydro sub-metering to be included in individual suites, residents will assume all costs associated with hydro in their units. The cost to include hydro sub-meters is \$179,000.

d) Funding and Unit Transfer

As noted earlier, in January 2010, Council approved the reallocation of units and funding from the 21 Division AHP Project into the Legion II AHP Project (Resolution 2010-213). It was determined that a second building at the Bramalea Legion site is not feasible. To preserve AHP funding for the 26 proposed units at the proposed Legion II Project, staff recommends that the funding for one unit of \$150,000 be reallocated from the Legion II Project to the Creditview and Eglinton Project. This funding reallocation will not increase the unit count at the project. One hundred and sixteen units will be funded under AHP. As previously reported to Council, the funding for this project is a combination of provincial Infrastructure Funding, Regional internal borrowing and AHP funding.

2. Snelgrove, Ward 2 Brampton (07-5050)

Construction of the Snelgrove (otherwise known as Coptic Church) project for seniors commenced on October 1st, 2010, and is set for completion in April 2012. As a result of legislative changes and operational requirements, additional funding will be required as follows:

a) Accessibility

In collaboration with the AAC, it was determined that additional features are required to support the universal accessibility requirements for this building. It is recommended that 10 additional automatic door openers be provided in common areas of the building. The total cost for these door openers is \$33,000. As a result of positive resident feedback and potential cost savings, Residential Property

April 25, 2011

AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT

Management staff has recommended key-fobs in the amount of \$40,000 for suites and common areas within the building. Key-fobs will reduce the future cost of key replacements and allow building staff to manage security and access throughout the building in a more effective manner.

b) Fire and Life Safety

Costs associated with compliance to the *Fire Protection Act* and the *Ontario Fire Code* is \$263,000. While not mandatory for this project, in July 2010, Council requested that a cost determination be brought forward for consideration. Given the stage of construction, authorization is required to add in this component now, in order to avoid potentially escalating costs.

Stove Safe-T-Elements are recommended at a cost of \$20,000.

c) Energy Management

Cost associated with ECPA, 2010 compliance is \$70,000.

3. The Royal Canadian Legion, Ward 3 Brampton (07-5045)

Construction of the 175 unit Royal Canadian Legion project located on Queen Street East, Brampton, is anticipated to commence in April 2011, and is set for completion in the spring of 2013.

a) Accessibility

Further to discussions and in collaboration with the AAC, additional automatic door openers and key-fobs are recommended for this project as a means to increase accessibility. Staff recommends the inclusion of these items at a cost of \$13,000 for the door openers, and \$90,000 for the key-fobs.

b) Fire and Life Safety

Changes to Sprinkler system related to the *Fire Protection and Prevention Act* and the *Ontario Fire Code* result in a recommended cost of \$640,000. Safe-T-Elements costs total \$43,000.

c) Energy Management

Hydro sub-metering costs are \$165,000.

d) Funding and Unit Transfer

In January 2010, Council approved the reallocation of units and funding from the 21 Division AHP Project into the Legion II AHP Project (Resolution 2010-213). Since then, it has been determined that a second building at the Bramalea Legion site is not feasible. To preserve AHP funding for the 26 proposed units at the proposed Legion II Project, staff recommended that the funding for 25 units in the amount of \$3.75 million from AHP, be reallocated from the proposed Legion II Project and be included in the Royal Canadian Legion Project. This funding reallocation will increase the unit count at this project to 200 units, which is permissible under the

April 25, 2011

AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT

current zoning bylaw. The cost for the additional 25 units is \$4,022,000 and an additional cost for HST from the original budget of \$358,000.

4. Villa Polonia, Ward 6 Brampton (10-5035)

Construction of the Villa Polonia Project commenced and is set for completion in Fall 2012/Winter 2013. This 225 unit, two building project, will house seniors, families and individuals. This project is currently on schedule and the current budget includes funding to comply with all new legislation and guidelines. Through the negotiations, the requirement for provincial infrastructure funding has been reduced from \$29.3 million to \$26 million.

FINANCIAL IMPLICATIONS

The synopsis of the budget and funding changes are shown below. For information purposes, revised funding details for the four projects are summarized in Appendix I.

1. Creditview and Eglinton (Capital Project 09-5032):

- Increase budget by \$584,000 from \$52,600,000 to \$53,184,000
- The \$584,000 budget increase will be funded by:
 - Reallocation of one AHP unit from Legion II to this project. The AHP funding will be increased by \$150,000 to \$5,899,000.
 - On May 22, 2008, Council approved the establishment of project 08-5016 to provide grant funding to social housing projects that meet LEED certification. Staff proposes that Council approve the redeployment of \$434,000 from Capital Project 08-5016 LEEDing the Way to fund for the budget increase and return the unspent balance of the Project 08-5016 of \$66,000 to the New Development Reserve R1160.
 - The provincial infrastructure grant, internal borrowing and Development Charge Reserve financing will remain unchanged.

2. The Snelgrove Housing Project (Capital Project 07-5050):

- Increase budget by \$426,000, from \$19,550,000 to \$19,976,000
- The \$426,000 budget increase will be funded from New Development Reserve R1160.

3. The Royal Canadian Legion (Capital Project 07-5045):

- Increase budget by \$5,331,000, from \$40,710,000 to \$46,041,000
- The \$5,331,000 budget increase will be funded by:
 - In June 2010, Council authorized the creation of Villa Polonia (Capital Project 10-5035) with an upper limit of \$53.3 million. The funding for this project is a combination of \$24 million from AHP and \$29.3 provincial infrastructure grant, outlined under the *Investing in Ontario Act, 2008*. Funding negotiations with the Villa Polonia Non-Profit Group have ended and it was deemed appropriate to return the \$3.3 million from the provincial infrastructure funds to the Region of Peel. As a means to reduce financing costs, staff recommends that this \$3.3 million be reallocated to Capital Project 07-5045.
 - The AHP funding for the Canadian Legion project will be increased by \$3.75 million with the reallocation of 25 units from the Legion II project. As a result of the increased external funding, the requirement for the New Development Reserve R1160 will be reduced by \$1,361,000.

April 25, 2011

AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT

- The internal borrowing will be reduced by \$358,000 from \$11,620,800 to \$11,262,800.

4. Villa Polonia (Capital Project 10-5035):

- This project's provincial infrastructure funding is reduced by \$3.3 million as per Council approval.

The overall net impact is \$3.041 million to be funded by internal borrowing as outlined below:

Financing Source	Credit view	Snelgrove	Legion	Villa Polonia	Total
New Development Reserve R1160	434,000	426,000	(1,361,000)		(501,000)
AHP (bridged by R1160)	150,000				150,000
AHP (bridged by internal borrowing)			3,750,000		3,750,000
Internal Borrowing R1030			(358,000)		(358,000)
Provincial Infrastructure Grant			3,300,000	(3,300,000)	0
Total	584,000	426,000	5,331,000	(3,300,000)	3,041,000

CONCLUSION

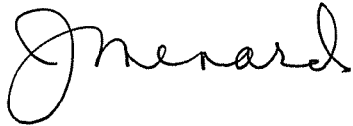
Since the approval of the project budgets for Creditview and Eglinton, Snelgrove and Royal Canadian Legion, there are some significant legislative and operational changes that have occurred. These have resulted in increases to the respective project budgets and are within contingency norms for like projects.

All of the recommended changes will enhance accessibility, life safety and building performance. In the case of energy management technology, operational savings are anticipated. Furthermore, hydro sub-metering will remove electricity charges from the resident's monthly rental charge. In exchange, residents will pay their own hydro bill and be able to monitor their own consumption responsibly.

April 25, 2011


AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT

Where possible, staff has looked for budget efficiencies or other funding sources to offset these costs. In the case of Villa Polonia, staff was able to reallocate over \$3.3 million to the Royal Canadian Legion Project. The provision of safe, affordable housing in the Region of Peel continues to be an ongoing priority of the Human Services Department.



Janet Menard
Commissioner of Human Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

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April 25, 2011

AFFORDABLE HOUSING PROGRAM UPDATE: RENTAL AND SUPPORTIVE COMPONENT

APPENDIX I

AFFORDABLE HOUSING PROGRAM UPDATE: INTERNAL/PROVINCIAL FUNDING

09-5032 Creditview and Eglinton

Financing Source	Approved Capital Project Financing	Revised Capital Project Financing	Increase/(Decrease)
Provincial Infrastructure Grant	30,000,000	30,000,000	-
New Development Reserve R1160 (redeployed from 08-5016)		434,000	434,000
AHP (bridged by R1160)	5,749,000	5,899,000	150,000
Internal Borrowing R1030	12,600,900	12,600,900	-
D.C. Social Housing R3526	4,250,100	4,250,100	-
TOTAL	52,600,000	53,184,000	584,000

07-5050 Snelgrove (Coptic Church)

Financing Source	Approved Capital Project Financing	Revised Capital Project Financing	Increase/(Decrease)
New Development Reserve R1160	9,600,000	10,026,000	426,000
Internal Borrowing R1030	3,889,100	3,889,100	-
AHP (bridged by Internal borrowing)	6,060,900	6,060,900	-
TOTAL	19,550,000	19,976,000	426,000

07-5045 Royal Canadian Legion

Financing Source	Approved Capital Project Financing	Revised Capital Project Financing	Increase/(Decrease)
Provincial Infrastructure Grant	-	3,300,000	3,300,000
New Development Reserve R1160	17,700,000	16,339,000	(1,361,000)
Internal Borrowing R1030	11,620,800	11,262,800	(358,000)
AHP (bridged by Internal borrowing)	11,389,200	15,139,200	3,750,000
TOTAL	40,710,000	46,041,000	5,331,000

10-5035 Villa Polonia

Financing Source	Approved Capital Project Financing	Revised Capital Project Financing	Increase/(Decrease)
Provincial Infrastructure Grant	29,300,000	26,000,000	(3,300,000)
AHP	24,000,000	24,000,000	-
TOTAL	53,300,000	50,000,000	(3,300,000)

TOTAL PROJECT ADJUSTMENTS	166,160,000	169,201,000	3,041,000
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