



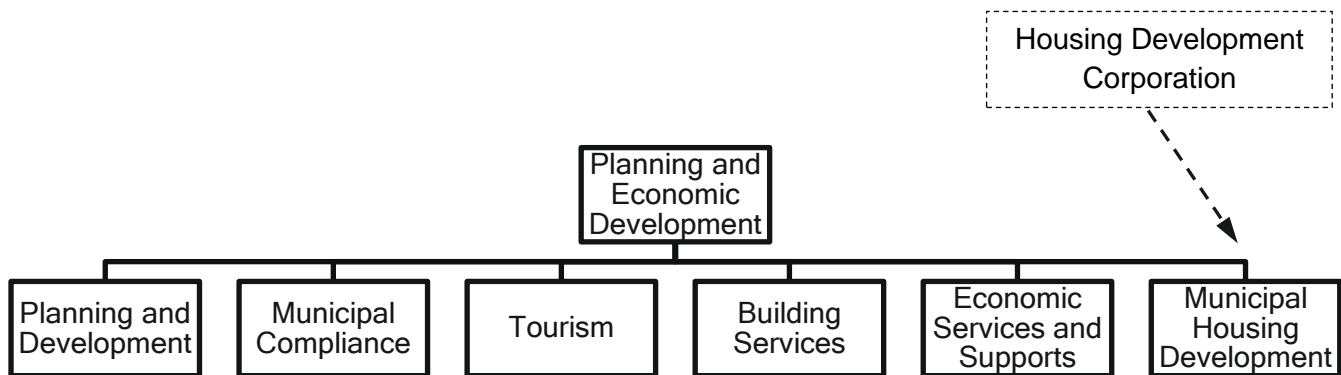
# 2022 YEAR END REPORT TO SHAREHOLDER

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Housing Development  
Corporation, London

# 2022 Housing Development Corporation, London Shareholder Update

This report provides a comprehensive overview of the Housing Development Corporation's (HDC) accomplishments, strategic progress, and prospects during the past year. All of the activities were shaped by the March 9, 2021 Strategic Policy and Priorities Committee report outlining the transition plan for the HDC. Effective April 2022, the HDC staff and organizational resources have been transitioned to the structure within the Corporation of the City of London's Planning and Economic Development service area, under the guidance of Municipal Housing Development.



In 2022 the activities of the HDC continued to be guided by the shareholder's strategic areas of focus through the Council approved Housing Stability Action Plan:

1. Respond to the homelessness crisis.
2. Create more housing stock.
  - Attracting new and engaging current partners towards affordable housing solutions.
3. Provide housing supports.
  - Increasing supportive and specialized housing options
4. Transform the service system.

In addition to these works, a significant component of the effort in 2022 was to ensure alignment with Council's direction on the transition and the HDC's corporate responsibility. The HDC still retains real property and the typical activities of the Board included granting authority to enter into contractual obligations associated with those properties. Additionally, a significant effort

was contained in supporting the annual financial audit by KPMG, with assistance from City-staff in Financial Services.

### **Dissolving Housing Development Corporation, London**

As outlined in the recommendation at the March 9, 2021 Strategic Priorities and Policy Committee:

That, on the recommendation of the Acting Managing Director, Housing, Social Services and Dearness Home, the Managing Director, Corporate Services and the City Treasurer, Chief Financial Officer, and concurrence of the Managing Director, Corporate Services and City Solicitor that the following actions be taken with respect to the proposed restructuring of the Housing Development Corporation, London (HDC), next steps and timelines;

- a) That, the report dated March 9, 2021 titled “Transition Plan Progress Report – Housing Development Corporation, London (HDC)”, **BE RECEIVED**; and
- b) That, the Civic Administration to **BE DIRECTED** work and report back on the recommendations to winding up the Housing Development Corporation, (HDC) London when it has been confirmed that all commitments and functions of the HDC have been assumed by the City.

As of May 2023, City staff have begun the activities associated with developing the necessary bylaws and documentation to dissolve the HDC. Legal and procedural resources, along with the input of former staff have been retained in order to develop a comprehensive strategy to integrate the housing portfolio into City of London’s corporate structure. In addition, Civic Administration was directed to undertake all other actions required to support the recommendations and ensure consistency with the City’s Service Manager legislated responsibility.

The typical activities associated with developing the wind-down strategy are:

- Transfer and assign any existing HDC agreements to the City.
- Transfer any real property to the City.
- Review and align any procurement, administrative or procedural policies with those of the City.
- Ensure all necessary obligations of the HDC are transferred to the City.
- Provide recommendations on all necessary bylaws, outstanding financial matters, etc.

The wind-down strategy is anticipated to be presented to Council in the Fall of 2023, with the intention of completing all necessary transactions prior to December 31, 2023.

## Financial Statements of HDC, December 31, 2022

The financial statements of Housing Development Corporation, London as of December 31, 2022, were audited by our external auditor KPMG. These statements provide a snapshot of HDC's financial performance and position, reflecting the organization's dedication to fiscal responsibility, sustainable growth, and value creation for stakeholders.

The outcomes of KPMG's Audit Findings Report provided a comprehensive assessment of HDC's financial records, highlighting the organization's strong financial controls and adherence to industry best practices.

The audit returned a “clean” result as outlined below:

- There were no uncorrected audit misstatements noted.
- There were no significant unusual transactions.
- There were no issues to the alleged fraud risk from management overriding controls.
- There were no any control deficiencies that identified to be substantial.

### Accumulated Surplus:

This is the total amount of assets, both financial and non-financial, less any liabilities of the local government.

- HDC had accumulated a surplus of \$37.8 million.
  1. \$34.3 Million - investment in tangible capital assets for 122 Baseline Rd. and 403 Thompson Rd.
  2. \$3.5 million - reserve funds set aside for future affordable housing.

### Future activities of the HDC:

- Self-assessment of HST for 122 Base Line based on the Fair Market Value of the building.
  - The accrual of HST has been estimated of \$336,529.
- The similar exercise will also be done for the 403 Thomson within 2-years of receiving occupancy status for the Chief Building Official.

## HDC Activities in 2022

The activities of the HDC in 2022 contributed towards implementing the vision, goals, and objectives of the HSAP. These activities also made progress towards the stated targets identified in Council's Roadmap to 3,000 Affordable Units.

Highlighted activities of the HDC in 2022 include:

- Bonus zoning
- 1697 Highbury Avenue partnership with Habitat for Humanity
- 122 Baseline Road West
- 403 Thompson Road
- 345 Sylvan Street
- 18 Elm Street
- 1958 Duluth Avenue

### **Bonusing Zoning**

Bonusing was a planning tool enabling municipalities to advance public facilities, services or matters in exchange for additional height and density than would otherwise be permitted in zoning. Following the approval of Bill 23 in late 2022, this tool no longer exists, however existing Bonus Zones have been grandfathered and the commensurate benefits have been retained on the property.

Since 2018 HDC's recommendations to Council have resulted in 32 approved bonus zones requiring the provision (at time of development) of a total of 381 affordable rental units. During 2022 Council approved 13 affordable housing bonus zones totaling 167 future rental units at varying depths and periods of affordability.

### **1697 Highbury Avenue, Habitat for Humanity**

Through the Housing Partnership with Habitat for Humanity, which provides funding to non-profit organizations developing affordable housing to assist in off-setting municipal fees associated with development, HDC was able to support 20 stacked townhome units at 1697 Highbury Avenue through Habitat for Humanity. Habitat is also working with the City's Housing Stability Services team to match eligible families from the coordinated access list. Site plan approval was granted in 2022 and building permits are currently under review.

### **122 Baseline Road West**

Through an HDC and City-led operations team including London & Middlesex Community Housing as the property manager, clients from the City's housing waitlists were matched through the Housing Stability Services to the building.

The first move-ins took place between February and March 2022 and the building has had few unit turnovers in its first year of operations.



Figure 1 - Photo of 122 Baseline Rd. West

### 403 Thompson Road

The former vacant municipal lands site at 403 Thompson Road became the City's second municipal affordable housing development, funded in part through the Canada Mortgage and Housing Corporation (CMHC) Rapid Housing Initiative (RHI) Cities Stream Funding Program. In accordance with the CMHC RHI agreements, the Thompson affordable housing development was completed on-time and on-budget.

In alignment with the City's Whole of the Community Response, the recently completed affordable housing development at 403 Thompson was identified as an immediate opportunity to provide for 44 of the City's 100-unit target, this year.

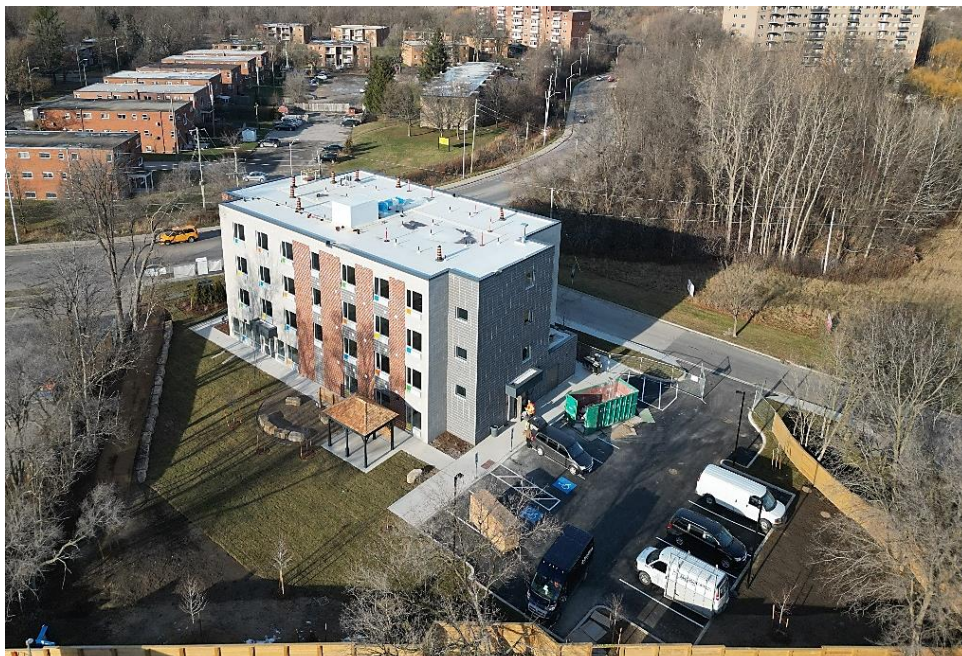


Figure 2 – Photo of 403 Thompson Road late in 2022.

### 345 Sylvan Street

City Council delegated authority to HDC to act as its agent to advance the development plans. HDC managed the demolition, design development, planning permissions, and the site plan approvals until April 2022 when these activities were transitioned with staff into Municipal Housing Development (MHD). This 3-storey, 42-unit project received Rapid Housing Initiative funding for the CMHC's Round 3 program and broke ground in the Spring of 2023.



Figure 3 Rendered image of front elevation and entrance.



Figure 4 Rendered image of side / rear yard greenspace.



Figure 5 Rendering of typical kitchen and unit for Baseline, Thompson and Sylvan.

### 18 Elm Street

In 2022, the MHD and HDC continued work with Ontario Aboriginal Housing Services to advance an Indigenous-led, 42-unit, mixed-use affordable housing development on a former surplus school site located at 18 Elm St. The project will provide for a mix of unit configurations, consisting of one-, two-, three-, and four-bedroom units and the building will provide for a small-scale community facility and childcare space on the ground floor.



*Figure 3 Rendered image looking southeast along Elm Street.*



*Figure 4 Rendered image view looking west into the outdoor amenity space.*

## **1958 Duluth Crescent**

In 2022, plans to advance a proposed Draft Plan of Subdivision on a former surplus school site located at 1958 Duluth Crescent continued to advance, including additional due diligence work and preliminary engineering.

The proposed subdivision layout and supporting municipal infrastructure, including the 2 single family lots, 14 freehold townhouse lots, 3 medium density multi-family residential blocks, a parkland block, and the extension of Duluth Crescent to Admiral Drive is now established and a conceptual site plan for each of the subdivided lots and blocks is also complete.



## 2015 - 2022 Affordable Housing Development Updates through HDC

The following outlines the number of affordable units secured through various partnerships and collaborations with various affordable housing providers.

<b>Address</b>	<b>Affordable Units</b>	<b>Year Approved</b>	<b>Status</b>
<b>228-230 Dundas Street</b>	33	2015	Completed and renting in 2021
<b>516 Albert St., Strathroy 1822039 Ontario Ltd.</b>	27	2016	Completed and renting in 2018
<b>27 Centre St. Escalade Property Corp.</b>	46	2016	Completed and renting in 2018
<b>356 Dundas St Indwell Community Homes</b>	50	2016	Completed and renting in 2019
<b>770 Whetter Ave. Homes Unlimited Inc.</b>	50	2017	Completed and renting in 2019
<b>25 Centre St. Escalade Property Corp.</b>	45	2017	Completed and renting in 2021
<b>1045 Dundas St. London Affordable Housing Foundation</b>	41	2018	Completed and renting in 2020
<b>1090 Hamilton Rd. Italian Seniors Project</b>	54	2018	Completed and renting in 2020
<b>440 Clarke Rd. Zerin Development Corp.</b>	33	2019	Completed and renting in 2021
<b>329-331 Richmond St. Youth Opportunities Unlimited</b>	35	2019	Projected completion in 2024
<b>122 Baseline Road W. City and HDC</b>	61	2022	Completed and renting in 2022
<b>TOTAL</b>	<b>475</b>		

### Future Affordable Housing Development Updates through HDC

The following represents the projects that HDC and MHD actively worked on in 2022. These projects represent future affordable housing units in the London market.

<b>Address</b>	<b>Units</b>	<b>Comments</b>
<b>345 Sylvan St.</b>	42	<b>Acted as the development consultant on behalf of the City. RHI#3 funding now in-place, construction led by MHD.</b>
<b>403 Thompson Road</b>	44	<b>Construction Completed. Rent-up anticipated to be completed by the end of October 2023</b>
<b>18 Elm Street</b>	42	<b>Construction anticipated to commence in Q3-2023</b>
<b>1958 Duluth Crescent</b>	+200	<b>Plan of subdivision and zoning by-law amendment to be submitted in 2023</b>
<b>1697 Highbury Ave Habitat for Humanity</b>	20	<b>Site plan granted in 2022. Building permits are currently under review.</b>
<b>TOTAL</b>	<b>348</b>	