

## **Report to Community and Protective Services Committee Meeting**

**To:** Chair and Members, Community and Protective Services Committee Meeting  
**From:** Kevin Dickins Acting Managing Director, Housing, Social Services and Dearness Home  
**Subject:** Update on Urgent Transitional and Modular Supported Housing Development Report on July 15, 2020  
**Date:** December 15, 2020

## **Recommendation**

That, on the recommendation of the Acting Managing Director, Housing, Social Services and Dearness Home, that the following actions be taken with respect to this report:

That this report Be Received for information;

- a) That Civic Administration Be Directed to continue advancing opportunities to develop additional properties to create up to 150 units,
- b) The Source of Financing for the modular housing development at 122 Baseline Road be approved as set out in the Source of Financing in Appendix "A".
- c) That Civic Administration Be Directed to develop communication strategies to engage impacted communities including required communications from City of London, Development & Compliance Services as well as a 'Get Involved' survey for Londoners to provide feedback about affordable housing.

## **Executive Summary**

The purpose of this report is to provide an update on the progress being made regarding new affordable housing development initiatives by the City of London.

Viable and sustainable development plans are being advanced for up to 150 new supported affordable housing units beginning with the priority 1 site located at 122 Baseline Road West. This site is being prepared for a four-storey, 61-unit multi-residential housing development using modular construction methods. Housing Development Corporation, London (HDC) has executed the required procurement processes to select a design-build modular provider to develop the property. The Source of Financing for this development is included as "Appendix A".

Work is underway to advance two other priority properties for housing that is affordable.

This strategy will support the creation of new affordable housing stock and assist in the efforts to address the urgent need and challenges currently being experienced by the COVID-19 pandemic. This strategy will also assist in addressing the expected longer term impacts the pandemic may have on those who are currently experiencing homelessness and those who are precariously housed.

An enterprise-wide team has been assembled to advance affordable housing initiatives associated with the Rapid Housing Initiative, Major Cities, funding stream in London. The working group includes leadership representation from HDC and the following City of London Services Areas:

- Planning
- Development & Compliance Services
- Housing, Social Services and Dearness Home
- Financial Planning & Business Support
- Environmental and Engineering Services
- Communications
- Parks and Recreation
- Legal & Corporate Services
- Government & External Relations

- Risk Management, and
- Realty Services

## Linkage to the Corporate Strategic Plan

### Council Strategic Plan

London *Council Strategic Plan* includes efforts to reduce the number of individuals and families experiencing chronic homelessness which align with Provincial directives for CHPI funding and Federal directives for Reaching Home funding. Transitional and Modular Housing represent opportunities to increase housing stock for individuals who cannot afford average market rent and are struggling to resolve their experience of homelessness due to housing availability and affordability.

### Housing Stability for All: The Housing Stability Action Plan for the City of London (2019)

London's Homeless Prevention and Housing Plan, *Housing Stability for All: The Housing Stability Action Plan for the City of London (2019)*, is the approved guiding document for homeless prevention and housing in the City of London, and was developed in consultation with Londoners. Developing transitional and modular housing support the implementation of key strategies in the *Housing Stability for All Plan*.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- Municipal Council Approval of the Housing Stability Plan 2019 to 2024, as Required Under the Housing Services Act, 2011 (CPSC: December 3, 2019)
- Housing Quarterly Report (CPSC: January 21, 2020)
- Housing Quarterly Report (CPSC: April 28, 2020) 2.0 Discussion and Considerations
- Urgent Transitional and Modular Supported Housing Development (CPSC: July 15, 2020).

### 2.0 Key Issues and Considerations

#### 2.1 Modular Housing

Civic Administration is advancing viable and sustainable development plans for up to 150 supported affordable housing units, through CMHC's Rapid Housing Initiative and other potential programs.

Civic administration intends to utilize three existing sites within City and HDC ownership to facilitate the development of affordable housing. Including:

- Priority 1 Site located at 122 Base Line Road, for up to 61 supported units (proposed modular construction);
- Priority 2 Site for up to 44 supported units (proposed modular construction); and,
- Priority 3 Site for up to 42 supported units (proposed modular construction).

Matching individuals to these units will be through the City's coordinated access priority system. Each individual will be in receipt of case management and housing stability supports and the space will be available for a mix of low, moderate and high support needs individuals who are looking to achieve housing stability.

Building specific supports for each proposed permanent housing site will include a staff person for approx. 8 hours per day, 7 days per week to assist individuals to maintain

housing stability and to address any day to day support items that may come up during this time.

## **2.2 Communications Plans**

Affordable housing is regularly identified as a priority in community consultations and has been named as a council priority. HDC and City of London Planning have experience with engaging neighbourhood associations and community members. Engaging Londoners through a “Get Involved” survey to be facilitated by City of London Communications and Homeless Prevention Services as well as mandatory public consultation that are facilitated by the City of London Development and Compliance Services team as part of the typical approvals process aims to reduce the pressure on one neighborhood and maintains that housing that is affordable needs to be developed in all areas of London.

## **3.0 Financial Impact/Considerations**

The Source of Financing for the modular housing development located at 122 Baseline Road is outlined attached as “Appendix A”, noting that the project will be funded through a combination of funding sources including:

- Federal Rapid Housing Initiative funding;
- Provincial Social Services Relief Funding;
- Provincial Ontario Priorities Housing Initiative (OPHI) funding;
- HDC funding contributions.

The operating costs associated with this development are anticipated to be fully funded from the rental revenues generated from the property. It should be noted, however, that additional funding may be requested through a future assessment growth business case to ensure sufficient funding is secured for an adequate contribution to replacement reserves to provide for the future lifecycle renewal costs associated with the property.

The financial implications, including sources of financing, for the other modular housing developments being advanced will be brought forward for Council's approval once the details for those projects have been finalized.

## **Conclusion**

Supportive housing and transitional housing remain priorities for the City. Development activities to create new housing stock that is rapidly delivered and offered at below-average market rents are already underway at one site in partnership with the HDC and progress will continue to be provided through CPSC.

**Submitted by:**                    **Craig Cooper, Manager, Homeless Prevention**

**Recommended by:**    **Kevin Dickins, Acting Managing Director, Housing, Social Services and Dearness Home**

**APPENDIX "A"**

Chair and Members  
Community and Protective Services Committee

**#20168**  
December 15, 2020  
(Increase Budget)

**RE: Update on Urgent Transitional and Modular Supported Housing Development  
(Subledger FG200016)  
Capital Project HDC0002 - HDC - 122 Baseline  
Capital Project SH1105 - 122 Baseline Development**

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**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project cannot be accommodated within the financing available for it in the Capital Works Budget but can be accommodated with the Federal and Provincial funding applied to this project, and that, subject to the approval of the recommendations of the Acting Managing Director, Housing, Social Services and Dearness Home, the detailed source of financing for this project is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Revised Budget</u></b>	<b><u>Committed To Date</u></b>	<b><u>This Submission</u></b>
<b><u>HDC0002 - HDC - 122 Baseline</u></b>				
Engineering	\$686,914	\$49,154	\$49,154	\$0
Land Acquisition	0	36	36	0
Construction	1,208,035	0	0	0
City Related Expenses	1,055,051	74,470	74,470	0
	<u>2,950,000</u>	<u>123,660</u>	<u>123,660</u>	<u>0</u>
<b><u>SH1105 - 122 Baseline Development</u></b>				
Construction	\$0	\$17,369,840	\$0	\$17,369,840
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$2,950,000</u></b>	<b><u>\$17,493,500</u></b>	<b><u>\$123,660</u></b> 1)	<b><u>\$17,369,840</u></b>
<b><u>SOURCE OF FINANCING</u></b>				
<b><u>HDC0002 - HDC - 122 Baseline</u></b>				
CMHC Seed Funding	2) \$50,000	\$50,000	\$50,000	\$0
HDC Contribution	3) 2,900,000	73,660	73,660	0
	<u>2,950,000</u>	<u>123,660</u>	<u>123,660</u>	<u>0</u>
<b><u>SH1105 - 122 Baseline Development</u></b>				
Provincial OPHI Funding	4) 0	2,380,712	0	2,380,712
Provincial SSRF Funding	5) 0	4,591,250	0	4,591,250
CMHC RHI Funding	6) 0	7,546,767	0	7,546,767
HDC Contribution	3) 0	2,851,111	0	2,851,111
	<u>0</u>	<u>17,369,840</u>	<u>0</u>	<u>17,369,840</u>
<b>TOTAL FINANCING</b>	<b><u>\$2,950,000</u></b>	<b><u>\$17,493,500</u></b>	<b><u>\$123,660</u></b>	<b><u>\$17,369,840</u></b>

- 1) The land for this development (122 Baseline Road West) was surplus City land that was transferred to HDC for affordable housing purposes, per Council's *Asset Transfers to Municipal Services Corporations Policy*, as resolved by Council on May 30, 2017.
- 2) CMHC Seed Funding was previously approved for the City of London by Canada Mortgage and Housing Corporation (CMHC) for the development or implementation of proposals to help increase the supply of affordable housing.
- 3) HDC Contribution is available as a drawdown from the HDC Reserve Fund.
- 4) Provincial OPHI Funding is a portion of the allocation from the Province to the City of London through the Ontario Priorities Housing Initiative (OPHI).
- 5) Provincial SSRF Funding is a portion of the allocation from the Province to the City of London through the Social Services Relief Fund (SSRF).
- 6) CMHC RHI Funding was allocated to the City of London on October 23, 2020 from the Canada Mortgage and Housing Corporation (CMHC) through the Major Cities Stream of the Rapid Housing Initiative.

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Kyle Murray  
Director, Financial Planning & Business Support