



Housing Development Corporation, London

2020 SHAREHOLDER UPDATE



Rendering of 122 Base Line Rd West

**Strategic Priorities and Policy Committee (SPPC)
City of London Municipal Council
Meeting of June 23, 2021**



Agenda

In this Report:

1. Relevant Highlights: Local Housing Market
2. 2020 Key Achievements
3. The Response: 2020 Housing Development Plans
4. Housing Development and Plans – Complete List
5. Transition Plans and Next Steps
6. Financial Update and Reserve Fund Commitments

Background:

See: Community and Protective Services Committee meeting of May 11, 2021

Housing Stability Action Plan, 2020 Update and Priorities for 2021

“That... c) the Civic Administration Be Directed to circulate this report to the Strategic Priorities and Policy Committee to form part of the Housing Development Corporation, London’s (HDC’s) 2020 annual report to the Shareholder.” <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=80773>

Strategic Priorities and Policy Committee meeting of March 9, 2021

Transition Plan Progress Report – Housing Development Corporation, London (HDC)

Update on transition plans related to reintegration of HDC staff and business into the Civic Administration

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=78179>



Relevant Highlights: Local Housing Market

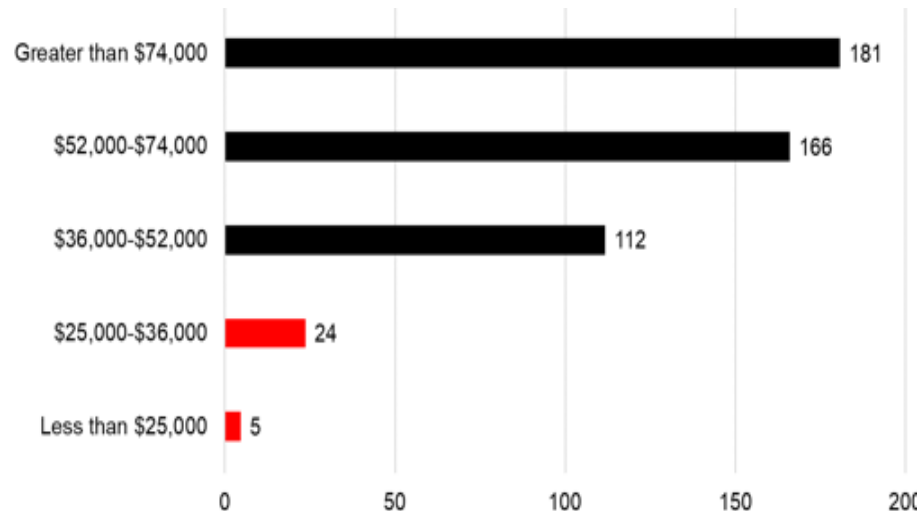
Experience in many large Canadian centres:

- Low vacancy rates in rental including in traditionally affordable/lower rental units
- Increased interest in rental market
- Ownership market outside of “affordability” for most

More unique to London:

- Rental market driven from within and outside London
- Interest in rentals “pulling” rents up from affordable units to meet demand = Fewer affordable units
- Persons in low/modest incomes losing in competition for few available units.

The 3000 unit gap in affordable housing:



Pie Chart: 60% of renters have incomes below \$52,000 (gross)

Graph: Almost no units in market for households under \$36,000

Units need to be prioritized to local needs.

(See HSAP update. CPCS, May 11, 2021 for details)



2020 HDC Key Achievements

165 New Affordable Units Approved in 2020

Bonusing for affordability

- **32 new units** guaranteed through S. 37 Bonusing. 12 of which with agreements for 50 years
- Bonused units to be aligned to those urgently needing housing through Housing Stability Services
- Bonusing as part of broader work with private developers on ways to advance more new affordable housing

Supporting new community affordable housing development

- **72 new units** approved for investment funding and currently under construction (see Indwell)
- Rostered 8 new partners interested in affordable housing development
- Advanced funding applications resulted in receiving \$24.3 million of government funding for affordable housing
- Accessed new government investment programs - stacking 4 government funding programs (2 new to 2020)
- Retained 24 sector/industry leader Agreements with engaged HDC Rostered Partners.

Advancing a pipeline of affordable development

- **61 units** approved as start of new municipal affordable housing infrastructure for urgent housing (see 122 Baseline)
- Developed plans, acquired approval and project managed demolition of former school buildings
- Initiated planning to provide for the future development of new affordable housing stock
- Establishing partners and process for maximizing value in available land for affordable housing



The Response: 2020 Housing Development Plans

Supporting strong community projects



Picture of 744 Dundas Street

Funding 72 new affordable “specialized housing” units:

- Indwell Community Homes at 744 Dundas
- Advancing quickly to completion
- Housing to meet tenant wellness, belonging, and stability needs.
- Working with Housing Stability Services and local partners

Other Actions:

- Advanced specialized housing and mixed housing with integrated populations with supports
- Housing with supports linked to Housing Stability Services and local priorities in Housing Stability Action Plan
- Revised programs including for Habitat for Humanity to support move to multi-residential affordable ownership

In addition to these, new units are being created by community organizations able to work more independently with government and community funders (PAM Gardens and Homes Unlimited London).



The Response: 2020 Housing Development Plans

Advancing new municipal affordable housing infrastructure



Rendering of Street View Entrance at 122 Base Line Rd West

Municipal Urgent Housing Priority Site 1: 122 Baseline Rd. W.

Status: Currently in Construction

4-storey development with 61 units including 41 one-bedrooms, 16 two-bedrooms, and 4 three-bedroom units.

The building is being built using prefabricated modular panelized construction methods led by EllisDon. Funding with RHI.



Site Photo of Construction at 122 Base Line Rd West



Rendering of Interior of Unit at 122 Base Line Rd West



The Response: 2020 Housing Development Plans

Readying municipal lands for development



Picture of the proposed 403 Thompson Rd Site

Municipal Urgent Housing Priority Site 2: 403 Thompson Road

Status: Investment funding application to advance in 2021

Land use and site planning activities in 2020 resulted in zoning approval to advance a 4-storey multi-residential affordable housing development, including 44 bachelor-style units.

Slated for next round of investment applications and construction.



Picture of the proposed 345 Sylvan St. site

Municipal Urgent Housing Priority Site 3: 345 Sylvan St.

Status: Pending Confirmation of Land Use Permissions

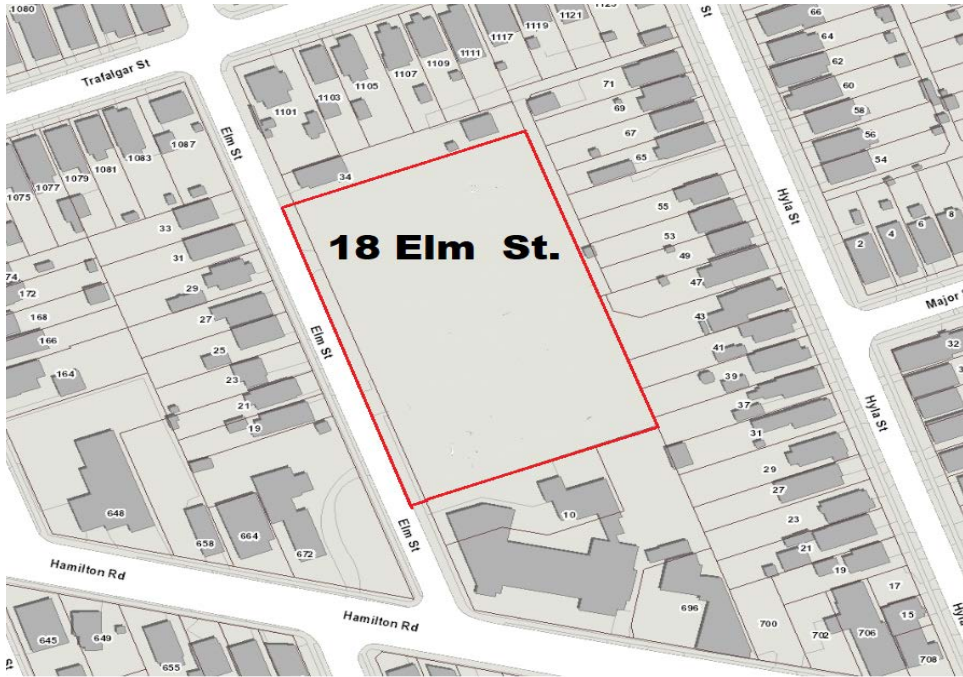
2020 planning work resulted in a zoning application approved by Council to advance a three-storey apartment building consisting of 40 one-bedroom affordable units and 2 two-bedroom units.

Target: Anticipated to advance in 2022 subject to approvals.



The Response: 2020 Housing Development Plans

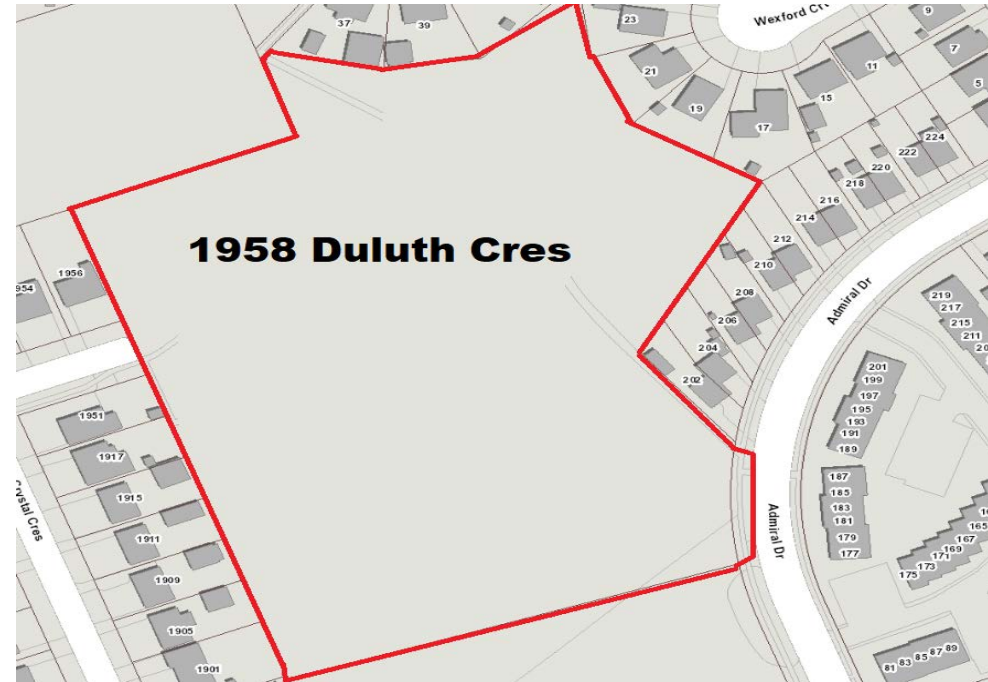
Acquiring strategic parcels toward a development pipeline.



Aerial map of 18 Elm Street

Purchased Surplus School Site: 18 Elm Street

- Purchased surplus school property in 2020
- Demolition and site remediation completed.
- Initiated site planning for affordable housing and parkland.
- Collaborative work with City's enterprise team and community partner continues.



Aerial map of 1958 Duluth Crescent.

Purchased Surplus School Site: 1958 Duluth Cres

- Purchased surplus school property in 2020
- Former school building demolished in December 2020
- Next steps: Concept plans and considerations toward land use planning for affordable housing and parkland.
- Requires plan of subdivision.



Housing Development and Plans – Complete List

Address	Affordable Units	Market Units	Total Units	Year Approved	Status
516 Albert Street Strathroy, 1822039 Ontario Ltd.	27	4	31	2016	Completed and renting in 2018
27 Centre Street, Escalade Property Corp.	46	15	61	2016	Completed and renting in 2018
356 Dundas Street, Indwell Community Homes	50	19	69	2016	Completed and renting in 2019
770 Whetter Ave., Homes Unlimited Inc.	50	4	54	2017	Completed and renting in 2019
45 Centre Street, Escalade Property Corp.	45	37	82	2017	Projected completion in 2021
1045 Dundas Street, London Affordable Housing Foundation	41	0	41	2018	Completed and renting in 2020
1090 Hamilton Road, Italian Seniors Project	54	6	60	2018	Completed and renting in 2020
440 Clarke Road, ZerIn Development Corp.	33	32	65	2019	Projected completion in 2021
329-331 Richmond St. Youth Opportunities Unlimited	35	0	35	2019	Projected completion in 2021
744 Dundas Street, Indwell Community Homes	72	0	72	2020	Projected completion in 2022
122 Base Line Road West, HDC	61	0	61	2020	Projected completion December 31, 2021
403 Thompson Road, HDC	44	0	44	Pending	Zoning approved April 2021; advancing plans to Site Plan Approval Q2-2021
345 Sylvan Street, City of London	42	0	42	Pending	Zoning appealed April 2021; continuing to advance plans to Site Plan Approval Q2-2021
18 Elm Street, HDC	TBD			Pending	Projected completion TBD
1958 Duluth Crescent, HDC	TBD			Pending	Projected completion TBD
Total	550*	117**	717		

(See HSAP update. CPCS, May 11, 2021 for details)

* In addition, HDC had inherited 226-230 Dundas St., 193 Clarke Road and 534 Albert St., Strathroy.

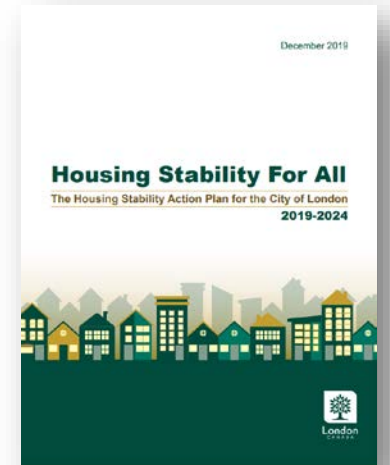
** Market units are rented at or slightly above the average rent. They maintain a relative affordability and help fund lower rents within the associated development.



Transition Plans and Next Steps

Building on industry-leading knowledge in affordable housing development toward...

- Advancing on plans for the smoothest possible transition of HDC staff and work into Civic Administration
- Advancing HDC/City business in affordable housing with community partners, clients, and agents
- Helping create action plans for 3000 units in 5 years (projected by end of summer 2021)
- Continue supporting all initiatives within the Housing Stability Action Plan activities
- Retaining gains and continuing growth of affordable housing through City's "enterprise approach"
- Managing existing and future projects
- NEW plans to advance Elm St. to development in coming weeks
- Helping the community to create more affordable housing in London through enhanced policies, programs, investments, planning, and direct development





Financial Update and Reserve Fund Commitments

HDC Reserve Fund

As at December 31, 2020

2020 Opening Cash Balance	\$ 6,741,756.00
Plus 2020 Annual City Contribution and interest ¹	2,659,848.00
Less 2020 Drawdowns	(2,475,016.00)
2020 Closing Cash Balance ¹	6,926,587.00
Less: Reserve Commitments	
329-331 Richmond Street (YOU)	(100,000.00)
744 Dundas Street (Indwell)	(357,078.00)
3454 Sylvan Street	(1,000,000.00)
Investment to support additional resourcing for lands	(50,000.00)
Office Lease	(1,569.00)
122 Baseline Road (HDC0002)	(776.00)
122 Baseline Road (SH1105)	(2,851,111.00)
403 Thompson Road	(2,759,326.00)
18 Elm Street	(407,105.00)
Subtotal Committed Funds to Date	(7,526,965.00)
Administrative Funds (Future Expenses)	(250,487.00)
2020 Uncommitted Capital ²	<u>\$ (600,377.00)</u>

Picture of HDC Reserve Fund

Federal/Provincial Capital Funding	2020 Allocation (April 1, 2020 to March 31, 2021)	2021 Allocation (April 1, 2021 to March 31, 2022)
Ontario Priorities Housing Initiative (OPHI)	\$822,397	\$2,380,712

Note 1: Reserve Fund balance as of Dec.31, 2020 is the cash balance. The reserve fund balance reported in the audited Financial Statements is different as it is in accordance with Canadian public sector accounting standards and includes \$220,558 of notes receivable.

Note 2: The 2020 year-end analysis reflects a \$600,377 deficit in the Reserve Fund. This is due to the reporting of financial commitments approved in 2020 but were anticipated to be funded from revenues received in 2021.



Questions and Discussion



Housing Development Corporation, London

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