

# Schedule 1

## Roadmap to 3,000 affordable units for the City of London

### Final Report

October 8, 2021



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# Introduction

The City of London's Housing Stability Action Plan 2019-2024 identified a need for a minimum of 3,000 new affordable housing units in the next ten years to meet current and future needs. However, despite significant efforts by the City and its housing partners, housing affordability issues have continued to worsen in London. As such, the Mayor has directed that the City prioritize the development of these 3,000 affordable housing units in the next five years. This is a bold goal but it can be achieved through the efforts and collaboration of all housing partners.

This Roadmap shows a path to achieving the target of 3,000 affordable housing units by 2026. It was developed through interviews with key stakeholders, including City staff, CMHC, and private and non-profit residential developers. It is also the result of an environmental scan of approaches that have been used in other jurisdictions.

The Roadmap shows that achieving the goal requires efforts from all housing stakeholders, including London residents, non-profit and private developers, London Middlesex Community Housing, the City of London, Canada Mortgage and Housing Corporation (CMHC), and the Province.

The goal of 3,000 units was not broken down equally annually as the expectation is that the pace of development will accelerate as more of the recommended tools are implemented over the course of five years.

# What is ‘Affordable Housing’ in London

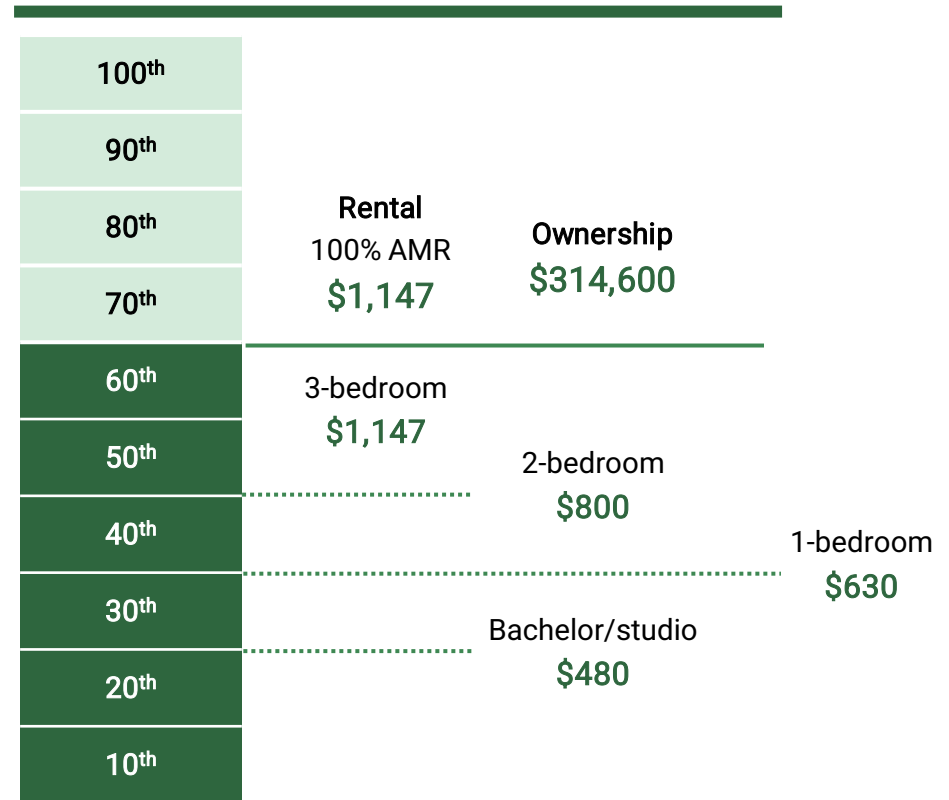
The London Plan and the Provincial Policy Statement (PPS) define affordable housing as:

1. In the case of **ownership housing**, will mean either one of the following:
  - a. Housing for which the purchase price in annual accommodation costs does not exceed 30% of gross annual household income for low- and moderate-income households; or
  - b. Housing for which the purchase price is at least 10% below the average purchase price of a comparable resale unit in the City of London.
2. In the case of **rental housing**, will mean either one of the following:
  - a. A unit for which the rent does not exceed 30% of gross annual household income for low- and moderate-income households; or
  - b. A unit for which the rent is at or below the average market rent for a unit in the City of London.

The Housing Stability Action Plan defines affordable housing as housing costs which do not exceed 30% of a household’s income.

There are also other definitions of affordable housing used. For example, the National Housing Co-Investment Fund (NHCF) uses 80% of the median market rent (MMR) by bedroom size. This should be taken into consideration to ensure that any City of London actions and initiatives can build on these programs.

Affordable Price Thresholds; 2020



Unit Size	Household Income in 2020
Bachelor/studio	\$19,300 (2 <sup>nd</sup> renter decile)
One-bedroom	\$25,300 (3 <sup>rd</sup> renter decile)
Two-bedroom	\$32,100 (4 <sup>th</sup> renter decile)
Three+ bedroom	\$47,900

Each decile corresponds to 10% of the renter population in London. Using the household estimates for 2020, this is about 7,500 households per decile.

# Why 3,000 Affordable Units – The Need

House prices and rents are increasing and becoming unaffordable to many London residents.



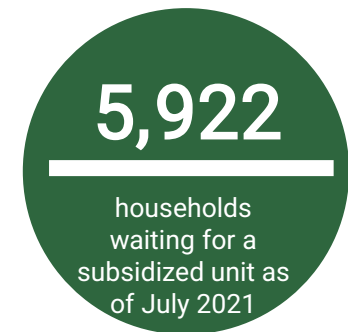
average and median house prices **increased by 50.0%** from 2015 to 2020.

household income required to afford the average house price in 2020 = **\$160,000**

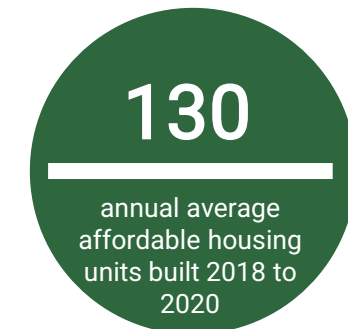
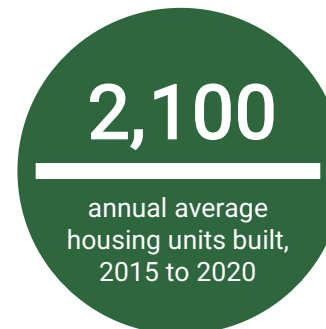
Average Market Rent



Many people cannot afford their housing and are waiting for subsidized options.



The private, non-profit and government sectors are building affordable housing but it's not enough to meet the need.





## Why 3,000 Affordable Units – The Benefits

Housing is a major contributor to economic growth, social stability, and household wealth. As the COVID 19 pandemic has clearly demonstrated, housing is also an important determinant of health. Complete and inclusive communities with a range of housing options, including affordable housing, support community wellbeing and prosperity.

### Economic growth is dependent on the availability of housing.

- A range of housing choices, including affordable housing, attracts people from all life stages, from single individuals to seniors to families with children, to live in London which then increases overall economic activity.
- Economic benefits from consumer spending are lessened when people live and work in different communities, so having a wide range of housing options, including affordable housing, increases the likelihood that people can live and work in London.
- Having housing that people with low and moderate incomes can afford improves the capacity of businesses to recruit and retain employees and attracts new businesses into the city.
- Having enough housing choices encourages young people, including graduates of London's post secondary institutions, to stay in the city.

- Building affordable housing creates jobs and the jobs are more stable. A study found that an investment of \$1 million results in the equivalent of about three full-time jobs and indirectly generates an additional ten jobs.
- Building affordable housing generates increased revenue in the form of taxes and user fees. While building affordable housing often requires government investment, governments get this investment back in the form of ongoing rents paid by tenants as well as property taxes paid by homeowners.

### Affordable housing improves the quality of life of London residents.

- It reduces housing costs, which means households have more funds for other essential and non-essential purchases.
- Households who live in affordable housing are more likely to be in better health, have more personal wealth (including non-housing wealth) and children and youth perform better in school.
- It reduces reliance on social and health services, thereby lowering the cost of such services.
- As noted in the Housing Stability Action Plan, housing is a basic human right and essential to a person's sense of dignity, safety, inclusion, and ability to contribute to neighbourhoods and communities.

## The Cost: \$1 Billion

Developing an average affordable rental apartment unit costs approximately \$350,000 - \$400,000 (including hard costs, soft costs, land costs, municipal fees and HST).

Accordingly, adding 3,000 units to the supply of affordable housing in London will cost approximately \$1 billion. This means the City cannot do it on its own. This requires efforts from all stakeholders, including London residents and senior levels of government.

# The National Housing Strategy: A Game Changer

In 2017 the Federal Government adopted the National Housing Strategy, which encompasses a host of new programs aimed at expanding the supply of affordable housing across the country and preserving existing affordable housing in need of repair

New federal programs delivered through Canada Mortgage and Housing Corporation, such as the National Housing Co-Investment Fund, the Rental Construction Financing Initiative and the Rapid Housing Initiative, are expected to contribute over \$50 billion in the form of grants and low interest loans by 2027.

Non-profit and for-profit developers as well as the City of London are already benefitting from several projects funded under these programs and are well positioned to attract hundreds of millions of these federal dollars to support new affordable housing projects.

It is anticipated that, with a well-planned and collaborative approach, the federal programs could meet as much as 55-60% of the \$1 billion cost of adding 3,000 units in the next five years

CMHC gives priority to projects that include funding from other levels of government, particularly local municipalities. By including municipal contributions towards affordable housing projects, the City can maximize the flow of federal dollars into the area



# It takes a village to house a city: Our immediate next steps

The City of London has invested an average of \$3.2 million a year in rent supplements and housing allowances and \$74.4 million over four years (i.e. the 2020-2023 Multi-Year Budget) to prevent homelessness, to build new affordable units and maintain existing ones. Both non-profit and private developers have also contributed to the supply of affordable housing in London. Yet the need continues to grow.

In the same way that it takes a village to raise a child, it will need all housing stakeholders to address housing affordability issues in London. This means we need a new way of working together to maximize our limited resources. We need bold actions to achieve our goal and to continue to address this issue in the long term. These bold moves are as follows.

- 1. Leverage the experience and assets of the non-profit sector.**
- 2. Unleash the capacity of the private sector.**
- 3. Locate non-traditional property that can be used for housing.**
- 4. Create the Housing Enterprise Action Team.**
- 5. The City should invest \$19.2 million a year for the next five years towards increasing the supply of affordable housing through the London Affordable Housing Program. This represents about 10% of the total cost of meeting the 3,000 target. The bulk of this investment (\$15.6 million per year) would be one-time grants, with \$3.6 million per year being ongoing permanent funding.**
- 6. Expand the role of the federal and provincial governments.**
- 7. Leverage the resources of London residents.**

# It takes a village to house a city: Our immediate next steps

Adding 3,000 affordable units in any form is a huge win. However, to use limited resources in the most effective manner, the City and its housing partners should also consider the deepest need and the make up of the current and future population.

Of the 3,000 affordable housing units created, 65.0% (1,950 units) should be bachelor and one-bedroom units. This is based on the proportion of one- and two-person households in London from 2006 to 2016. Of these units, a minimum of 30.0% (585 units) should be affordable to households with incomes within the 2nd and 3rd renter income deciles. This means a maximum rent of \$630 in 2020. This is based on the proportion of one- and two-person households in core housing need.

Of the 3,000 units, 35.0% (1,050 units) should be two or more-bedroom units with rents of no more than AMR which was \$1,147 in 2020.

In addition, at least 25.0% of these units should be accessible/ have accessibility features. This is based on the proportion of seniors in London as well as the requirements of certain CMHC funding programs.

**3,000 units** by 2026

of these units

**65.0%**  
bachelor and one-  
bedroom units

**35.0%**  
two+-bedroom units

**30.0%**  
or more of bachelor and  
one-bedroom units should  
have rents affordable to  
renter households in the  
2<sup>nd</sup> and 3<sup>rd</sup> renter income  
decile

**100%**  
of all units with two or  
more bedrooms should  
have rents affordable to  
renter households in the  
4<sup>th</sup> - 6<sup>th</sup> renter income  
decile

**25.0%**  
accessible

# It takes a village to house a city: Our immediate next steps

## Leverage the experience and assets of the non-profit sector.

- Issue an REOI (Request for Expressions of Interest) to identify non-profit organizations who have land/buildings, resources, and the interest in building affordable units immediately.
- Provide a capital grant per unit and grants equal to waivers of development charges and related municipal development fees for a set number of units to non-profit organizations with a proven track record and who are ready to build in the next 12 months. Units should prioritize London residents on the subsidized housing waiting list.

## Unleash the capacity of the private sector.

- Enter into agreements with private landlords who have vacant rental units to house people from the subsidized housing waiting list at affordable rent levels in exchange for a long-term lease.
- Issue an REOI to identify privately-owned property, such as commercial offices, hotels and motels and underutilized shopping centres that are candidates for conversation to residential or intensification, to include housing.
- Double the current rate at which affordable units are obtained through bonusing.
- Implement inclusionary zoning (IZ) in all PMTSAs and consider legislative options to increase opportunities where IZ can be implemented.

## Locate non-traditional property that can be used for housing.

- Identify City-owned property, such as community centres, libraries, parking lots, long term care homes, etc. that are candidates for intensification to include affordable housing.
- Ensure adequate servicing is available (or will be) to permit intensification. Initiate a zoning amendment process to enable such intensification projects to proceed as of right on such properties. Provide an expedited approvals process.
- Establish a land acquisition and servicing strategy for non-traditional lands (federal, provincial, city).
- Facilitate partnerships among property owners and non-profit and for-profit developers to build new affordable housing projects.

# It takes a village to house a city: Our immediate next steps

**Invest \$19.2 million per year for 5 years - \$15.6 million in one-time grants and \$3.6 million in ongoing permanent funding.**

- **Issue an RFP (Request for Proposals) for conditional capital grants and grants in lieu of waivers of development charges, building permit fees, and planning application fees for a set number of affordable rental and ownership units on an annual basis.**
- **Provide a conditional grant of up to \$20,000 per unit towards the creation of secondary suites in new and existing homes if these are rented at the affordable rental threshold for at least 10 years.**
- **Consider a tax rebate incentive for all forms of affordable housing (private, private on public (non-traditional) lands, etc.**

**Expand the role of the federal and provincial governments.**

- **Request the federal and provincial government to make available surplus lands in London for affordable housing.**
- **Sign an agreement with CMHC to collaborate on funding and planning new affordable housing projects in London.**
- **Advocate strongly to the provincial government for increased capital and operational funding for affordable housing.**

**Create the London Affordable Housing Team.**

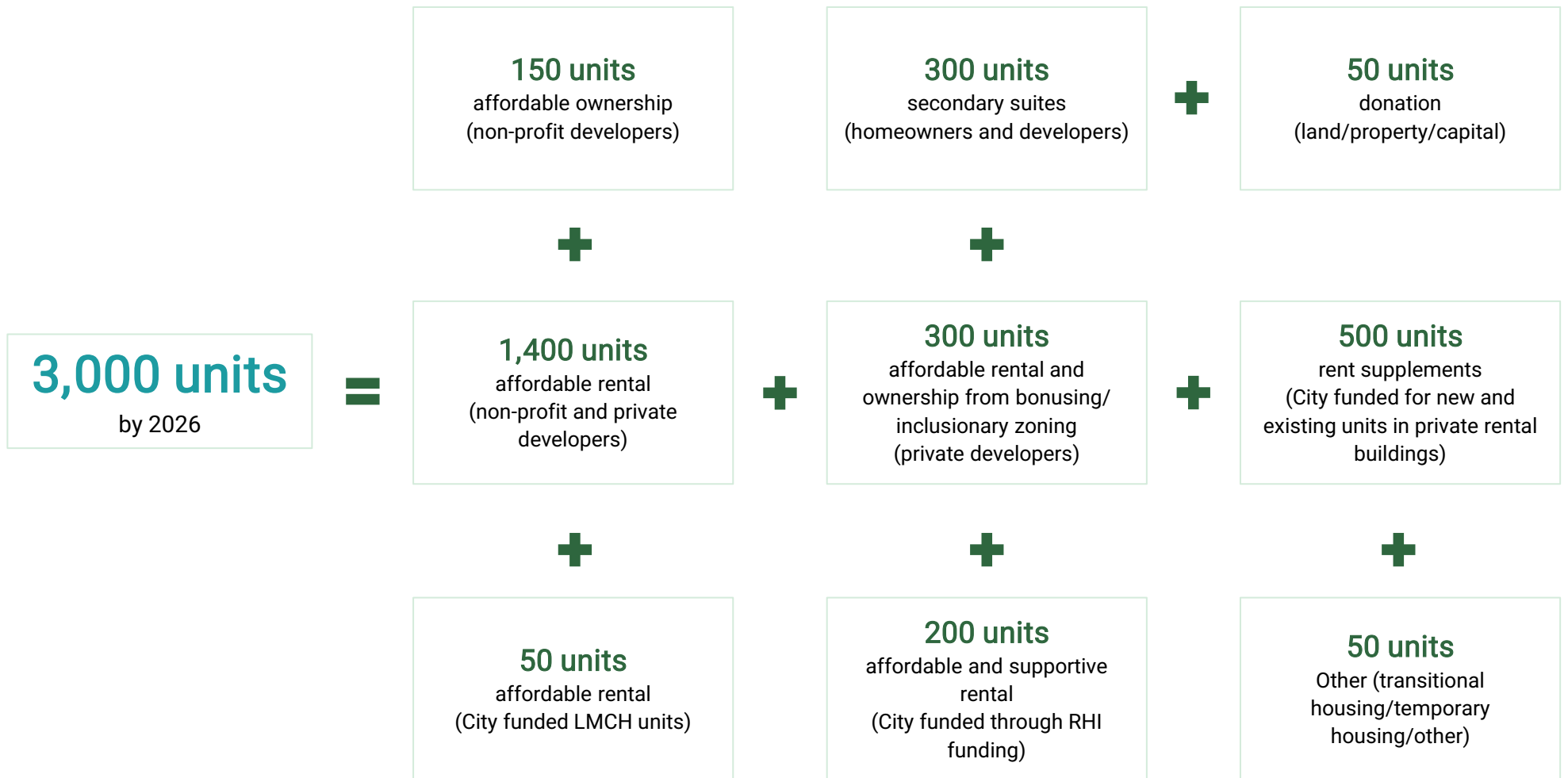
- **Create the Housing Enterprise Action Team (HEAT) at City Hall and externally.**
- HEAT will ensure adequate servicing is available (or will be) to permit housing on non-traditional lands including City, Provincial and Federal.
- HEAT will identify housing types (ie 1,2,3 bedrooms) that are currently in lower supply.
- HEAT will be available to assist developers throughout each phase (if applicable) of development and throughout the duration of the affordable house agreement.
- HEAT will prepare Urban Design Guidelines and the developments will not have to go to the Urban Design Review Panel (unless developer chooses to) as HEAT will include an urban designer.

# It takes a village to house a city: Our immediate next steps

## Leverage the resources of London residents.

- **Provide a conditional grant** to homeowners who rent out an additional residential unit at the affordable rental threshold for at least 10 years.
- **Recruit champions** among London residents to increase awareness of the need for a diverse housing supply, including affordable housing.
- **Identify private sector champions** (through RFQ) that can assist private sector (first time) residents that want to create an additional residential unit and/or first time small scale affordable housing development at a reduced fee (or no fee). HEAT will be available to assist with understanding processes, bylaws, permits, taxation, etc. – similar to business liaison.
- **Encourage local philanthropists** to donate towards affordable housing and implement a process to facilitate these donations.

# It takes a village to house a city: Our immediate next steps





# It takes a village to house a city: Our medium to long term actions

## Implement new revenue sources.

- Investigate a development charges levy for affordable housing.
- Consider a property tax levy specifically for affordable housing.
- Consider allocating a proportion of the revenue from the sale of all municipal land or buildings which are not appropriate for affordable housing.
- Include market rate units in all new affordable housing developments initiated by the City to increase financial sustainability.

## Redevelop or intensify underutilized properties.

- Offer any abandoned property that the City may take over to non-profit organizations in exchange for developing affordable housing.
- Purchase and sale agreements that include affordable housing will be given priority.

## Use available municipal tools.

- Explore opportunities for pre-zoning for increased height and density along all current and future transit routes outside of PMTSAs.
- Consider legislative options to allow for the implementation of IZ outside of PMTSAs.
- Develop and implement alternative development standards.
- Develop and implement a rental conversion and demolition policy to protect existing rental housing with six or more units and to ensure affordability is maintained when these units are replaced based on the three-year average of the rental vacancy rate as reported by CMHC.
- Incorporate the breakdown of the affordable housing target in the London Plan.
- Monitor annual progress toward the goal and beyond.

# It takes a village to house a city: Our medium to long term actions

## Work with the provincial government on an ongoing basis.

- Advocate to the Province for a discount in the land transfer tax and/or capital gains tax for landowners who donate or sell land at below market value for the purpose of affordable housing.
- Advocate to the Province for an increase in funding for rent supplements/ housing allowances to be better reflective of current rental market rates.
- Advocate to the Province to improve the review and response timelines for the Upper Thames River Conservation Authority and any other provincial agencies involved in reviewing planning applications for affordable housing.
- Advocate to the Province to sell surplus school sites at below market value if they are to be used for affordable housing.

## Work with the federal government on an ongoing basis.

- Identify additional federally-owned surplus property, such as unused post offices and hospitals, and advocate for these to be considered for affordable housing.
- Sign an agreement with CMHC to collaborate on an ongoing basis, including funding non-residential conversions to affordable housing and maximizing opportunities under current funding programs.

## Leverage the resources of London residents.

- Promote land and funding donations for affordable housing.
- Consider the value of having a greater supply of affordable housing in the form of rents paid for operating costs and the decrease in usage of emergency services.

# Projected Costs

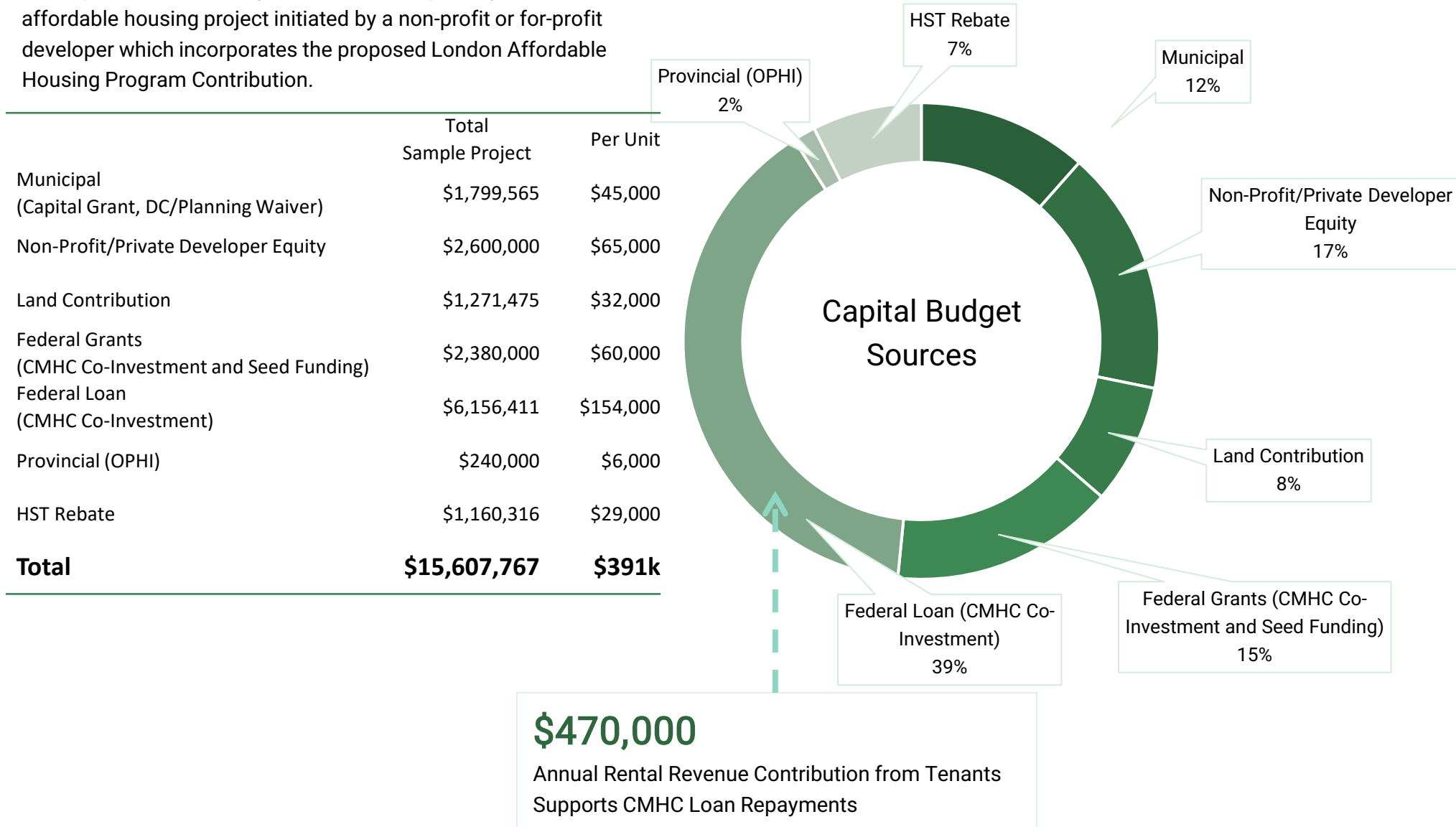
Program	Total Units	Annual Units	City Grant Per Unit	City Contribution Per Unit - Planning and DC Waivers (Grant In Lieu)	Annual Capital Contribution Budget	Annual Operating Subsidy
Secondary Suites - Homeowners & Developers	300	60	\$20,000	n/a	\$1,200,000	n/a
Affordable Rental (Non-Profit & Private)	1,400	280	\$20,000	\$25,000	\$12,600,000	n/a
Affordable Ownership (Non-Profit)	150	30	\$20,000	\$25,000	\$1,350,000	n/a
City - RHI Projects	200	40	n/a	n/a	n/a	n/a
Other (e.g. transitional, temporary housing)*	50	10	\$20,000	\$25,000	\$450,000	
LMCH Intensifications	50	10	n/a	n/a	n/a	n/a
Donations of land/property/capital**	50	10	n/a	n/a	n/a	n/a
IZ	300	60	n/a	n/a	n/a	n/a
Rent Supplements (Private Developers and Landlords)	500	100	\$7,200 (per unit per year)	n/a	n/a	\$3,600,000
<b>Total</b>	<b>3,000</b>	<b>600</b>			<b>\$15.6 million</b>	<b>\$3.6 million</b>

\*The costs for this category are subject to the details of the design of these programs.

\*\*Depending on the nature of the donations received, there may be additional associated costs (e.g. interim maintenance of land or buildings) which are not quantifiable at this time.

# Projected Cost Sharing of Typical Project

This figure shows the projected cost sharing of a typical 40 unit affordable housing project initiated by a non-profit or for-profit developer which incorporates the proposed London Affordable Housing Program Contribution.



## A Call to Action

Many housing stakeholders are already working to address the issue of housing affordability in London, from the significant donations from London residents to non-profit organizations who are building affordable units, to private developers who are including affordable units in their market developments, to the investments made by the three levels of government. However, as this Roadmap shows, we need a better way to work together if we want to achieve our initial target of 3,000 affordable units and continue to address this issue in the long term. This means rethinking how we use our limited resources, collaborating and partnering with both traditional and non-traditional stakeholders, and having a more intentional approach to addressing this issue.

This Roadmap provides an implementation plan to start with but it will evolve as we begin to apply the tactics and our efforts start to bear fruit. This means we need to monitor our progress to ensure we're moving in the right direction, learning from what we've already done, and improving the plan as we go.

The number of affordable one- and two-bedroom units articulated in this plan represent a considerable portion of the total one- and two-bedroom units anticipated in the City's current growth projections for the next 5 years. While the aim of this plan is not just to service growth needs but also to enhance the provision of affordable housing, it will be important to closely monitor the progress of the strategy relative to development that materializes over the coming years

## Appendix: What We Heard

The work on this Roadmap included a wide range of interviews with representatives of the non-profit sector, private developers, City staff, and CMHC staff. The key messages that came from these interviews are as follows.

- There is significant capacity and interest among non-profit organizations to build affordable housing but the lack of a standard funding program from the City has made building affordable housing a significant challenge compared to other communities.
- There is interest among private developers to build affordable housing but there is also an expectation that there will be incentives for these units.
- The cost and availability of land is one of the biggest barriers to building affordable housing. There are several untapped opportunities throughout London, including government-owned land, privately owned land, and land owned by non-profit organizations and faith-based groups.
- Timelines for planning applications have to be improved as they contribute to the overall cost of projects.
- Zoning requirements have to be re-examined to allow for more feasible developments, a mix of uses, and increased densities in areas close to services and amenities.
- Having one City team/department to help facilitate affordable housing development would be ideal.
- The City should leverage funding from senior levels of government by building on these programs and working closely with CMHC.
- Funding decisions should be more strategic and prioritize investments which bring greater value to London residents on the subsidized housing waiting list.
- Decisions related to debt and leveraging existing assets should be re-examined to maximize the opportunities available.
- Other levels of government have to be part of the solutions, not just in providing funding but also in providing land.
- Non-profit and private developers can build affordable units more cost-efficiently than the City and they can better leverage private donations and CMHC funding programs. Therefore, the emphasis should be primarily on supporting housing providers rather than on the City developing housing itself.



# Appendix: Detailed Projected Costs

## Project Statistics

Sponsor Group: Sample Organization - Nonprofit Construction Period: 18 months  
 Project Address: City of London  
 Project Type: Sample Project - 40 units Affordable standard rental housing, new construction  
 Site Area: 22,000 SF 2,044 m<sup>2</sup>

Units	# of Units	Unit Size (SF)	Unit Size (m <sup>2</sup> )	Rent/ Sq. Ft./ Month	Rent/ Unit/ Month	Rents as % of MMR	100% MMR	100% AMR	Comments	
Affordable Standard Apt 1-bedroom	6	500	46.5	\$1.50	\$750	79%	\$950	\$1,012	CMHC Housing Market Portal - City of London, October 2020. Note: Rents will vary by Zone in London. City-wide rates used for illustrative purposes.	
Affordable Standard Apt 2-bedroom	6	650	60.4	\$1.37	\$891	79%	\$1,129	\$1,223		
Market Standard Apt 1-bedroom	14	500	46.5	\$1.90	\$950	100%	\$950	\$1,012		
Market Standard Apt 2-bedroom	14	650	60.4	\$1.74	\$1,129	100%	\$1,129	\$1,223		
Total # of RGI (Rent Supplement) Units	Total # of Units	Total Size of Dwelling Units		Actual Total Rent Per Annum from Tenants (\$ and % of AMR)			Total Rent, All Units, All Sources	Total 100% MMR Rent, All Units	Total 100% AMR Rent, All Units	
0	40	(SF)	(m <sup>2</sup> )							
		23,000	2,136.8		\$467,424	94%	MMR	\$467,424	\$498,960	\$536,400
					\$467,424	87%	AMR			

	(SF)	(m <sup>2</sup> )	% of Total Space	Comments
Circulation	6,000	557	18.46%	
Amenity Space	1,500	139	4.62%	
Mechanical, Garbage, Storage	2,000	186	6.15%	
<b>Total Building Area</b>	<b>32,500</b>	<b>3,019</b>		

Underground or parkade parking size	0	0	350 sq ft per space allows for ramps
Total parking spaces	40		
Revenue generating parking spaces	40		
Number of storage lockers	0		

# Appendix: Detailed Projected Costs

## SOFT COSTS

<b>Professional Fees</b>	<b>Total Cost</b>	<b>Cost/ Sq. Ft.</b>	<b>Cost/ Unit</b>		<b>Comments</b>
<b>Professional Fees Sub-total</b>	<b>\$861,230</b>	<b>\$26.50</b>	<b>\$21,531</b>		5.5%of Total Capital Costs
<b>Site</b>	<b>Total Cost</b>	<b>Cost/ Sq. Ft.</b>	<b>Cost/ Unit</b>		<b>Comments</b>
<b>Site Sub-total</b>	<b>\$213,000</b>	<b>\$6.55</b>	<b>\$5,325</b>		1.4%of Total Capital Costs
<b>Legal and Organizational</b>	<b>Total Cost</b>	<b>Cost/ Sq. Ft.</b>	<b>Cost/ Unit</b>		<b>Comments</b>
<b>Legal and Organizational Sub-total</b>	<b>\$185,561</b>	<b>\$5.71</b>	<b>\$4,639</b>		1.2%of Total Capital Costs
<b>Financing Costs</b>	<b>Total Cost</b>	<b>Cost/ Sq. Ft.</b>	<b>Cost/ Unit</b>		<b>Comments</b>
<b>Financing Costs Sub-Total</b>	<b>\$62,737</b>	<b>\$1.93</b>	<b>\$1,568</b>		0.4%of Total Capital Costs
<b>Fees and Permits</b>	<b>Total Cost</b>	<b>Cost/ Sq. Ft.</b>	<b>Cost/ Unit</b>		<b>Comments</b>
<b>Fees and Permits Sub-total</b>	<b>\$999,565</b>	<b>\$30.76</b>	<b>\$24,989</b>		6.4%of Total Capital Costs
<b>Soft Costs Summary</b>	<b>Total Cost</b>	<b>Cost/ Sq. Ft.</b>	<b>Cost/ Unit</b>		<b>Comments</b>
Soft Costs Sub-total (9,17,25,30,42)	\$2,322,093	\$71.45	\$58,052		
Soft Cost Contingency	\$232,209	\$7.14	\$5,805	10.0%	
<b>Soft Costs Total</b>	<b>\$2,554,303</b>	<b>\$78.59</b>	<b>\$63,858</b>		16.4%of Total Capital Costs

# Appendix: Detailed Projected Costs

## HARD COSTS

Construction Costs	Total Cost	Cost/ Sq. Ft.	Cost/ Unit	Comments
<b>Construction Costs Sub-total</b>	<b>\$10,117,076</b>	<b>\$311.29</b>	<b>\$252,927</b>	64.8% of Total Capital Costs

Land / Property Acquisition Costs	Total Cost	Cost/ Sq. Ft.	Cost/ Unit	Comments
<b>Land Cost Sub-total</b>	<b>\$1,271,475</b>	<b>\$39.12</b>	<b>\$31,787</b>	8.1% of Total Capital Costs

TOTAL CAPITAL COSTS	Total Cost	Cost/ Sq. Ft.	Cost/ Unit	Comments
Hard Cost Total	\$11,388,551	\$350.42	\$284,714	
Soft Cost Total	\$2,554,303	\$78.59	\$63,858	
HST	\$1,664,912	\$51.23	\$41,623	13%
<b>Total Project Cost</b>	<b>\$15,607,766</b>	<b>\$480.24</b>	<b>\$390,194</b>	

Contributions	Total Funds	Cost/ Sq. Ft.	Funds/ Unit	Comments
Rezoning Application waived	\$11,523	\$0.35	\$288	Assumed waived for this model.
Site Plan Approval Application waived	\$3,143	\$0.10	\$79	Assumed waived for this model.
Building Permit Fees waived	\$23,279	\$0.72	\$582	Assumed waived for this model.
Development Charges waived				
Local waived	\$711,620	\$21.90	\$17,791	Assumed waived for this model.
Parkland Dedication Fees waived	\$250,000	\$7.69	\$6,250	Assumed waived for this model.
Equity contribution	\$2,600,000	\$80.00	\$65,000	Equity required to reach Debt Service Coverage of 1.1.
Land Value Contributed (Non-Profit)	\$1,271,475	\$39.12	\$31,787	Assume land contribution
City Capital Grant	\$800,000	\$24.62	\$20,000	\$20,000 Assume \$20k per unit for units at or less than 100% AMR.
CMHC Co-Investment Fund Grant Portion	\$2,300,000	\$70.77	\$57,500	15% of project cost target
CMHC SEED Contribution	\$80,000	\$2.46	\$2,000	Sample award size based on similar projects.
Ontario Priorities Housing Initiative (OPHI)	\$240,000	\$7.38	\$6,000	\$20,000 administered through Housing Service Manager, assumed for units less than 80% AMR
HST rebate (PST portion)	\$840,140	\$25.85		82%
HST rebate (GST portion)	\$320,175	\$9.85	\$8,004	50%
<b>Total Contributions</b>	<b>\$9,451,356</b>	<b>\$290.81</b>	<b>\$236,284</b>	
<b>Total Project Cost Less Contributions</b>	<b>\$6,156,411</b>	<b>\$189.43</b>	<b>\$153,910</b>	

CMHC Co-Investment Metrics	% of Equity Contribution and Donated Land to Total Capital Costs	25%
	% of Co-Investment Grant to Grant + Loan	27%
	Contributions Other than CMHC Grant + Loan	\$7,151,355

Mortgage	Total Cost	Cost/ Sq. Ft.	Cost/ Unit	Comments
Mortgage Amount	\$6,156,411	\$189.43	\$153,910	43%
Mortgage Interest Rate	2.50%			based on most recent lender quotes
Mortgage Amortization	50 years			
<b>Annual Mortgage Payments</b>	<b>\$215,270</b>	<b>\$6.62</b>	<b>\$5,382</b>	

# Appendix: Detailed Projected Costs

## Operating Budget First Full Year

Sample Organization - Nonprofit or City Led  
City of London

Estimated Operating Revenue	Total Cost	Cost/ Sq. Ft.	Cost/ Unit	Comments
Rental Income from Tenants	\$467,424	\$14.38	\$11,686	Market/Affordable Units
Rent Supplement/Subsidy Top-Up	\$0	\$0.00	\$0	Top-up to 100% AMR on RGI units only
Laundry Revenue	\$10,400	\$0.32	\$260	Estimated at \$5 per unit per week
Parking Revenue	\$24,000	\$0.74	\$600	Estimated at \$50 per parking space per month
Vacancy Loss	-\$15,055	-\$0.46	-\$376	3% of Rental, Parking, Laundry, Locker, Commercial Revenue
<b>Total Operating Revenue</b>	<b>\$486,769</b>	<b>\$14.98</b>	<b>\$12,169</b>	

Estimated Operating Expenses	Total Cost	Cost/ Sq. Ft.	Cost/ Unit	Comments
Maintenance - Salaries	\$33,000	\$1.02	\$825	Salaries & Benefits on Per Unit Basis: Seniors \$1,000, Townhouses \$600, Apartments \$825
Maintenance - Materials & Services	\$40,000	\$1.23	\$1,000	Per unit based on comparable projects
Heat	\$36,000	\$1.11	\$900	Heat included in rent; estimate at 50% of standard heat rate
Electricity	\$30,000	\$0.92	\$750	for common areas only; hydro not included in rents
Water/Sewer	\$16,000	\$0.49	\$400	Water included in rent; estimate at 75% of standard water rates
Property Management Fee	\$27,787	\$0.85	\$695	5% of (100% AMR + other revenue)
Other Administrative Materials & Services	\$8,000	\$0.25	\$200	administrative materials and professional services, as required
Capital Replacement Reserves Contribution	\$21,334	\$0.66	\$533	4% of 100% Average Market Rent and Other Income
Insurance	\$10,000	\$0.31	\$250	Estimate of \$250 per unit (large building)
Property Taxes	\$0	\$0.00	\$0	City of London property tax (general and education) rate of 1.388283% for new construction, multi-residential. Assume MPAC value of 50% of development cost value. General rate of 1.235283%. Assumes general rate and education exempt for non-profit.
Contingency	\$11,106	\$0.34	\$278	10% of total operating costs, excluding mortgage
HST	\$19,232	\$0.59	\$481	Assumes all Operating expenses are before tax
<b>Sub-total</b>	<b>\$252,460</b>	<b>\$7.77</b>	<b>\$6,312</b>	
Mortgage Payments	\$215,270	\$6.62	\$5,382	
<b>Total Operating Expenses</b>	<b>\$467,731</b>	<b>\$14.39</b>	<b>\$11,693</b>	

	\$234,309			
Net Operating Income	\$234,309	\$7.21	\$5,858	
Debt Service	\$215,270	\$6.62	\$5,382	
Debt Coverage Ratio	1.09			
<b>Net Operating Profit/Loss</b>	<b>\$19,039</b>	<b>\$0.59</b>	<b>\$476</b>	

