

2021 HDC Shareholder Update

Strategic Priorities and Policy Committee (SPPC)

City of London Municipal Council

Meeting of June 22, 2022



HDC

Housing Development Corporation, London

At its Shareholder meeting in 2021, Council recognized the retention of HDC and ongoing transition of services within a closer partnership with Civic Administration.

Within this direction, HDC is more closely aligned as a municipal service while fully retaining the strategic advantages of a separate business corporation, share held by Council. This HDC transition advanced through 2021 and included the retirement and transition of the CEO and advancement of the City's revised corporate structure.

The City's transition of HDC staff to Civic Administration occurred in 2022, finalizing this work. This advanced while staff managed complex development projects and continued to advance pre-development planning and other future strategies, together with City staff.

HDC continues to function as a unique and agile affordable housing “tool” – a specially formed resource and governance structure that allows the City to advance projects and strategies with speed and focused resources.

As in the past, this work and related progress updates are reported regularly to Council through the Housing Stability and Action Plan and related Roadmap (to 3000 affordable units) updates.



HDC Affordable Housing Accomplishments and Activity

In 2021:

- A total of **65** units were completed and brought into stock.
- An additional **464** units are approved, planned, and/or underway.
- Negotiated **94** Bonused units with tenant placement and 50-year agreements.

To date: (2015 to 2021) HDC has...

- Funded or directly advanced **602** units that are now completed and occupied.
- Assisted or directly developing an additional **456** units that are currently underway
- Negotiated **222** Bonused units which will be embedded in new private developments
- Assisted with the additional **400** units planned with the SoHo Alliance, Old Victoria Hospital Lands.

This equates to an approximate total of **1728**
of much needed affordable housing units



HDC Enterprise Partners in Development

2021 highlights included partnerships within Municipal Services as part of the City's strategic interest in building enterprise strategies across departments and service areas. These included:

Housing Stability Services

Collaboration with Housing Stability Services team to match identified tenants and supports from the Coordinated Access list to new affordable housing units.

- Completion of 122 Base Line Road – 61 units, also in partnership with LMCH as the Property Manager
- Under construction at 403 Thompson Road – 44 units
- Work underway to advance 345 Sylvan Street – 42 units

Housing Enterprise Action Team (HEAT)

Work was well underway to formulate this cross functional table specific to facilitate the development of affordable housing in support of the implementation of the *Roadmap to 3,000 Affordable Housing Units* Action Plan. This table is comprised of representatives from various City service areas.



HDC Community Partnerships

HDC staff continued to work with community and sector clients and with other governments to help create affordable rental housing. This work includes partnerships with private and non-profit developers. In 2021, these included:

18 Elm St. and Ontario Aboriginal Housing Services (OAHS)

HDC continued to advance on pre-development activities supporting its innovative and strategic partnership with OAHS.

18 Elm Street, acquired by HDC as a surplus school site, the former Holy Cross Elementary School, remains on target to become an indigenous led 42-unit development inclusive of wrap around supports and the incorporation of a child-care centre in the plans.

1697 Highbury Ave. and Habitat for Humanity

HDC continued and advanced its partnership with Habitat by being able to support 20 stacked townhomes at 1697 Highbury Avenue. A further partnership was created by aligning eligible families from the City's Coordinated Access list.



HDC Negotiated Units through Section 37 Bonusing

Section 37 Bonusing allows municipalities to secure a community benefit (affordable housing units) in exchange for more height and density (the “lift) above existing planning permissions.

HDC acts as a third-party negotiator between the City and developers to support negotiations for bonusing in exchange for affordable rental housing. With exception of currently planning applications under review, The City’s ability to exercise Section 37 Bonusing will end in September 2022. The function of negotiating and advancing affordable units within land use plans and developments is anticipated to continue with other municipal plans and programs.

Bonused Units Negotiated in 2021: **94**

Bonused Units Negotiated to Date: **222**

Bonused Units Under Review: **≈80**

Negotiated agreements typically provide for:

- An identified number of the total “lifted” affordable rental units
- A period of affordability, which is now at 50-year agreements
- Affordable rents as a % of CMHC Average Market Rent, which is on average 80%
- A Tenant Placement Agreement aligning the affordable units to the City’s Coordinated Access list



HDC Rapid Deployment of New Investment Tools

HDC continues to navigate, leverage, and source out all available capital investment programs related to affordable housing development.

CMHC Rapid Housing Initiative (RHI)

The RHI is a \$2.5 billion program to help address urgent housing needs, especially through the context of the pandemic, through rapid construction. Two successful developments funded under this program include:

- 122 Base Line Road using 5 different sources of funding for a total of \$19M – completed in Feb 2022
- 403 Thompson Road using 5 different sources of funding for a total of \$12M – target completion in Dec 2022



122 Base Line Road Rendering and Photo Taken May 2022



403 Thompson Road Rendering and Photo Taken May 2022



HDC Level of Affordability

In Canada, housing is considered “affordable” if it costs less than 30% of a household's before-tax income. Establishing rents to support various income levels is crucial to ensuring renters can truly afford their rent.

Examples of affordability through HDC developments:

122 Base Line Road

- One-bedroom monthly rents established at \$450, \$550 and \$692
Can be supported by an income of approx. \$18,000, \$22,000, \$37,000/year

403 Thompson Road

- Bachelor monthly rents established at \$600
Can be supported by an income of approx. \$36,000/year

2021 One Bedroom Average Market Rents:

Average Market Rent: \$1,095
Income level: \$43,800

80% Average Market Rent: \$876
Income level: \$35,040

70% Average Market Rent: \$766
Income level: \$30,640



HDC Ongoing Focus and Developments in Planning

Pre-Development and Direct Development:
1958 Duluth Crescent
Advancing a range of built forms through partnerships



1956 Duluth Crescent Ariel View

Regeneration:
Supporting the renewal and retention of social housing assets including the LMHC Southdale development plans



Family in new apartment

Strategic Land Use:
Continued acquisition and assembly of municipal lands, surplus school sites, etc. to support affordable housing



Pre-developed municipal lands at 122 Base Line Road



THANK YOU

A special and heartfelt thank you to all our enterprise-wide and community partners.