

B.2 2021 Update on Strategic Area of Focus 2: Creating More Housing Stock

We need far more affordable housing stock in our community. The shortage of safe, affordable housing options is impacting the stability and health of people across our community.

This section primarily focuses on the alignment of initiatives related to the development of new affordable housing stock. It is highlighted to inform Council as the sole shareholder of the Housing Development Corporation, London (HDC) of the activities and actions related to HDC advancing and delivering these initiatives. This section constitutes part of the HDC 2021 update to Council as sole shareholder.

Work is well underway towards achieving the goals set out in the Roadmap and exceeds HDC's target goal of 150 new affordable housing units per year. In 2021, 551 new affordable housing units were approved. These include:

Section 37 Bonusing

The Planning Act provides municipalities in Ontario the ability to advance public facilities, services or matters in exchange for additional height and density (bonusing) than would otherwise be permitted by zoning.

Since 2018, HDC has been engaged by the development industry to provide fair recommendations to the Director, City of London Development Services, for height and density bonusing in exchange for the provision of affordable housing. HDC's recommendations have resulted in a total of 20 Council approved bonus zones regulating the provision of 216 affordable housing units (including 212 rental units and 4 donated condominium units). These units are secured through agreement between the City of London and the developer. The bonus zone, and implementing agreement, identify the number of affordable units to be provided, the percentage of the Average Market Rent to be charged, and the affordability period. Agreements also require the developer to enter a Tenant Placement Agreement with the City of London. This action aligns the affordable rental housing unit with priority populations vetted and referred to the developer or their agent by the City. The agreement is registered on title with associated compliance requirements and remedies.

Bonusing has been extremely successful in advancing local housing affordability with a total of 94 affordable housing units were secured through approved bonus zones in 2021 alone. The Roadmap to 3,000 Action Plan identifies a target of 300 affordable rental and ownership units be provided for through bonusing or inclusionary zoning by 2024. It must be noted however that Council's ability to approve Bonus Zones will cease after September 18, 2022 and that while Inclusionary Zoning may be viewed as a future tool

similar to bonus zoning, the two affordable housing tools have significant differences.

1697 Highbury Avenue, Habitat for Humanity

Through the HDC Housing Partnership Program, which provides funding to non-profit organizations developing affordable housing to assist in off-setting municipal fees associated with development, HDC was able to fund 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. Construction is expected to commence spring of 2022.

Old Victoria Hospital Lands, Vision SoHo Alliance

The City of London provided a one-time funding contribution of \$11.2 million to support up to 400 affordable housing units within Vision SoHo Alliance's multi-residential project on the Old Victoria Hospital lands. This project will incorporate mixed use developments integrating the existing heritage buildings on the property, while enabling additional Londoners to secure sustainable, affordable housing.

Urgent Housing Sites

HDC continues to work on prioritized urgent housing sites owned by HDC and the City. The following are updates to these affordable housing developments:

122 Base Line Road West

The former vacant municipal surplus lands site at 122 Base Line Road West was transferred to HDC from the City in December 2018 and has become HDC's first completed affordable housing development site. The 4-storey, 61-unit building site, advanced directly by HDC with the support of the City's Rapid Housing SWOT Team, broke ground on March 1, 2021, and was funded through multiple levels of government, including the HDC Reserve (\$3.6M), the Ontario Priorities Housing Initiative (\$2.3M), the Social Services Relief Fund (\$5.4M) and the Rapid Housing Initiative (\$7.5M).

Less than one year later, on February 7, 2022, the building was deemed substantially complete and welcomed first tenancies on February 15, 2022. By March 1st, the building became 90% occupied with more than 95% of the tenancies confirmed with client-specific support services aligned to the individuals and families that were matched to the building through the Housing Stability Services Coordinated Access System and Team Champions.

Photos taken March 2021:



(Graphics: Vacant land at 122 Base Line Road)



Photos taken March 2022:



(Graphics: Building 122 Base Line Road)

Despite the pandemic and supply chain impacts and inclement weather conditions, the project remained 100% on-budget while first occupancy delays were mitigated to only six weeks beyond the original target occupancy date of January 1, 2022.

403 Thompson Road

In 2021, HDC, with the support of the City's Rapid Housing SWOT Team, advanced the proposed 4-storey, 44-unit affordable housing development at 403 Thompson Road (the second former vacant municipal surplus lands site transferred to HDC from the City in December 2018) through the Site Plan Approval process. Funding through multiple levels of government was also secured through HDC in 2021, including the HDC Reserve (\$1.4M), the Ontario Priorities Housing Initiative (\$153K), the Social Services Relief Fund (\$1.2M) and the Rapid Housing Initiative (\$10.7M).

The built form of the proposed development at 403 Thompson Road is consistent with the prefabricated panelized modular building systems built at 122 Base Line Road West.

100% of the units have been designed to meet the housing needs for an individual occupant and will meet the barrier-free accessibility requirements of the Ontario Building Code for multi-residential housing. Each 'single occupancy unit' will provide for a modestly sized open floor plan, a compact kitchen with apartment sized appliances, and a private washroom with a roll-in accessible shower. Of the 44 Units, 41 will provide for standard accessible features and 3 will be fully accessible, including installation of grab bars, lowered counter heights, and knee clearance at sinks.

Renderings for 403 Thompson Road:



(Graphics: Renderings for 403 Thompson Road)

Next Steps to Advance 403 Thompson: The development of 403 Thompson Road broke ground on February 10, 2022 and is anticipated to welcome first tenancies by December 31, 2022.

345 Sylvan Street: Acting as the Development Agent on behalf of the City of London to create new affordable housing stock on City-owned lands at 345 Sylvan Street, HDC established development plans that provide for a 3-storey, 42-unit development consisting of 40 one-bedroom units and 2 two-bedroom units. The built form and accessible design approach are consistent with the prefabricated panelized modular building systems completed at 122 Base Line Road West and under construction at 403 Thompson Road and will include two units designed for full accessibility.

Rendering for 345 Sylvan Street:



(Graphic: Rendering for 345 Sylvan Street)

In 2021, HDC led the following activities to advance 345 Sylvan Street to shovel-ready:

- | | |
|------------------------|---|
| January through June | HDC prepared and released a Demolition Tender, and awarded and executed a contract, to remove the former residential group home building and prepare the site for future development. |
| March | Municipal Council approved HDC's application for a combined Official Plan and Zoning By-Law amendment and included a Holding Provision requiring a future public site plan review process. |
| April | HDC executed a Pre-Construction Services Agreement with EllisDon Corporation to advance the development plans to Site Plan stage. |
| April through December | HDC/City Legal and Development Services responded to and successfully resolved an appeal received by the Ontario Land Tribunal ("OLT" formerly known as the Ontario Municipal Board) related to the above planning approvals. |
| August | HDC applied for capital funding through the Canada Mortgage and Housing Corporation ("CMHC") Rapid Housing Initiative (round two). |
| December | The capital funding application was declined by CMHC. |
- To continue bringing the development plans to shovel-ready, staff recommended and the HDC Board approved extending the Agreement with EllisDon beyond Site Plan Approval to Building Permit ready.

Next Steps to Advance 345 Sylvan Street

Construction could commence as early as July 2022, should sources of financing become available. In May 2022, the City of London Construction Administration Division of the Environment and Infrastructure Service Area will be administering the replacement of the water main and installation of a municipal sidewalk on Sylvan Street. This work is anticipated for completion by the end of June 2022.

18 Elm Street

In 2021, HDC established a strategic business alliance partnership with Ontario Aboriginal Housing Services ("OAHS") to advance the creation of an Indigenous-led mixed-use affordable rental housing development at 18 Elm Street. The development plans established through the partnership will provide for a small-scale community centre and childcare facility on the ground floor level with 42 units above, in a proposed 4-storey/3-storey built form. The 42-unit multi-residential component on the second through fourth floors will provide for a mix of one-, two-, three-, and four-bedroom unit configurations.

Through HDC coordination with other municipal services areas, the development plans for 18 Elm Street will also include an Urban Park for conveyance to the municipality upon completion of the development.

HDC-led activities in 2021 to advance the creation of a specialized Indigenous-led

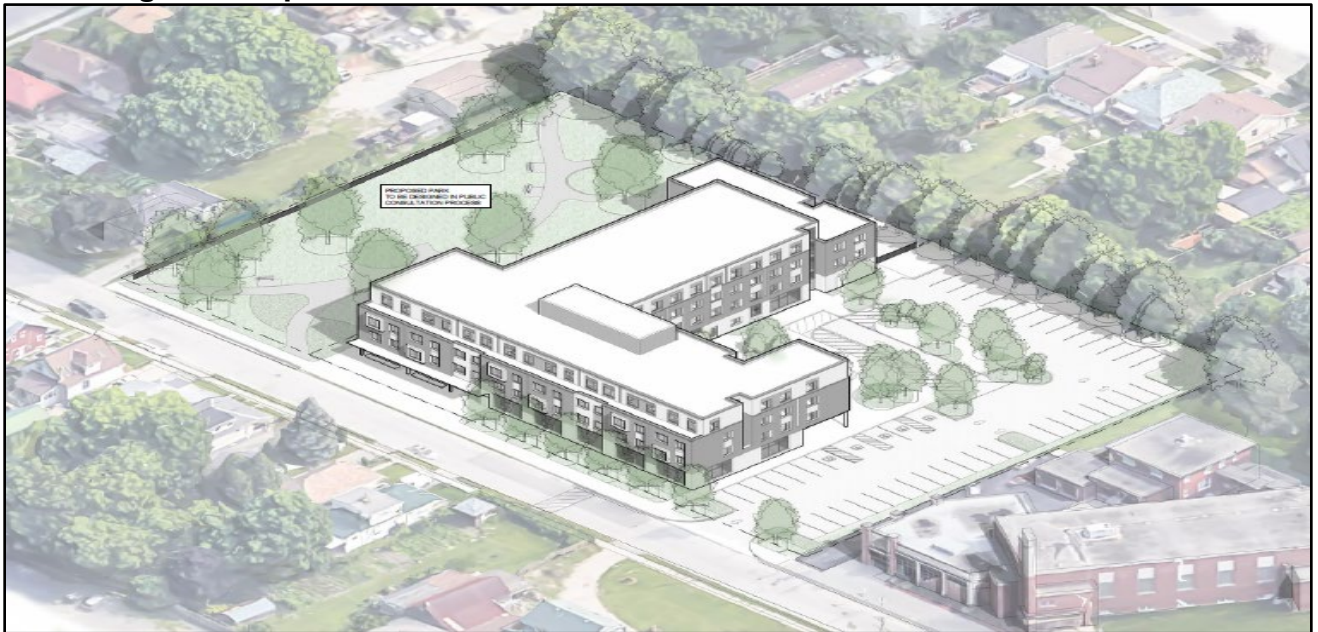
affordable housing development in partnership with OAHS at 18 Elm Street, include:

- January Substantial Completion was reached in the 2020 Demolition Tender released by HDC to remove the former school building and prepare the site for future development.
- February HDC and OAHS executed a Letter of Intent related to the strategic business alliance partnership and development plans noted above.
- July The HDC Board approved staff recommendations related to a Request for Pre-Qualification procurement process to establish a source list of prequalified architectural firms capable of delivering the project.
- September The HDC Board approved staff recommendations related to a Request for Proposal by Invitation Only procurement process issued to the prequalified source list, including awarding the Prime Consultant Services contract to Nicholson Sheffield Architects (“NSA”).

Next Steps to Advance 18 Elm Street:

Preparing to tender the construction project in September 2022. The development is anticipated for completion by the end of December 2023.

Site Design Concept for 18 Elm Street:



(Graphic: Site Concept for 18 Elm Street)

1958 Duluth Crescent

In 2021, HDC completed due diligence, preliminary engineering, and consultations with municipal services areas to inform HDC’s conceptual Draft Plan of Subdivision related to the former school lands located at 1958 Duluth Crescent. The conceptual plans will advance the creation of a mix of affordable rental and home ownership housing options to align with the targets outlined in the City of London’s Roadmap to 3000 Units Plan. In December 2021, HDC retained a planning consultant to prepare the application and materials required to submit the draft plans to the Approval Authority.

Through HDC coordination, the development plans for 1958 Duluth Crescent will also include a Park block for conveyance to the municipality upon completion of the development.

London Middlesex Community Housing (LMCH) Regeneration

Going forward, HDC will continue to support the regeneration activities of the LMCH project lead both at Southdale and across the broader portfolio. Progress is currently being made to advance the development at Southdale Road, London.

Community Housing Capital Planning

In 2021, Municipal Housing was successful in securing an additional \$465,300 Canada-Ontario Housing Initiative (COCHI) funding. As a result, a total of \$2.3 million was available and allocated to seven different social housing providers supporting 403 household units. Investments included new roofs, elevator modernization, new windows & doors to improve energy efficiency, and updates to bathrooms & kitchens.

Also in 2021, most of the 2020 capital work was completed as part of the 2020 Capital Investment Plan.

2021 Key Accomplishments

The following is a list of achievements in 2021 related to new development:

- Approved a total of 551 new affordable units for development which include:
 - Negotiated 94 units under section 37 Bonusing.
 - Advanced development of a 44-unit Rapid Housing Initiative (RHI) prefabricated panelized modular housing project at 403 Thompson, with \$10.6 million in grant funding received from CMHC through their RHI funding. Target completion date is end of 2022.
 - Supporting 400 affordable units through Vision SoHo Alliance.
 - Funded 20 homeownership units through Habitat for Humanity.
- The development at 440 Clarke Road by Zerine Development Corporation was completed and resulted in a total of 65 new affordable rental housing units being brought into stock in 2021.
- Partnership was established to match tenants with supports from the Coordinated Access Wait List to units at 122 Base Line Road West.
- Continued to activate 2 surplus school sites at 18 Elm and 1958 Duluth.
- Leveraged \$13,028,844 million of municipal funding towards additional affordable housing stock being developed in our community.
- Navigated and stacked four government funding programs to support new affordable housing developments.
- Retained 26 sector/industry leader Agreements with engaged HDC Rostered Partners.
- Advanced plans for municipal investment of \$1,328,844 to assist in leveraging an additional \$11,097,513 million in other government funding.
- Invested \$2.3 million towards Community Housing Capital Investment Plan initiatives supporting 403 household units.

2021 Affordable Housing Development Updates through HDC:

| Address | Affordable Units | Market Units | Total Units | Year Approved | Status |
|--|------------------|--------------|-------------|---------------|-------------------------------|
| 228-230 Dundas Street | 33 | 0 | 33 | 2015 | Completed and renting in 2021 |
| 516 Albert St., Strathroy 1822039 Ontario Ltd. | 27 | 4 | 31 | 2016 | Completed and renting in 2018 |
| 27 Centre St. Escalade Property Corp. | 46 | 15 | 61 | 2016 | Completed and renting in 2018 |
| 356 Dundas St 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 St. Escalade Property Corp. | 45 | 37 | 82 | 2017 | Projected completion in 2021 |
| 1045 Dundas St. London Affordable Housing Foundation | 41 | 0 | 41 | 2018 | Completed and renting in 2020 |
| 1090 Hamilton Rd. Italian Seniors Project | 54 | 6 | 60 | 2018 | Completed and renting in 2020 |
| 440 Clarke Rd. Zerine Development Corp. | 33 | 32 | 65 | 2019 | Completed and renting in 2021 |
| 329-331 Richmond St. Youth Opportunities Unlimited | 35 | 0 | 35 | 2019 | Projected completion in 2023 |

| | | | | | |
|---|--------------|--------------|-------------|---------|--|
| 744 Dundas Street Indwell Community Homes | 72 | 0 | 72 | 2020 | Projected completion in 2022 |
| 122 Base Line Road W HDC | 61 | 0 | 61 | 2020 | Completed and renting in 2022 |
| 403 Thompson Road HDC | 44 | 0 | 44 | 2021 | Under construction. Projected completion by end of 2022 |
| 345 Sylvan Street City of London | 42 | 0 | 42 | Pending | Plans advanced to Site Plan Approval and Building Permit |
| 18 Elm Street HDC | 42 | 0 | 42 | Pending | Plans advancing to land use and zoning permissions stage |
| 1958 Duluth Crescent HDC | TBD | | | Pending | Plans advancing to Draft Plan of Subdivision stage |
| 1697 Highbury Ave Habitat for Humanity | 20 | 0 | 20 | 2021 | Awaiting building permit in 2022 |
| Old Victoria Hospital Lands Vision SoHo Alliance | 400 | 200 | 600 | 2021 | Planning stages and first building await building permit in 2022 |
| Total | *1095 | **317 | 1412 | | |

* In addition, HDC had inherited 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 project.

Total number of Actions within this Strategic Area of Focus = 40
20 Completed and Ongoing, 8 In Progress, 12 Future Target