

# Brantford-Brant Municipal Housing Master Plan Initiative

(2020-2030)



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## Executive Summary

The Brantford-Brant Housing Master Plan (Master Plan) was identified as an outcome in the renewed Brant-Brantford Housing Stability Plan (HSP), supporting the vision that everyone “*has a home to live in that meets their needs*”. The renewed HSP was presented to the Social Services Committee contemporaneously with the proposed Master Plan report on October 2, 2019 and both are subject to Council approval on October 20, 2019.

The Master Plan is intended to establish a long—term infrastructure plan that can guide the City of Brantford, as Service Manager for the City of Brantford and Brant County, in maximizing the use of land and assets to increase the supply of municipally owned and operated affordable housing.

The Master Plan will have five main components:

<b>1</b>	Establish Global Targets	<ul style="list-style-type: none"> <li>• <i>Create baseline service level standard and target for the development of municipal housing to maintain service level standard against growth projections</i></li> </ul>
<b>2</b>	Cost Projections and Financing Options	<ul style="list-style-type: none"> <li>• <i>Sustainable financing options to support the implementation of a prioritized pipeline of projects</i></li> </ul>
<b>3</b>	Mapping and Assessment of Housing Needs	<ul style="list-style-type: none"> <li>• <i>Assessment of housing needs and future demand by areas using key variables (including other City/County priorities and community benefits);</i></li> <li>• <i>Map City and County owned lands and existing local housing corporation sites with potential for redevelopment;</i></li> <li>• <i>Identify affordable housing gaps, needs and neighborhoods where housing opportunities do not currently exist;</i></li> <li>• <i>Inform the potential business case for City and/or County incentives programs.</i></li> </ul>
<b>4</b>	Development Prioritization	<ul style="list-style-type: none"> <li>• <i>Design standards, principles and criteria for prioritizing development.</i></li> <li>• <i>Feasibility analysis of opportunities on existing housing sites and surplus lands;</i></li> <li>• <i>Create prioritized pipeline of projects;</i></li> </ul>
<b>5</b>	Policy and Governance Framework	<ul style="list-style-type: none"> <li>• <i>Review policy and governance frameworks and identify opportunities and/or risks that may impact achieving outcomes of Master Plan</i></li> </ul>

Like most other municipalities in Ontario, housing development in Brant and Brantford has been driven by periodic funding opportunities made available primarily through the



provincial and federal governments. This means when funding has been made available, the City seeks out a specific development opportunity. This reactive approach impedes long-term strategic planning on a portfolio-wide basis.

The needs of our current and future tenants change continuously but our housing stock remains the same – most of which was constructed decades ago. A long-term portfolio approach enables better alignment between new development decisions and capital repair planning for Brantford's existing housing assets, optimizing value for tax dollars. A Master Plan provides a framework to look at how our existing housing assets are currently used and pursue opportunities to realign that use to best meet emerging housing needs.

The Master Plan is a data-driven approach to planning for affordable housing development at a portfolio level over the long-term. Shifting to this approach enhances Brantford's readiness to respond to funding announcements, while also providing the information necessary to advocate for long-term funding commitments from the provincial and federal governments.

In short, the Master Plan proposes to activate the new municipal housing development targets established in the HSP that are tied to growth through financially sustainable housing projects that respond to a geographic assessment of housing needs. It also establishes a methodology of principles and criteria for prioritizing future projects.

### What it is and isn't

The Master Plan is a plan to guide development of municipal housing:

- that maintains current service levels against population growth;
- that meets local needs (e.g. demographic, socio-economic);
- that is financially sustainable through mixed income housing projects;
- through a portfolio level approach to long-term asset management;
- that maximizes existing resources; and
- that integrates the state of repair of existing assets into long term portfolio planning.

The Master Plan is not a plan to fully address all housing needs in the City of Brantford and Brant County. The HSP establishes separate and distinct action items to development strategies to encourage and incentivize the growth of affordable housing through participation by the non-profit, co-operative, private sector and secondary market landlords (e.g. homeowners).



## Implementation

Full implementation of the Master Plan will occur throughout three phases. The initial phase focuses on establishing the appropriate targets and financial modelling and is essentially completed in Q4 2019 with the introduction of the Master Plan Initiative.

Phase 2 will focus specifically on completing the detailed geographic and demographic assessments and long-term planning of housing needs. Staff will report back through the Social Services Committee on the findings of Phase 2, together with any specific recommendations required to approve new projects, funding or other opportunities that support the Master Plan.

Phase 3 represents the beginning of a “maintenance” phase – during which staff will report back annually with status updates, emerging data and funding opportunities, recommended new projects and any other relevant information.

### Phase 1 (Q4 2019)

- Establish global 10-year targets
- Establish prioritization criteria and principles for new housing development
- Work with Finance staff to determine initial cost projections and financial modelling to reflect the full costs of achieving the outcomes of the Master Plan
- Provide financing options and recommended next steps

### Phase 2 (Q2 2020)

- Complete mapping of housing needs across the City of Brantford and County of Brant *(including public consultation as necessary)*
- Complete assessment of existing housing projects against future housing needs *(including public consultation as necessary)*
- Identify and prioritize new housing development projects and types to be recommended to Council for approval *(working with Planning, Finance, Development Engineering, Legal & Real Estate staff as necessary)*
- Identify and recommend any opportunities to reimagine existing housing projects to be better align with future housing needs

### Phase 3 (Q4 2020)

- Prepare first annual update on Master Plan for Council
- Update 10 year capital projections
- Identify and present any new opportunities for projects, Master Plan amendments or funding opportunities to be recommended to Council for approval



## Strategic Alignments

The Master Plan initiative supports and aligns with the following strategic priorities:

### Council Priorities (2019-2020)

On June 25, 2019, Council approved its Council Priorities for 2019/2020 which included “Housing Continuum – Increase the supply and access to social and affordable housing options for Brantford residents.”

### Brant Brantford Housing Stability Plan (2014-2024)

The original Brantford-Brant Housing Stability Plan (HSP) identified five key goals and 53 recommendations. The HSP five year update completed in 2019 replaces and/or revises the original five goals and recommendations by establishing six new broad goals supported by clearer outcomes that are measurable and underpinned with a number of specific actions for the next five years.

The Six Goals of the revised Brantford-Brant Housing Stability Plan are:

1	Increasing affordable housing options
2	Providing holistic prevention and support services
3	Strengthening collaboration and coordination
4	Strengthen partnerships and collaboration with Indigenous service providers
5	Improving systems, planning and measurement
6	Reducing chronic homelessness

The Master Plan supports Goal #1 and, specifically satisfies a key action attached to achieving this goal: *“Develop and implement a 10-year Housing Regeneration Master Plan for municipally owned housing with funding/financing recommendation that support ongoing financial sustainability.”*

### Corporate Strategic Asset Management Policy

The City of Brantford Strategic Asset Management Policy was approved by Council in May, 2019, and intended to ensure that the assets of the City and its Local Boards are managed in a responsible manner which maximizes their value in providing City and Local Board Services.

The Master Plan supports the creation of the Asset Management Plan for the Health & Human Services Commission information that is required by July 1, 2023, by establishing and consolidating the information needed to allow for prioritization of capital needs to support growth and state of good repair.



## Measuring Success

The Master Plan applies a results based accountability approach to achieving a number of outcomes.

### “How much did we do?”

- Brantford Housing Services maintains, at a minimum, its current service level standard against a 10 year growth projection with development that provides a net increase of both RGI and low market affordable units.

### “How well did we do it?”

- New development includes market rent units that contribute to mixed income, inclusive communities and financial sustainability.
- New development balances initial cost of construction with long term capital planning considerations.
- New development is constructed with energy efficient materials and mechanical systems that contribute to minimizing utility costs and greenhouse gas emissions.
- All municipal housing is maintained in a state of good repair underpinned by a fully funded 10-year capital repair plan.

### “Is anyone better off?”

- New development is strategically targeted to best meet area-specific and demographic needs throughout the City and County.
- There is a reduction in individuals experiencing chronic homelessness.
- Applicants to the housing wait list have additional housing options to select to better reflect individual needs, such as location, accessibility, etc.
- All existing municipal housing is aligned to meet area-specific emerging housing needs.



## Understanding the Scope of Housing Need in Brant and Brantford

A household spending more than 30% of its gross income on housing costs would be considered to be in “core housing need”.<sup>1</sup> There are currently approximately 5,498 renter households in Brantford and Brant that meet the definition of being in core housing (unaffordable). Based on growth projections from 2021– 2031, it is estimated that this will increase to 7,508 renter households. These households are exceptionally vulnerable to increases in cost-of-living, job loss, or other factors (such as child care or health care costs) that may impact their ability to sustain housing.

Table 1 provides examples of households that are experiencing significant affordability challenges relative to the Brantford-Brant rental housing market.

**Table 1 - Examples of Rental Households in Core Housing Need**

Household Example	Unit Size	Income Source(s)	Gross Monthly Income	30% of Income	2018 Average Market Rent (AMR)	AMR Percentage of Income
Single, no dependents	Bachelor	Ontario Works (Basic Needs & Shelter)	\$733	\$220	\$650	89%
Single parent, 2 dependents	Three bedroom	Employment (min. wage)	\$2,125	\$637	\$1,145	54%
Senior Citizen	One bedroom	OAS, CPP, GAINS	\$1,836	\$550	\$874	48%

In Brant and Brantford, there are an estimated 3,881 units of affordable and community rental housing, as follows:

<sup>1</sup> Core Housing Need is defined as housing that is one or more of the following:

1. Unsuitable (e.g. size, form, accessibility);
2. Unsafe; or
3. Unaffordable.

For the purposes of establishing targets, the Housing Stability Plan focused on households in core housing need defined as unaffordable.





Table 2 - Breakdown of Affordable and Social Housing units

City of Brantford Housing Department	Owned and/or directly delivered housing assistance	1,476
Non-profit/Co-operative Housing Providers	Legislated providers under the <i>Housing Services Act, 2011</i>	961
Non-legislated Affordable Housing	Affordable Housing constructed and delivered under time limited affordable housing programs	455
Primary and Secondary Rental Market	The primary and secondary private rental market (e.g. duplexes, private landlords, condo rentals), although largely unregulated, is estimated to provide about 18% of the affordability needs. <sup>2</sup>	989
Total		3,881
Total Households in Core Housing Need		5,498
Current Surplus (Deficit)		(1,617)
The estimated ten year deficit of affordable rental units increases to 3,266 by 2031 as the projected number of households in need increases to 7,508.		

<sup>2</sup> The provision of affordable housing in the primary and secondary rental market has eroded in the last few years because of lack of rent controls and the rise of aggressive real estate investment trusts. However, long term tenants, households that share accommodations or may be “underhoused” still fall within acceptable affordability ranges. MacDonald, David. *Unaccommodating: Rental Housing Wage in Canada*, Canadian Centre for Policy Alternatives, July 2019,



## Components

### Establishing Targets

The Act requires the City of Brantford, as the Service Manager, to maintain a minimum of 1,645 rent-geared-to-income (RGI) housing units within Brantford-Brant catchment area. Brantford is currently one of very few Service Managers that meets and exceeds its legislated target.

As of June, 2019, the Housing Services Department maintains a total of 2,437 units (including 1,958 RGI units/supplements and 479 low market affordable units) within the City and County. These include units owned and operated by non-profit and co-operative housing providers.

**Table 3 - Breakdown of Current RGI/Affordable Housing**

Affordability	Operator	City of Brantford	County of Brant	Total
RGI	City of Brantford	1,265	112	1,377
Low market affordable		95	4	99
RGI	Non-profit/co-operative housing providers	581	0	581
Low market affordable		360	20	380
<b>Total</b>		<b>2,316</b>	<b>121</b>	<b>2,437</b>

The 2016 census reported 54,380 households living in the Brantford census metropolitan area.<sup>3</sup> Based on 2,437 units, this equates to an overall service level standard (SLS) of approximately 45 affordable units for every 1000 households. This is further broken down as follows:

**Table 4 - Breakdown of Service Level Standards between Brantford Housing and Non-profits/Co-operative Providers**

Brantford Housing Services (Municipally Owned and Operated Housing)	Non-Profit/Co-operative Housing Providers
Total Units: 1,476	Total Units: 961
27 per 1000 households	18 per 1000 households

To *maintain* the current SLS for Brantford Housing Services (i.e. 27 units per 1000 households), a total of 1,982 units will be required by 2031 or an additional 506 units.

<sup>3</sup> 2016 Census data on number of households was used to form the baseline service level standard as against the number of affordable housing units maintained in 2019.



Table 5 – Brantford Housing Service Level Standards against Growth

	2016	2021	2026	2031	Total	
Brantford/Brant	No. of Households	54,380	59,790	66,190	73,130	
	Current No. of Units	1,476	1,476	1,476	1,476	
	Impact of growth on SLS	27	24	22	20	
	Increase in Households	-	5,410	6,400	6,940	18,750
	Additional Units required to maintain 2016 baseline SLS <i>(rounded)</i>	-	146	173	187	506

In order to meet the additional need of 506 units over the next 10 years, the Housing Stability Plan established updated municipal housing development targets as follows:

- A minimum increase of 506 units of municipally owned and operated rental housing by 2031 and, to better reflect the pace of projected growth,
  - 319 units to be developed by 2026; and
  - 187 units to be developed between 2026 and 2031.



## Cost Projections and Funding Options

The cost projections and financing options have been divided to reflect the projected levels of growth at 2026 (319 units) and at 2031 (187 units) respectively.

Options and strategies to mitigate any shortfall of funding are set out below. Note: projects already approved or identified in the 10 year capital plan are included below together, with “placeholder projects” to reflect the full cost of achieving the outcomes of the Master Plan. This is not a final or conclusive list of projects and unless otherwise noted, all are subject to Council approval.

Project (Location)	Units	Completion Year	Funding Source(s) or Estimated Resources	Total Available Funding	Shortfall (recommended strategy)	Total Estimated Cost
<b>Between 2020 and 2016: Target minimum 319 units:</b>						
<b>Supportive Housing Development (Marlene Avenue)<sup>4</sup></b> <ul style="list-style-type: none"> <li>30 units RGI (rent supps)<sup>5</sup></li> <li>Infill development on existing LHC lands</li> <li>effectively 0% debt</li> <li>per unit cost (excluding land &amp; additional work for force main) \$170,333</li> </ul>	30	2020	Estimated Land Value	390,000	n/a	\$6,100,000
			Housing Reserves <sup>6</sup>	450,000		
			Provincial Grants to offset Debenture \$3.36M	3,360,000		
			Proceeds of sale of 220 Clarence	1,300,000		
			Wastewater Reserves	600,000		

<sup>4</sup> Project approved by Council (PHSS2017-097) funded from Home for Good provincial funding program.

<sup>5</sup> Associated program funding includes rent supplements to bridge the difference between Average Market Rent and maximum shelter allowance for recipients of Ontario Works or Ontario Disability Support Program.

<sup>6</sup> Housing Reserves includes: Affordable Housing Reserve (RF0475), Social Housing Capital Reserve (RF0473), Social Housing Acquisition Reserve (RF0565)



Project (Location)	Units	Completion Year	Funding Source(s) or Estimated Resources	Total Available Funding	Shortfall (recommended strategy)	Total Estimated Cost
<b>CASE Homes Demonstration Project (Stinson/Stirton)<sup>7</sup></b> <ul style="list-style-type: none"> <li>• 4 units RGI (rent supps)</li> <li>• Infill development on surplus lands</li> <li>• 0% debt</li> <li>• per unit cost (excluding land) \$106,250</li> </ul>	4	2020	Estimated Land Value	200,000	n/a	\$625,000
			Housing Reserves	425,000		
<b>Trillium Way (County)</b> <ul style="list-style-type: none"> <li>• 25 units (mixed income)<sup>8</sup></li> <li>• Infill development on existing LHC site</li> <li>• shown modelled with 50% debt (excl. land value)</li> <li>• per unit cost (excl. land) \$172,000</li> </ul>	25	2021	Estimated Land Value	1,060,000	\$2,250,000 (debt)	\$5,560,000
			Housing Reserves	2,030,480		
			Development Charges Reserve	19,520		
			Grants (OPHI) <sup>9</sup>	200,000		

<sup>7</sup> Additional surplus land is available to potentially replicate and/or expand with a similar project. This option has not been included for the purposes of modelling.

<sup>8</sup> Mixed Income refers to a range of rents that reflect a distribution of rents at each of 60% (average RGI), 80% and 100% Average Market Rent based on unit size.

<sup>9</sup> Ontario Priorities Housing Initiative is anticipated through two further three year allocations but expected to be reduced substantially. No estimates for future allocations were made for the purposes of financial modelling.



Project (Location)	Units	Completion Year	Funding Source(s) or Estimated Resources	Total Available Funding	Shortfall (recommended strategy)	Total Estimated Cost
<b>TBD (Shellard Lane parcel)<sup>10</sup></b> <ul style="list-style-type: none"> <li>40 units (mixed)</li> <li>2 acres retained from sale to developer</li> <li>50% debt (excl. land value)</li> <li>per unit cost \$193,125</li> </ul>	40	2024	Existing Land Value	1,025,000	\$4,737,500 (\$3,862,500 debt; \$875,000 capital contribution)	\$8,750,000
			Development Charge Reserve	93,713		
			Housing Reserves	2,693,787		
			Grants (OPHI)	200,000		
<b>Future Builds (Location TBD)</b> <p>Assumptions:</p> <ul style="list-style-type: none"> <li>5 buildings of 44 units (mixed income)</li> <li>1.5 acres available per building</li> <li>\$8.8M construction costs each building (\$200,000 per unit)</li> <li>50% debt (excl. land value)</li> </ul>	220	2022-2026	Existing Land Value (assume 7.5 acres at \$500K per acre)	\$4,500,000	\$37,324,022 (\$22,000,000 debt; \$15,324,022 capital contribution)	\$48,500,000
			Development Charge Reserve	544,000		
			Housing Reserves	4,235,660		
			Grants (COCHI 2022-2026) <sup>11</sup>	1,896,518		
<b>Totals (2020-2026)</b>	<b>319</b>			<b>\$25,223,478</b>	<b>\$44,311,522</b>	<b>\$69,535,000</b>

<sup>10</sup> Project may be planned for alternative location.

<sup>11</sup> Canada-Ontario Community Housing Initiative (COCHI) funding is estimated based on current program that maintains federal funding from Social Housing Agreement at 2018 levels.



Project (Location)	Units	Completion Year	Funding Source(s) or Estimated Resources	Total Available Funding	Shortfall (recommended strategy)	Total Estimated Cost
<b>Between 2026 and 2031, minimum 187 units:</b>						
<b>Future Builds (Local TBD)</b>  <i>Assumptions:</i> <ul style="list-style-type: none"> <li>• 4 buildings of 45-50 units (mixed income)</li> <li>• 1.5 acres available per building,</li> <li>• \$9M per building (\$200,000 per unit)</li> <li>• 50% debt (excl. land value)</li> </ul>	187	2026-2031	Existing Land Value	3,000,000	\$28,148,382 (\$18,000,000 debt, \$10,148,382 capital contribution)	\$39,000,000
			Development Charge Reserve	1,706,600		
			Housing Reserves	1,597,878		
			Grants (COCHI 2025-2028)	4,547,140		
Totals (2026 – 2031)	187			\$10,851,618	\$28,148,382	\$39,000,000
Grand Totals (2020-2031)	506	2031		\$36,075,096	\$72,459,904	\$108,535,000

Assuming the availability of land, the cost to construct housing generally ranges from \$160-\$200K per unit, although construction costs tend to increase regularly and incorporating new sustainable building techniques (such as passive house technology, geothermal heating/cooling) requires a larger upfront capital cost.

The total value of the 506 unit, 10 year development plan is estimated to be \$108,535,000. This is offset by estimated land and projected available funding of \$36,075,096, leaving an unfunded shortfall of approximately \$72,459,904. If land is not available, this shortfall would increase accordingly.



Overall, the projections are modelled applying a debt level of \$46,112,500 leveraged by a capital contribution of \$26,347,404. This reflects a financially sustainable model for housing as supported by the operating *pro formas* at Appendix 1.

#### Financing/Funding Options:

1. Fund full plan through debt/capital contribution (\$46,112,500/\$26,347,404).<sup>12</sup>

- Housing can sustain its operations based on rental revenue with the right mix of rents. Estimated operating costs for projects above (see draft *pro formas* attached as Appendix 1 to the Master Plan) demonstrate that each housing project can achieve a mixed level of affordability and financial sustainability, including:
  - Ability to service debt that represents approximately 50% of construction costs (i.e. excluding land value) without an impact on the tax supported levy;<sup>13</sup>
  - Ability to contribute sufficient funds to reserves to support long term capital repair needs; and
  - Ability to generate surpluses to contribute to future affordable housing growth<sup>14</sup>.
- Council could consider removing or amending the self-imposed debt borrowing restriction for Housing.
- The required capital contribution needed to leverage the debt could come from the sale of any surplus assets and/or an increase to the capital levy specific to housing.

2. Fund full plan through capital contribution with no debt (\$72,459,904).

- If debt were to be removed from the consideration, the full plan generates an additional estimated surplus of \$8.9M (the 10 year cost to service the debt) which could reduce the amount of capital contribution needed;

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<sup>12</sup> The National Housing Strategy Co-Investment Fund can result in a combination of low-cost loan and grant contribution, possibly reducing the amount of debt required and/or allowing for increased affordability and a possible alternative to traditional debenture funding.

<sup>13</sup> Assumes 3.65% interest rate, 30 year amortization

<sup>14</sup> Estimated 10-year surplus from full plan is approximately \$1,116,078 after debt servicing costs





- The capital contribution needed could come from the sale of any surplus assets and/or an increase to the capital levy specific to housing.
- The contribution would be further reduced if additional provincial/federal grants become available.

### 3. Reduce target / scope of the development prioritized through the Master Plan

The Master Plan could focus on achieving a reduced target for municipal housing or increased the timeline beyond the 10 years (which would then need to incorporate future growth projections as well).

- a) 50% of Plan:
  - i. With all anticipated funding exhausted and assuming land is available, the cost to build approximately 220 units<sup>15</sup> over the next 10 years would be approximately \$24M;
  - ii. This would reduce the current SLS to approximately 23 units per 1,000 households by 2031.
- b) Increase the span of time to achieve desired service levels. The plan could be pushed past 10 years. Further analysis of growth projections would be needed to understand the impact.

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<sup>15</sup> In addition to 30 unit supportive housing project currently under construction



### Mapping of local needs

The Master Plan will attempt to better define area-specific housing needs (i.e. neighborhood or ward level) in the City and County by mapping available key statistical data related to:

- Population growth projections;
- Demographic and socio-economic information;
- Existing housing projects (e.g. household type served, physical condition); and
- Other considerations such as available amenities (e.g. schools, transit, community centres) and other future planning considerations.

It will identify geographies of housing-related vulnerability by using broadly available social-economic and demographic data to create a statistical index or score. This index can highlight the level of housing “vulnerability” or risk amongst the population in Brantford and Brant.

Based on a scan of best practices, the index will be developed using a mix of housing and population related indicators and mapped at the Census Tract level for Brantford and Brant. Due to data limitations driven by the more rural geography, a modified index may be developed and utilized to better understand the housing needs in areas of Brant County. Higher scores will represent a greater risk in terms of households living in unaffordable or unsuitable housing conditions.

This information is layered with the mapping of existing housing projects and other development opportunities (e.g. surplus land), as well as the amenities that can serve specific community needs (e.g. schools and child care for family based housing).

The current distribution of housing units and types for Brantford and Brant are set out in the following tables.

**Table 6 – Brantford Ward by Ward Housing Distribution**

Brantford	No. of Units <sup>16</sup>	Household Type
Ward 1	510	Seniors, Family
Ward 2	203	Seniors, Family, Non-senior Adult
Ward 3	159	Family
Ward 4	305	Family
Ward 5	637	Seniors, Family, Non-senior Adult
Totals	1,814	

<sup>16</sup> Excludes Households receiving Portable Housing Benefits



Table 7 - Brant County Community Housing Distribution

Brant	No. of Units <sup>17</sup>	Household Type
Paris	83	Seniors, Family, Non-senior Adult
St. George	19	Seniors
Burford	12	Seniors
Other communities	0	n/a
Totals	114	

It is anticipated that the mapping exercise will be completed by Q2 2020. This data will help to inform future housing development decisions and identify priorities in regard to location, housing type, unit size, affordability mix, etc. In addition, this data will help support future recommendations for supporting housing opportunities with partners from the private, non-profit and co-operative sector.

<sup>17</sup> Excludes households in receipt of Portable Housing Benefit.



### **Development Prioritization Criteria:**

Development and/or redevelopment projects that would be recommended for Council approval would be measured and considered against the following key prioritization criteria.

#### ***Available Surplus Land / Infill Opportunities (vs. purchasing land)***

Land is a major expense and consideration when planning for new housing. The availability of surplus land and any opportunities to intensify current municipal housing sites will be considered for a prioritized development that meets the area-specific needs. The purchase of additional land for affordable housing may be recommended if there is a compelling business case.

#### ***Alignment with City and County priorities***

Projects that support Council endorsed priorities in the City and/or County, as applicable, which could include increased intensification, proximity to transit or achieving a balanced distribution of affordable housing.

#### ***Net increase in housing stock or unit type***

Projects that result in the greatest net increase of housing or particular unit type (e.g. accessible units) would be prioritized, assuming other considerations were generally equally favourable.

#### ***Opportunity to Leverage Partnerships***

Projects could be prioritized if there was an opportunity to leverage a partnership opportunity with a private or non-profit organization that could provide additional resources, supports or other benefit such as social enterprise, in-kind or material contribution.

#### ***Alignment with Identified Need***

In order to maximize the value of any investment, projects that align and meet identified area-specific needs will be prioritized. For example, a project in an area that has been deemed to lack affordable rental housing for senior households may be prioritized over an opportunity to build housing for seniors in areas that are demonstrating similar needs.

#### ***Economies of Scale/Intensification***

New development should achieve economies of scale in terms of construction costs and operating costs by balancing optimal intensification relative to the location of the development while reflecting best practices from the affordable housing sector (e.g. appropriate size of community for household type).



### *Ease of Implementation*

Factors such as the state of the site (e.g. shovel-ready, developable land), legal title to the lands, breadth of planning & development approvals needed; necessity of environmental remediation work and collaboration with surrounding residents will be considered for prioritizing new projects.

### *State of Good Repair/Address other systemic issues*

The building conditions of municipal housing sites are generally in above-average condition in relation to most other comparably sized and larger Service Manager areas. However, consideration should be given to the level of investment that will be required to maintain the municipal stock in good repair against the possibility of regeneration (e.g. redevelopment of current housing to best meet current needs or divesting of housing to reinvest in new development). This would also include considerations for the design and suitability of built form and the current site plan in light of neighbourhood growth (e.g. driveway placements, waste collection, height of buildings, green space/playgrounds) and additional considerations for increasing energy efficiency and/or address accessibility needs.

### *Access to Services*

In conjunction with other priority criteria, additional priority may be given to projects that provide good access to the amenities most needed by the household type (e.g. health care, transit, schools, shopping, childcare, community hub).



## **Policy and Governance Framework**

There are multiple policy, legislative and governance considerations which impact the affordable and community Housing operations in the City of Brantford and County of Brant.

### ***Brantford-Brant Local Housing Corporation (LHC)***

The LHC owns the majority of the properties which are operated by the Housing Services Department. All of its assets, including the real property, are held in trust for the City of Brantford, pursuant to an agreement dated January 21, 2002. The City of Brantford is its sole-shareholder and its Board of Directors is comprised of all appointees to the Social Services Committee. There should be a review of this governance structure to determine whether there is a more advantageous model for the LHC or if its existence as a separate and distinct corporate entity should be reconsidered.

### ***Brantford Municipal Non-Profit Housing Corporation (MNP)***

The MNP owns two properties – known as Beckett Building and Branlyn Meadows – containing 87 units total. The Beckett Building is now mortgage-free and the mortgage on Branlyn Meadows matures in 2028. As a non-profit corporation, there is no share capital. The Directors and Members are the City appointees to the Social Services Committee. There should be a review of this governance structure to determine whether there may be any existing or additional advantages to maintaining this non-profit corporation or, like the LHC, if its existence as a separate and distinct corporate entity should be reconsidered.

### ***Cost share agreement between the City of Brantford and County of Brant***

The 2002 cost share agreement between the City of Brantford and County of Brant sets out the cost share formula for the operating costs of the social housing duties that were included in the 2001 devolution of responsibility from the Province to local Service Managers. This agreement is unclear as to impact of new development on this cost-share agreement and, in addition, is silent on capital cost-sharing.

### ***Legislation***

The *Housing Services Act, 2011* (Act) sets out considerations for dealing with certain housing properties subject to this legislation and the circumstances which may require additional Ministerial Consent or notice.

Other legislation, including the *Municipal Act, 2001* and the *Planning Act*, have implications for the development, planning and operations of municipal housing.



## Risk Considerations

### *Financial Implications*

Cost projections and funding models include balanced assumptions about debt servicing costs (e.g. interest rates), revenue (e.g. vacancy rates/bad debts) and operating costs (e.g. utility rates, insurance rates, maintenance, etc). The Housing Services Department has the experience necessary to make reasonable assumptions but cannot predict all factors which might cause changes to these projections.

### *Maintaining Affordability*

Operating *pro formas* are based on rents that generally provide a ratio of 30/40/30% of units at 60/80/100% of AMR respectively. In all cases, the overall AMR for the building falls around 80% of AMR. In the case of a one-bedroom, this would provide units which could be rented between \$573 and \$954, substantially below true open market costs and in-line with the affordability needs for those receiving a senior citizens' government pension and individuals working at low wage jobs. Changes to income and average market rents may have impacts on future affordability needs.

### *Increased construction costs*

Increases for construction costs are factored into cost projections but are subject to typical market and inflationary pressures.

### *Land*

Cost projections included an assumption that surplus City owned land would be available and/or land owned by the LHC would be utilized for development. If the land necessary for development needs to be acquired, this would impact the cost projections.

### *Provincial/Federal Funding changes*

Confirmed funding through provincial and federal governments has been incorporated. Additional estimated future provincial/federal funding has been incorporated based on information made available. However, this funding remains subject to both provincial and federal approval and appropriations processes.

### *Public Consultation*

Public consultation will be an important focus for mapping and assessing housing needs



and planning for future development. There can be both significant public misconceptions associated with concepts of “affordable housing” (“NIMBYism”) and valid concerns identified. This can impact planning for future affordable housing development and strategies will need to be employed to ensure that the form and type of housing meets both the identified housing needs but also is appropriate to the neighbourhood.





## Next Steps

1. Commence process of mapping the housing needs across the City of Brantford and County of Brant using socio-economic and demographic information from the most recent Census data.
2. Complete assessment of existing housing communities against future housing needs
3. Identify surplus land and/or LHC sites which could be explored for future affordable housing development opportunities.
4. Consult with Ward Councillors on findings and undertake initial public consultation meetings as necessary.
5. Identify, assess and prioritize new housing development projects and types to be recommended to Council for approval within the approved capital budget envelope for affordable housing (*working with Planning, Finance, Development Engineering, Legal & Real Estate staff as necessary*)
6. Identify and recommend any changes to existing housing projects to be better align with future housing needs.
7. Report back to Committee with findings, recommendations and updates to the Master Plan.



## Appendix 1 – Operating Pro Formas

### MARLENE AVENUE 30 SUPPORTIVE UNITS:

#### PROPOSED ANNUAL OPERATING BUDGET

INFLATION 1.2%

REVENUE			2021	2022	2023	2024	2025	2026	2027	2028	2029	
BDRM TYPE	# UNITS		ANNUAL RENTS									
STUDIO/BACHELOR - RGI												
max ODSP shelter - 497*	(640)	10	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640	59,640	
max OW shelter - 390*	(640)	20	93,600	93,600	93,600	93,600	93,600	93,600	93,600	93,600	93,600	
Rent Supplements/Housing Allowance to \$640 Aff. Market Rent Per Unit*	(700 in yr.21)		77,160	77,160	77,160	77,160	77,160	77,160	77,160	77,160	77,160	
*increased in Year 21 by 5% (522/410)												
Total Rental Revenue (incl. R.S.)		30	230,400	230,400	230,400	230,400	230,400	230,400	230,400	230,400	230,400	
MMAH GRANT			209,250	209,250	209,250	209,250	209,250	209,250	209,250	209,250	209,250	
NON RENTAL REVENUE(Laundry only)			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
<b>TOTAL REVENUE</b>			440,650	440,650	440,650	440,650	440,650	440,650	440,650	440,650	440,650	
<b>EXPENSES</b>												
OPERATING COSTS†												
BLDG & EQUIPMENT R&M			16,500	16,698	16,898	17,101	17,306	17,514	17,724	17,937	18,152	18,370
JANITORIAL			6,500	6,578	6,657	6,737	6,818	6,899	6,982	7,066	7,151	7,237
ELEVATOR			2,200	2,226	2,253	2,280	2,308	2,335	2,363	2,392	2,420	2,449
ELECTRICAL SYSTEMS			1,500	1,518	1,536	1,555	1,573	1,592	1,611	1,631	1,650	1,670
HEATING, AIR & PLUMBING			1,500	1,518	1,536	1,555	1,573	1,592	1,611	1,631	1,650	1,670
GROUNDS			5,200	5,262	5,326	5,389	5,454	5,520	5,586	5,653	5,721	5,789
SNOW REMOVAL			12,000	12,144	12,290	12,437	12,586	12,737	12,890	13,045	13,202	13,360
PAINTING			2,200	2,226	2,253	2,280	2,308	2,335	2,363	2,392	2,420	2,449
WASTE REMOVAL			4,800	4,858	4,916	4,975	5,035	5,095	5,156	5,218	5,281	5,344
PEST CONTROL			2,000	2,024	2,048	2,073	2,098	2,123	2,148	2,174	2,200	2,227
OTHER			<u>300</u>	<u>304</u>	<u>307</u>	<u>311</u>	<u>315</u>	<u>318</u>	<u>322</u>	<u>326</u>	<u>330</u>	<u>334</u>
<b>TOTAL OPERATING</b>			54,700	55,356	56,021	56,693	57,373	58,062	58,758	59,464	60,177	60,899
UTILITIES												
NATURAL GAS			5,700	5,768	5,838	5,908	5,979	6,050	6,123	6,196	6,271	6,346
HYDRO (COMMON AREAS + APTS)			27,500	27,830	28,164	28,502	28,844	29,190	29,540	29,895	30,254	30,617
SEWER			4,700	4,756	4,813	4,871	4,930	4,989	5,049	5,109	5,171	5,233
HEATING (COMMON AREAS)			1,000	1,012	1,024	1,036	1,049	1,061	1,074	1,087	1,100	1,113
WATER (COMMON AREAS)			400	405	410	415	420	425	430	435	440	445
WATER (APT UNITS)			<u>5,000</u>	<u>5,060</u>	<u>5,121</u>	<u>5,182</u>	<u>5,244</u>	<u>5,307</u>	<u>5,371</u>	<u>5,435</u>	<u>5,501</u>	<u>5,567</u>
<b>TOTAL UTILITIES</b>			44,300	44,832	45,370	45,914	46,465	47,023	47,587	48,158	48,736	49,321
ADMINISTRATION												
CARETAKER ALLOW/EMP COST & BEN			3,050	3,087	3,124	3,161	3,199	3,237	3,276	3,316	3,355	3,396

Phone Lines (elevator, laundry, entry system)	4,200	4,250	4,301	4,353	4,405	4,458	4,512	4,566	4,621	4,676
Application Fees (LTB)	500	506	512	518	524	531	537	544	550	557
MATERIAL & Services	<u>1,000</u>	<u>1,012</u>	<u>1,024</u>	<u>1,036</u>	<u>1,049</u>	<u>1,061</u>	<u>1,074</u>	<u>1,087</u>	<u>1,100</u>	<u>1,113</u>
<b>TOTAL ADMINISTRATION</b>	8,750	8,855	8,961	9,069	9,178	9,288	9,399	9,512	9,626	9,742
OTHER										
DEBENTURE PAYMENT (P & I)	266,557	266,557	266,557	266,557	266,557	266,557	266,557	266,557	266,557	266,557
INSURANCE	2,500	2,530	2,560	2,591	2,622	2,654	2,685	2,718	2,750	2,783
BAD DEBTS (INCL VACANCIES)	<u>1,050</u>	<u>1,063</u>	<u>1,075</u>	<u>1,088</u>	<u>1,101</u>	<u>1,115</u>	<u>1,128</u>	<u>1,141</u>	<u>1,155</u>	<u>1,169</u>
<b>TOTAL OTHER</b>	270,107	270,150	270,193	270,236	270,280	270,325	270,370	270,416	270,462	270,509
<b>TOTAL OPERATING COSTS</b>	377,857	379,193	380,544	381,912	383,296	384,697	386,115	387,550	389,001	390,471
MUNICIPAL TAXES	23,000	23,276	23,555	23,838	24,124	24,414	24,706	25,003	25,303	25,607
TRANSFER TO CAPITAL RESERVE	14,000	14,168	14,338	14,510	14,684	14,860	15,039	15,219	15,402	15,587
<b>TOTAL EXPENSES</b>	<b>414,857</b>	<b>416,637</b>	<b>418,438</b>	<b>420,260</b>	<b>422,105</b>	<b>423,971</b>	<b>425,860</b>	<b>427,772</b>	<b>429,706</b>	<b>431,664</b>
SURPLUS (deficit)	25,793	24,013	22,212	20,390	18,545	16,679	14,790	12,878	10,944	\$8,986

\*\$640 max. aff. Rent based on approval of alternate avg. market rent for studio/ bachelor apt. from MMAH at \$800 - - increased to \$700 max. aff. rent in yr. 21

† Generally based on 35% of the per unit cost at Winston Court (except Janitorial and Utilities - based on 33 Main St.)

**4 CASE HOME UNITS:**

## PROPOSED ANNUAL OPERATING BUDGET

INFLATION 1.2%

REVENUE			2021	2022	2023	2024	2025	2026	2027	2028	2029	
BDRM TYPE	# UNITS	ANNUAL RENTS										
<b>STUDIO/BACHELOR - RGI</b>												
max ODSP shelter - 497*	(640)	1	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	5,964	
max OW shelter - 390*	(640)	3	14,040	14,040	14,040	14,040	14,040	14,040	14,040	14,040	14,040	
Rent Supplements/Housing Allowance to \$640 Aff. Market Rent Per Unit*			10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	10,716	
<b>Total Rental Revenue (incl. R.S.)</b>		<b>4</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	<b>30,720</b>	
<b>NON RENTAL REVENUE(Laundry only)</b>			<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	
<b>TOTAL REVENUE</b>			<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	<b>30,970</b>	
<b>EXPENSES</b>												
<b>OPERATING COSTS†</b>												
BLDG & EQUIPMENT R&M			1,100	1,113	1,127	1,140	1,154	1,168	1,182	1,196	1,210	1,225
JANITORIAL			800	810	819	829	839	849	859	870	880	891
ELEVATOR			0	0	0	0	0	0	0	0	0	0
ELECTRICAL SYSTEMS			250	253	256	259	262	265	269	272	275	278
HEATING, AIR & PLUMBING			250	253	256	259	262	265	269	272	275	278
GROUNDS			1,500	1,518	1,536	1,555	1,573	1,592	1,611	1,631	1,650	1,670
SNOW REMOVAL			1,500	1,518	1,536	1,555	1,573	1,592	1,611	1,631	1,650	1,670
PAINTING			250	253	256	259	262	265	269	272	275	278
WASTE REMOVAL			200	202	205	207	210	212	215	217	220	223
PEST CONTROL			1,000	1,012	1,024	1,036	1,049	1,061	1,074	1,087	1,100	1,113
OTHER			<u>150</u>	<u>152</u>	<u>154</u>	<u>155</u>	<u>157</u>	<u>159</u>	<u>161</u>	<u>163</u>	<u>165</u>	<u>167</u>
<b>TOTAL OPERATING</b>			<b>7,000</b>	<b>7,084</b>	<b>7,169</b>	<b>7,255</b>	<b>7,342</b>	<b>7,430</b>	<b>7,519</b>	<b>7,610</b>	<b>7,701</b>	<b>7,793</b>
<b>UTILITIES</b>												
NATURAL GAS			1,400	1,417	1,434	1,451	1,468	1,486	1,504	1,522	1,540	1,559
HYDRO (COMMON AREAS + APTS)			2,400	2,429	2,458	2,487	2,517	2,547	2,578	2,609	2,640	2,672
SEWER			1,200	1,214	1,229	1,244	1,259	1,274	1,289	1,305	1,320	1,336
HEATING (COMMON AREAS)			0	0	0	0	0	0	0	0	0	0
WATER (COMMON AREAS)			0	0	0	0	0	0	0	0	0	0
WATER (APT UNITS)			<u>1,200</u>	<u>1,214</u>	<u>1,229</u>	<u>1,244</u>	<u>1,259</u>	<u>1,274</u>	<u>1,289</u>	<u>1,305</u>	<u>1,320</u>	<u>1,336</u>
<b>TOTAL UTILITIES</b>			<b>6,200</b>	<b>6,274</b>	<b>6,350</b>	<b>6,426</b>	<b>6,503</b>	<b>6,581</b>	<b>6,660</b>	<b>6,740</b>	<b>6,821</b>	<b>6,903</b>
<b>ADMINISTRATION</b>												
CARETAKER ALLOWANCE/EMP COST&BEN			1,300	1,316	1,331	1,347	1,364	1,380	1,396	1,413	1,430	1,447
APPLICATION FEES (LTB)			120	121	123	124	126	127	129	130	132	134
MATERIAL & Services			<u>500</u>	<u>506</u>	<u>512</u>	<u>518</u>	<u>524</u>	<u>531</u>	<u>537</u>	<u>544</u>	<u>550</u>	<u>557</u>
<b>TOTAL ADMIN</b>			<b>1,920</b>	<b>1,943</b>	<b>1,966</b>	<b>1,990</b>	<b>2,014</b>	<b>2,038</b>	<b>2,062</b>	<b>2,087</b>	<b>2,112</b>	<b>2,138</b>

OTHER										
DEBENTURE PAYMENT (P & I)	0	0	0	0	0	0	0	0	0	0
INSURANCE	1,250	1,265	1,280	1,296	1,311	1,327	1,343	1,359	1,375	1,392
BAD DEBTS (INCL VACANCIES)	<u>550</u>	<u>557</u>	<u>563</u>	<u>570</u>	<u>577</u>	<u>584</u>	<u>591</u>	<u>598</u>	<u>605</u>	<u>612</u>
TOTAL OTHER	1,800	1,822	1,843	1,866	1,888	1,911	1,934	1,957	1,980	2,004
TOTAL OPERATING COSTS	16,920	17,123	17,329	17,536	17,747	17,960	18,175	18,393	18,614	18,838
MUNICIPAL TAXES	3,400	3,441	3,482	3,524	3,566	3,609	3,652	3,696	3,740	3,785
TRANSFER TO CAPITAL RESERVE	3,000	4,000	4,048	4,097	4,146	4,195	4,246	4,297	4,348	4,401
<b>TOTAL EXPENSES</b>	<b>23,320</b>	<b>24,564</b>	<b>24,859</b>	<b>25,157</b>	<b>25,459</b>	<b>25,764</b>	<b>26,073</b>	<b>26,386</b>	<b>26,703</b>	<b>27,023</b>
SURPLUS	7,650	6,406	6,111	5,813	5,511	5,206	4,897	4,584	4,267	\$3,947

\*\$640 max. aff. Rent based on approval of alternate avg. market rent for studio/ bachelor apt. from MMAH at \$800 --

† Generally based on per unit costs from Winston Court

**TRILLIUM WAY 25 UNITS:**

## PROPOSED ANNUAL OPERATING BUDGET

INFLATION 1.2%

REVENUE			2021	2022	2023	2024	2025	2026	2027	2028	2029	
	BDRM TYPE	# UNITS	ANNUAL RENTS									
One Bedroom Units (Alt. AMR \$956)												
60% Alt AMR (573)		8	55,008	55,668	56,336	57,012	57,696	58,389	59,089	59,798	60,516	61,242
80% Alt AMR (764)		8	73,344	74,224	75,115	76,016	76,928	77,852	78,786	79,731	80,688	81,656
100 Alt AMR (956)		5	57,360	58,048	58,745	59,450	60,163	60,885	61,616	62,355	63,103	63,861
Two Bedroom Units (Alt AMR \$1150)												
60% Alt AMR (690)		0	0	0	0	0	0	0	0	0	0	0
80% Alt AMR (920)		1	11,040	11,172	11,307	11,442	11,580	11,718	11,859	12,001	12,145	12,291
100% Alt AMR (1150)		3	41,400	41,897	42,400	42,908	43,423	43,944	44,472	45,005	45,545	46,092
<b>Total Rental Revenue</b>		25	238,152	241,010	243,902	246,829	249,791	252,788	255,822	258,892	261,998	265,142
<b>NON RENTAL REVENUE(Laundry only)</b>			3,000	3,036	3,072	3,109	3,147	3,184	3,223	3,261	3,300	3,340
<b>TOTAL REVENUE</b>			241,152	244,046	246,974	249,938	252,937	255,973	259,044	262,153	265,299	268,482

**EXPENSES**

OPERATING COSTS†											
BLDG & EQUIPMENT R&M		13,750	13,915	14,082	14,251	14,422	14,595	14,770	14,947	15,127	15,308
JANITORIAL		5,400	5,465	5,530	5,597	5,664	5,732	5,801	5,870	5,941	6,012
ELEVATOR		2,200	2,226	2,253	2,280	2,308	2,335	2,363	2,392	2,420	2,449
ELECTRICAL SYSTEMS		1,300	1,316	1,331	1,347	1,364	1,380	1,396	1,413	1,430	1,447
HEATING, AIR & PLUMBING		1,300	1,316	1,331	1,347	1,364	1,380	1,396	1,413	1,430	1,447
GROUNDNS		4,800	4,858	4,916	4,975	5,035	5,095	5,156	5,218	5,281	5,344
SNOW REMOVAL		10,000	10,120	10,241	10,364	10,489	10,615	10,742	10,871	11,001	11,133
PAINTING		1,800	1,822	1,843	1,866	1,888	1,911	1,934	1,957	1,980	2,004
WASTE REMOVAL		4,200	4,250	4,301	4,353	4,405	4,458	4,512	4,566	4,621	4,676
PEST CONTROL		1,800	1,822	1,843	1,866	1,888	1,911	1,934	1,957	1,980	2,004
OTHER		<u>300</u>	<u>304</u>	<u>307</u>	<u>311</u>	<u>315</u>	<u>318</u>	<u>322</u>	<u>326</u>	<u>330</u>	<u>334</u>
TOTAL OPERATING		46,850	47,412	47,981	48,557	49,140	49,729	50,326	50,930	51,541	52,160
UTILITIES											
NATURAL GAS		4,750	4,807	4,865	4,923	4,982	5,042	5,102	5,164	5,226	5,288
HYDRO (COMMON AREAS)		3,600	3,643	3,687	3,731	3,776	3,821	3,867	3,914	3,960	4,008
SEWER		3,900	3,947	3,994	4,042	4,091	4,140	4,189	4,240	4,291	4,342
HEATING (COMMON AREAS)		1,200	1,214	1,229	1,244	1,259	1,274	1,289	1,305	1,320	1,336
WATER (COMMON AREAS)		400	405	410	415	420	425	430	435	440	445
WATER (APT UNITS)		<u>4,200</u>	<u>4,250</u>	<u>4,301</u>	<u>4,353</u>	<u>4,405</u>	<u>4,458</u>	<u>4,512</u>	<u>4,566</u>	<u>4,621</u>	<u>4,676</u>
TOTAL UTILITIES		18,050	18,267	18,486	18,708	18,932	19,159	19,389	19,622	19,857	20,096
ADMINISTRATION											
CARETAKER ALLOWANCE/STAFF COSTS/BENEFITS		7,000	7,084	7,169	7,255	7,342	7,430	7,519	7,610	7,701	7,793

PHONE LINES	4,200	4,250	4,301	4,353	4,405	4,458	4,512	4,566	4,621	4,676
MATERIAL & Services	<u>1,000</u>	<u>1,012</u>	<u>1,024</u>	<u>1,036</u>	<u>1,049</u>	<u>1,061</u>	<u>1,074</u>	<u>1,087</u>	<u>1,100</u>	<u>1,113</u>
TOTAL ADMIN	12,200	12,346	12,495	12,644	12,796	12,950	13,105	13,262	13,422	13,583
OTHER										
DEBENTURE PAYMENT (P & I)**	123,514	123,514	123,514	123,514	123,514	123,514	123,514	123,514	123,514	123,514
INSURANCE	2,500	2,530	2,560	2,591	2,622	2,654	2,685	2,718	2,750	2,783
BAD DEBTS (INCL VACANCIES)	<u>1,050</u>	<u>1,063</u>	<u>1,075</u>	<u>1,088</u>	<u>1,101</u>	<u>1,115</u>	<u>1,128</u>	<u>1,141</u>	<u>1,155</u>	<u>1,169</u>
TOTAL OTHER	127,064	127,107	127,150	127,193	127,237	127,282	127,327	127,373	127,419	127,466
TOTAL OPERATING COSTS	204,164	205,132	206,111	207,102	208,105	209,121	210,148	211,187	212,240	213,304
MUNICIPAL TAXES	23,000	23,276	23,555	23,838	24,124	24,414	24,706	25,003	25,303	25,607
TRANSFER TO CAPITAL RESERVE	10,000	11,000	12,000	12,144	12,290	12,437	12,586	12,737	12,890	13,045
<b>TOTAL EXPENSES</b>	<b>237,164</b>	<b>239,408</b>	<b>241,667</b>	<b>243,084</b>	<b>244,519</b>	<b>245,971</b>	<b>247,441</b>	<b>248,928</b>	<b>250,433</b>	<b>251,956</b>
SURPLUS	3,988	4,638	5,308	6,854	8,418	10,001	11,603	13,225	14,866	\$16,526

† Generally based on per unit costs at John

Noble apartments

\*\*Principal mtg of \$2,250,000 (30 year  
amortization, 3.65%)

**SHELLARD LANE 40 UNITS:**

## PROPOSED ANNUAL OPERATING BUDGET

INFLATION 1.2%

REVENUE		2021	2022	2023	2024	2025	2026	2027	2028	2029	
BDRM TYPE	# UNITS	ANNUAL RENTS									
One Bedroom Units (Alt. AMR \$956)											
60% Alt AMR (573)	11	75,636	76,544	77,462	78,392	79,332	80,284	81,248	82,223	83,209	84,208
80% Alt AMR (764)	11	100,848	102,058	103,283	104,522	105,777	107,046	108,330	109,630	110,946	112,277
100 Alt AMR (956)	11	126,192	127,706	129,239	130,790	132,359	133,947	135,555	137,181	138,828	140,494
Two Bedroom Units (Alt AMR \$1150)											
60% Alt AMR (690)	2	16,560	16,759	16,960	17,163	17,369	17,578	17,789	18,002	18,218	18,437
80% Alt AMR (920)	2	22,080	22,345	22,613	22,884	23,159	23,437	23,718	24,003	24,291	24,582
100% Alt AMR (1150)	3	41,400	41,897	42,400	42,908	43,423	43,944	44,472	45,005	45,545	46,092
<b>Total Rental Revenue</b>	40	382,716	387,309	391,956	396,660	401,420	406,237	411,112	416,045	421,037	426,090
<b>NON RENTAL REVENUE(Laundry only)</b>		4,500	4,554	4,609	4,664	4,720	4,777	4,834	4,892	4,951	5,010
<b>TOTAL REVENUE</b>		387,216	391,863	396,565	401,324	406,140	411,013	415,945	420,937	425,988	431,100
<b>EXPENSES</b>											
OPERATING COSTS†											
BLDG & EQUIPMENT R&M		20,500	20,746	20,995	21,247	21,502	21,760	22,021	22,285	22,553	22,823
JANITORIAL		7,500	7,590	7,681	7,773	7,867	7,961	8,056	8,153	8,251	8,350
ELEVATOR		2,600	2,631	2,663	2,695	2,727	2,760	2,793	2,826	2,860	2,895
ELECTRICAL SYSTEMS		1,700	1,720	1,741	1,762	1,783	1,804	1,826	1,848	1,870	1,893
HEATING, AIR & PLUMBING		1,700	1,720	1,741	1,762	1,783	1,804	1,826	1,848	1,870	1,893
GROUNDS		6,000	6,072	6,145	6,219	6,293	6,369	6,445	6,523	6,601	6,680
SNOW REMOVAL		14,000	14,168	14,338	14,510	14,684	14,860	15,039	15,219	15,402	15,587
PAINTING		3,200	3,238	3,277	3,317	3,356	3,397	3,437	3,479	3,520	3,563
WASTE REMOVAL		5,800	5,870	5,940	6,011	6,083	6,156	6,230	6,305	6,381	6,457
PEST CONTROL		3,000	3,036	3,072	3,109	3,147	3,184	3,223	3,261	3,300	3,340
OTHER		<u>300</u>	<u>304</u>	<u>307</u>	<u>311</u>	<u>315</u>	<u>318</u>	<u>322</u>	<u>326</u>	<u>330</u>	<u>334</u>
TOTAL OPERATING		66,300	67,096	67,901	68,716	69,540	70,375	71,219	72,074	72,939	73,814
UTILITIES											
NATURAL GAS		7,000	7,084	7,169	7,255	7,342	7,430	7,519	7,610	7,701	7,793
HYDRO (COMMON AREAS)		3,800	3,846	3,892	3,938	3,986	4,034	4,082	4,131	4,180	4,231
SEWER		5,800	5,870	5,940	6,011	6,083	6,156	6,230	6,305	6,381	6,457
HEATING (COMMON AREAS)		2,200	2,226	2,253	2,280	2,308	2,335	2,363	2,392	2,420	2,449
WATER (COMMON AREAS)		800	810	819	829	839	849	859	870	880	891
WATER (APT UNITS)		<u>6,200</u>	<u>6,274</u>	<u>6,350</u>	<u>6,426</u>	<u>6,503</u>	<u>6,581</u>	<u>6,660</u>	<u>6,740</u>	<u>6,821</u>	<u>6,903</u>
TOTAL UTILITIES		25,800	26,110	26,423	26,740	27,061	27,386	27,714	28,047	28,383	28,724
ADMINISTRATION											
CARETAKER ALLOWANCE/STAFF COSTS/BENEFITS		9,100	9,209	9,320	9,432	9,545	9,659	9,775	9,892	10,011	10,131



PHONE LINES	4,200	4,250	4,301	4,353	4,405	4,458	4,512	4,566	4,621	4,676
MATERIAL & Services	<u>1,500</u>	<u>1,518</u>	<u>1,536</u>	<u>1,555</u>	<u>1,573</u>	<u>1,592</u>	<u>1,611</u>	<u>1,631</u>	<u>1,650</u>	<u>1,670</u>
TOTAL ADMIN	14,800	14,978	15,157	15,339	15,523	15,710	15,898	16,089	16,282	16,477
OTHER										
DEBENTURE PAYMENT (P & I)**	212,032	212,032	212,032	212,032	212,032	212,032	212,032	212,032	212,032	212,032
INSURANCE	3,250	3,289	3,328	3,368	3,409	3,450	3,491	3,533	3,575	3,618
BAD DEBTS (INCL VACANCIES)	<u>1,450</u>	<u>1,467</u>	<u>1,485</u>	<u>1,503</u>	<u>1,521</u>	<u>1,539</u>	<u>1,558</u>	<u>1,576</u>	<u>1,595</u>	<u>1,614</u>
TOTAL OTHER	216,732	216,788	216,845	216,903	216,962	217,021	217,081	217,141	217,203	217,265
TOTAL OPERATING COSTS	323,632	324,971	326,326	327,698	329,086	330,491	331,912	333,351	334,807	336,280
MUNICIPAL TAXES	35,000	35,420	35,845	36,275	36,710	37,151	37,597	38,048	38,505	38,967
TRANSFER TO CAPITAL RESERVE	14,000	15,000	16,000	16,192	16,386	16,583	16,782	16,983	17,187	17,393
<b>TOTAL EXPENSES</b>	<b>372,632</b>	<b>375,391</b>	<b>378,172</b>	<b>380,165</b>	<b>382,183</b>	<b>384,225</b>	<b>386,291</b>	<b>388,382</b>	<b>390,498</b>	<b>392,640</b>
SURPLUS	14,584	16,471	18,393	21,159	23,957	26,789	29,655	32,555	35,490	\$38,460

† Generally based on per unit costs at John Noble apartments

\*\*Principal mtg of \$3,862,500 (30 year amortization, 3.65%)

**44 Unit Pro forma (5 buildings of 44 units)**

## PROPOSED ANNUAL OPERATING BUDGET

INFLATION 1.2%

REVENUE		2021	2022	2023	2024	2025	2026	2027	2028	2029	
BDRM TYPE	# UNITS										
		ANNUAL RENTS									
One Bedroom Units (Alt. AMR \$956)											
60% Alt AMR (573)	12	82,512	83,502	84,504	85,518	86,544	87,583	88,634	89,698	90,774	91,863
80% Alt AMR (764)	12	110,016	111,336	112,672	114,024	115,393	116,777	118,179	119,597	121,032	122,484
100 Alt AMR (956)	12	137,664	139,316	140,988	142,680	144,392	146,124	147,878	149,652	151,448	153,266
Two Bedroom Units (Alt AMR \$1150)											
60% Alt AMR (690)	1	8,280	8,379	8,480	8,582	8,685	8,789	8,894	9,001	9,109	9,218
80% Alt AMR (920)	3	33,120	33,517	33,920	34,327	34,739	35,155	35,577	36,004	36,436	36,874
100% Alt AMR (1150)	4	55,200	55,862	56,533	57,211	57,898	58,592	59,296	60,007	60,727	61,456
<b>Total Rental Revenue</b>	44	426,792	431,914	437,096	442,342	447,650	453,022	458,458	463,959	469,527	475,161
<b>NON RENTAL REVENUE(Laundry only)</b>		4,800	4,858	4,916	4,975	5,035	5,095	5,156	5,218	5,281	5,344
<b>TOTAL REVENUE</b>		431,592	436,771	442,012	447,317	452,684	458,117	463,614	469,177	474,807	480,505
<b>EXPENSES</b>											
OPERATING COSTS†											
BLDG & EQUIPMENT R&M		22,500	22,770	23,043	23,320	23,600	23,883	24,169	24,459	24,753	25,050
JANITORIAL		9,200	9,310	9,422	9,535	9,650	9,765	9,883	10,001	10,121	10,243
ELEVATOR		2,800	2,834	2,868	2,902	2,937	2,972	3,008	3,044	3,080	3,117
ELECTRICAL SYSTEMS		1,900	1,923	1,946	1,969	1,993	2,017	2,041	2,065	2,090	2,115
HEATING, AIR & PLUMBING		1,900	1,923	1,946	1,969	1,993	2,017	2,041	2,065	2,090	2,115
GROUNDS		6,000	6,072	6,145	6,219	6,293	6,369	6,445	6,523	6,601	6,680
SNOW REMOVAL		15,000	15,180	15,362	15,547	15,733	15,922	16,113	16,306	16,502	16,700
PAINTING		3,200	3,238	3,277	3,317	3,356	3,397	3,437	3,479	3,520	3,563
WASTE REMOVAL		6,000	6,072	6,145	6,219	6,293	6,369	6,445	6,523	6,601	6,680
PEST CONTROL		3,600	3,643	3,687	3,731	3,776	3,821	3,867	3,914	3,960	4,008
OTHER		<u>400</u>	<u>405</u>	<u>410</u>	<u>415</u>	<u>420</u>	<u>425</u>	<u>430</u>	<u>435</u>	<u>440</u>	<u>445</u>
TOTAL OPERATING		72,500	73,370	74,250	75,141	76,043	76,956	77,879	78,814	79,759	80,717
UTILITIES											
NATURAL GAS		6,500	6,578	6,657	6,737	6,818	6,899	6,982	7,066	7,151	7,237
HYDRO (COMMON AREAS)		3,800	3,846	3,892	3,938	3,986	4,034	4,082	4,131	4,180	4,231
SEWER		5,800	5,870	5,940	6,011	6,083	6,156	6,230	6,305	6,381	6,457
HEATING (COMMON AREAS)		2,200	2,226	2,253	2,280	2,308	2,335	2,363	2,392	2,420	2,449
WATER (COMMON AREAS)		800	810	819	829	839	849	859	870	880	891
WATER (APT UNITS)		<u>6,800</u>	<u>6,882</u>	<u>6,964</u>	<u>7,048</u>	<u>7,132</u>	<u>7,218</u>	<u>7,305</u>	<u>7,392</u>	<u>7,481</u>	<u>7,571</u>
TOTAL UTILITIES		25,900	26,211	26,525	26,844	27,166	27,492	27,822	28,156	28,493	28,835
ADMINISTRATION											
CARETAKER ALLOWANCE/STAFF COSTS/BENEFITS		10,000	10,120	10,241	10,364	10,489	10,615	10,742	10,871	11,001	11,133

PHONE LINES	4,200	4,250	4,301	4,353	4,405	4,458	4,512	4,566	4,621	4,676
APPLICATION FEES LTB	500	506	512	518	524	531	537	544	550	557
MATERIAL & Services	<u>1,500</u>	<u>1,518</u>	<u>1,536</u>	<u>1,555</u>	<u>1,573</u>	<u>1,592</u>	<u>1,611</u>	<u>1,631</u>	<u>1,650</u>	<u>1,670</u>
TOTAL ADMIN	16,200	16,394	16,591	16,790	16,992	17,196	17,402	17,611	17,822	18,036
OTHER										
DEBENTURE PAYMENT (P & I)**	241,538	241,538	241,538	241,538	241,538	241,538	241,538	241,538	241,538	241,538
INSURANCE	3,250	3,289	3,328	3,368	3,409	3,450	3,491	3,533	3,575	3,618
BAD DEBTS (INCL VACANCIES)	<u>1,450</u>	<u>1,467</u>	<u>1,485</u>	<u>1,503</u>	<u>1,521</u>	<u>1,539</u>	<u>1,558</u>	<u>1,576</u>	<u>1,595</u>	<u>1,614</u>
TOTAL OTHER	246,238	246,294	246,351	246,409	246,468	246,527	246,587	246,647	246,709	246,771
TOTAL OPERATING COSTS	360,838	362,270	363,718	365,185	366,668	368,170	369,689	371,227	372,784	374,358
MUNICIPAL TAXES	35,000	35,420	35,845	36,275	36,710	37,151	37,597	38,048	38,505	38,967
TRANSFER TO CAPITAL RESERVE	16,000	17,000	18,000	18,216	18,435	18,656	18,880	19,106	19,336	19,568
<b>TOTAL EXPENSES</b>	<b>411,838</b>	<b>414,690</b>	<b>417,563</b>	<b>419,676</b>	<b>421,813</b>	<b>423,977</b>	<b>426,166</b>	<b>428,381</b>	<b>430,624</b>	<b>432,893</b>
SURPLUS	19,754	22,082	24,449	27,641	30,871	34,140	37,448	40,796	44,184	\$47,612

† Generally based on per unit costs at John Noble apartments

\*\*Principal mtg of \$4,400,000 (30 year amortization, 3.65%)

## *Appendix 2 – Reserve Fund & Other Funding Projections (2020-2030)*

Funding Source	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
DC Reserve	28,628	74,343	120,972	364,272	617,272	882,172	1,157,972	1,445,372	1,745,572	2,058,572	2,371,572	2,371,572
Affordable Housing Reserve	713,427	841,948	970,448	1,098,948	1,227,448	1,355,948	1,484,448	1,612,948	1,741,448	1,869,448	1,998,448	1,998,448
Social Housing Acquisition Reserve	972,078	1,752,078	2,532,078	3,312,078	4,092,078	4,872,078	5,652,078	5,652,078	5,652,078	5,652,078	5,652,078	5,652,078
Social Housing Capital Reserve	1,199,014	330,570	678,678	-	-	-	-	-	-	-	-	2,208,262
OPHI	200,000	200,000	-	-	-	-	-	-	-	-	-	400,000
COCHI	-	-	-	311,344	491,492	1,093,683	1,400,227	1,495,740	1,651,172	-	-	6,443,658
Subtotal <sup>2</sup>												19,074,018
Estimated Add'l Surplus from <i>pro formas</i> <sup>3</sup>	21,020	30,420	32,312	45,425	45,836	47,132	148,033	161,828	175,848	194,016	214,208	1,116,078
<b>Total</b>												<b>20,190,096</b>

<sup>1</sup> Reserves are based on opening balance plus projected receipts; current capital requirements have been removed to demonstrate totality of funding available; OPHI/COCHI funding based on confirmed 2019/20 – 2021/22 allocation and approved Investment Plan; COCHI funding from 2023-2028 based on program expectations and communications from Ministry and CMHC

<sup>2</sup> Estimated land value of \$10,175,000 used for cost projections and funding allocated for the approved Supportive Housing projects of \$5,710,000 has been excluded.

<sup>3</sup> Timing of completed development would impact this projection.

