

To: Warden and Members of County Council

From: Acting Director of Human Services

Affordable Housing Agreement Amendment - DKP Realty Holdings – 99 Albert Street East, Plattsville

RECOMMENDATIONS

1. That County Council authorize the allocation of up to \$608,900 from the Ontario Priorities Housing Initiative (OPHI) to DKP Realty Holdings, to include 6 additional affordable housing units within the previously approved 30-unit residential development at 99 Albert Street East, Plattsville;
2. And further, that County Council authorize the Chief Administrative Officer and the Director of Human Services to execute an amendment to the Municipal Housing Facilities Agreement and all other necessary documents related to the proposed amendments to the affordable housing project at 99 Albert Street East, Plattsville.

REPORT HIGHLIGHTS

- The purpose of this report is to seek Council's approval to award up to \$608,900 from the Ontario Priorities Housing Initiative (OPHI) to DKP Realty Holdings, to include 6 additional affordable rental units within the previously approved 30-unit residential development at 99 Albert Street East, Plattsville.
- The existing development project includes a total of 30 units, with 16 offered at an affordable rental rate. The proposed additional funding would increase the number of affordable units from 16 to 22.
- In light of increasing construction costs, the proponent is requesting additional funds to ensure the project proceeds in accordance with the original development proposal.
- This proposal will maximize available funding and address the ongoing housing crises in the County.

Implementation Points

Upon Council's approval, staff will amend the existing Municipal Housing Facilities Agreement with DKP Realty Holdings to include the additional OPHI funds.







Financial Impact

Staff are seeking Council's approval to allocate \$608,900 from the Ontario Priorities Housing Initiative (Year 3). As required by the Province, these funds will be secured on title as a second mortgage, along with required securities. This allocation represents the County's entire allocation under the 2021-2022 Ontario Priorities Housing Initiative (OPHI).

Communications

This report deals with a funding allocation from the Provincial government. In light of this, details of this report have been shared with the Ministry of Municipal Affairs and Housing (MMAH), Township of Blandford-Blenheim and DKP Realty Holdings.

Strategic Plan (2020-2022)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS & ENGAGES	PERFORMS & DELIVERS	POSITIVE IMPACT
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DISCUSSION

Background

On August 12, 2020, County Council approved Report No. HS 2020-06, authorizing the allocation of \$1,500,000 from the County Affordable Housing Reserve to DKP Realty Holdings, for the purpose of including 16 affordable housing units within a 30-unit residential apartment building.

Since that time, the proponents have experienced significant cost increases as a result of the pandemic. In light of this, the proponent's original budget proposal that was considered during the Request for Proposal (RFP) process is no longer consistent with current construction expenditures. According to the revised budget proposal that was provided by the proponent, the overall cost of the project has increased by approximately 25%.

In light of the above, staff are recommending that additional funds from the OPHI, in the amount of \$608,900, be allocated to the project. The proposed funding will support the creation of 6 additional affordable units within the existing 30-unit senior's complex, resulting in a total of 22 affordable units, and provide the proponent with additional capital to complete the project.

In combination with the previously approved \$1,500,000 from the Affordable Housing Reserve, a total funding contribution of \$2,108,900 will be provided.

Comments

OPHI funding is part of the Ontario's Community Housing Renewal Strategy, which aims to stabilize and expand the community housing sector. Under this program, eligible projects include public-private partnership developments that seek to increase the supply of adequate and affordable rental housing.

The proposed funding will assist to offset the additional construction costs that have been incurred as a result of the pandemic, as well as contribute 6 additional housing units to the existing affordable rental stock in the county, an area that is currently lacking affordable accommodations.

The affordable units will be available for senior households (generally individuals over the age of 55) with annual income of \$38,000 or less.

For Council's information, construction has already commenced on the proposed multi-residential building, with completion anticipated by March 2022. In addition, as the proposed increase in affordable units will not impact the total number of units in the proposed development, no further planning approvals are required.

Conclusions

The need to develop additional affordable rental housing is identified as a goal in the Oxford County Strategic Plan, County Official Plan, Future Oxford Community Sustainability Plan, County's 10 Year Shelter Plan and the Zero Poverty Action Plan.

The proposed additional affordable units within this project will have a positive impact on the community and will assist to address the housing crisis in the County.

SIGNATURES

Report Author:

Original signed by,

Rebecca Smith, MCIP, RPP
Manager of Housing Development

Department Approval:

Original signed by,

Lisa Lanthier
Acting Director of Human Services

Approved for submission:

Original signed by,

Michael Duben, B.A., LL.B.
Chief Administrative Officer

ATTACHMENT

Attachment 1 Elevation Drawing, July 14, 2021