

To: Warden and Members of County Council

From: Chief Administrative Officer

Municipal Housing Facilities Agreement with Woodstock Non-Profit Housing Corporation

RECOMMENDATIONS

- 1. That County Council authorize the allocation of up to \$1,384,096 from the Affordable Housing Reserve and up to \$585,000 from the upcoming Ontario Priorities Housing Initiative (OPHI), to Woodstock Non-Profit Housing Corporation, to support the development of a 48-unit multi-residential building, including a minimum of 24 affordable units, at 785 Southwood Way, in the City of Woodstock;**
- 2. And further, that Council authorize the Chief Administrative Officer and the Director of Human Services to execute an Agreement of Purchase and Sale with Woodstock Non-Profit Housing Corporation, for the conveyance of the County owned lands located at 785 Southwood Way, Woodstock, as shown on Attachment 1 to this report, to facilitate the proposed affordable housing project;**
- 3. And further, that Council support a partnership with Woodstock Non-Profit Housing Corporation, for the purpose of submitting a proposal to Canada Mortgage Housing Corporation, under Round 3 of the Rapid Housing Initiative (RHI), should it become available, and/or a similar funding program, to potentially increase the number of affordable housing units within the proposed residential building;**
- 4. And further, that County Council authorize the Chief Administrative Officer and the Director of Human Services to execute a Municipal Housing Facilities Agreement and all other necessary documents related to the proposed affordable housing project located at 785 Southwood Way, in the City of Woodstock.**

REPORT HIGHLIGHTS

- The proposed 4-storey multi-residential development will consist of 48 units, with 24 offered at affordable rental rates.
- The proposed 24 affordable units will consist of a mix of one and two bedroom units, with the one-bedroom units geared to seniors and single women, and the two-bedroom units geared to women with children.

- Construction is expected to commence by March 2023, with occupancy anticipated by August 2024.
- This proposal will maximize available funding and leverage vacant surplus lands to address the increasing shortage of both affordable and market rental units.

Implementation Points

Upon Council's approval, staff will execute a Municipal Housing Facilities Agreement, including required securities and any other legal documents pertaining to such, with Woodstock Non-Profit Housing Corporation (WNP).

The County solicitor will also prepare an agreement of purchase and sale with WNP, and execute all other legal documents related to such.

Financial Impact

Staff are seeking Council's approval to allocate up to \$1,384,096 from the County Affordable Housing Reserve and up to \$585,000 from the upcoming Ontario Priorities Housing Initiative (OPHI), for a total funding amount of \$1,969,096.

In addition, the County owned lands located at 785 Southwood Way, Woodstock, which were recently appraised at \$1,500,000, are also proposed to be leveraged to support the proposed development.







The Municipal and OPHI funds, as well as the value of the land, will be secured on title as a charge, in favour of the County and Province.

Communications

This report deals with funding allocations from both the County and the Province, as well as the development of a County owned surplus property located in the City of Woodstock. In light of this, details of this proposal have been shared with the Ministry of Municipal Affairs and Housing (MMAH), City of Woodstock and County staff (Planning/Public Works/Woodingford Lodge).

Should Council be favourable of the recommendations contained in this report, a media release will be issued on social media platforms and through the County website.

Strategic Plan (2020-2022)

					
<i>WORKS WELL TOGETHER</i>	<i>WELL CONNECTED</i>	<i>SHAPES THE FUTURE</i>	<i>INFORMS & ENGAGES</i>	<i>PERFORMS & DELIVERS</i>	<i>POSITIVE IMPACT</i>
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DISCUSSION

Background

In April 2018, County Council approved By-law No. 6015-2018, declaring the subject lands, known as 785 Southwood Way, Woodstock, as surplus to the needs of the Municipality. As such, staff were authorized to proceed with the disposal of the property for affordable housing purposes in accordance with the Disposal of Surplus Land Policy and Housing First Policy. After acquiring attention from an Expression of Interest, staff issued a Request for Proposal (RFP) to solicit proposals from qualified proponents. Following that, a not-for-profit organization was awarded with a land contribution to support the development of a 177-bed retirement residence on the subject lands. As the successful proponent did not comply with the required milestone dates, the project did not proceed and the surplus lands remain in the County’s ownership.

On November 25, 2020, through [Report No. HS 2020-10](#), County Council then authorized the allocation of up to \$1,384,096 from the County’s Affordable Housing Reserve in support of a subsequent affordable housing project, which was also considered by the Canada Mortgage Housing Corporation (CMHC) under the Rapid Housing Initiative (RHI). In support of the County’s application to CMHC, the lands were appropriately designated and zoned to accommodate a multi-residential development with approximately 48 units. In addition, staff issued an RFP to solicit prospective developers for the project, which produced ten submissions.

Given the significant municipal interest across Canada, the County was not granted the requested funding from CMHC. As such, the County issued an EOI in February 2022, to provide an opportunity to review intended affordable housing proposals and provide feedback in light of a future RFP submission. In response to the EOI, three submissions were received from Woodstock Non-Profit, Splitroc and Indwell. Of the three proposals received, WNP’s submission included the greatest amount of detail, with anticipated partnerships and expected funding supports.

Following consideration of the three EOI submissions, staff issued an RFP on April 4, 2022, to formally solicit prospective proponents seeking to develop an affordable housing project on the site. As indicated in the RFP, a capital allocation of up to \$1,384,096 from the County’s Affordable Housing Reserve, the value of the lands, and funds in the amount of \$585,000 from the Ontario Priorities Housing Initiative (OPHI) were offered in support of an eligible project. For Council’s information, the OPHI is a Provincial funding program that was first released in September 2019, for the purpose of assisting with the construction of new affordable housing units.

Comments

RFP Parameters

In accordance with the County Purchasing Policy, an RFP was issued to prospective proponents with the following general eligibility criteria:

- Proponents must be able to sign a contribution agreement by July 2022, and occupancy is expected by summer 2024.
- The proponent must have relevant experience managing/developing similar housing in the County.
- Costing shall be appropriate and in keeping with the development proposed.
- A common room shall be provided for tenants and potential support services.
- Proponents must have a long-term intent to maintain affordable rental rates beyond 25 years.

The RFP closed on May 11, 2022 and one proposal was received from Woodstock Non-Profit Housing Corporation.

While only one proposal was received, staff note that this proponent has an extensive history with respect to affordable housing. The first RFP for this site was issued in 2018, to which the awarded project did not proceed. A second affordable housing project was considered on the property in 2020, in support of the Rapid Housing Initiative (RHI) that was offered through CMHC. In support of the County's application to CMHC, staff issued a second RFP to solicit prospective developers for the project. As the County did not receive funding through the first round of RHI, the project was again considered in 2021, under the second round of RHI. In support of this application, a third RFP was issued to obtain up to date costing from the proponents that were considered under the first application.

Having not been successful under the second round of RHI, staff issued an EOI to provide an opportunity to review potential affordable housing proposals. Three submissions were received in response to the EOI, to which staff provided individual feedback to each proponent in an effort to improve or enhance proposed projects. While three submissions were received through this process, it should be noted that WNP's proposal was the most consistent with the conceptual design that was originally contemplated by the County, with the most appropriate number of affordable units in relation to the funding that is being considered.

The County Purchasing Policy also indicates that an open and honest process shall be maintained in the procurement of goods and services. In support of this directive, capital contributions in conjunction with affordable housing projects shall be offered through a competitive proposal call (RFP), in an effort to solicit multiple proposals.

While more than one submission is preferred in response to an RFP, given the extensive history associated with this property, with multiple EOIs and RFPs being issued since 2020, staff are satisfied that sufficient opportunities have been made through the complete bidding process to solicit prospective proponents. Furthermore, in light of the increasing need for affordable and market rental accommodations, as well as the unpredictable costs associated with various market shortages and interest rate increases, there is significant pressure to initiate a housing project on

the subject property. Further delays may impact the overall feasibility and timing of the proposed project.

Woodstock Non-Profit Proposal

The following table provides a summary of the most significant details provided in WNP’s proposal.

Number of Units	Unit Types & Size	Target Tenants	Affordability Term	Proposed Capital Funding per Affordable Unit	Proposed Support Services
48 total (24 affordable units)	34 one-bed (560 ft ² to 600 ft ²) 14 two-bed (700 ft ² to 780 ft ²)	Seniors (65 plus), single women and women with children	Minimum of 30 years	Approximately \$82,000	Counselling, employment support, programing (cooking, parenting), court support etc.

The proposal was reviewed by staff from Human Services, Planning and Public Works, with consideration for zoning compliance, community need, affordability period, construction timelines, proponent experience/qualifications, support services and the total number of units proposed.

The following sections provide further detail with respect to the review criteria.

Unit Breakdown

WNP is proposing to construct a 48-unit residential apartment building, including 24 affordable units. The building will include a mix of one and two bedroom units, to which 19 one-bedroom and 5 two-bedroom units will be affordable, and 15 one-bedroom and 9 two-bedroom units will be market rentals. The one-bedroom units will comprise an area of 560 ft² to 600 ft², while the two-bedroom units will comprise 700 ft² to 780 ft².

For Council’s information, in comparison to the other submissions that were submitted in response to the previous EOI, WNP is proposing the greatest number of affordable units in exchange for the capital funding that is proposed.

Rental Rates & Household Income

The following table provides a summary of the proposed rental rates:

	1-bedroom	2-bedroom	Household Income Threshold
Deeply Affordable Units (2) (60% of the CMHC Average Market Rent)	\$510 per month	N/A	Less than \$38,178
Affordable Units (22) (80% of the CMHC Average Market Rent)	\$850 per month	\$1,024 per month	
Market Units (24)	\$1,490 per month	\$1,950 per month	Approximately \$50,000 to \$80,000

While 24 of the units will be rented at market rental rates, staff note that in accordance with the preliminary Housing Needs Assessment that was completed in support of the Master Housing Strategy, there is an increasing need to provide ‘missing middle’ rental housing, which is generally offered to households with incomes in the range of \$38,178 to \$80,000. The proposed project seeks to offer units at a rate that will assist to address the ‘missing middle’.

Target Tenants and Need

The proposed residential building will target seniors (generally individuals over the age of 65), single women, and women with children. The proposed affordable units will remain affordable to these target tenants for a minimum of 30 years, which is beyond the typical 25-year expectation for such projects.

WNP has partnered with Ingamo and Domestic Abuse Services Oxford (DASO), to provide more stable accommodations and supports services to single women and women with children who are impacted by domestic violence. DASO and Ingamo currently provide safe and secure temporary accommodations, as well as a variety of support services for women who are impacted by domestic violence. Typically, women in such situations start at the DASO shelter and transition into a second stage program at Ingamo.

Due to the shortage of affordable accommodations in the County, many of DASO and Ingamo clients cannot secure permanent long-term housing when they are ready to transition out of the DASO/Ingamo programs. To address this growing concern, WNP is proposing to dedicate a total of 12 units to DASO and Ingamo, to provide an opportunity for women who are impacted by domestic violence to transition into a more stable accommodations, with necessary supports.

It should be noted that WNP currently maintains a 4 to 7 year waitlist, with over 60 individuals seeking affordable accommodations. Furthermore, there has been considerable interest in the affordable housing project at 1231 Nellis Street, with full-occupancy expected before the project is complete in the fall of this year. As such, regardless of the proposed new build at Nellis Street, the demand for rental accommodations still outweighs the current and proposed supply.

Based on the preliminary Housing Needs Assessment that was completed in support of the Master Housing Strategy, and a review of core housing need data, there is also an increasing need to provide housing accommodations for seniors and lone-person households. This proposal seeks to address both of these demands.

Support Services

The proposed building design also includes a common area and meeting room to facilitate daily programs and support services. The meeting room will be available to a variety of interested community groups, to provide tenants with an array of on-site supports.

In particular, DASO and Ingamo are proposing to provide direct supports services to the 12 units that are to be dedicated to single women and women with children who are seeking a transition to more permanent and stable housing following experiences of domestic violence. These support services include parenting and employment support, cooking lessons, and counselling services.

For Council's information, in comparison to the other EOIs that were submitted, WNP is the only proponent that proposed to collaborate with community organizations to provide adequate support services.

Proponent Experience

The proponent has been a housing provider for almost 40 years, managing over 125 units within two existing housing projects in the City of Woodstock. The Non-Profit is also in the process of completing a 98-unit affordable housing project at 1231 Nellis Street, which is expected to be complete by fall, 2022, in time for the start of the proposed new project at Southwood Way.

The project team for the proposed project includes Devonshire Consulting, Nicholson Sheffield Architects and Sierra Construction, which all have significant experience designing, managing and constructing affordable housing projects. For Council's information, the Nellis Street project consists of a similar partnership.

Development Timelines

In accordance with the proponent's submission, the proposed project is expected to align with the required construction timeline, as follows:

No.	Activity	Anticipated Date
1.	Municipal Housing Facilities Agreement Signed	July 2022
2.	Site Plan Approval	February 2023
3.	Construction Start	March 2023
4.	Occupancy	August 2024

[Development Proposal](#)

WNP is proposing a mixed-income building, including both affordable and market rent units, in addition to a mix of target tenants. In doing so, a variety of housing accommodations will be provided in an effort to address supply shortages across the housing continuum.

In relation to building design, the proposed building consists of four storeys above grade, with one storey being partially below grade. Ten units will be provided on the ground floor and twelve units on levels two to four. The bottom level will also include two walk out units, along with a meeting room, common room (with kitchen), laundry area, bike storage area, and mechanical room. The ground floor will also include access to an outdoor common space. Each unit will include a private balcony and the building will incorporate a number of energy efficient measures, including energy efficient appliances, heating/cooling, lighting, higher insulation, and potentially solar panels.

As previously noted, the site was pre-designated and pre-zoned to accommodate the proposed residential apartment building. Based on a preliminary review of the proponent's site plan, Planning and City staff have indicated that a minor variance may be required to recognize a minor reduction in parking spaces. A more fulsome review will take place during the site plan approval process.

[Proposed Partnership - CMHC Funding](#)

The Rapid Housing Initiative (RHI) was created as part of the National Housing Strategy to help address the urgent housing needs of vulnerable Canadians by rapidly creating new affordable housing. While the third round of the RHI has not been formally announced, staff are anticipating a potential launch in the fall of this year.

As the proposed project will be similar to the County's proposal that was submitted under the first two rounds of the RHI, staff are recommending a partnership with WNP in the event that a third round of RHI is issued. Such a partnership will ensure greater support for a future funding application, which could facilitate additional affordable units. Funding under this program could cover the majority of the projects construction costs.

CMHC also recently launched a new program under the National Housing Co-Investment Fund that seeks to provide capital contributions to support the construction of new affordable rental housing, with consideration for mixed-incomes, mixed-tenures, support services, and social inclusion. This funding is available to non-profit housing providers, subject to support being provided by the local municipality.

The proposed partnership would be in line with the directives of the County's 10 Year Shelter Plan and the proposal will assist to maximize housing efforts and the availability of potential funding.

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.

Overall, this proposal presents a unique partnership opportunity to address the current housing supply shortage, by providing a mix of affordable and market rental units to a variety of target tenants.

SIGNATURES

Report Author:

Original signed by

Rebecca Smith, MCIP, RPP
Manager of Housing Development

Approved for submission:

Original signed by

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

ATTACHMENTS

Attachment 1 – Survey - June 8, 2022
Attachment 2 – Proposed Elevation - June 8, 2022
Attachment 3 – Proposed Site Plan - June 8, 2022