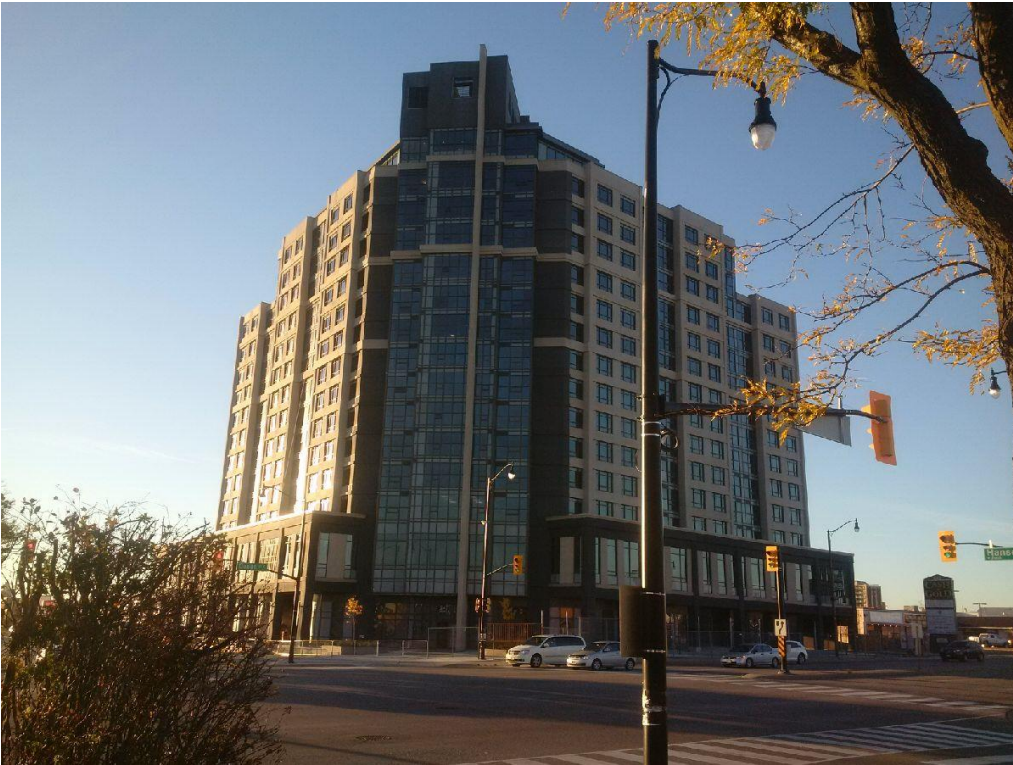


The Hansen Affordable Housing Development Journey

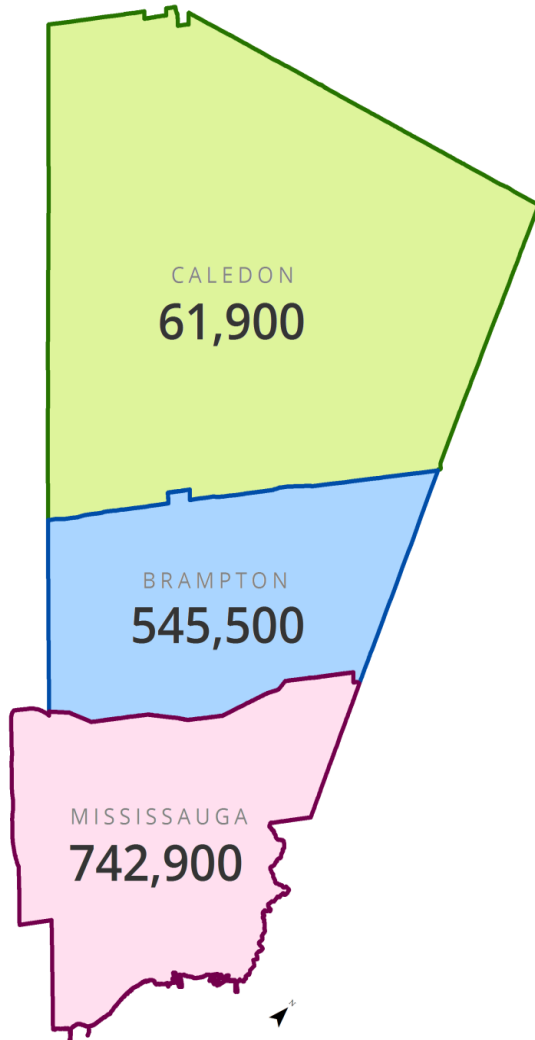


Presenters:

Laurie Ridler &
Keith Ward, SHIP

Sue Ritchie,
Region of Peel

Region of Peel – A Fast Growing Region



- ▶ Peel is one of the fastest growing municipalities in Ontario (behind Toronto and York)
- ▶ Peel's population is **1.35 million** people
- ▶ Peel's residents make up almost of a **quarter** (21.4%) of the total population of the **Greater Toronto Area**

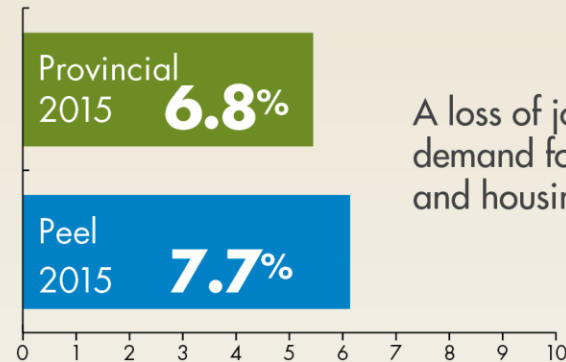
HOUSING IS NOT AFFORDABLE for many Peel Residents

HOMELESSNESS

- **12,818 individuals** including **3,895 children** and youth used emergency shelters and transitional housing
- **11,747 households** are waiting for a rent subsidy – the average wait time is **6 years**



UNEMPLOYMENT IN PEEL



A loss of jobs leads to higher demand for social services and housing supports

HOUSING AFFORDABILITY



Almost 3 out of 10 homeowners are paying more than 30% of household income on housing costs



About 4 out of 10 renters pay more than 30% of their household income on housing

- Affordable housing means paying 30% or less of gross annual household income on housing

RENTAL MARKET & HOUSING STARTS

Current rental
vacancy rate = **1.5%**
(private rental market)

Anything below 3% means **demand is much higher than supply.**



Only **6%** of private
sector housing starts in 2015
were rental units

...but **1 in 5** Peel households rent



- Low rental starts and low vacancy rates = not enough rental housing and high rents
- Peel is estimated to grow by **20,000 people every year** – that's 55 people every day

HOUSING COSTS IN PEEL

Average Resale Home Price by Type in 2015



Detached - \$683,692



Semi - \$483,764



Town - \$399,990



Condominium - \$279,773

Affordability Thresholds

Ownership: the cost of a home must be below **\$398,012** to be considered affordable in Peel.

Rental: the cost of a rental unit should be below **\$ 1,175** per month to be affordable.

System Manager Accountabilities

The Region of Peel, as **System Manager** for housing, has the following accountabilities:



Plan Goal & Objectives

Goal: Everyone has a home and homelessness is eliminated.



Objective 1 - Housing Stock

Available and accessible quality housing that meets people's needs and preferences throughout their lives.



Objective 2 - Individual and Family Capacity

An environment that helps people secure and maintain housing at every stage of life.



Objective 3 - Integrated System

An integrated system that supports people's housing needs efficiently and effectively.

Region of Peel Housing System Investment Framework

A new investment framework in the housing system will:



Leverage Partnerships



Create Alternative Business & Service Models



Increase Impact

Resulting in...

- *Reduction in gaps in the system*
- *Increase housing choices & options*
- *Maintain system capacity*

Journey to Hansen

- ▶ The Hansen building is located at the corner of Queen Street East and Hansen Road in the City of Brampton.
- ▶ Began construction in December of 2013 - occupancy November 1, 2016.
- ▶ The building was designed in accordance with Region of Peel design guidelines, with the two lower levels of development acting as a podium to the City of Brampton's Urban Design Objectives for that area.
- ▶ Building includes 12,000 square feet of grade related retail space at ground level, 21,000 square feet of commercial space located on the second floor and 13 storeys of mix use residential housing that includes 205 units consisting of one, two and three bedroom suites.
- ▶ The roof top is being allocated to building amenities and an enclosed children's playground.
- ▶ Promoting a healthy living environment, this new build is a smoke-free residence which will be the first within the Region of Peel.

Journey to Hansen

- New RFP approach
- 3 stream approach to capitalize on opportunities and build capacity in our community
 - ❑ “ready to go”
 - ❑ “almost ready to go”
 - ❑ “thinking about it”
- **Questions we asked ourselves?**
 - ❑ What role can we play as Service Manager?
 - ❑ How can we leverage partnerships? What does that look like?
 - ❑ What role do we play in creating new approaches?
 - ❑ How can we increase impact in our community?

Preparing for RFP April 2012 – July 2012

- ▶ What did it take to complete the submission?
 - SHIP working group process
 - Partnering with a developer
 - Due diligence with respect to the land
 - Future state vision

Securing Funding

October 2012 – August 2013

- ▶ Provincial Ministry of Housing – IAH grant
- ▶ Region of Peel
- ▶ Private Lender
- ▶ Proponent Equity

Infrastructure Ontario Challenges

- ▶ Time involved (October 2012 – May 2013)
- ▶ Financial impact
- ▶ Risk Aversion

What were the hurdles?

Pre-Development Phase

1. Governance
2. Split between residential and commercial /retail
3. Securing Funding October 2012 – September 2013
4. Schedule/Milestones
 - IAH Tranches

What were the hurdles?

Construction Phase

1. Delays – risk and mitigation
2. Design changes, change orders

How did we overcome the hurdles?

- ▶ Communication
- ▶ Expertise on the team
- ▶ Working with the Region of Peel
- ▶ Working with the Municipality
- ▶ Governance Accountability

What were the successes?

- ✓ Securing a private lender (Peoples Trust) and appropriate CMHC insurance
- ✓ Largest affordable rental in last round of IAH
- ✓ 205 affordable rental units
 - 82 individuals & families removed from Peel's Centralized Wait List (rent supplement for 20 years)
- ✓ Increased Affordability Period – 60 years
- ✓ Rent up of ALL Unit
- ✓ Smoke-Free Building
- ✓ Communication
- ✓ Flexibility
- ✓ Expertise

Lessons Learned

SHIP

- ▶ Relationship of Service Manager/Funder to Organization as Proponent
- ▶ Relationship with Developer
- ▶ Design Development
- ▶ Financing and Risk Adversity
- ▶ Development Phase to Construction Phase
- ▶ Implications of having Retail / Commercial component

Lessons Learned

Region of Peel

- ▶ Experience of Proponent
- ▶ Financing
- ▶ Mitigating risk
- ▶ Implications of having Retail / Commercial component
- ▶ RFP process

Thank you and Questions

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