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Date January 6, 2021 **Report No.** 2021-3

To Chair and Members
Social Services Committee

From Aaron Wallace, Acting General Manager
Community Services and Social Development

1.0 Type of Report

Consent Item ☐
Item For Consideration ☒

2.0 Topic Trillium Way Development Update [Financial Impact - None]

3.0 Recommendation

- A. THAT Report 2021-3 Trillium Way Development Update BE RECEIVED; and
- B. THAT the General Manager, Community Services and Social Development, City of Brantford, or designate, BE AUTHORIZED to sign any agreements necessary to obtain the Rapid Housing Initiative (RHI) funding; and
- C. THAT the City Solicitor, or designate, BE AUTHORIZED to sign, on behalf of the City of Brantford all electronic registration documents, where available, and all documents standard or necessarily incidental to the proposed transactions; and
- D. THAT staff BE DIRECTED to report back to Council with an update on the outcome of the RHI funding application.

4.0 Executive Summary

The plans for a new affordable housing development at 170 Trillium Way, Paris, is part of the Brantford-Brant Municipal Housing Master Plan 2020- 2030, and will contribute to the overall goal of creating 506 new units of affordable housing over the 10 year period. A recent feasibility study shows that the number of units can be increased from the original plan of 25 one and two bedroom units, to up to 49 one and two bedroom units, to maximize the density allowed for this parcel of land. The federal National Housing Strategy has also announced a new funding opportunity – the Rapid Housing Initiative (RHI), which could provide up to 60 per cent of the capital construction costs. Staff has submitted an application for the RHI funding, which was due by December 31, 2020, with notification in early February 2021 whether this application is successful. This report provides an update on these activities, as well as the updated capital budget for this development, and seeks approval to sign appropriate RHI agreements in a timely manner, if necessary.

5.0 Purpose and Overview

The purpose of this report is to give an update on the new affordable housing development at 170 Trillium Way, Paris, and to also provide information about the new National Housing Strategy funding opportunity – the Rapid Housing Initiative (RHI) - and the submission from City of Brantford for this development site.

6.0 Background

The Brant and Brantford Local Housing Corporation (BBLHC) owns property at 170 Trillium Way in Paris, where a fifty (50) unit building for seniors currently exists. Adjacent to this building is approximately 0.4 hectares (1 acre) of a largely vacant section originally intended for the construction of an additional building.

The City of Brantford has included construction of an affordable housing building on this site, as part of both the City-wide ten year capital plan and the Brantford-Brant Municipal Housing Master Plan (Report 2019-584 “HHS – IC-Brantford-Brant Municipal Housing Master Plan Initiative”).

The Brantford-Brant Municipal Housing Master Plan originally included the construction of a mixed-use building at this site with 25 units consisting of one and two bedroom units. At that time, the planned 2021 funding for the project was \$4.5 Million dollars, with final building budget, concept designs and additional approvals, to be the subject of a future report. The expenditure of up to \$200,000 in 2020 was also approved through the City of Brantford budget

process to assist with the technical feasibility and associated planning and development work required to prepare for construction of the project, with funding through provincial grants. This includes zoning, environmental assessments, unit sizes, servicing of the site and preliminary design and estimated costs, in conformity with the County's development standards.

However, two reports were approved in June 2020 and September 2020, respectively, to increase density at the Trillium Way site up to as many as 50 units (Report 2020-265 "Options to Support Affordable Housing Development" and Report 2020-326 "Options to Maximize the Use of Various Municipally Owned Lands Including Land for Housing Already in the 10-Year Capital Plan").

In September 2020, approval was also given to transfer the title of the property at 170 Trillium Way from the Brantford-Brant Local Housing Corporation (BBLHC) to the City of Brantford to facilitate the development process of the vacant parcel on this site.

As of September 2020, there are 530 households on the City of Brantford wait list that have chosen affordable housing options in Paris, with waiting periods between three to ten years, depending on the household composition. The wait time is lengthy since there are only 80 rent-geared-to-income (RGI) housing units in this community and those who are families with children or singles under age 60 wait the longest. There are an additional 46 affordable one and two bedroom units based at 80 per cent of average market rent that were created through past affordable housing programs. However, these units do not provide housing for individuals who require a deeper housing subsidy and applicants for these units are not taken from the Brantford Access To Housing (BATH) wait list.

7.0 Corporate Policy Context

Priority #2: That social services support is provided to residents in need, with the Tier One Priority to commence one or more additional housing developments in 2021-2022.

8.0 Input From Other Sources

Housing Staff consulted with staff in the Community Development (Planning Department) Commission respecting numerous sites prior to focusing on the subject lands, and they have offered any assistance or service when required. However, the subject lands are located within the County of Brant, so staff there were also consulted.

Corporate Services (Finance Department)

9.0 Analysis

There are a number of activities that have now occurred in the past few months to prepare for development at this site. Staff have engaged a consultant to provide a feasibility study for this site, which was received October 19, 2020. This study shows that up to 49 one and two-bedroom units could be constructed on this site, maximizing the density that is already permitted by Zoning.

The capital budget was then increased to \$12,500,000 to cover the construction costs estimated at \$250,000 per unit, plus \$250,000 to hire a Project Manager for assist with the construction process (this assumes no costs for land since it is already municipally owned).

A pre-consultation meeting with County planning staff was held on December 3, 2020, to identify any significant planning or operational concerns. The initial feedback was very positive and staff are currently working to address these items and will revise the plans, as needed. The plan is to have a submission for site plan approval by early March 2021.

Housing staff have also met with County staff regarding the traffic circle planned for 2023 at the intersection of Grand River Street North and Trillium Way, which will be resulting in a land exchange, and part of future reports and updates.

On September 21, 2020, the Federal Government announced the Rapid Housing Initiative (RHI) Major Cities Stream of \$500 M for 10 identified large urban areas with significant housing market issues, to be delivered through Canada Mortgage and Housing Corporation (CMHC). In late October, details were released regarding the RHI Projects Stream, with another \$500 M for others such as municipalities and not-for-profit corporations on an application basis, and a deadline of December 31, 2020. The funding will cover up to 100% capital contributions for eligible residential construction costs of permanent affordable, supportive or transitional housing. Applications are prioritized based on meeting a number of criteria such as targeting vulnerable people and populations, and meeting a delivery timeframe of 12 months, assuming modular construction. Priority points are given for groups that can bring up to 40 per cent of equity to assist with the capital budget, and all of the units have to be rented out at an affordable rent where the tenant does not pay more than 30 per cent of their gross income on housing costs. Staff considered a number of possible options, however the only one that could meet these tight timeframes is the new

development at 170 Trillium Way. An application has been submitted to the RHI Project Stream before December 31, 2020 identifying 170 Trillium Way as the chosen development site. There will be a future report with more details regarding this submission, once there is a response back from CMHC about the outcome in early February 2021.

10.0 Financial Implications

The capital budget for the new development at 170 Trillium Way was originally \$4.5 M (not including land value), based on 25 one and two-bedroom units. The capital budget has now been increased to \$12,500,000 since the feasibility study showed that up to 49 one and two bedroom units could be created on this site.

Since all of the units need to meet the RHI definition of affordability, it is critical that this development carries low or no debt. This will allow for a financially sustainable building with income from a mix of below market rent levels, including rent that would be affordable for someone on fixed income such as Ontario Works (OW), Ontario Disability Support Program (ODSP), or senior pension, without the need for additional rent supplements.

The County of Brant capital contribution has been calculated at 16.88 percent, based on the approved County of Brant resolution on July 14, 2020 indicating its willingness to make a capital contribution for the municipal portion of this project that is, at minimum, equal to the current cost-sharing formula between the City and County for housing services, pending the completion and receipt of the feasibility study, which will confirm, in detail, the scope, costs and timeline of this project.

The proposed capital budget and sources of capital funding are, as follows:

Sources of Funding	Original Capital Budget (25 units)	Current Capital Budget (49 units)
Estimated Land Value	\$1,060,000	\$1,060,000
Housing Reserves	\$2,030,480	\$3,895,971
Development Charge Reserve	\$ 19,520	\$ 193,533
Grants (OPHI)	\$ 200,000	\$ 200,000
Rapid Housing Initiative (60% of costs)		\$7,380,000

Debt (debentures)	\$2,250,000	
County Contribution (16.88%)		\$ 830,496***
TOTAL	\$5,560,000*	\$13,560,000**
TOTAL without land value	\$4,500,000	\$12,500,000

Table 1 - Trillium Way proposed capital budget and sources of capital funding

*Based on assumption \$160 - \$200K per unit for construction

**Based on assumption \$250K per unit for construction

***Not yet formally approved by County of Brant Council

11.0 Conclusion

The planning for the new development at 170 Trillium Way, Paris has already been underway for several years, with recent direction to maximize the density to what the current Zoning would permit, so there will be no amendments required. A feasibility study has indicated that up to 49 one and two bedroom units could be created at this site, instead of the original assumption of 25 units. It is fortuitous that the Rapid Housing Initiative (RHI) Project Stream was announced in late October 2020, since the new development site at Trillium Way is “construction ready” and would fit well within the tight 12 month construction timeframe. Staff has submitted an application under this funding opportunity for up to 60 per cent of capital costs, with an expectation that the development carries minimal debt to allow for rents that would be affordable to those on very low income.

This development at 170 Trillium Way, Paris of up to 49 new units of affordable housing is an important step towards the overall goal of the Brantford-Brant Municipal Housing Master Plan to create 506 municipally owned and operated units by 2030.



Aaron Wallace, Acting General Manager
Community Services & Social Development

Prepared By:

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Attachments:

170 Trillium Way site map

Copy to:

NA

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required ☐ yes ☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☒ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no