


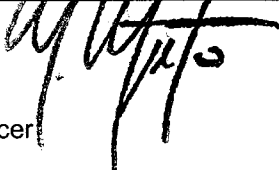
Request for Decision City Council




Type of Decision									
Meeting Date	April 25, 2007				Report Date	April 3, 2007			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
RFP Contract CDS07-02 For Affordable Housing under the Canada-Ontario Affordable Housing Program

Budget Impact & Policy Implication		Recommendation	
<input checked="" type="checkbox"/>	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>All funding identified is made available through provincial initiatives.</p>		<p>That no units be awarded under the Canada-Ontario Affordable Housing Program at this time and that a new request for proposal be issued under the Canada-Ontario Affordable Housing Program; and</p> <p>Further that the funding received under the Province's Delivering Opportunities for Ontario Renters (DOOR) Program be made available as indicated in this report.</p>	
<input checked="" type="checkbox"/>	Background Attached	Recommendation Continued	

Recommended by the Department	Recommended by the C.A.O.
 Catherine Matheson General Manager, Community Development	 Mark Mieto Chief Administrative Officer

Date: April 25, 2007

Report Prepared By
 Denis Desmeules Manager, Housing Services

Division Review
Name Title

BACKGROUND

In July 2006, Council agreed to participate in the Canada-Ontario Affordable Housing Program (AHP). The CGS has received program allocations under the Northern, Homeownership and Housing Allowance components of the AHP.

DETAILS

Initial work on the Northern Component of the program was completed and a Request For Proposals (RFP) was issued in January 2007. The RFP was seeking proposals from both private and non-profit proponents who may be interested in creating new affordable rental units in the community. The proposals were to demonstrate that they would be building permit ready by no later than the end of September 2007.

An information meeting was held in early February. The session highlighted the various program requirements and responded to applicant inquiries. The RFP closed at the end of February.

Proposals were evaluated against the RFP and Program criteria. Proponents were required to submit a business plan which demonstrated:

- the proposals' financial viability and reasonableness in terms of projected costs, revenues and request for funding
- the proponent's experience in project development, residential construction, project management, rental housing management
- the proponent's capacity to complete the proposed project
- good planning principles, urban design
- long term sustainability
- that their project could be developed with little or no delays.

Projects which incorporated energy efficiency, universal accessibility, minimal program funding and that did not require rezoning were to be given preference.

RFP RESULTS

Four (4) proponents responded to the RFP:

- one from the private sector: Temvest Inc. proposed the development of a 300 unit project of which, 210 units would be funded by the program.
- a private sector/non-profit partnership proposal was submitted by the Caisse Populaire St Jacques: This proposal calls for the conversion of an existing vacant hotel in Valley East to create 20 units for senior citizens.

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- two (2) proposals were received from non-profit organizations.

The Capreol Non-Profit Housing Corporation is proposing to develop 20 seniors units adjacent to their existing seniors project.

The Independent Learning Resource Centre Corp is proposing to build a combination office/apartment complex in downtown Sudbury. Their proposal would see the proponent's office and resource centre located on the main floor with 15 units, fully modified for wheelchair access, being created on the floors above.

The proposals were reviewed and none were found to fully meet the Program criteria. The major stumbling blocks were timing and viability. The submitted proposals are not sufficiently advanced in their development stage to guarantee a successful construction start by the fall nor do they provide sufficient evidence to demonstrate their long term viability.

RFP RECOMMENDATION

Given that none of the proposals met the program criteria, it is recommended that no units be awarded under the Canada-Ontario Affordable Housing Program at this time.

NEXT STEPS

Since the need for affordable housing in the community is high and interest in the program is growing, it is proposed that a new RFP be issued.

This approach would allow the previous applicants time to refine their proposals and resubmit. It would also allow new proponents to come forward. This approach would be transparent, not favouring previous applicants over new RFP participants.

Given the initial program response, it is difficult to predict if a new RFP will yield any better success. It is therefore proposed that additional funding be made available to eligible proponents. The monies would be provided through the Ministry of Municipal Affairs and Housing's Delivering Opportunities for Ontario Renters (DOOR) Program. Through this recently announced program, the Ministry provided the CGS with \$2.635 million for housing program purposes. These funds can be used to "top up" eligible AHP project proposals in order to make them more viable. Up to \$10,000 per unit in DOOR funding could be provided in addition to the AHP's funding. The DOOR funding would only be provided to the extent of making a project viable.

To keep the application process simple, the DOOR funding would be made available through Housing Services under the same terms and conditions utilized under the AHP Northern component (i.e. 20 year forgivable loan). This additional funding would result in proposals being eligible for up to \$20,000/unit under the AHP and \$10,000 under the DOOR Program.

To assist non-profit providers wishing to participate in the program, the CGS would make the remaining \$535,000 DOOR Program funding available. The allocation of these funds would be on a project specific basis. These additional funds may help level the playing field between the private and non-profit sectors participating in the AHP, making their projects more viable.

Preference under the RFP would be given to proposals which minimized the need for DOOR dollars.

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RECOMMENDATION

It is recommended that a new request for proposal be issued under the Canada-Ontario Affordable Housing Program. It is further recommended that the funding received under the Province's Delivering Opportunities for Ontario Renters (DOOR) Program be made available as indicated in this report.