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Affordable Housing Development 101

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Webinar Learning Outcomes & Objectives



Basics on how to develop affordable rental housing



Methodology of how to make your affordable housing project financially viable



Overview of how to fund and finance affordable housing development



Examples of recently completed successful projects

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INTRODUCTION

- Non-profit real estate developer
- Develop affordable rental housing & home ownership
- Sister corporation to CCOC
- Consultant to non-profits, co-ops & charities



- Private non-profit Landlord
- 50 properties and 1,600 units
- Mixed housing





Ellwood House



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WHAT IS AFFORDABLE HOUSING?

Types of Housing

CMHC Housing Continuum

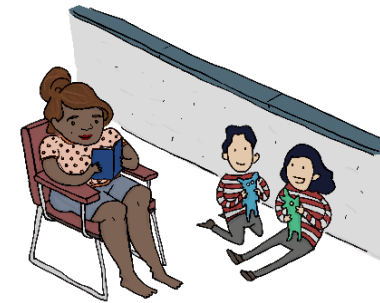
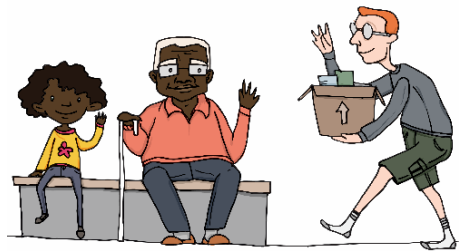


Types of Housing



Who Lives in Affordable Housing?

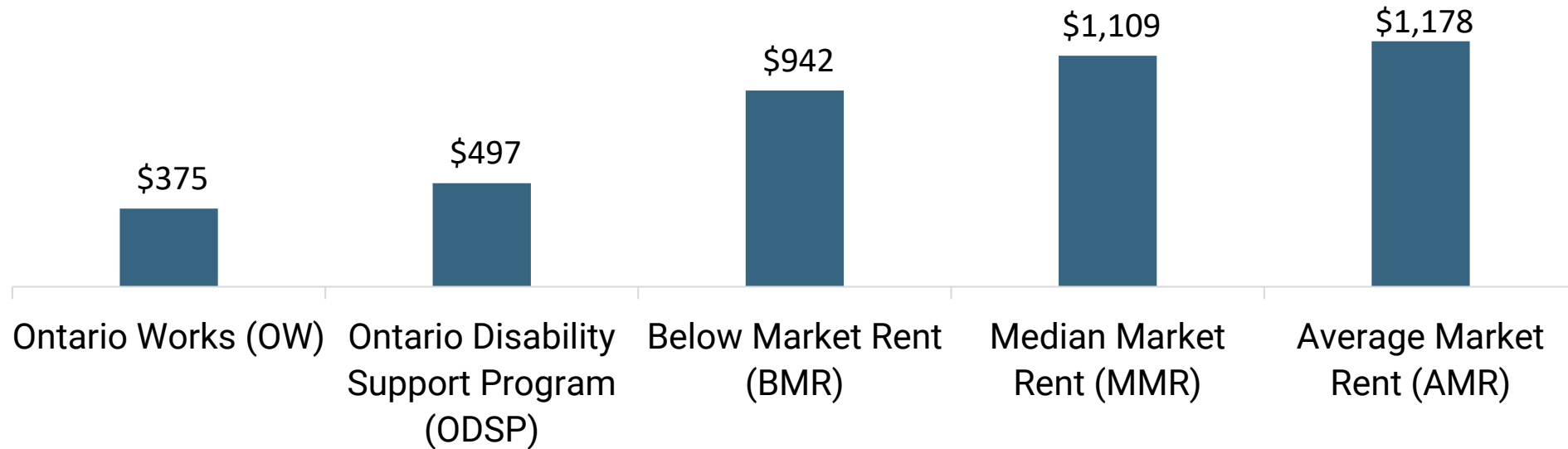
- Women and children fleeing domestic violence
- Seniors
- Indigenous peoples
- Homeless people
- People living with disabilities
- Veterans
- Young adults
- Racialized groups
- Newcomers
- People living with mental health and addiction issues



Housing Affordability

Housing Affordability = a household's ability to afford a home. Often measured as no more than 30% of gross household income

Ottawa
Rental
Statistics
for a One-
Bedroom
unit (2019)



Household
Income for
Affordability

N/A

N/A

\$37,680

\$44,360

\$47,120

Housing Need



NEARLY **8,000** INDIVIDUALS
USED SHELTERS LAST YEAR,
INCLUDING **1,078** FAMILIES.



OVER **12,000** HOUSEHOLDS
ARE ON THE CENTRALIZED
WAIT LIST FOR UP TO **8** YEARS.



ON AVERAGE, JUST OVER
100 UNITS OF NEW
AFFORDABLE HOUSING ARE
BUILT EACH YEAR.

What Is Affordable Housing?

Takeaways

- There are many different types of affordable housing
- Affordability varies by household
- Housing need is currently greater than what we are able to meet

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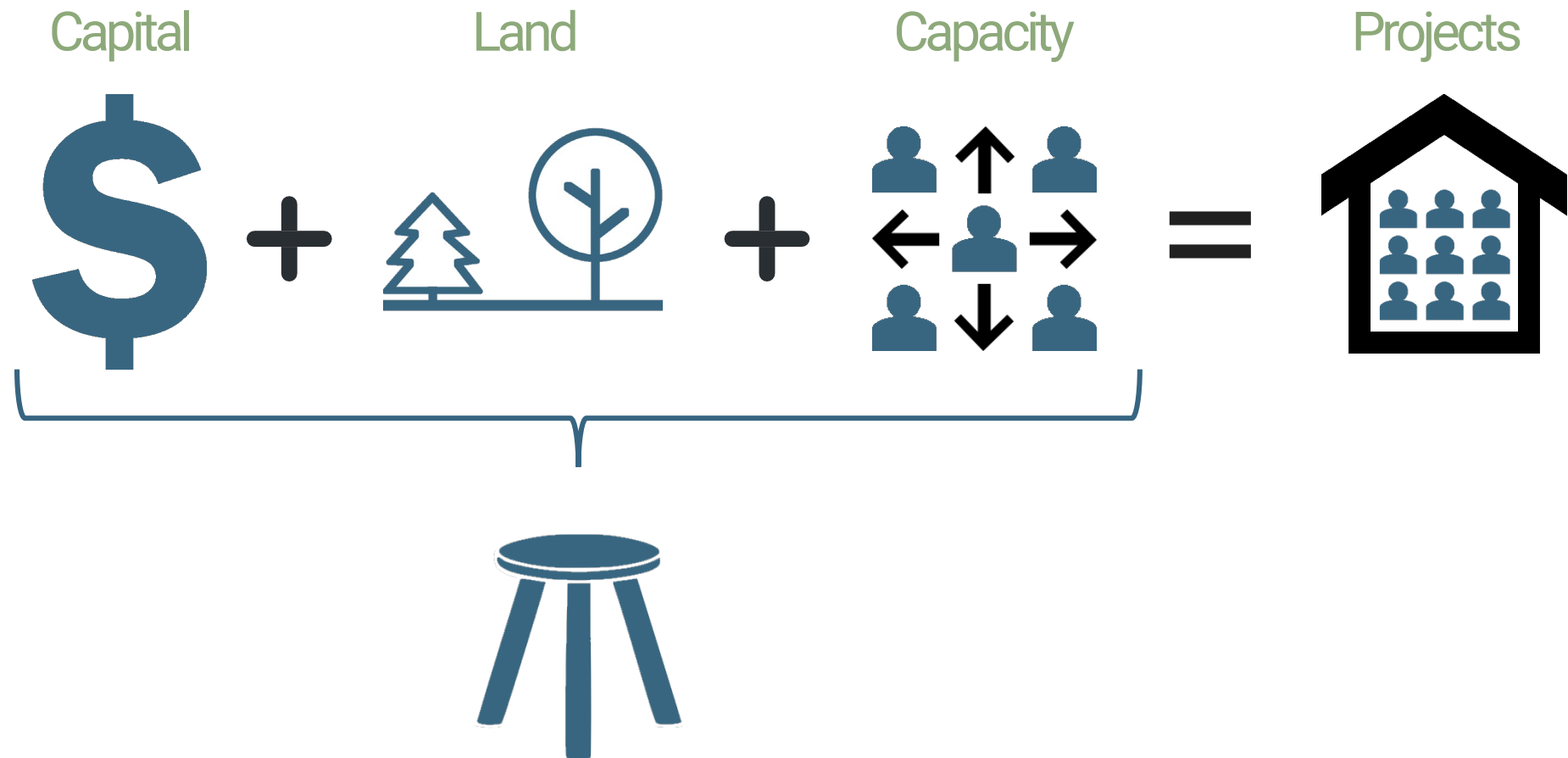
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Project Components



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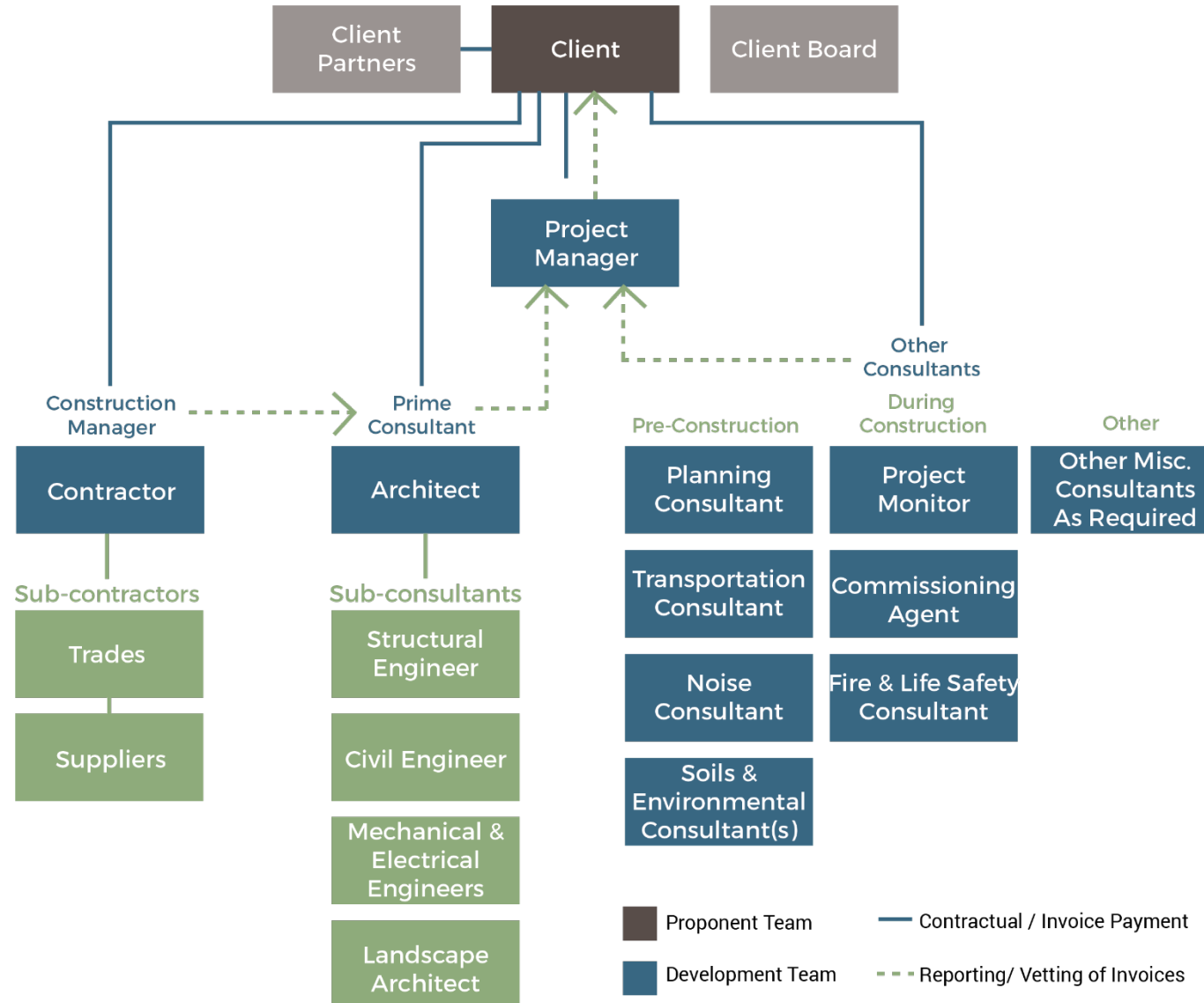
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THE DEVELOPMENT TEAM

Project Team



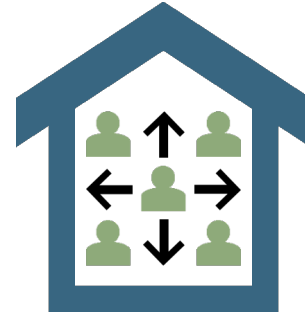
Roles and Responsibilities



Land
Owner



Housing
Provider



Project
Team



Property
Manager



Community
Partners



Support
Services



Funders &
Lenders



Regulators

Development Team Takeaways

- A strong development team makes a difference for projects
- Identify your organization's strengths
- Identify strengths needed from other team members to fill your gaps

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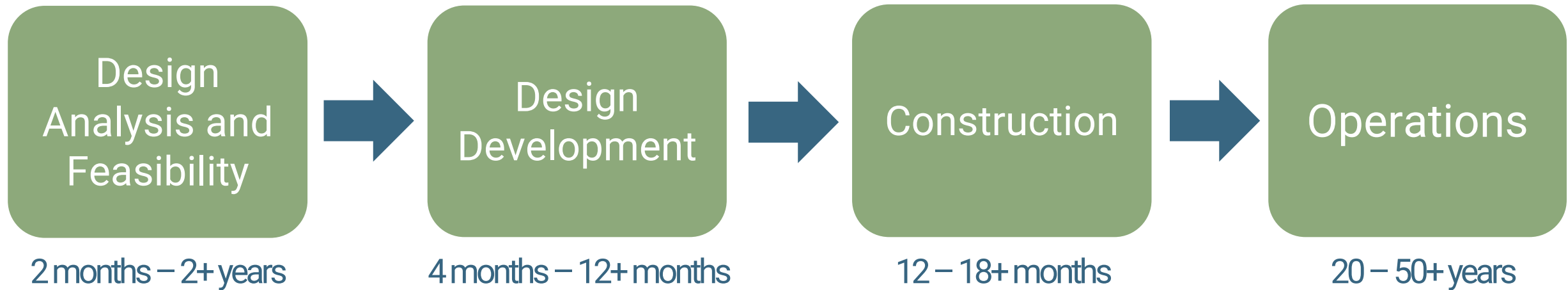
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THE DEVELOPMENT PROCESS

Real Estate Development Stages



Design Analysis and Feasibility



YSB Youth Hub



Development Process Takeaways

- You need all three components (capital, land, capacity) for project feasibility
- The timeline of development varies by project
- There is a lot of work before getting a shovel in the ground
- Feasibility is key



QUESTIONS?

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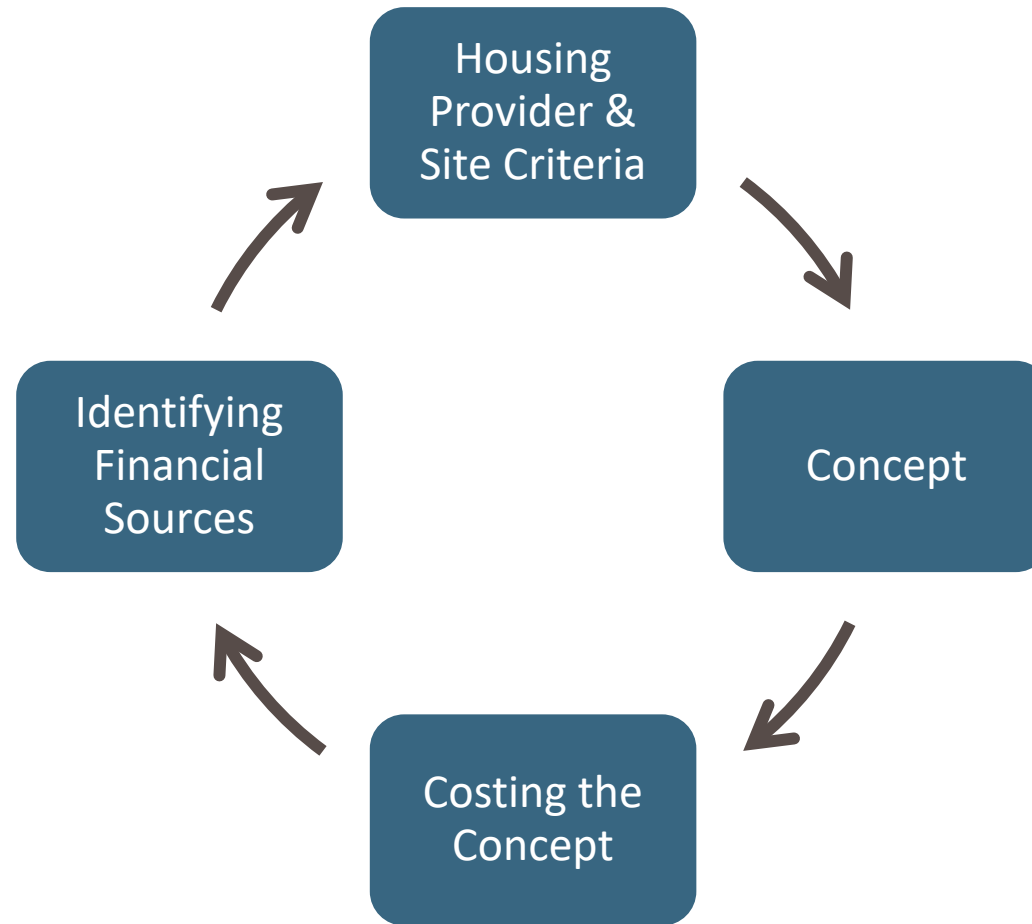
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The Juggling Act



The Feasibility Cycle

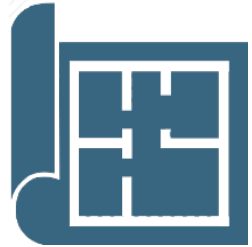


Capital Budget

Costs



Land Costs



Soft Costs



Hard Costs

=

Sources



Gov. Grants



Partnerships

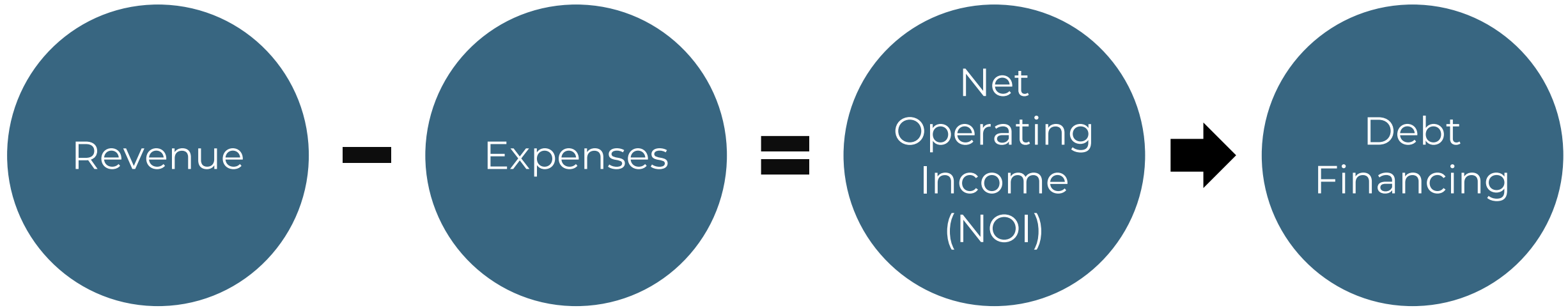


Financing



Equity

Operating Budget



- Rent revenue
- Rent supplements
- Canadian Housing Benefit
- Parking
- Laundry

- Maintenance
- Capital reserves
- Utilities
- Property tax
- Staff/admin costs
- Insurance



Ideas to Decrease Cost

- Free land (government, church property)
- Non-profit & charity rebates, HST, property tax
- City fees / charges waived
- Building technology (wood versus concrete)
- Acquisition versus new construction



Financial Basics Takeaways

- All projects need grants
 - These can come from all levels of government
- To receive financing, you need a viable operating budget
- All projects need equity

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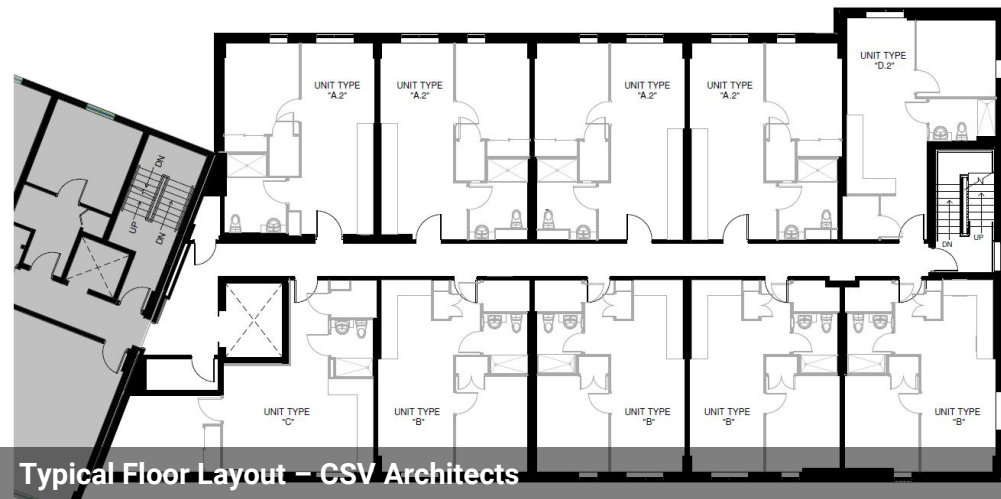
PROJECT EXAMPLES



KDS Village
Affordable
Seniors'
Rental
Housing



KDS Village
Affordable
Seniors'
Rental
Housing



Typical Floor Layout – GSV Architects



Christ
Church
Bells
Corners
(CCBC):
Mixed
Community
Affordable
Housing

Wrap-Up

- There are many different types of affordable housing
- All projects need capital, land, and capacity
 - You cannot move on from feasibility until you have all three
- A good development team is important for the project
- All projects need grants, financing, and equity
 - To receive financing you need a viable operating budget

QUESTIONS?



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