



The Blue Mountains Attainable Housing Corporation

Public Webinar - October 28, 2021

NEED FOR HOUSING IN THE BLUE MOUNTAINS

The Town of the Blue Mountains is a growing community with an aging population, whereas youth and young adults are seeing a negative growth rate of 15% and 20% respectively over five-year periods

As these age groups represent future labour force, retaining and growing working age populations in The Blue Mountains is critical to its economic sustainability

The recent decline in the population of younger age groups can be attributed to a lack of diverse housing stock and affordable housing options.

Statistics Canada defines "income spent on shelter" as the proportion of a household's average monthly income which is spent on housing costs – housing affordability is reached when housing costs are less than 30% of before-tax household income. Statistics Canada defines "income spent on shelter" as the proportion of a household's average monthly income which is spent on housing costs

SOME STATISTICS

When factored for 2021 using the Consumer Price Index for Ontario between 2015 and 2021, the following are some key benchmarks relating to income in The Blue Mountains:

	2015	2021
Average household income	\$ 122,199	\$ 137,718
Average household income (Single-person household)	\$ 75,816	\$ 85,445
Median household income (one-person household)	\$ 41,433	\$ 47,460

THE GATEWAY PROJECT

The Gateway project will be BMAHC's first new development, located at 171 King Street East in Thornbury.

Following modelling for one or two buildings, 3- to 5- storeys on the site, consultation with Town stakeholders and financial viability have landed on a preliminary model that estimates 84 purpose-built rental housing units in one 4-storey building.

The housing mix presents units from one- to three-bedrooms. Over 50% of units (estimated at 44 units) are planned to be offered at attainable rent levels.

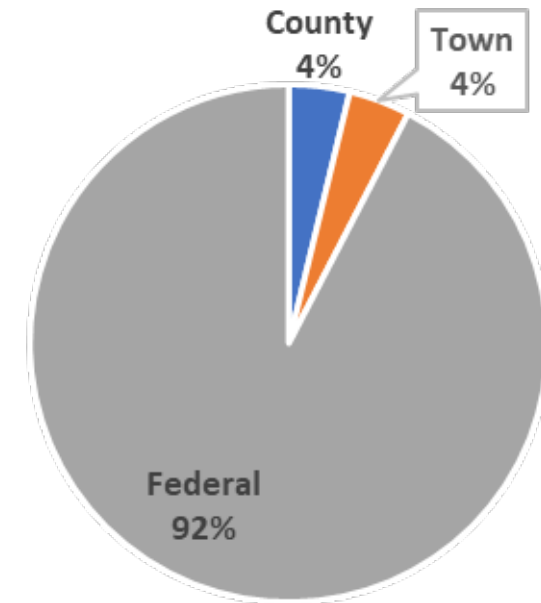
Half the street-connected floor is earmarked to provide approximately 12,500 of non-residential space. This space provides an opportunity to rent 10,000 sq.ft. to commercial activities and entities in the Town including, if required, the Town itself for community-connected services and Town staff use.

THE GATEWAY PROJECT – CAPITAL BUDGET

PROJECT COSTS

Design & Legal	\$ 3,830,737
Fees and permits	\$ 2,342,104
Construction	\$ 28,388,994
Land	\$ 1,600,000
HST (net)	\$ 558,064
Total Project Costs	\$ 36,719,899

SOURCE OF CAPITAL INVESTMENT BY LEVEL OF GOVERNMENT



THE GATEWAY PROJECT – RENT LEVELS

PROJECTED ATTAINABLE RENT LEVELS

	Attainable Rent	Rent attainable to households earning (annual)	Rent attainable to households earning (full-time, hourly)
One-bedroom	\$ 966	\$ 38,640	\$21.23
Two-bedroom	\$ 1,086	\$ 43,440	\$23.87
Three-bedroom	\$ 1,975	\$ 79,000	\$43.41

PROJECTED MARKET RENT LEVELS

	Market Rent	Rent attainable to households earning (annual)	Rent attainable to households earning (full-time, hourly)
One-bedroom	\$ 1,950	\$ 78,000	\$42.86
Two-bedroom	\$ 2,250	\$ 90,000	\$49.45
Three-bedroom	\$ 2,950	\$ 118,000	\$64.84
Non-Residential	\$22/sq.ft		

THE GATEWAY PROJECT – OPERATIONS

ANNUAL OPERATING REVENUE AND EXPENSES

Revenue	\$ 1,832,621
Less: Operating expenses	\$ 753,836
Less: Debt servicing	\$ 1,036,097
<u>Net surplus</u>	<u>\$ 42,687</u>

PROPOSED CO-INVESTMENT BY THE TOWN

USE OF FUNDS / CO-INVESTMENT	SOURCES OF FUNDS		
	Tax levy	New DC charge	Other
One time grant equal to TBM DC charged on Attainable Units \$850,000	\$0	\$850,000	DC charges collected on market residential units and non-residential space: \$850,000
One time Land Transfer with First Right of Refusal \$1.8 M	\$0	\$600,000	2019 County Rebate of Assessments: \$1.2 M
One Time Grant Equal to building permit and planning fees collected \$200,000	\$0	\$0	Building Fee Reserve: \$200,000
Forgive Operating Loan \$1.2 M	\$0	\$1.2 M	\$0
	<u>\$0</u>	<u>\$2,650,000</u>	<u>\$2,250,000</u>
<u>Total: \$4,050,000</u>	<u>\$4,900,000</u>		

ENSURING SUCCESS AND RETURN ON INVESTMENT

All investments subject to a Contribution Agreement between the Town and BMAHC to maintain housing affordability for 20 years

All investments to be repaid if BMAHC fails to achieve attainable rental units per the Contribution Agreement

Town may have 5 attainable and 5 market units “reserved” for Town referrals

Town may have first right of refusal on up to 10,000 sq.ft. of non-residential space at time of leasing of such space

INVESTMENTS WITH A NO BURDEN ON THE TAX BASE

Can be achieved if the Town implements a new development charge to support the development of attainable housing in The Blue Mountains, with first use to fund the requested investments.

This charge could potentially also support funding of the newly approved Community Improvement Plan.

A revised development charge bylaw would incorporate development charge exemptions in the development of new attainable housing units, pending funds are available and the attainable housing project is financially supported by other levels of government.