



Water Street Expansion Project

**Request to City of Markham in  
Support of Affordable Rental  
Housing Project**

Presentation by the MICAH Team  
March 26, 2018

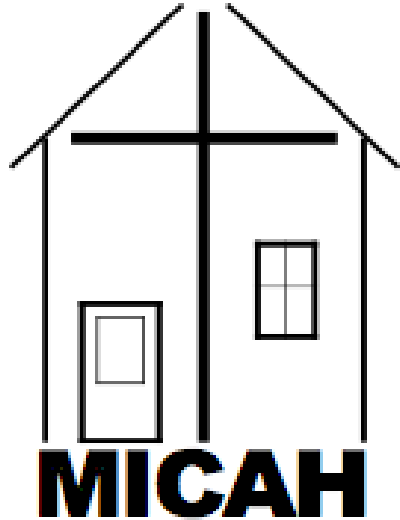
# Overview of Request

1. Financial Assistance
2. Expediting Approvals to Obtain First Building Permit, completed with thanks!

# Introduction

- The Region of York issued a Request for Pre-Qualification of Housing Providers for New Affordable Housing Development in January 2016
- MICAH, in conjunction with Water Street Non-Profit Homes and 360<sup>0</sup>kids submitted a response in February 2016
- The Region of York selected the project to proceed to the next stage through a direct negotiation, as it was the sole submission
- MICAH has signed the Contribution Agreement with the Region of York which provides \$4,800,000 in capital funding for the 32-unit building
- Tenants will pay rent set at 80% of CMHC's average market rent – currently at \$987 per month plus hydro and air conditioning costs
- MICAH has been planning for this project with support from the Planning Department staff for many years

# Project Team



+ Water Street  
Non-Profit  
Homes

+ Alternative  
Living  
Solutions Inc.

Development  
Consultant:



# About MICAH

- Markham Interchurch Committee for Affordable Housing, established in 1989
- Umbrella organization with participation from 14 churches of different denominations
- Not for profit corporation and registered charity
- Supported successful development of:
  - Water Street Non-Profit Homes, 150 units at 20 Water Street, Cedarcrest Manor, 1991
  - Robinson Street Non-Profit Homes, 26 units at Robinson Street, Robinson Mews, 1993
  - East Markham Non-Profit Homes, 120 units, Tony Wong Place, 2010

# Benefits of This Project to Markham

- Addresses gap between low-income and high-income residents
- 12.9% of seniors in Markham in 2016 were considered low income
- Aging population requires appropriate housing types that promote aging in place
- In 2015, a senior would wait an average of 9 years for social housing, and families and singles would wait more than 11 years
- Provides opportunities for multi-generational building by including older youth from 360<sup>0</sup> kids who are leaving transitional housing
- Intensification of existing property, making better use of existing resources
- Economic benefit to local businesses and services

# Project Description

- Project to be constructed at 20 Water Street, current location for the 150-unit social housing building owned and operated by Water Street Non-Profit Homes, and the Markham Seniors Activity Centre at 22 Water Street
- New building will be four storeys, with 2 units and amenity/building spaces on the ground floor, and 10 units per floor on floors 2-4
- All units are one-bedroom, ranging in size from 510-565 square feet
- 5 units are barrier-free, located on floors 2-4
- Common areas accessed by tenants on the ground floor are all barrier-free
- Ground lease with Water Street provides for 8 parking spaces plus additional parking shared with the existing building
- Tenants will be seniors, plus two youth affiliated with 360<sup>0</sup> kids who will become an active part of the building's community

# Project Status for Municipal Approvals

- Two Minor Variances approved for parking and setbacks and addressing site-specific unit size minimums, plus consent for 49 year ground lease term
- Site Plan submitted February 5, 2018
- Development Services Committee approved Request for Delegated Approval Authority for site plan endorsement to the Director of Planning and Urban Design and his/her designate
- Endorsement of Site Plan has been obtained
- Foundation permit application will be submitted March 26, 2018



# Project Funding Requirements

- Sign Contribution Agreement for \$4,800,000 from Investment in Affordable Housing Program ✓
- Obtain First Building Permit by April 30, 2018
- Commence Construction by April 30, 2018

# Request for Financial Assistance from City of Markham

- Provision of conditional grants-in-lieu of the City's portion of development charges, calculated by staff at \$474,656
- Reduction of the alternative parkland dedication charge to 5% of land value, rather than the calculation based on the number of units at 500 units per hectare
- Provision of conditional grants-in-lieu of the City's portion of cash-in-lieu of parkland, estimated at \$48,696 based on 5% of the land value
- Provision of conditional grants-in-lieu of the City's municipal site plan application fees, calculated by staff at \$112,258 plus applicable HST, totalling \$126,852
- Provision of conditional grants-in-lieu of City's municipal building permit fees, calculated by staff at \$78,776

# Financial Status of Project

- Anticipated HST rebates of \$.670Million
- Anticipated \$30,400 in annual property taxes to be paid (all levels of government)
- Land is donated by Water Street Non-Profit Homes, with a current value of \$973,911 based on appraised value updated by City of Markham staff to 2018 levels
- Challenge encountered with soil quality, primarily from organics identified in the soil which requires extensive caisson foundation and remediation

# Positive Impact of Contributions from City of Markham

- Project can afford a mortgage of \$3.3Million, with a total estimated cost of \$10.961M
- Initial rent levels are set at 80% of the Average Market Rent for the City of Markham, which is \$973 per month plus hydro, and must remain at or below this 80% level throughout the 20 year affordability period
- The set rent levels impact the project's ability to carry operating costs and mortgage payments
- Contributions received during the capital phase are an important part of maintaining financial sustainability during operations
- **MICAH sincerely appreciates your support for this project**