



Memo

Date: October 5, 2022

To: Cathy Case, Mark Merritt
Haldimand County

From: Matt Bowen
HNHC

Re: Ramsey Drive Build – Next Steps

This memo has been prepared to outline HNHC's request to utilize funds from HNHC's Haldimand County Investment Reserve Fund as directed in Report CSS-03-2022 in order to move forward with HNHC's Haldimand County Master Regeneration plan. The requested funds will be used for costs related to the following:

- A. Feasibility & pre-construction phases of the Ramsey Drive new affordable housing project
 - HNHC recommends Option 3 estimated at \$1.024M
- B. Required repairs of the three vacant units on Elizabeth Crescent to make them ready for sale as part of the approved Phase 2 of the disposal strategy approved in Report CSS-03-2022

Background:

Approval for this funding will allow HNHC to address the Haldimand County pre-consultation meeting notes of April 20th, 2022, and submit Zoning Bylaw Amendment (ZBA) & Site Plan Approval (SPA) applications as well as produce sufficient project design documents to produce a Quantity Surveyor Class B Development cost estimate. At this point, all design work will be 50-70% completed and will enable revisions to the development business plan. Task scheduling and budgeting are illustrated in the table on page 2, highlighting \$1.024M in expenditures by the end of Q4 2024.

			Year	Quarter				
			2021	2022	2023			
					Q1	Q2	Q3	Q4
Task 2	Task 3	Task 4						
Pre Feasibility	Business Case		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Review Business Case - HNHC / Municipality		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Prepare project schedule & cash flow			\$ -	\$ -	\$ -	\$ -	\$ -
	HNHC Approval to Proceed to Feasibility Phase			\$ -	\$ -	\$ -	\$ -	\$ -
	Municipal Approval to Proceed to Feasibility Phase			\$ -	\$ -	\$ -	\$ -	\$ -
Feasibility	Site Selection / Acquisition		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Procure Consultants			\$ -	\$ -	\$ -	\$ -	\$ -
	Consulting Work	Architectural Work - Schematic Design			\$ 245,558	\$ 39,975	\$ -	\$ -
		E SA Phase 1 Study			\$ 10,000	\$ -	\$ -	\$ -
		Boundary / Topographic Survey			\$ 20,000	\$ -	\$ -	\$ -
		Archaeological Survey (Stage 1)			\$ 6,000	\$ -	\$ -	\$ -
		Traffic Impact Study			\$ -	\$ -	\$ -	\$ -
		Planning Justification Report			\$ -	\$ -	\$ -	\$ -
		MECP D-Series Guidline Analysis			\$ -	\$ -	\$ -	\$ -
		Functional Servicing Study			\$ -	\$ -	\$ -	\$ -
		Stormwater Management Plan			\$ -	\$ -	\$ -	\$ -
		Other Consultants - Schematic Design			\$ 197,246	\$ 32,110	\$ -	\$ -
		Quantity Survey - Class D estimate				\$ 15,000	\$ -	\$ -
	Zoning Bylaw Amendment			\$ -	\$ -	\$ -	\$ -	\$ -
	Site Plan Approval			\$ -	\$ -	\$ -	\$ -	\$ -
	Business Case - Revise & Present				\$ -	\$ -	\$ -	\$ -
	Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-construction	Architectural Work	Design Development					\$ 45,084	\$ 52,598
		Other Consultants - Design Development					\$ 36,214	\$ 42,250
		QS Report - Class B						\$ 15,000
		Construction Documents						\$ 82,212
		Other Consultants - Construction Documents						\$ 66,037
		QS Report - Class A						
	Energy Modeling						\$ -	\$ -
	Permits							
	Procure Construction							
Construction								
Post Construction								
Development Manager				\$ 39,483	\$ 57,031	\$ 57,031	\$ 57,031	\$ 57,031
			\$ -	\$ 39,483	\$ 535,834	\$ 144,115	\$ 138,329	\$ 315,128

Included in the feasibility and pre-construction phase, is submittal work to the application process for the CMHC National Housing Strategy Co-Investment (CI) Fund for New Construction.

HNHC will look to partner with CMHC as a co-investor by providing a combination of contribution and a low-interest loan. The CMHC COI application & development will be scored in a competitive environment, therefore applicants must demonstrate a commitment and financial readiness to being shovel-ready as well as meeting the minimum requirements as outlined in the table on page 3. The design documentation, ZBA, Site Plan Approval, and Revised Business Plan produced in the feasibility and Pre-construction phase will allow CMHC to verify these minimum requirements and demonstrate to them Haldimand County and HNHC's commitment to this project ensuring a maximum score, and hence a maximum contribution/loan level as possible.

Furthermore, having design work completed in this phase allowing the project to be shovel-ready, is attractive to other funders as well, and positions HNHC to be ready for additional new future funding opportunities.

CMHC NHS Co-Investment Fund for New Construction –Min. Requirements

CRITERIA	REQUIREMENT
Financial Viability	Applicants must demonstrate their financial and operational ability to carry the project and provide evidence of the financial viability of the proposed project itself, as well as capacity to deal with development risks such as cost overruns and delays in construction or repairs/renovations. (DCR 2: 1.0)
Affordability	Rents for at least 30% of the units must be less than 80% of the Median Market Rent and maintained for a minimum of 20 years.
Energy Efficiency	Projects must demonstrate that they will either achieve a 25% decrease in energy consumption and Greenhouse Gas (GHG) emissions relative to the 2015 National Energy Code for Buildings or the 2015 National Building Code; OR a 15% decrease relative to the 2017 National Energy Code for Buildings
Accessibility	20% of units within the project must meet or exceed accessibility standards and its common areas must be barrier-free OR have full universal design applied.

Risks:

- 1) Three 3-bedroom, single-family homes on Elizabeth Crescent in Dunnville have already been sold. Three more units are vacant and ready to go on the market. All proceeds will go towards the building of new affordable housing in Haldimand County. The current proposal that Haldimand County Council has approved in principle, is for a 35 unit apartment building on Ramsey Drive in Dunnville.

Should HNHC's proposal to build new affordable housing not be approved, the municipality would be short RGI units by the total number sold at that point.

- To mediate this risk, HNHC recommends that the Service Manager convert these units to portable housing benefits, which would maintain current service level standards.

2) The next step in this process is the feasibility and pre-development stage which involves “soft” costs required to move forward with the application to CMHC for Co-Investment funding with a projected cost of \$1.024M. Should the project not ultimately be approved, the dollars will have already been spent.

- The work completed in the pre-development phase will result in a project that is “shovel-ready”. Having a shovel-ready project is an advantage for Provincial and Federal funding dollars. Funding dollars often come available with short turnaround times for applications and having a shovel-ready project will allow HNHC and Haldimand County to take advantage of these funding programs, which without a shovel-ready project at hand are unattainable.

The table below indicates what is currently in the Haldimand County Investment Reserves Fund, and the renovation costs of the three vacant units on Elizabeth Crescent. HNHC is seeking permission to allocate these costs to the Reserves Fund.

HNHC Haldimand County Investment Reserves Fund

Income

\$ 1,275,300.36	Proceeds received for sale of 129 Elizabeth Crescent, 145 Elizabeth Crescent, and 149 Elizabeth Crescent on March 3, 2022, to True Experience
\$ 14,562.40	Interest income received from March 3, 2022, to October 3, 2022, from Savings account and also current investment in GIC's
\$ 1,289,862.76	Total to date

Unit Renovation Costs to Date

\$ 38,668.80	122 Elizabeth Crescent
\$ 42,427.82	133 Elizabeth Crescent
\$ 42,911.88	118 Elizabeth Crescent
\$ 124,008.50	Total to date