

# **Business Plan**

## **Oonuhseh – Niagara Native Homes Inc.**



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Prepared By



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## 1.0 Executive Summary

Oonuhseh-Niagara Native Homes Inc. (Oonuhseh), an experienced housing provider for Indigenous households in the Region of Niagara, is proposing to leverage a portion of its existing housing stock in order to increase the supply of Indigenous rental housing in the Region of Niagara. The proposed concept is to sell three of its homes – (Two of which are recently vacated with a third one to be vacant in April 2021) in order to create 12 new units which will be particularly helpful in meeting the need for single Indigenous households.

**Oonuhseh is requesting Niagara Regional Housing, in its role as Municipal Service Manager, approve the sale of three scattered homes so that the revenues from the sale of the homes can be used to increase the overall stock of affordable housing for Indigenous households.**

There is a lack of affordable housing for the Indigenous population in the Niagara area. Oonuhseh-Niagara Native Homes' proposed development aligns with Goal and Objectives 3(i) of the Niagara Region's 10-Year Housing and Homelessness Action Plan. This community objective is:

“Objective: Retaining, protecting and increasing the supply of Affordable Housing 3.3 (a) Exploring off-reserve Aboriginal housing opportunities that can help augment current market options, in collaboration with the Aboriginal community. Retaining, protecting and increasing the supply of Affordable Housing.”<sup>1</sup>

Oonuhseh was incorporated on April 7, 1988. Operating under post-1985 Urban Native Housing Programs, it acquired 32 single detached homes in the late 1980s.

Oonuhseh lost two of its homes in recent years through a fire and structural issues but has successfully used that land to build six new rental homes on those two sites- increasing its portfolio to 36 homes as of May 2021.

With the continuing need for affordable Indigenous housing Oonuhseh is now planning to undertake a 12 unit development at a site located at 40-42 Oakdale by leveraging the sale of three homes. This will provide Oonuhseh with the necessary equity that will help ensure the financial feasibility of the project. Overall, this project will allow for the creation of additional housing while maintaining the same number of RGI units. In addition, Oonuhseh will be applying for CMHC Seed Funding, CMHC Co-investment

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<sup>1</sup> Niagara 10 Year Housing and Action Plan

funding and will also look for opportunities to submit an application to the Ontario Aboriginal Housing Services (OAHS) and other funding sources.

The Regional Municipality of Niagara, Housing Division, Niagara Regional Housing is one of 47 Service Managers across Ontario responsible for the administration and delivery of social housing as set out in the Housing Services Act (HSA), 2011. In Ontario, Service Managers must maintain a minimum number of the Rent-Geared-to Income (RGI) and modified units referred to as service level standards. This means the loss of an RGI or modified units in one development must be provided elsewhere in the Service Manager area. While the Housing Services Act, 2011 permits housing providers such as Oonuhseh to redevelop housing units (Subsections 161(3), 162(3)), the legislation requires that the overall number of RGI households not be reduced.

Oonuhseh, in making the request to sell three of its homes, will ensure that the three RGI subsidies for those homes will be transferred into three of the new units to be created at 40-42 Oakdale Ave. in St. Catharines.

Oonuhseh's operating agreement is administered by The Regional Municipality of Niagara, but the actual agreement document is between Oonuhseh and the Canada Mortgage and Housing Corporation (CMHC). Oonuhseh recognizes that there will be a need to also seek approval of CMHC for the sale of the three scattered homes due to the existing CMHC mortgages in place for those homes.

Oonuhseh also recognizes that the Ontario government currently has a moratorium on the sale of Housing Services Act regulated stock and that Niagara Regional Housing will need to make a case to the Provincial Government for an exemption from this prohibition.

Oonuhseh believes that the three levels of government will work collaboratively through administrative agreements and issues to approve the sale of the homes in order to achieve the important goal of creating additional housing for Indigenous households, including having new housing which is both accessible and energy efficient.

## **1.1 Project Team**

### **Proponent – Oonuhseh Niagara Native Homes Inc.**

For the past 30 years, Oonuhseh has provided and maintains rental housing units for low to moderate income Indigenous families in the Niagara region. Oonuhseh Niagara Native Homes Inc. has successfully managed a scattered 32-unit non-profit housing corporation that provides services to help Indigenous families become safely and comfortably housed. This non-profit housing organization assists in providing culturally based supports that are critical for the lasting success of the residents.

## **Oonuhseh recognizes the central role that affordable housing provides in ensuring stability for households in the Indigenous community.**

Over the past 18 months Oonuhseh has also gained experience in the development of new affordable housing through to buildings of a duplex and fourplex on sites it already owned.

### **Housing Development Consultant - Tim Welch Consulting**

Oonuhseh Niagara Native Homes Inc. has retained Tim Welch Consulting Inc. (TWC) as the housing development consultant to work with them on the business case for the leveraging of the three homes in order to develop a new 12-plex. Mr. Welch and his associates will work with Oonuhseh Niagara Native Homes Inc. on budget preparation including mortgage financing and transfer of operating subsidies, business plan development, municipal planning approvals and project coordination. TWC staff will work with the selected architect and builder on the municipal planning approvals work for this development. Staff from TWC will work with various funders and levels of government to ensure attainable cost-effective affordable housing for Oonuhseh Niagara Native Homes Inc.

Tim Welch Consulting Inc. is a housing policy, research and development corporation located in Cambridge, Ontario ([www.twcinc.ca](http://www.twcinc.ca)). Tim Welch, Principal, possesses over thirty years' experience in affordable housing development and policy work. He has worked with over 20 housing providers based in Ontario to create more than 900 units of affordable housing under various government assistance programs, including the Investment in Affordable Housing program (IAH), the Canada-Ontario Affordable Housing Program (AHP) and the First Nation, Inuit, Métis Urban & Rural Housing Program (FIMUR). TWC has helped a number of housing proponents add to their existing portfolios through both intensification and regeneration. TWC has recently worked with Oonuhseh on the development of 6 new rental homes which included working closely with Niagara Regional Housing and CMHC on both the issue of removing existing mortgages from two scattered homes as well as working with CMHC Co-investment staff to successfully access a significant co-investment grant and loan for the recent new Oonuhseh developments.

### **Architect/Construction Firm**

Oonuhseh Niagara Native Homes Inc. is proposing to work with both builder Rinaldi Homes as well as Raimondo Architects. Both the builder and architect worked well with Oonuhseh on the redevelopment and creation of the 6 new rental units.

Rinaldi Homes ([www.Rinaldihomes.com](http://www.Rinaldihomes.com)) has three decades on building quality homes in St. Catharines while Raimondo And Associates Architects Inc. ([www.raimondoarchitects.com](http://www.raimondoarchitects.com)) has designed a number of multi-residential developments including recent affordable rental apartments including buildings for Niagara Regional Housing.

## Property Management

Oonuhseh Niagara Native Homes Inc. will manage the property once construction is complete. As of May 2021 the organization will be managing 36 rental homes for low and medium income Indigenous households. With its 30 years of property management experience Oonuhseh is in good standing with Niagara Regional Housing, the Housing Service Manager. Ms. Jody Nadeau, Housing Manager of Oonuhseh Niagara has number of years experience in residential property management and has recently gained the experience of overseeing new residential rental development.

## 2.0 Housing Needs

### 2.1 Context: Region of Niagara

The region of Niagara is located south of the Greater Toronto Area (GTA), stretching from Grimsby to the United States border. The region encompasses both established urban centres (including the City of St. Catharines) as well as more rural locales situated in the west and south parts of the region. The Regional Municipality of Niagara (Niagara Region) is the designated Service Manager for housing services and affordable housing in the area.

Figure 1: Region of Niagara within the Greater Golden Horseshoe



Source: Places to Grow: Growth Plan for the Greater Golden Horseshoe

Historically, the region of Niagara is known for its agricultural and tourism activities although exporting trade due to the close proximity to the U.S. border is a vital major

contributor to the region's economy. Tourism and agricultural activities include the world-renowned Niagara Falls, festivals and numerous wineries.

St. Catharines had a very strong manufacturing sector during the 20th century, with General Motors as its largest employer, but over the past four decades, like many areas of southern Ontario, the manufacturing sector has declined significantly.

Conversely, increases in service sector jobs locally has resulted in more part-time jobs and seasonal jobs, which are usually lower paying. The increase in service sector employment, combined with the region's older than average population likely contributed to keep the region's median household income lower than the provincial average. These economic conditions influence the demand for housing in the region, as more lower-paying jobs result in a diminished ability to access housing they can afford.

Similar to the provincial economy, the emergence of a global pandemic has led to significant job loss in the Niagara region. In Niagara in January 2021, the unemployment rate jumped to 9.1 percent compared to 7.2 percent in December with the region losing around 4,100 jobs last month. Overall, the Niagara region has been the second hardest-hit region in Ontario losing close 32,000 (15.6 percent) of its jobs between February and June 2020.

### **Planning Goals and Housing Demand**

Niagara Region's Growth Management Strategy establishes a new urban vision for Niagara's long-term growth and development which aligns with the Province's Places to Grow Plan, and the Provincial Policy Statement. The forecasted population growth scenario would see households grow from 178,250 in 2011 to 221,240 in 2031, an increase of 42,990 households or 24 per cent over the 20-year period. During the 10-year period 2011 to 2021, households are estimated to grow by 23,000 or about 2,300 households per year.

St. Catharines-Niagara (CMA), which includes St. Catharines, has experienced steady population growth over the last decade. According to Statistics Canada, the CMA's population increased by 3.5% between 2011 and 2016, which was lower than the provincial average of 5.7% but still represents an increase of close to 14,000 people in ten years.

The Indigenous population in the province of Ontario increased substantially by 24% from 301,430 individuals identifying as Indigenous in 2011 to 374,395 in 2016. As shown in Table 2, the Indigenous population in the St. Catharines-Niagara CMA substantially increased by 32% between 2011 and 2016. The increase is nearly ten



times the rate of growth of the general St. Catharines Niagara CMA population of 3.5% over that same period.

Table 1: Indigenous Population, St. Catharines-Niagara (CMA)

Indigenous Population	2011	2016	2011-2016 % change
St. Catharines-Niagara	8,850	11,645	32%
Male	4,175	5,350	28%
Female	4,675	6,290	35%
Ontario	301,430	374,395	24%

Source: Statistics Canada, 2011, 2016 Census, 2011 National Household Survey

Over the past two decades, the portfolio of Indigenous social and affordable housing available in the Niagara region has not significantly increased to meet population growth. This proposed leveraging of the scattered homes to result in a net increase of nine new affordable homes for Indigenous households will contribute, in a modest way, to helping to meet this growth in the Indigenous population in Niagara.

## 2.2 Policy Context

The proposed 12 unit development by Oonuhseh is supported by current planning and policy context. Planning policy and growth in urban areas in Ontario is guided by various legislation. The Provincial Policy Statement, 2014 (PPS) is a general policy framework applied on a provincial-wide basis that addresses land use and development while protecting resources of provincial interest.

The Growth Plan for the Greater Golden Horseshoe, 2017 (the “Plan”) provides a framework for implementing the Province’s vision for economic growth, social equity and a high quality of life for communities in the greater golden horseshoe (an area that includes the region of Niagara and the City of St. Catharines). The Plan stipulates that the City’s must accommodate a minimum of 40 percent of their forecasted population growth through residential intensification within the built-up area beginning in 2015. Further, municipalities must plan for a full range of housing options that include affordable housing.

In addition to intensification, Niagara Region’s Official Plan provides a policy framework to support not for profit housing agencies in the development of affordable housing for low- and moderate-income households. In support of the Region’s Official Plan, the City of St. Catharines Official Plan (The Garden City Plan), Section 7.8 (ii) states that the City will target 30% of all new housing units constructed over the long term to consist of affordable housing

## 2.3 The Rental Market

In terms of housing stock, the trend will be a decline in the growth rate of single detached homes and an increase in demand for row and apartment dwelling reflective of demographic changes; an aging population and smaller household size<sup>2</sup>

Table 2: Total Number of Private Households by Household Type, Region of Niagara

Household Size	Total	Percentage
Couples with children at home	69,615	38%
Couples without children at home	53,730	29%
One-person households	51,215	28%
Other Household types	9,270	5%
<b>Total census private households</b>	<b>183,830</b>	<b>100%</b>

Source: Statistics Canada, Community Profile, Region of Niagara, 2016

As shown in Table 2, couples without children living at home and one-person households comprise 57% of total private households in the region of Niagara. In keeping with the demographic trend toward smaller household size, the proposed new units will be 10 one bedroom and 2 two-bedroom apartments.

## 2.4 Vacancy Rates and Average Market

As noted, the proposed affordable housing units will help increase the supply of one-bedroom units. Average market rents for purpose built rental housing are typically higher than low and moderate- income households can afford.

According to the CMHC Rental Market Report, fall 2020, rents for one-bedroom units increased by 4.8% in St. Catharines-Niagara from the previous year. This rate of increase for one-bedroom units was more than double the Government of Ontario's rent guideline increase of 2.2% in 2020. The average market rent (AMR) for a one-bedroom is \$958 and comparably \$1,137 for a two-bedroom apartment. CMHC's median market rent (MMR) for the area is \$950 per month and there is a requirement for the CMHC Co-investment program that 30% of the rental units in the new development be at no more than 80% of the Median Market Rents.

In this same time period, the rental vacancy rates for one-bedroom units was 2.5%. A vacancy rate of 3% is generally considered to be an acceptable balance between the supply and demand for rental accommodation by housing analysts. The data indicates that while there may be an adequate supply of purpose built one-bedroom apartments

<sup>2</sup> Statistics Canada: The Evolution of Housing in Canada

in the private market, the cost of rent is likely too high for many lower income households. For example, individuals who are paid minimum wage (currently \$14.25 per hour) and working full time (35 hours per week) earn approximately \$2,161 a month before taxes. In this scenario, a sole income earner will spend approximately 44% of their gross income to rent a one-bedroom apartment. Households spending more than 30% of their income are generally considered to have a housing affordability problem.

For those receiving Ontario Disability Support Payments (ODSP), the maximum amount of assistance that can be provided for shelter is based on family size. Single individuals receiving ODSP are unable to afford an average priced bachelor apartment or a one-bedroom unit in the St. Catharines-Niagara CMA. Furthermore, individuals whose only source of income is based on OAP/GIS/GAINS (basic pension for a single senior) have to spend 65% of their income on renting a one-bedroom apartment. The cost of rental housing in the St. Catharines-Niagara CMA is therefore not practical for those dependent on financial assistance. Please refer to Table 4 and 5 for more information.

Table 3: Maximum Monthly OW and ODSP Shelter Allowance (\$)

Family Size	2018 OW Shelter Maximums	2018 ODSP Shelter Maximums
1 Person	\$390	\$497
2 People	\$642	\$781

Source: Income Security Advocacy Centre, 2020

Table 4: Summary of Maximum Monthly Benefits – OAS/GAINS (\$) – Jan. 1/21 to March 31/21

Benefit Programs	Single	Qualified Couple	
		Per Person	Couple
OAS - Old Age Security	\$615.37	\$615.37	1,230.74
GIS - Guaranteed Income Supplement	\$919.12	553.28	1,106.56
GAINS - Guaranteed Annual Income System	83.00	83.00	166.00
Total Monthly Income	\$1,617.49	\$1,251.65	2,503.3

Source: Government of Ontario website, 2021

## 2.5 Housing Needs and Wait Lists

The demand for affordable housing in Niagara region is significant with 6,425 households on the wait list as of September 2020. As shown on Table 6, wait times vary with seniors waiting an average of 4 years, non-senior singles and couples waiting 8 years and families waiting an average of 5.5 years.

Table 5: Region of Niagara Social Housing Wait List and Average Wait Times

Social Housing Wait List and Average Wait Times	Households Waiting	Average Wait Time for Housing in St. Catharines
Seniors	2,506	5 years
Adults, no dependents	2,049	16 years
Adults with dependents	1,870	3 years
Total	6,425	

Source: Region of Niagara, 2020 Q3

There are many more households not on waiting lists who require affordable housing. These households include those working for minimum wage, receiving social assistance or basic pensions.

Oonuhseh Niagara Native Homes Inc. maintains a separate waiting list for Indigenous households. Currently, with only single detached home in its portfolio up until the 6 new one bedroom units created in 2021, Oonuhseh has 24 households on a one bedroom wait list that they are unable to house due to the lack of one-bedroom units in their portfolio.

In addition to the lack of supply of smaller units, there are gaps in the type of permanent, culturally specific, affordable housing units available in St. Catharines-Niagara. For example, Ganawageh and Ohsto: Seri Urban Homes Native Homes manages 96 units for families with native ancestry, however, there are only 2 one-bedroom units for smaller households. As noted, the proposed Oonuhseh developments will help address the affordable housing needs of one and two-person households.

## **2.6 Alignment with Niagara Region's Ten Year Housing & Homelessness Plan**

The Province of Ontario updated its social housing administration law, now entitled the Housing Services Act (2011) and issued its Long-Term Affordable Housing Strategy (2010). As part of this new legislative framework, Service Managers were required to complete a local housing and homelessness plan (HHP) to be implemented and monitored over a ten-year period starting January 1, 2014.

Niagara Region's Housing and Homelessness Action Plan (HHP) has identified the need to increase the supply of affordable, quality housing. More specifically, the HHP addresses the need for more affordable housing options for Indigenous peoples as there are limited housing units mandated for Indigenous households in the Niagara region. The Regional Municipality of Niagara's HHP also outlines recommendations in

five key areas: supply, affordability, removing service barriers between the mainstream and Indigenous communities, quality of housing and support services.<sup>3</sup>

### **3.0 Redevelopment of Properties**

As stated, Oonuhseh is just completing the redevelopment of two of its existing properties with two single person households moving into the new duplex of 2 one bedroom apartments at 60 Ormond Street South in Thorold while 4 new one bedroom apartments at 35 Oakdale Ave. in St. Catharines will be occupied in May of 2021. Half of the 6 new one bedroom apartments are ground floor and accessible while all 6 of the new units are energy efficient compared to the approximately 80 year old single family homes that previously occupied these two sites.

Oonuhseh is very passionate about increasing the amount of new Indigenous housing in the community and has an opportunity to leverage its housing resources to build upon its recent development experience to add a net increase of 9 units to its portfolio.

The proposed new 12 plex will also be energy efficient and have half of the units be ground level and barrier free. It will also provide for more cost efficient property management by having 12 units in one location. The efficiency of property management services will be further increased given the proposed 12 plex at 40-42 Oakdale will be located across the street from the new fourplex at 35 Oakdale Ave.

It is Oonuhseh's intention to sell its three existing homes to move forward with the 12 unit development project. It will utilize the proceeds from the sale of the three homes and it will access capital contributions and low interest loans from the CMHC Co-investment program.

This leveraging of resources will be undertaken in co-operation with Niagara Regional Housing in its role as Service Manager. This will also require approval of the Ontario Ministry of Municipal Affairs and Housing due to the current moratorium on selling housing regulated under the province's Housing Services Act. The sale of the three homes will also require the support of CMHC which holds the existing mortgages of the three properties being proposed to sell.

Oonuhseh will also be seeking out other opportunities for capital funding or grants by applying for assistance from the CMHC seed program, TD social investment program and a grant application with Niagara Community Foundation. Oonuhseh will further look to apply for Ontario Aboriginal Housing Services (OAHS) or a potential Canada

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<sup>3</sup> Housing and Homelessness Action Plan for Niagara Region

Mortgage and Housing (CMHC) Rapid Housing Investment “2” if those programs issue proposal calls during the timeframe of this development.

All three of the homes proposed to be sold currently have a mortgage (a mortgage which in both sites shared with a few other Oonuhseh homes), and approval through the Service Manager and from the Ministry of Municipal Affairs and Housing/CMHC is needed in order to release the identified homes from the mortgage.

The three specific single family homes in St. Catharines to be sold are:

Address	Amount of CMHC mortgage (March 31, 2020)	Properties that share the mortgage	Expiry of mortgage
44 ½ Division	\$85,411	37 Berryman Ave.	August 1, 2023
17 Rodman	\$82,046	32 Elberta, 11 Richmond	December 1, 2023
32 Elberta	\$82,046	17 Rodman, 11 Richmond	December 1, 2023

Both 44 ½ Division and 17 Rodman are recently vacant due to the recent co-incidental deaths of the two single older persons occupying those detached homes. The third property at 32 Elberta will be vacant by April 2021.

The timing of the three vacancies does allow the sale of the homes at a time when the single family home sales market in St. Catharines is very strong, when the CMHC Co-investment program is actively supporting new Indigenous housing with significant capital contributions and below market low interest loans.

Through the Service Manager, Oonuhseh is seeking consent (which will also include informing the Ministry of Municipal Affairs and Housing) for the sale of the three properties. Initial discussions with Niagara Region Housing staff have already occurred with a general support for the proposed redevelopment.

Given the amount of the mortgages tied to these properties in March 2021, about \$70,000 on each of the two clusters, transferring the remaining mortgage amount on to each of the two remaining Urban Native Homes properties (37 Berryman, 11 Richmond) should easily protect the financial interest of CMHC given that each of the remaining two homes would sell for between \$350,000 and \$400,00 in the current market.

In keeping with the organization’s strategic plan, reinvesting the equity from the sale of the three properties offers Oonuhseh the opportunity to increase their portfolio to include 10 new one-bedroom units and two 2 bedroom units.

## 4.0 Creation of new affordable housing units

### 40-42 Oakdale Avenue, St. Catharines

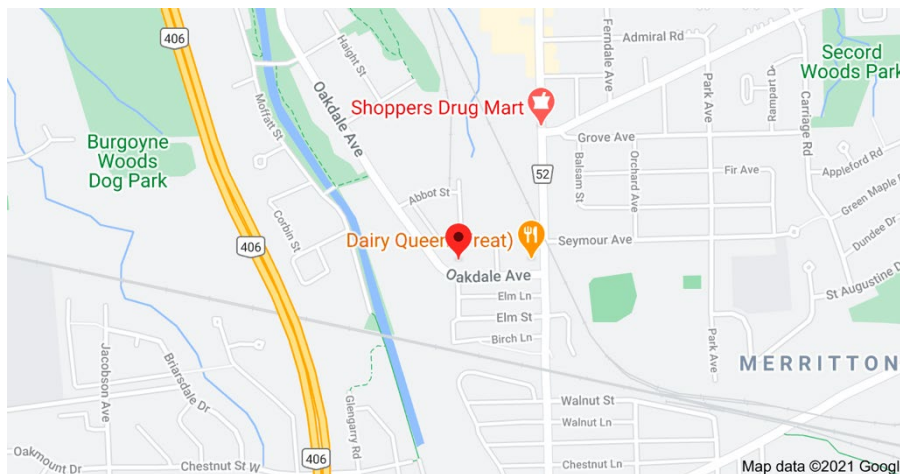
The vacant land at 40-42 Oakdale was recently purchased by Rinaldi Homes who have entered into a Letter of Intent with Oonuhseh to build a 12 plex on this site. The site is vacant and already has a Record of Site Condition from the Ontario Ministry of Environment. The new development at 40-42 Oakdale avenue will increase the existing housing stock offered by Oonuhseh, allowing for the creation of much needed one-bedroom units to better serve the Indigenous community.

In addition, the 12 new units located on 40-42 Oakdale avenue will be more energy efficient and geared to smaller Indigenous households in order to help address this significant housing need.

## 5.0 Proposed New Development

The following services are located in close proximity to the proposed housing redevelopment: grocery and retail shopping, parks, schools, government services, medical services, transit and the Niagara Regional Native Centre.

Figure 2: Location of 40-42 Oakdale Avenue, St. Catharines Subject Property



Source: Google Maps

The following services are located close by this proposed housing redevelopment: grocery and retail shopping, parks, schools, government services, medical services, transit and office of Metis Nation of Ontario which could provide cultural support.

## 6.0 Building Form

The proposed development located at 40-42 Oakdale avenue would contain 10 one-bedroom apartments and two two bedroom apartments. This cost-efficient layout would see barrier free ground level units.

The site is currently zoned R2 (multi-residential) which permits apartments. Oonuhseh representatives and Rinaldi Homes met with City of St. Catharines planning staff twice in late 2020 to review the proposed development and have collaboratively come up with a 12 unit two floor design that will not need a re-zoning, nor any minor variances. There will only be a site plan approval process which is a process delegated to staff without public input. St. Catharines planning staff have estimated a 3-4 month time frame for site plan approval which means that construction of the 12 plex could begin by the summer of 2021.

As noted in the previous section, in order to construct the proposed development, Oonuhseh Niagara Native Homes Inc. is looking to utilize proceeds it would gain from selling their existing three properties. It is expected that the current RGI/operating subsidies from the Region of Niagara will be transferred from the three homes to be sold into three of the units in the new 12-plex. Oonuhseh will also be approaching Niagara Regional Housing to see if any additional rent supplement subsidies or housing allowance subsidies could be made available for some of the other new units.

In the new units developed on Oakdale Avenue, all units will incorporate energy efficient design options which are now standard and, in some cases, exceed the Ontario Building Code. These include:

- Energy star rated appliances
- High levels of insulation,
- Energy efficient LED lighting, and
- The new homes will also feature low flow water fixtures.

### 6.1 Target Market

The proposed developments include one-bedroom apartments and is geared to one and two-person Indigenous households that have difficulty locating suitable housing in the private market. The two 2 bedroom units will be made available for small family households.

### 6.2 Timeline

The proposed timeline illustrates the anticipated dates for project development.



Task	Date
Submission of business case by Oonuhseh to NRH	March 9, 2021
NRH forwards business case to MMAH and CMHC	March 22, 2021
MMAH and CMHC approve sale of Homes and transfer of existing mortgage	April 2021
3 homes listed for sale	April 2021
Oonuhseh applies for CMHC Co-investment	April 2021
Site plan application submitted to St. Catharines planning staff	May 2021
Detailed drawings undertaken	June 2021
Site plan approval	August 2021
Building Permit application filed	August 2021
Building permit issued/Construction begins	September 2021
Construction Completion	July 2022
Tenant Move-In	August 2022

## 7.0 Feasibility and Potential Benefits and Risks

The design for this site allows for the units to be constructed with wood frame construction which is cost efficient. As set out in the attached Capital and Operating Budget for the 12 plex, the development will be made financially viable through the proceeds (\$1,050,000) from the sale of their 3 existing properties. The financial viability is further realized through Region development charge waivers, and a 28% coinvestment contribution (a figure similar to the co-investment contribution to the recent 35 Oakdale development).

### 7.1 Proponent Equity

Oonuhseh will be contributing \$1,050,000 in cash from the proceeds of the sale of the three properties.

The balance of the equity is expected to occur through the Canada Mortgage and Housing Co-investment fund - both capital contribution and CMHC low interest loan.

The mortgage amount is approximately \$1.35 million for the 12 unit development project.

Capital and operating budgets for the proposed development at 40-42 Oakdale Avenue are attached.

## **7.2 Proposed Rents**

The rents for 4 of the units will be set at 80% MMR which is currently \$760 for a one-bedroom apartment. The remaining 70% of the units will be set at 100% AMR which is currently \$958 for a one-bedroom apartment and \$1,137 for a two bedroom apartment.

Given the long waiting list for affordable housing for seniors/non-senior single person/couples housing for Indigenous residents in the Niagara region, there will be little difficulty in renting the 12 apartments. Oonuhseh also will be proposing to move currently over housed seniors in their existing portfolio into the more suitable sized units. This will free up family sized housing units in the portfolio which will be more appropriately used by families with children.

## **7.3 Operational Risk**

The pro-forma financial statements reflect construction and operating costs similar to other affordable housing projects that have recently been completed with this type of construction. The operating of new energy efficient housing reduces the risk of significant capital repairs as Oonuhseh will now have three less 80 year old homes in its portfolio.

## **7.4 Partial discharge of Mortgages**

As noted, the existing mortgages from the three properties will be discharged but the remaining amounts will remain on title to the two properties at 11 Richmond and 37 Berryman. With the consent of the Region and CMHC, the intent is to proceed with the sale of three of its existing properties.

## **7.5 Communication Plan**

Oonuhseh has communicated these proposed new units to members of its Board of Directors. As development continues, Oonuhseh will provide updates to Niagara Region who have been supportive about the addition of the new housing for the Indigenous community.

## **8.0 Conclusion**

Given the overall demand for affordable housing and a growing Indigenous population in the region of Niagara, the proposed new affordable rental housing at 40-42 Oakdale Avenue will help address current community housing needs. Oonuhseh will also continue to maintain a number of three bedroom and four bedroom units in single detached homes suitable for larger Indigenous families.

By using equity derived from the proceeds from the sale of their three properties, Oonuhseh Niagara Native Homes Inc. has a good opportunity to leverage limited housing resources to address significant housing needs for smaller Indigenous households. The proposed development of new one and two-bedroom units at the 40-42 Oakdale site will help to provide permanent affordable housing options for single and couple seniors and non-senior singles/couples. The proposed development also helps support the goals and objectives laid out in the Region's Ten Year Housing & Homelessness Plan and meets intensification objectives in the Region's Official Plan.