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# The Regional Municipality of Durham Report

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| To: | The Committee of the Whole |
| From: | Commissioner of Social Services and Commissioner of Finance |
| Report: | #2024-COW-25 |
| Date: | June 12, 2024 |

**Subject:**

Redevelopment Feasibility Analysis for Durham Regional Local Housing Corporation (DRLHC) Sites at Malaga Road and Christine Crescent

**Recommendation:**

That the Committee of the Whole recommends to Regional Council:

A) That the redevelopment feasibility analysis prepared by Infrastructure Ontario (IO) dated May 15, 2024, for the redevelopment of the Christine Crescent and Malaga Road sites, in the City of Oshawa (City), be endorsed in principle;

B) That the redevelopment of the Christine Crescent site be approved in principle, which would replace 12 existing semi detached units at their end of life with a midrise apartment building and stacked townhouses totalling approximately 160 units, including rent-geared-to-income, affordable and market rental housing through a direct delivery option, subject to final Council approval of the project after municipal development approvals, refined development costs and grant opportunities are obtained;

C) That staff be authorized to undertake the following in support of development approvals for the Christine Crescent and Malaga Road redevelopments at an estimated cost of $1,800,000 to be funded from the approved 2024 budget provision for social housing redevelopment:

i. Preparation, submission and support of the necessary official plan amendment and zoning by-law amendment applications;
ii. Retaining consulting expertise for the required technical studies identified through the preconsultation process with the City; and
iii. Additional public consultation as may be required by the City.

D) That staff be authorized to prepare a comprehensive strategy to increase affordable housing supply, while improving the mix, design, integration and sustainability of housing within the DRLHC inventory including the following elements, with the consultant to be retained though a Request for Proposals and at an estimated cost of $150,000 with funding to be provided from the 2024 budget provision for social housing redevelopment, including:

iv. Identifying opportunities and best practices for reducing isolation and marginalization of existing DRLHC sites by transforming them into mixed income communities;
v. Identifying opportunities for partnerships with private and not-for-profit housing providers to include additional Rent-Geared-to-Income (RGI) supply within project buildings;
vi. Aligning revitalization efforts with other Regional strategic priorities on poverty prevention, reducing homelessness, supporting transit-oriented development initiatives and environmental sustainability measures;
vii. Implementing a program of community housing improvement and redevelopment projects; and
viii. Developing a long-term portfolio of shovel ready projects.

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**Report:**

## 1. Purpose

1.1 The Region is embarking on an initiative to revitalize and redevelop the DRLHC's community housing sites. The purpose of this report is to present staff's recommendations regarding the transformation of two sites owned by the DRLHC for the development of mixed income housing, including RGI replacement and new affordable and market rental housing. The two sites that are the subject of this report, at Christine Crescent and Malaga Road in the City of Oshawa, represent investments in improving affordable housing supply that will optimize the use of these sites.

## 2. Introduction

2.1 In 2019 Regional Council approved the retention of consulting services to facilitate the development of a long-term, asset management and a financial strategy to sustain and support the DRLHC (#2019-COW-4). Based on the analysis, four sites were identified for regeneration and intensification:

- Nevis/Normandy/Christine/Lomond
- Linden Poplar
- Lakeview
- Malaga

2.2 Upon review of various site regeneration options and Building Condition Assessments, the magnitude of regeneration, tenant logistics and site servicing, the Malaga Road and Christine Crescent sites were identified as first candidates.

2.3 In November 2019, Regional Council approved the Five-Year Review of At Home in Durham, the Durham Housing Plan 2014-2024 (#2019-COW-25). At Home in Durham sets out four goals and primary actions that aim to improve affordability and access to housing, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system. These goals are:

- End Homelessness in Durham
- Affordable Rent for Everyone
- Greater Housing Choice
- Strong and Vibrant Neighbourhoods.

2.4 For the following five years of the Plan, the Region committed to taking steps on the following fronts:

- Reducing chronic homelessness to zero.
- Increasing the supply of affordable rental housing by 1,000 units.
- Increasing the supply of medium to high density housing.
- Significant progress in the regeneration of community housing.

2.5 In November 2020, Regional Council approved a Master Housing Strategy (#2020-COW-27) that would include a comprehensive review of the current housing system to ensure the optimal utilization of Regional resources, aligned with local housing, including:

- Revitalization of the Regionally owned DRLHC portfolio, including the development of an evidence-based strategy for managing the DRLHC portfolio that addresses maintenance, revitalization, regeneration (redevelopment) and disposal;
- A review of public surplus lands and the potential social and community benefits that these properties can provide;
- The provision of affordable, community, supportive and transitional housing, as well as emergency shelters and other Regional housing programs, all of which provide essential services to residents living with low-income; and
- Other opportunities to support the delivery of affordable housing.

2.6 Regional Council's endorsement of the Master Housing Strategy included identifying development opportunities, incentives and partnerships to increase the supply of affordable, community, supportive and transitional housing and a commitment to review public lands and their potential social and community benefits. The Strategy aims to improve affordability and access to housing with and without supports, protect the existing affordable housing supply, encourage housing diversity, and build capacity in the housing system. Expected outcomes from the Strategy includes:

- The initiation of 1,000 new affordable housing units by 2024;
- Improved readiness for provincial and federal funding announcements;
- Establishing a shovel-ready portfolio of potential projects aligned with the affordable housing needs of our communities;
- Sustainable investment strategies to support new affordable rental development and the preservation and growth of community housing; and
- Improved coordination with all housing partners including area municipalities, private developers and non-profit providers to address Regional needs.

2.7 Following the transfer of the ownership and operation of community housing from the provincial government in 2000, the DRLHC provides and maintains rent-geared-to-income (RGI) housing units within the Region.

2.8 Redevelopment and investment in the subject sites will increase affordable housing supply, improve built conditions, modernize buildings to current standards, grow capacity within the housing system and improve housing mix. Therefore, continuation of the status quo is not a preferred option. Similarly, while disposition of some DRLHC sites (including relocation of tenants at said sites to other DRLHC units in the portfolio) could help generate proceeds that could be used towards reinvestment into existing DRLHC buildings, this would not maximize opportunities for building affordable housing capacity and is not a preferred option for these sites.

2.9 The Christine Crescent and Malaga Road sites represent positive opportunities to improve built conditions, provide meaningful contributions to the Region’s affordable housing supply and act as catalysts for community improvement. Redevelopment of the Christine Crescent site provides an earlier opportunity for capacity building within the DRLHC portfolio.

## 3. Background

3.1 In 2023 the Region engaged IO to examine the feasibility of redeveloping the DRLHC sites at Malaga Road and Christine Crescent into modernized, mixed-income rental communities. IO’s affordable housing development expertise has enabled information sharing while internal capacity is being built within the Affordable Housing Development and Renewal Division.

3.2 In 2023 the Region also engaged Bousfields to lead the development and implementation of an engagement, consultation, and communications strategy for the two sites. The outcome of that work is highlighted within the Phase 1 and Phase 2 engagement reports (see Attachment #1).

3.3 The scope of work for IO's engagement included project coordination of planning, technical, financial and market analyses to assess the feasibility of delivering Regional housing priorities on these two sites. The outcome of that work is a Redevelopment Feasibility Analysis Final Report (see Attachment #2).

## 4. Redevelopment Feasibility Analysis Final Report

4.1 A wide array of inputs and considerations go into the evaluation of overall development feasibility. IO, with support from Bousfields and Altus, has assessed the planning, technical, financial and market feasibility for potential redevelopment of both DRLHC sites.

4.2 The final report represents a comprehensive feasibility analysis, compiling the technical, planning, (including regulatory policy), financial (including external funding) and timing considerations and provides recommendations regarding a way forward (see Attachment #2). The following information and analysis are included in the final report for both sites:

i. Summary of existing site conditions and surrounding context;
ii. Land use planning policy context;
iii. Summary of current zoning;
iv. Applicable regulatory requirements of external agencies (i.e. Central Lake Ontario Conservation Authority (CLOCA));
v. Description of the redevelopment conceptual site plan and development statistics including unit supply and parking requirements based on current standards;
vi. Identifying potential options for analysis;
vii. Planning feasibility and required development approvals;
viii. Potential risks and mitigation opportunities in the development approvals process, including potential approaches to mitigate approval timelines;
ix. Summary of completed technical due diligence including high level transportation servicing and natural heritage work to form the basis of additional technical studies required to support development;
x. A list of outstanding technical due diligence/reports required to inform future development applications;
xi. Other factors that could affect development timing or phasing, including tenant relocation, construction staging and funding;
xii. Potential risks that may be uncovered through further technical due diligence including soil conditions, natural heritage requirements or external infrastructure improvements;
xiii. A financial feasibility analysis accounting for:

- Estimated development costs including demolition, overall construction estimates, construction management, landscaping, utility connections, insurance, fees and charges, and contingencies;

- the split between market and affordable rental unit supply, average forecasted rents by unit type and accounting for RGI replacement units;
- potential senior-level government funding sources including Canada Mortgage and Housing Corporation (CMHC) funding programs, the provincial Ontario Priorities Housing Initiatives (OPHI) program, the Green Municipal Fund administered by the Federation of Canadian Municipalities (FCM), including a brief summary of each;
- potential operating incomes from market and affordable units; and
- a summary of financial risks and potential mitigation measures.

xiv. A summary of Phase 1 and 2 community engagement;
xv. A summary of potential delivery models, ranging from direct delivery (including both traditional procurement and P3s), to development partnerships (including land lease, partial/full disposition) and a high-level description of the benefits and risks associated with each delivery model, including a more detailed analysis and shortlisting of applicable direct delivery models to the two sites; and
xvi. A summary of implementation benefits, success factors and a preliminary implementation timeline.

**Redevelopment Objectives**

4.3 Redevelopment objectives were established, informed by Phase 1 of the community engagement process:

i. Replace existing units and optimize the provision of housing on the sites at an appropriate height/density;
ii. Contribute to a vibrant public realm;
iii. Achieve site permeability and connectivity to local services, parks and public open spaces; and
iv. Support the Region’s sustainability and inclusivity goals.

**Christine Crescent**

4.4 The Christine Crescent site is part of a larger neighbourhood encompassing housing units along Normandy Street, Nevis Avenue and Lomond Street owned and operated by the DRLHC in the City. The site currently includes 12 two-storey semi-detached dwellings (see Figure 1) and a public road allowance recently declared surplus by the City. All 12 units are owned and operated by the DRLHC as RGI units. Six of the units are currently vacant.

4.5

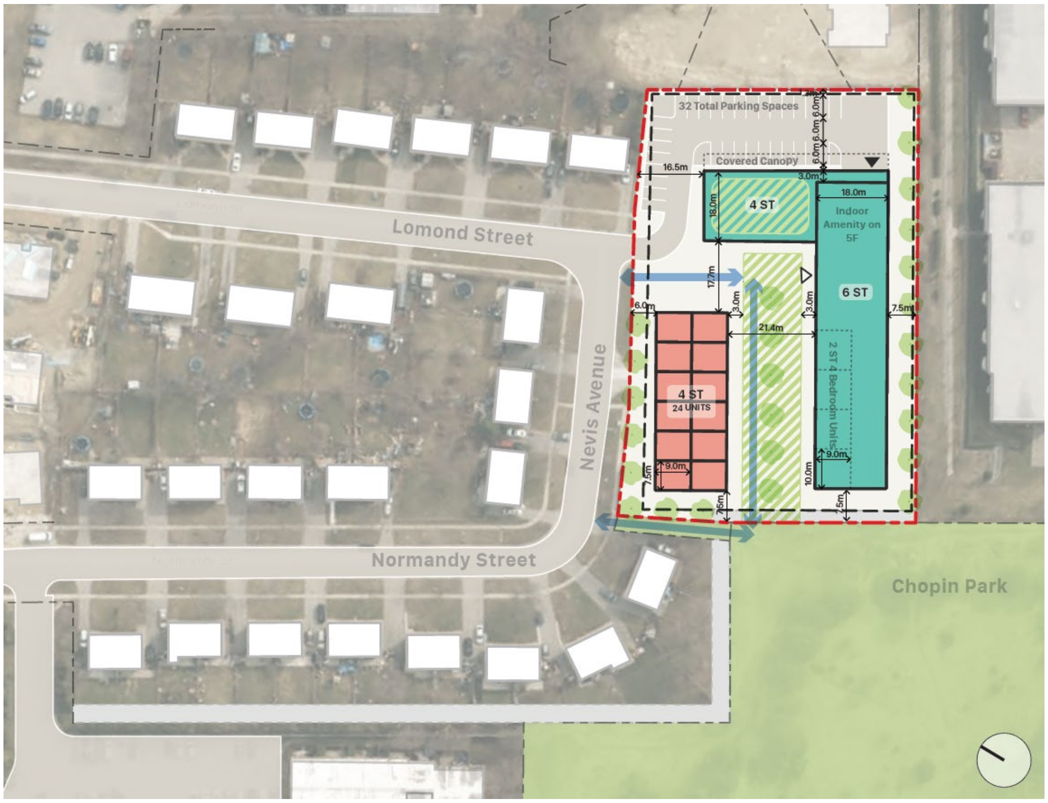
**Figure 1: Christine Crescent Site**


4.6 The site is approximately 0.6 hectares (1.5 acres) in size and is located within Oshawa's central neighbourhood. Surrounding uses include other semi-detached units under the ownership of the DRLHC, low rise apartments, a new townhouse development and Chopin Park (a neighbourhood park).

4.7 A preferred development concept for the site has been prepared which would replace the existing 12 semi-detached dwellings with 164 new housing units in the form of a 6-storey apartment building and stacked back-to-back townhouses along Nevis Avenue. Parking would be accommodated both underground, along with some surface level visitor and pick-up-drop-off parking.

4.8 The Christine Crescent Redevelopment Concept Plan is shown in Figure 2.

**Figure 2: Christine Crescent Redevelopment Concept**




4.9 The affordability split for the development has been modelled at 50% non-market (including affordable and RGI units) and 50% market units. A breakdown of units is provided in Table 1.

**Table 1: Unit Breakdown – Christine Crescent Redevelopment**

| Unit Type | Market Units | Affordable Units | RGI Units | Total Units |
|---|---|---|---|---|
| Bachelor apartment | 4 | 3 | 0 | 7 |
| 1 Bedroom apartment | 25 | 22 | 0 | 47 |
| 2 Bedroom apartment | 34 | 26 | 0 | 60 |
| 3 Bedroom apartment | 7 | 10 | 6 | 23 |
| 4 Bedroom apartment | 0 | 3 | 0 | 3 |
| Stacked back-to-back townhouses (2 Bedroom) | 12 | 6 | 6 | 24 |
| **Total** | **82** | **70** | **12** | **164** |

4.10 The development concept incorporates the conveyance of the Christine Crescent road allowance from the City to the Region.

4.11 Development approvals that will be required to permit the proposed density/height include an Official Plan Amendment (OPA) and Zoning By-Law Amendment (ZBA). Following those approvals, a Site Plan approval will be required. A Stage 1 Pre-Application Consultation (PAC) was held with the City to identify the studies, plans and information that will be required for the various development application submissions. Once the required studies are completed and applications filed, the development approvals process is estimated to take 18-24 months. In comparison to the Malaga site, the list of required technical studies is less extensive since there is no Environmental Impact Study requirement due to a nearby watercourse. It is recommended that the detailed design process for the Christine Crescent project can proceed sooner.

4.12 Sanitary sewerage and watermain improvements are required along Nevis Avenue, Normandy Street and Lomond Avenue to enable redevelopment. A preliminary cost estimate is being refined. The detailed design will form early works for the Christine Crescent redevelopment project.

4.13 Improvements to the easterly underutilized portion of Chopin Park, adjacent the Christine Crescent site will improve accessibility, visibility and usability for local residents. Detailed design creation for a new paved pedestrian path, grading, landscaping and related improvements will also be undertaken as early works.

4.14 IO has provided an estimate of the capital costs for the proposed redevelopment (see Table 2).

**Table 2: Estimated Capital Costs – Christine Crescent Redevelopment**

| **Expenses** | **Total** | **Per unit** |
|---|---:|---:|
| Property Taxes, Development Approval and Management/Administration | 1,784,618 | 10,882 |
| Construction (includes design, pricing, construction and escalation contingency) | 86,506,703 | 527,480 |
| Design and Consultants | 2,300,000 | 14,024 |
| Financing | 1,967,518 | 11,997 |
| Development Contingency | 750,000 | 4,573 |
| **TOTAL** | **$93,308,839** | **$568,956** |

*Source: Malaga and Christine Redevelopment Feasibility Analysis (Page 44)*

4.15 Senior level partnerships will be sought to support redevelopment. Envisioned funding includes a combination of CMHC forgivable and construction loans through the Affordable Housing Fund (AHF) and Regional capital funding.

4.16 The Regional investment required for Christine Crescent is estimated at approximately $35 Million. Opportunities for additional funding streams that staff will pursue including the Green Municipal Fund administered by FCM and the

Ontario Priorities Housing Initiative, to reduce the regional capital funding investment required and improve financial sustainability of the projects (see Table 3).

**Table 3: Breakdown of Potential Funding Sources: Christine Crescent Redevelopment**

| Sources of Funding | Total | Per unit |
|---|---:|---:|
| Regional Capital Funding | 35,188,165 | 214,563 |
| CMHC Forgivable Loan | 8,200,000 | 50,000 |
| CMHC Construction Loan | 49,920,224 | 304,393 |
| **TOTAL** | **$93,308,839** | **$568,956** |

*Source: Malaga and Christine Redevelopment Feasibility Analysis (Page 46)*

4.17 Since the proposed development would include a mix of market rental, affordable rental and RGI units, IO provided an analysis of the expected Net Operating Income (NOI) for the proposed redevelopment to demonstrate the viability of the development to repay the required construction financing (see Table 4).

**Table 4: Estimate of Forecasted Income: Christine Crescent Redevelopment**

| Net Operating Income Summary | Annual Gross |
|---|---:|
| Market Units (82 Units) | 2,547,150 |
| Affordable Units (70 Units) | 1,096,730 |
| RGI Replacement Units (12 Units) | 223,811 |
| **Potential Gross Income (PGI)** | **$3,867,691** |
| Ancillary Income (Parking and Locker) | 252,600 |
| Less: Vacancy and Credit Loss (2.7% of PGI) | (110,403) |
| **Effective Gross Income** | **$4,009,888** |
| Less: Operating Expense | (1,370,981) |
| **Net Operating Income (NOI)** | **$2,638,907** |
| Mortgage Payment | (2,115,820) |
| **Cashflow after Financing** | **$523,087** |

*Source: Malaga and Christine Redevelopment Feasibility Analysis (Page 48)*

4.18 The above tables provide high level estimates of costs that will be further refined through the course of the development approvals process and subsequent detailed design work. Similarly, operating income estimates will continue to be refined as the project approaches occupancy.

4.19 As an early priority, the Christine Crescent redevelopment provides needed capacity, including future decanting units that can enable future redevelopment of nearby DRLHC properties as they come forward for redevelopment.

**Malaga Road**

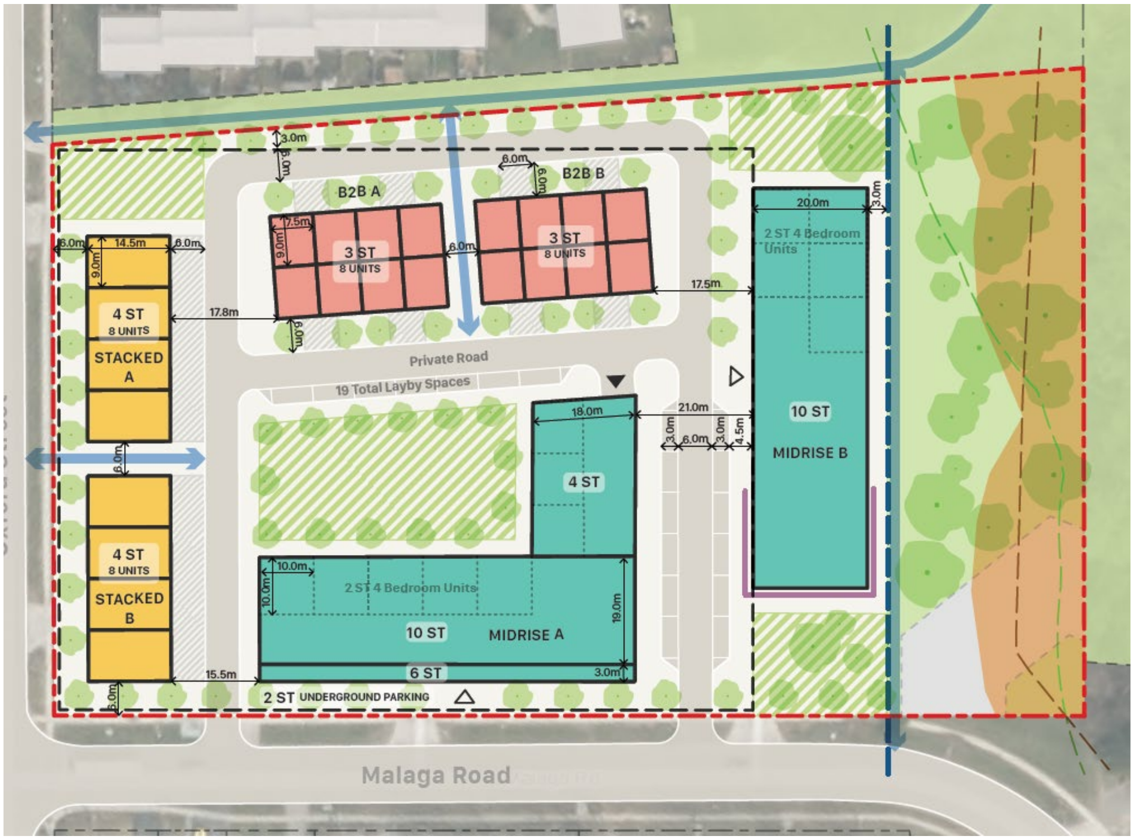
4.20 The second site is a 1.94 hectare (4.8 acre) property at the northeast corner of Malaga Road and Oxford Street in the City (see Figure 3). The site currently includes 65 three-storey townhouse units, all of which are owned and operated by the DRLHC as RGI units. Approximately 40% (25 of the units) are currently vacant. The surrounding area includes a mix of mid-rise apartments, townhouses, detached dwellings, a neighbourhood park (Cordova Park) and Oshawa Creek.

**Figure 3: Malaga Road Site**


4.21 The preferred development concept for the Malaga site proposes to replace the current 65 townhouse units with 439 new housing units through a mix of apartments, stacked townhomes and back-to-back townhomes. The development concept provides for two 10-storey apartment buildings, one of which would front onto Malaga Road and the second building along the east side of the site. A mix of stacked and back-to-back townhouses are proposed along Oxford Street and along the trail connection to the north of the Malaga site, where low rise homes predominate. Non-residential uses are proposed on the ground floor of the easterly mid-rise building. The concept provides for on-site community open space, trail connections to the existing parks and open space areas, and lay-by parking areas. Residential and additional visitor parking is proposed underground.

4.22 The Concept Plan for the Malaga Road redevelopment is shown in Figure 4.

**Figure 4: Malaga Road Redevelopment Concept Plan**




4.23 Similar to the Christine Crescent site, the affordability split for the development is modeled at 50% non-market (including affordable and RGI units) and 50% market units (see Table 5).

**Table 5: Unit Breakdown: Malaga Road Redevelopment**

| Unit Type | Market Units | Affordable Units | RGI Units | Total Units |
|---|---|---|---|---|
| Bachelor apartment | 10 | 8 | 0 | 18 |
| 1 Bedroom apartment | 81 | 53 | 0 | 134 |
| 2 Bedroom apartment | 92 | 59 | 0 | 151 |
| 3 Bedroom apartment | 20 | 23 | 45 | 88 |
| 4 Bedroom apartment | 0 | 8 | 8 | 16 |
| Back-to-back townhouse (3 Bedroom) | 8 | 0 | 8 | 16 |
| Stacked townhouse (2 Bedroom) | 4 | 4 | 0 | 8 |

| | | | | |
|---|---|---|---|---|
| Stacked townhouse (4 Bedroom) | 4 | 0 | 4 | 8 |
| **TOTAL** | **219** | **155** | **65** | **439** |

4.24 Development approvals that are required to permit the proposed density/height include an OPA and ZBA Application. Following those approvals, a Site Plan Control Application will be required. A separate permit will be required from CLOCA.

4.25 A Stage 1 PAC was held with the City which identified the studies, plans and information that will be required for the various development application submissions. An Environmental Impact Study is required, which will include natural heritage, geotechnical and hydrogeological work to examine subsurface soil conditions, slope stability, and development limits to ensure the feasibility of proposed building locations and underground parking. A detailed servicing analysis is necessary to inform scope of costing for required sanitary sewer upgrades to support development. Other studies include a traffic impact study, stormwater management assessment, archaeological assessment, Phase 1 and 2 Environmental Site Assessment and RSC and a Planning Rationale Report.

4.26 Upon completion of the requisite studies, the development approvals process is estimated to take 18-24 months.

4.27 The estimated costs of the proposed Malaga Road development is summarized in Table 6.

**Table 6: Estimated Capital Costs – Malaga Road Redevelopment**

| Expenses | Total | Per unit |
|---|---:|---:|
| Property Taxes, Development Approval and Management/Administration | 4,575,909 | 10,423 |
| Construction (includes design, pricing, construction and escalation contingency) | 236,600,430 | 538,953 |
| Design and Consultants | 7,200,000 | 16,401 |
| Financing | 9,899,033 | 22,549 |
| Development Contingency | 1,000,000 | 2,278 |
| **TOTAL** | **$259,275,372** | **$590,604** |

*Source: Malaga and Christine Redevelopment Feasibility Analysis (Page 22)*

4.28 Funding needed to support redevelopment will require a combination of CMHC forgivable and construction loans through the AHF and Regional capital funding. The Regional investment has been estimated at approximately $95 Million (see Table 7). Senior level funding such as the Green Municipal Fund administered by FCM and the Ontario Priorities Housing Initiative will also be sought.

**Table 7: Breakdown of Potential Funding Sources: Malaga Road Redevelopment**

| Sources of Funding | Total | Per unit |
|---|---:|---:|
| Regional Capital Funding | 94,983,184 | 216,362 |
| CMHC Forgivable Loan | 21,950,000 | 50,000 |
| CMHC Construction Loan | 142,342,188 | 324,242 |
| **TOTAL** | **$259,275,372** | **$590,604** |

*Source: Malaga and Christine Redevelopment Feasibility Analysis (Page 26)*

4.29 A detailed analysis is included below of the expected NOI for the proposed redevelopment of the Malaga site, to demonstrate the viability of the project to repay the required construction financing (see Table 8).

**Table 8: Estimate of Forecasted Income: Malaga Road Redevelopment**

| Net Annual Operating Income Summary | Annual Gross |
|---|---:|
| Market Units (219 Units) | 6,647,783 |
| Affordable Units (155 Units) | 2,366,593 |
| RGI Replacement Units (65 Units) | 1,186,960 |
| **Potential Gross Income (PGI)** | **$10,201,336** |
| Ancillary Income (Parking and Locker) | 553,800 |
| Less: Vacancy and Credit Loss (2.7% of PGI) | (287,119) |
| **Effective Gross Income** | **$10,468,017** |
| Less: Operating Expense | (3,579,015) |
| **Net Operating Income (NOI)** | **$6,889,002** |
| Mortgage Payment | (6,033,035) |
| **Cashflow after Financing** | **$855,967** |

*Source: Malaga and Christine Redevelopment Feasibility Analysis (Page 28)*

4.30 The above tables provide high level estimates of costs that will be further refined through the course of the development approvals process and subsequent detailed design work. The opportunity to develop the Malaga site in phases is being explored.

4.31 Operating income estimates will continue to be refined as each component of the project approaches occupancy.

## 5. Community Engagement

5.1 Bousfields led the Region through two phases of extensive community engagement for the redevelopment of both sites:

i. Phase One took place from August to December 2023 and was focused on seeking input about the overall vision and principles of the redevelopment.

This phase included meet and greets, neighbourhood walks, an online survey, as well as in-person tenant and community open houses.

ii. Phase Two took place from January-March 2024 and focused on soliciting feedback about the proposed design concepts for both redevelopment sites. This phase included door-knocking, an online community meeting, and a second feedback survey.

5.2 Throughout these phases of engagement there has been ongoing and regular touchpoints with the community through the project webpage and project-specific email addresses. While the in-person participation was modest, the online engagement has provided general support for the need for redevelopment and provided staff with opportunities to incorporate community feedback into the refinement of the proposed development concept.

5.3 The key themes that emerged from community engagement which were considered in the creation of the preferred development concept for both sites include:

i. Prioritization of accessibility and safety in the design;
ii. Provision of family-sized units;
iii. New and enhanced connections to surrounding amenities;
iv. Provision of onsite functional, recreational and communal amenities;
v. Preference for the inclusion of townhouse and medium density built-forms;
vi. Balance of modern design and cost-effective maintenance;
vii. Ensuring local infrastructure can support the proposed density; and
viii. Ensuring appropriate and timely communication of project timelines and updates.

5.4 Future community engagement will continue through the required OPA/ZBA processes on both sites.

## 6. Project Delivery and IO’s Conclusion

6.1 After developing scenarios for each site, IO led the Region through a preliminary procurement options analysis workshop to refine the list of appropriate project delivery models for redevelopment based on the redevelopment objectives and constraints identified by IO together with Regional staff, which included a preference by the Region for a direct delivery model that allows the Region to maintain ownership and control over the land and buildings on the two sites. Following an extensive review of feasible direct delivery models, IO, together with Regional staff, determined that the two direct delivery models that should be considered for both sites are Construction Management at Risk and Design-Build. IO is recommending further analysis of these two models, and a possible market sounding be undertaken once the procurement scope details have been created.

6.2 While the IO feasibility analysis for redevelopment outlines risks and questions to address for both sites, IO concludes that both sites offer good opportunities for intensification and revitalization into modernized mixed-income rental communities.

## 7. Approaching a Comprehensive Strategy

7.1 The planned redevelopment of the Malaga and Christine sites represents the first steps in a revitalization approach that is needed across the DRLHC portfolio. Common issues and the growing challenges being faced include:

i. Community housing stock that is geographically concentrated and consisting of entirely RGI units.
ii. Supply limitations and a growing need for modern affordable housing.
iii. The age of older community housing stock with lower building and living conditions in certain locations.
iv. The need for substantial capital investments in certain locations, for units to remain fit for occupancy and some units that may no longer be fit for occupancy.
v. Accessibility issues with the current housing stock, which will become more pronounced as the Region's population continues to age.

7.2 While predevelopment work proceeds for the subject sites, a fulsome Community Housing Development and Renewal Strategy is necessary to guide positive change and undertake a strategic approach to development, asset management and land across the DRLHC portfolio. Staff are recommending that an overall Strategy be developed to guide Regional action. Funded through the 2024 budget, the Strategy would incorporate the following elements:

i. An examination of the DRLHC portfolio in the context the Region's legislated responsibility as Service Manager.
ii. Update the inventory of existing DRLHC housing units and compare existing housing with forecasted needs.
iii. Identify best practices for reducing isolation and marginalization through transforming of community housing sites into mixed income communities.
iv. Identifying opportunities where partnerships with private and not-for-profit housing providers, including approaches where additional affordable and RGI supply, could be provided within their project buildings.
v. Highlighting opportunities for aligning development and renewal efforts with other Regional strategic priorities on poverty prevention, reducing homelessness, supporting transit-oriented development initiatives and environmental sustainability measures.
vi. Establishing a program of community housing improvement and redevelopment projects for implementation.
vii. Forecasting potential expenditures and funding sources in support of project delivery.

## 8. Next Steps

8.1 Upon endorsement of the redevelopment feasibility analysis, staff will undertake due diligence studies required for development approval and proceed to the next phase of pre-consultation. Once completed, staff will prepare and submit the required OPA/ZBA development applications for both sites to secure the first phase of development approvals.

8.2 Phase 3 of community engagement for both sites will occur as part of the mandatory public consultation process for the future OPA and ZBA applications.

8.3 Redevelopment of Christine Crescent site has the greatest opportunity for early capacity building. Steps have been recommended to advance approvals needed to proceed with a direct delivery redevelopment by the Region.

8.4 Staff will continue to identify senior-level government funding opportunities as the redevelopment feasibility analysis work progresses. Regional staff will continue to pursue those funding opportunities as appropriate within the current stage of the development process.

8.5 Staff will employ government relations strategies as appropriate to highlight senior-level government investment opportunities at the two sites.

## 9. Previous Reports and Decisions

9.1 On May 22, 2014, Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 (Report #2014-J-16) setting out the Region's vision for housing over the ten-year period in accordance with the *Housing Services Act*.

9.2 On November 20, 2019, Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 – Five-year Review (#2019-COW-25), authorizing the preparation of a Master Housing Strategy including a review of the current housing system and revitalization of the DRLHC Portfolio.

9.3 On November 19, 2020, Regional Council approved the Master Housing Strategy, (#2020-COW-27).

9.4 On March 29, 2023, Regional Council approved Approval to Retain IO for Project Management Services for the First Phase of the Revitalization of Durham Regional Local Housing Corporation Properties (#2023-COW-12).

9.5 On June 28, 2023, Regional Council approved At Home in Durham, the Durham Housing Plan 2014-2024 Annual Report (Report #2023-COW-26-COW-26).

## 10. Relationship to Strategic Plan

10.1 This report aligns with and addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

i. Goal 2.1 – Revitalize existing neighbourhoods and build complete communities that are walkable, well-connected, and have a mix of attainable housing.
ii. Goal 4.1 – Revitalize community housing and improve housing choice, affordability and sustainability.
iii. Goal 5.1 – Optimize resources and partnerships to deliver exceptional quality services and value.

## 11. Conclusion

11.1 The work undertaken by IO and Bousfields on behalf of the Region provided valuable assistance is advancing development due diligence for both sites. There is a pressing need to deliver affordable housing on both sites. The recommendations in this report will advance needed pre-development work and development applications while a broader long-term strategy is developed.

## 12. Attachments

Attachment #1: Phase 1 Feedback Summary and Phase 2 Feedback Summary (Prepared by Bousfields)

Attachment #2: Malaga and Christine Redevelopment Feasibility Analysis Final Report (Prepared by Infrastructure Ontario)

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Original signed by

Nancy Taylor BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original signed by
Elaine C. Baxter-Trahair
Chief Administrative Officer

January 2024

DURHAM REGION

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905-668-7711
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# Phase 1 Feedback Summary

Durham Regional Local Housing Corporation (DRLHC) Sites

Malaga Road
Christine Crescent

# Executive Summary

As part of Durham Region's first phase of their revitalization strategy, two Durham Regional Local Housing Corporation (DRLHC) properties were selected. These properties are:

- 416, 424, 432, 440 and 448 Malaga Road (Malaga Road Redevelopment); and
- 419, 421, 425, 427, 431, 433, 437, 439, 443, 445, 449 and 451 Christine Crescent (Christine Crescent Redevelopment)

The feedback detailed in this report, represents all of the community engagement that was conducted during Phase 1 of the community engagement process, and includes feedback and comments from the Initial Communication Phase. Separately, Regional Staff have begun outreach with First Nations communities. The information summarized in this report includes feedback received at the following in-person and online events:

## August 2023 - Meet and Greets

The Meet and Greets were an informal opportunity for existing tenants to meet the project team and learn more about the redevelopment project, as well as community engagement opportunities.

## October 30 and November 2, 2023 - Neighbourhood Walks

A series of resident-guided walks were held, to learn more about the community while collecting ideas, questions, and comments through informal conversations.

## November 13 to December 8, 2023 - Survey #1

An online survey was launched, providing tenants, neighbours, and other interested community members the opportunity to provide input to shape the vision and principles of the redevelopment.

## December 4 and 6, 2023 - Tenant and Community Open House(s)

Over the course of several hours, existing tenants and community members were invited to drop by an Open House to share their thoughts regarding potential ideas for Housing Types, Open and Green Spaces, Community Spaces and Amenities, as well as Streets and Connections.

Overall, the project team heard the following key themes throughout Phase 1 of the engagement process. These themes will be important for the project team to keep in mind to inform the Design Concept Options as we advance through Phase 2 of the engagement process. These key themes are:

- Thoughtful design, accessibility, and community safety
- Long-term upkeep and maintenance
- Housing type, design, and privacy
- Greenspaces, community amenities and programming

## About the Redevelopment

The Region of Durham is seeking to redevelop two Durham Regional Local Housing Corporation (DRLHC) sites. Two sites were selected to be part of the first phase of Durham Region's revitalization strategy to initiate a minimum of 1,000 new rental affordable housing units in Durham by 2024. These properties are:

- 416, 424, 432, 440 and 448 Malaga Road; and
- 419, 421, 425, 427, 431, 433, 437, 439, 443, 445, 449 and 451 Christine Crescent

In order to gather public input and help shape the future buildings on the properties, The Region of Durham has engaged Bousfields Inc. to lead their community engagement with both the tenants living on the properties as well as the surrounding community and interested parties.

To-date, we have completed both our Initial Communications Phase as well as Phase 1 of the engagement process. Our Initial Communications Phase kicked off the communications and engagement process and provided First Nations communities, tenants, and nearby neighbours with the channels to learn more about the project. Phase 1 of the engagement approach focused on seeking input from tenants, stakeholders/community groups, and the broader community, about the overall vision and principles of the redevelopment.

## About this Summary

This report summarizes both in-person, online, and survey feedback and responses received in both the Initial Communications Phase as well as Phase 1 of the community engagement process for DRLHC's revitalization of Malaga Road and Christine Crescent. The Feedback Summary is divided into four sections:

### Section 1: Neighbourhood Walks
A summary of all comments, questions, and ideas collected through informal conversations with tenants during resident-guided walks around the community.

### Section 2: Webpage/Email Feedback
A summary of questions and comments received through both the Project Webpage and Malaga Road and Christine Crescent Project Emails.

### Section 3: Open House Feedback
A summary of key themes and examples of various features and amenities the community may wish to see incorporated into the redevelopments. This section includes some of the precedent images that were commonly spoken about by community members.

### Section 4: Survey Feedback
A summary of the survey results which was launched at the start of Phase 1. The survey results were used to build and inform the vision for the revitalization of both sites.

## Section 1: Neighbourhood Walks Feedback

### Streets and connections

Providing new and enhanced connections and streetscape that take into consideration accessibility and maintenance.

"Pathway to Chopin Park is a high priority to our community. Outside of the winter, it is a connection to No Frills and [other public amenities]."

"I like the look of the Habitat for Humanity homes, but I'm concerned about the privacy and accessibility of the townhouse-style dwellings."

### Housing type

There was an overall indication for a preference for modern housing with a desire to maintain some of the privacy of the existing units.

## Community spaces and amenities

Creating recreation and play spaces that are available during all seasons. Consider implementing public art installations, safe places for children to play, as well as ensuring there is greenery, garden spaces, and beautification of the properties.

"Community gardens would be a great opportunity for wellness and fostering good mental health."

## Other considerations

There is general excitement expressed about both revitalization projects, and a desire to take into consideration the natural heritage of the area.

# Section 2: Email Feedback

## Key feedback areas

### Housing considerations

- Increasing the housing stock for the area
- Centering affordability in the new housing
- Ensuring units have privacy
- Creating spaces for outdoor recreation

"When building we need to ensure that we maintain some space and privacy between units."

### Community considerations

- Creating spaces that become a source of pride for the community
- Creating complete communities with thoughtful and aesthetic designs

"We need to ensure that we are building pride and a sense of community."

### Environmental considerations

- Environmental considerations with regard to local flora and fauna

### Timing and community input

- Project timing and phasing plan
- Ensuring the community remains informed as the project advances
- Comments in support of the project

## Additional community questions

Throughout the engagement process, we received a variety of questions from members of the public. The list below represents a summary of some of the key questions:

- Will the redevelopment include high rise buildings (apartments)?
- When will a conceptual site plan be available for both properties?
- Will this be affordable to families?
- How much would rent be for a family of four?
- How do you qualify for one of the new affordable units?
- What will the development be?
- What changes will occur?
- Will this bring greater volume of housing to the community?
- Along with the changes to the residences, what services or employment spaces will be introduced in the immediate community?

# Section 3: Open House Feedback

## Streets and connections

### Key feedback areas

- Accessibility of infrastructure and connections
- Greenery and aesthetics
- Traffic and pedestrian safety (especially for kids)
- Broader community connections

### Examples




### Comments

- “I would like to see wider sidewalks for easier pedestrian movement, especially during winter.”
- “I liked the photo featuring the dog walking and bike lanes. I particularly appreciate the designated bike lanes.”
- “Can we ensure the streets are safe for the kids to play in.”
- “We need to create connections to Chopin Park with safe and paved pathways.” (Christine Crescent)
- “It’s really important having access onto the ravine. We need to have easy and safe entry points.” (Malaga Road)

# Open and green space

## Key feedback areas

- Recreation and play spaces for a mix of uses, ages, and seasons
- Greenery, garden spaces, and consider aesthetics
- Community concerns surrounding safety
- Parent- and family-friendly features
- Consideration for people with diverse abilities
- Long-term maintenance of spaces
- Designs reflective of residents' safety
- Pet-friendly designs

## Examples




## Comments

- “Can we have open spaces that are designed for a variety of sports and activities that kids, teenagers and adults can use.”
- “For the open spaces, I like the idea of a mix of courtyard seating with tables and play areas that can be easily seen.”
- “I like the idea of a green rooftop with views to the lake.”
- “The outdoor spaces need to accommodate people with special needs.”
- “I really like the idea of a community garden and rooftop gardens.”

# Housing type

## Key feedback areas

- Prefer townhomes and some medium density-built forms
- Aesthetic material choices and modern architectural design
- Complementary environmental and green design
- Ensure easy maintainability of the units
- Incorporate balconies into higher densities
- Privacy and security of the new units
- Parking facilities for tenants and include electric vehicle charging
- Unit sizes friendly for families and pets
- Clearly define the tenure of the new housing
- Thoughtful layout for the units

## Examples

## Comments

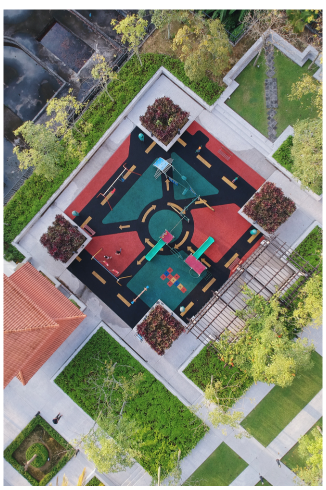
- "I like the modern-looking buildings, but can we make sure that we are using nicer materials."
- "I really would like for the new units to have central air and a coat room for storage."
- "We really need proper waste disposal and easy maintenance."
- "I like the idea of big windows for increased visibility."

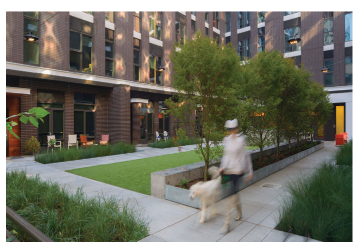
# Community spaces and amenities

## Key feedback areas

- Themed play spaces
- Kid-friendly public spaces and art
- Sensory-calming amenity areas and space for indoor/outdoor exercise areas
- Indoor space for community gatherings and activities
- Outdoor BBQ spaces for communal cooking
- In-unit washer and dryers
- Dog-friendly features

## Examples





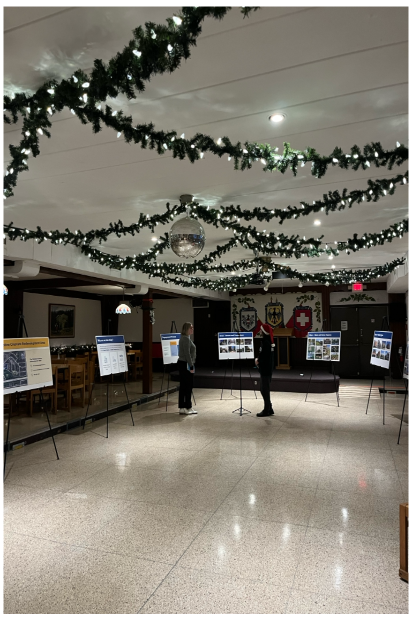

## Comments

- “I really like the idea of [public/community] art. I just hope it remains undamaged.”
- “Having some rooftop amenities could make for a unique and enjoyable experience.”
- “I really would like to have more dog parks and dog-friendly amenities.” (Christine Crescent)
- “I think having public art would be great for kids, especially sensory-oriented.”

# Other

## Key themes

- Security and safety of the area
- Access to a mix of transit modes
- Explore opportunities for other housing programs and ownership models.
- Prioritize preferences for online communication



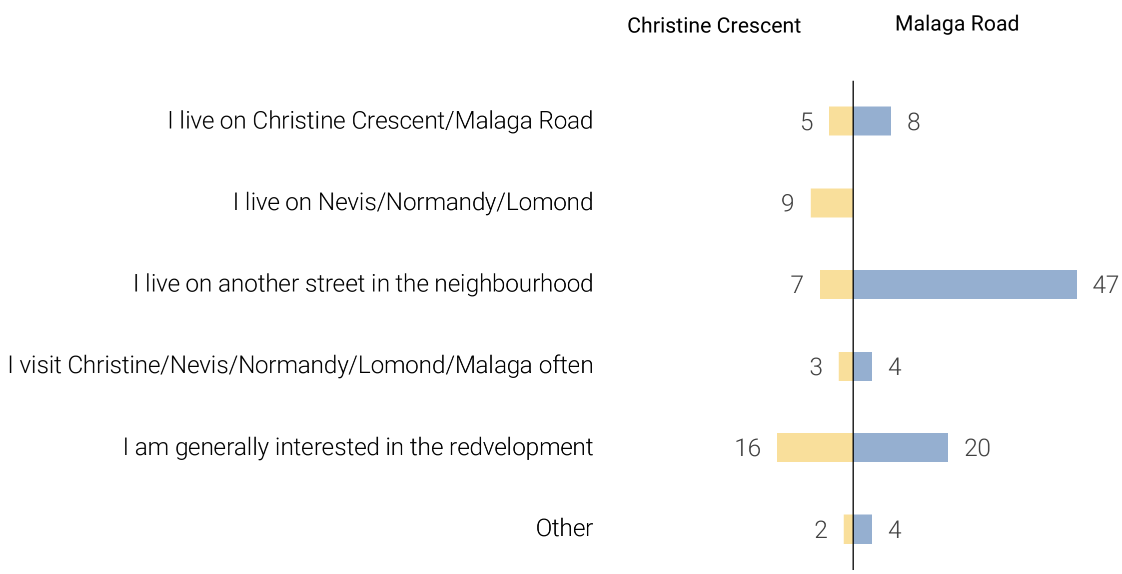
## Comments

- “There are social issues in the neighbourhood such as noise and garbage problems.”
- “We need to ensure that bus service continues during construction.” (Christine Crescent)
- “It would be great if there was a rent-to-own programme.”

# Section 4: Survey Feedback

Survey results are categorized by feedback received from either the Malaga Road Redevelopment or Christine Crescent Redevelopment surveys. Survey #1 was open from November 13 to December 8, 2023, and was distributed through geo-targeted social media ads as well as on various print communications directing respondents to fill out the survey on the project webpage. A total of 123 respondents completed the surveys, with 83 responses for the Malaga Road Redevelopment Survey and 40 responses for the Christine Crescent Redevelopment Survey.

## Q1: What best describes your relationship to the neighbourhood?




Note: responses reported are response counts per category per survey.

Q1 Total Responses: 123

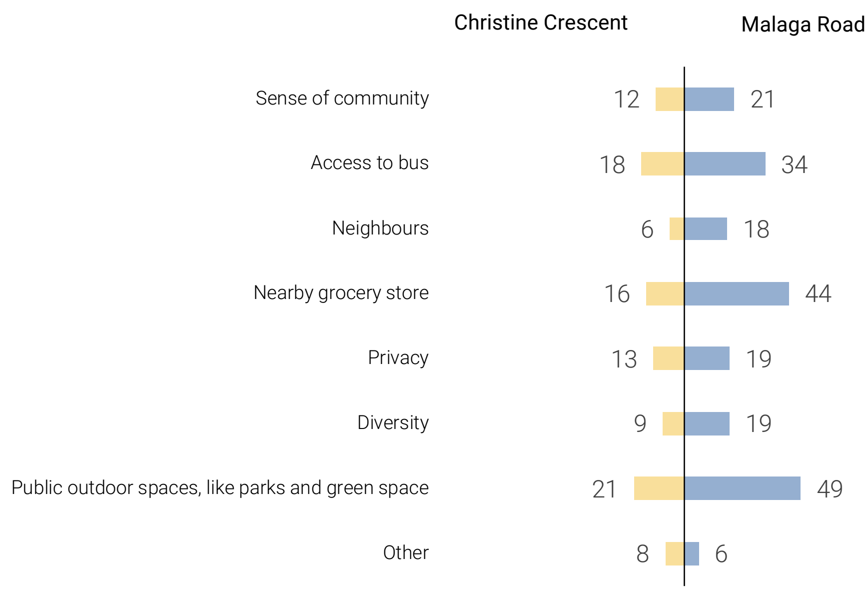
Q1 Christine Crescent Survey Total Responses: 40

Q1 Malaga Road Survey Total Responses: 83

### Summary

- 44% of total respondents **lived on another street in the neighbourhood.**
- 29% of total respondents were **generally interested in the redevelopment.**
- 10% of the Malaga Road Survey respondents live on Malaga Road, while 13% of the Christine Crescent Survey respondents live on Christine Crescent.

# Q2: What do you love most about your neighbourhood?




Note: responses reported are response counts per category per survey.

Q2 Total Responses: 123

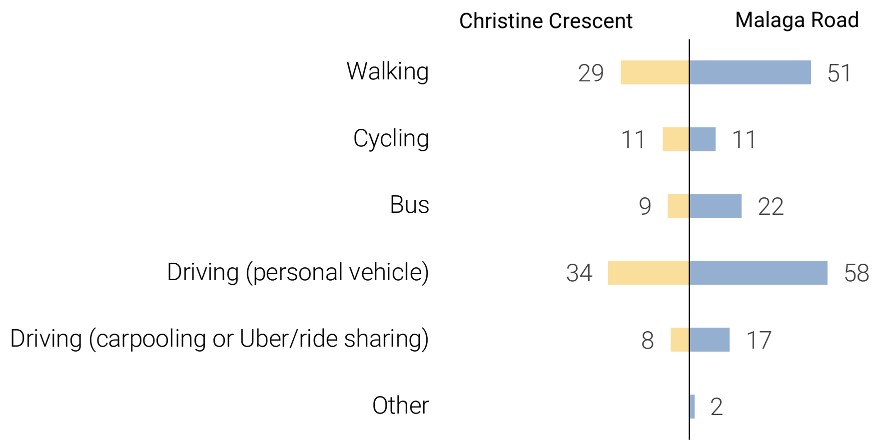
Q2 Christine Crescent Survey Total Responses: 40

Q2 Malaga Road Survey Total Responses: 83

## Summary

- 57% of the total respondents **loved the public outdoor spaces, like parks and green spaces in their neighbourhood.**
- 49% of the total respondents loved having **a grocery store nearby.**
- 42% of the total respondents loved having **access to a bus in their neighbourhood.**
- 25% of Malaga Road respondents and 30% of Christine Crescent respondents **loved the sense of community in their neighbourhood.**

# Q3: How do you travel around your neighbourhood?




Note: responses reported are response counts per category per survey.

Q3 Total Responses: 123

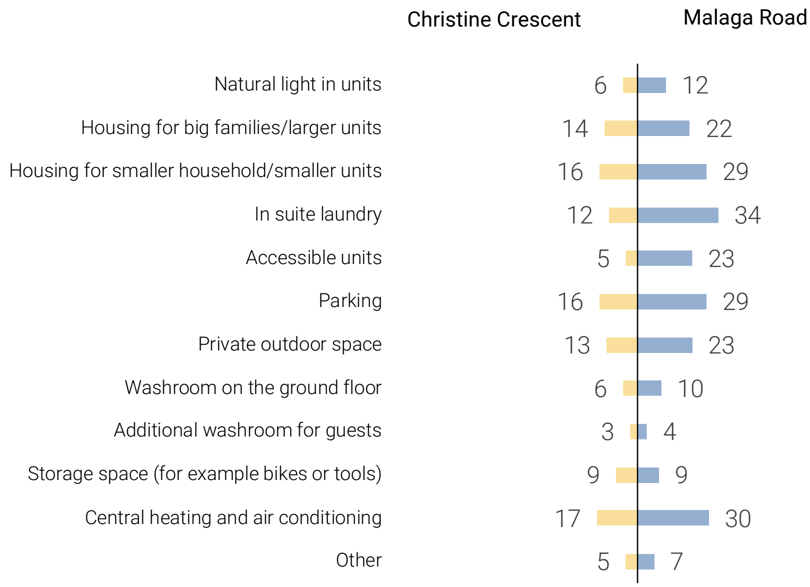
Q3 Christine Crescent Survey Total Responses: 40

Q3 Malaga Road Survey Total Responses: 83

## Summary

- 75% of the total respondents said that one of the ways **they travel around the neighbourhood is by driving a personal vehicle.**
- 65% of the total respondents said that one of the ways **they travel around the neighbourhood is by walking.**
- 23% of the Christine Crescent Survey respondents said that one of the ways **they travel around the neighbourhood is by using the bus.**
- 28% of the Christine Crescent Survey respondents and 13% of the Malaga Road Survey respondents said that one of the ways **they travel around the neighbourhood is by cycling.**

# Q4: When thinking about designing new homes, I care most about:




Note: responses reported are response counts per category per survey.

Q4 Total Responses: 123

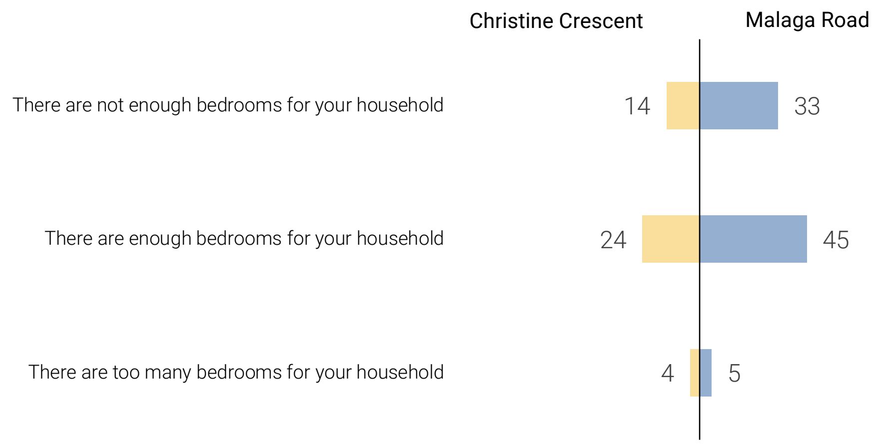
Q4 Christine Crescent Survey Total Responses: 40

Q4 Malaga Road Survey Total Responses: 83

## Summary

- 38% of the total respondents said that **they care about having central heating and air conditioning when thinking about the new building design.**
- 37% of the total respondents said that **they care about in-suite laundry for the new building.**
- 37% of the total respondents said that **they care about having parking in the new building.**
- 37% of the total respondents said that **they care about having smaller units that are suitable for smaller households in the new building.**

# Q5: When thinking about your current home, do you feel that:




Note: responses reported are response counts per category per survey.

Q5 Total Responses: 123

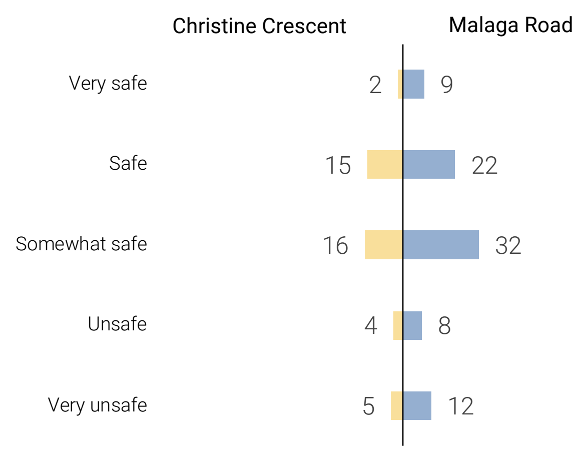
Q5 Christine Crescent Survey Total Responses: 40

Q5 Malaga Road Survey Total Responses: 83

## Summary

- 38% of the total respondents said that **there are not enough bedrooms for their current household size.**
- 56% of the total respondents said that **there are enough bedrooms for their current household size.**
- 7% of the total respondents said that **there are too many bedrooms for their current household size.**

# Q6: How safe do you feel in your community?




Note: responses reported are response counts per category per survey.

Q6 Total Responses: 123

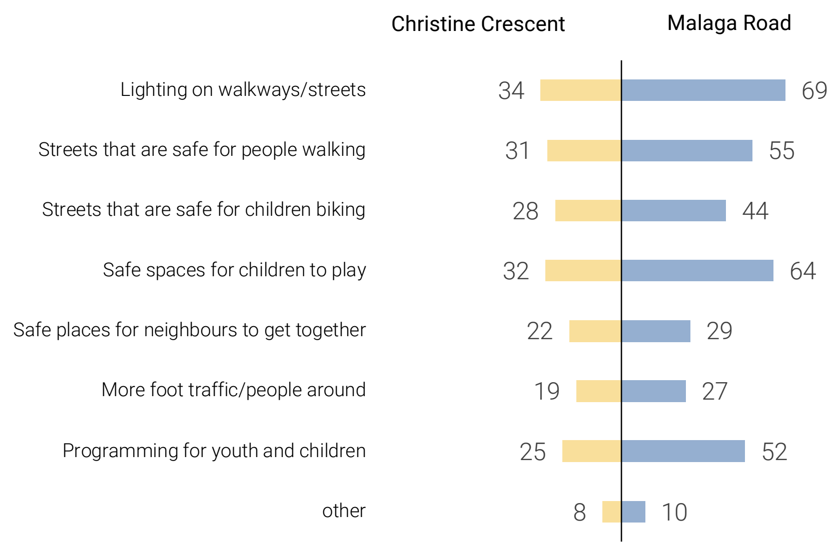
Q6 Christine Crescent Survey Total Responses: 40

Q6 Malaga Road Survey Total Responses: 83

## Summary

- 39% of the total respondents said that they **feel somewhat safe in their community.**
- 30% of the total respondents said that they **feel safe in their community.**
- 14% of the Malaga Road Survey respondents **feel very unsafe in their community.**

# Q7: What could ensure the revitalization of Christine Crescent/Malaga Road is safe and welcoming for everyone?




Note: responses reported are response counts per category per survey.

Q7 Total Responses: 123

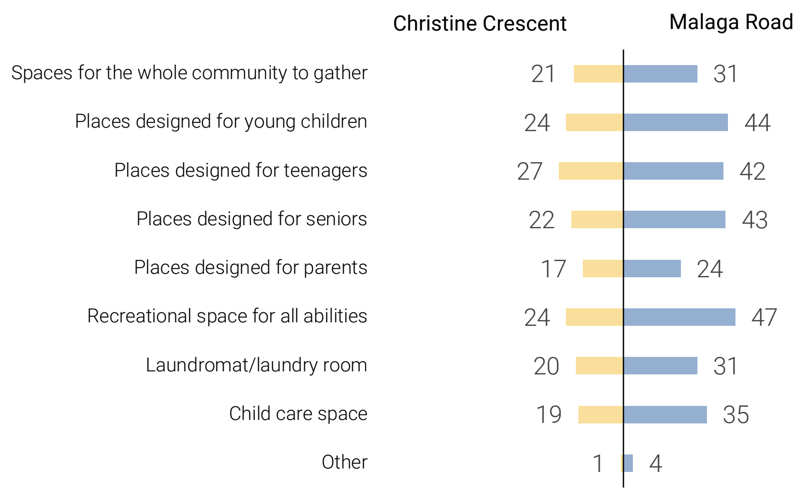
Q7 Christine Crescent Survey Total Responses: 40

Q7 Malaga Road Survey Total Responses: 83

## Summary

- 84% of the total respondents said that **lighting on the walkways and streets would help make the revitalization safe and welcoming.**
- 78% of the total respondents said that **creating safe spaces for children to play would help make the revitalization safe and welcoming.**
- 70% of the total respondents said that **creating streets that are safe for people walking would help make the revitalization safe and welcoming.**

# Q8: What indoor amenities would you like to see in your community?




Note: responses reported are response counts per category per survey.

Q8 Total Responses: 123

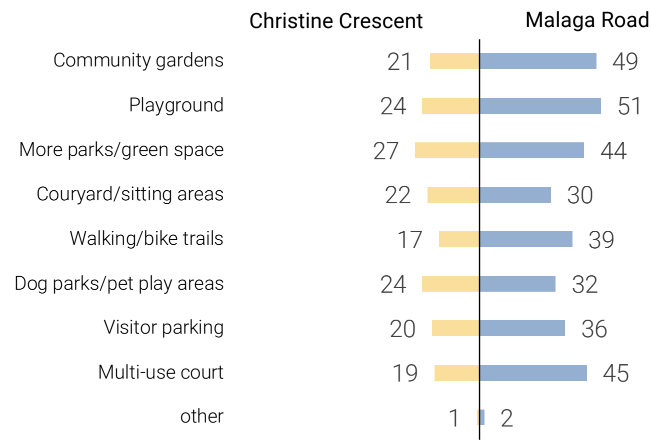
Q8 Christine Crescent Survey Total Responses: 40

Q8 Malaga Road Survey Total Responses: 83

## Summary

- 58% of the total respondents said that they **would like to see indoor recreational spaces for all abilities.**
- 56% of the total respondents said that they **would like to see indoor spaces designed for teenagers.**
- 55% of the total respondents said that they **would like to see indoor spaces designed for young children.**

# Q9: What outdoor amenities would you like to see in your community?




Note: responses reported are response counts per category per survey.

Q9 Total Responses: 123

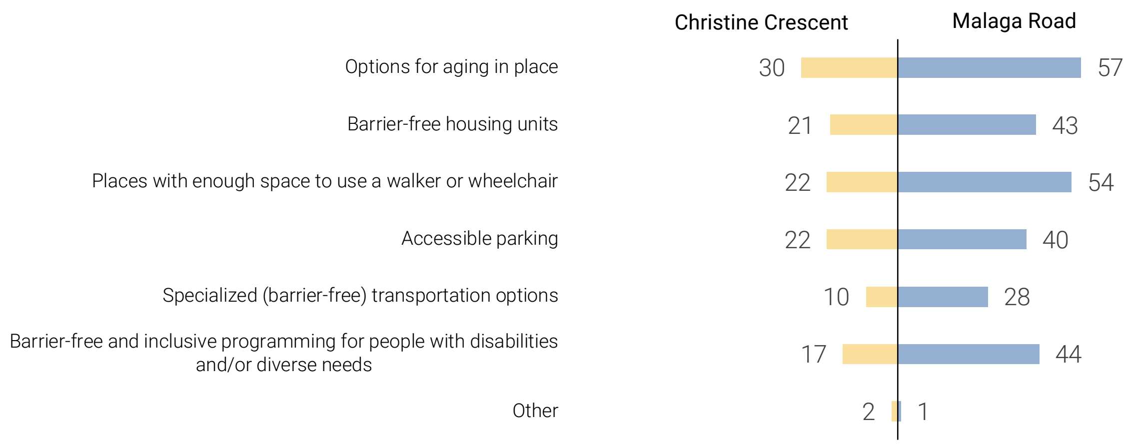
Q9 Christine Crescent Survey Total Responses: 40

Q9 Malaga Road Survey Total Responses: 83

## Summary

- 61% of the total respondents said that they **would like to see a playground in the community.**
- 58% of the total respondents said that they **would like to see more parks or green spaces in the community.**
- 57% of the total respondents said that they **would like to see a community garden in the revitalization.**

# Q10: When thinking about designing for accessibility, I care most about:




Note: responses reported are response counts per category per survey.

Q10 Total Responses: 118

Q10 Christine Crescent Survey Total Responses: 39

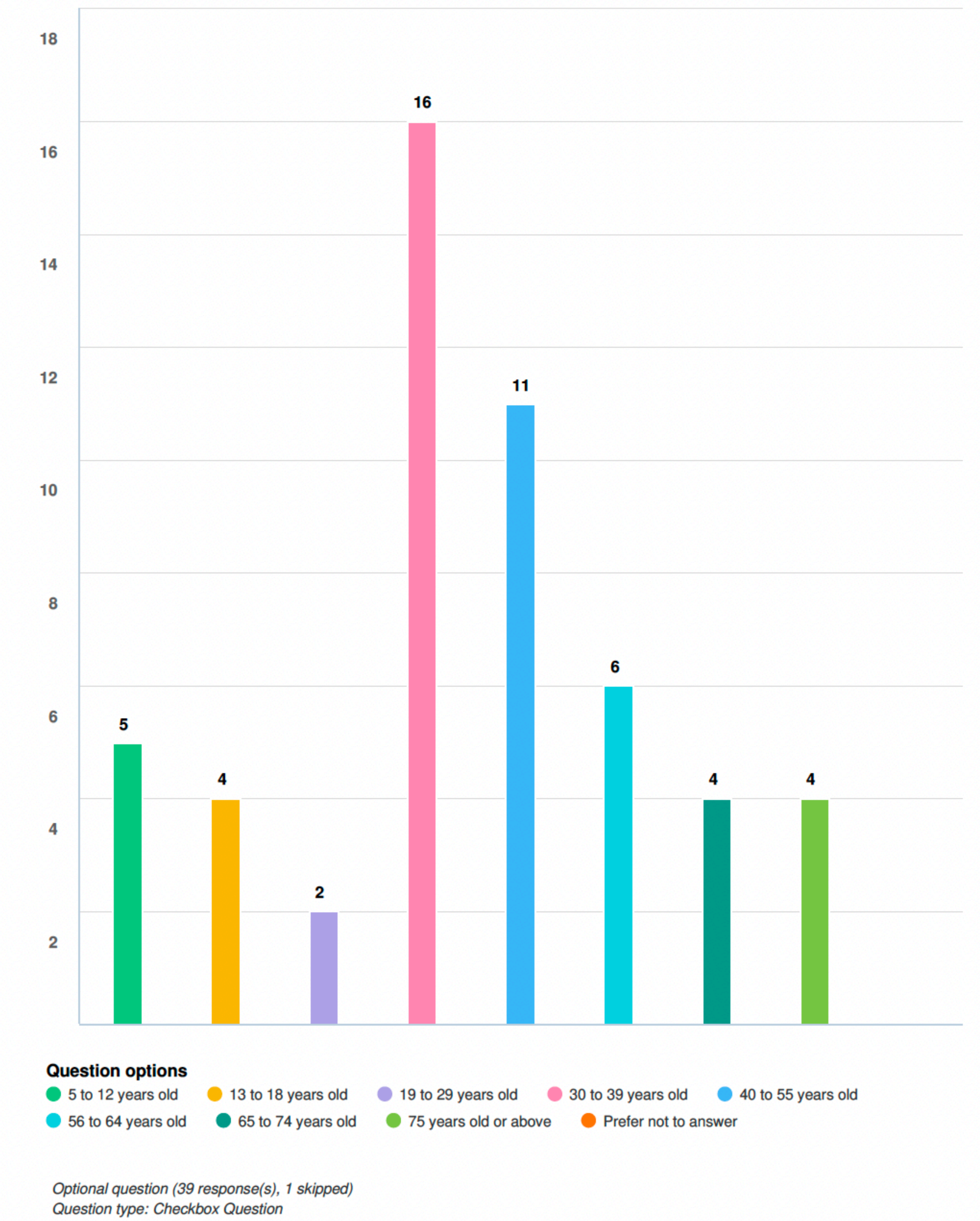
Q10 Malaga Road Survey Total Responses: 79

## Summary

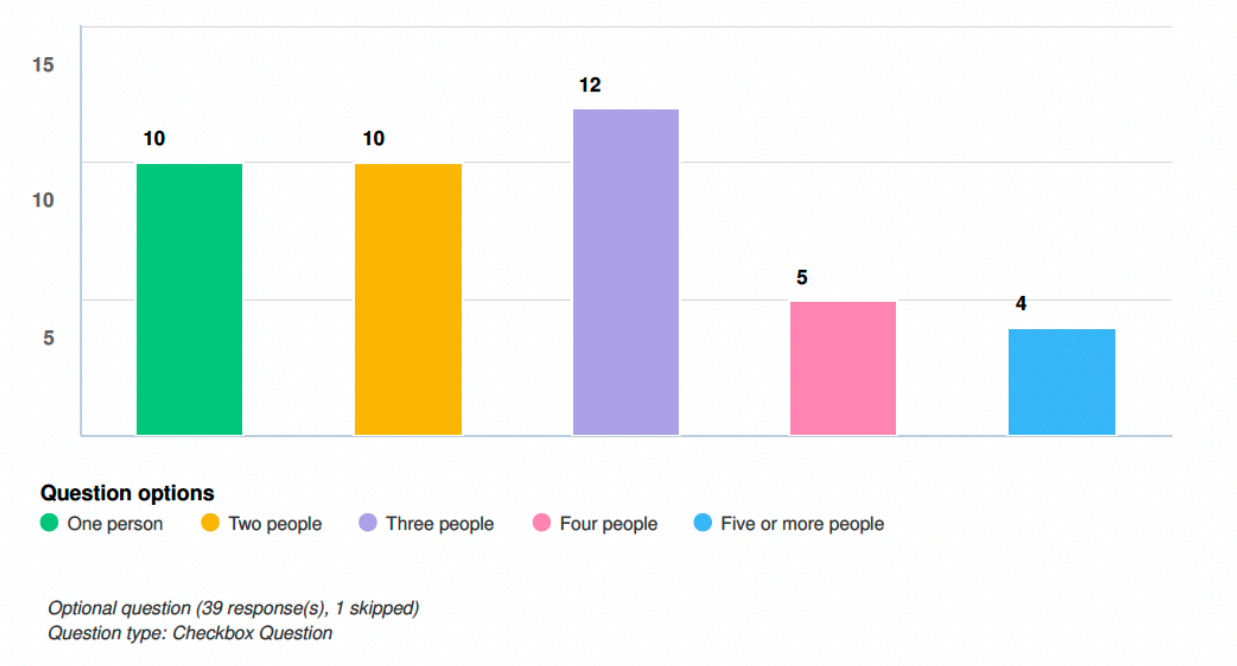
- 74% of the total respondents **care most about options for aging in place when thinking about designing for accessibility.**
- 64% of the total respondents **care most about places with enough space to use a walker or wheelchair when thinking about designing for accessibility.**
- 54% of the total respondents **care most about barrier-free housing units when thinking about designing for accessibility.**

## Demographic Results (Christine Crescent)

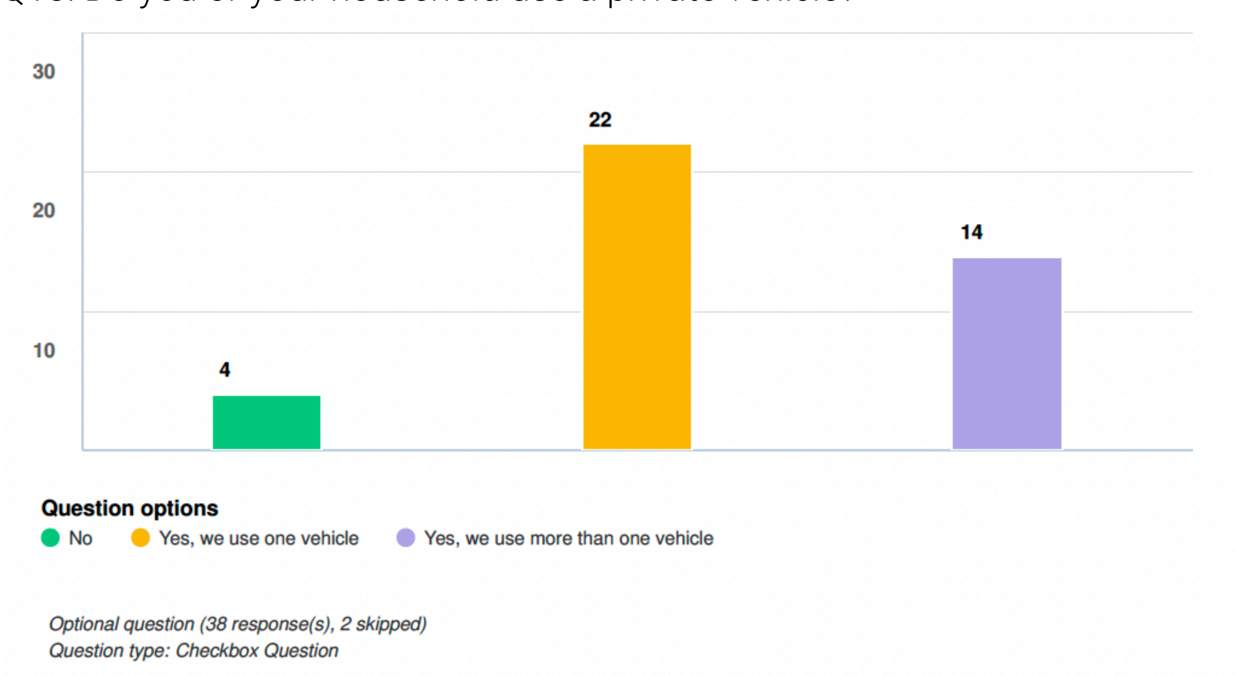
Q11: What is your age? If you are responding on behalf of your household, please select all that apply.



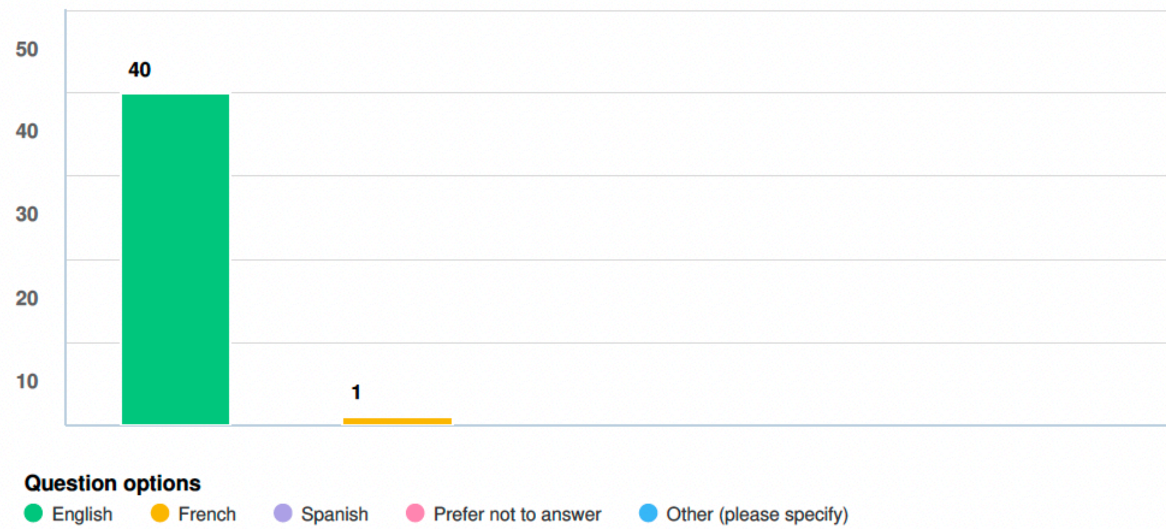
## Q12: How many people live in your home including you?




## Q13: Do you or your household use a private vehicle?

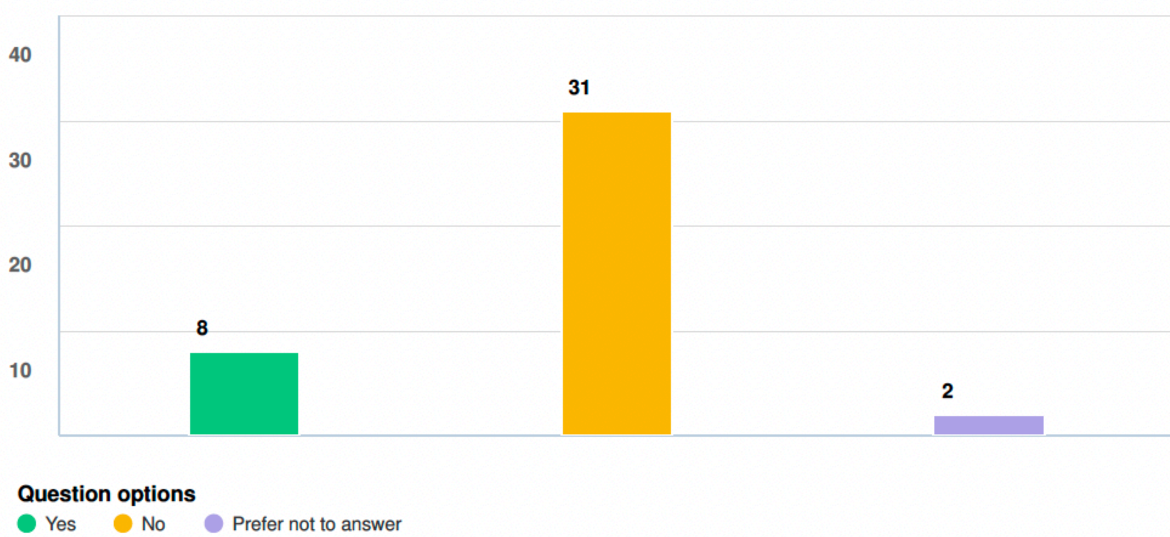


Q14: What language are you most comfortable communicating in?



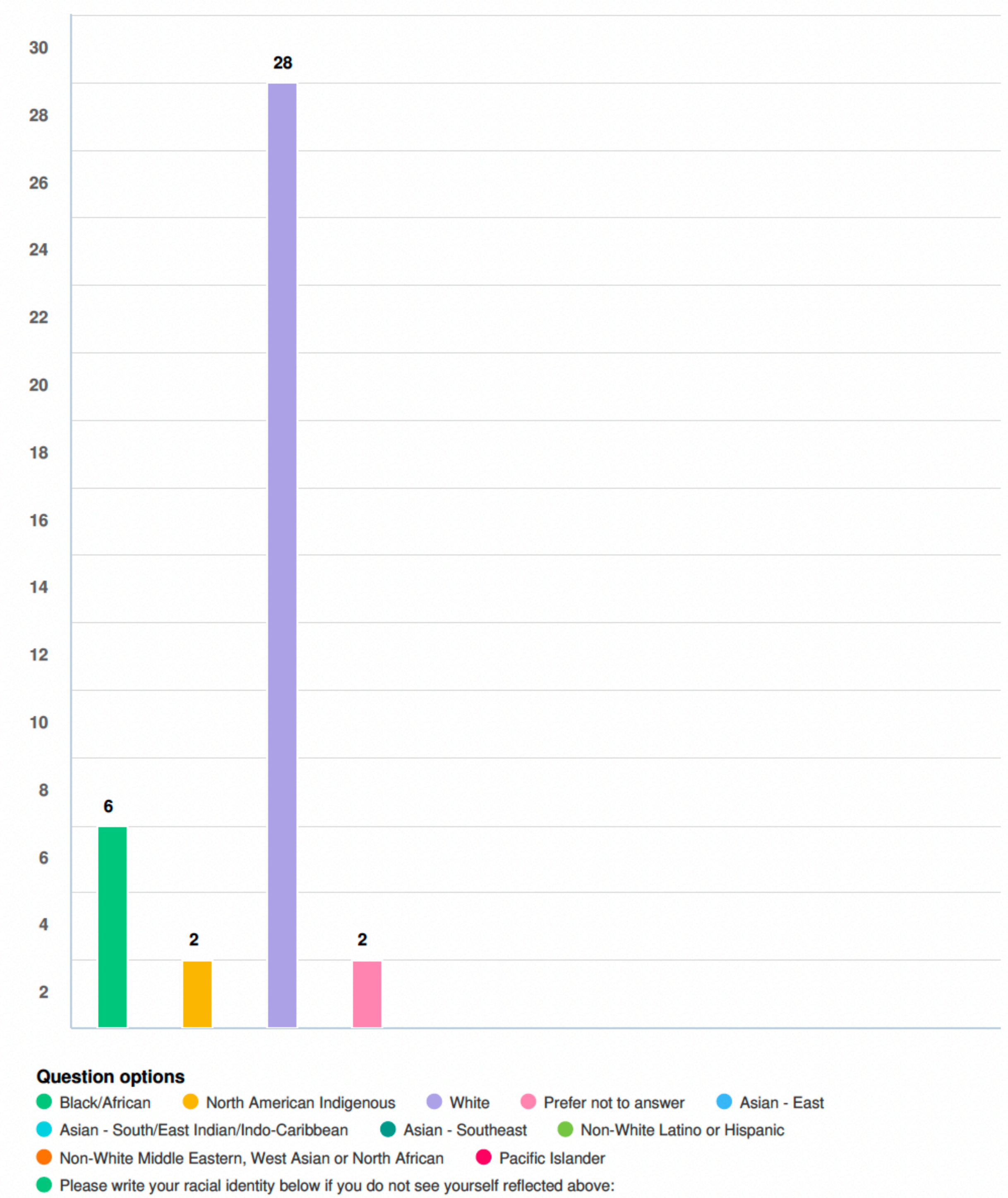

*Optional question (39 response(s), 1 skipped)*
*Question type: Checkbox Question*

Q15: Do you identify as an Indigenous person (First Nation, Métis or Inuit)?



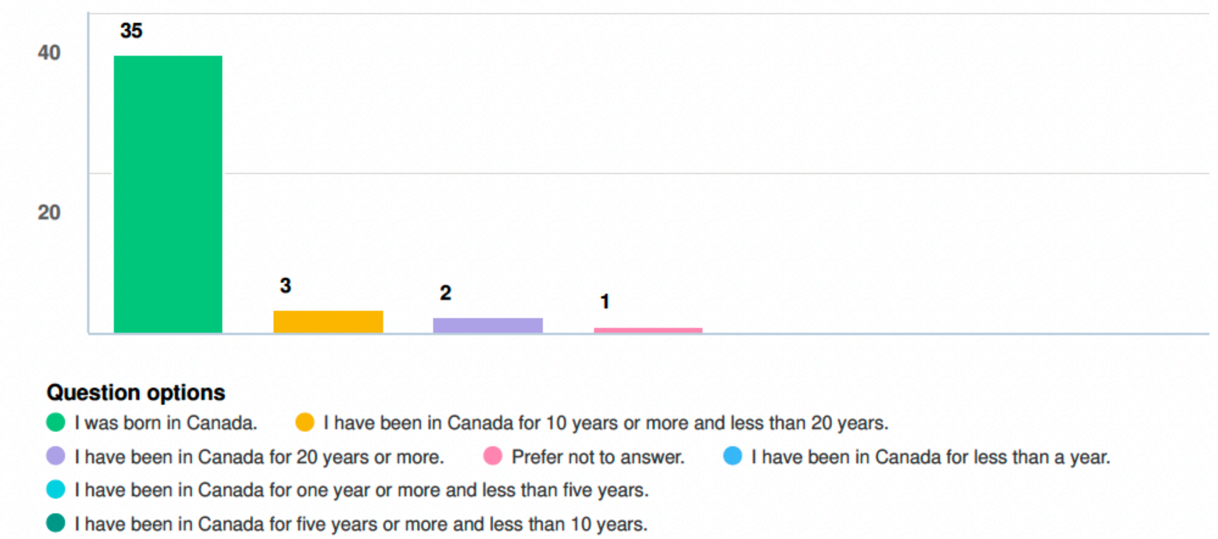

*Optional question (39 response(s), 1 skipped)*
*Question type: Checkbox Question*

## Q16: Do you identify as the following?



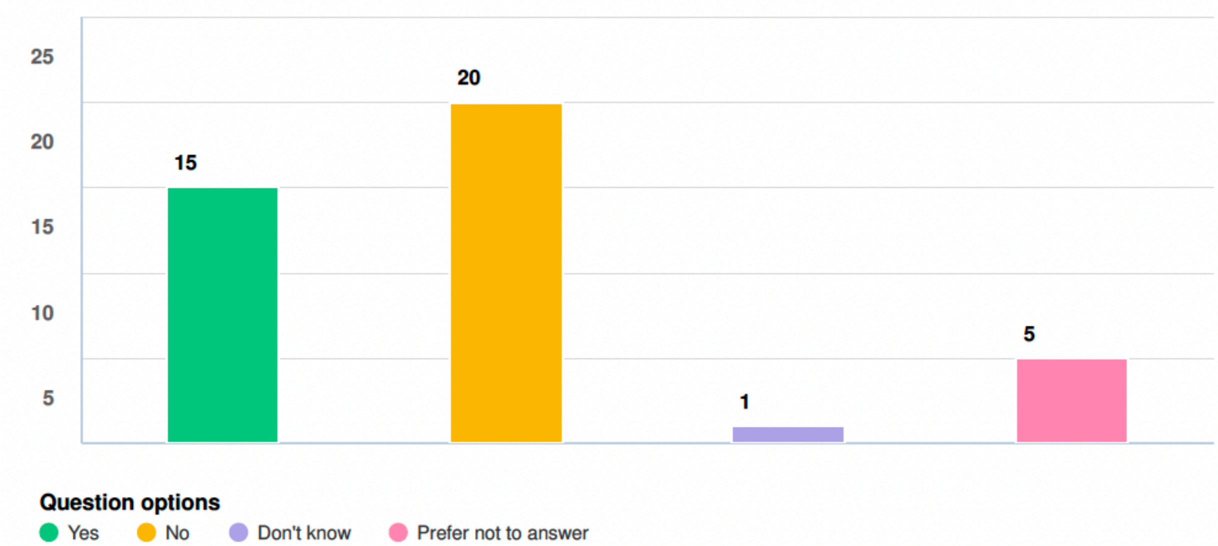

*Optional question (37 response(s), 3 skipped)*
*Question type: Checkbox Question*

## Q17: Do you identify as the following?




*Optional question (39 response(s), 1 skipped)*
*Question type: Checkbox Question*

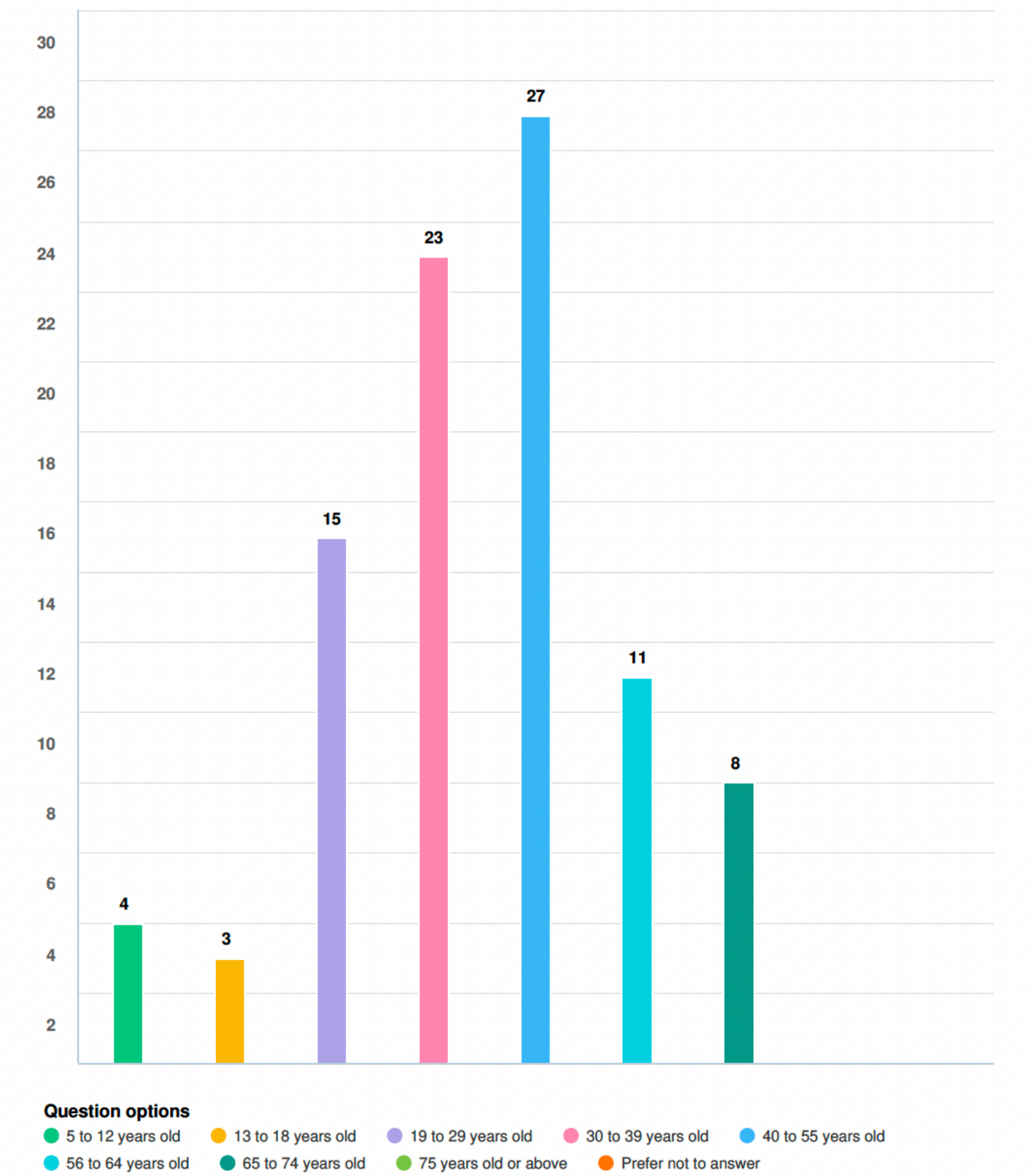
## Q18: Do you identify as a person with a disability?




*Optional question (39 response(s), 1 skipped)*
*Question type: Checkbox Question*

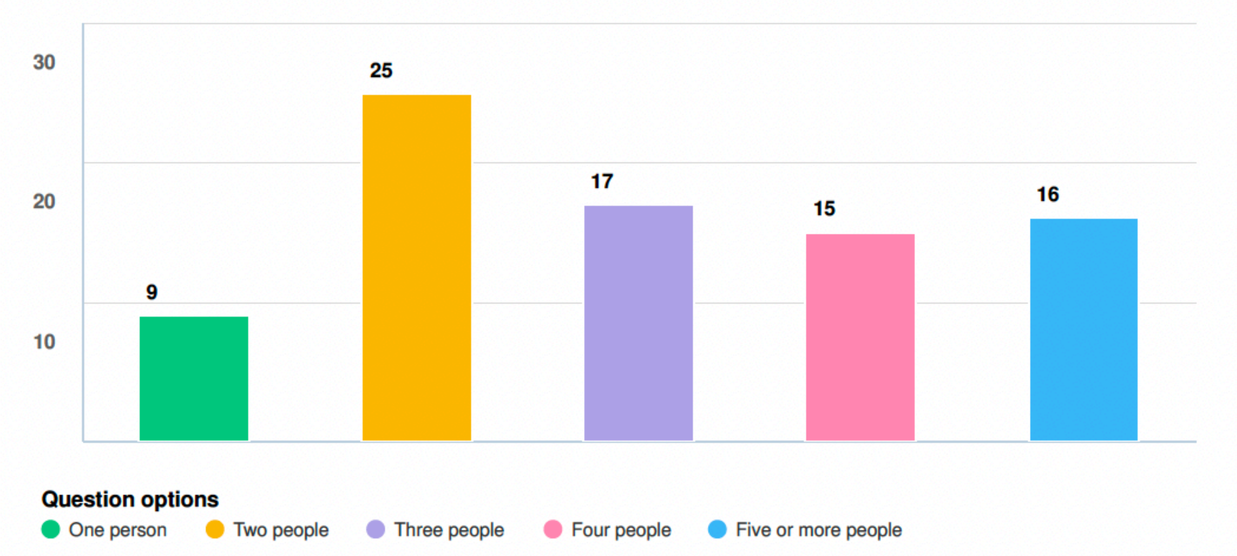
## Demographic Survey (Malaga Road)

Q11: What is your age? If you are responding on behalf of your household, please select all that apply.



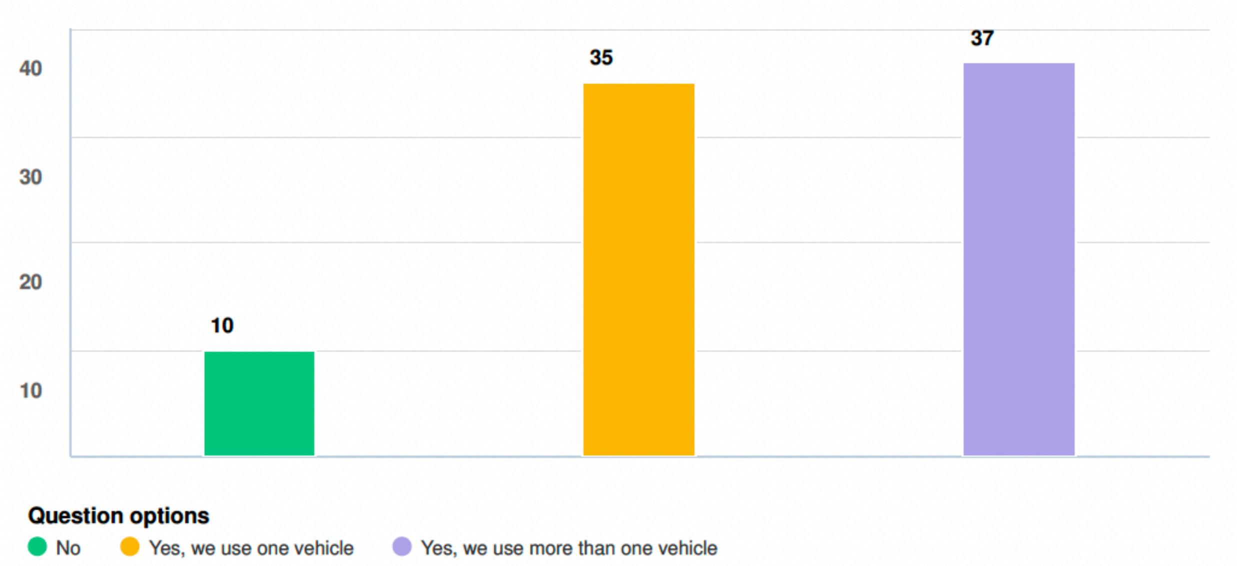

*Optional question (82 response(s), 1 skipped)*
*Question type: Checkbox Question*

## Q12: How many people live in your home including you?



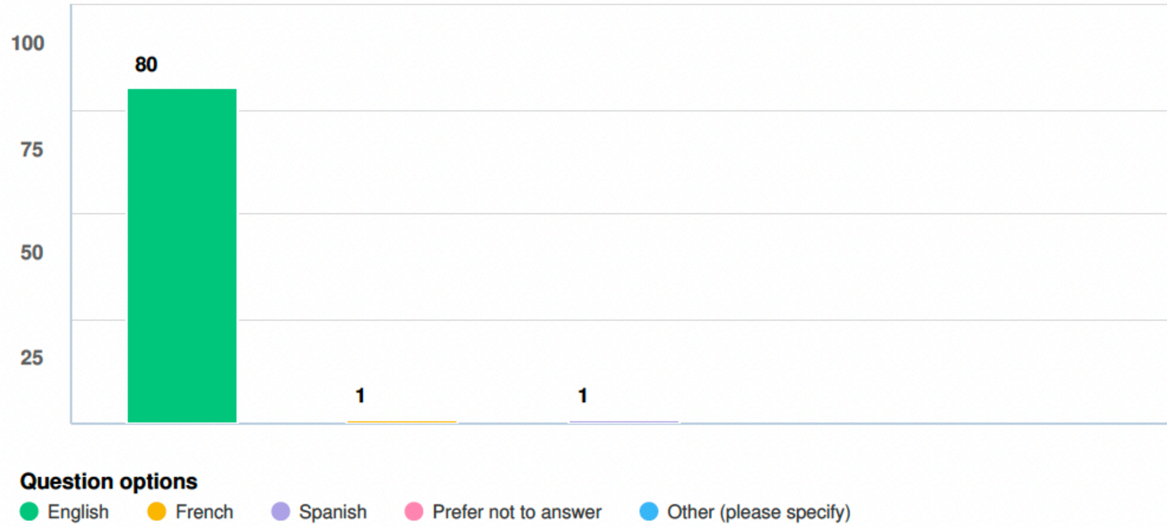

*Optional question (82 response(s), 1 skipped)*
*Question type: Checkbox Question*

## Q13: Do you or your household use a private vehicle?



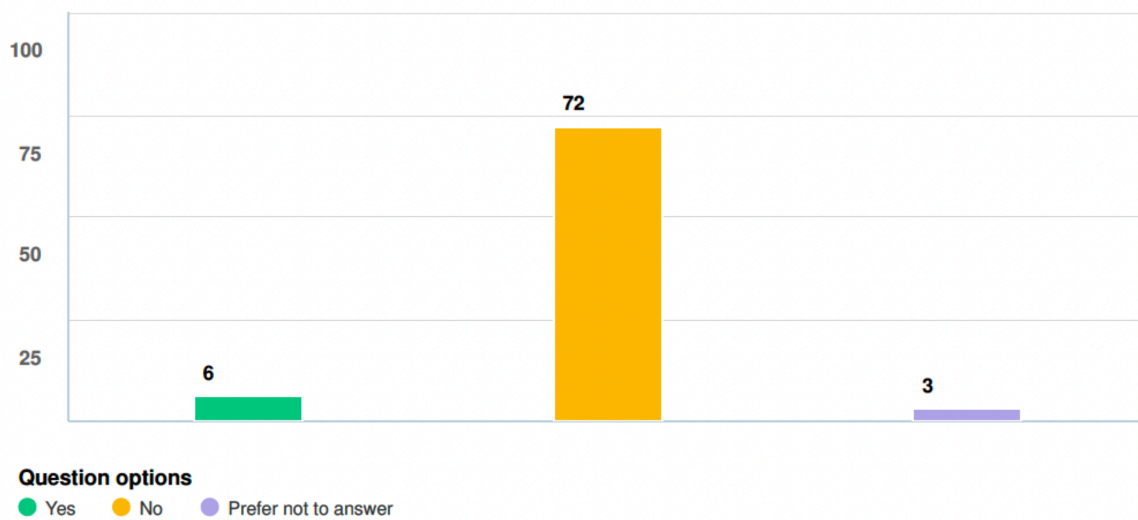

*Optional question (82 response(s), 1 skipped)*
*Question type: Checkbox Question*

Q14: What language are you most comfortable communicating in?



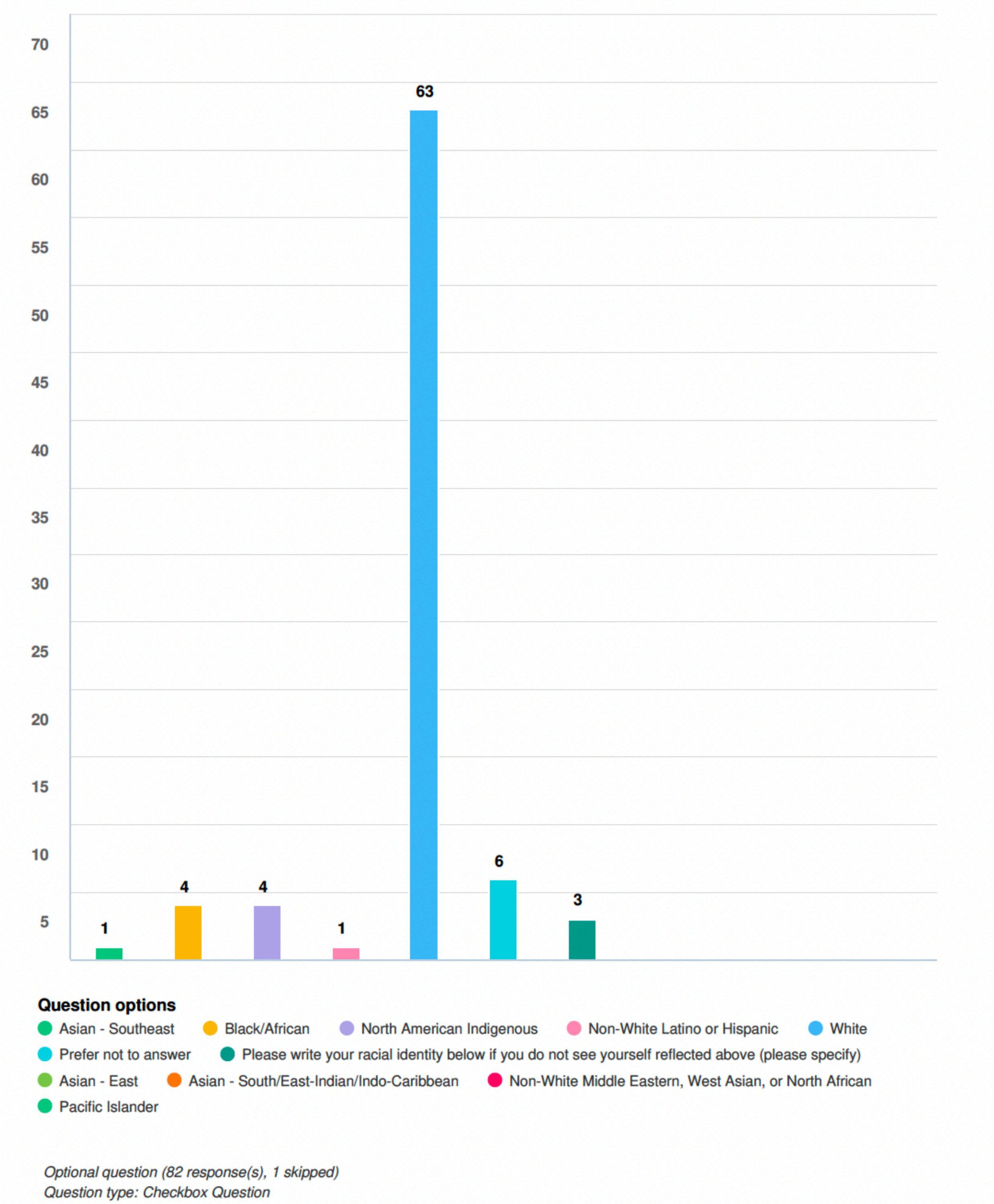

*Optional question (82 response(s), 1 skipped)*
*Question type: Checkbox Question*

Q15: Do you identify as an Indigenous person (First Nation, Métis or Inuit)

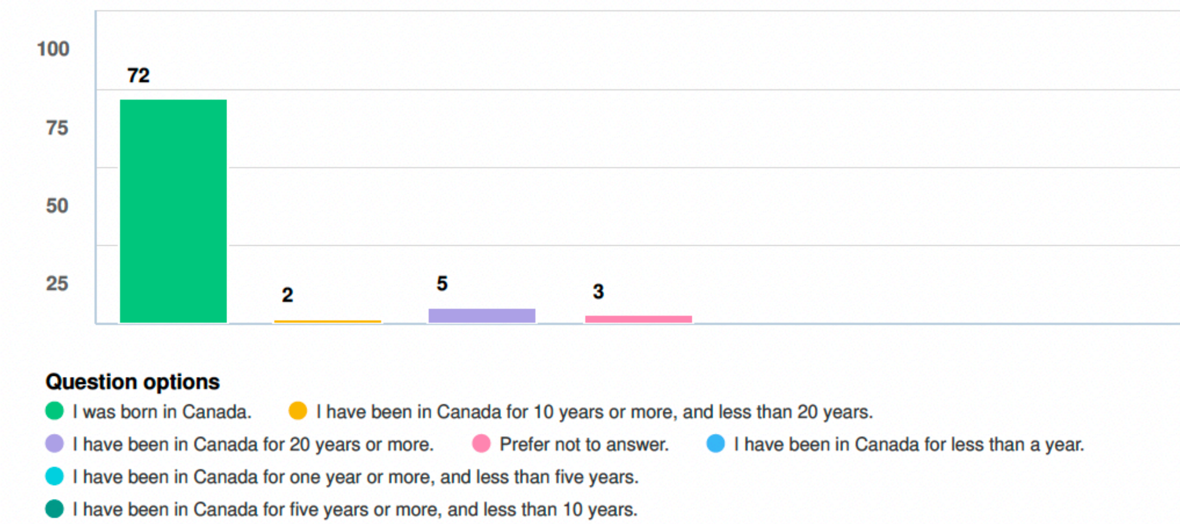



*Optional question (81 response(s), 2 skipped)*
*Question type: Checkbox Question*

Q16: Do you identify as the following?

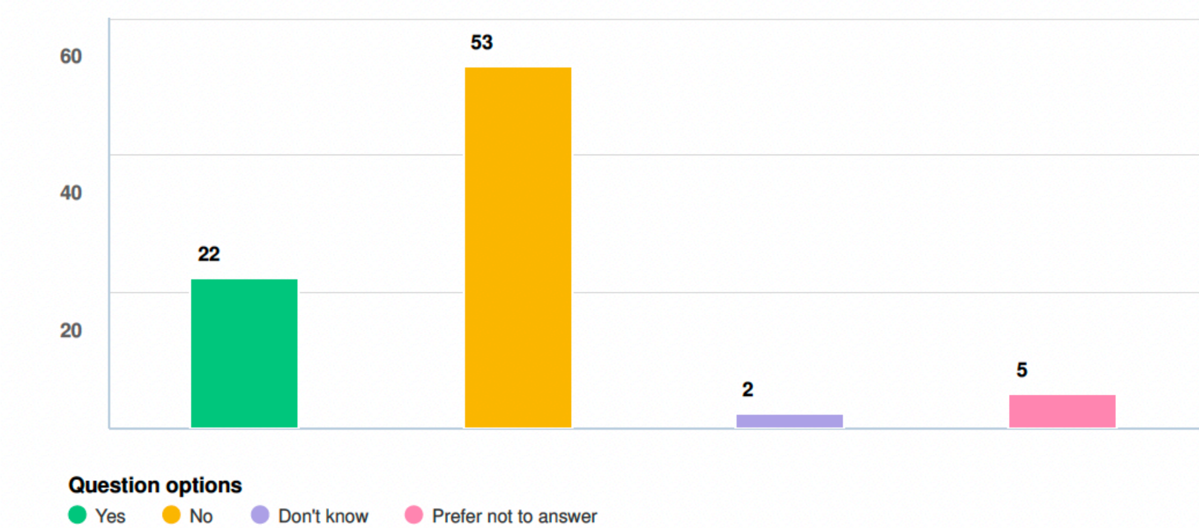


## Q17: Do you identify as the following?




*Optional question (82 response(s), 1 skipped)*
*Question type: Checkbox Question*

## Q18: Do you identify as a person with a disability?




*Optional question (82 response(s), 1 skipped)*
*Question type: Checkbox Question*

Attachment 1

April 2024

BOUSFIELDS INC.

**The Regional Municipality of Durham**
Social Services Department

Housing Services Division

605 Rossland Rd. E., Level 5
PO Box 623
Whitby, ON L1N 6A3
Canada

If this information is required in an accessible format, please contact:

905-668-7711
1-800-372-1102
Fax: 905-668-2051
durham.ca

# Phase 2 Feedback Summary

Durham Regional Local Housing Corporation (DRLHC) Sites

Malaga Road
Christine Crescent

# Executive Summary

As part of Durham Region's first phase of their revitalization strategy, two Durham Regional Local Housing Corporation (DRLHC) properties were selected. These properties are:

- 416, 424, 432, 440 and 448 Malaga Road (Malaga Road Redevelopment); and
- 419, 421, 425, 427, 431, 433, 437, 439, 443, 445, 449 and 451 Christine Crescent (Christine Crescent Redevelopment)

The feedback detailed in this report represents the community engagement that was conducted during Phase 2 of the community engagement process, from January 2024 to March 2024. The information summarized in this report includes feedback received as part of the following in-person and online activities:

## February 27, 2024 – Door-Knocking

Members of the project team went door-to-door at both properties to share the design concepts with existing tenants, hear feedback and questions, and advertise the Online Community Meeting and Survey #2.

## February 28, 2024 – Online Community Meeting

Members of the broader public were invited to an online community meeting on Zoom to see a presentation from the project team on the proposed design concepts, learn about next steps in the process, as well as ask questions and provide feedback during a Question & Answer period.

## February 27 to March 15, 2024 – Survey #2

An online survey was launched, providing tenants, neighbours, and other interested community members the opportunity to provide feedback on the design concepts for each redevelopment.

## Ongoing – Project Webpage & Email

The existing project webpage (durham.ca/CommunityHousingProject) was updated to:

- Reflect the latest status of the project
- Include the Phase 1 Feedback Summary
- Solicit responses to Survey #2
- Display images of the design concepts and video clips from the Online Community Meeting

The project emails (MalagaHousing@Durham.ca and ChristineHousing@Durham.ca) also remained active during this time period, and were included on engagement materials.

Overall, the project team heard the following key themes throughout Phase 2 of the engagement process. This feedback helps to inform Phase 3 of the engagement process, the final design concepts, as well as the next step in the process: the formal planning application submissions. The key themes and areas of feedback are:

- Building types, and site layout
- Percentage of affordable versus market housing
- Sizes of new units including the addition of basements and yards
- Relocation plan for existing tenants
- Public safety
- Greenspaces, and programming for youth

## About the Redevelopment

The Region of Durham is seeking to redevelop two Durham Regional Local Housing Corporation (DRLHC) sites. Two sites were selected to be part of the first phase of Durham Region's revitalization strategy to initiate a minimum of 1,000 new rental affordable housing units in Durham by 2024. These properties are:

- 416, 424, 432, 440 and 448 Malaga Road; and
- 419, 421, 425, 427, 431, 433, 437, 439, 443, 445, 449 and 451 Christine Crescent

In order to gather public input and help shape the future buildings on the properties, The Region of Durham has engaged Bousfields Inc. to lead their community engagement with both the tenants living on the properties as well as the surrounding community and interested parties.

To-date, we have completed both our Initial Communications Phase, as well as Phases 1 and 2 of the engagement process.

- Our Initial Communications Phase kicked off the communications and engagement process and provided First Nations communities, tenants, and nearby neighbours with the channels to learn more about the project.
- Phase 1 focused on seeking input from tenants, stakeholders/community groups, and the broader community, about the overall vision and principles of the redevelopment.
- Phase 2 focused on seeking input from tenants, stakeholders/community groups, and the broader community, about the proposed design concepts for both redevelopments.

## About this Summary

This report summarizes in-person, online, and survey feedback received in Phase 2 of the community engagement process for DRLHC's revitalization of Malaga Road and Christine Crescent, and specifically on the following design concepts for each redevelopment:

## Malaga Road Design Concept

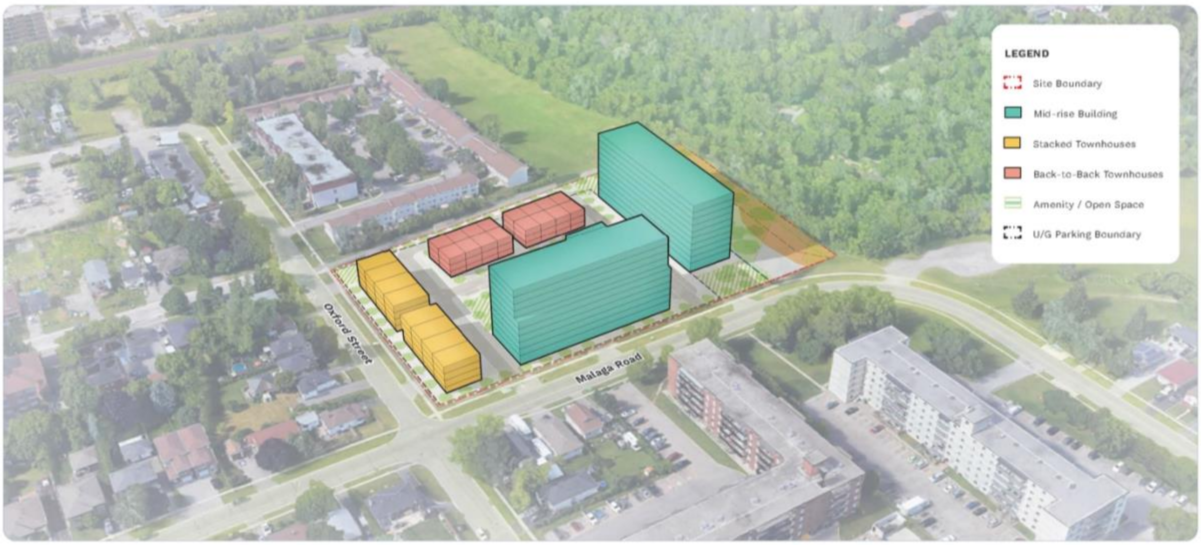



*Figure 1. Aerial facing north, Malaga Road redevelopment design concept*

## Christine Crescent Design Concept

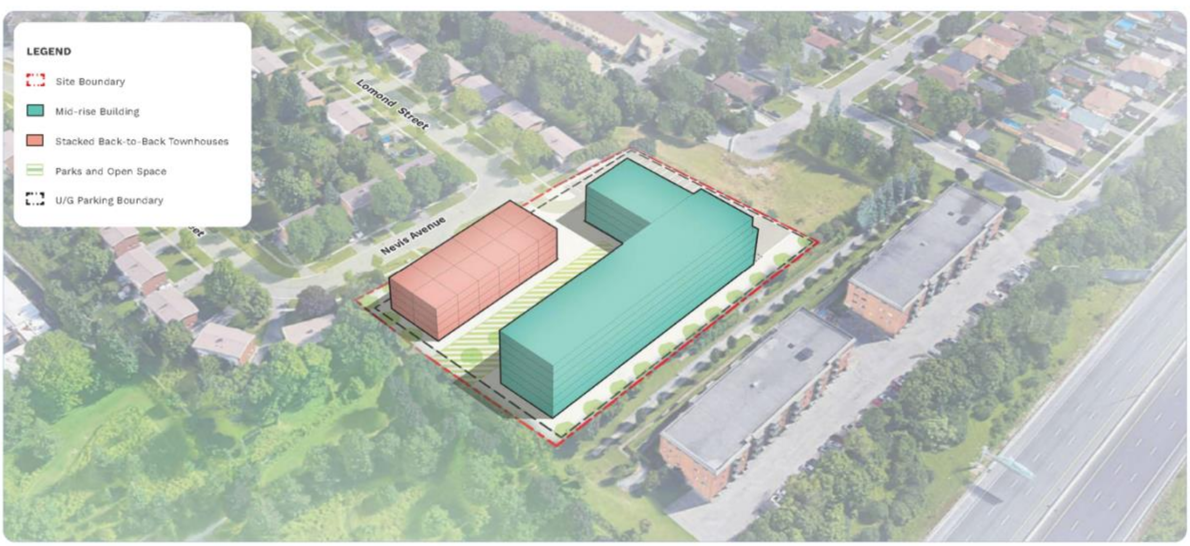



*Figure 2. Aerial facing north, Christine Crescent redevelopment design concept*

## The Feedback Summary is divided into four sections:

**Section 1: Door-Knocking**
A summary of the comments and questions collected through informal conversations with tenants as part of the project team's door-knocking efforts.

**Section 2: Online Community Meeting**
A summary of the comments and questions about the proposed design concepts, and overall process.

**Section 3: Survey #2 Feedback**
A summary of the results from the survey, seeking input on the proposed design concepts, which was launched in tandem with the door-knocking and online community meeting.

**Section 4: Webpage/Email Feedback**
A summary of any additional questions and comments received through both the Project Webpage and Malaga Road and Christine Crescent Project Emails over the course of Phase 2 engagement.

# Section 1
# Door-Knocking

# Door-Knocking

On February 27, 2024, members of the project team went door-to-door at both properties to share the design concepts with existing tenants, hear feedback and questions, and advertise the Online Community Meeting and Survey #2. The project team visited the Malaga Road property from 1:00 – 3:00p.m. and the Christine Crescent property from 3:00 – 5:00p.m. in the afternoon.

Out of the 87 units that were visited, members of the project team spoke with approximately 46 tenants.

The key questions and feedback that was received included:

**Design Concept for Malaga Road**

- Built form of new buildings (apartments or townhouses)
- New unit size
- Open space programming and safety

**Design Concept for Christine Crescent**

- Built form of new buildings (inclusion of yards and basements)
- Safety considerations with increased density
- Open space programming

**Other**

- Timing of project (engagement, design, relocation, and start of construction)
- Relocation plan (location and size of temporary units)
- Open space management

# Section 2
# Online Community Meeting

# Online Community Meeting

## Summary & Purpose

An online community meeting was held on Wednesday, February 28, 2024, from 6:30-8pm on Zoom Webinar, to present the design concepts for the Malaga Road Redevelopment and Christine Crescent Redevelopment to the broader community, and to hear feedback and answer questions.

## Attendees

12 members of the community attended the meeting, as well as Councillor Brian Nicholson, the local Councillor for Ward 5 in Oshawa, and Region of Durham.

Representatives from the project team, including Durham Region / Durham Regional Local Housing Corporation (DRLHC), Infrastructure Ontario (IO), and Bousfields, were in attendance to facilitate the meeting, present the design concepts, listen to feedback and respond to questions.

## Notification

**Print Notification**

- Over 3,330 invitations to the online community meeting were printed and delivered via Canada Post to residents and businesses surrounding both properties.

**Online Notification**

- A geo-targeted social media advertisement was created using the Region of Durham's Facebook and Instagram accounts to promote the online community meeting. The ad ran for one week prior to the online community meeting.

## Questions and Comments

The following list categorizes and summarizes into themes the 30 questions and comments that were shared during the Virtual Community Meeting:

**Built Form and Design**

- Height and size of proposed buildings
- Accessibility of proposed buildings

**Planning Considerations and Site Layout**

- Site layout
- Population density

**Parking and Traffic**

- Providing driveways for the townhouse units
- Parking access in new buildings

**Units, Tenure and Affordable Housing**

- Tenure of the units
- Affordable housing ratio
- Types of units

**Infrastructure (Hard and Soft)**

- School capacity
- Common spaces for the youth

**Public Realm**

- Pedestrian experience and connections
- Landscaping

*Note: for the full list of questions/comments from the Online Community Meeting, please see the Appendix A.*

# Section 3
# Survey #2 Feedback

## Summary & Purpose

Survey #2 was live from February 27 to March 15, 2024, and its main purpose was to seek feedback on the proposed design concepts for the Malaga Road Redevelopment and the Christine Crescent Redevelopment. As such, the survey results included in this summary are categorized by the feedback received as part of either the Malaga Road Redevelopment or Christine Crescent Redevelopment surveys.

## Notification

A geo-targeted social media advertisement was created using the Region of Durham's Facebook and Instagram accounts to promote Survey #2. The advertisements ran for the duration that the survey was live.

## Number of Respondents

A total of 243 respondents completed the surveys, with 183 responses for the Malaga Road Redevelopment Survey and 60 responses for the Christine Crescent Redevelopment Survey.

Most of the Malaga Road survey respondents live on another street in the neighbourhood (43%) or were generally interested in the redevelopment (31%). For the Christine Crescent survey, the majority of the survey respondents were generally interested in the redevelopment (57%), with the next largest group of respondents either living on Nevis Street, Normandy Street, Lomond Street, or another street in the neighbourhood (33%).

## Survey Results and Key Feedback - Affordable Housing

The majority of respondents supported the idea of increasing the amount of affordable housing in a mix of townhomes and apartment buildings at both Malaga Road (66%) and Christine Crescent (62%).

# Design Concept Survey Results and Key Feedback - Malaga Road

**Housing**

The highest percentage of respondents liked:

- That the entrances to the townhomes along Oxford are located off Oxford Street, and the parking garages are facing the other buildings on the property (56%).
- Where the lobbies for the apartment buildings are located (50%).
- That there will be some four-bedroom units in the apartment buildings and in the townhomes, and they will be street-level units (70%).

**Open Space**

The majority of respondents liked the idea of:

- Multiple open spaces for a range of activities (such as playing, growing food, and relaxing) (80%).
- A flexible, central open space and having additional open spaces at the corners of the property (70%).
- Improving the pedestrian pathway connecting Oxford Street to Cordova Park (77%).

**Streets & Connections**

The majority of respondents liked the idea of:

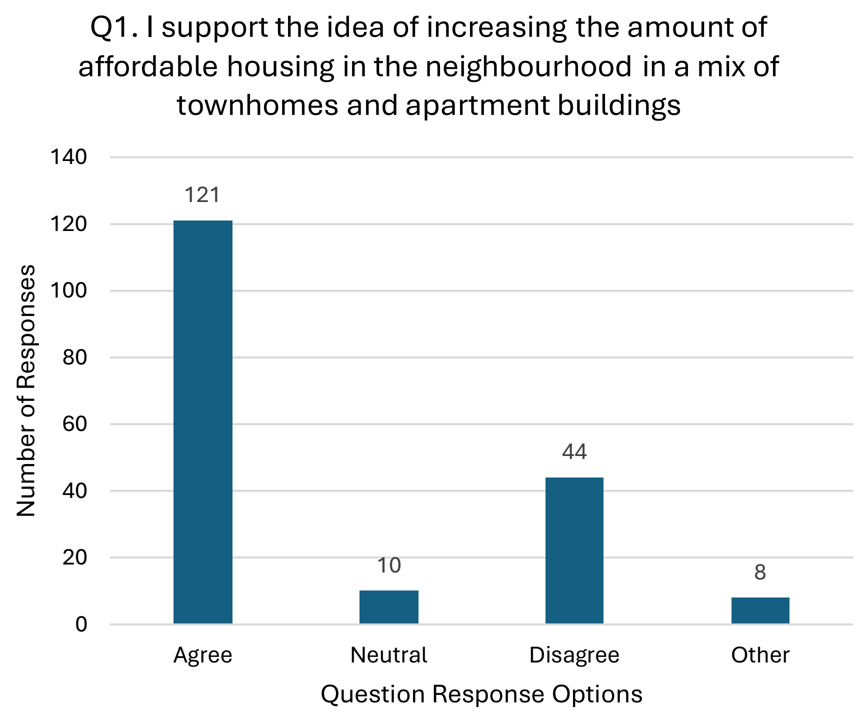
- Having new pedestrian connections to make the property more walkable and pedestrian-friendly (78%).
- Providing integral garages and driveways for the townhouses (69%).
- Providing some visitor parking along the new internal roads (74%).

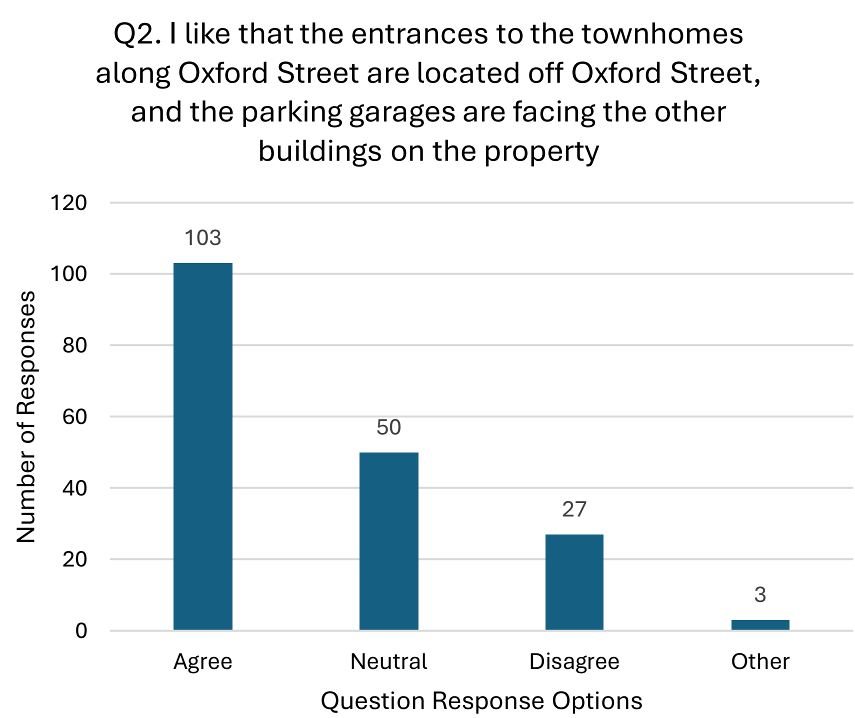
**Community Spaces/Amenities and Community Safety**

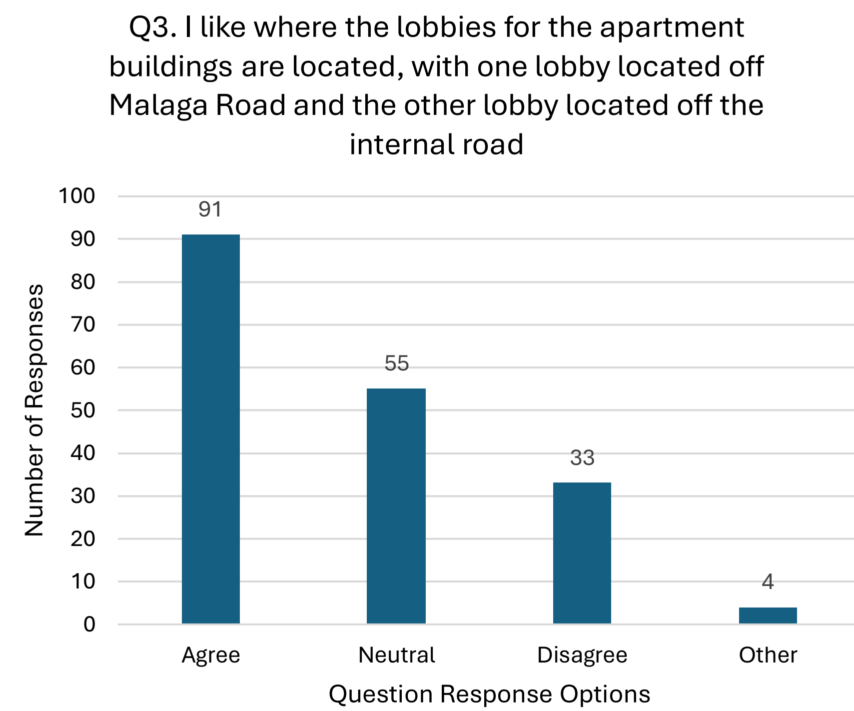
The majority of respondents liked the idea of:

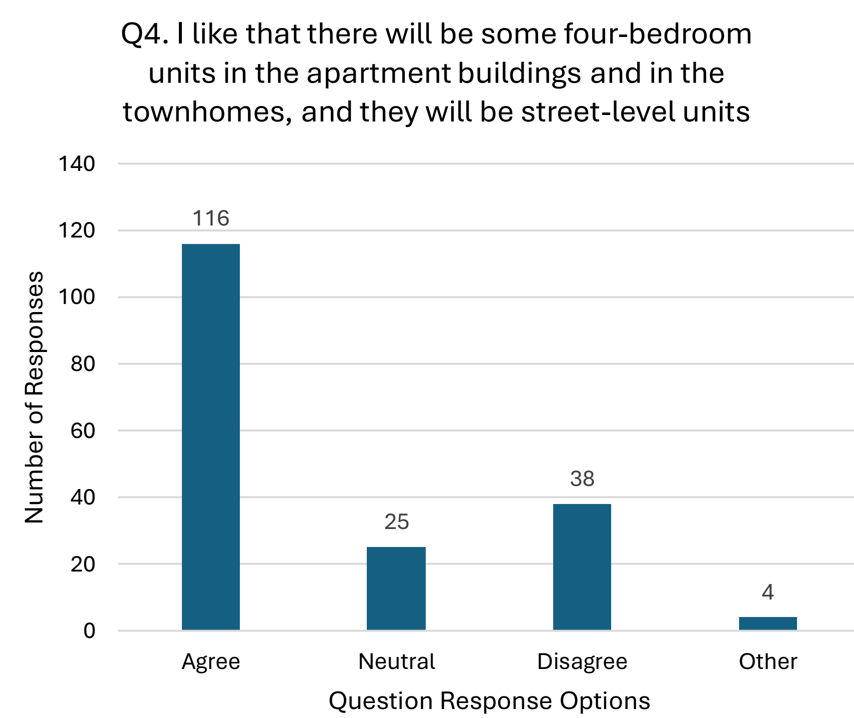
- A community use/amenity/retail space on the ground floor of one of the apartment buildings (64%).
- Making sure that the ground floors of the buildings have active uses (like lobbies, community space, retail space, etc.) and provide greater visibility onto streets and open spaces (64%).

## Malaga Road Survey Results: Housing




**Q1 Summary**

- 66% of respondents support the idea of increasing the amount of affordable housing in the neighbourhood
- 24% of respondents do not support the idea of increasing the amount of affordable housing in the neighbourhood

**Q2 Summary**

- 56% of respondents like that the entrances to the townhomes along Oxford Street are located off Oxford Street, and the parking garages are facing the other buildings on the property
- 15% of respondents do not like that the entrances to the townhomes along Oxford Street are located off Oxford Street, and the parking garages are facing the other buildings on the property

**Q3 Summary**

- 50% of respondents like where the lobbies for the apartment buildings are located, with one lobby located off Malaga Road and the other lobby located off the internal road
- 18% of respondents do not like where the lobbies for the apartment buildings are located, with one lobby located off Malaga Road and the other lobby located off the internal road

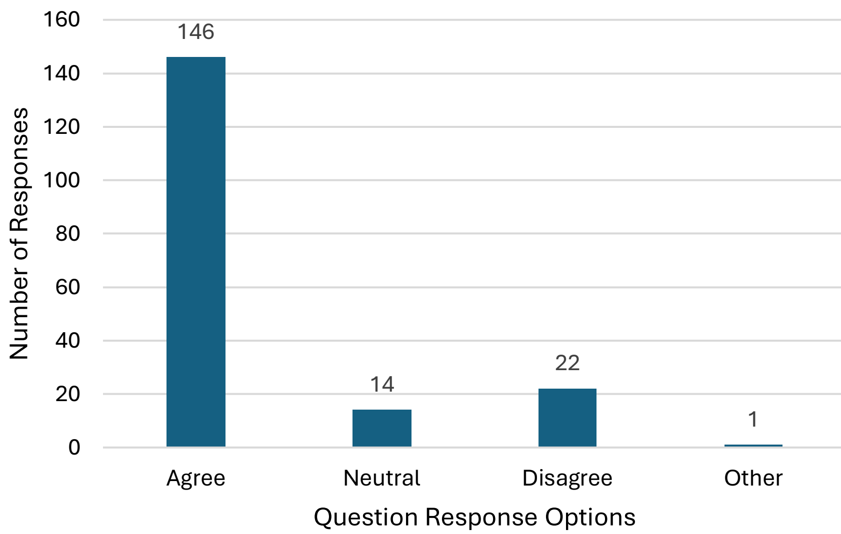
**Q4 Summary**

- 63% of respondents like that there will be some four-bedroom units in the apartment buildings and in the townhomes, and they will be street-level units
- 21% of respondents do not like that there will be some four-bedroom units in the apartment buildings and in the townhomes, and they will be street-level units

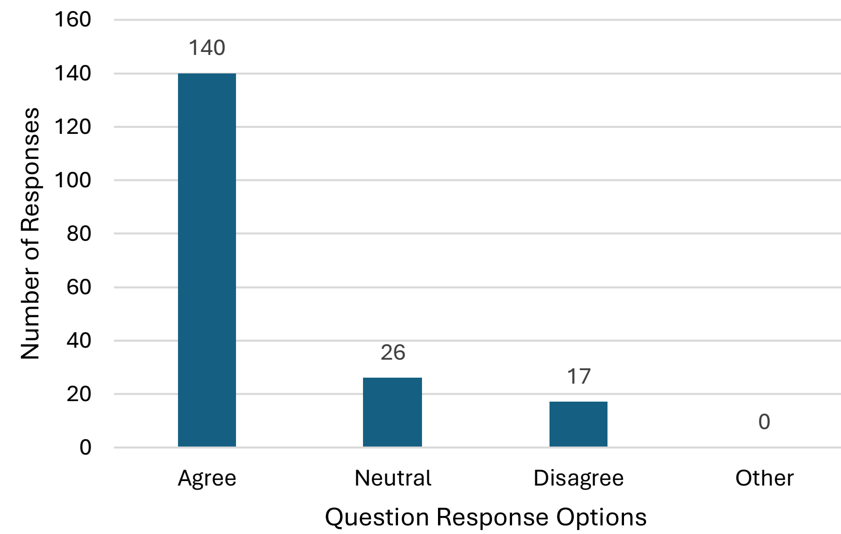
*Note: responses reported are response counts per survey.*
*Q1 Malaga Road Survey Total Responses: 183*
*Q2 Malaga Road Survey Total Responses: 183*
*Q3 Malaga Road Survey Total Responses: 183*
*Q4 Malaga Road Survey Total Responses: 183*

## Malaga Road Survey Results: Open and Green Spaces

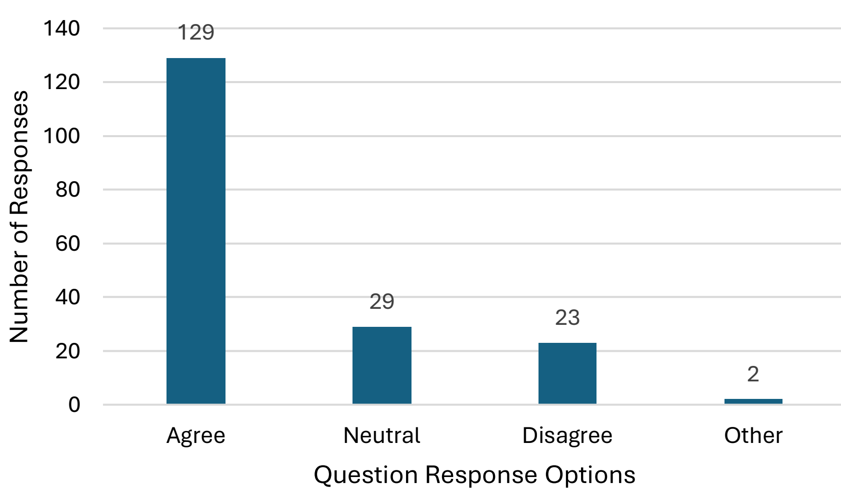
Q5. I like the idea of multiple open spaces for a range of activities (such as playing, growing food, and relaxing)




Q7. I like the idea of improving the pedestrian pathway connecting Oxford Street to Cordova Park




Q6. I like the idea of a flexible, central open space and having additional open spaces at the corners of the property




**Q5 Summary**

- 80% of respondents like the idea of multiple open spaces for a range of activities
- 12% of respondents do not like the idea of multiple open spaces for a range of activities

**Q6 Summary**

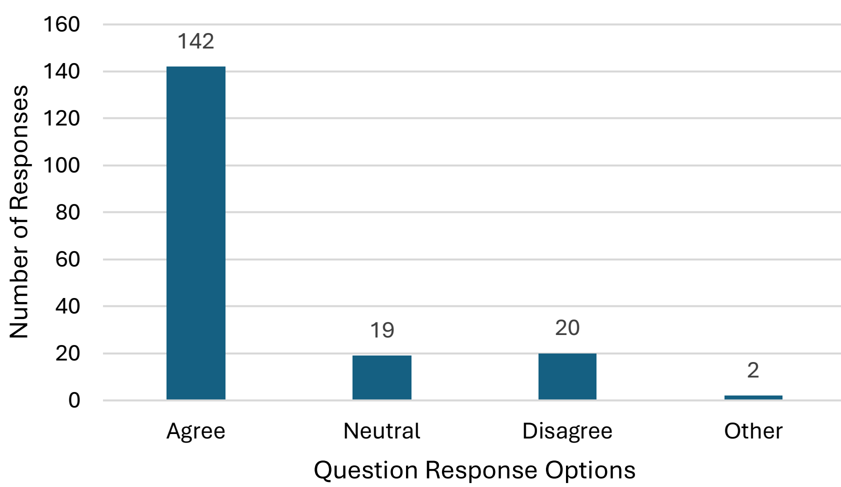
- 71% of respondents like the idea of a flexible, central open space and having additional open spaces at the corners of the property
- 13% of respondents do not like the idea of a flexible, central open space and having additional open spaces at the corners of the property

**Q7 Summary**

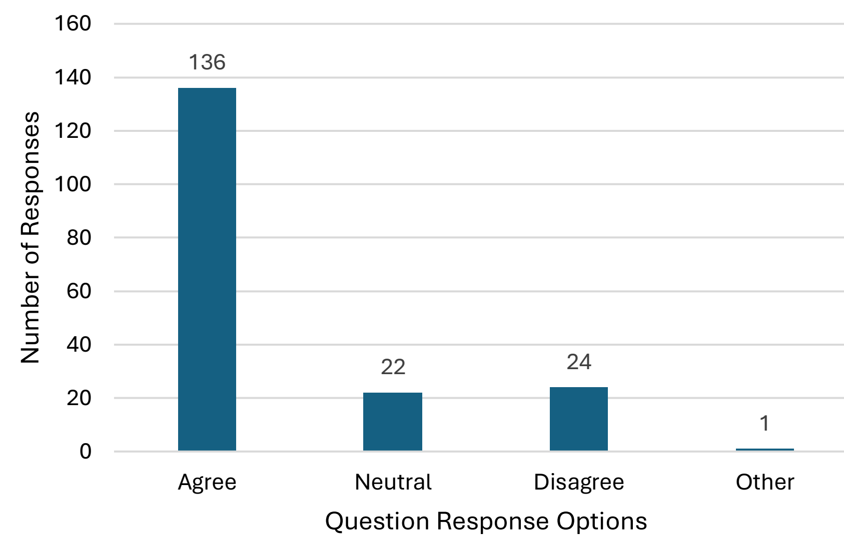
- 77% of respondents like the idea of improving the pedestrian pathway connecting Oxford Street to Cordova Park
- 9% of respondents did not like the idea of improving the pedestrian pathway connecting Oxford Street to Cordova Park

*Note: responses reported are response counts per survey.*
*Q5 Malaga Road Survey Total Responses: 183*
*Q6 Malaga Road Survey Total Responses: 183*
*Q7 Malaga Road Survey Total Responses: 183*

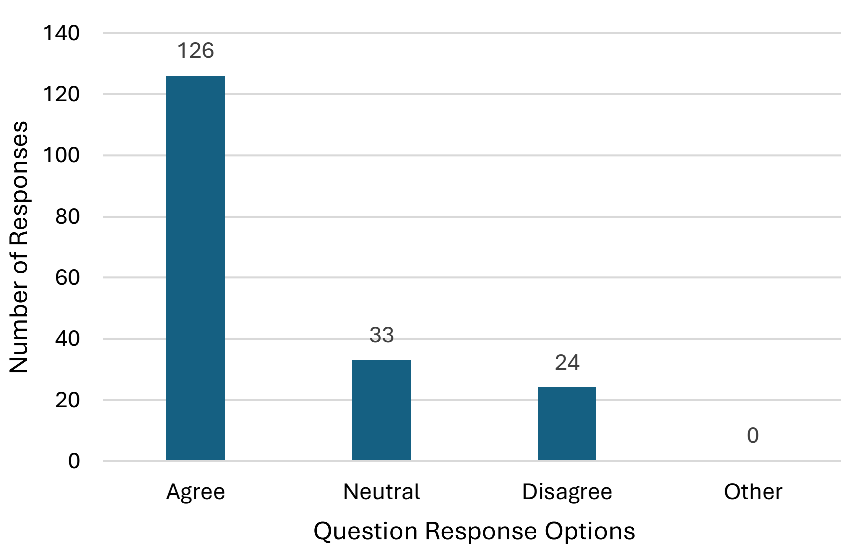
Q8. I like the idea of having new pedestrian connections to make the property more walkable and pedestrian-friendly




Q10. I like the idea of providing some visitor parking along the new internal roads




Q9. I like the idea of providing integral garages and driveways for the townhouses




**Q8 Summary**

- 78% of respondents like the idea of having new pedestrian connections to make the property more walkable and pedestrian-friendly
- 11% of respondents do not like the idea of having new pedestrian connections to make the property more walkable and pedestrian-friendly

**Q9 Summary**

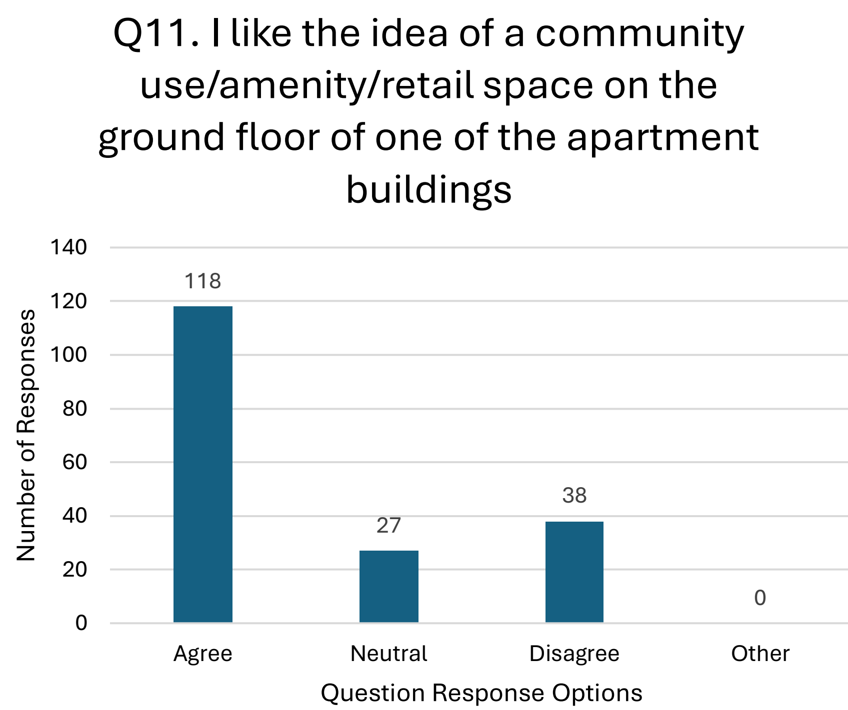
- 69% of respondents like the idea of providing integral garages and driveways for the townhouses
- 13% of respondents do not like the idea of providing integral garages and driveways for the townhouses

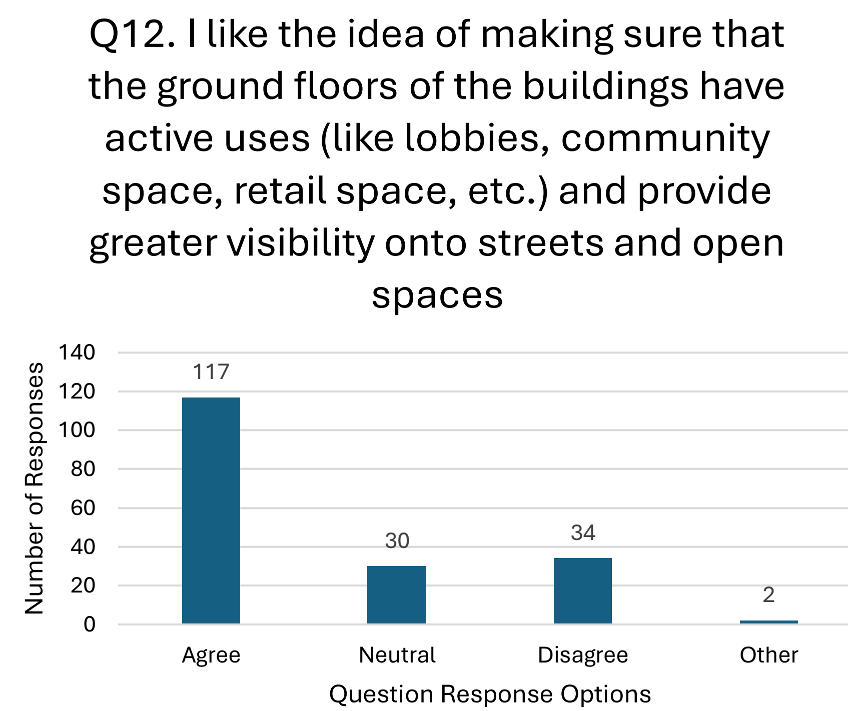
**Q10 Summary**

- 74% of respondents like the idea of providing some visitor parking along the new internal roads
- 13% of respondents like the idea of providing some visitor parking along the new internal roads

Note: responses reported are response counts per survey.
Q8 Malaga Road Survey Total Responses: 183
Q9 Malaga Road Survey Total Responses: 183
Q10 Malaga Road Survey Total Responses: 183

Malaga Road Survey Results: Community Spaces/Amenities and Community Safety




**Q11 Summary**

- 64% of respondents like the idea of a community use/amenity/retail space on the ground floor of one of the apartment buildings
- 21% of respondents do not like the idea of a community use/amenity/retail space on the ground floor of one of the apartment buildings

**Q12 Summary**

- 64% of respondents like the idea of making sure that the ground floors of the buildings have active uses (like lobbies, community space, retail space, etc.) and provide greater visibility onto streets and open spaces
- 19% of respondents do not like the idea of making sure that the ground floors of the buildings have active uses (like lobbies, community space, retail space, etc.) and provide greater visibility onto streets and open spaces

*Note: responses reported are response counts per survey.*
*Q11 Malaga Road Survey Total Responses: 183*
*Q12 Malaga Road Survey Total Responses: 183*

## Additional comments and suggestions included:

In total, we received 93 free response answers. From these answers we were able to synthesize a total of 124 unique comments, suggestions, or feedback, which we have summarized and organized into the following themes. A comprehensive summary can be found in Appendix B.

**Built Form**

- Building Type, Height, and Density
- Accessibility
- Mix of Uses
- Construction Material

**Unit Typology**

- Affordable Housing
- Unit Size
- Senior Units
- Rental Replacement Plan

**Community Safety**

- Safety Concerns
- Community Programs
- Policing

**Parking, Transit and Traffic**

- Traffic and Access
- Pedestrian and Bicycle Infrastructure
- Public Transit
- Parking

**Amenities, Public Realm, and Programming**

- Outdoor Amenities
- Environmental Considerations

**Public Amenities**

- School Capacity
- Grocery and Retail Access

# Design Concept Survey Results and Key Feedback – Christine Crescent

**Housing**

The majority of respondents liked that:

- The entrances to the townhomes are located off Nevis Street and the central open space (58%).
- The lobby for the apartment building faces onto the central open space area (67%).
- There will be some four-bedroom units in the apartment building, and they will be ground-level units (62%).

**Open Space**

The majority of respondents liked the idea of:

- A flexible, central open space (62%).
- Improving the landscaping and condition along the pedestrian pathway connecting Nevis Avenue to Chopin Park (80%).

**Streets & Connections**

The majority of respondents liked the idea of:

- Providing vehicular access into the site off Lomond Street / Nevis Avenue (65%).
- Having new pedestrian connections into the central open space from Nevis Ave and from Chopin Park (72%).

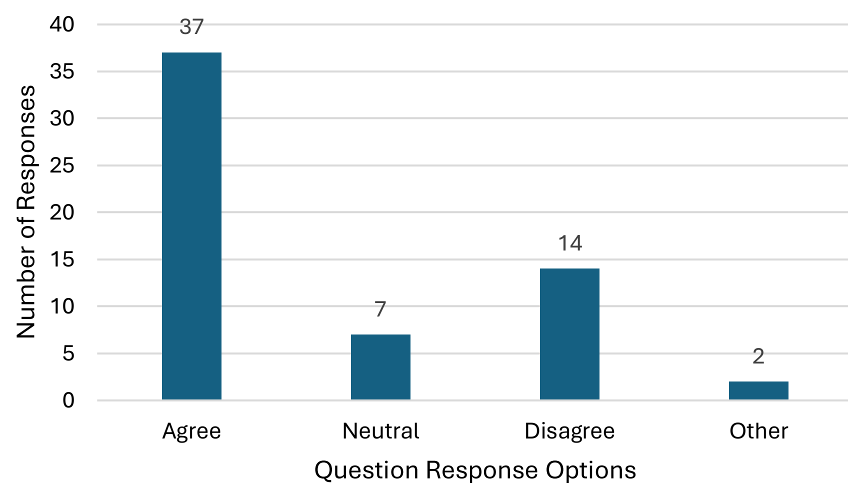
**Community Spaces/Amenities and Community Safety**

The highest percentage of respondents liked the idea of:

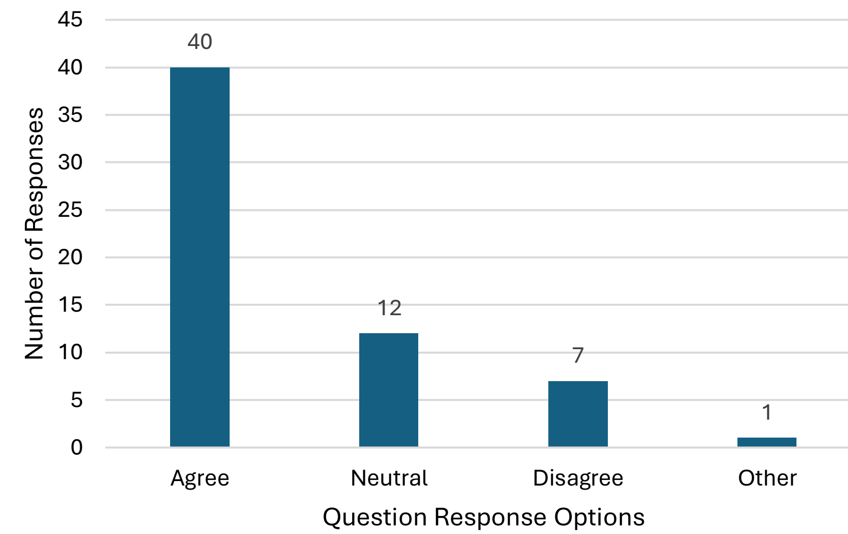
- Having the lobby and ground-level units fronting onto the central open space, for the apartment building, to provide greater visibility onto the open space (67%).
- A rooftop amenity space in the apartment building (63%).
- The indoor amenity space being located on the 5$^{th}$ floor of the apartment building (42%)

## Christine Crescent Survey Results: Housing

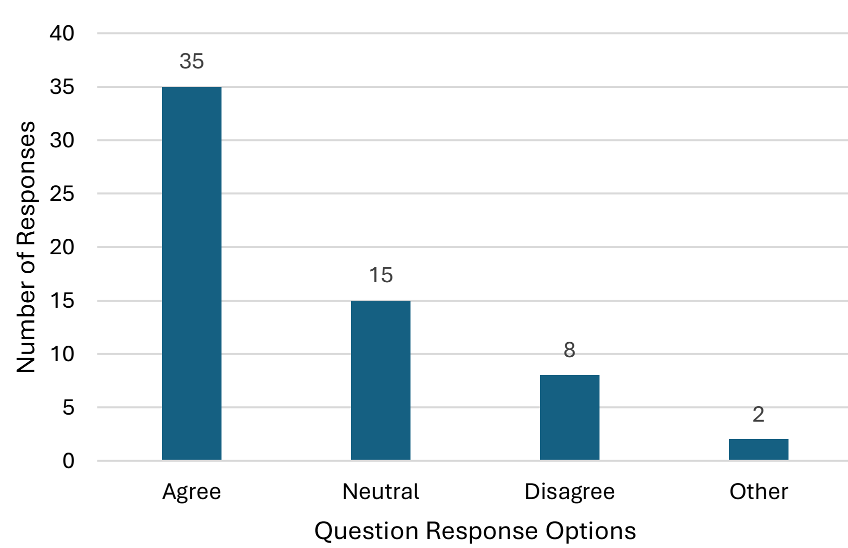
### Q1. I support the idea of increasing the amount of affordable housing in the neighbourhood in a mix of townhomes and apartment buildings



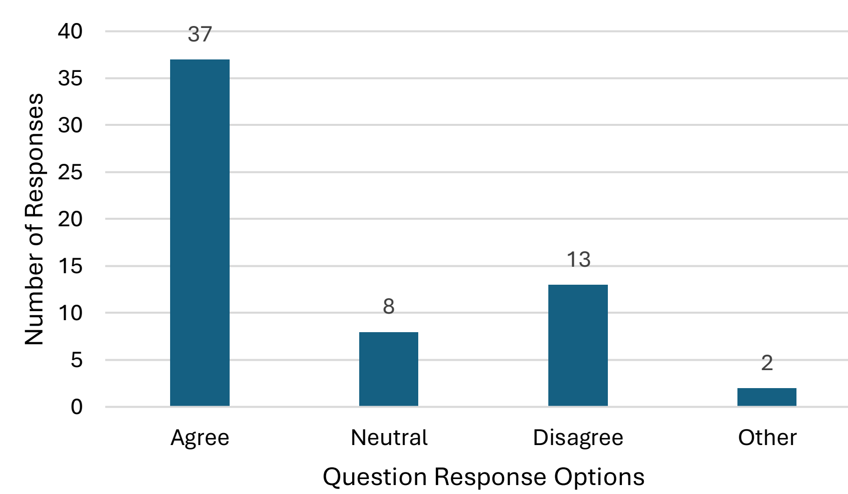

### Q3. I like that the lobby for the apartment building faces onto the central open space area




### Q2. I like that the entrances to the townhomes are located off Nevis Street and the central open space




### Q4. I like that there will be some four-bedroom units in the apartment building and they will be ground-level units




**Q1 Summary**

- 62% of respondents support the idea of increasing the amount of affordable housing in the neighbourhood in a mix of townhomes and apartment buildings
- 23% of respondents do not support the idea of increasing the amount of affordable housing in the neighbourhood in a mix of townhomes and apartment buildings

**Q2 Summary**

- 58% of respondents like that the entrances to the townhomes are located off Nevis Street and the central open space
- 13% of respondents do not like that the entrances to the townhomes are located off Nevis Street and the central open space

**Q3 Summary**

- 66% of respondents like that the lobby for the apartment building faces onto the central open space area
- 12% of respondents do not like that the lobby for the apartment building faces onto the central open space area

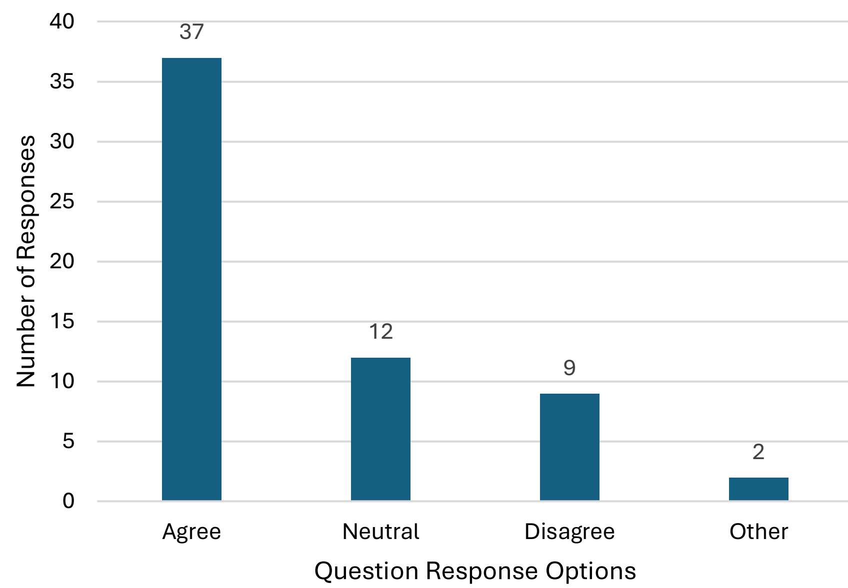
**Q4 Summary**

- 62% of respondents like that there will be some four-bedroom units in the apartment building and they will be ground-level units
- 22% of respondents do not like that there will be some four-bedroom units in the apartment building and they will be ground-level units

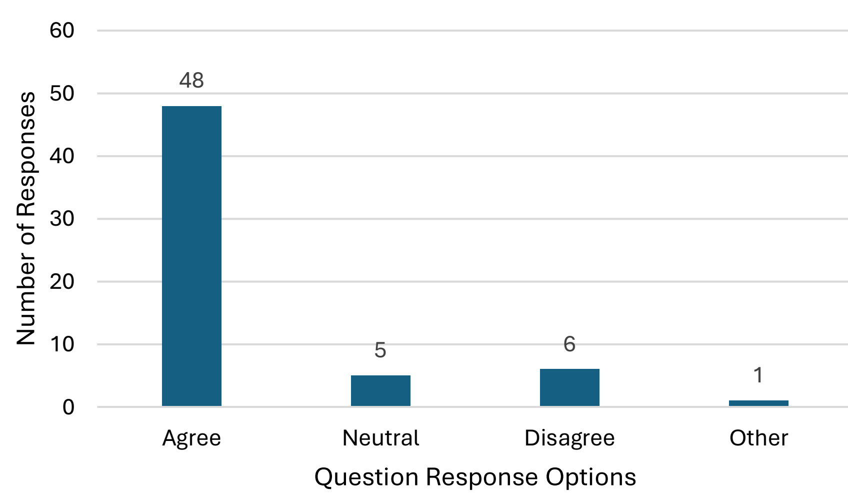
Note: responses reported are response counts per survey.
Q1 Christine Crescent Survey Total Responses: 60
Q2 Christine Crescent Survey Total Responses: 60
Q3 Christine Crescent Survey Total Responses: 60
Q4 Christine Crescent Survey Total Responses: 60

## Christine Crescent Survey Results: Open and Green Spaces

Q5. I like the idea of a flexible, central open space

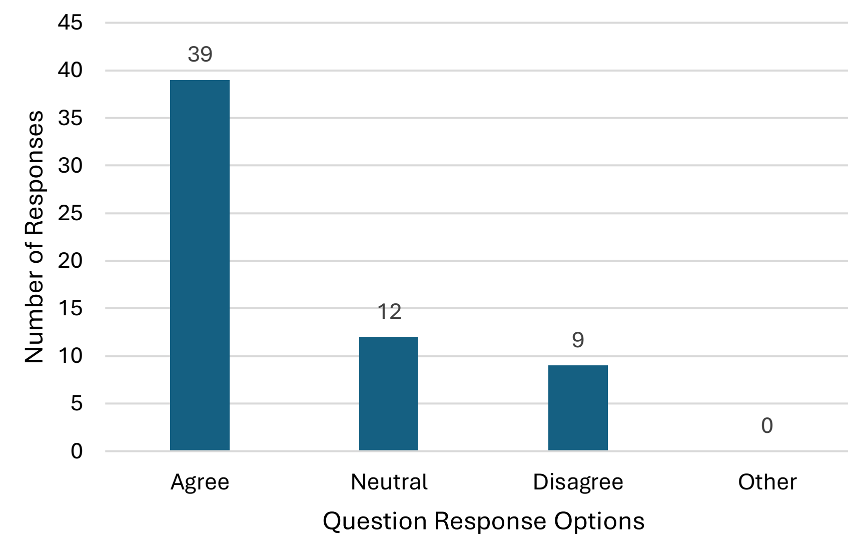



Q6. I like the idea of improving the landscaping and condition along the pedestrian pathway connecting Nevis Avenue to Chopin Park

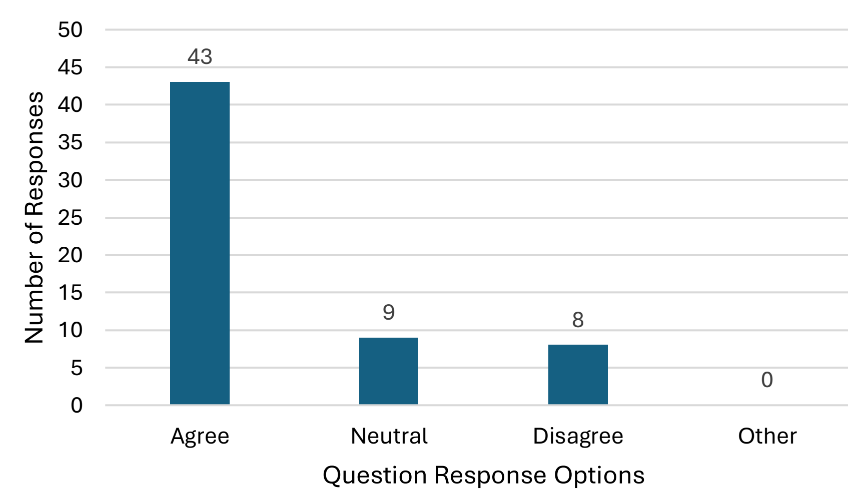



## Christine Crescent Survey Results – Streets and Connections

Q7. I like the idea of providing vehicular access into the site off Lomond Street / Nevis Avenue




Q8. I like the idea of having new pedestrian connections into the central open space from Nevis Ave and from Chopin Park




Q5 Summary
- 62% of respondents like the idea of a flexible, central open space
- 15% of respondents do not like the idea of a flexible, central open space

Q6 Summary
- 80% of respondents like the idea of improving the landscaping and condition along the pedestrian pathway connecting Nevis Avenue to Chopin Park
- 10% of respondents do not like the idea of improving the landscaping and condition along the pedestrian pathway connecting Nevis Avenue to Chopin Park

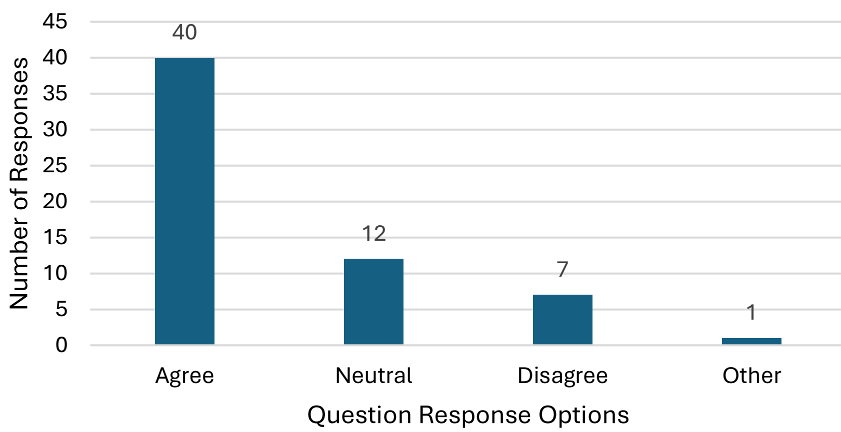
Q7 Summary
- 65% of respondents like the idea of providing vehicular access into the site off Lomond Street / Nevis Avenue
- 15% of respondents do not like the idea of providing vehicular access into the site off Lomond Street / Nevis Avenue

Q8 Summary
- 72% of respondents like the idea of having new pedestrian connections into the central open space from Nevis Ave and from Chopin Park
- 13% of respondents do not like the idea of having new pedestrian connections into the central open space from Nevis Ave and from Chopin Park

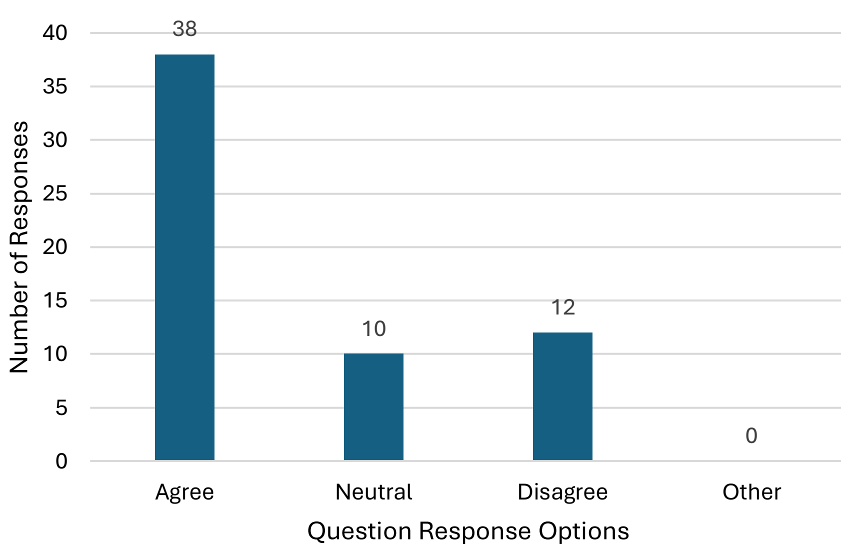
Note: responses reported are response counts per survey.
Q5 Christine Crescent Survey Total Responses: 60
Q6 Christine Crescent Survey Total Responses: 60
Q7 Christine Crescent Survey Total Responses: 60
Q8 Christine Crescent Survey Total Responses: 60

Christine Crescent Survey Results: Community Spaces/Amenities and Community Safety

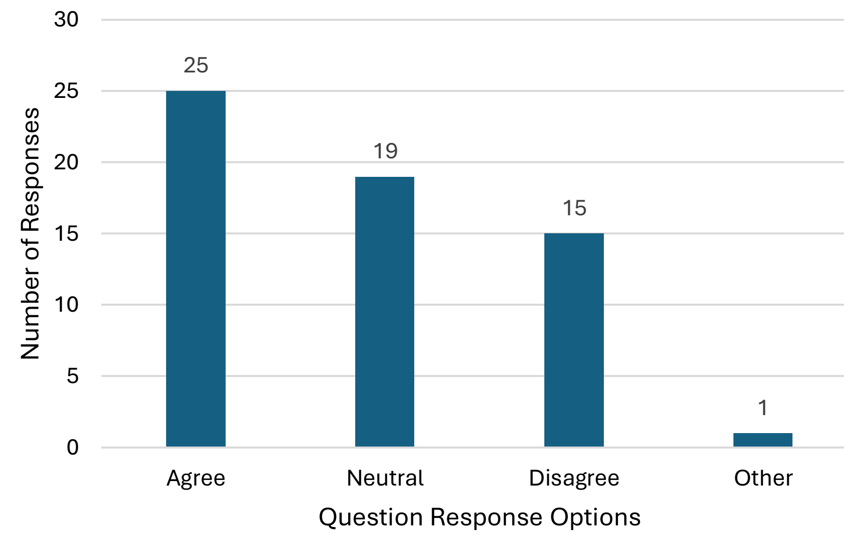
Q9. For the apartment building, I like the idea of having the lobby and ground-level units fronting onto the central open space to provide greater visibility onto the open space




Q10. I like the idea of a rooftop amenity space in the apartment building




Q11. I like the idea of the indoor amenity space being located on the 5th floor of the apartment building




**Q9 Summary**

- 67% of respondents, for the apartment building, like the idea of having the lobby and ground-level units fronting onto the central open space to provide greater visibility onto the open space
- 12% of respondents, for the apartment building, do not like the idea of having the lobby and ground-level units fronting onto the central open space to provide greater visibility onto the open space

**Q10 Summary**

- 63% of respondents like the idea of a rooftop amenity space in the apartment building
- 20% of respondents do not like the idea of a rooftop amenity space in the apartment building

**Q11 Summary**

- 42% of respondents like the idea of the indoor amenity space being located on the 5th floor of the apartment building
- 25% of respondents do not like the idea of the indoor amenity space being located on the 5th floor of the apartment building

Note: responses reported are response counts per survey.
Q9 Christine Crescent Survey Total Responses: 60
Q10 Christine Crescent Survey Total Responses: 60
Q11 Christine Crescent Survey Total Responses: 60

## Additional comments and suggestions included:

In total, we received 22 free response answers. From these answers we were able to synthesize a total of 31 unique comments, suggestions, or feedback, which we have summarized and organized into themes. The key themes can be found below. A comprehensive summary can be found in Appendix C.

**Built Form**

- Height, and Density
- Design
- Accessibility
- Mix of Uses

**Amenities, and Environmental Considerations**

- Outdoor Amenities
- Environmental Considerations
- Indoor Amenities

**Unit Typology**

- Affordable Housing
- Unit Size
- Rental Replacement Place

**Community Safety**

- Safety Concerns

**Parking, and Traffic**

- Parking
- Traffic and Access
- Pedestrian Infrastructure

**Public Amenities**

- School Capacity

# Section 4
# Webpage/Email Feedback

## Webpage/Email Feedback

Throughout Phase 2 of the engagement process (January to March 2024), we received an additional 5 email communications from members of the community. These emails are in addition to 10 emails we received throughout Phase 1 of the engagement process. Their comments and questions were regarding:

- Interest in living in one of the proposed redevelopments and/or building something similar
- Concern regarding increased crime in the Malaga Road neighbourhood/area, but understanding that there is a need for more housing
- Whether there would be housing for seniors provided

# Appendix A: Virtual Community Meeting Post Meeting Summary

**Location:** Zoom Webinar
**Date:** Wednesday, February 28, 2024
**Scheduled Time:** 6:30 - 8:00 p.m.

An online community meeting was held to present the design concepts for the Malaga Road Redevelopment and Christine Crescent Redevelopment to the broader community, and to hear feedback and answer questions.

The format of the meeting included an introduction and presentation of the proposal by the project team and finished with a facilitated Q&A period. A total of 12 members of the public, as well as Councillor Brian Nicholson, the local Councillor for Ward 5 in Oshawa and Region of Durham attended the meeting.

The following table categorizes and summarizes into themes the 30 questions and comments that were shared during the Virtual Community Meeting:

| Theme | Questions and comments |
|---|---|
| **Built Form and Design** | 7 questions and comments regarding the height, size, and accessibility of proposed buildings:<br>1. Height of mid-rise building (2)<br>2. Will the units include a backyard, basement, or den? (3)<br>3. Are the townhomes accessible? (2) |
| **Planning Considerations and Site Layout** | 5 questions and comments regarding site layout and high population density:<br>1. Location of mid-rise buildings (3)<br>2. Increase in residents on both properties (2) |
| **Parking and Traffic** | 5 questions and comments regarding driveways and parking access in the buildings:<br>1. Will the new units have parking spaces? (3)<br>2. How will residents access their parking space? Will it be accessible? (2) |
| **Units, Tenure and Affordable Housing** | 6 questions and comments regarding the tenure, inclusion of affordable housing, and unit types:<br>1. What is the mix between RGI units and market units? (2)<br>2. What size units will be available? Are there any larger family size units and where will they be located? (4) |

| | |
|---|---|
| **Infrastructure (Hard and Soft)** | 3 questions and comments regarding schools and common spaces for the youth:<br>1. Where would future kids go to school? (Malaga)<br>2. Will there be amenities for youth? (2) |
| **Public Realm** | 4 questions and comments regarding connections and landscaping:<br>1. Enhancing pedestrian connection between Christine Crescent and Chopin Park (3)<br>2. Maintaining the existing open space uses adjacent to Chopin Park (Christine Crescent) |
| **Other** | 1 question regarding land procurement and site location:<br>1. Are they able to buy a new piece of land and add the new development there instead of redeveloping current homes? |

# Appendix B: Survey Free Response Summary - Malaga Road

## Built Form (33)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Building Type, Height, and Density** | 20 | 7 respondents were not in support of the proposed height and density of the property<br>1 respondent was not in support of having any buildings on the property<br>4 respondents were in support of increasing the height and density of the proposal<br>3 respondents were in support of the current proposed use or increasing the use of apartment buildings<br>5 respondents were not in support of the proposed building types and wanted an increase or only including low-rise or semi-detached housing |
| **Accessibility** | 4 | 2 respondents wanted the proposal to use inclusive design principles for those with disabilities<br>2 respondents wanted the proposal to include accessible ground floor units |
| **Mix of Uses** | 4 | 1 respondent was not in support of retail uses<br>1 respondent was in support of a mix of uses if it included community space<br>2 respondents were in support of alternative uses such as retail |
| **Materiality** | 1 | 1 respondent proposed including windows that are soundproof |
| **Other** | 4 | 1 respondent wishes there were other drawings or diagrams to better visually demonstrate how the buildings and layout will look in the future<br>3 respondents would prefer DRLHC explore other properties to develop instead of redeveloping the Malaga Road property |

## Unit Typology (29)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Affordable Housing** | 19 | 16 Respondents are in support of including more affordable housing<br>3 respondent is not in support of including any affordable housing |
| **Unit Size** | 3 | 1 respondent would like a mix of unit sizes including smaller 1- and 2-bedroom units for youth/young families<br>2 respondents would like to see larger family size units such as 3- and 4-bedroom units for families |
| **Senior Units** | 2 | 2 respondents would like for some units to be dedicated to senior living |
| **Rental Replacement Plan** | 2 | 2 respondents want to know what the plan is for tenants that will be displaced during construction |
| **Other** | 3 | 1 respondent would like to ensure that some units have yard space<br>1 respondent wants to understand why the property is being redeveloped<br>2 respondent is concerned that bedrooms will be rented out for a profit |

## Community Safety (21)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Safety Concerns** | 16 | 16 respondents are concerned about the overall safety of the area with the increase of residents |
| **Community Programs** | 3 | 2 respondents suggested funding more programs directed towards youth<br>1 respondent wanted more programs that tackled issues related to the social determinants of health |
| **Policing** | 2 | 2 respondents want the area to have a higher police presence |

## Parking, Transit and Traffic (17)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Traffic and Access** | 6 | 4 respondents are concerned about the traffic caused by increase in human activity and residents moving onto the property<br>1 respondent would like for all access to the buildings to be internalized on the inside of the property<br>1 respondent would like to ensure that there is enough space for courier and delivery vehicles to access the property |
| **Pedestrian and Bicycle Infrastructure** | 4 | 2 respondents would like for more pedestrian and bicycle infrastructure to be included that connects with the broader community<br>1 respondent would like for more bicycle parking spaces to be included<br>1 respondent wants pedestrian and bicycle safety to be a top priority in designing the streetscape |
| **Public Transit** | 4 | 4 respondents would like to ensure that new and accessible infrastructure is established to encourage more people to use public transit |
| **Parking** | 3 | 2 respondents iterating the importance of including more than 1:1 parking spaces to units in the buildings<br>1 respondent believes that the buildings should not include any parking |

## Amenities, Public Realm, and Programming (14)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Outdoor Amenities** | 12 | 4 respondents like the idea of a community garden and green roofs<br>2 respondents would like more youth-geared programming for public spaces<br>1 respondent wants to ensure that the public spaces are well lit<br>1 respondent would like the proposal to have more decorative landscaping<br>4 respondents like the idea of green spaces that are well maintained |
| **Environmental Considerations** | 2 | 2 respondents were concerned about the buildings encroaching onto the creek area |

## Public Amenities (10)

| Theme | Number of Responses | Summary |
|---|---|---|
| **School Capacity** | 5 | 5 respondents are concerned about local school capacity |
| **Grocery and Retail Access** | 5 | 3 respondents are concerned that there are not enough grocery store uses in close proximity to the property<br>2 respondents are curious if there are enough retail options to match the amount of future residents the area will have |

# Appendix C: Survey Free Response Summary – Christine Crescent

## Built Form (9)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Height, and Density** | 4 | - 1 respondent was not in support of the proposed height and density of the property<br>- 3 respondents were in support of the proposed height and density or increasing it |
| **Design** | 1 | - 1 respondent would like the buildings to blend in appearance with the surrounding buildings |
| **Accessibility** | 1 | - 1 respondent wanted the proposal to use inclusive design principles for those with disabilities<br>- 1 respondent would like the proposal to include accessible ground floor units |
| **Mix of Uses** | 1 | - 1 respondent was in support of a mix of uses such as grocery, commercial, or retail |
| **Other** | 2 | - 2 respondents would prefer DRLHC explore other properties to develop instead of redeveloping the Christine Crescent property |

## Amenities, Public Realm, and Programming (7)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Outdoor Amenities** | 4 | - 1 respondent is concerned about noise pollution caused by new public spaces<br>- 1 respondent would like the proposal to include a community garden<br>- 1 respondent is happy to see the inclusion of a greenspace in the proposal<br>- 1 respondent would like all outdoor amenities to be contained within the rooftop of the buildings for safety |
| **Environmental Considerations** | 2 | - 1 respondent is concerned about pollution from the highway nearby<br>- 1 respondent is concerned about local wildlife being displaced during the redevelopment |
| **Indoor Amenities** | 1 | - 1 respondent would prefer all indoor amenities to be contained to the first floor to prevent burglary of houses |

## Unit Typology (6)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Affordable Housing** | 4 | - 3 respondents are in support of including more affordable housing<br>- 1 respondent is not in support of including any affordable housing |
| **Unit Size** | 1 | - 1 respondent is concerned about losing their existing square footage once they move into one of the new units |
| **Rental Replacement Plan** | 1 | - 1 respondent wants to know if existing tenants will have first priority to a new unit |

## Community Safety (4)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Safety Concerns** | 4 | - 4 respondents are concerned about the overall safety of the area with the increase of residents |

## Parking, Transit and Traffic (4)

| Theme | Number of Responses | Summary |
|---|---|---|
| **Parking** | 2 | - 1 respondent is concerned about spillover into side street parking<br>- 1 respondent is concerned that there is not enough proposed parking |
| **Traffic and Access** | 1 | - 1 respondent is concerned about the traffic caused by the increase in residents |
| **Pedestrian Infrastructure** | 1 | - 1 respondent is concerned about the safety of pedestrians with the increase in traffic<br>- 1 respondent would like to see more pedestrian connections between the property and the surrounding neighbourhood |

## Public Amenities (1)

| Theme | Number of Responses | Summary |
|---|---|---|
| **School Capacity** | 1 | - 1 respondent is concerned about local school capacity |

# MALAGA & CHRISTINE REDEVELOPMENT FEASIBILITY ANALYSIS

May 15th, 2024

FINAL REPORT

Infrastructure Ontario

## Table of Contents

## SECTION 1: EXECUTIVE SUMMARY

416-448 Malaga Road ("Malaga") and 419-451 Christine Crescent ("Christine") are Region of Durham ("Region") owned Rent-Geared-to-Income ("RGI") housing sites (together referred to as the "Sites"). The Sites, built in the 1960s and 1970s, have reached the end of their expected useful life, requiring the operator, Durham Regional Local Housing Corporation ("DRLHC"), to vacate and board up some units. Significant re-investment would be required to make the units suitable for new tenants and the Sites present an opportunity to optimize re-investment through a revitalization that creates new, sustainable housing supply for the Region.

The Region engaged Infrastructure Ontario ("IO") to examine the feasibility of redeveloping the Sites into modernized, mixed-income rental communities, leveraging IO's expertise as the province's real estate and infrastructure delivery agency to support capacity building and adoption of best practices within the Region's newly-formed Affordable Housing Development & Renewal team. For this work IO is acting as a non-crown agent and therefore the Province of Ontario shall not be liable for any liability or obligation of IO with respect to the recommendations provided herein. IO's assessment, with support from Bousfields and Altus, included the planning, technical, financial, and market feasibility for potential redevelopment.

The revitalization concepts have been developed to optimize site redevelopment and include replacement RGI units along with new affordable and market rental units to create mixed-income housing options on the sites, which will remain owned and operated by DRLHC.

The preferred development concept for Malaga proposes two 10-storey apartment buildings, one fronting Malaga Rd and a second oriented towards the Oshawa Creek, and a mix of stacked and back-to-back townhouses along Oxford St. and the trail connection to the north of Malaga. The proposed concept yields 439 housing units, including 65 RGI replacement units and 374 net new units, mixed between affordable and market rental. The concept also proposes some non-residential use on the ground floor of one of the mid-rises and one and a half levels of underground parking containing 544 parking spots, along with some visitor parking and private townhouse driveways at grade. From a planning perspective, the current policy context at Malaga permits residential uses of only up to 18 meters in height (approximately 6 storeys), coupled with natural heritage development restrictions on the eastern part of the site. Initial feedback from the City of Oshawa ("City") indicated that the current policy may be amended via an Official Plan Amendment ("OPA") and a Zoning-By-law Amendment ("ZBA"), to permit up to 10 storeys in height, subject to appropriate height transitions and natural heritage setbacks.

The preferred development concept for Christine proposes a single 6-storey apartment building along the southern portion of the site and stacked back-to-back townhouses along Nevis Ave. The proposed concept yields 164 housing units, including 12 RGI replacement units and 152 net new units, mixed between affordable and market rental. The concept also proposes one level of underground parking containing 190 parking spots and some surface visitor parking along the eastern portion of the site. The current planning policy context only permits single and semi-detached residential uses, however, initial feedback from the City indicated that the current policy may be amended via an OPA and a ZBA, to permit an apartment building of up to 6 storeys in height, subject to appropriate height transitions.

From a technical perspective, while the City, through a stage 1 Pre-Application Consultation ("PAC"), has provided an exhaustive list of technical studies required as part of OPA and ZBA submissions, the key technical areas flagged at this stage of due diligence are natural heritage, geotechnical and possibly sanitary sewer servicing for Malaga and water servicing and sanitary sewer for Christine. For Malaga, further geotechnical work will be required to assess potential water-table risks that may impact the proposed underground parking structure and to determine the long-term stable top of slope that will determine the site's development limit. Further servicing analysis will also be required to confirm the scope of sanitary sewer upgrades required to support development, along with more detailed costing. Further natural heritage work will also be required at Malaga to ensure that the proposed development does not impact the adjacent natural heritage system and its features. At Christine, further servicing analysis will be required to confirm the scope of watermain and sanitary sewer upgrades required to support development, along with more detailed costing.

From a financial perspective, the development budget is estimated at ~$260M for Malaga and ~$93M for Christine. These include both hard and soft construction costs but assume full exemption from municipal charges, which was confirmed by City staff at the stage 1 PAC meeting. CMHC's Affordable Housing Fund ("AHF") is the most appropriate funding program for both Malaga and Christine and includes both repayable and forgivable loans – preliminary financial modelling suggests that Malaga could be eligible for total funding (repayable + forgivable loans) of ~63% of development costs and that Christine could be eligible for total funding of ~62% of development costs. Other smaller affordable housing funding programs may help fund a portion but not the entirety of the remaining development costs. Direct capital funding by the Region would be critical for both Malaga and Christine to be fully funded; while the Region generally has fiscal capacity to source capital funding at scale through debentures, the timing and extent of such capital funding is to be determined by the Region's strategic capital planning process.

With regards to community engagement, given Bousfields was directly procured by the Region to undertake this work, a separate report will outline the community engagement process and the detailed feedback provided. Key themes from community engagement are highlighted in this report, including prioritization of accessibility and safety in the design, provision of family-sized units, provision of new and enhanced connections to surrounding amenities, provision of onsite functional, recreational and communal amenities that serve a wide range of users, a preference for townhouse and medium density built-forms, balancing modern design with cost-effective maintenance, ensuring local infrastructure can support proposed density and ensuring that project timelines and updates (including relocation plan) are appropriately communicated to residents.

With regards to delivery models, the Region provided direction early in the business case work that its desire is to pursue a direct delivery model for Malaga and Christine, with potential to consider a land lease and/or land disposition model for subsequent DRLHC redevelopments, where there is higher potential to monetize land value. This business case report outlines some of the potential direct delivery models that could be used for Malaga and Christine as well as a summary of a workshop held with Regional staff to identify Design-Build and Construction Management at Risk as the most suitable delivery models for the Sites based on the preliminary concepts and project budgets.

Overall, while there are some risks and questions to address for both Malaga and Christine, namely with respect to the funding strategy, the Sites offer good opportunities for intensification and revitalization into modernized mixed-income rental communities, particularly considering conditions of the current buildings on site.

As for next steps, Regional staff will present the business case findings to the Committee of the Whole (“CoW”) on June 12th, 2024, and shortly thereafter seek approval from Regional Council to proceed with pre-construction activities, namely planning approvals and further site technical due diligence. Given IO’s scope was limited to business case development, any future involvement and support from IO in the project would require further discussions and execution of additional Statement(s) of Work between the Region and IO; otherwise, the implementation steps outlined above are to be executed solely by the Region.

# SECTION 2: PROJECT OVERVIEW

IO has been engaged by the Region to advise on realty and development services and develop a business case for the Region's first phase of DRLHC site redevelopments at Malaga and Christine.

IO engaged Bousfields to undertake planning due diligence and concept development, and Altus to undertake market analysis and financial model development. In addition, the Region had directly procured Bousfields to design and lead community engagement for the Sites, which IO supported.

This report is a culmination of all the work completed to date by IO, with support from external consultants, in developing business cases for the Sites.

# SECTION 3: MALAGA REDEVELOPMENT FEASIBILITY

## 3.1. Preferred Concepts and Development Yields

### 3.1.1 Site and Surrounding Context

Malaga is a corner lot, located on the east side of Oxford Street and the north side of Malaga Road in the City of Oshawa (see **Figure 1** below)


*Figure 1: Site map.*

The Malaga site has an area of approximately 19,400 square metres (1.94 hectares, or 4.79 acres) and currently includes 65 three-storey townhouse units clustered within eight townhouse blocks. It has two access driveways on Oxford Street and two access driveways on Malaga Road which connect to an internal private road to the site, and parking is provided in private garages and driveways for each unit. The Malaga site itself is situated in a predominately low-rise residential neighbourhood that contains clusters of apartment buildings and commercial retail plazas along arterial roads. The site itself abuts the Oshawa Creek Natural Heritage System, and the eastern portion of the site is currently used as parkland/open space.

### 3.1.2 Land Use Planning Policy Context

A detailed planning due diligence report has been prepared by Bousfields. **Table 1** below summarizes the most pertinent land use planning policies that govern land use on the site. For more detailed information on the full scope of planning policies applicable to Malaga, please refer to Bousfields' Malaga Planning Due Diligence report.

*Table 1: Planning policy framework applicable to the Malaga site*

<table>
<tr><th>Policy Document</th><th>Details</th></tr>
<tr><td>The City of Oshawa Official Plan</td><td>
The Malaga site is designated 'Residential' and 'Open Space and Recreation' within the Oshawa Official Plan ("OP"). The eastern portion is also identified as 'Natural Heritage System' and 'Hazard Lands'.
Section 2.3.4 of the City's OP identifies permitted densities in Residential Areas
There is only one residential designation category in the OP; however, the OP provides direction on different built form types within the residential designation through a residential density classification system.
The table below outlines the subset of residential density types that were considered for Malaga's concept development, based on consideration of factors such as proximity to low rise neighbourhoods and open space, abutting public roads and connections to the broader street network. It should be noted that the location criteria for the highest residential density categories tend to apply to sites along arterial roads.
<table>
<tr><th>Density Type</th><th>Net Residential Density</th><th>General Representative Housing Type/Form</th></tr>
<tr><td>Medium Density I Residential</td><td>30 – 60 units per hectare</td><td>Single Detached, Semi Detached, Duplex, Townhouses</td></tr>
<tr><td>Medium Density II Residential</td><td>60 – 85 units per hectare</td><td>Townhouses, Low Rise Apartments and Medium Rise Apartments</td></tr>
<tr><td>High Density I Residential</td><td>85 – 150 units per hectare</td><td>Low Rise and Medium Rise Apartments</td></tr>
<tr><td>High Density II Residential</td><td>150 – 300 units per hectare (outside</td><td>High Rise and High Rise Apartments</td></tr>
</table>
</td></tr>
</table>

| | | |
|---|---|---|
| | Downtown Oshawa Urban Growth Centre) | |

An Official Plan Amendment is required to permit a broader range of residential dwelling types and densities in Malaga.

*Section 2.6 of the City's OP identifies the policies for lands designated 'Open Space and Recreation'*

Policy 2.6.1.3 of the City's OP states that areas designated as Open Space and Recreation generally include components of the Natural Heritage System, valley lands, conservation areas and other natural environments, and recreational resources including Regional and City level parks. Policy 2.6.1.4 states that areas designated as Open Space and Recreation shall be predominantly used for recreation, conservation, reforestation, cemeteries, allotment gardens, and community gardens. These uses shall be subject to the provisions of Natural Heritage System policies and shall have regard for the natural environment and be compatible with their surroundings.

*Schedule D-1 – Environmental Management of the City's OP identifies the eastern part of the parcel as 'Natural Heritage System' and 'Hazard Lands'*

A 30 metre (98 ft.) wide buffer applies on either side of watercourses to delineate riparian corridors. A reduction in the buffer may be considered to a minimum width of 15 metres (49 ft.) within those parts of the Natural Heritage System pursuant to the submission of an appropriate study. A reduction in the width of a riparian buffer demonstrated through an appropriate study will not require an amendment to the OP. Hazard Lands shall be used primarily for the preservation and conservation of land and/or the environment and shall be managed in such a manner as to complement adjacent land uses and protect such uses from any physical hazards or their effects.

*Schedule C (Sub-area H) of the City's OP identifies the Malaga site as being within a Community Improvement Area*

Sub-area H is identified as a medium-high density lower income residential area generally bounded by the Oshawa Creek, Park Road, the Canadian National Railway mainline and Wentworth Street

The Community Improvement Area requires improvements to upgrade housing units, deficient neighbourhood parks and recreational facilities, deficient streets and sidewalks, deficient sewer and water services, and to alleviate land use conflicts. At this time, a Community Improvement Plan has not been prepared for Malaga.

| Policy Document | Details |
|---|---|
| **City of Oshawa Zoning By-law 60-94** | The Malaga site is compound zoned R4-A which only permits Block Townhouses, and R6-B which permits the following uses: Apartment, LTC, Nursing home and Retirement home uses. The compound zoning applies to the entire site. Where two or more zoning symbols apply to a lot, that lot may be used for any permitted use in those zones. If a combination of uses from the two zones are proposed to be developed on a lot, it must comply with zone provisions applicable to each use. A Zoning Bylaw Amendment is required to permit a broader range of residential dwelling types and densities on Malaga. |
| **Central Lake Ontario Conservation Authority** O.Reg 42/06 | A portion of the Malaga site is within a regulated area of the Central Lake Ontario Conservation Authority ("CLOCA") centered on the Oshawa Creek System. Section 3(1) of Ontario Regulation 42/06 identifies that the Conservation Authority may grant permission for development in a regulated area if, in its opinion, the control of flooding, erosion, dynamic beaches, pollution or the conservation of land will not be affected by the development. |

### 3.1.3 Conceptual Site Plan

To inform concept development, a visioning workshop was held in December with Regional staff from Affordable Housing Development & Renewal, Planning, Works and Housing Services, City planning staff, IO and Bousfields to align on a set of redevelopment objectives and develop framework diagrams for each site that would begin to identify the location and type of built-form, location of public and/or private open spaces, circulation routes and uses. The following redevelopment objectives were proposed and agreed upon at the workshop, based on the Region's affordable housing strategy and policy, phase #1 community engagement and Bousfields' planning due diligence report:

- Replace existing units and optimize the provision of housing on the Sites at an appropriate height/density
- Contribute to a vibrant public realm
- Achieve site permeability and connectivity to local services, parks and public open spaces
- Support sustainability and inclusivity goals

Following the workshop, Bousfields reviewed the framework diagrams and drafted development concepts for each of the Sites. The preferred option for Malaga is shown below, followed by the second option. The preferred option has the parking below grade and the eastern development limit straightened out to maximize development and layout efficiency, based on an adjustment to the natural heritage setback area that results in no net area lost, which allows the site to accommodate a mix of built form and unit types. The second option is a slightly smaller-scale development with the mid-rises going up to only 8 storeys and the below-grade parking garage carrying a smaller footprint. The selection of the preferred option was an iterative process informed by good planning principles, market conditions and feedback from various stakeholders. Ultimately the first option was selected as the preferred option because it better met the above redevelopment objectives.

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| Malaga Redevelopment<br>Preferred Option<br>Prepared by Bousfields Inc. (April 2024) | |
|---|---|
| | Total |
| **Gross Site Area** (ha) | 1.927 |
| **Net Redevelopment Area** (ha)* | 1.549 |
| **Total Gross Floor Area** (sq.m) | **36,214** |
| Total Indoor Amenity GFA (sq.m) | 878 |
| Net Floor Space Index (FSI) | 2.34 |
| Net Units per Hectare (UPH) | 283 |
| **Unit Yield**** | **439** |
| **Parking** | **627** |
| P1 U/G Parking | 340 |
| P2 U/G Parking | 204 |
| Parking for Towns (2 spaces/unit) | 64 |
| Visitor and Pick-Up/Drop-Off Layby Parking Spaces | 19 |
| Area of Private Roads/Driveways (ha) | 0.262 |
| **Natural Heritage Setback and Open Space** (ha) | **0.852** |
| Natural Heritage System Buffer (ha) | 0.378 |
| Private and Publicly Accessible Open Spaces (ha) | 0.474 |

* Net developable area excludes components of the Natural Heritage System identified in Policy 5.4.4 of the City's OP (Policy 2.3.2.2)

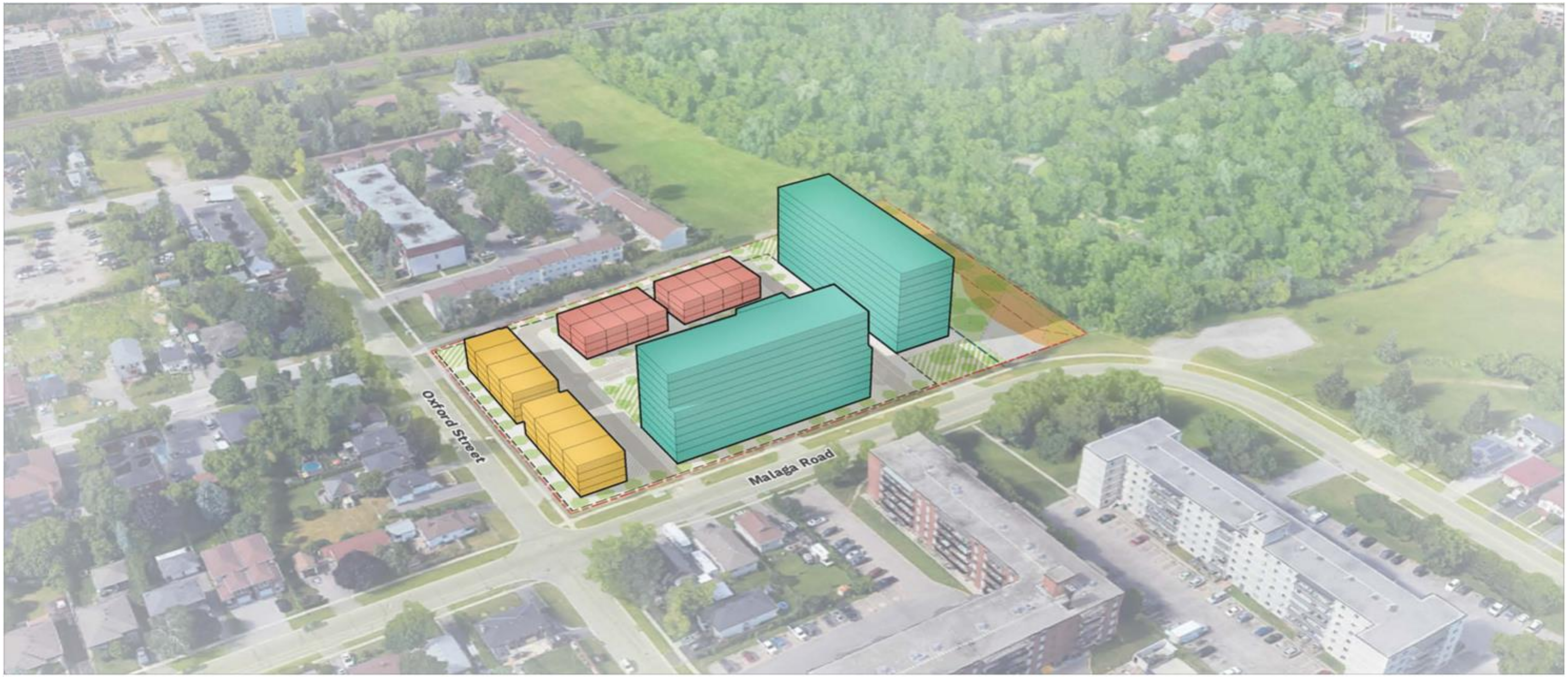
** Total unit yield. Detailed net new unit yields below in Section 3.1.6

**LEGEND**

- Site Boundary
- CLOCA Regulated Area
- Sewage Easement
- Development Limit (Approx.)
- 30m Riparian Corridor Setback
- 10m Wooded Area Setback
- Open Space at Grade
- Rooftop Amenity
- Stacked Townhouses
- Back-to-Back Townhouses
- Mid-rise Building
- Parking Extent
- Lobby Entrance
- Parking Entrance
- Non-Residential Frontage
- Pedestrian Connection

Infrastructure Ontario

### 3.1.4 Conceptual Massing (preferred option)




LEGEND Site Boundary Mid-rise Building Stacked Townhouses Back-to-Back Townhouses Amenity / Open Space

### 3.1.5 Development yields (preferred option)

The following tables detail the unit yields and Gross Floor Area[1] per typology for the preferred option at Malaga prepared by Bousfields.

*Table 2 detailed development statistics of the Malaga site by typology*

| Malaga Redevelopment<br>Preferred Option<br>Detailed Development Statistics by Typology[2] | | | | | |
|---|---|---|---|---|---|
| Total Residential GFA (m2) | 35,854 | | | | |
| Total Non-Residential GFA (m2) | 360 | | | | |
| Total GFA (m2) | 36,214 | | | | |
| Unit Statistics | Avg Unit Size (m2) | No. Market Units | No. Affordable Units | No. Replacement RGI Units | Total No. Units |
| Apartment Bachelor | 42 | 10 | 8 | 0 | 18 |
| Apartment 1 Bed | 59 | 81 | 53 | 0 | 134 |
| Apartment 2 Bed | 72 | 92 | 60 | 0 | 152 |
| Apartment 3 Bedroom | 80.8 | 20 | 23 | 45 | 88 |
| Apartment 4 Bedroom | 92.9 | 0 | 8 | 8 | 16 |
| B-to-B Townhouse 3 Bed | 168.75 | 8 | 0 | 8 | 16 |
| Stacked Townhouse 2 Bed | 76 | 4 | 4 | 0 | 8 |
| Stacked Townhouse 4 Bed | 152.38 | 4 | 0 | 4 | 8 |
| Total | - | **220** | **155** | **65** | **439** |

Further to the development yields, the provided parking for the proposed development is 627 spaces (detailed parking statistics can be found in section 3.1.3). This number meets the minimum number of parking spaces required by Zoning By-law 60-94. **Table 3** below compares the provisioned parking against the minimum required parking.

[1] Gross Floor Area (GFA) is an estimate. The final GFA number will depend on the architectural building design. In the case of this study, the proposed midrise building's GFA is calculated as 94% of the GCA, where the 6% deduction assumed accounts for typical building feature exclusions such as non-enclosed spaces, air shafts, floor area dedicated to the loading, parking, and circulation of cars, etc.

[2] Unit counts may not add up to 100% due to rounding.

*Table 3 Parking provision for Malaga*

| Malaga Preferred Option[3] Parking Spaces | | | | |
|---|---|---|---|---|
| **Parking Provision** | **No. Of Units** | **Min. No. of Parking Spaces Required** | **No. of Parking Spaces Provided** | **Location of Parking Spaces Provided** |
| Residential Parking Spaces – Apartment Buildings (1.0 + 0.33 Visitor Parking Space / Dwelling Unit) | 407 | 541 | 541 | 1.6 levels of underground parking + 12 at-grade visitor parking spots |
| Residential Parking Spaces – Stacked Townhouses (1.0 + 0.33 Visitor Parking Space / Dwelling Unit) | 16 | 21 | 32 | Private driveways and integral garages |
| Residential Parking Spaces – Back-to-Back Townhouses (1.25 + 0.35 Visitor Parking Space / Dwelling Unit) | 16 | 26 | 32 | |
| Pick-Up-Drop-Off | 439 | N.A. | 7 | Along proposed private road |
| Non-Residential Parking Spaces (1.0 Parking Space / 24 m2) | 360 m2 | 15 | 15 | 1.6 levels of underground parking |

3

The minimum number of parking spaces required is based on the requirements in Zoning By-law 60-94 which includes the parking ratio of 1.33 for apartments and stacked townhomes (1 space/dwelling unit + 0.33 space/dwelling unit for visitors), 1.60 for the back-to-back townhouses (1.25 space/dwelling unit + 0.35 space/dwelling unit for visitors), and 1 parking space/24m2 for non-residential uses.

Infrastructure Ontario

## 3.2. Planning Feasibility

### 3.2.1 Planning rationale

The preferred concept option for Malaga considers applicable planning policies from the provincial level down to the local level as documented in Bousfields' Malaga Planning Due Diligence Report. The proposed residential form is consistent with and meets the intent of the applicable planning policy framework including: The Provincial Policy Statement, the Growth Plan for the Greater Golden Horseshoe, the Region of Durham's Official Plan, and the City of Oshawa's Official Plan.

### 3.2.2 Required planning approvals

**Table 4** below outlines the development application approvals required to permit the proposed redevelopment for Malaga. This is a preliminary list based on the stage 1 PAC meeting held with City staff and a Planning Rationale Report or Planning Justification Report will be required to support a formal development application.

*Table 4: An overview of identified approvals required for redevelopment of Malaga.*

| Required Approval | Description | Approach to Obtain |
|---|---|---|
| Official Plan Amendment Application | Initial consultation with City of Oshawa staff suggests that the current Official Plan designation does permit the proposed residential use. However, an OPA would be required to permit the proposed density/height. | The City of Oshawa has a multi-stage pre-consultation process as part of its Pre-Consultation By-law before the submission of an OPA. An OPA can be submitted concurrently with a Zoning Bylaw Amendment (ZBA). The municipality has 120 days to review a concurrent OPA and ZBA application upon submission. |
| Zoning By-Law Amendment Application | Although the in-force zoning permits the proposed typologies, a rezoning would be required to permit the additional height and density proposed in the preferred concept. | The City of Oshawa has a multi-stage pre-consultation process as part of its Pre-Consultation By-law before the submission of a Zoning By-law Amendment. Once the application is deemed complete, the total review process is 90 days, or 120 days if an OPA is submitted concurrently with a ZBA. The expected duration based on an accelerated timeline provided for affordable housing projects is approximately 12 months. |

| Required Approval | Description | Approach to Obtain |
|---|---|---|
| Site Plan Control | A Site Plan Control Application is required to permit the proposed development. Site Plan Control applies to all residential development within the City of Oshawa. | A Site Plan Control Application will not be accepted until rezoning is approved by Council. The expected duration of the Site Plan Application under an accelerated timeline is approximately 8-12 months. |
| Central Lake Ontario Conservation Authority Permit Applications | CLOCA will be circulated on all development planning applications and provide comments throughout the process. | |

### 3.2.3 Planning approvals risks & mitigation measures

*Table 5: Risks and mitigations for development approvals*

| | Risk | Mitigation Measure |
|---|---|---|
| Approval Timeline | Approval of planning applications may be prolonged due to scope of supporting studies requested by City staff, resulting in potential time delays (e.g. seasonal constraints) and additional costs for the Region to prepare the planning applications and potential time delays for the City to review the applications. | As part of the Pre-Application Consultation (“PAC”), identify potential opportunities for prioritization and acceleration of review & approval of project’s planning applications, given the project’s significant affordable housing component. |
| Political Buy-in | Potential political opposition by the local councillor(s) and/or by broader city or regional council inhibits planning approvals for the project. | Ongoing collaboration and engagement with political stakeholders can help secure political buy-in. |

| | Risk | Mitigation Measure |
|---|---|---|
| Public Buy-in | Even with staff and political approval of a planning application, an application may still be appealed to the Ontario Land Tribunal by any person or public body who made verbal presentations at a public meeting or written submissions prior to adoption of an OPA or ZBA by a municipality, which may delay approval timelines by up to 18 months. | Region, with support from Bousfields, has been undertaking an extensive public engagement process that is beyond the statutory engagement process required as part of an OPA and/or a ZBA. The public engagement process has spanned various channels (both in-person and virtual) and has targeted both onsite and offsite residents. Engagement feedback has been documented and considered, to the extent feasible, in the conceptual design, to ensure that local residents and stakeholders that would be impacted by the redevelopment are feeling heard and supported. Public engagement will continue as part of the OPA and ZBA process, with clear and consistent messaging on the potential public and resident benefits from the Malaga redevelopment. It is important to note that approval of the Site Plan Control application is not appealable. |

### 3.3.1 Summary of completed technical due diligence

As part of its planning due diligence scope, Bousfields engaged subconsultants to undertake technical due diligence in the following areas: transportation, site servicing and natural heritage. The table below summarizes their findings:

*Table 6: Highlights and next steps for technical due diligence for the Malaga site.*

| | Highlights | Next Steps |
|---|---|---|
| Transportation | Existing local and area street network and mobility context will improve over time, particularly with the arrival of the Central Oshawa GO Station located just over 2 km northeast of Malaga.<br><br>Parking standards generally range between 1.0 to 2.0 spaces per unit for residents and 0.25 to 0.30 spaces per unit for visitor parking, depending on building typology. There are increased efforts by the City of Oshawa to respond to changing transportation needs and change travel behaviour, e.g. through area parking reductions, depending on the density and location of development.<br><br>Bicycle parking is not required by the in-force zoning but is recommended based on a 2021 City of Oshawa Parking Study, to support the shift to active transportation and support the potential to provide a reduced number of parking spaces.<br><br>A preliminary traffic assessment indicated good levels of operation on the area street network, suggesting that traffic generated by the redevelopment of Malaga should not pose a constraint. | A traffic impact study, a truck maneuvering/swept path analysis plan and a parking study (if reduced parking is to be proposed) will be required to support an Official Plan Amendment/Zoning-By-law Amendment application. |

| | Highlights | Next Steps |
|---|---|---|
| Site Servicing | Given Malaga's location adjacent to the existing feeder main on Malaga and Oxford, water supply is not anticipated to be a constraint.<br><br>The preliminary analysis of the existing municipal sanitary service network suggests that sufficient capacity exists in the 675 mm trunk located east of the site. Some replacement of the existing 250mm diameter downstream sewer between the site and the trunk sewer may be required to gain some sewer capacity and depth to provide service to any proposed development. This will need to be confirmed as the details related to this proposal are available. A new public sewer will be required to connect to the existing municipal system to capture and convey storm water from any new private roads.<br><br>Individual development blocks will be connected to the municipal water supply and sanitary systems. | A functional servicing report (including grading plan and servicing plan), a stormwater management study and a calcium carbonate assessment will be required to support an Official Plan Amendment/Zoning-By-law Amendment application. |
| Natural Heritage | Eastern edge of the Site falls within the CLOCA regulated area associated with Oshawa Creek and requires a 30 metre setback from the Valleylands associated with the Oshawa Creek.<br><br>CLOCA has agreed in-principle to a proposed straightened development limit that results in no net loss to the natural heritage setback area. | A slope stability assessment will be required to confirm the limit of the long-term stable top of slope associated with Oshawa Creek.<br><br>An Environmental Impact Statement will need to be completed to ensure no harm or negative impacts to the natural heritage system and associated key natural heritage/hydrologic features or their functions. A tree preservation study/inventory will also be required to support an Official Plan Amendment/Zoning-By-law Amendment application. |

### 3.3.2 Outstanding technical due diligence

In addition to the additional technical due diligence outlined in the above table under Next Steps, City staff have provided a checklist at the first Pre-Application Consultation ("PAC"), outlining all the studies, plans, and information required for a complete development application:

OPA and ZBA:

- High-Level Architectural Drawings including site plan, floor plans, and elevations
- Topographic Survey (already completed by the Region)
- Planning Justification Report
- Public Consultation Strategy
- Draft Official Plan Amendment and Draft Zoning By-law Amendment
- Soils Study (Geotechnical)
- Hydrogeological Report
- Fluvial Geomorphology Assessment
- Archaeological Assessment and Ministry Clearance of Archaeological Assessments
- Noise Study
- Environmental Site Assessment (Phase 1 and 2)
- Record of Site Condition
- Oshawa Ontario Building Code Design Information Sheet (one for each proposed building)

Site Plan Control (in addition to above):

- Landscape Plan
- Landscape and Civil Engineering Cost Estimates
- Erosion and Sediment Control Plans
- Reliance Letter for Soils Study (Geotechnical)
- Lighting/Photometric Plan
- Draft 40R Plan
- Waste Management Plan

### 3.3.3 Considerations for phasing and tenant relocation

Social Housing Operations Regional staff have indicated that passive tenant relocation has already commenced in the last 12-18 months, as turned-over units at Malaga are left vacant rather than filled with new tenants. At the time of writing of this report, Malaga is ~40% vacant. Given planning approvals are expected to take at least another two years, during which staff will continue to vacate units as they turn over while also commencing a more proactive approach of incentivizing and supporting tenants in relocating to other RGI units, it is expected that there will not be any tenant-driven needs for undertaking a phased approach to demolition and construction.

Other factors that may impact construction phasing include construction staging, unit absorption and funding:

- Construction staging: the builder may require designated areas onsite for material storage, equipment staging and temporary facilities (e.g. construction trailers and portable toilets), which may warrant phasing construction of the various buildings, particularly if different construction methods are used (e.g. wood construction for the townhomes and concrete for the mid-rises).
- Unit absorption: particularly for the market rental units, it is important that there be sufficient local demand in the market to support timely lease-up of said units. This will help ensure that units are occupied, rents are being earned and loan repayments associated with the construction financing can be supported. Market analysis from Altus indicates that the volume of market units generated by the development at Malaga is unlikely to create any significant absorption risks, driven by projections of strong rental demand in Oshawa and a variety of built-form typologies that can target a larger pool of potential renters. More detail on Altus's market analysis is included in section 8.3 of the Appendix. As for the affordable rental units, given the long waiting lists typical in the GTHA, it is unlikely that these units would face any absorption issues.
- Funding: given the size of development at Malaga, should the Region face any funding constraints, a phased approach to construction may help with distributing the project's funding requirements over a longer time horizon.

### 3.3.4 Risks & mitigation measures

*Table 7: Risks and mitigation measures for technical due diligence studies.*

| | Risk | Mitigation Measure |
|---|---|---|
| Underground Parking | Soil conditions and proximity to Oshawa Creek may not be conducive for constructing 1.5 levels of underground parking, resulting in increased costs, a redesign of the site's parking provision or a combination of the two | A geotechnical soils study will be critical for assessing site soil conditions and determining whether any cost premiums (beyond what is currently budgeted for) would be incurred in constructing underground parking per current conceptual design |
| Natural Heritage | Setbacks and buffers from the natural heritage feature may be greater than expected | Preliminary meetings have been held with CLOCA to inform the development limit proposed in Malaga's conceptual design, reflecting policy setback requirements and the opportunity for land swaps with CLOCA to allow for a straightened development limit. A slope stability assessment will be required here for confirming the long-term stable top of slope associated with Oshawa Creek, which impacts the development limit. |
| Sanitary Upgrades | Potential need for upsizing of the segment of the 250mm sanitary sewer through Cordova Park to the 675 mm trunk located east of the site may add significant time and costs to the project. | A preliminary discussion with Counterpoint Engineering suggested that sanitary upgrades may not be required, and more detailed modelling is to be completed as part of the Functional Servicing Report to validate this assessment. Should the sanitary upgrade be required, the greenfield/less invasive setting at Cordova Park is expected to incur lower costs than otherwise would be incurred along a road. In terms of timing, given planning approvals are expected to take at least another two years, any required sanitary upgrades can be planned to be completed during that time, to ensure that servicing does not pose a constraint to the construction timeline. |

## 3.4. Financial Feasibility

Note: all calculations in sections 3.4.1 to 3.4.3 are based on a base case scenario of 50% affordable, split between <80% MMR (30% of all units) and 100% MMR (20% of all units). This scenario was selected as the base case scenario because it allows the Region to drive towards an ambitious affordable housing target while supporting financial feasibility (through higher affordable rents on a portion of affordable units), all while maintaining eligibility for CMHC financing.

### 3.4.1 Estimated development costs

Redevelopment of Malaga is estimated to cost ~$259M (~$591K per unit or ~$689 per buildable square foot). ~91% of the development budget is comprised of construction costs, which encompasses demolition, below-grade parking construction, building construction, construction management fee, landscaping and streetscaping, utility connections, insurance and construction contingencies. Other cost categories that typically comprise a larger proportion of a development budget, namely land and municipal charges, are significantly lower for this site because the land is already owned by the Region and municipal charges, including development charges, community benefits charges, cash-in-lieu of parkland and school board fees are assumed to be exempt for this site, per S. 2.5(b) of the City of Oshawa's DC by-law and per S. 2.3(a) of the Region of Durham's DC by-law. This interpretation of a full exemption from both lower-tier and upper-tier municipal charges was confirmed by City staff at the stage 1 PAC meeting.

*Table 8: Malaga development budget*

| EXECUTIVE SUMMARY | Budget | % of Total | Budget Assumptions & Comments | Cost per Unit | Cost per Buildable SF |
|---|---|---|---|---|---|
| LAND & ASSOCIATED COSTS | $2,021,106 | 0.8% | Property taxes throughout development and construction. $0 land costs. | $4,604 | $5 |
| DEVELOPMENT APPROVAL AND MUNICIPAL COSTS | $1,013,000 | 0.4% | Fees for planning applications, building permit and miscellaneous permits (e.g. lane closures). Full exemption assumed for DCs, CBCs, CIL of Parkland and school board fees. | $2,308 | $3 |
| CONSTRUCTION | $236,600,430 | 91.3% | Demolition, below-grade parking, buildings, construction management fee, landscaping & streetscaping, utility connections, insurance and construction contingencies. | $538,953 | $628 |
| DESIGN & CONSULTANTS | $7,200,000 | 2.8% | Consultants to support planning approvals and detailed design development. | $16,401 | $19 |
| GENERAL & ADMINISTRATIVE (G&A) | $320,000 | 0.1% | Legal, accounting and miscellaneous admin services. $0 development management costs (Regional staff salaries are excluded). | $729 | $1 |
| FURNITURE, FIXTURES & EQUIPMENT (FF&E) | $300,000 | 0.1% | | $683 | $1 |
| MARKETING, ADVERTISING & LEASING | $921,803 | 0.4% | Market rental units only - includes a presentation centre and leasing commissions. | $2,100 | $2 |
| FINANCE | $9,899,033 | 3.8% | Construction loan interest and other financing fees. | $22,549 | $26 |
| GOVERNMENT TAXES | $0 | 0.0% | HST exempt. | $0 | $0 |
| DEVELOPMENT CONTINGENCY | $1,000,000 | 0.4% | Contingency for soft cost and schedule overruns. Contingency for hard costs is captured separately under the Construction budget item. | $2,278 | $3 |
| **GROSS PROJECT BUDGET** | **$259,275,373** | **100%** | | **$590,604** | **$689** |

Given the construction cost category makes up such a large proportion of the development budget, additional detail is provided below with respect to the assumptions used to estimate each of the construction sub-categories:

*Table 9: Malaga construction budget*

| CONSTRUCTION COSTS | | | |
|---|---|---|---|
| | Applicable Area | $/SF | Subtotal |
| **Construction Cost - Below Grade** | 252,876 | 250 | **63,219,076** |
| **Construction Cost - Midrise A/B - 10 Storeys** | 349,676 | 335 | **117,141,479** |
| **Construction Cost - Lowrise B2B** | 34,875 | 215 | **7,498,133** |
| **Construction Cost - Lowrise Stacked** | 44,950 | 235 | **10,563,261** |
| **Construction Cost - Site Development** | 207,420 | 25 | **5,185,509** |
| | Amount | % | Subtotal |
| **Construction - Design & Pricing Contingency** | 203,607,457 | 5.0% | **10,180,373** |
| **Construction - Construction Contingency** | 203,607,457 | 5.0% | **10,180,373** |
| **Construction - Escalation Contingency** | 203,607,457 | **0.0%** | **-** |
| **Construction Management Fee** | 223,968,202 | 3.0% | **6,719,046** |
| | Units | $/unit | |
| **Utilities Connections (Hydro/Gas/Water/Storm/S** | 439 | 1,500 | **658,500** |
| **Demolition, Site Remediation & Abatement** | | | **600,000** |
| **Premium for Accessibility Standards** | 88 | 2,500 | **220,000** |
| **Premium for Green Energy Requirement** | 439 | 5,000 | **2,195,000** |
| **Off-site works / Streetscape** | | | - |
| **Insurance** | 223,968,202 | 0.01 | **2,239,682** |
| **Total** | | | **$236,600,430** |

### 3.4.2 Proposed funding sources

IO undertook a review of potential funding options for Malaga, which included the following:

- CMHC funding programs: the federal government's National Housing Strategy offers complementary funding and financing initiatives addressing challenges across the housing continuum and the spectrum of housing needs
- Ontario Priorities Housing Initiative ("OPHI") program: OPHI provides municipalities with flexible funding to address local housing priorities and improve access to affordable housing options
- Federation of Canadian Municipalities ("FCM") Green Municipal Fund: a federally-funded program providing municipalities with grants, loans, innovative financing, leveraged investments, capacity building and strategic support for transformation to resilient, net-zero communities
- HPC Housing Investment Corporation's affordable housing bonds: a provider of long-term, fixed financing to housing non-profits and cooperatives to build more affordable housing and regenerate Canadian community housing portfolios

Based on program eligibility guidelines, project funding amounts and Malaga's development budget, the most applicable funding program for Malaga would be CMHC's Affordable Housing Fund (previously known as the National Housing Co-Investment Fund). While the National Housing Co-Investment Fund only had funding commitments until fiscal '25/'26, on November 21st, 2023, as part of the Fall Economic Statement, the federal government committed additional funding of $1 billion over 3 years, starting in fiscal '25/'26, to build more affordable housing via the rebranded Affordable Housing Fund ("AHF"). The AHF provides low-interest loans and forgivable loans to partnered organizations (i.e. organizations that have secured funding from another level of government) to build and/or renovate affordable and community housing. The AHF focuses on developing energy-efficient, accessible and socially inclusive housing that is mixed-income, mixed-tenure and mixed-use. For municipalities, provinces, territories and private sector, the AHF can lend at up to 75% of eligible project costs for an amortization of up to 50 years and at an underwritten interest rate of 4.50% (as of April 8th, 2024). Projects must also generate sufficient Net Operating Income (i.e. rental income less operating expenses) to cover off loan payments at a ratio of 1.0x (i.e. no additional income buffer required beyond the loan payment amount). Based on Malaga's current project economics and the financing terms described above, Malaga's development budget of $259M would be eligible for a repayable loan of ~$142M (55%of the development budget), based on the base case scenario of 50% affordable units.

In addition to repayable loans, forgivable loans may also be available in the following circumstances:

- Base funding of $25K per unit for meeting the mandatory minimum program requirements of: i) 30% of units offered at less than 80% Median Market Rent ("MMR") for a minimum of 20 years; ii) project must demonstrate that it will either achieve a 25% decrease in energy consumption and Greenhouse Gas 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; and iii) 20% of units must meet or exceed accessibility standards and its common areas must be barrier-free OR have full universal design applied. Current costing reflects the following cost premiums for meeting the above energy efficiency and accessibility requirements:
    - Energy efficiency requirement: $5,000/unit for full electric/no gas heating
    - Accessibility requirement: $2,500/unit for door openers, accessible showers etc.
- Additional funding of up to $50K per unit for higher performing projects to offset higher costs of meeting or exceeding minimum requirements on affordability (40% of units offered at less than 70% MMR for a minimum of 20 years) and energy efficiency (project must demonstrate that it will achieve a 35% decrease in energy consumption and Greenhouse Gas emissions relative to the 2015 National Energy Code for Buildings or the 2015 National Building Code). No additional cost premium beyond the energy efficiency premium of $5,000/unit indicated above would be required in order to achieve the higher energy efficiency performance required for the additional grant funding. That said, the higher affordability performance would reduce the project's rental income and is reflected in the higher performance scenario modelled in this report.
- Where cash flow is insufficient and a forgivable loan is needed to attain break-even cash flow

Forgivable loans are capped at the lower of: i) $75K per unit; and ii) 30% of eligible project costs. Given there are 439 units proposed at Malaga, $75K per unit equates to $32.9M. Given project costs are ~$259M, 30% equates to $77.7M, therefore the lower of the two is $32.9M. Based on the base case scenario of 50% affordable units, the Malaga redevelopment would be eligible for a forgivable loan amount of $21.95M. This would result in an outstanding amount of ~$95M that would still require funding by the Region to advance the project. Other potential funding sources may include the following:

- OPHI: OPHI's Rental Housing stream offers forgivable loans for the construction of new affordable rental units. Feedback from Regional staff indicated that the Region's annual OPHI budget for new affordable rental construction is ~$3M.

- FCM: FCM's Green Municipal Fund offers a combination of loans and grants for the construction of new affordable rental units that are designed to achieve net-zero-ready building energy performance. The Green Municipal Fund guidelines indicate that the maximum funding per project is $10M.

- Region of Durham: the Region offers rent supplements to some affordable housing projects (e.g. Durham Region Non-Profit Housing Corporation). While rent supplements are not a direct form of capital funding, they support project economics by increasing the amount of financing that a project can support, thereby reducing the equity/non-debt funding requirement. The Region's Housing Services team indicated that rent supplements and/or operating subsidies would be used for the RGI units, to subsidize potential gaps between paid RGI rents and RGI "market rents," which would be set at 80% of MMR, in alignment with CMHC's AHF affordability requirements and slightly above current RGI "market rents" (RGI "market rents" are escalated annually).

Given the scale of Malaga's proposed redevelopment, most of the above programs would still be insufficient for the outstanding funding required (beyond CMHC financing) for the project. The Region's Finance team indicated that the Region has capacity to source capital funding at scale through debentures (and corresponding increases to Regional property taxes in the year that the debentures are introduced) but any capital funding needs for the Malaga redevelopment will need to be balanced and appropriately timed against the Region's other capital planning priorities. This will be further informed by the Region's strategic capital planning process.

It is important to note that while a public-private partnership ("P3") delivery approach, akin to some of the direct delivery models adopted by the Province for the construction of hospitals, correctional facilities etc., could help defer the timing of the Region's funding to construction substantial completion (albeit at a cost premium, reflecting higher transaction costs and higher completion payments to the constructor to compensate for additional financing costs and risk), it would not absolve the Region from needing to arrange funding to pay for the project's development costs.

Below is a summary of the estimated sources of funds for the Malaga redevelopment:

*Table 10: Malaga sources of funds*

| Source of Funds | | | |
|---|---|---|---|
| Region Capital Funding | | 94,983,184 | 37% |
| CMHC Forgivable Loan | $50,000 /unit | 21,950,000 | 8% |
| CMHC Construction Loan | | 142,342,188 | 55% |
| **Total** | | **259,275,373** | **100%** |

### 3.4.3 Market, affordable and RGI weighted average unit rent

Below is a summary table of the unit mix across market rental, affordable rental and RGI units, both in absolute and relative terms, assuming the base case scenario 50% affordable. Unit yields were computed as follows:

- Overall unit yield was informed by the conceptual site plan developed by Bousfields
- Market unit mix was informed by a market analysis undertaken by Altus. It is important to note that Altus's market analysis indicated that greater variety in the apartment unit mix, specifically introducing 1BR + den and 2BR + den units, will be important for maximizing success of market absorption of units and minimizing the lease-up period.
- Affordable unit mix was informed by a combination of the current purpose-built rental inventory in Oshawa and community engagement feedback
- RGI unit mix was informed by the existing unit mix on site

*Table 11: Malaga unit mix*

| Unit Type | Market | Affordable | RGI Rental Replacement | Subtotal | Market Units as % of Total | Aff. Units as % of Total | RGI Rental Replacement Units as % of Total | % of Grand Total |
|---|---|---|---|---|---|---|---|---|
| Bachelor | 10 | 8 | 0 | 18 | 57% | 43% | 0% | 4% |
| 1B | 81 | 53 | 0 | 134 | 61% | 39% | 0% | 31% |
| 1B+D | 0 | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| 2B | 92 | 60 | 0 | 152 | 60% | 40% | 0% | 35% |
| 3B | 20 | 23 | 45 | 88 | 23% | 26% | 51% | 20% |
| 4B | 0 | 8 | 8 | 16 | 0% | 48% | 52% | 4% |
| B2B TH (3B) | 8 | 0 | 8 | 16 | 50% | 0% | 50% | 4% |
| B2B TH (4B) | 0 | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| Stacked (2B) | 4 | 4 | 0 | 8 | 50% | 50% | 0% | 2% |
| Stacked (4B) | 4 | 0 | 4 | 8 | 50% | 0% | 50% | 2% |
| **Total** | **220** | **155** | **65** | **439** | **50%** | **35%** | **15%** | **100%** |
| | | | | | | | | |
| Avg. Size per Market Type | 771 | 737 | 1,050 | 801 | | | | |

Below is a summary table of the expected monthly rental rates across the various unit types. Rental rates were computed as follows:

- Market rental rates were informed by a market analysis undertaken by Altus of asking market rents for new rental product in Oshawa

- Affordable rental rates are tied to CMHC's MMR for each unit type in South Oshawa. The base case scenario sets 30% of units at 79% MMR and an additional 20% of units at 100% AMR – this ensures that the project maintains eligibility for CMHC's AHF (at least 30% of units rented at less than 80% MMR) while generating additional rental income on the remaining affordable units to support financial feasibility
- While rental rates on replacement RGI units will be geared to household income at 30%, these rents will be supplemented by operating subsidies and/or rent supplements, bringing the earned rents in line with the affordable rental rates. The 50% affordable rate under the base case scenario includes replacement RGI units.

The Affordable Rent as % of Market column illustrates the discount provided on affordable rental units compared to the market rental units.

*Table 12: Malaga unit rental rates*

| Avg. Unit Rent | Market | Affordable | RGI Rental Replacement | Affordable + RGI Rental Replacement | Affordable Rent as % of Market | RGI Rental Replacement as % of Market | Affordable + RGI Rental Replacement as % of Market |
|---|---|---|---|---|---|---|---|
| Bachelor | $1,800 | $860 | n.a | $860 | 48% | 0% | 48% |
| 1B | $2,275 | $1,158 | n.a | $1,158 | 51% | 0% | 51% |
| 1B+D | $2,275 | n.a | n.a | n.a | 0% | 0% | 0% |
| 2B | $2,625 | $1,309 | n.a | $1,309 | 50% | 0% | 50% |
| 3B | $2,850 | $1,470 | $1,495 | $1,487 | 52% | 52% | 52% |
| 4B | n.a | $1,639 | $1,495 | $1,565 | 0% | 0% | 0% |
| B2B TH (3B) | $3,500 | n.a | $1,639 | $0 | 0% | 47% | 0% |
| B2B TH (4B) | n.a | n.a | n.a | n.a | 0% | 0% | 0% |
| Stacked (2B) | $2,675 | $1,355 | n.a | $1,355 | 51% | 0% | 51% |
| Stacked (4B) | $3,350 | n.a | $1,639 | $1,639 | 0% | 49% | 49% |
| **Weighted Avg.** | **$2,524** | **$1,276** | **$1,522** | **$1,349** | **51%** | **60%** | **53%** |

Below is a summary of the expected per square foot rents based on proposed unit sizes and expected rental rates. This metric is an illustration of the profitability of each unit type. The % of Market represents the foregone profitability on affordable rental units compared to the market rental units.

*Table 13: Malaga per square foot rental rates*

| $/sqft | Market | Affordable | RGI Rental Replacement |
|---|---|---|---|
| Bachelor | $3.98 | $1.90 | n.a |
| 1B | $3.58 | $1.82 | n.a |
| 1B+D | $3.58 | $1.82 | n.a |
| 2B | $3.39 | $1.69 | n.a |
| 3B | $3.28 | $1.69 | n.a |
| 4B | n.a | $1.64 | $1.68 |
| B2B TH (3B) | $1.93 | $0.90 | $0.90 |
| B2B TH (4B) | n.a | n.a | n.a |
| Stacked (2B) | $3.27 | $1.66 | n.a |
| Stacked (4B) | $2.04 | $1.00 | $1.00 |
| **Avg Rent/Sqft** | **$3.27** | **$1.73** | **$1.45** |

Below is a summary of the operating financials of the project, including rental income, operating costs and debt service payments.

*Table 14: Malaga operating financials*

| Net Operating Income Summary | Units | $/Unit | $/sqft mon. | Monthly Gross | Annual Gross |
|---|---|---|---|---|---|
| Market Units | 220 | $2,524 | 3.27 | 553,982 | 6,647,783 |
| Affordable Units | 155 | $1,276 | 1.73 | 197,216 | 2,366,593 |
| RGI Rental Replacement Units | 65 | $1,522 | 1.45 | 98,913 | 1,186,960 |
| **Potential Gross Income - Residential** | **439** | **$1,936** | **2.42** | **850,111** | **10,201,336** |
| | | | | | |
| Ancillary Income - Parking | | | | | 488,400 |
| Ancillary Income - Locker | | | | | 65,400 |
| Less: Vacancy & Credit Loss | | | | 2.7% of PGI | (287,119) |
| **Effective Gross Income - Residential** | | | | | **10,468,017** |
| Less: Operating Expense | | | | 34.19% | (3,579,015) |
| **Net Operating Income - Residential** | | | | | **6,889,002** |
| | | | **$/sqft ann.** | | |
| Non-Residential - Community / Not-for-Profit | | | 0.00 | | - |
| **Total Untrended NOI** | | | | | **6,889,002** |
| Mortgage Payment | | | | | (6,033,035) |
| **Cashflow after Financing (Free CF) - Untrended** | | | | | **855,967** |

### 3.4.4 Sensitivity analysis:

Below is a sensitivity analysis of the capital funding required by the Region, both in terms of absolute dollars and percentage of total funding, based on changes in the repayable loan interest rate and changes to construction costs. Highlighted cells illustrate the current interest rate and construction cost increase assumed in the pro-forma.

*Table 15: Malaga sensitivity analysis for base case redevelopment scenario*

| | | CMHC Repayable Loan Interest Rate (Stress Test) | | | | |
|---|---|---|---|---|---|---|
| | | 3.75% | 4.00% | 4.25% | 4.50% | 4.75% |
| | -2.5% | $69,123,903 | $76,803,551 | $83,241,202 | $89,659,369 | $96,053,856 |
| Construction | 0.0% | $75,018,013 | $81,613,583 | $88,194,508 | $94,983,184 | $101,286,859 |
| Costs | 2.5% | $81,136,510 | $87,876,502 | $94,597,882 | $101,296,547 | $106,702,638 |
| Increase | 5.0% | $86,112,539 | $94,305,648 | $101,168,913 | $106,705,380 | $113,521,420 |
| (Decrease) | 7.5% | $92,542,275 | $99,570,477 | $106,577,091 | $112,232,877 | $119,186,361 |
| | 10.0% | $99,138,363 | $104,951,498 | $112,097,231 | $119,219,962 | $124,959,440 |

**Capital Funding Required by the Region (%)**

| | | CMHC Repayable Loan Interest Rate (Stress Test) | | | | |
|---|---|---|---|---|---|---|
| | | 3.75% | 4.00% | 4.25% | 4.50% | 4.75% |
| | -2.5% | 27.3% | 30.3% | 32.8% | 35.3% | 37.9% |
| Construction | 0.0% | 29.0% | 31.5% | 34.0% | 36.6% | 39.0% |
| Costs | 2.5% | 30.7% | 33.2% | 35.7% | 38.2% | 40.2% |
| Increase | 5.0% | 31.9% | 34.9% | 37.4% | 39.4% | 41.9% |
| (Decrease) | 7.5% | 33.5% | 36.1% | 38.6% | 40.6% | 43.1% |
| | 10.0% | 35.2% | 37.2% | 39.7% | 42.2% | 44.2% |

### 3.4.5 Risks & mitigation measures

*Table 16 Financial risks and mitigation measures for the Malaga site*

| | Risk | Mitigation Measure |
|---|---|---|
| Funding | Region may be unable to fund the non-CMHC portion of the development budget. | Further conversations were held with the Region's Finance department to confirm the Region's capacity to fund the non-CMHC portion of the development budget. Further conversations were also held with CMHC to validate the findings of the draft project pro-forma and determine how CMHC funding can be maximized. |
| Construction Cost Escalation | Construction costs may escalate beyond what is currently budgeted for in the project pro-forma. | Project pro-forma reflects what market developers are currently budgeting in for construction contingencies/overruns. Model functionality is also available in the pro-forma to assess the impact of construction cost escalation but is not part of the outputs shown in this report given CMHC indicated that its loan underwriting would be based on non-escalated rents and costs during the construction period. Also, some delivery models can help transfer cost escalation risk to the constructor by incorporating a guaranteed maximum price for the Region. |

| | Risk | Mitigation Measure |
|---|---|---|
| Financing Cost Escalation | Interest rate may further increase, leading to higher financing costs. | CMHC's financing is based on a 10-year fixed rate from the first loan advance. Ongoing collaboration with CMHC in advance of the first loan advance will be helpful for staying up to date on CMHC's financing rate and validating whether it is still in line with the pro-forma's current underwriting assumption of 4.50%. |
| Approved GFA | The planning approval process may bring down the final GFA, negatively impacting the project's expected rental income and the project's capacity to support construction financing. | City of Oshawa staff were involved in the early visioning of the Malaga redevelopment and provided preliminary indication of approvable massing and height limits at Malaga. Ongoing collaboration through the Pre-Application Consultation process will be critical for securing City staff buy-in on the proposed GFA. |
| Delays in CMHC Funding Application | CMHC's application review and approval process may add significant time delays and potential costs to the project. | Ongoing collaboration with CMHC will be critical for ensuring that the application submission includes all the requisite documentation and positions CMHC to review and approve the application in a timely manner. |
| Cross-Subsidization for RGI Units | RGI units may require significant cross-subsidization from non-RGI units in the projects, reducing the project's capacity to support construction financing. | A conversation was held with Housing Services Regional staff to confirm that RGI rents would be supplemented with operating subsidies and/or RGI rent supplements, to minimize cross-subsidization needs and protect the project's debt-carrying capacity. |
| Absorption of Market Units | Absorption of market rental units may be impacted by negative perception of living next to RGI tenants. | Housing Services Regional staff indicated that support services could be provided to high-need RGI tenants that may be disruptive to neighbouring residents. |

## SECTION 4: CHRISTINE REDEVELOPMENT FEASIBILITY

### 4.1. Preferred Concepts and Development Yields

#### 4.1.1 Site and Surrounding Context

The Christine Crescent site ("Christine") forms part of a larger site encompassing 514-560 Normandy Street, 420-436 Nevis Avenue and 518-555 Lomond Street (the "Hill"). With respect to the Hill, the Region has directed IO to maintain a primary focus of the business case on the smaller Christine site, while considering Christine's redevelopment in the context of the broader future redevelopment of the Hill. (see **Figure 2** below).


*Figure 2: Site map of the Christine site in Oshawa.*

Christine has an area of approximately 6,075 square metres (0.6 hectares, or 1.48 acres) and currently includes 12 two-storey semi-detached dwellings. The site is currently accessed via Christine Crescent which is a 'U' shaped public road, in which there is a grassed open space area owned by the City of Oshawa within the right of way. The entire crescent including the open space is included within this scope. The Christine site is located within Oshawa's Central neighbourhood, which includes diverse land uses including heritage, mixed-use, and commercial buildings. This neighbourhood includes a mix of low-rise residential (including up to four-storey apartment buildings), and commercial retail plazas along major arterials.

### 4.1.2 Land Use Planning Policy Context

A detailed planning due diligence report has been prepared by Bousfields. **Table 17** below summarizes the most pertinent planning policies that govern land use on the site. For more detailed information on the full scope of planning policies applicable to Christine, please refer to Bousfields' Christine Planning Due Diligence report.

*Table 17: Planning policy framework applicable to the Christine site*

<table>
<tr><th>Policy Document</th><th>Details</th></tr>
<tr><td>The City of Oshawa Official Plan</td><td>
The Christine site is designated 'Residential' within the Oshawa Official Plan.
Section 2.3.2 of the City's OP identifies permitted densities in Residential Areas
There is only one residential designation category in the Official Plan; however, the Official Plan provides direction on different built form types within the residential designation through a residential density classification system.
The potential to accommodate the following density types on Christine has been explored during the concept development phase through consideration of factors such as proximity to low rise neighbourhoods and open space, abutting public roads and connections to the broader street network. It should be noted that the location criteria for the highest residential density categories tend to apply to Sites along arterial roads.
<table>
<tr><th>Density Type</th><th>Net Residential Density</th><th>General Representative Housing Type/Form</th></tr>
<tr><td>Medium Density I Residential</td><td>30 – 60 units per hectare</td><td>Single Detached, Semi Detached, Duplex, Townhouses</td></tr>
<tr><td>Medium Density II Residential</td><td>60 – 85 units per hectare</td><td>Townhouses, Low Rise Apartments and Medium Rise Apartments</td></tr>
<tr><td>High Density I Residential</td><td>85 – 150 units per hectare</td><td>Low Rise and Medium Rise Apartments</td></tr>
<tr><td>High Density II Residential</td><td>150 – 300 units per hectare (outside Downtown Oshawa Urban Growth Centre)</td><td>High Rise and High Rise Apartments</td></tr>
</table>
</td></tr>
</table>

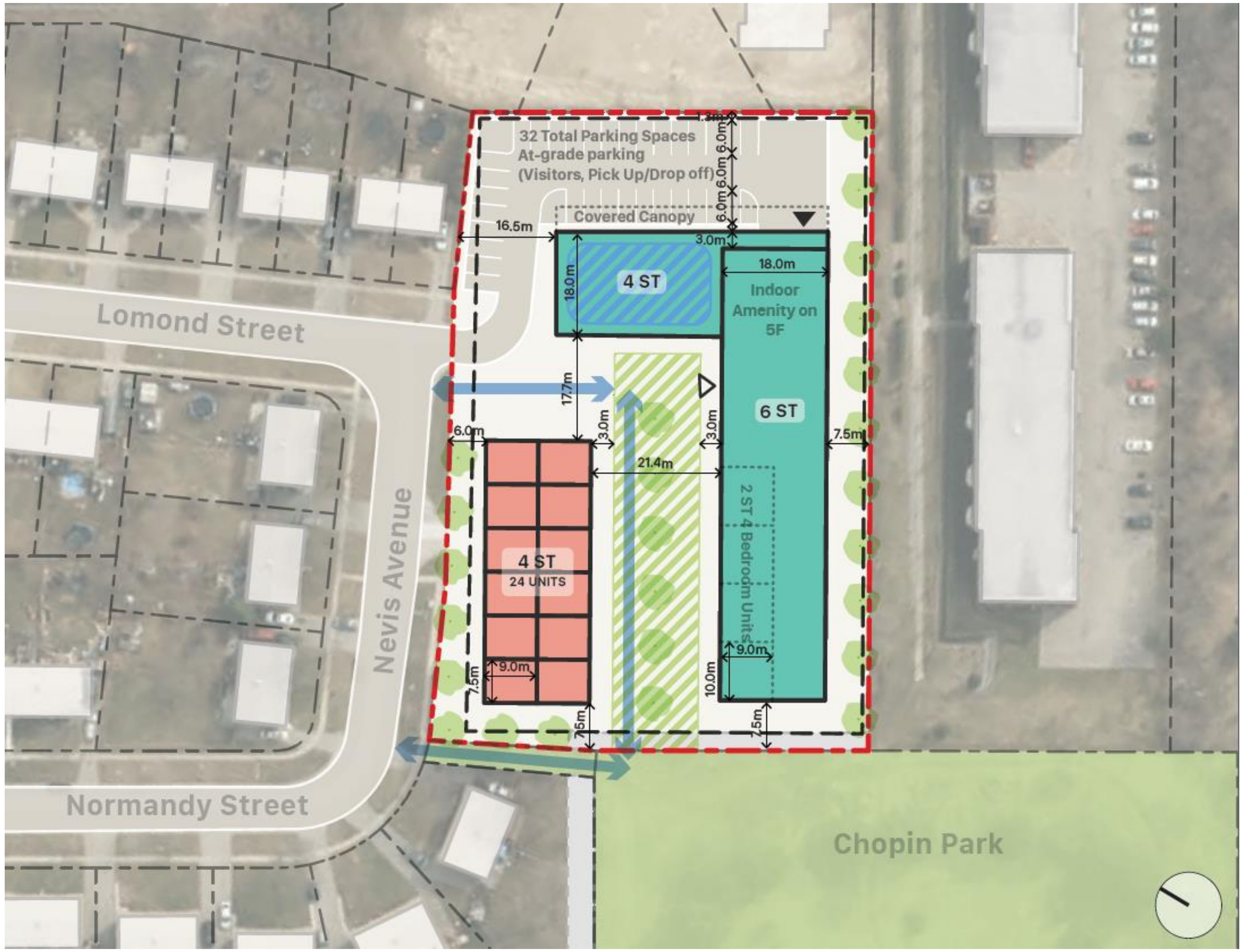
| | |
|---|---|
| | An Official Plan Amendment is required to permit a broader range of residential dwelling types and densities on Christine. |
| City of Oshawa Zoning By-law 60-94 | The Christine site is zoned R2 which permits Single Detached, Semi-Detached, and Duplex. A Zoning Bylaw Amendment is required to permit a broader range of residential dwelling types and densities on Christine. |

#### 4.1.3 Conceptual Site Plan

To inform concept development, a visioning workshop was held in December with Regional staff from Affordable Housing Development & Renewal, Planning, Works and Housing Services, City planning staff, IO and Bousfields to align on a set of redevelopment objectives and develop framework diagrams for each site that would begin to identify the location and type of built-form, location of public and/or private open spaces, circulation routes and uses. The following redevelopment objectives were proposed and agreed upon at the workshop, based on the Region's affordable housing strategy and policy, phase #1 community engagement and Bousfields' planning due diligence report:

- Replace existing units and optimize the provision of housing on the Sites at an appropriate height/density
- Contribute to a vibrant public realm
- Achieve site permeability and connectivity to local services, parks and public open spaces
- Support sustainability and inclusivity goals

Following the workshop, Bousfields reviewed the framework diagrams and drafted development concepts for each of the Sites. The preferred option for Christine is shown below, followed by two additional options. The preferred option has the parking largely below grade (1 storey below grade, with some surface visitor parking) and the City's Right-of-Way ("ROW") over Christine Crescent and the adjacent open space closed and conveyed to the Region to maximize development and layout efficiency, which allows the site to accommodate a mix of built form and unit types, as well as a centrally located Privately-Owned Public Accessible Space ("POPS"). The second option has the entire parking below grade (2 storeys), with the City's Right-of-Way ("ROW") over Christine Crescent and the adjacent open space remaining as is, limiting the development to a mid-rise only with non-contiguous open spaces. The third option has the parking above-grade, with the mid-rise building wrapping the parking structure. The selection of the preferred option was an iterative process informed by good planning principles, market conditions and feedback from various stakeholders. Ultimately the first option was selected as the preferred option because it better met the above redevelopment objective

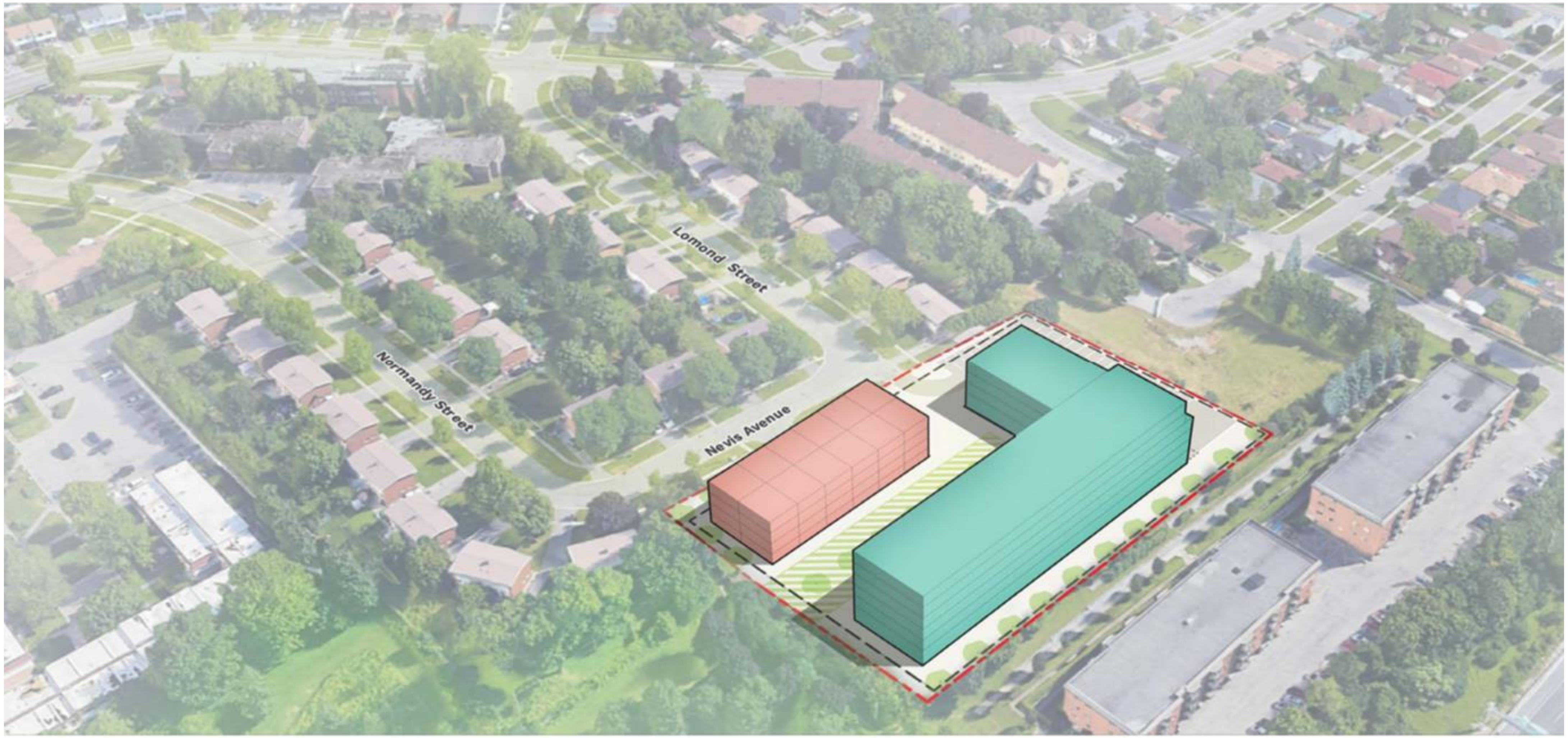



| Christine Redevelopment<br>Preferred Option<br>Prepared by Bousfields Inc. (April 2024) | |
|---|---|
| | Total |
| Gross Site Area (ha) | 0.785 |
| Net Redevelopment Area (ha) | 0.785 |
| Total Gross Floor Area (sq.m) | 13,220 |
| Total Indoor Amenity GFA (sq.m) | 328 |
| Net Floor Space Index (FSI) | 1.68 |
| Net Units per Hectare (UPH) | 209 |
| Unit Yield** | 164 |
| Parking | 222 |
| P1 U/G Parking | 190 |
| Surface Visitor Parking Spaces | 32 |
| Area of Private Roads/Driveways (ha) | 0.135 |
| Parkland and Open Space (ha) | 0.098 |
| Private and Publicly Accessible Open Spaces (ha) | 0.098 |
| ** Total unit yield. Detailed net new unit yields below in Section 4.1.6 | |

**LEGEND**

- Site Boundary
- Easement Access
- Mid-rise Building
- Stacked Back-to-Back Townhouses
- Open Space at Grade
- Rooftop Amenity
- Pedestrian Connection
- Parking Extent
- Lobby Entrance
- Parking Entrance

4.1.4 Conceptual Massing (preferred option)




LEGEND Site Boundary Stacked Back-to-Back Townhouses Parks and Open Space

### 4.1.5 Development yields

The following tables detail the unit yields and Gross Floor Area per typology for the preferred option at Christine prepared by Bousfields.

*Table 18: detailed development statistics of the Christine site by typology*

| Christine Redevelopment<br>Preferred Option<br>Detailed Development Statistics by Typology[4] | | | | | |
|---|---|---|---|---|---|
| Total Residential GFA (m2) | 13,220 | | | | |
| Total Non-Residential GFA (m2) | - | | | | |
| Total GFA (m2) | 13,220 | | | | |
| Unit Statistics | Avg Unit Size (m2) | No. Market Units | No. Affordable Units | No. Replacement RGI Units | Total No. Units |
| Apartment Bachelor | 42 | 4 | 3 | 0 | 7 |
| Apartment 1 Bed | 59 | 25 | 22 | 0 | 47 |
| Apartment 2 Bed | 72 | 35 | 26 | 0 | 61 |
| Apartment 3 Bedroom | 80.8 | 7 | 10 | 6 | 23 |
| Apartment 4 Bedroom | 92.9 | 0 | 3 | 0 | 3 |
| B-to-B Townhouse 2 Bed | 135 | 12 | 6 | 6 | 24 |
| Total | - | **82** | **70** | **12** | **164** |

Further to the development yields, the provided parking for the proposed development is 222 spaces (detailed parking statistics can be found in section 4.1.3). This number meets the minimum number of parking spaces required by Zoning By-law 60-94. **Table 19** below compares the provisioned parking against the minimum required parking. It is important to note that the transportation context at Christine is less supportive of public transit use, as the nearest bus stops are a walking distance to Dean Ave. and there are no direct bus routes to key transportation nodes like Oshawa GO or Oshawa Centre Terminal. Therefore seeking any parking reductions may be less practical at Christine.

[4] Unit counts may not add up to 100% due to rounding.

*Table 19: Parking provision for Christine*

| Christine Redevelopment[5] Parking Spaces | | | | |
|---|---|---|---|---|
| **Parking Provision** | **No. of Units** | **Min. No. of Parking Spaces Required** | **No. of Parking Spaces Provided** | **Location of Parking Spaces Provided** |
| Residential Parking Spaces – Apartment Buildings and Stacked Back-to-Back Townhouses (1.0 + 0.33 Visitor Parking Space / Dwelling Unit) | 164 | 218 | 218 | 1 level of underground parking + surface parking at northeastern corner of site |
| Pick-Up-Drop-Off | 164 | N.A. | 4 | Surface parking at northeastern corner of site |

## 4.2. Planning Feasibility

### 4.2.1 Planning rationale

The preferred concept option for Christine considers applicable planning policies from the provincial level down to the local level as documented in Bousfields' Christine Planning Due Diligence Report. The proposed residential form is consistent with and meets the intent of the applicable planning policy framework including: The Provincial Policy Statement, the Growth Plan for the Greater Golden Horseshoe, the Region of Durham's Official Plan, and the City of Oshawa's Official Plan.

### 4.2.2 Required planning approvals

Table 20 below outlines the development application approvals required to permit the proposed redevelopment for Christine. This is a preliminary list based on the stage 1 PAC meeting held with City staff and a Planning Rationale Report or Planning Justification Report will be required to support a formal development application.

---

[5] The minimum number of parking spaces required is based on the requirements in Zoning By-law 60-94 which includes the parking ratio of 1.33 for apartments and stacked townhomes (1 space/dwelling unit + 0.33 space/dwelling unit for visitors).

*Table 20: An overview of identified approvals required for redevelopment of the Christine site.*

| Required Approval | Description | Approach to Obtain |
|---|---|---|
| **Official Plan Amendment Application** | Initial consultation with City of Oshawa staff suggests that the current Official Plan designation does permit the proposed residential use. However, an OPA would be required to permit the proposed density/height. | The City of Oshawa has a multi-stage pre-consultation process as part of its Pre-Consultation By-law before the submission of an OPA. An OPA can be submitted concurrently with a Zoning Bylaw Amendment (ZBA). The municipality has 120 days to review a concurrent OPA and ZBA application upon submission. |
| **Zoning By-Law Amendment Application** | The in-force zoning does not currently permit the proposed typologies (stacked townhouses and apartments) and densities. A Zoning By-law Amendment is required. | The City of Oshawa has a multi-stage pre-consultation as part of its Pre-Consultation By-law before the submission of a Zoning By-law amendment. Once the application is deemed complete, the total review process is 90 days or 120 days if an OPA is submitted concurrently with a ZBA. The expected duration based on an accelerated timeline due to the affordable housing component is 12 months. |
| **Site Plan** | A Site Plan Control Application is required to permit the proposed development. Site Plan Control applies to all residential development in the City of Oshawa. | A Site Plan Control Application will not be accepted until rezoning is approved by Council. The expected duration of the Site Plan Application under an accelerated timeline is 8-12 months. |

### 4.2.3 Risks & mitigation measures

*Table 21: Risks and mitigations for development approvals*

| | Risk | Mitigation Measure |
|---|---|---|
| **Approval Timeline** | Approval of planning applications may be prolonged, due to scope of supporting studies requested by City staff, resulting in potential time delays (e.g. seasonal constraints) and additional costs for the Region to prepare the planning applications and potential time delays for the City to review the applications. | As part of the PAC, identify potential opportunities for prioritization and acceleration of review & approval of project's planning applications, given the project's significant affordable housing component. |

| | Risk | Mitigation Measure |
|---|---|---|
| Political Buy-in | Potential political opposition by the local councilor(s) and/or by broader city or regional council inhibit planning approvals for the project. | Ongoing collaboration and engagement with political stakeholders can help secure political buy-in. |
| Public Buy-in | Even with staff and political approval of a planning application, an application may still be appealed to the Ontario Land Tribunal by any person or public body who made verbal presentations at a public meeting or written submissions prior to adoption of an OPA or ZBA by a municipality, which may delay approval timelines by up to 18 months. | Region, with support from Bousfields, has been undertaking an extensive public engagement process that is beyond the statutory engagement process required as part of an OPA and/or a ZBA. The public engagement process has spanned various channels (both in-person and virtual) and has targeted both onsite and offsite residents. Engagement feedback has been documented and considered, to the extent feasible, in the conceptual design, to ensure that local residents and stakeholders that would be impacted by the redevelopment are feeling heard and supported. Public engagement will continue as part of the OPA and ZBA process, with clear and consistent messaging on the potential public and resident benefits from the Christine redevelopment. It is important to note that approval of the Site Plan Control application is not appealable. |

## 4.3. Technical Feasibility

### 4.3.1 Summary of completed technical due diligence

As part of its planning due diligence scope, Bousfields engaged subconsultants to undertake technical due diligence in the following areas: transportation, site servicing and natural heritage. The table below summarizes their findings:

*Table 22: Highlights and next steps for technical due diligence for the Christine site.*

| | Highlights | Next Steps |
|---|---|---|
| Transportation | Existing local and area street network and mobility context will improve over time, particularly with the arrival of the Central Oshawa GO Station<br><br>Southeastern portion of Christine is within MTO's "controlled area." As such, MTO's approval would be required for several technical areas including signage, lighting, traffic impact and drainage.<br><br>Parking standards generally range between 1.0 to 2.0 spaces per unit for residents and 0.25 to 0.30 spaces per unit for visitor parking, depending on building typology. There are increased efforts by the City of Oshawa to respond to changing transportation needs and change travel behaviour, e.g. through area parking reductions, depending on the density and location of development<br><br>Bicycle parking is not required by the in-force zoning but is recommended based on a 2021 City of Oshawa Parking Study, to support the shift to active transportation and support the potential to provide a reduced number of parking spaces<br><br>A preliminary traffic assessment was completed for the two nearby signalized intersections and identified that each intersection was satisfactory with respect to accommodating increased traffic volumes as a result of increased density at Christine. | A traffic impact study, a truck maneuvering/swept path analysis plan and a parking study (if reduced parking is to be proposed) will be required to support an Official Plan Amendment/Zoning By-law Amendment application |

| | Highlights | Next Steps |
|---|---|---|
| Site Servicing | Given the age and size of the existing piping in the vicinity and the anticipated demand, it is likely that the existing 150mm piping on Dean Avenue and Normandy Street will need to be upsized to provide sufficient flow to service the proposed redevelopment.<br><br>Based on Christine's close proximity to the 675mm diameter trunk sewer west of the site and the 525mm diameter trunk sewer on Wilson Avenue to the east, any significant population increase should plan on extending a new sanitary sewer from the existing 675mm dia. sanitary sewer to the west. Regional staff are less optimistic of getting more flow into the existing system to the east. Depending on the full redevelopment of the broader Hill, it is may be more cost effective in the long term to replace and upsize the existing sanitary sewer on Dean Avenue and Normandy Street than it would be to build a direct connection from Christine to the trunk sewer to the west through the adjacent park block which currently only services Christine Crescent.<br><br>The grading for the site should endeavor to maintain the drainage area divide between the two sub-watersheds servicing the site (Oshawa Creek and Harmony Creek).<br><br>Individual parcels of land will be connected to the municipal water supply and sanitary systems. | A functional servicing report (including grading plan and servicing plan,), a stormwater management study and a calcium carbonate assessment will be required to support an Official Plan Amendment/Zoning By-law Amendment application |

| | Highlights | Next Steps |
|---|---|---|
| Natural Heritage | Christine does not contain any significant woodlands, Natural Heritage Systems (NHS), wetlands, Areas of Natural or Scientific Interest, Environmentally Significant Areas, High Volume Recharge Areas, Greenbelt Protected Countryside Areas, or Oak Ridges Moraine Areas within 120 metres of the site.<br><br>Several planted ornamental trees, including street trees and private trees are located within the site. | As part of stage 1 PAC meeting, City staff confirmed that no natural heritage supporting studies, reports or plans would be required as part of a development application. |

### 4.3.2 Outstanding technical due diligence

In addition to the additional technical due diligence outlined in the above table under Next Steps, City staff have similarly provided a checklist at the first PAC for Christine, outlining all the studies, plans, and information required for a complete development application. In addition to the list of studies already listed in 3.3.2, a right-of-way closure application, a survey and MTO review of the site plan control application will also be required.

### 4.3.3 Considerations for phasing and tenant relocation

Similarly for Christine, passive tenant relocation has already commenced in the last 12-18 months, as turned-over units at Christine are left vacant rather than filled with new tenants. At the time of writing of this report, Christine is ~50% vacant. Given Christine's small size (only ~6 units left occupied), there should not be any tenant-driven needs for undertaking a phased approach to demolition and construction.

Other factors that may impact construction phasing include construction staging, construction method (i.e. wood vs. concrete), unit absorption and funding (although funding to a lesser extent given Christine's significantly smaller size than Malaga). Please see section 3.3.3 for additional information on how construction staging, construction method, unit absorption and funding may impact construction phasing for Christine.

### 4.3.4 Risks & mitigation measures

*Table 23: Risks and mitigation measures for technical due diligence studies.*

| | Risk | Mitigation Measure |
|---|---|---|
| Watermain Upgrades | Required upsizing of watermain(s) may add significant time and costs to the project. | Watermain upgrade costs are being estimated and incorporated into the development budget. A preliminary discussion with Counterpoint Engineering suggested that watermain upgrades are typically less invasive and costly than other servicing upgrades given they run along the curb vs. along the road. Watermain upgrades may also be phased to help distribute costs, first along Normandy St. and Dean Avenue (to service Christine redevelopment) and subsequently along Lomond St. (to service broader Hill redevelopment). In terms of timing, given planning approvals are expected to take at least another two years, watermain upgrades can be planned to be completed during that time, to ensure that servicing does not pose a constraint to the construction timeline. |
| Sanitary Upgrades | Potential need for upsizing of existing sanitary or stormwater sewers along Dean Avenue and Normandy Street to the existing 675mm trunk to the west may add significant time and costs to the project. | A preliminary discussion with Counterpoint Engineering suggested that sanitary upgrades may not be required given the site's steep grade change and access to two drainage outlets (one each on Lomond St. and Normandy St.). More detailed modelling is to be completed as part of the Functional Servicing Report to validate this assessment. In terms of timing, given planning approvals are expected to take at least another two years, any required sanitary or stormwater upgrades can be planned to be completed during that time, to ensure that servicing does not pose a constraint to the construction timeline. |

## 4.4. Financial Feasibility

Note: all calculations in sections 4.4.1 to 4.4.3 are based on a base case scenario of 50% affordable, split between <80% MMR (30% of all units) and 100% MMR (20% of all units). This scenario was selected as the base case scenario because it allows the Region to drive towards an ambitious affordable housing target while supporting financial feasibility (through higher affordable rents on a portion of affordable units), all while maintaining eligibility for CMHC financing.

### 4.4.1 Estimated development costs

Redevelopment of Christine is estimated to cost ~$93M (~$569K per unit or ~$672 per buildable square foot). 93% of the development budget is comprised of construction costs, which encompasses demolition, watermain upgrades, parkland improvements (Chopin Park), below-grade parking construction, building construction, construction management fee, landscaping & streetscaping, utility connections, insurance and construction contingencies. Other cost categories that typically comprise a larger proportion of a development budget, namely land and municipal charges, are significantly lower for this site because the land is already owned by the Region and municipal charges, including development charges, community benefits charges, cash-in-lieu of parkland and school board fees are assumed to be exempt for this site, per S. 2.5(b) of the City of Oshawa's DC by-law and per S. 2.3(a) of the Region of Durham's DC by-law. This interpretation of a full exemption from both lower-tier and upper-tier municipal charges was confirmed by City staff at the stage 1 PAC meeting.

*Table 24: Christine development budget.*

| | EXECUTIVE SUMMARY | Budget | % of Total | Budget Assumptions & Comments | Cost per Unit | Cost per Buildable SF |
|---|---|---|---|---|---|---|
| 01.00000 | LAND & ASSOCIATED COSTS | $567,487 | 0.6% | Property taxes throughout development and construction. $0 land costs. | $3,460 | $4 |
| 02.00000 | DEVELOPMENT APPROVAL AND MUNICIPAL COSTS | $472,000 | 0.5% | Fees for planning applications, building permit and miscellaneous permits (e.g. lane closures). Full exemption assumed for DCs, CBCs, CIL of Parkland and school board fees. | $2,878 | $3 |
| 03.00000 | CONSTRUCTION | $86,506,703 | 92.7% | Demolition, watermain upgrades, offsite parkland improvements, below-grade parking, buildings, construction management fee, landscaping & streetscaping, utility connections, insurance and construction contingencies. | $527,480 | $623 |
| 04.00000 | DESIGN & CONSULTANTS | $2,300,000 | 2.5% | Consultants to support planning approvals and detailed design development. | $14,024 | $17 |
| 05.00000 | GENERAL & ADMINISTRATIVE (G&A) | $175,000 | 0.2% | Legal, accounting and miscellaneous admin services. $0 development management costs (Regional staff salaries are excluded). | $1,067 | $1 |
| 06.00000 | FURNITURE, FIXTURES & EQUIPMENT (FF&E) | $100,000 | 0.1% | | $610 | $1 |
| 07.00000 | MARKETING, ADVERTISING & LEASING | $470,131 | 0.5% | Market rental units only - includes a presentation centre and leasing commissions. | $2,867 | $3 |
| 08.00000 | FINANCE | $1,967,518 | 2.1% | Construction loan interest and other financing fees. | $11,997 | $14 |
| 09.00000 | GOVERNMENT TAXES | $0 | 0.0% | HST exempt. | $0 | $0 |
| 10.00000 | DEVELOPMENT CONTINGENCY | $750,000 | 0.8% | Contingency for soft cost and schedule overruns. Contingency for hard costs is captured separately under the Construction budget item. | $4,573 | $5 |
| | **GROSS PROJECT BUDGET** | **$93,308,839** | **100%** | | **$568,956** | **$672** |

Given the construction cost category makes up such a large proportion of the development budget, additional detail is provided below with respect to the assumptions used to estimate each of the construction sub-categories:

*Table 25: Christine construction budget.*

| CONSTRUCTION COSTS | | | |
|---|---|---|---|
| | Applicable Area | $/SF | Subtotal |
| **Construction Cost - Below Grade** | 82,979 | $250 | **$20,744,726** |
| **Construction Cost - Midrise - 6 Storeys** | 118,166 | $350 | **$41,358,133** |
| **Construction Cost - Lowrise B2B** | - | $0 | **$0** |
| **Construction Cost - Lowrise Stacked** | 34,875 | $235 | **$8,195,633** |
| **Construction Cost - Site Development** | 84,466 | $25 | **$2,111,650** |
| | Amount | % | Subtotal |
| **Construction - Design & Pricing Contingency** | 72,410,143 | 5.0% | **$3,620,507** |
| **Construction - Construction Contingency** | 72,410,143 | 5.0% | **$3,620,507** |
| **Construction - Escalation Contingency** | 72,410,143 | 0.0% | **$0** |
| **Construction Management Fee** | 79,651,157 | 3.0% | **$2,389,535** |
| | Units | $/unit | |
| **Utilities Connections (Hydro/Gas/Water/Storm/S** | 164 | $1,500 | **$246,000** |
| **Demolition, Site Remediation & Abatement** | | | **$400,000** |
| **Premium for Accessibility Standards** | 33 | $2,500 | **$82,500** |
| **Premium for Green Energy Requirement** | 164 | $5,000 | **$820,000** |
| **Offsite Servicing Cost** | | | **$1,730,000** |
| **Park Improvement Cost** | | | **$391,000** |
| **Insurance** | 79,651,157 | 1.0% | **$796,512** |
| **Total** | | | **$86,506,703** |

The Region has requested to estimate costs at Christine relating to servicing upgrades of the watermains and parkland improvements at Chopin Park, specifically landscaping (sodding, trees) and earthworks including rough and fine grading, and a paved pedestrian pathway, along with a few benches, to bring pedestrians down the slope to the rest of the park. These development costs are estimated at $1.73M for the watermain upgrades and $0.4M for the parkland improvements at Chopin, bringing the total costs to $2.13M. These costs have been incorporated into the above development and construction budget tables (see Off-site works cost item in the construction budget).

### 4.4.2 Proposed funding sources

Similar potential funding sources as Malaga – see section 3.4.2 for more information on the potential funding sources for Christine.

Based on Christine’s current project economics and the financing terms described above, Christine’s development budget of ~$93M would be eligible for a repayable loan of ~$50M (53% of the development budget), based on the base case scenario of 50% affordable units.

In terms of CMHC forgivable loans, they are capped at the lower of: i) $75K per unit; and ii) 30% of eligible project costs. Given there are 164 units proposed at Christine, $75K per unit equates to $12.3M. Given project costs are ~$93M, 30% equates to ~$28M, therefore the lower of the two is $12.3M. Based on the base case scenario of 50% affordable units, the Christine redevelopment would be eligible for a forgivable loan amount of $8.2M. This would result in an outstanding amount of ~$35M that would still require funding by the Region to advance the project. See section 3.4.2 for more information on other potential funding sources for Christine.

Given the scale of Christine's proposed redevelopment, most of the non-CMHC affordable housing funding programs would still be insufficient on their own for the outstanding funding required for the project. The Region's Finance team indicated that the Region has capacity to source capital funding at scale through debentures (and corresponding increases to Regional property taxes in the year that the debentures are introduced) but any capital funding needs for the Christine redevelopment will need to be balanced and appropriately timed against the Region's other capital planning priorities. This will be further informed by the Region's strategic capital planning process.

It is important to note that while a P3 delivery approach, akin to some of the direct delivery models adopted by the Province for the construction of hospitals, correctional facilities etc., could help defer the timing of the Region's funding to construction substantial completion (albeit at a cost premium, reflecting higher transaction costs and higher completion payments to the constructor to compensate for additional financing costs and risk), it would not absolve the Region from needing to arrange funding to pay for the project's development costs.

Below is a summary of the estimated sources of funds for the Christine redevelopment.

*Table 26: Christine sources of funds.*

| Source of Funds | | | |
|---|---|---|---|
| Region Capital Funding | | 35,188,614 | 38% |
| CMHC Forgivable Loan | $50,000 /unit | 8,200,000 | 9% |
| CMHC Construction Loan | | 49,920,224 | 53% |
| **Total** | | **93,308,839** | **100%** |

### 4.4.3 Market, affordable and RGI weighted average unit rent

Below is a summary table of the unit mix across market rental, affordable rental and RGI units, both in absolute and relative term, assuming the base case scenario of 50% affordable. See section 3.4.3 for more information on how unit yields were computed.

*Table 27: Christine unit mix.*

| Unit Type | Market | Affordable | RGI Rental Replacement | Subtotal | Market Units as % of Total | Aff. Units as % of Total | RGI Rental Replacement Units as % of Total | % of Grand Total |
|---|---|---|---|---|---|---|---|---|
| Bachelor | 4 | 3 | 0 | 7 | 52% | 48% | 0% | 4% |
| 1B | 25 | 22 | 0 | 47 | 52% | 48% | 0% | 29% |
| 1B+D | 0 | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| 2B | 35 | 26 | 0 | 61 | 58% | 42% | 0% | 37% |
| 3B | 7 | 10 | 6 | 23 | 31% | 42% | 27% | 14% |
| 4B | 0 | 3 | 0 | 3 | 0% | 100% | 0% | 2% |
| B2B TH (3B) | 0 | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| B2B TH (4B) | 0 | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| B2B Stacked (2B) | 0 | 0 | 0 | 0 | 0% | 0% | 0% | 0% |
| B2B Stacked (3B) | 12 | 6 | 6 | 24 | 50% | 25% | 25% | 15% |
| **Total** | **82** | **70** | **12** | **164** | **50%** | **43%** | **7%** | **100%** |
| Avg. Size per Market Type | 827 | 797 | 1,162 | 838 | | | | |

Below is a summary table of the expected monthly rental rates across the various unit types. See section 3.4.3 for more information on how rental rates were computed and what the Affordable Rent as % of Market column illustrates.

*Table 28: Christine unit rental rates.*

| Avg. Unit Rent | Market | Affordable | RGI Rental Replacement | Affordable Rent as % of Market | RGI Rental Replacement Rent as % of Market |
|---|---|---|---|---|---|
| Bachelor | $1,800 | $860 | n.a | 48% | 0% |
| 1B | $2,275 | $1,158 | n.a | 51% | 0% |
| 1B+D | n.a | $1,158 | n.a | 0% | 0% |
| 2B | $2,625 | $1,309 | n.a | 50% | 0% |
| 3B | $2,850 | $1,470 | $1,470 | 52% | 52% |
| 4B | n.a | $1,639 | n.a | 0% | 0% |
| B2B TH (3B) | n.a | $1,639 | n.a | 0% | 0% |
| B2B TH (4B) | n.a | $1,639 | n.a | 0% | 0% |
| B2B Stacked (2B) | n.a | $1,355 | n.a | 0% | 0% |
| B2B Stacked (3B) | $3,200 | $1,639 | $1,639 | 51% | 51% |
| **Weighted Avg.** | **$2,589** | **$1,306** | **$1,554** | **50%** | **60%** |

Below is a summary of the expected per square foot rents based on proposed unit sizes and expected rental rates. See section 3.4.3 for more information on what this metric and the % of Market illustrate, and why RGI rents have been excluded.

*Table 29: Christine per square foot rental rates.*

| $/sqft | Market | Affordable | RGI Rental Rep |
|---|---|---|---|
| Bachelor | $3.98 | $1.90 | n.a |
| 1B | $3.58 | $1.82 | n.a |
| 1B+D | n.a | $1.82 | n.a |
| 2B | $3.39 | $1.69 | n.a |
| 3B | $3.28 | $1.69 | $1.69 |
| 4B | n.a | $1.64 | n.a |
| B2B TH (3B) | n.a | n.a | n.a |
| B2B TH (4B) | n.a | n.a | n.a |
| B2B Stacked (2B) | n.a | n.a | n.a |
| B2B Stacked (3B) | $2.20 | $1.13 | $1.13 |
| **Avg Rent/Sqft** | **$3.13** | **$1.64** | **$1.34** |

Below is a summary of the operating financials of the project, including rental income, operating costs and debt service payments.

*Table 30: Christine operating financials.*

| Net Operating Income Summary | | | | | Stabilized |
|---|---|---|---|---|---|
| | **Units** | **$/Unit** | **$/sqft** | **Monthly Gross** | **Annual Gross** |
| Market Units | 82 | $2,589 | $3.13 | $212,263 | $2,547,150 |
| Affordable Units | 70 | $1,306 | $1.64 | $91,394 | $1,096,730 |
| RGI Rental Replacement Units | 12 | $1,554 | $1.34 | $18,651 | $223,811 |
| **Potential Gross Income - Residential** | **164** | **$1,965** | **$2.34** | **$322,308** | **$3,867,691** |
| | | | | | |
| Ancillary Income - Parking | | | | | $228,000 |
| Ancillary Income - Locker | | | | | $24,600 |
| Less: Vacancy & Credit Costs | | | | 2.7% of PGI | ($110,403) |
| **Effective Gross Income - Residential** | | | | | **$4,009,888** |
| Less: Operating Expense | | | | 34% | ($1,370,981) |
| **Total NOI** | | | | | **$2,638,907** |
| Mortgage Payment | | | | | ($2,115,820) |
| | | | | | |
| **Cashflow after Financing (Free CF) - Untrended** | | | | | **$523,087** |

### 4.4.4 Sensitivity analysis:

Below is a sensitivity analysis of the capital funding required by the Region, both in terms of absolute dollars and percentage of total funding, based on changes in the repayable loan interest rate and changes to construction costs. Highlighted cells illustrate the current interest rate and construction cost increase assumed in the pro-forma.

*Table 31: Christine sensitivity analysis for base case redevelopment scenario*

**Capital Funding Required by the Region ($)**

| | | CMHC Repayable Loan Interest Rate (Stress Test) | | | | |
|---|---|---|---|---|---|---|
| | | 3.75% | 4.00% | 4.25% | 4.50% | 4.75% |
| | -2.5% | $25,997,054 | $28,299,112 | $30,597,382 | $32,892,177 | $35,180,618 |
| Construction | 0.0% | $28,146,079 | $30,496,815 | $32,845,474 | $35,188,617 | $37,071,006 |
| Costs | 2.5% | $29,905,553 | $32,308,904 | $34,708,853 | $37,102,593 | $39,026,886 |
| Increase | 5.0% | $32,184,558 | $34,639,680 | $37,089,382 | $39,057,719 | $41,497,996 |
| (Decrease) | 7.5% | $34,036,889 | $36,543,181 | $39,043,553 | $41,539,721 | $44,512,956 |
| | 10.0% | $36,428,355 | $38,984,633 | $41,039,332 | $43,585,954 | $45,136,139 |

**Capital Funding Required by the Region (%)**

| | | CMHC Repayable Loan Interest Rate (Stress Test) | | | | |
|---|---|---|---|---|---|---|
| | | 3.75% | 4.00% | 4.25% | 4.50% | 4.75% |
| | -2.5% | 28.5% | 31.0% | 33.5% | 36.0% | 38.5% |
| Construction | 0.0% | 30.2% | 32.7% | 35.2% | 37.7% | 39.7% |
| Costs | 2.5% | 31.4% | 33.9% | 36.4% | 38.9% | 40.9% |
| Increase | 5.0% | 33.1% | 35.6% | 38.1% | 40.1% | 42.6% |
| (Decrease) | 7.5% | 34.2% | 36.8% | 39.3% | 41.8% | 44.8% |
| | 10.0% | 35.9% | 38.4% | 40.4% | 42.9% | 44.4% |

### 4.4.5 Risks & mitigation measures

*Table 32 Financial risks and mitigation measures for the Christine site*

| | Risk | Mitigation Measure |
|---|---|---|
| Funding | Region may be unable to fund the non-CMHC portion of the development budget. | Further conversations were held with the Region's Finance department to confirm the Region's capacity to fund the non-CMHC portion of the development budget. Further conversations were also held with CMHC to validate the findings of the draft project pro-forma and determine how CMHC funding can be maximized. |
| Construction Cost Escalation | Construction costs may escalate beyond what is currently budgeted for in the project pro-forma. | Project pro-forma reflects what market developers are currently budgeting in for construction contingencies/overruns. Model functionality is also available in the pro-forma to assess the impact of construction cost escalation but is not part of the outputs shown in this report given CMHC indicated that its loan underwriting would be based on non-escalated rents and costs during the construction period. Also, some delivery models can help transfer cost escalation risk to the constructor by incorporating a guaranteed maximum price for the Region. |
| Financing Cost Escalation | Interest rate may increase further, leading to higher financing costs. | CMHC's financing is based on a 10-year fixed rate from the first loan advance. Ongoing collaboration with CMHC in advance of the first loan advance will be helpful for staying up to date on CMHC's financing rate and validating whether it is still in line with the pro-forma's current underwriting assumption of a stress-test rate of 4.50%. |

| | Risk | Mitigation Measure |
|---|---|---|
| Approved GFA | The planning approval process may bring down the final GFA, negatively impacting the project's expected rental income and the project's capacity to support construction financing. | City staff were involved in the early visioning of the Christine redevelopment and provided preliminary indication of approvable massing and height limits at Christine. Ongoing collaboration through the Pre-Application Consultation process will be critical for securing City staff buy-in on the proposed GFA. |
| Delays in CMHC Funding Application | CMHC's application review and approval process may add significant time delays and potential costs to the project. | Ongoing collaboration with CMHC will be critical for ensuring that the application submission includes all the requisite documentation and positions CMHC to review and approve the application in a timely manner. |
| Cross-Subsidization for RGI Units | RGI units may require significant cross-subsidization from non-RGI units in the projects, reducing the project's capacity to support construction financing. | A conversation was held with Housing Services Regional staff to confirm that RGI rents would be supplemented with operating subsidies and/or RGI rent supplements, to minimize cross-subsidization needs and protect the project's debt-carrying capacity. |
| Absorption of Market Units | Absorption of market rental units may be impacted by negative perception of living next to RGI tenants. | Housing Services Regional staff indicated that support services could be provided to high-need RGI tenants that may be disruptive to neighbouring residents. |

## SECTION 5: PUBLIC ENGAGEMENT

### 5.1 Summary of community feedback

Bousfields was engaged directly by the Region to undertake community engagement for Malaga and detailed information on community feedback can be found in their engagement summary materials. Below is a summary of what IO discerned as the most pertinent community feedback:

*Table 33: Summary of engagement*

| | Phase 1 Engagement | Phase 2 Engagement | Phase 3 Engagement |
|---|---|---|---|
| Purpose | Inform vision & principles for redevelopment | Provide feedback on draft conceptual design for redevelopment | Provide additional community engagement in conjunction with the statutory public consultation required for the OPA and ZBA process |
| Duration | August 2023-December 2023 | January 2024-February 2024 | TBD |
| Highlights | New and enhanced connections and streetscape that take into consideration safety, accessibility and maintenance<br><br>A preference for townhomes and medium density built-form that offer modern architectural & green design while ensuring easy maintainability and some privacy. A preference for family-sized units that include in-suite washer & dryer, balconies (within buildings) and EV parking.<br><br>Recreation and play spaces that are safe and accessible for a mix of uses, ages, abilities and seasons.<br><br>Communal spaces for gatherings and activities. | Concern about overall density, building heights and orientation, parking provision & traffic impacts, building accessibility, environmental impact and increased foot traffic through informal catwalks & its impact on community safety.<br><br>Desire to enhance landscaping and accessibility of Chopin Park from Christine, particularly for families with young kids and for seniors.<br><br>Desire for lifestyle factors of larger family households to be considered in the unit design, e.g. providing additional spaces for parents and/or kids to "decompress"; question posed about provision of private yards and basement.<br><br>Concern about safety of the proposed underground parking garage. | Yet to be undertaken |

| | | | |
|---|---|---|---|
| | | Desire for building amenities to serve diverse age cohorts.<br><br>Concern about accessibility of the upper-level stacked townhouse units.<br><br>Interest in programming, safety and maintenance of open spaces.<br><br>Interest in project timelines for future public engagement, design, relocation and construction.<br><br>Interest in relocation plan, specifically location and size of temporary units.<br><br>Interest in unit tenure, unit types, market/affordable unit mix and inclusion of seniors housing.<br><br>Concern about local school capacity to absorb more students.<br><br>Interest in pedestrian & cycle infrastructure and access to retail services.<br><br>Acknowledgement of need for additional housing. | |

## SECTION 6: DELIVERY MODEL OPTIONS ANALYSIS

As part of the business case development work, IO presented to Regional staff three potential delivery approaches to affordable housing, including land disposition, land lease and direct delivery/procurement. The options analysis compared the three delivery models across several factors, including fiscal benefit, public ownership, operating responsibilities, project control, risk transfer and delivery of additional social outcomes beyond affordable housing.

Below is a summary of the options analysis:

*Table 34: Summary of Key Affordable Housing Delivery Models*

| | Disposition (#1) | | Land Lease (#2) | Procurement (#3) | *Policy Direction Questions: Is the Region looking to…?* |
|---|---|---|---|---|---|
| | Partial Disposition (#1a) | Full Disposition (#1b) | | | |
| Description | ▪ Land is severed with one parcel retained for affordable housing ("AH") and a second parcel sold to a developer for market housing<br>▪ A development partner is procured for one or more of the following services on the retained parcel: construction, design, maintenance/operation | ▪ Land is sold to a development partner at a below-market price in exchange for AH outcomes<br>▪ Agreement of Purchase & Sale used to set out affordability and unit requirements | ▪ Land is leased to a development partner at a below-market rate in exchange for AH outcomes<br>▪ Ground lease agreement is used to set out affordability and unit requirements | ▪ A development partner is procured for one or more of the following services for AH outcomes: construction, design, maintenance/operation<br>▪ Potential eligibility for a P3 model TBC with IO SMEs | ▪ *N/A* |
| Ex. | ▪ TCHC Regent Park | ▪ IO PAHLP G2 + IO LTC & OAHP<br>▪ Waterfront TO | ▪ IO PAHLP WDL<br>▪ CreateTO Housing Now | ▪ Housing York | ▪ *N/A* |
| Fiscal Benefit | ▪ Redevelopment capital costs financed by development partner for sold parcel<br>▪ Proceeds from sold parcel help finance redevelopment capital costs for retained parcel<br>▪ AH outcomes on retained parcel funded by the Region (e.g. operating funding) | ▪ Redevelopment capital costs financed by development partner<br>▪ AH outcomes funded by "trading" of land value | ▪ Redevelopment capital costs financed by development partner<br>▪ AH outcomes funded by "trading" of land value. Available land value to trade is reduced when tenure is limited to rental. | ▪ Redevelopment capital costs financed by the Region<br>▪ AH outcomes funded by the Region (e.g. operating funding) | ▪ Transfer financing of redevelopment capital costs to a development partner (vs. finance through Region's capital budget)?<br>▪ Transfer funding of AH outcomes to a development partner (vs. fund through Region's operating budget)? |
| Public Ownership | ▪ Public ownership over land and buildings remains for retained parcel | ▪ No public ownership remaining | ▪ Public ownership remains over land while building ownership transfers to development partner for a fixed term | ▪ Full public ownership remains over entire land and buildings | ▪ Maintain public ownership of land?<br>▪ Maintain public ownership of buildings? |
| Operating Obligations | ▪ O&M oversight remains with the Region for retained parcel and transfers to development partner for sold parcel | ▪ O&M obligations transfer to development partner and/or homeowners (for any ownership units) | ▪ O&M obligations transfer to development partner<br>▪ Ongoing lease administration required by the Region | ▪ O&M oversight remains with the Region | ▪ Maintain O&M oversight (including associated staffing requirements)? |

| | | | | | |
|---|---|---|---|---|---|
| Project Control | ◕ High degree of control over project execution for retained parcel and some degree of control over project execution for sold parcel | ◑ Some degree of control over project execution due to purchaser development milestones & obligations | ◕ Additional degree of control over project execution due to land lessor rights | ● High degree of control over project execution | Exercise a high degree of control over the project and development execution? |
| Risk Transfer | ◕ High degree of risk transfer to development partner for sold parcel and some risk transfer for retained parcel to procured service provider(s) | ● High degree of risk transfer to development partner | ◕ Medium degree of risk transfer to development partner | ◑ Some risk transfer to procured service provider(s) | Transfer project risk away from the Region? |
| Additional Social Outcomes | ● Conducive for delivery of additional social outcomes beyond AH on retained parcel | ◔ Less conducive for delivery of additional social outcomes beyond AH | ◔ Less conducive for delivery of additional social outcomes beyond AH | ● Conducive for delivery of additional social outcomes beyond AH | Deliver additional social outcomes beyond AH (e.g. daycare, seniors housing, recreational/community uses, healthcare, education)? |

● Delivery model meets the criterion to a very high degree ◕ Delivery model meets the criterion to a high degree ◑ Delivery model meets the criterion to some degree ◔ Delivery model meets the criterion to a low degree ○ Delivery model meets the criterion to no degree

The Region expressed a preference for direct delivery and subsequently confirmed its direction to develop the business cases on the basis of a direct delivery model.

Following direction from the Region to focus on direct delivery models, IO assessed potential direct delivery models that may apply to the Malaga and Christine redevelopments based on the objective of delivering affordable housing while retaining ownership and operation of the assets. Direct delivery models include both traditional and Public-Private Partnerships ("P3") options. Below is a high-level comparison of traditional and P3 option for delivery:

*Table 35: Comparison of Traditional vs. P3 Delivery Models*

| | Traditional | P3 |
|---|---|---|
| Description | - Financing responsibilities retained by project owner<br>- Payments are made to the constructor as work is performed<br>- Often used for less complex capital projects, and most typical for lower-value projects. | - Financing responsibilities transferred to private sector partner<br>- Payment to constructor at substantial completion of the asset<br>- Best suited to higher-value, more complex capital projects |

| | Traditional | P3 |
|---|---|---|
| Benefits | - Potential for lower costs as private sector partner does not need to arrange significant amounts of private financing<br>- Potential for quick timelines due to a shorter procurement period<br>- More flexibility for owner to make changes during design and/or construction | - Greater opportunity to leverage private sector expertise across entire project lifecycle, including financing and operations & maintenance (where applicable/these services are in scope)<br>- Models exist to integrate and transfer risk for full life-cycle of an asset, with opportunities for construction and maintenance/operational responsibilities to be transferred to the private sector if applicable<br>- Schedule and cost-overrun risks transferred to the private sector<br>- Innovation and value-for-money secured through a project agreement with payment based on performance guarantee |
| Risks | - Schedule risks typically borne by project owner<br>- Cost-overruns may be borne by project owner<br>- More limited opportunities for innovation and risk transfer | - Higher costs associated with private sector financing<br>- Additional time and costs required upfront for procurement<br>- Less flexibility/lower ability for owner to make changes during design and construction |

Prior to the delivery model workshop organized by IO, there was consideration on whether the procurement for Malaga and Christine would be packaged as a single procurement or two separate procurement contracts. Determining procurement packaging is a critical initial step as it informs the scope to be considered for the procurement. Below is a qualitative cost-benefit summary of the two potential approaches to contract packaging:

Infrastructure Ontario

*Table 36: Comparison of Packaging vs. Splitting Procurement Contracts*

| | Packaging Malaga and Christine Procurement Contracts | Splitting Malaga and Christine Procurement Contracts |
|---|---|---|
| Benefits | • Opportunity for construction cost savings by increasing project scale and providing opportunities for bulk vendor orders | • If contracts are awarded simultaneously to two different bidders operating under similar construction schedules, there is an opportunity for construction schedule savings by creating competition between the two contractors<br>• If contracts are awarded sequentially, there is an opportunity for the Region to leverage knowledge, experience and transferrable design elements developed as part of the first procurement to use for the second procurement. Phasing the two procurements also provides an opportunity to incentivize good performance by the contractor of the first procurement so that they could be better positioned to be selected for the second procurement.<br>• There is generally a deeper market for smaller-scale projects so a split approach with a smaller contract size for each site could open up the pool to more bidders. |
| Risks | • Any substantial divergence in construction schedules between the two sites (e.g. >6 months) would incur costs (e.g. materials storage) that may offset any cost savings generated from a packaged, larger-scale contract<br>• Concentration risk as both sites are tied with the same contractor and their vendors | • If contracts are awarded sequentially, cost escalation risk for the second procurement<br>• Potentially higher overall project costs given split approach does not allow for economies scale opportunities available from a packaged contract approach |

On March 18th, IO held a preliminary Procurement Options Analysis workshop at the Region's offices with Regional staff from Affordable Housing Development & Renewal, Works and Finance and IO staff from Development, Transaction Structuring, Procurement and Project Delivery. The workshop began with a discussion on procurement scope:

- Core scope components are to include the following: detailed design development based on master-plan conceptual designs developed during the business case stage, downstream entitlement of both sites (site plan and building permit), demolition of existing structures onsite (65 townhouse units at Malaga and 12 semi-detached units at Christine) and construction of below-grade parking garages and buildings
- Region also expressed interest in incorporating servicing and offsite works (e.g. parkland improvements at Chopin Park) into the procurement scope. IO indicated there are precedents for bidders that were able to deliver on said scope additions, although this may also impact the depth of bidders, limiting the bidding pool to more sophisticated bidders.

Next, there was a discussion of the feasible direct delivery models for Malaga and Christine. Ten possible delivery models were considered at the outset of the discussion:

1. Design-Bid-Build ("DBB"): This is a traditional procurement option in which the owner (government or other public-sector owner such as a hospital or transit agency, "Owner") awards two distinct and sequential contracts for the design and construction work. The first contract is with a design firm to develop a full detailed design and to assist the Owner in putting the construction project out to tender. The second contract is with a general contractor to build in accordance with that design.
2. Construction Manager at Risk ("CMaR"): Under this model, the CMaR contractor is engaged by the Owner to provide consultancy service during the pre-construction stage (e.g., constructability and value engineering reviews, tender administration). They are later contracted to deliver the construction of the project under a cost-plus-fee arrangement that includes a Guaranteed Maximum Price (GMP). The CMaR contractor typically advises the design team, procures the construction and manages the delivery.
3. Design-Build ("DB"): The DB model awards the design and construction work under a single contract. Consortiums, joint ventures and/or subcontracting arrangements may be established between two or more companies to pool the resources and expertise necessary to deliver the project.
4. Design-Build-Finance ("DBF"): Similar to DB, a DBF approach awards the design and construction under a single contract. Consortiums, joint ventures or subcontract agreements may be established between two or more companies to pool the resources and expertise necessary to deliver a DBF project. The consortium (Project Co) must obtain short-term construction financing from third-party lenders or use its own equity resources. A lump-sum payment at substantial completion is intended to pay off the consortium's design, construction and construction financing costs. Because the Owner withholds all or a significant portion of payment until project completion, this approach provides financial

motivation for the consortium to complete the project on time – any incremental interest costs and financial penalties associated with schedule delays are borne by the private-sector consortium.

5. Build-Finance ("BF"): similar to the DBF, a BF Project Co must obtain short-term construction financing, with a lump-sum payment at substantial completion intended to pay off the consortium's construction and financing costs. In this model, the detailed design is completed prior to awarding the construction contract; design and construction are not integrated. This model is less commonly used.
6. Design-Build-Finance-Maintain ("DBFM"): The DBFM model involves the private sector consortium (Project Co) accepting responsibility for the design, construction, financing, regular maintenance and rehabilitation of the asset over the contract term to meet pre-defined performance specifications. The typical contract term for the maintenance work is 20 to 30 years. The public sector retains ownership of the assets. Project Co would not be fully paid for construction work following substantial completion but would be paid in instalments over the length of the maintenance term. Because the Project Co is responsible for the maintenance and performance of the facility for 20 to 30 years, there is additional incentive to use high-quality and durable materials that will ultimately benefit the Owner and public.
7. Design-Build-Finance-Operate-Maintain ("DBFOM"): The DBFOM model builds on the DBFM model. In addition to Project Co accepting responsibility for the design, construction, financing, regular maintenance and rehabilitation of the asset over the contract term, it also takes responsibility for operations under the same contract. This model is suited for projects where both the maintenance and operations have the potential to be transferred to the private sector.
8. IPD/Alliance: The IPD/Alliance contract is formed by the Owner, designer, construction contractor, suppliers and potentially stakeholders (e.g., local organization, community stakeholder, funding organization, etc.) to plan, design, construct and commission a capital project. Compensation under an IPD/Alliance model is directly tied to cost, schedule and profitability milestones of the overall project. The fundamental difference between an IPD/Alliance and traditional contracts is the underlying principle: a non-adversarial approach between the contracting parties. This is achieved through establishment of IPD/Alliance principles, good faith commitments, and adoption of no-dispute provisions. The Alliance contract and supporting structures promote a positive culture based on "no-fault, no-blame" and unanimous decision-making, and require all Participants to find the "best for project" solutions. The collaboration requires a greater time commitment on the Owner's part, but efficiencies and win-win situations are maximized.

9. Revenue Concession: Revenue risk concession models involve the private partner designing, building and financing an asset, providing regular maintenance and rehabilitation services, and operating, managing and investing in the business of the asset, under a long-term agreement. The private-sector partner is compensated by revenue from user charges which in turn are used to finance its investment in the asset. The role of the public authority is primarily focused on regulatory compliance, monitoring, and customer protection through enforcing government regulations and the project agreement, as well as through policy decisions.
10. Regulated Asset Delivery: A Regulated Asset Delivery (RAD) model involves a company owning, investing in and operating an infrastructure asset under a legally binding licence from an economic regulator. The regulator grants the company the right to charge a regulated fee for use of the asset to fund a portion of its operations and recoup investment costs. The charge is set by an independent regulator who holds Project Co accountable to ensure any expenditure is in the interest of the ultimate user of the asset.

Most of the above models were deemed as infeasible for Malaga and Christine due to the following reasons:

- DBFM and DBFOM were not considered because maintenance and operations are out of scope for the procurement contract, as the Region has indicated that DRLHC would be the building operator once construction is complete.
- The IPD/Alliance option was also not carried forward as the scale and scope complexity do not align well to the delivery model's application and resourcing requirements.
- The Revenue Concession and Regulated Asset Delivery Models were eliminated due to them being inapplicable to these projects. Ownership and operations of the assets are not intended to be transferred to a private sector partner. BF was also not considered feasible as there would be considerable challenges in gathering market participation.
- DBF was determined to be infeasible because the anticipated timeline of the planning and/or procurement process associated with a DBF (~15-30+ months) would negatively impact the Region's ability to commence construction as soon as possible following the securing of planning approvals (anticipated to be around two years). In addition, the Region as the project sponsor may not have the adequate resources and experience to effectively deliver the project under a DBF.

The three remaining direct delivery models that were considered feasible for Malaga and Christine were DBB, CMaR and DB. Given DBB requires two sequential contracts, the timeline may be longer than it would otherwise be under a DB or a CMaR, posing a risk given the Region's objective of commencing construction as soon as possible. In addition, separating the design and construction contracts can introduce constructability risks during the construction phase given there's no opportunity for the construction contractor and designer to collaborate and incorporate constructability considerations into the design. While still feasible, based on the current objectives and constraints, it was determined that the DBB aligns least with the desired outcomes. This leaves DB and CMaR as the two prospective delivery models for the Region to consider for Malaga and Christine.

At this stage, further work on site due diligence and site entitlement will need to be completed by the Region in order to refine the procurement scope and objectives, including clear design and construction requirements of the asset along with operational and life-cycle considerations. Once the procurement scope details are sufficiently advanced, the Region may consider reviewing its delivery model analysis to confirm the short-listed models. At that time, the Region may also consider undertaking a market sounding with prospective bidders to help assess the market's capacity to undertake the project as well as gauge overall interest under each of the two prospective delivery models.

## SECTION 7: IMPLEMENTATION & NEXT STEPS

### 7.1 Implementation benefits and success factors

In addition to the various planning, technical and financial risks associated with redeveloping Malaga and Christine, which were outlined throughout this report, it is important to also highlight the benefits and success factors of proceeding with implementing the Malaga and Christine redevelopments:

- Improving living conditions for DRLHC residents by modernizing aged and partly derelict community housing units

- Promoting social and economic integration within DRLHC residents' broader communities

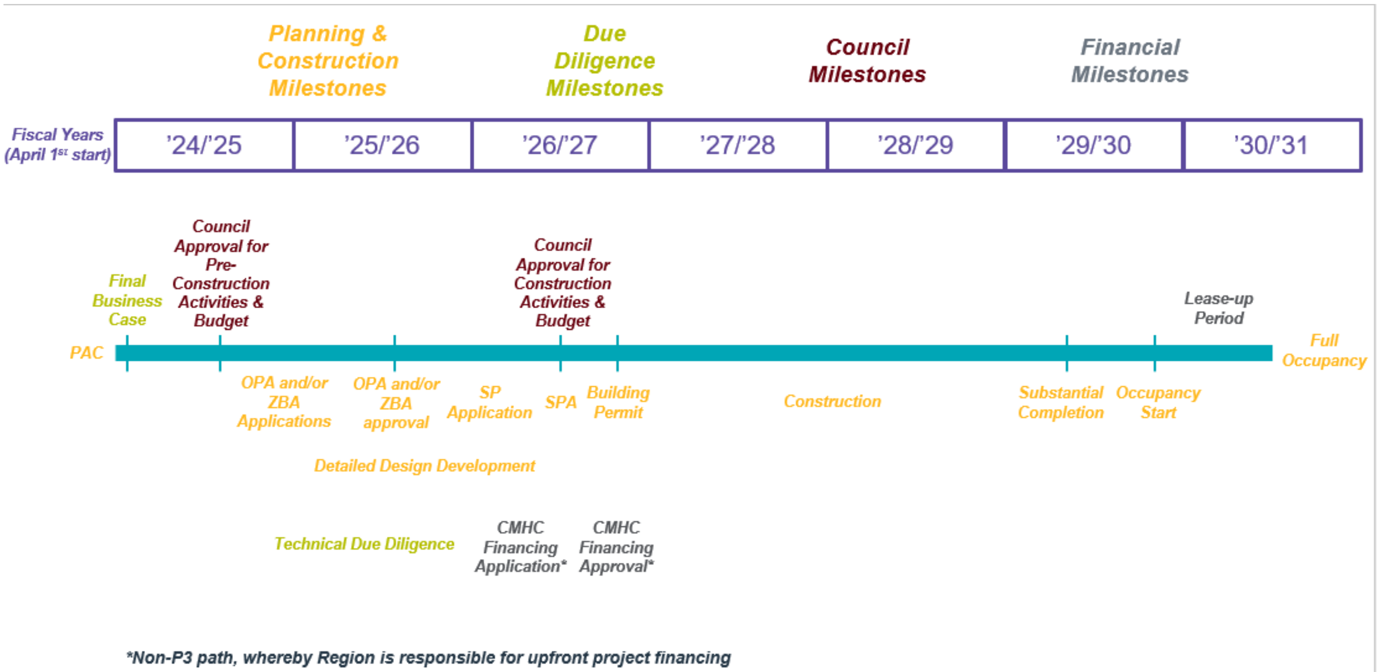
- Providing a mix of new housing options for Durham residents spanning various income levels, household types and household sizes

- Setting a positive example of sensitive redevelopment and intensification in areas that are well served by local amenities including transit, schools and parks

- Providing a catalyst to potential revitalization of surrounding neighbourhoods, supporting a sense of community & safety and pride of place

- Supporting the Region's broader goals of initiating development on a minimum of 1,000 new affordable rental units by 2024 and achieving Net Zero by 2045

### 7.2 Preliminary implementation timeline




### 7.3 Next steps

Following completion of the final business case, the anticipated next steps are as follows:

1. Council approval to commence pre-construction activities, namely:
    a. Official Plan Amendment and Zoning By-law Amendment applications
    b. Further site technical due diligence

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# SECTION 8: APPENDIX

## 8.1. Detailed statistics for development concepts

### Malaga

The following tables have been summarized in *Section 3.1.5* and have been directly extracted from Bousfield's Preferred Concept Report for the Malaga site.

**MALAGA OPT 01: BELOW-GRADE PARKING; 10 ST MID-RISES**

| SITE AREA CALCULATIONS | |
|---|---|
| **Gross Site Area (ha)** | **1.927** |
| Area of Natural Heritage System buffer (ha) | 0.378 |
| **Net Site Area / Developable Area (ha)**[1] | **1.549** |
| Area of Private Roads/Driveways (ha) | 0.262 |
| Area of Rooftop Private Amenity Space (ha) | 0.050 |
| Area of Publicly Accessible Open Space at Grade (ha) *not including environmental protection lands | 0.474 |

| PROPOSED BUILDING AREAS | m2 | % | ft2 | % |
|---|---|---|---|---|
| **TOTAL GROSS CONSTRUCTION AREA (GCA)**[3] | **39,176** | **100%** | **421,687** | **100%** |
| **TOTAL GROSS FLOOR AREA (GFA)**[4] | **36,214** | **100%** | **389,803** | **100%** |
| Total Non-Residential GFA | 360 | 1% | 3,875 | 1% |
| Total Residential GFA for RGI Units[6] | 6,339 | 18% | 68,232 | 18% |
| Total Indoor Amenity GFA[7] | 878 | 2% | 9,451 | 2% |
| Total Residential GFA for Market Units (50% of Net New) | 14,318.5 | 40% | 154,122 | 40% |
| Total Residential GFA for Affordable Units (50% of Net New) | 14,318.5 | 40% | 154,123 | 40% |

**TOTAL No. OF UNITS**

| UNIT TYPE | RGI REPLACEMENT | NET NEW: TOTAL NET NEW | NET NEW: MARKET RENTAL (50%) | NET NEW: AFFORDABLE RENTAL (50%) | TOTAL | RATIO |
|---|---|---|---|---|---|---|
| Bachelor | | 18 | 8 | 10 | 18 | 4% |
| 1 BDRM | | 120 | 56 | 64 | 120 | 27% |
| 2 BDRM | | 184 | 110 | 74 | 184 | 42% |
| 3 BDRM | 53 | 42 | 14 | 28 | 95 | 22% |
| 4 BDRM | 12 | 10 | 0 | 10 | 22 | 5% |
| **SUBTOTAL** | **65** | **374** | **188** | **186** | **439** | |
| | | | | **TOTAL RESIDENTIAL UNITS** | **439** | **100%** |

| DENSITY | |
|---|---|
| **Gross Residential Density (units/gross site area (ha))**[9&10] | **227.82** |
| **Net Residential Density (units/net site area (ha))**[9&10] | **283.41** |
| Gross Density - Floor Space Index (FSI) | 1.88 |
| Net Density - Floor Space Index (FSI) | 2.34 |

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| DESIGN PARAMETERS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| NET NEW - APARTMENT (MIDRISE) - UNIT MIX | | | | | | | | RGI - APARTMENT (MIDRISE) - UNIT MIX | |
| UNIT TYPE | AVG SALABLE UNIT SIZE (m2) | GROSS UP | AVG. UNIT SIZE | MARKET - RATIO[13] | MARKET - AVG. UNIT SIZE (m2) | AFFORDABLE - RATIO[13] | AFFORDABLE - AVG. UNIT SIZE (m2) | RGI - RATIO | RGI - AVG. UNIT SIZE (m2) |
| BACHELOR | 42.00 | 115.00% | 48.30 | 4.00% | 77.64 | 5.00% | 78.56 | 0.00% | 95.01 |
| 1 BDRM | 59.00 | 115.00% | 67.85 | 30.00% | | 35.00% | | 0.00% | |
| 2 BDRM | 72.00 | 115.00% | 82.80 | 57.00% | | 38.00% | | 0.00% | |
| 3 BDRM | 80.80 | 115.00% | 92.92 | 5.00% | | 13.00% | | 69.00% | |
| 4 BDRM | 92.90 | 115.00% | 106.84 | 0.00% | | 3.00% | | 12.50% | |
| NET NEW- BACK-TO-BACK (LOWRISE) - UNIT MIX | | | | | | | | RGI- BACK-TO-BACK (LOWRISE) - UNIT MIX | |
| UNIT TYPE | AVG SALABLE UNIT SIZE (m2) | GROSS UP | AVG. UNIT SIZE | MARKET - RATIO[13] | MARKET - AVG. UNIT SIZE (m2) | AFFORDABLE - RATIO[13] | AFFORDABLE - AVG. UNIT SIZE (m2) | RGI - RATIO | RGI - AVG. UNIT SIZE (m2) |
| 3 BDRM | 168.75 | 100.00% | 168.75 | 2.00% | 168.75 | 2.00% | 168.70 | 12.50% | 168.70 |
| NET NEW- STACKED (LOWRISE) - UNIT MIX | | | | | | | | NET NEW- STACKED (LOWRISE) - UNIT MIX | |
| UNIT TYPE | AVG SALABLE UNIT SIZE (m2) | GROSS UP | AVG. UNIT SIZE | MARKET - RATIO[13] | MARKET - AVG. UNIT SIZE (m2) | AFFORDABLE - RATIO[13] | AFFORDABLE - AVG. UNIT SIZE (m2) | RGI - RATIO | RGI - AVG. UNIT SIZE (m2) |
| 2 BDRM | 76.00 | 100.00% | 76.00 | 2.00% | 76.00 | 2.00% | 114.00 | 0.00% | 0.00 |
| 4 BDRM | 152.38 | 100.00% | 152.38 | 0.00% | | 2.00% | | 6.00% | 152.38 |
| | | | TOTAL | 100.00% | | 100.00% | | 100.00% | |

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| SITE STATISTICS - APARTMENT (MIDRISE) | | | | |
|---|---|---|---|---|
| Total Net New Residential GFA (m2) | 24,243 | | | |
| Total RGI Residential GFA (m2) | 4,379 | | | |
| Total Non-Residential GFA (m2) | 360 | | | |
| Indoor Amenity GFA (m2) | 878 | | | |
| **TOTAL GFA (m2)** | **29,860** | | | |
| **TOTAL GCA (m2)** | **31,760** | | | |
| **Required No. of Parking Spaces** | **555** | | | |
| **TOTAL No. of UNITS (NET NEW)** | **MARKET** | **AFFORDABLE** | **RGI** | **TOTAL** |
| | **185** | **179** | **53** | **417** |
| No. of BACHELOR | 8 | 10 | | 18 |
| No. of 1 BDRM | 58 | 66 | | 124 |
| No. of 2 BDRM | 109 | 72 | | 181 |
| No. of 3 BDRM | 10 | 25 | 45 | 80 |
| No. of 4 BDRM | 0 | 6 | 8 | 14 |
| | | | | |
| Parking Ratio (Inc. Visitors) | 1.33 | | | |
| GCA to GFA Ratio | 0.94 | | | |

| MIDRISE A | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 2,067 | 1,943 |
| 2 | 2,067 | 1,943 |
| 3 | 2,067 | 1,943 |
| 4 | 2,067 | 1,943 |
| 5 | 1,455 | 1,368 |
| 6 | 1,455 | 1,368 |
| 7 | 1,253 | 1,178 |
| 8 | 1,253 | 1,178 |
| 9 | 1,253 | 1,178 |
| 10 | 1,253 | 1,178 |
| **TOTAL** | **16,190.0** | **15,220** |

| MIDRISE B | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 1,557 | 1,464 |
| 2 | 1,557 | 1,464 |
| 3 | 1,557 | 1,464 |
| 4 | 1,557 | 1,464 |
| 5 | 1,557 | 1,464 |
| 6 | 1,557 | 1,464 |
| 7 | 1,557 | 1,464 |
| 8 | 1,557 | 1,464 |
| 9 | 1,557 | 1,464 |
| 10 | 1,557 | 1,464 |
| **TOTAL** | **15,570** | **14,640** |

| SITE STATISTICS - B2B (LOWRISE) | | | | |
|---|---|---|---|---|
| Total Net New Residential GFA (m2) | 1,350 | | | |
| Total RGI Residential GFA (m2) | 1,350 | | | |
| Total Non-Residential GFA (m2) | | | | |
| **TOTAL GFA (m2)** | **2,700** | | | |
| **TOTAL GCA (m2)** | **3,240** | | | |
| **Required No. of Parking Spaces** | **26** | | | |
| **TOTAL No. of UNITS (NET NEW)** | **MARKET** | **AFFORDABLE** | **RGI** | **TOTAL** |
| | **4** | **4** | **8** | **16** |
| No. of 3 BDRM | 4 | 4 | 8 | 8 |
| Parking Ratio (Inc. Visitors) | 1.60 | | | |
| GCA to GFA Ratio | 1.00 | | | |

| B2B A | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 540 | 270 |
| 2 | 540 | 540 |
| 3 | 540 | 540 |
| **TOTAL** | **1,620** | **1,350** |

| B2B B | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 540 | 270 |
| 2 | 540 | 540 |
| 3 | 540 | 540 |
| **TOTAL** | **1,620** | **1,350** |

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| SITE STATISTICS - STACKED (LOWRISE) | | | | |
|---|---|---|---|---|
| Total Net New Residential GFA (m2) | 3,044 | | | |
| Total RGI Residential GFA (m2) | 610 | | | |
| Total Non-Residential GFA (m2) | | | | |
| | | | | |
| **TOTAL GFA (m2)** | **3,654** | | | |
| **TOTAL GCA (m2)** | **4,176** | | | |
| **Required No. of Parking Spaces** | **21** | | | |
| **TOTAL No. of UNITS (NET NEW)** | **MARKET** | **AFFORDABLE** | **RGI** | **TOTAL** |
| | **4** | **8** | **4** | **16** |
| | | | | |
| | | | | |
| No. of 2 BDRM | 4 | 4 | | 8 |
| | | | | |
| No. of 4 BDRM | 0 | 4 | 4 | 8 |
| | | | | |
| Parking Ratio (Inc. Visitors) | 1.33 | | | |
| GCA to GFA Ratio | 1.00 | | | |

| STACKED A | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 522 | 261 |
| 2 | 522 | 522 |
| 3 | 522 | 522 |
| 4 | 522 | 522 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| **TOTAL** | **2,088** | **1,827** |

| STACKED B | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 522 | 261 |
| 2 | 522 | 522 |
| 3 | 522 | 522 |
| 4 | 522 | 522 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| **TOTAL** | **2,088** | **1,827** |

*Accompanying Footnotes/Assumptions:*

1. The Net Site Area/Developable Area excludes the components of the Natural Heritage System identified in Policy 5.4.4 of the Official Plan (Policy 2.3.2.2)

2. 10. The area excluded from the development area due to the natural heritage system could be used for on-site programming (i.e., trail, play space)

3. Gross Construction Area (GCA) is the sum of the total constructable area of a building above grade (i.e. the sum of the total area of each floor level, measured from the outside of the exterior wall of each floor level) excluding the rooftop mechanical penthouse.

4. Gross Floor Area (GFA) is an estimate. The final GFA number will depend on the architectural building design. In the case of this study, the proposed midrise building's GFA is calculated as 94% of the GCA, where the 6% deduction assumed accounts for typical building feature exclusions such as non-enclosed spaces, air shafts, floor area dedicated to the loading, parking, and circulation of cars, etc. For townhouses, the GFA is assumed to be the same as the GCA, with no takeouts.

5. Back-to-Back and Stacked townhouses are assumed to have 50% GFA on the Ground Floor (excludes Integral Garages).

6. The existing Gross Floor Area (GFA) / Net Floor Area (NFA) of RGI units is based on approximate current unit size data provided by the Region (3 BDRM ~ 80.8m2, 4 BDRM ~ 92.9m2).

7. The Oshawa ZBL does not contain a provision for indoor or outdoor amenity. The target rate for indoor and outdoor amenity is 2m2/unit (each) based on a precedent from the City of Toronto.

6. Back-to-Back and Stacked townhouses are assumed to have 50% GFA on the Ground Floor (excludes Integral Garages).

7. Midrise ground floor heights will be 4.5m. Floor-to-floor heights for the townhouse units and the floors above grade in the midrise buildings are 3.0m

8. Density means the ratio between the number of dwelling units located on a lot and the lot area, expressed in units per hectare per Zoning By-law 60-94.

9. Because the proposed concept exceeds density permissions in Zoning By-law 60-94 (60 to 85 units/hectare), a Zoning By-law Amendment will be required. Furthermore, a Site-Specific Official Plan Amendment will also be required to permit the proposed density, but it is expected that an OPA could be dealt with at the same time as a ZBA in a concurrent application for both, that relies on shared background reports/analysis that are approved at the same time.

10. The area excluded from the development area due to the natural heritage system could be used for on-site programming (i.e., trail, play space)

10. The minimum number of parking spaces required is based on the requirements in Zoning By-law 60-94 which includes the parking ratio of 1.33 for apartments and stacked townhomes (1 space/dwelling unit + 0.33 space/dwelling unit for visitors), 1.60 for the back-to-back townhouses (1.25 space/dwelling unit + 0.35 space/dwelling unit for visitors), and 1 parking space/24m2 for non-residential uses. 11. Based on best practices input from BA group, it is assumed that underground and aboveground parking width are designed in multiples of 18m, with a minimum width of 25-26m needed to accommodate an interfloor ramp for a multistorey parking structure

12. The market unit mix ratio is based on Altus's market analysis and the affordable unit mix ratio is based on the 2023 CMHC rental market survey and the Community Engagement Report Phase 1

## Christine

The following tables have been summarized in *Section 4.1.5* and have been directly extracted from Bousfield's Preferred Concept Report for the Christine site.

**THE HILL OPT 01: BELOW-GRADE PARKING; 6 ST MID-RISE; REMOVING CHRISTINE CRESCENT**

| SITE AREA CALCULATIONS | |
|---|---|
| **Gross Site Area (ha)** | **0.785** |
| **Net Site Area / Developable Area (ha)** | **0.785** |
| Area of Easement (ha) | 0.016 |
| Area of Private Roads/Driveways (ha) | 0.135 |
| Area of Rooftop Private Amenity Space (ha) | 0.051 |
| Area of Publicly Accessible Open Space at Grade (ha) | 0.098 |

| PROPOSED BUILDING AREAS | m2 | % | ft2 | % |
|---|---|---|---|---|
| **TOTAL GROSS CONSTRUCTION AREA (GCA)**[1] | **13,856** | **100%** | **149,145** | **100%** |
| **TOTAL GROSS FLOOR AREA (GFA)**[2] | **13,220** | **100%** | **142,299** | **100%** |
| Total Non-Residential GFA | 0 | 0% | 0 | 0% |
| Total Residential GFA for RGI Units[3] | 1,295 | 10% | 13,939 | 10% |
| Total Indoor Amenity GFA[4] | 328 | 2% | 3,531 | 2% |
| Total Residential GFA for Market Units (50% of Net New) | 5,798.5 | 44% | 62,414 | 44% |
| Total Residential GFA for Affordable Units (50% of Net New) | 5,798.5 | 44% | 62,414 | 44% |

**TOTAL No. OF UNITS**

| UNIT TYPE | RGI REPLACEMENT | NET NEW | | | TOTAL | RATIO |
|---|---|---|---|---|---|---|
| | | TOTAL NET NEW | MARKET RENTAL (50%) | AFFORDABLE RENTAL (50%) | | |
| Bachelor | | 7 | 3 | 4 | 7 | 4% |
| 1 BDRM | | 49 | 23 | 26 | 49 | 30% |
| 2 BDRM | | 74 | 45 | 29 | 74 | 45% |
| 3 BDRM | 12 | 18 | 6 | 12 | 30 | 18% |
| 4 BDRM | 0 | 4 | 0 | 4 | 4 | 2% |
| **SUBTOTAL** | **12** | **152** | **77** | **75** | **164** | |
| | | | | **TOTAL RESIDENTIAL UNITS** | **164** | **100%** |

| DENSITY | |
|---|---|
| **Gross Residential Density (units/gross site area (ha))**[6&7] | **208.92** |
| **Net Residential Density (units/net site area (ha))**[6&7] | **208.92** |
| Gross Density - Floor Space Index (FSI) | 1.68 |
| Net Density - Floor Space Index (FSI) | 1.68 |

<table>
<tr><th colspan="10">DESIGN PARAMETERS</th></tr>
<tr><th colspan="8">NET NEW - APARTMENT (MIDRISE) - UNIT MIX</th><th colspan="2">RGI - APARTMENT (MIDRISE) - UNIT MIX</th></tr>
<tr><th>UNIT TYPE</th><th>AVG SALABLE UNIT SIZE (m2)</th><th>GROSS UP</th><th>AVG. UNIT SIZE</th><th>MARKET - RATIO[10]</th><th>MARKET - AVG. UNIT SIZE (m2)</th><th>AFFORDABLE - RATIO[10]</th><th>AFFORDABLE - AVG. UNIT SIZE (m2)</th><th>RGI - RATIO</th><th>RGI - AVG. UNIT SIZE (m2)</th></tr>
<tr><td>BACHELOR</td><td>42.00</td><td>115.00%</td><td>48.30</td><td>4.00%</td><td rowspan="5">77.64</td><td>5.00%</td><td rowspan="5">78.76</td><td>0.00%</td><td rowspan="5">92.90</td></tr>
<tr><td>1 BDRM</td><td>59.00</td><td>115.00%</td><td>67.85</td><td>30.00%</td><td>35.00%</td><td>0.00%</td></tr>
<tr><td>2 BDRM</td><td>72.00</td><td>115.00%</td><td>82.80</td><td>59.00%</td><td>39.00%</td><td>0.00%</td></tr>
<tr><td>3 BDRM</td><td>80.80</td><td>115.00%</td><td>92.92</td><td>0.00%</td><td>0.00%</td><td>50.00%</td></tr>
<tr><td>4 BDRM</td><td>92.90</td><td>115.00%</td><td>106.84</td><td>0.00%</td><td>5.00%</td><td>0.00%</td></tr>
<tr><th colspan="8">NET NEW- BACK-TO-BACK/STACKED (LOWRISE) - UNIT MIX</th><th colspan="2">RGI- BACK-TO-BACK/STACKED (LOWRISE) - UNIT MIX</th></tr>
<tr><th>UNIT TYPE</th><th>AVG SALABLE UNIT SIZE (m2)</th><th>GROSS UP</th><th>AVG. UNIT SIZE</th><th>MARKET - RATIO[10]</th><th>MARKET - AVG. UNIT SIZE (m2)</th><th>AFFORDABLE - RATIO[10]</th><th>AFFORDABLE - AVG. UNIT SIZE (m2)</th><th>RGI - RATIO</th><th>RGI - AVG. UNIT SIZE (m2)</th></tr>
<tr><td>3 BDRM</td><td>135.00</td><td>100.00%</td><td>135.00</td><td>7.00%</td><td>135.00</td><td>16.00%</td><td>135.00</td><td>50.00%</td><td>135.00</td></tr>
<tr><td></td><td></td><td></td><td>TOTAL</td><td>100.00%</td><td></td><td>100.00%</td><td></td><td>100.00%</td><td></td></tr>
</table>

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| SITE STATISTICS - APARTMENT (MIDRISE) | | | | |
|---|---|---|---|---|
| | | | | |
| Total Net New Residential GFA (m2) | 9,167 | | | |
| Total RGI Residential GFA (m2) | 485 | | | |
| Amenity GFA (m2) | 328 | | | |
| **TOTAL GFA (m2)** | **9,980** | | | |
| **TOTAL GCA (m2)** | **10,616** | | | |
| **Required No. of Parking Spaces** | **186** | | | |
| **TOTAL No. of UNITS (NET NEW)** | **MARKET** | **AFFORDABLE** | **RGI** | **TOTAL** |
| | **71** | **63** | **6** | **140** |
| No. of BACHELOR | 3 | 4 | | 7 |
| No. of 1 BDRM | 23 | 26 | | 49 |
| No. of 2 BDRM | 45 | 29 | | 74 |
| No. of 3 BDRM | 0 | 0 | 6 | 6 |
| No. of 4 BDRM | 0 | 4 | | 4 |
| | | | | |
| Parking Ratio (Inc. Visitors) | 1.33 | | | |
| GCA to GFA Ratio | 0.94 | | | |

| MIDRISE A | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 1,957 | 1,840 |
| 2 | 1,957 | 1,840 |
| 3 | 1,957 | 1,840 |
| 4 | 1,957 | 1,840 |
| 5 | 1,394 | 1,310 |
| 6 | 1,394 | 1,310 |
| | | |
| | | |
| | | |
| | | |
| **TOTAL** | **10,616** | **9,980** |

| SITE STATISTICS - STACKED B2B (LOWRISE) | | | | |
|---|---|---|---|---|
| | | | | |
| Total Net New Residential GFA (m2) | 2,430 | | | |
| Total RGI Residential GFA (m2) | 810 | | | |
| Amenity GFA (m2) | | | | |
| **TOTAL GFA (m2)** | **3,240** | | | |
| **TOTAL GCA (m2)** | **3,240** | | | |
| **Required No. of Parking Spaces** | **32** | | | |
| **TOTAL No. of UNITS (NET NEW)** | **MARKET** | **AFFORDABLE** | **RGI** | **TOTAL** |
| | **6** | **12** | **6** | **24** |
| | | | | |
| | | | | |
| | | | | |
| No. of 3 BDRM | 6 | 12 | 6 | 24 |
| | | | | |
| | | | | |
| Parking Ratio (Inc. Visitors) | 1.22 | 1.33 | | |
| GCA to GFA Ratio | 1.00 | | | |

| STACKED B2B A | | |
|---|---|---|
| **Floor** | **GCA (sq.m.)** | **GFA (sq.m.)** |
| 1 | 810 | 810 |
| 2 | 810 | 810 |
| 3 | 810 | 810 |
| 4 | 810 | 810 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| **TOTAL** | **3,240** | **3,240** |

*Accompanying Footnotes/Assumptions:*

1. Gross Construction Area (GCA) is the sum of the total constructable area of a building above grade (i.e. the sum of the total area of each floor level, measured from the outside of the exterior wall of each floor level) excluding the rooftop mechanical penthouse.

2. Gross Floor Area (GFA) is an estimate. The final GFA number will depend on the architectural building design. In the case of this study, the proposed midrise building's GFA is calculated as 94% of the GCA, where the 6% deduction assumed accounts for typical building feature exclusions such as non-enclosed spaces, air shafts, floor area dedicated to the loading, parking, and circulation of cars, etc. For townhouses, the GFA is assumed to be the same as the GCA, with no takeouts.

3. The existing Gross Floor Area (GFA) / Net Floor Area (NFA) of RGI units is based on approximate current unit size data provided by the Region (3 BDRM ~ 80.8m2).

4. The Oshawa ZBL does not contain a provision for indoor or outdoor amenity. The target rate for indoor and outdoor amenity is 2m2/unit (each) based on a precedent from the City of Toronto.

5. Midrise ground floor heights will be 4.5m. Floor-to-floor heights for the townhouse units and the floors above grade in the midrise buildings are 3.0m

6. Density means the ratio between the number of dwelling units located on a lot and the lot area, expressed in units per hectare per Zoning By-law 60-94.

7. Because the proposed concept exceeds density permissions in Zoning By-law 60-94 (60 to 85 units/hectare), a Zoning By-law Amendment will be required. Furthermore, a Site-Specific Official Plan Amendment will also be required to permit the proposed density, but it is expected that an OPA could be dealt with at the same time as a ZBA in a concurrent application for both, that relies on shared background reports/analysis that are approved at the same time.

8. The minimum number of parking spaces required is based on the requirements in Zoning By-law 60-94 which includes the parking ratio of 1.33 for apartments and stacked townhomes (1 space/dwelling unit + 0.33 space/dwelling unit for visitors).

9. Based on best practices input from BA group: underground and aboveground parking width are designed in multiples of 18m, with a minimum width of 25-26m needed to accommodate an interfloor ramp for a multistorey parking structure.

## 8.2. Detailed statistics for pro-forma

Note: all calculations in below are based on a base case scenario of 50% affordable, split between <80% MMR (30% of all units) and 100% MMR (20% of all units).

*Table 37: Summary of Malaga Detailed Operating Financials*

| | | | | | | |
|---|---|---|---|---|---|---|
| Rent Escalation | 4.0% | Begin Month 68 | | | | |
| UNIT TYPE (MARKET UNITS) | UNITS | AVG. SF | | RENT/SF/MO | RENT/UNIT/MO | TOTAL RENT/YR |
| Bachelor | 10.18 | 452 | | 3.98 | 1,800 | 219,780 |
| 1B | 81 | 635 | | 3.58 | 2,275 | 2,222,220 |
| 1B+D | 0 | 635 | | 3.58 | 2,275 | - |
| 2B | 92 | 775 | | 3.39 | 2,625 | 2,884,613 |
| 3B | 20 | 870 | | 3.28 | 2,850 | 695,970 |
| 4B | 0 | 1,000 | | - | - | - |
| B2B TH (3B) | 8 | 1,816 | | 1.93 | 3,500 | 336,000 |
| B2B TH (4B) | 0 | 0 | | - | - | - |
| Stacked (2B) | 4 | 818 | | 3.27 | 2,675 | 128,400 |
| Stacked (4B) | 4 | 1,641 | | 2.04 | 3,350 | 160,800 |
| GROSS RENT MARKET | 220 | 771 | | 1.56 | 2,524 | 6,647,783 |
| | - | | | | | |
| Rent Escalation | 2.0% | | | | | |
| UNIT TYPE (AFFORDABLE UNITS) | UNITS | AVG. SF | | RENT/SF/MO | RENT/UNIT/MO | TOTAL RENT/YR |
| Bachelor | 8 | 452 | | 1.90 | 860 | 77,628 |
| 1B | 53 | 635 | | 1.82 | 1,158 | 732,003 |
| 1B+D | 0 | 635 | | 1.82 | 1,158 | - |
| 2B | 60 | 775 | | 1.69 | 1,309 | 945,804 |
| 3B | 23 | 870 | | 1.69 | 1,470 | 398,153 |
| 4B | 8 | 1,000 | | 1.64 | 1,639 | 147,979 |
| B2B TH (3B) | 0 | 1,816 | | 0.90 | 1,639 | - |
| B2B TH (4B) | 0 | 0 | | - | 1,639 | - |
| Stacked (2B) | 4 | 818 | | 1.66 | 1,355 | 65,026 |
| Stacked (4B) | 0 | 1,641 | | 1.00 | 1,639 | - |
| GROSS RENT AFFORDABLE | 155 | 737 | | 0.55 | 1,276 | 2,366,593 |
| | - | | | | | |
| Rent Escalation | 2.0% | | | | | |
| UNIT TYPE (RENTAL REPLACEMEN | UNITS | AVG. SF | | RENT/SF/MO | RENT/UNIT/MO | TOTAL RENT/YR |
| Midrise 3B/4B | 53 | 890 | | 1.68 | 1,495 | 950,980 |
| B2B 3B | 8 | 1,816 | | 0.90 | 1,639 | 157,320 |
| Stacked 4B | 4 | 1,641 | | 1.00 | 1,639 | 78,660 |
| GROSS RENT RENTAL REPLACEME | 65 | 1,050 | | 0.28 | 1,522 | 1,186,960 |
| Loss-to-Lease (Stabilization Income offset) | | | | | | |
| TOTAL RES RENTAL INCOME | 439 | 355,397 | | 2.39 | 1,936 | 10,201,336 |
| OTHER INCOME | | | % OF TOTAL RENT | /SF/MO | UNIT/MO | AMOUNT/YR |
| Parking Income | 4.0% annual growth | | 4.79% | 0.11 | 93 | 488,400 |
| Locker Income | 4.0% annual growth | | 0.64% | 0.02 | 12 | 65,400 |
| TOTAL OTHER INCOME | 4.0% | | 5.43% | 0.13 | 105 | 553,800 |
| NON-RES RETAIL INCOME | | 2.00% | - /SF/YR | - | - | - |
| TOTAL POTENTIAL INCOME | | | | 2.52 | 2,042 | 10,755,136 |
| - General Vacancy | | Market, Parking&Locker | 2.0% | (0.03) | (27) | (144,032) |
| - General Vacancy | | Affordable | 1.0% | (0.01) | (4) | (23,666) |
| - General Vacancy | | RGI Rental Replacement | 1.0% | (0.00) | (2) | (11,870) |
| - General Vacancy | | Non-Residential | 2.0% | - | - | - |
| - Credit Loss | | Market, Parking&Locker | 1.0% | (0.02) | (14) | (72,016) |
| - Credit Loss | | Affordable | 1.0% | (0.01) | (4) | (23,666) |
| - Credit Loss | | RGI Rental Replacement | 1.0% | (0.00) | (2) | (11,870) |
| - Credit Loss | | Non-Residential | 1.0% | - | - | - |
| EFFECTIVE GROSS REVENUE | | | | 2.46 | 1,994 | 10,468,017 |
| EXPENSES | | | | | | |
| Annual Expense Growth Begin Month | | Begin Month 68 | | | | |
| OPERATING EXPENSES | | Expense Growth | | % OF EGR | UNIT/YR | AMOUNT/YR |
| Repairs and Maintenance | | 2.0% | | 8.10% | 1,931 | 847,909 |
| Payroll | | 2.0% | | 5.80% | 1,383 | 607,145 |
| General & Administrative | | 2.0% | | 1.00% | 238 | 104,680 |
| Marketing | | 2.0% | | 1.07% | 255 | 112,008 |
| Utilities | | 2.0% | | 3.42% | 816 | 358,006 |
| Security | | 2.0% | | 0.68% | 162 | 71,183 |
| Management Fee (assumed not applicable) | | 0.0% | | 0.00% | - | - |
| Insurance | | 2.0% | | 1.58% | 377 | 165,395 |
| Capital Expenditures | | 2.0% | | 4.00% | 954 | 418,721 |
| Property Taxes | | 2.0% | | 8.54% | 2,036 | 893,969 |
| TOTAL OPERATING EXPENSES | | | | 34.19% | 8,153 | 3,579,015 |
| **NET OPERATING INCOME** | | | | | | **6,889,002** |
| CASH FLOW FROM OPERATIONS | | | | | | 6,889,002 |
| Debt Service (Term Loan) | | | | | | 6,033,035 |
| CASH FLOW AFTER FINANCING | | | | | | 855,967 |

*Table 38: Summary of Christine Detailed Operating Financials*

| Rent Escalation | 4.0% | Begin Month 56 | | | |
|---|---|---|---|---|---|
| UNIT TYPE (MARKET UNITS) | UNITS | AVG. SF | RENT/SF/MO | RENT/UNIT/MO | TOTAL RENT/YR |
| Bachelor | 4 | 452 | 3.98 | 1,800 | 75,600 |
| 1B | 25 | 635 | 3.58 | 2,275 | 668,850 |
| 1B+D | 0 | 635 | - | - | - |
| 2B | 35 | 775 | 3.39 | 2,625 | 1,102,500 |
| 3B | 7 | 870 | 3.28 | 2,850 | 239,400 |
| 4B | 0 | 1,000 | - | - | - |
| B2B TH (3B) | 0 | 0 | - | - | - |
| B2B TH (4B) | 0 | 0 | - | - | - |
| B2B Stacked (2B) | 0 | 0 | - | - | - |
| B2B Stacked (3B) | 12 | 1,453 | 2.20 | 3,200 | 460,800 |
| GROSS RENT MARKET | 82 | 827 | 1.54 | 2,589 | 2,547,150 |

| Rent Escalation | 2.0% | | | | |
|---|---|---|---|---|---|
| UNIT TYPE (AFFORDABLE UNITS) | UNITS | AVG. SF | RENT/SF/MO | RENT/UNIT/MO | TOTAL RENT/YR |
| Bachelor | 3 | 452 | 1.90 | 860 | 33,011 |
| 1B | 22 | 635 | 1.82 | 1,158 | 311,284 |
| 1B+D | 0 | 635 | 1.82 | 1,158 | - |
| 2B | 26 | 775 | 1.69 | 1,309 | 402,202 |
| 3B | 10 | 870 | 1.69 | 1,470 | 169,314 |
| 4B | 3 | 1,000 | 1.64 | 1,639 | 62,928 |
| B2B TH (3B) | 0 | 0 | - | 1,639 | - |
| B2B TH (4B) | 0 | 0 | - | 1,639 | - |
| B2B Stacked (2B) | 0 | 0 | - | 1,355 | - |
| B2B Stacked (3B) | 6 | 1,453 | 1.13 | 1,639 | 117,990 |
| GROSS RENT AFFORDABLE | 70 | 797 | 0.66 | 1,306 | 1,096,730 |

| Rent Escalation | 2.0% | | | | |
|---|---|---|---|---|---|
| UNIT TYPE (RGI Rental Replacement) | UNITS | AVG. SF | RENT/SF/MO | RENT/UNIT/MO | TOTAL RENT/YR |
| Midrise 3B | 6 | 870 | 1.69 | 1,470 | 105,821 |
| Stacked 3B | 6 | 1,453 | 1.13 | 1,639 | 117,990 |
| GROSS RENT RGI Rental Replaceme | 12 | 1,162 | 0.14 | 1,554 | 223,811 |
| Loss-to-Lease (Stabilizing Income offset) | | | | | |
| TOTAL RES RENTAL INCOME | 164 | 137,510 | 2.34 | 1,965 | 3,867,691 |

| OTHER INCOME | | % OF TOTAL RENT | /SF/MO | UNIT/MO | AMOUNT/YR |
|---|---|---|---|---|---|
| Parking Income | 4.0% annual growth | 5.89% | 0.14 | 116 | 228,000 |
| Locker Income | 4.0% annual growth | 0.64% | 0.01 | 13 | 24,600 |
| TOTAL OTHER INCOME | 4.0% | 6.53% | 0.15 | 128 | 252,600 |
| NON-RES RETAIL INCOME | 0.00% | - /SF/YR | - | - | - |
| TOTAL POTENTIAL INCOME | | | 2.50 | 2,094 | 4,120,291 |

| | | | | | |
|---|---|---|---|---|---|
| - General Vacancy | Market, Parking&Locker | 2.0% | (0.03) | (28) | (55,995) |
| - General Vacancy | Affordable | 1.0% | (0.01) | (6) | (10,967) |
| - General Vacancy | RGI Rental Replacement | 1.0% | (0.00) | (1) | (2,238) |
| - General Vacancy | Non-Residential | 0.0% | - | - | - |
| - Credit Loss | Market, Parking&Locker | 1.0% | (0.02) | (14) | (27,998) |
| - Credit Loss | Affordable | 1.0% | (0.01) | (6) | (10,967) |
| - Credit Loss | RGI Rental Replacement | 1.0% | (0.00) | (1) | (2,238) |
| - Credit Loss | Non-Residential | 0.0% | - | - | - |
| EFFECTIVE GROSS REVENUE | | | 2.43 | 2,038 | 4,009,888 |

EXPENSES

Annual Expense Growth Begin Month — Begin Month 56

| OPERATING EXPENSES | Expense Growth | % OF EGR | UNIT/YR | AMOUNT/YR |
|---|---|---|---|---|
| Repairs and Maintenance | 2.0% | 8.10% | 1,980 | 324,801 |
| Payroll | 2.0% | 5.80% | 1,418 | 232,573 |
| General & Administrative | 2.0% | 1.00% | 245 | 40,099 |
| Marketing | 2.0% | 1.07% | 262 | 42,906 |
| Utilities | 2.0% | 3.42% | 836 | 137,138 |
| Security | 2.0% | 0.68% | 166 | 27,267 |
| Management Fee (assumed not applicable) | 2.0% | 0.00% | - | - |
| Insurance | 2.0% | 1.58% | 386 | 63,356 |
| Capital Expenditure | 2.0% | 4.00% | 978 | 160,396 |
| Property Taxes | 2.0% | 8.54% | 2,088 | 342,444 |
| TOTAL OPERATING EXPENSES | | 34.19% | 8,360 | 1,370,981 |
| **NET OPERATING INCOME** | | | | **2,638,907** |
| CASH FLOW FROM OPERATIONS | | | | 2,638,907 |
| Debt Service (Term Loan) | | | | 2,115,809 |
| CASH FLOW AFTER FINANCING | | | | 523,098 |

*Table 39: Summary of Malaga Development Timeline*

| Timeline Assumptions | Start | Finish | Duration (Months) |
| --- | --- | --- | --- |
| Official Plan Amendment / Rezoning Approval | Jun-24 | Jun-25 | 12 |
| SPA Approval | Jun-25 | Jun-26 | 12 |
| Construction Start - Below Grade | Jun-26 | Jun-27 | 12 |
| Construction Start - Above Grade | Jun-27 | Jun-29 | 24 |
| Lease-up / Stabilization | Jun-29 | Jun-30 | 12 |
| Project Completion Date | Jun-30 | | |

*Table 40: Summary of Christine Development Timeline*

| Timeline Summary | Start | Finish | Duration (Months) |
| --- | --- | --- | --- |
| Official Plan Amendment / Rezoning Approval | Jun-24 | Jun-25 | 12 |
| SPA Approval | Jun-25 | Jun-26 | 12 |
| Construction Start - Below Grade | Jun-26 | Jun-27 | 12 |
| Construction Start - Above Grade | Jun-27 | Dec-28 | 18 |
| Lease-up / Stabilization | Dec-28 | Jun-29 | 6 |
| **Project Completion Date** | **Jun-29** | | |

Infrastructure Ontario

*Table 41: Summary of Malaga Financing Assumptions*

| Financing Assumptions | | |
|---|---|---|
| **Construction Loan** | | |
| Loan Type | CMHC Co-Investment Fund | |
| Loan Amount | 142,342,188 | |
| Loan-to-Value | 77% | |
| Loan-to-Cost | 55% | |
| Loan Start | Feb-28 | Month 45 |
| Average Interest Rate | 3.50% | |
| Construction Loan Interest | 9,655,033 | - |
| **Take-out Financing / Term Loan** | | |
| Loan Type | CMHC Co-Investment Fund | |
| Loan Amount | 142,342,188 | |
| Interest Rate | 3.50% | |
| Interest Rate for Stress Test | 4.50% | |
| Amortization | 50 | |
| Loan Start | Jan-31 | Month 80 |
| Mortgage Payment (Based on Stress Test Rate) | 7,163,623 | |
| Trended NOI (Month 80) | 7,166,493 | |
| Stabilized DSCR for Stress Test | **1.00** | Eligible |
| Required CMHC DSCR | 1.00 | |
| Actual DSCR Trended | 1.19 | |
| **CMHC Co-Investment Eligibility** | | |
| **Rent as % of MMR** | **87%** | |
| Confirms the number of units below 80% of MMR | 132 | |
| Total Number of Unit | 439 | |
| **Overall Affordable Set-Aside Rate** | **30.0%** | Eligible |
| Total Accessible Units | 88 | |
| **Accessible Units %** | **20.0%** | Eligible |

Infrastructure Ontario

*Table 42: Summary of Christine Financing Assumptions*

| Financing Assumptions | | |
|---|---|---|
| **Construction Loan** | | |
| Loan Type | CMHC Co-Investment Fund | |
| Loan Amount | 49,919,975 | |
| Loan-to-Value | 71% | |
| Loan-to-Cost | 53% | |
| Loan Start | Dec-27 | Month 43 |
| Average Interest Rate | 3.50% | |
| Construction Loan Interest | 1,782,505 | - |
| **Take-out Financing / Term Loan** | | |
| Loan Type | CMHC Co-Investment Fund | |
| Loan Amount | 49,919,975 | |
| Interest Rate | 3.50% | |
| Interest Rate for Stress Test | 4.50% | |
| Amortization | 50 | |
| Loan Start | Aug-29 | Month 63 |
| Mortgage Payment (Based on Stress Test Rate) | 2,512,311 | |
| Trended NOI (Month 63) | 2,539,111 | |
| **Stabilized DSCR** | **1.01** | **Eligible** |
| Required CMHC DSCR | 1.00 | |
| Actual DSCR Trended | **1.20** | |
| **CMHC Co-Investment Eligibility** | | |
| Rent as % of AMR | 87% | |
| Confirm the number of units below 80% AMR | 49 | |
| Total Number of Units | 164 | |
| **Affordable Set-Aside Rate** | **30.0%** | **Eligible** |

*Table 43: Malaga Regional Annual Capital Funding Requirements*

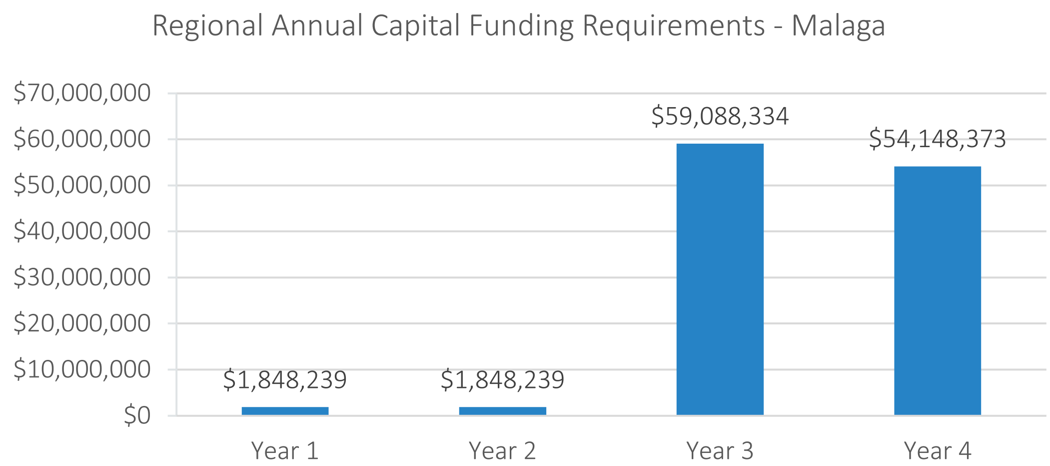
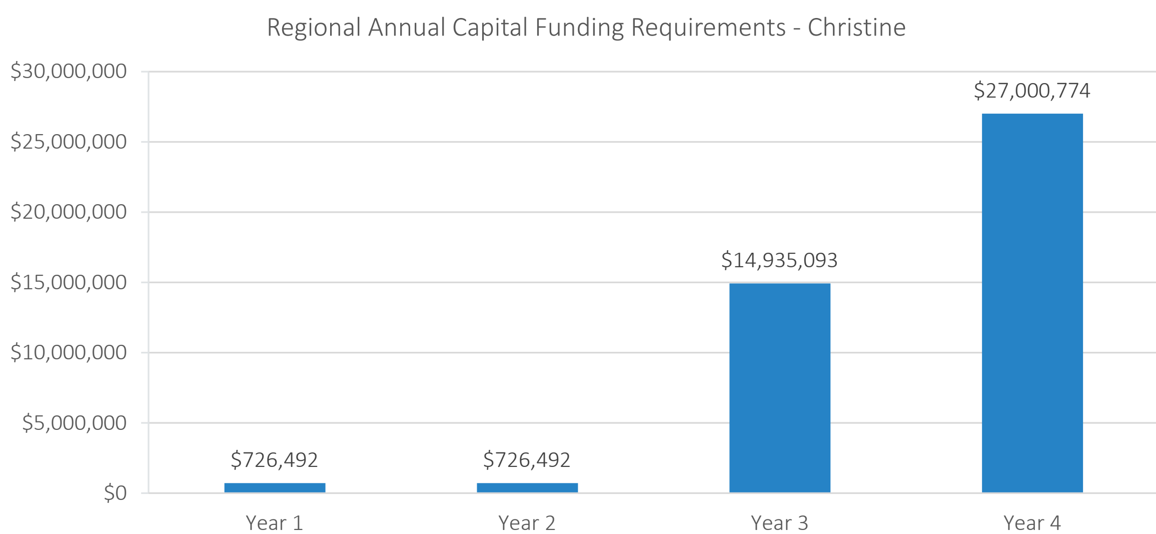



*Table 44: Christine Regional Annual Capital Funding Requirements*




## 8.3. Altus market analysis

### 8.3.1 Market opportunity and target renter groups

Strong population growth in Oshawa continues to drive residential demand in the City, increasing the need for all housing types and tenures. Notably, household growth in Oshawa has been largely driven by renter households over the last two census periods, with renters steadily increasing their share of the City's households.

Compared to the rest of the Region, Oshawa has a higher share of non-census family households (that mainly consist of one-person households) and a lower share of couples with children. The City also has a slightly higher proportion of people aged 25 to 34 and 65 and over. The share of smaller households – one and two people – is also higher in the City of Oshawa compared to Durham Region. All these groups typically have a higher propensity to rent and are likely more present in Oshawa due to greater availability of rental housing.

Oshawa has the largest rental inventory in Durham Region characterized by low vacancy rates and strong rental rate growth. As of October 2023, the average vacancy rate in Oshawa was 1.5%. This indicates tight market conditions and an underlying supply-demand gap. With the majority of the existing rental inventory built before the 1970's, the need for new rental stock that responds to current market standards and consumer expectations is particularly strong.

Strong rental demand is also evident based on market absorption of new purpose-built units and leasing activity in the secondary market. 80 Bond, for example, had around half of its units leased before its official launch in August 2022. The volume of privately leased apartments and townhouses has been also increasing year over year as more supply has been entering the market. Affordability challenges in the ownership market further fuel rental demand across all GTA markets including Oshawa.

Although rental demand is typically concentrated in the apartment market, a lack of purpose-built rental townhouse inventory (which represents less than 10% of Oshawa's total rental stock) and increasing volumes of private leasing for this housing type suggest that there is also strong demand for rental townhouses in Oshawa. Households that traditionally expressed interest in ground-related housing and had higher ownership rates are now facing significant affordability challenges in the ownership market, increasingly turning to the rental market.

Based on Oshawa's demographic profile and renter households characteristics, as well as site context and nearby amenities, the following target renter groups have been identified for the Christine (Hill) Site:

- Couples with and without kids;
- Lone parents;
- Young professionals; and to a smaller extent
- Downsizers/young seniors;

The Malaga Site is expected to attract:

- Young professional singles and couples without kids;
- Couples with kids and lone parents; and
- Downsizers/young seniors;

The two sites are expected to have a similar overall tenant profile; however, each group is expected to have a varying degree of representation at each location as suggested by the order in which they are listed. Both sites might derive some demand from students, however, since all major educational institutions are predominantly located in North Oshawa with on- and off-campus student housing nearby, this group will likely represent a very small proportion of the renter mix.

Across the product types proposed for the two Sites, ground related housing (traditional townhouses and ground-level stacked townhouses) will be most attractive for families with kids (including lone parents), while upper-level stacked townhouses are likely to attract young couples without children. Downsizers, young professional singles and couples without kids will drive demand for smaller apartments (primarily one-bedrooms), while families with kids, lone parents and potentially some multi-generational households and people living with roommates will drive demand for larger apartment unit types (primarily two-bedrooms).

### 8.3.2 Unit Mix, Unit Size, Rental Rate and Absorption Recommendations

The following rental rate recommendations were developed for the market units based on the most recent development concepts provided by the Client on April 10$^{th}$, 2024, for Malaga and Christine.

*Table 45: Recommended Rental Rates, Malaga*

| Unit Type | Average Unit Size (Sq. Ft.) | Average Monthly Rent | Average Rent per Sq. Ft. |
|---|---|---|---|
| Mid-Rise Apartments | | | |
| Studio | 452 | $1,800 | $3.98 |
| 1 Bed | 635 | $2,275 | $3.58 |
| 2 Bed | 775 | $2,625 | $3.39 |
| 3 Bed | 870 | $2,850 | $3.28 |
| Back-to-Back Townhouses | | | |
| 3 Bed | 1,816 | $3,500 | $1.93 |
| Stacked Townhouses | | | |
| 2 Bed | 818 | $2,675 | $3.27 |

*Table 46: Recommended Rental Rates, Christine*

| Unit Type | Average Unit Size (Sq. Ft.) | Average Monthly Rent | Average Rent per Sq. Ft. |
|---|---|---|---|
| Mid-Rise Apartments | | | |
| Studio | 452 | $1,800 | $3.98 |
| 1 Bed | 635 | $2,275 | $3.58 |
| 2 Bed | 775 | $2,625 | $3.39 |
| 3 Bed | 870 | $2,850 | $3.28 |
| Back-to-Back Stacked Townhouses | | | |
| 3 Bed | 1,453 | $3,200 | $2.20 |

Note: Rents are listed in current dollars. Apartment rents include heat and water and exclude hydro. Townhouse rents include heat and parking.

Source: Altus Group Economic Consulting

With the Malaga Site being better positioned to attract smaller households, particularly single young professionals, the Site can support slightly smaller unit sizes for one-bedroom and one-bedroom-plus den units, which would translate into higher rent per sq. ft. compared to Christine despite the same overall rental rate range. Slightly larger unit sizes across smaller unit types at Christine will increase the attractiveness of these units to downsizers and young couples without kids. Considering that the two Sites could potentially enter the market around the same time and have overlapping lease-up periods, maintaining consistent rental rate ranges at both locations will facilitate balanced absorption. A higher proportion of larger unit types is recommended for Christine based on the Site's strong positioning to attract larger household types and particularly families with kids. Given the inclusion of townhouse sites at both locations, compact unit sizes are recommended for three-bedroom units to provide a more diverse range of options suitable for a variety of household structures.

Given a lack of existing rental townhouse inventory in Oshawa, coupled with an increasing volume of private leasing for this housing type with some units as big as 2,000 sq. ft., there is a strong market opportunity for providing three- and four-bedroom townhouse units in the range of 1,200 and 1,800 sq. ft. With a strong preference for ground-oriented housing among families with kids, larger unit types are strongly recommended to be incorporated within the back-to-back townhouse blocks as well as ground-level stacked townhouse units. With upper-floor stacked townhouse units being a closer alternative to apartments than traditional townhomes, these units will likely attract young couples and potentially some lone-parents.

The proposed townhouse rents are generally comparable to the rates observed in recently renovated projects and are slightly higher than the rates observed among privately leased units. A slight premium is generally observed for purpose-built units since they have a number of advantages over privately leased units including professional management and maintenance as well as greater security of tenure.

A monthly underground parking fee of around $100 is recommended for both Sites ($120 for EV charging). With larger unit types likely requiring multiple parking spots, an inclusion of tandem parking for around $175 a month is also recommended. Recommended townhouse rents already include parking, however additional spots might be offered for rent if needed. A $50 monthly fee is recommended for external apartment lockers.

Rental rate and unit size recommendations have been developed with an aim to increase the project's overall competitiveness within the primary and secondary rental market while facilitating healthy absorption rates. In smaller markets like Oshawa, pricing becomes one of the main determinants of absorption. Priced significantly above comparable privately leased townhouse units, Cedar Valley has been struggling to achieve stabilized occupancy despite having a relatively small overall inventory. Similarly, 80 Bond had to adjust its incentive programs on lease-up and provide additional incentives for some of their larger unit types.

Since a portion of units at each of the Sites will be set aside for affordable housing (likely in the range of 30% to 50%), the volume of market units generated by the development will likely not create any significant absorption risks. Having a variety of built-form typologies also allows to target a larger pool of potential renters, providing a range of options suitable for a diverse range of households. Informed by absorption rates achieved at recently completed rental projects as well as the pace of leasing for privately leased units, the proposed projects are likely to achieve the following absorption rates assuming a 50% to 70% share of market-rate units:

- Around 15 to 25 apartment units a month for a total lease-up period of 3 to 6 months for Christine and 6 to 18 months for Malaga; and
- Around 5 to 10 townhouse units[6] a month for a total absorption period of 1 to 2 months for Christine and 2 to 3 months for Malaga;

Based on an estimated annual market demand of between 590 and 730 rental apartment units in the 2026-2031 census period (medium- to high-growth scenario) the projects will likely face minimal absorption risks given a modest active under-construction rental apartment supply that could be reasonably expected to enter the market during the same census period. At the same time, with a projected moderating annual demand for rental townhouse units in the 2026-2031 census period (estimated at around 40 to 50 units) and a relatively large number of planned townhouse units in Oshawa (which also have shorter construction timelines compared to apartments), the two Sites will be likely facing stronger competition for this unit type. Despite a seemingly more challenging market landscape for rental townhouses during that census period, there is a high chance that the City of Oshawa will exceed its projected capture share of the GTA's renter household growth in townhouses. Oshawa's capture rates for rental townhouse demand have been negatively impacted by low supply availability in the past and have shown to be quite responsive to the recent uptake in townhouse construction. With shorter construction timelines compared to high-density housing and a growing development pipeline, the City's rental townhouse stock is well positioned to increase its capture rate beyond the high-growth scenario. Additionally, demand projections are prepared based on CMHC definitions, which classify stacked townhouses as apartment units, which reduces the number of townhouse units competing in the market.

[6] Including stacked units.

To further minimize absorption risks, a pre-launch marketing campaign using a variety of channels is strongly encouraged. Launching registrations through a variety of web and social media platforms, 80 Bond was able to rent around half of its units before the building was officially opened. Additional incentives such as free parking, locker or internet are also common among newly built rental projects. Gift certificates or months of free rent are also typical throughout the lease-up period. These incentives can apply to select unit types and/or lease terms.

Given a relatively small scale of the market-rate portion of the proposed development, a marketing campaign and an early registration process launched around 3 months prior to project completion could help assess the need for additional incentives.

### 8.3.3 Recommended building amenities and suite features

Based on the potential target renter groups identified for the two sites, the scale of the proposed projects, as well as competitive product characteristics, the following amenities are recommended to be included within the mid-rise structures:

- Gym;
- Concierge;
- On-Site management office;
- Party room/lounge;
- Outdoor/rooftop terrace with BBQs;
- Outdoor children's playground;
- Bike storage;

Additional amenities such as co-working space/meeting rooms, courier lockers and a games room can be included if feasible.

Since back-to-back and stacked townhouse units have a limited ability to offer private outdoor space, shared park space is strongly encouraged withing the townhouse blocks. This includes children's playgrounds and BBQ areas. Maintenance services such as snow-removal, landscaping and curb-side waste collection are also strongly encouraged.

Recommended suite-finishes and features include stainless steel or integrated kitchen appliances, vinyl plank flooring throughout, porcelain or ceramic bathroom floor and wall tiles, stainless steel or chrome bathroom and kitchen fixtures, individual temperature control, natural stone (or equivalent) countertops, tile kitchen backsplash, energy efficient lighting and in-suite laundry. Balconies (Juliet, regular or terraced depending on unit type and size), 9-foot ceilings and floor-to-ceiling windows are encouraged if structurally supported.

### 8.3.4 Retail analysis and recommendations

Location is one of the most important aspects of retail development. The optimal location for most commercial retail and service uses are typically at the intersection of major arterial roads, which provide the highest degree of visibility and exposure to both vehicle and foot traffic from multiple directions.

Both Sites present certain limitations in terms of visibility and accessibility, especially for customers not residing within the immediate vicinity. The single bus line service for each site suggests a reliance on the local residential population for foot traffic. For commercial development, particularly retail, these sites would require a targeted approach that capitalizes on the local demographic.

Malaga displays a potential for commercial development, though on a conservative scale. The site is set to experience a population growth due to its own residential development and other upcoming projects in the vicinity. This growth is projected to create a demand for an additional convenience commercial space of nearly 5,000 sq. ft. by 2041. Nonetheless, given the site's proximity to an established commercial node, it is prudent to focus commercial development efforts on servicing the on-site residential community. A convenience store sized at about 1,000 sq. ft. would be appropriate for the Malaga's Site, aligning with market averages and the expected consumer base.

Upon a thorough evaluation of Christine, the recommendation is to abstain from pursuing commercial development. The forecasted commercial space requirement, coming solely from the anticipated population of the Christine development, does not justify the development of a convenience store. The specific location of the site does not lend itself to the advantages typically associated with successful retail operations, such as high visibility and accessibility. The dead-end location and the lack of significant through traffic severely constrain the site's ability to draw customers from beyond its immediate residential surroundings. Consequently, the potential commercial space need of approximately 660 sq. ft. for the development falls well below the minimum threshold of 1,000 sq. ft. required for a viable convenience commercial development that warrants staffing.

## 8.4. Stakeholder engagement – Habitat for Humanity

Site due diligence

- Question #1: how has topography impacted your development (e.g. developable area, additional costs for retaining walls, building design etc.)?
    - Answer: Very challenging, lots 1/3 of the site has a retaining wall, difficultly in creating a replicable floor/unit plan. Lower units on end of the site are at grade and units on other end are full storey below grade at rear and at grade on the front of

the building. Expensive for retaining wall. Lots of earth work and various stepped foundations on block 2&3.

- Question #2: you mentioned on the call that this was challenging, can you elaborate on what site features made this challenging?
    - Answer: See link for site plan and interior photos for context. We had to pour a concrete retaining wall that is approx. 3x15 meters, then block retaining wall along Lamond, deep window wells/ sunken concrete patios.
- Question #3: did you face any servicing constraints?
    - Answer: Not really.
- Question #4: did you face any environmental or geotechnical issues?
    - Answer: No.

Entitlement

- Question #5: How long did rezoning and site plan approvals take and were they done concurrently?
    - Answer: no rezoning; site plan was drawn out and painful. Partly our fault, partly due to the state of things. I believe IO/ DRLHC wouldn't have the same issues.
- Question #6: You mentioned on the call that approvals went through the regular (vs. an accelerated) process – was there no appetite from the City to prioritize/accelerate your applications given the affordable housing nature?
    - Answer: It wasn't discussed at that time.
- Question #7: You mentioned on the call 1 space per unit – was this inclusive or exclusive of visitor spaces? Was the bylaw requirement for your application 1.5 resident + 0.25 visitor (trying to get a sense of the deviation that you secured)? What was the justification you used?
    - Answer: 1 per unit plus visitor parking. Justification for the parking was partly due to transportation context - this development is in close proximity to several public transit options and future cycle routes. Partly because of By-Law considerations - The City of Oshawa undertook a city-wide study to revise the minimum parking requirements. Partly because Habitat commissioned a parking study based on three of our developments that are similar to this development
- Question #8: Did you seek and/or receive any other waivers (e.g. reduced parkland dedication/cash-in-lieu)?
    - Answer: Yes

Design

- Question #9: What is the avg. square footage of your 3BR units?
    - Answer: 1200 sq ft.
- Question #10: Do the units include any private yards/terraces/balconies?
    - Answer: Private patios and balconies.
- Question #11: Does the development include any common amenities?
    - Answer: No, other than bike parking and some benches on site.
- Question #12: How much storage was provided per unit and any sense of what households were hoping for?
    - Answer: See floor plan, nothing above the standard. We didn't have that conversation.

- Question #13: You mentioned on the call that neighbourhood safety was a concern for households – were there any design features that you were able to incorporate (e.g. lighting) to help mitigate/alleviate some of this concern?
    - Answer: Lighting and cameras would be helpful for any future development.

Construction

- Question #14: What site features made staging challenging and whether there was anything you were able to do to address/resolve the issues?
    - Answer: Stockpiling/ Excavation and soil management/ site work.

Economics

- Question #15: What was the total cost per door (excluding land costs)?
    - Answer: ~$450k per unit all in (Incl. Land soft cost, hard cost, financing, hst net of rebate. BUT NOT INCLUDING DC and Parkland. Note this is well below market due to Habitat for Humanity Gift-In-Kind.
- Question #16: What was your financing structure/capital stack?
    - Answer: Habitat is an ownership provider, so our capital stack is different than rental. End purchasers obtain a mortgage from a credit union ($200k - $300k). We then have funding from CMHC ($50k to $100k per door) and the fee waivers from municipality. We also have our philanthropic program which provides funding and secures material at reduced cost. We also use construction financing during the build phase.
- Question #17: Were you able to access any favourable financing and if so, under what terms (e.g. debt-service-coverage, loan-to-cost)?
    - Answer: No
- Question #18: What is the avg condo fee per household?
    - Answer: Average condo fees: $172 (estimate)
- Question #19: What is the avg household income?
    - Answer: Average household income: $101K