



December 9, 2021

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Rent Supplement Program for Inkerman and Nery Avenue, Picton residential development

FLC Group are the Applicant for the redevelopment of a 31 acre property at Inkerman and Nery Avenues, Picton. We have submitted applications for a zoning by-law amendment and draft plan of subdivision to create a residential community of 441 condominium townhouses, semi detached and single homes as well as 84 purpose built rental apartments.

Apr 29, 22 resubmission: changed to 372 condominium townhouses and 60 rental apartments

In the original application made in September 2020, we proposed to include an affordable ownership housing initiative that would enable some middle and lower income families to buy homes in the development through the provision of downpayment assistance. At the request of the County, this initiative can be changed to a rent supplement program to assist qualified families and individuals needing to rent the apartments being built.

The proposed tenant qualification parameters for rent supplements:

- Income: At or below Average Household Income Before Taxes for Prince Edward County. Average Household Incomes is based on CMHC's Ontario Household Income data. Currently CMHC's 2016 data indicates that the average household income level in the County in 2016 was \$86,366. Update proposal with Statistics Canada 2021 data when released in Jul 22
- Monthly rent after deduction of the rent supplement not to exceed 30% of household income as published by CMHC from time to time.
- Credit ratings: Applicants to provide acceptable credit reports.
- Financial ability:
Applicants to provide proof of sufficient earnings to afford the reduced rental amount.
Applicants to pay first and last month's rent on signature of a lease.

The proposed rent supplements program:

- Supplement of \$400.00 per month for each apartment. Changed to \$500.00 per month
- Supplements to be provided for 20 of the 84 rental apartments (24%).
Changed to 21 of 60 apartments

- The program to run for a period of 4 years from the occupancy date of each rental unit. **Changed to 3 years**
- The annual supplement to be \$4,800.00 per unit, totalling \$19,200 for each unit over 4 years. **To be adjusted**
- The total amount to be invested by the developer in the program to be \$400,000.00.

The units that are eligible for rent supplements will be distributed amongst the 84 apartments in 6 rental buildings: 2 buildings of 18 units each, and 4 buildings of 12 units each. Rent supplements will be provided for up to 4 apartments in each 18-unit building, and up to 3 in each 12 unit building. One rental building will be built during each of the first 6 phases of the condominium development. **To be adjusted**

The initiative is self-sustaining. The development management company, FLC Group, will attend to the day-to-day management of the program, selection of tenants, accounting and reporting from start to finish. FLC Group will cover all establishment and ongoing running costs of the program. **These services can be provided if required**

The initiative is scalable. FLC Group will work with PECAHC as well as County and Social Services staff to extend this rent supplement program to include similar initiatives by other developers. **These services can be provided if required**

Analysis of the outcome of the rent supplement program, based on current apartment rentals and CMHC 2016 household income data:

CMHC Ontario Household Income data: 2016	
Average Household Income Before Taxes: Prince Edward County	\$86,366.00

Effect of \$400 pm rent supplement **To be adjusted to \$500 pm for 3 years**

2 BED APARTMENT	
NO SUPPLEMENT	
Assume market rent for 2 bedroom apartment - monthly	\$2,250.00
Utilities and insurance	250.00
Total monthly cost	2,500.00
Annual occupancy cost	\$30,000.00
Gross Household Income to achieve affordability (30% of Income)	\$100,000.00

WITH SUPPLEMENT	
Assume market rent for 2 bedroom apartment - monthly	\$2,250.00
Rent supplement	-400.00
Utilities and insurance	250.00
Total monthly cost	2,100.00
Annual occupancy cost	\$25,200.00
Gross Household Income to achieve affordability (30% of Income)	\$84,000.00

The \$400.00 per month supplement reduces the occupancy costs of a 2-bedroom apartment to make it affordable for families and individuals earning below 2016 average household income.

With a 2022 construction start, the first 18-unit apartment building should be completed and ready for occupancy in late 2023. The developer's intention is to complete a phase each year thereafter with project completion in 2029. *To be adjusted based on development approval dates*

I'm available for a virtual meeting or phone call at any time to discuss this proposal.

Best

A handwritten signature in black ink, appearing to read "Fred Heller". The signature is fluid and cursive, with the first name "Fred" and last name "Heller" clearly distinguishable.

Fred Heller
FLC Group