

ASSUMPTIONS MADE IN PREPARING THE FUNDING MODEL

Several assumptions were used in preparing the model:

- Building used as a guide was comprised of 200 units
 - Studio 10 units
 - 1 Bedroom 110 units
 - 2 Bedroom 60 units
 - 3 Bedroom 20 units
- Regional development charges would be offset for all 200 units.
- 60% of the units would be rented at Canada Mortgage and Housing Corporation average market rent.
- 40% of the units would be rented at rent-geared-to-income estimates.
- Cost of construction is estimated at \$200,000 per unit, all inclusive.
- Lending rates are calculated at 6% per annum and amortized over 30 years.
- Sufficient annual surpluses are generated eliminating the need for on-going regional financial assistance.

The model of a 200-unit building produces 80 units of housing for low-income families. The equity write down creates an operating surplus financing an on-going subsidy program.

The model created was for costing purposes only. If actual costs vary significantly from the assumptions used in the funding model, it may be necessary to alter the number of units constructed or find additional sources of funding such as the Social Housing Reserve.

It is estimated that to build approximately 365 units of affordable housing, the total investment would be approximately \$73.1 million:

Funding Sources	Funding Amount
<i>Investing in Ontario Act</i> funding	\$53.0 million
Regional Development Charges (Regional contribution)	\$4.3 million
Mortgage (financed through tenant rents)	\$15.8 million
Total Project Costs	\$73.1 million

The proposed affordable housing development model would produce sufficient equity to eliminate the need for on going regional financial assistance.

The model as proposed would not require an increase to regional tax levy contributions and could provide approximately 146 rent-geared-to-income units and 219 average market rent units.