

LHBA, LSTAR, CMHC & LAHF

“HOME AT LAST”
COMMUNITY PILOT
PROJECT

Prepared for
The City of London’s
COUNCIL HOUSING LEADERSHIP COMMITTEE

June 2007



Synopsis

CHALLENGE	SOLUTION
<ul style="list-style-type: none"> ❑ Reasonable donation management. 	<ul style="list-style-type: none"> ❑ Select home requiring fewer repairs. ❑ Stricter adherence to budget.
<ul style="list-style-type: none"> ❑ Keeping renovation modest 	<ul style="list-style-type: none"> ❑ Select home requiring fewer repairs. ❑ Stricter adherence to budget.
<ul style="list-style-type: none"> ❑ Site manager full time job 	<ul style="list-style-type: none"> ❑ Hire site manager and occasional labourer.
<ul style="list-style-type: none"> ❑ Administrative burden of donor and volunteer coordination 	<ul style="list-style-type: none"> ❑ Select home requiring fewer repairs. ❑ Stricter adherence to budget.
<ul style="list-style-type: none"> ❑ Limited inventory of right-priced homes 	<ul style="list-style-type: none"> ❑ Select property before family.
<ul style="list-style-type: none"> ❑ Finding a home the family likes 	<ul style="list-style-type: none"> ❑ Select property first.
<ul style="list-style-type: none"> ❑ Surprises 	<ul style="list-style-type: none"> ❑ Select home requiring fewer repairs.
<ul style="list-style-type: none"> ❑ Scheduling, supervising and involving high school students 	<ul style="list-style-type: none"> ❑ Consider working with trade school students on future projects.
<ul style="list-style-type: none"> ❑ Delivering RRAP 	<ul style="list-style-type: none"> ❑ CMHC take over delivery of RRAP on HAL projects.
<ul style="list-style-type: none"> ❑ Family selection 	<ul style="list-style-type: none"> ❑ Open up to non-profits and co-ops. ❑ Consider working with a low-income family with special needs member.

“*HOME AT LAST*” COMMUNITY PILOT PROJECT

PROJECT EVALUATION, JUNE 2007

INTRODUCTION

“*Home at Last*” (HAL) is a partnership between the London Home Builders Association (LHBA), the London and St. Thomas Association of REALTORS® (LSTAR), Canada Mortgage and Housing Corporation (CMHC) and the London Affordable Housing Foundation (LAHF) with a mandate to assist families who reside in London and Middlesex Housing Corporation (LMHC) housing achieve homeownership through the collective efforts and expertise of its community partners. The Partnership, which signed a Memorandum of Understanding to this effect in the summer of 2006, identified the following objectives:

1. To strengthen the community by assisting tenant families who reside in assisted housing realize the dream of owning their own home and in doing so, to free up an assisted housing unit for a household on the London and Middlesex Housing Corporation (LMHC) waiting list.
2. To build strong public-private partnerships between organizations with complementary goals and interests.
3. To grow the pool of skilled labour in our community through education and hands on training in the trades to students/apprentices wishing to pursue a career in construction/renovation.
4. To use existing infrastructure to revitalize neighbourhoods through direct investment and through a commitment to improving the quality of life in our communities on the part of families and the Partners.
5. To educate homeowners in the responsibilities inherent in homeownership.

In 2005 London City Council approved a grant of \$10,000.00 to HAL, with the understanding that the Partnership would report back to Council with an evaluation of the pilot project upon its completion. Work on that project, the renovation of 836 Lovett Street, began in Autumn 2006 and ended when the keys to the property were officially handed over to the family of Andy Neilson and Vicki Schnurr in March 2007.

The process followed in the pilot project follows:

- ❑ Eligible LMHC tenants were invited to apply for the program.
- ❑ A committee comprised of partner representatives assessed applications using such criteria as need and ability to secure a mortgage and selected a family.
- ❑ With the help of the partners, the family searched for a home on the MLS®, which, by virtue of its state of disrepair, it could afford.
- ❑ Since the selected family owned the house from the outset, they contributed to its re-design and renovation plan. Part of that process was applying for a Residential Rehabilitation Assistance Program (RRAP) loan from CMHC.
- ❑ The house was renovated with the London Home Builders' Association taking the lead. The Thames Valley District School Board participated by supplying supervised labour by students in the Specialist High Skills Major Construction Technology in Action Program.

EVALUATION

The Steering Committee has identified the following areas of concern with the pilot project:

- **Property Selection.** There is not a great deal of inventory in the price range that the targeted recipients can afford and the selection was limited further by having to take into consideration the majority of the chosen family's needs and wants. 836 Lovett Street turned out to need a great deal of repair and there were a number of major surprises – for example, big ticket items like re-plumbing and rewiring the entire home, and insulation. This resulted in higher costs and a greater investment of time and effort on the part of volunteers.
- **Project Management/Supervision.** The volunteer project manager devoted an estimated 800 hours to the project. This degree of commitment is too much to expect from any volunteer on an ongoing basis.
- **Donation Management.** The generosity of the numerous tradespersons and suppliers who contributed to the pilot project resulted in a renovation that could not be described as 'modest'. This is not to say that the Partnership is not deeply grateful for all that the project's donors contributed to the renovation's success. We are. However, we realize that this degree of generosity is not always sustainable and realize that we must ensure that our donor expectations are more reasonable in the future.

Career Experience. One of the stated objectives of the program (and of great importance to LHBA) was to grow the pool of skilled labour in our community through education and hands on training in the trades to students/apprentices wishing to pursue a career in construction/renovation – hence the involvement of high school students. Pre-set schedules made participation of students from the Construction Technology in Action Program a challenge.

- **RRAP Logistics.** RRAP is not typically approved until the homeowners occupy the property. The delivery process presented some challenges.

POSSIBLE SOLUTIONS

Selecting the property first and the family second would address some of the challenges encountered in the pilot project:

Scope of Work: Requiring an in depth property assessment right off the top would ensure that the scope of work was reasonable and there would be no expensive surprises. This, in turn, would go a long way towards reducing the number of volunteer hours needed to effect the renovation. It would also ensure a more reasonable expectation of donations.

Placement: Selecting the property first would also allow the Partnership to situate the renovation in an area that could benefit from such an investment, such as the downtown area or the Old East Village Improvement Area. In addition, the property might be selected with the idea of making it barrier free and, therefore, accessible to a family with a special needs person.

More Options: Most families, when given a choice, will prefer a single detached home. Generally it is easier to find condo townhouses and semi-detached homes in the price range that families living in social housing can afford. Including condos and semis in our search also opens up the possibility of doing more than one renovation simultaneously – two parts of a semi, for example. The Partnership is also discussing broadening the pool of possible households to include those living not only in London and Middlesex Housing, but also non-profits and co-ops or working with organizations such as the March of Dimes to identify low-income households with a special needs person that might wish to benefit from the program.

Site management: Hiring a site manager will alleviate much of the burden on volunteers and address some of the administrative burden; this, in turn, would make the program more sustainable. In addition and after conversation with the site supervisor and a couple of the renovators who worked on the project, we should also hire a labourer on an occasional basis. This would help ensure that the house was ready for the next trade and improve the pace of the renovation considerably.

As for the educational component of the program, LHBA is considering whether future HAL projects might serve as a training ground for local trade schools as opposed to high school students.

FUNDING FOR 836 LOVETT STREET

LHBA, as its contribution, provided administration services, volunteer coordination, donation management and media promotion/donor recognition through its Homefront Advertisement in the London Free Press. Its Members provided the goods and services that made the renovation possible.

LSTAR provided administrative services and absorbed all administrative costs. These included staff time, resources costs associated with the Open House and Launch and other incidentals. It coordinated many of the professional services that made the renovation possible -- realty, some legal, appraisal, accounting, etc.

The complete list of donors is found on page 9 of this report.

CMHC provided RRAP funding for the project. This federal funding was used to offset such essential items as plumbing, wiring, etc. CMHC also made Judith Binder, its Southwest Ontario District Manager, available to us from the beginning of the Partnership. Her expertise and commitment to the project has been simply invaluable.

The City's grant of \$10,000.00 went to those costs that could not be balanced out by donations in kind or in services. These included the costs of carrying the home through the renovation period, such as mortgage payments, utility bills, water heater rental, legal costs, taxes and insurance. The final costs for these items were, as follows:

ITEM	COST
House Insurance	\$609.10
Closing Costs	\$5,238.81
London Hydro	\$502.16
Mortgage Payments	\$2,880.00
Taxes	\$625.99
Union Gas	\$296.66
TOTAL	\$10,152.66

PLANS FOR THE FUTURE

In the Autumn of 2007 the HAL Partnership will be reconvening to discuss our next renovation(s). At that time we will also be approaching the REALTORS® Care Foundation for a grant. There is still, however, a need for *stable funding*. For this reason, and because we believe that the City of London not only brings a great deal to the table, but also has much to gain from supporting the “Home at Last” program, we would like to request the following:

That the City of London provide funding to the “Home at Last” affordable home ownership program in the amount of \$15,000.00 (fifteen thousand dollars) for its next project.

The following points speak to the benefits that would continue to accrue to the City from partnering with “*Home at Last*” in this way.

1. “*Home at Last*” creates genuinely affordable home ownership – an objective that is consistent with the recommendations of the London City Council’s Affordable Housing Task Force as well as those of its Affordable Housing Strategy.
2. Being a Funding Partner both supports and fosters housing models/partnerships that are not solely dependent on municipal funding. Moreover it provides an excellent example of partnership between the Federal Government (CMHC), the municipal government and the private sector.
3. “*Home at Last*” takes families off the waiting list for assisted housing at the same time as it provides homeownership to families previously residing in assisted housing. Households can move through the system more quickly and with better outcomes. Since having a waiting list is a problem for the City, being part of the solution benefits the City.
4. “*Home at Last*” creates home ownership far faster and much less expensively than by new builds.
5. “*Home at Last*” rejuvenates neighbourhoods by revitalizing existing housing stock.
6. Because “*Home at Last*” educates students for an industry in need, supporting the program allows the City to support the efforts of the provincial and federal governments in this regard.
7. Being a funding partner of “*Home at Last*” would continue to provide favourable media opportunities for the City.

We would also be very interested in talking with the City about a possible partnership in developing convert-to-rent-to-own projects in areas such as the Downtown and Old East Village Improvement Area.

CONCLUSION

In conclusion, we would like to thank you, Madame Chairman, and Members of the Council Housing Leadership Committee both for your attention and for considering our request.

DONOR LIST – 836 LOVETT STREET
“HOME AT LAST” PILOT PROJECT 2007

- ❑ Advanced Environmental Corp.
- ❑ Alarmtech Systems for Life
- ❑ Artisan Interiors Inc.
- ❑ Battlefield
- ❑ Blinds by Design
- ❑ Bridlewood Homes
- ❑ Centennial Windows
- ❑ Mike Carson, Royal LePage Triland
- ❑ Central London Painters
- ❑ Rocky Cerminara
- ❑ City of London
- ❑ Copp’s Building Materials Ltd.
- ❑ County Heritage Forest Products Ltd.
- ❑ Covenant Construction
- ❑ Coyle & Greer Awards Canada Ltd.
- ❑ Delta Faucet Canada
- ❑ DMJ Contracting
- ❑ Emco
- ❑ Ford Keast LLP
- ❑ GAF Materials Corporation
- ❑ Gentek Building Products
- ❑ Great Northern Insulation
- ❑ Home Depot
- ❑ Home Hardware Building Supplies London East
- ❑ Jan Litwin Construction
- ❑ Jobi Construction
- ❑ Libro Financial Group
- ❑ Limited Edition Painting and Decorating Inc.
- ❑ London Home Basics
- ❑ London Home Inspection
- ❑ London Webmasters
- ❑ A. B. Lucas Secondary School
- ❑ Middlesex Appliance Limited
- ❑ Mansfield Plumbing
- ❑ Mirolin Industries Corp.
- ❑ Mustang Exteriors Inc.
- ❑ North Pole Trim & Supplies Ltd.
- ❑ Paton Bros. Plumbing Ltd.
- ❑ Pinpoint Publications Limited
- ❑ Pro Electric Inc.
- ❑ RBC Royal Bank
- ❑ Reliance Home Comfort
- ❑ Renew Building & Design Ltd.
- ❑ RenewAbility
- ❑ Rheem Canada
- ❑ Richard Gillespie
- ❑ S.W.Atchison Plumbing & Heating Ltd.
- ❑ Showerline Sales Ltd.
- ❑ Sifton Properties Limited
- ❑ Siskinds LLP 3895
- ❑ Strik, Baldinelli & Associates Ltd.
- ❑ The Carpet Department
- ❑ Top Notch Nursery & Landscaping
- ❑ Treeline Kitchens -- London
- ❑ Trim-Rite Wood Products Inc.
- ❑ Try Recycling Inc.
- ❑ Vince Bodganski Real Estate
- ❑ Z Group