

St. Clare's Multifaith Housing

Developing 25 Leonard

J. Harstone, August 2012



Project: 25 Leonard

- Acquisition of 25 Leonard
 - Good Bones
 - Good Price (\$41,000/unit)
 - \$50,000 deposit – line of credit
- Minimal Pre-Development Costs
 - Consultants worked on spec
 - Consultants controlled project (design/build)



Project: Phase 1 Financing

51 apartments (330 ft²)

Total Cost: \$5,000,000 (\$100,000/unit)

Grants/Fundraising: \$3,000,000

- No CMHC Insurance
- 5 years of Rent Supplement Funding
 - Project to be viable without RGI in year six
- First Mortgage: \$1,700,000 (55% of value)
 - 10 year amortization
- Second Mortgage: \$300,000 (10% of value)



Project: Phase 2 Financing

26 apartments (210 ft²)

Total Costs: \$3,100,000 (\$119,000/unit)

Grants: \$1,100,000

City CRF Loan: \$400,000 (3.5%)

Increased 1st Mortgage \$1,600,000 – St. Clare's equity

- RGI funding (Phase 1) extended for further 15 years
 - Loan reamortized over 25 years
 - 2nd mortgage rolled into first
 - Monthly loan payment was reduced
- No City rent supplements, internal subsidies only



Project: Subsequent Financing

- Upon successful completion of Phase 2
- Obtained CMHC insurance
 - Lowered interest rate by 1.5%
 - Increased loan principal by \$500,000
 - Monthly loan payment was reduced
- Easier to negotiate with CMHC when the project is complete
- \$500,000 used to provide equity to develop 180 Sudbury



Lessons Learned

- Without a site there is no project
- Acquisition/Rehabilitation is cost effective
- Collaborate with consultants to reduce pre-development costs
- CMHC insurance is not needed
 - Rent Supplements are sovereign guarantees
- Work with lenders to find solutions
- Think of buildings as assets that will grow the organization