

AFFORDABLE HOUSING INNOVATIONS



NEPEAN HOUSING CORPORATION DEVELOPS AFFORDABLE HOUSING WITH STYLE

In the late 1990s when Nepean Housing Corporation (NHC) gained the ability to sort the Ottawa region's social housing waiting list by postal code, the organization discovered a surprising statistic: living among the largely affluent communities of Nepean were 2,000 residents waiting for social housing. These people had been on the list for up to 10 years. "They weren't the people that you see on street corners and in shelters," says Lynn Carson, General Manager of Nepean Housing. "These were people who were paying 50 to 60 per cent of their incomes on rent and relying on food banks to feed their families."

This revelation—that Nepean harboured a large number of people in need of affordable housing—prompted the Council of the former City of Nepean, in October 1999, to transfer five acres of serviceable land to Nepean Housing to build affordable housing. Two and a half long years later, all the families have moved into Farnworth Manor Homes, a new 76-unit affordable housing community in south Ottawa.

Along the way, Ms. Carson and her development team ran into some serious obstacles. The biggest shock came when they discovered that even with a five-acre parcel of land, a \$200,000 grant from the federal Supporting Communities Partnership Initiative, and \$560,000 in grants from the City of Ottawa, the organization still didn't have enough assets to qualify for an 85 per cent mortgage. "What saved us is that land values went up," says Ms. Carson, "and we were able to make the numbers work."

Total project capital costs were budgeted at \$10.1 million, and Nepean Housing had pulled together \$2.8 million in equity. Now it needed a \$7.3 million mortgage. Nepean Housing, with the assistance of First National Financial Corp. and the Public-Private Partnership Centre, was successful in securing insurance for the project.

With financing in hand, construction started in August 2001 and was completed some \$350,000 under budget. Ms. Carson credits the savings to a good general contractor, a tight architectural design, and low interest rates during construction.

Attractively designed, Farnworth Manor Homes would fit comfortably into most Canadian neighbourhoods. The development consists of 19 four-unit manor homes, and the units contain two, three, or four bedrooms. Residents in 48 units pay rents-g geared-to-income, and the City of Ottawa tops up these rents to market value through a rent supplement agreement. Nepean Housing leases the other 26 units at market rates.

Ten of the Farnworth Manor units house families that had been living in shelters. "These people are thrilled," says Ms. Carson. "Many came into our offices to sign leases—some were grinning; others were crying—they couldn't believe it. Those sorts of responses make all the hard work worthwhile."

Nepean Housing Corporation is a finalist in the Planning and Regulation category of the 2002 Canada Mortgage and Housing Corporation (CMHC) Housing Awards Program, **Affordable Housing Innovations**. The Housing Awards recognize individuals, companies and organizations that have made significant contributions to improving housing affordability in Canada.

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