

The Church of St John the Evangelist
Diocese of Ottawa · The Anglican Church of Canada

Special Vestry Meeting

September 28, 2003

The meeting began at 12:00 noon, following the 10:15 service. It was chaired by the Rector, the Rev'd Canon Garth Bulmer. Registered attendance was 101. The purpose of this special Vestry was to consider the sale of the parking lot. The Rector gave a brief explanation of the background of the activities that brought us to this point. The Architectural Renewal Committee (ARC) had originally been established to consider renovations to the nave. Their mandate was expanded to include the entire building, and they looked to the property on which the present parking lot sits to see if it could be developed to provide funding for repairs and renovations to the church building.

Gay Richardson, chair of ARC and of the Affordable Housing Committee, introduced Bill Teron and Chris Teron of Teron Inc., the developers who have made a proposal to the church to purchase the property to build affordable housing. Bill Teron spoke to the congregation, explaining "affordable housing" and how it benefits people who could not otherwise purchase their own homes. (See attached summary.) He presented a floor plan for the proposed building. A time for questions by parishioners followed. Notes from this discussion are in Appendix A.

MOTION - by Gay Richardson, seconded by Glenn Calder.

That the Corporation of the Church of St John the Evangelist be given authority to enter into negotiations for the sale of the parking lot, with an additional three foot strip of land to Teron Inc. The final terms of the sale would be presented to a Special Vestry for approval.

Gay and Glenn spoke to the motion. There were a few questions of clarification. Two amendments were moved.

AMENDMENT - moved by Mishka Lysack, seconded by Bill Gamouras

That the following be added to the original motion: ", conditional on the completion of a parish consultation process of a minimum of sixty days, exploring the terms of reference, an assessment of the needs for ministry and other pertinent aspects of a discussion framework, facilitated by a professional process consultant from outside the parish, directly accountable to the parish as a whole.

After lengthy discussion, the amendment was DEFEATED.

AMENDMENT - moved by Pat McClenahan, seconded by Kathleen Arsenault.

That the word “possible” be added to the original motion so that it reads “negotiations for the *possible* sale of the parking lot”.

The amendment was DEFEATED.

Having dealt with both amendments and concluded discussion of the original motion, the Rector called for a vote. The original motion was CARRIED, with 11 voting against and 1 abstention.

The meeting ended at 1:35 with the Grace.

Appendix A

Special Vestry – Details of discussion September 28, 2003

Barbara Dorrell noted that the proposed building was comprised of one-bedroom units, and asked about the possibility of some two-bedroom units. Bill Teron said that it could be done, but it would not be considered “affordable” housing because of the cost. The one bedroom unit would be better accommodation than where many single parent families are now living.

Michael Hicks asked how one could avoid selling a unit as “affordable” housing, and having the owner turn around and sell the property at market value, making a windfall profit. Bill Teron suggested that there might be a restriction on resale for a period of time like five years, to prevent flipping. Other than that, it is to be hoped that the people who purchase affordable units might be successful and flourish as time goes by, and that eventually selling their units at market rates might contribute to their personal success. The fact that the building has only one-bedroom units will prevent it from becoming high-end housing.

Ruth Morrow wondered about safety issues for seniors who might purchase units. Bill Teron noted that by law the needs of owners are the responsibility of the condo board. He hoped that the influence of the church might create a compassionate condo board. This is a church sponsored project, where it is hoped that the church would care about people, provide support, deal with conflict etc. A faith community is trusted, thoughtful and caring.

Karen Berg noted that the definition of “affordable” housing made the units available to families earning \$30K to \$47K a year, but that was still way too much money for some people. Bill Teron suggested that this was an example of why St John’s should be involved in owning some units and renting them out. Minimum wage is presently \$7 an hour, and based on 2,000 working hours a year, a minimum annual salary would be \$14,000. These people need a place to live, too.

Wendy McCutcheon asked if we would have a relationship with the condo board after the building is built, and wondered if we would have a say in the appearance of the building and the selection of its name. Bill Teron indicated that we would, by virtue of the fact that we would own a level of parking within the building. If the church owned units within the building, we would have an even greater presence on the board. The church would definitely be involved in selecting the name of the building and in approving the appearance of it.

Wendy McCutcheon asked about pre-sales. Bill Teron explained that this is a \$15 million project, and the bank would require 50 to 75% of the units to be pre-sold before Teron could even start to dig. Members of St John’s would be given first priority to purchase units in the building. The next priority would be the poorest applicants, provided they are credit-worthy.

David Woods wondered about controlling the resale value of the units, thus keeping the building “affordable” in the future. Bill Teron explained that we cannot control things that much. We hope that people thrive and prosper. Building small units is one way of controlling this, since it is unlikely to become an up-market building with only small one-bedroom units in it.

George Snure asked about possible problems with rebar deterioration in the parking garage. Bill Teron said that there are new standards in place for garage construction, and protective construction materials will be used.

Isobel Cameron questioned how people on low incomes could afford to put aside a large enough reserve fund. Bill Teron answered that the Condo Act regulates the size of the reserve fund and the manner in which it is to be built up, thereby protecting owners and developers.

Carl Schriver asked about eligibility requirements for purchasing units in the new building. Bill Teron said that normally a 5% down payment is expected.

Randy Lalonde asked about the difference between “affordable” housing and non-profit rent-to-income properties; he also asked who would determine the social mix of owners. Bill Teron explained that rent-to-income refers to subsidized rental units, whereas “affordable” housing refers in the present case to units that are priced low enough that people earning below the 40th percentile could afford to purchase them, while paying no more than 30% of their income for accommodations. Professional managers look after the day to day management of a condominium. The condo corporation hires the managers. The church’s involvement would be through its membership on the condo board.

Appendix B

Notes from Presentation by Mr. Bill Teron, Teron Inc
Sunday, October 28, 2003

Bill Teron opened his remarks by discussing his lead role in the 1993 legislation dealing with co-op and non-profit housing, and the efforts made at that time to get rid of the stigma of this kind of housing, integrating the rich and the less rich. He spent seven years as head of Canada Mortgage and Housing. During 1973-95, government loans for this type of housing were available at 2%. In 1995, the responsibility for housing was transferred to the provinces, who passed it on to municipalities with no funding. Since then, it has not been working at all.

In Ottawa, and many other municipalities, affordable housing has become an impossible problem. A Mayor's Task Force was set up to look at affordable housing in the City of Ottawa and made a number of recommendations. As well, the Multifaith Housing Initiative was established to encourage faith community action on affordable housing. The faith community is uniquely placed to deal with this issue, particularly to respect the dignity of people needing housing.

When a situation is difficult, it seems normal. When it is impossible, it makes the challenge real. There has been much initiative taken by the Multifaith Housing Initiative.

The St John's model should be a model for Ottawa and for Canada. We're doing this without subsidy. The burden will be on us, that is the Teron Family Foundation. It is our decision to take a non-profit approach. The Church will contribute by selling the parking lot. We have had to be mature, and not deal with fantasy. We also recognized the Church's real need for renovation.

A year ago, we started to have serious consideration about models. St John's has an asset - the parking lot - which will be turned over for a short period of building, but in the end, you gain an indoor parking garage.

In May the congregation gave permission for tenders, and four expressions of interest were received. Only two bid. The Teron approach was different. You had a professional opinion that the land was valued at \$1.35M. We put the value for parking at \$800,000 and offered an additional \$1 million - a \$500,000 donation over the value of the land. (Note: actually \$450,000.)

After discussion, it was decided not to merge condo issues with renovation of the church. We needed to make a clear division. The church is free to do what it wants with the money for the land.

In summary, we are prepared to pay full price for your land plus a donation and to create affordable housing below market price. The definition of affordable housing is to target those

making less than \$47,000. The target income range is between \$30,000 and 47,000. In Ottawa, it was proposed that 25% of new building be affordable. The builders in the city rejected that goal. However, in our building, 100% will be affordable.

The city has targeted 5% of new building to be accessible for those with disabilities. Our design is wheelchair accessible in all units and so will allow for people becoming disabled after a unit is purchased.

Regarding the rental units, our expectation is that a capital grant of \$25,000 from the city will be available. This grant was to be matched by the province, which to date has refused. St John's would form an independent, church-sponsored, non-profit corporation to apply for the funding. This would remove the legal and financial burden from the church. The funding would reduce the mortgage and hence serve those with lower incomes.

Affordable housing is a problem that churches and many Canadians care about - this proposal is an opportunity to provide affordable housing.