



Twin Pines Project Update

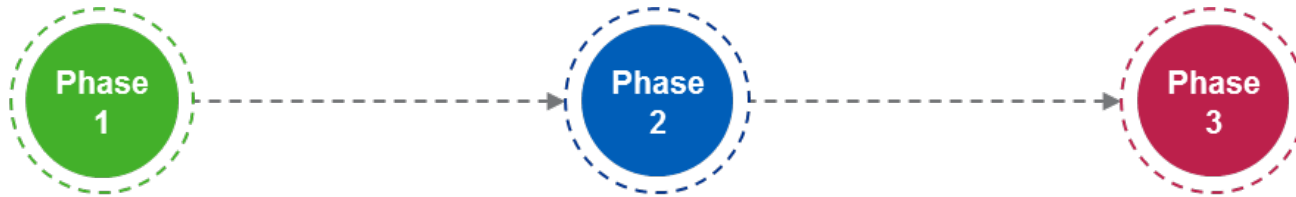
Presentation to the PHC Board

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June 1, 2017



Reminder – Project Approach



**VISION
FOR THE FUTURE**
October 2016 – June 2017

- Total Public Value Framework
- Business Case

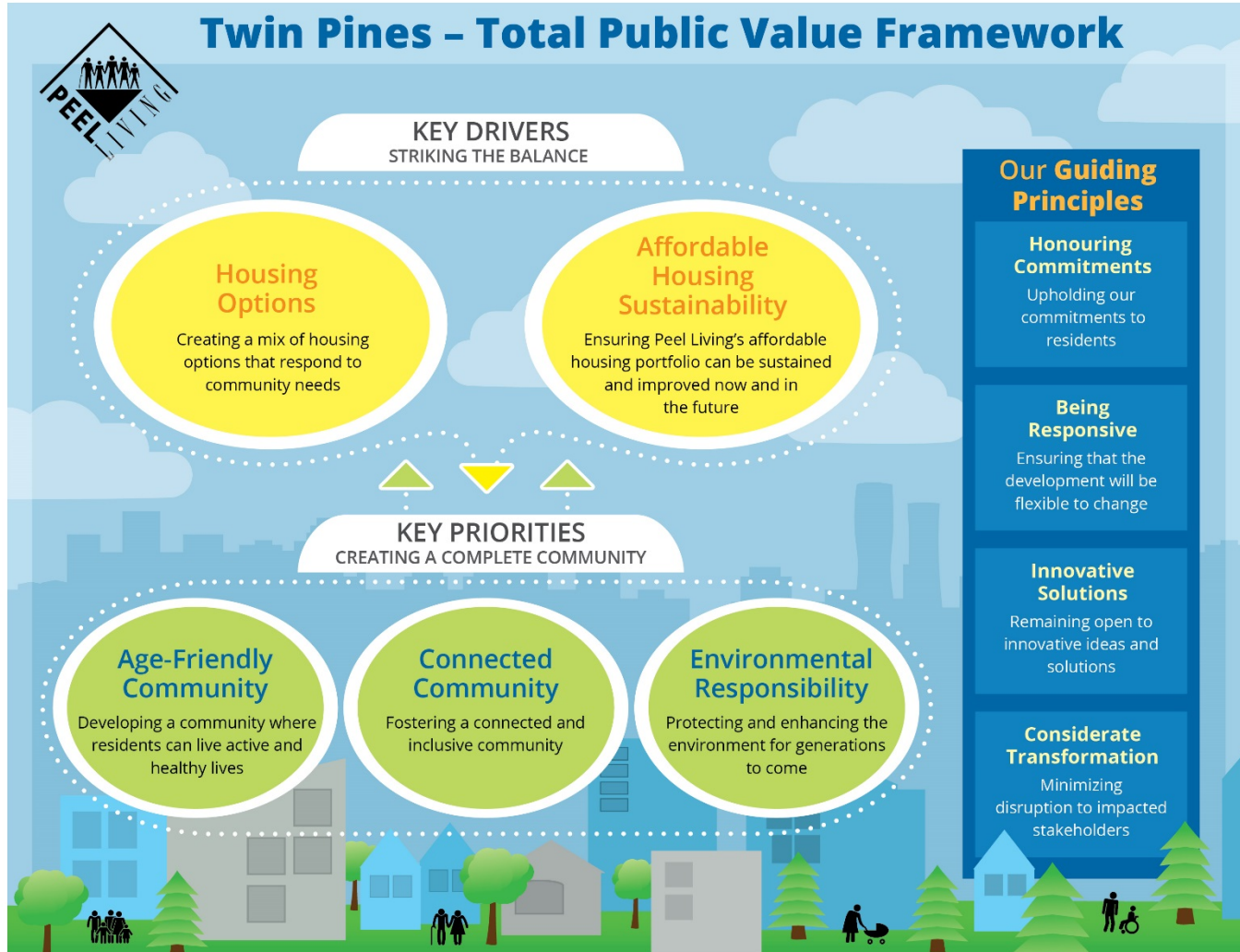
**PARTNERSHIPS
AND PLANNING**
Fall 2017 – Late 2018

- Implementation Plan

**BUILDING THE VISION
INTO REALITY**
Late 2018 Onwards

- Implementation of the Redevelopment

Total Public Value Framework





Business Case

Business Case Components



Preliminary Development Concept

A preliminary development concept was developed as the basis to analyze the financial impact of redeveloping the site. The concept includes:

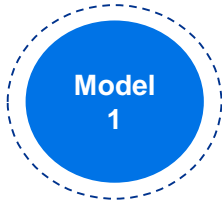
- 200 affordable rental units (avg. 80% CMHC AMR) in a high-rise mixed-use building at the southwest corner of the site
- 439 units of market traditional and stacked townhouses
- 17,800 sq. ft. commercial space
- 1.3-acre park



Note: The above image is an annotated map of the current Twin Pines Mobile Home Park

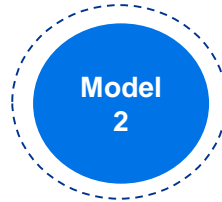
Total number of residential units: 639

Overview of Delivery Models



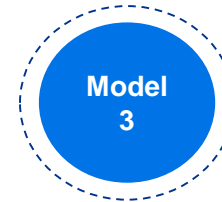
Retained Risk Model

- Peel Living retains responsibility for developing the entire site.
- Peel Living develops/retains capacity to administer, manage and deliver the redevelopment of the site.



Shared Risk Model

- Peel Living contracts with a private developer to redevelop the site, sharing risks and rewards.
- Peel Living sells a portion of the site to a private developer for market housing, with covenants in legal agreement to meet certain requirements.
- Private developer builds affordable housing units, and subsequently transfers the units “turnkey” at the end of construction to Peel Living.
- Peel Living is responsible for operating and maintaining the affordable units.



Maximized Risk Transfer model

- Peel Living sells the entire site to a private developer.
- Legal agreement includes covenants requiring the private developer to meet certain requirements.
- Private developer responsible for operating and maintaining affordable units.
- Opportunity for federal and provincial funding may be limited.

The **Shared Risk Model** is used in the Business Case for the financial analysis and implementation planning.

Financial Impact to Peel Living

Financial Analysis Methodology: Involves comparing the residual land value that results from the sale of market traditional and stacked townhouses to the cost of developing an affordable rental building owned and operated by Peel Living.

	NPV, millions
Investment required	(\$26M)
Value to Peel Living	\$11M

Note: The above estimates exclude resident transition costs

The residual land value from the market housing is not sufficient to cover the development costs of constructing 200 units in an affordable rental building and other costs (i.e., there is a negative cash position of \$26 million), although there is positive value to Peel Living.

Phase 1 Completed



Vision for the Future

October 2016 – June 2017

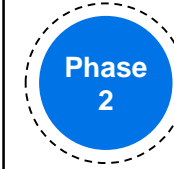
Define Total Public Value and develop Business Case





Phase 2

Preliminary Phase 2 Overview



Partnership & Planning

Fall 2017 – Late 2018

Implementation plan



Requirements Identification



Resident Transition Plan



Procurement Strategy



RFP Development and Implementation



Agreement and Financial Close

Resident Transition Plan

Peel Living has accelerated the development of the resident transition plan, in order to be responsive to resident needs and requests. The resident transition plan consists of four phases of activity:





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