

180 Sudbury

Some projects take forever to get built. St. Clare's submitted our first funding proposal for 180 Sudbury in the fall of 2004. Construction was substantially complete in June 2011; the development/construction process took over six and a half years.

180 Sudbury occupies part of the site at 48 Abell on which John Abell built an enormous factory in the 1880s. Over the years, the industrial uses moved to the suburbs and 48 Abell became residential loft apartments. The building didn't meet the Fire Code and the City wanted major upgrades which didn't make financial sense.

Simultaneously with cracking down on the fire regulations, the City's New Official Plan designed the West Queen West Triangle a Regeneration Area and encouraged redevelopment and increased residential density.

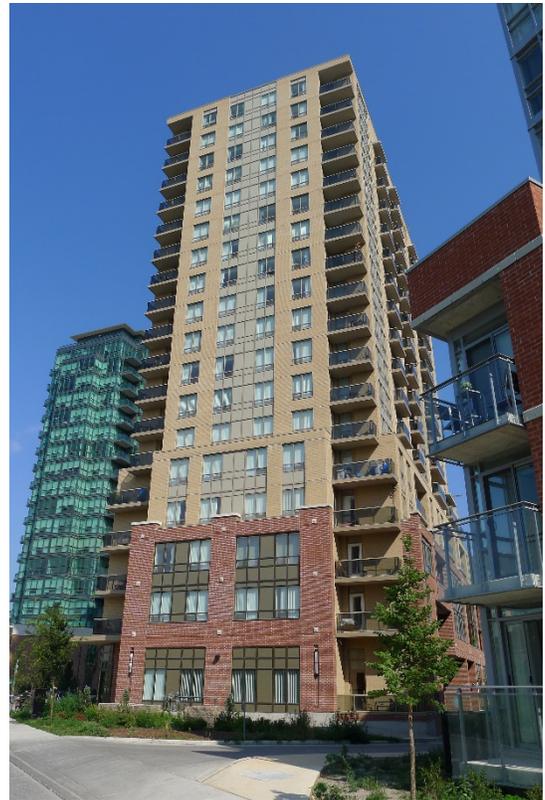
In November 2004 St. Clare's struck deal with Verdiroc and Abell Investments to redevelop a portion of the site as affordable housing. St. Clare's agreed to lease the land from Abell Investments and Verdiroc would act as the developer and build 180 Sudbury on a turn-key basis. The pre-development costs were well over \$1 million. Fortunately most of the pre-development costs were picked up by Verdiroc; St. Clare's did not have the cash resources required to cover these costs.

The rezoning application for two high-rise buildings – a 190 unit affordable housing and a 300 unit condominium – was submitted in August 2005. Abell investments, along with the other property owners in the neighbourhood, appealed to the OMB because the City hasn't acted on the rezoning application and in the fall of 2006 there was a 30 day OMB hearing!

On January 10, 2007 the OMB decision approving the rezoning and two weeks later St. Clare's applied to the City for funding from the Affordable Housing Program. On March 2, the City appealed the OMB decision and on April 17, the Affordable Housing Committee recommended funding for 180 Sudbury.

In July 2007 a settlement is reached with the City and the architect starts to revise the drawings and prepare the site plan to comply with the requirements of the settlement. The terms of the settlement are not as clear as they could be and the City asks for numerous revisions to the drawing, floor plate, unit count etc. As a result of the City's requirements, the size of the building increased by 20%, and the costs increased by 23% from the proposal submitted to the City in the January. Simply put, the project was way over budget and couldn't be built.

By the time the Site Plan was approved in February 2008, it looked like the project was dead. Abell Investments sold the site to a neighbouring developer. Then comes an amazing fluke; the sub-prime financial crisis of 2008 and the land sale is cancelled. The project has a second chance.



We worked with the City and Verdiroc to develop a viable financial plan. By most standards, the plan was risky, the proposed debt coverage ratio was 1.0. In July 2009, CMHC agreed to provide mortgage insurance.

But the project was much more complicated than originally envisioned. The City had written into their approval requirements to provide a certain number of units for artists with special ventilation, a shared entrance with the adjacent condo into the underground parking, and publically accessible open space around the building. The kicker was that we had to pay for a portion of the new street giving access to the building: Sudbury Street. St. Clare's, along with the adjacent condo developers formed a corporation to build Sudbury Street. All the agreements had to be in place in order to start construction.

All of this took time to work through and in August 2009 we had the ground-breaking. Once the permit and financing were in place, it was clear sailing. Construction started on October 2009, and the first units were occupied in May 2011, construction took 18 months.