



City of
Peterborough

To: Members of the Committee of the Whole

From: Malcolm Hunt, Director, Planning and Development Services

Meeting Date: July 25, 2016

Subject: Report PLPD16-050
PHC Acquisition of Four Home Grown Homes Properties

Purpose

A report to seek the Shareholder's approval for Peterborough Housing Corporation's purchase of 4 properties currently owned by Home Grown Homes.

Recommendations

That Council approve the recommendations outlined in Report PLPD16-050 dated July 25, 2016, of the Director, Planning & Development Services, as follows:

- a) That pursuant to Article 5.3 of the Shareholder Direction, the City of Peterborough as the sole shareholder of Peterborough Housing Corporation (PHC), consents to the purchase of the following properties from Peterborough Community Housing Development Corporation (also known as Home Grown Homes) for a total purchase price of \$49,500 plus the assumption of the current debt assigned to the properties of approximately \$750,000:
 - i) 193 Parkhill Road (2 – one bedroom units)
 - ii) 196 Antrim Street (2 – three bedroom units)
 - iii) 220 Edinburgh Street (1 – two bedroom accessible unit and 3 – three bedroom units)
 - iv) 592-594 George Street North (2 – two bedroom units)

- b) That the City, as Service Manager, request that the Ministry of Municipal Affairs and Housing assign the Provincial Contribution Agreement with Home Grown Homes, dated March 26, 2008, for the construction of the building at 220 Edinburgh Street, to Peterborough Housing Corporation.
- c) That the Mayor and Clerk be authorized to amend the Peterborough Renovates Program Loan Agreement between the City and Home Grown Homes, dated July 24, 2015, to add the new owner, Peterborough Housing Corporation.

Budget and Financial Implications

The 4 properties have a market value estimated by PHC at \$1.5 million. The purchase price of \$49,500 plus the assumption of debt totals approximately \$800,000.

Background

Home Grown Homes has been a successful grass roots non-profit housing provider for approximately 20 years. In fact it was Home Grown Homes (HGH) that really set the tone for the City's bold foray into the business of affordable housing. The organization's philosophy was to make a difference in the lives of Peterborough citizens, one house at a time.

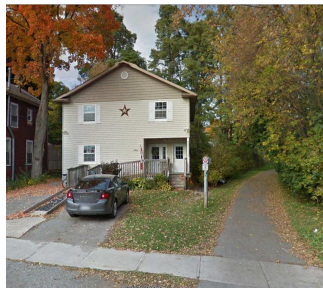
The organization has found in recent years that, due to its small size and high operating costs, the business model is simply not sustainable. In the early years the innovation of HGH attracted substantial grants, donations from philanthropic organizations and personal gifts. It has been challenging to maintain that momentum over many years.

Home Grown Homes has approached Peterborough Housing Corporation (PHC) to determine if PHC would accept the transfer of four properties, maintain all the tenancies and operate the housing units without impacts on existing residents. The PHC Board has considered the opportunity and believes that it is a prudent financial decision for the Corporation, would maintain the supply of affordable housing, and honour the legacy of Home Grown Homes and its incredible work since inception. The cash portion of the transaction provides funds for Home Grown Homes to settle property disposition costs and other operating costs tied to property ownership.

In divesting itself of the properties it owns, Home Grown Homes will be looking for other ways the organization can continue to be a voice for affordable housing in Peterborough.



193 Parkhill Road was formerly owned by the City of Peterborough and was originally acquired years ago to facilitate the diversion of Aylmer Street. The City elected to transfer the ownership of the tired residence to Home Grown Homes. The home was fully renovated into 2 – one bedroom apartments. The only debt against the property is a \$31,525 CMHC forgivable loan. PHC's acquisition is conditional upon the approval of CMHC for PHC to assume the loan.



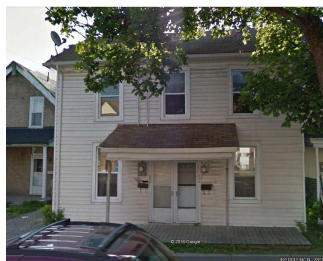
196 Antrim was a vacant City owned property that was transferred to Home Grown Homes approximately 12 years ago. Home Grown Homes built a 2 storey residence containing 2 three bedroom apartments. The units have been rented by Community Living Peterborough from the beginning.

The existing debt against the property is a \$197,500 mortgage which PHC will assume.



220 Edinburgh is an attractive 4 unit row house built with capital support under the original Federal Provincial Affordable Housing Program. The units were built on a surplus City property gifted to Home Grown Homes. One unit is a two bedroom accessible unit. The other 3 units have three bedrooms.

The current mortgage debt on the property is \$420,000 and PHC will apply to assume the mortgage. The transfer to PHC will also require approval of the Ministry of Municipal Affairs for the transfer of the forgivable capital grant.



592-594 George Street is HGH's most recent acquisition. The property contains 2 two bedroom units and the renovation was recently supported, in part, by a forgivable Peterborough Renovates loan in the amount of \$47,480.

The current debt on the property is a mortgage of \$138,675. PHC will apply to assume all of these obligations.

Recommendations b) and c) are more administrative in nature and reflect the need to properly assign the obligations of HGH to the new owner. Recommendation b) is a required step pursuant to the capital funding agreement between the Ministry of Municipal Affairs and Housing and HGH. The Ministry has been briefed on the potential transfer of 220 Edinburgh Street and no difficulties are envisioned – just process time.

HGH and PHC have communicated the intent of the transfer to existing tenants to reassure them that their tenancies are secure and that it will be business as usual.

Submitted by,

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