



City of
Peterborough

To: **Members of the General Committee**

From: **Richard Freymond
Commissioner of Corporate and Legislative Services**

Meeting Date: **August 12, 2019**

Subject: **Report CLSFM19-007
Creation of a Capital Project and Transfer of Funds for Two
Affordable Houses at 808 Sherbrooke Street and 953 Clonsilla
Avenue**

Purpose

A report to recommend that a capital project be created and funds be transferred to renovate the city owned houses at 808 Sherbrooke Street and 953 Clonsilla Avenue for affordable housing.

Recommendations

That Council approve the recommendations outlined in Report CLSFM19-007 dated August 12, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That a capital project be created for \$300,000 to renovate 808 Sherbrooke Street and 953 Clonsilla Avenue to be rented out as affordable housing;
- b) That the \$300,000 be transferred from the Social Services Homelessness Reserve; and
- c) That the Chief Administrative Officer be delegated the authority to award a contract for the project through a Non-Standard Procurement process in order to expedite the renovation.

Budget and Financial Implications

The estimated cost to renovate these two properties is \$300,000 which can be funded from the Social Services Homelessness reserve. The balance in the Social Services Homelessness reserve is \$642,600 after this expenditure. The annual net rental amount will be transferred back into this reserve to replenish it for other initiatives.

Background

If the recommendations in this report are approved at the special General Committee meeting, they are intended to be presented to Council for consideration at a special Council meeting on August 12.

There is a strong need for more affordable housing and transitional housing in the City of Peterborough. These two properties are owned by the City and could be renovated in a fairly short period of time to be rented out as affordable or transitional housing. The tenants will be selected by the City through the By-Name Priority List for homelessness. Peterborough Housing Corporation (PHC) has agreed to manage the property and tenants including managing the leases with each tenant and collecting rent.

The house at 953 Clonsilla Avenue was purchased in 2014 for \$445,000 through Report PLPD14-056 dated September 22, 2014. It has 8 bedrooms. The house at 808 Sherbrooke Street was purchased in 2016 for \$245,000 through Report PLPD16-056 dated July 25, 2016. It has two units, a 2-bedroom unit and a 1-bedroom unit which may be able to be configured with an additional bedroom in each unit. They were both purchased for road construction purposes which have not yet been approved and are not proposed in the immediate capital forecast (i.e. within the next 5 years). Formerly an RCMP office, 953 Clonsilla Avenue has served at different times as emergency shelter for families and transitional housing for men discharged from corrections.

Supports for successful tenancies are a key feature of providing housing for people transitioning out of homelessness. As such, through the By-Name Priority List, units in 808 Sherbrooke Street and 953 Clonsilla Avenue will be offered based on a household's ability to live independently with low to moderate supports.

Budget Transfer Required

By creating a capital project to renovate both houses with a combined budget of \$300,000, staff will have some flexibility to be able to bring both properties up to the standard required to rent out as affordable housing units.

Procurement By-law

The Treasurer has given approval that staff can initiate a Non-Standard Procurement in accordance with Section 11.3.1 (k) of Procurement By-law 18-084 (By-Law). This

section of the By-law permits a Non-Standard Procurement when the procurement is otherwise exempt from the requirements to conduct an Open Competition under all applicable trade agreements and it is in the best interests of the City to proceed with a Non-Standard Procurement. The \$300,000 value of this capital project falls within the thresholds of the Canadian Free Trade Agreement (CFTA). Article 513 (d) of CFTA states "if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods and services could not be obtained in a time using open tendering" a non-standard procurement is permitted.

This is necessary to expedite the project and bring this affordable unit operational as soon as possible.

The By-law also requires Council approval to award a contract for work of a value greater than \$100,000. Recommendation c) delegates authority to the Chief Administrative Officer to award a contract for this project to further expedite the process.

It is staff's intention to use a Construction Management Contract approach where the successful proponent will assume the role of constructor. They will have the option to provide 'own forces' to complete certain elements of the project or sub-trades and will be required to work with the City and other interested third-parties who may wish to donate services and/or materials towards this project.

Timelines

If the recommendation is approved, a Non-Standard Procurement document can be issued the week of August 19, 2019. It is estimated that the CAO could approve the award by the middle of September, work could begin by September 23, 2019 and be ready for occupancy by the end of October or early November.

Summary

By creating a capital project and delegating authority to the CAO to award a contract for the project for the renovation of these two properties, staff can move quickly to renovate and make them available for affordable housing.

Submitted by,

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Commissioner of Corporate and Legislative Services

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