



City of
Peterborough

To: **Members of the General Committee**

From: **Sandra Clancy, CAO/Acting Commissioner of Community Services**

Meeting Date: **July 22, 2019**

Subject: **Report CSSS19-009
Transitional Housing Opportunity: YES Shelter for Youth and Families**

Purpose

A report to recommend conditional approval of specific municipal incentives and capital funding to add to the affordable rental housing supply in Peterborough.

Recommendations

That Council approve the recommendations outlined in Report CSSS19-009 dated July 22, 2019, of the CAO/ Acting Commissioner of Community Services, as follows:

- a) That the Ontario Priorities Housing Initiative funding for Youth Emergency Shelter of Peterborough Incorporated's (known as YES Shelter for Youth and Families) acquisition of 12 units of affordable housing at 709 Water Street, Peterborough, including municipal incentives and conditional approval of up to a maximum of \$900,000 in federal-provincial capital funding be approved;
- b) That a By-law be adopted authorizing City Council to designate the property at 709 Water Street, Peterborough as a Municipal Housing Facility, in accordance with By-law Number 12-094, and authorizing the Mayor and Clerk to sign agreements and other documents as necessary to provide municipal incentives, and capital funding;
- c) That a By-law be adopted authorizing Council to exempt the property at 709 Water Street, Peterborough from property tax levied for municipal and school purposes

for a period of 10 years, as a Municipal Housing Facility in accordance with By-law Number 12-094;

- d) That staff be authorized to negotiate the specific terms and conditions of a legal agreement with Youth Emergency Shelter of Peterborough Incorporated and that the Mayor and Clerk be authorized to sign the agreement and other documents as necessary.

Budget and Financial Implications

The Ontario Priorities Housing Initiative (OPHI) is 100% federal and provincial funding. For the 2019/20 year, the City of Peterborough's notional allocation for OPHI was \$1,224,000. Through Report CSSS19-005, authority was delegated to the Commissioner of Community Services to prepare a multi-year Investment Plan for program expenditures.

Funding is subject to "use-it-or-lose-it" restrictions, meaning that any funds that have not been committed as per the Investment Plan at the end of each calendar year are redistributed by the Ministry of Municipal Affairs and Housing.

The value of Municipal Incentives recommended for the affordable housing at 709 Water Street, Peterborough are largely derived from forgone revenue from fees, charges and property tax that would normally be charged by the City. Table 2 below summarizes the estimated values of incentives for the 12-unit project on Water Street.

Table 2 Incentives for Affordable Units at 709 Water Street, Peterborough

Incentive	Estimated Value
1. Municipal Housing Facility	
Property Tax Exemption (10-year)	\$200,000
2. Ontario Priorities Housing Initiative	
Maximum of 75% of purchase price (or appraised value)	\$900,000
Total	\$1,100,000

Note: All tax values are estimates based on 2019 rates and best projections at values.

Background

It is necessary that this report be presented to a Special General Committee meeting on July 22, 2019 and go forward to the Council meeting that same evening as there are conditions to be lifted on the potential purchase on July 26 and a Closing Date of August 30, 2019.

Ontario Priorities Housing Initiative

The Ontario Priorities Housing Initiative (OPHI) is a federal-provincial funding program modelled after other previous affordable housing programs, such as the Investment in Affordable Housing. Eligible projects under the Rental Housing Component of OPHI include “acquisition and, where required, rehabilitation of existing residential buildings to maintain or increase the affordable rental housing stock”.

Service Managers have the flexibility to select the components they will deliver each year using their OPHI annual funding allocations.

On January 28, 2019, Council gave staff direction to examine how the City could assist the YES Shelter for Youth and Families Transitional Housing Project after YES did a presentation at the 2019 Budget Meeting. Since that time staff have met several times with the Executive Director of YES to discuss opportunities. This housing acquisition is part of the Project while YES Shelter continues to pursue approvals to build on their existing property which would add further units to the available supply in Peterborough.

Authority

Council has the authority to offer incentives by designating the project as a Municipal Housing Facility (MHF) under By-law 12-094 which was adopted on June 25, 2012.

YES Shelter for Youth and Families Transitional Housing

The YES Shelter for Youth and Families has received funding from the Ontario Trillium Foundation (OTF) to provide staff to support youth in a transitional housing model. These units would be used to support youth to permanently exit homelessness and enter into a positive adulthood.

By-Name Priority List (used to determine access to housing resources in the community based on need)

The units would be part of the By-Name Priority List and overall homeless system. YES’s mandate is to end homelessness for youth and families and the 12-plex would serve this mission and prevent adult homelessness.

The acuity of clients served will depend on staffing resources available with community partners. However, for the next three years, high acuity youth will have units with Fourcast supportive housing, and mid acuity youth with OTF staffing support.

Terms and Conditions of the City's Agreement for 709 Water Street, Peterborough

The 12-plex building at 709 Water Street contains 6 one-bedroom units and 6 two-bedroom units. Five of the units have leases and seven are vacant. The seven units could be immediately available upon closing of the purchase.

A legal agreement which contains an accountability framework will be structured as a charge for the value of capital funding, foregone municipal fees and charges, and will be registered on title.

The legal agreement will contain the following terms and conditions:

- A 20-year Affordability Period – period that the rents must remain at or below 80% of Average Market Rent, calculated annually by the Canada Mortgage and Housing Corporation;
- Process for Income Screening for new tenants – the method and criteria for selecting in-coming tenants and the maximum income for those tenants;
- Option to require that 25% of units be subject to a rent supplement agreement;
- Adherence to Property Standards By-law;
- Insurance – City approval of insurers and the insurance policies carried by the owner/landlord, including the limits of coverage and the provisions thereof;
- Initial and Annual Occupancy Report – the information required from the owner/landlord to ensure compliance with programs; and
- Consequences of Sale or Default – the steps to be followed should the property be sold or should default occur.

Rents and Income Levels

Rents for units funded by federal-provincial affordable housing programs must be set at 80% of Average Market Rent (AMR). This means that rents for the 1-bedroom units in this project would be \$733 per month, and the 2-bedroom units would be \$862. The Canada Mortgage and Housing Corporation (CMHC) publishes the AMR for Peterborough annually. The City reviews and publishes income thresholds and rents for affordable housing program units in an annual Rent Setting Memo.

10-year Housing and Homelessness Plan

Peterborough's 10-year Housing and Homelessness Plan commits to achieving the outcome that "500 new affordable rental homes are created using new and existing resources including senior government funding, municipal incentives, non-profit and private equity and publicly-owned land."

Providing incentives to enable the acquisition of rental housing for conversion to affordable transitional housing for people experiencing homelessness is consistent with the City's focus on providing long-term, sustainable housing solutions.

Table 3 shows the number of units approved by City Council since the Plan was launched in 2014.

Table 3 Affordable rental housing units created since 2014

Project Name	Number of units	Address	Council Approval
Hazelbrae Place	42	21 Barnardo Ave.	PLHD12-007 and PLHD14-005
Knox Residences	42	400 Wolfe St.	PLHD14-003 and PLHD16-009
The Mount Community Centre, including Shared Dreams	65	1545 Monaghan Rd.	PLHD14-004 and PLHD18-002
Ontario Aboriginal Housing Services	11	721 Monaghan Rd.	PLHD15-001
CB Rubidge	4	135 Rubidge St.	PLHD15-006
Brock Mission	15	217 Murray St.	PLHD16-004
Peterborough Housing Corporation's McRae Phase 1	34	553-555 Bonaccord St.	PLHD16-010 and PLHD17-007
Payne-Downie	4	342 Downie St.	PLHD16-002
The Loyola	28	188-198 Edinburgh St.	PLHD15-008
Havelock Affordable Housing and Assisted Living	12	17 Smith Drive, Havelock	PLHD17-005
DeafBlind Ontario Services	2	86 Earlwood Drive	IPSHD18-004
Total affordable units	259		

Note: All projects in Table 3 are in Peterborough unless otherwise stated.

Since 2018 the City and Homelessness serving partners have been part of the Built For Zero Campaign that is focused on ending chronic homelessness and establishing systems that prioritize housing for individuals and families based on need. The YES Project is consistent with this Campaign since it will house youth and families who have been homeless and identified through the By-Name Priority List.

People experiencing homelessness are also identified in the OPHI guidelines as a priority population.

Summary

This project will provide affordable rental housing starting as early as August 30, 2019 for 7 youth and families experiencing homelessness in the City and County of Peterborough.

Approval of the recommendations in this report will provide more resources to support the City's goal of ending homelessness by 2025.

Submitted by

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