



City of  
**Peterborough**

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**To:** **Members of the General Committee**

**From:** **Sheldon Laidman, Commissioner, Community Services**

**Meeting Date:** **December 13, 2021**

**Subject:** **Affordable Housing – Peterborough Housing Corporation  
Report CSSS21-015**

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## **Purpose**

A report to recommend approval of capital funding to preserve affordable rental housing supply in Peterborough.

## **Recommendations**

That Council approve the recommendations outlined in Report CSSS21-015 dated December 13, 2021, of the Commissioner of Community Services, as follows

- a) That the Ontario Priorities Housing Initiative funding be provided to Peterborough Housing Corporation to acquire housing units from the units being disposed of on Denne Crescent, Collison Crescent and Collison Avenue and to support the inclusion of more affordable housing at 553 Bonaccord Street, including approval of up to a maximum of \$940,000 in federal-provincial capital funding;
- b) That staff be directed to work with Peterborough Housing Corporation to maximize the impact of the funding to support unit acquisition on Denne Crescent, or Collison Crescent or Collison Avenue as well as to increase affordable housing at 553 Bonaccord Street;
- c) That staff be authorized to negotiate the specific terms and conditions of legal agreements with Peterborough Housing Corporation for the acquisition of housing units, the provision of funding, and to ensure affordable rents and selection of eligible tenants in a form satisfactory to the City's Solicitor and the Commissioner of Community Services;

- d) That the Mayor and Clerk be authorized to execute agreements with Peterborough Housing Corporation in forms acceptable to the City Solicitor and the Commissioner of Community Services; and
- e) That the properties acquired be transferred into the ownership of the Government Business Enterprise, once established.

## **Budget and Financial Implications**

The Ontario Priorities Housing Initiative is 100% federal-provincial funding. There is no municipal funding contribution.

Following Council approval in 2014, and after receiving Ministerial Consent, Peterborough Housing Corporation (PHC) has disposed of over half of their 51 single-family homes on Denne Crescent, Collison Crescent and Collison Avenue. Between January and June 2021, these properties have sold for between \$360,000 and \$373,000. More recent sales have been in the range of \$400,000-\$450,000.

## **Background**

### **Ontario Priorities Housing Initiative**

The Ontario Priorities Housing Initiative (OPHI) is subject to “use it or lose it” restrictions, meaning that any funds that have not been committed by December 31, 2021 will be redistributed to other Service Managers by the Ministry of Municipal Affairs and Housing. Decision making for the OPHI funding was complicated in 2021 by additional funds received under the Social Services Relief Fund (SSRF) Phase 4, which has equally strict requirements for spending. Staff were required to submit a plan for this funding by September 15, but only received approval for the funding plan from MMAH for the SSRF on December 6. The Ministry has made clear that no extensions will be made to deadlines for the OPHI in 2021.

The City must be able to sign funding agreements with a proponent by December 31, 2021 or risk losing the \$940,000 in funding for 2021. OPHI funding can only be used towards the construction or acquisition of units and can only be given to a nonprofit housing entity which also severely limits the options available to the City.

### **PHC Sale of Denne and Collison Units**

Through report PLHD14-046, Council granted approval for Peterborough Housing Corporation as follows: “That, pursuant to Article 5.3 of the Shareholder Direction, the City of Peterborough as the sole shareholder of PHC, authorizes the Board of PHC, following an evaluation of its current building and property assets, to dispose of and/or leverage certain assets of the Corporation to purchase and develop 555 Bonaccord Street in order to further the objectives of the PHC”. The specific units being disposed of

are single and semi-detached homes on Denne Crescent, Collison Crescent, and Collison Avenue.

One of the conditions of the Ministerial Consent granted in 2016 is that the proceeds from sales must be used to fund the development of new affordable housing in accordance with PHC's business plan.

Tenants have not been displaced by sales. When a unit becomes vacant, it is renovated and upgraded to make it more attractive to potential buyers. PHC, with the support of the Service Manager, has provided information to any interested tenants who may wish to purchase one of the homes at a lower price - before any renovations and upgrades are made. Homeownership Assistance Loans have been offered to PHC tenants through the Revolving Fund, but to date, only one PHC tenant household has purchased one of the homes.

Unlike previous sales, these homes would be purchased while still occupied. The circumstances for the tenants would not change – PHC would continue to provide property management to the units without any disruption in service. Any changes to tenancy or use would only occur when the units become vacant. A property management agreement would be created between the City and PHC.

The purchase of these units will ensure that they remain in public ownership. The units would be maintained as rent geared to income units rather than be transferred into private homeownership as originally planned.

### **Agreement with Peterborough Housing Corporation**

The purchase of single-family homes from PHC will preserve those units as affordable rental housing while still contributing to the development of 81 units of seniors housing in Hunt Terraces, the second phase of the PHC development at 553 Bonaccord Street.

Hunt Terraces is a partnership between PHC and the Peterborough Regional Health Centre to provide 50 units to seniors with Personal Support Worker Supports. 20 of these units will be for patients who require an alternate level of care and cannot transfer out of hospital because of lack of supports.

The remaining units will be rented at a mix of affordable rents and higher end market rents. While the building is currently under construction, there is still an opportunity to further enhance the affordability of the affordable housing units, increase the number of units offered at below-market rates, or possibly both. City staff will work with PHC to determine how best to maximize the use of these funds to increase affordability in this project whether it is through the conversion of market units to affordable units or the achievement of deeper levels of affordability in currently planned affordable units.

### **Transfer to the Government Business Enterprise**

These units would become the first unencumbered assets of the Government Business Enterprise, which is in the process of being established. Once the GBE is incorporated, the units would be transferred from the City to the GBE. The property management agreement with the City would be transferred to the GBE so that PHC would continue to property manage the units.

As housing, these properties could continue to provide homes for low-income families. As an asset, they offer the GBE leverage to borrow funds for future affordable housing development.

## Summary

Approval for the purchase of single-family homes from PHC will provide multiple benefits. The City will meet the deadline to commit its 2021 Ontario Priorities Housing Initiative allocation. The purchased housing units will be preserved as rental housing offering Rent Geared to Income rents, rather than being offered to the homeownership market at market rates. The proceeds of the sales will contribute to PHC's Hunt Terraces which are under construction at 553 Bonaccord Street. Staff will work with PHC to determine whether it will be possible to increase the affordability at Hunt Terraces by charging lower rents on the affordable units, increasing the number of affordable rental units, or both. Finally, the homes will become the first unencumbered assets of the newly-created Government Business Enterprise, where it will provide leverage for future housing development.

Submitted by,

Sheldon Laidman  
Commissioner of Community Services

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