



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: June 20, 2022

Subject: Peterborough Housing Corporation Affordable Housing, 555 Bonaccord Street, Report CSSS22-017

Purpose

A report to recommend the City provide specific municipal incentives and additional construction financing to Peterborough Housing Corporation, (PHC) for Phase 2 of the McRae Project at 555 Bonaccord Street.

Recommendations

That Council approve the recommendations outlined in Report CSSS22-017 dated June 20, 2022, of the Commissioner of Community Services as follows:

- a) That the Affordable Housing Community Improvement Plan program application be approved for the 85-unit second phase of Peterborough Housing Corporation's McRae Project that includes 65 units of affordable housing on a portion of the property at 555 Bonaccord in accordance with Report CSSS22-017;
- b) That a By-law be adopted authorizing City Council to designate the affordable housing portion (65 units) of the McRae Building at 555 Bonaccord Street as a Municipal Housing Facility (MHF) in accordance with By-law 12-094;
- c) That the municipal incentives refund in the amount of \$1,135,334 be drawn from Incentives of Affordable Housing Capital Project 6-07.01.;
- d) That the Mayor and Clerk be authorized to sign agreements and other documents in terms acceptable to the Commissioner of Community Services and in a form acceptable to the City Solicitor to provide municipal incentives for 555 Bonaccord Street in accordance with Report CSSS22-017;

- e) That the Mayor and Treasurer be authorized to execute the amending Financing Agreement No. 1216 which extends the facility termination date to August 17, 2023 and any subsequent corresponding agreements or amendments between the Corporation of the City of Peterborough and Ontario Infrastructure and Lands Corporation, on terms acceptable to the Treasurer and in form acceptable to the City Solicitor; and
- f) That the City of Peterborough provide up to \$8,000,000 in additional temporary construction financing to Peterborough Housing Corporation until such time as Peterborough Housing Corporation or the newly formed Government Business Enterprise secures long-term financing for 555 Bonaccord Street (McRae Project), to be provided from the following sources:
 - i. \$1,000,000 additional Ontario Infrastructure and Lands Corporation loan;
 - ii. \$5,000,000 Social Services General Reserve;
 - iii. \$1,000,000 City Housing Reserve and \$1,000,000 Incentives of Affordable Housing Capital Project Ref# 6-07.01.

Budget and Financial Implications

Construction Cost and Financing

The City of Peterborough secured financing approval from Infrastructure Ontario for up to \$24,433,000 on behalf of Peterborough Housing Corporation (PHC), as approved through Report CPFS17-044. This financing was to support the construction of Phase 1 and Phase 2 of this project. When the project was approved in 2017, \$1.5 million from the federal-provincial Investment in Affordable Housing (IAH) program was also approved. A further \$1 million was subsequently contributed from IAH through report PLHD17-007 resulting in a reduction to the Infrastructure Ontario financing to \$23,433,000. At that time the construction cost was estimated to be \$39.58 million.

Phase 1 was completed and occupied in 2020. As construction costs have escalated since the beginning of the pandemic, the financial picture for Phase 2 has changed substantially. Based on the proformas prepared by PHC in 2017, Phase 2 was not anticipated to need capital or incentive contributions from federal/provincial or municipal programs. But based on updated costs, PHC staff identified a need for additional funding and financing in 2021. As such \$940,000 in funding from Ontario Priorities Housing Initiative was approved for Phase 2 through report CSSS21-015.

Construction cost estimates have increased to \$43.12 million. Updated project funding is detailed in Table 1.

Table 1 – McCrae Building Project Costs and Funding

Ref	Description	Phase 1	Phase 2	Total
1	Total Capital Cost:	\$ 11,982,000	\$ 31,133,469	\$ 43,115,469
2	Funding Sources:			
3	PHC Equity - from house sales to date	\$ 4,653,000	\$ 2,176,005	\$ 6,829,005
4	PHC Equity - from future house sales/refinancing		\$ 5,340,000	\$ 5,340,000
5	CMHC Seed Grant	\$ 50,000	\$ 50,000	\$ 100,000
6	IAH/SIF Funding	\$ 2,500,000		\$ 2,500,000
7	Ontario Priorities Housing Initiative (OPHI)		\$ 940,000	\$ 940,000
8	Municipal Contributions	\$ 213,464	\$ 1,100,000	\$ 1,313,464
9	Debt financing - Council Approved (Infrastructure Ontario)	\$ 3,563,000	\$ 19,870,000	\$ 23,433,000
10	Additional financing required	\$ 1,002,536	\$ 1,657,464	\$ 2,660,000
11	Total Funding Sources	\$ 11,982,000	\$ 31,133,469	\$ 43,115,469

Financing and Cash Flow

Table 1, line 10, shows that the project requires additional long-term financing of \$2.66 million. Also, lines 3 and 4 of Table 1 (PHC Equity) illustrate that the financial model is dependent on the proceeds from the sale of 50 single-family homes on Denne Crescent and Collison Road. While a significant number of sales have occurred, a further \$5.34 million is contingent on pending sales or refinancing of these houses. In the letter attached as Appendix A, PHC has formally requested the City provide supplementary construction financing of \$8,000,000, in addition to the Council approved \$23,433,000 debt financing, totaling, \$31,433,000. This short-term financing is required until such time as PHC has secured the equity from the house sales or refinancing and PHC, or the newly formed Government Business Enterprise (GBE) to which the McCrae building will be transferred, has long term financing in place. It is anticipated that the City's short-term financing will be reimbursed by August 2023.

As part of the plan to extend short-term financing to PHC, the existing \$24,433,000 Financing Agreement No. 1216 between the Ontario Infrastructure and Lands Corporation (IO) and the City of Peterborough must be amended to extend the termination date by one year to August 17, 2023 (see Appendix B). Although it was thought that only \$23,433,000 would be utilized, it is now the intention to advance the full \$24,433,000 to support the additional construction financing request. The remaining \$7,000,000 financing will be provided through the City's cash reserves, specifically \$5,000,000 from Social Services General Reserve, \$1,000,000 from City Housing Reserve and \$1,000,000 from the uncommitted balance of the Incentives of Affordable Housing Capital Project (Budget Ref# 6-07.01). After these commitments, the

remaining uncommitted balance of the Social Services General Reserve is \$2,603,899, remaining uncommitted balance of City Housing Reserve is \$652,248 and the uncommitted balance of the Incentives of Affordable Housing Capital Project is \$330,584.

Municipal Incentives

The value of the municipal incentives for affordable housing is largely derived from forgone revenue from fees, charges and property tax that would normally be charged by the City. Adequate funds are available in the Capital Project 6-07.01 to cover all items in Table 2. The breakdown of these incentives is outlined in Table 1 below.

Table 2 – Municipal Incentives

Incentive	Amount
Affordable Housing Community Improvement Plan	
Development Charge Refund	\$1,008,813
Building Permit Fee Refund	\$126,521
Municipal Housing Facility	
Property Tax Exemption*	\$250,000
Total	\$1,385,334
*Note: The estimated value for the Municipal Housing Facility Property Tax Exemption represented in the table above reflects only one year, for illustrative purposes only.	

Development Charges and Building Permit fees have been paid, so a refund of these fees will reduce the upfront contribution required through financing or additional funding. Property tax exemption is recommended only for the affordable housing portion of the building and will contribute to the future financial sustainability of the project.

Background

Peterborough Housing Corporation (PHC) acquired the former Fleming College trades building in 2014 for redevelopment into affordable housing. To date, \$3,440,000 in federal and provincial funds, as well as \$1,405,300 in municipal incentives under the Affordable Housing Community Improvement Plan and the Municipal Housing Facilities

By-law have been committed to this project (CPFS17-044, PLHD16-010, PLHD17-007, CSSS21-015).

When the project was proposed in 2017, Phase 2 was intended to use a “profit for purpose” model, not requiring capital or municipal incentives to complete. A mix of rent levels, including some set above Average Market Rent (AMR) was proposed that would offset lower rents. However, the increase in construction costs and anticipated operating costs means that without further contribution, the project cannot be completed.

Model for Assisted Living

PHC, in collaboration with Peterborough Regional Health Centre (PRHC), Home and Community Care Support Services Central East (HCCSS-CE), Ontario Health and the Peterborough Family Health Team (PFHT) are looking to replicate and expand a model currently available in Apsley. Spruce Corners, which is owned by PHC, is a home that includes eight suites with ensuite bathrooms, a large common living room, kitchen and dining area. Tenants have access to on-site supports through an Assisted Living Model of Care that includes PSW support, distress alarms for emergencies, and three meals a day. The PSW support is funded through Ontario Health East (OH-E) and provided by the Victoria Order of Nurses. The tenants pay for meal packages, funded through PHC and provided by VON, but not for the support. This is considered a delinked model where the landlord and supports are provided independent of each other.

The assisted living model for Phase 2 will also follow the delinked model but include a more independent apartment with a full bedroom, living room and washroom. There is a very limited kitchen and a mandatory requirement that tenants in these units purchase a meal package through PHC and have access to three meals a day in the dining room located on the first floor. PHC is in the final stages of signing a contract with the vendor (Nutra Services) who will be responsible to prepare and serve these meals. The Personal Support Worker (PSW) support and personal distress alarms will be funded by OH-E.

The units and support services will be available to those who are age 55 and older.

Target Populations and Unit Breakdown

Twenty of the fifty assisted living suites are designated for patients in Alternate Level of Care (ALC) at PRHC. ALC is a clinical designation that identifies patients who are occupying an acute care bed in hospital but no longer require the intensity of resources or services provided in a hospital setting. These patients will often remain at PRHC because they are waiting for post-discharge care arrangements which includes both support services and housing.

Thirty assisted living suites will receive services from the Victorian Order of Nurses (VON). City staff are working with PHC and PRHC staff, through the Ontario Health Team to secure additional funding and supports that would make it possible to dedicate

a portion of these units to individuals experiencing homelessness from the By-Name Priority List.

The remaining 35 non-supported full apartment units will be rented at market and below-market rents. The average rent for the entire building will not exceed 90% of AMR, as required by Municipal Housing Facilities By-law 12-094.

A draft summary of the unit types is outlined in Table 2 below. This unit breakdown may change, depending on the availability of support service funding and other financial supports.

Table 3 – Unit Types and Rents

Units	Type	Supports	Type	Rent
20	ALC Assisted Living	VON	Suite	80% AMR + Rent Supplement for eligible households
30	Seniors Assisted Living and Homelessness Supportive Housing	VON	Suite	80% AMR + Rent Supplement for eligible households
15	Seniors below-market	None	Full apartment	80% AMR
20	Market	None	Full apartment	Market Rent
85	Total			

Rent Supplements

In order to ensure the financial sustainability and stability of this project, City housing staff are pursuing adding rent supplements to 35 of the units. This will ensure additional affordability of some units for tenants while also ensuring the financial stability of the project for PHC. This is currently being evaluated as to the best source of funding and staff's intention is to bring this forward in the 2023 draft City operating budget.

Summary

This project is an important collaboration between the City, PHC and PRHC that will support seniors who cannot be discharged from hospital, as well as those in the community who need assisted living supports. It will also provide supportive housing for people who have been chronically homeless. While additional financial support is

needed from the City to complete the project, staff continue to explore and pursue additional funding opportunities from Ontario Health and Ministry of Municipal Affairs and Housing.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

Contact Name:

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Housing Services Manager
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Attachments:

Appendix A – Peterborough Housing Corporation letter request, dated May 26, 2022

Appendix B – Amendment to Financing Agreement No. 1216 between the Ontario Infrastructure and Lands Corporation and the City of Peterborough

Date: May 26, 2022

To: Rebecca Morgan-Quin, Housing Services Manager, City of Peterborough

From: Hope Lee, Interim CEO, Peterborough Housing Corporation

Re: Hunt Terraces – Assistance with Additional Costs and Cash Flow

Please accept this memo as our request to the City to assist with additional costs and cash flow assistance for the Hunt Terraces building currently under construction.

In February, during their regular Board meeting, the PHC Board approved the following resolution. Subsequent formal requests were submitted to the City in March and are included as attachments.

Resolved That CONFIDENTIAL Report 2022-009, “Hunt Terraces – Support Services and Municipal Contributions”, be received; and

That the Interim CEO be directed to formally request municipal contributions through the City of Peterborough including the reimbursement of fees and charges paid to the City and ongoing operating assistance through rent supplements and property tax exemptions.

In May, during their regular Board meeting, the PHC Board approved the following resolution. Today’s correspondence deals with this request.

Resolved That Confidential Report 2022-026, “Hunt Terraces – Financial Request to the City”, be received; and

That the CEO be directed to make a formal request to the City for additional financial resources to an upset limit of eight million dollars (\$8,000,000) for the reasons detailed in Report 2022-026.

Peterborough Housing Corporation, as a social & affordable housing provider, community partner and established developer has undertaken a significant construction project at the old McRae campus property. This project has been delivered in two phases. Phase one was completed in December 2020 and phase two is scheduled for completion in December 2022. Phase two is referred to as Hunt Terraces. Matheson Constructors are the firm constructing the building and Barry Bryan Associates (BBA) are the consultants working on the project in conjunction with PHC.

The project has faced several financial issues, including:

1. Budget planning – due to the delay between approvals and tenders being accepted, building inflation has resulted in a budget shortfall before the building even broke ground. Staying on track to value engineer out the increases to return to the building cost to budget has been an ongoing challenge.

2. New design – the original building was for 80 units on a larger footprint. The new design has reduced overall construction costs the 5 additional units are being identified as high end of market to try and increase financial viability in the long run.
3. Architect performance – issues with the first architect resulting in PHC engaging BBA.
4. COVID – has caused material shortages and cost increases.
5. Constructor performance – Matheson are working well and delivering a high standard of workmanship to obtain the best possible building for budget, however the changes to design and subsequent change orders often come at an increase to PHC.
6. Site conditions – new foundation details were required leading to an increase in cost.

As the project continues, so have revisions to the pro forma. The project is now at a point where the construction costs exceed the construction financing approved by City Council. PHC is also nearing the point where there will not be sufficient cash flow without City assistance.

The City approved the construction financing based on both phases: Malcolm Court and Hunt Terraces (formerly referred to as the McRae property). Malcolm Court is complete and occupied, however Hunt Terrace, which is Phase 2, is under construction. Completion is scheduled to occur this year. While two phases, the buildings are physically joined. Long term debt financing will not be in place until Hunt Terrace is complete with ownership transferred to the new Municipal Services Corporation before that occurs.

Financial Situation in 2017

Table 1 was the financial picture for both phases in 2017 when recommended and approved by City Council.

Table 1

	Phase 1	Phase 2	Total
Description	Renovation of Existing Building - 38 units with daycare and administrative spaces	New Build - 81 units with supportive care, administrative space and common kitchen/dining	
	\$	\$	\$
Total Capital Cost	10,745,300	28,838,000	39,583,300
Funding Sources:			
PHC Equity and Grants	4,200,000	8,000,000	12,200,000
IAH funding	1,500,000		1,500,000
Municipal Contributions	482,300	968,000	1,450,300
Non-tax supported debentures	4,563,000	19,870,000	24,433,000
Projected Net Income prior to debt repayments	328,866	1,393,300	1,722,166
Annual Debt Payment (P&I 30 year @ 3.43%)	244,743	1,065,707	1,310,450

Current Financial Situation

Table 2 shows the current financial situation. The total capital cost for both phases exceeded what was originally estimated in 2017. Even though more funding sources were explored and secured, there is still the need to increase the total non-tax supported debt; just over \$2.5M.

Table 2

McCrae Building Construction Costs and Financing					
	Phase I	Phase II	Total		
Total Capital Cost	11,982,000	30,993,331	42,975,331		
Funding Sources:					
PHC Equity to date	4,653,000	2,176,005	6,829,005	(1)	
CMHC Seed Grant	50,000	50,000	100,000		
PHC Equity - anticipated from house sales	0	5,340,000	5,340,000	(2)	
IAH/SIF Funding	2,500,000	0	2,500,000		
OPHI Funding	0	940,000	940,000		
Municipal Contributions	213,464	1,100,000	1,313,464	(3)	
Non-Tax supported debentures - council approved	3,563,000	19,870,000	23,433,000		
Additional required	1,002,536	1,517,326	2,519,862		
Revised Non-Tax supported debentures required	4,565,536	21,387,326	25,952,862		
Projected Net Income prior to debt repayments	261,412	1,060,608	1,322,020		
Annual Debt payment (P+i @ 4.0%)	261,528	988,297	1,249,825		
(1) Represents proceeds from sale of Denne/Collison houses and Langton property and operating surplus from Phase I (2) Proceeds required from sale of remaining houses (3) Received once occupancy has occurred					

Cash Flow

The more immediate issue is cash flow. The financial model in both 2017 and now count on proceeds from the sale of 50 homes on Denne and Collison. While a significant number of the sales have occurred and the revenue is available to pay expenses, a further \$5.3M is contingent on pending sales. This could take as long as 12 months to achieve. Based on the most recent monthly draw (just over \$800,000) PHC will only have cash available to cover three more draws (the most recent one and two more). PHC is requesting that the City assist with this cash flow, with PHC reimbursing the City as the revenue from sales (or from refinancing) becomes available. Table 3 shows outstanding costs, available funds, and the cash flow requirements.

Table 3

McCrae Cash Flow Requirements	
Anticipated Cost to Complete	7,766,695
Funds Currently Available	
IO Construction Financing	484,000
Current Funds available from house sales	1,502,695
OPHI Funding (90%)	846,000
	2,832,695
Cash Flow Requirements to complete	4,934,000

Please don't hesitate to contact me with any further questions or clarifications.

We thank you in advance for your consideration.

Thank you,

A handwritten signature in cursive script that reads "Hope Lee".

Hope Lee
Interim CEO

Attachment A – Request for Municipal Incentives

Attachment B – Request for Rent Supplement

Date: March 18, 2022

To: Rebecca Morgan-Quin, Housing Services Manager, City of Peterborough

From: Hope Lee, Interim CEO, Peterborough Housing Corporation

Re: Hunt Terraces – Request for Municipal Incentives

Please accept this memo as our request to the City for certain municipal incentives for the Hunt Terraces building currently under construction.

Peterborough Housing Corporation, as a social & affordable housing provider, community partner and established developer has undertaken a significant construction project at the old McRae campus property. This project has been delivered in two phases. Phase one was completed in December 2020 and phase two is scheduled for completion in December 2022. Phase two is referred to as Hunt Terraces. Matheson Constructors are the firm constructing the building and Barry Bryan Associates (BBA) are the consultants working on the project in conjunction with PHC.

The project has faced several financial issues, including:

1. Budget planning – due to the delay between approvals and tenders being accepted, building inflation has resulted in a budget shortfall before the building even broke ground. Staying on track to value engineer out the increases to return to the building cost to budget has been an ongoing challenge.
2. New design – the original building was for 80 units on a larger footprint. The new design has reduced overall construction costs the 5 additional units are being identified as high end of market to try and increase financial viability in the long run.
3. Architect performance – issues with the first architect resulting in PHC engaging BBA.
4. COVID – has caused material shortages and cost increases.
5. Constructor performance – Matheson are working well and delivering a high standard of workmanship to obtain the best possible building for budget, however the changes to design and subsequent change orders often come at an increase to PHC.
6. Site conditions – new foundation details were required leading to an increase in cost.

The original proforma did not include any municipal incentives for Phase II. Because Phase II is physically attached to Phase I, Phase II will share some construction costs.

PHC appreciates the more recent OPHI funding of \$940,000, a capital contribution towards four of the supportive units which will eventually become inventory to the BNPL.

PHC would also request a reimbursement of both the Building Permit Fee and the Development Charges, which have already paid to the City. The table below shows the value of those incentives, less the portion applicable to the commercial space. PHC would request reimbursement in the amount of \$1,135,333.33.

Fee/Charge	Total Amount	Residential %	Residential \$	Commercial %	Commercial \$
Building Permit	\$156,428	80.88	\$126,520.65	19.12	\$29,907.35
Development Charges	\$1,247,279	80.88	\$1,008,812.68	19.12	\$238,466.32
	\$1,403,707		\$1,135,333.33		\$268,373.67

In addition to these upfront capital contributions, PHC would also request a property tax exception. PHC understands that overall, the building must meet 90% of the average market rent to qualify for this incentive. The table below illustrates the rent amounts and shows the overall building meeting 89.68% of AMR.

Hunt Terraces (McRae Phase II)								
Rent Data								
Unit Type	PHC Rent	AMR & MMR Bldg Totals			\$	Units	% AMR	% MMR
1 Bed - Market Unit	\$1,550.00	Total MMR Peterborough			\$1,251.00	N/A	N/A	N/A
2 Bed Market Unit	\$2,300.00	Total AMR Peterborough			\$1,286.00	N/A	N/A	N/A
1 Bed Affordable Unit (include senior)	\$906.00	HT Average Rent - All			\$1,153.29	85	89.68%	92.19%
2 Bed Affordable Unit	\$1,034.00	HT Average Rent - Market			\$1,925.00	20	166.91%	153.88%
		T Average Rent - Affordable			\$915.85	65	71.22%	73.21%
AMR - MMR By Unit Type								
Unit Type	SqFt	# Units	PHC Rent	AMR	%AMR	MMR	%MMR	Annual Rent
1 bed - market	775	5	\$1,550.00	\$1,135.00	136.56%	\$1,148.00	135.02%	\$93,000.00
1 bed - market	768	5	\$1,550.00	\$1,135.00	136.56%	\$1,148.00	135.02%	\$93,000.00
2 bed - market	869	5	\$2,300.00	\$1,344.00	171.13%	\$1,310.00	175.57%	\$138,000.00
2 bed - market	944	5	\$2,300.00	\$1,344.00	171.13%	\$1,310.00	175.57%	\$138,000.00
1 bed - affordable	615	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable	622	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	576	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	602	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	613	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	617	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	618	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	623	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable supportive senior	638	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable - support senior -	638	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable - support senior -	641	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
1 bed - affordable - support senior -	642	5	\$906.00	\$1,135.00	79.82%	\$1,148.00	78.92%	\$54,360.00
2 bed - affordable - bf	869	5	\$1,034.00	\$1,344.00	76.93%	\$1,310.00	78.93%	\$62,040.00
		85						\$1,176,360.00

Please don't hesitate to contact me with any further questions or clarifications.

We thank you in advance for your consideration.

Thank you,

Hope Lee

Hope Lee
Interim CEO

Date: March 18, 2022

To: Rebecca Morgan-Quin, Housing Services Manager, City of Peterborough

From: Brenda Weir, Executive Vice President, Peterborough Regional Health Centre
Hope Lee, Interim CEO, Peterborough Housing Corporation

Re: Hunt Terraces – Assisted Living Model of Care – Request for Rent Supplement Funding

Building model

PHC is on target to complete Hunt Terraces this fall with occupancy anticipated to begin in December. The six-storey building includes a commercial ground floor and eighty-five units within the other five floors. The building includes a mix of tenancies including assisted living, affordable and market rent units on each floor. There are a total of fifty supportive units, ten per floor. These units have a bedroom, living room, bathroom, and a partial kitchen. This building is intergenerational whereas the Assisted Living units will be occupied by individuals that are fifty-five years and older and the affordable and market units will be occupied by individuals of any age with the primary leaseholder being sixteen years of age or older. The commercial ground floor has a common dining room with seating up to 100, commercial kitchen for the food preparation, office space, meeting room and potentially space for a convenience store.

Seniors' Supportive Housing Working Group

The Peterborough "Seniors' Supportive Housing Working Group" was initially formed in 2015 and agreed-upon Terms of Reference (TOR) developed. Representation included leaders from Peterborough Regional Health Centre (PRHC), Peterborough Housing Corporation (PHC), Home and Community Care Support Services Central East (HCCSS-CE), Ontario Health and the Peterborough Family Health Team (PFHT). A design team was established to provide input for the Hunt Terraces building and model from a wide variety of sources with knowledge of seniors' needs. Further, when the Ontario Health Team Peterborough was formed partners confirmed the development of an affordable housing option to support Advanced Level Care (ALC) patients and those living at higher risk in the community as a priority initiative to assist in addressing system pressures.

Support model

The Seniors' Supportive Housing Working Group are looking to replicate and expand a model currently available in Apsley. Spruce Corners, which is owned by PHC, is a home that includes eight spacious suites with en-suite bathrooms, a large common living room, kitchen and dining area. Tenants have access to on-site supports through an Assisted Living Model of Care that includes PSW support, distress alarms for

emergencies, and three meals a day. The PSW support is funded through Ontario Health East (OH-E) and provided by the VON. The tenants pay for meal packages, funded through PHC and provided by VON, but not for the support. This is considered a delinked model where the landlord and supports are provided independent of each other.

The Hunt Terrace model will also follow the delinked model but include a more independent apartment with a full bedroom, living room and washroom. There is a very limited kitchen and a mandatory requirement that tenants in these units purchase a meal package through PHC and have access to three meals a day in the dining room located on the first floor. PHC is in the final stages of signing a contract with the vendor (Nutra Services) who will be responsible to prepare and serve these meals. The PSW support and personal distress alarms will be funded by OH-E in Hunt Terraces.

The Senior Supportive Housing Committee submitted a business case to the OH-E last fall. OH-E recently announced funding and the service provider for Hunt Terrace. OH-E is providing funding under the Assisted Living Model of Care with VON selected as the support service provider.

The units and support services are available to those who are age 55 and older.

Intake and Tenant Selection

The access to these units will require a collaborative admission and discharge process between PRHC, HCSS, VON and PHC. These units will create a new affordable supportive housing option within the continuum of models in the area. This will enable partners to re-design the care pathways currently in place. This new model options will support timely discharge from the hospital and a new alternative for clients living at risk in the community. It is acknowledged that access and discharge of these units will require careful, ongoing collaborative management by partners to ensure that the units remain an available resource to support community needs.

A working committee will be formed to develop the intake process and related application and forms as well as determining the tenant selection process. Since the OH-E have provided the support funding under the Assisted Living Model of Care, this process must also align with HCSS. There will need to be consideration given to how the process will differ between ALC patients and community members. As some of the units will also become inventory to the City By Name Priority List (BNPL) for individuals experiencing homeless, consideration of that process must also occur. Following the delinked model, PHC will be the landlord for all units and has certain obligations within funding agreements and legislation such as the Residential Tenancies Act. This includes income testing the household to ensure they meet incoming household income limits.

This work can begin now that the support service provider has been announced and all parties begin to understand the conditions and level of support between OH-E and VON as the support service provider.

Occupancy cost

Each assisted living unit is built on an affordable unit model, or 80% of the average market rent as published by CMHC. The most recent pro-forma establishes rent for these supportive units at \$906/month based on the 2021 CMHC data. Tenants will also be required to purchase a meal plan which will cost \$625 per month per person. In addition to these two costs tenants will be responsible for hydro (billed through an external company), parking if required and phone, tv and internet. A single person would pay approximately \$1,571 per month for mandatory charges (rent, hydro and meal plan). There is no cost for the support services to the tenant.

For the building to remain viable financially, PHC must receive the full rent so providing a subsidy is not possible. While PHC is responsible to manage the meal package, it must ensure this is done without a cost to PHC.

Low income

According to census data, 26% of the overall total population of Peterborough City and County are of age 65 and older. OH-E has the third-highest proportion of residents living in low income. Nearly 15% of these residents were living in low-income households in 2011. According to Canada without poverty, approximately 15% of elderly single individuals live in poverty and nearly two million seniors receive the guaranteed income supplement.

During January-March 2022, a single person who is 65 years or older would receive a maximum of Old Age Security (OAS) pension of \$642.25 and a maximum Guaranteed Income Supplement (GIS) of \$959.26 for a total of \$1,601.51/month or \$19,218.12/year.

In 2022, a single person under the age of 65, on Ontario Works could receive up to \$733/month or \$8,796/year. And a single person under the age of 65, on Ontario Disability Support Program could receive up to \$1,169/month or \$14,028/year.

The minimum occupancy cost for the unit (rent, hydro and meal package) is \$1,571/month or \$18,852. This would leave a low-income person 65 or older with very little additional money each month/year and would not be affordable to anyone 55-65 years of age on social assistance.

Alternate Level of Care (ALC) Patients

Twenty of the fifty supportive units are designated for patients in ALC at PRHC. ALC is a clinical designation that identifies patients who no longer require the intensity of

resources or services provided and are waiting for an alternative level of care. These patients will often remain at PRHC longer because they are waiting for post-discharge care arrangements which includes both support services and housing.

As of March 2021, PRHC had a total ALC population of one hundred and four (104). Of the total number, seventy-five (75) patients were designated ALC, awaiting in hospital for long term care (LTC). There are currently limited available LTC beds, no short-term/respite LTC beds or enriched beds (private pay) in retirement homes locally.

Twenty-one (21) patients (40%) of the seventy-five (75) ALC/LTC designated patients at PRHC could have their needs met, in a supported living environment that allowed for short, frequent, PSW services on a daily basis, with the option of support on an as needed basis for instrumental activities of daily living. Of the twenty-one (21) patients identified, there was little to no cognitive impairment noted. Unfortunately, these patients remain in hospital for reasons related to financial resources and lack of affordable and supportive housing options.

In accordance with the Health Insurance Act, a mandated daily fee is set by the Ministry of Health and Long Term Care for patients who are designated by a Health Care Practitioner as ALC-LTC. The fee charged is dependent on the patient's previous year income, this is determined by the patient's notice of assessment. Data from July 2021 through to December 2021 shows that only 42% of Peterborough Regional Health Centre's ALC-LTC patients had a yearly income that supported the charging of a co-payment (patients who are supported by ODSP are exempt from co-payment charges).

Community Residents

Thirty of the fifty supportive units are designated for community residents who require an affordable, supported alternative to their current care delivery.

The Peterborough Ontario Health Team organized a town hall even last fall. Data was provided by the City of Peterborough which has been updated and is provided below.

In the last three months (December 2021 to February 2022), the City has met 73 unique individuals aged 55+ who are experiencing homelessness. 86% are male and 14% have co-occurring mental and physical health. 63% reported physical health concerns. 17% have high or very high acuity based on the Service Prioritization Decision Assistance Tool (SPDAT).

Request

PRHC has explored the possibility of rent supplement funding through OH-E. Unfortunately, there is no funding available currently, particularly for this population.

Currently there is no financial assistance available to support the mandatory meal packages. However, the members of the Seniors' Supportive Housing Committee will continue to explore this.

PHC is requesting that City provide access to rental assistance for all fifty of the supported units. Realizing the City is undergoing a full review of their rent supplement and housing benefit program, PHC is willing to receive this funding directly or indirectly.

Should the City retain its current rent supplement program, PHC would request adequate annual funding to cover the gap between its market rent for the unit (based on 80% AMR) and what the tenant could pay based on 30% of income or a social assistance shelter amount. Estimated using other similar models this would be approximately 49% of the market rent, \$450/month/unit or \$270,000 annually.

If the City was moving toward a housing benefit model, PHC would request that each household be prioritized to receive a housing benefit, based on the City eligibility criteria.

Timeline

PHC and PRHC would appreciate an opportunity to meet in order to discuss the request and understand how the City feels this important rental assistance can be provided. At the same time, we could discuss next steps.

Please let us know of your availability in late March or early April.

AMENDING AGREEMENT

THIS AMENDING AGREEMENT (the "**Amending Agreement**"), made in duplicate, dated and effective as of _____ day of _____, 2022.

BETWEEN:

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION
(hereinafter referred to as "**OILC**");

AND:

THE CORPORATION OF THE CITY OF PETERBOROUGH (hereinafter referred to as the "**Municipality**")

WHEREAS the parties entered into Financing Agreement No. 1216 dated and effective as of August 17, 2017 (the "**Financing Agreement**") in which OILC agreed to provide short-term and long-term financing for the Municipality's capital projects as more particularly described in the Financing Agreement in the amount of \$24,433,000;

AND WHEREAS pursuant to Section 16(b) of the Financing Agreement, the parties wish to amend the Financing Agreement on the terms and conditions set out in this Amending Agreement;

NOW THEREFORE in consideration of the covenants of each of the parties contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties) the parties agree as follows:

1. Capitalized terms used but not defined in this Amending Agreement shall have the meanings given in the Financing Agreement.
2. The above recitals are hereby made a part of this Amending Agreement and the Borrower acknowledges and agrees that each of the recitals is true and correct.
3. Section 1(e) of the Financing Agreement is deleted in its entirety and is replaced with the following:

"**Facility Termination Date**" means the earlier of the 17th day of August 2023 and the date on which the obligations of OILC hereunder have been terminated pursuant to paragraphs 12(b) or 12(c) hereof.
4. The Municipality represents and warrants that the representations and warranties set forth in the in paragraph 2 of the Financing Agreement, as amended by this Amending Agreement, are true and correct on and as of the date of this Amending Agreement.
5. In all other respects and except as expressly amended hereunder, any and all terms of each Financing Agreement and subsequent amendments, shall remain in full force and effect.

6. This Amending Agreement may be executed by the parties electronically in accordance with the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17.
7. This Amending Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered, including any electronic transmission of an executed signature page, shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have executed this Amending Agreement as of the date first mentioned above.

ONTARIO INFRASTRUCTURE AND LANDS CORPORATION

By: **Ron Harmon** Digitally signed by Ron Harmon
Date: 2022.05.19 15:51:57 -04'00'

Name: Ron Harmon

Title: Director, Credit Risk

By: _____

Name: Christine Tekker

Title: Senior Vice President, Lending

We have the authority to bind the Corporation

THE CORPORATION OF THE CITY OF PETERBOROUGH

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

I/We have the authority to bind the Corporation

[Affix Seal]