



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: February 13, 2023

Subject: Changes to Community Housing Agreements, Report CSSS23-008

Purpose

A report to seek approval for changes to Housing Provider agreements under the **Housing Services Act, 2011**

Recommendations

That Council approve the recommendations outlined in Report CSSS23-008, dated February 13, 2023 of the Commissioner of Community Services as follows:

- a) That staff be authorized to negotiate and execute interim operating agreements with Millbrook Non-Profit Housing Corporation, Leta Brownscombe Co-operative Homes Inc. and Otonabee Non-Profit Housing Corporation to the end of December 2024, to allow for the planning for new Operating Agreements under the Housing Services Act, 2011;
- b) That the Mayor and Clerk be authorized to sign an Exit Agreement with St. Giles Senior Citizens Residence, in accordance with the Housing Services Act, on terms satisfactory to the Commissioner of Community Services and in forms acceptable to the City Solicitor; and
- c) That the Mayor and Clerk be authorized to sign Interim Agreements with Millbrook Non-Profit Housing Corporation and Leta Brownscombe Corporative Homes Inc. and Otonabee Non-Profit Housing Corporation once negotiated on terms satisfactory to the Commissioner of Community Services and in forms acceptable to the City Solicitor.

Budget and Financial Implications

There are no budget or financial implications of this report.

Background

This report recommends changes to agreements with community housing providers, but it should be noted that there will be no change to the number of Rent Geared to Income (RGI) units that will be available in the City and County of Peterborough as a result of the recommendations.

Legislative and Regulatory Changes

Community Housing in the City of Peterborough was downloaded from the Province in 2001 through the Social Housing Reform Act. At download, there were 19 independent housing providers and Peterborough Housing Corporation. The Housing Services Act (the Act) replaced The Social Housing Reform Act in 2016. Since this time Service Managers have been given more authority by the Province to implement specific changes within the housing portfolio.

In 2022, regulatory changes under the Act created requirements for Service Managers to sign new operating agreements or exit agreements with housing providers at the end of their operating agreements or mortgages. Before this change, the Act was silent as to the responsibilities of Service Managers and housing providers after expiry.

The new regulation under the Act sets minimum requirements for new service agreements as well as exit agreements. New service agreements must be a minimum of 10 years in length, and include requirements for:

- Baseline funding for RGI assistance
- Selection of tenants through the Centralized Waiting List for housing
- Conflict resolution processes, and
- Participation in mandatory Housing Services Corporation programs (i.e. bulk buying for insurance and natural gas)

Exit Agreements must include a plan to continue to provide RGI assistance to every household currently receiving that assistance, and at least one of the following:

- a. Continued operation of the housing project by the housing provider or another housing provider
- b. The redevelopment of the housing project by the housing provider or another housing provider

- c. The reinvestment of the proceeds of sale of the housing project into affordable housing.

Strategic Planning and Interim Operating Agreements

Three housing providers will reach the end of their Operating Agreements in 2023: Millbrook Non-Profit Housing Corporation (Millbrook Manor), Otonabee Non-Profit Housing Corporation (Otonabee Court) and Leta Brownscombe Co-operative Homes Inc. (Leta Brownscombe). All three providers have stated that they wish to continue to have a relationship with the Service Manager.

Since 2022, staff have been working to understand what the impact of the changes to the Act will have on planning for the future of Community Housing. A Request for Proposals was issued in December 2022 for a consultant to prepare a report that models scenarios using the new requirements and flexibilities under the Act. This report will support a plan for the future of Community Housing, with the goal of maintaining the number of Rent Geared to Income units in the City and County of Peterborough, while ensuring participating housing providers are able to sustain their assets.

It is recommended that an extension to the agreements with these three providers be signed to give staff an opportunity to review the consultant's report and develop local strategic plans for Community Housing. The result will be a new framework for Operating Agreements.

This interim agreement approach is being used by other Service Managers in the province to respond to the changes to the Act while enabling longer-term planning.

Exit Agreement – St. Giles Senior Citizens Residence

St. Giles Senior Citizens Residence is governed under an Operating Agreement with Canada Mortgage and Housing Corporation, which the City assumed at download in 2001. This agreement expired in 2019, and an extension was signed in 2021.

In 2022, the board of St. Giles Senior Citizens Residence notified the City of Peterborough that they did not wish to renew the Operating Agreement again, and they were requesting an Exit Agreement as provided for in the regulations of the Act. City staff had several discussions with the staff and board chair of St. Giles to ensure that they understood the regulatory changes and to see whether there were terms under which they might still sign a new service agreement. Having reviewed their options, St. Giles confirmed that they still wished to pursue an Exit Agreement.

The stated intention of these regulatory changes is to minimize the loss of RGI housing in the province as the result of expiring operating agreements and mortgages. But because of the funding model under which it was developed, St. Giles does not require Service Manager funding to continue to provide RGI units. Once the mortgage was retired, the revenue from market rent units in the building subsidize the RGI units, as well as enable the provider to maintain a healthy capital reserve.

St. Giles' exit from the Community Housing Portfolio will not have a negative impact on available RGI housing for seniors in the City of Peterborough. St. Giles will continue to operate according to its articles of incorporation, which mandate them to provide affordable housing for seniors with low incomes. The Social Services website will continue to provide contact information for St. Giles for applicants who wish to have their name on the waiting list for units there.

Summary

The expiry of operating agreements, mortgages and debentures has been on the horizon since the download of housing in 2001. The Province has only recently provided clarity on the expectations for Service Managers and Community Housing Providers after these agreements end. The existing agreements with Four Community Housing Providers will require approvals pending the consultant's review of the long-term options for the full Community Housing portfolio.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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