



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: August 5, 2025

Report: Capital Loan Funding Request for Thrive Housing and Support, Report CSSS25-009

Subject

Towerhill Village Sewer Infrastructure Project request for Council approval of an unsecured capital loan of up to \$1 Million to Thrive Housing and Support to repair critical affordable housing infrastructure.

Recommendations

That Council approve the recommendations outlined in Report CSSS25-009, dated August 5, 2025 of the Commissioner of Community Services, as follows:

- a) That Council direct staff to proceed with the making of an unsecured loan of up to \$1 million in repayable funding for Thrive Housing and Support (“Thrive”), with a repayment plan following the end of the current mortgage on January 1, 2028, subject to a satisfactory pro forma review;
- b) That the Commissioner of Community Services be delegated authority to approve the unsecured loan, being payable from the Housing Reserve, including the terms and conditions of the loan and any required security; and
- c) That the Commissioner of Community Services be authorized to do such things as necessary to give effect to recommendations a) and b), on terms acceptable to the Commissioner in consultation with the Manager of Housing, and in a form acceptable to the City Solicitor.

Executive Summary

- Thrive is Peterborough's second-largest social housing provider, following Peterborough Housing Corporation. The Towerhill Village site includes 66 Rent-Geared-to-Income (RGI) units and 5 market rent units under an operating agreement with the City.
- Engineering reports have identified urgent and worsening infrastructure risks at the site, including aging sewer lines and failing retaining walls. Total estimated costs are now \$1.82 million.
- This report outlines Thrive's funding strategy and requests Council approval to explore a repayable loan from the Housing Reserve, with repayment beginning in 2028 following the end of their mortgage.
- Thrive remains committed to the delivery of safe, affordable housing in Peterborough.

Background

Thrive is a non-profit community housing provider with a mission to create "Communities Where People Can Thrive." Its values, Collaboration, Inclusion, Security, Quality, and Independence, guide the organization's delivery of housing and supports for individuals with physical disabilities, acquired brain injuries, HIV/AIDS, and high-risk seniors.

In addition to being a support service provider, Thrive is Peterborough's second largest social housing provider after Peterborough Housing Corporation. It owns and operates three social housing projects: Towerhill Village, Hilliard Park Homes, and is in the process of amalgamating with Northminster Court. Thrive also provides property management services to three additional community housing providers. As such, Thrive plays a significant and growing role in stabilizing the local housing system, keeping RGI units in the system after the expiration of operating agreements and includes providing supportive housing that is sorely needed for successful tenancies as well as homelessness and hospitalization prevention.

Thrive prioritizes homelessness prevention wherever legislation permits and where housing and supports are appropriate to the individual's needs. This includes supporting hospital discharges for individuals with no safe place to return and providing permanent housing for people—particularly those with physical disabilities—who are otherwise at risk of placement in long-term care settings despite being too young or capable for institutional care.

Towerhill Village, is located at 77 Towerhill Rd. and is owned by His Majesty the King in Right of Ontario as Represented by the Minister of Government Services. Thrive is the successor Corporation who was granted a long-term Lease for the property for a term of 65 years expiring in 2056. Towerhill Village contains 66 RGI units and 5 market units. It

is governed under the Housing Services Act, 2011 and contributes to the City's legislated Service Level Standard of 1,569 RGI units. As provincially funded projects transition into the End of Mortgage period, the City's stated primary objective is to protect and sustain these vital housing resources for the long term. The City of Peterborough as the service manager supported the completion of Building Condition Assessments (BCA) for all housing providers, including Thrive, in 2021. The BCA listed the sanitation pipe project as low risk capital repair with an expected completion date beyond the next BCA planned for 2026. In 2024 while undergoing inspection of the building foundation and parking lot paving repair, there was significant deterioration in the underground sewer infrastructure identified by the engineers. A subsequent review in 2025 of a second section revealed failing retaining walls and broader systemic issues. Revised cost estimates now sit at approximately \$1.82 million, with a high potential for escalation as this does not include the replacement of the playground above the project site. The engineers have also confirmed that there will be no displacement of the current tenants at this location while the project is completed.

Alternative Sources of Funding:

The City has already contributed \$525,000 through the Canada-Ontario Community Housing Initiative (COCHI). Thrive will contribute an additional \$294,222.50 from its capital reserves. However, a significant funding shortfall remains.

As a provider governed by the Housing Services Act, Thrive cannot increase rents or grow revenue to support major capital repairs. Fully depleting its reserves at Towerhill would jeopardize future repairs at this and other aging sites in its portfolio.

The 2025 COCHI allocation has not yet been announced. This project, however, cannot be deferred. If COCHI funding becomes available, staff will attempt to allocate additional provincial capital repair funds to this project. These funds are not guaranteed.

Thrive is also seeking support from CMHC and Ontario Health, though the latter typically does not fund infrastructure capital. Inquiries to Thrive's insurer have confirmed that this type of infrastructure work is not covered by insurance. The site's long-term land lease from the Province prevents it from being used as collateral. While the City and Ministry of Municipal Affairs and Housing (MMAH) continue discussions regarding land transfer, resolution is not expected in the near term.

Despite these constraints, Thrive has demonstrated sound stewardship and remains a key provider in the local affordable and supportive housing network. Once its mortgage ends in 2028, Thrive will be better positioned to begin repaying the loan and has committed to working with the City on a formal repayment plan.

Strategic Plan

Strategic Pillar: Infrastructure

Strategic Priority: Accountable, transparent, ethical, and responsible corporate governance and financial management that supports the needs of the community into the future. Proactively advocating for Peterborough’s interests by working with other levels of government and optimizing strategic opportunities as they arise for the benefit of our City

Strategic Pillar: Community & Well-being

Strategic Priority: Enhance and protect the health, safety, and well-being of all in our City. Provide robust, affordable and accessible sport, recreation, wellness, arts and social programs for people of all ages and abilities.

Engagement and Consultation

In December 2024, Thrive submitted its request to address the sewer system deterioration. Following meetings with City housing staff and Thrive’s leadership, the City committed \$525,000 in COCHI funding to begin the work.

Subsequent inspections revealed further deterioration, requiring a second sewer line replacement and increasing urgency and project costs.

A formal letter of request was submitted by Thrive to the Mayor and Council on June 6, 2025 (Appendix A). Tenants have been notified and will receive regular updates throughout the project.

Budget and Financial Implications

Housing staff recommend the balance of the project cost be funded through a repayable loan of up to \$1,000,000 from the Housing Reserve.

The City of Peterborough provided \$525,000 out of 2024/2025 COCHI funding for the initial stages of project management services for the rehabilitation of the existing sanitary sewer system including engineering and construction contracts, and \$300,000 has been committed out of Thrive’s Capital Reserve. The breakdown for funding is shown in the chart below displaying the deficit for which the loan is required.

Total Project Cost	\$ 1,819,222.50
City of Peterborough COCHI	\$ 525,000.00
Thrive Capital Reserve	\$ 294,222.50
Requested Loan to City	\$ up to 1,000,000.00

Conclusion

Towerhill Village is a critical part of Peterborough's community housing system, and its long-term viability depends on urgent infrastructure investments. Thrive Housing and Support has demonstrated leadership and fiscal accountability in managing this project and remains a strong and collaborative partner to the City. Council's continued support is essential to ensure this vital public asset continues to serve the people who need it most.

Attachments

Appendix A: Letter of Capital Funding Request- Thrive Housing and Support

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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