

Purpose

The purpose of this report is to request permission to enter into a Home For Good Phase 2 Capital Contribution Agreement with SW Water Tower Ltd. / I Believe Network with the intent to deliver an agreement to the Ministry of Municipal Affairs & Housing for their review and potential approval.

Background

In March 2017, the Ministry announced that \$100 million would be available for housing and support services and Service Managers from across the Province were invited to submit an expression of interest. As a result, Home For Good Program (HFG) Guidelines and the Ministry of Municipal Affairs & Housing (the Ministry) Expression of Interest (EOI) were presented on October 17, 2017, where Council endorsed the program.

The City of Greater Sudbury's (City) submission aimed to obtain a combination of capital and operating funds to support locally relevant and community-driven solutions to chronic homelessness in Greater Sudbury through a two-phase proposal. Housing Services was approved for operating and capital funding for Phase 1 and Phase 2 was approved for capital funding through a 20 year mortgage subsidy.

The Phase 1 project is nearly complete with the development at 200 Larch Street to provide a permanent location for the Off the Street Shelter, a Harm Reduction Home, and the Sudbury District Nurse Practitioners Office.

Following discussions with the Ministry, the proposed Phase 2 capital affordable housing project was revised to include a minimum of thirty-eight rental units with the capacity to provide support services from various key community stakeholders. Prospective tenants could be selected from the City of Greater Sudbury Housing Services' centralized Urgent Status wait list, the HOMELESSNESS Network, or the coordinated access system. An agreement for Phase 2 was entered into with Canadian Mental Health Association – Sudbury/Manitoulin (CMHA) which was subsequently terminated by the proponent in 2019 due to issues related to capacity.

Upon notification of termination from CMHA, the Service Manager engaged the Province to determine how to move forward with the second phase. The Province indicated that Housing Services has the capacity to approach the community and accept another proponent to complete the Phase 2 capital construction. Housing Services reached out to others within the community throughout the fall of 2019 to determine if there was an interest in the project. No group came forward due to the method in which the affordability payments are made at the end of the capital construction. Historically capital funding flowed via milestone payments – 50% when building permit is issued, 40% upon 50% completion and 10% when final occupancy permit is issued. Under the current program guidelines, the proponent will be required to fund the entire construction project, and will receive partial mortgage payments upon occupancy of the rental units over 20 years.

The Service Manager continued to engage the community and in early 2020 a submission from SW Water Tower Ltd. / I Believe Network was received. It is the proponent being put forward for Council's consideration and is included in Appendix C.

Should this proponent be endorsed by Council, a contribution agreement will be developed and forwarded to the Ministry for their review and approval. Final approval rests with the Ministry of Municipal Affairs & Housing. The contribution agreement needs to be submitted to the Ministry prior to end of their fiscal year (March 31, 2020) in order for the Ministry to consider the request for extension.

Role of Service Manager

The roles and responsibilities of the Service Manager for the Home For Good Program are outlined in the Home For Good Program Guidelines (Appendix A – Home For Good Program Guidelines). The Service Manager engaged in planning activities related to program delivery and administration of the program consistent with Ministry guidelines at the onset of receiving the funding allocation. By-Law 2017-184 confirms that the Manager of Housing Services is authorized to establish the form of and execute agreements with recipients of funds allocated under the Home For Good Program (Appendix B - By-Law 2017-184).

The Service Manager enters into a transfer payment agreement with the Province, and monitors service contracts (contribution agreements) with all service providers as appropriate.

Under the Home for Good Program, the Province indicated the following guidelines for funding submissions:

- Operating costs for either housing assistance such as rent supplement or support services such as counseling, case management, life skills training, etc.
- Capital costs to increase the supply of physical supportive housing units
- Linkages to housing assistance and support services
- Projects needed to remain affordable (rents at or below 80% of Canada Mortgage and Housing Corporation (CMHC) Average Market Rent (AMR) at the time of occupancy) for at least 20 years
- Encouraged Service Managers to collaborate with other sector organizations (housing, health, community services; children and youth sectors)
- Targeted four provincial priority homelessness areas: chronic homelessness, youth homelessness, Indigenous homelessness, and homelessness following transitions from provincially-funded institutions and service systems (i.e. hospitals and prisons)
- Strived to ensure that individuals with complex needs avoid homelessness and remain stably housed over time, and
- Funds utilized for a variety of housing models.

Proposals submitted to the Ministry needed to demonstrate capacity to deliver all aspects of the proposal (housing assistance, support services, and capital projects (as applicable), which included a list of potential partners. Preference would be given to submissions that could successfully highlight key partnerships that would be leveraged to maximize the benefits of the proposal and provide stronger service integration, and include a variety of new and enhanced arrangements that cover areas such as financial or in-kind contributions, capacity building, or training in addition to service delivery. It is the responsibility of the Service Manager to ensure proponents adhere to these guidelines and any additional requirements included in the agreements.

As with all provincial allocations and consistent with government accounting requirements, any funding not committed by the required timelines would need to be returned to the Province.

Next Steps

If council endorses the recommendation to present the proponent's submission to the Province, Housing Services will work with Legal Service to draft the contribution agreement. Once the agreement is executed, the agreement will then be forwarded to the Ministry of Municipal Affairs and Housing along with the proponent's submission. There is a March 31st, 2020 deadline to provide an updated contribution agreement to the Ministry for their review and potential approval.

Service Managers are required to confirm construction start date of projects, complete an Initial Occupancy Report once projects are completed and occupied, as well as an Annual Occupancy Report each year.

Service Managers are also required to obtain from the proponents and forward to the Ministry an audited capital cost statement from an independent auditor(s) within six months of the initial occupancy date, or such additional time acceptable to the Ministry.

Staff will provide an update to Council when a decision on the proposal is provided by the Ministry.

Resources Cited

City Council Meeting, August 13, 2019 - CMHA Home For Good Phase 1 Funding Request

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=27202.pdf>

Planning Committee Meeting, May 7, 2018 - Lourdes Street, Sudbury - Declaration of Surplus Vacant Land

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=9&id=1223>

Community Services Meeting, March 19, 2018 - Single Source - Home For Good
<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=6&id=1260>

City Council Meeting, October 17, 2017 - Ministry of Housing - Home For Good (HFG) Funding
<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=19&id=1135>

Community Services Meeting, July 10, 2017 - Ministry of Housing Home For Good Funding Expression of Interest
<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=4&id=1203>