




Hamilton

CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

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| TO: | Chair and Members Emergency and Community Services Committee |
| COMMITTEE DATE: | May 2, 2019 |
| SUBJECT/REPORT NO: | St. Matthew's House – Request for Service Manager Consent to Sell Units (HSC19015) (Ward 3) |
| WARD(S) AFFECTED: | Ward 3 |
| PREPARED BY: | Joshua Van Kampen (905) 546-2424 Ext. 4592 |
| SUBMITTED BY: | Edward John Director, Housing Services Division Healthy and Safe Communities Department |
| SIGNATURE: |  |

RECOMMENDATION(S)

- (a) That Council, in its capacity as Service Manager under the *Housing Services Act, 2011*, approve the request of St. Matthew's House to sell two properties comprised of nine housing units at 247 East Avenue North (five units) and 44 St. Matthew's Avenue (four units) subject to the following condition:
- (i) that the sale proceeds be reinvested into St. Matthew's House Senior Support Program in partnership with both private and social housing landlords to maintain homelessness prevention for the aging population; and
- (b) That the General Manager of Healthy and Safe Communities Department or his designate be authorized and directed to reallocate the net existing operating budget for St. Matthew's House of \$111,700 from Dept ID 625084 to increase the Hamilton Housing Allowance Program operating budget to \$1.146M (Dept ID 626029) to offer additional housing allowances to approximately 30 households from the centralized wait list.

EXECUTIVE SUMMARY

St. Matthew's House ("St. Matthews") has requested consent to sell two properties, comprised of nine units, operated pursuant to the *Housing Services Act, 2011* (the

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SUBJECT: St. Matthew's House – Request for Service Manager Consent to Sell Units (HSC19015) (Ward 3) - Page 2 of 5

“Act”). The sale of these properties requires the City of Hamilton's consent to sell, in its capacity as Service Manager under the Act. These units were constructed in the early 1900s and although the units have been maintained, they show signs of heavy use and building materials indicative of that period. These properties are located at 247 East Avenue North (five units) and 44 St. Matthew's Avenue (four units) within Ward 3. These units operate as shared accommodations serving senior single men. St. Matthew's mandate does not require it to select its tenant from the centralized wait list. Currently, these properties are vacant.

The *Housing Services Act, 2011*, requires that the proceeds of sale of social housing projects either replace units or support actions and initiatives identified in the housing and homelessness plans. St. Matthew's will reinvest the proceeds to support its senior support programs for homelessness prevention which supports Strategy 3.1 the City's Housing and Homelessness Action Plan.

St. Matthew's Housing will no longer require its operating subsidy of \$111,700 which can be reallocated to the Hamilton Housing Allowance Program. This program currently has an annualized levy supported operating budget of \$1.034M currently supporting 315 households from the waitlist. With an increase of \$111,700 annually, the Hamilton Housing Allowance Program (HHAP) can increase the number of households it assists by approximately 30 households, selected from the wait list.

St. Matthew's Housing has been in discussions with another affordable housing provider who has shown interest in the potential purchase of 247 East Avenue North and 44 St. Matthew's Avenue.

If the sale goes through to another housing provider, Housing Services will work with the housing provider to ensure that the centralized wait list will be used to house the total amount of units being sold, assign any possible subsidies over, and that any money held in reserve accounts for those two properties be transferred over to the purchaser upon completion of sale.

Alternatives for Consideration – See page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The 2018 net levy supported subsidy for St. Matthew's House was \$113,420. The net levy supported operating budget for the Hamilton Housing Allowance Program is \$1.034M. There would be no net levy impact by reallocating St. Matthew's House subsidy to increase the operating budget for HHAP.

Staffing: There are no staffing implications associated with Report HSC19015.

SUBJECT: St. Matthew's House – Request for Service Manager Consent to Sell Units (HSC19015) (Ward 3) - Page 3 of 5

Legal: There are no legal implications associated with Report HSC19015.

HISTORICAL BACKGROUND

With the devolution of housing responsibilities to the local level under the *Social Housing Reform Act, 2000* (subsequently repealed and replaced by the *Housing Services Act, 2011*), municipalities have taken on a leadership role in the provision of affordable housing. This has created considerable pressure on municipalities to maintain housing infrastructure and to build new affordable housing.

St. Matthew's House purchased two properties within Ward 3 (247 East Avenue North and 44 St. Matthew's Avenue) in 1989 with funding from the Canada Mortgage and Housing Corporation under a specific social housing program. These properties were constructed in the early 1900's and renovated to provide shared living accommodations for single senior men (ages 55+). As part of its operating agreement, St. Matthew's House is exempt from selecting its tenants from the wait list.

St. Matthew's House is a non-profit charitable organization founded in 1967 with a focus on caring for vulnerable populations in the surrounding neighbourhoods. Although it has been a housing provider since 1990, it has generally been focused on other support related programming for seniors such as homelessness prevention and food security. St. Matthew's House also provides various child care programming. In 2017, St. Matthew's House completed a renewal of its strategic plan which no longer includes the direct provision of housing and, instead, endorses an enhancement of its seniors housing support programs.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Housing Services Act, 2011

The *Housing Services Act, 2011* ("Act") requires housing providers to obtain Service Manager consent prior to any transfers of social housing units. On January 1, 2017, the Ministry of Municipal Affairs and Housing issued a Directive to Service Managers that the net financial proceeds generated from the sale be used to support either the delivery of another transferred housing program (i.e. subject to the Act) or in furtherance of another housing-related purpose contemplated in the Service Manager's housing and homelessness plan.

RELEVANT CONSULTATION

Housing Services' staff consulted with St. Matthew's House to review its business case.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

St. Matthews' main objective of its proposed sale is to reinvest the net proceeds from the sale of the two existing homes into St. Matthews' seniors supports for the prevention of homelessness, which includes both food and housing security. These supports will be client based, however St. Matthew's House will work in partnership with both private and social housing landlords to help maintain homelessness prevention for the aging population.

The following outlines the rationale used by St. Matthew's House for requesting consent to sell the units:

- 247 East Avenue North and 44 St. Matthew's Avenue are both currently vacant;
- Both units require repairs of such enormity that St. Matthew's House does not wish to fill these units due to health and safety concerns;
- St. Matthew's House has updated its strategic plan to realign its focus to seniors support for the prevention of homelessness, which includes both food and housing security.

In order to sell social housing properties, the Service Manager must provide its consent as required by the *Housing Services Act, 2011* ("Act").

Consent is conditional on the following:

- St. Matthews will reinvest the revenues into its Senior's Housing Support program that focuses on Senior's Homelessness Prevention.
- The sale of the two homes will support the long-term financial health of St. Matthew's House.
- There are no known environmental issues or legal disputes associated with the properties.
- Prior to the sale of each property, St. Matthews has provided the Service Manager with a copy of the Board of Director's Resolution along with a plan confirming that all impacted tenants have been relocated and supported.
- St. Matthews will provide the Service Manager with copies of all Agreements of Purchase and Sale and copies of the full final reporting of the sale.
- St. Matthews will transfer to the purchaser any monies that is specifically held in reserve for 247 East Avenue North and 44 St. Matthew's Avenue.

In 2018, the net levy supported operating subsidy for St. Matthew's House was \$113,420 following the annual reconciliation process. This subsidy supported the costs of mortgage, taxes, administration, maintenance, and rent subsidy for nine rooms within the two properties. If this subsidy is reinvested into the Hamilton Housing Allowance

SUBJECT: St. Matthew's House – Request for Service Manager Consent to Sell Units (HSC19015) (Ward 3) - Page 5 of 5

Program, it can be converted to supporting approximately 30 households, assuming an average subsidy of \$275 per month.

ALTERNATIVES FOR CONSIDERATION

The properties could be transferred to another housing provider to operate in accordance with the Act. This alternative would require the continuation of the subsidy and would maintain the nine rooms of shared living. This is permissible under the legislation and would result in no financial, staffing, legal or policy implications. Staff do not recommend this alternative for the following reasons:

- The net proceeds of the sale of the properties will provide ongoing stability to a needed seniors support program;
- The properties will require significant capital investments to ensure they remain suitable for habitation;
- These two properties currently provide only nine rooms of shared living accommodation for tenants not selected from the waitlist; and,
- The current level of subsidy can achieve greater impact by reallocating it to the Hamilton Housing Allowance Program.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life

APPENDICES AND SCHEDULES ATTACHED

None