

CITY OF HAMILTON

***Community Services Department
Housing and Homelessness Division***

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: March 2, 2011	
SUBJECT/REPORT NO: Update Transition of First Place Hamilton to CityHousing Hamilton (CS09073(b)) (City Wide) (Outstanding Business Item)	
SUBMITTED BY: Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Robert McKnight 905-546-2424 ext. 3728 Grace D'Ariano 905-546-2424 ext. 7373 Gillian Hendry 905-546-2424 ext. 4818
SIGNATURE:	

RECOMMENDATION

- (a) That no additional funding be requested from the Ministry of Municipal Affairs and Housing for First Place Hamilton as it is now operating with a surplus.
- (b) That Item "1" – Update Transition of First Place Hamilton to CityHousing Hamilton be identified as completed and removed from the Emergency and Community Services Outstanding Business List.

EXECUTIVE SUMMARY

In Report (CS09073(a)), Update Transition of First Place Hamilton to CityHousing Hamilton, E&CS Committee was advised that once the Court Ordered discharge took place for First Place Hamilton (First Place), a more current and accurate financial picture would be available. A decision would then be made as to whether to advocate for additional funds from the Province to off-set costs for the operation.

**SUBJECT: Update Transition of First Place Hamilton to CityHousing Hamilton
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It is no longer necessary to request additional funding from the Province to off-set costs. When First Place was transferred to CityHousing Hamilton (CHH) on October 1, 2009, the audited financial statements supplied by the Receiver for the period of January 1, 2009 to September 30, 2009 reported an accumulated deficit of \$1,754,511. However, when a non-audited financial analysis was completed by CHH on the four housing projects of the former First Place Corporation, a surplus of \$616,000 was identified.

The \$1,754,511 accumulated deficit remains with the corporation known as First Place Hamilton, and did not follow CHH upon transfer of ownership on October 1, 2009. The most recent reconciliation completed under CHH ownership has determined a financial surplus and no deficit. The First Place portfolio is financially sound. A surplus was generated because the receivership fees and legal fees paid by the corporation known as First Place Hamilton ended once the receivership was terminated upon transfer of ownership to CHH.

To date, the City of Hamilton, as Municipal Service Manager responsible for the administration of social housing under the *Social Housing Reform Act* has approved, through federal and provincial Capital Repair Funding and the Social Housing Renovation & Repair Program (SHRRP), over \$5,245,486 to First Place for urgent capital repairs, such as elevator repairs, a new roof, plumbing, and electrical boxes. The capital work being done under SHRRP is necessary to maintain the health and safety of the building and reduces future financial pressures for capital expenditures on CHH.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

For the period October 1, 2009 to December 31, 2009, the following surpluses have been identified for the First Place portfolio:

	Actual Surplus	Capital Reserve
First Place	\$ 540,151	\$ 11,183
Housing our People Economically (HOPE)	\$ 35,535	\$ 10,048
Central Place (CP) & Pilgrim Place (PP)	\$ 40,320	\$ 13,027
Totals	\$ 616,006	\$ 33,258

A financial analysis will be completed after the audited financial statements for 2010 for CHH are submitted to the City as Service Manager for Social Housing. They are due to the City by the end of May 2011.

Staffing:

There are no staffing implications for Report CS09073(b).

Legal:

There are no legal implications for Report CS09073(b).

HISTORICAL BACKGROUND (Chronology of events)

The First Place portfolio consists of four buildings located at:

- 350/360 King Street East (First Place)
- 405 York Boulevard (HOPE - Housing our People Economically)
- 185 Jackson Street East (Central Place) and
- 206 Jackson Street East (Pilgrim Place)

The resident population consists of seniors, individuals and families including persons who require assistance with activities of daily living.

On March 31, 2006, the administration of First Place was downloaded from the Province to the City of Hamilton under Receivership with Mintz & Partners Limited.

On October 1, 2009, Mintz & Partners Limited was discharged as Receiver and Manager of First Place Hamilton by Court Order.

As of September 30, 2009, an accumulated deficit of \$1,754,511 was reported.

On October 1, 2009, CHH became the registered owner and manager of First Place. All the properties and mortgages, in the First Place portfolio were transferred to CHH. CHH was then responsible for all property management, financial, legal, technical and staffing issues related to First Place, Hamilton. No monies were expended by CHH to purchase First Place.

On October 28, 2009, Council received an Information Report CS09073(a) - Update Transition of First Place Hamilton to CityHousing Hamilton, advising that CHH was registered as the legal owner of First Place, Hamilton.

The transfer of ownership from Mintz & Partners Limited (the "Receiver") to CHH was seamless with no interruption of services to the tenants. CHH partnered with St. Joseph's Health Care to provide continued care to the tenants residing on the Assisted Living Unit (ALU) floor, as well as maintaining the restaurant and ALU dining rooms; and Catholic Services to provide life/help services to those tenants who require it. These agencies also provide the programs and services that have been provided to the tenants from the beginning, such as recreational events, road trips, accompanying tenants to doctor's appointments, and housecleaning.

POLICY IMPLICATIONS

There are no policy implications for Report CS09073(b).

RELEVANT CONSULTATION

Brenda Osborne, Chief Executive Officer for CHH was consulted in the writing of this report and provided no changes.

ANALYSIS / RATIONALE FOR RECOMMENDATION

On October 28, 2009 a letter was received from Jim Watson, Minister of Municipal Affairs and Housing in response to a letter from the Mayor seeking additional funding for First Place Hamilton. The letter stated that the Ministry was no longer in a position to offer additional funding since Hamilton has received considerable funding over the years for First Place Hamilton.

The letter stated that the City has received:

- \$5.1 million in additional funding specifically for First Place Hamilton
- At the time of transfer, \$1.5 million (of the \$5.1 million) was provided as a full and final settlement of First Place Hamilton.
- Canada Mortgage and Housing Corporation has forgiven an \$11 million mortgage on the property
- And the City of Hamilton as Municipal Service Manager has access to other funding for capital repairs for social housing.

Given the prior funding from the Ministry and the fact that First Place is now operating with a surplus, it is recommended that a request not go forward for further funding.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives for consideration for Report CS09073(b).

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
- ◆ Address infrastructure deficiencies and unfunded liabilities

Social Development

- ◆ Everyone has a home they can afford that is well maintained and safe

Healthy Community

- ◆ Plan and manage the built environment

APPENDICES / SCHEDULES

None