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TO:	CHAIR AND MEMBERS COMMUNITY SERVICES COMMITTEE MEETING ON December 19, 2011
FROM:	L. STEVENS DIRECTOR OF MUNICIPAL HOUSING COMMUNITY SERVICES DEPARTMENT
SUBJECT:	REQUEST FOR CAPITAL FUNDING FROM THE SOCIAL HOUSING MAJOR REPAIRS AND UPGRADES STABILIZATION RESERVE FUND FOR 98 BASELINE ROAD WEST

RECOMMENDATION

That, on the recommendation of the Director of Municipal Housing, with the concurrence of the Executive Director of Community Services, the following actions BE TAKEN:

- 1) Cheshire Homes of London Inc. BE APPROVED for an allocation of up to \$392,772.24 (incl. HST) for the installation of a second interior elevator at 98 Baseline Road West, and
- 2) The funding allocation from the Social Housing Major Repairs and Upgrades Stabilization Reserve Fund recommended above be as set out in the attached Appendix A – Sources of Financing Report.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Community & Protective Services Committee

October 16, 2006 – Criteria to Access the Stabilization Reserve Fund for Major Repairs for Prescribed Social Housing Providers with Underfunded Capital Reserves

January 29, 2007 – Capital Reserve Shortfalls for Prescribed Social Housing Providers

November 12, 2007 - Revisions to Criteria to Access The Social Housing Major Repairs and Upgrades Stabilization Reserve Fund

September 27, 2010 - Social Housing Building Condition Assessment and Capital Reserve Fund Study

BACKGROUND

Under the *Social Housing Reform Act 2000* (SHRA), the City of London was identified as the Service Manager responsible for administering the delivery of social housing in the City of London and the County of Middlesex.

The City of London Housing Division requires Social Housing Providers to adopt a planned maintenance program and a multi-year capital plan. The maintenance of the social housing stock in a state of good repair is a fundamental requirement of each Housing Provider. These plans are reviewed carefully by Housing Division staff. Housing Providers contribute funding to their capital reserves annually, the amount of which is determined by which program that they fall under.

Provincial funding of non-profit housing and co-operative housing capital reserve contributions was frozen in 1992. In 1995, provincial contributions resumed but only at 1/3 of the original contribution

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amounts. Most of the projects are in the 20 to 25 year old range. In 2006, Council approved a Major Repairs Reserve Fund for non-profits and co-ops, which can only be accessed through specific criteria. Annual requests for future allocations to this reserve are done through the budget process.

The continued annual contributions through the budget process to the Major Repairs Reserve Fund for Non-profits and Co-ops assist in mitigating capital reserve shortfalls. The Reserve Fund can only be accessed through specific criteria approved by Municipal Council in November 2007. The recent contributions from other orders of government under Anti-Poverty, Investing in Ontario and Stimulus Funding initiatives have assisted in meeting the most critical capital needs.

To be eligible, prescribed housing providers must be in a position where the challenges they are facing would jeopardize their project's viability or the health and safety of their residents. A standardized format was created to process requests.

Request for Capital Funding

Cheshire Homes of London Inc. is a Special Needs Social Housing Provider in the city's service area. Its apartment building at 98 Baseline Road West consists of twenty-five (25) wheelchair accessible units. Personal support services are funded by the Southwest LHIN.

In the summer of 2011, the single elevator at 98 Baseline Road West failed, essentially confining the residents to their apartments for a period of four (4) weeks. The installation of a second elevator at 98 Baseline Road West would mitigate the possibility of this recurring.

A business case rationalizing the request, including options reviewed, budget and project plan with technical documentation, was submitted to the Housing Division (see attached).

The Building Condition Assessment (BCA) commissioned by the City in July 2009, indicates the overall building is in good condition for the age of the complex. With few exceptions, the capital program recommendations are associated with building elements reaching the end of their life expectancy and requiring replacement.

With the group's current capital reserve fund balance of \$189,651 and their annual contribution rate, there is insufficient funding to cover the cost of the installation of an elevator. To require Cheshire to utilize their capital reserve funding would leave them in a position of no funding for any future repairs required.

It is recommended that Cheshire Homes of London Inc. receive an allocation of up to \$392,772.24 (incl. reduced HST) for the installation of a second elevator at 98 Baseline Road West. Funds are to be allocated from the Social Housing Major Repairs and Upgrades Stabilization Reserve Fund. Funds are not allocated in advance. Proof of work completion is required. The group must also comply with all applicable legislation such as the *Construction Lien Act*.

In order to be approved for the funding, the building and units must be maintained for their prescribed uses. A reconciliation report is required upon completion of work and the funding must be addressed specifically in year-end reporting.

The Social Housing Major Repairs and Upgrades Stabilization Reserve Fund for existing non-profit and co-op housing projects is an investment in the long term future of social housing. Maintaining the portfolio in a good state of repair not only protects taxpayers' investment but ensures a full range of affordable housing for every household type as well as a safety net for our most vulnerable population.

FINANCIAL IMPACT

Council approval, as Service Manager, is required for amounts exceeding \$100,000.

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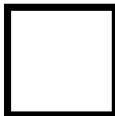
Further to the annual approval by Municipal Council to the Social Housing Major Repairs and Upgrades Stabilization Reserve Fund, there is no additional impact on the municipal levy as municipal funding for exceptional capital repairs to social housing units is drawn down from the Social Housing Major Repairs and Upgrades Stabilization Reserve Fund.

RECOMMENDED BY:	CONCURRED BY:
LOUISE STEVENS DIRECTOR OF MUNICIPAL HOUSING	ROSS L. FAIR EXECUTIVE DIRECTOR COMMUNITY SERVICES

- C. A. Dunbar, Mgr Financial Planning & Policy
T. Tapai, Technical Support Officer, Housing Division

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APPENDIX A