
Subject: Oonuhseh Niagara Native Homes Property Sale

Report to: Public Health and Social Services Committee

Report date: Tuesday, September 14, 2021

Recommendations

1. That Niagara Region Council, in its role as Municipal Service Manager, **APPROVE** the sale of three scattered homes owned by Oonuhseh Niagara Native Homes (Oonuhseh) and that the revenues from the sales must be used to increase the overall stock of affordable housing for Indigenous households in Niagara region; and
2. That the Commissioner of Community Services **BE AUTHORIZED** to sign a letter, to be provided to the Ministry of Municipal Affairs and Housing (MMAH), giving the Service Manager's consent for the sale of the Oonuhseh properties.

Key Facts

- As of January 2017, the MMAH delegated consent matters to the Service Manager for several matters including decisions regarding the sale or transfer of designated housing projects. In this case, Service Manager consent is required to be provided to the Ministry in writing within 10 days of consent being given. Designated housing projects are the assets owned by housing providers, who are under federal agreement and are listed under the *Housing Services Act* (the "Act"), receiving subsidy for operations and or rental units.
- Oonuhseh Niagara Native Homes currently owns a number of scattered units, comprised of several single dwelling homes. In a prior year, two of these homes were demolished to accommodate the building of new multi-residential housing units.
- With the continuing need for affordable Indigenous housing, Oonuhseh is now planning to undertake a 12 unit development at a site located at 40-42 Oakdale by leveraging the sale of three homes. The sale is intended to provide Oonuhseh with the necessary equity that will help ensure the financial feasibility of the project. Overall, this project will allow for the creation of additional housing while maintaining the same number of RGI units.
- The vacant land at 40-42 Oakdale was recently purchased by Rinaldi Homes and Rinaldi Homes has entered into a Letter of Intent with Oonuhseh to build a 12 plex

on this site. The site is vacant and already has a Record of Site Condition from the Ontario Ministry of Environment.

Financial Considerations

The financial impact to the Niagara Region Housing Services division at this time is zero. The primary involvement of Housing Services at this time is to provide the Service Manager consent to allow Oonuhseh to sell the existing assets to fund the new build.

At the time of completion of the new builds, should there be provincial subsidies available, Housing Services may enter into new rental subsidy agreements with Oonuhseh to increase the affordability of additional units.

In keeping with the organization's strategic plan, reinvesting the equity from the sale of the three properties will offer Oonuhseh the opportunity to increase their portfolio to include 10 new one bedroom units and two 2 bedroom units. The balance of the equity is expected to occur through the Canada Mortgage and Housing Co-investment fund, both capital contribution and CMHC low interest loan.

Analysis

As of January 2017, MMAH gave new consent authorities to Municipal Service Managers, in addition to previously existing Service Manager consent authorities, including:

- mortgaging of housing projects under s.161 and 162 of the Act;
- redevelopment of housing projects under s.161 of the Act; and
- corporate changes (to housing providers) under s.166 of the Act.

It is the role of the Service Manager to evaluate and provide consent for changes to mortgages as well as sale of assets owned by housing providers who are under agreement with Housing Services. As Oonuhseh is currently receiving subsidy from Housing Services, consent must be provided by the Service Manager for the sale of three properties located in St Catharines. In previous cases where consent was required, a report including recommendations would have been provided to the Board of Directors of Niagara Regional Housing (administering the Service Manager responsibilities on behalf of the Region). Since the recent transition to Community Services, this report is now being provided to Regional Council to receive the Service Manager recommendations and ultimately approve the request for consent. Niagara

Region's obligation as Service Manager is, to identify local needs, establish targets to meet those needs, support and plan for improvements to the housing system, evaluate and approve housing related changes/requests and have staff make recommendations to Council (informed by local planning) for changes and improvements to the system.

Over the past two decades, the portfolio of Indigenous social and affordable housing available in the Niagara region has not significantly increased to meet population growth. This proposed leveraging of the housing provider's scattered homes would result in a net increase of nine new affordable homes for Indigenous households. Appendix 1 to Report COM 21-2021 contains the Oonuhseh Niagara Native Homes Business Case in support of its request.

Housing Services has a responsibility to increase the number of affordable and subsidized units across the region and is in full support of the development of the new units by Oonuhseh.

In 2019/2020, Oonuhseh demolished 2 properties in disrepair and successfully replaced them with new multi residential units. The project was quite successful and as such, giving consent for a new build by this provider is anticipated to be low risk. Though unlikely, should there be any reason that the new build is not successful, Housing Services will be able to reduce subsidies to the provider, as a result, for the lost units. As additional information it should be noted that Oonuhseh is bound by an agreement with Housing Services to maintain their Service Level Standards in the form of a minimum number of subsidized units.

All providers who receive subsidies for operations and or rental subsidy are also subject to operational reviews and monitoring to support a healthy, successful housing provider system. Supports are also available to providers who have difficulty with their projects through dedicated staff.

In previous circumstances where Service Manager consent has been required, housing providers were required to complete updated agreements for subsidies, as will be the case with Oonuhseh. Housing Services is dedicated to ensuring the success of this project through monitoring, supports and open communication, and is in complete support of the development.

Alternatives Reviewed

Alternatively, if the Service Manager does not provide consent, it is likely that the new units will not be developed. The loss of these potential units is unfavourable given the vast number of individuals in core housing need in Niagara. Refusing the consent will also be a detriment to Oonuhseh as they will face a loss of time and money related to the work that has been ongoing for this project.

Relationship to Council Strategic Priorities

This initiative aligns with Council's strategic priority of a Healthy and Vibrant Community – Objective 2.3 – Addressing Affordable Housing Needs.

Other Pertinent Reports

N/A

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This report was prepared in consultation with Jenny Shickluna, Manager Housing Services, and reviewed by Sterling Wood, Legal Counsel.

Appendices

Appendix 1 Oonuhseh Niagara Native Homes Business Case