
Subject: Housing Services Property Management Services Agreements

Report to: Public Health and Social Services Committee

Report date: Tuesday, November 5, 2024

Recommendations

1. That the Commissioner of Community Services or designate **BE AUTHORIZED** to enter into agreements, in a form satisfactory to the Director, Legal Services, for the provision of property management services by the Regional Municipality of Niagara to third-party non-profit and co-operative housing providers and community agencies to support new and existing community and supportive housing projects. This is contingent on the approval of the resources noted in the 2025 budget that would be funded through cost recovery for these services.

Key Facts

- Niagara Region Housing Services (NRHS) is proposing to offer property management services to third-party non-profit and co-operative housing providers and community agencies providing community and/or supportive housing.
- The proposed 2025 operating budget includes a request for resources to support the provision of property management services. NRHS will not enter into any property management agreements unless the resource requests and related new fees proposed in the 2025 Fees and Charges By-Law are approved through the budget process.
- Provision of property management services by Niagara Region to third-party non-profit and co-operative housing providers and community agencies aligns with the following Housing Services' Strategic Priorities:
 - Supporting development planning for housing providers and providing ongoing support to the provider advisory committee;
 - Enhance communication and resource sharing with housing providers;
 - Focusing on eviction prevention and tenant supports through a lens of well-being and inclusivity; and
 - Identifying potential partnerships and grant opportunities.
- Benefits for third-party housing providers include opportunities for lowered operating costs and/or service contracts through economies of scale, as the providers'

properties would be included in larger Niagara Regional Housing (NRH) portfolio for typical service contract procurements.

- The expertise of the NRHS Property Management team will provide competent asset management and oversight on third-party housing provider properties, ensuring continued compliance with current legislation and Niagara Region's own standards as a service manager designated under the *Housing Services Act, 2011*, including but not limited to adherence to waitlist policies and tenant selection targets to house those in greatest need.

Financial Considerations

The provision of property management services by Niagara Region's Housing Services will be contingent on the resources noted in the 2025 budget that would be funded through cost recovery for these services.

The proposed 2025 Fees and Charges By-Law will include new hourly fees related to the chargeback and recovery of costs for property management services to private or third-party providers, with total estimated revenue of \$132,000 in year one to be charged back to these providers included in the budget to partially offset and recover related staffing costs. These positions also support the portfolio of properties that are owned by Niagara Regional Housing, including those that are operated directly by the Homelessness Division in Community Services. There is an expectation this portfolio will continue to grow and include additional third-party providers, generating added cost recovery for staffing costs.

The housing operations team has experience in managing the residential properties of NRH's owned units, including the oversight of maintenance and capital repairs at these properties. This property management service will reduce third-party providers' dependence on high-cost external contractors, facilitating day-to-day repairs and maintenance of these facilities and ensuring that critical work and inspections are completed in a timely manner, thereby reducing additional costs that may arise with delays in completing this work, resulting in emergency repairs, and ensuring that the properties remain in compliance with fire and life safety codes.

Analysis

This new property management service is a progression of the New Development Project Management team created by NRHS in 2018. This team continues to deliver successful development project management to housing providers who are developing

new affordable housing projects. The Project Management team functions as a provider's owner representative, and is responsible for all project phases: initiation, funding, design, construction and occupancy planning. Services include: feasibility planning, business case, funding applications, procurement, detailed design review, construction inspections and project closeout. Cost recovery is achieved through fees in accordance with Fees and Charges By-Law paid by owner to NRHS during the various phases of a given project, with the majority of fees paid during construction phase.

NRHS has identified a need for wraparound service and continued formal support for these providers after construction completion through occupancy and long-term operating of the providers' housing assets. NRHS has proven experience operating NRH and Regional housing assets at service level standards. Third-party providers can benefit greatly from this expertise, controlling operating costs, maintaining physical assets and improving tenants' quality of living. These services will include: staff training on new building systems & components, tenant onboarding (move-ins, orientation), utilities and service contract accounts, warranty items and ongoing maintenance.

This new service will allow NRHS to administer proper asset management on new housing projects that include Niagara Region investment through equity contribution or funding allocation.

Alternatives Reviewed

If the requested authority to enter into property management agreements in accordance with this report or the related operating budget are not approved for 2025 through the budget process to enable capacity to provide the service, the housing providers would need to complete the necessary full property management and capital repair work on their properties themselves, through the hiring of their own staff or external contractors, or engage an external property management company, all likely at a significantly higher cost.

Relationship to Council Strategic Priorities

Council's Strategic Priorities include an Equitable Region through providing opportunities for a safe and inclusive Niagara, which includes improving access to affordable and attainable housing. The provision of property management services supports this priority through the addressing of affordable housing needs, supporting third-party providers and NRH to ensure the long-term sustainability and efficiency of

property management operations and maintaining both the providers' and NRH's owned assets in good repair and in compliance with relevant legislation.

Other Pertinent Reports

None.

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