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July 19, 2019

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
Thorold, ON L2V 4T7

Dear Ms. Norio:

At their July 19, 2019 meeting, the Niagara Regional Housing Board of Directors, approved the following:

1. That the Niagara Regional Housing Board of Directors **APPROVES** a budget adjustment in the amount of \$1,200,000 as follows:
 - (i) \$900,000 to be transferred to the Niagara Regional Housing Owned-units Reserve to be used for the proposed 2020 Niagara Falls Multi-Residential Intensification Capital Project;
 - (ii) \$300,000 to be transferred to the Homelessness Services 2019 operating budget to allow for an increased number of supportive housing units and associated supports and housing allowances.
2. That the Niagara Regional Housing Board **AUTHORIZES** staff to forward this report to Public Health & Social Service Committee and Council for approval at the August 6, 2019 & August 15, 2019 meetings respectively.

Your assistance is requested in moving report NRH 9-2019, Approval of Use for 2018 Surplus, through Public Health & Social Services Committee and Council for consideration.

Sincerely,



Mayor Walter Sendzik
Chair



REPORT TO: Board of Directors of Niagara Regional Housing

SUBJECT: Approval of use for 2018 Surplus

RECOMMENDATION

1. That the Niagara Regional Housing Board of Directors **APPROVES** a budget adjustment in the amount of \$1,200,000 as follows:
 - (i) \$900,000 to be transferred to the Niagara Regional Housing Owned-units Reserve to be used for the proposed 2020 Niagara Falls Multi-Residential Intensification Capital Project;
 - (ii) \$300,000 to be transferred to the Homelessness Services 2019 operating budget to allow for an increased number of supportive housing units and associated supports and housing allowances.
2. That the Niagara Regional Housing Board **AUTHORIZES** staff to forward this report to Public Health & Social Service Committee and Council for approval at the August 6, 2019 & August 15, 2019 meetings respectively.

KEY FACTS

- The purpose of this report is to seek Board direction on how to allocate the \$1,200,000 of the 2018 NRH operating surplus funds that were included in the 2019 NRH operating budget.
- Report CSD 21-2019 outlines the Council approved motion regarding the NRH 2018 year-end Operating Surplus. Clause 2b of the motion states, "That \$1,200,000 of the surplus **REMAIN** in the Niagara Regional Housing budget and be utilized for new housing, new social housing and new community services housing initiatives."
- On April 17, 2019, NRH received a letter from the Ministry of Municipal Affairs and Housing outlining the funding for housing and homelessness programs as confirmed through the 2019 Ontario Budget. The confirmed 2019 allocations were less than expected, making it difficult to fund the Niagara Falls Intensification project and sustain homelessness services.

- Staff are recommending a budget adjustment of \$1,200,000 to transfer \$900,000 to NRH owned unit capital reserves in order to ensure funding is in place for the proposed Niagara Falls Multi-Residential Intensification Project and to transfer \$300,000 to the Homelessness Services 2019 operating budget in to fund an estimated 10 additional supportive housing units for a 24-month period.
- Regional Council has identified challenges within their communities relating to a lack of affordable housing, homelessness and lack of adequate mental health resources. The additional \$1,200,000 will assist in providing new affordable units and social housing.
- The sum of the \$1,200,000 proposed budget adjustment is greater than \$1 million, thus requiring Council approval as per the Budget Control By-law 2017-63.

FINANCIAL CONSIDERATIONS

The proposed budget adjustment would allow for a transfer from the 2019 NRH operating budget to the NRH owned unit capital reserve by \$900,000. The budget adjustment would also transfer \$300,000 from the 2019 NRH operating budget to the Homelessness Services (Community Services) operating budget to be utilized over a 24-month period commencing September 1, 2019.

The proposed budget adjustment will have no impact on the 2019 tax levy.

ANALYSIS

2019/2020 Niagara Falls Intensification:

The Multi-Residential Intensification – Niagara Falls identifies the intensification of a NRH-owned unit's portfolio with sufficient capacity for redevelopment. The Niagara Falls targeted multi-residential intensification project has been identified to increase affordable housing supply addressing the unmet needs of the existing 3,100 person waitlist for affordable housing in Niagara Falls. The development of new rental units will protect and increase the supply of affordable accessible and energy-efficient rental housing options in Niagara.

The NRH Senior Management team has worked alongside the Regional Planning team and the City of Niagara Falls planning team to assess site capacity and has identified the potential for a 55-unit and 18-unit - 3 storey apartment buildings. The two buildings will be planned in one phase to minimize disruption ensuring due consideration for appropriate capacity and resourcing. The planning stages of this project totaling \$810,000 were approved in the 2019 Capital Budget. The remaining design and construction costs of \$20,090,000 are included as part of the 2020 Capital Budget.

The 2019/2020 allocation from the provincial OPHI program to NRH is \$3,764,600 and must be committed by December 31, 2019 or will be lost. Of this amount, NRH has requested that the Province allow for \$3,000,000 to be utilized for the Niagara Falls Intensification capital build. The remaining \$764,600, in addition to the COCHI funding of \$389,779, will be used to fund the NRH renovates, homeownership and repair programs. See below for the projected budget and funding sources:

Estimated Total Project Cost	\$20,900,000
Less Funding:	
OPHI Funding	3,000,000
Development Charges	14,713,987
Restricted Owned Unit Reserves	2,290,000
Project Balance to be Funded	\$ 896,013

Transferring the \$900,000 to the reserve for use by the Niagara Falls Intensification project would fully fund the project.

Homelessness Plan:

The recommended \$300,000 transfer to the Homelessness Services operating budget is to be utilized over a 24 month period commencing September 1, 2019. This transfer will be used to fund an estimated 10 additional supportive housing units for high intensity needs clients. This would include services related to intensive case management, access to mental health and addictions services, access to occupational therapist and provide for a housing allowance as required.

Currently Niagara Region continues to have an estimated 69 chronic and episodic homeless clients within the shelter system. Many of these clients meet the definition of high needs clients with concurrent disorders. Currently, Home For Good supportive housing is the only appropriate housing option for these clients, and all spaces are occupied. These monies would increase the supportive housing community based units from 40 to 50 for a 24 month period.

Placing 10 high needs clients will assist in addressing the pressures within the shelter system, currently operating at over 100% capacity.

ALTERNATIVES REVIEWED

Do not approve the transfer to the capital project and homelessness operating budget. This alternative is not recommended due to the fact that no further provincial funding can be obtained to provide this new housing development and additional supportive housing. There would be no reduction to our housing waitlist. If the transfer to capital were not approved, the use of debt or other Regional reserves would be required to fund the NRH capital project dependent on Regional availability of those funds.

RELATIONSHIP TO NRH and/or COUNCIL STRATEGIC PRIORITIES

The proposed transfers would support NRH's vision "Niagara is a community where everyone has a home."

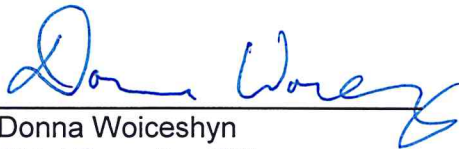
ORIGIN OF REPORT

This report has been brought forward by NRH staff as a means to leverage Provincial funding and address the housing waitlist problem in Niagara.

OTHER PERTINENT REPORTS

CSD 21-2019 – re: 2018 Year End Results and Transfer Report

19-182-4.2 – re: Canada-Ontario Community Housing (COCHI) & Ontario Priorities Housing Initiative (OPHI)

Submitted by:

Donna Woiceshyn
Chief Executive Officer

Approved by:
Walter Sendzik
Chair

This report was prepared by Stephanie Muhic, Program Financial Specialist and Cathy Cousins, Director, Homelessness in consultation with Donna Woiceshyn, CEO, Dan Ane, Manager Program Support and Margaret Murphy, Associate Director Budgeting & Strategy.