



	REPORT NO.: 2018-14
MEETING DATE: MARCH 15, 2018	DATE PREPARED: MARCH 5, 2018
SUBJECT: INVESTMENT IN AFFORDABLE HOUSING – RENTAL HOUSING COMPONENT	

RECOMMENDATION

That with respect to Report No. 2018-14 (Housing Services Division) we, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board), approve Option (A) for the increased allocation to Matawa Non Profit Housing Corporation through the Investment in Affordable Housing (IAH) – Rental Housing Component;

AND THAT the Board authorizes the Chair and Chief Administrative Officer to execute any required Agreements;

AND THAT any necessary By-law be presented to the Board, for consideration.

REPORT SUMMARY

To provide the Board with information and Administration’s funding recommendations with respect to Matawa Non Profit Housing Corporation’s request for additional funding under the IAH Rental Housing Component.

BACKGROUND

The TBDSSAB Board (Report No. 2017-20) approved Administration’s recommendations for funding proponents under the IAH-E and SIF-IAH Rental Housing Components for 2017/18 and 2018/19.

One of the approved projects was the Matawa 8 plex (2 - 4 plexes on the same lot) project. This project will add 8 – 1 bedroom affordable housing units within the City of Thunder Bay. At the time of submission the Matawa Expression of Interest (EOI) showed a per unit cost of \$128,533. However the contractor, citing rising material costs, has provided Matawa with a revised quote of \$162,284 per unit.

As a result, Matawa has requested that the IAH contribution from TBDSSAB be increased from \$771,068 to \$ \$973,708. At the same time, Matawa will also be increasing their contribution to the project from \$257,203 to \$324,568

COMMENTS

Administration calculated the cost per unit of similar EOI submissions (new builds; 1 bedroom) received. From the EOI submissions received in January of 2017, the cost per unit average is \$172,290. In addition, the 4 Plex building completed by Kay Bee Seniors in 2017 had a per unit cost of \$174,000 and the approved 2018 Kay Bee Seniors 6 plex project has a per unit budget of \$184,000. This puts the new per unit cost requested by Matawa Non Profit Housing Corporation at slightly below the average of the projects received over a year ago.

Administration also requested that Matawa submit a revised feasibility budget to determine the financial viability of the project with the increased per unit cost. Upon receipt of the budget TBDSSAB Administration reviewed and determined the project to be viable as presented. In addition, Matawa has provided a letter (attached) that commits Matawa to cover any deficits that would jeopardize the project.

The TBDSSAB approved Board Report (Report No. 2017-20) left \$301,139 of the IAH-E Rental Housing Component unallocated with the intention that funds not allocated would be reallocated to the Ontario Renovates program or combined with the 2018/19 SIF-IAH to fund an additional Rental Housing project. However, the SIF-IAH allocation was too low to adequately support Ontario Renovates, Housing Allowance, and recommend additional funding for Rental Housing.

As a result, TBDSSAB does have the funding available in the Rental Housing Component to cover the additional \$202,640 requested by Matawa Non Profit Housing Corporation with \$98,499 remaining that could be reallocated to the Ontario Renovates Program.

The Board therefore has two (2) options for consideration:

Option A – Provide the Matawa Non Profit Housing Corporation 8 unit project with an additional \$202,640 with the remaining \$98,499 being reallocated to the Ontario Renovates Program.

Option B - Deny the request made by Matawa Non Profit Housing Corporation for the additional funding and divert the amount originally allocated to Matawa Non Profit Housing Corporation (\$771,068) plus the unallocated \$301,139 to the Ontario Renovates Program pending Ministry of Housing approval. As both the Rental Housing Component and Ontario Renovates fall within IAH Capital lines within the IAH program this reallocation is anticipated to not be an issue.

TBDSSAB Administration is recommending that the Board approve Option “A” as the addition of eight (8) one bedroom units to the rental stock in the City of Thunder Bay is desirable given the immense demand for this unit type. Additionally, with the proposed SIF-IAH allocation and the remaining IAH-E Rental Housing component of \$98,499 being reallocated to the Ontario Renovates Program there will be a total of \$548,719 for the Ontario Renovates program in 2018.

As a result of this request, TBDSSAB Administration will ensure that future Expression of Interest (EOI) documents will include a clause that states that a Proponent may not request additional funding for an approved project.

FINANCIAL IMPLICATIONS



There are no financial implications as a result of this report.

CONCLUSION

It is concluded that this Report provides the Board with information and Administration’s recommendations regarding Matawa Non Profit Housing Corporation’s request for additional funding under the IAH – Rental Housing Component.

REFERENCE MATERIALS ATTACHED

Attachment #1 – [Letter from Matawa Non-Profit Housing Corporation dated March 6, 2018](#)

PREPARED BY:	Aaron Park, Manager, Housing and Homelessness Programs The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Ken Ranta, Director, Housing Services, Housing Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board



Matawa Non-Profit Housing Corporation

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March 6, 2018

The District of Thunder Bay Social
Services Administration Board

Attention: Aaron Park

Re 112 Coady Proposal

Further to your e-mail dated March 5, 2018, we confirm that any cost overruns associated with the completion or operation of the 2 single four bedroom project to be constructed at 112 Coady Avenue will be covered by Matawa Non-Profit Housing Corporation.

We thank you for your support of the project, and look forward to a successful outcome.

Should you have any questions or require additional information, please do not hesitate to contact the under signed.

Yours truly,

A handwritten signature in black ink, appearing to read "Neil Miller", written in a cursive style.

Neil Miller CPA, CA
Manager Finance & Administration

I have the authority to bind the Corporation.