



	<b>REPORT No.: 2019-63</b>
<b>MEETING DATE: DECEMBER 12, 2019</b>	<b>DATE PREPARED: NOVEMBER 25, 2019</b>
<b>SUBJECT: TRANSFER OF THUNDER BAY DEAF HOUSING INC. TO SUOMI KOTI OF THUNDER BAY INC.</b>	

**RECOMMENDATION**

THAT with respect to Report No. 2019-63 (Housing Services Division) we, The District of Thunder Bay Social Services Administration Board, approve the transfer of Thunder Bay Deaf Housing Inc., social housing assets located at 511 Kingsway Avenue, Thunder Bay, Ontario to Suomi Koti of Thunder Bay Inc.;

AND THAT up to \$100,000 of capital repairs costs and up to \$25,000 of administrative and legal costs associated with the transfer be paid by TBDSSAB and financed from the Community Housing Reserve Fund;

AND THAT the TBDSSAB notify the Ministry of Municipal Affairs and Housing (MMAH) of the approval to transfer the assets and request that they facilitate the transfer of mortgage held by Canada Mortgage and Housing Corporation;

AND THAT we authorize the Chair and the Chief Administrative Officer to execute any required agreements with the housing providers as identified in Report No. 2019-63, and any other documents related thereto;

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

**REPORT SUMMARY**

To obtain approval from the TBDSSAB for the transfer of social housing assets owned by Thunder Bay Deaf Housing Inc. to Suomi Koti of Thunder Bay Inc.

**BACKGROUND**

Thunder Bay Deaf Housing Inc. is a legacy social housing project located at 511 Kingsway Avenue, in the City of Thunder Bay. The project is a two-story walk-up containing four units on each floor. This project accommodates deaf persons and the units and common areas have been outfitted with strobe systems to announce fire alarms, phones and entrance bells. The building was constructed in 1993 and the mortgage is due to expire in 2028.

Report No. 2018-54 identified Thunder Bay Deaf Housing Inc. as a Project in Difficulty (PID) under the rules established through the *Housing Services Act, 2011*. At that time, Thunder Bay Deaf Housing has been an increasing concern for TBDSSAB due to the housing provider's accumulated deficit (-\$20,865) and insufficient capital reserve (\$14,066). TBDSSAB has been monitoring Thunder Bay Deaf Housing through quarterly financial reports but the housing provider has failed to reduce/eliminate their accumulated deficit.

### **COMMENTS**

TBDSSAB Administration met with the Board of Directors of Thunder Bay Deaf Housing Inc. and presented three (3) options for their consideration:

1. **Status Quo** – TBDSSAB requested the housing provider submit a ten (10) year Operating and Capital Plan (which could include application to the Not-For-Profit Housing Provider Loan Program) to ensure financial sustainability.
2. **Transfer to other Community Housing Provider** – The amalgamation of Thunder Bay Deaf Housing with a larger Not-For-Profit Social Housing Provider that will utilize economies of scale to ensure the financial strength of this project;
3. **Transfer to TBDSSAB** – The transfer of the Thunder Bay Deaf Housing asset to TBDSSAB to continue to manage as a Social Housing property for the benefit of the Thunder Bay Deaf community.

As a result of this meeting, the Board of Directors of Thunder Bay Deaf Housing Inc. decided to relinquish the social housing asset to TBDSSAB or another larger social housing provider. TBDSSAB then notified larger social housing providers to determine if there would be interest in acquiring this asset.

These efforts led the Board of Directors of Suomi Koti of Thunder Bay Inc. to approach TBDSSAB to request more information about the project. Suomi Koti successfully manages a 60-unit senior social housing apartment building, has an active Board of Directors and has a stable positive operating cash flow with strong capital reserves.

Suomi Koti of Thunder Bay Inc. reviewed the Building Condition Assessment (BCA) document and conducted a physical inspection of the building and determined that in excess of \$100,000 in repairs and preventative maintenance was required. As a condition of transfer, Suomi Koti of Thunder Bay Inc. requested that all transfer costs be borne by TBDSSAB but that TBDSSAB also include a commitment of \$100,000 for needed capital repairs.

TBDSSAB Administration reviewed the BCA and physically inspected the building and agree with the requirement for capital repairs identified by Suomi Koti of Thunder Bay Inc. and therefore support the request for \$100,000 in capital repair funding.

TBDSSAB Administration supports the transfer of Thunder Bay Deaf Housing Inc. social housing assets to Suomi Koti of Thunder Bay Inc.

However, the support of TBDSSAB's Administration is conditional upon Suomi Koti of Thunder Bay Inc. agreeing to meet the following conditions to be included in the transfer agreement:

- Maintain operation of 511 Kingsway Avenue in an efficient manner, maintaining tenancies and the property;
- Continue to operate 511 Kingsway Avenue under all terms and conditions of the *Housing Service Act, 2011*;
- Maintain the mortgage at 511 Kingsway Avenue without default;
- Should Suomi Koti decide to sell 511 Kingsway Avenue in the future, TBDSSAB would have first right of refusal to acquire at the value of any outstanding mortgage.

**FINANCIAL IMPLICATIONS**



The transfer of all assets and liabilities related to the Thunder Bay Deaf Inc. housing project to Suomi Koti of Thunder Bay Inc. will help ensure the continued financial viability of the project. As a condition of the transfer, TBDSSAB would pay all administrative and legal costs associated with the transfer, up to \$25,000, and would provide up to \$100,000 for necessary capital repairs to the building. These costs would be financed from the Community Housing Reserve Fund.

**CONCLUSION**

It is concluded that the proposed transfer of the Thunder Bay Deaf Inc. housing project to Suomi Koti of Thunder Bay Inc. will help ensure the continued viability of the project and should be approved.

**REFERENCE MATERIALS ATTACHED**

None.

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