



	REPORT No.: 2021-52
MEETING DATE: OCTOBER 21, 2021	DATE PREPARED: SEPTEMBER 17, 2021
SUBJECT: DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD HOME OWNERSHIP PILOT UPDATE	

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with information concerning the District of Sault Ste. Marie Social Services Administration Board Home Ownership Pilot.

BACKGROUND

At the September 26, 2019 meeting, the Board received a memo from Board Member Ruberto with an attached media story on the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) pilot project to assist low-income workers attain home ownership. Following a discussion, Administration was directed to research the different possibilities for developing housing to fill some of the need for single housing units and report back to the Board in the spring of 2020. With the impact of COVID-19, this report is now coming forward.

The aim of the DSSMSSAB project is to address the economic barriers to home ownership among low-income households. Under the pilot project, DSSMSSAB will purchase lower priced market homes, or those offered through a City of Sault Ste. Marie tax sale, renovate them to current standards and sell them to qualifying social service recipients, at a cost recovery basis. City council would approve the tax sale purchase of the home for \$1, where appropriate, and the DSSMSSAB Ontario Works Department will engage in a special project to find participants to aid in the house renovations. Tax sale homes would need to meet the program requirements and if the renovations are cost prohibitive, they would not be considered. It was estimated that up to 90 individuals would be trained annually in home renovations and construction, through a relationship with Sault College.

DSSMSSAB will allocate up to \$10,000 as a deed registered 10-year home ownership forgivable loan to the recipients, as a down payment for a new purchaser. If the program ensures a cap of \$118,000 is kept on the selling price of the homes, many low-income

earners can qualify for a mortgage and the program will help them build equity into their purchase. DSSMSSAB provides the option if the household wishes for financing established through a local bank for a 5-year term. The purchaser must sign a guarantee that allows for DSSMSSAB to take over the home if the mortgage is defaulted. DSSMSSAB places a lien on the property for \$10,000 for 5 years. This ensures the home cannot be sold in the first 5 years and the household takes advantage of the equity. The goal is for the household to be able to arrange for their own financing after 5 years.

DSSMSSAB requested \$600,000 in one-time funding from the Province of Ontario to support the creation of the low-income home ownership program. The province approved this request and provided one-time start-up funding. In addition, DSSMSSAB contributed \$300,000 to this pilot.

As of the end of August 2021, DSSMSSAB has completed and sold 1 home and has 2 currently under renovation. The impact of COVID-19 pandemic on the real estate market in Sault Ste. Marie has resulted in fewer homes available under the \$118,000 target.

COMMENTS

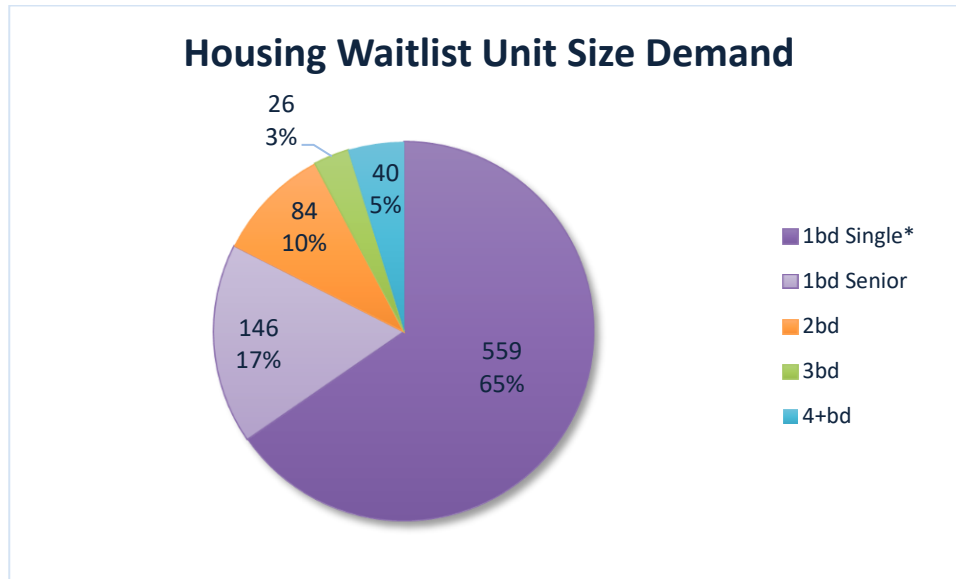
TBDSSAB does not currently have a strategy to target home ownership. The focus has been directed towards the provision of low-cost housing and housing with supports to individuals who have applied for and are eligible for community rental housing.

At the March 26, 2015 Board meeting, the Board was presented with a 10 Year Housing and Homelessness Plan for Housing Targets (Report No.: 2015-20). This plan looked at the future need for affordable housing in each community within the District of Thunder Bay and established projections for housing targets. The updated plan has been presented to the Board several times, with the most recent update presented at the March 21, 2019 meeting (Report No.: 2019-16). In this most recent update, the projection for demand for single RGI units expanded by a proposed 25 units, while there was a reduction expected in seniors and family RGI units. This pattern of expected growth for single RGI units and reduction in seniors and family RGI units was consistent across most communities in the District.

TBDSSAB has looked to align the current housing portfolio stock with the projected future needs. From 2016 through 2019, TBDSSAB has sold a total of 33 family-sized homes and invested the proceeds in the Capital Regeneration Reserve Fund for future development of single-sized units. Homes in the Savant Lake (Report No.: 2017-62) and Upsala (Report No.: 2017-73) communities were sold to existing tenants at an affordable price. Homes in Nakina and in the City of Thunder Bay were vacant at the time of sale and were offered to the market at fair market value.

In August 2021, there was a total of 855 applications for community housing on the waitlist. Of those applications, 66 were requesting 3-bedroom or larger units, while 705 were requesting 1-bedroom units and 84 were requesting 2-bedroom units.

The following chart identifies the demand for housing based on unit size:



At the June 17, 2021 meeting, the Board received a report (Report No.: 2021-24) detailing the most current information on the Bertrand Court Regeneration Strategy. This planned redevelopment of the Bertrand Court site will replace a 12-unit row housing structure with a 4 story, 43-unit development containing 1 and 2-bedroom units. It is anticipated that further redevelopment of this site will move forward and will include several new structures, with the final total being dependant upon funding arrangements. The aim of this property redevelopment is to establish expanded 1 and 2-bedroom units to meet the current and future demand for affordable housing.

Administration is aware of the City of Thunder Bay’s 2021 Tax Sale Public Tender listing and has reviewed the listed properties for suitability in meeting current housing needs. Administration is not aware of tax sale opportunities in other municipalities within the District of Thunder Bay. Should the Board direct, Administration would reach out to all 15 municipalities to determine current and future interest in procuring tax sale properties for \$1 (or nominal value) for the purpose of engaging in a home ownership program for low-income worker households. From this, a policy and strategy could be developed.

At this time, it is recommended that TBDSSAB maintain the current focus on the provision of affordable rental housing and targeting new development to reach the highest demand 1-bedroom units. TBDSSAB should also continue to seek interest in the creation of affordable housing by interested third parties, and support through federal and provincial funding as available. Administration will continue to follow the DSSMSSAB pilot and revisit the opportunity to establish a similar model at a later date.

FINANCIAL IMPLICATIONS



There are no immediate financial implications associated with this report.

CONCLUSION

It is concluded that this report provides the Board with updated information on the District of Sault Ste. Marie Social Services Administration Board’s Home Ownership Pilot, and detail on TBDSSAB’s strategy to increase the supply of 1-bedroom housing units to meet the current and future demand for community housing.

REFERENCE MATERIALS ATTACHED

Attachment #1 Memorandum to Board, dated August 29, 2019, from Aldo Ruberto, Board Member

PREPARED BY:	Crystal Simeoni, Manager, Housing Programs The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Ken Ranta, Director, Integrated Social 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



