



BOARD REPORT

REPORT No.: 2023-19

MEETING DATE: APRIL 3, 2023

SUBJECT: NON-PROFIT HOUSING PROVIDER CAPITAL LOAN PROGRAM POLICY

RECOMMENDATION

THAT with respect to Report No. 2023-19 (Integrated Social Services Division) we, The District of Thunder Bay Social Services Administration Board, approve the draft Non-Profit Housing Provider Capital Loan Program Policy as attached;

AND THAT the Chief Administrative Officer be authorized to amend the Non-Profit Housing Provider Capital Loan Program Policy with respect to housekeeping items, as may be required from time to time.

REPORT SUMMARY

To present the Board with a draft Non-Profit Housing Provider Capital Loan Program Policy for approval.

BACKGROUND

It is recognized that there is a large capital investment required to maintain the current inventory of aging housing properties, and non-profit housing providers may not have the required resources to address this investment directly. As a result, TBDSSAB established the Non-Profit Housing Provider Capital Loan Program.

At the July 23, 2015 meeting, the Board approved the Non-Profit Housing Provider Loan Program (Report No.: 2015-50, Resolution No.: 15/80), including the template application and agreement. Resolution No.: 15/80 authorized the Chair and CAO to execute any required agreements with non-profit housing providers under the Non-Profit Housing Provider Loan Program.

The initial intent of the Non-Profit Housing Provider Loan Program was that capital repairs would be funded through the Social Housing Reserve Fund, renamed the Community Housing Reserve Fund in 2020. However, with the introduction of the Canada Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI), capital investments for repair of existing community housing

projects are eligible expenses. As such, planned allocations for repairs to community housing may be funded through the Community Housing Reserve Fund and are included in the COCHI and/or OPHI investment plans.

Under the terms of this program, TBDSSAB may provide a forgivable capital loan to a non-profit housing provider to address required repairs to maintain existing housing stock. The loan structure would be forgiven at 5% per year over a twenty-year term, with full forgiveness achieved at the end of twenty years.

COMMENTS

To provide clear direction and facilitate the implementation of the Non-Profit Housing Provider Capital Loan Program, the draft policy outlines the requirements and authority for decision making.

As the provincially designated Service Manager for community and affordable housing in the District of Thunder Bay, TBDSSAB is responsible for contributing to the long-term planning and sustainability of current housing assets. This includes both TBDSSAB-owned properties and those owned and operated by non-profit housing providers, that are covered under the *Housing Services Act, 2011* or have operating agreements with TBDSSAB. The proposed policy would guide program decisions to ensure a consistent approach to the investment in capital repairs of housing assets.

STRATEGIC PLAN IMPACT

This report supports the 2020-2023 Strategic Plan visions of establishing flexible, inclusive services through the management of relevant diverse housing and for financial stewardship.

FINANCIAL IMPLICATIONS



There are no immediate financial implications for TBDSSAB with the approval of the Non-Profit Housing Provider Capital Loan Program Policy, however the policy will guide ongoing investment in sustaining community housing properties in the future.

Funding delivered under this policy may be accessed from the Community Housing Reserve Fund, annual operational surplus funds, or eligible federal and provincial capital investment programs like the Canada-Ontario Community Housing Initiative and the Ontario Priorities Housing Initiative.

CONCLUSION

It is concluded that the draft Non-Profit Housing Provider Capital Loan Program Policy be approved by the Board as presented.

REFERENCE MATERIALSAttachment #1 [Non-Profit Housing Provider Capital Loan Program Policy - Draft](#)#2 [Non-Profit Housing Provider Capital Loan Program Procedure - Draft](#)

PREPARED BY:	Crystal Simeoni, Manager, Housing Programs
SIGNATURE	
APPROVED BY	Ken Ranta, Director, Integrated Social Services Division
SIGNATURE	
SUBMITTED BY:	William (Bill) Bradica, Chief Administrative Officer

POLICY & PROCEDURES	SECTION Integrated Social Services – Housing Programs
	SUBJECT Non-Profit Housing Provider Capital Loan Program

Legislative Authority

Housing Services Act, 2011

Intent of Policy

The intent of this policy is to guide The District of Thunder Bay Social Services Administration Board's (TBDSSAB) strategy for maintaining community housing units available through Non-Profit Housing Providers by providing a capital support program to address required repairs and rehabilitation of units.

Policy

As the Service Manager for community and affordable housing in the District of Thunder Bay, TBDSSAB is responsible for contributing to the long-term planning and sustainability of current housing assets, including both TBDSSAB-owned properties and those owned and operated by non-profit housing providers, that are covered under the *Housing Services Act, 2011* or have operating agreements with TBDSSAB.

It is recognized that there is a large capital investment required to maintain the current inventory of aging housing properties, and non-profit housing providers may not have the required resources to address this investment directly. As a result, TBDSSAB established the Non-Profit Housing Provider Capital Loan Program.

Under the terms of this program, TBDSSAB may provide a forgivable capital loan to a non-profit housing provider to address required repairs to maintain existing housing stock. The loan would be forgiven at 5% per year over a twenty-year term, with full forgiveness achieved at the end of twenty years.

The non-profit housing provider would enter into an agreement with TBDSSAB to continue the operation of the existing housing units for a corresponding period of twenty years.

Related Procedures:

Non-Profit Housing Provider Capital Loan Procedure



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

PROCEDURE	PROCEDURE NAME	Non-Profit Housing Provider Capital Loan Program
	PROCEDURE NUMBER	ISS-02:156
	PROCEDURE SECTION	Integrated Social Services – Housing Programs
	POLICY REFERENCE	ISS-02:156
	REVISION DATE	n/a
	SUPERSEDES	n/a
	IMPLEMENTATION DATE	2023

PROCEDURE STATEMENT:

To ensure a clear process exists for the evaluation and allocation of funding to assist designated Non-Profit Housing Providers through a capital support program to address required repairs and rehabilitation of units.

PROCEDURE:

The intent of the Non-Profit Housing Provider Loan Program is to sustain community housing assets in a satisfactory state that meets all provincial, federal and municipal legislative requirements for occupancy to meet the needs of the community. Capital funding is within the scope of this loan program and subject to the sole discretion of the TBDSSAB.

TBDSSAB Administration will require on a rotational basis that all Non-Profit Housing Providers provide updated 5-year capital forecasts for review and determination of immediate need. When submitting the 5-year forecast, the Building Condition Assessment (BCA) should be a guiding tool in development of plans.

Priority in allocation of funding will be made to those Non-Profit Housing Providers that require support in maintaining life safety systems and vacant unit remediation.

Process in determining need will be reviewed based on the following steps:

1. If the Non-Profit Housing Provider is currently in a financial deficit, a Deficit Reduction Action Plan is required to be submitted that indicates:
 - a) why there is a deficit
 - b) the date when the corporation identified that there was a deficit
 - c) the steps the corporation took to remedy the deficit and associated costs

- d) the steps the corporation is seeking to address the deficit and identify the time frame for remediation.
2. The request for the Capital Loan Program funding must identify and detail the reason(s) funding is required (i.e., health and safety of tenants, security of asset, building and fire code compliance, and/or other legislated compliance).
3. Review, identify and address any operational issues and business processes that can potentially remediate the capital need along with a time frame for remediation.
4. Provide a review of Board governance, minutes, and financial reporting.
5. Provide the resolution from the Non-Profit Board stating agreement to continue to offer financially-supported housing units and abide by all the associated legislation and Service Manager established policies, agreements and direction upon mortgage expiry.
6. Demonstrate that the Non-Profit corporation is in good standing under all provincial/federal regulations.
7. The housing provider shall agree to report all capital expenditures quarterly in accordance with the approved capital plan.
8. The housing provider shall agree to supply quarterly financial reporting and any other information that the service manager deems appropriate.
9. The housing provider must submit a Business Case outlining the request, rationale, specific detail of the proposed use of funds and projected outcomes from the investment.
10. The Service Manager (TBDSSAB) has the right to request other conditions as required and stipulated within the agreement once determined.