THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 7 OF THE REGIONAL
COMMUNITY SERVICES AND HOUSING COMMITTEE
MEETING HELD ON SEPTEMBER 14, 2005**

**For Consideration by
The Council of The Regional Municipality of York
on September 22, 2005**

1
DISPOSITION OF HOLY TRINITY NON-PROFIT RESIDENCES YORK

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, August 24, 2005, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. The Region seek Ministerial consent to a transfer, under the *Social Housing Reform Act, 2000*, of the social housing project Holy Trinity Non-Profit Residences York, located at 37 Bates Way, in the Town of Markham, to Housing York Inc. (HYI), and a waiver of land transfer tax, if any, applicable to the transfer.

2. The Community Services and Housing Department increase its staff complement by two permanent full-time employees (FTE's) and one temporary part-time employee to assume the property management and administrative functions for this project with no additional tax levy impact.

2. PURPOSE

The purpose of this report is to seek Council approval for HYI to acquire the social housing project owned by Holy Trinity Non-Profit Residences York, which is currently operated on an interim basis by a Board comprised of Regional staff.

3. BACKGROUND

Holy Trinity Non-Profit Residences York (Holy Trinity) is a 100 unit non-profit townhouse complex located on Bates Way and Shanklin Way in the Town of Markham (near Woodbine Avenue, between Major Mackenzie Drive and 16th Avenue). The complex was constructed under a provincial housing program that was subsequently devolved to the Region.

Holy Trinity was incorporated in 1990 by a group of retired businessmen loosely affiliated with a Richmond Hill faith community. Two of the original board members, including the founding chair, continued to serve as Directors from the inception of the Corporation through to the fall of 2004 when the Board as a whole submitted their resignation to the Region. Regional staff met with the Board, who indicated that given their respective ages and the challenges of the housing program, they were ready to retire. The Board further indicated that they were not able to recruit replacement Directors.

In November 2004, Council approved the appointment of five Regional staff members to serve as the Board of Directors of Holy Trinity and ensure business continuity until such time as a plan for the disposition of the Corporation could be developed and presented to Council.

The 2004 Current Value Assessment (CVA) of Holy Trinity is $8.6 million and the project's accumulated operating and capital reserves total approximately $1 million. The outstanding mortgage on the property is approximately $12.9 million. Although the outstanding mortgage exceeds the CVA, this is typical of the transferred housing programs. Holy Trinity is considered to be in good financial health for a project of its type.

A Building Condition Analysis of the Holy Trinity complex was completed in August 2005. The assessment found that the buildings were generally in good condition. The corporation's capital reserves are estimated to be sufficient to meet replacement and repair requirements until 2011.

4. ANALYSIS AND OPTIONS

There are two viable options for disposition of Holy Trinity. The project could either be transferred to another non-profit housing corporation or to HYI. A third possibility would be to constitute a new Community Board. However, this approach would require significant on-going intervention from the Region and deprives the corporation of the benefits otherwise gained through integration with an existing experienced housing provider.

4.1 Considerations for Transfer to a Non-Profit

There may be a concern in the non-profit sector that transferring this property to a community based housing providers should be considered. However, no non-profit should be considered unless they can demonstrate strong, effective management and full compliance with the requirements of the *Social Housing Reform Act, 2000* (the Act).

Interest has been expressed on an unsolicited basis from two non-profit housing providers.

In the event that a suitable housing provider could be identified, that housing provider would likely request indemnification against any building condition problems and adequate replacement reserve funding for the life of the building. As all non-profit providers suffer from under-funded reserves, the Region could not practically provide any indemnity that would not similarly be extended to all providers.

If this property were to be transferred to any corporation other than HYI, it would mean the transfer of the asset to another party while the Region still had the responsibility to fund the mortgage liability and operating costs. Seeing as we retain this obligation, it makes sense to also own the asset.

4.2 Considerations for Transfer to Housing York Inc.

There are significant benefits to transferring Holy Trinity to HYI:

- The assets would be under Regional control, providing the greatest assurance of long term viability and professional management.
- HYI is well positioned to manage the residents and community issues related to a long period of uncertainty, strengthening the community going forward.
- The property would be the first operated by HYI in the Town of Markham, positioning the Region’s housing corporation to provide service in all local municipalities.

4.3 Ministerial Consent

The transfer orders made under the *Social Housing Reform Act, 2000*, require Ministerial consent for any transfer of ownership. Staff have advised the Ministry of the issues pertaining to Holy Trinity. It is expected that the Ministry will consent to the acquisition of Holy Trinity by HYI. It is further expected that in accordance with their standard practice for acquisitions of one housing provider by another, the Ministry will waive the land transfer tax.

5. FINANCIAL IMPLICATIONS

Two permanent full-time positions will be required to operate and maintain the property. One temporary part-time position will also be required to facilitate the integration of the project into the HYI portfolio. Under the *Social Housing Reform Act, 2000*, the Region is responsible to administer Holy Trinity and to provide funding at a level established by the Province. The funds required to support the proposed staff positions are available within the Holy Trinity budget, which would be transferred to HYI. Therefore, the addition of these positions would have no additional tax levy impact on the Regional budget.

6. LOCAL MUNICIPAL IMPACT

Holy Trinity is an important resource, providing housing for 100 Markham families. Integration with the HYI portfolio will give the project quality management services and enhanced long-term viability. The specialized community services provided to HYI tenants will be also be extended to the Holy Trinity community.

7. CONCLUSION

Holy Trinity has provided much needed housing to many Markham families for more than a decade. As the non-profit was left without governance from the community based Board of Directors, it is incumbent upon the Region to ensure that the project continues to fulfill its mandate to provide quality, affordable housing. Integration with the HYI portfolio will ensure that tenants in this community enjoy well managed and maintained housing for many years to come.

The Senior Management Group has reviewed this report.

Respectfully submitted,

September 14, 2005
Newmarket, Ontario

T. Taylor
Chair