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SUTTON YOUTH MULTI-SERVICE CENTRE FUNDING AGREEMENTS

The Community Services and Housing Committee recommends adoption of the recommendations contained in the following report, May 18, 2005, from the Commissioner of Community Services and Housing:

1. RECOMMENDATIONS

It is recommended that:

1. The Commissioner of Community Services and Housing be authorized to execute the Contribution Agreement with the Minister of Public Infrastructure Renewal to access the approved \$290,000 in Community Rental Housing Program funding approved by the Province for the Sutton Youth Multi-Service Centre, subject to the prior review of Legal Services.
2. The Region be authorized to provide security to the Minister of Public Infrastructure Renewal for the approved \$290,000 in Community Rental Housing Program funding in the form of a guarantee and the Regional Chair and Regional Clerk be authorized to execute the guarantee on the Region's behalf, subject to the prior review of Legal Services.

2. PURPOSE

This report requests authority to enter into agreements with the Province to secure newly approved federal/provincial Community Rental Housing Program (CRHP) funding for the Sutton Youth Multi-Service Centre under development as an emergency shelter/transitional housing/recreation facility for homeless and at-risk youth.

3. BACKGROUND

Beginning in 2002, discussions were held with officials of the Town of Georgina and a wide range of community agencies about establishing a "multi-service centre" for at risk youth at a surplus school site located on Dalton Road in Sutton.

In December 2002, Council authorized:

- Purchase of the site at a cost of \$250,000 (\$200,000 to be paid by the Region and \$50,000 to be paid by Georgina).
- Hiring of an architect to develop renovation plans for the school building.
- Staff to seek funding opportunities from other sources to help pay for the cost of the renovations.

In January 2004, authority was given to conduct a two-stage Request for Proposals to identify an operator for the shelter and housing facilities to be developed at the site.

In April 2004, Canada Mortgage and Housing Corporation (CMHC) provided a conditional commitment of \$160,000 to the project under the Residential Rehabilitation Assistance Program (RRAP).

In December of 2004, the property was transferred to the Region and Council approved a call for tenders and award of the renovation contract. In that same report, Council also authorized an application to the Province for funding under the Community Rental Housing Program (CRHP) for the 10 proposed transitional housing units.

4. ANALYSIS AND OPTIONS

4.1 Community Rental Housing Program (CRHP) Funding

On March 9, 2005, the Region received conditional approval of \$270,000 in federal/provincial funding to assist with the development of the 10 transitional housing units that will complement the 16 emergency shelter beds on site. The Province at the same time was introducing “enhanced” program funding for qualified projects of a further \$2000 per unit and an additional \$20,000 was subsequently allocated to this project.

A condition of the CRHP funding is that it cannot be applied to any project in receipt of RRAP funding. Since CRHP provides \$130,000 more assistance, the RRAP money was declined. CMHC was able to place the funding in another project in the catchment area.

4.1.1 Security in the Form of a Regional Guarantee

Funding under the CRHP takes the form of a forgivable loan. The program design calls for the Ministry to take back security for the loan until such time as the loan forgiveness is fully earned. The Region’s solicitor has advised the use of a Regional Guarantee, which was accepted by the Province as security for CRHP funding for the Armitage Gardens project that was recently developed.

The purpose of the requested Guarantee is to ensure specific performance under the terms of the Provincial Contribution Agreement which sets out the terms and conditions of the CRHP funding. These conditions include:

- Completion of the project in a timely manner.
- Ensuring matching contributions from other sources are paid into the project.
- That rents during the agreement term of 20 years remain affordable by complying with the *Tenant Protection Act*.
- Reporting annual rents to the Ministry.

The Guarantee will be drafted by Legal Services and authority is hereby requested for the Regional Chair and Regional Clerk to execute the document on behalf of the Region.

5. FINANCIAL IMPLICATIONS

Provision for this project has been included in the Community Services and Housing Department's Business Plan and Budget for 2005.

In the two most recent reports to Committee and Council on the progress of this project, the likely need for an ongoing annual operating subsidy has been highlighted. The reason for the shortfall is the inadequacy of the emergency shelter per diem rate set by the Province.

This challenge is being experienced by Consolidated Municipal Service Managers (CMSMs) across the Province and a variety of strategies have been adopted by municipalities. In many cases (Toronto, Peel, and Halton for instance) the CMSM is supplementing the cost-shared per diem of \$39.14 with 100% municipal funds while others are using a menu of short term funding envelopes such as Supporting Communities Partnership Initiatives (SCPI), Provincial Homelessness Funding and community fundraising (e.g. Durham Region). Ontario Municipal Social Services Association (OMSSA) has recently formed a province-wide task force which will be surveying all CMSMs on their emergency shelter funding mechanisms and presenting recommendations to the Province for program enhancements.

As it is unlikely that any additional Provincial funding will be made available in the short-term, the Community Services and Housing Department will be requesting an operating subsidy for the Sutton project in the 2006 Business Plan and Budget. The projected annual shortfall is anticipated to be \$250,000 to \$300,000.

6. LOCAL MUNICIPAL IMPACT

This project, as a whole, will provide much needed services for homeless and at-risk youth and children in York Region. The Town of Georgina's programs have been underway at the site for some weeks and are serving the community well.

The addition of shelter and transitional beds, particularly for females, will benefit the north end of the Region as it will help fill a noticeable void in existing services.

7. CONCLUSION

This project contributes to the implementation of the Region's Affordable Housing Strategy by forming a close partnership with a local municipality to resolve a pressing community need while achieving benefits for the wider Region.

Both the York Region Community Plan to Address Homelessness and the Housing Supply Strategy recognize the need for services for youth at-risk and the proposed partnership with the Town of Georgina, exemplifies the type of funding partnership being sought in the Strategy. The addition of Community Rental Housing Program funding to the project further strengthens the partnership arrangements necessary to address community needs.

The Senior Management Group has reviewed this report.