
HALDIMAND COUNTY

Report CSS-03-2022 Haldimand Norfolk Housing Corporation Regeneration Master Plan – Request for Disposal of Haldimand Assets

For Consideration by Council in Committee on May 10, 2022



OBJECTIVE:

To approve a high level strategy for the Haldimand Norfolk Housing Corporation to dispose of housing stock in Haldimand County.

RECOMMENDATIONS:

1. THAT Report CSS-03-2022 Haldimand Norfolk Housing Corporation Regeneration Master Plan – Request for Disposal of Haldimand Assets be received;
2. AND THAT the Haldimand Disposal of Singles and Semi's Strategy included as Attachment #2 in Report CSS-03-2022 be approved;
3. AND THAT proceeds from the sale of units outlined in the Strategy be placed into the HNHC's Haldimand County investment Reserve Fund, with a future report presented to Council to outline the use of the funds;
4. AND THAT Council request Service Manager consent from Norfolk County for the sale of the subject properties outlined in the Strategy;
5. AND THAT each time a unit is prepared for sale by the HNHC, Haldimand County General Manager of Corporate & Social Services be advised by HNHC in writing;
6. AND THAT each time a unit is sold, the HNHC notify Haldimand County General Manager of Corporate & Social Services be advised in writing with full financial details of each sale.

Respectfully submitted: Cathy Case, General Manager of Corporate & Social Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

The Haldimand Norfolk Housing Corporation Joint Shareholders Agreement indicates that the housing stock located in a particular municipal boundary of a shareholder will be deemed to be owned by that shareholder and decision making with respect to the disposition of the asset will be the responsibility of that shareholder independently. This report recommends approval of a strategy to dispose of several housing units located within Haldimand County and managed by the Haldimand Norfolk Housing Corporation (HNHC). The three phased strategy identifies general timing and specific units to be sold over the course of the next 8 years. Funds associated with the sale of these units will be placed into the appropriate reserve fund and held until such time staff are able to present Council with a financial plan for use of the proceeds towards new or improved housing in the municipality.

Despite the approval process for the sale of units being authorized by Haldimand County, the Housing Services Act requires that Service Manager consent also be obtained. Norfolk County acts as the Service Manager for Haldimand County and therefore, the decision made by Haldimand County will be forwarded to Norfolk to receive consent before notifying the Ministry of Municipal Affairs. This process

complies with the Housing Services Act, and if consent is granted, the HNHC will begin implementing its disposal strategy to sell several single detached and semi-detached units in the Dunnville area.

BACKGROUND:

In mid-2021 as part of the presentation of the Haldimand Norfolk Housing Corporation's (HNHC) Regeneration Plan, a categorization for all HNHC assets took place by HNHC and their consultant, Haerko Inc. The asset classification process involved measuring each existing social housing building against a set of 45 criteria to rate the asset as one that should either be retained, revitalized, redeveloped or disposed of to build new affordable housing. The HNHC Senior Management then applied some additional criteria to come up with the final recommended classifications. These additional criteria included things like energy efficiency and alignment with the Corporation's strategic plan. The asset classification report identified the single detached family homes and the semi-detached townhouses for disposal. This report was approved by the Health & Social Services Advisory Committee, Haldimand Council and Norfolk Council.

During the above process, in September 2021, Haldimand Council considered report CSS-03-2021 regarding the HNHC Regeneration Master Plan (RMP), Asset Management Plan and a mixed housing project in Dunnville. Council passed a resolution adopting a hybrid model of asset management within the HNHC Haldimand portfolio which included a combination of a new build and repair of existing assets. Furthermore, approval in principle was granted to dispose of existing single and semi-detached units within the HNHC Haldimand stock, with direction being given to bring back a plan, in conjunction with Norfolk County as the Service Manager, as to the specific units and timing of disposal. The report also approve a new mixed housing project on Ramsey Drive in Dunnville, of which some of the disposed properties would help fund.

Staff has received notification from the Service Manager (Norfolk) that HNHC has officially requested approval of a proposed strategy for the disposition of land as identified in the RMP. Attachment #1 is correspondence from Heidy VanDyk, representing the Service Manager, outlining the request and details.

ANALYSIS:

Staff are bringing this strategy forward for Council's approval as outlined in the Joint Shareholders Agreement. The agreement indicates that ownership of the housing stock held by the HNHC on behalf of Haldimand and Norfolk Counties, shall be considered based on the geographical location of each asset. Therefore, Haldimand County retains the ability to make decisions on the disposition of assets located within the municipality.

The HNHC has provided their strategy for the sale of the Haldimand singles and semis which is included with this report as Attachment #2. The strategy is to sell the properties in three phases. The overall plan for disposition of Haldimand located housing assets includes the sale of 41 units. It is important to note that Council previously approved the disposal of three units in Elizabeth Crescent in Dunnville which are included in the total of 41. This first phase has been completed. The immediate plan is to dispose of 3-4 more units by 2023 followed by the disposal of 7 more units within 2 years. The remainder of units (27-28) will not be sold for approximately 7-8 years.

HNHC will apply the following principles, in order, to establish the order of sale of units:

1. Units which are currently vacant.

2. Units which become vacant through attrition and (i) are chronically vacant due to poor location, unsuitability for tenants' needs or condition; (ii) have a market value which is above the current median sale price, or; (iii) have anticipated repair expenses in excess of \$25,000.
3. Units in which tenants have been identified as being "over-housed" and will be relocated to units which meet the current Service Manager's Occupancy Standards.
4. Units that require repairs of such enormity that the tenant needs to be relocated due to health and safety concerns (subject to the provisions of the Residential Tenancies Act).

The previous report to Council identified that 10 units to be sold with consideration for the proceeds to help fund the Ramsey Drive housing project. It is important to note that the financial needs for this project have not yet been finalized. Although Haldimand has committed a significant portion of funding and in-kind (land) contributions to the project, it was made clear to the HNHC that additional contributions were not feasible. Staff support the sale of units to assist in offsetting some of the project costs, however the amount of proceeds (or number of units) to be redirected to the project will be the subject of a future report.

The main objective of this report is to seek Council authorization for the HNHC to proceed with disposition of the identified units on Attachment #2 as the opportunity becomes available. As mentioned above, although the first 10 units sold have been earmarked to help fund the Ramsey Drive housing project, a detailed financial plan will need to be established prior to this occurring since this number may change as financial needs change. The financial plan will be developed collaboratively between County staff and the HNHC. The HNHC will be preparing an updated business plan for the project which will be communicated to Council. Until then, staff are recommending that the proceeds from any disposition of Haldimand County housing stock be placed into the Haldimand County Investment Reserve Fund which is a reserve fund held by HNHC.

Staff recommend approval of the HNHC Three Phase Approach of Asset Disposal as attached to this report. Approving this high level approach to the sale of the identified units allows the HNHC to take advantage of a highly competitive real estate market. It provides an estimated timeline and identifies specific housing stock to be disposed of, yet allows a degree of flexibility for the HNHC in determining exact timelines and units for disposal.

Despite the ability for Haldimand Council to make decisions on the Haldimand located housing assets, there is still a subsequent approval process required under the *Housing Services Act*. If the above noted strategy is approved, the next step will be to receive Service Manager consent which requires the decision of Haldimand being forwarded to the General Manager of Health and Social Services in Norfolk County, a report being presented to the Health & Social Services Advisory Committee, and then subsequently approval by Norfolk County as the CMSM. Once this has occurred, the Service Manager will communicate this decision to the Ministry of Municipal Affairs. Following this process, the HNHC may begin implementing its approved strategy.

FINANCIAL/LEGAL IMPLICATIONS:

The report previously considered by Council in September 2021 approved in principle, the sale of several housing units within Haldimand County, pending future approval by Council on a plan related to specific assets and timing of disposal. Additionally that report adopted the asset management plan and directed staff to include the financial impacts in future HNHC capital budget requests for any retained housing stock. Furthermore, staff were directed to work with HNHC to develop a financial plan to address the long term capital and operating needs of the housing stock in Haldimand County.

Although the purpose of this report is to approve the strategy to dispose of specific identified housing units, it does not address use of the proceeds for future housing needs, whether it be existing or new

assets. A detailed financial analysis has not yet been completed however, to expedite the opportunity to sell housing units in a favourable real estate market, this report is presented to approve the timing and specific units to be sold. Staff recommend that the proceeds from the sale of assets identified in the three phase approach proposed by the HNHC be placed into the HNHC Haldimand County Investment Reserve Fund reserve and that a future report be presented outlining the financial plan for the proceeds. It is anticipated that the proceeds from some of the disposed units will offset the Ramsey Drive mixed housing project in Dunnville, however a more detailed financial analysis is required to ensure a viable plan is in place taking into consideration a holistic overview of housing needs in Haldimand County.

STAKEHOLDER IMPACTS:

The community housing needs within Haldimand County will continue to be monitored by the Service Manager using the 10 year Housing and Homelessness Plan as its foundation. The overall goal, albeit challenging in the current housing environment, is to ensure adequate services across all stages of the housing spectrum that are within the Service Managers control.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

1. None.

ATTACHMENTS:

1. Information Memo from Heidy Van Dyk, Acting General Manager of Health & Social Services.
2. Haldimand Disposition of Singles & Semi's Strategy - HNHC.