
HALDIMAND COUNTY

Report CSS-02-2024 Dunnville Affordable Housing Project Update For Consideration by Council in Committee on October 29, 2024



OBJECTIVE:

To provide an update on the new, mixed use affordable housing project on Ramsey Drive, Dunnville, including options representing a base and optimized case for consideration. This report also addresses funding sources for capital expenditures related to the County's housing stock which directly impacts the project.

RECOMMENDATIONS:

1. THAT CSS-02-2024 Dunnville Affordable Housing Project Update be received;
2. AND THAT Council support Scenario 2, representing an optimized site plan including 56 tenancy units and a dedicated childcare commercial space, as it relates to the planned affordable housing building in Dunnville;
3. AND THAT the County's original upset contribution of \$4.6 million be debt financed as approved by Council;
4. AND THAT an additional funding request, up to a maximum of \$2,300,000 be funded in the order outlined in Report CSS-02-2024, with the last option being funded from the County's Social Housing Reserve;
5. AND THAT funds in the amount of \$75,173 be transferred from the Social Housing Reserve to Haldimand Norfolk Housing Corporation, to reimburse the unbudgeted funds used to prepare surplus properties for sale;
6. AND THAT the proceeds from Norfolk County related to Haldimand's share of Social Housing Funds of approximately \$173,000 be transferred to Haldimand's Social Housing Reserve Fund.

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Approved: Cathy Case, Chief Administrative Officer

EXECUTIVE SUMMARY:

In 2021, Council supported the concept of constructing a new 35 unit, mixed income housing build in Dunnville, to partially address future affordable housing needs in the community. Financial support of the project was committed, through donation of land, waiving of certain permit/application fees and a maximum of \$4.6 million in capital investments. Subsequently, Council also supported the sale of up to 41 underperforming units, with the first two phases (10-14 units) of such sales being earmarked to contribute financially to the costs of new building. This was approved on the assumption that lost units through sale, would be replaced in the new building.

In 2023, Flourish, development consultants for the project, undertook options to design the new 35 unit building. At the same time, they considered the feasibility of optimizing the space in line with known

community needs; specifically to increase the number of affordable housing units, as well as partnering to introduce a childcare centre within the dedicated commercial, ground floor space. As a result of this work, two scenarios are being presented to Council to garner support / direction in moving forward.

The first scenario maintains the approved 35 unit building, with ground floor commercial space, using a cost effective floor plan to ensure the project can proceed without the need for any additional capital contribution; in fact, this option estimates a slight reduction in the committed County's financial contribution.

The second scenario provides for a 56 unit building that introduces 28 net new affordable housing units into the community (as opposed to the 13 net new in scenario 1). It also introduces a ground floor childcare centre, currently estimated to support 41 net new childcare spaces. Based on current estimates, scenario two would require additional capital investments of approximately \$2.3 million in order to be financially feasible.

Should Council support Scenario 2, a variety of funding options are considered to address the funding shortfall. For example, staff are aware of specific affordable housing programs and grant opportunities that periodically become available and that this project is likely to be eligible for. None of these programs are currently available and therefore cannot be relied upon in the current estimates. However, staff are committed to monitoring and applying where applicable as a first priority option to fund this project. Failing new funding opportunities, staff recommend exploring options to advance the sale of the remaining underperforming units and/or the potential for additional CMHC Affordable Housing loan. Failing all options, additional capital investment from the County would be required. In this case, staff recommend the use the Social Housing Reserve to make up any funding shortfall, to the upset limit of \$2.3 million.

Both scenarios are advantageous to the community through the introduction of new, affordable housing in Dunnville. While the second offers significant enhancements to the community, in a cost-effective manner, it may require additional, significant support from the County. Accordingly, this report presents the detailed comparison and funding options for Council's consideration and direction. Ultimately, staff are seeking confirmation on the desired approach, so that HNHC can move forward with finalizing site plans, initiating public meetings and the carrying out the planning (zoning amendment) application.

BACKGROUND:

On September 14, 2021, Council considered report CSS-03-2021, which presented options to address the repair and replacement of aging housing assets, within the Haldimand boundaries of the Haldimand Norfolk Housing Corporation (HNHC). The HNHC is a jointly owned local housing provider and is owned by Haldimand County (minority shareholder) and Norfolk County (majority shareholder). The report provided:

- a comprehensive background as it relates to social, affordable and market rental housing in Haldimand County;
- the results of a regeneration study and the financial impacts specific to Haldimand County's share of HNHC's portfolio/stock; and
- options to address future housing needs based on disposing existing "under-performing" assets, retain/repair/regenerate of existing stock and proposed new, mixed income housing builds.

Ultimately, Council approved a hybrid solution that supported the repair of certain existing assets in the Haldimand portfolio, as outlined in the HNHC Asset Management Plan, as well as a new, 35 unit, mixed income housing build. The new build was based on disposing of underperforming, existing Rent-Geared-to-Income (RGI) housing units (mostly 3 bedroom singles or semi detached homes), within Dunnville, to eliminate the need for costly regeneration, and to help fund the new build. Lost RGI units

would be replaced within the new build, therefore netting an additional 17 housing units total to the overall HNHC portfolio. The sale of up to 41 units, over three phases spanning the next eight years, was confirmed through Report CSS-03-2022; specifically, the first 10 units sold have been earmarked to help fund the Ramsey Drive housing project, with the remaining units to be held in reserve and presented for use and a long term financial plan at a later date.

A business case for a proposed Dunnville build was first presented to Council in late 2020 (CSS-02-2020) and was approved in principle, pending municipal financing options. As noted above, Council formally approved the project in September, 2021 based on the estimates outlined in Report CSS-03-2021. Financially, Council supported the project through the commitment of:

- Donation of approximately 1.5 acres of land in the Frank Marshall Business Park area, valued at approximately \$450,000. Lands were formally transferred to HNHC in early 2024;
- Fully serviced parcel, including water, wastewater, and stormwater servicing capacity;
- Waiver of Application and Permitting fees, to a maximum of \$400,000. To be clear, all regular fees still apply to the project but will be reimbursed by the County through the Social Housing Reserve fund. Additionally, as the County owns the future development, through its ownership of HNHC, the project is exempt from Development Charges, required securities and parkland dedication fees;
- Investment of capital funds, to a maximum of \$4.6 million, inclusive of a maximum of \$1.024 million which was approved to be advanced to the HNHC for feasibility and preconstruction phases;
- Funding of \$124,009 in capital repairs necessary to prepare the first three surplus housing for sale, in order to maximize proceeds and ultimately assisting to offset the project costs.

On January 25, 2023, this development was deemed a Municipal Housing Facility and a Municipal Capital Facility Bylaw was enacted, in order to legally gift land, waive fees and contribute financially to the HNHC for the development of the Dunnville affordable housing project.

In 2023, HNHC contracted Flourish, development consultant, as well as DPAI, project architect, and together they have held regular design development meetings and initiated the pre-consultation process with Haldimand County staff. Through this work, the project team has also consulted with Haldimand-Norfolk Health and Social Services staff on the proposed development, who encouraged the group to explore optimizing maximum tenant space to address the growing need for affordable housing, as well as exploring opportunities with community partners for potential daycare services to complement the commercial space.

Affordable housing and childcare are both identified as pressing needs within Haldimand County, and specifically within Dunnville.

The purpose of this report is to present an update on the project, including detailed financial estimates on the original plan and a new, optimized scenario. Ultimately, staff are seeking confirmation on the desired approach, so that HNHC can move forward with finalizing site plans, initiating public meetings and the carrying out the planning (zoning amendment) application.

As a secondary, but related issue, Attachment 1 is a request from the HNHC to fund unplanned repairs to the surplus housing units sold as part of Phase 2. Ultimately, the proceeds of these sales are, up to a total of 14 units from Phase 1 and 2, required to offset the overall project costs of the new Dunnville building.

Lastly, and also indirectly related, is the planned receipt of approximately \$173,000 currently held by Norfolk on behalf of Haldimand, related to a historical and unutilized Social Housing Reserve Fund. It is recommended that these funds be transferred/combined with the County's currently established Social Housing Reserve Fund. It is being recommended that any additional funds approved by Council for the Dunnville project be funded from this reserve fund.

ANALYSIS:

1. New Affordable Housing Building – Revised Options

Scenario 1 (Revised 35 Units + Commercial Space)

The planned, mixed-income, affordable housing unit in Dunnville was been designed based on an environmentally sustainable, accessible, mixed-use building with commercial space and a minimum of 35 rental apartment units. The concept design envisioned a 4-storey building, with approximately 7,300 sq. ft of commercial space, including two office spaces and one retail storefront, and approximately 26,200 sq ft. of residential apartments and tenant amenity space. Estimated costs for this new build were included in Report CSS-03-2021 based on general assumptions and pricing of the day.

Flourish, together with DPI architects have created a comprehensive site design and implementation plan that meets the envisioned project, however, in recognition of the rising costs of building materials and based on the experience of the design team, the schematic concept was transferred into a more cost-effective design with an efficient floorplan and modest unit sizes to meet the overall funding expectations. It also seeks to reduce site development costs related to hard surface (paved) areas by utilizing the adjacent arena parking area for day use parking. For the purposes of this report, this design and related financial implications is presented as “Scenario 1”.

Scenario 2 (Optimized Case, 56 units + Childcare and office spaces)

As noted above, during design consultations, Flourish was encouraged to consider the growing need for affordable housing and to explore additional tenant space (more units), where financially feasible. It is important to note that, approximately 400 households are on the waiting list for social housing in Haldimand-Norfolk, with an average wait time of 7-10 years. Maximizing additional tenant space could see more affordable housing units made available within Haldimand.

Secondly, the project team explored an opportunity to introduce new childcare spaces within the commercial area, to meet an established community need through partnerships. Specifically, the Haldimand and Norfolk Canada-wide Early Learning and Child Care Directed Growth Plan, 2023 identifies gaps in the childcare system and sets annual targets for new childcare spaces. Dunnville was identified as one of six priority communities within Haldimand-Norfolk for new spaces to be located.

Flourish and DPAI Architects have created a revised plan in response to the needs identified. Specifically, the project team has identified a unique opportunity to optimize the design footprint and increase the total units from 35 to 56 and the number of storeys from 4 to 5, which would also allow for the construction of dedicated childcare space on the main floor, meeting the community need while establishing a partnership for long term commercial tenancy within the building. Use of the adjacent arena for limited day use parking and a day care drop-off ‘lay-by’ are other key design aspects intended to maximize functionality of the site and reduce direct site development costs. For the purposes of this report, this alternative design and related financial implications is presented as “Scenario 2”.

TABLE 1: Comparison of Design Scenarios

<u>Unit Analysis</u>	<i>Approved per Report CSS-03-2021</i>		<i>HNHC - Revised Options</i>	
<u>Options</u>	<u>Base Case</u>	<u>35 Units plus Commercial</u>	<u>35 Units plus Commercial (Scenario 1)</u>	<u>56 Units plus Commercial & Childcare (Scenario 2)</u>
<i>Details</i>	<i>Current state continues, no change in funding</i>	<i>State of Good Repair plus Dunnville Build</i>	<i>Revised Dunnville Build Costs (4 storeys, 29,482 sq ft)</i>	<i>New Estimated Dunnville Build Costs (5 storeys 45,876 sq ft)</i>
<i>Unit Details - Haldimand Only:</i>	<i>By 2030</i>	<i>By 2024</i>	<i>By 2024</i>	<i>By 2024</i>
Out of Service Due to Poor Condition	20	0	0	0
# of Units Strategically Disposed	0	10	14	14
Total # of New Units	0	35	35	56
<u>New Units By Type</u>				
RGI		11	14	14
Affordable		16	13	28
Market		8	8	14
<i>Revised Unit Mix</i>				
# of HNHC Owned RGI	154	155	154	154
# of Affordable Units	0	16	13	28
# of Market Units	0	8	8	14
Total Units	134	179	175	196
Current RGI	154	154	154	154
Net New RGI/Affordable Units	-20	17	13	28
Net New Childcare Spaces *current estimate, mix of infant, toddler or preschool aged children	Nil	Nil	Nil	41*
Haldimand's Direct Contribution (excluding land, servicing and fees)	\$0	\$4,578,911	\$4,226,918	\$6,900,000
Cost Per Net New RGI/Affordable Units - Haldimand's share	n/a	\$269,348	\$325,148	\$246,429

Construction for Scenario 1 (revised 35 unit) can proceed without the need for any additional capital contribution from the County (in fact, the revised estimates anticipate a slight reduction in the required contribution of approximately \$373,000) and the initial goals of the project can be met. Scenario 2 optimizes the project by delivering a new childcare centre and 21 additional housing units to respond to the current community demands. While both projects are advantageous to the community, the optimized case (Scenario 2) is the more compelling option, given the significant enhancements to the

community, which can be attained in a cost-effective manner. That said, it is recognized that scenario 2 represents a significant funding shortfall and could require additional capital investment from the County.

Detailed financial implications of both scenarios, including potential funding strategies are outlined in the Financial/Legal Implications below.

Once the desired scenario has been confirmed, HNHC can move forward in finalizing the proposed site plan, initiating public consultation and going through the planning (zoning amendment) application process. The approved scenario will inform the details of both the zoning amendment application and the site plan application processes. With respect to the former, a site specific zoning amendment will need to be submitted to establish the principle of use for the site and a variety of unique provisions. The uses and provisions differ to some degree between the two scenarios, and so, a decision on the preferred is a necessary pre-requisite to completion and submission of the application. The zoning application will benefit from a fully supportive policy framework that is now in place through the provincially approved Official Plan. The site plan, and all supporting civil engineering studies / plans, will also be fully informed by the scenario that is approved given the different building footprints, parking provisions, daycare lay-by, etc. The timing of bringing the applications forward for public meeting and consideration by Council in Committee will be contingent upon the submission of complete applications by the HNHC. At this point, given the stage in the process, staff are estimating the matters would be presented in the first quarter of 2025. This would ensure funding applications can be made as soon as possible and preparations can be made to secure construction contracts for the target construction initiation by mid 2025. Construction is currently estimated at 20 months, suggesting occupancy by 2027.

2. Financial Requests from HNHC

The HNHC is currently disposing of surplus assets in Dunnville, in accordance with the phased approach outlined in CSS-03-2022. In order to maximize proceeds from the sale of the surplus units, it was/is necessary to complete some home improvements to the units prior to putting them on the market. For two units, which have already been repaired, listed and sold, the HNHC used unbudgeted funds for these improvements, in the amount of \$28,948.07, and, as anticipated, saw a good return on the investment. A third unit, scheduled for sale next year, requires significant capital repair, currently estimated at \$46,224.48 before it would be suitable to go on the market. Since the repairs were done to leverage a higher sale price, of which the proceeds directly assist in the funding of the new affordable housing building, HNHC is seeking reimbursement for related costs. Staff have reviewed the request and fully support reimbursement. The funding source proposed to be used is outlined in more detail below, in the financial section of the report.

FINANCIAL/LEGAL IMPLICATIONS:

1. New Affordable Housing Building – Revised Options

The County has limited dedicated financial resources available to fund large scale social needs, such as a new affordable housing building. Previous reports to Council have clarified that, while Social and Affordable Housing programs are a provincial service, they remain chronically under funded. Local municipal governments are left to administer long term financial implications associated with housing, and are oftentimes relied upon to subsize the costs associated with offering affordable housing.

Accordingly, various funding sources have been incorporated to ensure the financial feasibility of the new building.

a) Known Funding Programs

Both options maximize funding available through known provincial and federal programs, such as:

- The Canada Mortgage and Housing Corporation Affordable Housing Fund, which provides up to \$75,000 per unit in forgivable loans and mortgage financing with preferred interest rates and amortization up to 50 years.
- Canada-Ontario Community Housing Initiative (COCHI) funding, which is allocated annually to Service managers to assist with RGI housing initiatives that may otherwise be threatened (i.e. in need of significant repair or end of operating agreements). \$250,000 of Haldimand-Norfolk's COCHI funding has been allocated to this project, with a potential for additional funding in future years should it be available.
- The Canada-wide Early Learning and Child Care (CWELCC) system allocates, among other things, funding to support start-up grants for new child care providers in priority areas. Haldimand-Norfolk Health & Social Services (HNHSS) staff are working with a proven provider in the community that is interested in operating in Dunnville and would be eligible for these start-up funds. Although this arrangement cannot be finalized until later in the stage, and therefore funding is not guaranteed, staff believe this can be achieved. Accordingly, an estimated funding of \$325,000 across two years has been incorporated into the financial forecast of this project.

TABLE 2: Estimated Project Costs and Financing

<u>Project Cost and Planned Funding Sources</u>	<u>Approved per Report CSS-03-2021</u>	<u>HNHC - Revised Options</u>	
	<u>35 Units Plus Commercial</u>	<u>35 Units Plus Commercial (2024 Dollars)</u>	<u>56 Units Plus Commercial & Childcare (2024 Dollars)</u>
Total Estimated Project Costs	\$16,011,236	\$19,210,364	\$29,356,069
Gross Cost per Total New Unit	\$457,464	\$548,868	\$524,216
<u>Financing Sources</u>			
CMHC - Seed Funding	\$20,000	\$20,000	\$20,000
COCHI	\$250,000	\$250,000	\$250,000
CWELCC Funding	\$ -	\$ -	\$650,000
CMHC's AHF - Non-Repayable Loan	\$2,500,000	\$2,625,000	\$4,200,000
CMHC's AHF - Repayable Loan	\$3,734,920	\$4,400,000	\$8,571,546
Tax Rebate (assuming 90% rebate on GST & HST)	\$1,650,000	\$1,980,564	\$3,028,093
Haldimand - Reimbursement of Planning Fees	\$400,000	\$88,842	\$117,390
Haldimand - Proceeds from Sale of Existing Haldimand Units (11 units as of October 2024)	\$2,877,405	\$4,569,040	\$4,569,040
Haldimand - Proceeds from Future Sale of Existing Units (3 units remaining as of October 2024)	n/a	\$1,050,000	\$1,050,000
Haldimand - Original Upset Contribution Limit	\$4,578,911	\$4,600,000	\$4,600,000
Additional Contribution Requirements	n/a	(\$373,082)	\$2,300,000
Total Financing (excluding land)	\$16,011,236	\$19,210,364	\$29,356,069

b) Haldimand County Funding Sources

(i) Planned Proceeds of Surplus Unit Sales

Council approved the disposal of up to 41 RGI units of single and semi-detached homes, in three (3) phases over the course of the next 8 years. Per Report CSS-03-2021 and CSS-03-2022, the first ten (10) units were earmarked to generate funds for the new development, on the understanding that those units would be replaced in the new building to maintain service. However, it was recognized that this number may need to change, as financial needs change. The remaining proceeds would be maintained in HNHC's Haldimand County investment Reserve fund until future needs can be outlined for consideration by Council.

For the purposes of the current financial forecast, a total of 14 unit sales, and interest earned on those proceeds, has been incorporated into the overall budget shown below. Both revised business cases for Scenario 1 and Scenario 2 recommend replacing the 14 RGI units sold in the proposed new builds with 14 RGI units (albeit with smaller 1 bedroom units). The use of any further proceeds from the sale of existing RGI units for the new build may have impacts on the financial sustainability of the project.

(ii) Haldimand County Committed Capital Contributions

Based on the HNHC's long term financial plan and underlying housing stock, and ultimately to support the subject project, Haldimand committed to contributing a maximum of \$4.6 million towards the new, mixed-use affordable housing building in Dunnville, inclusive of feasibility and pre-construction work which has already begun. Initially this contribution was to be funded through issuance of a 20 year debenture, however it was anticipated that there would be some upfront costs that would require cash flow until the ultimate debenture is issued. Accordingly, the County has been utilizing the Social Housing Reserve to fund costs to date, with the expectation that through approval of the subject report, final costs and timing of the project can be determined and final funding can be issued through the intended debt issuance.

Estimated Haldimand County funding, as outlined above has been considered for each of the two scenarios presented. The below table compares the overall estimated financial impact for both options.

TABLE 3: Comparison of Haldimand Financial Support

<i>Project Cost and Planned Funding Sources</i>	<i>Approved per Report CSS-03-2021</i>	<i>HNHC - Revised Options</i>	
	<i>35 Units Plus Commercial</i>	<i>35 Units Plus Commercial (2024 Dollars)</i>	<i>56 Units Plus Commercial & Childcare (2024 Dollars)</i>
<i>Total Estimated Project Costs</i>	\$16,011,236	\$19,210,364	\$29,356,069
<i>County Financing Sources</i>			
<i>Sale of Existing Units</i>			
Proceeds from Sale of Existing Units (11 units as of October 2024)	\$2,877,405	\$4,569,040	\$4,569,040
Proceeds from Future Sale of Existing Units (3 units remaining as at October 2024))	n/a	\$1,050,000	\$1,050,000
<i>Sub-total - Sale of Units</i>	\$2,877,405	\$5,619,040	\$5,619,040
<i>Haldimand Direct Contribution</i>			
Original Upset Contribution Limit	\$4,578,911	\$4,600,000	\$4,600,000

Project Cost and Planned Funding Sources	Approved per Report CSS-03-2021	HNHC - Revised Options	
	35 Units Plus Commercial	35 Units Plus Commercial (2024 Dollars)	56 Units Plus Commercial & Childcare (2024 Dollars)
Additional Contribution Requirements	n/a	(\$373,082)	\$2,300,000
Sub-total - Direction Contribution	\$4,578,911	\$4,226,918	\$6,900,000
Total County Financing (excluding land, servicing and fees)	\$7,456,316	\$9,845,958	\$12,519,040
Total County Financing - %	46.6%	51.3%	42.6%

Potential Funding Shortfall

Should Council support Scenario 2 as the preferred option, there is an anticipated funding shortfall of approximately \$2,300,000.

Haldimand has already committed a significant portion of funding and in-kind (land and permit fees) contributions to the project, and it was made clear to the HNHC that additional contributions were not feasible. However, in recognition of the significant enhancements the optimized design offers, in comparison to the additional funding required, staff recommend moving forward with endorsement of Scenario 2, despite the forecasted funding shortfall. This recommendation is on the basis that all options for funding mitigation would be explored first (i.e. grant opportunities), and additional funds from the County being a “last resort”.

Specifically, staff recommend funding of the project in the following, priority order:

1. New federal or provincial grant and funding opportunities, such as through:
 - a. Application to Haldimand-Norfolk Health and Social Services, for additional COCHI funding through the 2025 service manager allocation. Specifically, as noted above, some 2024 COCHI funding has already been allocated to this project. Unfortunately there is no guarantee of additional funding and currently there are no predictions for 2025 that can be used in the forecast; however, the last two years have seen additional funds made available to fund Norfolk County projects, which were in a more advanced stage and therefore better position to apply the funding opportunities. The Dunnville project has been identified as the next priority item to allocate funding in 2025/2026, should it be available.
 - b. Application to FCM’s Green Municipal Fund – Sustainable Affordable Housing Program. This program covers up to 20% of project costs, to a maximum of \$10 million, structured as up to 60% grant and 40% loan. Further, this funding is stackable with CMHC’s Affordable Housing funding. If successful, this opportunity represents a significant grant opportunity to address the funding shortfall.
 - c. Exploration of new \$1 billion Child Care Expansion Loan program, recently announced by the Federal government through the 2024 budget. The details, and effective date of this opportunity have not yet been disclosed, but HNHC will endeavour to find out more details as they become available, and apply if appropriate.
 - d. Direct advocacy, by HNHC, to the Ministry of Municipal Affairs and Housing for new and eligible funding opportunities. Staff are aware of periodic, one-time, housing related grant opportunities that become available from time to time. In the past, the Dunnville project has not been eligible given the premature status. Following planning approvals, when the project is considered

“shovel ready” the project will become eligible for application and HNHC will actively pursue these options as they become available.

2. Failing additional avenues for external funding, staff recommend exploring options to advance phase 3 of the Disposal of Singles and Semis Strategy. Should an option to generate the required funding while practically maintaining the current RGI service levels be feasible, it would be subject to a future Council report, outlining the specific plan.

Review the potential for additional CMHC Affordable Housing loans by HNHC. If, based on revised debt costs and projections, the pro-forma for the build can financially support more annual debt payments, this should be updated accordingly.

3. Failing all additional avenues for funding, and as a last resort, staff are seeking support of Council through additional financial commitments to make up any funding shortfall. It is recommended this funding come from the County’s Social Housing Reserve and that the maximum debt financing for this project remain at \$4.6 million. The estimated debt payments for the \$4.6 million contribution have already been built into the County’s annual costs and the levy impacts have been absorbed into the annual operating budget since 2022. The recommended use of the Social Housing Reserve, while eligible under the purpose of this reserve, has sufficient funds to accommodate this funding shortfall (currently there is in excess of \$3 million in this reserve). It is also anticipated that the reimbursement of fees, currently estimated at approximately \$117,000, will not require the originally estimated amount of \$400,000 that will also limit the funding required from the Social Housing Reserve. It should be noted this will limit the County’s ability to leverage these funds in the future if other opportunities arise.

2. Financial Requests from HNHC

The request to fund the renovations completed or to be completed in 2024 were not planned, but necessary to maximize the return on ultimate disposition. As the renovations were not planned, they were in addition to the approved planned capital projects and funds provided by the County to HNHC in 2024 (nor were they identified in 2022 - regeneration strategy and 2023 - Phase 1 sale repairs). As outlined in the Shareholder’s agreement, the County is responsible to fund all renovations/repairs on Haldimand County owned housing stock. As such, these costs are ultimately the County’s responsibility and would need to be funded in some form. Given these repairs were necessary to prepare these units up to an acceptable level to facilitate the approved sale, it is recommended to use the Social Housing Reserve repairs to offset these unanticipated costs totaling \$75,173. Similar to funding the start-up costs from the Social Housing Reserve, this will maximize the proceeds from the sale of these units required to fund a significant portion of the Dunnville affordable housing project.

3. Transfer of Social Housing Funds from Norfolk County

Since 2004, Norfolk County has been holding and administering approximately \$600,000 of Social Housing funds on behalf of both Norfolk and Haldimand Counties. These funds were originally received from the Province with no restrictions and the intent was to use these funds as a basis for a loan program to assist HNHC and other housing providers with housing stock repairs, in excess of the annual funds supplied by both Counties. These funds have not been utilized for this purpose for some time and it is recommended to close out this fund and disperse these funds to Norfolk and Haldimand County accordingly. Haldimand’s share of these funds (which includes the original principal and accumulated interest), based on the cost sharing formulae from the Arbitration award, is approximately \$173,000. It is recommended that these funds be transferred to the County’s Social Housing Reserve.

STAKEHOLDER IMPACTS:

There are several stakeholders impacted by the decisions related to this report. In preparing the report, staff consulted with HNHC representatives and consultants, as well as Sarah Page who represents both the Service Manager for housing in Haldimand-Norfolk as well as childcare services for the region. There is a direct impact on the HNHC as they lead this exciting project in a way that is fiscally responsible but meets the needs of the community and expectation of the municipality. The Service Manager role is to review the proposals with respect to the overall housing environment in the County and to make recommendations to the Ministry of Municipal Affairs and housing on behalf of Haldimand and Norfolk. Further, the Service Manager plays a significant role in allocating available provincial and/or federal funding to housing initiatives within the parameters provided.

The key stakeholders in this matter are truly those who are in need of RGI or Affordable Housing. The current housing environment, nationally, is in crisis and the municipality is one very small part of the solution. The new affordable housing building in Dunnville, under either proposed scenario, will increase the overall inventory of available housing within the municipality as a direct benefit to these stakeholders. It is hopeful that other levels of government will introduce new funding measures in the future to assist in resolve the housing crisis for all Canadians.

An added benefit, under Scenario 2 is the much needed day care space that would become available to families in the community.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

REFERENCES:

1. [CSS-02-2020 Haldimand Norfolk Housing Corporation \(HNHC\) – Housing Project Proposal](#)
2. [CSS-03-2021 Affordable Housing Projects and Financial Implications](#)
3. [CSS-03-2022 Haldimand Norfolk Housing Corporation Regeneration Master Plan – Request for Disposal of Haldimand Assets](#)
4. [CSS-01-2023 Dunnville Affordable Housing Project Funding and Municipal Capital Housing Facility Agreement](#)

ATTACHMENTS:

1. Haldimand Norfolk Housing Corporation – Request for Funds Letter
2. Haldimand Norfolk Housing Corporation – YWCA Letter of Support
3. Haldimand Norfolk Housing Corporation/Flourish – Dunnville Affordable Housing Presentation