

To:	Warden Halliday and Members of Grey County Council
Committee Date:	March 8, 2018
Subject / Report No:	HDR-CW-03-18 Golden Town Residential Community
Title:	Golden Town Residential Community
Prepared by:	Anne Marie Shaw, Director of Housing
Reviewed by:	Kim Wingrove, CAO
Lower Tier(s) Affected:	Meaford
Status:	Deferred until the March 22, 2018; Deferred until April 12, 2018 per Resolution CW86-18 by Committee of the Whole on March 22, 2018; See Resolution CW94-18 April 12, 2018 Committee of the Whole for request for further information;

Recommendation

1. That Report HDR-CW-03-18 regarding a proposed transfer of Golden Town Residential Company assets to Grey County be received; and
2. That staff be directed to carry out the process to transfer such assets to the County of Grey.

Executive Summary

Golden Town Residential Community is a non-profit housing provider that provides rent-geared-to-income and market rent housing to 63 families and 46 seniors in Meaford. After over 30 years of providing affordable housing the Board and staff of this non-profit corporation are retiring in September of 2018 and have asked that the County take over ownership and operations of Golden Town.

The non-profit corporation is in good financial position and provides much needed rent-geared-to-income housing. The transfer of the corporation's assets to Grey County ensures the housing remains in the Grey County portfolio to count towards our required service delivery standards and provides opportunity for expanded services to tenants and the possibility of more affordable units for seniors in Meaford.

Background and Discussion

Golden Town Residential consists of three developments:

Golden Town Manor

Golden Town Manor is a federally funded building and has 18 one bedroom apartments and 3 two bedroom apartments. The 21 seniors' only units were built in 1985 through a federal program. Of the 21 units, 15 are market rent units and six are rent-geared-to-income. This agreement is due to end in 2020 and Golden Town is no longer expected to provide rent-geared-to-income housing after the agreement expires.

Albert Place

Albert Place is a seniors' only building consisting of 17 one bedroom apartments and 8 two bedroom apartments. This building was built through a Provincial program in 1991. The building is brick has an elevator and utilities are included. At this time only six units are rent-geared-to-income.

Victoria Village

Victoria Village consists of 63 family units of housing made up of 33 two bedroom townhouses and 30 three bedroom town houses known as Victoria Village. Victoria Village has a playground on site, a school within two blocks, coin laundry on site and a family resource centre modeled after Alpha Street Resource Centre. The townhouses are brick, no basement, electric heat and utilities are not included. All units are rent-geared-to-income

Service Delivery Standards

Grey County has provincially set service delivery standards for the number of rent-geared-to-income housing units Grey County is to maintain. Grey County's service delivery standard of 1251 units of housing includes Grey County Housing and Non Profit Housing Providers. For this reason and due to the need for affordable housing in Grey County, the Golden Town units are required to remain as social housing units.

Golden Town is still under an agreement with Grey County to provide rent-geared-to-income housing and therefore needs the County's approval to proceed with any plans regarding the transfer or sale of the 109 units.

Overview of Golden Town Residential Community

Finance reviewed financial statements from December 2016. The audited statements show Golden Town to be in good financial position for capital investments and operating funds. Golden Town's year end is December and is currently working on the 2017 audit. This audit will also be reviewed by finance staff once received.

Golden Town relies on a subsidy from Grey County in the amount of \$637,320 for the 2017 year for all three complexes. The majority of the subsidy is levy dollars.

Facilities staff looked at the 2014 Building Condition Assessment, Golden Town's capital expenditures and future plans and did a tour of all three sites and determined the buildings are well maintained. Golden Town has funds for the capital needs identified in the BCA's and by staff for the next 10 years and beyond.

Options Explored for Golden Town

Currently Golden Town Residential Community is governed by a Board of Directors and has two staff, an office manager and a custodian. There are board members still on the board from the original build in 1985 and the office manager has been involved with the non-profit since 1985.

The Board of Directors did approach another non-profit to transfer ownership and operating of the non-profit but the proposal was declined as the non-profit is currently expanding. There is no other non-profit in Grey County that has the capacity to take on another 109 units of housing at this time. The Board of Directors then approached the County with the same proposal.

The County offered to assist Golden Town in recruiting and training a new board but there was no interest in this option.

Grey County is faced with two options for this non-profit. Grey County can take over ownership and day to day operations of Golden Town permanently or Grey County can take over temporary ownership of Golden Town and look to recruit and train a Board and staff.

If Grey County assumes ownership and operations, there is potential for savings as a full time custodian would be needed but not a project manager. Current staff positions would be absorbed into our current tenant services, facilities and administration.

A full time custodian would be needed at a cost of \$78,000 for salary and benefits. Currently the County subsidizes \$110,698 in salary and benefits to Golden Town so there are a potential savings of \$32,698 to the County. There is also potential savings in insurance, snow removal, life safety systems and other contracted services as the units would be included in bulk pricing.

Golden Town has 35 market units some of which can be transferred to other Grey County Housing units to improve profitability of other buildings in our portfolio and increase the amount of rent-geared-to-income housing in Meaford. Currently Golden Town offers only 11 of the 33 seniors units as rent-geared-to-income. Meaford has a waitlist of 30 seniors waiting for housing.

There are benefits for the tenants as Grey County has access to community relations workers to assist with any needs to remain housed or age in place. Both seniors' buildings are attached to the Meaford Long Term Care Centre. There may be future opportunity for partnerships for more affordable housing units.

If the County wishes not to become owners and operate these units, the County would still have to enter into ownership for at least a year until a Board and staff members can be recruited and trained. This would require at least a part time staff person for a year and extra legal fees. This option can also happen at any time if there are concerns with the ownership of Golden Town Residential Community. Other concerns with this option are that a new board could decide to sell or no longer provide rent geared to income housing with the seniors units once operating agreements end.

Housing is entering into a time of change and as housing providers come to the end of their mortgages in the next 2-10 years, housing providers will have a choice to remain housing providers or offer market rent units only. If a provider decides to continue offering affordable housing they must enter into an accreditation process in order to become part of a registry that will have access to funding. This will put many of our small non-profits at a disadvantage. Literature from the United Kingdom and Ireland that have implemented similar programs have

noted outcomes such as: some non-profits deciding to become for profit and smaller non-profits amalgamating with other small non-profits for economies of scale. Either way, Grey County is responsible for maintaining a service delivery standard of 1251 units of rent-geared-to-income housing.

Legal and Legislated Requirements

Notification of the transfer to the Province

Legal fees for transfer of asset

Financial and Resource Implications

Savings of \$32,698 in staffing and potential savings in insurance, snow removal, life safety systems and other contracted services.

Operating and Capital funds added to County Portfolio for the maintenance and operating of Golden Town.

Golden Town has remaining mortgages on all three buildings with a principal amount of \$3,719,117 as of the end of December 2017. Currently Grey County pays the mortgages as part of the subsidy flowed to Golden Town Residential Community. This liability will therefore will also need to be transferred and assumed by the County. Currently non-profit mortgages are bundled with the Province for low interest rate mortgages. This option is available for Grey County as well.

Relevant Consultation

Internal: Finance, Facilities Staff in Housing

External: Town of Meaford

Appendices and Attachments

None