



## Council Report

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<b>Report Number:</b>	<b>HS2024-008</b>
<b>Meeting Date:</b>	September 24, 2024
<b>Title:</b>	<b>Cash Flow Assistance Request – Fenelon Area Independent Living Association</b>
<b>Description:</b>	Cash flow assistance to support energy assessments for decarbonization retrofit program for the designated housing service provider
<b>Author and Title:</b>	Michelle Corley, Human Services Manager, Housing

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### Recommendation(s):

**That** Report HS2024-008, **Cash Flow Assistance Request – Fenelon Area Independent Living Association**, be received;

**That** the City provides cash flow assistance to the Fenelon Area Independent Living Association and Fenelon Area Independent Living Association (2007), during the study phase of their participation within the Federation of Canadian Municipalities Retrofit of Sustainable Affordable Housing grant program, not to exceed two hundred and fifty thousand dollars (\$250,000), with payment terms and conditions identified in an executed cash flow assistance loan agreement; and

**THAT** the Director of Human Services and the Human Services Manager, Housing be authorized to execute the necessary loan agreements supporting the cash flow assistance.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

As prescribed in the *Housing Services Act*, the City of Kawartha Lakes is the Consolidated Municipal Service Manager for Fenelon Area Independent Living Association (FAILA) in Fenelon Falls. This legislative arrangement requires the City of Kawartha Lakes to ensure that designated non-profit housing providers like FAILA, operate their organization in accordance to prescribed rules, local policies and overall sustainable operations.

FAILA, the designated non-profit housing provider's building is located at 70 Murray Street, Fenelon Falls. This building is 32 years old with 26 residential units, with 20 units designated for rent-geared-to-income (RGI) senior tenants, while five units are designated to market senior tenants. One residential unit has been converted to commercial office space for Community Care of Kawartha Lakes. 70 Murray Street also includes a commercial kitchen which is used by Community Care for the Meals on Wheels program.

Fenelon Independent Living Association (2007) (FAILA (2007)), the newer non-profit housing provider has a building located at 105 Lindsay Street, Fenelon Falls. This building is 17 years old with 25 affordable housing units geared for seniors. All 25 affordable housing units are able to be rented out at RGI rents through municipally-funded rent supplements.

The City supported FAILA (2007) as the newer non-profit housing provider through the provision of provincial capital funding to construct their building and ongoing municipal rent supplement funding. Geographically, their building is attached to the original FAILA building, and legally sits on an adjacent property, with a separate street address (as stated above). The two organizations share the same staff and many Board members are directors of both organizations. Although FAILA (2007) does not have a legislative relationship with the City, FAILA (2007) has a contractual relationship with the City to offer the units as affordable housing until 2042.

Recently, senior staff and Board members of both FAILA and FAILA (2007) have actively pursued grant opportunities to evaluate solutions for integrating deep energy efficiency measures and onsite renewable energy generation. The organizations have submitted applications for the Federation of Canadian Municipalities' (FCM) Green Municipal Fund, and have met funding eligibility for the planning phase of the program. The housing providers are currently working with FCM in the second (study) phase of the program.

## **Rationale:**

To receive grant funding payments, FAILA and FAILA (2007) require upfront cash flow assistance to support interim consultant payments to undertake the energy efficient audits for the purposes of the second phase of the program. As they've become eligible to move to this phase, the energy audits are required first, prior to moving forward with recommendations that will be outlined through the energy audit process. Grant funding will flow afterwards, hence the request.

The FCM Green Municipal Fund provides grant funding up to 80% of the total cost of each of the planning, study and capital phases of the program. The remaining 20% of the costs will be paid through additional grant programs that FAILA and FAILA (2007) are exploring, or alternatively these costs will be covered through their capital reserve funds.

Given that FAILA and FAILA (2007) cannot easily access their capital reserve funds to support this interim cash flow need due to reserve funds being secured in guaranteed investment certificates, the upfront request has been made. Additionally, pulling the required amount from their reserves would eliminate their ability to gain interest income, income that is important to a non-profit organization. Thus, realizing these constraints, the City will assist by providing interest free cash flow assistance to an upset limit of \$250,000 for the purpose of this request.

The terms of this assistance will be set out within an agreement between the City and FAILA and FAILA (2007). The organizations will pay invoices related to the study phase of the grant program and when cash flow is required, notification to the City will occur as set out in the agreement. Payments will be lump sum to a maximum of \$250,000. Recovery and repayment details will be set out in the agreement. It is anticipated that repayments and recoveries will happen by summer of 2025.

If the results of the study phase support FAILA and FAILA (2007) to apply to FCM's subsequent capital retrofit phase of the program, staff anticipate an additional cash flow request may be made at that time, given the similar process set for the program.

The City has provided interest free cash flow assistance in the past to A Place Called Home which supported the construction of the new shelter. The cash flow assistance bridged the gap between payment obligations to the contractor and grant funding payments received. As per the set loan agreement with the City, APCH repaid the cash flow assistance in-full once the grant funding was received.

**Other Alternatives Considered:**

Not applicable.

**Alignment to Strategic Priorities**

This report aligns with the Strategic Priority of the following:

1. Healthy Environment – support environmental sustainability and resilience in our community.
2. An Exceptional Quality of Life – Improve the health and well-being of residents.
3. Good Government – Provide accountable government and responsible management of resources.

**Financial/Operation Impacts:**

Total combined cash flow assistance of up to \$250,000 for the two organizations to be recovered 100% through contractual agreement.

**Consultations:**

Treasurer

**Department Head email: [cfaber@kawarthalakes.ca](mailto:cfaber@kawarthalakes.ca)**

**Department Head: Cheryl Faber, Director of Human Services**