



## Committee of the Whole Report

---

<b>Report Number:</b>	HS2024-02
<b>Meeting Date:</b>	April 9, 2024
<b>Title:</b>	<b>Neighbourhood Housing in Lindsay Request to Amalgamate</b>
<b>Description:</b>	Neighbourhood Housing in Lindsay Service Manager Consent Request to Support Amalgamation
<b>Author and Title:</b>	Michelle Corley, Human Services Manager, Housing

---

### Recommendation(s):

**That** Report HS2024-02, **Neighbourhood Housing in Lindsay Request to Amalgamate**, be received;

**That** Council, in its capacity as Service Manager under the *Housing Services Act, 2011* and pursuant to Council Policy CP2021-024 – Housing Service Manager Delegated Authority, delegate to the Human Services Manager, Housing, the authority to provide consent pursuant to section 166(5) of the *Housing Services Act, 2011* for housing projects designated under the *Housing Services Act* to support an amalgamation of a designated housing project;

**That** the Human Services Manager, Housing, provides written consent to Neighbourhood Housing in Lindsay to permit the requested amalgamation, subject to the amalgamating corporations providing all legal documentation evidencing the terms upon which the amalgamation is intended to proceed to the City, in form and content satisfactory to the Human Services Manager, Housing, and as advised by external legal counsel;

**That** the Mayor and Clerk be authorized to execute any new or revised documents and agreements, resulting from the requested amalgamation; and

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

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

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

**That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

## **Background:**

The *Housing Services Act, 2011* (the Housing Services Act or the “Act”) designates the City of Kawartha Lakes as Service Manager for community housing for the geographical areas of both the City of Kawartha Lakes and the County of Haliburton. Under the *Act*, the Service Manager is required to establish and administer local policies and procedures for community housing in the service manager region and is the authority responsible for providing specific consent decisions, including those set out below.

Service Managers have the authority to consent on behalf of the Minister of Municipal Affairs and Housing (MMAH) to matters relating to the transfer, mortgage, amalgamation or development of designated community housing properties. The City has a standard operating procedure which, in accordance with the *Act*, outlines the requirements for Housing Providers wishing to apply for written Service Manager Consent. After a Housing Provider submits a Service Manager consent request to Housing Services, Housing Services staff assess the request and submit a report detailing the nature of this request and proposed response to City Council for its review and approval.

The *Act* specifies which Housing Provider requests fall under the jurisdiction of the Service Manager and when ministerial consent must be obtained. In addition to the authority under the *Housing Services Act* to provide consents, Service Managers also have the authority to make several statutory decisions and exercise discretion under the *Housing Services Act* such as:

- (i) Pursuant to section 166 of the Housing Services Act, 2011, provide consent for requests to amalgamate.

Subsection 17(1) of the Act provides that Service Managers may delegate their powers or duties. More specifically, subsection 17 (1) of the Housing Services Act states: “Subject to the prescribed limitations, a service manager may, in writing, delegate all or some of its powers and duties under this Act with respect to all or part of its service area.” Through Council Policy CP2021-024, the City of Kawartha Lakes has delegated most community housing service manager responsibilities to the Human Services Manager, Housing, however, Standard Operating Procedure HP024-Ministerial Consent, explicitly notes that consent matters must be approved by City Council.

## **Rationale:**

Neighbourhood Housing in Lindsay ("NHIL" or the "Corporation") is a local non-profit community housing provider who owns and operates a designated housing project listed within the *Act*, consisting of a single building which includes eight walk-up apartments. The Corporation is a non-share capital corporation with charitable status, governed by a Board of Directors comprised of five members of the public. NHIL has a mandate to house individuals that are 'hard to house' and provides rent-geared-to-income (RGI) units to these households.

It is the desire for NHIL to restructure the organization, in order to achieve long-term sustainability. This would be done by amalgamating with two other local non-profit housing corporations, Kawartha Housing Services Inc. ("KHS") and Market Square Non-Profit Housing Corporation ("MSA"), all with similar mandates.

The primary impetus for restructuring is to:

- a) Address concerns around the long-term viability of NHIL as it nears the end of the funding model as established within the *Act*;
- b) Increase efficiency within all three of the organizations by reducing the administrative burden of managing three separate, but similar corporations;
- c) Support opportunities for future growth and expansion within the community.

The operations, governance and corporate structures of NHIL, KHS, and MSA are currently aligned and compatible. Each entity provides a similar service within the community. There is significant overlap among the board members of each entity. Operations for each corporation are managed by the same property manager and the corporations share the same financial auditor.

In addition to the relationship between the City and NHIL, the City also has a long-time working relationship with both KHS and MSA. Although these relationships are not established through the *Act*, the City has provided capital funding towards the development of KHS's 19-unit building located in Lindsay. MSA owns a six-unit apartment building in Bobcaygeon, and a seven-unit building in Lindsay. The City also maintains rent subsidy agreements for most of the units owned by KHS and MSA.

Staff have engaged external legal counsel to review the proposed amalgamation. The initial legal review suggests that the amalgamation is possible. It is however contingent upon:

- The three corporations agreeing to the terms of the amalgamation by entering into an agreement between them and the various lending institutions providing funding commitments to the amalgamating corporations;
- Agreeing to permit an amalgamation of the amalgamating corporations; and
- Agreeing to continue their existing mortgage or modified mortgages and security agreements with the new amalgamated organization or requiring the new organization to enter into a new or amended mortgage/security agreements.

In addition to providing Service Manager consent, staff would ensure that the terms of the amalgamation agreement, the ancillary documents and the terms of the lender consent to be consistent with the legal, programmatic and funding requirements of the Service Manager.

Staff will continue to closely work with legal counsel to ensure that all necessary legal, contractual and third-party consent obligations are provided as evidence ahead of the City providing its formal written consent.

### **Other Alternatives Considered:**

N/A

### **Alignment to Strategic Priorities**

This report aligns with the strategic priorities to build and improve an Exceptional Quality of Life and for the establishment of Good Government.

### **Financial/Operation Impacts:**

There are no financial impacts based on the City consenting to this amalgamation request. This consent matter does not impact the rent subsidy costs currently supported through the annual operating budget for the units owned and operated through these amalgamating organizations.

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

**Department Head: Cheryl Faber**