



Sault Ste. Marie Housing Corporation

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



AGENDA

Sault Ste. Marie Housing Corporation Meeting

Thursday, December 12, 2019 @ 4:30 PM

DSSMSAB Board Room, 390 Bay Street, Suite 405

1. CALL TO ORDER

2. APPROVAL OF AGENDA

Resolution #19-059

Moved By: M. Bruni

Seconded By: L. Dufour

- 2.1 “**BE IT RESOLVED THAT** the Agenda for the December 12, 2019 Sault Ste. Marie Housing Corporation Board meeting be approved as presented.”

3. DECLARATIONS OF PECUNIARY INTEREST

4. APPROVAL OF PREVIOUS MINUTES / ACCOUNTS

Resolution #19-060

Moved By: R. Niro

Seconded By: K. Lamming

- 4.1 “**BE IT RESOLVED THAT** the Minutes from the Sault Ste. Marie Housing Corporation Board meeting dated November 14, 2019 be adopted as recorded.”

5. MANAGER REPORTS

HOUSING SERVICES

Resolution #19-061

Moved By: D. Edgar

Seconded By: M. Bruni

- 5.1 **"BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the December 12, 2019 Community Safety Rule Update Report of the Director of Housing Services as information."

Resolution #19-062

Moved By: S. Hollingsworth

Seconded By: P. Christian

- 5.2 **"BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the December 12, 2019 Social Housing Waitlist Legislative Change report of the Director of Housing Services as information."

Resolution #19-063

Moved By: R. Niro

Seconded By: L. Dufour

- 5.3 **"BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the December 12, 2019 report of the Director of Housing Services and form what is known as a shelf or shell company, with the CAO appointed as Director, for the sole purpose of executing real estate transactions."

Resolution #19-064

Moved By: P. Christian

Seconded By: S. Hollingsworth

- 5.4 **"BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the December 12, 2019 Divestment of Properties report of the Director of Housing Services and accept funds provided from the Ontario Renovates Revolving Fund from the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) for costs associated with the purchase, including legal fees and demolition costs for the properties located at 45 and 47 Wellington Street West in Sault Ste. Marie;

AND FURTHER BE IT RESOLVED THAT SSMHC, in order to supply new affordable home ownership within the community, divest itself of the vacant properties located at 45 and 47 Wellington Street West in Sault Ste. Marie to Habitat for Humanity Sault Ste. Marie and Area (HFHSSMA) in the amount of \$1.00.”

6. OTHER BUSINESS / NEW BUSINESS

7. ADJOURNMENT

Resolution #19-065

Moved By: S. Hollingsworth

Seconded By: K. Lamming

7.1 “**BE IT RESOLVED THAT** we do now adjourn”

NEXT REGULAR BOARD MEETING

December 12, 2019 at 4:30 PM

390 Bay Street, Suite 405



Sault Ste. Marie Housing Corporation

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



MINUTES

Sault Ste. Marie Housing Corporation Meeting

Thursday, November 14, 2019 @ 4:30 PM

DSSMSSAB Board Room, 390 Bay Street, Suite 405

PRESENT:	J. Gawne R. Niro	K. Lamming L. DuFour	D. Edgar
STAFF:	M. Nadeau R. Rushworth A. Borrelli	D. Petersson A. Kohler L. Bruni	S. Ford C. Fairbrother
ABSENT:	S. Hollingsworth	M. Bruni	P. Christian

1. CALL TO ORDER J. Gawne, Vice Chair, at 5:26 PM

2. APPROVAL OF AGENDA

Resolution #19-055

Moved By: R. Niro

Seconded By: L. Dufour

2.1 **“BE IT RESOLVED THAT** the Agenda for the November 14, 2019 Sault Ste. Marie Housing Corporation Board meeting be approved as presented.”

CARRIED

3. DECLARATIONS OF PECUNIARY INTEREST
NONE

4. APPROVAL OF PREVIOUS MINUTES / ACCOUNTS

Resolution #19-056

Moved By: R. Niro

Seconded By: K. Lamming

- 4.1 **"BE IT RESOLVED THAT** the Minutes from the Sault Ste. Marie Housing Corporation Board meeting dated October 17, 2019 be adopted as recorded."
CARRIED

5. MANAGER REPORTS

CORPORATE SERVICES

Resolution #19-057

Moved By: D. Edgar

Seconded By: L. Dufour

- 5.1 **"BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the November 14, 2019 Line of Credit for Purchase of Surplus Generating Properties Report of the Director of Corporate Services and obtain a Demand Operating Facility (DOF) through TD Canada Trust for up to \$1,500,000 for the SSMHC to purchase rental properties and undertake related required improvements;

AND FURTHER BE IT RESOLVED THAT SSMHC obtain a Reducing Term Facility (RTF) through the TD Canada Trust in the amount of \$1,500,000 to provide long-term financing for properties acquired under a DOF."
CARRIED

6. OTHER BUSINESS / NEW BUSINESS

7. ADJOURNMENT

Resolution #19-058

Moved By: R. Niro

Seconded By: L. Dufour

- 7.1 “**BE IT RESOLVED THAT** we do now adjourn”
Meeting adjourned at 5:38 PM

NEXT REGULAR BOARD MEETING

December 12, 2019 at 4:30 PM
390 Bay Street, Suite 405



Social Services | Services Sociaux
Zhawenimi-Anokiitaagewin
Sault Ste. Marie District

SAULT STE. MARIE HOUSING CORPORATION BOARD REPORT



AUTHOR: Mark Ciotti, Manager of Housing Operations

DATE: December 12, 2019

RE: Community Safety Rule Update Report

RECOMMENDATION

This report is provided to Sault Ste. Marie Housing Corporation (SSMHC) for information purposes.

BACKGROUND INFORMATION

Previously a housing provider could, but only in very limited circumstances, refuse to offer a unit to a household. However, effective September 23, 2019, a housing provider may refuse to offer a unit to a household in the event that a household member was formerly evicted from a Housing Services Act governed property through an Order from the Landlord and Tenant Board based on an illegal act (commonly known as an N6).

SUMMARY/OVERVIEW

An N6 notice is a Landlord and Tenant Board form that is used by a housing provider to end a tenancy for an illegal act taking place in a housing unit or complex. After providing the N6 notice to the tenant, the housing provider applies to the Landlord and Tenant Board for an eviction order. If an eviction order is issued for an N6, serious illegal activity within the last 5 years, and the provider has reasonable grounds that the household will pose a safety concern to others in the complex, the housing provider will have the option to refuse to make the offer.

Illegal activity would include:

- Production, trafficking, or possession for the purpose of trafficking an illegal drug;
- Illegal production, distribution or sale of cannabis;
- Physical violence or attempted physical violence against another person

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- Physical harm, attempted physical harm, or a risk of physical harm to another person;
- Human trafficking or;
- Use of threats to intimidation of, and harassment of another person

STRATEGIC PLAN IMPACT

N/A

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

This rule provides a new tool for housing providers to address tenant and employee safety concerns, especially among vulnerable seniors and children, as housing providers may turn away tenants who have been evicted for serious crimes.

Respectfully submitted,

Approved by:



Jeff Barban
Director of Corporate Services

Mike Nadeau
Chief Administrative Officer

SAULT STE. MARIE HOUSING CORPORATION BOARD REPORT



AUTHOR: Jeff Barban

DATE: December 12, 2019

RE: Information Report on Legislative Changes Affecting Social Housing Waitlists

RECOMMENDATION

This report is provided to Sault Ste. Marie Housing Corporation (SSMHC) for information purposes.

BACKGROUND INFORMATION

Rules and regulations relating to the offering of a social housing unit to eligible applicants will be changing. Currently, the Housing Services Act (O.Reg. 367/11, s.39) allows Service Managers to create a local rule stating that a household is longer eligible for rent geared to income (RGI) assistance after a minimum of three (3) offers have been presented for a RGI unit. The DSSMSSAB adopted this local rule in 2011.

SUMMARY/OVERVIEW

The Ministry of Municipal Affairs and Housing has made amendments to the Housing Services Act (O. Reg. 367/11) effective January 1, 2020. The change revokes Section 39, “*Local rule – refusal of offers*” relating to the offering of rent geared to income units. Following the change, applicants will no longer be eligible for rent geared to income assistance after refusing (1) offer for a rent geared to income unit from a Service Manager. This will replace the previous local rule which allowed applicants to refuse (3) offers. The Director of Housing Services will have the authority and discretion to amend this policy on a case-by-case basis.

STRATEGIC PLAN IMPACT

The legislative changes will affect the Service Delivery pillar of the strategic plan. The change in refusals from three (3) to one (1) will have an immediate impact for Applicants awaiting a rent geared to income subsidy by reducing the time it takes to move in a new tenant.

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FINANCIAL IMPLICATIONS

There are no financial obligations to this change; however, there may be a trend of lower claimed rental loss due to vacant units turned over within a shorter timeframe.

CONCLUSION

Changes made to the Housing Services Act are predicted to have a positive and immediate impact, resulting in less administrative burden, a quicker vacancy turnaround time and the ability to provide the neediest with housing. All of these changes should assist in improving the overall social housing system.

Respectfully submitted,



Jeff Barban
Director Housing Services

Approved by:



Mike Nadeau
Chief Administrative Officer



SAULT STE. MARIE HOUSING CORPORATION BOARD REPORT



AUTHOR: Jeff Barban

DATE: December 12, 2019

RE: Formation of a Shelf / Shell Company

RECOMMENDATION

It is recommended that the Sault Ste. Marie Housing Corporation (SSMHC) form what is known as a shelf or shell company, with the CAO appointed as Director, for the sole purpose of executing real estate transactions.

BACKGROUND INFORMATION

Currently, the Sault Ste. Marie Housing Corporation is listed as the buyer on all real estate offers. Having the name of the corporation listed as a buyer can result in the seller taking a firm stance on their asking price with the presumption that the SSMHC has a large amount of funds to purchase their asset.

Forming a shell corporation would allow the SSMHC to act as a company which serves as a vehicle for business transactions, such as managing assets, without revealing the true identity of the owners. The shell corporation would not have any significant assets or operations, as all sale all assets would be transferred into the SSMHC name at time of sale closure.

SUMMARY/OVERVIEW

Housing Services liaised with the corporate lawyer for the District of Sault Ste. Marie Social Services Administration Board for recommendations on a solution to perform real estate transactions without revealing the detail that SSMHC is the intended purchaser.

Steven Shoemaker of Wishart Law Firm has recommended the SSMHC, with the CAO as the shareholder / director / officer, incorporate a new, separate shelf / shell corporation. This corporation will have zero annual returns as it will only be representing itself as a buyer on Agreements of Purchase and Sale, but will transfer to SSMHC at the time of a transaction closing.

The following example is the language proposed for use in future agreements as a shell / shelf company:

AGREEMENT OF PURCHASE AND SALE FOR USE IN THE PROVINCE OF ONTARIO

PURCHASER, 123 NUMBERED COMPANY., agrees to purchase from **VENDOR**, _____ the following land:

PROPERTY: Civic address _____ being all of PIN _____ (“Property”)

PURCHASE PRICE AND DEPOSIT: _____ with a refundable deposit of ONE THOUSAND (CDN \$1,000.00) by certified funds to the Wishart Law Firm LLP within three (3) days of acceptance by the Vendor and to be held by the Wishart Law Firm LLP pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. The deposit shall be placed in trust and no interest shall be earned, received or paid on the deposit. The Purchaser agrees to pay the Purchase Price, subject to adjustments, in cash or by certified cheque, to the Vendor on the Completion Date of this transaction, subject to the following conditions:

CONDITIONS:

- A. **ASSIGNMENT RIGHT OF THE PURCHASER** = At any time prior to the Completion Date, to assign the within Offer to any person, person or corporation either existing or to be incorporated and upon delivery to the Vendor of notice of such an assignment, together with the assignee(s) covenant in favour of the Vendor to be bound hereby as the Purchaser, the assignee(s) shall be jointly and severally liable to observe and comply with the provisions of this Agreement.

STRATEGIC PLAN IMPACT

The recommendation falls under the pillar of Organizational Excellence for innovation to fearlessly identify and embrace new ideas and solutions to work.

FINANCIAL IMPLICATIONS

The formation of a shell / shelf corporation typically costs \$2,000 to incorporate. Wishart Law Firm has agreed to reduce that total cost to \$1,000 for SSMHC, which can be funded through 2019 SSMHC operating budget.

CONCLUSION

The proposed formation of a shelf / shell company will assist Housing Services in its endeavor to purchase apartment buildings for profit and homes for the Affordable Home Ownership program.

RE: Formation of a Shelf / Shell Company

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The formation of a shelf / shell company will allow the SSMHC to make fair market value real estate purchases and remove the concern that seller(s) may take a hard line on negotiations because they believe that SSMHC has substantial buying power.

Respectfully submitted,

Approved by:



Jeff Barban
Director Housing Services



Mike Nadeau
Chief Administrative Officer



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Sault Ste. Marie District

SAULT STE. MARIE HOUSING CORPORATION
BOARD REPORT



AUTHOR: Jeff Barban

DATE: December 12, 2019

RE: Divestment of Properties to Habitat for Humanity for Expanding Affordable Home Ownership

RECOMMENDATION

It is recommended that the Sault Ste. Marie Housing Corporation accept the required funds provided from the Ontario Renovates Revolving Fund from the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) to be utilized for costs associated with the purchase, including legal fees and demolition costs for the properties located at 45 and 47 Wellington Street West in Sault Ste. Marie.

It is further recommended to divest the vacant properties located at 45 and 47 Wellington Street West in Sault Ste. Marie to Habitat for Humanity Sault Ste. Marie and Area (HFHSSMA) in the amount of \$1.00 for the purpose of supplying, new, affordable home ownership in the community.

BACKGROUND INFORMATION

SSMHC has been working with HFHSSMA on this project. By transferring the above mentioned properties, it will contribute to the DSSMSSAB's 10 year Housing and Homelessness Plan objectives:

- Objective 1.1 *Expand access to Affordable housing in the service area.*
- Objective 1.1.7 *Explore opportunities to partner with non-profit organizations to build additional affordable ownership housing for low and moderate income families.*

SUMMARY/OVERVIEW

The SSMHC and the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) cannot end homelessness alone. By taking the opportunity to collaborate with HFHSSMA we are taking a step to expand affordable housing for families within the District at an increased rate. Housing Services is recommending the SSMHC divest the above-mentioned properties to HFHSSMA for the purposes of providing home ownership

RE: Divestment of Properties to Habitat for Humanity for Expanding Affordable Home Ownership

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opportunities for families and individuals in need of decent, affordable housing with a minimal investment.

Both HFHSSMA and Housing Services believe that every parent, person and child require decent shelter to thrive. Families who partner with HFHSSMA are selected at a local level and come from a variety of backgrounds and contribute to building and improving places to call home.

STRATEGIC PLAN IMPACT

The strategic plan is impacted by this initiative within the pillars of Organizational Excellence; Innovation and Community Partnerships; Shared Outcome Planning.

FINANCIAL IMPLICATIONS

There are no net financial implications to the SSMHC. The costs incurred for the purchase and demolition of the two houses located on 45 and 47 Wellington St. W. will be offset from funds provided from the DSSMSSAB through the Ontario Renovates Revolving fund.

CONCLUSION

Families in need of affordable housing live everywhere in our community. Housing need presents itself wherever people live and work, and it takes many forms and has far-reaching effects.

The SSMHC cannot work alone to meet the goals of the DSSMSSAB's 10 year Housing and Homelessness plan. By collaborating and providing vacant properties to HFHSSMA we will help to increase the number of affordable homes available in the District. This partnership will help to reduce the burden on many of our social services by providing safe and affordable housing to families.

Respectfully submitted,

Approved by:



Jeff Barban
Director Housing Services

Mike Nadeau
Chief Administrative Officer