



Social Services

District of Sault Ste. Marie Social Services
Administration Board
Conseil d'Administration des Services du District Sault Ste. Marie
Zhawenimi-Anokiitaagewin



ADDENDUM AGENDA

DSSMSSAB REGULAR BOARD MEETING

Thursday, June 17 2021 at 4:30 PM

Zoom Video Conference

Resolution #21-058

Moved By: M. Bruni

Seconded By: J. Gawne

- 6.5 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board accept the June 17 2021 Neech Ke When Homes Operating Surplus report of the Director of Housing Services;

AND FURTHER BE IT RESOLVED THAT Neech Ke When homes retain \$200,663.50 (50% of the surplus subsidy) for the fiscal years ending December 31, 2017, December 31, 2018 and December 31, 2019.”

Resolution #21-059

Moved By: C. Gardi

Seconded By: D. Edgar

- 6.6 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board now enter into closed session for labour management.”

Resolution #21-060

Moved By: K. Lamming

Seconded By: M. Scott

- 6.7 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board now returns to open session.”



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BOARD REPORT

AUTHOR: Jeff Barban

DATE: June 17, 2021

RE: Neech-Ke-Wehn Homes – Operating Surplus

RECOMMENDATION

It is recommended that the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) approve Neech-Ke-Wehn Homes to retain \$200,663.50 (50% of the surplus subsidy) for the fiscal years ending December 31, 2017, December 31, 2018 and December 31, 2019.

BACKGROUND INFORMATION

Neech-Ke-Wehn Homes is a federally funded Urban Indigenous Housing Provider with 127 units renting to Indigenous people and families. Since inception, their operating agreement required an annual contribution of \$74,005 to fund their Capital Replacement Reserves. The Federal program does not provide increased contributions and as a result the \$74,005 has never changed leaving the provider's Reserve Fund of \$482,387 underfunded as of December 31, 2019.

Municipal Housing Providers are funded with annual increases each year to allow for inflation. The DSSMSSAB allows municipal providers to retain 50% of their annual operating surplus while Neech-Ke-Wehn Homes is not. In past years, the DSSMSSAB has approved similar requests to retain a portion of their surplus provided it was transferred to Reserves.

SUMMARY/OVERVIEW

Neech-Ke-When Homes continues to struggle financially as a result of their capital reserve shortfall. Replacement reserve fund expenditures for 2017, 2018 and 2019 were \$352,645 greater than contribution, and the over shortfall as of December 31, 2019 is \$482,387. Neech-Ke-Wehn homes has divested properties in order to fund operations, which creates a net negative effect on the local supply of affordable housing within the community. Eight (8) homes were sold in 2019 and 2020 resulting in net proceeds of \$549,812.

On May 31, 2021, Neech-Ke-When Homes merged with the Ontario Aboriginal Housing Services (OAHS) in an attempt to stabilize their financial position. The DSSMSSAB was required to formally approve this merger by way of resolution. OAHS has a significant housing portfolio spanning across Ontario and is well suited to operate the former Neech-Ke-When Homes properties. Retaining 50% of the 2017, 2018 & 2019 operating surplus is necessary to ensure continued operations of these units.

STRATEGIC PLAN IMPACT

This falls under our pillar to strengthen partnerships that enhance community wellbeing.

FINANCIAL IMPLICATIONS

Attached is a report outlining Ministry funding received from 2016 to 2019. If Neech-Ke-When Homes is permitted to retain 50% of their funding surplus, \$200,663.50, the net effect would be that the DSSMSSAB, as of the end of 2019, will have provided \$332,306 above Ministry funding since 2003.

CONCLUSION

Neech Ke Wehn Homes Inc. continues to provide an essential affordable housing option for the urban indigenous population and the community at large. It is critical that they continue to provide essential, affordable housing within the community.

Respectfully submitted,

Approved by:



Jeff Barban
Director Housing Services

Mike Nadeau
Chief Executive Officer

Neech-Ke-Wehn Homes Financial Analysis

<u>Fiscal Year</u>	<u>Federal Funding</u>	<u>Total Funding from DSSMSSAB at Budget</u>	<u>Neech Budget less Federal Funding (C - B)</u>	<u>Neech to retain 50% above Federal Funding</u>	<u>Total DSSMSSAB Transfer for Year</u>	<u>Annual NET DSSMSSAB Contribution Above Federal Funding</u>	<u>Notes:</u>
						\$ 131,642.50	Balance as of December 31, 2016
2017	\$ 990,041.00	\$ 1,156,195.00	\$ 166,154.00	\$ 83,077.00	\$ 1,073,118.00	\$ 83,077.00	Neech allowed to retain 50% of funds over Federal Funding
2018	\$ 935,840.00	\$ 1,096,198.00	\$ 160,358.00	\$ 80,179.00	\$ 1,016,019.00	\$ 80,179.00	Neech allowed to retain 50% of funds over Federal Funding
2019	\$ 837,354.00	\$ 912,169.00	\$ 74,815.00	\$ 37,407.50	\$ 874,761.50	\$ 37,407.50	Neech allowed to retain 50% of funds over Federal Funding
Totals	\$ 2,763,235.00	\$ 3,164,562.00	\$ 401,327.00	\$ 200,663.50	\$ 2,963,898.50	\$ 332,306.00	DSSMSSAB will have provided \$332,306 more than received in Federal funding since 2003