



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



REGULAR AGENDA

Sault Ste. Marie Housing Corporation

Thursday, February 16, 2023 @ 4:30 PM

390 Bay Street, Suite 405

1. CALL TO ORDER

2. APPROVAL OF AGENDA

Resolution #23-009

Moved By: A. Caputo

Seconded By: S. Spina

- 2.1 “**BE IT RESOLVED THAT** the Agenda for the February 16, 2023 Sault Ste. Marie Housing Corporation Board meeting be approved as presented.”

3. DECLARATIONS OF PECUNIARY INTEREST

4. APPROVAL OF PREVIOUS MINUTES / ACCOUNTS

Resolution #23-010

Moved By: M. Bruni

Seconded By: E. Palumbo

- 4.1 “**BE IT RESOLVED THAT** the Minutes from the Sault Ste. Marie Housing Corporation Board (SSMHC) meeting dated January 19, 2023 be adopted as recorded.”

5. MANAGERS REPORTS

HOUSING SERVICES

Resolution #23-011

Moved By: J. Hupponen

Seconded By: S. Hopkin

- 5.1 “**BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the February 16, 2023 Proposed Affordable Housing Rent Increases Report of the Integrated Programs Manager and increase affordable rent levels to coincide with the 2023 Ontario Market Rent Increase Guidelines of 2.5%.”

Resolution #23-012

Moved By: M. Bruni

Seconded By: L. Vezeau-Allen

- 5.2 “**BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the February 16, 2023 Proposed Market Rent Increase Report of the Integrated Programs Manager and increase rents as detailed in the report.”

CORPORATE SERVICES

Resolution #23-013

Moved By: S. Hopkin

Seconded By: A. Caputo

- 5.3 “**BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the February 16, 2023 SSMHC 2023 Operating budget report of the Director of Corporate Services and approve the 2023 Operating Budget as presented.”

Resolution #23-014

Moved By: J. Hupponen

Seconded By: S. Hopkin

- 5.4 “**BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) now enter into closed session for the acquisition of property.”

Resolution #23-015

Moved By: E. Palumbo

Seconded By: M. Bruni

5.5 “**BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) now return to open session.”

6. NEW BUSINESS

7. ADJOURNMENT

Resolution #23-016

Moved By: L. Vezeau-Allen

Seconded By: M. Bruni

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

NEXT REGULAR BOARD MEETING

Thursday, March 16, 2023 at 4:30 PM



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

Thursday, January 19, 2023 @ 4:30 PM

390 Bay Street, Suite 405

PRESENT:	L. Dufour S. Spina J. Hupponen	M. Bruni A. Caputo S. Hopkin	L. Vezeau-Allen E. Palumbo
STAFF:	M. Nadeau K. Kirkham J. Pearson	S. Ford L. Bruni T. Ritter	D. Petersson C. Fairbrother A. Kohler
GUESTS:	S. Zuppa, SSMIC		

- 1. CALL TO ORDER** by CEO, M. Nadeau at 4:30 PM
- 2. Election of Executive** - Election to be conducted by the Chief Executive Officer.
 - Chairperson
 - Vice-Chair
 - Secretary
 - Treasurer

REFERENCE (2022 Executive)

Chair –J. Gawne; Vice Chair –D. Hilsinger; Secretary-L. Dufour; Treasurer- D. Edgar

Resolution #23-001

Moved By: S. Hopkin
Seconded By: M. Bruni

- 2.1 **“BE IT RESOLVED THAT** the slate of officers in the positions of Chair, Vice Chair, Secretary, and Treasurer for the 2023 Sault Ste. Marie Housing Corporation executive positions be accepted as elected

Chairperson - Luke Dufour – ACCLAIMED
Vice-Chair - Stephanie Hopkin - ACCLAIMED
Secretary - Angela Caputo - ACCLAIMED
Treasurer - Lisa Vezeau Allen - ACCLAIMED”
CARRIED

L. Dufour assumed the chair as of 4:34 PM

3. APPROVAL OF AGENDA

Resolution #23-002

Moved By: J. Hupponen
Seconded By: L. Dufour

- 3.1 **“BE IT RESOLVED THAT** the Agenda for the January 19, 2023 Sault Ste. Marie Housing Corporation Board meeting be approved as presented.”
CARRIED

**4. DECLARATIONS OF PECUNIARY INTEREST
NONE**

5. APPROVAL OF PREVIOUS MINUTES / ACCOUNTS

Resolution #23-003

Moved By: M. Bruni
Seconded By: L. Vezeau-Allen

- 5.1 **“BE IT RESOLVED THAT** the Minutes from the Sault Ste. Marie Housing Corporation Board (SSMHC) meetings dated July 21, 2022, November 16, 2022 and December 15, 2022 be adopted as recorded.”
CARRIED

6. MANAGERS REPORTS

Resolution #23-004

Moved By: E. Palumbo

Seconded By: A. Caputo

- 6.1 **“BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the January 19, 2023 Community Resource Centre Renovations Report of the Director of Community Housing and Development as information.”

CARRIED

Resolution #23-005

Moved By: L. Dufour

Seconded By: S. Spina

- 6.2 **“BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) accept the January 19, 2023 Proposed Rent Geared to Income Market Rent Increases report of the Integrated Programs Manager and increase its Rent–Geared–to–Income market rent levels to coincide with the current maximum income levels as detailed in the report .”

CARRIED

Resolution #23-006

Moved By: J. Hupponen

Seconded By: S. Hopkin

- 6.3 **“BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) now enter into closed session for legal matters.”

CARRIED

Entered into closed session at 4:50 PM

Resolution #23-007

Moved By: S. Spina

Seconded By: L. Vezeau-Allen

- 6.4 **“BE IT RESOLVED THAT** the Sault Ste. Marie Housing Corporation (SSMHC) now return to open session.”

CARRIED

Returned to open session at 6:21 PM

7. NEW BUSINESS

7.1 Procurement Committee

L. Dufour reviewed the Terms of Reference of the procurement committee

The 2023 SSMHC procurement committee will consist of L. Dufour, S. Hopkin, L. Vezeau-Allen and S. Spina

8. ADJOURNMENT

Resolution #23-008

Moved By: S. Spina

Seconded By: M. Bruni

8.1 "BE IT RESOLVED THAT we do now adjourn"

CARRIED

Meeting adjourned at 6:24 PM

NEXT REGULAR BOARD MEETING

Thursday, February 16, 2023 at 4:30 PM



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

SAULT STE. MARIE HOUSING CORPORATION

BOARD REPORT



AUTHOR: Joanne Pearson

DATE: February 16, 2023

RE: Proposed Affordable Housing Rent Increases

RECOMMENDATION

Community Housing staff recommends the Sault Ste. Marie Housing Corporation (SSMHC) increase its Affordable rent levels to coincide with the 2023 Ontario Market Rent Increase Guidelines of 2.5%.

BACKGROUND INFORMATION

In July 2022, the Ministry of Housing released the 2023 Annual Rent Increase guidelines based on the Ontario Consumer Price Index (CPI). The guideline on rent increases for 2023 in Ontario is 2.5 per cent. The CPI is a measure of inflation calculated monthly by Statistics Canada using data that reflects economic conditions over the past year.

SUMMARY/OVERVIEW

Affordable housing units were developed to follow the annual rent increase guideline on an annual basis in order to remain in line with inflationary pressures and cover operating costs. This process that we undertake as a landlord would be performed on an annual basis dependent on the announced annual increase from the Ministry, and will coincide with the tenant's annual tenancy renewal.

The following table outlines the increases in the monthly rent for the various affordable bedroom sizes:

UNIT SIZE	PROPERTY	PRESENT MARKET RENT	PROPOSED MARKET RENT	DIFFERENCE
One (1) Bedroom	90 Chapple Ave. and 668/672 Second Ln W	\$ 757.98	\$ 776.93	+\$ 18.95
Two (2) Bedroom	90 Chapple Ave.	\$ 841.98	\$ 863.03	+\$ 21.05
One (1) Bedroom	137 East Street	\$ 748.00	\$ 766.70	+\$ 18.70
Two (2) Bedroom	137 East Street	\$ 840.00	\$ 861.00	+\$ 21.00

A letter will be delivered to all SSMHC tenants with a 90 days' notice explaining the increase and how this may affect their tenancy.

STRATEGIC PLAN IMPACT

The RGI rent increases impacts the strategic area of Service Excellence

FINANCIAL IMPLICATIONS

This will provide increased revenue for the SMMHC as a result of this increase. The projected revenue will increase \$8,958 in 2022 - 2023. This increase will help offset increased expenses as a result of inflation.

CONCLUSION

Affordable housing units are an important mix within our Social Housing portfolio offering rents to individual households who do not qualify for Rent-Geared-to-Income but struggle to make ends meet at market rent levels. However, it is important that annual rent increases are implemented to produce the increased revenue necessary to address increased expenses and ensure the viability of these buildings.

Respectfully submitted,

Approved by:



Joanne Pearson
Integrated Programs Manager

Mike Nadeau
Chief Executive Officer



**SAULT STE. MARIE HOUSING
CORPORATION**

BOARD REPORT



AUTHOR: Joanne Pearson

DATE: February 16, 2023

RE: RE: Proposed Market Rent Increase – 49 St Marys' Drive, 39 Chapple, 159 Gibbs

RECOMMENDATION

Community Housing staff recommends the Sault Ste. Marie Housing Corporation (SSMHC) increase its market rent for 49 St Marys' River Drive, 39 Chapple and 159 Gibbs for all future tenancies.

BACKGROUND INFORMATION

SSMHC purchased 49 St Mary's River Drive in December 2020. The building is comprised of 101 – 1 Bedroom units and 1 – 2 Bedroom unit. At the time of purchase, the previous owner was renting units at a market rent of \$759. Since our purchase, market rents were increased to \$825, and in the fall of 2022 to \$850. This increase was a result of current market rent conditions in Sault Ste. Marie.

SSMHC purchased 39 Chapple Avenue in May 2020. The building is comprised of 1 bachelor unit, 5 – 1 bedroom units, 4 – 2 bedroom units, and 2 – 3 bedroom units. At the time of purchase, market rent for the bachelor unit averaged \$717.50, 1 bedroom averaged \$878.12, 2 bedroom averaged \$950.03 and 3 bedroom averaged \$1,075.74.

SSMHC purchased 159 Gibbs Street in April 2020. The building is comprised of 2 – 1 bedroom units and 6 – 2 bedroom units. At the time of purchase, market rent for 1 bedroom averaged \$777.45 while the 2 bedroom averaged \$947.94.

*As a result of COVID, there was a provincial rent freeze for all rental units in 2021.

SUMMARY/OVERVIEW

In November 2022, we conducted a market rent analysis to determine the average market rents for 1, 2 and 3 bedroom rental units. The following table outlines the findings in our survey for the various bedroom sizes:

Unit Size	# of Units in Survey	Average Market Rent
One (1) Bedroom	525	\$ 1,122.26
Two (2) Bedroom	446	\$ 1,440.36
Three (3) Bedroom	13	\$ 1,567.70

The average rents in Sault Ste. Marie far exceed our current market rent at all three buildings and as such, an increase is being proposed with an overall goal to increase revenue.

The proposed market rent increases outlined in the charts below, will only apply to new tenants moving into each building from this point forward.

All current tenants will have the annual provincial rent increase of 2.5%.

49 St. Mary's River Drive

Unit Type	Average Tenant Rent	Average Market Rent	Difference	Proposed Increase	Difference
1bd	788.37	1,122.26	333.89	950.00	161.63
2bd	893.11	1,440.36	547.25	1,050.00	156.89

159 Gibbs Street

Unit Type	Average Tenant Rent	Average Market Rent	Difference	Proposed Increase	Difference
1bd	777.45	1,122.26	344.81	1,095.00	317.55
2bd	947.94	1,440.36	492.42	1,195.00	247.06

39 Chapple Avenue

Unit Type	Average Tenant Rent	Average Market Rent	Difference	Proposed Increase	Difference
1bd	878.12	1,122.26	244.14	1,095.00	216.88
2bd	950.03	1,440.36	490.33	1,195.00	244.97
3bd	1,075.74	1,567.70	491.96	1,255.62	179.88

STRATEGIC PLAN IMPACT

The rent increases impacts the strategic area of Service Excellence

FINANCIAL IMPLICATIONS

The proposed increase in market rent for all three buildings will increase revenue for the SSMHC as a result of higher rents. Projected revenue will increase, but is difficult to quantify at this point since the increase will only be applied for new move ins. This increase will help offset increased expenses the SSMHC incurs as a result of inflation and increased operating costs. We believe the proposed market rent increases are a reasonable rent that will continue to allow for minimal turnover, little vacancy loss while achieving higher revenue and also provide quality housing to full market tenants at a below average cost. Increasing rents higher may result in increased costs due to additional move outs, higher arrears costs, and higher vacancy loss.

CONCLUSION

The Market Rent units owned by SSMHC must continually be evaluated to maximize our return on investment and do community good. It is important that annual rent increases are implemented to produce the increased revenue necessary to address increased expenses and ensure the viability of these buildings.

Respectfully submitted,

Approved by:



Joanne Pearson
Integrated Programs Manager



Mike Nadeau
Chief Executive Officer



SAULT STE. MARIE HOUSING CORPORATION

BOARD REPORT



AUTHOR: David Petersson

DATE: February 16, 2023

RE: 2023 SSMHC Operating Budget

RECOMMENDATION

That the Sault Ste. Marie Housing Corporation (SSMHC) approve the 2023 Operating Budget as presented.

BACKGROUND INFORMATION

The 2023 budget takes into account many of the recent property acquisitions including both market rent and subsidized. Additionally, there was a reduction of \$305,710 of DSSAB municipal levy in 2022 from 2021, which we were not able to realize to significant operational costs (inflation, construction and repair increases, unit repair and significant delays in Landlord and Tenant Board tribunal hearings, etc).

SUMMARY/OVERVIEW

Cost pressures realized in 2022 have been included with further allowance for increase costs/rates associated with goods and services, construction related costs, additional and added security requirements, and insurance industry rate increases.

The DSSAB Operating Subsidy reflects a \$795K increase over 2022.

STRATEGIC PLAN IMPACT

The 2023 budget will continue to support the DSSMSAB's strategic plan going forward. That being sustained **Service Delivery**, **Organizational Structure**, while strengthening strategic **Community Partnerships**.

FINANCIAL IMPLICATIONS

DSSMSAB will fund (via a direct transfer) the amount of \$3,005,823 to support the 2023 operating and capital budget.

Page 2

DATE: February 16, 2023

CONCLUSION

New properties acquired in recent years (both market and subsidized) will ensure the SSMHC has the financial ability to support, not only the day-to-day requirements of the Housing Operations but also the capital needs.

Respectfully submitted,

Approved by:



Dave Petersson
Director of Corporate Services

Mike Nadeau
Chief Executive Officer

2023 SAULT STE. MARIE HOUSING CORPORATION BUDGET

1. PURPOSE

The Sault Ste. Marie Housing Corporation (SSMHC) 2023 proposed budget has been prepared to provide the Board, and Management with a financial framework for decision making. It is an estimation of revenue and expenditures based on known information at the time.

2. FINANCIAL PRESSURES & OTHER FACTORS

Factors affecting the 2023 budget include:

- a.* Inflationary increases to most goods and services, construction related costs, security services, insurance, excessive unit damages
- b.* Housing, Homelessness Mental Health & Addiction crisis in community.
- c.* Liability Insurance – insurance industry trends.

3. SSMHC BUDGET

Sault Ste. Marie Housing Corporation	2021	2022	2023
Capital Costs	1,326,000	1,358,000	1,390,728
Materials and Services (see detail)	2,616,625	2,492,866	3,428,182
Utilities	1,453,000	1,920,000	2,050,000
Municipal Property Taxes	1,310,181	1,290,000	1,616,830
Corporate Costs	292,300	354,370	470,500
KBK Program	18,000	18,000	-
Subtotal - Operating Costs	5,690,106	6,075,236	7,565,512
Total Budget	7,016,106	7,433,236	8,956,240
Rent	4,393,056	5,118,656	5,617,400
Tenant Recoveries	60,500	78,500	178,800
Interest & Other revenue	94,000	132,240	255,217
Bad Debt recoveries (writeoff)	(46,250)	(106,250)	(101,000)
Total Revenue	4,501,306	5,223,146	5,950,417

DSSMSSAB Subsidy	2,514,800	2,210,090	3,005,823
\$ change		(304,710)	795,733
% Change		-12.12%	36.00%

- 2022 budget had reflected a potential savings. However, with costs escalating with goods and services, construction related costs, added security requirements those savings were not realized. Planning for 2023 reflected not only that impact but also projecting costs continuing to climb.
- Three (3) Market Rent Properties – 39 Chapple, 49 St. Mary’s, and 159 Gibb earned a net operating surplus of \$91,520 in 2022 and this was reflected in the 2023 budget projections and did help to offset some of these expense pressures.
- KBK historically has been budgeted for and paid through the SSMHC. Going forward those costs have been moved to under the Early Years Division.

Materials and Services Breakdown

<u>Materials and Services</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Moveout Operating	553,852	617,200	588,512
Building Maintenance	374,959	460,500	623,981
Plumbing	123,250	124,000	156,252
Electrical	110,461	100,500	99,714
Painting	13,408	17,000	19,532
Heating	109,327	144,000	131,581
Elevator	31,302	45,500	46,259
Life Safety Systems	73,538	78,900	113,077
Waste Removal	109,327	116,000	128,497
Building Equipment	60,645	68,750	71,958
Building Internet & Phone	39,193	37,000	42,969
Building Supplies	22,794	26,000	34,951
Grounds	38,161	14,700	16,448
Grass Cutting	40,327	38,000	50,371
Vehicle	20,112	17,800	18,504
Snow Plough and Removal	242,375	160,000	215,875
Building Security	13,408	61,000	71,958
Duct Work Cleaning	280,439	-	-
Vending Services	4,641	8,500	8,224
Tribunal Costs	13,408	11,000	12,336
Community Centres	275,689	13,200	3,598
Miscellaneous	-	800	114,068
Operating Systems	66,009	80,000	77,098
Mortgage	-	252,516	782,419
	<u>2,616,625</u>	<u>2,492,866</u>	<u>3,428,182</u>

Note 1: Miscellaneous – 2023 increase reflects the following changes:

- *Capital Reserve Contribution \$71,609 for 49 St. Mary's, 136 Pilgrim, 46 Wellington E*
- *Parking fees of \$33,459 for 49 St. Mary's and Paul Mall*
- *Collection fees of \$9,000. Presentation change in 2023 as previously netted against Revenue*

Note 2: Mortgage – first year was 2022 for the 3 Market Rents + 2LW. 2023 added on mortgage payments related to New Office and Community Services Building

SSMHC - Capital

	<u>CPI*</u>	<u>Change</u>	<u>Capital Budget</u>
2018	n/a		1,300,000
2019	n/a	-	1,300,000
2020	n/a	-	1,300,000
2021	2.00%	26,000	1,326,000
2022	2.41%	32,000	1,358,000
2023	2.41%	32,728	1,390,728

*Source: Statistics Canada



