



Report To:	DSB Property Committee
From:	Connie Morphet, Director of Finance Patrick Wittmann, Supervisor of Infrastructure and Asset Management
Date:	April 26, 2017
Re:	Social Housing Portfolio Review - Issue Report

Purpose

To inform the Board of a plan to assess and review the Manitoulin-Sudbury DSB Social Housing Portfolio. This report is intended to provide for an informed discussion with the Property Committee and the Board about the long term Social Housing Portfolio Planning for properties owned by the DSB.

Background

Social housing properties were downloaded to the Manitoulin-Sudbury DSB 2000. The 10-year Housing and Homelessness Plan was created in 2014 and has been updated annually since then to provide direction for housing needs as well as many other aspects of the DSB priorities. Operating costs for Social Housing buildings continue to rise due to many factors including sustainability, utilities and aging infrastructure. Due to these concerns and the changing demand for social housing units, it is important to review the portfolio including affordable housing supply and demand throughout the DSB jurisdiction.

Financial assessment

The financial viability of Social Housing buildings is one of the critical factors to consider when assessing sustainability of a portfolio. The End of Operating Agreements continues to result in funding reductions as more buildings reach the end of their encumbrance. There has been a committed increase in flexibility surrounding the rental rate mixture in these buildings enabling Social Housing providers the freedom to develop strategies that better suit both the communities and the financial viability of the buildings. A Building Condition Assessment (BCA) was completed for each Social Housing building in 2010. A BCA is a snap shot in time of the condition of various building elements but is not an exhaustive survey and analysis. It provides the financial requirement for the reserve fund, estimated costs (in present value dollars) for capital and maintenance to repair or replace building elements and the year that the repair or replacement is likely to occur. A revision of the BCA's using asset planner software is currently underway as repair and maintenance costs have changed since 2010. The capital and maintenance future needs

are based on the 2010 BCA's. The infrastructure team is engaged in a BCA update based on accurate local costing and updated condition assessments.

Current Portfolio

The current DSB Social Housing portfolio outlined in **Table 2** in the appendix provides a tabulated list of the population, number of current Social Housing units and what the demand is based on unit size (number of bedrooms). Demand for some unit sizes is less accurate in communities that don't have all the apartment options. The data is based on the DSB waitlist and calls received requesting housing. An investment in a housing needs study in each community would better capture the community specific demand but there are costs associated with such a venture.

3 Single Family Houses, Espanola (three bedroom bungalows built in 1975)

No picture to protect privacy

The buildings have been well maintained and are in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.

Scattered Units – Espanola	2016	2015	2014	Average
Revenue	\$9,962	\$11,101	\$15,095	\$12,053
Total Expenses (includes Capital)	\$55,704	\$24,752	\$28,525	\$36,327
Net Income	-\$45,742	-\$13,651	-\$13,430	-\$24,274

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$150	\$4,500	\$4,550	\$12,600	\$4,000	\$25,800	3,000	\$1.72

70 Barber, Espanola
(29 one bedroom units, 2-story walk-up apartment built in 1970)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building. A new roof was installed in 2016 and an energy audit, partially funded by Union Gas was completed. LED retrofits are planned for 2017.



70 Barber	2016	2015	2014	Average
Revenue	\$109,076	\$101,756	\$105,497	\$105,443
Total Expenses (includes Capital)	\$220,176	\$201,783	\$169,672	\$197,210
Net Income	-\$111,100	-\$100,027	-\$64,175	-\$91,767

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$26,950	\$31,250	\$63,670	\$24,050	\$6,000	\$151,920	20,200	\$1.50

60 Barber, Espanola
(10 one bedroom units, 2-storey walk-up apartment built in 1973)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



60 Barber	2016	2015	2014	Average
Revenue	\$48,673	\$44,240	\$37,975	\$43,629
Total Expenses (includes Capital)	\$124,170	\$115,460	\$121,050	\$120,227
Net Income	-\$75,497	-\$71,220	-\$83,075	-\$76,598

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$3,300	\$31,350	\$6,900	\$5,000	\$8,350	\$54,900	8,118	\$1.35

Marguerite, Espanola
(3 three & four bedroom, 2-storey duplex built in 1969)

The buildings have been well maintained and are in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



Marguerite	2016	2015	2014	Average
Revenue	\$20,306	\$23,928	\$25,080	\$23,105
Total Expenses (includes Capital)	\$32,934	\$57,186	\$67,009	\$52,376
Net Income	-\$12,628	-\$33,258	-\$41,929	-\$29,272

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$25,525	\$30,250	\$3,126	\$5,000	\$16,600	\$80,501	6,000	\$2.68

Arthur Court, Espanola
(14 two, three & four bedroom units, 7 2-storey duplexes built in 1969)

The buildings have been well maintained and are in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building. The windows need to be replaced in the near future and staff continue to look for an opportunity to have this work funded through an energy grant program.



Arthur Court	2016	2015	2014	Average
Revenue	\$36,570	\$47,246	\$46,652	\$43,489
Total Expenses (includes Capital)	\$115,724	\$86,962	\$85,908	\$96,198
Net Income	-\$79,154	-\$39,716	-\$39,256	-\$52,709

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$15,050	\$31,850	\$46,000	\$2,000	\$5,000	\$99,900	14,000	\$1.43

410 Bell, Massey
(21 one bedroom units, 2-storey walk-up apartment built in 1976)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



410 Bell	2016	2015	2014	Average
Revenue	\$74,350	\$75,924	\$79,853	\$76,709
Total Expenses (includes Capital)	\$156,978	\$173,227	\$152,144	\$160,783
Net Income	-\$82,628	-\$97,303	-\$72,291	-\$84,074

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$22,744	\$22,025	\$37,452	\$7,440	\$32,110	\$121,771	17,037	\$1.43

10 O'Neil, Webbwood
(24 one bedroom units, 2-storey walk-up apartment built in 1981)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



10 O'Neil	2016	2015	2014	Average
Revenue	\$91,495	\$83,171	\$80,065	\$84,910
Total Expenses (includes Capital)	\$119,481	\$111,507	\$111,322	\$114,103
Net Income	-\$27,986	-\$28,336	-\$31,257	-\$29,193

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$37,899	\$55,027	\$10,000	\$5,500	\$27,862	\$136,288	21,000	\$1.30

**66 Robinson, Little Current
(20 one bedroom units, 2-storey walk-up apartment built in 1976)**

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building. A new sewer line was constructed in 2014 resulting in higher than average expenses. Roof repairs are scheduled for 2017.



66 Robinson	2016	2015	2014	Average
Revenue	\$101,065	\$104,576	\$95,074	\$100,238
Total Expenses (includes Capital)	\$131,478	\$122,241	\$328,732	\$194,150
Net Income	-\$30,413	-\$17,665	-\$233,658	-\$93,912

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$18,020	\$15,420	\$21,000	\$33,725	\$27,240	\$115,405	12,421	\$1.86

76 Wellington, Manitowaning
(16 one bedroom units, 2-storey walk-up apartment built in 1975)

The building has been well maintained but requires significant roof, siding and insulation capital work. Social Housing Improvement Funding (SHIP) is a 50% Federal and 50% Provincial program that will pay for the repairs. The foundation is in good condition.



76 Wellington	2016	2015	2014	Average
Revenue	\$37,423	\$39,651	\$44,707	\$40,594
Total Expenses (includes Capital)	\$130,592	\$148,824	\$113,849	\$131,088
Net Income	-\$93,169	-\$109,173	-\$69,142	-\$90,495

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$6,921	\$14,125	\$41,800	\$15,275	\$10,050	\$88,171	11,080	\$1.59

29 Nixon, Mindemoya
(24 one bedroom units, 2-storey walk-up apartment built in 1980)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building. This building has a geothermal system installed in 2011 through the Social Housing retrofit program known as SHRRP (50% Federal and 50% Provincial funds). The system provides conditioned air for the halls and common areas, but has not resulted in an energy savings.



29 Nixon	2016	2015	2014	Average
Revenue	\$66,766	\$72,114	\$76,111	\$71,664
Total Expenses (includes Capital)	\$148,380	\$119,148	\$151,734	\$139,754
Net Income	-\$81,614	-\$47,034	-\$75,623	-\$68,090

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$32,628	\$35,150	\$46,360	\$45,070	\$66,250	\$225,458	21,857	\$2.06

3 Water, Gore Bay
(22 one bedroom units, 2-storey walk-u apartment built in 1976)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building. Roof repairs were completed in 2016.



3 Water	2016	2015	2014	Average
Revenue	\$68,871	\$61,871	\$62,972	\$64,571
Total Expenses (includes Capital)	\$122,047	\$135,843	\$114,737	\$124,209
Net Income	-\$53,176	-\$73,972	-\$51,765	-\$59,638

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$25,588	\$26,273	\$38,700	\$44,482	\$17,500	\$152,543	17,313	\$1.76

66 Meredith, Gore Bay
(10 units, bachelor and one bedroom, 2-storey walk-up apartment built in 1968)

The building has been maintained internally and received a new roof in 2013 to prevent water damage. The building needs significant capital work in the near future. There is additional capital work that was not budgeted in the BCA. Specifically: balcony replacement, structural post replacement of the walkway covering and the siding is at end of life. There are some cracks in the foundation at the laundry room wall and the concrete foundation at the top of the exterior stairs is also crumbling. The bachelor units require electrical panel replacements to meet ESA standards. The building also requires a fire-panel upgrade and does not have a generator for backup power.



66 Meredith	2016	2015	2014	Average
Revenue	\$45,986	\$46,830	\$36,505	\$43,107
Total Expenses (includes Capital)	\$40,417	\$66,213	\$47,062	\$51,231
Net Income	\$5,569	-\$19,383	-\$10,557	-\$8,124

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$24,868	\$8,768	\$10,000	\$3,945	\$24,000	\$71,581	4,475	\$3.20

17 Stanhope, Warren
(19 one bedroom units, 2-storey walk-up apartment built in 1981)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



17 Stanhope	2016	2015	2014	Average
Revenue	69,239	63,899	61,367	64,835
Total Expenses (includes Capital)	139,611	144,565	127,047	137,074
Net Income	-70,372	-80,666	-65,680	-72,239

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$38,188	\$13,275	\$25,530	\$34,200	\$6,320	\$117,513	15,805	\$1.49

25 John, St. Charles
(23 one bedroom units, 2-storey walk-up apartment built in 1980)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



25 John	2016	2015	2014	Average
Revenue	\$93,708	\$93,250	\$97,418	\$94,792
Total Expenses (includes Capital)	\$148,724	\$129,354	\$139,814	\$139,297
Net Income	-\$55,016	-\$36,104	-\$42,396	-\$44,505

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$30,208	\$23,425	\$5,650	\$64,610	\$67,050	\$190,943	18,528	\$2.06

40 St. Christophe, Noëlville
(21 one bedroom units, 2-storey walk-up apartment built in 1977)

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



40 St. Christophe	2016	2015	2014	Average
Revenue	\$108,751	\$104,841	\$92,765	\$102,119
Total Expenses (includes Capital)	\$152,996	\$176,825	\$146,824	\$158,882
Net Income	-\$44,245	-\$71,984	-\$54,059	-\$56,763

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$8,025	\$29,350	\$4,800	\$23,000	\$14,500	\$79,675	15,994	\$1.00

**78 Pine, Chapleau
(13 one bedroom units, 2-storey walk-up apartment built in 1977)**

The building has been well maintained and is in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



78 Pine	2016	2015	2014	Average
Revenue	\$32,927	\$37,820	\$27,914	\$32,887
Total Expenses (includes Capital)	\$122,782	\$103,751	\$123,686	\$116,740
Net Income	-\$89,855	-\$65,931	-\$95,772	-\$83,853

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft
\$22,444	\$16,390	\$19,000	\$37,173	\$29,410	\$124,417	8,786	\$2.83

80 Pine, Chapleau
(13 three & four bedroom units, attached row-house built in 1972)

The building has been well maintained and the units are in good condition from foundation to rafters. Capital and maintenance work has been maintained throughout the building.



80 Pine	2016	2015	2014	Average
Revenue	\$53,975	\$67,457	\$71,344	\$64,259
Total Expenses (includes Capital)	\$162,673	\$111,261	\$155,960	\$143,298
Net Income	-\$108,698	-\$43,804	-\$84,616	-\$79,040

2017	2018	2019	2020	2021	2017-2021 Total	Sq. Ft	Cost per Sq. Ft.
\$56,334	\$4,693	\$12,095	\$26,770	\$35,945	\$135,837	15,040	\$1.81

Table 1: Average Cost Per Square Foot Summary

Location	Sq. Ft	2016 Actual Cost	2016 Actual Cost per Sq. Ft.	2017-2021 Cost per Sq. Ft. per year
70 Barber St., Espanola	20,200	\$58,559	\$2.90	\$1.50
Arthur Court, Espanola	14,000	\$49,207	\$3.51	\$1.43
80 Pine St., Chapleau	15,040	\$46,369	\$3.08	\$1.81
66 Robinson St., Little Current	12,421	\$31,258	\$2.52	\$1.86
Scattered Units, Espanola	3,000	\$29,313	\$9.77	\$1.72
60 Barber St., Espanola	8,118	\$29,261	\$3.60	\$1.35
29 Nixon St., Mindemoya	21,857	\$26,303	\$1.20	\$2.06
78 Pine St., Chapleau	8,786	\$22,880	\$2.60	\$2.83
3 Water St., Gore Bay	17,313	\$17,396	\$1.00	\$1.76
10 O'Neill St., Webbwood	21,000	\$16,870	\$0.80	\$1.30
76 Wellington St. Manitowaning	11,080	\$16,168	\$1.46	\$1.59
25 John St., St. Charles	18,528	\$13,703	\$0.74	\$2.06
17 Stanhope St., Warren	15,805	\$12,818	\$0.81	\$1.49
410 Bell St., Massey	17,037	\$12,126	\$0.71	\$1.43
40 St. Christopher St., Noëlville	15,994	\$11,909	\$0.74	\$1.00
Marguerite St., Espanola	6,000	\$5,223	\$0.87	\$2.68
66 Meredith St., Gore Bay	4,475	\$2,486	\$0.56	\$3.20

Table 2: Population, Type and # of Units, Demand based on # of Bedrooms

					Social Housing Waitlist			
Municipality	Property Address	Local Population	No. of Units	Types of Unit	1 Bed	2 Bed	3 Bed	4 Bed
Espanola	60 Barber	5079	10	1 Bed	132	0	0	0
Espanola	70 Barber	5079	29	1 Bed	132	0	0	0
Mindemoya	29 Nixon	1955	24	1 Bed	25	1	2	0
Little Current	66 Robinson	2315	20	1 Bed	24	2	0	1
Noëlville	40 St. Christophe	2442	21	1 Bed	24	2	0	0
Chapleau	78 Pine	2069	13	1 Bed	21	0	0	0
Massey	410 Bell	1000	21	1 Bed	18	3	2	0
Warren	17 Stanhope	2347	19	1 Bed	16	0	0	0
St. Charles	25 John	1280	23	1 Bed	13	0	0	0
Webbwood	10 O'Neil	600	24	1 Bed	12	1	1	0
Gore Bay	3 Water St	850	22	1 Bed	8	2	0	0
Gore Bay	66 Meredith	850	10	Bach&1Bed	8	2	0	0
Manitowaning	76 Wellington	765	16	1 Bed	7	0	0	1
Espanola	Arthur Court	5079	14	2 & 3 Bed	0	44	15	11
Espanola	Marguerite	5079	6	3 & 4 Bed	0	44	15	11
Espanola	Scattered Units	5079	3	3 Bed	0	44	15	11
Chapleau	80 Pine	2069	13	3 & 4 Bed	0	8	3	4

Other Affordable Housing Tools: Direct Shelter Subsidy (DSS)

One of the greatest changes in providing affordable housing is through the increase in Direct Shelter Subsidy (DSS) programs administered by the Manitoulin-Sudbury DSB. Further flexibility of DSS programs have enabled tenants to choose where they live in private rental housing and to have their funding benefit move with them. **Table 3** shows the number of clients and location where they are receiving DSS funding.

Table 3: Direct Shelter Subsidy (DSS)	
Municipality/Town	# of Approved DSS applicants
Espanola	51
Little Current	17
Massey	10
Gore Bay	7
Chapleau	6
Noëlville	4
Webbwood	4
Markstay	2
Providence Bay	2
St. Charles	2
Tehkummah	2
Warren	2
Alban	1
Evansville	1
Kagawong	1
Manitowaning	1
Meldrum Bay	1
Mindemoya	1
Nairn	1
Walford	1
Whitefish Falls	1

Recommendation

The recommendation is to direct the DSB staff to develop a long-term draft plan based on a Social Housing portfolio review focused on community need, the 10-year Housing and Homelessness Plan, sustainability and financial viability.