

Feasibility Study

Review of the Status of the Church Street Apartment Building

Community Living Parry Sound

FINAL VERSION

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PGM Consulting & Training Services Inc.

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Background:

In July 2013, senior staff of CLPS attended a meeting in Toronto sponsored by the Canadian Association for Community Living. The gathering brought together representatives from local and provincial organizations for community living in British Columbia, Nova Scotia, Ontario and New Brunswick.

The purpose of the event was to hold a 'kick off' workshop to discuss a new initiative entitled Project Transformation. This national project is intended to assist in the evolution of housing supports for people with developmental disabilities from traditional group home models towards more inclusive and individualized housing arrangements.

The workshop spawned interest within CLPS as to the possibility of creating an alternative to the present group oriented model in place at 118 Church Street in Parry Sound. The building was constructed in 1986 and funded by the Ministry of Municipal Affairs & Housing in partnership with the Canada Mortgage & Housing Corporation.

This setting is a standalone apartment building owned by CLPS. It contains six apartments and was originally designed as a four-plex unit to support up to 8 people living in a semi-independent fashion with daily staff support. At a later point, two single apartments were added to support the same number of people, but to allow some individuals to live alone. At a further point, one of the apartment settings was converted to a respite unit.

(Over time, CLPS has reduced the number of people residing in the setting to six individuals including the respite setting. It should also be noted that the respite unit is also designated as a defined physical bed for the North Network of Specialized Care. This means that it must be available for short term occupancy (30 days) as needed via a Network referral for Specialized Accommodation. .

The building is still not fully inclusive of the full community in that only people with developmental disabilities reside there. CLPS is interested in potentially developing housing alternatives for some of the individuals in the setting that would be more fully integrated into the community.

The intent of the report is to determine the feasibility of developing individualized housing alternatives for the majority of individuals residing in the setting. Related to this objective is the creation of a viable strategy for the future use of the Church Street building by another not for profit housing provider.

There are a number of challenges to consider in this regard including the ability to locate appropriate and affordable housing alternatives for each individual. People would also continue to need some level of support that they now receive from CLPS in any altered housing arrangements.

Secondly, finding an appropriate future use for the apartment complex could be difficult given its basic layout and design. For example, the building is constructed on three levels with stairs and could present limitations to individuals with physical disabilities.

In addition, due to the original funding parameters, the building can only be used as a non-profit assisted housing instrument. It cannot be sold on the open market to a private developer/owner as part of the regular community housing stock. As such, finding an appropriate use and sponsoring entity within this requirement will be necessary.

Further, a series of government approvals at a number of levels (Municipal, District, Provincial, Federal) will all be necessary to support such a fundamental change of use and sponsorship.

Local Housing Environment & Context:

The District of Parry Sound has a total current population of 42,162 people and is composed of a number of rural and small communities located across 9,300 kms. Its largest community is the Town of Parry Sound with a population of 6,000 people.

Like many other communities, there is not enough affordable housing in the District to meet the current needs of its residents. This includes many people with physical and/or developmental disabilities that live well below the standard poverty line for the community.

The Ontario Housing Services Act now requires all municipalities in the province to develop a ten year plan by the end of 2013 to address housing and homelessness in their communities as well as any plans for the development of affordable supports for those with inadequate housing. In the District of Parry Sound, this responsibility has fallen to the local District Social Services Administration Board (PSDSSAB).

The Board recently contracted with the Social Planning Council of Sudbury to conduct a community needs study in this regard and develop a plan for the Board's approval and submission to the Ministry of Municipal Affairs and Housing. A draft plan has now been completed in this regard.

The study, entitled Housing & Homelessness Plan 2013, reveals that there are major local concerns related to the low availability of affordable rental housing, the poor state of repair of the current housing stock, the high costs of new housing and the lack of supports for people with special needs. It was also pointed out in a discussion with the District Housing Manager that there are no new funds available or expected to deal with any of these areas over the next few years.

Content related to People with Disabilities:

In terms of a context for supporting people with disabilities, there is a short reference on page 103 of the 118 page plan. The recommended strategy appears to be directed primarily however to the seniors population and reads as follows:

Strategic Priority #2 – Homelessness Prevention

Focus on developing housing alternatives and support services for seniors living alone, senior couples, and persons with disabilities in the District at risk of losing their place in the community.

Detailed recommended strategies in this regard state:

7.13: That the PSDSSAB Outreach process engage with Municipalities to create alternative housing options for seniors living alone and senior couples in their communalities, such as:

- a) Removal of by-law barriers to secondary suites;*
- b) Provision of surplus municipal land and buildings to non-profit and private developers for affordable housing projects for seniors;*
- c) Provide incentives to condominium developers to include affordable units for seniors in their building projects.*

The report then suggests that the same policy be applied to people with developmental or other disabilities as follows:

- *Apply similar strategies to assist persons with disabilities to maintain community living arrangements with appropriate health and social supports.*

Existing Special Needs Housing:

It must be pointed out that a range of housing services and supports exist for various population groups with special needs in the District, including the community at large, dependent seniors and persons with disabilities.

In this regard, four Long Term Care facilities support 405 seniors. There are also 90 housing spaces dedicated for persons with physical and/or developmental disabilities. Demand continues to increase for these latter settings with little or no potential for expansion as noted.

Other forms of housing used by people in need include hotels, motels, hostels, a detox centre, second stage housing, people being supported by their families as adults, social housing, geared to income settings, private rentals, etc. There are waiting lists for all forms of affordable, low income and safe housing that reach several years or more in

many cases. According to the report noted above, there are 321 Rent-Geared-to-Income (RGI) units distributed across the District. 194 are located in 20 sites in the Town of Parry Sound and the remaining 127 are located across six communities in East Parry Sound.

Private and non-profit housing providers oversee 112 of the RGI units, while the Parry Sound District Social Services Advisory Board (PSDSSAB) administers 209 units as public or social housing. Three of the housing sites incorporate 32 affordable units, which rent out at 80% of the average market rent. They are located respectively in Parry Sound, Seguin and Trout Creek. There has been no increase in the allocation of public housing units in the District since 2007.

In addition to this strategy, rent supplements are paid to private market landlords by the PSDSSAB to subsidize low income residents in the private rental market. The North East Local Health Integration Network (NELHIN) also provides 36 rent supplements through several community agencies for people with mental health and addictions issues.

Four supplements are provided specifically for people with developmental disabilities. Demand from within CLPS alone is reported to exceed 30 individuals in this latter area. For single people who are not defined as seniors, the average waiting time expected to receive rent supplement under the current system is nine years.

In 2012-13 the PSDSSAB also provided \$17,000 in grants to support home ownership and retention for low income residents. This money largely went towards renovations and down payment grants. It also provided relief for arrears in rent and utility bills to 131 households. In total 1,000 District of Parry Sound residents receive some form of housing support.

An interview with the Housing Manager for PSDSSAB revealed some other noteworthy features regarding the local housing environment:

1. The vacancy rates in the District of Parry Sound, particularly affordable housing for people on fixed incomes, are very low and stand at 1% or thereabouts at this time. This has helped to ensure that rental rates remain as high as \$1000.00 per month for a one-bedroom apartment.

Hence, locating and securing alternative settings for people from the Church St. site becomes very challenging, particularly given that the residents receive ODSF pensions and are paying \$612.00 per month in rent at this time.

2. There is very little interest from private developers in creating new housing capacity in the District unless funding is attached. According to PSDSSAB, the latter is highly unlikely at this time.

3. A local Non Profit Housing Corporation is also in place in the District. It is chaired by the Mayor of Parry Sound, Jamie McGarvey. However, there are no funds available within this organization for expansion at this time. This is also the case with the local Aboriginal Housing Corporation.

End The Wait:

A group of developmental service agencies in Ontario also recently released a new report entitled End the Wait. This effort was designed to focus attention on the extraordinary waiting lists for housing that exist for people with developmental disabilities across the province. Highlights include the fact that:

- ∞ 12,000 people with developmental disabilities and their families are awaiting housing supports at this time.
- ∞ Most people with developmental disabilities are so poor that they cannot afford reasonable housing unless it is subsidized.
- ∞ People are being forced to consider segregated settings where economies of scale exist at the very time when moving away from these forms of support continues to be emphasized in current Ministry policy and sectoral philosophy.
- ∞ The report emphasizes the need for long term strategies and cross sectoral partnerships with housing, education, health and other social infrastructure.
- ∞ The report also recommends that a minimum of five “initiative projects” be funded ASAP that would address the housing crisis affecting people with developmental disabilities.
- ∞ In a related recommendation, the report suggests that MCSS provide a fund of \$5.0 M for the purposes of establishing an “Opportunity Fund” that would invite proposals from community groups and agencies to address the shortage of housing opportunities for adults with developmental disabilities.

Key Historical Facts regarding the Church Street Project & Building:

1. The building lot on Church Street on which the apartment building is constructed was purchased in August 1985 for \$30,000. Later that same year, construction began. It was completed in October 1986 at a cost of \$190,000.
2. To address the costs incurred, both the land and building were initially financed via a five year mortgage between CLPS & Scotiabank in the amount of \$228,000. CMHC provided insurance for the original mortgage agreement. At renewal, CMHC assumed responsibility for the agreement from Scotiabank.
3. The remaining amount due on the property at this time is approximately \$100,700 with monthly payments of \$1,200.00 at an interest rate of 2.97%. Payments are made to the agency by MCSS to address part of this requirement through the agency's Community Support Services budget allocation. (SIL) Rental money from tenants in the amount of \$612.00 per month per person also contributes to the overall costs of the building.
4. The property is now valued at \$447,000 according to the Municipal Property Assessment Corporation. (MPAC)
5. The property is tax exempt and has been so since inception. However, if the building were to become taxable as a result of a change of use, the taxable amount for 2013 would be \$5,865.00. This is based on the property being designated as a residential property at a local mill rate of 0.01312199, as per the Town of Parry Sound's 2013 municipal budget.
6. The original Sponsor Operating Agreement between Canada Mortgage & Housing Corporation and the West Parry Sound Association for Community Living was located and reviewed. Key findings from the examination of the document include the following:
 - a) The Mortgage Term is for a maximum period of 35 years. Therefore the arrangement will end in 2020-21.
 - b) During this Term, any sale of the property will require the written approval of CMHC.
 - c) Canada Mortgage & Housing requires that a Reserve Account be maintained for the building. CLPS is expected to contribute a set amount each year for this purpose. In 2013, this amount was \$2,560. This money is to be held in a separate bank account and used for capital replacements only.

- d) The building cannot be remortgaged without the consent of CMHC.
7. At some point, monitoring of the account was transferred from CMHC to the provincial Ministry of Municipal Affairs & Housing. Communication with the latter has officially been facilitated by MCSS Regional offices since 2002. The latter also transfers the core funding for the building to the agency as earlier noted.

Current Housing Arrangements:

At this time, T. and P. live in separate apartments on the lower level. D and R live separately on the main floor. Daniel lives in a separate apartment on the second level. The sixth person is receiving respite support at this time in the remaining unit. This latter upstairs apartment is the unit designated for Specialized Accommodation as noted above. .

Of the five permanent residents, CLPS staff believe that three could be supported with relative ease in independent living arrangements with occasional support if affordable locations could be found. The remaining individuals others would likely require increased daily support as part of a transition to other living arrangements. .

One or possibly two individuals could remain in the Church Street setting regardless of the change in ownership or operation. Such an arrangement would continue to reflect a normalized housing environment as opposed to a segregated setting.

Other Considerations:

As noted earlier, money from the Community Support Services budget (CSS) is being used to support the operations at Church Street. An analysis of this specific area indicates that the utilities and several other services are funded by the agency's budget as opposed to individual tenants. The annual amount in this regard according to agency Finance staff is approximately \$15,000 per year.

In addition, property services related to building cleaning, grass cutting, snow removal, etc. are also paid by CLPS. This represents another \$5000 per year. The budget also pays for upkeep on all building equipment such as heating and air conditioning, etc. This brings the total in this regard to \$10,000.

Thirdly, the CSS budget also takes care of individual furniture and appliance repairs including washer/dryers, televisions, personal item, etc.

In total, the agency is spending approximately \$30,000 per year in building maintenance and related supports according to agency estimates. This is likely more than the agency would have to pay in order to provide a full time Familyhome placement for one or two of the persons living in the building.

Analysis of the Findings:

Feasibility in a classical sense is determined by measuring a number of factors related to the projected successful outcome of a project or process. The approach usually takes into account key areas such as legal matters, economic measures, staff capacity, partnership requirements, etc.

A feasibility study also allows staff or a third party to investigate both the potential negative and positive outcomes of a project before investing too much time and money into it. In terms of Church Street, the factors most germane to determining feasibility are the following:

a) Legal:

It is clear that the approval of CMHC remains a key legal requirement of the current arrangement in terms of any change in status or use as long as a mortgage arrangement is in place. Negotiating approval for any change is further complicated by having to work via the Regional Office of MCSS as a conduit in this regard. The latter has already made it clear that the process could be lengthy.

Since MCSS is acting as a monitoring and oversight agent for the Ministry of Municipal Affairs & Housing, (MMAH) the latter would also have to be briefed and likely provide separate sanction. The process would then move on to seek approval from CMHC.

As such, while this is not impossible, the process is likely to be challenging and will take time. If guaranteed feasibility is considered a requirement by Dec. 31st 2013 in terms of a grant application to CACL, this is not viewed as possible given the current timeline. However, if approvals could be sought and obtained over a longer period of time, (6-12 months) the feasibility of success would rise accordingly, given that a strong plan for alternative use of the building is in place.

b) Environmental Context/Staffing Capacity:

The review of the current housing landscape in this report suggests that there are substantial barriers to securing affordable housing for people with disabilities in the District of Parry Sound and elsewhere. There is a high level of need for affordable housing options, a very low vacancy rate in both the District and the Town of Parry Sound and a low likelihood of new funding for these purposes.

However, the agency likely needs to secure alternative accommodation for only four vs. all five individuals. Three have already been identified as having strong potential to live independently or in a supported context if an affordable alternative could be secured.

Given the creativity and knowledge of agency staff as well as their extensive local networks, the feasibility of securing new housing options for three and possibly four individuals is rated as reasonable.

CLPS also has the ability to develop one or more Familyhome placements if it can provide the funding and locate appropriate sponsors. We view the likelihood in this regard as high, given its track record with the program and its potential ability to transfer approximately \$30.0 of CSS funding from Church Street, which is now being used for building maintenance.

Since the same number of people would be served within the same level of resources, there should not be a problem with either the DSO or MCSS Regional office in terms of units of service provided.

c) Securing a Partner:

One of the most significant challenges of this project may be to locate a suitable and willing partner to engage in the future use of the Church Street building. This would have to be an entity in the non-profit housing area or a developer that was being funded to build or renovate existing housing stock for subsidized rental use.

Unfortunately, at this time neither the PSDSSAB nor the local Non-Profit Housing Corporation has the resources necessary to consider acquiring the property from CLPS. It is possible that the housing spaces could be managed by CLPS itself, but this would require additional rental supplements to address CLPS maintenance costs and to pay for the mortgage remaining on the property. It would also place CLPS in a direct community housing mandate, a role which the organization is unlikely to wish to assume.

Thirdly, the future use of Church Street would have to be determined and agreed to with a partner before any changes to the current arrangement could even be requested. Since no partner is yet apparent or willing to consider either owning or managing the Church Street property, this is a major shortcoming to the intended divestment of the building. The perceived feasibility in this regard is viewed as poor at this point.

d) Securing Housing Alternatives for People in the Building:

As earlier alluded to, finding available and affordable alternatives for the people now residing at Church Street will not be an easy task. However, staff believe that four of the six could be supported in alternative settings such as an apartment or with a family if they prefer this option.

As noted, CLPS staff have a record of being very adept at creating housing alternatives and using their networks throughout the community. The agency also has a very high level of awareness of the inclusion approach and the need for people to live and interact with others in the fuller community. This has been successfully demonstrated on a number of occasions and can be done again in this case.

Expansion of the Familyhome program could be of assistance but only for those who would want to live in a family-based environment. The likelihood of finding reasonable quality of accommodations for four people, given these caveats, is viewed as mixed, depending on the needs of each individual.

Summary & Conclusions:

From a feasibility perspective, there are substantial barriers to bringing about the desired transition of people residing in the apartment complex at 118 Church Street to accommodations in the larger community. Most substantive amongst the list of challenges is the ability to secure a willing and engaged housing partner in the process. While a suitable arrangement is not yet apparent, little real work has been done to secure a collaborative cohort in this regard.

Secondly, the capacity to locate affordable housing options for people now living at Church Street has not yet been confirmed. Affordability is a clear barrier and assistance in this regard from local housing providers is unlikely. However, the capacity to secure options does exist in terms of the skills of the staff at CLPS. Significant effort will be required in this regard.

Thirdly, approval to change the status of the arrangement will require the support of two provincial Ministries as well as CMHC. This will likely be dependent on the development of a clear and credible plan of action. Much work is necessary in this area if success is to occur. We do not see this as feasible in the short run but is certainly possible in the longer term if a strong plan can be put in place.

Our conclusion is that the feasibility of negotiating a successful transition of Church Street to promote a more inclusive lifestyle for people supported by CLPS is mixed. Key planning activities are needed in each of the three major categories noted above.

Without a determined effort in each aspect noted, the prospect for the transformation of the site in the manner intended is unlikely. This will be a demanding undertaking that will require thoughtful partnership development and collaboration over a period of months.

If CACL were willing to fund this process as part of a three year demonstration grant, the likelihood for success would rise substantially.

Recommendations:

- 1) Bring together key local housing players to discuss future options for Church Street in terms of becoming part of the local supported housing infrastructure. Consider PSDSSAB, the local non-profit housing corporation, the local Native non-profit housing corporation and the Town of Parry Sound in this conversation. Consider a facilitated process.
- 2) Conduct an intensive housing profile for each person now living at Church Street. Consider alternatives with their direct involvement including shared apartment living and Familyhome. Maximize any and all opportunities for rental assistance or subsidies from the PSDSSAB.
- 3) Consider the recruitment options for one or more Familyhome placements if the profile exercise supports this option.
- 4) Begin the process of discussions regarding the mechanics of negotiating approval for a change of use and ownership of the building. Start with the MCSS Regional office. Solicit their engagement and support in this process at this time.

Best of luck in this undertaking!

Respectfully submitted,

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PGM Consulting & Training Services Inc.