



COUNTY OF WELLINGTON

Committee Report

To: Chair and Members of the Social Services Committee
From: Mark Poste, Director of Housing Services
Date: Wednesday, November 08, 2023
Subject: **Transfer of 440 King Street to Service System Manager**

HS-23-09

Background:

On January 1, 2017, Mount Forest Non-Profit Housing Corporation was successfully transferred to Wellington Housing Corporation (WHC) which included all assets and liabilities the organization. The County is the sole shareholder of WHC and as such, all the financial records of the organization are consolidated into the County of Wellington financial statements.

Recent changes to the Housing Services Act now allow for a housing provider to renegotiate a Service or Exit Agreement with the Service System Manager once the mortgage reaches maturity. Housing providers looking to maintain the status quo will be pursuing a Service Agreement, while housing providers looking to change their relationship within the social housing system will need to negotiate an Exit Agreement.

Among other requirements around tenant protection, Exit Agreements require one of three options:

- The continued operation of the housing project by the housing provider or another housing provider,
- The redevelopment of the housing project by the housing provider or another housing provider, or
- The reinvestment of the proceeds of sale of the housing project into affordable housing.

Under the existing regulations, WHC has an opportunity to transfer operations to the County of Wellington, as another housing provider. The mortgage for 440 King Street will expire in August of 2024 providing an opportunity for the housing stock to be transferred to the Service System Manager becoming part of the County owned Housing Stock. Below we have outlined the advantages, disadvantages and areas that require further exploration.

Advantages

- Simplified Organizational Structure
 - Full decision-making power will be merged back into existing organizational structure of Housing Services and County Council. This would eliminate the need for a separate board and the scheduling of board meetings.
 - Operating costs will be straight forward and merged into the Housing Services budget.
- Improved Administrative Capacity
 - Unit offers will be managed by the Housing Service's Applicant Services team.
 - New access to broader tenant supports via Community Support Workers and the Tenant Services team.

- Improved staff coverage from the broader Housing Services division teams.
- Financial Benefits
 - Cost savings with removal of separate bookkeeping annual audit costs.
 - Eliminate the need to consolidate WHC audited financial statements with those of the County of Wellington.
 - Potential savings on insurance by the elimination of a separate insurance policy
 - Long-term viability as a County of Wellington owned property.

Areas to Explore

- Although Ministry approval for this transfer is not required, it is encouraged.
- Land transfer tax exemption is being explored but is not guaranteed. Support from the Ministry may be required to assist in this area.
- WHC will need to review mandate and Rent-Geared to Income targets prior to end of mortgage.

Recommendation:

That staff be directed to take necessary steps to prepare for the transfer of 440 King Street to the County of Wellington as the Service System Manager following the end of mortgage in August 2024.

Respectfully submitted,



Mark Poste
Director of Housing Services