




**End of Operating Agreements:  
Challenges and Strategies for 100% RGI**

**A Service Manager's Perspective**


ONPHA Conference October 2011



**Social Housing End Dates**

The Term "Social Housing End Dates" means:

- Expiry of federally signed operating agreements
- Expiry of mortgages and capital financing obligations for housing under SHRA




**100% RGI**

For Service Managers (administration & funding responsibilities):


Transferred Housing under SHRA with 100% RGI

- Public Housing (LHC)
- Urban Native Housing
- Private Non-Profit Housing (Supportive/Alternative)




**Region of Waterloo**

1. Public Housing/LHC (Regionally-owned)
  - 2,558 units
  - 63 sites across 3 cities/2 townships
2. K-W Urban Native Housing
  - 39 units
  - Scattered houses
3. Private Non-Profit Housing (Alternative)
  - Eby Village, House of Friendship – 64 units
  - Lincoln Road, KW YWCA – 45 units



### Waterloo Region Housing (Public Housing/LHC)


Expiry Year	Number of sites
2005	1
2007	1
2015	9
2016	4
2017	7
2018	16
2019	5
2020	9
2021	5
2022	3
2023	1
2025	2
<b>63 Total</b>	





### Waterloo Region Housing (Public Housing/LHC)

Overall Outcomes in 2011 Sample (63 sites, with 2,558 units)		
	Fully Funded Capital Reserve	Under-funded Capital Reserve
<b>Positive NOI</b>	(1) Project is viable. 0% agreements with 0% units	(2) Cash flow surplus, but insufficient reserves 23 (37%) agreements with 1,128 (44%) of units
<b>Negative NOI</b>	(3) Not viable but good reserves. 0% agreements with 0% units	(4) Not viable, insufficient reserves 40 (63%) agreements and 1,430 (56%) of units

NOI = Net Operating Income  
Steve Pomeroy Focus Consulting Inc.


- 
- ### Challenges
- Will housing providers seek to opt-out of providing affordable housing?
    - Still have to maintain Service Level Standards
  - Will projects be financially viable?
    - For 100% RGI, not likely viable
    - Operating funding gap still exists even after mortgage expiry
    - Capital reserves inadequate – especially with older stock (LHC, Urban Native)

- 
- ### Challenges (cont'd)
- What is the nature of the relationship?
    - What is expected of Service Managers?
    - What level of assistance is needed to enable housing providers to be viable (operating subsidies, capital reserve funding)?
    - What are obligations? legislated (new HSA)?
    - What is enforceable?
    - What are constraints?
    - What can SMs do to help mitigate EOA issues with providers, pre and post-EOA?



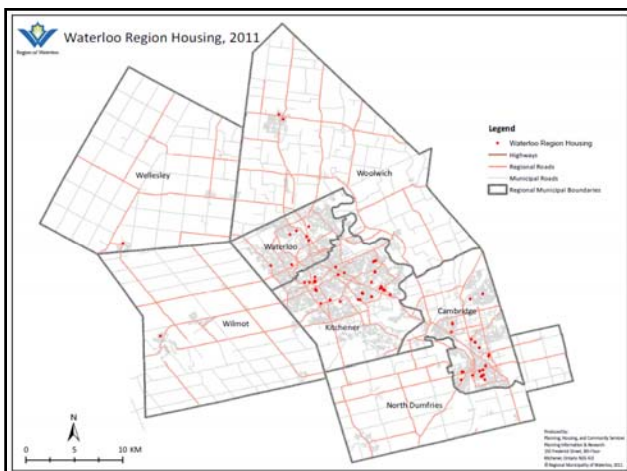
## Possible Strategies

- SM to continue providing subsidies
- New revenue sources (i.e. solar panels)
- Re-finance or sell some units/parcels
- Intensification/redevelopment to create additional units with market rent (more viability with additional rental income)
- On-going advocacy to re-invest federal/provincial funding reductions



## Waterloo Region Housing Intensification Feasibility Study

"to investigate the potential for intensification and/or redevelopment at selected Regionally-owned Community Housing sites, in order to plan for and accommodate additional community housing needs in a rapidly growing community"





**Semi-detached Homes**



**Single Detached Homes**



**Townhomes**




Region of Waterloo



Low-rise Apartments



Mid/High-rise Apartments




Region of Waterloo

## Summary

Need to know your reality and be prepared

- When do agreements expire?
- Which projects are viable or not viable?
- What is the plan to address this?



Region of Waterloo

## Questions?

**THANK YOU**

Deb Schlichter  
Director of Housing  
Region of Waterloo  
[scdeb@region.waterloo.on.ca](mailto:scdeb@region.waterloo.on.ca)