



**In for a Nickel:
Asset Management for
Changing Needs**

HSC Regeneration Forum, February 10, 2014

Social Housing Asset Management Program (SHAMP)

- SHAMP provides \$750,000 over 3 years to 37 Service Managers who administer less than 4,000 social housing units.
- The funds help initiate new or supplement existing strategic asset management programs and plans.
- Recognizing some social housing as municipal infrastructure is important; SHAMP offered in partnership with MOI as part of the Municipal Infrastructure Investment Initiative (MI3).

Social Housing Asset Management Program (SHAMP)

Most Service Managers have purchased asset management software packages.

Other funded activities include:

- conducting Building Condition Audits and/or energy audits
- developing strategic plans and tools for municipal-owned as well as non-profit stock
- providing asset management training for staff and Board members

Asset Leveraging Working Group (ALWG)

- Formed in 2008 to review, analyze and recommend financing options related to leveraging of social housing assets.
- Membership includes HSC, ONPHA, CHF, Infrastructure Ontario, Service Managers and housing providers.
- Successful in advancing the understanding of social housing financing issues.
- Came to understand that there was no one “silver bullet” as a solution.

Asset Leveraging Working Group – Current Initiatives

Portfolio Review in the Region of Waterloo

- IO on behalf of ALWG is undertaking a portfolio review in the Region of Waterloo using a lenders perspective.
- The review includes site visits and evaluating each housing property in the portfolio as a “Residential Business Unit”.
- When the review is completed, IO will generate a report that will outline various financial options for the Service Manager and its housing providers.

Asset Leveraging Working Group – Current Initiatives

Researching Best Practices

- The Committee is exploring how Service Managers and housing providers are engaging in asset leveraging and financing.
- To date, the Committee has discussed seven refinancing and asset leveraging case studies, as shared by housing providers and Service Managers.
- The Committee is looking for best practices that can be replicated in the broader housing sector.

Asset Leveraging and Refinancing Research

Victoria Park Community Homes Inc.

- A Section 95 property needed extensive parking garage repairs and window repairs. The property had an existing mortgage.
- The housing provider took out a \$2.5M loan against another Section 95 property that was mortgage free to pay for the repairs.

Region of Waterloo Community Housing Inc. (RWCHI)

- To streamline operations and realize operational savings, the Board of Directors approved ownership transfer of three RWCHI properties to the Region of Waterloo.
- The Region of Waterloo debentured the cost of mortgages (\$6.6M) as part of Region's 2011 debenture issue (all in cost of 2.85% for 10 years).
- The mortgages were paid out at renewal in 2011. The transfer and refinancing of mortgages at a lower rate resulted in savings of \$927,000.

Asset Leveraging and Refinancing Research

Ottawa Community Housing Corporation (OCHC)

- OCHC refinanced existing debt to generate capital to help pay for building repairs .
- OCHC paid off eight mortgages coming up for renewal in 2012 on their renewal dates and replaced these mortgages with a new 30-year loan from IO.
- OCHC was able to generate about \$18 million in new capital to help pay for social housing repairs.

CHF Canada - Co-operative Housing Refinancing Partnership

- CHF Canada launched a new mortgage loan program for housing co-operatives.
- The program helps co-operative housing providers to refinance existing CMHC mortgages with credit unions and generate funds for renovations and improvements.

Asset Leveraging and Refinancing Research

Centretown Citizens Ottawa Corporation (CCOC)

- CCOC is a private non-profit landlord that operates mixed-income housing at 53 different properties in downtown Ottawa.
- The housing provider has adopted an internal lending policy where it uses a pool of unrestricted reserves to help pay costs of developing new housing projects.
- For example, CCOC's Beaver Barracks project borrowed \$2M from their reserves. Beaver Barracks must repay the funds into the reserves with interest over 40 years.

York Region – Social Housing Provider Building Repair Loan Program

- In 2008, Region of York has created a loan program for social housing repairs.
- Housing provider interested in participating in the program must prepare capital plans for the Region's approval. The loan is registered as a "non-performing second mortgage". Repayment of the loan begins upon retirement of the first mortgage.

Thank You!!!