

# 2016 ONPHA Conference and Trade Show

**506**

## End of Debentures: Preparing for the New World

**PRESENTED BY:**

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(CHC)



# End of Debentures???

# What are Debentures?

- Public housing units were originally financed through debentures by the federal and provincial governments
- Debentures do not show on title of the properties, may not be specific to one property, may have been financed in a bundle with other government initiatives ie: the 401, bridges and other infrastructure projects
- PHC has 18 debentures for 23 property sites
- Our debentures end between 2014 to 2024
- Financial transfers from the Province to the SM also decrease as debentures “fall off”

# What does this mean for an LHC?

- Challenges :

1. Could mean diminished funding if SM cannot fill gap
2. Properties that have met this deadline are quite old and may have outlived their usefulness

Opportunities:

1. This presents a great opportunity to re-evaluate our assets, plan for the future
2. Our assets become “equity” rather than a liability



# PHC's Response

1. First, three years ago we formed an End of Debenture Committee
2. Each property was evaluated, we brainstormed and made recommendations for that property's future
3. A recommendation was made to our Board of Directors to commission a study for the future of our assets and PHC
4. We put out an EOI and then an RFP for a Capital Finance and Community Revitalization Plan
5. The contract was awarded to SHS and was a 1 year project









## 665 Crawford Drive – 3.6 acres

Constructed in 1970

50 units: 19-2 bdrm; 25-3 bdrm; 6-4 bdrm

48 parking spots (2 for visitors)

Vacant units: 1, OH: 1, IT: 1

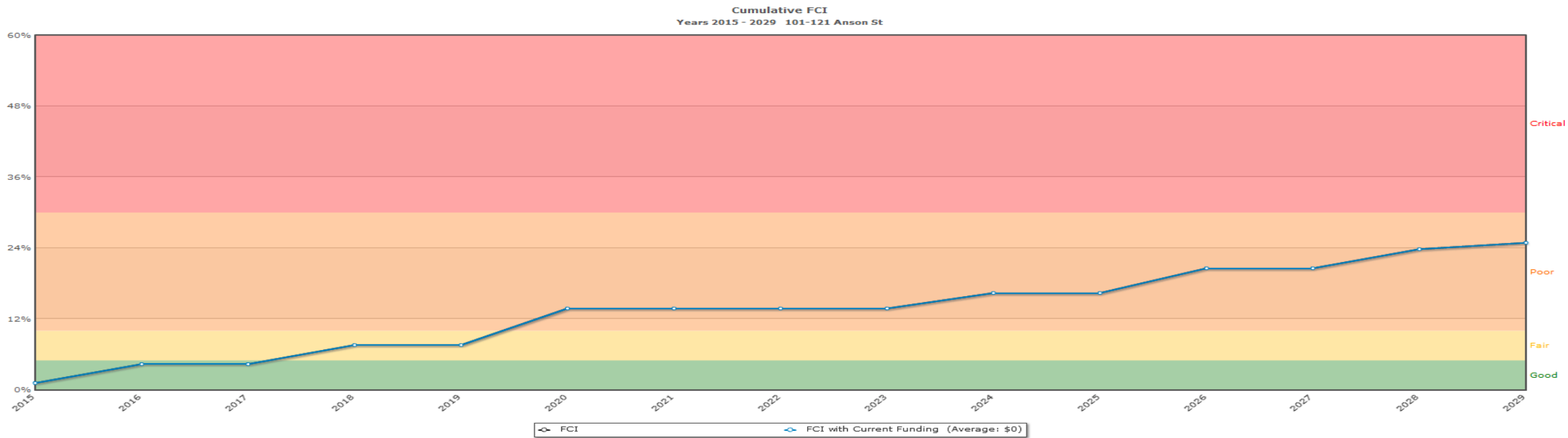
SHRRP funding: Windows 2011











# Where are we now?

- The study is complete and will go to council sometime late this fall
- Our expectation is that we will receive approval to go ahead with our plan, as detailed in the report
- The plan was originally a ten year plan and has morphed into a 15 year plan



# Scope of the project

- The SHS team was composed of many disciplines
- They looked at statistics, examined all of our social housing properties, if they met our current and future needs and all of the possibilities
- Team members included a Planner, Financial expert, private developer and consultants with housing expertise
- Properties were divided into those we would regenerate, redevelop, which ones we would keep and those we would dispose of





WOW:

We thought we had it all  
figured out!

# Outcomes:

- 5 properties will be redeveloped, we will demolish and intensify, some with a commercial component, all mixed income communities
- Selected properties will be regenerated; upgraded to modern standard, energy efficiencies
- Some of our semis; stand alone properties and townhouses will be sold
- New developments, along with some land banking will happen during the time we carry out our CFCRP



# Effective Tools to Assist PHC

1. We have Reorganized our staffing model to prepare for the future
2. Our Shareholder Agreement is being amended to allow PHC more flexibility to be entrepreneurial
3. LT AHS has laid the foundation for change and PHC will maximize our opportunities as new legislation is passed





# Leave No Stone Unturned

## Strategically Managing and Leveraging Assets In Our New World



# Regeneration is Transformational





A person with long, straight blonde hair is seen from behind, wearing a light-colored top. They are using their hands to frame a bright sunset or sunrise in the distance. The scene is outdoors, with green trees and foliage in the background. A large, light blue curved arrow is positioned on the right side of the image, pointing downwards. The word "Regeneration" is written in a bold, white, sans-serif font, centered within the curve of the arrow.

**Regeneration**

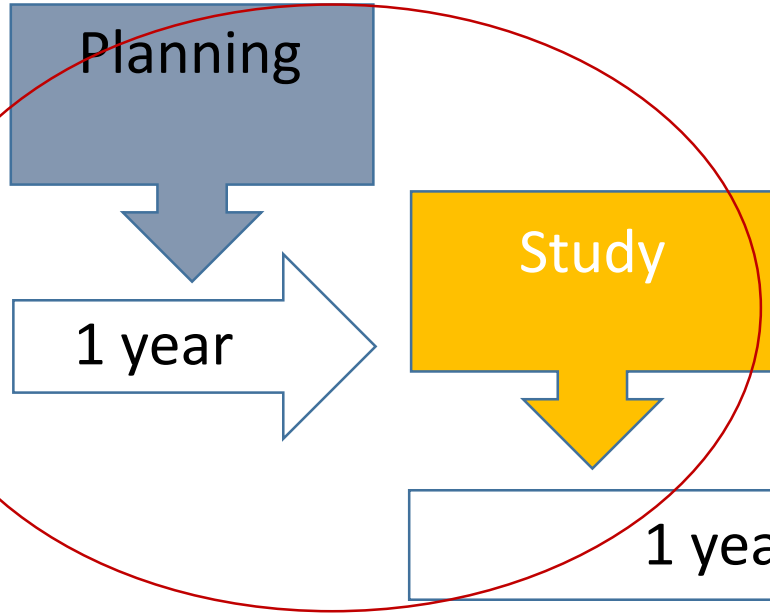


# Redevelopment or Reengineering

- Integrated plan
- Who do we need to engage?
- What assets do we consider?



# Regeneration Planning - Time Well Spent



Key elements of Planning:

1. Guiding documents
2. Scope & Objectives
3. Information & Data

Key Elements of Study:

- Outcomes
- Goals
- Process

Financing & Approvals

1 year

Execution  
3 of 5



# Study - Required Outcomes

- Implement strategic plan
- Maximize value, equity
- Solve asset and program problems
- Create strong communities
- Achieve sustainability
  - 20% NOI improvement within 5 year period



# Study - Required Outcomes

- Achieve sustainability
  - Environmental
  - Affordability
  - Financial
    - 20% NOI improvement within 5 year period





# Study – Financial Goal

Impact of 20% improvement to NOI					
		Current	Years 1 - 5	Years 6 - 10	Years 11 - 15
Total Revenue <sup>+</sup>		\$ 21,400,000	\$ 22,791,000	\$ 23,702,640	\$ 24,650,746
Total Expenses		\$ 38,400,000	\$ 36,480,000	\$ 35,203,200	\$ 33,971,088
NOI		-\$ 17,000,000	-\$ 13,689,000	-\$ 10,289,000	-\$ 6,889,000
NOI Improvement		\$ 10,200,000	\$ 3,400,000	\$ 3,400,000	\$ 3,400,000
NOI Improvement / year			\$ 680,000		
Revenue Improvement			6.5%	4.0%	4.0%
Expense Improvement			5.0%	3.5%	3.5%



# Complete Development Data Set

## Housing Data

- Needs assessments and reports
- Waiting list
- Service level standards
- Consultations
- Internal reports

## Corporate Data

- Strategic plan, Vision, Mission
- Tenant surveys
- Program agreements
- External audits
- Shareholder agreement
- Internal reports

# Study – Process

- What are the Asset needs 15 years plus?
- Can we justify the business case?
- How do we position ourselves to implement?

## Delivery Goal

- Buildings matched to people and their needs

