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Report 2024-043

Report Title: Additional Funding Allocation for 2023-2024 Homelessness Prevention Program – 310 Division Street, Cobourg Shelter Modernization Project

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Approved by: Jennifer Moore, CAO

Council Meeting Date: March 14, 2024

Report Not Considered by Standing Committee Because:

- Time-sensitive Issue
(information received too late for Committee consideration)
- Urgent Matter (issue arose after this month’s Committee meeting)
- Other

- Strategic Plan Priorities:**
- Innovate for Service Excellence
 - Ignite Economic Opportunity
 - Foster a Thriving Community
 - Propel Sustainable Growth
 - Champion a Vibrant Future

Recommendation

“That County Council having considered Report 2024-043 ‘Additional Funding Allocation for 2023-2024 Homelessness Prevention Program – 310 Division Street, Cobourg Shelter Modernization Project’, direct County staff to execute all agreements with the Province that are required to secure the additional funding from the Homelessness Prevention Program in the amount of \$2,469,500 for the 310 Division Street, Cobourg Shelter Modernization Project; and

Further That County Council direct the Chief Administrative Officer to execute the sign back letter ahead of the provincial deadline of March 15, 2024.”

Purpose

The purpose of this report is to seek Council’s authorization to enter into an alternate security agreement and contribution agreement to commit the funding for the Homelessness Prevention Program (HPP) Additional Funding Allocation for 2023-2024 to 310 Division St Shelter Modernization Project.

Background

On the afternoon of March 6, 2024, County Warden and staff received correspondence from the Ministry of Municipal Affairs and Housing (MMAH) indicating an additional \$2,469,500 through the HPP funding allocation. The funding has been provided for the 310 Division Street Cobourg – Emergency Shelter project to support the creation of 45 units (35 shelter spaces and 10 transitional housing spaces) and drop in spaces.

As a condition of this funding, Northumberland County Council is required to authorize the sign-back letter to confirm receipt of funding by March 15, 2024. In addition, the County is required to submit a Project Information Form (PIF), Contribution Agreement and Alternate Security within the same time period.

On March 7, County staff requested an extension to allow for County Council to receive this information at the March 20th regular council meeting. Based on the MMAH’s own internal deadlines, an extension was not able to be granted, however there was some flexibility considered for the Contribution Agreement and Alternate Security being submitted (by a few days).

To secure funding, typically the County would register an agreement on title, however based on the current ownership structure of the land, an alternate security is required by the MMAH to register the provincial funding received for the renovations required for 310 Division Street, Cobourg, Ontario. As the County is the proponent for this project, the standard security documents are not able to be used. As a result, Northumberland County as both the Service Manager and the proponent for this project is required to submit an alternate security letter.

The alternate security acts as a guarantee that in the event of a default of the Proponent’s obligations that is not corrected within a reasonable period of time, either the MMAH or the Ministry of Finance are able to withhold municipal transfer payments otherwise payable by the Province to the Service Manager, in an amount equal to the principal amount of the funding, together with accrued interest and interest penalties, calculated in accordance with the Service Manager Administration Agreement. This Alternate Security Letter will also be used in place of a traditional contribution agreement.

In addition, a contribution agreement will be required as is standard in all funding contributions from the province. As the County is both the Service Manager and the proponent, this agreement will be created between two County departments (Finance and Social Services).

There are repairs and renovations required to this property to ensure that it meets the program requirements of operating a warming hub, emergency shelter, and transitional housing. These

repairs include accessibility and health and safety repairs, as well as critical upgrades to building systems, including plumbing. Without this funding, these repairs would have been completed over a phased approach over several years, this funding enables the County and its partners to expediate the conversion activities required.

Consultations

Consultations with architects and security camera firms are ongoing. Following the receipt of the Alternate Security Letter, staff will ensure there is a full legal review of the agreement, prior to executing the document. In addition, ongoing consultations are occurring with internal and external stakeholders to continue the operationalization of 310 Division Street.

Legislative Authority / Risk Considerations

The County is the Designated Service Manager for Housing and Homelessness under the *Housing Services Act, 2011*. Service Managers are responsible for the creation and implementation of 10-year Housing and Homelessness Plans and the administration of the HPP funding allocations from the province on an annual basis.

Discussion / Options

It is intended that 310 Division Street, Cobourg will be retrofitted to serve as transitional housing, adult emergency shelter, warming/cooling hub to support vulnerable individuals within Northumberland.

It is also intended that the repair and retrofit process will begin early in second quarter of 2024 to ensure that the building meets requirements needed for programming and adheres to all applicable by-laws and standards. County staff have begun the process with the partnership of Transition House for architectural services to assess the overall requirements for renovation and repairs.

This funding does not alter the overarching timeframe and commitment to agreements with the Town of Cobourg and Transition House.

Financial Impact

The financial impacts associated with this report is the receipt of \$2,469,500 from the provincial government through the HPP program. In addition, in order to secure this funding, the County will incur some small legal fees.

Member Municipality Impacts

As conversion repairs and renovations begin to get underway, County staff will work with the Town of Cobourg Building Department staff to obtain required building permits for repair work as required.

Conclusion / Outcomes

It is recommended that County Council direct County staff to execute all agreements with the Province that is required to secure the additional funding from HPP in the amount of \$2,469,500; for the 310 Division Street, Cobourg Shelter Modernization Project and direct the Chief Administrative Officer to execute the sign back letter ahead of the provincial deadline of March 15, 2024.

Attachments

- 1) Report 2024-043 'ATTACH 1 'Sign Back Letter – Year-End Reallocation - Additional Funding Allocation for 2023-24