TO: Mayor and Council

FROM: Terry Willing, Acting Commissioner, Community Development Services Group

RESOURCE STAFF: Jim de Hoop, Director, Community and Family Services

DATE OF MEETING: 2010-02-16

SUBJECT: Action Report on the Status of Bridge House (Kingston) Incorporated

EXECUTIVE SUMMARY:

The purpose of this report is to provide Council with information regarding the status of Bridge House (Kingston) Incorporated and for staff to receive Council’s authority to undertake several key action items.

For a significant number of years, Bridge House (Kingston) Incorporated has provided short term, low cost, temporary accommodations and support services for women and children who come from out of town to visit family members incarcerated in area correctional institutions. The building, located on Kingscourt Avenue, has room for up to 10 beds in a shared-living arrangement, and is considered to be part of the inventory of 2,003 social housing units for which the City is the Service Manager.

Bridge House has determined it is not able to continue providing this service due to funding shortfalls. In 2007, with the change to the new provincial Consolidated Homelessness Prevention Program (CHPP), Bridge House received less funding from the Service Manager than they had received in previous years. In an effort to reduce the impact on service and to allow the Board of Directors time to explore alternative funding sources, Council approved transitional funding for the 2007 budget year, with an extension of this transitional funding through 2008 and 2009. In 2009, Bridge House received approximately $124,000 in this transitional funding, with the specific understanding that 2009 would be the last year the organization would receive support funding from the City.

The City, as Service Manager, has been working with the current Board of Directors throughout 2009, to ensure they recognize the need for an action plan and/or to find alternate funding sources for 2010. The Service Manager has made it clear that without an adequate funding source the Board will not have the financial resources required to continue its current operations through 2010.

On January 27, 2010 the Board of Directors made a decision and passed a motion confirming that it would cease providing client services effective February 28, 2010 as they could find no sustainable funding. The City, as Service Manager, has been working with the Board of Directors, to ensure that the Board meets their obligations upon the closing of their operations, including, but not limited to, engaging a solicitor, an auditor, building inspection, appraiser, and book-keeping services while securing alternative uses for the asset. The City, as Service Manager, with the assistance of a Property Management firm, will assume responsibility for the safety and security of the building asset pending a possible transfer to another non-profit housing provider or private sale.

The City, as Service Manager, has officially notified the Provincial Ministry of Municipal Affairs and Housing that Bridge House (Kingston) Incorporated has been declared a “Project in Difficulty” in accordance with Section 18(1) of the Social Housing
Reform Act, 2000. The Board of Directors of Bridge House has agreed to sign a Supervisory Management Agreement with the City as Service Manager in a form similar to those used previously by the City in similar circumstances and in a form acceptable to legal counsel of both parties. While Bridge House will close the building and requests that the City as Service Manager assume responsibility for the day-to-day operations of the building the actual ownership of the building and legal responsibilities and liabilities of the Board of Directors will continue until a legal transfer or sale has been fully executed.

Pursuant to the Supervisory Agreement, City staff plans to issue a Request for Proposal (RFP) in March or April to measure interest in the possible transfer by the Board of Directors of the building and assets, including 10 housing subsidies, to another social housing provider or the possible sale of the building to another non-profit agency or to the general public. The RFP will include related program criteria from which a review team will be able to recommend transfer or sale options to Council. Any action on the transfer or disposal of the building requires Council approval and Ministerial consent. In undertaking an RFP process, the City as Service Manager intends to find the best option for a successful transfer to an organization that can operate and manage this community asset. Proceeds from the sale of the property will be used, in part, to recoup the City’s expenses under the Supervisory Agreement.

Staff foresee having a final recommendation to Council in late June.

RECOMMENDATION:

THAT Council authorize the Mayor and Clerk to enter into a Supervisory Management Agreement with Bridge House (Kingston) Incorporated in a manner satisfactory to Legal Services; and

THAT Council approve the issuance of a Request for Proposal (RFP) in order to measure the interest in the transfer of the building and assets to another community agency, it being understood that any transfer or disposal of the building requires both Council approval and Ministerial Consent; and

THAT Council approve the monthly housing operating funding to Bridge House (Kingston) Incorporated be redirected to offset expenses relating to the closure of the facility with it being understood that these expenses will be recouped with the final sale of the building.
AUTHORIZING SIGNATURES:

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<td>Terry Willing, Acting Commissioner, Community Development Services Group</td>
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<th>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</th>
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<td>Gerard Hunt, Chief Administrative Officer</td>
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CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

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<th>Commissioner Beach, Sustainability &amp; Growth</th>
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<td>Jim Keech, President, Utilities Kingston</td>
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(N/R indicates consultation not required)
OPTIONS/DISCUSSION:
Bridge House (Kingston) Incorporated is one of the social housing providers that were transferred to the City of Kingston in 2001 in accordance with the Social Housing Reform Act, 2000. Bridge House provides short term, low cost, temporary accommodations and support services for women and children who come from out of town to visit family members incarcerated in area correctional institutions. Support services include on-site counseling and running a small transportation program for families visiting correctional institutions. The building located at 333 Kingscourt Avenue has room for up to 10 beds in a shared-living arrangement. The 10 beds provided by Bridge House are considered to be part of the inventory of social housing units for which the City is the Service Manager. The transfer from the Province included subsidies for the original 10 beds. In the last few years, the group also provided 3 beds for longer term residents who were living there as a transition to more permanent housing options.

From 2001 to 2007, Bridge House received funding from two primary sources: $124,000 in provincial funding through the former Supports to Daily Living Program for counselling services; and $52,000 in municipal social housing funding for the short term accommodation of its clients. As a result of the consolidation of some homelessness provincial program funding (CHPP) in 2007, Bridge House no longer receives the $124,000 under the Supports to Daily Living Program. In an effort to mitigate the impact on services provided by Bridge House and to allow the Board of Directors time to explore alternative funding sources and/or make appropriate changes to their program delivery, Council approved transitional or “bridge funding” be extended to Bridge House (and two other agencies) for 2007, with the extension of funding through 2008 and 2009. In 2009, Bridge House received approximately $124,000 in funding, with the specific understanding that 2009 would be the last year the organization would receive support funding from the City.

Throughout 2009 Community and Family Services staff, as Service Manager, worked with the current Board of Directors to confirm the Board’s intentions for the Corporation and to ensure the Board recognizes the need to have an action plan and/or to find alternate funding sources for 2010. The City, as Service Manager, has made it clear that without an adequate funding source the Board will not have a sustainable financial footing in order to continue its current operations into 2010.

On December 18, 2009 the Board of Directors were served with a Breach Letter from the Service Manager, in accordance with Section 115 of the Social Housing Reform Act and have formally declared a “Project-in-Difficulty” as required under Section 118 of the Act.

After numerous efforts to find alternative funding sources, specifically at both the Federal and Provincial levels, the Board of Directors at Bridge House have formally decided to close operations. A motion was passed by the Board on January 27, 2010 stating:

“Motion to approve wrapping up all building and program related business on February 28, 2010.”

The Board has provided notice to its staff and residents and will effectively close its doors to the public on January 31, 2010. They will close the building and cease all operations as of February 28, 2010. The Service Manager with the assistance of a Property Management firm will assume responsibility for the day-to-day operations of the building pending a possible transfer to another non-profit housing provider or a private sale. It should be noted that closing the building and requesting that the Service Manager assume responsibility for the day-to-day operations of the building, through a Supervisory Management Agreement, in no way changes the actual ownership of the building or in any way limits the legal responsibilities and liabilities of the Board of Directors until a legal transfer or sale has been fully executed. The Board is receiving independent legal counsel on their closure and the City, as Service Manager, continues to regularly meet with the Board to ensure the Board’s work plan is implemented and all required steps are successfully completed.
As Service Manager, the City is obligated to ensure that an inventory of at least 2,003 rent geared-to-income (RGI) units is maintained in the community. Once Bridge House closes, the City, as Service Manager, is responsible to find another housing provider or agency to take ownership of the building, including the 10 housing subsidies, though a formal transfer, or failing a transfer, to sell the building and create 10 additional RGI units elsewhere in the community, through rent supplement or some other program. The Board has also requested that if possible, the building, subsidies and related assets be transferred to another non-profit housing provider that offers services that reflect the vision, mission and values of Bridge House in order that the building and group home not be lost to the local social housing community.

Given the above, City staff, as Service Manager, would like to prepare a Request for Proposal (RFP) in order to identify opportunities within the housing community related to a possible transfer of the building, assets and 10 housing subsidies, or the possible sale of the building to another agency or to the general public. The RFP will include related program criteria from which a review team will be able to recommend to Council the preferred transfer or sale option. Any action on the transfer or disposal of the building requires Council approval and Ministerial consent.

Staff have confirmed with the Planning Department that a new operator would be permitted to continue the existing congregate living style of operation with a maximum of 10 beds. Any increase beyond that number would likely require a re-zoning. The new owner would also have to comply with all existing licensing or registration requirements of the City.

Should a sale take place the mortgage of approximately $135,000 will be paid out and any excess funds will be used to offset any additional expenses incurred by the group in order to get the building ready for transfer or sale. The Ministry will be renewing the current mortgage as of March 1, 2010 for a period of six months.

EXISTING POLICY/BY LAW:
The Social Housing Reform Act, 2000

NOTICE PROVISIONS:
There are no existing notice requirements under the Municipal Act concerning this subject, on record, to date.

ACCESSIBILITY CONSIDERATIONS:
Copies of reports may be available in alternative formats.

FINANCIAL CONSIDERATIONS:
It should be noted that funds to offset the costs related to the transfer or sale of the building, including bookkeeping services, appraisal, solicitors, building inspection and repairs may not be fully covered by the group’s annual operating budget. In this instance, it may be necessary to pay for these expenses within the approved Community and Family Services 2010 municipal operating budget. Funding is available should this be necessary.

CONTACTS:
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Cheryl Hitchen, Applicant Services and Community Programs Administration x4806

OTHER CITY OF KINGSTON STAFF CONSULTED:
Alan Mcleod, Senior Legal Counsel, Legal Services
George Wallace, Director, Planning and Development

EXHIBITS ATTACHED:
No exhibits attached