

Supplementary Report: Response to Deputation on Year Two Allocations Under the Social Housing Renovation and Retrofit Program (SHRRP)

Date:	February 16, 2010
To:	City Council
From:	General Manager, Shelter, Support and Housing Administration
Ward:	34
Reference Number:	

SUMMARY

This report responds to a request by the Community Development and Recreation Committee (CDRC) on February 3, 2010 for the General Manager, Shelter, Support and Housing Administration to report directly to Council on a letter that Duncan Mills Labourers' Local 183 Co-operative Homes Inc. (Duncan Mills) submitted as part of a deputation concerning CD30.1, "Social Housing Renovation and Retrofit Program – Allocation of Year Two Funds".

FINANCIAL IMPACT

This report has no financial impact.

DECISION HISTORY

Duncan Mills Labourers' Local 183 Co-operative Homes Inc. is being recommended to receive \$254,240 in SHRRP Year Two funding. The President of the Board of Directors of Duncan Mills appeared before and submitted a letter to CDRC on February 3, 2010 during the Committee's consideration of CD30.1, "Social Housing Renovation and Retrofit Program – Allocation of Year Two Funds". The deputation and letter advised the Committee of an issue involving the co-op's garage roof deck structure and requested that the recommendations in CD30.1 be amended to accommodate an additional funding allocation to the co-op of \$730,939 to remedy the issue. CDRC referred the letter (February 2, 2010) from the President, Board of Directors, Duncan Mills, to the General

Manager, Shelter, Support and Housing Administration, for a report directly to City Council. The letter is attached to this report.

COMMENTS

Duncan Mills has been an independent, self-governing corporation registered under the *Co-operative Corporations Act*, since 1993. Its Board of Directors is responsible for making all decisions related to the operations of the co-op, including compliance with any applicable health and safety legislation.

The City provides funding through Shelter, Support and Housing Administration to Duncan Mills according to a funding formula prescribed by the *Social Housing Reform Act*, ensures compliance with the terms of the funding agreement and provides associated training. Funding for a yearly contribution to the co-op's capital reserve account is part of the funding formula.

Duncan Mills' project engineer had identified an overburden issue in the co-op's garage roof deck structure well before responsibility for funding social housing programs, including Duncan Mills, was transferred to the City in 2002. The roof deck structure is covered by more than four feet of soil, which is in excess of the approximately two feet of soil indicated in the original plans.

In the course of administering the funding relationship with Duncan Mills, City staff have been aware of the overburden issue. City staff have raised the issue of the safety of the roof deck structure with Duncan Mills on a number of occasions between June 2003 and April 2008. City staff have asked the Board of Directors what they were doing to follow up on the overburden issue and whether there was a life safety issue. In August, 2007 City staff attended a Board of Directors meeting at Duncan Mills Co-op and advised the Board that the co-op could use its capital reserve to remedy the overburden issue and, if there was not enough money in the capital reserve to cover the costs, the City would provide additional subsidy if there was a life safety concern.

Duncan Mills commissioned an engineering study on the overburden issue and received their engineer's report in November 2004 which described the overburden but did not identify it to be a life safety issue. The report outlined and costed potential engineering remedies. In April, 2008, City staff requested Duncan Mills to get a second engineering opinion to update the analysis. Staff advised that the updated analysis should provide findings from site testing and include recommendations and budget for costs for proposed remediation work. To date, the second engineering opinion has not been provided.

According to audited financial statements, Duncan Mills has had sufficient funds in their reserve to proceed with the overburden project, if they determined that to be a priority. For the fiscal periods beginning July 1, 2005 and ending on June 30, 2009, the Duncan Mills Co-op spent a total of \$1,443,823 from their capital reserves. Approximately three quarters of the expenditures were for energy reduction initiatives. None of the capital reserve was invested in remediation of the overburden issue. It should be noted that the

City has no jurisdiction over how housing providers spend their capital reserves, provided that the expenditures are eligible capital expenditures.

Based on a review of the letter from the President of Duncan Mills Board of Directors, staff are not recommending any changes to the Year Two allocations under SHRRP as proposed in CD30.1.

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SIGNATURE

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ATTACHMENTS

Letter from the President of Duncan Mills Labourers' Local 183 Co-operative Homes Inc., to the Community Development and Recreation Committee, dated February 2, 2010.