



## BOARD REPORT

REPORT No.: 2024-30  
MEETING DATE: SEPTEMBER 19, 2024  
SUBJECT: PROPERTY PORTFOLIO ACTION PLAN

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### RECOMMENDATION

For information only.

### REPORT SUMMARY

To provide the Board with an update with respect to The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) housing property portfolio.

### BACKGROUND

At the June 26, 2014, Board meeting, the Board was presented with a first report (Report No. 2014-37) outlining the proposed capital investment required to maintain the current TBDSSAB housing portfolio over the next 30 years. Also included in this report was the commitment to individually review the future viability of each property to determine the cost effectiveness of maintaining each property and the opportunity costs involved. The intention was to determine if there were certain properties in the portfolio that were not meeting community needs or investment return expectations and could be better utilized through further investment, redevelopment, or devolution.

At the February 26, 2015, Board meeting, the Board was presented with information (Report No. 2015-18) outlining possible options to pursue relative to the continued capital investment and maintenance of each property in the portfolio. This report ranked each TBDSSAB property using the Facility Condition Index (FCI) rating tool and made recommendations to reduce ongoing investment in properties where the FCI rating was higher than an acceptable level. With this recommendation approved, a review of options available for these specific properties was undertaken.

At the September 23, 2015, Board meeting, the Board was presented with options (Report No. 2015-63) regarding future plans for the TBDSSAB property portfolio. The Board passed a resolution to pursue the possible sale of properties with high FCI ratings and operational costs and to use proceeds for reinvestment into existing or new housing units. There was

also approval to sell certain family-style units within the portfolio to generate funds for reinvestment into high demand housing units. Specific properties were identified for review. At the February 7, 2016, Board meeting, the Board was presented with a formal plan (Report No. 2016-16) for the dispossession of certain TBDSSAB properties identifying multiple phases including obtaining Ministerial Consent, valuing and marketing the properties and investing in new and/or renovated housing. From this report, the Board authorized Administration to seek the required Ministerial Consent for the removal of these properties from TBDSSAB's portfolio.

In May of 2016, an application seeking Ministerial Consent for the dispossession or redevelopment of TBDSSAB properties was prepared. This process involved providing a business case for review and addressing factors such as community need, efficiencies in operations, rationale for future direction and possible mitigation strategies should challenges arise.

One of the issues included in the Ministerial Consent application was a request to either dispose of, or regenerate the Bertrand Court property (514, 520, 532, 540 N. Court Street, Thunder Bay) pending a determination of the option that would prove most beneficial to TBDSSAB. The Ministry recommended that this property be removed from the consent process, to simplify the approval by the Ministry. All the other properties identified would remain. With legislative changes that came into effect January 1, 2017, TBDSSAB as the Service Manager may now approve the sale of its social housing properties without the Ministry's involvement, if it deems it is beneficial to do so.

Administration has completed the dispossession of all properties identified in the February 7, 2016, Report with net proceeds contributed to the Capital Regeneration Reserve Fund.

To inform continued review and updating of the long-term sustainability and capital planning process, completing comprehensive Building Condition Assessments (BCA) on all TBDSSAB owned properties is planned on a ten year cycle. At the June 20, 2024, meeting, the Board was presented with the updated BCA Results based on the updated comprehensive assessments completed in 2023, noting that an updated property portfolio action plan would be presented at the September 2024 Board meeting.

## **COMMENTS**

Consistent with the previous process, Administration completed a review to consider the future long term physical viability of each property, consistency with program needs, and financial impacts of each property.

### **Physical Viability**

The information provided from Report No. 2024-24, Building Condition Assessment (BCA) Results was used to complete the first analysis of the property portfolio, specifically, the FCI results. The FCI ratings for each of TBDSSAB's housing properties, with comparators to the 2014 results, are summarized as follows:

FCI Rating	Condition Narrative	# of Properties per 2024 Results	% of Properties per 2024 Results	Condition, per 2014 Results	% of Properties, per 2014 results
0 – 5%	Good	45	88.2%	37	67.3%
6 – 10%	Fair	3	5.9%	12	21.8%
11 – 30%	Poor	3	5.9%	4	7.3%
>30%	Critical	0	0%	2	3.6%

The BCAs confirmed that the properties are in good repair and do not require a higher than acceptable investment cost to maintain their condition and safety; therefore, unlike the 2014 position, there is no immediate need to consider dispossession of the existing properties.

### **Program Alignment**

Additional factors that were considered included community needs and how the existing properties fit with and address the goals of the TBDSSAB Housing and Homelessness Strategy.

These factors were also reviewed to determine any portfolio strategy impacts. Given the current housing waitlist and related need, no properties were identified for dispossession or redevelopment as all properties can be filled from current housing waitlist needs.

### **Operational Financial Review**

Administration also reviewed the financial position for each property, specifically reviewing comparative per unit costing, recognizing that each property has varying costs, for example, building security costs.

Although there are varying levels of financial operating investments required for each property, no specific properties were identified for dispossession or redevelopment as the cost analysis was reasonable considering the conditions/ requirements of each property.

### **Summary**

Overall, there are no identifiable properties for dispossession nor redevelopment from the property portfolio based on review of the building conditions, program needs, and relative comparative financial analysis of each property.

## STRATEGIC PLAN IMPACT

This report relates to the Board's strategic direction of Financial Stewardship, with a focus on maximizing long term physical and financial sustainability of TBDSSAB assets, as well as the continuation of the Flexible Housing practical vision element from the 2017 – 2020 Practical vision.

## FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the Property Portfolio Action Plan Update.

Future considerations for the property portfolio will be provided within the annual operating or capital budgets, as required.



## CONCLUSION

It is concluded that the Property Portfolio Action Plan has been updated and informed by the results of the BCAs, the current state of the housing waitlist, and analysis of the financial operational results by property.

It is also concluded that future updates to the portfolio mix and financial investment requirements will be provided to the Board, as/when required.

## REFERENCE MATERIALS

None.

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