



Report To:	Program Planning Committee
From:	Donna Moroso, Director of Integrated Social Services Rhonda McCauley, Social Housing Program Supervisor
Date:	September 23, 2015
Re:	Canadian Housing Bank Feasibility Study – Issue Report

Purpose

To review and determine the Manitoulin-Sudbury District Services Board position as it relates to the participation with NOSDA in exploring the feasibility of creating a dedicated lending institution for affordable housing.

Background

Housing Partnership Canada (HPC) wishes to partner with key organizations within the Canadian housing sector, including the Northern Ontario Service Deliverers Association (NOSDA) and the Manitoulin-Sudbury DSB to explore the feasibility of creating a dedicated lending institution for affordable housing providers across Canada to finance the regeneration and development of their assets. This entity would focus on pooling capital requirements of a diverse group of borrowers and giving them access to capital lending markets efficiently and cost-effectively. Such a dedicated lending institution will also offer prospective investors an investment opportunity with direct ties to a social return.

Reference HPC Proposal document

Feasibility Study

HPC wishes to enter into a funding agreement with the NOSDA, and other funders, to undertake a Feasibility Study to analyze and assess the need, shape and scope of a Canadian Housing Bank. The Feasibility Study will comprise of two phases:

- Market canvass and initial product assessment to test the feasibility of the sector bank, assess interest based on broad-based outreach
- Financial forecast, initial credit rating and resource/governance assessment, based on satisfactory results from the first phase

A detailed scope of work for each of these phases is articulated in Appendix A. The budget for each of the two phases of the Feasibility Study is included in Appendix B.

Housing Partnership Canada wishes to engage with NOSDA members to provide a portion of the funding necessary to undertake the Feasibility Study. In recognition of funding support, NOSDA will receive a presentation and copy of the Deliverables and be engaged, along with the other funders, as a member of the Steering Committee in a discussion and decisions with regard to moving to Phase 2 of the Feasibility Study. NOSDA will be credited as being a key funder of this project; both on the Feasibility Study but additionally through the possible course to the creation of the Canadian Housing Bank.

The Phase 1 Feasibility Study is estimated to cost \$250,500 and take 21 weeks for completion.

Conclusion

Given the fact that the End of Operating Agreements and the subsequent funding have already begun to expire, Service Managers must become proactive in their approach to future funding investment opportunities that will mean future funding options.

Several NOSDA members have already contributed between \$2,500 and \$5,000 to this project and staff are recommending that the Manitoulin-Sudbury DSB commit funds to participate in the Phase 1 feasibility study and invest \$2,500 towards the cost of the study.