

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/ Réf.
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DATE 31 January 2000

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Commissioner, Social Services Department

SUBJECT/OBJET **UNDER ONE ROOF - FUNDING REQUEST**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council approve a maximum expenditure of \$720,000 from the Region Wide Capital Reserve Fund to provide a capital grant [\$240,000] and an interest free loan [\$480,000] to assist the Under One Roof co-location project with acquiring an appropriate property.

BACKGROUND

The proposed project, Under One Roof, consists of a number of agencies coming together to acquire and renovate space under one roof in order to improve the quality and accessibility of a range of services and programs. The cost savings realized through long term reduction in accommodation costs and administrative efficiencies will be re-allocated to enhance the services provided by all the participating agencies with direct benefits for the residents of Ottawa-Carleton.

Two Ottawa-Carleton agencies, the Family Service Centre and Citizen Advocacy, have been working together on this project for the last two years. The Credit Counselling Service of Ottawa-Carleton is also a partner.

The Family Service Centre of Ottawa-Carleton provides counselling to families and individuals. It also offers a peer counselling program for seniors, support services for caregivers, family life education services, advocacy and planning co-ordination. Services are offered using a sliding fee scale. The Regional Coordinating Committee to End Violence Against Women and the Sexual Assault Network are currently housed at the Family Service Centre and would be located at the new site.

Citizen's Advocacy of Ottawa-Carleton assists individuals who have disabilities by matching them in supportive relationships with volunteers. Credit Counseling Service of Ottawa-Carleton provides remedial and preventative counselling for people with credit difficulties. Other agencies, Christmas Exchange, Jewish Family Services, Immigrant and Visible Minority Women Against Abuse and Rideauwood, are currently considering joining the partnership. The balance of the space would be rented to other social service agencies.

The collaborative partnership model being proposed has been successfully utilized in other communities across Canada.

DISCUSSION

Site Selection

In 1998, the Under One Roof Steering Committee invited proposals from several Real Estate firms to assist in finding suitable properties for the proposed project. As a result of this competitive process, a Real Estate Consultant was retained. The Steering Committee also developed site selection criteria including availability, location, proximity to public transit, wheelchair accessibility, size, design flexibility and financial viability, taking into account both the price of the property and anticipated renovation and fit-up costs.

The Under One Roof Steering Committee identified over 30 potential sites and conducted more detailed investigations of 8 properties. The property at 312 Parkdale was found to be the most appropriate in terms of the site selection criteria. The site is still subject to satisfactory purchase negotiations and further architectural, engineering and environmental inspections and evaluations. The proposed Agreement of Purchase and Sale is conditional upon the satisfactory results of such inspections.

The partners have prepared a preliminary capital budget and financial program. Annex A contains an executive summary of the financial program. The total projected capital costs are \$2.4 million. The participating agencies plan to contribute approximately \$100,000 in equity, and have received a Trillium Grant to assist them with the preliminary project planning costs. Their financial plan includes a fundraising campaign to raise a further \$250,000 with conventional financing for approximately 1.3 million or 55% of the total capital cost. All participating agencies will also contribute \$1.00 per square foot, per annum to a replacement reserve fund, to ensure the continuing viability of the project and to cover long term maintenance costs.

FUNDING REQUIREMENTS

The partners have requested that the Region assist them through a combination of funding mechanisms. A capital grant of \$240,000 and an interest free loan of \$480,000 to be repaid in monthly installments over 10 years. The term of the loan would match the proposed term of their conventional mortgage financing, and secure the project against long term, interest rate fluctuation.

Their analysis indicates that the organizations would be able to save over \$600,000 in accommodation costs alone over the first 15 years of occupancy, compared to the costs of renting. The annual savings grow exponentially after 10 years as the amount outstanding on the mortgage balance continues to decline. Annex B illustrates the projected savings compared to renting over 15 years.

ISSUES

The Region is currently a funder of two of the confirmed agencies and two of the proposed agencies. Although there will not be a reduction in Social Services funding commitment if this capital support is provided, it is clear that substantial funds (\$600,000) over 15 years, will be available for increased service levels.

In advance of conveying any funds for this initiative that Council may approve, the Corporation will undertake the following steps.

A final review will be undertaken with the project components of the engineering and physical status of the proposed building to ensure that this project is appropriate.

A legal agreement between parties will be developed to ensure that the public funds that are invested will be protected by the Region securing mortgage against the title of the property. This will ensure that if the building is to be no longer used for its proposed use and is sold, the Region would reacquire all or some of its public funding. In addition, since the equity and/or rental partners in this venture may change over time, this agreement would ensure that the Region is consulted when these changes happen in order to ensure that new partners are capable of meeting their financial obligations to the project and enhance the overall project purpose.

CONSULTATION

There was no public consultation for this report.

CONCLUSION

Although the partners have distinct mandates and organizational independence, they anticipate opportunities for improving programs, services and client outcomes. There are many potential benefits: complimentary services accessible to clients at one location, elimination of unnecessary duplication in programs and services, efficient service delivery through shared space, support systems, staff and volunteer resources. This collaborative venture will allow significant long term payoffs in terms of increased client service for the residents of Ottawa-Carleton.

*Approved by
Dick Stewart*

FINANCE DEPARTMENT COMMENT

The awarding of a capital grant for \$240,000 and a repayable, interest free loan for \$480,000 were not included in the 2000 Budget as adopted by Council on December 22, 1999. Should the Committee wish to recommend that Council approve the total financial assistance package of \$720,000, uncommitted funds are available in the Region Wide Capital Reserve Fund. The uncommitted balance in this Fund as of December 31, 1999, is approximately \$2.8 million. This balance does not reflect the 1999 year end operating results of the Region Wide Operating Fund.

TRANSITION BOARD APPROVAL

The financial assistance package of \$720,000 was not included in the 2000 budget as adopted by Council on December 22, 1999. Accordingly, under the Financial Guidelines as adopted by the Ottawa Transition Board, this request will be subject to Board approval.

*Approved by
J.C. LeBelle
Finance Commissioner*

UNDER ONE ROOF
312 PARKDALE

PARKDALE PROPOSAL

19-Jan-00

FINANCIAL PROGRAM - EXECUTIVE SUMMARY

CAPITAL BUDGET

Purchase Price	\$1,450,000	60.2%
Other Acquisition Costs	50,225	2.1%
Fees and Charges (Soft Costs)	213,800	8.9%
Renovation & fit-Up (Hard Costs)	603,000	25.0%
Cost Reductions	0	0.0%
Contingency	90,500	3.8%
Total Capital Costs	\$2,407,525	100.00%

FLOOR AREA ANALYSIS

	RENTABLE	USABLE
Family Service Centre	9,900	9,000
Citizen Advocacy	1,870	1,700
Credit Counselling	2,310	2,100
Other Partner Agency	0	0
Rental Space for Other Agencies	9,420	8,564
Total Floor Area	23,500	21,364
Total Capital Cost per Square Foot	\$102	\$113

PROPOSED FINANCING

Equity Contributions	\$85,000	4%
Grants & Fundraising	250,000	10%
ROC Capital Grant	240,000	10%
ROC Interest-free Loan	480,000	20%
Mortgage Financing	1,352,525	56%
Total Financing	\$2,407,525	100%

ANNUAL COSTS

ROC Loan Repayment	\$48,000	14%
Mortgage Payments	125,268	36%
Replacement Reserve Contributions	24,120	7%
Operating Costs	155,157	44%
Total Annual Cost	\$352,545	100%
Total Annual Cost per Rentable Square Foot	\$15.00	

UNDER ONE ROOF PROJECTED SAVINGS COMPARED TO RENTING

