

March 14, 2017

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Dear [REDACTED]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act. File Number PB 102 2017

On February 22, 2017, the City of St. John's received your request for access to the following information:

*"What are the income ceilings for tenancy?
Are these ceilings being violated?
Are there space allocation guidelines?
Are they being violated?
Are there City Employees in St. John's Housing?
Does their income exceed the ceiling for qualifying?
Does their space allocation exceed the guidelines?
How many City Employees are tenants out of the total of all units?
What is the taxpayer subsidy per unit?
Are City Employees living in taxpayer subsidized units? If yes what is the subsidy paid for by the taxpayer?
How many new units is the City proposing to build over what period of time? What is the total cost paid for by the taxpayers as a subsidy and how much is the tax bill going to increase for the proposed new units?
Were the taxpayers of the City informed as to how much their taxes were going to increase to subsidize the construction of new units?"*

Enclosed is the information you requested. As the provision of the information constitutes full disclosure, we now consider this matter completed and will be closing the file.

If you have any further questions, please feel free to contact the undersigned by telephone at 576-8202 or by e-mail: ehenley@stjohns.ca.

Yours truly,



Elaine A. Henley
City Clerk

Enclosures

ST. JOHN'S

Response to the February 22, 2017 ATIPPA Request

What are the income ceilings for tenancy?

There are three portfolios:

Rent Geared to Income (RGI) units – upon move in, tenants verify their income. If their monthly total family income (household members 18 or over) is \$2000 or less, they qualify for a RGI unit. The rent is then set at 25% of their income. Tenants in these units are income tested annually and the rent will change according to the income at the time of lease renewal.

There are 156 RGI units.

Lower End of Market Unit (LEMS) – Income is verified with the application at the time of move in.

Applicants with a family income of more than \$2000 qualify for these units. These units have a set rent. Rents depend on the location of the unit and in consultation with NL Housing and is in compliance with our 35 year Global operating agreements. To date, there is no ceiling for income in these units, however all applicants on the waitlist are considered when a vacancy becomes available. Several factors are taken into consideration when making a selection such as individual or family need, condition of current housing, medical or accessible needs, and financial situation. Applicants with a high income are less priority than applicants with lower incomes.

There are 268 LEM units.

Affordable Housing Units – Upon move in, tenants must have an income of less than \$32,500. This is in compliance with our Investments in Affordable Housing (IAH) funding agreement through NL Housing.

There are 24 affordable housing units.

Are these ceilings being violated?

No. Applicants are required to provide a current Option C print out from Revenue Canada as part of the income testing process.

Are there space allocation guidelines?

Vacancies are filled by matching tenants with suitable unit. All efforts are made to not over house people or families however there are exceptions to this based on medical and family needs.

Are they being violated?

There are cases where tenants would like to downsize from larger units to smaller units. Unfortunately it is difficult to meet this request as one and two bedroom apartments are in biggest demand.

When the vacancy rates were higher, exceptions were made if the City had a vacancy for a period of time. Tenants may have been over housed (by one bedroom for example) rather than leave the unit vacant not collecting rent.

Are there City Employees in St. John's Housing?

Yes.

Does their income exceed the ceiling for qualifying?

No, they are all in LEM's and there is no ceiling on units.

Does their space allocation exceed the guidelines?

No, they are not over housed.

How many City Employees are tenants out of the total of all units?

We currently have 5 City of St. John's Employees in City units. 454 units of housing in total.

What is the taxpayer subsidy per unit?

On the whole, the City budgets it's Non-Profit Housing (NPH) units to break even, with expenditures offset by rental income and various subsidies. In recent years however, primarily on the Lower End of Market properties, costs have risen to exceed rental revenues. The most recent full year of audited financial data available is 2015. In 2015 all 466 NPH properties operated at a net cash deficit of \$450,130, equating to net cost \$965.95 per unit. Across the various categories, the net financial impact to the city was as follows;

Pleasantville Affordable Housing - Total net operating surplus of \$49,133, for a per unit surplus of \$1,169.35.

Lower End of Market - Total net operating deficit of \$477,553, for a per unit cost of \$1,781.91

Rent Geared to Income - Total net operating deficit \$21,690, for a per unit cost of \$139.04

The City's total operating budget in 2015 was \$289,425,194. For context, the total cost of \$450,130 equates to 0.16% of the City's total to operate these units.

Subsidies are not paid directly to the tenant.

Are City Employees living in taxpayer subsidized units? If yes what is the subsidy paid for by the taxpayer?

See above.

How many new units is the City proposing to build over what period of time?

The City of St. John's will create 22 new units of affordable housing for seniors in partnership with the Presentation Sisters and the Province at the former St. Patrick Convent site. Construction will begin in 2017 and it is expected the units will be completed mid-2018.

What is the total cost paid for by the taxpayers as a subsidy and how much is the tax bill going to increase for the proposed new units?

In 2015, the overall cost to the City of St. John's for subsidies was \$450,130.

The new units will be added to the Affordable Housing portfolio (as per agreements with NLHC). Currently the Affordable Housing portfolio is producing a surplus.

There is no annual operating cost to tax payers as the rental revenue will cover operating costs. The capital cost of construction is shared with the provincial government. The City of St. John's share is estimated at \$2.16M. This would reflect the only City subsidy. This is funded from the approved 2016 and 2017 capital out of revenue budgets. Given both these factors there is no anticipated impact on mil rate. Any operating deficit would have to be covered out of general revenues however as the units are not operational that cannot be forecast at this time.

Were the taxpayers of the City informed as to how much their taxes were going to increase to subsidize the construction of new units?

Rental income pays for operating costs and the capital subsidy required exists within the approved budget. There is no anticipated mil rate impact.