



Staff Report to Council - for Direction

Title: Service Manager Consent - 5 Railway Street

From: Tina Metcalfe, Director Human Services

Date: March 7, 2024

Staff Recommendation:

That Service Manager consent to discharge the mortgage for 5 Railway Street, South Bruce be granted to Bruce County Housing Corporation.

Report Summary:

Service Manager consent is required for Bruce County Housing Corporation to discharge the mortgage for 5 Railway Street, South Bruce.

Background:

The mortgage for 5 Railway St., South Bruce is coming due for renewal on April 1, 2024. This mortgage has 3 years remaining until full maturity. The current remaining amortization is approximately \$225,051.23 with a current interest rate of 6.12%. The Ministry of Municipal Affairs and Housing secured a renewal of 5.57%.

Given the outstanding balance of \$225,051 and the flexibility offered to finance internally, the Treasurer is recommending the mortgage be discharged and financed by the County. When internally financing the County charges the bank interest rate which represents the forgone revenues. As at March 2024, the interest earned on the corporate bank account was 5.6%.

This approach will allow BCHC the flexible repayment options and the potential to use surplus budget to repay the loan, a practice that was completed as recently as 2022 with almost \$300,000 being applied against outstanding internal loans to reduce the ongoing payment costs and outstanding balances. This approach also keeps any interest paid on the loan within the county.

The Housing Facilities budget will repay the internal loan as well as the floating interest rate for the period that the outstanding balance remains.

The building will continue to operate as Community Housing within BCHC's portfolio.

Financial/Staffing/Legal/IT Considerations:

The Housing Services Act, 2011 requires Service Manager consent for mortgage discharges.

Having the County oversee the mortgage will allow for repayment flexibility with interest at the same rate as MMAH

There are no staffing or IT considerations associated with this report.

Interdepartmental Consultation:

The Human Services staff consulted with Corporate Services with regard to the course of actions determined for this mortgage renewal.

Link to Strategic Goals and Objectives:

Community and Partnerships - Build a strong and inclusive community

Link to Departmental Plan Goals and Objectives, if any:**Report Author:**

Tania Dickson, Housing Services Manager

Departmental Approval:

Tina Metcalfe, Director

Approved for Submission:

Sean Morphy, Deputy Chief Administrative Officer