

COMMON COUNCIL REPORT

M&C No.	2024-149
Report Date	May 22, 2024
Meeting Date	May 27, 2024
Service Area	Strategic Services

Her Worship Mayor Donna Noade Reardon and Members of Common Council

SUBJECT: Saint John Non Profit Housing Inc Request

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	Chief Administration Officer	Chair of Finance Committee
<i>Craig Lavigne</i>	<i>Kevin Fudge</i>	<i>J. Brent McGovern</i>	<i>Gary Sullivan</i>

RECOMMENDATION

Finance Committee recommends that Common Council approve the request from Saint John Non-Profit Housing Inc to access the balance of funds in the Saint John Non-Profit Sinking Fund (Future Development Fund).

EXECUTIVE SUMMARY

Staff received a letter from Saint John Non-Profit Housing requesting that funds held in the Saint John Non-Profit Sinking Fund (Future Development Fund) be released to support the Wellington Project. Staff are in support of the request and will require Council approval for the release of the funds.

The City is currently holding approximately \$59,494 in a fund that was established upon the sale of Rockwood Court housing project in 1986. Council resolved on August 18, 1986, that profits realized from the sale be put aside into a special fund to be administered by Saint John Non-Profit Inc.

Further to that resolution, on April 27, 1987, Council resolved that the proceeds from the sale are owned by City of Saint John, however agreed that the City would establish a special fund utilizing the proceeds and set out how the proceeds would be administered by Saint John Non-Profit Housing.

PREVIOUS RESOLUTION

Finance Committee May 22, 2024 - "It is recommended that members of the Finance Committee endorse Saint John Non-Profit Housing's letter to access the funds in the Saint John Non-Profit Housing Sinking fund and forward it to Common Council for approval."

Common Council Resolution – August 16, 1986 - Appendix B

Common Council Resolution – April 27, 1987 – Appendix B

REPORT

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The City is currently holding approximately \$59,494 in a fund that was established upon the sale of Rockwood Court housing project in 1986. Council resolved on August 18, 1986, that profits realized from the sale be set aside into a special fund to be administered by Saint John Non-Profit Inc.

Further to that resolution, on April 27, 1987, Council resolved that the proceeds from the sale are owned by City of Saint John, however agreed that the City would establish a special fund utilizing the proceeds and set out how the proceeds would be administered by Saint John Non-Profit Housing as follows:

- (a) the proceeds may be used to fund the capital and start-up costs of housing projects for which funding is not available from other levels of government.
- (b) Saint John Non-Profit Housing Inc. may utilize all or a portion of the accrued interest from the fund for the annual operation of the company.
- (c) where deemed necessary and desirable, funds may be used to fulfill any necessary equity requirements for projects funded by other levels of government.
- (d) the funds will not be used to finance projects undertaken by private developers; however, they may be used to promote the development of privately-owned housing projects.
- (e) the funds will not be used to fund the operation of housing projects owned and operated by Saint John Non-Profit Housing Inc. and for which operating assistance is provided by other levels of government.
- (f) the proceeds will be invested by the City of Saint John after considering the annual projected cash flow requirements of Saint John Non-Profit Housing Inc.; and
- (g) Saint John Non-Profit Housing Inc. will provide Council with an annual statement of expenditure on how monies were expended from the fund.

In conclusion, Staff are in support of this recommendation and the intended use of the funds for the Wellington aligns with the purpose of the fund.

STRATEGIC ALIGNMENT

N/A

SERVICE AND FINANCIAL OUTCOMES

N/A

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

This has been reviewed by Finance, General Council and Community Services

ATTACHMENTS

Appendix A – Letter from Saint John Non-Profit Housing – “Future Development Fund”

Appendix B – Council Resolution for Saint John Non-Profit Sinking Fund