



CITY OF HAMILTON
COMMUNITY AND EMERGENCY SERVICES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	March 24, 2014
SUBJECT/REPORT NO:	Social Housing Reserve Funds for Waterdown Rotary Garden Court Inc. (CES14019) (Ward 15)
WARD(S) AFFECTED:	Ward 15
PREPARED BY:	Rodger Metcalfe 905 546-2424 Ext. 6113 Robert McKnight 905 546-2424 Ext. 3728 Gillian Hendry 905 546-2424 Ext. 4818
SUBMITTED BY:	Vicki Woodcox Acting General Manager Community Services and Emergency Services Department
SIGNATURE:	

RECOMMENDATION

That the General Manager of the Community and Emergency Services Department be authorized and directed to fund Waterdown Rotary Garden Court Inc. at 30 John Street, Waterdown up to a total of \$150,000 for emergency capital repairs from the Social Housing Reserve Fund (#112248).

EXECUTIVE SUMMARY

Waterdown Rotary Garden Court Inc. is a small social housing building comprised of 11 apartment units designated for seniors. The building requires repairs estimated at \$150,000 to bring the building up-to-date and to extend the project's life. The roof and insulation need replacement. Window and door replacement upgrades are required since the doors are the original (1973) and no longer meet fire and safety codes. These repairs will increase energy efficiency and reduce energy consumption. Without the necessary repairs, the building will continue to deteriorate leading to health and safety issues for the senior residents and eventual loss of this important social housing stock in Waterdown.

Under O. Reg. 367/11, s. 98 (6) of the Housing Services Act, social housing providers must maintain a capital reserve and are expected to use amounts from their capital reserve for repairs. At present, the Waterdown Rotary Garden Court Inc. has \$29,786 in their capital reserve fund. There is insufficient reserve funding to cover the cost of these major repairs. It is recommended that the existing capital reserve funding be maintained for minor repair and replacement costs for items such as painting, carpeting and refrigerators.

It is therefore recommended that up to \$150,000 be allocated from the Social Housing Reserve Fund (#112248) for the cost of the repairs. The cost of these repairs meet the Social Housing Reserve Fund (#112248) criteria. The purpose of the Social Housing Reserve Fund (#112248) is to cover the costs of emergency repairs or exceptional situations when the social housing providers have insufficient capital reserves.

Housing Services Division staff completed a review of the proposed repairs and deemed the estimated costs acceptable. Final costs will be subject to review by the Housing Administration Officer assigned to this social housing provider.

This recommendation is linked to Strategic Priority 1.5 (xi.) of the Corporate Strategic Plan, which is to support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The current balance of the Social Housing Reserve Fund is \$1,974,383 including interest. The approval of up to \$150,000 will leave a balance in the Social Housing Reserve Fund (#112248) of \$1,824,383 for future social housing capital projects and emergency repairs. This balance does not include the requested approval for \$611,350 as recommended in Report CS13004(a) - Expenditures from Social Housing Reserve Fund which is also on the Emergency and Community Services Committee agenda for March 24, 2014.

Staffing:

There are no staffing implications to Report CES14019.

Legal:

If approved, the City will enter into a funding agreement with the Waterdown Rotary Garden Court Inc. Social housing providers are required to enter into an agreement with the City of Hamilton for any capital funds.

HISTORICAL BACKGROUND (Chronology of events)

With the devolution of social housing to the municipalities in 2001, the Province provided a capital reserve to the City. The reserve was to be used at the discretion of the municipality for social housing purposes. Expenditures from the Social Housing Reserve Fund (#112248) are distributed in accordance with both the Ministry of Municipal Affairs and Housing requirements and the City of Hamilton's corporate policies and procedures for reserve funds. All emergency and capital repairs drawn from this reserve must be related to social housing.

In 2009, the Social Housing Renovation and Retrofit Program (SHRRP) was introduced to municipalities as a component of the Canada-Ontario Affordable Housing Program. This was a capital grant program which provided the City with an allocation of \$32,711,061 for the repair and regeneration of eligible social housing projects. SHRRP funding was used for capital repairs, renovations and energy efficiency enhancements to social housing units. The SHRRP funding ended on March 31, 2012.

Without the SHRRP funding, social housing providers have limited options to assist with the cost of capital and emergency repairs. Social housing providers must maintain a capital reserve and may use amounts from their capital reserve for repairs. It is challenging for small social housing providers such as Waterdown Rotary Garden Court to maintain a capital reserve as they do not have the large scale revenues and economies of scale like large social housing providers.

Social housing providers may access funding through the Social Housing Reserve Fund (#112248) for emergency, exceptional and capital costs if they have insufficient capital reserves. The Social Housing Reserve Fund may also be used for exceptional circumstances, such as renovations to extend the life of the units.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no policy implications to Report CES14019.

RELEVANT CONSULTATION

There was no consultation in the writing of this report.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

Hamilton has 14,600 social housing units. Hamilton's demographics are changing and the type of social housing units must be modified to meet the needs of an aging population. In January 2013, there were 815 seniors on the social housing waitlist. The average wait time for social housing in Hamilton is 24.6 months.

In Hamilton, there was a net loss of 789 purpose-built rental units between 2000 and 2010. New apartments are no longer being built as market rents do not cover the cost of construction. Between 2001 and 2010, there were 1489 apartments draft approved or registered for conversion to condominiums.

As the number of rental units in the City decrease and the number of senior residents increase; the availability of social housing stock plays a significant role in housing options for Hamilton senior residents.

The recommendation in this report links to the outcomes and strategies of the City of Hamilton's 10-year Housing and Homelessness Action Plan, Outcome 4: People Live In Housing That is Good Quality, Safe and Suitable To Their Needs:

- Strategy 4.10, Adequately fund capital reserves for social housing based on building condition audits and
- Strategy 4.11 Encourage all social housing providers to ensure that tenants safety is ensured though capital and infrastructure audits and improvements (e.g. comprehensive lightning and building security systems).

ALTERNATIVES FOR CONSIDERATION

There are no alternatives to Report CES14019.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful to wards each other and that the community has confidence and trust in.

Strategic Objective

- 3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

None.