



CITY OF HAMILTON
COMMUNITY AND EMERGENCY SERVICES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	June 9, 2014
SUBJECT/REPORT NO:	Housing and Homelessness Action Plan (CS11017(d)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	David Brodati 905-546-2424 ext. 6159
SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the current balance of \$365,577 and any future funds in the Revolving Home Ownership Reserve (#112254) be utilized for down payment assistance as outlined in the Provincial Investment in Affordable Housing Program and that the program be targeted to priority neighbourhoods identified in the City's Neighbourhood Development Strategy;
- (b) That the balance of \$1,099,506 in the Supplement/Housing Allowance Reserve (#112252) be targeted for rent subsidy assistance for eligible households as follows:
 - (i) Individuals participating in Housing First initiatives;
 - (ii) Transitioning social housing tenants who are deemed to be "over-housed" into units more appropriate to their needs;
 - (iii) Emergency situations where spikes in homelessness require rapid housing response; and,
 - (iv) To cover any pressures to existing rent supplement/housing allowance programs.
- (c) That the balance of \$241,230 in the Hamilton Emergency Home Repair Reserve (#102045) be utilized for an emergency home repair program for homeowners receiving social assistance (Ontario Works and Ontario Disability Support Program) to undertake emergency minor repairs of up to \$5,000 that could otherwise create a risk of homelessness;
- (d) That the remaining balance of \$244,785 in the Social Housing Renovation and Retrofit (SHRRP) Reserve (#112253) be transferred to the Social Housing

Capital Reserve Fund (#112248) and that the Social Housing Renovation and Retrofit (SHRRP) Reserve (#112253) be closed out; and,

- (e) That the General Manager of Community & Emergency Services or her designate be authorized to approve funding for eligible applicants from the Revolving Home Ownership Reserve (#112254), the Hamilton Emergency Home Repair Reserve (#102045), and the Supplement/Housing Allowance Reserve (#112252) .

EXECUTIVE SUMMARY

In December 2013, Hamilton City Council endorsed a 10-year Housing and Homelessness Action Plan for Hamilton (Housing and Homelessness Action Plan - Report CS11017(c)). At that time, Council also approved the staff recommendation that for the first year of the Action Plan, only existing resources be used. In addition, Council directed staff to report back to Emergency & Community Services Committee in 2014 with a plan to use existing housing related reserve accounts for initial implementation of the Action Plan.

There are four existing housing related reserves with available funds that may be used to begin implementation of a number of strategies of the Action Plan. It is recommended that the reserves be utilized as follows:

Revolving Home Ownership Fund #112254:

Current available balance: \$365,577

Original purpose: Revolving loan fund established for down payment assistance to renters purchasing affordable homes under Provincial program rules. This is 100% provincial funding through the Investment in Affordable Housing (IAH) Program. This is a revolving fund dependent on repayments of existing loans where the property is sold before the 20 year forgiveness is reached.

Recommended use: Continue down payment assistance for new applicants using the Provincial program rules and that eligible homes be located in the priority neighbourhoods as identified in the Neighbourhood Development Strategy. It is also recommended that the revolving fund be drawn down whenever the balance reaches \$200,000.

Supplement/Housing Allowance Reserve (#112252)

Current available balance: \$1,099,506. The original source of funding source for this reserve was the Federal Government and the Hamilton Future Fund. Additional funding from the Provincial/Federal Investment In Affordable Housing Program was added to the reserve for the same purpose.

Original purpose: Provide rent supplement (rent-geared-to-income subsidy) and housing allowances (flat rate rent subsidy) for low income households.

Recommended uses: Provide rent subsidies targeted for eligible households as follows:

- Individuals participating in Housing First initiatives;
- Transitioning social housing tenants who are deemed to be “over-housed” into units more appropriate to their needs;
- Emergency situations where spikes in homelessness require rapid housing response; and,
- To cover any pressures to existing rent supplement/housing allowance programs.

Hamilton Emergency Home Repair Reserve (#102045):

Current available balance: \$241,230. Funding is from the consolidation of the Hamilton Assistance Rehabilitation Program (HARP).

Original purpose: Emergency repairs for housing located in urban areas. Although approved in 2001, this program was not implemented and has been gathering interest since that time. The federally funded Residential Rehabilitation Assistance Program (RRAP) and the Ontario Works and Ontario Disability Support Program (ODSP) Home Repair benefit were instead utilized for emergency repairs.

Recommended use: Emergency minor home repairs of up to \$5,000 for homeowners receiving Ontario Works or ODSP benefits to replace the Home Repairs Benefit cancelled by the Province.

Social Housing Renovation and Retrofit Program Reserve (#112253)

Current available balance: \$244,785

Original purpose: Provincial capital grant program for the repair and regeneration of social housing stock which expired March 31, 2012.

Recommended use: Transfer remaining balance to the Social Housing Capital Reserve (#112248).

There are three housing related reserves that require additional information and analysis before recommendations can be made regarding their use for implementation of the Action Plan as follows:

Social Housing Capital Reserve Fund (#112248):

Current available balance net of approved commitments: \$713,032

Original purpose: Received from the Federal government to fund capital needs for social housing.

A report will be brought forward to Emergency & Community Services Committee in September 2014 providing further information on the social housing capital reserve and building condition audit requirements.

Home Start Program Reserve (#112009):

Current available balance: \$335,265. The source of funding is from two programs that ended – the Hamilton Convert to Rent Program and the Housing Hamilton Innovations Fund.

Original purpose: Down payment assistance program for CityHousing Hamilton tenants to purchase a home. This program was initiated in 2006 but proved to be unsuccessful and is no longer in effect.

A report will be brought forward to the Emergency and Community Services Committee in September 2014 providing further information and recommendations in terms of how this reserve might be used to help implement some of the critical investment strategies of the Action Plan such as tenant supports related to the City's proactive enforcement initiative for rental housing, and landlord and tenant education regarding rights and responsibilities.

Development Charges reserves targeted for Affordable Housing development:

Current available balance: approximately \$3 million

In accordance with the City's Development Charges by-law, development charges collected are to be used to support development growth. Further analysis is required to determine the best way to utilize this funding for new affordable housing development. A key consideration is the potential for linking this reserve with any new funding under the Federal/Provincial Investment in Affordable Housing (IAH) program. After the provincial election and when the IAH extension information is available, staff will undertake further analysis and bring forward a report to Emergency & Community Services Committee.

The above-listed funding solutions are not sustainable. Housing Services Division staff will return to Emergency and Community Services in the first quarter of 2015 with a detailed financial strategy in partnership with the Federal and Provincial governments and other key stakeholders to address funding commitments based on targets identified in the 10-year Housing and Homelessness Action Plan.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial:

There are no city levy impacts associated with the recommendations in this report. The total amount in reserve funding associated with the recommendations is \$1,951,098 including the transfer of the remaining balance in the Social Housing Renovation and Retrofit Reserve. No new provincial or federal funding has been identified to replenish the Revolving Home Ownership Fund (#112254), the Supplement/Housing Allowance Reserve (#112252) and the Hamilton Emergency Home Repair Reserve (#102045) at this time. Funding will continue to be generated for the Revolving Home Ownership Fund (#112254) when repayments are made of existing loans when the property is sold before the 20 year forgiveness is reached in accordance with the IAH Home Ownership Program. Additional funding for the Supplement/Housing Allowance Reserve (#112252) is contingent on a pending announcement regarding new funding for the IAH Program. There are no identified sources of new funding for the Hamilton Emergency Repair Reserve (#102045) at this time.

Staffing:

There are no staffing implications associated with Report CS11017(d).

Legal:

There are no legal implications associated with Report CS11017(d).

HISTORICAL BACKGROUND

In December 2013 Hamilton City Council endorsed a 10-year Housing and Homelessness Action Plan for Hamilton (Report CS11017(c)). This was the culmination of three years of work in collaboration with community partners to develop outcomes, targets, strategies and actions to address affordable housing needs and homelessness in the community.

The Province required that municipalities submit Council approved 10-year Housing and Homelessness Plans to the Ministry of Municipal Affairs and Housing by December 31, 2013. Council's December 2013 endorsement of the Action Plan, and subsequent submission of the Plan to the Province, fulfilled this requirement. The Ministry reviewed the Plan and provided only positive comments to the City.

In December 2013, Council approved the staff recommendation that for the first year of the Action Plan, only existing resources be used. This would include moving forward on those critical investment strategies that do not require significant investment beyond staff time. In addition, Council directed staff to report back to Emergency & Community Services Committee in 2014 with a detailed plan to use existing housing related reserve accounts and approved capital budget accounts for initial implementation of the Action Plan.

Council also directed staff to continue discussions with the Federal and Provincial governments within the context of Hamilton's Government Relations Strategy to seek funding opportunities to address the needs outlined in the Action Plan and to report back in 2015 with a detailed financial strategy in partnership with the Federal and Provincial governments and other key stakeholders to address funding commitments based on targets identified in the Action Plan.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The recommendations in this report will support the implementation of a number of strategies in the City's Housing and Homelessness the Action Plan, endorsed by Council in December 2013 (Report CS11017(c)).

RELEVANT CONSULTATION

Staff from Finance and Corporate Services were consulted to confirm reserve account balances.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

As outlined in Report CS11017(c), many of the Action Plan strategies do not require significant financial investment. A number of strategies require policy changes, advocacy, shifts to the way systems operate and education for various stakeholders.

However, a number of strategies do require significant investment in partnership with the Federal and Provincial governments as summarized in the table below:

Strategy	Targets and Resources Required
Incentive and funding programs to increase the supply of affordable housing (e.g. capital grants/loans, tax deferrals, waived development and other charges etc.)	\$30 million annually over 10 years to meet the target of 3,000 new affordable rental units
Rent subsidy programs (i.e. rent supplements and/or housing allowances)	\$2.52 million annually over 10 years to meet the target of 2,100 new housing allowances.
Funding programs for rehabilitating the housing stock	\$7 million annually to rehabilitate target of 3,500 units of existing housing stock needing repair/modifications at approximately \$20,000 per unit
Capital reserves for social housing based on Building Condition Assessments and Reserve Fund Studies	\$3.24 million annually to fund Building Condition Assessments and the renewal of Provincial Social Housing Renovation and Retrofit Program
TOTAL:	\$42.7 million annually

The financial commitment to implement the Action Plan strategies must be a shared responsibility. All three levels of government, the private sector and the broader community are all stakeholders in the implementation of the Action Plan. The Plan recognizes that the Federal and Provincial levels of government are best positioned to contribute a significantly greater proportion of the cost of implementing the Plan given the tax revenue potential based on income tax and other tax sources, compared to the municipal property tax based system.

The section below summarizes the existing housing related City reserve accounts and how the accounts can be used to start implementation of various Action Plan related strategies.

Existing reserve funds available for immediate implementation of the Action Plan

Revolving Home Ownership Fund #112254:

Current available balance: \$365,577

This is a revolving loan fund established for down payment assistance to qualified renters purchasing affordable homes under Provincial program rules. This is a revolving fund dependent on repayments of existing loans where the property is sold before the 20 year forgiveness is reached.

It is recommended that this reserve fund be re-invested in down payment assistance for new applicants using the Provincial program rules, and that eligible homes be located in the priority neighbourhoods as identified in the Neighbourhood Development Strategy.

This helps implement Action Plan Strategy 2.3: Increase homeownership opportunities for renters.

Supplement/Housing Allowance Reserve (#112252):

Current available balance: \$1,099,506

The purpose of this fund is to provide rents supplement (rent-geared-to-income subsidy) and housing allowances (flat rate rent subsidy) for low income households. Other Federal and Provincial programs (e.g. Investment in Affordable Housing) are currently being used to finance existing rent subsidy commitments.

It is recommended that this reserve be used to support Housing First initiatives. Housing First is an approach to address homelessness by encouraging housing placement as a first step in stabilizing a person's situation. Other supports including rent subsidies are then made available to ensure the person is able to maintain their housing.

It is also recommended that the reserve be made available to provide rent subsidy to help transition people “over-housed” in social housing projects to move into apartment units more appropriate to their needs within their local neighbourhoods. This frees up the larger social housing unit for others on the social housing waitlist. This approach can help to achieve the Action Plan target of a 50% reduction in the wait list by 2023.

Finally, it is recommended that a portion of the reserve be used for rent subsidy to respond to emergency situations where spikes in homelessness require rapid re-housing responses. For example, in 2013, Hamilton saw an increase in women experiencing homelessness that put pressure on the women’s emergency shelter system.

Use of the reserve for these initiatives help implement Action Plan Critical Investment Strategy 2.4: Expand rent subsidy programs.

Hamilton Emergency Home Repair Reserve (#102045)

Current available balance: \$241,230

This reserve was initially approved by Council in 2001 for emergency repairs for housing located in urban areas. The program was not implemented and since that time has been gathering interest.

It is recommended that this reserve be repurposed to fund emergency minor home repairs up to \$5,000 in cost for Ontario Works and Ontario Disability Support Program (ODSP) homeowners. This responds to a gap in service in the community and would complement the Ontario Renovates program, but offer more flexible eligibility to address emergency repair situations.

Recommended program parameters include:

- Eligible households must be homeowners in receipt of social assistance (OW, ODSP)
- Funding is for minor repairs only, (not comprehensive rehabilitation of the home) e.g. leaking roof, faulty furnace
- The repairs must be emergency in nature, affecting the household’s health and safety
- Not undertaking the repairs potentially places the household at risk of becoming homeless

Households with repairs broader in scope can be referred to the Ontario Renovates program.

This helps implement Action Plan Critical Investment Strategy 4.1: Funding programs for rehabilitating the housing stock; and Strategy 2.5: Develop an emergency housing subsidy to help people bridge temporary financial crises.

Other reserves available for implementation of the Action Plan, but that require further analysis

There are a number of housing related reserves available but that require additional information and analysis before recommendations can be made regarding their use for implementation of the Action Plan.

Social Housing Capital Reserve Fund (#112248)

Current available balance net of approved commitments: approximately \$713,032

This reserve was established from funds received from the Federal government to fund capital needs for social housing. Social housing providers may request funding for emergency capital repairs or for exceptional situations when there are inadequate financial resources to cover the cost.

This reserve relates to Action Plan Critical Investment Strategy 4.10: Adequately fund capital reserves for social housing; Critical Investment Strategy 4.11: Ensure tenant safety in Social Housing through capital audits and improvements; and Strategy 4.6: Increase the number of rental housing units that meet the needs of larger families.

Home Start Program Reserve (#112009)

Current available balance: \$335,265

This reserve was initially approved by Council in 2006 as a down payment assistance program for CityHousing Hamilton tenants to purchase a home. Program take-up was minimal due to more attractive funding and less restrictive eligibility through the Home Ownership component of the Canada-Ontario Affordable Housing Program and the Investment in Affordable Housing (IAH) Program.

A report will go to Emergency and Community Services Committee in September 2014 recommending that this funding be reallocated to Critical Investment Strategies of Action Plan such as tenant supports related to the City's Proactive Enforcement Initiative for rental housing, and landlord and tenant education regarding rights and responsibilities.

Development Charges reserves targeted for Affordable Housing development

Current available balance: approximately \$3 million

As per the City's Development Charges by-law, development charges collected are to be used to support development growth. One component of this growth is new affordable housing development to support increased need for affordable housing based on population growth.

Further analysis is required as to the best way to utilize this funding for new affordable housing development. A key consideration is the potential for linking this reserve with any potential new funding under the Federal/Provincial Investment in Affordable Housing (IAH) program. Once the IAH extension information is available, staff will undertake further analysis and bring forward a report to Emergency & Community Services Committee.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives for consideration.

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

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

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

APPENDICES AND SCHEDULES ATTACHED

None.