



CITY OF HAMILTON
COMMUNITY AND EMERGENCY SERVICES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	May 25, 2015
SUBJECT/REPORT NO:	Establishment of a Revolving Loan Fund Reserve Account for the Ontario Renovates Program (CES15019) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That a Revolving Loan Fund Reserve Account for the Ontario Renovates Program be established in accordance with the Investment in Affordable Housing Extension Administration Agreement dated November 21, 2014 between the Province of Ontario and the City of Hamilton; and,
- (b) That the General Manager of Community and Emergency Services or her designate be authorized to approve funding for eligible applicants from the Revolving Loan Fund Reserve Account for the Ontario Renovates Program.

EXECUTIVE SUMMARY

On August 11, 2014, the Province announced an extension to the Investment in Affordable Housing for Ontario Program (IAH) for another six years to March 31, 2020 (Report CES14059).

Ontario Renovates is one component of IAH funding and provides financial assistance to renovate existing housing for eligible low income homeowners and for affordable multi-unit rental buildings. Assistance is in the form of a forgivable loan of up to \$25,000 per unit. The loan is forgiven over 10 years for homeowners and 15 years for landlords of rental buildings. If during that time, the applicant sells their property or no longer satisfies any of the terms and conditions of the program, the unforgiven portion of the loan is to be repaid to the City.

As per the Administration Agreement with the Province, repayments made through the Ontario Renovates Program are to be reinvested into new Ontario Renovates projects unless otherwise directed by the Ministry of Municipal Affairs & Housing. As such, the Ministry has requested the creation and maintenance of a dedicated reserve account, established from repayments from recipients of the Ontario Renovates program who are required to pay back the loan. The funds from this account are to be used to fund future Ontario Renovates projects.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

There is currently \$13,453 in repayments from the Ontario Renovates Program to be placed into the revolving loan reserve. There is no financial impact on the City levy as the Ontario Renovates Program is funded with 100% federal/provincial funding through the IAH Program.

Staffing:

There are no staffing implications associated with Report CES15019.

Legal:

There are no legal implications associated with Report CES15019.

HISTORICAL BACKGROUND

The Ontario Renovates Program is delivered by the City as part of the Investment in Affordable Housing (IAH) funding from the Ministry of Municipal Affairs and Housing. This Ontario Renovates component of the IAH has been delivered since 2012 and largely replaced the expired, federally-funded Residential Rehabilitation Assistance Program (RRAP).

Ontario Renovates focuses on essential repairs and accessibility modifications for senior and disabled homeowners, affordable rental apartment buildings and rooming houses. Funding is delivered in the form of a forgivable loan.

On August 11, 2014, the Province announced an extension to the Investment in Affordable Housing for Ontario Program (IAH-E) for six years to March 31, 2020 with \$800 million in Federal and Provincial funding available province-wide. The City of Hamilton's total allocation is \$30,457,500 over six fiscal years.

On September 24, 2014, Council approved the Mayor and City Clerk enter into a Service Manager Agreement with the Province to administer the Investment in Affordable Housing for Ontario Program Extension (IAH-E), and directed the General Manager of the Community and Emergency Services Department or her designate, to

deliver and administer the IAH-E program and to execute all agreements as may be required to deliver the IAH-E program, which includes Ontario Renovates (Report CES14059).

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no policy implications for Report CES15019.

RELEVANT CONSULTATION

Finance and Administration, Corporate Services Department confirmed the current balance of repaid loans under the Ontario Renovates Program and confirmed the process to establish the reserve account.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

In accordance with the Investment in Affordable Housing Extension Administration Agreement dated November 21, 2014 between the Province and the City; the City is responsible to establish and maintain a Revolving Loan Fund Reserve Account for the Ontario Renovates Program. The funds from this account are to be used to fund future Ontario Renovates projects.

The Investment in Affordable Housing for Ontario (2014 Extension) Program Guidelines relating to Ontario Renovates states:

“If any of the following situations occur, the applicant is considered to be in default and the original loan amount must be repaid:

- Misrepresentation occurs related to eligibility for the program; and
- Funding is used for other purposes.

Repayments made to the Service Manager (City) are to be reinvested into Ontario Renovates projects unless otherwise directed by the Ministry”.

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

- 1.2 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.
- 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.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

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

APPENDICES AND SCHEDULES ATTACHED

None