

INFORMATION REPORT

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	September 12, 2016
SUBJECT/REPORT NO:	2016 Municipal Capital Funding Program (Social Housing Repairs and Regeneration) (CES16038) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tammy Morasse 905-546-2424 ext. 3727 Adam Sweedland 905-546-2424 ext. 1782
SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

Council Direction:

On January 20, 2016, Council approved the 2016 Capital Budget including \$1.5M for Social Housing Repairs and Regeneration. Report CES16038 provides an update on the impact of this investment in the social housing system.

Information:

Background

The City of Hamilton, designated as a Service Manager, is responsible for the funding and administration of social housing in Hamilton governed under the *Housing Services Act, 2011* ("HSA"). The downloading of social housing responsibilities to municipalities in 2001 shifted operational and capital funding to the municipal tax levy.

Overall, the social housing buildings in the City of Hamilton range from 20 to over 80 years old with an average age of 40 years. The aging housing stock is contributing to a significant unfunded capital repair deficiency and an increasing number of units that are sitting vacant due to poor condition and a lack of funding to return units for occupancy. There are currently approximately 200 units across all social housing providers that are vacant because of substandard condition and insufficient funds. The loss of revenue from prolonged vacancies puts additional pressures on operating and maintenance budgets and significantly impacts approximately 6,000 households waiting for rent-geared-to-income housing according to the City's social housing waitlist.

2016 Municipal Capital Grant Program – Call for Applications

The 2016 capital budget allocation for Social Housing Repairs and Regeneration was \$3M, of which \$1.5M was allocated directly to CityHousing Hamilton and the remaining

\$1.5M was allocated to the Housing Services Division to be used for the other 42 social housing providers. CityHousing Hamilton also received an additional capital budget allocation for 2016 of \$800K coming from the former Ward 7 Councillor's area-rated funds. Report CES16038 addresses the \$1.5M for the other social housing providers. The Social Housing Repairs and Regeneration was branded as the "2016 Municipal Capital Grant Program" ("MCGP") and, through a competitive process, made available to the other social housing providers.

The MCGP was specifically targeted to:

- rehabilitating vacant units for occupancy;
- preserving units at risk of becoming uninhabitable; and/or,
- addressing conditions that posed a serious health and safety issue for the existing tenants.

In April 2016, Housing Services' staff issued a call for applications for the MCGP through which successful applicants could be approved for conditional grants to repair and renovate social housing capital assets.

Interested proponents were required to submit an application that could be evaluated and scored based on criteria such as:

- the amount of the provider's reserves;
- the impact on operating budgets;
- the impact on modified units;
- the anticipated timelines;
- the impact on the social housing waitlist;
- the scope and reasonableness of the proposed work;
- the efforts made by the provider to mitigate the situation; and,
- any other relevant considerations (e.g. does the building serve a unique population?).

Funding was capped at \$50,000 per unit which aligns with the maximum funding available under similar retrofit and renovation programs such as Ontario Renovates.

Proponents were also asked to submit three quotes/estimates for requests for funding between \$5,000 and \$49,999/unit. Applications for repairs which exceeded \$50,000 per unit or total required confirmation that the housing provider had sufficient capital reserves to complete the balance of the repair and confirmation that a public invitational tender was followed.

Results of Call for Applications

Applications were evaluated by a seven person team using the criteria set out in the call for applications.

Twenty-eight applications were received from 16 social housing providers. Six projects did not attain the minimum score and one social housing provider recently withdrew its application as it was not ready to proceed with the repair. There were 26 successful projects with 14 social housing providers, five of which were allocated funding for more than one project. Table 1 breaks down the funding allocation.

Table 1: Summary of Funding Allocation.

Social Housing Provider	Funding Allocation	Total Units Impacted
Corktown Co-operative Homes Inc.	\$30,600	51
McGivney Community Homes Inc.	\$303,090	15
Los Andes of Hamilton Co-operative Inc.	\$50,000	90
Stoneworth Co-operative Homes Inc.	\$51,128	23
St. Matthew's House	\$49,999	8
Women's Co-operative	\$79,405	46
Wesley Community Homes Inc.	\$85,600	2
Tabby Town Co-operative Inc.	\$30,000	1
Jewish Home for the Aged	\$46,666	40
Halam Park Co-operative	\$168,470	49
Southern Lights Co-op	\$142,021	43
Heritage Green Seniors	\$49,765	110
Township of Glanbrook Non-Profit Housing Corp.	\$30,000	31
Urban Native Homes Inc.	\$190,000	41
Withdrawn application	\$43,256	
10% Contingency Allowance	\$150,000	
Total	\$1,500,000	550

Of the 550 units impacted:

- 19 units (including 11 large units) will be returned for occupancy;
- 63 units will be saved from becoming vacant in the near future; and,
- 468 units will have serious health and safety impacts addressed.

To allow for unexpected project costs which could jeopardize a provider's ability to complete the project as approved, a 10% contingency was maintained (\$150K). As well, the provider that withdrew its application had an allocation initially approved for approximately \$43K to rehabilitate one large unit. If this provider becomes able to proceed with this approved project and complete it within a time frame that is consistent with the other approved projects, staff can work with this provider to complete the funding allocation. Following completion of the approved projects, any unspent funds can be reallocated to future repairs that are consistent with the terms of the capital grant program.

Conditions of Grant

Housing providers that submitted successful applications are required to enter into a funding agreement with the City. Funding agreements were developed by the Legal Services Division. Together with standard funding conditions, the agreements also require housing providers to maintain the social housing project as social housing in its current mix of rent-gear-to-income and low end of market ratio, for a minimum of five years after the date of the last funding advance, regardless of the end date of any applicable federal operating agreement. During these five years, housing providers are also required to continue to select tenants from the Access-to-Housing waitlist (which is otherwise voluntary following the end of a federal operating agreement). This ensures that the units, in which the City has invested capital funds, are kept in circulation to help house individuals and families who can wait up to three years or longer for housing that meets their needs.

Five years is the term consistent with recent funding requirements from the provincial and federal government and reflects a commitment from providers that is appropriate for the level of investment.