



**CITY OF HAMILTON**  
**COMMUNITY & EMERGENCY SERVICES DEPARTMENT**  
**Housing Services Division**

<b>TO:</b>	Chair and Members Emergency & Community Services Committee
<b>COMMITTEE DATE:</b>	September 12, 2016
<b>SUBJECT/REPORT NO:</b>	Social Infrastructure Fund (CES16036) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	David Brodati 905-546-2424 ext. 6159
<b>SUBMITTED BY:</b>	Joe-Anne Priel General Manager Community & Emergency Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That the Social Infrastructure Fund (SIF) funding be deposited into Account # 000100-23194 "Prov Funding IAH" and allocated in accordance with the Program Delivery & Fiscal Plan.

**EXECUTIVE SUMMARY**

On June 21, 2016, the Province announced Federal/Provincial housing investments under the 2016 Social Infrastructure Fund (SIF) in order to improve the quality and increase the supply of affordable housing while also stimulating economic growth.

Initiatives under the 2016 SIF include:

- Additional funding for the Investment in Affordable Housing (IAH) program, which has the following components:
  - Capital funding for the creation of affordable rental housing;
  - Encouraging homeownership through down payment assistance;
  - Addressing affordability of existing rental units through housing allowances; and,
  - Renovations to existing housing through Ontario Renovates.
- Funding for the renovation and retrofit of social housing; and,
- Funding for the construction and renovation of shelters and transitional housing for survivors of domestic violence (to be administered and delivered separately by the Ministry of Community and Social Services).

Hamilton's funding allocation under SIF is as follows:

Program	Fiscal Year	
	2016/17	2017/18
Additional funding for IAH	\$7,003,000	\$5,061,800
Social housing renovation	\$11,597,400	\$0

Participation in the 2016 SIF is subject to the City and the Province entering into an Administration Agreement with a completed Program Delivery & Fiscal Plan (PDFP) identifying how the annual funding allocations will be used. The Program Delivery & Fiscal Plan is to support the goals and address the needs outlined in the City's 10-Year Housing & Homelessness Action Plan, and be consistent with Provincial priorities. The executed Administration Agreement with the completed Program Delivery & Fiscal Plan was required by the Province by September 1, 2016. Accordingly, the General Manager of Community and Emergency Services executed the Administration Agreement, as reviewed by Legal Services, under the authority delegated to her through the annual budget process.

Municipalities are responsible for planning and delivering the program funding. Up to 5% of a municipality's funding allocation may be used for program administration costs.

The SIF Program Delivery & Fiscal Plan is summarized in the table below. The Housing and Homelessness Planning Group was consulted and provided input into the formulation of the Plan. Feedback received during the consultation indicated that new supply of affordable housing and making existing housing affordable are the two priorities, and that funding should be targeted to vulnerable populations identified in the Housing & Homelessness Action Plan. As such, the spending Plan focuses on new rental housing construction and housing allowances as well as social housing renovations.

	Year 1: 2016/17	Year 2: 2017/18
Administration (5%)	\$350,150	\$253,090
New Rental Housing	\$6,300,000	\$4,420,000
Housing Allowances	\$352,850	\$388,710
Social Housing Repairs	\$11,597,400	\$0
Total	\$18,600,400	\$5,061,800

It is anticipated that the New Rental Housing commitment of \$6.3 million in Year 1 will result in 42 new affordable rental units and the \$4.42 million commitment in Year 2 will result in approximately 30 new units.

It is anticipated that the Housing Allowances will be targeted to assist a Housing First approach for families. This population is currently underserved in the Housing First, shelter re-direct services available. Approximately 35 families will receive assistance.

The social housing renovations will focus on:

- Replacing aging systems;
- Safety features;
- Accessibility improvements;
- Renewal of housing stock; and,
- Energy conservation (reduce consumption and greenhouse gas emissions).

More information on the new rental housing construction is provided in Report CES16037, and the social housing repairs in Report CES16040, both to be received by the Emergency & Community Services Committee on September 12, 2016.

***Alternatives for Consideration – Not Applicable***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** All program and administration funding under SIF is 100% Federal and Provincial funded. There are no additional City levy dollars requirements to deliver IAH. Up to 5% of a municipality's funding allocation may be used for program administration costs for delivery of the IAH Program.

**Staffing:** There are no staffing implications associated with Report CES16036.

**Legal:** Legal Services has been consulted on the review of the Administration Agreement. To ensure that the City complies with the terms of the Administration Agreement, Legal Services staff will be involved in drafting any agreements, as may be required to deliver the SIF program. Legal Services staff will also assist in ensuring that security requirements, as required from the project proponents, are fulfilled to protect the interests of the City, in accordance with the Administration Agreement.

**HISTORICAL BACKGROUND**

In August 2011, the Province announced the first iteration of the Investment in Affordable Housing (IAH) program and associated municipal funding allocations. IAH was a federally and provincially funded program and a rebranding of the former Canada-Ontario Affordable Housing Program and the Federal Residential Rehabilitation Assistance Program. Hamilton received \$16.8 million over 4 years to March 31, 2015.

In December 2013, City Council approved the City's 10-year Housing and Homelessness Action Plan that will provide a framework to inform the best way to implement the SIF program in Hamilton.

On August 11, 2014, the Province announced an extension to the Investment in Affordable Housing for Ontario Program (IAH-E) for another six years to March 31, 2020. The City of Hamilton's allocation was \$30.5 million over the six years.

On June 21, 2016, the Province announced Federal/Provincial housing investments under the 2016 Social Infrastructure Fund (SIF). SIF provides additional funding under the IAH-E as well as funding for social housing renovations. The City of Hamilton's allocation is \$23.7 million over two years. The Province's cost matching of federal funds under SIF is spread out over three fiscal years and the Province has not yet announced the 2018/19 fiscal year allocation. It is expected that details regarding this not yet allocated Provincial funding will be communicated to municipalities in 2017.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

There are no policy implications for Report CES16036.

## **RELEVANT CONSULTATION**

Staff consulted with the Corporate Services Department (Finance and Administration Division) and the City Manager's Office (Legal Services Division) and any comments have been addressed and incorporated into Report CES16036.

Legal Services will be consulted on an ongoing basis throughout program delivery. To ensure that the City complies with the terms of the Administration Agreement, Legal Services staff will be involved in drafting any agreements required to deliver the SIF Program. Legal Services staff will also assist in ensuring that the security requirements, as required from the project proponents, are fulfilled to protect the interests of the City in accordance with the Administration Agreement.

The City undertook extensive community consultation in the development of the Housing & Homelessness Action Plan (Action Plan), endorsed by Council in December 2013. That input and needs analysis remains relevant for the SIF program. The Action Plan provides the framework that guides the City's work in addressing affordable housing and homelessness.

The Housing and Homelessness Planning Group is made up of representatives from various sectors that guide implementation of the Action Plan by advising on issues relating to affordable housing and homelessness prevention. The Planning Group was consulted and provided input into the formulation of the SIF Program Delivery & Fiscal Plan. Feedback received indicated that new supply of affordable housing and making existing housing affordable are the two priorities, and that funding should be targeted to vulnerable populations identified in the Action Plan. Staff will continue to work with the Housing and Homelessness Planning Group to monitor progress and identify any shifting priorities for affordable housing in our community.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The SIF funding represents an opportunity for the City of Hamilton to address some of the affordable housing needs of residents as identified in the Action Plan. The program

components of housing allowances, new affordable rental housing construction and the social housing renovation support a number of Action Plan priority strategies.

The SIF funding is a good step in the right direction for the senior government funding partners. The Federal and Provincial investment in affordable housing is timely and welcome, however the amount of SIF funds allocated to Hamilton falls short of the true need. The Action Plan identifies an investment requirement of \$427 million over 10 years to meet identified need and achieve the Action Plan's outcomes and targets. Clearly the magnitude of investment needed cannot be borne by the municipal property tax base, and senior levels of government have both the capacity and responsibility to contribute a much greater share of this investment requirement.

### **ALTERNATIVES FOR CONSIDERATION**

None.

### **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.

### **APPENDICES AND SCHEDULES ATTACHED**

None