

Poverty Reduction Investment Fund Implementation Plan

The proposed Poverty Reduction Investment Plan allocates \$20 million over 10 years for the quality of social housing, \$20 million over the first 5 years of the plan for new affordable rental housing supply, and \$10 million over 10 years for Indigenous housing and poverty reduction services to be directed by the Hamilton Executive Directors Aboriginal Coalition.

A. New Affordable Rental Housing

The investment of \$20 million for new affordable rental housing supply will be allocated in the first five years of the Investment Plan. This aligns with the funding source for this portion of the Plan, i.e. the Hamilton Future Fund Reserve cash-flow budgeted over a 5-year period at \$4M per year starting in 2017 (per the City’s approved HFF Reserve Forecast contained in the 2017 Capital Budget Forecast Report FCS16089).

For the 5-year period 2017-2021 there is a total of \$30.25M funding available for new affordable rental housing as outline in the table below. These sources are \$20M from the Hamilton Future Fund (HFF) as part of the Poverty Reduction Investment Plan, \$5.25M from the Federal-Provincial Investment in Affordable Housing – Extension and Social Infrastructure Fund programs, and \$5 million from the Municipal Affordable Housing Development Charges Reserve.

Year	Amount	Source of Funds	Impact
2017	\$5.25 million	Investment in Affordable Housing-Extension and Social Infrastructure Fund	Up to 35 units
2017 – 2021	Approx. \$5 million	Municipal Affordable Housing Development Charges Reserve	Up to 33 units
2017/2018	Up to \$8 million	Poverty Reduction Funds (Future Fund)	Up to 53 new affordable rental units
2019-2021	\$12 million	Poverty Reduction Funds (Future Fund)	Up to 80 new affordable rental units

Affordable housing exemptions from Municipal Development Charges (as defined by City of Hamilton Development Charges Bylaws No. 14-153 and 11-174 or successor Bylaws) and Parkland Dedication Fees (as defined by City of Hamilton Parkland Dedication and Cash in Lieu of Parkland Bylaw No. 09-124 or successor Bylaws) for projects funded under the Poverty Reduction Investment Plan are to be funded from the new affordable rental housing funds of the Poverty Reduction Investment Reserve or other Council approved funding sources..

Based on current development costs a capital grant of approximately \$150,000 per unit and waivers of development charges and parkland dedication cash in lieu requirements are needed to make rental housing financially viable at or slightly below 80% of the average market rent in Hamilton.

The City would award these funds through a three-step Request for Proposal (RFP) process. This three step process consists of:

- Step One: the proposals are evaluated for viability based on the proponent
- Step Two: the proposals are evaluated for viability based on the development schedule and cost effectiveness
- Step Three: the proposals are evaluated based on development concept, target populations, identified community need and affordability. Proposals that target vulnerable populations and areas underserved by affordable housing, and set rents lower than 80% of the average market rent and or propose longer affordability periods beyond twenty years, would be scored higher in the evaluation process.

Steps one and two consist of a pass/fail scoring system and the successful projects are evaluated at step three. The proposals with the highest scores in step three are recommended to receive funding.

The initial investment for new affordable rental units under the Poverty Reduction Plan will make use of the results of the RFP for the Federal/Provincial Social Infrastructure Fund and Investment in Affordable Housing – Extension Program conducted in June 2017.

B. Quality and Regeneration of Social Housing Stock

The investment of \$20 million towards the quality of social housing stock will be prioritized for uninhabitable vacant units, the preservation of existing units, building systems that impact the health and safety of residents and regeneration of the social housing stock. It is expected that the funding will positively impact approximately 50 urgent/high need social housing provider projects totalling approximately 1600 units.

This funding will be derived from that portion of the Poverty Reduction Plan funded from the dividend uplift to the City resulting from the merger of Horizon Utilities Corporation and several other local utilities into the new entity called Alectra. The funding will be allocated to social housing providers at \$2 million per year over ten years (2018-2027).

Funding will be awarded to social housing providers through a notional allocation process as follows:

- Notional allocations are made to each housing provider in an amount proportionate to the housing providers’ current number of eligible units;
- Housing Services Division then issues a call for applications to social housing providers establishing evaluation criteria that are fair and transparent;
- Housing providers are required, as part of the application process, to identify any additional funding that can be leveraged (e.g. existing capital reserves, utility rebates, etc.), as well as confirm compliance with its own purchasing and conflict of interest policies;
- Housing providers are also required to rank their submitted projects based on priorities from building condition assessments, contractor estimates or engineer’s reports;
- Applications are evaluated and scored;
- Applications are then awarded funding based on scoring and relativity to the notional allocation (e.g. has the provider submitted project(s) that can be achieved within the notional allocation);
- If a housing provider does not submit an application or does not receive approval for a project totalling its notional allocation, then the notional allocation (or remaining amount thereof) is re-allocated among the rest of the applicants.
- City policies allow for flexibility to fund projects that are prioritized as urgent/high even if that project exceeds the notional allocation.

C. Indigenous Led Poverty Reduction

The \$10 million to address disproportionately high rates of poverty in the Indigenous community will be allocated evenly over ten years (2018-2027) by the Hamilton Executive Directors Aboriginal Coalition (HEDAC) to local Indigenous community agencies as outlined in the table below. The funding will be derived from that portion of the Poverty Reduction Plan funded from the dividend uplift to the City resulting from the merger of Horizon Utilities Corporation and several other local utilities into the new entity called Alectra.

Indigenous-led Investment in Safe, Stable, and Affordable Housing (\$579,000/year)		
Investment	Implementation	Impact
\$457,000 toward Indigenous Social Housing and Infrastructure Repairs	Administered through Hamilton Executive Directors Aboriginal Coalition.	20-40 housing units repaired or enhanced per year Increase community space for cultural teachings and support, tenant meetings, and healing circles
\$62,000/ year toward tenant advocacy and supports to keep people housed	Administered through Hamilton Executive Directors Aboriginal Coalition and distributed to Sacajawea Non-Profit Housing.	Build capacity to help 80-100 people per year maintain housing and meet other needs.
\$60,000/year toward Indigenous Housing Stability Assistance	Administered through Hamilton Executive Directors Aboriginal Coalition.	Prevent homelessness through emergency fund to support housing stability for approximately 75-100 per year
Indigenous-led pathways out of poverty through wraparound investment (\$421,000/year)		
Investment	Implementation	Impact
\$120,000 toward administrative management of funds and coordination of programs and strategies	Hamilton Executive Directors Aboriginal Coalition responsible for administration of Indigenous-led poverty reduction funds; management and reporting; liaison and coordination across with Indigenous networks.	Accountable administration and reporting on impact of funds. Increase access to cultural services, educate mainstream providers on importance of cultural sensitivity, strengthen partnerships and collaboration.
\$62,000 toward Youth Employment and Stability program	HEDAC to distribute funds to Niagara Peninsula Area Aboriginal Management Board for program delivery.	Expanded capacity-building around basic life skills and housing stability for youth seeking employment and/or skills training for an additional 32-40 youth per year.
\$62,000 to increase access to Indigenous-led child and family development, home management, and life skills programs	HEDAC to distribute funds to Niwasa Kendaaswin Teg for program delivery	Expansion from solely lower city to offer services and supports on the mountain to approximately 250 families

<p>\$62,000 for Violence Against Women Advocacy</p>	<p>HEDAC to distribute funds to Native Women’s Centre.</p>	<p>Coordinate access to care and provide prevention-focused services that promote well-being and family preservation. Expand capacity by 40% to enhance programming and bridge gaps between urban and rural locations</p>
<p>\$62,000 to expand programming in: financial skills, life skills, employment, education, nutrition, and housing stability</p>	<p>HEDAC to distribute funds to Hamilton Regional Indian Centre.</p>	<p>Enhanced Financial Empowerment programming and expansion from solely lower city to include supports on the mountain, impacting approximately 250-300 people per year.</p>
<p>\$53,000 to offer consistent bi-weekly Identification clinics for clients to obtain documentation required to receive government supports.</p>	<p>HEDAC to distribute funds De dwa da dehs nye>s Aboriginal Health Centre</p>	<p>Bi-weekly ID Clinics servicing ~80 people per year to obtain identification required to access financial supports, health and social programs, and employment.</p>

The Hamilton Executive Directors Aboriginal Coalition will annually review their Poverty Reduction Implementation Plan and report any substantial changes in their annual report to the City.

D. Administration

The implementation of the Poverty Reduction Investment Plan will require two (2.0) full time (FTE) staff positions. It is recommended that one permanent full time (FTE) Senior Project Manager, Social Housing Capital Incentives, and one permanent full time (FTE) Contracts Analyst, be funded through the Poverty Reduction Investment Reserve. These staff positions will be funded in the first 5 years of the plan from the Hamilton Future Fund cash-flow, and from the Alectra dividend for the remaining years.

The Senior Project Manager, Social Housing Capital Incentives supports social housing providers to ensure that projects undertaken support the long term preservation of social housing units and are completed in accordance with identified project timelines and contractual obligations. In addition, the position will provide support to social housing providers as needed, as small and medium sized social housing providers often

require additional support and assistance related to capital repair projects. The cost of this position is estimated at an annual cost of \$122,500 (2017 salary and benefit levels).

Contracts Analysts develop service agreements in partnership with other City divisions such as Legal Services, Procurement and Finance and Administration staff; monitor payments; review established outcomes associated with funding; maintain accountability and ensure compliance with City guidelines, policies and procedures. The cost of this one FTE position is estimated at an annual cost of \$93,000 (2017 salary and benefit levels). This position will support all three aspects of the investment Plan: social housing capital repairs and regeneration, new affordable rental housing development, and Indigenous poverty reduction.

All other aspects of implementing new rental housing development will be completed by the existing staff complement of the Housing Services Division.

E. Reporting

City staff will update Council on an annual basis with progress reports relating to the implementation of this fund. Additionally, the Housing Services Division will bring the results of all RFP processes for new affordable housing supply to Council for approval as is standard practice with funding allocations from upper levels of government.