



CITY OF HAMILTON
COMMUNITY AND EMERGENCY SERVICES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	January 22, 2018
SUBJECT/REPORT NO:	Social Housing Apartment Improvement Program (CES18004) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Joshua Van Kampen 905-546-2424 Ext. 4592 Adam Sweedland 905-546-2424 Ext. 1782
SUBMITTED BY:	Vicki Woodcox Acting Director, Housing Services Division Community and Emergency Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the Social Housing Apartment Improvement Program (SHAIP) funds be deposited into Account # 000100-23194 "Prov Funding SHAIP" and applied accordingly;
- (b) That the General Manager of Community and Emergency Services Department, or his designate, be authorized and directed to enter into a Transfer Payment Agreement with Her Majesty the Queen in right of the Province of Ontario as represented by the Minister of Housing, in a form satisfactory to the City Solicitor;
- (c) That capital project id accounts be established for the program and administrative components respectively for the Social Housing Apartment Improvement Program; and,
- (d) That the General Manager of Community and Emergency Services Department, or his delegate, be authorized and directed to approve and execute funding agreements with eligible housing providers, in a form satisfactory to the City Solicitor, for funding allocated through the Social Housing Apartment Improvement Program.

EXECUTIVE SUMMARY

On August 24, 2017, the Minister of Housing announced that the Province is investing up to \$657M to support energy related retrofits and repairs in social housing buildings over five years (2017-2021). The Social Housing Apartment Improvement Program

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("SHAIP") is an investment of Ontario's Climate Change Action Plan, funded by proceeds from the Province's carbon market. Proceeds from the carbon sales must be invested in retrofits that will result in a reduction in greenhouse gas emissions. This investment will also result in operational cost savings by reducing energy costs. In addition, eligible retrofits will also improve the comfort and living conditions for many low-income and vulnerable tenants through upgrades such as new energy efficient heating, improved insulation, and window replacements.

The City of Hamilton has been conditionally allocated *up to* \$12,448,133 for year one of the SHAIP (2017/2018) and *up to* \$16,929,236 for years two through four of the SHAIP (2018/2019 through to 2020/2021). The final allocation amount for year one will be confirmed in February 2018. Subsequent years' allocations will be confirmed in each of those years.

Year one of the SHAIP will fund eligible retrofits in social housing apartment buildings of 150 units or more. There are 15 social housing buildings in Hamilton that meet this particular criterion, 13 are operated by CityHousing Hamilton and two are operated by Victoria Park Community Homes.

Years two through four of the SHAIP will fund eligible retrofits in social housing apartment's buildings of 100 units or more, which increases the total buildings eligible for funding under the SHAIP to 21.

The year one funding allocation must be fully committed by March 31, 2018, or it may be reallocated to other municipal Service Managers. To ensure that eligible projects are identified and properly scoped, staff has been working directly and collaboratively with the two eligible Housing Providers to determine appropriate potential funding allocations based on business cases and other priorities to ensure that project priority and funding allocation is maximized.

For future years' allocation, a project proposal process may be used to prioritize eligible projects, with regard to the SHAIP program guidelines and the City's Capital Funding Proportional Allocation Policy.

Participation in SHAIP is subject to the City and the Province entering into a Transfer Payment Agreement (TPA) and submitting a Program Delivery and Fiscal Plan (PDFP). 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. As has been the past practice for similar funding programs, staff will allocate 5% to administrative funding initially. Unused administrative funding may be later reallocated to program funding but unused program funding cannot be subsequently reallocated to administration costs. The PDFP sets out this initial funding allocation.

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Eligible housing providers are required to enter into funding agreements with the City of Hamilton.

Staff are working both with CityHousing Hamilton and Victoria Park Community Homes to identify and prioritize eligible retrofit projects to ensure the 2017/18 year funding is fully committed and submitted to the Minister of Housing no later than March 31, 2018.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: All projects and administration funding under SHAIIP are 100% provincially funded. There are no additional net levy dollars required to deliver SHAIIP.

Staffing: There are no staffing implications associated with Report CES18004.

Legal: The Transfer Payment Agreement has been reviewed by Legal Services. Funding agreements with the Housing Providers will be prepared in a form satisfactory to Legal Services.

HISTORICAL BACKGROUND

On February 12, 2016, the Minister of Municipal Affairs and Housing announced an initial \$82M investment towards energy related retrofits in social housing buildings with 150 units or more through the Social Housing Apartment Retrofit Program (“SHARP”). Service Managers were invited to submit an Expression of Interest for funding which could then be allocated to housing providers with eligible housing projects. The Housing Services Division submitted an expression of interest which resulted in funding of approximately \$7.17M for allocation in Hamilton.

Eligible housing projects were buildings with 150 units or more that will be maintained as social housing pursuant to the *Housing Services Act, 2011* (HSA) for an affordability period of at least 10 years from the last date of funding under SHARP.

In October 2016, staff issued a call for applications to the social housing providers with eligible social housing buildings for projects which demonstrated the greatest reduction in greenhouse gas emissions. CityHousing Hamilton was the successful applicant for thirteen projects totalling a funding allocation of \$7.17M and reducing greenhouse gas emissions by an estimated total of 1,291,360 kilograms of carbon dioxide equivalent per year (the same amount produced annually by roughly 6,000 passenger vehicles each year).

On August 24, 2017, the Minister of Housing announced additional funding and a continuation of SHARP, now rebranded as the Social Housing Apartment Improvement

Program (SHAIP). SHAIP adds an additional four years of funding for eligible retrofits, funded by carbon market sale proceeds. Eligible projects must support the outcomes of Ontario's Climate Change Action Plan by reducing greenhouse gas emissions in eligible high-rise social housing apartment buildings across Ontario.

On October 6, 2017 the City of Hamilton received confirmation that it has been allocated *up to* \$12,448,133 for year one of the SHAIP (2017/2018) and *up to* \$16,929,236 for years two through four of the SHAIP (2018/2019 through to 2020/2021). The final allocation amount for year one will be confirmed in February 2018. Subsequent years' allocations will be confirmed in each of those years.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

City of Hamilton By-law 16-070 (Procurement Policy)

Capital funding allocations to social housing providers are exempt from the requirements of the Procurement Policy per Policy 22, Schedule B-Exemptions.

City of Hamilton's Corporate Energy Policy

The SHAIP objectives support the targets set out in the Corporate Energy Policy.

RELEVANT CONSULTATION

Social Housing Providers

CityHousing Hamilton and Victoria Park Community Homes Inc. were the only two social housing providers with buildings eligible for funding under Year 1 of SHAIP. Both have been consulted to help determine eligible projects that will meet the requirements and timelines for the Year 1 funding allocation. Projects for subsequent funding years will be accomplished through a call for applications to eligible housing providers.

Corporate Services, Finance, Administration and Revenue Generation Division

Staff from the Finance, Administration and Revenue Generation Division were consulted and their recommendations were incorporated into Report CES18004.

City Manager's Office, Legal Services Division

Staff from Legal Services was involved in drafting, reviewing and providing advice on the program administration agreement between the City and the Province and the funding agreements with housing providers.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Social Housing Apartment Improvement Program (SHAIP) represents an opportunity for some housing providers in the City of Hamilton to fund and complete energy related social housing capital repairs that can achieve both operational savings

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and contribute to the furtherance of the targets established in the City's Corporate Energy Policy.

The key outcomes expected from the program include:

- Reduced Greenhouse Gas Emissions;
- Enhanced living accommodations for Ontario's low-income and vulnerable tenants to modern standards;
- Reduced operating costs for social housing providers through savings derived from retrofits activities, thereby strengthening the viability and sustainability of the current social housing stock; and,
- Support the Greenhouse Gas retrofit sector and create local jobs in communities across Ontario.

Social housing apartment buildings which are eligible to receive funding need to meet the following eligibility criteria:

- Must be a single high-rise social housing apartment building;
- Must contain 150 or more units for year one (2017-2018) and 100 or more units for funding years two through four (2018-2019 through 2020-2021);
- Must be elevator-serviced; and,
- Must be social housing (i.e. must have been a housing program transferred from the Province and subject to the *Housing Services Act, 2011*).

Housing providers with projects approved for SHAIIP funding will be required to enter into funding agreements that include, among other things, a commitment to a 10-year affordability period. SHAIIP guidelines require housing projects to remain affordable for at least a ten-year period after the completion of the funded retrofit, including a minimum of five years during which the project must continue to operate as social housing under the *Housing Services Act, 2011*.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

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Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

None