




CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Housing Services Division

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	February 20, 2020
SUBJECT/REPORT NO:	Allocation of Funds to Continue the Emergency Home Repair Program (HSC20003) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Edward John Director, Housing Services Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That all uncommitted funds in the Hamilton Emergency Home Repair Reserve (#102045), including all interest earned or accrued, estimated to be \$65,000, be utilized for the Hamilton Emergency Home Repair Program (HEHRP) until fully exhausted;
- (b) That all uncommitted funds in the Municipal Down Payment Assistance Program Reserve (#112009), including all interest earned or accrued and after the Trillium Benefit pay out, estimated to be \$300,000 to \$375,000, be transferred to the Hamilton Emergency Home Repair Reserve (#102045) to be utilized for the Hamilton Emergency Home Repair Program (HEHRP) and subsequently reserve #112009 be closed.

EXECUTIVE SUMMARY

The Hamilton Emergency Home Repair Program is a municipally funded program, funded through the Hamilton Emergency Home Repair Reserve (#102045) which, as of January 2, 2020, has a total balance of \$89,304. Over the last year, \$96,426 has been spent on the HEHRP. Due to increased extreme weather events, we anticipate that the need for emergency home repairs will increase.

As per Report CS11017(d), \$243 K from the Hamilton Emergency Home Repair Reserve (#102045) has been allocated with, \$14 K available to be spent. This report

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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seeks Council approval to use all of the funds in the Reserve for the HEHRP which currently has a balance of \$65 K. As these funds are expected to be exhausted by November 2020, this Report also seeks Council approval to reallocate funds from the Municipal Down Payment Assistance Program Reserve (#112009) to the HEHRP given that this program has seen limited uptake as a result of rising homeownership costs.

The Municipal Down Payment Assistance Program Reserve was established through Report HSC18041. Staff now consider the Homeownership Revolving Loan Fund (#112254) to be sufficient to meet the current needs of households purchasing a home as it is replenished when homes bought under the program are sold. Thus, the funds in the Municipal Down Payment Assistance Program Reserve are not needed for a Down Payment Assistance Program.

Therefore, staff recommend transferring all uncommitted funds in the Municipal Down Payment Assistance Program Reserve (#112009), as well as all interest earned and accrued, to the Hamilton Emergency Home Repair Reserve (#102045). With estimated expenses of \$120 K annually, it is expected that this would support the HEHRP to mid-2023. Doing so ensures that there is no break in service to those in need and that there is no need for additional funding until approximately the middle of 2023.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As of January 2, 2020, the Hamilton Emergency Home Repair Reserve (#102045) has a balance of \$14,045 that is approved for use by the HEHRP, but is uncommitted, and \$65,000 that has neither been approved for use by the program nor committed. With Council approval to use all of these funds for the HEHRP, assuming a rate of spending of \$120,000 per year, these funds are expected to be exhausted by September 2020.

To ensure funds are available to the program without the need for additional funding requests to Council, staff also recommend that any uncommitted funds in the Municipal Down Payment Assistance Program Reserve (#112009) be allocated to the ERP and transferred to the Hamilton Emergency Home Repair Reserve (#102045).

As of November 27, 2019, the Municipal Down Payment Assistance Program Reserve (#112009) had a balance of \$375,532, of which up to \$100,000 has been committed to administration costs for the Municipal Down Payment Assistance Program for purchasers of homes developed by Trillium Non-Profit Housing (Report HSC18040). Staff anticipate that the actual amount needed will be less than \$100,000.

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With a spending forecast of \$120,000 annually, approval of the transfer would fund the HEHRP until mid-2023.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The Hamilton Emergency Home Repair Reserve (#102045)

On June 11, 2014, Council approved through Report CS11017(d), the Hamilton Emergency Home Repair Program and Hamilton Emergency Home Repair Reserve (#102045), for “homeowners receiving social assistance (Ontario Works and Ontario Disability Support Program) to undertake emergency minor repairs of up to \$5,000 that could otherwise create a risk of homelessness.”

On January 24, 2018, through Report HSC19001, Council approved expansion of the eligibility for the EHRP:

- to include all eligible low-income homeowners (income below the Low-Income Cut-Off (LICO) (not just those on Ontario Works or Ontario Disability Support);
- to include emergency accessibility modifications; and,
- increase the maximum grant amount to \$10,000 to accommodate rapidly increasing repair costs.

Municipal Down Payment Assistance Program Reserve (#112009)

The Hamilton Home Start Program: Promoting First-Time Homeownership for CityHousing Hamilton Social Housing Tenants was approved in May 2006 (Report SSC06012), but there was very limited uptake.

On August 17, 2018, Council approved renaming the Home Start Program Reserve (#112009) to the Municipal Down Payment Assistance Program Reserve (#112009) (Report HSC18041) to provide funds for a Municipal Down Payment Assistance Program (MDPAP), to be administered similarly to the homeownership component of the Investment in Affordable Housing Program.

Also, on August 17, 2018, Council approved Development Charge Exemption Request from Trillium Housing (Report HSC18040) which provided an initial, one-time cost of administration of a Trillium Housing Down Payment Assistance Program for two Trillium Housing Non-Profit housing developments (Winona and Highbury), of up to \$100,000 to be funded through the Municipal Down Payment Assistance Program Reserve (#112009).

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

One of the five outcome areas of the Housing and Homelessness Action Plan is to maintain and improve the quality of housing. The HEHRP is an important housing quality initiative that is vital for those low-income homeowners faced with the need for emergency home repairs they cannot afford. It has enabled such households to continue to heat their homes in the winter, repair significantly damaged roofs, and for some, make the home accessibility modifications necessary to enable them to return to or remain in their homes following a significant health setback.

RELEVANT CONSULTATION

The Financial Planning, Administration, and Policy Division, Corporate Services Department provided input to this report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Hamilton Emergency Home Repair Program (HEHRP)

The HEHRP assists eligible low-income homeowners living in substandard housing make essential emergency repairs to meet basic health and safety standards. The most commonly funded repairs are to roofs and furnaces. The HEHRP provides a grant of up to \$10,000 to fund emergency home repairs and emergency accessibility modifications. Repair needs must be urgent and serious, requiring immediate (emergency) attention, such that not making the repair in a proper and timely manner may adversely impact the health and safety of the household or render the home uninhabitable and the household at risk of homelessness.

The HEHRP meets a critical need for some low-income homeowners who are unable to pay for urgently needed critical home repairs such as roof and furnace repairs. In many instances such a grant can be the difference between maintaining stable accommodation and losing a principal asset. The HEHRP also meets the goals of preserving the value of the homeowners' principal asset; supporting emergency accessibility modifications for homeowners with a disability that will enable them to either return to or continue to live in their homes; contributes to the preservation of housing stock in Hamilton; and, fills a gap in housing support programs.

Between 2016 and 2018, spending for the HEHRP averaged \$44,000 per year for 5 - 10 households annually. Since January 2018, when the eligibility requirements were broadened, the maximum grant amount was increased to \$10,000 and accessibility modifications were included, the annual spending increased to \$96,000. As well, increasing requests for new roofs and furnaces are anticipated due to the increasing number of extreme weather events. As the revised eligibility criteria and grant amount have only been in place for a year, there is limited data on which to forecast future

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program spending. However, with the highest number of households served in a year being 10, the maximum grant amount of \$10 K, and an expectation of receiving more applications in the future, a spending forecast of \$120 K per year is reasonable.

The Hamilton Emergency Home Repair Reserve (#102045) currently contains \$65,000 in funds that have not been approved for use in the HEHRP. Council approval to spend down the remainder of the funds in the Hamilton Emergency Home Repair Reserve (#102045) would enable the program to operate until November 2020. However, a longer-term funding source also needs to be identified. By virtue of the emergency nature of the HEHRP, funds must be sufficient to support a number of applications at any given time. This is particularly true during colder months since there is a potential for more costly items, such as furnaces.

Investment in Affordable Housing Down Payment Assistance Program (IAH-DPAP)

With the rapidly increasing costs of homeownership in Hamilton (October 2019 average home resale price of \$544,980 - Realtors Association of Hamilton-Burlington), it has become more challenging to run the IAH-DPAP. Even with setting the maximum home price at \$375,000, there are a limited number of qualifying homes available for sale. To enable IAH-DPAP participants to afford homes of this value, the household income threshold must also be high – most recently \$80,000. With the high level of housing need in Hamilton and reduced funding from the Federal and Provincial Governments, it is preferable to focus the limited housing resources on households in greater need.

Additionally, the Investment in Affordable Housing Down Payment Assistance Program Revolving Loan Fund remains to fund the IAH- DPAP. This Homeownership Revolving Loan Fund (#112254) is replenished with repayments from past programs, and currently has a balance of over \$1 M. The Municipal Down Payment Assistance Program was intended to supplement the funds in the Homeownership Revolving Loan Fund, with the program being the same as the IAH-DPAP. Repurposing funds from the Municipal Down Payment Assistance Program Reserve (#112009) to the HEHRP will still leave the Homeownership Revolving Loan Fund available for homeownership opportunities.

Due to the high and increasing costs of homeownership, the Homeownership Revolving Loan Fund (#112254) has been more than sufficient to meet the needs of households purchasing a home through the IAH-Down Payment Assistance Program. High homeownership costs also mean that the IAH-DPAP recently has supported households in less significant need than was the case historically.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

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

APPENDICES AND SCHEDULES ATTACHED

None