



## **EMERGENCY & COMMUNITY SERVICES COMMITTEE REPORT 23-013**

1:30 p.m.

Thursday, October 19, 2023

Council Chambers

Hamilton City Hall

71 Main Street West

**Present:** Councillor B. Clark (Chair), Councillors T. Jackson, C. Kroetsch, T. Hwang (Vice Chair), N. Nann, A. Wilson and M. Wilson

### **THE EMERGENCY AND COMMUNITY SERVICES COMMITTEE PRESENTS REPORT 23-013 AND RESPECTFULLY RECOMMENDS:**

**1. Ending of Hamilton Community Foundation/GreenShield Funding for Dental Services (HSC23075/BOH23035) (City Wide) (Item 9.2)**

That Report HSC23075/BOH23035, respecting the Ending of Hamilton Community Foundation/GreenShield Funding for Dental Services, be received.

**2. Large Volume Hazard Storage Database and Program (HSC23068) (City Wide) (Item 10.2)**

- (a) That the Chief of the Hamilton Fire Department be directed to implement a Large-Volume Hazard Storage Database that will focus on commercial, industrial, and agricultural properties using the Ontario Fire Code as a reference for volumes, storage, and types of flammable and combustible substances; and,
- (b) That the Chief of the Hamilton Fire Department be directed to investigate the staffing and resources required to launch and manage the program associated with the inspections and maintenance of the Large-Volume Hazard Storage Database to be discussed through the 2024 budget process;

**3. Hamilton Fire Department Agreement with Wounded Warriors Canada (HSC23070) (City Wide) (Item 10.3)**

- (a) That the Fire Chief of the Hamilton Fire Department, or their designate, be authorized to enter into and execute any required agreement and any ancillary documents required to give effect thereto with Wounded Warriors Canada, the Hamilton Firefighters Association IAFF Local 288, and the Greater Hamilton Volunteer Firefighters Association, CLAC Local 911 to provide an additional layer of mental health support for all Hamilton Fire Department personnel with content acceptable to the General Manager of Community Services, and in a form satisfactory to the City Solicitor; and
- (b) That the Fire Chief of the Hamilton Fire Department, or their designate, be authorized to execute amendments and any ancillary documents related to these Agreements and any new agreements as required for access to mental health support services offered by Wounded Warriors Canada with content acceptable to the General Manager of Community Services and in a form satisfactory to the City Solicitor.

**4. Emergency Food Strategic Planning Committee Funding Request (HSC23072) (City Wide) (Item 10.4)**

- (a) That the funding request made by the Emergency Food Strategic Planning Committee/Hamilton Food Share in the amount of \$1.25 million, be referred to the 2024 Tax Supported Operating Budget Process;
- (b) That the annual funding request by the Emergency Food Strategic Planning Committee/Hamilton Food Share be referred to the General Manager of Community Services, or their delegate, for review;
- (c) That the annual funding request by the Emergency Food Strategic Planning Committee/Hamilton Food Share be referred to the Director of Climate Change Initiatives, or their delegate, for review.

**5. Early Years Community Plan 2023 Update (HSC23063) (City Wide) (Item 10.5)**

- (a) That Hamilton's Early Years Community Plan 2023, attached as Appendix "A" to Emergency and Community Services Report 23-013, be approved, and
- (b) That staff be authorized to implement Hamilton's Early Years Community Plan 2023 Update

- 6. 2023 Ministry of Long-Term Care Funding Enhancement (HSC23057(a)) (Wards 7 and 13) (Item 10.6)**
- (a) That the General Manager of Healthy and Safe Communities Department, or their designate, be authorized to increase the Long-Term Care (LTC) Division's 2023 budgeted complement by 2.0 full-time equivalent permanent positions, for Allied Health Professionals, at an estimated annual gross cost of \$178,590, to be funded from Ministry of Long-Term Care, Allied Health funding that was effective April 1, 2023, resulting in a net cost of \$0 annually; and,
  - (b) That the General Manager of Healthy and Safe Communities Department, or their designate, be authorized to increase the Long-Term Care Division's 2023 budgeted complement by 0.5 full-time equivalent permanent position for a Supervisor Administration, with an estimated gross cost of \$62,700, to be funded from Ministry of Long-Term Care, Level of Care funding that was effective April 1, 2023, resulting in a net cost of \$0 annually; and,
  - (c) That the General Manager of Healthy and Safe Communities Department, or their designate, be authorized to increase the Long-Term Care Division's 2023 budgeted complement by 2.0 full-time equivalent permanent positions for Nurse Practitioners, at an estimated annualized cost of \$187,000 for salary and benefits and \$4,000 for overhead which will be partially funded from Ministry of Long-Term Care Hiring More Nurse Practitioners Funding, leaving an outstanding balance of approximately \$33,000 which is to be absorbed by allied health professionals funding and any remaining balance to be funded from any in-year operating surplus, if required.
- 7. Service Manager Consent for Corktown Co-operative Homes Development of 221 and 223 Charlton Avenue (HSC23056) (Ward 2) (Item 10.7)**
- (a) That Service Manager Consent be granted to Corktown Co-operative Homes Inc. to merge with Charlton Co-operative Homes Inc. to form a single co-operative housing provider named Corktown Co-operative Homes Inc.;
  - (b) That Service Manager Consent be granted for Corktown Co-operative Homes Inc. to undertake the development of 17 affordable units at 221 and 223 Charlton Avenue including taking on a new loan to finance the project;
  - (c) That the General Manager, Healthy and Safe Communities Department, or their designate be authorized and directed to execute and administer a Housing Charge subsidy for 5 units at Corktown Co-operative Homes' property at 221 and 223 Charlton in the amount of approximately \$21,000 to be added to and included in the 2025 Tax Operating Budget on such

terms and conditions as provided for in the Term Sheet attached as Appendix "A" to report HSC23056 and along with any ancillary documentation and amendments in a form satisfactory to the City Solicitor;

- (d) That the General Manager, Healthy and Safe Communities Department, or their designate be authorized and directed to execute and administer an agreement for an annual operating subsidy, beginning in 2025, for Corktown Co-operative Homes' project at 221 and 223 Charlton in the amount of approximately \$420,000 to be included in the 2025 Tax Operating Budget on such terms and conditions as provided for in the Term Sheet attached as Appendix "A" to Report HSC23056 along with any ancillary documentation and amendments in a form satisfactory to the City Solicitor;
- (e) That the General Manager of Health and Safe Communities be directed to transfer and amend the Charlton Co-Operative Ontario Priorities Housing Initiative Contribution Agreement of the New Rental Housing Component Year 3 funding of \$822,495 to Corktown Co-operative Homes Inc, including all ancillary documents related to administration and funding of the Contribution Agreement; and
- (f) That the City consent to a partial discharge of the operating agreement registered as instrument number VM195526 from title to the portion of the lands municipally known as 200 Forest Avenue in Hamilton which are being conveyed to the City for road widening purposes, and that the City Solicitor or her designate be authorized to take all steps and sign all documents necessary to effect the partial discharge.

**8. End of Mortgage Strategy and Implementation (HSC23050) (City Wide) (Item 10.8)**

- (a) That the End of Mortgage Strategy, including the funding model, attached as Appendix "B" to Emergency and Community Services Report 23-013 be approved, and that the General Manager of the Healthy and Safe Communities Department or designate, be delegated the authority to modify the strategy so long as it supports the long-term sustainability of the social housing portfolio at End of Agreement/ End of Mortgage and does not negatively impact the City of Hamilton's budget;
- (b) That the General Manager of Healthy and Safe Communities or designate be authorized and directed to enter service and exit agreements with housing providers for projects under Housing Services Act, S.O. 2011, c. 6, Sched. 1, that reach End of Operating Agreement or End of Mortgage after 2023 and execute any ancillary agreements or documents in order to provide ongoing affordability for tenants and long-term sustainability for the project, in a form satisfactory to the City Solicitor;

- (c) That \$5.1M be referred to the Housing Services 2024 Tax Operating Budget process annually for the next four years to increase the levy base to \$20.4M, and that this enhancement be increased by inflationary factors, in order to provide an ongoing base totalling \$153 million from 2023-2032 to address capital needs of Housing Projects that are at End of Mortgage/End of Agreement;
- (d) That at the end of the year, if the Housing Division's Net levy is in a surplus, that any unspent funds be transferred to the Social Housing Transition Reserve #112244 to be utilized in future years to fund capital grant requests;
- (e) That a Full Time Equivalent staffing position for a Capital Analyst be referred to the 2024 Housing Services Division complement at an approximate cost of \$111,289 annually for salary and benefits be included in the 2024 Tax Operating Budget;
- (f) That the temporary position of Senior Financial Analyst be converted into a permanent Full Time Equivalent position to be approved in the 2024 Corporate Services, Financial Planning, Administration and Policy Division, funded as reported in HSC22040 through the existing Social Housing investment program levy base.

**FOR INFORMATION:**

**(a) APPROVAL OF AGENDA (Item 2)**

The Committee Clerk advised the Committee of the following changes to the agenda:

**5. COMMUNICATIONS**

- 5.1 Correspondence from ACORN Hamilton, respecting Proposed Amendments to the Renovation Licence and Relocation Listing By-law

Recommendation: Be received, and referred to the consideration of Item 10.1, Addressing Renovictions, Tenant Displacement and Property Standards in Apartment Buildings in the City of Hamilton (PED23072) (City Wide)

- 5.2 Karen Andrews, Advocacy Centre for Tenants Ontario, respecting a Legal Opinion on the Hamilton Apartment Rental Program

Recommendation: Be received, and referred to the consideration of Item 10.1, Addressing Renovictions, Tenant Displacement and

Property Standards in Apartment Buildings in the City of Hamilton  
(PED23072) (City Wide)

The agenda for the October 19, 2023 Emergency and Community Services Committee meeting was approved, as amended.

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no Declarations of Interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**

**(i) September 21, 2023 (Item 4.1)**

The Minutes of the September 21, 2023 meeting of the Emergency and Community Services Committee, were approved, as presented.

**(d) COMMUNICATIONS (Item 5)**

The following Communication Items, were approved as presented:

- (i) Correspondence from ACORN Hamilton, respecting Proposed Amendments to the Renovation Licence and Relocation Listing By-law (Added Item 5.1)

Recommendation: Be received, and referred to the consideration of Item 10.1, Addressing Renovictions, Tenant Displacement and Property Standards in Apartment Buildings in the City of Hamilton (PED23072) (City Wide)

- (ii) Karen Andrews, Advocacy Centre for Tenants Ontario, respecting a Legal Opinion on the Hamilton Apartment Rental Program (Added Item 5.2)

Recommendation: Be received, and referred to the consideration of Item 10.1, Addressing Renovictions, Tenant Displacement and Property Standards in Apartment Buildings in the City of Hamilton (PED23072) (City Wide)

**(e) CONSENT ITEMS (Item 9)**

**(i) Resignation from the Seniors Advisory Committee (Item 9.1)**

Steve Benson's resignation from the Seniors Advisory Committee, was received.

**(f) DISCUSSION ITEM (Item 10)**

**(i) Addressing Renovictions, Tenant Displacement and Property Standards in Apartment Buildings in the City of Hamilton (PED23072) (City Wide) - (Sub-sections (e), (f), (g), and (h) DEFERRED from August 17, 2023) (Item 10.1)**

- (1) (e) That staff be directed to prepare a Renovation Licence and Relocation Listing By-law to regulate repairs and renovations to rental units, in a form satisfactory to the City Solicitor, as per Appendix "D" to Report PED23072, following the 2024 budget process, subject to the approval of the staffing and resourcing outlined in Recommendation (h) as part of the 2024 Budget;
- (f) That City of Hamilton User Fees and Charges By-law No. 23-112 be amended to reflect the new Renovation Licence and Relocation Listing Fee Schedule developed at 10% cost recovery attached as Appendix "E" to Report PED23072;
- (g) That, subject to the adoption of the Renovation Licence and Relocation Listing By-law, the Transition Plan as detailed in Appendix "F" to Report PED23072 to develop, implement and administer the By-law be approved;
- (h) That the appropriate General Managers be directed to refer the following to the 2024 Budget for the implementation of the Renovation Licence and Relocation Listing By-law:
- (i) Three full-time (3.0 FTE) Licensing Administrators in the Licensing and By-law Services Division to administer licence applications, enter investigation files and respond to inquiries, at an estimated total cost of \$287,000 annually (\$258,300 net levy);
- (ii) Three full-time (3.0 FTE) Licensing Compliance Officer in the Licensing and By-law Services Division to enforce the By-law, at an estimated total cost of \$327,000 annually (\$294,300 net levy);
- (iii) One full-time (1.0 FTE) Solicitor in Legal Services to respond to legal challenges and increased Property Standards Committee hearings, at an estimated total cost of \$212,000 annually (\$190,800 net levy);
- (iv) One full-time (1.0 FTE) Housing Clerk in the Housing Services Division to facilitate tenant

support/education, at an estimated total cost of \$80,000 annually (\$72,000 net levy);

- (v) The purchase of three (3) vehicles at an estimated initial cost of \$163,575 and an annual operating cost of \$26,850 (\$24,165 net levy);
- (vi) An outreach, education and communications budget of \$10,000 annually (\$9,000 net levy); and
- (vii) A one-time cost of \$150,000 to fund the transition period for the implementation of the By-law.

**(2)** (a) Sub-sections (e), (f), (g), and (h) of Report PED23072 respecting Addressing Renovictions, Tenant Displacement and Property Standards in Apartment Buildings in the City of Hamilton (PED23072) (City Wide), WERE DEFERRED to a meeting of the Emergency and Community Services Committee, no later than the January 18, 2024 meeting, to allow for staff to:

- (i) Review the correspondence received from ACORN and Advocacy Centre for Tenants Ontario on October 19, 2023, regarding possible amendments and revisions to the proposed Renovation Licence and Relocation Listing By-law as well as the proposed revisions made by ACORN to the by-law, and report back to Emergency and Community Services Committee, no later than January 18, 2024, on any staff recommended revisions to the proposed Renovation Licence and Relocation Listing By-law; and
- (ii) Include the employee and other costs outlined in sub-section (h) of Report PED23072 as a Council Referred Item in the 2024 budget, such that the additional investments can still be approved as part of the 2024 Operating Budget should Council approve the Renovation Licence and Relocation Listing By-law.

**(ii) Emergency Food Strategic Planning Committee Funding Request (HSC23072) (City Wide) (Item 10.4)**

- (1)** (a) That the funding request made by the Emergency Food Strategic Planning Committee/Hamilton Food Share in the amount of \$1.25 million, be referred to the 2024 Tax Supported Operating Budget Process;



- (b) That the annual funding request by the Emergency Food Strategic Planning Committee/Hamilton Food Share be referred to the General Manager of Community Services, or their delegate, for review;
- (2) (a) Report HSC23072, respecting Emergency Food Strategic Planning Committee Funding Request, **was amended**, by adding sub-section (c) as follows:
  - (c) ***That the annual funding request by the Emergency Food Strategic Planning Committee/Hamilton Food Share be referred to the Director of Climate Change Initiatives, or their delegate, for review.***

For disposition of this matter, refer to Item 4.

**(iii) Emergency Grant for the Emergency Food Strategic Planning Committee**

Staff were directed to prepare an emergency grant of \$625k to the Emergency Food Strategic Planning Committee, for the October 25, 2023 meeting of Council meeting.

**(g) ADJOURNMENT (Item 16)**

There being no further business, the Emergency and Community Services Committee be adjourned at 2:50 p.m.

Respectfully submitted,

Councillor B. Clark  
Chair, Emergency and Community Services  
Committee

Loren Kolar  
Legislative Coordinator  
Office of the City Clerk



# Hamilton's Early Years Community Plan **2023 UPDATE**

# 1. INTRODUCTION & PURPOSE

Hamilton's Early Years Community Plan 2023 Update report continues to build on the foundational plan established in 2016 and updated in 2019. The strategic priorities outlined in the [2016-2020 Plan](#) have remained relevant over time. In response to a continually changing landscape and evolving community demographics and needs, subsequent plans have placed emphasis on relevant priorities and emerging opportunities. We continue to focus on transformative, system-wide change and impact that will allow us to make Hamilton the best place to raise a child and age successfully.

The purpose of this update is to highlight where Hamilton's Early Years System will focus its collective energy and efforts in the coming years. While there is uncertainty in the environment, for example, the system is currently anticipating the release of a new Ontario funding model for Canada-Wide Early Learning and Child Care (CWELCC), we recognize our abilities to collectively work as a system to meet challenges and opportunities head on. Our intention moving forward is to continually strengthen our ability to be flexible and responsive.

Hamilton's Early Years Community Plan 2023 Update and accompanying Environmental Scan provide a snapshot of Hamilton's children and families and its early years system. This update reaffirms our vision and focus of Hamilton's Early Years Community Plan in 2023 and beyond.

We are proud of the collective efforts of all the staff, administrators and volunteers working across Hamilton's early years system and partner agencies. Their continued support and commitment will ensure the ongoing success of this plan and our system.

## 2. SUMMARY OF ACCOMPLISHMENTS

The following is a summary of high-level pieces of work that have emerged since the release of the [EYCP 2016-2020 Progress Update](#) in the summer of 2019. This is not an exhaustive list of accomplishments, but instead a summary of progress made in key areas in response to changing needs and opportunities.

<p><b>2019</b> (2 years into the 2016-2020 plan)</p>	<p><b>BUILDING STRONG FOUNDATIONS:</b></p> <ul style="list-style-type: none"><li>• Established and refined the new organizing structure which embeds an equity and engagement advisory group/lens</li><li>• Significant progress in the following priority areas<ul style="list-style-type: none"><li>▪ Child care system planning and stabilization</li><li>▪ Family support programs (EarlyON Child and Family Centres),</li><li>▪ Special needs resourcing and strategy, and</li><li>▪ Quality</li></ul></li><li>• Strides in addressing new strategic priorities that emerged in response to community needs<ul style="list-style-type: none"><li>▪ Infant and early years mental health</li><li>▪ Early years work force</li></ul></li></ul>
<p><b>2020</b> (COVID-19 Pandemic)</p>	<p><b>FOCUSING ON SYSTEM STABILIZATION &amp; SUSTAINABILITY:</b></p> <ul style="list-style-type: none"><li>• Worked collaboratively with child care and early years operators to ensure that the child care system could operate safely and remain viable and responsive to family needs</li><li>• Pivoted to virtual learning platforms to allow for continued professional learning and support services</li><li>• Continued to address the needs of diverse families in our community, ensuring access to programs and services</li><li>• Implemented outdoor and virtual programming in EarlyON CFCs to continue offering services to families and caregivers</li><li>• Recorded Embracing Inclusion podcasts for use by early years workforce</li></ul>

<p><b>2021</b> (coming out of the pandemic)</p>	<p><b>ADDRESSING EARLY YEARS HR WORKFORCE CHALLENGES:</b></p> <ul style="list-style-type: none"><li>• Implemented policies, procedures and resources to support the early years system to ensure no service disruptions during the transition with community partners</li><li>• In response to critical challenges coming out of the pandemic, developed the Workforce Strategy Plan for implementation in 2022/2023</li><li>• Continued to provide professional learning opportunities for early learning and child care professionals</li><li>• Reconvened critical EYCP organizing structure committees and advisory groups</li><li>• Hosted an early years community virtual celebration &amp; recognition session</li></ul>
<p><b>2022</b> (renewed commitment to foundational system-wide strategies)</p>	<p><b>ADOPTING A SYSTEM-WIDE APPROACH TO STRENGTHEN EQUITY, DIVERSITY, INCLUSION AND BELONGING (EDIB):</b></p> <ul style="list-style-type: none"><li>• Placed increased emphasis on foundational work to embed EDIB across Hamilton's early years system, and lead to transformative change strategies<ul style="list-style-type: none"><li>▪ EEAG developed an action planning framework</li><li>▪ <i>City hired a Human Services Equity Specialist to advance and support EDIB work across the Children's and Community Services Division</i></li></ul></li><li>• Investments made to sustain, enhance, grow and attract the early years workforce, including workforce grants, professional development days, and covering cost of ASCY's professional learning fees</li><li>• Implemented the Canada Wide Early Learning and Child Care Program</li></ul>
<p><b>2023</b> (moving forward as a system)</p>	<p><b>ADVANCING EDIB ACROSS THE SYSTEM:</b></p> <ul style="list-style-type: none"><li>• Finalized a local EDIB framework for the system</li><li>• Launched the Infant and Early Mental Health Care Pathway for 0-3.8 year old children</li><li>• Embedded EDIB into the Quality Program</li><li>• Provided training specific to special needs resources and inclusion</li><li>• Initiated a new funding framework for local EarlyON CFCs</li><li>• Continued to invest in activities to sustain, enhance, grow and attract the early years workforce</li><li>• Developed an Access &amp; Inclusion framework to guide child care expansion for the next several years</li><li>• Implemented an affordability grant for families accessing before and after school care</li><li>• Launch of Hamilton's Child &amp; Youth Network bringing together leaders across early years system to collectively plan and strengthen outcomes for children, youth and families</li></ul>

Refer to Hamilton's Early Years Community Plan Updates for additional information at [Early Years Community Partners Resources](#).

# 3. DEFINING THE LANDSCAPE

## Demographic Snapshot of Hamilton’s Children & Families

### Hamilton’s Overall Population is Growing

In 2021, Hamilton’s population was 569,355. Between 2016 and 2021, the population of Hamilton grew by 32,435 individuals for a population growth of 6.0%, surpassing the provincial average of 5.8%.<sup>1</sup>

Hamilton’s population is predicted to grow to approximately 809,660 individuals by 2046<sup>2</sup>. This represents a population growth of approximately 38% over the next 25 years. This is in line with population growth projections for the province as a whole (38%).

### Hamilton’s Child and Family Populations Continue to Grow

In 2021, Hamilton had 91,240 children aged 0 to 14 years of age. See Table 1 for age breakdowns.

Between 2016 and 2021, Hamilton’s child population growth varied across the city. Parts of Glanbrook, Upper Stoney Creek, and Flamborough East experienced relatively large gains in the number of children 0 to 6 years of age compared to other areas of the city (see dark green areas in Figure 1) between 2016 and 2021.

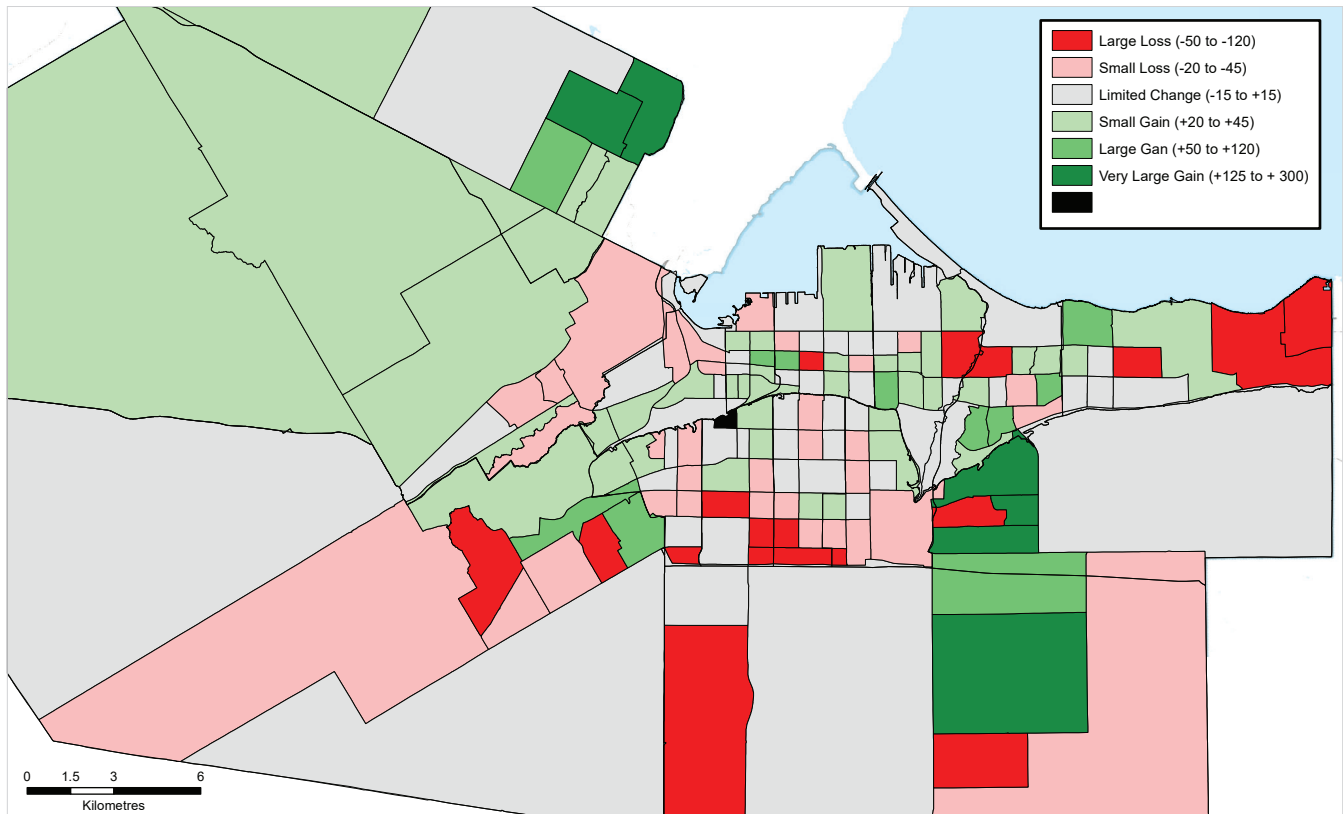
**Table 1. Child Population by Age Group, City of Hamilton 2016 and 2021**

Age Group (years)	2016	2021
0-4	28,275	29,100
5-9	29,355	30,695
10-14	29,485	31,445
<b>TOTAL 0-14</b>	<b>87,115</b>	<b>91,240</b>

Source: Statistics Canada Census data, 2016 and 2021 accessed through the City of Hamilton's [City Dashboard](#).

1 Statistics Canada 2021 Census data derived from custom tabulations obtained by the City of Hamilton and accessed through the City of Hamilton's [City Dashboard](#).  
2 Ontario Ministry of Finance. [Ontario Population Projections Update, 2021-2046](#). Updated Summer 2022.

Figure 1. Gain/Loss Counts of Children Aged 0 to 6 Years from 2016 to 2021 by Census Tract, City of Hamilton



Source: Statistics Canada. Census 2016 and 2021. Obtained through City of Hamilton, Children's and Community Services Division.

## Hamilton's Population is Increasingly Diverse

- In 2021, 92% of people living in Hamilton spoke English only, 6% (or 32,630) speak both English and French, 0.1% (or 410) speak French only, and 2% (or 10,435) speak neither English nor French.
- In 2021, 28.2% (or 158,185) of Hamilton residents were born outside of Canada compared to 25.9% (or 136,590) in 2016.
- In 2021, Hamilton was home to 20,145 recent immigrants<sup>3</sup> and 12,640 non-permanent residents.
- 25.1% (or approximately 141,000) of Hamilton's population identified as belonging to a visible minority in 2021 compared to 19.0% (or approximately 100,100) in 2016.

### TOP 5 NON-OFFICIAL LANGUAGES SPOKEN IN HAMILTON (2021)

**1. Arabic 2. Italian 3. Spanish 4. Chinese Languages 5. Portuguese**

To learn more about Hamilton's population see Hamilton's Early Years Community Plan 2023 Environmental Scan.

<sup>3</sup> Recent immigrant refers to a person who obtained a landed immigrant or permanent resident status up to five years prior to a given census year.

## Health & Well-Being of Children & Families in Hamilton

### Early Childhood Development

The Early Development Instrument (EDI) is a tool that is widely used around the world to monitor the state of early childhood development. The EDI questionnaire is completed by kindergarten teachers measuring children's ability to meet age-appropriate developmental expectations.

In 2018, the EDI was implemented in Hamilton schools representing 4,972 children in Senior Kindergarten.

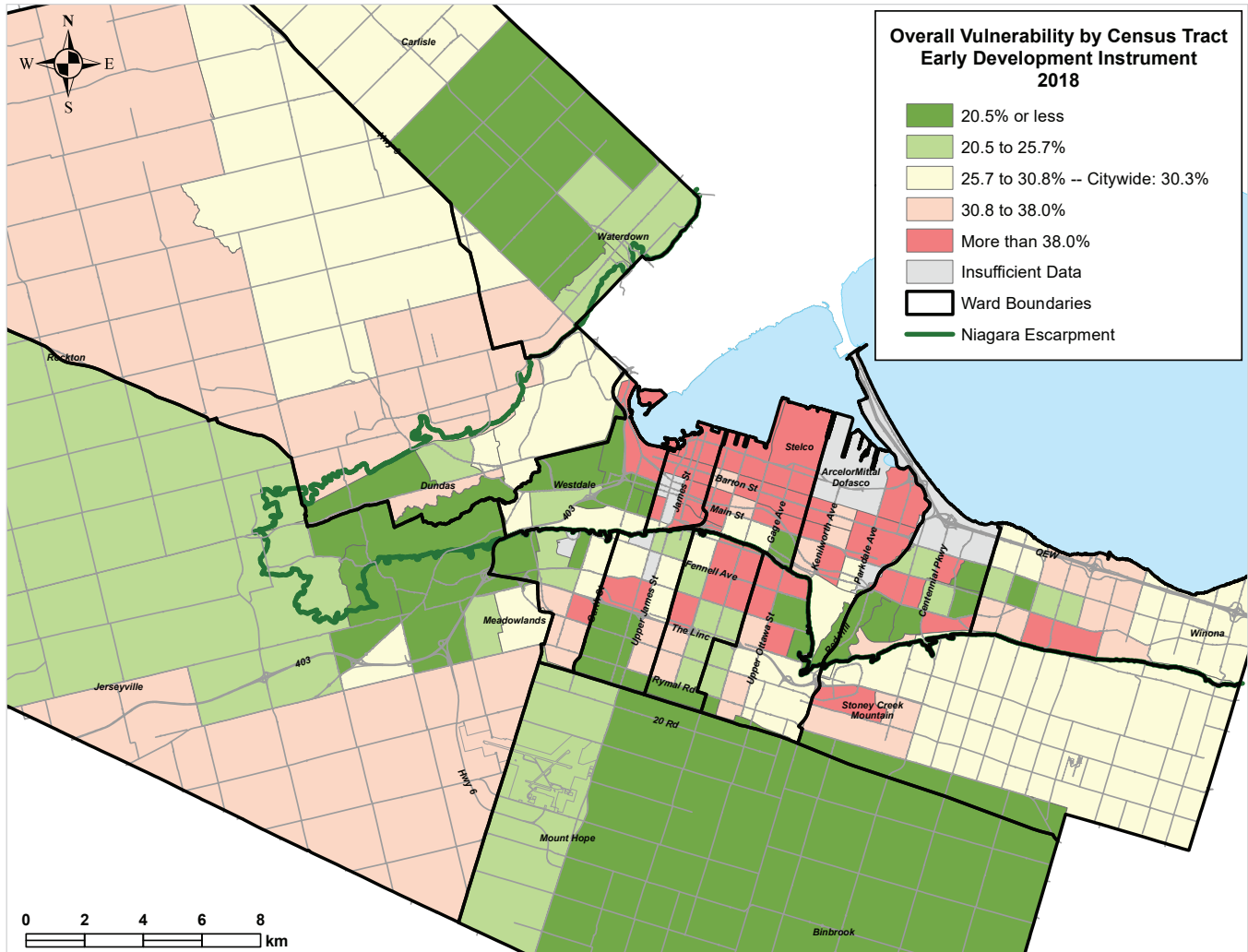
- Almost 1 in 3 (30.3%) children in Senior Kindergarten in Hamilton were vulnerable in one or more areas of their development in 2018. This is a small decrease, or improvement, from 30.7% in 2015.
- Children in Hamilton scored slightly more vulnerable than the provincial average (30.3% vs 29.6%) in 2018.
- Vulnerability rates vary greatly from 16% to 52% across Hamilton's neighbourhoods. EDI vulnerability is highest (over 38%) in numerous neighbourhoods in the lower city (within Wards 2, 3 and 4 primarily) but also in pockets on Hamilton Mountain (north of the Linc). See dark red areas on Map 1.

Once available, data from the most recent implementation of the EDI in Hamilton -- completed at the end of the 2022-2023 school year -- will be analyzed, reviewed and shared in a timely manner with our early years community, system partners and the public, to help support planning and implementation of universal and targeted support and activities across the system to address vulnerability.

**Vulnerability** describes the children who score below a standard score in any domain. Higher vulnerability indicates a greater percentage of children are struggling. The vulnerability rate has been shown to be a strong predictor of future school success.



Map 1. Overall Vulnerability by Census Tract, Early Development Instrument 2018.



Source: EDI 2018 obtained through City of Hamilton, Children’s and Community Services Division.

### Highlights from Ontario Parent Survey (Hamilton-Specific Results)

The Ontario Parent Survey aims to help understand how families and children have been affected by the lockdown due to Covid-19, and what services families and caregivers may need. Findings from the OPS Third Wave (2022) indicate COVID-19 has negatively impacted parents’ and children’s mental health and well-being. For example:

- 30% of parents reported a loss of income and 22% of families reported ‘moderate to major’ impact on their ability to meet financial obligations and essential needs
- 71% of parents reported significant depressive symptoms and 40% of parents reported needing help for mental health but did not seek help
- 39% sought professional care for child’s mental health
- 12% reported that their child needed help for mental health but did not seek help
- 31% indicated that COVID-19 had ‘a lot’ to ‘a great deal’ of negative impact on their children’s mental and emotional health

See Hamilton’s Early Years Community Plan 2023 Environmental Scan, section 3, for more on the health and well-being of children and families in Hamilton.

## Hamilton's Early Years System

The City of Hamilton's Early Years System aims to make Hamilton the best place to raise a child and the best place to be a child. This involves ensuring that Hamilton families have access to high-quality, affordable, flexible and inclusive early years services and programs. This section provides a high-level overview of Hamilton's Early Years System. For details, see section 4 of Hamilton's Early Years Community Plan 2023 Environmental Scan.

## Canada-Wide Early Learning and Child Care System

In March 2022, Ontario reached a \$13.2 billion agreement with the federal government on funding for and the terms of a CWELCC system. The new system will lower child care costs and improve access, quality and inclusion across Ontario's child care and early years sector. In Hamilton, 96% (215) of eligible child care operators have opted in to CWELCC.

## Early Years Funding and Budget

In 2022, Hamilton's Early Years System had a total operating budget of \$104.3 million. The majority of the budget was allocated towards:

- Funding to support child care wages (**\$23.4M**)
- Child care fee subsidy (**\$21.7M**)
- Child care fee reduction through CWELCC (**\$21.4M**)

The remaining operating budget (**\$37.8M**) was allocated to Special Needs Resourcing, EarlyON Child and Family Centres, early years system priorities, administration, resource centres, and capacity and emergency supports.

## Access to the Early Years System

### Hamilton's Licensed Centre-Based Child Care by the Numbers (March 2023)



**223** licensed child care centres offering  
**20,725** spaces for children 0-12.



This includes:

- **3** licensed French language licensed child care centres<sup>4</sup> serving **280 spaces** (infant to school-age)
- **1** Indigenous-led child care centre<sup>5</sup> serving **73 spaces** (infant to preschool)
- **59%** of licensed child care centres are located within a school
- **31%** of all spaces are for younger children (infants, toddlers and preschoolers) (Table 2)
- **11%** increase (1,975 spaces) in the number of licensed centre-based child care spaces between December 2019 and March 2023 (see Table 2) with the infant and toddler age groups seeing the highest percent increase.

<sup>4</sup> Hamilton's three French language child care centres are: La Garderie Le Petit Navire, Le Ballon Rouge De Hamilton, and Pavillon de la Jeunesse avant et après l'école.

<sup>5</sup> Niwasa Kendaaswin Teg is a multi-service, Indigenous non-profit that provides services and supports to all people across the life cycle.

Table 2. Number of Licensed Centre-Based Child Care Spaces by Age Group in Hamilton, Dec 2019 vs Mar 2023

Child Care Age Group	Number of spaces in Hamilton	
	Dec. 2019	Mar. 2023
Infant (0-18 months)	379	546
Toddler (18-30 months)	1,782	2,094
Preschool (30 months to 4 years)	3,990	4,409
Kindergarten (4-5 years)	5,155	5,547
School Age (6-12 years)	7,444	8,129
<b>TOTAL</b>	<b>18,750</b>	<b>20,725</b>

Source: City of Hamilton Children's and Community Services Division (2022).

### Hamilton's Licensed Home Child Care by the Numbers (March 2023)

- **3** home child care agencies <sup>6</sup>
- **134** licensed home-based child care operators
- approximately **804** licensed-home child care spaces<sup>7</sup>

### Child Care Expansion for Children 0 to 5 years Through an Access and Inclusion Framework

Child care spaces are not equitably distributed across the City of Hamilton and few wards are meeting the provincial child care access target of 37%.<sup>8</sup> This is especially the case in parts of the lower city (Wards 3 and 4), central and east mountain (Wards 6 and 7) and to some extent in Glanbrook (Ward 11) (Refer to Table 3).

Under CWELCC, the City of Hamilton has been allocated 1,687 new child care spaces between 2022 and 2026 consisting of a total 254 new school-based spaces and 1,433 new community-based spaces, based on an access and inclusion framework.

Hamilton's child care expansion will focus on children with special needs, families with low income, those who are most vulnerable, children from diverse communities, Francophone children, and Indigenous children. Early analysis by the City has demonstrated a need to prioritize child care expansion in four city wards:

- **Ward 6:** East Mountain
- **Ward 7:** Central Mountain
- **Ward 3:** Hamilton Centre
- **Ward 4:** East Lower Hamilton

See Appendix A for the City of Hamilton's Access and Inclusion Framework.

<sup>6</sup> Today's Family, Wee Watch Galbraith and Wee Watch Golfwood are Hamilton's three home child care agencies.

<sup>7</sup> This is an estimated number based on potential availability given each licensed-home child care operator can provide care for up to 6 children. Actual numbers will differ based on operator actuals.

<sup>8</sup> This is equivalent to there being one affordable child care space available for every 2.7 children aged 0-5 years.

**Table 3. Licensed Child Care Capacity by Child Care Age Group and City Ward, City of Hamilton, February 2023**

Ward	Infant Access Rate (%)	Toddler Access Rate (%)	Pre-school Access Rate (%)
Ward 1	13	59	65
Ward 2	13	50	84
Ward 3	4	31	37
Ward 4	3	17	33
Ward 5	7	30	42
Ward 6	0	9	18
Ward 7	1	21	34
Ward 8	0	47	72
Ward 9	9	52	70
Ward 10	11	52	53
Ward 11	4	17	32
Ward 12	6	36	58
Ward 13	0	39	45
Ward 14	15	67	102
Ward 15	15	59	80

Source: City of Hamilton Children’s & Community Services Division.

### EarlyON Child and Family Centres

EarlyON Child and Family Centres (EarlyON CFC) offer free, high-quality programs for children from prenatal to 6 years old and their families where they can learn, grow and connect, together. At EarlyON CFC, families can learn and play with their child(ren), meet people, and get advice from early childhood educators and other professionals. Refer to Hamilton’s EarlyON CFC at a Glance chart on page 11 for details.

In 2023, the City of Hamilton initiated a review of their current EarlyON CFC funding model to ensure this system is inclusive, equitable, and responsive to the unique needs of its participants. Engagement and buy-in from Hamilton’s EarlyON CFC operators are important elements that were built into this process. We anticipate this funding review will be completed in early 2024 and that changes to programs and services resulting from this review will be implemented in January 2025.

## HAMILTON'S EARLYON CHILD AND FAMILY CENTRES AT A GLANCE

- **8** agencies offering programs at **35** locations
- This includes Niwasa Kendaaswin Teg offering an early learning environment that follows Indigenous teachings and knowledge as well as Centre de Sante Communautaire – Hamilton/ Niagara offering French language programming and supports.
- **6,926** unique parent and **9,062** unique children (ages 0 to 6 years) visited Hamilton EarlyON programs for a total of **70,175** parent and **92,808** child visits between May 2022 and April 2023.
- **1 in 4** children ages 0-4 years living in Hamilton visited an EarlyON CFC at least once from May 2022 – April 2023.
- **80-90%** of 1000+ Hamilton families agreed they had positive experiences visiting an EarlyON

Source: City of Hamilton Children's & Community Services Division.

## Affordability of the Early Years System

Quality licensed child care often comes at a significant financial cost to families. In 2022, the average full time, full day rate for child care ages 0-6 in Hamilton was \$59.12. Child care daily rates are highest for infants and lowest for preschool age (Table 4).

Table 4. Average Daily Child Care Rates per Full Time, Full Day by Child Care Age Group, Hamilton 2022

Child Care Age Group	Pre-CWELCC Rate	Post-CWELCC Rate
Infant (0 to 18 months)	70.80	33.39
Toddler (18 to 30 months)	56.98	26.89
Preschool (30 months to 6 years)	49.59	23.41
<b>Average (0 to 6 years)</b>	<b>59.12</b>	<b>27.90</b>

Source: City of Hamilton Children's & Community Services Division

## Fee Reduction and Subsidy for Families

- CWELCC funding aimed at reducing the cost of child care resulted in an estimated annual savings of per child for eligible families of approximately \$3,600 in 2022 and \$9,100 in 2023.
- An average of 4,200 children each month receive child care fee subsidy, which supports low-income parents.
- There are no children waiting for a fee subsidy approval in Hamilton.

## Quality of the Early Years System

High quality early years services and programs substantially influence children's development and well-being. Evidence shows that high quality early learning and child care programs support development and positively impact children.<sup>9</sup>

### Hamilton Early Years Quality Program

The Hamilton Early Years Quality Program (HEYQP) cultivates high-quality, responsive and accountable relationships with the early years community at all levels of an organization for the benefit of children, educators and families. Quality directly impacts the services provided to families and children in the early years system and community. Participation in the quality program is a fundamental foundation for all early learning and child care operators that have funding agreements with the City of Hamilton. Hamilton's early learning and child care community embraces, nurtures and commits to building meaningful, authentic opportunities for educators, families, children and communities for diverse, high-quality, inclusive learning, growth through continuous improvement.

#### HEYQP HIGHLIGHTS



##### 2022 HEYQP Supports

- **73** City and Affiliated Services for Children and Youth (ASCY) quality visits were completed with operators
- **182** professional learning opportunities offered including workshops, podcasts, Infant and Early Years Mental Health Symposium, etc.
- **10,300+** participated in professional learning opportunities
- **45+** professionals participating in Side by Side mentorship



##### 2022 HEYQP Accomplishments

- **360+** Early Years program sites participated in HEYQP
- **3%** of system sites experienced intensive quality monitoring to support change. This is down from 23% in 2017 and 21% in 2018 reflecting overall system quality improvements
- **99%** change was observed for those who experienced intensive monitoring for continuous improvement

Source: City of Hamilton Children's & Community Services Division.

9 OECD. (2018). Early Learning Matters.

## Early Years Workforce

A qualified, stable and well-compensated early years workforce is the foundation of high-quality early years services and programs. Historically, the early years system has experienced workforce challenges due to low compensation and working conditions. The cumulative impacts of responding to the COVID-19 pandemic have intensified the challenges.

- Currently, RECEs that work in the early years and child care sector earn an average of \$22.45/hour in Hamilton, compared to RECEs that work for the school boards which make an average of \$27/hour.
- In 2022, 1,723 child care staff received the Wage Enhancement Grant (WEG). Two thirds of recipients (66%) work in non-profit licensed child care centres and the remaining third work in for-profit licensed child care centres.
- Recent survey responses from a RECE professional learning event<sup>10</sup> indicate the top factors in attracting and retaining a high quality, diverse workforce include:
  - Positive work conditions
  - Relationships with co-workers
  - Career growth
  - Good wages

## Equity, Inclusion and Belonging

Early years services and programs play a critical role in supporting equity, diversity, inclusion and belonging (EDIB) in the early years and the community-at-large. Hamilton's early years system has set a goal of strengthening equity, diversity, inclusion and belonging in order to bring to life our vision that all children and families experience a real, lived sense of belonging in the early years system.

For several years, the Equity and Engagement Advisory Group has focused its efforts to support Hamilton's early years system, resulting in the completion of an action planning framework to guide activities being undertaken across the system by ensuring the needs and perspectives of diverse children and families are continually considered. Priority activities within this framework include:

- Implementing a survey to understand the composition of the local early years system workforce
- Prioritizing equity, diversity, inclusion and belonging learning and capacity building for early years staff and system leaders
- Updating the Hamilton Early Years Quality Program System Priority Template with an increased focus on Equity, Diversity and Inclusion
- Developing an Equity, Diversity, Inclusion and Belonging (EDIB) Policy Statement. (Refer to Appendix B - Draft EDIB Policy Statement)

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<sup>10</sup> It's Your Day! Embracing the Early Years Virtual Professional Learning Day on April 22



## Special Needs Resourcing Program

The City of Hamilton is committed to delivering inclusive services where children with varying abilities are experiencing diverse, meaningful ways to participate and successfully learn. Community partners work together with early learning and child care providers, educators and professionals to ensure families and children have access to and experience diverse, inclusive learning communities.<sup>11</sup> Special Needs Resourcing funding supports the early years system with resources, equipment, supplies, professional development, such as Shelley Moore professional learning events, Tools for Life (TFL) for Early Years, and evidence-based pedagogical and inclusion practices to plan, inform and deliver high-quality, inclusive services for families with children who have varying abilities. The evidence demonstrates that diverse, inclusive learning communities where children experience a sense of belonging provide developmentally beneficial learning, growth and belonging for all children<sup>12</sup>. See below for a snapshot of Hamilton's Special Needs Resourcing.

### Special Needs Resourcing Snap Shot (2022)

- Each month, an average of **656** children ages 0 to 6 years and an average of **115** children ages 6 to 12 years receive special needs supports
- **1,237** unique children, ages 0 to 12 years, received special needs supports in 2022
- **331** licensed child care programs were supported with Special Needs Resourcing<sup>13</sup>
- Hamilton had **54** Resource Consultants, and Inclusion Facilitators and **48.40** FTEs
- Addition of a new Francophone Resource Consultant
- **200+** early years professionals attended Let's Talk Moore about Inclusion event
- Most educators in 2019/2020 were trained in TFL and more resources be available in 2023/2024
- In 2022, the City of Hamilton spent **\$5.48M** to support the inclusion of 1,237 children in 331 licensed child care programs

Source: City of Hamilton Children's & Community Services Division.

## Early Years Mental Health System and Services

Through its [Infant and Early Years Mental Health System Support Committee](#)<sup>14</sup>, the City of Hamilton aims to facilitate an evidence-based, integrated and coordinated approach to cross-sector planning for infant and early years mental health services in Hamilton. This committee's work focuses on:

- Building awareness of infant and early years mental health in the community
- Increasing professional capacity and opportunities for continuous learning
- Identifying and developing appropriate care referral pathways and wait list strategies for children ages 0-6 and their families
- Improving coordination of services and support across the City of Hamilton

11 In Hamilton, the City works with community agencies for early learning and child care to provide early learning opportunities for children and their families. Agencies include: Affiliated Services for Children & Youth/Early Words; Community Living Hamilton; and Ron Joyce Children's Health Centre.

12 Underwood, K. (2013). Everyone is Welcome: Inclusive Early Childhood Education and Care. Think, Feel, Act.

13 This number represents duplicates due to the integrated special needs resourcing delivery model with one or more partners providing supports to the system.

14 For a complete list of Committee membership see: Infant and Early Years Mental Health System Support



An informal environmental scan<sup>15</sup> of IEYMH committee members in Fall 2022 regarding emerging system trends and capacity found anecdotal reports of:

- Increased number of referrals received across member agencies
- Increasingly acute, multi-layered and complex cases encountered among children and youth, post-COVID
- Human resources shortages impacting services and community supports
- Increasing need to support families while waiting for assessment or entry to services
- Support to ensure children get the right level of care, at the right time

### IEYMH COMMITTEE AT A GLANCE (2022-2023)

- **18** agency partners engaged as active members
- **170** participants from the early years community attended the April 2023 Symposium focused on early years mental health and staff wellbeing
- **0-3.8 year old** Infant and Early Mental Health Care Pathway launched in January 2023
- **3.9-6.0 year old** Infant and Early Mental Health Care Pathway currently under development

Source: City of Hamilton Children's & Community Services Division.

## Newcomer Mental Health Needs

Children and families recently arriving to Canada, especially those who arrive as refugees, experience a range of stressors that place them at risk of poor mental health. A recent Hamilton study<sup>16</sup> out of the Offord Centre for Child Studies at McMaster University examined newcomer mental health needs, barriers to care, and opportunities for improving mental health supports.

The study lays out seven recommendations<sup>17</sup> for improving mental health supports for newcomer children and families. The following are instructive for Hamilton's Early Years System:

- **Newcomer Engagement:** Amplify and listen to newcomer voices at all stages of policy and program design and implementation.
- **Cultural Responsiveness:** Understand how culture and migration experiences shape mental health and work with newcomer families to develop culturally responsive interventions.
- **Workforce Diversity & Development:** Hire and support a more racially and culturally diverse workforce that better reflects newcomer communities.

<sup>15</sup> City of Hamilton CCSD. IEYMH System Summary. January to March 2023

<sup>16</sup> Sims, A. (2023). Thriving Together: Service provider and family perspectives on newcomer child and youth mental health and access to care. Offord Centre for Child Studies. McMaster University)

<sup>17</sup> To learn more see: <http://cyrrc.org/2022/03/4j>

# 4. COMMUNITY CONSULTATIONS AND EMERGING INSIGHTS AND STRATEGIES

On April 25 and 26, 2023, the City of Hamilton's Children's and Community Services Division hosted three community engagement sessions to assist with the update of its Early Years Community Plan. A total of 217 community partners participated in and contributed to the important discussion which was focused on '**Mobilizing Equity, Diversity, Inclusion and Belonging in Hamilton's Early Years System**'. Participants included a variety of home, centre-based and co-op child care operators, EarlyON providers, City representatives and other early years system partners.

During these sessions, members of the Children's and Community Services Team provided an overview of the Equity, Diversity, Inclusion and Belonging (EDIB) Policy, developed by the Equity and Engagement Advisory Group, and Hamilton's CWELCC Access and Inclusion Framework. Through structured table discussions, participants were invited to provide input on the following:

## **Equity, Diversity, Inclusion & Belonging Policy**

- What challenges do you see when implementing this policy?
- How can you/your organization contribute to implement this policy/work?
- Do you have any feedback on the policy?

## **Access and Inclusion Framework**

- What elements of the framework are you most excited about and why?
- Are there any gaps or opportunities that we should address/include?

The level of engagement and rich discussion that took place during the facilitated table discussions was impressive. Several strategic insights emerged that will inform the work moving forward:

**A FOCUS ON INCLUSION & BELONGING** - The language and shared experience of 'belonging' resonated with the community. Groups identified opportunities to build capacity and enhance policies and practices to support inclusion, particularly with equity-deserving groups. One group discussion highlighted the following insight – *'If we can meet the unique needs of families, we can all grow, learn and better ourselves, putting biases aside to see every child/family as a human being (who is yearning to be seen, heard and understood) regardless of background/experience.'*

**SHIFTING MINDSETS** - The work ahead around EDIB and an Access and Inclusion Framework requires shifting mindsets by providing a clear rationale as to why this work is important and offering continuous learning opportunities to build capacity by challenging unconscious biases, sharing promising practices, and telling compelling change stories.

**BALANCING CONSISTENCY AND FLEXIBILITY** - There is a tension between the need for consistency (i.e., ensuring community standards and expectations across the system), and the desire for flexibility (i.e., opportunities to respond to local need and build on work already underway). Changes to the EDIB Policy and Access and Inclusion Framework and corresponding processes will work to strike this balance.

**IMPLEMENTATION SUPPORTS** - Dedicated resources are needed to enable progress and ensure success. Stakeholders emphasized the need for clear and transparent system-wide expectations (i.e., priorities and timelines), investments in workforce training and capacity building (e.g., communities of practice and a collaborative community response), data collection and accountability (to monitor progress and outcomes), and ongoing engagement of families and staff.

In subsequent discussions with the Children’s and Community Services team and, based on specific feedback the community provided regarding future opportunities to mobilize EDIB in Hamilton, it became clear that intentional and aligned strategies at the Individual, Community and Systems Level are required to shift mindsets and enable meaningful and transformative change. In the first phase, this work requires investing in champions, establishing mechanisms to build capacity at multiple levels across the system, and fueling the exchange of knowledge and promising practices. See Figure Appendix B - Draft EDIB Policy Statement.

**Figure 2. SHIFTING MINDSETS AND ENABLING TRANSFORMATIVE CHANGE: Investing in Champions, Capacity Building and Knowledge Sharing**



## ENABLERS:

- Acknowledge that this is a change management process that will require time and effort, and not everyone is at the same starting place
- Align and coordinate efforts (both activities that are underway and new)
- Leverage what's already working
- Clarify roles and responsibilities to ensure mutual accountability (City, ASCY, Communities of Practice, Individual Champions, Organizational Champions)

It is important to acknowledge that ASCY has a broad professional learning lead role within the early years system. With respect to EDIB, Organizational Champions will bring specific expertise, credibility and relationships with priority populations/sectors, while ASCY contributes a system coordinating role (i.e. communicating with and convening community partners through system-wide training events to share promising practices and tell compelling change stories).

## Organizing Structure and Ongoing Engagement Mechanisms

Feedback gathered in the survey distributed after the consultation events on April 25 and 26 suggested that while the current organizing structure is still relevant, it needs to continue to evolve in order to respond to changing community needs and system opportunities. Refer to Appendix C: Hamilton's Early Years Organizing Structure for additional details.

Recently, a focus on the "middle years" (children 7-14 years old and their families), was identified as an emergent need, to help ensure supports, resources and opportunities are available and a systems approach taken to help this age group grow, develop and succeed, based on our current early years approach.

Building on the [2022-2027 City of Hamilton's Youth Strategy](#), the Child and Youth Network will broaden to include youth partners. The focus will be on facilitating an improved alignment of priorities, continuity of care, enabling seamless transitions from birth to young adulthood, and by adapting a system-wide planning lens.

In addition, it will be important to ensure that the early years community continues to receive information and timely communication regarding the structure and membership of the structure so they can see themselves reflected in and contributing to the local early years system.

Ongoing mechanisms for community engagement/feedback are achieved through the organizing structure and its respective committees/advisories whose terms of reference commit to 'regular updates and opportunities to provide feedback on emerging issues/priorities'. Members also participate in an annual assessment/evaluation on Committee performance and effectiveness.

# 5. STRATEGIC AIM, ENABLING STRATEGIES, AND STRATEGIC PRIORITIES/ACTIONS

## STRATEGIC AIM:

**Moving from:** Stabilization and sustainability of the early years system

**Moving towards:** System integration, transformation and seamless transitions for children, youth and families (from birth to young adulthood)




## ENABLING STRATEGIES:



There are a number of cross-cutting supports/structures/programs that will enable our success with respect to the identified strategic priorities.

- **Quality:** Continue our current Hamilton Early Years Quality Program efforts and embed system-wide EDIB expectations
- **Continuous learning and improvement:** Continue to strengthen the system's commitment to generating and sharing data, research findings and promising practices to support evidence-informed planning decisions.
- **Ongoing communication and engagement:** Provide accessible and relevant information and opportunities for diverse stakeholders to identify their needs and experiences
- **High-level system-wide investments:** Resources and supports that will mobilize and coordinate community partners who will undertake key strategies/efforts

## EMERGING PRIORITIES & ACTIONS:

Implementation of the following emerging priorities and actions will help move Hamilton's Early Years System closer to achieving the strategic aim and the City of Hamilton's vision to be the best place to raise a child and age successfully. These are intentionally high-level with room to refine as needed. We intend to use the existing Early Years Community Plan organizing structures and mechanisms to engage our community in thinking about how best to implement the plan over time. The emerging priorities and actions are intended to capture and reflect all components of Hamilton's Early Years System including: EarlyON Child and Families Centres, licensed centre-based child care, and licensed home child care, and system partners.

Emerging Priorities	What is it? Why is it important?	High Level Activities
 <p><b>1. EDIB and Access &amp; Inclusion</b></p>	<p>System reflects the children and families we serve</p> <p>Focus on implementation, measurement, and follow-up</p> <p>This includes Access &amp; Inclusion work, Special Needs Resourcing and Mental Health</p>	<ul style="list-style-type: none"> <li>• EDIB System-Wide Policy/ Framework</li> <li>• Organizational Policies and Procedures</li> <li>• Increase in child care spaces/new funding agreements</li> <li>• Training, capacity building and resources for early years staff and system leaders</li> <li>• Evaluation/Measurement</li> <li>• Strengthening existing and establishing new partnerships</li> <li>• Review of EarlyON CFC funding model</li> </ul>
 <p><b>2. HR work force</b></p>	<p>Continue to grow, attract, retain and enhance a high quality, diverse early years workforce in Hamilton</p>	<ul style="list-style-type: none"> <li>• Recruitment and retention to build on efforts to retain high quality E.C.E.s</li> <li>• Mentorship opportunities at all levels (i.e., students, educators, and leaders)</li> <li>• Ongoing professional development and system-wide professional learning days</li> <li>• Advocacy to address wage disparities and full time work hours</li> <li>• Provision of workforce grants</li> <li>• Continued focus on workforce mental health and well-being</li> <li>• Expanded partnerships</li> </ul>
 <p><b>3. Child care accessibility, affordability and expansion</b></p>	<p>Implementation of the national child care plan (CWELCC) in Hamilton</p> <p>Overlap with Access and Inclusion Framework (above)</p>	<ul style="list-style-type: none"> <li>• System stabilization</li> <li>• Affordability</li> <li>• Child care expansion with a focus on priority populations</li> <li>• Implement the new provincial funding model</li> </ul>

Emerging Priorities	What is it? Why is it important?	High Level Activities
 <p><b>4. Middle years system and supports</b></p>	<p>Explore how best to support the middle years and improve coordination across sectors (Age 7 to 14 years is currently a gap in system)</p> <p>Support successful, seamless transitions from birth to young adulthood</p>	<ul style="list-style-type: none"> <li>• Bringing partners together to expand partnerships for this age group</li> <li>• Address Before and After School Program affordability and accessibility</li> <li>• Intentional/strategic coordination and collaboration with other community initiatives (i.e., The City of Hamilton's Community Safety and Well-Being Plan; youth prevention work through various collaborative networks; The Hamilton Drug Strategy)</li> <li>• Implementation and utilization of MDI (Middle Years Development Instrument)</li> <li>• Alignment with Hamilton's EYCP and Youth Strategy</li> </ul>
 <p><b>5. System-wide coordination &amp; partnerships</b></p>	<p>Working together differently – more coordination and collaboration to ensure seamless service experience</p> <p>Overarching community collaboration/relationships/system</p>	<ul style="list-style-type: none"> <li>• Structures and enhanced processes to increase coordination and collaboration with key system partners</li> <li>• EDIB and Access &amp; Inclusion - new funding and community 'champions'</li> <li>• Launch of Hamilton's Child and Youth Network</li> <li>• Refreshed focus on early literacy</li> <li>• Ongoing HR Workforce activities</li> <li>• Continued focus on infant and early years mental health activities</li> </ul>

## 6. CONCLUDING REMARKS

We look forward to continuing to work collectively with our early years community and system partners to mobilize transformative, system-wide change and impact to ensure that the needs of all children and their families are met, and a sense of belonging is experienced by all those engaged in the early years system, and our city is the best place to raise a child and age successfully. The identified strategic aim, emerging priorities and actions outlined within this update will guide our work together moving forward. Through ongoing engagement and involvement, the early years community will contribute to refining and implementing the updated plan.



# Appendix A



Appendix A: City of Hamilton’s Access and Inclusion Framework (CWELCC)

## Canada-Wide Early Learning and Child Care Access and Inclusion Framework

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## Canada-Wide Early Learning and Child Care (CWELCC) Overview

On March 28, 2022, the federal and provincial governments signed the [Canada-Wide Early Learning and Child Care \(CWELCC\) agreement](#) aimed at making child care more affordable for families and increasing the compensation for eligible child care staff.

Ontario's Ministry of Education's (MEDU) goals under the CWELCC agreement are similar to the [priorities for the Early Years System in Hamilton](#) — affordability, accessibility, inclusion and quality.

The Ministry of Education's and City of Hamilton's CWELCC goals align with a focus on:

1. **Quality:** ensuring the delivery of high-quality child care, as defined in the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).
2. **Child and Family Focused:** increasing affordability for parents/guardians.
3. **Protection of For-Profit and Non-Profit Spaces:** protection of for-profit and non-profit child care spaces in the province.
4. **Efficient Administrative System:** an efficient administrative system, with collection of minimally necessary information from licensees, to support timely enrolment and implementation of the CWELCC system.

The CWELCC system is designed to provide high-quality, affordable, accessible and inclusive licensed child care programs to support Ontario's children, families, employers, early years professionals and the child care sector. The CWELCC agreement will provide funding to reduce child care fees for families with children 0 to 6 years of age to an average of \$12/day by September 2025.

In 2022, the City of Hamilton successfully implemented the first phase of the CWELCC system which included:

- Enrolling 214 of 223 of Hamilton's licensed child care programs into the system
- Lowering child care fees for participating providers by 52.75% from March 2022 rates
- Lowering child care contributions for families receiving financial support (subsidy) by 50%
- Issuing rebates of 25% of the costs of child care to eligible families, backdated to April 1, 2022
- Providing funding to child care providers to ensure Registered Early Childhood Educators (RECEs) receiving less than the wage floor, met the minimum standard under the agreement

Both 2022 and 2023 are considered transitional years in the implementation of CWELCC, while the Ministry of Education works to create a new funding formula that will be used across the province. CWELCC funding is designed to fully offset a licensee's potential reduction in revenue as a result of a reduced base fee and cost escalation.

## Child Care Space Allocations

The Ministry of Education (MEDU) approved the following allocations for new childcare spaces for the City of Hamilton. These spaces support the Ministry’s directed growth plan under CWELCC, and we are pleased to note that we received an additional 170 spaces to meet the child care needs in Hamilton. The City of Hamilton’s MEDU allocations is as follows:

Total Space Allocation*					
Allocation	2022	2023	2024	2025	2026
<b>Total Spaces</b>	<b>195</b>	<b>488</b>	<b>314</b>	<b>388</b>	<b>302</b>
School-based	49	107	49	49	0
Community-based	146	381	265	339	302

\* All numbers are subject to change based on Ministry of Education Approval

Under the new CWELCC funding guidelines, municipalities are required to maintain the Ministry of Education’s threshold for child care spaces which is currently 80% not-for-profit and 20% for-profit in the City of Hamilton.

## Phase 1: Access, Socio-economic and Demographic Analysis

### Hamilton’s Approach to Access and Inclusion

Ontario’s provincial target access rate (the ratio of child care spaces to children) is 37% by 2026. This is equivalent to one affordable child care space for every 2.7 children aged 0-5. Currently, the City of Hamilton has an access rate of 31% across full-day (infant, toddler and preschool) programs. With the current space allocation, city-wide the City of Hamilton is on track to exceed the 37% provincial target access.

The City of Hamilton is committed to ongoing engagement with families, child care providers, and other members of the community to ensure access and inclusion plans meet the needs of the community it’s intended to serve. Further analysis and engagement with key community partners in Hamilton will be required to ensure that neighbourhoods are precisely prioritized as the composition of wards vary greatly from one neighbourhood to another.

Access and inclusion considerations are as follows:

**Access Equity:** Provide comparable access to child care spaces across the City of Hamilton for the 0-3.8 age group by allocating spaces where the need is greatest.

**Directed Spaces for Priority Population** (in no particular order): As determined by the Ministry of Education, the City of Hamilton will ensure that child care spaces are allocated based on socio-economic factors to support child care needs in priority populations, including:

- Children living in low-income families
- Children of newcomers to Canada
- Official language minorities (Francophone)<sup>1</sup>
- Children with special needs and children needing enhanced or individual supports
- Indigenous children, Black and other racialized children

1 A principal of access & inclusion to maintain or grow French language spaces for ages 0-5.

**Accessibility:** Providing a wide range of opportunities for learning, play and inquiry in physical and teaching environments across diverse, flexible settings and contexts.

**Participation and Belonging:** The intentional and instructional approach that enables children to actively engage in purposeful ways in all parts of the day including play, learning activities and social interactions.

**Equity:** Making sure everyone has what they need to succeed by removing barriers that disadvantage some groups over others. Children should have equitable access to early learning opportunities that support them in purposeful participation as engaged learners that are competent, capable of complex thinking, curious, and rich in potential.

**Special Needs Resourcing (SNR):** Ensuring that licensed child care programs across the City of Hamilton can deliver the appropriate level of service for children with special needs, including staff, adaptive equipment and resources. The City of Hamilton is committed to delivering responsive, high-quality, accessible and increasingly inclusive early-learning opportunities for children and their families.

**Fee Subsidy:** Child care fee subsidy helps families with the cost of licensed child care programs. It is an essential support for many parents and caregivers that helps to balance the demands of a career and family, enabling them to participate in the workforce or pursue education or training.

**Workforce:** The early years and child care sector continues to experience recruitment and retention challenges with Registered Early Childhood Educators (RECEs). A high-quality early years and child care system requires a comprehensive human resources workforce strategy, including fair compensation for RECEs.

The following guiding principles and foundational documents are embedded into all Children's and Community Services:

- Hamilton Early Years Equity, Diversity, Inclusion and Belonging Action Plan (In Development)
- [Hamilton Parent's Charter of Rights](#)
- [Charter of Rights for Children and Youth](#)
- [How Does Learning Happen: Ontario's Pedagogy for the Early Years](#)
- [Hamilton's Early Years Quality Program](#)

## Priority Wards

In January 2023, the City of Hamilton determined priority wards based on identified socio-economic and demographic indicators, as well as the current licensed child care access rates for the 0-3.8 age group in each ward. All wards across Hamilton have been identified as needing child care spaces under the expansion plan. Expansion will be prioritized based on priority populations in identified wards.

The following child care space allocations are the results of the preliminary evaluation of child care space needs per ward. Further analysis of neighbourhoods within each ward will occur until 2026. It is important to note that there may be modifications to ward allocations as the analysis continues. Preliminary expansion plans\*\* were submitted to the Ministry of Education and City Council, identifying child care space priorities across the city:

Name of priority neighbourhoods/areas	Community-based spaces 2023-2023 Allocations	Current Access rates
Ward 6 East Mountain	127	9.0%
Ward 7 Central Mountain	123	19.0%
Ward 3 Hamilton Centre	123	24.0%
Ward 4 East Lower Hamilton	112	17.0%
Ward 11 Glanbrook	101	19.0%
Ward 5 Redhill	101	25.0%
Ward 13 Dundas	96	27.0%
Ward 2 Downtown	80	39.0%
Ward 8 West-Central Mountain	75	39.0%
Ward 12 Ancaster - Flamborough West	75	36.0%
Ward 9 Upper Stoney Creek	69	32.0%
Ward 1 Chedoke-Cootes	64	43.0%
Ward 10 Lower Stoney Creek	59	50.0%
Ward 14 Far West Mountain	56	61.0%
Ward 15 Flamborough East-Waterdown	27	48.0%

\*\*[Information Report](#), [Appendix A](#), [Appendix B](#)

### Identifying Priority Neighbourhoods

The City of Hamilton’s goal is to ensure that each neighbourhood has a voice and their child care needs are met.

In order to identify priority neighbourhoods, City staff are identifying key services and resources in the neighbourhoods, such as community organizations, institutions, and associations. We completed this mapping for the top four priority wards (6, 7, 3, 4) identified in 2023.

After identifying priority neighbourhoods, City staff will be working directly with key community partners in these neighbourhoods through a community engagement process, expanded further below.

## Phase 2: Community Engagement

### Approach to Community Engagement

City staff have reached out to community partners that have existing relationships and connections with diverse communities to request they assist the city in gathering input from the families they serve. The goal is to better understand child care needs and identify barriers that may exist for these families. This community engagement process will help inform the application process inviting all child care licensees to submit their interest in operating new child care spaces at various locations. The application process will be opened up in mid-October 2023 with the goal of opening new community-based child care spaces by the end of 2023. It will also inform future city-wide directed growth through to 2026.

The City of Hamilton circulated the document found in Appendix A, to community partners to invite them to participate in the Community Engagement Partnership Opportunity. Currently, these engagements are being completed in the community with City staff awaiting the outcomes of the engagements.

This approach to community engagement is an integral part of implementing Hamilton's Access and Inclusion Framework at a local level, as it will assist with:

- Including the voices of the community and families to determine how child care services can meet their needs.
- Cultivating meaningful engagement experiences to authentically hear from the community and families.
- Focusing on the voices of diverse and underserved populations who were identified as priority populations.
- Collaborating efforts, which include engagement through multiple community-based organizations that have existing relationships with identified priority populations to provide authentic and meaningful engagement experiences.

Feedback gained from community engagement and families is valued and will inform child care expansion plans throughout the CWELCC implementation, as well as help to identify and address barriers to accessing child care.

### Early Years Sector

The City of Hamilton commits to ongoing community engagement to ensure results and outcomes are consistent with child care expectations. This community engagement process will help inform responsible decision-making by inviting a range of perspectives, experiences and knowledge to support the creation of sustainable solutions.

### Key Community Partners

The early years sector plays a key role in expansion. In phase one of the Access and Inclusion Framework, City staff consulted the following groups:

#### City of Hamilton

- Equity and Engagement Advisory Committee
- Consolidated Municipal Service Manager Advisory Committee
- Special Needs Resource Committee

#### Community Partners

- Hamilton School Boards
- Francophone Service Providers
- Indigenous Service Providers

## Phase 3: CWELCC Application and Evaluation Process

The application and evaluation processes will enable CWELCC directed growth for new licensees to open new child care programs, or to expand current child care programs with existing licensees. The application and evaluation process are currently under development and will be shared when finalized. The application process will also include a section on start-up grants which are detailed in the next section.

The application will be made available mid-October 2023.

The application framework will entail the following details:

### Inclusion policies:

- Do you have an inclusion policy?
- How will your program ensure that the needs of the priority populations are being met?
- How do you ensure hiring practices are inclusive and equitable?

### Access policies:

- Proximity to transportation routes
- What types of resources does your organization have to support instructional and facility accessibility (i.e., barrier-free access)?
- How will you ensure your locations are accessible to priority populations? What are your strategies for barrier-free access to child care?

### Budget information:

- Is your program financially viable?
- Do your base and non-base fees meet the Ministry of Education's [capped rates](#) as outlined in the Child Care Early Years Act?
- Staff salaries

### Program information:

- How will the number of spaces and age groups you are offering meet the needs of the community and priority populations?
- Do you provide flexibility to families as it relates the days and hours offered for care?
- What are your plans to communicate, drive awareness and promote the child care program?

### Quality:

- Do you have a quality framework?
- What is your strategy for integration? What community partners do you work with for resources and supports?
- What is your program statement? (vision/mission, values)
- How are you aligned with the principals of equity, diversity, inclusion and belonging?
- What are your staff recruitment and retention strategies?



## Start Up Grants

Start up grants will support directed growth for the creation of new child care spaces based on the priority populations' needs.

Approved licensees participating in CWELCC are eligible to apply for start up grants as a part of their application. This will be an equitable and transparent process for licensees to apply.

Start-up grants must fund projects required for child care facilities to be created, retrofitted, renovated, and/or expanded to accommodate a maximum group size for each age grouping for children under the age of six.

City of Hamilton may enter into service agreements with licensees to flow start-up grant funding, regardless of head office location.

Eligible centre-based applicants will be able to receive a grant of up to \$90 per square foot of a new licensed space with a cap of \$350,000 for every 50 child care spaces created. Home child care licensee applicants will be able to receive grants of up to \$1,000 per CWELCC space created, to a maximum of \$6,000 per provider.

## Accountability

In the application, the prospective licensee must include an estimated date for the new licensed full day spaces. This date should be within two years of the date of the application.

When approving applications for start up grants, the City will consider:

- cost effectiveness
- available operating funding
- capacity of program to access funds through other means
- program budget and financial history
- child care licensing history
- current licensed and operational capacity
- age groups
- long-term viability
- investment in quality programming

## Upon Approval of Start Up Grant

City staff will work with the prospective licensees to provide funding. Once licensed, the licensee must enter into a funding agreement with the City of Hamilton.

To access funding for start up grants, the of City of Hamilton will require a commitment from the licensee to:

- Participate in CWELCC for the remainder of the current CWELCC agreement (March 31, 2026)
- Spend the start up grant within two years from the date of the application
- Prioritize the creation of, and access to, new licensed full day spaces for children 0-4 years for our priority populations as outlined in the City's Access and Inclusion Framework

The City of Hamilton will receive progressive updates on the use of these funds as intended within the two-year timeframe of the date of application.

If the applicant withdraws from CWELCC or ceases their operations, the City of Hamilton will recover the start up grant funding and return to the Ministry of Education as part of regular financial reporting processes.

### Licensed Home Child Care

Home child care licensees must receive written confirmation from the City of Hamilton that the proposed child care homes are aligned with the directed growth approach and eligible for CWELCC funding.

Funding agreements for start up grants for home child care licensees must include a commitment from the licensee to maintain the number of approved child care spaces in the service area for the duration of the CWELCC agreement, even if the licensed capacity of the licensee changes prior to March 31, 2026.

Per Regulation Update 138/15, “Any unused capacity (i.e., inactive homes) will be designated as “unassigned capacity” and HCCAs<sup>2</sup> will not be permitted to open homes using their unassigned capacity. If licensees wish to open these homes, and they are enrolled in CWELCC, they will be required to demonstrate that a service system manager<sup>3</sup> has advised that these homes will be eligible for CWELCC before they are assigned to a service system area.”

### Phase 4: Space Creation and Evaluation

Phase 4 of the City of Hamilton Access and Inclusion Framework is not a stand-alone phase. It is an ongoing part of our Access and Inclusion Framework where we evaluate and monitor our framework.

The City of Hamilton is committed to ensuring the entirety of the allocated spaces to the City be utilized in the community.

### Evaluation and Monitoring of the Framework

A research-based accountability (RBA) framework will be used to evaluate and monitor City of Hamilton’s Access and Inclusion Framework<sup>4</sup>. RBA provides a simple and action-based approach to community-based initiatives. In addition to mandated Ministry of Education data elements (i.e., counts and impact), the RBA framework outlined in the table below identifies how Hamilton will evaluate and monitor the access and inclusion goals during the implementation of CWELCC.

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2 Home Child Care Agencies

3 City of Hamilton

4 Friedman, Mark (2005). Trying hard is not good enough. Victoria, BC: Trafford Pub.

What impact will Hamilton’s CWELCC Access and Inclusion Framework have?		
Population Indicator	Ratio of spaces to children 0-3.8 years of age in Hamilton	
Effort	<b>Quantity</b>	<b>Quality</b>
	<p><b>How much was completed?</b></p> <ul style="list-style-type: none"> <li># of new child care spaces and directed-growth spaces for priority groups in priority neighbourhoods</li> <li># of new licensees joining Hamilton’s system</li> <li># of licensees providing diverse, flexible and/or inclusive services</li> <li># of families participating in CWELCC and # receiving special needs resourcing and fee subsidy</li> <li># of children on waitlists for child care</li> <li># of engagement activities with priority groups to inform expansion</li> <li># of ECEs and non-ECE professionals in workforce and RECE salary ranges</li> <li># of new community partnerships to cultivate diverse, flexible and inclusive child care</li> </ul>	<p><b>How well was it completed?</b></p> <ul style="list-style-type: none"> <li>% change in ratio of spaces to children 0-3.8 years of age in Hamilton by type of care</li> <li>% change of new spaces based on priority neighbourhood targets by type of care</li> <li>% of Hamilton families with children 0-3.8 years participating in CWELCC including special needs resourcing and fee subsidy</li> <li>% change in children waiting for child care</li> <li>% of staff pressures in the system (operating capacity/licensee engagement)</li> <li>% of newly licensed operators participating in <a href="#">Hamilton’s Quality Program</a></li> <li>% change in ECE and non-ECE professionals in workforce and average RECE salary change</li> <li>% of third-party child care partnerships in the system that cultivate diverse, flexible and inclusive child care</li> </ul>

How are Hamilton’s families, children, educators and early years system better off?	
<b>Effect</b>	<p>37% access rate (i.e., one affordable child care space for every 2.7 children ages 0-5 years)</p> <p>% of new spaces based on Ministry of Education priority neighbourhood targets by type of care</p> <p>% of priority populations access rates in priority neighbourhoods</p> <p>% of Francophone spaces in proportion to population is maintained or increased for ages 0-5</p> <p>Cost: Benefit for families in Hamilton participating in CWELCC including SNR and fee subsidy</p> <p>% of child care at full operating and/or licensed capacity in the system</p> <p>% of for-profit vs. not-for-profit enrolled in CWELCC</p> <p>Increase and retention in ECE and non-ECE workforce<sup>5</sup> and % of RECE change in average salary over time.</p> <p>Diversity of workforce as indicated from Knowing Our Numbers<sup>6</sup></p>

5 Early Years Community HR Workforce Committee. RBA population indicators. City of Hamilton: n.p.

6 Akbari & McCuaig (2023). Knowing our numbers: a community approach to understanding the ECE workforce. University of Toronto: n.p.

## Appendix for City of Hamilton's Access and Inclusion Framework (CWELCC)

### Community Engagement Partnership Opportunity

As part of the local implementation of the [Canada-Wide Early Learning and Child Care \(CWELCC\)](#) plan, the City of Hamilton's Children's and Community Services Division is seeking your assistance in reaching the community your organization serves to better support their child care needs. The CWELCC plan seeks to increase child care access and create new targeted child care spaces for identified priority populations. This work is guided through [Hamilton's Access and Inclusion Framework](#).

Through this collaborative effort, we would like to honour the relationship your organization has with these identified populations by inviting your organization to take the lead on this community engagement.

**This will be a compensated opportunity to ensure your organization's efforts are acknowledged and respected.**

#### Guidelines for Community Engagement

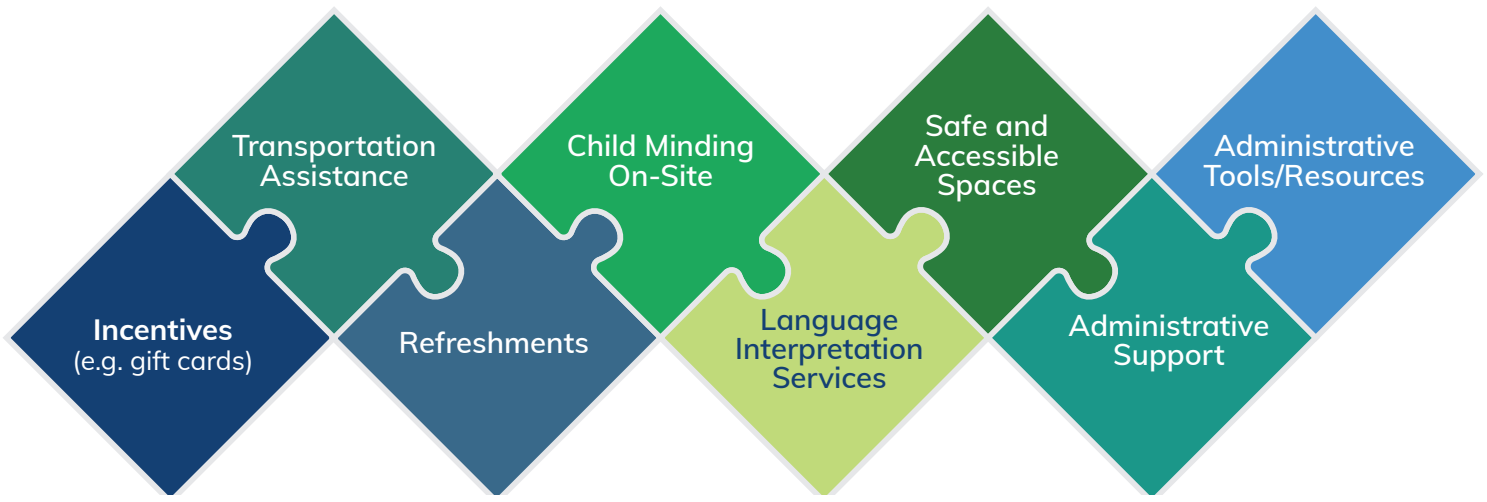
- Intended for families from priority populations serving children **below 6 years of age**.
- Engagement can be completed in any manner to best suit your organization's needs and the community you serve.
- Engagement must be completed using **informed consent** (e.g. written, verbal, or as relevant to the community you serve).
- In a collective commitment to **transparency**, the City of Hamilton and the partnering organization agree to share the outcome of this engagement and how it will be used.
- Engagement must be completed in a **safe and accessible** space.

#### The City of Hamilton is seeking the following information:

- Understanding child care needs (full or part-time, age of care, type of care)
- Types of child care preferences (home or centre-based)
- Resources that would better support finding or learning about child care options
- Previous attempts or challenges accessing quality child care
- Sense of belonging experienced in child care programs
- Culturally responsive programming
- Inclusion of children with differing abilities

## City of Hamilton's Community Engagement Support

With your organization's guidance, we will make every effort to remove any possible barriers to community engagement based on your previous experiences with families, including:



### After community engagement is completed, the City of Hamilton will:

- Accept and review the results of your engagement.
- Provide a report back to your organization and the families involved.
- Use the information to inform current and future child care expansion plans.

### Organizational Considerations

- Do you have the willingness and capacity to take on this community engagement?
- Can you incorporate this engagement with an existing community event or initiative that is already scheduled to take place?
- What would you need from the City of Hamilton to make this a meaningful engagement opportunity for the population you serve?
- Can your organization commit to the timeline set out by the City of Hamilton?

### Timeline

Our goal is to complete all community engagement by **October 2023**.

### Next Steps

To move forward with this community engagement opportunity with us, please email [cwelcc@hamilton.ca](mailto:cwelcc@hamilton.ca) by end of day on **Monday, July 31, 2023**.

If you have additional questions or require further information please reach out to Kornelia Banach at [Kornelia.Banach@hamilton.ca](mailto:Kornelia.Banach@hamilton.ca) 905-546-2424 x 4881 or Brenda Bax at [Brenda.Bax@hamilton.ca](mailto:Brenda.Bax@hamilton.ca) 905-546-2424 x 4120.

Thank you in advance for your consideration. We look forward to hearing from you.

# Appendix B



## Appendix B: City of Hamilton's Equity, Diversity, Inclusion and Belonging Policy

**DRAFT COPY AS OF AUGUST 2023**

### The City of Hamilton's Early Years System Equity, Diversity, Inclusion and Belonging Policy

#### Policy Statement

The City of Hamilton's early years system believes that equity, diversity, inclusion and belonging is about creating a culture that embraces the uniqueness of individuals and is representative of Hamilton's population. We are committed to creating an inclusive environment that respects and honours the diversity in our community that includes but is not limited to citizenship, race, place of origin, ethnic origin, colour, ancestry, disability, age, creed, sex/pregnancy, family status, marital status, sexual orientation, gender identity and gender expression. We acknowledge the history of colonialism, systemic racism and discrimination in Canada and will work to create an early years system where everyone can experience a sense of belonging.

#### Why is Equity, Diversity, Inclusion and Belonging Important?

By supporting equity, diversity, inclusion and belonging in the early years system, we will be able to bring to life our vision of having all children, families and members of the workforce (including front line staff and management) experience a real, lived and ongoing sense of belonging. Furthermore, we will be able to support and develop a positive organizational culture in which individual differences and the contributions of all team members are recognized and valued.

#### Purpose

An equity, diversity, inclusion and belonging policy is intended to promote equity, diversity, inclusion and belonging throughout the system. The City of Hamilton's early years system is committed to equity, diversity, inclusion and belonging by implementing these principles through our policies, procedures, and practices to ensure that all people who participate or have a purposeful role in the early years system experience a real, lived and ongoing sense of belonging.

#### Scope

This policy applies to all members of the early years system including the City of Hamilton's Children's Community Services Division, EarlyON Child and Family Centres and Child Care operators, staff, caregivers/families, system leaders, organizations working within the early years system and persons participating in the early years system (e.g. volunteer, visitor, service provider, contractor).

#### Guiding Principles

- Every person who participates or has a purposeful role in the early years system will be treated with dignity and respect
- Every individual's identity, strengths, needs and abilities will be honoured and appreciated
- Any form of discrimination will not be tolerated
- The principles of equity, diversity and inclusion will be embedded in the early years system to ensure that every person can experience a real, lived and ongoing sense of belonging



## Expectations for The City of Hamilton Early Years System

- Any person who participates or has a purposeful role in the early years system must be accepted and respected for their entire identity.
- Any form of discrimination including the ones on the following protected grounds will not be tolerated: citizenship, race, place of origin, ethnic origin, colour, ancestry, disability, age, creed, sex/pregnancy, family status, marital status, sexual orientation, gender identity and gender expression.

## Responsibilities

All members of the early years system share the responsibility for creating an equitable, diverse, inclusive and belonging environment.

The City of Hamilton's Children's and Community Services Division is committed to:

- Creating opportunities for professional learning on equity, diversity, inclusion, belonging and accessibility topics for all employees
- Developing inclusive policies, procedures and practices
- Ongoing communication and dialogue with the community to help inform our work
- Using data-driven information to make evidence-informed decisions
- Working to identify and remove systemic barriers for the workforce and families

## The early years system's organizations are committed to:

- Developing inclusive policies, procedures and practices
- Embedding culturally responsive pedagogy into programming
- Establishing an inclusive environment that is free of discrimination and harassment
- Fostering a positive workplace culture where everyone can experience a real, lived and ongoing sense of belonging
- Inclusion of all children regardless of ability, needs, gender, race, ethnicity, creed, and socioeconomic status
- Ongoing communication and dialogue with families to create an inclusive and belonging environment
- Participating in professional learning opportunities on equity, diversity, inclusion, belonging and accessibility topics

## Definitions

- **Accessibility:** Inclusive practice of ensuring everyone along the continuum of human ability and experience can acquire the same information, engage in the same interactions, and enjoy the same services in an equally effective and integrated manner with substantially equivalent ease of use.
- **Belonging:** When each individual is supported, respected, and valued for their identity and unique traits that make them different from each other.<sup>1</sup> Belonging is usually the result of the level of inclusion an individual feels in their environment.<sup>2</sup>

- **Colonialism:** The historical practice of European expansion into territories already inhabited by Indigenous peoples for the purposes of acquiring new lands and resources. This expansion is rooted in the violent suppression of Indigenous peoples' governance, legal, social and cultural structures. Colonialism attempts to force Indigenous peoples to accept and integrate into institutions that are designed to force them to conform with the structures of the colonial state. "Colonialism remains an ongoing process, shaping both the structure and the quality of the relationship between settlers and Indigenous peoples." (TRC Final Report, 2016 What We Have Learned: Principles of Truth and Reconciliation)
- **Discrimination:** Discrimination is an action or a decision that treats a person or a group badly for reasons such as their race, age or disability. These reasons, also called grounds, are protected under the Canadian Human Rights Act. <sup>3</sup>
- **Diversity:** The presence of a wide range of human qualities and attributes within a group, organization or society. The dimensions of diversity include, but are not limited to, ancestry, culture, ethnicity, gender, gender identity, language, physical and intellectual ability, race, religion, sex, sexual orientation, and socio-economic status. <sup>4</sup>
- **Ethnic origin:** Refers to the ethnic or cultural origins of the person's ancestors. An ancestor is usually more distant than a grandparent. <sup>5</sup>
- **Equity:** A condition or state of fair, inclusive, and respectful treatment of all people. Equity does not mean treating people the same without regard for individual differences. (Source: City of Hamilton corporate NEO)
- **Gender expression:** How a person publicly presents or expresses their gender. This can include behaviour and outward appearance such as dress, hair, make-up, body language and voice. A person's chosen name and pronoun are also common ways people express their gender. Others perceive a person's gender through these attributes. <sup>6</sup>
- **Gender identity:** is each person's internal and individual experience of gender. It is a person's sense of being a woman, a man, both, neither, or anywhere along the gender spectrum. A person's gender identity may be the same as or different from their birth-assigned sex. <sup>6</sup>
- **Inclusion:** is a collective term about creating a culture that strives for equity and embraces, respects, accepts and values difference. <sup>7</sup>
- **Systemic Racism:** Systemic racism consists of organizational culture, policies, directives, practices or procedures that exclude, displace or marginalize some racialized groups or create unfair barriers for them to access valuable benefits and opportunities. This is often the result of institutional biases in organizational culture, policies, directives, practices, and procedures that may appear neutral but have the effect of privileging some groups and disadvantaging others. <sup>8</sup>
- **Systemic Barriers:** Obstacles that exclude groups or communities of people from full participation and benefits in social, economic and political life. They may be hidden or unintentional but built into the way society works. Our assumptions and stereotypes, along with policies, practices and procedures, reinforce them. (City of Ottawa, Equity & Inclusion Lens Handbook, 2018)

## Related Documents

### Supporting documents:

- City of Hamilton Early Years System Equity, Diversity, Inclusion and Belonging Action Plan (in progress)

### Complementary policies and procedures

- Inclusive Hiring Policy (to be developed)
- Anti-Discrimination and Anti-Harassment Policy (to be developed)
- Inclusion Policy (to be developed)

### Relevant Legislation

- Charter of Human Rights
- Ontario Human Rights Code
- Accessibility for Ontarians with Disability Act
- City of Hamilton's Equity and Inclusion Policy
- Charter of Rights of Children & Youth
- Ensuring Equity for All Children and Families: An Equity and Engagement Framework
- City of Hamilton 2016 – 2025 Strategic Plan
- The Hamilton Early Years Community Plan 2016 – 2020

## REFERENCES

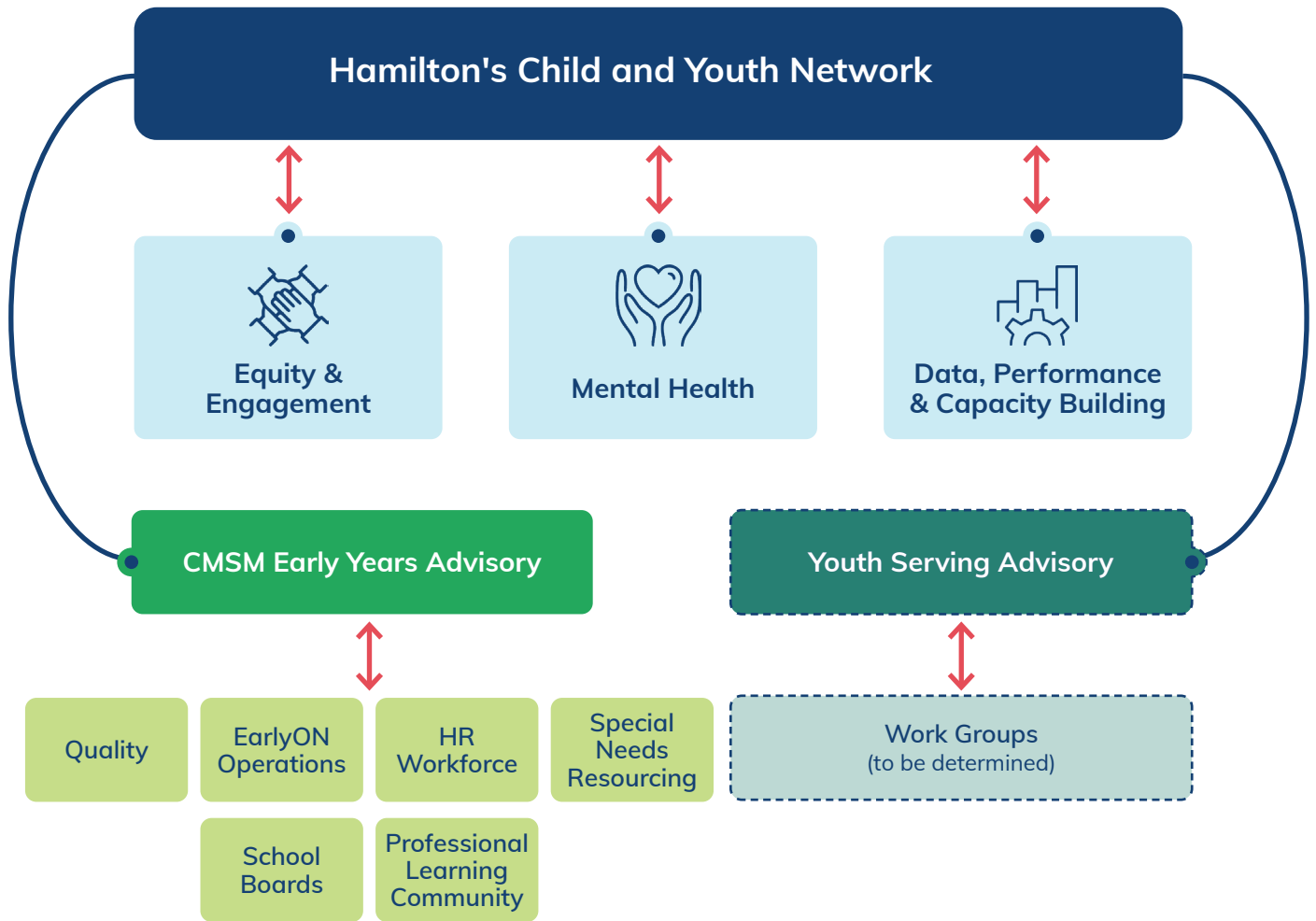
1. <https://policies.usask.ca/policies/health-safety-and-environment/fieldwork-and-associated-travel-safety.php#Purpose>
2. <https://peopleelement.com/overview-of-workplace-diversity-inclusion-and-belonging/>
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5. <https://www23.statcan.gc.ca/imdb/p3Var.pl?Function=DEC&Id=103475>
6. <https://www.ohrc.on.ca/en/policy-preventing-discrimination-because-gender-identity-and-gender-expression/appendix-b-glossary-understanding-gender-identity-and-expression>
7. <https://ccdi.ca/our-story/diversity-defined/>
8. <https://www.ontario.ca/document/data-standards-identification-and-monitoring-systemic-racism/glossary>

# Appendix C



Appendix C: Hamilton's Early Years Organizing Structure

Proposed Early Years Organization Structure and Relationships



- Direct Reporting Relationship
- ↔ Indirect Relationship; alignment and support
- ⋯ Proposed Structure to Support Youth



## **End of Mortgage Strategy and Funding Model**

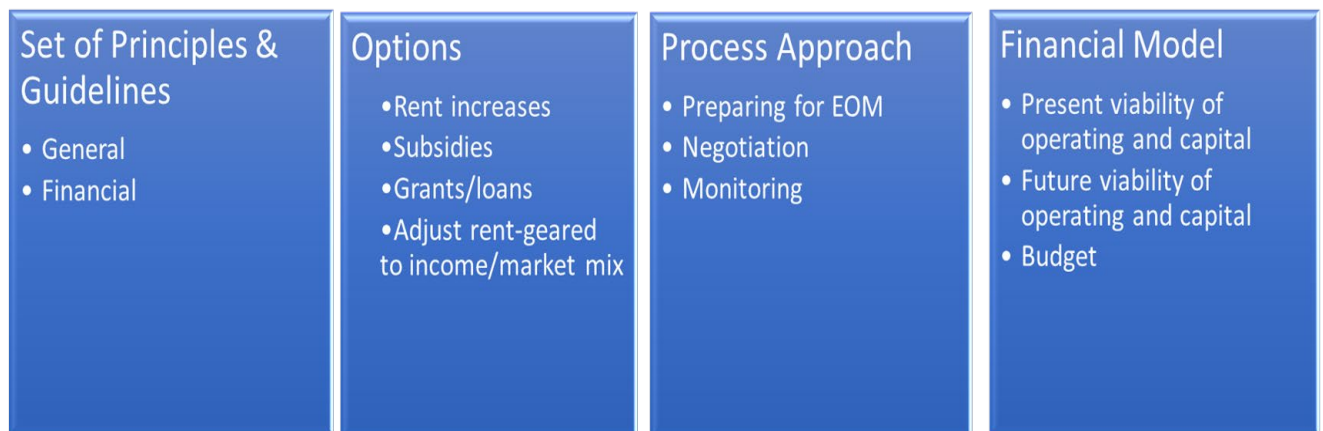
### **Introduction**

The funding and governance of social housing is undergoing a fundamental shift in Ontario. Funding arrangements and obligations to provide rent-geared-to-income housing were contained in agreements that were tied to mortgages when social housing projects were built. Projects primarily funded by the federal government have almost no ongoing obligations once their mortgages end. Projects originally funded primarily by the provincial government must continue to provide rent-geared-to-income housing once their mortgage ends. The end of mortgage for these projects is accompanied by significant changes in their funding which creates uncertainty for the ongoing viability of their operations and capital asset.

The End of Mortgage Strategy developed by the City of Hamilton is defined by a key set of principles to guide negotiation of new agreements with housing providers. The strategy also outlines a process for working with Housing Providers to review the viability of their projects from an operating and capital perspective to determine financial supports that may be required.

The strategy for new agreements is comprised of four components: a set of principles and guidelines, funding options, a process approach, and a financial model.

**Figure 1: Illustration of End of Mortgage Renewal Strategy Components**



### **Strategy Principles**

The principles explicitly acknowledge that the City of Hamilton will endeavor to retain all current social housing units. Through the establishment of principles and guidelines, the strategy aims to:

- Incentivize Non-Profit and municipally owned affordable housing providers to remain within the community housing portfolio thereby protecting existing rent-g geared-to-income tenancies/affordable housing
- Maximize funding for capital repair needs to address the growing gap between provider capital reserve funds and capital repair work required
- Support Exit and Service agreement negotiations
- Support the co-development of a financial plan that addresses both capital and operating needs of housing providers
- Support a new relationship with housing providers that is equitable and transparent

A full-list of the principles and guidelines developed to support this strategy are detailed below. ‘Subsidies’ specifically refer to City of Hamilton operating and capital subsidies, while ‘funding’ connotes multiple funding sources which could include, but is not limited to, the City of Hamilton:

### **General Principles**

- Social housing is recognized as a valuable publicly funded asset.
- Efforts will be made by the City of Hamilton to retain all current social housing units at End of Agreement/End of Mortgage, and ideally increase the number of affordable housing units available.
- Funding arrangements will enable social housing to remain financially viable, affordable and in good repair.
- Subsidies must be flexible to adapt to varying realities and changing contexts.
- Subsidies will be based on demonstrated need and applied through a transparent funding approach.
- Subsidies will be distributed with consideration to both operating and capital needs and will be responsive to municipal financial constraints.
- Subsidies will incentivize Housing Provider investment and accountability to reduce operating costs (i.e., to maximize revenue sources/efficiencies).
- Subsidies will support housing provider accountability and autonomy.
- Equity will be directed to current project operating and capital needs prior to leveraging new builds. Surplus equity may be used to leverage development with Service Manager approval.

### **Funding Principles and Guidelines**

- To address capital needs, multiple funding sources are required for the continuity of a social housing project.



- Financial viability is defined as a project having a surplus that can be used to address a portion of capital repair costs rather than breaking even.

Based on the funding principles stated above, a comprehensive funding model was developed to support the long-term financial sustainability of social housing. Guidelines were created to develop a standardized approach for determining rent increases, housing provider capital reserve contributions, management and goals for operating surplus, funding mechanisms to increase housing provider revenue, and distribution of City of Hamilton subsidies. This model and the underlying assumptions on which it is based is used to assess both operational and capital viability of a housing project.

#### Guidelines for Rent-Geared-to-Income Rent

- Rent for rent-geared-to-income tenants will continue to be determined by either minimum rent, benefit unit max shelter or 30% of income (line 23600 of Notice Of Assessment)
- Calculating rent-geared-to-income rent based on maximum shelter allowance under social assistance rather than rent-geared-to-income rent scales will apply to and be piloted with new rent-geared-to-income tenants only.

#### Guidelines for Provider Capital Reserve Contribution

- The capital reserve contribution determined for each housing project will increase annually based on Statistics Canada Residential Construction Cost Index to keep up with inflating construction costs.
- Contributions to the capital reserve fund will be incorporated into the financial plan and adjusted every five years (or more often if deemed necessary) based on the Building Condition Assessments (BCAs) and reserve fund analysis.
- Initial anticipated contributions to the reserve fund are based on the current contribution amount plus the building condition assessment/reserve fund analysis.
- The City of Hamilton may provide a subsidy towards capital reserve funds based on Housing Provider needs and City of Hamilton fiscal constraints

#### Guidelines for Operating Surplus

- The target operating surplus for housing providers is 5% of revenue, calculated without any City of Hamilton subsidies.
- Housing Providers with a cumulative operating surplus of greater than 30% of revenue will be directed to contribute the remaining amount to capital reserves with consideration given to contributing an even larger portion of the surplus where possible.
- If capital reserves are sufficiently funded, City of Hamilton subsidies may be recovered or reallocated to new development projects.

### Guidelines for Tax Exemptions

- CityHousing Hamilton projects that receive property tax exemptions will continue to receive these exemptions.
- In general, new property tax exemptions will not be considered for Housing Providers. Subsidy that includes the amount needed to cover property tax may be considered where need is demonstrated.

### Options

Depending on the housing provider’s net operating income and capital reserves, the following bundle of options, further described in the guidelines below, may be explored and/or applied:

- Rent-Geared-to-Income Subsidy/ Rent supplement
- Rent increases
- Obtaining a loan or refinancing
- Other external funding options grants
- City of Hamilton operating subsidy
- City of Hamilton capital subsidy
- City of Hamilton one-time capital injection
- Adjust rent-geared-to-income/market mix

### Subsidies

The forms of subsidy and funding listed above will be considered based on the viability analyses conducted for each project. As baseline, housing providers who sign new operating agreements with the City of Hamilton will receive City of Hamilton rent-geared-to-income subsidies as per legislative requirements. The combination of the options to be used will ultimately depend on the housing project’s unique circumstances.

### Rent-Geared-to-Income Subsidy from City of Hamilton

- A rent-geared-to-income subsidy or rent supplement that covers the difference between what the tenant pays and what the housing provider would otherwise receive for that unit, will be paid for automatically as baseline funding for housing providers who enter into new operating agreements with the City of Hamilton.

### Rent increases

- Market rent units will be maintained at levels that are affordable to low- and moderate-income households
- Housing Providers will be encouraged to raise rents in housing projects with mixed market and rent-geared-to-income buildings to 80% of Average Market Rent (or higher as deemed necessary for viability and as is advisable based on anticipated tenant impact).

#### Refinancing/Grants/Loans

- All housing providers will be encouraged to apply for grants and encouraged to maximize multiple funding sources for viability
- Where it is advisable, the option of applying for mortgage refinancing will be recommended to housing providers who are eligible

#### City of Hamilton Operating Subsidy

- An operating subsidy above the rent-geared-to-income subsidy will be considered if deemed required with the expectation that the Housing provider will have a plan to become financially viable within a determined period of time to qualify. The additional subsidy is limited by the Housing Divisions Social Housing Providers Investment fund for Operating.

#### City of Hamilton Capital Funding

- The City of Hamilton will provide information to Housing Providers about funding mechanisms and programs that are available to the project.
- An additional one-time capital injection from the City of Hamilton will be considered where needed, based on the project's Proforma limited by the Housing Divisions Social Housing Providers Investment fund for Capital repairs.
- Capital needs far exceed available funding sources for most projects. Subsidies are intended to help bridge rather than close the gap. Opportunities for maximizing City of Hamilton administered capital funding will be explored.

#### Market/Rent-Geared-to-Income Mix

- Shifting current rent-geared-to-income and market mix is generally a last resort. The impact of changing targets will be considered with respect to the City of Hamilton's Service Level Standard obligations.

- For projects that are currently operating below rent-geared-to-income targets, an individualized approach will be implemented. Where feasible, projects will be brought up to target level.

The guideline below was developed to support vacancy loss and rent-geared-to-income reconciliation:

**Vacancy Loss & Rent-Geared-to-Income reconciliation**

- The Service Manager will pay for vacancy loss for a subsidized unit up to a one-month period. An annual reconciliation of vacancy loss and rent-geared-to-income subsidy will determine the amount to be recovered from or paid to the Housing Provider.

**Approach**

This section outlines the approach that will be used with each provider as they reach End of Mortgage. It is anticipated this process will be collaborative and supported by City of Hamilton staff.

**Phase 1: Preparing for End of Mortgage**

**a) Education and Stakeholder Engagement**

Housing Providers are expected to be knowledgeable about and prepared for End of Mortgage. Housing Providers are also expected to make sure that their members and or Board are equally well-versed on End of Mortgage issues. To ensure that housing providers are knowledgeable of End of Mortgage legislative changes, opportunities and how to prepare, the City of Hamilton sent End of Mortgage communique’s to housing providers, hosted update and engagement sessions, and shared available resources. Housing Officers have also been doing ongoing outreach to housing providers to ensure that they, and their stakeholders, are aware of the End of Mortgage regulations and the End of Mortgage dates of their specific housing projects.

**b) Review of organization’s post-End of Mortgage vision and review of governance framework.**

City Staff have encouraged Housing Providers to consider their organization’s post-End of Mortgage vision and to review their governance framework. Although the role of the Board remains the same post-End of Mortgage, the new community housing legislation allows for greater partnership between the Service Manager and Housing Provider. This new framework enables the Board to make

fresh decisions regarding the operations of their housing project. End of Mortgage also provides the opportunity for Boards to evaluate their capacity to continue as is or to take on planning or oversight of new or expanded activities.

- c) Identify and resolve issues listed in the Operational Review and determine how successful practices can continue

In preparation of End of Mortgage, Housing Officers are working with Housing Providers through their operational reviews to identify areas for improvement. As part of the Service Manager obligation to ensure that social housing providers are operating in compliance with the rules and regulations mandated by the Housing Services Act, Housing Administration Officers conduct operational reviews for each project every two to three years. This comprehensive review examines operating procedures including administration procedures, governance, financial management, resident relations, and maintenance management. Performance is measured against the requirements set out in the Housing Services Act and its associated regulations and rules. Discussions based on the results from the Operational Review enable Housing Providers to address how problematic difficulties can be resolved and how successful practices can continue, especially as projects approach End of Mortgage.

- d) Ensure projects have updated Building Condition Assessments

To prepare for End of Mortgage, Housing Providers have been made aware that updated Building Condition Assessments are required. The City has administered \$200,000 to date through the Canada Ontario Community Housing Initiative (COCHI) to fund twenty-five building condition assessments. The remaining providers will be funded through this year's COCHI allocation once approved. A Building Condition Assessment (BCA) report indicates repairs required for the housing project in both the short and long term, along with estimated cost of completing these repairs. A Building Condition Assessment report is a valuable tool in helping to determine capital repair needs and capital repair reserve contributions. All projects that are entering End of Mortgage must have a Building Condition Assessment that was completed within the 3 years before project review. As part of the new Service Agreement, Building Condition Assessments need to be completed again before the 5-year financial review.

## Phase 2: Negotiation

The following steps will be followed by Housing Services Division staff at End of Mortgage as they undertake the negotiation of new agreements with housing providers.

- a) Review of portfolio and property financial health

Prior to conducting a viability analysis, Housing Services staff will review financial statements of the project with the Housing Provider to better understand sources of revenue and expenses. If the provider has external funding agreements for the project in question, the terms and conditions of these agreements will be reviewed and factored into the viability analysis.

b) Management of vacancies and rent

Staff will review chronic vacancies with housing providers and identify needs to ensure that units remain available. Rent-geared-to-income and market rent units will be discussed along with plans for future rent revenue for these units.

c) Property development plans

Providers will be encouraged to identify their longer-term goals regarding project and/or portfolio development. Opportunities to address these goals will be discussed.

d) Viability analyses

Viability analyses will be conducted by City of Hamilton staff in conjunction with Housing Providers to determine both operational and capital viability. A more detailed overview of the viability analyses is included below under the financial model and analysis.

e) Five-year financial plan

Housing Services Staff and the Housing Provider will jointly develop a 5-year financial plan. This plan will address how the housing provider's revenues will meet expenditures for the housing project, including projected capital expenditures. The plan will also address how rent for units will be set and will detail the City of Hamilton's financial obligations towards the project.

f) Operating Agreement

A standard Operating Agreement template has been developed by Legal Services. The regulations state that the minimum duration is ten years and that the financial plan must be reviewed at least every five years.

Phase 3: Monitoring and Review

a) Housing Provider Review Process

In general, projects that have reached End of Mortgage will be reviewed in chronological order. Housing Providers with multiple projects at End of Mortgage will have all projects reviewed at the same time.

Housing Providers with projects reaching End of Mortgage in the upcoming year will be contacted in September of the prior End of Mortgage year with a template and instructions outlining the process and data submission requirements.

b) Individual Project Financial Review

Housing Providers with multiple projects, i.e., a portfolio, typically pool their operating costs and capital reserves between projects. The viability analysis process requires a breakdown of finances on a per project basis. In recognition that our methodology for breaking down pooled costs may be imperfect, finance will review all portfolio projects at End of Mortgage after the first two years. As there is no perfect methodology to disaggregate costs for projects that are part of a portfolio, reviewing these projects within a two-year time frame will allow for the assumptions underpinning the model to be re-examined and adjusted as needed. For single project housing providers, the financial plan will be reviewed at the 5-year mark as per regulatory requirements. New Service Agreements will also contain the flexibility to re-visit the agreement earlier than obligated should the Service Manager feel this is required.

c) Budget Review

To ensure that our financial projections meet the needs of the City of Hamilton’s obligations under legislation, a review of the financial framework and funding model will occur after the first 5-year mark of this new framework, which aligns with the financial review of providers as per regulatory requirements.

## **Financial Model**

This financial model, to be used during the negotiation phase, will guide the analyses of the housing project’s operating and capital viability.

### **Financial Model and Analysis**

1) Determining the Financial State of a Project

Four factors will be reviewed to determine the financial state of the project at End of Mortgage:

- Revenue;
- Operating expenses;

- Current capital replacement reserve level; and
- Major costs of renovation/repair during the term of the agreement.

To help review the four factors listed above, the following information will be used:

- Building Condition Assessment;
- Assessment of rent-geared-to-income and market rents compared to average market rent;
- Financial statements for specific housing provider (e.g., Annual Information Returns, Rent rolls etc.); and,
- Debt-equity ratios to determine housing project eligibility and optimal loan amount for refinancing.

Prior to entering a new Service Agreement project data from the last one to three years based on actual rather than benchmark operating and capital amounts will be used to conduct an in-depth analysis of the project’s financial viability. The analysis will reflect three time periods (present, 5-year and 10-year) and spanning three scenarios:

Scenario 1 - The first scenario will review the project’s financial viability with all subsidies from the City of Hamilton removed. While rent-geared-to-income subsidies will be provided for housing providers to retain their housing projects within the community housing portfolio, providers wishing to exit would first be required to demonstrate their viability to operate and provide rent-geared-to-income subsidy to tenants without City of Hamilton assistance.

Scenario 2 – In the second scenario, a rent subsidy would be applied to all rent-geared-to-income units. A rent-geared-to-income subsidy is the minimum subsidy required under the Housing Services Act. If providers are funded sufficiently for both operating and capital requirements, then no further subsidy will be provided.

Scenario 3 - For projects whose operating or capital is not viable even with rent-geared-to-income subsidy, other funding options including City of Hamilton subsidies may be applied. In general, options available to the housing provider to increase revenue will be explored prior to service manager funding options.

An assessment tool based on an existing End of Framework assessment tool originally developed by Steve Pomeroy for the Canadian Housing and Renewal Association was created to help assess the financial impact and viability of housing projects at End of Agreement/End of Mortgage.

The tool undertakes two types of assessment: a) is the project viable, i.e., does it generate the operating surplus needed to be viable? b) is the project’s capital reserve



adequate? If either operating or capital needs are not sufficiently viable, a bundle of options to increase revenue (as detailed above) will be reviewed with the Housing Provider.

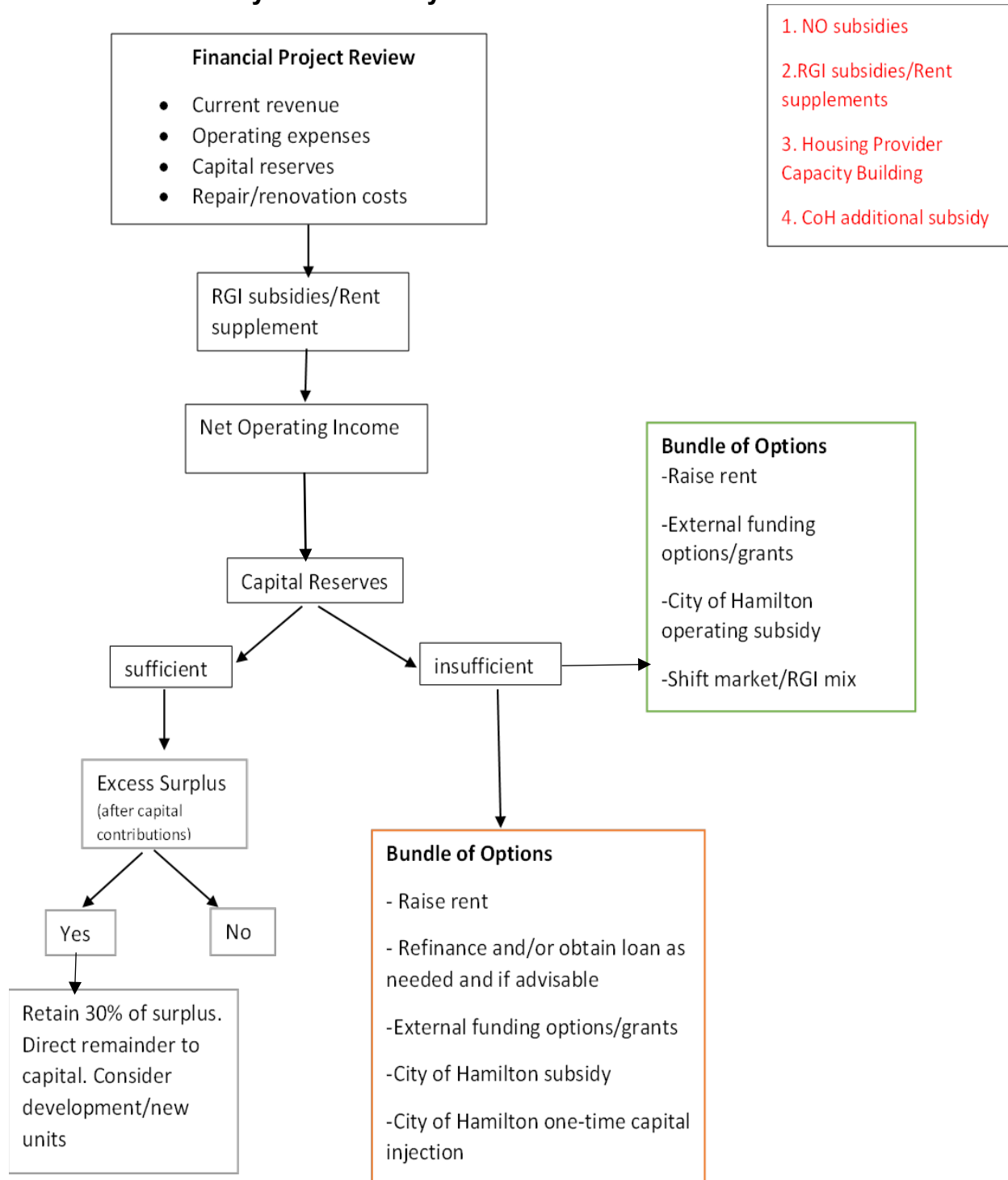
Each scenario will be projected to five and ten years with inflation factors applied to determine funding needs. As per legislative requirements, rent increases will follow provincial rent increase guidelines. Assumptions have been made around inflationary factors to project revenues and expenses over the 10-year span. Revenues will be projected based on the 5-year historical average of provincial indices for rent-geared-to-income rent, market rent and vacancy loss. Expenses (excluding Capital Reserve Contribution) will be projected based on the 5-year historical average of the City of Hamilton budget guidelines. The Residential Statistics Canada Construction Cost Index will be used to determine capital reserve contribution. The benchmark formula in the Housing Services Act for housing projects that have not yet reached end of mortgage uses the Canadian Price Index. However, the Canadian Price Index is not as robust to inflationary changes as the Residential Statistics Canada Construction Cost Index. The Residential Statistics Canada Construction Cost Index is used by Housing Services Corporation who is legislated in the Housing Services Act to assist housing providers and service managers. The increased contribution requirement for Housing Providers to their capital reserve will result in greater expenses and potentially cause a greater operating deficit for the project. This deficit is funded by the City of Hamilton through a subsidy and agreement with the provider to increase rents to ensure long-term viability where applicable and following an impact assessment of rent increases.

The model assumes that 5% of revenue is a reasonable target for operating surplus. Five percent is assumed to help providers meet the threshold of being financially viable rather than simply breaking even. Having a small amount of operating surplus is required for projects to respond to operating expenses that may not have been budgeted such as insurance claims, lawsuits, and unanticipated maintenance. An operating surplus is allocated to the operating reserve up to a capped amount. Monetary funds exceeding this percentage will be directed to capital reserves. Based on preliminary financial modeling, 30% of revenue is assumed as a viable operating reserve to cover three months of unplanned expenses. A cumulative accumulated surplus of greater than 30% will be directed to capital reserves.

Capital reserves should not be greater than the amount required to fund major capital repairs and replacement over a ten-year horizon. If the reserve exceeds this amount, Housing Providers will no longer be required to transfer operating reserves to capital and the City of Hamilton will stop providing operating subsidies. Should capital reserves be sufficiently funded, Housing Providers will be encouraged to invest in new developments or additional units. Preliminary analyses indicate that no housing projects should have over-funded capital reserves based on the proposed model.

The flow chart below outlines the options that will be considered for Housing Projects after a rent-geared-to-income subsidy is applied if operating income or capital reserves are either insufficient or sufficient.

**Flow Chart- Project review and considerations for operating income or capital reserve insufficiency or sufficiency**



## **City of Hamilton Budget/ Finance Strategy**

Corporate Finance analyzed social housing's existing operating budget and projected a 10-year budget using a 5-year benchmark average. The base budget was then revised by the percentage of projects reaching End of Mortgage as these projects would be funded differently from those still under the previous Housing Services Act regulations. A rent-gear-to-income City of Hamilton subsidy was applied automatically to projects at End of Mortgage. Based on a preliminary generalized analysis, and attributing 5% for operating surplus per project, the City of Hamilton anticipates staying within the operating base budget.

Capital was then examined for the multi-unit projects reaching End of Mortgage and CityHousing multi-unit projects at both End of Mortgage and End of Agreement. Capital needs for the single and semi-detached units were not reviewed as building condition assessments for these properties were not available. Current projections are based on high level assumptions. As more sophisticated information is worked through forecasts may change. The analysis suggests that additional municipal funding is required to help meet the extensive capital repair needs of our aging social housing stock. The majority of Social Housing Providers currently have an accumulated backlog of repairs requiring completion, reflecting the insufficiency of the previous funding formula. Based on 2016 Building Condition Assessments, reports that indicate repairs required for the housing project in both the short and long term, along with estimated cost of completing these repairs, the estimated amount for Social Housing Providers to address their capital costs is \$643M.

Recognizing that a substantial municipal investment is required to address a portion of the capital repair costs, while simultaneously acknowledging finite resources and the need for Housing Providers to obtain additional funding through various sources, the City of Hamilton is proposing to partially bridge the capital repair costs by contributing 25% of capital repair costs to support and maintain units. Twenty four percent or 153M would be included in the levy based over the next 10 years, through an enhancement of 5.1M for four years to increase the base to 20.4 million. The other 1% would be derived from the Annual Municipal Social Housing Capital Repairs and Regeneration funding. The remaining 75% would be funded by providers internal financing, through a bundle of options including Canada Mortgage and Housing Corporation loans/grant requests and other Provincial funding such as Canada-Ontario Community Housing Initiative.

The chart below details the funding request and the current funding sources available to Housing Providers at End of Mortgage:



Chart 1: Capital Needs, Funding Request and Sources at End of Mortgage

2023-2032		Notes
<b>Capital</b>		
<b>Building Condition Assessments (BCAs)</b>	643,000,000	Based on 2016 BCAs
<b>Subtotal- capital needs</b>	<b>643,000,000</b>	<b>May vary based on updated BCAs</b>
<b>Funding Sources</b>		
<b>Provider – Capital Reserves</b>		Will vary depending on base and financial situation
<b>Provider- Loan/refinancing</b>		Depends if eligible and advisable
<b>Provider Grant/COCHI</b>		Depends if eligible and awarded
<b>Annual Municipal Social Housing Capital Repairs and Regen 6730041000</b>	7,319,000	Approval pending through annual Capital budget process. \$7.319M is the cumulative projection of requests for 2023-2032
<b>Levy Base Request in recommendation (c)</b>	153,000,000	5.1M annual enhancement from 2024-2027, cumulative \$51M. Ongoing base of \$20.4M 2028-2032, cumulative \$102M *See Note 1 below
<b>City of Hamilton Contribution at ~25%</b>	<b>160,319,000</b>	<b>~25% = 160,319,000/643,000,000</b>

Note 1

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
<b>Levy Increase</b>	\$5.1M	\$5.1M	\$5.1M	\$5.1M	0	0	0	0	0	<b>\$20.4M</b>
<b>Levy Base</b>	\$5.1M	\$10.2M	\$15.3M	\$20.4M	\$20.4M	\$20.4M	\$20.4M	\$20.4M	\$20.4M	<b>\$153M</b>

While legislation only requires Service Managers to fund rent-geared-to-income assistance and not capital repair costs, Service Managers are required to fund projects in a manner that ensures that the project can be sustained and is viable. Without

sufficient funding from the municipality, the City of Hamilton risks losing more affordable housing within our geographical boundary.