



Hamilton

INFORMATION REPORT

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	November 15, 2023
SUBJECT/REPORT NO:	Housing Services Division Budget Overview (HSC23074) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Michelle Baird Director, Housing Services Division, Healthy and Safe Communities Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

The Housing Continuum ranges from those experiencing homelessness to the luxury ownership market. The Housing Services Division as a social services provider is focused on the area of the continuum that covers those experiencing homelessness to affordable rental, and affordable homeownership. Systemic challenges to affordable housing have continued to persist with a clear tipping point having occurred since the COVID-19 pandemic. Rising interest rates and inflation have made housing less affordable, and we are seeing the impacts of a slowing development sector for creating more affordable housing, and the limited supply has created negative incentives for landlords to displace tenants to receive higher rents. This latter issue has been actualized in a growing issue of renovictions, demovictions, and the displacement of tenants for the personal use of the unit by landlords. These growing issues with market affordable rentals have ripple effects throughout the housing continuum, including making it harder to find affordable housing to resolve situations with individuals experiencing homelessness. This tightening of the affordable rental market has created an ecosystem that has seen a growing encampment issue that requires more affordable housing supply to aid in the resolution, including more supportive affordable housing

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supply. These systemic factors have created a growing need for active and involved government intervention from all levels of government.

The Housing Services Division 2023 budgeted gross expenditures totalled \$146.6M with a net levy impact of \$75.6M and is supported by Provincial funding of \$38.8M and Federal funding of \$32.2M. These funds are used by the Housing Services Division to facilitate new affordable developments, provide housing supports to keep people housed, administer social housing and the social housing waitlist, and provide homelessness services.

Net Levy Impacts:

The net levy provides the greatest financial support for the City of Hamilton's program areas, accounting for 51.6% of the 2023 funding. This money supports the operation and administration of social housing, including rent supplements and capital repairs (\$50.1M), the creation of affordable housing (\$12.5M), and the administration and services delivered to support the homelessness servicing system (\$13M).

Provincial Investments:

The Homelessness Prevention Program (\$27.9M) consolidated previous Provincial funding programs that have focused on the three goals of preventing homelessness, addressing homelessness, and reducing chronic homelessness. This program consolidated Community Homelessness Prevention Initiative, Home for Good, and Strong Communities Rent Supplement Program. This funding program provides a wide range of homelessness and supportive housing activities, including flexibility to fund capital projects and provide longer-term rental assistance.

The Housing Services Division also receives Provincial funding through the Canada-Ontario Community Housing Initiative (\$6.6M) The Canada-Ontario Community Housing Initiative is a funding envelope focused on repair and affordable housing and can be used to create affordable units through subsidy and/or capital. The Ontario Priorities Housing Initiative (\$3.5M) was created in 2019 to address local housing priorities, including repair and new construction.

A contribution from the Ontario Works 50% Provincial funding (\$800K) is used for housing focused case management and support.

Not reflected in the Housing Services Division budget but allocated to Hamilton is the Canada-Ontario Housing Benefit (\$2M). The Canada-Ontario Housing Benefit is a portable housing benefit paid directly to eligible households.

Federal Investments:

Federal investments include funding (\$11.4M) under the Housing Services Act for Federal social housing, investment through the Rapid Housing Initiative III (\$10.9M) for the development of affordable housing units and Reaching Home (\$9.9M) for the homelessness serving sector.

Funding allocation and prioritization:

The Housing Services Division is committed to facilitating new affordable developments, increasing housing affordability, providing supports to keep people housed, administering social housing and the social housing waitlist, and providing homelessness services. The Housing Services Division administers a significant amount of money that goes to partner agencies and support payments as part of our work.

When Federal and Provincial funding envelopes become available the Housing Services Division evaluates the program guidelines to address the most pressing needs within the system, while also balancing the capacity of the division and community partners ability to implement the prioritized plans. The additional funding needed beyond the Federal and Provincial funding and the Net Levy budget are supported through various City reserves.

It is apparent that costs associated with funding the most vulnerable community members to find safe, suitable, and adequate housing continue to go up and municipal investment continues to be the source of new funding to sustain current programs and new investments where required.

The contribution to Social Housing includes \$67.7M for social housing providers operating costs, mortgages, and rent geared to income subsidy and rent supplements. Affordable Housing and Neighbourhood Development includes \$27.2M primarily for New Rental Housing, Ontario Renovates and Emergency Repair programs, Rent Supplement and Housing Allowance programs. Homelessness Services for \$51.7M supports Residential Care Facilities administration, Rent Ready programs, shelter support services, housing stability benefits, community outreach and other services.

To support all the work being completed by the Housing Services Division in 2023 the Housing Services Division has 68 staff funded as follows:

- 10 FTE's (full-time employees) 100% federally funded
- 25 100% Levy funded
- 10 100% Provincially Funded
- 17 FTE's (full-time employees) were 50/50 cost shared with the Province
- 4 cost-shared with the Province at varying rates
- 2 funded by Poverty Reduction Funds

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Within the existing funding allocations from upper levels of government and the Municipal levy there are funds that can be allocated to different areas of focus, such as dollars going towards housing allowances that could be reallocated to capital needs. The opportunity costs for any changes should require business case analysis that will evaluate the impact of these changes on the overall Housing Continuum. The focus of the Housing Services Division is to create a healthy and sustainable Housing Continuum. As outlined above, the municipality is currently investing 1/2 of the funds needed to sustain the affordable housing and homelessness serving system.

Areas of Housing Services funded work:

Services Provided	Federal Funding	Provincial Funding	Levy	Total
Administer Access to Housing Waitlist		132,843	769,139	901,982
Rent Supplements and Housing Allowances	336,860	4,672,871	5,318,265	10,327,996
Support Social Housing Providers to plan for capital repairs including building condition assessments		531,180		531,180
Capital Repairs		4,863,002	6,288,416	11,151,418
Administration of Social Housing Programs and Capital			1,008,204	1,008,204
Administration of Funding for New and Existing Affordable Housing		174,160	678,491	852,651
Community Engagement with Residents			607,710	607,710
Emergency Shelters		7,943,161	3,095,000	11,038,161
Funding of 42 social housing providers which consists of 13,800 units of social housing	11,012,035		41,122,449	52,134,484
Development Charges and Capital Grants	10,898,100	2,559,040	6,094,000	19,551,140
Homelessness policy & program development to improve coordination of services within the homeless serving sector	9,924,879		3,104,220	13,029,099
Housing Focused Case Management and Support		1,124,562	1,170,557	2,295,119

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Transportation for RCF/Shelter and unhoused residents			291,600	291,600
Housing Stability Benefit and Rent Ready		979,910	4,025,097	5,005,007
Residential Care Facilities Subsidy Program		8,823,165		8,823,165
Hotels Shelter Overflow		2,193,903		2,193,903
Case Management and Supports		284,730		284,730
Ontario renovates and emergency repairs		750,000		750,000
Housing Assistance		1,203,430		1,203,430
Community Outreach and Support Services		1,295,660	1,366,646	2,662,306
Supportive Housing		488,720		488,720
Housing Services Division Administration		781,073	696,063	1,477,136
Total	32,171,874	38,801,410	75,635,857	146,609,141

APPENDICES AND SCHEDULES ATTACHED

N/A