



# INFORMATION REPORT

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> March 2, 2011	
<b>SUBJECT/REPORT NO:</b> Canada-Ontario Affordable Housing Program - Rental (CS11022) (City Wide)	
<b>SUBMITTED BY:</b> Joe-Anne Priel Community Services Department	<b>PREPARED BY:</b> David Brodati 905-546-2424 ext. 6159 Bob McKnight 905-546-2424 ext. 3728 Gillian Hendry 905-546-2424 ext. 4818
<b>SIGNATURE:</b>	

## Council Direction:

Not Applicable

## Information:

Since 2003, there have been 14 projects approved for funding under the Canada-Ontario Affordable Housing Program (COAHP) rental component, which represents 731 new rental units for low and moderate income households. Nine of the projects are completed and occupied and five projects are under construction or nearly completed. The City of Hamilton (City), in partnership with the federal government and the Province of Ontario, used the COAHP to facilitate and promote the supply of new affordable rental housing in the community.

These 14 projects have resulted in approximately \$47 million of Federal and Provincial monies flowing into Hamilton with a total construction value of approximately \$90 million. The City contributed in-kind with waived development charges and cash-in-lieu of parkland dedication, as well as equalization of the multi-residential property tax rate with that of the single family rate. Where warranted, certain projects accessed additional municipal incentive programs such as the Hamilton Affordable Housing Partnership Initiative (HAHPI).

At this point there has been no announcement from the federal and/or provincial governments about extending the COAHP rental component funding beyond March 31, 2011.

The COAHP rental component represented an opportunity for the City to attract significant investment by senior levels of government for affordable rental housing. This program helped to meet the affordable rental housing needs of residents, as well as create economic stimulus and job creation at the local level. The COAHP also helped promote and strengthen partnerships between the City and the federal and provincial governments, as well as with housing stakeholders.

### **Background**

Funding for the most recent round of COAHP came from the federal government and the Province of Ontario agreement to invest \$1.2 billion in affordable rental and ownership housing and to repair existing social housing. Of the \$1.2 billion, \$540 million was invested to extend the COAHP, known as the COAHP 2009 Extension, which included funding for rental units for seniors and persons with disabilities. The COAHP 2009 Extension rental housing funding was allocated over two fiscal years (i.e. Year 1 funding from April 1, 2009 to March 31, 2010, and Year 2 funding from April 1, 2010 to March 31, 2011). There is no word from the federal or provincial government about further extending the COAHP beyond March 31, 2011.

The COAHP rental component provided capital grants (up to a maximum of \$150,000 per unit under the most recent extension of the program) to lower the cost of constructing new rental housing. In return, housing providers or builders that received the capital grants were to provide rental units at rent levels affordable to lower and moderate income households, i.e. at 80% of the average market rent in the community. Client groups served under the program include families, singles, seniors and persons with disabilities.

The role of the City as Service Manager was to identify and recommend to the Ministry of Municipal Affairs and Housing a prioritized list of appropriate housing projects. According to the federal and provincial requirements, “municipalities are expected to recommend and select projects through a process in accordance with approved municipal procurement practices.” As such, the City issued Requests for Proposals with each funding wave of the COAHP and submitted prioritized recommendations to the province based on the scoring results of the RFP’s. The Minister made final funding decisions.

### **COAHP Rental Component Funding in Hamilton**

The following 14 rental housing projects totalling 731 units were approved for funding under the COAHP. Nine of the projects have been completed and are either now occupied or in the process of renting up, and the remaining 5 are under construction:

- 557 Queenston Road, 34 units, CityHousing Hamilton Corporation, complete and occupied;
- 190 Gage Avenue South, 24 units, Taras Shevchenko Home for the Aged, complete and occupied;
- 450 Cumberland Avenue, 75 units, T. Valeri Construction Limited, complete and occupied;
- 307 John Street South, 26 units, St. Elizabeth Home Society, complete and occupied;
- 260 King Street East, 123 units, Spallacci Contracting Limited, complete and occupied;
- 37 Strathcona Avenue North, 39 units, Hellenic Community of Hamilton and District, complete and occupied;
- 4 Bridgewater Court, 48 units, CityHousing Hamilton Corporation, complete and occupied;
- 398 King Street West, 156 units, Good Shepherd Non-Profit Homes Inc., under construction;
- 255 West Avenue North, 27 units, Spallacci Contracting Limited, complete and starting rent-up;
- 40-44 Flamboro Street, 7 units, Halton Heritage Realty Inc., complete and occupied;
- 480 Stone Church Road East, 63 units, T. Valeri Construction Limited, under construction;
- 1429 Main St. East, 46 units, Homestead Christian Care, under construction;
- 37 Strathcona Avenue North, 4 units, Hellenic Community of Hamilton and District, under construction;
- 1489 Upper Gage Ave., 59 units, 815488 Ontario Inc., under construction.

### **The Impact of the COAHP Rental Component in Hamilton**

The COAHP rental component has been successful in increasing the supply of rental housing in Hamilton, as well as helping to stimulate the local economy through the economic spin-offs of construction activity. The program has been successful in providing “low end of market” rental accommodation that is more affordable than average rent levels. These units are affordable to lower and moderate income earners.

The 731 rental units produced through the COAHP since 2003 play an important role in meeting moderately affordable rental housing targets set by the City through the Official Plan. The Official Plan identifies the need to create 629 new rental housing units annually to meet projected population growth. Of the 629 new rental housing units needed annually, 125 units are targeted as affordable to moderate income households, i.e. between the 40<sup>th</sup> and 60<sup>th</sup> income percentile of renter households in Hamilton, which can afford rents at 80% of average market rents.

Over the last six years (since construction of the first COAHP rental project), 875 (125 X 6) moderately affordable rental units were needed to be produced in order to meet the Official Plan target for this category. Due to the COAHP rental initiative, the City was close to achieving this target.

However, with the exception of the Good Shepherd Square and Homestead Christian Care projects, the COAHP program generally has not addressed the rental housing situations of those most in need, i.e. persons of very low income, on social assistance, or people experiencing homelessness. As such, the increase of 731 moderately affordable rental units in the community has not resulted in a decrease in the waiting list for social housing. In fact, the waiting list for social housing has increased since 2003 with a total of 5,338 households waiting for social housing as of December 2010.

Further work will be undertaken by Housing and Homelessness Division staff to measure the impacts of the COAHP rental component in 2011.

### **Links to other Initiatives**

The City of Hamilton is developing a Housing and Homelessness Action Plan that will help establish community-wide priorities to guide municipal policy development and funding decisions. The Action Plan will develop a community owned vision, shared goals and agreed upon strategies for housing and homelessness in Hamilton.

On December 6, 2010, the Honourable Rick Bartolucci, Minister of Municipal Affairs and Housing, released the long-awaited provincial Long-Term Affordable Housing Strategy. The strategy is the province's vision for addressing affordable housing and homelessness issues and sets broad goals, principles and directions. Unfortunately, at this time, there is no additional funding announced as part of the strategy. The province has indicated that it is in discussion with the federal government for additional funding for affordable housing. Staff will monitor this situation to see if additional funding will eventually be announced to either continue or replace the COAHP rental component.

Separate reports providing more detail on the Housing & Homelessness Action Plan (CS11017) and the Provincial Long-Term Affordable Housing Strategy (CS11015) were brought to Emergency and Community Services Committee on February 2, 2011.