



# INFORMATION REPORT

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> September 8, 2011	
<b>SUBJECT/REPORT NO:</b> Investment in Affordable Housing for Ontario (CS11079) (City Wide)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community Services Department	<b>PREPARED BY:</b> Gillian Hendry 905-546-2424 ext. 4818
<b>SIGNATURE:</b>	

**Council Direction:**  
Not applicable

## Information:

The province of Ontario has announced the Investment in Affordable Housing for Ontario program (IAH) that will provide \$480.6 million in federal and provincial funding province-wide for the creation and repair of affordable housing. This program is a re-branding of the former Canada-Ontario Affordable Housing Program and continues committed federal/provincial funding for four years to March 31, 2015.

The province has announced notional allocations to municipalities under the IAH. Hamilton's notional allocation is as follows:

April 1, 2012 – March 31, 2013: **\$6,924,937**  
April 1, 2013 – March 31, 2014: **\$6,937,333**  
April 1, 2014 – March 31, 2015: **\$3,012,711**  
Total: **\$16,874,982**

The current year to March 31, 2012 is a transitional year with no notional allocations to municipalities. However, municipalities may access province wide funding during this transitional year, but that funding will be brought forward and deducted from the municipalities' remaining notional allocations. Up to 5% of a municipality's funding allocation can be used for program administration.

The program rules and requirements are largely the same as under the previous Canada-Ontario Affordable Housing Program. The IAH allows flexibility for municipalities to determine how their overall notional allocation should be split between any of the following IAH program components:

- Capital funding of up to \$150,000/unit for the creation of affordable rental housing
- Encouraging homeownership through down payment assistance
- Addressing affordability of existing rental units through rent supplements and housing allowances
- \$25,000/unit to renovate existing housing through Ontario Renovates – a component of IAH that replaces the former federal Residential Rehabilitation Assistance Program, and includes financial assistance to create secondary suites in existing single family homes

Under the IAH, municipalities are responsible for planning and delivering the program funding, including entering into an administration agreement with the province and completing and updating an annual Program Delivery and Fiscal Plan. The City has already started working on the development of a Housing & Homelessness Action Plan in collaboration with community stakeholders (as directed by the province's Long-Term Affordable Housing Strategy) and will draw upon that planning process to inform the best way to implement the IAH in Hamilton.

In recognition that the cost of adequately addressing affordable housing needs in our community cannot be borne by the municipal tax base alone, Hamilton City Council has advocated to the federal and provincial government on a regular basis for sufficient funding. While federal and provincial investment in affordable housing in Hamilton is timely and welcome, the amount of IAH funding allocated to Hamilton falls well short of what is needed. The following illustrates the magnitude of need in our community as compared to what may be delivered under Hamilton's IAH funding allocation:

- Hamilton's new Urban Official Plan identifies a need for **629** new residential rental units **annually** to meet projected growth – 377 of which should be affordable to low and moderate income households. If all the IAH funding were dedicated to new rental housing production, approximately **113** units would be produced over the 4 year life of the program.
- There are **5,700** households on the waitlist for social housing in Hamilton. Furthermore, considering that **12,650** renter households are paying more than 50% of the income on rent (2006 Census), Hamilton's new Urban Official Plan identifies a target of **1,265** rent supplements/housing allowances **annually** over a ten year period. If all the IAH funding were dedicated to a housing allowance initiative at \$200/month for a ten year period, approximately **700** households would receive assistance.

- There are **11,278** dwelling units in need of major repair in Hamilton (2006 Census). If all the IAH funding were dedicated to a housing renovation program that replaces the successful Residential Rehabilitation Assistance Program in Hamilton at \$25,000/unit, **675** dwelling units would receive assistance.

The City will continue to work with the Housing and Homelessness Planning Group to develop a plan to identify priorities for our community. Recommendations for a process to allocate the IAH funding will be brought to the Emergency & Community Services Committee in January 2012.