



City of
Peterborough

To: Members of the Committee of the Whole

From: Malcolm Hunt, Director of Planning and Development Services

Meeting Date: July 25, 2016

Subject: Report PLHD16-007
2016 Social Infrastructure Funding (2016 SIF)

Purpose

A report seeking the approval of City Council for receipt and use of funding under the 2016 Social Infrastructure Fund as offered by the Minister of Housing.

Recommendations

That City Council approve the recommendations outlined in Report PLHD16-007 dated July 25, 2016, of the Director of Planning and Development Services, as follows:

- a) That a multi-year spending plan (i.e. Program Delivery and Fiscal Plan) for a notional \$4.84M in 2017 and 2018, which follows the broad direction in this report, be developed by the Director of Planning and Development Services, in consultation with stakeholders, and submitted to the Ministry of Housing prior to the deadline of September 1, 2016;
- b) That the Director of Planning and Development Services be delegated the authority to report to the Ministry of Housing on quarterly financial commitments and revisions to the multi-year spending plan as necessary;
- c) That the Mayor and Clerk be authorized to enter into an Administration Agreement for 2016 Social Infrastructure Fund with the Ministry of Housing, and agreements for project funding with proponents and applicants, program delivery and other associated agreements;

- d) That the Director of Planning and Development Services be authorized to extend program delivery agreements with the existing local, non-profit delivery agents for Rent Supplement and Peterborough Renovates program components; and
- e) That Report PLHD16-007 be forwarded to Joint Services Steering Committee, for information.

Budget and Financial Implications

The Social Infrastructure Fund (SIF) is 100% federal and provincial funding. Peterborough received a notional allocation of 2016 SIF funds of \$3,477,100 for 2016-2017 and \$1,358,500 for 2017-2018 for a total of \$4,835,600 over approximately twenty (20) months.

Funding is available to the City only after funding agreements are secured with proponents and applicants, under five program streams. These agreements must be in place by December 31, in 2016, for the first year, and December 31, 2017 for the second year.

Background

2016 Social Infrastructure Fund (SIF)

The 2016 federal budget announced the federal government's Social Infrastructure Fund (2016 SIF) that include the following investments in housing delivered through Service Managers, such as the City of Peterborough:

1. An increase to the funding commitment under the current Investment in Affordable Housing (IAH) program (totalling \$235.5 million province-wide over two years);
2. Funding for the construction and renovation of affordable housing for seniors (\$67.2 million province-wide over two years); and
3. Funding for the renovation and retrofit of social housing (\$209.3 million province-wide in 2016).

Peterborough has received a notional allocation of **\$4.84M** over twenty (20) months. The Minister of Housing's letter dated June 21, 2016 is attached as Appendix A. The allocation is further broken down into 2 streams - \$3.238M as an increase in the IAH program and seniors housing; and \$1.6M for Social Housing Improvements.

The deadline for confirming participation in the program is September 1, 2016. Approval of the recommendations in this report will enable the City to participate in the 2016 SIF and use funding for specific projects. The timing of the allocation announcement, the summer schedule of Council, and the shortened time frame for

confirmation of participation means that Committee of the Whole will have to deal with the matter at its meeting on July 25 with Council ratification on August 2, 2016. As a consequence the Joint Services Steering Committee will be informed at its next scheduled meeting of the decision made by City Council.

Use of 2016 Social Infrastructure Fund

The 2016 SIF offers a funding enhancement of the current Investment in Affordable Housing (IAH) program for:

1. Rental Housing – for construction of new affordable rental housing;
2. Homeownership Assistance Loan – for renters purchasing houses;
3. Peterborough (Ontario) Renovates – for low income households repairing homes; and
4. Rent Supplement/Housing Allowance for low-income renter households.

The 2016 SIF also promotes investment in 3 new program areas:

1. Social Housing Improvement Fund – for repairs, and energy and water-efficiency retrofits in social housing;
2. Construction and renovation of affordable housing for seniors; and
3. Construction and renovation of shelters and transitional housing for survivors of domestic violence.

The Province is requiring Service Managers to use the **\$3.238M enhanced IAH/Seniors** funding stream to meet key provincial priorities as follows:

- (i) Supporting affordability for tenants in social housing with expiring operating agreements
- (ii) Seniors
- (iii) Persons with disabilities
- (iv) Indigenous peoples
- (v) The chronically homeless
- (vi) Youth
- (vii) Preventing homelessness as individuals transition from provincially-funded institutions such as hospitals
- (viii) Projects that support transit corridor intensification and/or community hubs

Developing a National Housing Strategy

The 2016 SIF provides a significant additional federal/provincial allocation to support affordable housing in Ontario over the next two years. During this time the federal government proposes to work with the provinces, territories and housing stakeholders to develop a National Housing Strategy, which is expected to inform federal investments in future years. Until the National Housing Strategy is in place, Service Managers have been asked to prioritize funding according to the priorities above.

Program Delivery and Fiscal Plan (PDFP) and Allocations

Under the IAH program the City, as Service Manager, was required to prepare and submit for approval a multi-year plan for program expenditures called a Program Delivery and Fiscal Plan (PDFP). Funding is subject to “use-it-or-lose-it” restrictions, meaning that any funds that have not been committed as per the PDFP at the end of each fiscal year will be redistributed by the Ministry of Housing. It is expected that once program guidelines are released for SIF, a Service Manager will be obliged to find a place for the funding within the existing PDFP and therefore that plan and the funding commitments already made becomes a starting point for the new investments.

The PDFP for SIF 2016 will be developed with input from City, County and Township staff and community stakeholders, including the Affordable Housing Action Committee, Homelessness Support Services Coordinating Committee and the Accessibility Advisory Committee. Consideration will be given to Peterborough’s 10-year Housing and Homelessness Plan and its associated targets. Synergies will also be explored with the City’s Community Improvement Plan for Affordable Housing to leverage even greater results. The PDFP should also build on the successes of the original IAH program streams developed in Peterborough for Peterborough. The Peterborough Renovates and Home Ownership programs have been well-received and serve the needs of City and County residents effectively.

Potential Capital Projects

Two important capital projects are currently in development based on the previous funding commitments under the IAH program: Peterborough Housing Corporation’s McRae campus and the transitional housing units at the Brock Mission Men’s Shelter rebuild.

Council has already approved \$1.5M funding to provide 15 affordable transitional housing units for men who have been chronically homeless in the redeveloped Brock Mission Men’s Shelter (PLHD16-004). The Brock project aligns perfectly with a stated provincial SIF priority. Shifting a greater portion of the council-approved funding to the SIF program will allow the Service Manager to redirect funding to local priorities. No enhanced funding for Brock Mission is envisioned at this time.

Council approved the acquisition of the former McRae Campus by Peterborough Housing Corporation (PHC) in 2014 for redevelopment as affordable housing (PLHD14-046) and recently approved an allocation of \$1.0M to support the development of 28 units of affordable rental housing (PLPD16-045). The SIF program would allow the project timing to be accelerated to 2016-17 and an increase in the capital grant amount from \$1.0M to \$1.5M would enhance project success.

Peterborough Housing Corporation has been developing an innovative partnership with the Peterborough Regional Health Centre, the Central East LHIN and the Community Care Access Centre to provide a supportive housing community for seniors. The initial vision is for 80 units – 30 at market rents and 50 at affordable rents of which 20 units will be dedicated to discharge planning for PRHC. This community is envisioned as the 3rd and final phase of the former McRae Campus transformation. The SIF program has specifically targeted housing for seniors as a Provincial priority making this capital project an ideal candidate for funding support.

Social Housing Repairs (\$1.6M for immediate expenditure)

For Peterborough, the SIF allocation includes \$1.6M dedicated to the repair and upgrades of the social housing stock under the Service manager's administrative oversight. Provincial priorities for use of 2016 SIF for social housing repairs include increased water and energy efficiencies and reduced carbon footprint. There is some expectation of further provincial initiatives that could provide funding for similar purposes in social housing related to Cap and Trade but these have yet to be announced.

In an effort to maximize provincial funding, from 2016 SIF and future sources, the Housing Division has commenced a comprehensive review of the Social Housing Asset Planner database. Repair, upgrade and renovations projects have been identified and prioritized through the building assessments carried out by third parties in 2015.

Social housing providers have been working with the Housing Division to set their own priorities for upcoming repairs, and are maintaining an up-to-date, shared asset management database. The Housing Division will consider the building assessments, priorities as reflected in the database and the adequacy of capital reserves in selecting projects for funding. Repairs and upgrades to buildings where there are vulnerable tenants will be high priority.

Rent Supplement Programs

There are currently 4 rent supplement programs administered by the City of Peterborough. The majority of these supplements are provincially-funded and time-limited and for some programs the funding begins to expire in 2018. Time limited rent supplement programs are very precarious for the tenant and funder. The tenant lives with the inevitability of funding expiring and the potential need to relocate. The funder (Service Manager) must manage the expectations, the disruption to personal circumstances and is often under pressure to replace the funding from some other

municipal source. While the original IAH program and the new SIF allocation would allow the direction of funding to rent supplements, IAH and SIF funding is not a guaranteed funding stream. The current program guidelines only allow rent supplements to 2024, should the City elect to allocate SIF funds for supplements. The current PDFP already allocates \$720,000 in funding to replace expiring rent supplements starting in 2018 but not the creation of new rent supplements.

The precarious nature of time limited rent supplements was recognized when the City and County developed its own Municipal Rent Supplement Program known as Housing Choice Rent Supplement. It is a very flexible program but its funding is supported by stable sources and incremental growth in the base funding from year to year is promoting tenant stability and more households to be served each year. Accordingly, the Housing Division does not recommend the use of SIF funding for rent supplements. This will be reviewed through the consultation phase.

Summary

In 2015 Council approved several recommendations related to the Investment in Affordable Housing (IAH) program (PLHD15-002). This included the authorization for staff, following consultation with stakeholders, to prepare a multi-year Program Delivery and Fiscal Plan (PDFP), including its submission to the Ministry of Housing. The Director of Planning and Development Services was also authorized to make subsequent revisions to the PDFP to account for ever-changing priorities and the level of uptake on funded programs. The recommendations of this report replicate an approach that has simplified the administrative requirements of program delivery. The annual status reports on the 10-Year Housing and Homelessness Plan provides a forum for staff to report out on the impact financial investments, such as the SIF program, are making in the lives of Peterborough citizens.

Submitted by,

Malcolm Hunt, MCIP RPP
Director, Planning & Development Services

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Attachments:

Appendix A – Letter from the Minister of Housing (dated June 21, 2016)

Ministry of Housing

**Minister Responsible for the
Poverty Reduction Strategy**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-6500
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Ministère du Logement

**Ministre responsable de la Stratégie
de réduction de la pauvreté**

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June 21, 2016

Your Worship
Mayor Daryl Bennett
Mayor, City of Peterborough
500 George Street North
Peterborough, ON K9H 3R9

Dear Mayor Bennett:

I am pleased to advise you that the Social Infrastructure Fund (SIF) Agreement for affordable and social housing was announced today. The SIF, to be delivered under the Investment in Affordable Housing (IAH) program, is a joint initiative between our government and the federal government that will provide over \$640 million for housing over three years.

The SIF housing investments complement our own recently announced Long-Term Affordable Housing Strategy, including funding commitments such as the Survivors of Domestic Violence Portable Housing Benefit Pilot program, and the Green Investment Fund investments in social housing.

The SIF offers four separate programs designed to address needs across the housing system, and is comprised of the following investments:

- An increase to the funding commitment under the current IAH program fully cost-matched by the province over three years;
- Funding for the construction and renovation of affordable housing for seniors;
- Funding for the renovation and retrofit of social housing; and
- Funding for the construction and renovation of shelters and transitional housing for survivors of domestic violence.

The additional IAH funding and the seniors funding are being allocated and administered to Service Managers as one program. The renovation and retrofit of social housing funding is being allocated to Service Managers, and will be known as the Social Housing Improvement Program (SHIP). The funding for survivors of domestic violence is being delivered by the Ministry of Community and Social Services.

I am pleased to provide you with your notional funding allocations for the additional IAH, seniors, and SHIP:

Program	Fiscal Year	
	2016-17	2017-18
Increase to IAH / Seniors	\$1,879,400	\$1,358,500
SHIP	\$1,597,700	\$0

Please note that funding allocations cannot be reallocated across fiscal years, or across SIF programs. Also note that a portion of the provincial matching funds are committed for 2018-19, and decisions regarding the allocation of these funds are expected to be communicated in early 2017-18.

The SIF funding provides us with an opportunity to make strategic investments to address some key priorities we have identified through the Long-Term Affordable Housing Strategy Update. As a result, we are requiring Service Managers, through their additional IAH funding, to meet the housing needs of the following:

- Supporting affordability for tenants in social housing buildings with expiring operating agreements and/or federal subsidies
- Seniors
- Persons with disabilities including adults with developmental disabilities
- Indigenous peoples
- The chronically homeless
- Youth
- Preventing homelessness as individuals transition from provincially-funded institutions such as hospitals, correctional facilities and the child welfare system
- Projects that support transit corridor intensification and/or community hubs

Under the SHIP program, Service Managers are being strongly encouraged to address water and energy conservation, including a reduction in greenhouse gas emissions, when considering social housing repair projects for funding.

You will soon be provided with the Administration Agreement for the IAH and SHIP that will include the Program Guidelines and additional program details and requirements.

Our government recognizes the need for more affordable housing in Ontario and we welcome these new federal investments in housing and homelessness prevention. By fully cost-matching the IAH and delivering the federal investments we can significantly impact the lives of those who are most vulnerable in Ontario and meet our vision of everyone having an affordable, suitable and adequate home.

Sincerely,



Chris Ballard
Minister of Housing

C: Allan Seabrooke, Chief Administrative Officer, City of Peterborough