



City of  
**Peterborough**

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**To:** **Members of the Committee of the Whole**

**From:** **Jeffrey Humble, Director of Planning and Development Services**

**Meeting Date:** **November 6, 2017**

**Subject:** **Report PLHD17-005  
2016 Social Infrastructure Fund Year 3 (2018-19) Allocation**

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## **Purpose**

A report seeking the approval of City Council for the City of Peterborough's receipt and use of funding under the 2016 Social Infrastructure Fund for Year 3 (2018-19), as offered by the Minister of Housing and to recommend federal-provincial capital funding to Peterborough Housing Corporation for the Havelock Affordable Housing and Assisted Living Project.

## **Recommendations**

That City Council approve the recommendations outlined in Report PLHD17-005 dated November 6, 2017, of the Director of Planning and Development Services, as follows:

- a) That the multi-year spending plan (Program Delivery and Fiscal Plan), developed by the Director of Planning and Development Services, for the 2016 Social Infrastructure Fund be updated to allocate additional funding in program year 3 (2018-19);
- b) That a By-law be adopted authorizing the Mayor and Clerk to sign legal agreements and other documents to provide \$1M in capital (federal-provincial 2016-SIF Year 3 and IAH-E program) funding to Peterborough Housing Corporation for the development of twelve (12) affordable rental units at the Havelock Affordable Housing and Assisted Living project on Smith Street in Havelock Ontario, in accordance with Report PLHD17-005;

- c) That staff be authorized to negotiate the specific terms and conditions of a legal agreement with Peterborough Housing Corporation for the development of affordable rental housing at the Havelock Affordable Housing and Assisted Living project on Smith Street in Havelock Ontario, within the parameters set out in Report PLHD17-005.
- d) That the City of Peterborough as Service Manager for Housing work with the Township of Havelock-Belmont-Methuen and the County of Peterborough for their required contributions of property tax concessions and the Ministry of Housing for final funding approval, as required.

## **Budget and Financial Implications**

The 2016 Social Infrastructure Fund (2016 SIF) is 100% federal and provincial funding. For the Year 3 (2018-19) allocation of 2016 SIF, Peterborough received a notional allocation of \$801,800. Funding is available to the City only after funding agreements are secured with proponents and applicants, under four (4) program streams. These agreements must be in place by December 31, 2018. The Minister of Housing's letter dated August 9, 2017 is attached as Appendix A.

A total of \$1M in federal-provincial capital funding is recommended to be provided to Peterborough Housing Corporation (PHC) for the development of the twelve (12) affordable rental housing units on the vacant lands northeast of the intersection of County Road 30 and Old Norwood Road in Havelock Ontario, as part of the Havelock Affordable Housing and Assisted Living project. This project is proposed to be funded from two federal-provincial program sources: 2016 SIF Year 3 2018-19 in the amount of \$801,800, and IAH-E 2018-19 in the amount of \$198,200.

This change will not reduce any allocations under the Program Delivery and Fiscal Plan for IAH-E funding recommended in report PLHD15-002.

PHC's financial statements are consolidated with the City's financial statements and therefore prudent fiscal management of PHC is a City interest. Infrastructure Ontario financing for this project of approximately \$5.1M will be a draw against the City's non-tax supported debt capacity. Assuming the 2018 Draft Budget is approved and taking into consideration debt that will mature in 2018, the balance of non-tax supported debt that could be issued after this \$5.1 million issue is \$6.8 million.

## **Background**

Funding for new housing programs has flowed to Service Managers since the original Affordable Housing Program (AHP) began in 2003. Until recently, funding has been intermittent and unpredictable, putting Service Managers in the position of trying to make long-term plans with short-term funding horizons. A change came in 2015 when

with the Investment in Affordable Housing 2014 Extension (IAH-E), provided funding allocations across multiple years – to 2024.

In 2016, as part of the federal government's promise to return to housing, it was announced that matching funds would flow through a new program stream running parallel to the IAH-E, to be expended between April 1, 2016 and March 31, 2018. In August 2017, this funding was extended to 2018-19.

### **Investment in Affordable Housing - Extension (IAH-E) Program and the 2016 Social Infrastructure Fund (2016 SIF)**

The IAH-E and 2016 SIF provide funding through four (4) program streams:

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 homeowners to repair their homes; and
4. Rent Supplement/Housing Allowance – for rent assistance to low-income renter households.

The Investment in Affordable Housing 2014 Extension (IAH-E) allocation for 2018-19 is \$1,629,900. Through Report PLHD15-002, authority was delegated to the Director of Planning and Development Services to prepare the Program Delivery and Fiscal Plan (PDFP).

In August 2017, the Ministry of Housing announced a notional allocation of matching funding under the 2016 SIF for Peterborough of \$801,800 for 2018-19.

It is recommended to flow 100% of the 2016 SIF funds to the Havelock Affordable Housing and Assisted Living Project. This project was originally planned to be funded across two years: using all IAH-E funds, \$500,000 from 2018-19 and \$500,000 from 2019-20. Using the 2016 SIF will allow the funding to be accelerated – with the full amount being expended in 2018-19, from IAH-E (\$198,200) and 2016 SIF (\$801,800) program funds. See Table 1 below:

**Table 1**

	<b>Current Allocation</b>	<b>Proposed Allocation</b>	
	<b>IAH-E</b>	<b>IAH-E</b>	<b>2016 SIF</b>
<b>2018-19</b>	\$500,000	\$192,800	\$801,800
<b>2019-20</b>	\$500,000		
<b>TOTAL</b>	\$1,000,000	\$1,000,000	

The addition of the 2016 SIF will not reduce allocations in the other program streams, Rent Supplement, Peterborough Renovates and Homeownership will all be funded in 2018/19.

### **Priority Groups and Activities for 2016 SIF Year 3 Funding**

Service Managers are required to use the 2016 SIF Year 3 funding to meet the housing needs of the following priority groups and activities:

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

### **Program Delivery and Fiscal Plan (PDFP) and Allocations**

The multi-year plan for program expenditures is 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 calendar year will be redistributed by the Ministry of Housing.

### **Havelock Affordable Housing and Assisted Living Project**

City staff planned to allocate funding to the Havelock Affordable Housing and Assisted Living Project under delegated authority to allocate funding and recommend projects that meet IAH-E program guidelines (Report PLHD15-002). In September 2016, the City provided conditional approval for \$1M in IAH-E funds. This conditional approval was required to assist Havelock-Belmont-Methuen Township and PHC in getting the project construction-ready.

The Housing Division has been working with Havelock-Belmont-Methuen Township on the Affordable Housing and Assisted Living housing project since summer 2016. This project has a steering committee led by the Township CAO with representation from Township Building, Planning and Finance staff, as well as an engineer who has been retained to oversee site preparation. This steering committee is guiding the development of the affordable housing build, as well as further enhancements to this vacant but serviced/serviceable land. Havelock-Belmont-Methuen Township donated the land; the project is “shovel-ready” and has approval and support of Township Council. Havelock-Belmont-Methuen Township continues to pursue Central East Local Health Integration Network (CE-LHIN) funding for a Long-Term Care facility on the

property; the housing with supports and community agency space is being planned as complementary development.

The project consists of a 32 units: a 24-unit apartment building, and 2 “quad” bungalows. Rents for twelve of the apartment units will be at 80% of Average Market Rent, and the remaining units will be at market rent. If CE-LHIN funding is secured, 12 units will also have support services attached. Space is also being planned on the main floor for community agencies to deliver programming.

This is the third new affordable build in the County of Peterborough. There are two seniors projects in the Townships of Selwyn and Otonabee South-Monaghan. The proponent, PHC, developed the “Trailview Terrace” project in the village of Lakefield, and project managed “Monaghan Court” in the village of Keene.

PHC has been identified as the City’s “developer of choice” through the Shareholder Direction (Report PLPD16-045). Havelock-Belmont-Methuen Township and the steering committee will continue to work with PHC to guide the project.

### **10-year Housing and Homelessness Plan**

One of the four themes of Peterborough’s 10-year Housing and Homelessness Plan is “Creating Housing Affordability”. The Havelock Affordable Housing and Assisted Living project will contribute twelve units toward an overall outcome of creating 500 new affordable rental homes by 2024. Directing funding to this project to enable the development of affordable rental housing is consistent with the City’s intentional shift from providing emergency responses to providing long-term, sustainable housing solutions. The addition of this project will bring the City’s cumulative total since 2014 to 250.

## **Summary**

Longer-term funding has enabled the Housing Division to respond more strategically to funding announcements. Continued collaboration between the Housing and Social Services Division staff will ensure alignment of funding decisions with the commitments of the 10-year Housing and Homelessness Plan.

Approval of the recommendations in this report will enable the City to participate in the 2016 SIF Year 3 (2018-19) program and accelerate funding for the Havelock Affordable Housing and Assisted Living project. At its meeting held on October 26, 2017, the Joint Services Steering Committee endorsed these recommendations through Report PLHDJSSC17-003.

If the recommendations in this report adopted by City Council, the City can commit funds and meet Ministry deadlines.

Submitted by,

Jeffrey Humble, MCIP, RPP  
Director of Planning & Development Services

**Contact Name:**

Rebecca Morgan Quin, Manager  
Housing Division  
Phone: 705-742-7777 ext. 1501  
Toll Free: 1-855-738-3755 ext. 1501  
Fax: 705-742-5218  
E-Mail: [RMorgan-Quin@peterborough.ca](mailto:RMorgan-Quin@peterborough.ca)

**Attachments:**

Appendix A – Minister of Housing's letter dated August 9, 2017

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Ministry of Housing

Minister Responsible for the  
Poverty Reduction Strategy

Office of the Minister

777 Bay Street, 17<sup>th</sup> Floor  
Toronto ON M5G 2E5  
Tel.: 416 585-6500  
Fax: 416 585-4035

Ministère du Logement

Ministre responsable de la Stratégie  
de réduction de la pauvreté

Bureau du ministre

777, rue Bay, 17<sup>e</sup> étage  
Toronto ON M5G 2E5  
Tél. : 416 585-6500  
Téléc. : 416 585-4035



**AUG 09 2017**

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

**RE: SIF-IAH Notional Funding Allocation – 2018-19**

Dear Mayor Bennett:

In Ontario, we know that the measure of any government's priorities can be found in where it chooses to invest, and that the quickest way to overcome a challenge is by working together.

As Ontario's Minister of Housing, I know there is need for more affordable housing in communities across Ontario and that municipalities cannot meet that need on their own.

That's why I am pleased to inform you that, as part of Ontario's continued commitment to increasing affordable housing options across the province, your community will receive an increase in funding of \$801,800 in 2018-19 under the Investment in Affordable Housing (IAH) program.

Program	2018-19 Allocation
Increase to IAH	\$801,800

As you might recall, in June 2016 the Governments of Canada and Ontario increased our matching funding commitments to the IAH program as part of a broader increase in matching funding to the Social Infrastructure Fund (SIF) Agreement.

This productive partnership between governments is providing over \$640 million through the SIF Agreement for affordable and social housing to March 31, 2019. It is comprised of four separate programs to address housing need, including:

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- the above-mentioned increase to the funding commitment under the SIF-IAH program (2016-17 to 2018-19);
- the construction and renovation of affordable housing for seniors (2016-17 to 2017-18);
- the renovation of social housing (2016-17); and
- the construction of and renovation of shelters and transitional housing for survivors of domestic violence (2016-17 to 2017-18).

In June 2016, our government also committed that a portion of the provincial funds for the SIF-IAH would be allocated in 2018-19 and that those allocations would be communicated in 2017-18.

As with the first two years of the SIF-IAH, we are requiring Service Managers to dedicate SIF-IAH funding to meet the housing needs of the following priority groups and activities:

- 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; and
- projects that support transit corridor intensification and/or community hubs.

An Amending Agreement to the 2016 Social Infrastructure Fund Service Manager Administration Agreement will soon be provided for signature and the current SIF-IAH Program Guidelines will remain in effect for the 2018-19 funding.

As we continue the important work of building more affordable housing, I want to thank you for your efforts to date, which have helped improve the lives of some of the most vulnerable among us.

It is my firm belief that by working together, we can deliver important action to ensure every family has an affordable place call home.

Sincerely,



Peter Milczyn  
Minister

cc: Mr. Allan Seabrooke, Chief Administrative Officer, City of Peterborough