



City of
Peterborough

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

From: **Malcolm Hunt, Director of Planning and Development Services**

Meeting Date: **July 28, 2014**

Subject: **Report PLHD14-007
Investment in Affordable Housing (IAH) Program Extension**

Purpose

A report seeking the necessary authorities for the City of Peterborough to participate in the Investment in Affordable Housing program extension that is expected to be announced by the Provincial Government in the coming months.

Recommendations

That Council approve the recommendations outlined in Report PLHD14-007 dated July 28, 2014, of the Director of Planning and Development Services, as follows:

- a) That the Mayor and Clerk be authorized to enter into an Administration Agreement with the province for the Investment in Affordable Housing program extension, as well as any related project, program and delivery agreements with private and non-profit organizations;
- b) That the Director of Planning and Development Services prepare and submit to the Ministry of Municipal Affairs and Housing (MMAH) the multi-year Program Delivery and Fiscal Plan (PDFP) and any subsequent revisions, after obtaining input from the Joint Services Steering Committee; and,
- c) That the Director of Planning and Development Services be authorized to negotiate single source, program delivery agreements with local, non-profit delivery agents.

Budget and Financial Implications

The Economic Action Plan in 2013 announced the federal government's continued commitment to working with provinces and territories by proposing more than \$1.25B in federal funding to enhance the Investment in Affordable Housing (IAH) program. Ontario is finalizing an agreement that would see Ontario contributing \$400.5 million. The total federal and provincial funding for Ontario may be about \$800M, from 2014 to 2019.

Peterborough's funding would be \$8M, until 2019, based on the previous formula of 1% of the total for Ontario. As with previous programs, municipal contributions may be required for affordable rental projects (e.g. property tax reductions.)

New funding may be combined with reserves that have accumulated through repayments from previous programs. The City has two reserves: \$41,000 for Homeownership Assistance Program loans and \$14,400 for Peterborough Renovates Program loans and grants. The balance of the reserves will be added to the new program funding.

Background

The Investment in Affordable Housing (IAH) program extension is expected to be announced this summer. As with previous programs, Service Managers, such as the City of Peterborough, should receive confirmation of funding from the Ministry of Municipal Affairs and Housing (MMAH) and this is expected in the next few months.

MMAH may be looking for "Quick Start" projects for the first year (i.e. funding commitments made prior to December 31, 2014.) The City could act quickly to take advantage of 2014 funding or wait to participate until after March 2015. Approval of the recommendations in this report enable the City to participate at the earliest opportunity.

Program Delivery and Fiscal Plan (PDFP) and Implementation

The multi-year plan for program expenditures is called a Program Delivery and Fiscal Plan (PDFP). Funding could be 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 MMAH.

There are four possible uses for funding: new rental supply, repairs to homes occupied by low-income households, rent supplement and loans for homeownership. Under the previous round of funding (2011-14), the City's PDFP set out a plan for all four uses. The funding distribution for 2011-14 and results are shown in the chart below.

Investment in Affordable Housing Program 2011-14	Households	Funding (\$M)	% Total Funding
New Affordable Rental	17	\$1.35	29%
Homeownership	15	\$0.16	3%
Peterborough Renovates	88	\$1.27	27%
Rent Supplement (Multi-year until 2018)	120	\$1.70	36%
Administration	N/A	\$0.22	5%
Total	240	\$4.70	100%

The PDFP for 2011-14 was developed with input from staff from Social Services, Planning, Building and Housing Divisions. In addition, discussions were held with key stakeholders from the County, housing providers, and homeless service providers.

The PDFP for 2014-19 will be developed with input from the Joint Services Steering Committee (currently planned for September 4, 2014), 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 previous PDFP distribution.

Program delivery has been contracted out to non-profit delivery agents for Peterborough Renovates and Rent Supplement, and the Housing Division has delivered the balance. This delivery model would be expected to continue.

The IAH extension will have program exclusions that are largely the same as previous programs (e.g. AHP and IAH). For instance, the following exclusions are expected:

- Repairs to existing social housing;
- Emergency shelters and crisis care facilities;
- Nursing and retirement homes; and
- Acquisition of existing, occupied rental that is not at risk of loss.

A new requirement will be that IAH extension will "support the use of apprentices" for training of skilled labour in residential housing, according to the federal government. No further details are known at this time.

10-Year Housing and Homelessness Plan Priorities

The 10-Year Housing and Homelessness Plan (the Plan) and Action Plan were endorsed by Joint Services Steering Committee and County Council and approved by City Council in 2013. The Plan's vision is to "eliminate long-term homelessness and ensure quality housing that all residents can afford". The accompanying Action Plan specifically states that the City will "Ensure funding from Investment in Affordable Housing (IAH), Community Homelessness Prevention Initiative (CHPI) and Homelessness Partnering Strategy (HPS) is aligned with the Plan".

A list of immediate priorities from the Action Plan is included as Appendix A. In 2017, the Plan calls for a comprehensive review and confirmation of the priorities and this could inform changes to the PDPF mid way through the term of funding.

Funding for Affordable Rental Projects

Affordable one-bedroom rental units are a long-standing need and key priority in the 10-year Housing and Homelessness Plan. New housing development creates the supply of homes that are needed as well as contributing positive economic impact in construction jobs and in the residential industry in general. Therefore, an emphasis needs to be placed on the use of new funding for rental supply.

The Knox United Church and the Mount Community Centre affordable rental projects were approved as Community Improvement Plan Area projects by City Council in 2014 (Reports Numbers PLHD14-003 and PLHD14-004 respectively). They consist largely of one-bedroom units. Council approved a \$350,000 IAH allocation to the Mount based on confirmed IAH funding in 2014 and a subsequent \$250,000 IAH allocation should the program be extended in 2015. The Knox project did not receive IAH funding and could be considered for provincial capital funding to achieve greater levels of affordability.

To encourage other affordable rental projects, discussions will begin immediately with Peterborough Housing Corporation, and other developers interested in accessing the Community Improvement Plan incentives, and with stakeholders in the County. A Request for Proposal process to solicit projects could be considered for later years. All new affordable rental projects must be specifically approved by City Council, and commence construction within 120 days of funding approval.

As well, a feasibility study for Brock Mission will be completed in the next few months, as proposed in the 10-year Housing and Homelessness Plan. The study will present options for the current building to create a building design to help men who have experienced long-term, chronic homelessness. The idea is to implement a Housing First approach that would include single-room rental units, supports and rent supplements, possibly at the current Brock Mission location.

Summary

The details of the IAH program extension have not been released by the province. However, advance planning for multi-year expenditures will enable the City to act quickly in 2014 once funding allocations and program guidelines are known. This report ensures that signing and other administrative authorities are in place now.

Peterborough has benefited from previous federal-provincial housing programs, in large part because approvals and project proposals have been ready well in advance of funding announcements.

Submitted by,

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Planning and Development Services

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Manager, Housing Division

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Attachments:

Appendix A – Immediate Priorities from the 10-Year Housing and Homelessness Plan

Appendix A

Immediate Priorities from the 10-Year Housing and Homelessness Plan

This table lists action items from the Action Plan for the 10-Year Housing and Homelessness Plan. These action items will serve as a decision-making guide for prioritizing funding for the IAH Extension and developing the Program Delivery and Fiscal Plan (PDFP) for 2014 to 2019.

Action Item Number	Theme	Time frame
	Creating Housing Affordability	
6.5	Pursue funding options and approvals and secure appropriate levels of ongoing funding to expand rent supplements.	2014
7.3	Recommend affordable rental housing development (especially one-bedroom units) as a priority when using capital funding.	2014
9.4	Undertake an extension or additional phase of the Peterborough Renovates Program, as senior government funds become available.	2014
10.2 and 12.2	Introduce a local initiative to support asset building among social housing tenants to allow for future home ownership. Offer a homeownership assistance loan program bi-annually, contingent upon senior government funding and balance in revolving loan fund.	2015
	Transitioning out of Homelessness	
18.6	Complete building improvements/development and introduce supports for men at Brock Mission to allow permanent single-room dwellings to serve as transitional housing.	2015

Appendix B - Report PLHDJSSC14-003

Ministry of
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August 11, 2014

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

Dear Mayor Bennett:

I am pleased to inform you that the extension of the Investment in Affordable Housing for Ontario (IAH) program was announced today, August 11, 2014. The IAH (2014 Extension) is a joint initiative between our government and the federal government that will provide another \$800 million for more affordable housing over six years.

With this investment, Ontario's funding commitment is now over \$4 billion since 2003. This is the largest affordable housing investment in the province's history. Ontario is supporting the creation of over 20,000 affordable rental housing units, making more than 275,000 repairs and improvements to social and affordable housing units, and providing rental and down payment assistance to over 90,000 households in need.

The IAH (2014 Extension) will continue to provide increased flexibility and accountability for Service Managers to design strategies that meet local needs and priorities identified in their Housing and Homelessness Plans.

As with the current IAH, Service Managers will be provided with annual notional funding allocations for their area in order to assist with the planning and delivery of the new program.

I am pleased to advise that the Year 1 (2014-15) notional funding allocation under the new program for the City of Peterborough is \$847,800. Allocation for the final five years of the program (2015-20) will be based on the new census data and will be provided once this data becomes available.

Each Service Manager's annual notional funding allocation must be committed within the established deadlines of each program year. Funding that is not committed by these deadlines may be re-allocated to other Service Managers.

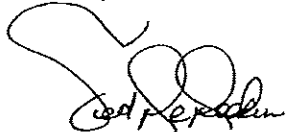
Appendix B - Report PLHDJSSC14-003

I recognize that there will be challenges to meet the funding commitment deadline this year. Consequently, this deadline has been extended to January 30, 2015 and ministry staff will work closely with Service Managers to ensure full program take up.

Service Managers will soon be provided with the Administration Agreement template that includes the Program Guidelines.

Our government continues to recognize the need for affordable housing across Ontario and we believe that the future of housing depends on sustained funding. While the IAH (2014 Extension) will provide funding for housing over six years, I continue to encourage you to support the province's call for a long-term funding commitment from the federal government that is fair to Ontarians and will help meet the needs of Ontario families.

Best regards,



The Honourable Ted McMeekin
Minister of Municipal Affairs and Housing

- c. Mr. Brian Horton, Chief Administrative Officer, City of Peterborough
Ms. Susan Bacque, Manager, Housing Division, City of Peterborough