

Clause 10 in Report No. 2 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 15, 2018.

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Participation in the Social Housing Apartment
Improvement Program

Committee of the Whole recommends adoption of the following recommendations contained in the report dated January 18, 2018 from the Commissioner of Community and Health Services:

1. The Region be authorized to enter into a Transfer Payment Agreement with the Ministry of Housing with respect to the Provincial Social Housing Apartment Improvement Program.
2. The Commissioner of Community and Health Services be authorized to execute the Transfer Payment Agreement with the Ministry of Housing on the Region's behalf.
3. The Commissioner of Community and Health Services be authorized to approve, execute and adjust on behalf of the Region, agreements with housing providers with respect to Program funding.
4. Council approve a 2018 budget adjustment to increase operating expenditures in the Housing Services budget by \$2,074,689 to offset by 100 per cent funding, resulting in no tax levy impact to the approved budget.
5. The Commissioner of Community and Health Services be authorized to receive and allocate additional funds, in accordance with Program rules, in the event additional funds are allocated by the Province.
6. Staff report back to Council by September 2023 regarding final funding expenditures and project details.

Report dated January 18, 2018 from the Commissioner of Community and Health Services now follows:

Participation in the Social Housing Apartment Improvement Program

1. Recommendations

It is recommended that:

1. The Region be authorized to enter into a Transfer Payment Agreement with the Ministry of Housing with respect to the Provincial Social Housing Apartment Improvement Program.
2. The Commissioner of Community and Health Services be authorized to execute the Transfer Payment Agreement with the Ministry of Housing on the Region's behalf.
3. The Commissioner of Community and Health Services be authorized to approve, execute and adjust on behalf of the Region, agreements with housing providers with respect to Program funding.
4. Council approve a 2018 budget adjustment to increase operating expenditures in the Housing Services budget by \$2,074,689 to offset by 100 per cent funding, resulting in no tax levy impact to the approved budget.
5. The Commissioner of Community and Health Services be authorized to receive and allocate additional funds, in accordance with Program rules, in the event additional funds are allocated by the Province.
6. Staff report back to Council by September 2023 regarding final funding expenditures and project details.

2. Purpose

This report provides information about Social Housing Apartment Improvement Program funding and seeks approval for the Commissioner of Community Health Services to enter into a Transfer Payment Agreement with the Ministry of Housing to receive an estimated funding allocation of \$17,398,345, up to March 31, 2021, for projects to be completed by March 31, 2023. It also seeks approval for the Commissioner to provide grants to non-profit housing providers within the approved allocations received from the Ministry of Housing and distribute any additional funds should they become available by the Ministry.

3. Background

The Ontario Government announced a potential investment of \$556 million, for repairs and retrofits to social housing across the Province to improve living conditions and address climate change

On August 24, 2017, in support of implementation of the Province's Climate Change Action Plan, the Ministry of Housing announced a new Social Housing Apartment Improvement Program for eligible high-rise apartment buildings across Ontario.

\$17,398,345 conditionally allocated to York Region by the Province for the Social Housing Apartment Improvement Program

The Social Housing Apartment Improvement Program is funded from the Green Investment Fund, which is based on proceeds from the Ontario Cap and Trade carbon market auctions. Proceeds from the carbon market must be invested in programs that reduce greenhouse gas emissions and reduce energy costs of social housing buildings.

The type of building retrofits that may be funded include:

- Replacing building heating/cooling systems
- Upgrading exterior or interior insulation
- Installing solar walls
- Upgrading building windows and or exterior doors
- Upgrading building lighting systems including converting to LED lighting systems, lighting controls and sensors
- Re-cladding or upgrading building envelopes
- Retrofitting that uses low carbon and carbon free energy technologies/systems

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\$4,149,378 is conditionally allocated for Year 1 to York Region; funding in the following years will be dependent upon carbon market proceeds

The actual amount of Year 1 funding will be confirmed based on proceeds from the Ontario Cap and Trade Auction. Four carbon market auctions are held each year. The proceeds of these quarterly auctions will determine the final allocation for each year of the Social Housing Apartment Improvement Program. The Regional Municipality of York has been conditionally allocated up to \$4,149,378 in 2017-2018. An additional \$13,248,967 has been conditionally allocated from 2018-2021 carbon markets.

Provincial eligibility requirements for housing providers to qualify for the Social Housing Apartment Improvement Program include provisions to protect affordability

The Region may decide how to allocate funds to housing providers, provided allocation decisions comply with the Ministry's program requirements. These include requirements to protect affordability.

Housing providers that participate in Social Housing Apartment Improvement Program must ensure that their units remain affordable for a ten year period after completion of the funded retrofit work.

In addition, the provider must agree to operate as social housing under the *Housing Services Act, 2011* for a minimum of five years (regardless of any mortgage obligations or agreements between a Service Manager and the eligible housing provider). What this means is that all participating housing providers must continue operating as they currently do under the *Housing Services Act*. Once the five year period ends the housing providers must maintain rents at 80 per cent of average market rent as indicated by Canada Mortgage and Housing Corporation.

Projects are eligible to receive funding if they meet the following criteria:

- Must be a single high-rise social housing apartment building
- Must contain 150 or more units for Year 1 (2017/18) and 100 or more units for Funding Year 2 (2018/19) to funding Year 4 (2020/21) unless otherwise approved through a business case
- Must be elevator-serviced

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- Must be social housing: i.e. must be subject to a transferred housing program under the *Housing Services Act*. Eligible providers and buildings are listed in Attachment 1.

Currently only social housing apartment buildings of 150 units or more are eligible for funding in Year 1 of the Social Housing Apartment Improvement Program

Provincial program rules restrict the use of the funds so that only social housing apartment buildings with 150 or more units are eligible for Year 1 funding. There are just four buildings in the Region that have 150 or more units, operated by two housing providers (see Attachment 1). Housing York Inc. does not have any eligible buildings with 150 or more units.

Service Managers, including York Region, with six or less buildings with over 150 units, were permitted to submit a business case to the Ministry requesting that buildings with 100 to 149 units be permitted to participate in the Year 1 of the program. York Region submitted a business case on December 15, 2017, and at the time of writing this report the Province had not responded.

For funding Years 2 to 4 of the program, eligible retrofits in social housing apartment buildings of 100 units or more are eligible for funding. At this time the Province has not offered any flexibility to include buildings with fewer than 100 units.

Expression of Interest to be requested from eligible non-profit housing providers

Currently, just four social housing buildings, operated by two housing providers, are eligible for Year 1 funding. Both housing providers have expressed interest in obtaining funding, and will be required to complete an energy audit to ascertain which projects will best qualify under Social Housing Apartment Improvement Program guidelines. The two providers will be funded based on building retrofit/highest reduction of greenhouse gas emissions projects. Once the scope of work is agreed upon, the housing providers will enter into a contribution agreement with the Region.

In June 2018 an Expression of Interest will be issued to eligible social housing providers with 100 plus apartment units for program Years 2 to 4. Twelve buildings operated by ten housing providers meet this criteria, including three Housing York buildings (see Attachment 1). Housing providers will be asked to submit a business case to the Region detailing proposed projects that reduce greenhouse gas emission and building energy costs through the latest low-carbon and carbon free energy technology systems. Implementing these

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measures, will support the Regions target for reducing Green House Gas Emissions.

Energy retrofits from the Social Housing Apartment Improvement Program will help towards achieving Regional targets for greenhouse gas emission reductions

The Social Housing Apartment Improvement Program will support the Region in moving towards the Region's target of zero greenhouse gas emissions by 2051, as identified in the Region's plan [Vision 2051](#) and the [Energy Conservation and Demand Management Plan Update](#) approved by Council in 2016.

4. Analysis and Implications

Execution of the Transfer Payment Agreement with the Province is required by March 16, 2018

In order to receive Social Housing Apartment Improvement Program funding, York Region must enter into a Transfer Payment Agreement with the Ministry of Housing. The Transfer Payment Agreement sets out:

- Financial provisions (i.e. administration fees, payment claims and financial accountability)
- Eligibility criteria
- Indemnification and repayment provisions
- Reporting, auditing and other accountability enforcement provisions

The Agreement encompasses all four funding years for the Social Housing Apartment Improvement Program.

Program funding will cover the full cost of eligible retrofit work including administration. The funding includes five per cent in administration funding to support program development, auditing, oversight and delivery.

The Agreement must be executed no later than March 16, 2018.

Link to key Council-approved plans

Funding social housing assets to lower greenhouse gas emissions and reducing energy costs align with the Region's [Official Plan, 2015-2019 Strategic Plan](#), Housing York Inc.'s [Achieving New Heights through Innovation and Sustainability](#)

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and Community and Health Services Department's [Multi-Year Plan, Investing in our Communities](#).

This also supports key priority areas such as sustaining critical infrastructure, effectively managing municipal resources, supporting community health and managing the Region's finance prudently.

5. Financial Considerations

The Program will run from 2018 to 2023, and will be fully funded by the Province, including administration costs. Over the six year period, an estimated \$17,398,345 will be allocated. For each funding year, the retrofit work must be completed within two years after the contribution agreement has been executed. Table 1 summarizes the expected project completion dates and funding amounts for each program year.

Table 1
Social Housing Apartment Improvement Program conditional funding and completion dates

Funding Year	Project Completion Date	Funding (\$)
Year 1 (2017-2018)	March 31, 2020	4,149,378
Year 2 (2018-2019)	March 31, 2021	4,416,323
Year 3 (2019-2020)	March 31, 2022	4,416,322
Year 4 (2020-2021)	March 31, 2023	4,416,322
Total		17,398,345

No impact to tax levy

It is expected that approximately 50% of the Year 1 allocation would be spent in 2018, in accordance with the requirements of the Program. An increase of \$2,074,689 to the approved 2018 operating budget, offset by 100% Provincial Funding, with no tax levy impact is required. Remaining allocations will be addressed through the annual budget process.

6. Local Municipal Impact

Social housing buildings are located in all nine local municipalities. Over 6,800 households live in York Region's social housing communities and over 14,000

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more are on the waiting list. Well-maintained buildings in healthy environments are an important community asset.

7. Conclusion

Implementation of Social Housing Apartment Improvement Program supports the objectives of the Energy Conservation and Demand Management Plan Update and Vision 2051. In addition, housing provider's access to funding will ensure that needed capital repairs are completed that reduce greenhouse gas emission and enhances the quality of life of resident households, while reducing the impact on climate change in York Region.

For more information on this report, please contact Rick Farrell, General Manager, Housing Services at ext. 72091.

The Senior Management Group has reviewed this report.

January 18, 2018

Attachment (1)

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Accessible formats or communication supports are available upon request

Housing Providers eligible for Social Housing Apartment Improvement Program

Housing Provider – Property Name	Number of Units
City of Markham	
Water Street Non Profit Homes Inc. – Cedar Crest Manor	150
Town of Richmond Hill	
Richmond Hill Ecumenical Homes Corporation – St Mark's	150
Richmond Hill Ecumenical Homes Corporation – Observatory Towers (1)	176
Richmond Hill Ecumenical Homes Corporation – Observatory Towers (2)	176
Total Buildings with 150 + units	4

Housing Provider – Property Name	Number of Units
Town of Georgina	
Housing York Inc. – Keswick Gardens	120
City of Markham	
Calvary House Corporation - Calvary Manor	100
Rouge Bank Foundation – Thomas Court	118
Town of Newmarket	
Housing York Inc. – Founders Place	100
Carpenters Local 27 Housing Cooperative Inc.	119
Davis Drive Non Profit Homes Corporation - Hamilton Place	119
Town of Richmond Hill	
John Fitzpatrick Steelworkers Housing Co-operative Inc.	116
Housing York Inc. - Rose Town	125
Prophetic Non Profit (Richmond Hill) Inc. – Genesis Place	140
Town of Whitchurch-Stouffville	
Parkview Village Retirement Community - Parkview Village Retirement	124
City of Vaughan	
Friuli Benevolent Corporation – Friuli Terrace	113
OHR Somayach Residential Centre Inc.	125
Total Buildings with 100-149 units	12
Total Buildings Eligible for Social Housing Apartment Improvement Program	16