

Clause No. 16 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 15, 2014.

16
INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO
ALLOCATION AND PROGRAM UPDATE

Committee of the Whole recommends adoption of the following recommendations contained in the report dated April 16, 2014 from the Commissioner of Community and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the allocation of \$585,252 for Housing York Inc. for the construction of four transitional housing units at the Richmond Hill Housing and Community Hub project under the current Canada-Ontario Investing in Affordable Housing Program.
2. Should additional funds become available from the federal/provincial governments through a new or extended Affordable Housing Program, the Commissioner of Community and Health Services, or delegate, be authorized to execute the necessary agreements with the Province.
3. Council authorize the Commissioner of Community and Health Services, or delegate, to accept and allocate such funds and enter into funding agreements with housing providers, subject to prior review by Legal Services, for the balance of 2014 in order to meet potential funding deadlines.

2. PURPOSE

This report requests that remaining Investment in Affordable Housing Program (the Program) funds currently available under the Rental Housing component be allocated to four transitional housing units for youth at the Richmond Hill Housing and Community Hub in order to meet program funding deadlines.

This report also seeks approval to accept and allocate any new or extended Affordable Housing Program funds that may be announced this calendar year. Assigning authority to the Commissioner of Community and Health Services, or delegate, will allow the Region to meet anticipated funding deadlines over the balance of the 2014 Council hiatus.

3. BACKGROUND

Investment in Affordable Housing Program is in its fourth, and final, year

Investment in Affordable Housing is a four-year program that began in 2011, and will end on March 31, 2015. The Program provides federal and provincial funding to support housing initiatives such as the development of new affordable rental housing and housing allowances for low income households.

The Region's share of the Program funding is \$22,172,978, spread over the four years of the Program. A specified portion of the Region's funding must be committed in each year, on a "use it or lose it" basis. The Province reserves the right to redistribute amongst Service Managers any annual funds that are not committed by December 31 of the applicable Program year. The Program fiscal plan, approved by Council in 2012, is outlined in Table 1.

Table 1
Approved Investment in Affordable Housing Program Delivery & Fiscal Plan

Program Component	Year 1 (\$) (2011-2012)	Year 2 (\$) (2012 – 2013)	Year 3 (\$) (2013-2014)	Year 4 (\$) (2014-2015)	Total (\$)
Rental	12,489,748	2,973,679	2,032,814	1,728,759	19,225,000
Homeownership	0	0	0	0	0
Northern Repair	N/A	N/A	N/A	N/A	N/A
Rent Supplement		0	0	0	0
Housing Allowance	0	1,000,000	1,947,978		2,947,978
Ontario Renovates	N/A	0	0	0	0
Total	12,489,748	3,973,679	3,980,792	1,728,759	22,172,978

4. ANALYSIS AND OPTIONS

\$585,252 of Year 4 Program funding is unallocated and available for commitment to fund four transitional units at the Richmond Hill Housing and Community Hub

The Program guidelines allow for each eligible affordable housing project to receive a maximum of \$150,000 per unit. Table 2 (below) outlines the distribution of Program funding for Years 1 through 3 and the proposed distribution for Year 4 funding.

Table 2
 Allocation of Rental Housing and Housing Allowance Funds

Development Project	Year 1 (\$) (2011-2012)	Year 2 (\$) (2012 – 2013)	Year 3 (\$) (2013-2014)	Year 4 (\$) (2014-2015)	Total (\$)
Crescent Village Seniors Housing Corporation	0	1,023,679	2,032,814	1,143,507	4,200,000
Belinda's Place	0	1,350,000	0	0	1,350,000
DeafBlind Ontario Services	0	600,000	0	0	600,000
Lakeside Residences	12,489,748	0	0	0	12,489,748
Richmond Hill Housing and Community Hub	0	0	0	585,252	585,252
Total Rental Housing Component Funds	12,489,748	2,973,679	2,032,814	1,728,759	19,225,000
Total Housing Allowance Component		1,000,000	1,947,978		2,947,978
Grand IAH Total	12,489,748	3,973,679	3,980,792	1,728,759	22,172,978

Funding four transitional housing units at the Richmond Hill Housing and Community Hub meets Program requirements and ensures full commitment of all available funding

It is recommended that the \$585,252 remaining in Year 4 Program funding be allocated as capital funds to four of the transitional housing units at the Richmond Hill Housing and Community Hub, to be owned by Housing York Inc. The allocation of these funds will reduce the capital contribution from reserves previously identified to fund this project. In accordance with Program requirements, the Region must execute a

Contribution Agreement with Housing York Inc. by December 31, 2014, to confirm the commitment.

Table 3 below outlines how, pending approval of this report, the Richmond Hill Housing and Community Hub will be financed.

Table 3
Richmond Hill Housing and Community Hub Funding Sources

Funding Sources	Current Funding (\$)	Revised Funding (\$)
Third Party Recovery	1,000,000	1,000,000
Debenture Proceeds – DC	10,287,000	10,287,000
Contribution from Social Housing	21,423,000	20,837,748
Contribution from Social Housing Reserve – Investing in Ontario	22,800,000	22,800,000
Contribution from Social Assistance Reserve	5,000,000	5,000,000
Investment in Affordable Housing for Ontario (IAH)	0	585,252
Total	60,510,000	60,510,000

The Region needs to be prepared to respond to funding opportunities created by a possible announcement of a new Federal Provincial Housing Program

The Province is expected to announce a new Program later this year. In previous iterations of the Program, the Province has required that the Region submit Program proposals and funding plans with very little advance notice. Historically, funding has generally been allocated to the Region based on project construction-readiness and urgency of housing need. This report proposes delegated authorities for the period expiring on December 31, 2014, to accept and allocate available funds and to enter into funding agreements with housing providers as required in accordance with the anticipated Program deadlines over the balance of 2014.

All allocation decisions made during the period of delegated authority will be reported back to Council in early 2015. Acceptance and allocation of funds after 2014 will be brought forward to Council for approval.

The distribution of future funding for affordable housing will be open to both non-profit groups that bring forward strong projects and Housing York Inc. developments including but not limited to the Richmond Hill Housing and Community Hub, and future redevelopment opportunities.

Link to key Council-approved plans

The need for more affordable housing options is a recurrent theme in the Region's strategic framework. *Vision 2051* has a goal of "Appropriate Housing for All Ages and Stages." The Regional *Official Plan* includes "promoting an appropriate mix and range of acceptable housing to meet the needs of residents and workers" as a key objective and the *Corporate Strategic Plan* addresses the need to "support healthy communities through a broad range of housing choices and supports to meet the diverse needs of residents." Increasing the rental housing supply is one of the four goals outlined in the Council-approved *Draft 10-Year Housing Plan*.

5. FINANCIAL IMPLICATIONS

By allocating the remaining Year 4 funding to transitional housing units at the Richmond Hill Housing and Community Hub, no funding is lost to the "use it or lose it" model of the Program. The costs of the four transitional units were proposed to be funded through Social Housing Reserve fund. Reallocating \$585,252 from Investing in Affordable Housing funding will enable the Region to reduce the draw from the Social Housing Reserve and maintain funds in the reserve for future development opportunities.

Leveraging all current and future federal and provincial funding from the Investing in Affordable Housing Program will increase the number of affordable housing units with less impact to the Region's reserves.

6. LOCAL MUNICIPAL IMPACT

York Region residents will have access to a greater breadth of specialized housing options and affordable rental programs. Any future funding will allow opportunities for non-profit groups to be involved in providing housing in the Region.

7. CONCLUSION

This report updates Council on the Investment in Affordable Housing Program's funding allocation, and recommends the remaining Rental Housing component funds be allocated to four transitional units at the Richmond Hill Housing and Community Hub. The report also recommends granting all necessary authorities for receipt of funding through a new or extended Affordable Housing Program and authority to enter into Contribution Agreements for funding with housing providers.

A report updating Council on Affordable Housing Program funds received and committed will be brought forward to Council in 2015 and annually thereafter.

For more information on this report, please contact Sylvia Patterson, General Manager, Housing and Long-Term Care at Ext. 72091.

The Senior Management Group has reviewed this report.