

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
14 April 2015 / 14 avril 2015**

**and Council
et au Conseil
29 April 2015 / 29 avril 2015**

**Submitted on April 7, 2015
Soumis le 7 avril 2015**

**Submitted by
Soumis par:
Steve Kanellakos, Deputy City Manager/Directeur municipal adjoint, City
Operations/ Operations municipales**

**Contact Person
Personne ressource:
Aaron Burry, General Manager/Directeur général, Community and Social
Services/Services sociaux et communautaires
(613) 580-2424 ext. / poste x23666, Aaron.Burry@ottawa.ca**

Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2015-COS-CSS-0005

**SUBJECT: INVESTMENT IN AFFORDABLE HOUSING FOR ONTARIO (IAH) 2014
EXTENSION PROGRAM**

**OBJET: PROGRAMME D'INVESTISSEMENT DANS LE LOGEMENT
ABORDABLE DE L'ONTARIO (PILAO) ÉLARGISSEMENT 2014**

REPORT RECOMMENDATIONS

That the Planning Committee recommend Council approve:

1. The Program Delivery and Fiscal Plan submission to the Ministry of Municipal Affairs and Housing as outlined in this report.

2. That upon receipt of funding from the Ministry of Municipal Affairs and Housing, that Housing Services staff be directed to:
 - A. Proceed with Request for Proposals (RFP's), that meet the requirements of the IAH 2014 Extension Service Manager Administration Agreement between the City and the Minister of Municipal Affairs and Housing, Action Ottawa Guidelines, and that are based on priorities and programs identified in this report to allocate IAH funding for Year 2, 3, 4, 5 and 6 of the IAH 2014 Extension Program;
 - B. Submit the proposal for each affordable housing rental project to the Minister of Municipal Affairs and Housing following the RFP Process and request the Minister of Municipal Affairs and Housing's approval of same;
 - C. Secure the provision of affordable rental housing units with a 35 year affordability term and register on title to each IAH Rental Housing project a contribution agreement as described in this report;
 - D. Allocate the remaining balance of \$2.3 million from the Housing Reserve Fund to support the creation of new affordable housing through additional conditional grants in lieu of building permit and school board fees, non-exempt planning fees, transit portion of development charges, accessibility grants and to provide a project contingency fund, subject to the said conditional grants being included in a contribution agreement between the City and each housing provider/proponent selected by the Action Ottawa Selection Committee under the RFP Process; and
 - E. Deliver the Ottawa Renovates Program as approved by Council in 2013 and in accordance with the IAH 2014 Extension Program guidelines.
3. The Administrator of Housing Services be delegated authority to:
 - A. Allocate \$1 million annually for 5 years in IAH funding to the shared delivery model of Housing Allowances and/or the City rent supplement program as approved by Council through the \$14 million Housing and Homelessness Investment Plan and in the accordance with IAH 2014 Guidelines; and
 - B. Allocate to a housing provider/proponent, selected by an Action Ottawa Selection Committee following the RFP Process, additional funding that may become available under the Investment in Affordable Housing for Ontario

Program (IAH) due to any notional reallocation by the Minister of Municipal Affairs and Housing.

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil d'approuver:

1. Le Plan financier et de mise en œuvre pour le ministère des Affaires municipales et du Logement, comme il est précisé dans le présent rapport,
2. Qu'à la réception du financement du ministère des Affaires municipales et du Logement, que le personnel des Services de logement soit chargé de:
 - A. Procéder avec les demandes de propositions - qui respectent les exigences de l'accord d'administration du gestionnaire de services conclus entre la Ville et le ministre des Affaires municipales et du Logement dans le cadre de l'Élargissement 2014 du PILAO, qui répondent aux exigences des lignes directrices du programme Action Ottawa, et qui sont fondés sur les priorités et programmes identifiés dans le présent rapport dans le but d'attribuer le financement provenant du PILAO de la deuxième à la sixième année du programme de l'Élargissement 2014 du PILAO;
 - B. Soumettre la proposition de chaque projet de logement abordable au ministre des Affaires municipales et de Logement suite au processus de demande de propositions, et demander la même approbation du ministre des Affaires municipales et du Logement;
 - C. Garantir l'offre d'unités de logement locatif abordables avec une période d'abordabilité de 35 ans, et enregistrer sur le titre un accord de contribution comme décrite dans ce rapport;
 - D. Attribuer la balance du 2,3 millions \$ du Fonds de réserve pour le logement pour appuyer la création de nouveaux logements abordables par l'entremise de subventions conditionnelles supplémentaires en compensation des droits de permis de construire et des redevances scolaires, des droits d'aménagement non exemptés, de la partie des redevances d'aménagement pour le transport en commun, des subventions aux fins d'accessibilité, et pour fournir un fonds de prévoyance pour le projet, assujetti aux dites subventions conditionnelles incluses dans l'accord de contribution entre la Ville et chaque

- fournisseur ou promoteur de logements choisi par le Comité de sélection d'Action Ottawa à la suite du processus de demande de propositions;
- E. Livrer le programme Rénovations Ontario, tel qu'approuvé par le Conseil en 2013, et conformément aux lignes directrices de l'Élargissement 2014 du PILAO.
3. Que l'administratrice des Services de logement se voie attribuer les pouvoirs délégués pour:
- A. Attribuer annuellement, une subvention d'un million de dollars sur une durée de cinq ans du financement du PILAO au modèle de prestations partagées et au programme des allocations de logement et suppléments de loyer de la Ville— conformément à l'approbation du Conseil dans le cadre du Plan d'investissement dans le logement et la lutte contre l'itinérance de 14 millions de dollars et selon les lignes directrices du PILAO de 2014;
- B. Accorder à un fournisseur ou un promoteur de logements choisi par un Comité de sélection d'Action Ottawa à la suite du processus de demandes de propositions, des fonds supplémentaires pouvant être libérés dans le cadre du PILAO en raison de toute réaffectation théorique par le ministre des Affaires municipales et de Logement.

EXECUTIVE SUMMARY

Assumptions and Analysis

This report is being brought forward to obtain Council approval and establish city priorities for the use of the funding from the Investment in Affordable Housing for Ontario program (the "IAH") (2014 Extension). The program provides \$801 million in federal and provincial funding for the creation of affordable housing in Ontario. The City has been allocated \$48,298,000 over six years between 2014 and 2020. The IAH program is divided into two funding streams (capital and operating) with 5 optional components, three of which are capital (Rental Housing, Homeownership Assistance, and Ontario Renovates) and two are operating (Rent Supplements and Housing Allowances).

The IAH (2014 Extension) is a continuation of the shared federal-provincial funding for affordable housing programs that began in 2003 and previously known as the Canada-Ontario Affordable Housing Program (the "AHP"). The AHP and IAH have been

available to Municipal Service Managers¹ (the “MSMs”) for the last 12 years and are comprised of different components depending on federal and provincial priorities. The programs and projects are monitored by the Ministry of Municipal Affairs and Housing (the “MMAH”) on behalf of the Province and the Canada Mortgage Housing Corporation (the “CMHC”) on behalf of the federal government.

¹ Municipal Service Managers (MSMs) are responsible for delivering and administering social and affordable housing and in many cases also deliver homelessness initiatives. MSMs are also responsible for administering social service programs (e.g. Ontario Works, Child Care).

Financial Implications

Staff is recommending that the IAH funding be allocated to both the capital and operating streams. Specifically, Housing Services is recommending that \$35.73 million of the total funding be allocated to capital projects through RFP's under Action Ottawa², \$5.4 million to support the continuation of the Ontario Renovates Program, and that \$5 million be allocated to rent supplements and/or housing allowances. The remaining \$2.16 million or 4.5% of the funding will be used to assist with staffing and other related costs associated with the administration (e.g. legal services) and monitoring of the programs. This report also recommends that City capital funding held in the Housing Reserve for Affordable Housing be used to support the \$48.3 million of IAH funding.

Two Year 1 "quick start" projects have been approved by the Province totalling \$5,001,000 using the 2014 IAH funding. Of the \$5 million, \$4,351,000 will be allocated to support the construction of Phase II (41 units) of the Multi-faith Housing Initiative ("MHI") project in the Longfields neighbourhood of Barrhaven. The remaining \$650,000 will be used to support the construction of a six unit, two-storey townhouse development by Ottawa Community Housing Corporation ("OCHC") in the Michele Heights community.

In order to ensure the viability of all funded projects, the City will need to contribute approximately \$6.9 million in contingency funding between 2015 and 2020. At present, \$2.2 million has been allocated with the approval of the 2015 budget which will be supplemented by \$2.3 million from the Housing Reserve as a result of previous land sales under the Housing First Policy. The remaining unfunded amount of \$2.4million will need to be generated from future land sales and development charges.

Public Consultation and Input

The Housing System Working Group (the "HSWG"), consisting of representatives from social, co-operative and supportive housing providers, support services, emergency shelters, health services, funders as well as the private landlords, were consulted and provided input into the IAH funding priorities and commitments recommended in this report.

² Action Ottawa is the title of the City's affordable housing program which is comprised of a combination of City incentives approved through various by-laws and policies and funding from all three levels of government to assist private and non-profit developers in building new affordable rental housing for moderate and low-income households.

BACKGROUND

The IAH (2014 Extension) provides \$801 million in federal and provincial funding to improve access to affordable housing in Ontario. This program is a continuation of the original IAH program that ran from 2011 to 2015, which provided \$25.8 million in funding during the last term of Council and was supplemented by \$17 million in City funding.

MSMs have been provided with a six-year notional funding allocation that is based on each area's share of the province's households and the number of households in core housing need³. Year 1 (2014-2015) is a transitional year with the full program being delivered in Years 2 to 6 (2015-2020). The City's allocation of \$48,298,000 is broken down by fiscal year as per Table 1. IAH funding allocations are on a 'use it or lose it' basis, in that funds that are not committed by the required timelines will lapse, as there is no possibility of re-profiling between fiscal years.

Table 1: City of Ottawa's Total IAH Allocation of \$48,298,000 by Year

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
\$5,001,000	\$9,687,600	\$9,681,500	\$9,675,600	\$9,651,800	\$4,600,500

As with the previous IAH program, the 2014 Extension offers five optional components within two funding streams: capital and operating. MSMs may choose to deliver all options, one option or any combination of the five (see Table 2). Once funding is allocated within a component, it can only be re-allocated within its component category but cannot be transferred between streams. However, the Province may approve such transaction under exceptional circumstances. Of note, IAH funding cannot be used to repair social housing without exception.

³ The Canada Mortgage and Housing Corporation (CMHC) describes Core Housing Need as follows. The term "acceptable housing" refers to housing that is in **adequate condition** – does not require any major repairs according to residents, **suitable in size** – has enough bedrooms for the size and make-up of households in accordance with the National Occupancy Standard (NOS) requirements and is **affordable**- costs less than 30% of before-tax household income and includes costs related to utilities.

Table 2: IAH Capital and Operating Streams

Capital Components	Operating Components
Rental Housing	Rent Supplements
Homeownership	Housing Allowances
Ontario Renovates	

The following discussion provides the rationale and recommendations for allocating the IAH funding based on the City's priorities and demands as reflected in the City's Ten Year Housing and Homelessness Plan (the "Ten Year Plan").

DISCUSSION

The MMAH, under the IAH Municipal Service Manager Agreement, requires the City to approve and submit a Program Delivery and Fiscal Plan (PDFP) that outlines how the IAH funds will be used and how they will advance the objectives of our Ten Year Plan.

Program Delivery and Fiscal Plan

The PDFP will provide the City's allocation and spending plan by year. Table 3 shows the proposed allocation of federal and provincial funds under the IAH program. Table 4 highlights the total potential capital contribution from the City and the IAH that would fund new affordable and/or supportive housing through new construction or acquisition and rehabilitation of existing buildings.

Table 3: Program Delivery and Fiscal Plan (PDFP) Summary (\$,000's)

Program Component	Year 1&2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19	Year 6 2019-20	Year 7 Transition Yr 2020-21	TOTAL
Annual IAH Allocation as per MMAH	14,689	9,682	9,676	9,652	4,601		48,298
Admin. Fees 4.5%	(484)	(484)	(484)	(483)	(230)		(2,165)

Program Component	Year 1&2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19	Year 6 2019-20	Year 7 Transition Yr 2020-21	TOTAL
Ontario Renovates	(600)	(1,200)	(1,200)	(1,200)	(1,200)		(5,400)
Operating Rent Supps Housing Allowances		(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(5,000)
Subtotal	(1,084)	(2,684)	(2,684)	(2,683)	(2,430)		(11,565)
Balance (Capital Funding)	13,604	6,997	6,992	6,969	1,170		35,733

Table 4: Total Capital Allocation of \$35.733M for New Construction and/or Acquisition (\$,000's)

Annual Allocation and Funding Source	Year 2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19	Year 6 2019-20	Total
Provincial/Federal Capital Funding (IAH)	13,604	6,997	6,992	6,969	1,170	35,733
Required City Funding for Contingency and Fee Relief	2,203	1,750	1,341	1,337	225	6,856
Total Planned Capital (IAH and City)	15,807	8,747	8,333	8,306	1,395	42,588

As described in Table 4, \$6.9 million in City funding is required to support the capital component of the IAH. This funding is used to provide grants for building permit fees, transit portion of development charges, school board development charges and Committee of Adjustment fees and other development-related expenses. The 2015 budget provided \$2.203 million from the Housing Reserve Fund. The recommendation in this report is that the remaining balance of \$2.3 million be allocated to support the program for 2016 and part of 2017. Therefore, a total of \$2.4 million will be required from the development charges and the sale of residential property to provide the \$6.9 million in total City funding required for the term of the program.

IAH Program Components

The following is a brief overview and rationale for selecting specific components of the IAH program:

Year 1: Quick Start Allocation

Similar to the previous IAH program, the IAH 2014 Extension Program has a Quick Start component of \$5 million of the \$48.3 million. Municipalities were required to identify construction-ready project(s) with contribution agreements needing to be executed with housing proponent(s) by January 31st, 2015, with construction beginning within 120 days. Given the short timelines, the MMAH accepted proposals for the quick start projects based on the recommendation of City Managers.

With approval from the City Manager, the Province was advised that the Housing Services Branch had selected two construction-ready projects to receive this funding as described below:

- \$4.3 million to support the construction of Phase II of the (MHI), Longfields project comprised of 41 units, that will allow for the development of a complete community with a total of 98 units.
- \$650,000 to support the construction of a six unit, two-storey townhouse development by (OCHC) in the Michele Heights community that will consist of two 5 bedroom accessible townhouse units and four 4 bedroom townhouse units.

Councillors were advised of the approval of these projects by the Province on March 18, 2015.

New Affordable Rental and/or Supportive Housing

The demand for affordable and/or supportive housing continues to exceed the supply. Housing Services is recommending that the bulk of the funding, \$35,733,150, be allocated to building and acquiring new affordable housing over the next 5 years. The IAH funding alone will facilitate the development of more than 300 new units in the city, subject to construction costs and other market factors. Through the leveraging of resources, such as lands and equity, from other levels of government, agencies or the City, staff expects to facilitate more than the 300 units over the next 5 years.

Based on the Ten Year Plan and considering local socio-demographics and demands on the Emergency Shelter System and the Centralized Waiting List (the "CWL"), staff is

recommending the three following priority areas for capital development of new affordable housing:

- Supportive Housing;
- Mixed Composition Affordable Rental Housing; and
- Housing for older adults (seniors).

Affordable housing developed under the program will advance the goals of the Ten Year Plan by addressing the housing priorities as described below:

Supportive Housing

Increasing the supply of affordable, accessible housing and supports including supportive housing is a key component of building a liveable city for generations to come. The City recognizes the importance of providing a variety of supportive housing options to ensure that our most vulnerable residents, especially people staying in emergency shelters, receive the housing and supports they need to secure and retain a home as their life circumstances change. Last year alone, over 6,500 individuals, including families and their children accessed an emergency shelter.

Some of the key benefits of supportive housing include:

- Clients currently living in emergency shelters or living unsheltered are provided with appropriate housing and supports, resulting in better quality of life and health over time;
- A person housed with the appropriate supports means a reduction in emergency response costs, such as paramedics, police, and hospital emergency visits;
- Fewer people requiring emergency shelter will result in less overcrowding in existing shelters, leading to increased stability in the shelter and in the surrounding neighbourhood: and
- As clients who are homeless living in emergency shelters are transitioned into housing, there will be reduced emergency shelter expenditures that will be re-invested in prevention, housing and supports.

There are three new supportive housing developments, totalling 112 units, under construction which will house emergency shelter clients with complex needs.

Mixed Composition Affordable Rental Housing

While the IAH 2014 allocation to Ottawa is significant, the demand for affordable and suitable housing for households on low income far exceeds the supply. Of the 10,224 households on the CWL at the end of 2014, families with children represent one of the largest shares of households and have a median wait time of 4 years. Additionally, the average length of stay for families in the city's emergency shelter system increased from 98 nights in 2013 to 105 nights in 2014.

Single adults represent the second largest share of households on the CWL and also have one of the highest wait times. There is currently a high demand for bachelor and one bedroom units in Ottawa, which is demonstrated by the low vacancy rate of 1.8% and 2.3% respectively. While experts define a healthy rental market as having a vacancy rate of 3%, Ottawa has only had this rate two years of the last 15 years, with the lowest rate recorded at 0.2%.

Funding the development of mixed-composition affordable housing creates diverse and prosperous communities where individuals and families can work, live and play. Also, providing for a mix of affordable dwelling types helps to create and maintain economically-sustainable communities as units can be made available to a variety of households with varying needs and adapted over time. For example, many seniors choose to live in such developments rather than seniors' only buildings where various social, health and economic initiatives and programs may also be provided to tenants that promote independent living.

Affordable Rental Housing for Older Adults

Affordable housing for seniors provides individuals and couples with a self-contained unit, and does not include a residence in a retirement home. Dwelling units provided under the IAH program may be barrier free and adaptable. Supports may be offered to help facilitate independent living and aging in place as organized by tenants and/or the housing provider.

In Ottawa, and across the country, there is an increasing need to provide funding to develop housing for seniors, given the notable growth in this population group. According to 2011 Census data, there are approximately 116,590 seniors living in Ottawa, which represent over 13% of population. It is estimated that by 2031, more than one in five residents will be over the age of 65 years.

According to the 2011 Census, many seniors living in Ottawa are reasonably secure financially, but 7% live on low income. Between 2011 and 2014, the number of senior

households on the CWL increased from 18% of the total households to 21%. The increasing number of seniors living in Ottawa, coupled with the growing demand for affordable housing, provides the impetus to include seniors' housing as part of the IAH 2014 Extension Program.

The Ministry of Municipal Affairs and Housing, through the IAH guidelines has established a province-wide target of 15% of IAH funding for seniors, which may be recovered if this target is not met. As such, staff is recommending that a minimum of 15% of the IAH funding be provided to support seniors' initiatives in two ways. The first is to provide funding through the Ontario Renovates Program to assist low income seniors age in place and the second is the development of new affordable housing. With respect to the latter, between 40 and 50 new units would be developed for seniors. However, it should be noted that some rent supplements / housing allowances as well as the supportive housing and mixed composition affordable housing stock described above will include subsidized units for older adults and seniors. Taking these facts into account, a minimum of 20% of the IAH funding will be provided for senior specific initiatives.

Once Council and the MMAH approve the spending plan described in this report, the Housing Services Branch will lead RFP processes for the available funding under the Action Ottawa and IAH programs.

Both the private and not for profit sectors can submit proposals, unless otherwise specified by the federal or provincial government. Proponents are selected by an allocation committee comprised of City staff and external stakeholders and projects are awarded based on best value for money. The criteria used to evaluate the projects include the experience of the project team, the quality of the design, the financial sustainability of the proposed project, the environmental, energy efficiency and accessibility features, as well as their ability to manage housing projects and/or provide support to tenants. The Housing Services Branch works closely with successful proponents to exceed the affordability requirements of the IAH program for low-income households, which is 80% of the Average Market Rent as reported by CMHC.

Once a project is approved by the Action Ottawa Selection Committee, details are forwarded to the Minister of Municipal Affairs and Housing, who then approves the funding by issuing a Conditional Letter of Commitment to the City and proponent. Affordable housing developed under the IAH, must comply with the conditions in the Minister's Letter and as per recommendation 2 C will be secured with a contribution

agreement requiring a 35 year affordability term and mortgage security registered on title to protect the City and IAH investment. For not-for-profit housing providers / proponents, contribution agreements must meet the requirements of the IAH Service Manager Administration Agreement and Section 107 of the *Municipal Act, 2001*. For private sector housing providers / proponents, the contribution agreement must also fall under the City's Municipal Housing Facilities By-law 2006-1 in order to receive funding.

Ontario Renovates Program

In April 2013, Housing Services launched the Ontario Renovates Program in accordance with IAH guidelines for 2011-2014. From the City's IAH funding allocation, \$2.4 million was allocated to the Ontario Renovates Program for a two-year period (2013-2015). The original program guidelines and funding were based partially on estimated expenditures by the CMHC when the federal government was responsible for delivering this program, formally known as the Residential Rehabilitation Assistance Program (the "RRAP").

In 2013, the City had determined that this program would be offered to two priority groups, namely, seniors and people with physical disabilities. The Ontario Renovates Program in Ottawa was also available to landlords for accessibility-related modifications. During the last two years, over 120 households were assisted, of which, over 50% were seniors. The program has been successful in ensuring that seniors and / or people living with physical disabilities are living in housing that is in a good state of repair and modified to suit their individual needs. Typical repairs and renovations included modifying bathrooms for wheel chair accessibility, installation of ramps and lifts, and new roofs and windows as well as the replacement of furnaces.

Under the IAH 2014 Extension, staff is recommending to continue with the Ontario Renovates Program as previously approved, with an annual allocation of \$600,000 for the remainder of 2015 and \$1.2 million annually until March 31st 2021. This proposed allocation is consistent with the demand experienced since the inception of the program. In the event that there are unspent Ontario Renovates Program funds at the end of a fiscal year, these can be transferred to support the development of rental housing, as required.

Rent Supplements and Housing Allowances

The lack of affordable housing is one of many complex sets of factors that lead to housing instability and homelessness. For households on low and fixed incomes, including people who earn a low wage, housing affordability represents a significant

barrier to making ends meet. In an effort to increase housing stability for households on low income, targeted programs have been developed to subsidize the high rental housing costs in the form of rent supplements and housing allowances. At present, approximately 3,700 households are in receipt of a rent supplement or housing allowance.

The operating component under the IAH program consists of two main streams: Rent Supplements and Housing Allowances. Given the urgent need to address housing affordability challenges for households on low income, it is recommended that a total of \$5 million (\$1 million annually over 5 years) of the total IAH funding allocation be used for Rent Supplements and / or Housing Allowances, beginning in 2016 and ending in 2021. The final year of the program will allow for a transition in the event that the IAH is not renewed by the federal or provincial governments. Providing that the IAH is renewed, the City can determine in 2021 if the Rent Supplement and / or Housing Allowance initiative should continue, be expanded or be phased out.

The Rent Supplement Program provides rent-geared-to-income (RGI) assistance to qualifying⁴ households selected from the CWL for social housing. The City contracts with private landlords for a specific unit(s) who are willing to participate in the program. The household, in receipt of a rent supplement, pays approximately 30% of their gross monthly income as rent to the landlord and the remaining portion of the total monthly rent is paid directly to the landlord by the City as a rent supplement in not-for-profit, co-operative or privately owned buildings. The subsidy is attached to the unit and therefore cannot be transferred if the tenant wishes to move to another location/dwelling.

A Housing Allowance is a subsidy that can be paid directly to a qualifying⁵ tenant in need of assistance to cover housing rental costs. This benefit is \$250 for a single person and \$50 for each additional family member and could be paid directly to the landlord. It is portable anywhere in the City and does not necessarily involve the participation of the landlord. A household in receipt of a Housing Allowance may choose to remain on the CWL for social housing as it normally provides a greater subsidy. The City first introduced over 500 Housing Allowances, representing \$1.6 million in funding under the \$14 million Housing and Homeless Investment Plan approved by Council in 2011.

⁴ Eligibility review for the program is completed annually.

⁵ Eligibility review for the program is completed annually.

Rent Supplements and Housing Allowances will be provided by using established parameters and eligibility criteria for existing programs and in accordance with the [IAH 2014 Extension Program Guidelines](#). The Administrator, Housing Services, shall consult with the sector, through the HSWG, to align these operating funds between the rent supplements and housing allowances and make the necessary modifications to the program that support Council's objectives, as established in the Ten Year Plan.

IAH Administration Fees

In accordance with the IAH program guidelines, up to 5% of the IAH funding allocation (less the quick start) can be used to assist with the planning and development for the various program requirements of the IAH. Housing Services is requesting that 4.5% (\$2,164,850) of the funding be allocated to the cost associated with the ongoing administration and staffing of the program.

Conclusion

The IAH 2014 Extension Program funding will be used to advance the objectives of the Ten Year Plan, which will provide individuals and households on low income with greater affordable housing options that are safer and more accessible and that include supportive housing.

Staff will proceed with the Year 1 "quick start" projects and release Request for Proposals (RFP) under Action Ottawa annually, to allocate Years 2, 3, 4, 5 and 6 of the IAH capital funding for new rental housing.

Staff shall resume administration of the Ottawa Renovates Program immediately following Council approval of the IAH.

Implementation of the Rent Supplements and / or Housing Allowances funded through the IAH shall begin in April 2016 through to March 2021.

RURAL IMPLICATIONS

The funding provided under the IAH for all programs and initiatives can be used to support projects in both the urban and rural areas within the City boundary.

CONSULTATION

In early 2010, the (HSWG) was created to provide guidance and support to the City's Housing Services in the development and implementation of the Ten Year Plan. The HSWG membership includes representatives from a broad range of sectors including:

social housing (non-profit and co-ops), shelters, housing and homelessness supports and prevention, supportive housing, the Champlain Local Health Integration Network, the Community Health and Resource Centres, the Royal Ottawa Hospital and the Eastern Ontario Landlord Organization. Committee members have been actively involved in the implementation of the Ten Year Plan since its inception, which commenced on January 1st, 2014.

In preparation for seeking Council approval of the proposed priorities and investments contained in this report, Housing Services engaged the HSWG in a consultation exercise, which included a detailed review and analysis of the needs and trends. The feedback garnered from the group was used to formulate the recommendations in this report, which are in keeping with the IAH funding requirements and are aligned with the objectives of the Ten Year Plan.

COMMENTS BY THE WARD COUNCILLOR(S)

N/A

ADVISORY COMMITTEE(S) COMMENTS

This section contains any comments or recommendations made by one or more Advisory Committees relating to this report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

The main risks, as described throughout the report, include the possible recovery of unspent funds by the Province, the uncertainty related to the transfer of funds between funding streams as well as the time-limited nature of the funding, which could compromise the viability of certain key initiatives (e.g. Rent Supplements and Housing Allowances). With respect to the latter, managing the cash flow within the timelines and milestones as prescribed by the Province may represent an additional risk.

Ensuring financial viability of the development of affordable housing projects is a key component of sound project management practices. As such, revenues from development charges (DCs) and the proceeds (25%) from the sale of residential property will represent the City's contribution for the 15% contingency or \$6.9 million toward the IAH capital funding allocation. While \$4.5 million is currently available for contingency, an additional \$2.4 million in revenue will need to be generated from DCs and the sale of residential property, which is not a guaranteed source of funding.

As part of a comprehensive risk mitigation strategy, staff will monitor expenditures closely and take the necessary proactive steps to ensure the financial viability of projects and maximize the use of available funds to avoid any loss in funding.

ASSET MANAGEMENT IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS

The 2015 Approved Capital budget includes sufficient funding for the IAH plan as outlined within the report. In order to ensure the viability of all funded projects, the City will need to contribute approximately \$6.9M in contingency funding between 2015 and 2020. Within the approved 2015 capital budget there is \$2.2M of contingency funding. The Housing Reserve currently has an uncommitted balance of \$2.3M as a result of previous land sales under the Housing First Policy. With the approval of the report recommendations \$2.3M of Housing Reserve funding will be committed for contingency funding for the IAH program. The remaining unfunded amount of \$2.4M will need to be generated from future land sales and development charges.

ACCESSIBILITY IMPACTS

The proposed IAH spending plan supports the City's commitment to improve accessibility for residents living with disabilities. The projects approved pursuant to the IAH program will comply with the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA). Specifically, a minimum of 10% of all units built will be designed for occupancy by people with disabilities. Since 2002, the percentage of accessible units exceeded 12% of all units constructed. New construction, whenever possible, will include also Visitability Standards as recommended by the City's Accessibility Committee to create more accessible and welcoming homes for anyone living with a disability. These "Visitable" features are easy to construct on most terrain and are visually unnoticeable.

Helping people living with disabilities who cannot afford to modify their homes and ensure their safety, is a critical component of a responsive housing system. The Ontario Renovates Program, which was implemented in April 2013 as a key component of the IAH, represents an annual investment of \$1.2 million to assist people with disabilities on low income, including seniors, with repairs or home modifications to support independent living.

ENVIRONMENTAL IMPLICATIONS

The IAH 2014 Extension Program Guidelines contain energy efficiency requirements that promote sustainable building practices when developing affordable housing or undertaking repairs under the Ontario Renovates Program. New affordable housing built under Action Ottawa and the IAH programs typically exceeds building code requirements for energy efficiency and sustainability.

TECHNOLOGY IMPLICATIONS

N/A

TERM OF COUNCIL PRIORITIES

The IAH priorities and investments described in this report are well-aligned with the Term of Council Strategic Priorities (2011-2014) and support the Strategic Priority of Healthy and Caring Communities, specifically the strategic objective: Improve social and affordable housing ("HC3"). In addition, the priorities and related actions contained in the IAH program support a number of additional Strategic Priorities including:

- Environmental Stewardship

- Service Excellence
- Financial Responsibility

SUPPORTING DOCUMENTATION

N/A

DISPOSITION

Upon Council approval of the IAH spending plan described in this report, Housing Services will submit the Program Delivery and Fiscal Plan (PDFP) to the Ministry of Municipal Affairs and Housing.

Each calendar year, Housing Services will conduct an RFP Process allocating the 2015 to 2020 IAH capital funding for affordable and / or supportive housing projects as approved by the Action Ottawa Selection Committee and as outlined in the PDFP described in this report.

The Ontario Renovates Program shall resume administration, including executing agreements for funding home repairs and modifications to qualified households and landlords immediately.

Staff will begin planning for the implementation of the rent supplements and housing allowances that will be made available to residents by April 2016.