

**Report to  
Rapport au:**

**Planning Committee  
Comité de l'urbanisme  
13 September 2016 / 13 septembre 2016**

**and Council  
et au Conseil  
28 September 2016 / 28 septembre 2016**

**Submitted on September 6, 2016  
Soumis le 6 septembre 2016**

**Submitted by/Soumis par:  
Janice Burelle, General Manager/Directrice générale, Community and Social  
Services/Services sociaux et communautaires**

**Contact Person  
Personne ressource:  
Shelley VanBuskirk, Administrator, Housing Services/Administratrice, Services  
de Logement  
*(613) 580-2424 ext. / poste 16366, Shelley.VanBuskirk@Ottawa.ca***

**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2016-CSS-GEN-0002**

**SUBJECT: Social Infrastructure Fund: Investment in Affordable Housing**

**OBJET: Fonds pour l'infrastructure sociale : Programme d'investissement  
dans le logement abordable**

## **REPORT RECOMMENDATIONS**

**That the Planning Committee recommend Council approve:**

- 1. That the Administrator, Housing Services, be delegated authority to approve the City's Program Delivery and Fiscal Plan, which sets out the details of the program and spending plan outlined in this report, and submit it to the Ministry of Housing.**

2. That in the event additional funding becomes available under the program due to any reallocation by the Ministry, the Administrator, Housing Services, be delegated authority to amend the Program Delivery and Fiscal Plan and allocate the additional funding in keeping with the process outlined in this report.
3. That Housing Services deliver the capital Affordable Rental Housing Component, upon receipt of funding from the Ministry of Housing, as outlined in this report.
4. That the \$6.9 million in City funds, collected from development charges and the sale of surplus residential lands approved by Council on April 29th 2015 as part of the current IAH program be extended to support the creation of new affordable housing under the SIF-IAH for the purpose outlined in this report.
5. That, for the Ontario Renovates Component, the Administrator, Housing Services, be delegated authority to:
  - a) Increase the maximum grant allowance for qualifying accessibility modifications from \$3,500 to \$5,000 per household in accordance with provincial guidelines;
  - b) Increase the maximum qualifying income guidelines for households to reflect increases in maximum permitted household income in accordance with provincial guidelines and as set out in Table 3 of this report; and
  - c) Expand the eligible repairs for which landlords may receive a loan in 2017/2018, in accordance with provincial guidelines and based on selection criteria to be developed in consultation with stakeholders.

## **RECOMMANDATIONS DU RAPPORT**

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

1. l'attribution des pouvoirs délégués à l'administrateur, Services de logement, lui permettant d'approuver le Plan financier et de mise en œuvre de la Ville, qui établit les détails du programme et du plan de dépenses énoncés dans le présent rapport, et de le soumettre au ministère du Logement;
2. l'attribution des pouvoirs délégués requis, en cas d'octroi de fonds supplémentaires dans le cadre du programme en raison d'une réaffectation par le ministère du Logement, à l'administrateur, Services de logement,

- pour modifier le Plan financier et de mise en œuvre et attribuer lesdits fonds en fonction du processus établi dans le présent rapport;**
- 3. l'exécution du volet consacré aux immobilisations du programme de logements locatifs abordables par les Services de logement, une fois les fonds reçus du ministère du Logement, tel qu'il est décrit dans le présent rapport;**
  - 4. l'utilisation des fonds de 6,9 millions de dollars de la Ville, versés à même les redevances d'aménagement et la vente de terrains résidentiels excédentaires et approuvés par le Conseil municipal le 29 avril 2015 aux fins du Programme d'investissement dans le logement abordable de l'Ontario (PILAO) actuel, pour soutenir la création de nouveaux logements abordables dans le cadre du FIS (Fonds pour l'infrastructure sociale)-PILAO selon les fins décrites dans le présent rapport;**
  - 5. l'attribution des pouvoirs délégués à l'administrateur, Services de logement, pour la composante Rénovations Ontario, afin de :**
    - a) faire passer l'allocation maximale pour les modifications d'accessibilité admissibles de 3 500 \$ à 5 000 \$ par ménage, conformément aux lignes directrices provinciales;**
    - b) hausser le revenu admissible maximal des ménages en fonction de l'augmentation du revenu maximal permis pour les ménages selon les lignes directrices provinciales et les indications faites au tableau 3 du présent rapport;**
    - c) élargir les réparations admissibles pour lesquelles les propriétaires pourront recevoir un prêt en 2017-2018, conformément aux lignes directrices provinciales et selon les critères de sélection qui seront élaborés en consultation avec les parties prenantes.**

## **EXECUTIVE SUMMARY**

### **Assumption and Analysis**

The purpose of this report is to obtain delegated authority to approve the Program Delivery and Financial Plan (PDFP) for the new Social Infrastructure Fund (SIF) – Investment in Affordable Housing (IAH) Program. Ottawa's allocation under this program is \$19,174,200 over two years (2016-2018). This funding will supplement the current IAH 2014 Extension Program funding under which the City has been allocated \$48,298,000 over 6 years (2014-2020) for a total IAH investment of \$67,472,200.

The report also serves to extend the use of the \$6.9 million in City funds, previously approved by Council on April 29<sup>th</sup>, 2015, to support costs related to the development of new affordable housing under SIF and to delegate authority to amend the Ontario Renovates Program as outlined in this report.

### **Financial Implications**

As per provincial funding requirements, the new funding must first be allocated to provide a financial subsidy to households who may be facing housing instability in social housing communities where operating agreements and/or federal subsidies have expired prior to April 1<sup>st</sup>, 2016. Staff is currently working with these housing providers to determine the amount of housing subsidies required, if any, for this priority group. Staff is recommending that the remaining SIF funding be allocated to support the expansion of the Ontario Renovates Program (up to \$2 million) and for the development of new Affordable Rental Housing through a Request for Proposals (RFPs) process under Action Ottawa<sup>1</sup> (up to \$17.2 million).

### **Public Consultation and Input**

The Housing System Working Group (HSWG), which consists of representatives from social, co-operative and supportive housing providers, support services, emergency shelters, health services, funders as well as private landlords, was consulted and provided input into the funding priorities and commitments recommended in this report. Cognizant of the federal and provincial funding priorities and requirements, staff, in consultation with the HSWG, is recommending that seniors, supportive housing for people experiencing homelessness and affordable housing for population groups identified by the provincial and federal governments be prioritized for the Affordable Rental Housing capital component.

Staff, in consultation with the sector and in alignment with provincial guidelines, is also recommending the following changes to the Ontario Renovates Program:

- 1) Increase the maximum grant allowance for qualifying accessibility modifications from \$3,500 to \$5,000 per household in accordance with provincial guidelines;
- 2) Increase the maximum qualifying income guidelines for households to reflect increases in maximum permitted household income in accordance with provincial guidelines and as set out in Table 3 of this report; and

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<sup>1</sup> 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.

- 3) Expand the eligible repairs for which landlords may receive a loan in 2017/2018, in accordance with provincial guidelines and based on selection criteria to be developed in consultation with stakeholders.

## RÉSUMÉ

### Hypothèses et analyse

Le présent rapport est soumis en vue d'obtenir un pouvoir délégué d'approbation du Plan financier et de mise en œuvre pour le FIS (Fonds pour l'infrastructure sociale)-PILAO (Programme d'investissement dans le logement abordable de l'Ontario). Ottawa a reçu 19 174 200 \$ sur deux ans (2016-2018). Ces fonds compléteront le financement obtenu dans le cadre de l'Élargissement 2014 du PILAO actuel pour lequel la Ville a obtenu 48 298 000 \$ sur six ans (2014-2020), ce qui a fait passer l'investissement total pour le PILAO à 67 472 200 \$.

Le présent rapport est également soumis en vue de permettre, d'une part, l'utilisation des fonds de 6,9 millions de dollars de la Ville, approuvés par le Conseil municipal le 29 avril 2015, pour le soutien de la création de nouveaux logements abordables dans le cadre du FIS, et, d'autre part, la délégation du pouvoir de modifier le programme Rénovations Ontario pour les fins décrites dans ledit rapport.

### Répercussions financières

Selon les exigences de financement provinciales, les nouveaux fonds doivent d'abord servir à fournir un soutien financier aux ménages qui peuvent être confrontés à une instabilité résidentielle dans les ensembles de logements sociaux dont les ententes d'exploitation ou les subventions fédérales sont arrivées à échéance avant le 1<sup>er</sup> avril 2016. À l'heure actuelle, le personnel s'efforce, en collaboration avec les fournisseurs de tels logements, de fixer le montant des subventions au logement nécessaires, le cas échéant, pour ce groupe prioritaire. Le personnel recommande que les montants restants du FIS soient alloués au soutien de l'élargissement du programme Rénovations Ontario (jusqu'à 2 millions de dollars) et à la création de nouveaux logements locatifs abordables grâce à un processus de demande de propositions mené dans le cadre du programme Action Ottawa<sup>2</sup> (jusqu'à 17,2 millions de dollars).

### Consultation publique et commentaires

Le Groupe de travail sur le système de logement (GTSL), composé de représentants de fournisseurs de logements supervisés, de logements sociaux, de coopératives

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<sup>2</sup> Action Ottawa est le programme de logements abordables de la Ville qui comporte une combinaison de mesures incitatives municipales qui ont été approuvées par l'intermédiaire de divers règlements et politiques et qui sont financées par les trois paliers de gouvernement. Ces mesures visent à aider les promoteurs privés et sans but lucratif à construire de nouveaux logements locatifs abordables destinés aux ménages à revenu faible ou modique.

d'habitation, de services de soutien, de refuges, de services de santé, de bailleurs de fonds de même que de propriétaires privés, a été consulté et a contribué à l'établissement des priorités de financement et des engagements recommandés dans le présent rapport. Conscient des priorités et des exigences fédérales et provinciales en matière de financement, le personnel, en consultation avec le Groupe de travail sur le système de logement, recommande que les logements pour personnes âgées, les logements supervisés pour les personnes sans domicile et d'autres logements abordables pour les groupes démographiques identifiés par les gouvernements fédéraux et provinciaux soient priorisés dans le cadre du volet consacré aux immobilisations du programme de logements locatifs abordables.

Le personnel, en consultation avec le secteur et en conformité avec les lignes directrices provinciales, recommande également ce qui suit :

- 1) faire passer l'allocation maximale pour les modifications d'accessibilité admissibles de 3 500 \$ à 5 000 \$ par ménage, conformément aux lignes directrices provinciales;
- 2) hausser le revenu admissible maximal des ménages en fonction de l'augmentation du revenu maximal permis pour les ménages selon les lignes directrices provinciales et les indications faites au tableau 3 du présent rapport;
- 3) élargir les réparations admissibles pour lesquelles les propriétaires pourront recevoir un prêt en 2017-2018, conformément aux lignes directrices provinciales et selon les critères de sélection qui seront élaborés en consultation avec les parties prenantes.

## **BACKGROUND**

On April 29<sup>th</sup>, 2015, Council approved the City's Program Delivery and Fiscal Plan (PDFP) for the Investment in Affordable Housing (IAH) for Ontario, 2014 Extension Program. The IAH is the shared federal-provincial funding of \$801 million from 2014 to 2020 for affordable housing initiatives. The City's allocation was \$48,298,000 over six years (2014-2020) for capital funding toward Affordable Rental Housing, Ontario Renovates and subsidies for Rent Supplements and Housing Allowances.

Additionally, the City is providing \$6.9 million in funding to support the capital component of the IAH. This funding is collected from the City's Housing First Policy that directs 25% of surplus residential land sales to support the development of affordable housing and from the development charge reserve fund for affordable housing. It is required to support the IAH through the provision of conditional grants in lieu of building permits and school board fees, non-exempt planning fees, transit portion of development charges, accessibility grants and to provide a project contingency fund. All funding provided is

secured by way of a contribution agreement between the City and each housing provider/proponent selected by the Action Ottawa Selection Committee under a Request for Proposal (RFP) process. This funding is also required to support the SIF.

In March 2016, the federal government unveiled its Budget, which committed \$2.3 billion in new funding for housing and homelessness over two years (2016-2018) as Phase I of the Social Infrastructure Fund (SIF). In June 2016, the federal and provincial governments reached a cost-sharing agreement on the supplemental amount for the IAH funding. Through this agreement, Ontario will invest \$336.7 million in funding over two years (2016-2018) and over \$67 million for the construction and renovation of seniors' housing. Ottawa's share of the funding has been set at \$19,174,200. Of note, a portion of the funding has been set aside by the Province to respond to areas of provincial need or priority, which will be determined in 2017.

The Phase II funding (year 3 to 10), details of which have not been announced, will follow the development of a National Housing Strategy, expected in 2018.

## **DISCUSSION**

The housing-related investments as described in the previous section, aim to increase the quality, access to, and availability of, affordable housing options through various initiatives. The table below describes the funding that the City has received for the IAH 2014 Extension Program and the additional funding it will receive from this new program. All IAH funding allocations are on a 'use it or lose it' basis, in that funds which are not committed by the required timelines must be returned to the Province.

Delegation of authority to the Administrator of Housing is important given the funding guidelines are rigorous and timelines are short. The use of the delegated authority will be reported annually as required under By-law 2014-435. In accordance with the SIF program guidelines, up to 5% of the funding can be used to assist with the planning, development, monitoring and reporting for the various requirements of the program. Significant legal work and costs are required to support the implementation of the program, including the creation and monitoring of agreements, the registration of mortgages and notices to secure the funding as well as ongoing legal advice. Up to 5% of the funding is to be allocated to the cost associated with the implementation of the program.

**Table 1: Ottawa's allocation of the 2014 Extension IAH and SIF funding: (\$,000's)**

<b>Program</b>	<b>Years 1 &amp; 2 2014-2016</b>	<b>Year 3 2016-2017</b>	<b>Year 4 2017-2018</b>	<b>Year 5 2018-2019</b>	<b>Year 6 2019-2020</b>	<b>Total</b>
IAH – 2014 Extension	14,689	9,682	9,676	9,652	4,601	48,300
SIF		11,130	8,044	To be announced	To be announced	19,174
<b>Total</b>	<b>14,689</b>	<b>20,812</b>	<b>17,720</b>	<b>9,652</b>	<b>4,601</b>	<b>67,474</b>

As with the previous IAH 2014 Extension program, this program offers five optional components within two funding streams: capital and operating. Municipal Service Managers<sup>3</sup> (MSMs) may choose to deliver all options, one option or any combination of the five (see Table 2 below). Once funding is allocated within a component, it can only be re-allocated within its component category but cannot be transferred between capital and operating streams unless approved by the Province under exceptional circumstances. Of note, IAH funding cannot be used to repair social housing under any circumstances.

**Table 2: IAH Capital and Operating Streams**

<b>Capital Components</b>	<b>Operating Components</b>
Affordable Rental Housing	Rent Supplements
Homeownership	Housing Allowances
Ontario Renovates	

Unlike the IAH 2014 Extension Program, the 2016 SIF Program Guidelines have been formulated to meet federal and provincial priorities, which are not totally aligned with MSM's 10 Year Housing and Homelessness Plans (10 Year Plan). Under the new guidelines, MSMs are required to allocate priority funding to tenants facing housing instability in social housing communities, where operating agreements and/or federal subsidies have expired prior to April 1<sup>st</sup> 2016. To that end, staff is working with those providers to determine the amount of funding, if any, needed to assist this priority group.

<sup>3</sup> Municipal Service Managers 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, Long-Term Care).

MSMs are also required to direct the remaining SIF funding to meet the housing needs of one or more of the following priorities:

- Seniors
- Persons with disabilities including adults with developmental disabilities
- Four provincial priorities for ending homelessness – Indigenous persons, the chronically homeless, youth, homelessness following transitions from provincially-funded institutions and service systems
- Construction of new affordable rental housing along existing or planned public transit corridors or for the housing component of a community hub offering educational, social services and/or health care services

The Ministry of Housing, under the IAH Municipal Service Manager Agreement, requires that the PDFP, which outlines how the funds will be used, be approved by City Council or by way of delegated authority. Staff, in consultation with stakeholders, is recommending the following distribution of funding, which will form the basis of the PDFP to the Province:

- Envelope 1 – Allocating the required funds for housing subsidies
- Envelope 2 – Allocating up to \$17.2 million (\$10,573,120 in 2016/2017 and up to \$6,642,370 in 2017/2018) for the development of approximately 130 new Affordable Rental Housing units
- Envelope 3 – Allocating up to \$2 million in 2017/2018 for the Ontario Renovates Program to assist approximately 200 households

Note: Should funding for housing subsidies be required under Envelope 1, the funds will be drawn from the capital project funding for Affordable Rental Housing (Envelope 2).

With Council approval of the new affordable rental housing component (Envelope 2), City funds from the \$6.9 million envelope would be used for the provision of conditional grants in lieu of building permits and school board fees, non-exempt planning fees, transit portion of development charges, accessibility grants and to provide a contingency fund. All Affordable Rental Housing component funding advanced is subject to a contribution agreement between the City and each housing provider/proponent selected from the Action Ottawa Selection Committee.

## **Affordable Rental Housing**

The demand for affordable, accessible and appropriate housing in communities across the country, including Ottawa, continues to exceed the supply. The generally-accepted definition of affordable housing is no more than 30% of a person's total gross income should be spent on shelter costs, including utilities and other housing-related expenses. For households on low and fixed incomes, including people who earn low wages, home ownership is often not an option and the cost of renting in the private housing market is not affordable.

Cognizant of the provincial and federal funding requirements, staff, in consultation with the sector and through data analysis, is recommending the following priority areas for Affordable Rental Housing with the SIF funding:

- Seniors
- Supportive housing for chronically homeless individuals
- Mixed composition affordable housing for vulnerable residents that meets the provincial guidelines

### **Seniors**

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, representing over 13% of the population. It is estimated that by 2031, 21% of residents will be over the age of 65.

According to the 2011 Census, many seniors living in Ottawa are reasonably secure financially, but 7% live on low income. Between 2011 and 2015, the number of senior households on the Centralized Wait List (CWL) increased from 18% of total households to 21%. The steady increase in the 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 funding requirements.

Affordable housing for older adults provides individuals and couples with a self-contained apartment style unit, but does not include a residence in a retirement home. Dwelling units provided under the IAH program may be barrier free and adaptable. Ongoing operating funding for supports is not typically provided to successful proponents. Supports may be organized by tenants and/or the housing provider to facilitate independent living and aging in place.

## **Supportive housing for chronically homeless individuals**

Increasing the supply of supportive housing is a key component of the Council-approved 10 Year Plan. The City recognizes the importance of providing a variety of supportive housing options to ensure that our most vulnerable residents receive the housing and supports they need to secure and retain a home. Last year alone, over 6,800 people stayed at an emergency shelter.

Local research shows that 12% of the longer stay shelter clients require 52% of the emergency shelter resources. Transitioning the longest stay clients with the highest needs from emergency shelters into permanent housing with supports will result in cost savings that can be reinvested in other housing and homelessness initiatives including prevention and supports.

Consistent with the objectives of our 10 Year Plan and federal and provincial funding priorities, supportive housing projects will target people experiencing homelessness with long shelter stays who require moderate to intensive supports to remain housed. However, the approval of supportive housing projects is contingent upon securing the required sustainable operating funding to ensure viability. The Province has recently committed to additional funding for supportive housing and an announcement of allocations is expected in the fall.

## **Mixed composition affordable housing for vulnerable residents**

While many Ottawa residents enjoy a good standard of living, over 100,000 residents live in poverty and as such, struggle to find affordable housing. Rising housing-related costs have a disproportionate effect on low income households, where families and individuals have to choose between heating their homes, buying groceries or paying the rent. The lack of affordable housing is one of many complex sets of factors that lead to homelessness.

The proposed mixed composition affordable housing will target the priority groups identified by the federal and provincial governments including youth, homeless individuals transitioning from provincial institutions, seniors, Indigenous people and persons living with a physical disability who can live independently but require a modified unit.

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. This priority will also provide existing social housing providers an opportunity to strengthen their portfolios and provide

increased options for households on the Centralized Waiting List and for households who are over housed and looking to remain in their community. However, unlike social housing, mixed income composition affordable housing projects do not receive ongoing operating funding.

### **Ontario Renovates**

The City's Housing Services launched the Ontario Renovates Program in April 2013 and was then extended by Council in 2015 until 2020 with a total investment of up to \$7.8 million. The original program guidelines and funding were based partially on estimated expenditures by the Canada Mortgage and Housing Corporation (CMHC) when the federal government was responsible for delivering this program, formally known as the Residential Rehabilitation Assistance Program (RRAP).

Since inception, Council had determined that this program would benefit two priority groups, namely, seniors and people with physical disabilities. Since the program began, over 165 households have been assisted, of which, 83 were seniors. Typical repairs and renovations include modifying bathrooms for wheelchair accessibility, installation of ramps and lifts, new roofs and windows as well as the replacement of furnaces. The Ontario Renovates Program in Ottawa has also been available to landlords for accessibility-related modifications to units that are rented at or below Average Market Rent (AMR). Expanding the program to permit other renovations permitted under the provincial guidelines for private landlords will assist in improving the state of the rental housing stock and will contribute to preserving the availability of the existing affordable rental housing supply that is not under the administration of the City. Landlords who receive funding under this program must maintain rents at or below the AMR for a period of 15 years.

Staff, in consultation with the sector and in accordance with provincial guidelines for Ontario Renovates, is recommending that the scope of the program be amended as follows:

- (1) Provide an increase in the maximum grant allowance for qualifying accessibility modifications from \$3500 to \$5000 per household;
- (2) Increase the maximum qualifying income guidelines for households by \$3000 to reflect increases in maximum permitted household income as issued by the province (Table 3); and
- (3) Expand the program in 2017/18 to include renovations permitted by the province, such as energy efficiency retrofits and related repairs to qualifying private and not

for profit landlords, based on selection criteria to be developed in consultation with the sector.

**Table 3: Existing and revised household income limits for Ontario Renovates**

Household size	Current Income Guideline for 2016	Revised Maximum Income Guideline for 2016
1 person	\$33,075.00	\$36,075.00
2 persons	\$41,160.00	\$44,160.00
3 persons	\$50,610.00	\$53,610.00
4 persons	\$61,320.00	\$64,320.00
5 persons	\$69,510.00	\$72,510.00
6 persons	\$78,435.00	\$81,435.00
7 or more persons	\$82,600.00	\$85,600.00

### **Conclusion**

The federal government has committed to addressing the affordable housing and homelessness issues across the country by developing a National Housing Strategy, which will include the provision of increased funding for new and existing programs and innovative initiatives. For its part, the Province has made some notable new investments and commitments for housing and homelessness programs as well as progressive policy changes to help create a more sustainable housing system.

This funding advances the priorities of our 10 Year Plan, which will provide individuals and households on low income with greater affordable housing options that are more energy efficient, safer and more accessible. Approximately 330 households will have access to new affordable housing units or much-needed repairs to their homes as a result of this new investment. It will also increase the availability of, and access to, supportive housing for our most vulnerable residents. The Housing Services Branch will report out to the public and the Ministry of Housing on the investment, as part of the 10 Year Plan Update, as required under the *Housing Services Act, 2011*, Ontario Regulation 367/11.

### **RURAL IMPLICATIONS**

The funding provided under the SIF 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 10 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 10 Year Plan since its inception, which commenced on January 1<sup>st</sup>, 2014.

In preparation for seeking Council approval of the proposed priorities and investments contained in this report, Housing Services engaged the HSWG. The feedback garnered from the group was used to formulate the recommendations in this report, which are in keeping with the funding guidelines and support the objectives of the 10 Year Plan.

## **ADVISORY COMMITTEE(S) COMMENTS**

Not applicable.

## **LEGAL IMPLICATIONS**

There are no legal impediments to the implementation of the report recommendations.

## **RISK MANAGEMENT IMPLICATIONS**

The main risks include the possible recovery of unspent funds by the Province and managing the cash flow within the timelines and milestones as prescribed by the Province. An additional risk may include 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 initiatives, in particular, the housing subsidies for households living in social housing where operating agreements and/or federal subsidies have expired. With respect to the latter, the funding is over a two year period while the housing subsidies tend to be long-term commitments. Should the SIF terminate after two years, the City would have to absorb the cost to continue to disburse the subsidies. Otherwise, the program would have to terminate, which may impact housing stability for recipient households.

Ensuring the financial viability of the development of affordable housing projects is a key component of sound project management practices. Should the \$6.9 million of City funds generated from development charges and sale of surplus residential lands which

supports the contingency fund for new affordable rental housing not be available, staff will work within actual funds received to date.

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.

## **FINANCIAL IMPLICATIONS**

There are no added costs associated with this report. The operating and capital budgets for 2016 and subsequent years will be adjusted to align with the Program Delivery and Fiscal Plan (PDFP) once approved by the Ministry of Housing.

## **ACCESSIBILITY IMPACTS**

The proposed spending plan supports the City's commitment to improve accessibility for residents living with disabilities. The projects approved pursuant to the SIF 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. New construction, whenever possible, will also include 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 recommended changes to the Ontario Renovates Program as outlined in this report will further support people living with disabilities to continue living independently.

## **ENVIRONMENTAL IMPLICATIONS**

The SIF 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 program typically exceeds building code requirements for energy efficiency and sustainability.

## **TERM OF COUNCIL PRIORITIES**

The recommendations in this report are aligned with the 2015-2018 Term of Council Strategic Plan and address Strategic Initiative #40 The 10 Year Housing and Homelessness Plan, under the Strategic Priority of Healthy and Caring Communities, specifically the Strategic Objective HC3: create new affordable housing options; ensuring access to, and availability of, a range of housing options to meet the needs of our

vulnerable residents for today and tomorrow. The recommendations in this report also support the following Strategic Priorities including:

- Sustainable Environmental Services
- Governance, Planning & Decision-Making
- Financial Sustainability

## **DISPOSITION**

Upon Council approval of the proposed priorities and investments contained in this report, the Administrator, Housing Services will approve the PDFP and submit the latter to the Ministry of Housing for approval.

Once the Ministry has approved the PDFP, Housing Services will lead a Request for Proposal (RFP) process for the available funding over two years (2016-2018) under the Action Ottawa and Social Infrastructure Fund (SIF) – Investment in Affordable Housing (IAH) Program. Following the RFP process, the selected projects will be submitted to the Province for approval and commitment. Each committed project is subject to a 35 year affordability requirements and the funding is secured by way of a mortgage on the property.

Upon Council approval, staff will implement the increase in grants and household income limits when administering the Ontario Renovates Program. The expansion of the eligible repairs for which qualifying landlords may receive a loan, such as energy efficiency retrofits and related repairs, will be completed in 2017 with input from stakeholders and in accordance with provincial guidelines.

Staff will work with social housing providers, including federal co-ops where operating agreements have expired prior to April 1<sup>st</sup>, 2016 in accordance with the SIF criteria to determine the amount of funding required. Staff will subsequently enter into agreements with these providers and affected households to provide subsidies as needed.