

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 3
OF THE REGIONAL COMMISSIONER OF COMMUNITY SERVICES,
HOUSING AND HEALTH SERVICES**

**For Consideration by
The Council of The Regional Municipality of York
on June 21, 2007**

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AFFORDABLE HOUSING PROGRAM UPDATE

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair be authorized to recommend to the Province alternative projects for funding under the Canada-Ontario Affordable Housing Program (AHP) to the Minister of Municipal Affairs and Housing (MMAH), if any of the projects currently recommended by Council are unable to meet the requirements of the program, on a timely basis, or in the event that additional funding is allocated to the Region under this program.
2. Staff report back to Committee and Council in the fall to provide a status update of all projects recommended for approval under the AHP.
3. The Commissioner of Community Services, Housing and Health Services be authorized to seek any consent, as required under the *Social Housing Reform Act 2000*, which may be required to develop any of the projects approved under the AHP.

2. PURPOSE

The purpose of this report is to request that the Regional Chair be given the authority to recommend alternative projects to the provincial Minister and that the Commissioner be given authority to seek any consents required by the Ministry for the projects to proceed.

3. BACKGROUND

At its April 2007 meeting, Council approved recommending four affordable housing projects to the MMAH for funding under the AHP, as indicated below:

1. Hesperus Fellowship Community of Ontario/Hesperus Fellowship Village (60 units).
2. Kehilla Residential Programme/The Reena Foundation (61 units).
3. Markham Interchurch Committee for Affordable Housing (MICAH)/East Markham Non-Profit Homes (120 units).
4. Mount Albert United Church/Mount Albert United Church Senior's Citizen Foundation (30 units).

As indicated in the April 2007 Council report, each of these projects face similar challenges in terms of; tight timelines to secure municipal building approvals, the need to secure appropriate financing to meet capital and operating requirements, and the need to secure substantial equity to make the projects financially feasible.

Regional staff are working with the proponents, the Province, and Canada Mortgage and Housing Corporation (CMHC) to the extent possible to assist these projects.

4. ANALYSIS AND OPTIONS

Under the terms of the AHP Agreement between the Province and CMHC all project funds must be committed and have Contribution Agreements signed by March 31, 2009. However, the Province has indicated that the Minister requires that Service Managers, including York Region, sign Contribution Agreements with proponents by August 31, 2007. Further, all units built under the Program must be completed and occupied by March 31, 2010. Although, there is some indication there is some flexibility regarding the August 31, 2007 date, the timelines to commit and complete projects remains very challenging.

4.1 Need to Prepare Alternative Approaches

If any one of the recommended AHP projects does not proceed, the Region could be in a position of losing substantial federal and provincial funds allocated for the purpose of creating much needed affordable housing in York Region.

The Region has indicated to each proponent that it must finalize its financing, equity, and land related issues by no later than November 30, 2007 in order to be considered for a funding allocation and meet timelines set out in the AHP requirements.

It is recommended that the Regional Chair be given the authority to recommend alternative projects to the provincial Minister for AHP funding. This will allow the Region the needed flexibility to re-allocate units if any of the proponents cannot demonstrate a continuing ability to participate in the development process within required timeframes, and it would enable the reallocation of any additional funding should it become available under the Program.

4.2 Possible Alternative Approaches

There are various alternative approaches available to the Region if it becomes necessary to re-allocate funds under the AHP. These could include:

- A Request for Proposal (RFP) targeted to the southern municipalities of the Region, to reflect the area of greatest affordable housing need in the Region.
- An RFP for a design-build project to be developed for Housing York Inc.
- Accelerating the development of the projects which are being investigated for Developing Opportunities for Ontario Renters (DOOR) funding as discussed in a concurrent report to Council. The DOOR funding could be allocated to other projects.

5. FINANCIAL IMPLICATIONS

The current allocation for York Region under the AHP is 370 units and approximately \$25.9 million.

In the event that any of the currently recommended proponents cannot proceed, there is a reasonable possibility that substantial federal and provincial funding allocated to the community for affordable housing development could be lost if the Region does not have the ability to recommend alternatives that are "ready to go" and Council authority to act.

There are no additional financial implications to the Region incurred by granting this authority to the Regional Chair. Council authority will be obtained in the event that any alternative projects being recommended require an additional Regional financial contribution.

6. LOCAL MUNICIPAL IMPACT

The Region could potentially lose significant funding for much needed affordable housing in its local communities if it does not have the ability to recommend alternate projects should any of the current projects not be able to meet program requirements on a timely basis.

7. CONCLUSION

The Region has recommended that four projects receive a conditional commitment of funding under the AHP. If any of these projects is unable to meet program requirements, on a timely basis, the Region could potentially lose significant federal and provincial government funding. The Region should have the ability to quickly recommend alternative projects to the Province for funding.

For more information on this report contact Sylvia Patterson, Director, Housing Services Branch in the Community Services and Housing Department.

The Senior Management Group has reviewed this report.

Respectfully submitted,

**June 18, 2007
Newmarket, Ontario**

**J. Simmons
Commissioner of Community
Services, Housing and Health
Services**

(Report No. 3 of the Commissioner of Community Services, Housing and Health Services was adopted, without amendment, by Regional Council at its meeting held on June 21, 2007.)