

Clause 17 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on September 22, 2016.

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New Funding for Affordable Housing – 2016 Social Infrastructure Fund

Committee of the Whole recommends adoption of the following recommendations contained in the report dated August 15, 2016 from the Commissioner of Community and Health Services:

1. Council approve the amended funding allocation between the Woodbridge and Unionville housing projects as per Attachment 1.
2. The Commissioner of Community and Health Services be authorized to further amend any project funding redistribution if further funding is received, and or funding timelines are altered, that prohibit Council approval in advance.
3. The Regional Clerk circulate this report to the Cities of Markham and Vaughan as it relates to development approval timeline requirements.

Report dated August 15, 2016 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council approve the amended funding allocation between the Woodbridge and Unionville housing projects as per Attachment 1.
2. The Commissioner of Community and Health Services be authorized to further amend any project funding redistribution if further funding is received, and or funding timelines are altered, that prohibit Council approval in advance.
3. The Regional Clerk circulate this report to the Cities of Markham and Vaughan as it relates to development approval timeline requirements.

2. Purpose

This report provides information about the new Ontario Social Infrastructure Fund (SIF) Program announced by the Province in June 2016. It also seeks authority for the Commissioner of Community and Health Services to amend the Program Delivery and Fiscal Plan for the purpose of receiving additional program funding should it become available and for the purpose of reallocating funds between approved projects, subject to Ministry approval.

The report also provides an update on the redistribution of funding allocations under the Investment in Affordable Housing (2014 Extension) (IAH-E) Program Delivery and Fiscal Plan that was submitted to the Ministry of Housing.

3. Background

As a joint initiative, the federal and provincial governments announced their commitment to over \$640 million for more affordable housing over three years

The federal government established the Social Infrastructure Fund as part of its March 2016 Budget. Phase one will provide funding for social infrastructure including: affordable housing; early learning and child care; cultural and recreational infrastructure; and community health centres on reserve. The housing portion of the Social Infrastructure Fund aims to improve the quality and increase the supply of affordable housing and to support economic growth across Canada.

The Province is cost-matching the increase to the Investment in Housing for Ontario Program over a three-year period, resulting in over \$640 million in new housing funding. Funding will be provided over three years (until March 31, 2019), for the following initiatives:

- Doubling of the current Investment in Affordable Housing for Ontario (2014 Extension) for two years
- Funding for the construction and renovation of affordable housing for seniors
- Funding for the renovation and retrofit of social housing
- Funding for the construction and renovation of shelters and transitional housing for survivors of domestic violence

The 2016 Social Infrastructure Fund includes the extension of the Investment in Affordable Housing Program and a Social Housing Improvement Program

This program provides federal and provincial funding to improve access to affordable housing. Through initiatives like new construction, renovation, homeownership assistance, rent supplements, shelter allowances, accessibility modifications, and accommodations for victims of family violence.

The new program includes additional funds to renovate and sustain the existing rental housing supply

The Social Housing Improvement Program is a new program focusing on renovation and retrofits of existing social housing properties. Funded social housing projects must remain affordable for a ten-year period after the repair/retrofit is complete.

Program funding is allocated on a 'use-it or lose it' basis and projects unable to meet the required deadlines will be at risk of forfeiting their funding allocation.

Both components of the 2016 Social Infrastructure Fund require that project commencement take place within 90 days of project commitment. These projects must be completed within two years of project commitment and no later than March 2019, whereas Investment in Affordable Housing projects do not have a completion date requirement.

The Region has received a notional allocation of \$23 million for the 2016 Social Infrastructure Fund

The Province has allocated York Region a total of \$23 million for both the Investment in Affordable Housing Program and the Social Housing Investment Program for the fiscal years 2016/17 and 2017/18. Funding allocations were based on: the current Investment in Affordable Housing (2014 Extension) model; each Service Manager's share of total households; and, share of households in core housing need.

Subsequent funding will be communicated in early 2017 and cannot be reallocated across fiscal years or Social Infrastructure Fund programs.

Program Delivery and Fiscal Plan have been submitted to the Ministry of Housing for approval

Based on Council authority received in June 2016, the Commissioner of Community and Health Services has entered into an Agreement with the Province to formalize its participation in the Federal/Provincial Social Infrastructure Funding Program.

By September 1, 2016, Service Managers are required to submit a Project Delivery and Fiscal Plan identifying how the annual funding allocations will be used over the two-year funding period (2016/17 and 2017/18). Project funding allocations must be committed by December 31 of each program year and project commencement must take place within 90 days. A Program Delivery and Fiscal Plan for Year One and Year Two notional allocation totaling \$23,079,000 was submitted to the Ministry of Housing for the Woodbridge and Unionville projects and for repairs to existing social housing communities.

Woodbridge and Unionville affordable housing developments are situated to receive funding should municipal approval be achieved in a timely manner

As an extension to the current Investment in Affordable Housing (2014 Extension Program), funding is allocated on a 'use-it or lose it' basis and projects unable to meet the required deadlines will be at risk of forfeiting their funding allocation.

The Woodbridge Redevelopment project is the only Regional housing development sufficiently advanced to meet the timelines to receive the 2016/17 funding. As such, \$10,306,952 was allocated to that project. It will be necessary to receive municipal approvals and commence the project prior to March 31, 2017.

The new Unionville Seniors Affordable Housing Development project schedule will position this project to meet the timing requirements for Social Infrastructure Fund Year Two funding (2017/18). The 2017/2018 Social Infrastructure Fund-Investment in Affordable Housing funding allocation of \$7,447,139 has been allocated to this project. Municipal approvals and commencement of the project must occur by March 31, 2018.

Social Housing Improvement Program (Non-Profit Capital Repairs) funding to be allocated to housing providers through a competitive process

The Social Housing Improvement Program component funding is for the year 2016/2017 only. These funds (\$5,094,118) have been allocated for housing providers, including Housing York Inc., to make improvements to their existing housing stock for projects such as:

- Window replacements
- Kitchen and bathroom replacements
- Roof repairs and replacements
- Heating system energy efficient upgrades

The Region is looking to allocate these funds across all housing providers in the Region. An open application process will be held this fall. Projects submitted from housing providers will be evaluated based on need.

A summary of the 2016 Social Infrastructure Fund Program Delivery and Fiscal Plan that identifies the Rental Housing Component, Social Housing Improvement Plan and Administration Fee allocations is included in Attachment 1.

4. Analysis and Options

In order to fully use funds, the Investment in Affordable Housing (IAH-E) Project Delivery and Fiscal Plan has been adjusted

Prior to the announcement of the new Social Infrastructure Fund, funding was allocated to specific projects through 2020. Funding was originally allocated to the Woodbridge project in years 2017/18. Woodbridge however, is the only project able to meet the stringent timelines of for the Social Infrastructure Fund- Investment in Affordable Housing 2016/2017 funding allocation.

Therefore the bulk of the funding originally allocated for Woodbridge will be redirected to support the Unionville Seniors Affordable Housing Development. Unionville was originally to be fully funded by the Region.

While the new program poses some timing challenges, the net result is new funding from senior levels of government that improve affordability for the Region, and the distinct possibility of another project coming online in the future.

In addition, if other Service Managers are unable to meet the required timeframe for their 2016/2017 allocation, the Province may reallocate funding on short notice. The Region is in a position to accept additional funding for the Woodbridge Redevelopment, should it become available.

The Investment in Affordable Housing (2014 Extension) Program Delivery and Fiscal Plan has been updated to reflect a re-allocation of funds among projects. Attachment 1 provides a summary of the funding allocation.

Link to key Council-approved plans

The Region recognizes the need for more affordable housing options and reiterates this need in the Region's strategic framework

Increasing the rental housing supply is one of the four goals outlined in the Council-approved 10-Year Housing Plan. The Social Housing Improvement Program funding being provided to housing providers to improve their existing housing stock, also supports the 10 Year Housing Plan.

5. Financial Implications

Federal/Provincial funding now available for the Unionville Seniors Affordable Housing Development project

The commitment of \$17.931 million in 2016 Social Infrastructure Fund during Fiscal Years 2016/17 and 2017/18 will result in the re-distribution of Investment in Affordable Housing (2014 Extension) funds and restore funding to reserves to make a further project possible. The additional allocation of \$5.1 million for the new Social Housing Improvement Program will allow for investment in capital repairs, retrofits and improvements across the existing housing portfolio. The \$5 million means that the Region will not have to use tax levy dollars for major repairs.

The Federal/Provincial Investment in Housing - Social Infrastructure Fund funding outlined in this report aligns with the proposed 2017 Capital Budget to develop affordable housing units in York Region, while having no direct impact on the Regional tax levy. Approximately \$17.1 million will, however, be put back into the Housing Reserve to allow for another project.

6. Local Municipal Impact

With one of the lowest vacancy rates in Ontario, the Region continues to experience a significant demand for affordable rental housing with considerable demand for units in the southern municipalities. The 2016 Social Infrastructure Fund and Social Housing Improvement programs will address this need with funding for Regionally-owned construction projects, as well as work with independent housing providers to provide new affordable housing units throughout York Region.

7. Conclusion

The Social Infrastructure Fund offers much needed and timely funding to support the Region's efforts in developing affordable housing and alleviating the social housing waitlist. The program will provide York Region with the flexibility to deliver affordable rental housing and repair and retrofit existing assets.

By providing authority to the Commissioner of Community and Health Services to reallocate funds within the program and to receive additional funding, the Region will be in a position to have their allocation increased in the event that other Service Managers are not able to meet the tight time constraints of the program.

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.

August 15, 2016

Attachment (1)

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Accessible formats or communication supports are available upon request

Table 1 shows the summary of the previous and revised allocations of Investment in Affordable Housing (2014 Extension) (IAH-E) and Investment in Affordable Housing-Social Infrastructure Fund (IAH-SIF), by project, including the Regional funding component. The new IAH-SIF funds enable the Region to invest an additional \$17 million in future affordable housing projects

Table 1
Investment in Affordable Housing Project Funding by Source

| Project | Funding Sources | Previous (\$) | Revised (\$) |
|---|---|---------------|--------------|
| Woodbridge | IAH-E | 16,067,400 | 0 |
| | IAH-SIF | N/A | 10,306,952 |
| | Regional | 30,317,600 | 36,078,048 |
| | Total | 46,385,000 | 46,385,000 |
| Unionville | IAH-E | 0 | 15,439,800 |
| | IAH-SIF | N/A | 7,447,139 |
| | Regional | 75,000,000 | 52,113,061 |
| | Total | 75,000,000 | 75,000,000 |
| Independent Non Profit Housing Provider | IAH-E | 4,172,400 | 4,800,000 |
| Non Profit Housing Capital Repairs | SHIP-SIF* | N/A | 5,094,118 |
| Administration Fee | IAH-E | 0 | 0 |
| | IAH-SIF | N/A | 230,790 |
| Total | IAH-E | 20,239,800 | 20,239,800 |
| | IAH-SIF | N/A | 23,079,000 |
| | Regional | 105,317,600 | 88,191,108 |
| | Previously Allocated Funds made available | | 17,126,492 |

* SHIP-SIF - Social Housing Improvement Program - Social Infrastructure Fund