



The Regional Municipality of Halton

Report To:	Regional Chair and Members of Regional Council
From:	Alex Sarchuk, Commissioner, Social and Community Services Art Zuidema, Commissioner, Legislative and Planning Services
Date:	June 20, 2018
Report No. - Re:	SS-18-18/LPS78-18 - Recommendation of New Affordable Housing Projects Under Senior Government Capital Programs

RECOMMENDATION

1. THAT the Commissioner of Social and Community Services be authorized to recommend a 24 unit purpose built rental project in Milton by Victoria Park Community Homes to the Minister of Housing for approval, utilizing \$2,700,000 in funding under the Investment in Affordable Housing Extension (IAH-E) Program – Year 5 for 18 of the units and \$900,000 in funding under the Home for Good Capital Component Year 2 for 6 of the units as set out in Report No. SS-18-18/LPS78-18 re: “Recommendation of New Affordable Housing Projects Under Senior Government Capital Programs”.
2. THAT the Commissioner of Social and Community Services be authorized to recommend an 83 unit purpose built rental project located in Milton by Catherton Charitable Foundation to the Minister of Housing for approval, utilizing \$1,938,665 in funding under the IAH - Social Infrastructure Fund (SIF) Rental Component Year 3 and \$900,000 in funding under the IAH-E Rental Component Year 5 and \$161,335 in Regional funding to secure 20 assisted housing units of the 83 as set out in Report No. SS-18-18/LPS-78-18.
3. THAT subject to the receipt of approval from the Minister of Housing, the Commissioner, Social and Community Services be authorized to execute the applicable program Contribution Agreements with Victoria Park Community Homes and Catherton Charitable Foundation, and any ancillary documents in a form satisfactory to the Director of Legal Services, as set out in Report No. SS-18-18/LPS78-18.
4. THAT Regional Council approve the reallocation of \$750,000 in existing IAH-E Year 5 Ontario Renovates and Homeownership funding to the IAH-E Rental stream to support 5 new units funded under the Rental component of the IAH-E as set out in Report No. SS-18-18/LPS78-18.

REPORT

Executive Summary

This report seeks Regional Council Approval to:

- Allocate \$3.6 million in funding to Victoria Park Community Homes in the Town of Milton to build 24 new assisted housing units (including 6 supportive units).
- Allocate \$3.0 million to Catherton Charitable Foundation in the Town of Milton to build 20 new assisted housing units.
- Reallocate a total of \$750,000 in existing Investment in Affordable Housing – Extension (IAH-E) funding currently in the operating budget (Home Ownership and Ontario Renovates) into the capital budget under the Rental Housing Component to fund 5 of the new units mentioned above.

Approval of this report will fully commit all Investment in Affordable Housing – Extension (IAH-E), Social Infrastructure Fund (IAH-SIF) and Home for Good Capital funding allocated to Halton Region in 2018.

The transfer of the \$750,000 from operating to capital will ensure that Halton Region retains the allocation and will minimize the Regional contribution needed to fund the two new build projects. There is sufficient funding remaining in the Ontario Renovates funding envelope to address current demand.

The Commissioner of Social and Community Services will recommend the projects to the Minister of Housing for approval once approved by Regional Council.

Background

Halton Region recently issued a Request for Expression of Interest (REOI) to gauge private/non-profit sector readiness to develop government assisted rental housing in Halton Region. This report seeks authority to approve two recommended projects for funding.

Funding both projects will result in the creation of new housing opportunities for vulnerable Halton residents. All new housing created will count towards the Comprehensive Housing Strategy (CHS) target of creating up to 900 new assisted housing opportunities over the 10-year life of the strategy.

Discussion

Approval to fund the development of 44 new assisted housing units

As per Report No. SS-13-15/LPS23-15 re: “Year 2-6 Funding Allocations under Investment in Affordable Housing for Ontario – 2014 Extension (IAH-E)” and Report No. SS-25-16 re: “Funding Allocations and Commitments under New and Existing Senior Government Housing Programs,” Halton Region has received funding allocations under a number of federal/provincial housing programs.

Available funding is time sensitive and can be used (among other housing priorities) to build new government assisted rental housing. The following capital funding needs to be fully committed by Halton Region in 2018:

Housing Program	Amount for Commitment in 2018
Investment in Affordable Housing Extension – Rental Housing Component (Year 5) <ul style="list-style-type: none">• Includes \$300,000 reallocation from Homeownership Component• Includes \$450,000 reallocation from Ontario Renovates Component	\$3,600,000
Social Infrastructure Fund (Year 3)	\$1,938,665
Home for Good Capital (Year 2)	\$900,000
Total	\$6,438,665

A Request for Expression of Interest (REOI) was issued in 2017 with the intent to gauge capacity for development of new government-assisted rental housing. This resulted in various potential proposals. To ensure timely commitment of federal/provincial funding related to 2018, the Region issued Request for Information (RFI)-005-1-18 to respondents that were evaluated as potentially able to meet all program requirements, including construction start readiness prior to April, 2019.

Regional staff have met with RFI proponents and are now recommending that program funding be used for the development of 44 new government assisted rental units in two proposed housing projects identified below:

- **Victoria Park Community Homes:** \$3,600,000 for all units in a 24-unit (all one-bedrooms) infill development at 154 Bronte Street in Milton (\$2,700,000 through the IAH-E for 18 units, and \$900,000 for 6 supportive units through the Capital Funding stream of the Home For Good program); and,
- **Catherton Charitable Foundation:** \$3,000,000 for 20 units (13-one bedrooms and 7-two bedrooms) in an 83-unit infill development at 80 Ontario Street in Milton (\$1,938,665 through the IAH-SIF, \$900,000 through IAH-E (\$150,000 in Capital and \$750,000 in Operating) and Regional funding of \$161,335 through project T7103).

In summary, \$6,600,000 is required to fund the two proposed housing projects at a cost of \$150,000 per unit. Of this amount, \$6,438,665 as identified in the above table will be

funded from the IAH Rental Housing Component, Social Infrastructure Fund, and Home for Good Capital and \$161,335 from the Region.

The reallocation of \$750,000 in IAH-E operating funding into the capital budget is comprised of the following: \$300,000 in Homeownership operating funding to the Rental Housing Component (capital), and \$450,000 in Ontario Renovates operating funding into the Rental Housing Component (capital). The approach is recommended as there is adequate operating funding allocated to Ontario Renovates to meet current demand.

Ontario Renovates funding is used to support Halton homeowners and landlords make accessibility retrofits and health and safety improvements enabling Halton residents to remain and age in their own homes. The recommended reallocation of operating funding into capital funding allows for the two recommended purpose built rental projects to proceed with minimal regional investment (\$161,355 regional investment, \$6,438, 665 provincial investment).

The Rental Housing Component of the IAH-E and SIF programs are designed to increase the affordable rental housing supply for low-income households. The rent for all 44 units will be maintained at 80% of the Canada Mortgage and Housing Corporation (CMHC) Average Market Rent, as required by the program guidelines, for an affordability period of 30 years for Victoria Park and 25 years for Catherton. All units will be made available to Halton residents of all ages, including seniors.

The Home for Good capital program is aimed at increasing the supply of supportive housing units as part of the Province's long-term goal of ending chronic homelessness. Housing assistance and support services must be linked to the tenants in these units once they are completed. All other program requirements mirror those noted for the IAH-E and SIF programs.

Potentially up to 25 units will house vulnerable Halton residents from the Halton Access to Community Housing (HATCH) waitlist. This will be confirmed closer to unit occupancy. Rents will be supplemented through the Halton Rental Assistance Program (HRAP) where needed. Another 6 units (funded through the Home for Good program) will be filled through agency referral (with provincially funded rent supplement and on-site support services). Inclusion of rent supplements will facilitate social and economic integration and help create mixed-use communities.

FINANCIAL/PROGRAM IMPLICATIONS

As outlined above, \$6.6 million has been requested to support the development of 24 purpose built rental units at Victoria Park Community Homes in Milton (\$3.6 million) and 20 out of 83 purpose built rental units at Catherton Charitable Foundation in Milton (\$3.0 million). Of the \$6.6 million, \$5.7 million will be made available in capital and the remaining \$0.9 million will be funded as a grant to Victoria Park Community Homes from Home for Good over 20 years (\$45,000/year).

As shown in Attachments #1 and #2 and below, of the \$5,538,665, \$4,788,665 represents the capital allocation of the IAH program and \$750,000 is currently allocated to the IAH-Home Ownership and IAH-E-Ontario Renovates in the operating budget. The \$750,000 will be transferred to the New Units reserve at year-end in order to finance the capital project to ensure that the funding is fully committed and is not clawed back by the Province, as it is allocated on a “use-it, or lose-it” basis.

	<u>Victoria Park</u>	<u>Catherton</u>	<u>Total</u>
Capital Funding			
IAH - Capital			
IAH-E - Rental Component	\$ 2,700,000	\$ 150,000	\$ 2,850,000
IAH-SIF - Rental Component	-	1,938,665	1,938,665
Sub-total IAH - Capital	2,700,000	2,088,665	4,788,665
IAH - Operating			
IAH-E - Home Ownership	-	350,000	350,000
IAH-E - Ontario Renovates	-	400,000	400,000
Sub-total IAH - Operating	\$ -	\$ 750,000	\$ 750,000
Sub-total - IAH Funding	<u>\$ 2,700,000</u>	<u>\$ 2,838,665</u>	<u>\$ 5,538,665</u>
Housing New Units (T7103O)	-	161,335	161,335
Total - Capital Funding	<u>2,700,000</u>	<u>3,000,000</u>	<u>5,700,000</u>
Home for Good (\$45K/year)	900,000	-	900,000
Total - Project Funding	<u>\$ 3,600,000</u>	<u>\$ 3,000,000</u>	<u>\$ 6,600,000</u>

Respectfully submitted,



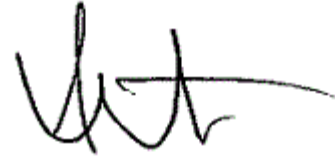
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Approved by



Jane MacCaskill
Chief Administrative Officer

If you have any questions on the content of this report,
please contact:

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Attachments: Attachment # 1 - Revised Capital Budget and Financing Plan – Victoria Park
Attachment # 2 - Revised Capital Budget and Financing Plan – Catherton