

For Information Only

Affordable Housing Update

Presented To: Community Services Committee

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Recommendation

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Finance Implications

There are no financial implications.

Background

In 2007, Council agreed to participate in the Canada-Ontario Affordable Housing Program (AHP). The municipality received senior government funding to offset costs related to the various components under the AHP. There were four basic components:

1. a capital incentive program to help build new affordable housing projects
2. a homeowner repair initiative
3. a homeownership down payment assistance program and
4. a housing allowance component making rents more affordable for low income households.

In 2009, the senior levels of government introduced a revised version of the Canada-Ontario Affordable Housing Program. This version not only included the previous program elements, it also introduced a new social housing renovation component. This initiative provided capital funding to local non-profit housing providers for needed energy upgrades and renovations.

Both the 2007 and 2009 programs have come to an end with the funding having been fully committed.

The community has benefitted from the initiatives. The results are listed below:

Capital Incentive

Four (4) new affordable housing projects received \$20.6 million resulting in the creation of 248 affordable housing units. This included a 20 unit seniors project in Capreol, an 80 unit mixed project in downtown Sudbury and a 66 unit seniors project on Copper Street. The last of these projects, an 82 unit seniors supportive housing project at the Sudbury Finnish Resthome, is currently under construction. Occupancy is

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expected later this year.

Homeowner Repair

Program funding of \$2.7 million was directed to 280 local low income homeowners to repair their homes and make them more energy efficient.

Down Payment Incentive

Thirty four (34) low income renter households took advantage of program loans totaling \$361,000 to help them purchase their first homes.

Housing Allowance

The program allowed 47 low income renter households to receive rental assistance over the last 3 years to make their rents affordable. A total of \$507,000 in rental assistance was provided over the 3 year period.

Social Housing Repair & Rehabilitation

Under this initiative, program funding of \$11.2 million was distributed to 37 local non-profit housing providers to renovate their projects and make them more energy efficient. This investment will help defer costs which would have impacted the CGS in terms of extra municipal subsidy. Within this program, a provider was able to take advantage of renewable energy technologies (solar photovoltaic) to produce electricity for their project thus reducing their operating costs. The provider is awaiting final approval from the Province to be able to sell excess electricity produced back to the energy grid.

In total the CGS received and distributed over \$35.4 million in AHP funding.

Investment in Affordable Housing for Ontario Program (IAHP)

In late August, the Province introduced the IAHP. This program, co-funded by CMHC, is expected to run until March 31, 2015.

The new program retained many elements of the previous AHP programs while introducing a few other components. The intent was to allow the Service Managers more flexibility in targeting the program dollars to those initiatives which will best address local needs.

The IAHP has 4 capital components. These include: a rental component for new construction; a homeownership initiative to help low income renter households purchase homes; a Northern repair program for low income homeowners to repair their homes (Year 1 only); and the Ontario Renovates initiative which is similar to the Northern repair but includes components of the CMHC renovation program (Years 2 to 4 of the IAHP).

There are two operating components of the IAHP. These include: a Rent Supplement initiative which is similar to the previous AHP rent assistance component; and a new Housing Allowance component which provides rental assistance directly to the low income renter rather than to the landlord.

The Ministry provided the CGS with a notional allocation of \$4,709,640 to be spent over the term of the program. As an incentive to encourage the development of affordable housing project, the Province permitted Service Managers to commit their full notional allocation in Year 1 of the program. Service Managers could also elect to target their allocation for specific years.

For the CGS, the Province advised that if the funds were not committed in Year 1, the funding would be provided as follows: Year 2 (2012-13) \$1,932,681; Year 3 (2013-14) \$1,936,141; Year 4 (2014-15) \$840,818. Funding from one year cannot be brought forward into the next.

The funding is provided on a use it or lose basis. Unused dollars in any given year will be clawed back by

the Province. Service Managers are free to top up the funding with municipal dollars.

Just as in previous AHP initiatives, the Province has provided one time administration dollars to assist Service Managers in offsetting some of the cost related to program delivery. These dollars do not extend to the full life cycle (10 or 20 year program loans to proponents) of the program. Service Managers are expected to absorb these long term costs.

Current Program Status

In September 2011, Council considered the IAHP funding options and elected to commit the full IAHP allocation (\$4.7 million) in order to support the development of an affordable seniors housing project in Walden. The project was forwarded to the Province for final funding consideration.

Provincial project approval was provided in early March 2012.

The project is being developed by Perry & Perry Developments Inc. and will be located on Hill Street in Walden. The 32 unit project will provide up to 16 supportive housing units and 16 regular seniors apartment units. The project will also include a common room and a small office.

The proponent has been in discussions with the North East LHIN to determine the feasibility of establishing a service hub at the project. The service provider located at the hub would provide services not only to project residents but to seniors in the surrounding community.

As with previous AHP initiatives, the initial rents will be set prior to occupancy. The rents will reflect 80% of the local average market rent as determined by CMHC. Future rent increases will be subject to the Provincial rent guidelines. Prospective tenants will be income tested to ensure that low income households get priority access to the units. The program does not however provide funding for on-going rent-geared-to-income assistance.

Construction is set to start this spring with occupancy expected in mid-2013.

Next Steps

Housing Services staff will work with the proponent to ensure the project meets program deadlines and funding criteria.

As part of the CGS's strategy for dealing with local housing needs, staff will also continue working with the Province regarding the use of residual AHP funding and securing any additional IAHP dollars.