

# Request for Decision City Council




Type of Decision									
Meeting Date	October 27, 2005				Report Date	October 7, 2005			
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Canada-Ontario Affordable Housing Program

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
Budget impact to be determined.	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>Whereas the Ministry of Municipal Affairs and Housing requires that municipalities provide an expression of interest to participate in the Canada-Ontario Affordable Housing Program in order to secure program funding,</p> <p>Be it resolved that Council of the City of Greater Sudbury confirms its intent to participate in the Canada-Ontario Affordable Housing Program, and</p> <p>That Housing Services is directed to work with the Ministry of Municipal Affairs and Housing to complete and execute the necessary Program agreements.</p>
Recommendation Continued

Recommended by the General Manager
 Catherine Matheson General Manager, Community Development

Recommended by the C.A.O.
 Mark Mieto Chief Administrative Officer

Date: October 7, 2005

## Report Prepared By

Denis Desmeules  
Manager, Housing Services

## Division Review

**BACKGROUND**

On April 29, 2005, Canada and Ontario signed a new Affordable Housing Program Agreement and agreed to cost matching commitments of \$301 million each over the next 5 years. The main objective of the new Canada-Ontario Affordable Housing Program (AHP) is to increase the supply of affordable housing. On August 31, 2005, the senior governments announced that they had allocated \$402 million to municipalities as a first wave of funding under the AHP. They expect that by program maturity, some 15,000 units of affordable housing will have been funded while program rent subsidies will have assisted 5,000 lower-income households.

**PROGRAM OVERVIEW**

The AHP has four main program streams. The **Affordable Urban Rental Housing** stream is intended to increase the supply of new rental housing for low-to-moderate income households. The **Affordable Home Ownership** stream hopes to ease the demand for rental housing by assisting rental households to purchase affordable homes. The **Affordable Remote Housing** stream will provide funding to create, acquire or rehabilitate through renovation, affordable rental or ownership housing. The **Housing Allowance/Rent Supplement** stream is intended as an interim measure to facilitate access to affordable rental housing for low-income households on, or eligible to be on, a social housing waiting list through housing allowances on existing vacant units.

The Province unilaterally determined which streams would apply to which municipalities and announced specific program allocations. All municipal service managers have now received an allocation of units and funding under the AHP. Allocations have been made under three program streams: Urban Rental, Remote and Housing Allowance/Rent Supplement. The Province is working on the design of the Home Ownership program and is expected to make an announcement later in the year.

The CGS was given two initial allocations under the AHP. Under the **Remote** stream, the CGS received a 210 unit allocation valued at \$4.2 million dollars. Under the **Housing Allowance** stream, the CGS was awarded \$870,000 to assist 80 households.

Eligible projects are expected to house persons on, or eligible to be on, the social housing wait list. These include the working poor, seniors, victims of domestic violence, persons with disabilities and persons with mental illness.

Funded units are required to remain affordable for a minimum of 20 years. Affordable rent levels are defined by the published CMHC average rent for the community. For example, in 2004 the CMHC average apartment rent for a one bedroom was \$529/month. The two-bedroom apartment average rent is \$655/month. Certain program streams will require rents to be lower than the average.

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Municipalities must provide AHP approved projects at a property tax rate at or below the single family residential rate. (The CGS already has such a by-law in place for new projects) The municipality is expected to deliver and administer the AHP ie. project solicitation, application review and recommendation, project oversight and on-going admin. Final project selections and approvals will rest with the Province.

Remote Stream:

Remote stream funding is based on \$20,000/unit. This funding is mainly to be used for rehabilitation and repairs to the current stock of single family dwellings. The Ministry has indicated that the creation of new rental units through new construction or the conversion of non-rental space into rental may also be considered. Funding will be paid prior to and on completion of a project. Actual funding will vary from project to project depending on the type of project, unit-size mix, construction costs and rent levels achieved, among other things.

An administration fee will be provided over and above the direct program funds. The fee is expected to help offset the eligible activities related to program delivery, project selection and on-going oversight. The admin fee for the Remote component has yet to be determined and it is not clear if the fee will cover all municipal costs.

The funding mechanism to advance program dollars has yet to be determined.

This program stream is not expected to have a significant impact on the Registry wait list.

Housing Allowance Stream:

Lower-income households on, or eligible to be on, social housing waiting list are eligible for the program.

The Program is different than the regular Rent-Geared-To-Income (RGI) programs currently being administered by Housing Services. The allowance is intended to be an interim measure while the recipient obtains suitable affordable accommodations on their own or are eventually housed in RGI housing.

Program recipients will not see their rents geared to their income. Instead they will benefit from a shallow rent subsidy provided to the landlord. The subsidy will reduce the applicant's rent obligation. The tenant will pay less but not as little as they would pay if they were in the RGI program. Program recipients will not lose their status on the CGS Registry list.

Units selected for the program will be identified through an open process. Units must rent for average market rent or less, based on CMHC data. Eligible units must also be modest in size and meet health and safety standards.

Landlord contributions ie. rent reductions, will be encouraged and will be considered in the selection process.

The program does not apply to in-situ arrangements (providing housing allowances to households in their current residence).

Program recipients will only be funded for a maximum of 5 years. After this time, the tenant will be responsible for the full market rent.

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The Province has determined a program administration fee for Service Managers. The admin fee funding is over and above the announced program dollars. Based on program formula and assuming full unit take up, the CGS would receive an annual fee of \$14,040/year. One-third of the fee will be provided at the time of Provincial recognition of municipal confirmation of program participation. The remaining two-thirds will be flowed as agreements are signed with landlords.

Of the 80 unit allocation, the Province expects that at least 8 units will be targeted to victims of domestic violence. The remainder of units can be utilized to assist applicants from the Registry wait list.

## **PROGRAM DETAILS**

The Province continues to work on the final program design and details. Full applicant eligibility criteria and program delivery requirements are unknown at this time. No application forms or details on the program funding mechanism are yet available. These items are expected to be available by year end. As a result, the municipality is only being asked for an expression of interest to participate in the program.

Further unit allocations may be possible once the new AHP is fully rolled out and the Province has analyzed municipal response to the program. Timelines for the 2<sup>nd</sup> allocation have yet to be determined.

## **ADMINISTRATION COSTS**

The Province has indicated that a program admin fee will be available. Other than for the Housing Allowance stream where a fee of \$14,000/year may be achieved, the Province has not identified the fee which will be available under the other program streams. Additional staffing resources will be required to deliver and administer the program. It is unclear at this time what administrative costs recovery will be available.

## **LOCAL PROGRAM IMPACT**

Funding from the AHP Remote stream is expected to assist 210 households to either upgrade their existing housing or obtain new affordable housing. Funding from the AHP Housing Allowance stream will make rents more affordable for 80 households. Beyond these direct impacts, the program has more general benefits.

The Housing industry is widely recognized as a significant generator of employment. The announced Program allocation has the potential to directly inject \$4.2 million dollars of federal and provincial funding into the community. These funds create additional building related expenditures and employment in the local economy.

A Region of Waterloo report recently indicated that each dwelling constructed (or substantially rehabilitated) within a community generates roughly 3 person years of employment as follows: direct impact (on site jobs/trades): 1.2 person years; indirect impact (jobs related to supplying the building industry): 1.2 person years; induced impact (jobs created in the general economy due to workers in the direct and indirect spending wages locally): 0.6 person-years. Although this is a rough average which varies depending on local economic conditions and the extent of construction activity, it does provide an indication of the leverage which the AHP program funds could generate in the community.

The social and economic impacts are expected to more than offset any potential shortfall in the Provincial program admin fee.

# Request for Decision City Council



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## Report Title

Funding for Salvation Army Emergency Shelter Services

### Policy Implication + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

There is no impact on the current budget.

Background Attached

### Recommendation

WHEREAS Salvation Army requires an enhanced allocation in 2005 to provide emergency shelter services to men over the age of 19; and

WHEREAS under expenditures in the current emergency shelter services budget are available to cover the cost of the enhanced allocation; and

WHEREAS the City ceased funding emergency shelter services provided by Inner Sight Educational Homes for males 16 to 19 years of age; and

WHEREAS the Salvation Army has agreed to provide emergency shelter services for males 16 to 19 years of age previously provided by Inner Sight Educational Homes;

☒ Recommendation Continued

### Recommended by the Department Head

*C. Matheson*

Catherine Matheson  
General Manager, Community Development

### Recommended by the C.A.O.

*Mark Mieto*

Mark Mieto  
Chief Administrative Officer

**Report Prepared By**

Deborah Tincombe  
Manager, Community Development and Social Policy

**Division Review**



Harold Duff  
Director, Social Services

BE IT THEREFORE RESOLVED that The Salvation Army receive an enhanced allocation of \$62,000 for the current budget year to provide emergency shelter services to men over the age of 19; and

THAT this allocation be funded from under expenditures in the current budget; and

THAT the General Manager of Community Development be authorized to enter into an agreement with The Salvation Army to provide emergency shelter services for males 16 to 19 years of age until December 31, 2005.

**Background**

The Salvation Army provides emergency shelter services mainly for men who are over the age of nineteen. These services are funded through the Ontario Works Hostels and Transients Program, and until December 31, 2005, the Community Placement Target Fund. A per diem of \$42.95 per person is paid through OW Hostels and Transients while the Community Placement Target Fund provides funding to offset the total operating costs that are not adequately funded by the per diem.

The 2005 current budget, and the legal agreement that was signed with The Salvation Army, allocated a total of \$283,280 payable through the per diems. It is estimated that the Salvation Army will require an additional allocation of \$62,000 for per diems for the current year. Funding for the per diems is available through under expenditures in the current budget.

The need for additional emergency shelter beds for men is believed to be the result of the continued decline in apartment vacancy rates. Strong employment growth and increased student enrollment at Greater Sudbury's post-secondary institutions and improved net migration have all contributed to a steady decline in vacancy rates. (Source: CMHC; Northern Ontario Rental Market Report 2004). In addition, Pinegate Withdrawal Management Services closed ten beds in the fall of 2004 leaving those individuals who struggle with their addictions to find alternatives supports and accommodations.

On October 5, 2005, the City ceased funding Inner Sight Educational Homes for the provision of emergency shelter services to male youth between the ages of 16 and 19. At the request of the Community Development Department, The Salvation Army has agreed to accommodate youth who require emergency shelter services until December 31, 2005 at a facility located at 261 Cedar Street. This facility closed in 2004 and has been redeployed as an emergency shelter. The main Salvation Army building located on Larch Street normally provides emergency shelter services for men over the age of 19 and is operating at capacity.

The Salvation Army has presented a proposal to provide emergency shelter services for youth from October 5 to December 31, 2005 at a cost of \$74,106. Approximately \$23,000 of the funding required to provide the service could come from a reallocation of per diem rates allocated to Inner Sight Educational Homes. The twenty percent normally contributed by the City toward the per diems will be covered through funding received from the Federal Government's National Homelessness Initiative as soon as the legal agreement is signed by the Salvation Army. Approximately \$25,000 of the funding could come from a reallocation of operating costs that were budgeted for Inner Sight and funded by the Community Placement Target Fund. The remaining \$26,106 can be provided from programs that have projected under expenditures in National Homelessness Initiative funding. This use of Federal funding to cover this cost has been approved by Service Canada and endorsed by the City's Community Advisory Committee for Homelessness Initiatives.

Following is a chart which provides the breakdown of funding for the two programs operated by The Salvation Army.

#### Salvation Army – Current Program

Total Funding Required  \$62,000	Funding Source	
	Provincial OW Hostels and Transients Program	Municipal Under expenditures in current budget
	\$49,600 ( 80%)	\$12,400 (20%)

#### Salvation Army – Emergency Shelter for Youth

Total Funding Required  \$74,106	Funding Source		
	Provincial OW Hostels and Transients Program	Federal National Homelessness Initiative	Municipal Community Placement Target Fund Reserve – Funded by one-time Provincial Funds – 100%
\$23,000	\$18,400 (80%)	\$4,600 (20%)	
\$25,000			\$25,000
\$26,106		\$26,106	